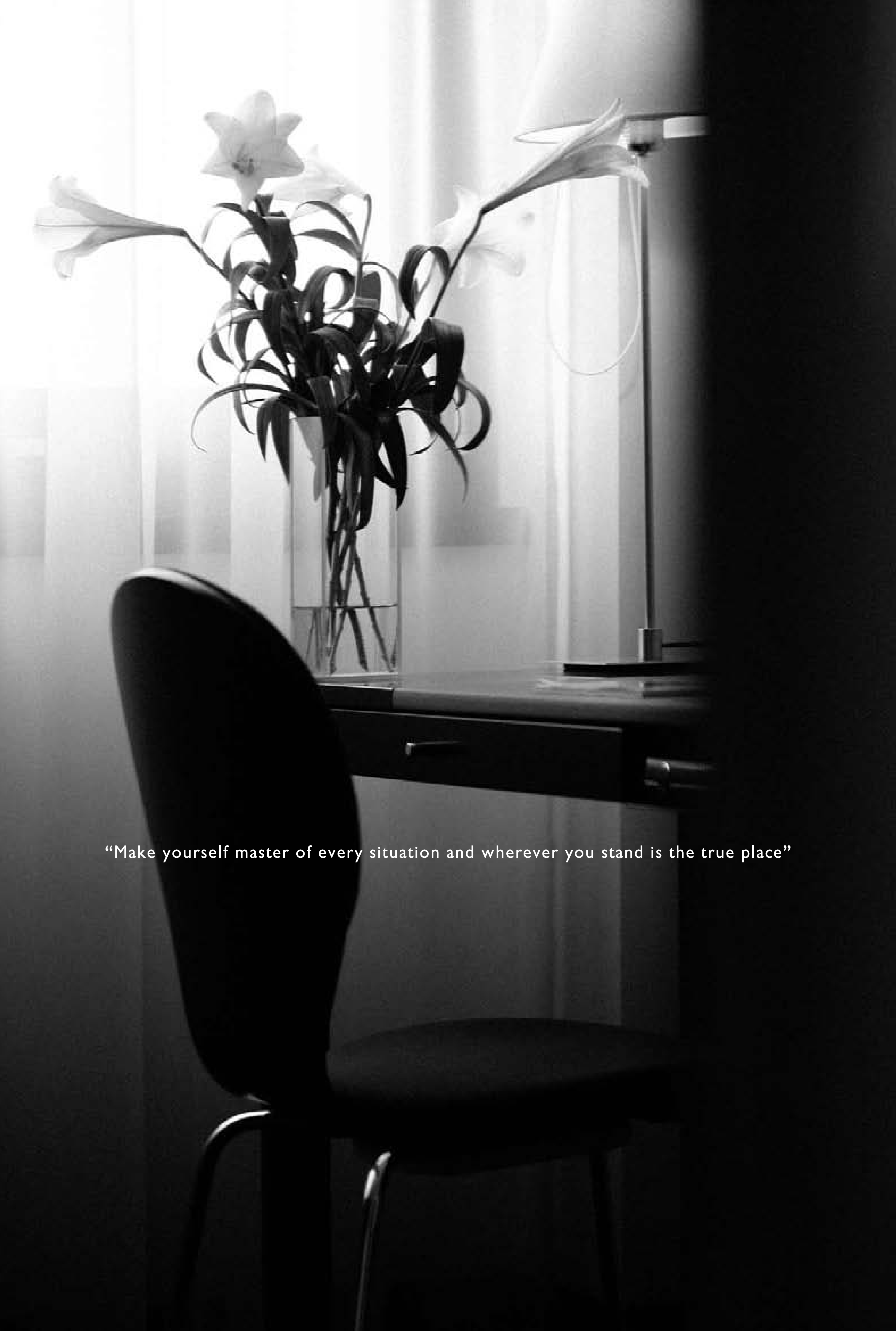
"In every way the location counts!"

Annual Report 2008

business report

UBM


"Make yourself master of every situation and wherever you stand is the true place"

Key figures

A snapshot

KEY PROFIT AND LOSS FIGURES IN € MILLION	2008	in %	2007	2006
Annual construction output	307.3	16.9	263.0	185.7
of which: international in %	85.6	+22.1PP	63.5	72.2
Earnings before interest and taxes (EBIT)	35.8	11.4	32.2	18.6
Earnings before taxes (EBT)	16.8	1.2	16.6	11.2
Profit after tax	16.2	34.5	12.0	8.6
Retained profit	3.3	0	3.3	3.0
Return on capital employed in %	6.9	+0.1PP	6.8	5.4
Return on equity in %	14.0	+2.6PP	11.4	8.9

BALANCE SHEET FIGURES IN € MILLION				
Total assets	559.4	17.0	477.9	438.3
Equity ratio as % of total assets as at 31.12.	22.0	–0.7PP	22.7	23.3
Investments	44.2	–52.6	93.0	74.9
Amortisation and depreciation	2.8	17.5	2.4	2.0

STOCK MARKET FIGURES				
Earnings per share in EUR	5.36	34.0	4.00	2.78
Dividend per share in EUR [1)]	1.10	–	1.10	1.00
Pay-out ratio in %	20.4	–25.8	27.5	36.0

1) Proposal to general meeting of shareholders

Florido Tower, Vienna, Austria

UBM Vienna, Headquarters

RECONCILIATION OF TOTAL OUTPUT (ANNUAL CONSTRUCTION OUTPUT) OF THE GROUP TO REVENUES IN CONSOLIDATED INCOME STATEMENT FOR 2008 FISCAL YEAR

At UBM we define annual construction output as being the most significant factor in describing revenues. Unlike the total output included in the consolidated income statement, this figure also includes the proportional revenues from joint ventures as well as from subsidiaries consolidated at equity and other subsidiaries. In addition, it includes changes in inventories relating to own projects as well as own work capitalised in the reporting year. The following table shows the calculation of the annual construction output for the fiscal years 2006 to 2008.

REVENUES			
in T €	**2008**	2007	2006
Total output of Group	307,342	262,960	185,714
Revenue in consolidated income statement	216,399	133,655	117,039
Difference	**90,943**	**129,305**	**68,675**
Revenues from real estate acquisitions	34,770	3,690	10,742
Changes in inventory of own projects in prior year	16,089	16,372	2,568
Revenues from participations consolidated at equity or which are of minor importance	39,868	108,845	54,168
Own work capitalised	216	398	1,197
	90,943	**129,305**	**68,675**

Range of Services

UBM Group

ACQUISITION OF LAND
Search, analysis, lease, buy

STUDIES
Market studies, feasibility studies, project studies,

FINANCING & LEGAL
Financing models, special financing, tax models, company law concepts

APPROVAL PROCEDURES
Zoning, demolition approvals, construction permits, utilisation permits

PLANNING
Submission planning, execution planning, structural engineering, general planning

CONSTRUCTION SERVICES
Construction management, general contractor, master contractor, developer

COMMERCIALISATION
Leasing, sale

PROPERTY MANAGEMENT
Commercial property administration, optimisation of operating costs

FACILITY MANAGEMENT

CENTRE MANAGEMENT
Marketing, PR, floor-space management, tenant service

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businessreport/08

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Karl Bier

Heribert Smolé

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Martin Löcker

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status report

“To be content with our own is the greatest and most certain wealth of all.”
(Marcus Tullius Cicero)

DEAR SHAREHOLDERS,
2008 was a year marked by negative headlines, but the general economic conditions have yet to unleash their force on UBM. In spite of the difficult business environment and contrary to the overall trend of receding earnings, UBM managed to generate a new record output. With annual construction output reaching approximately €307.3 million we again succeeded in beating last year‘s performance and chalked up another record in the company‘s history. Earnings before tax (EBT) were also raised by €0.2 million in comparison to the previous year, and totalled €16.8 million.

The main contributors to this outstanding result in 2008 were the countries of Poland and Germany. The key factors in Poland included the sale of Hotel „andel’s“ in Krakow as well as general contractor services for the „Poleczki Park“ multi-functional building complex and for various hotels („andel’s“ in Lodz, „angelo“ in Katowice and „Park Inn“ in Krakow). In Germany, the main projects were Hotel „andel’s“ in Berlin and „angelo“ in Munich as well as residential sales in the Bergmannstraße and Riem projects in Munich.

But many other projects boosted the company‘s performance in 2008, in addition to these construction projects. First and foremost we should mention the hotels in the „angelo“ chain, in Pilsen, Munich and Bucharest among others, which were successfully implemented. Yet it was not just this segment of our business that proved lucrative: the logistics business (Regensdorf in Switzerland and Chitila in Romania) also made a solid contribution to the positive figures. Furthermore, the Neue Mitte Lehen project in Salzburg coupled with sales within the „andel’s Residences“ project and the sale of the last third of phases 1-4 in the Andel City project helped the company put in a strong performance. You can find more detailed information regarding these projects on pages 23-37.

In view of the economic conditions we are cautiously optimistic about the future but do have our reservations. Although the 2008 crisis has yet to be reflected in our books, it is unlikely that we will be able to elude the general developments in the economy in 2009. Consequently, we expect that the looming recession will result in a slight downturn in sales revenue and earnings. Nonetheless, we remain true to our growth strategy and for 2009 plan to conclude projects such as the hotel on Hessenplatz in Linz, Hotel „andel’s“ in Berlin, „Park Inn“ hotel in Krakow, „andel’s“ in Lodz as well as the „Chitila“ logistics centre in Romania. In addition to this we are continuing to drive our other projects, with the focus in 2009 primarily being Poland (Hotel „angelo“ in Katowice and „Poleczki Park“) and Germany (residential projects in Munich).

We would like to take this opportunity to thank you, our shareholders, business partners and staff, for your trust, your loyalty and your cooperation. We hope that next year we will once again be able to conquer the great challenges facing UBM together, and continue down our successful path.

Karl Bier (Chairman)	Peter Maitz	Heribert Smolé	Martin Löcker

Company bodies

MANAGING BOARD

Karl Bier

KARL BIER, Chairman of the Managing Board

Degree in law, tax specialist; general manager of several project companies, member of UBM AG Managing Board since 1992. Responsible for the development and expansion of project development in Austria as well as in the Czech Republic (since 1993), Hungary (since 1994), Poland (since 1995), Germany and Slovakia (since 2003) as well as Croatia (since 2005) and Romania (since 2006).

Peter Maitz

PETER MAITZ

Studied construction engineering in Graz; joined Porr in 1972, management of many projects in Austria, Hungary, Iran and Algeria from 1972 to 1986. Technical manager of various project companies in Austria and abroad since 1985. Member of Managing Board at UBM AG since 1992.

Heribert Smolé

HERIBERT SMOLÉ

Joined the Porr Group in 1973. head of department for commercial administration of investments from 1985; joint signatory (Gesamtprokurist) of UBM AG from 1990, general manager of various companies of UBM Group. Member of Managing Board at UBM AG since 1997.

Martin Löcker

MARTIN LÖCKER

Studied industrial engineering and construction at the Technical University in Graz; postgraduate studies in real estate economics at the European Business School in Munich; joined the Porr Group in 2001. Responsible for the technical management of commercial real estate in Germany, managing director of project companies abroad.

status report

SUPERVISORY BOARD

Horst Pöchhacker, Chairman (from 18.04.08)
Dr. Peter Weber, Deputy chairman (from 18.04.08)
Dr. Bruno Ettenauer
Wolfhard Fromwald
Wolfgang Hesoun (ab 18.04.08)
Dr. Walter Lederer
Iris Ortner-Winischhofer
Dr. Johannes Pepelnik
Dr. Siegfried Sellitsch, Vorsitzender (bis 18.04.08)

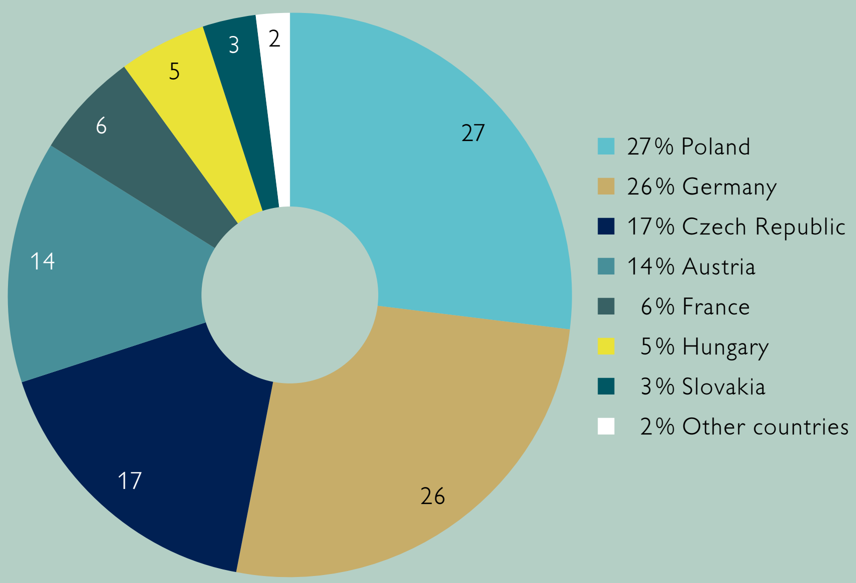
Confident in a future of partnerships

People need land. People need a roof over their heads. And people need a reliable partner who can make all this happen. For more than 136 years the UBM Group has been making every effort to support people in fulfilling their dreams. Initially, just by manufacturing the best construction materials for them. Today, the focus of our company lies in the development, leasing and sale of real estate throughout Europe. Especially in the countries of Central, Eastern and South-eastern Europe we deploy our many years of experience in the field of real estate development and consulting. Here we act as a developer as well as a general contractor. Professional investors rely on us in particular, appreciating the advantages of having a single partner for the different tasks and regions within their real estate activities. The confidence of shareholders in the safety of real estate investments is based on the „real values" behind such investments. We at UBM lay considerable emphasis on this trust in our corporate philosophy. Our broadly based involvement on various European markets and sectors minimises the corporate risk. Thanks to our profound market knowledge we are able to determine the optimal sales time for properties. And last but not least, the various positions we occupy in the value-added chain, for example project developer, lessor or property manager, enable us to react flexibly to changes in market conditions.

Our growth during the last 136 years has also led to a change in our customers. Today our customers include real estate funds or international hotel chains, for whom we construct buildings in accordance with specific instructions. Such custom-made real properties achieve significantly higher returns than an investment in existing real estate. The strict requirements and the many years of expertise on our European home markets constitute a solid basis for prudent expansion into the booming markets of our common Europe.

Steady expansion for lasting success

ANNUAL CONSTRUCTION OUTPUT 2008
By country (in %)



UBM's main talent is skilfully being able to make the most of the permanent changes in the world. Thus today, UBM stands for unlimited growth. This conceals a well-founded concept: the strategic focus of the UBM Group is designed in a way that enables us to cross both geographical and operating boundaries. Since the beginning of the 1990s we have had opportunities open up for growth in North-eastern and South-eastern Europe. Through this and with the corresponding expertise to take advantage of these opportunities we have become what we are today: an international specialist in all fields of real estate development and management.

We increasingly consider the countries of Central and Eastern Europe to be our home market, in addition to Austria. The many successfully completed projects have resulted in years of experience, which long before the expansion of the European Union enabled us to be engaged in the Czech Republic, Poland, Hungary and Slovakia. From the capitals of these countries we strengthened our scope of operations and managed to reinforce our market presence in Romania, Bulgaria, Croatia, as well as in Russia in 2008. We are also successfully active with our own companies in Germany, France and Switzerland. In accordance with our forward-facing business strategy we set no geographic limits to the expansion of our market presence in principle, and are therefore permanently on the lookout for new market opportunities. In the medium term we therefore also want to play an active role in the markets of Italy, Serbia, Slovenia and Ukraine.

Our greatest strength is our diversity

COMPREHENSIVE RANGE OF SERVICES

The following overview of our products and services proves that UBM is a competent partner in all areas of the real estate business:

REAL ESTATE DEVELOPMENT / PROJECT IMPLEMENTATION				
Market and real estate appraisal	Land acquisition, construction	Operation, utilisation	Marketing & Sales	Service
Market observation Market appraisal Dialogue with real estate users and potential development partners Cash flow analysis for potential projects	Compilation of property studies Acquisition of land Acquisition of construction permits Contracting Preparation of financing model Construction and handover to user	Asset management Facility management Leasing organisation Support due diligence Activities for long-term investors Contracting with long-term investors	Continuous evaluation Activities of long-term investors Continuous dialogue with long-term investors Evaluation of yield developments in core and target markets	Facility management Maintenance management of real estate Fulfilment of warranty services

SECTORAL DIVERSIFICATION

Each market has its own dynamics and UBM has not only many years of experience but also the sensitivity to grasp the changes in its markets at the right time. Our diverse geographic presence enables us to compensate for local differences in demand.

In addition, UBM also uses the differing developments of sectoral cycles to ensure the course of business is as continuous as possible. Thus depending on the market environment, not only residential and office properties are built but also complex hotel facilities, shopping centres and logistics buildings. Apart from our experience we are assisted by detailed market analyses in making decisions on a sound basis. Timing is crucial here: this is what determines whether a transaction will be a success or a failure. Our profound know-how enables us to recognise trends at an early stage, and therefore avoid taking risks.

REAL ESTATE PORTFOLIO

Experience is the foundation on which UBM has built up its broad field of activities. And it is this very diversity transcending our business which helps us to compensate for fluctuations in specific projects. For example, the rental income from our real estate portfolio compensates for fluctuations in real estate development. With this portfolio, which we have built up over many decades, we do not just target the goal of rental income: it also enables us to make an optimal choice as to when we sell properties. In terms of total land area the UBM Group has real estate of more than 1.5 million m^2. These properties are spread throughout Europe. Approximately 75% thereof are held abroad and are a major factor in our strategic market development. Approximately 360,000 m^2 of our real estate holdings are leased out, and break down roughly as follows: 30% offices, 18% commercial and 3% residential properties. 49% of the total space is linked to hotels.

SAFE INVESTMENT

The success of UBM is attributable to its prudent and far-sighted management. This enables us to offer safe investments for our shareholders through measured expansion and risk diversification. As a result we have succeeded in growing continuously during the difficult economic conditions of the past year and in maintaining a positive dividend policy. With a view to safeguarding liquidity the dividend proposal for 2008 amounts to €1.10, the same as last year.

Our projects continue to grow

CURRENT PROJECTS AND THOSE COMPLETED IN REPORTING YEAR

	Location	Start of construction	Completion
CZECH REPUBLIC			
Hotel “angelo”, Pilsen	Pilsen	2007	2008
POLAND			
“Oaza Park” residential park	Warsaw	2009	2014
Park Inn Hotel Krakau	Krakow	2008	2009
Poleczki Park – 1st phase	Warsaw	2008	2010
Hotel “angelo”, Katowice	Katowice	2008	2009
Bielany residential real estate	Wroclaw	2008	2010
SLOVAKIA			
Koliba Hill residential real estate	Bratislava	2009	2011
GERMANY			
Residential area Riem WA 14, phase 3	Munich	2008	2010
Marianne elf, Parkstadt Schwabing – phase 2	Munich	2008	2010
“angelo” hotel project Munich	Munich	2007	2008
“andel’s” hotel project Berlin	Berlin	2007	2009
Office building Destouchesstraße	Munich	2008	2009
ROMANIA			
Chitila logistics centre, phases 1+2	Bucharest	2007	2009
AUSTRIA			
Neue Mitte Lehen	Salzburg	2006	2009
Office building, Brehmstraße, BT C	Vienna	2006	2009
3* hotel, “Park Inn”	Linz	2007	2009
SWITZERLAND			
Logistics centre, Regensdorf near Zurich	Regensdorf	2007	2008
RUSSIA			
Airport Center St. Petersburg – phase 1 St. Petersburg	St. Petersburg	2008	2010

share report

UBM shares

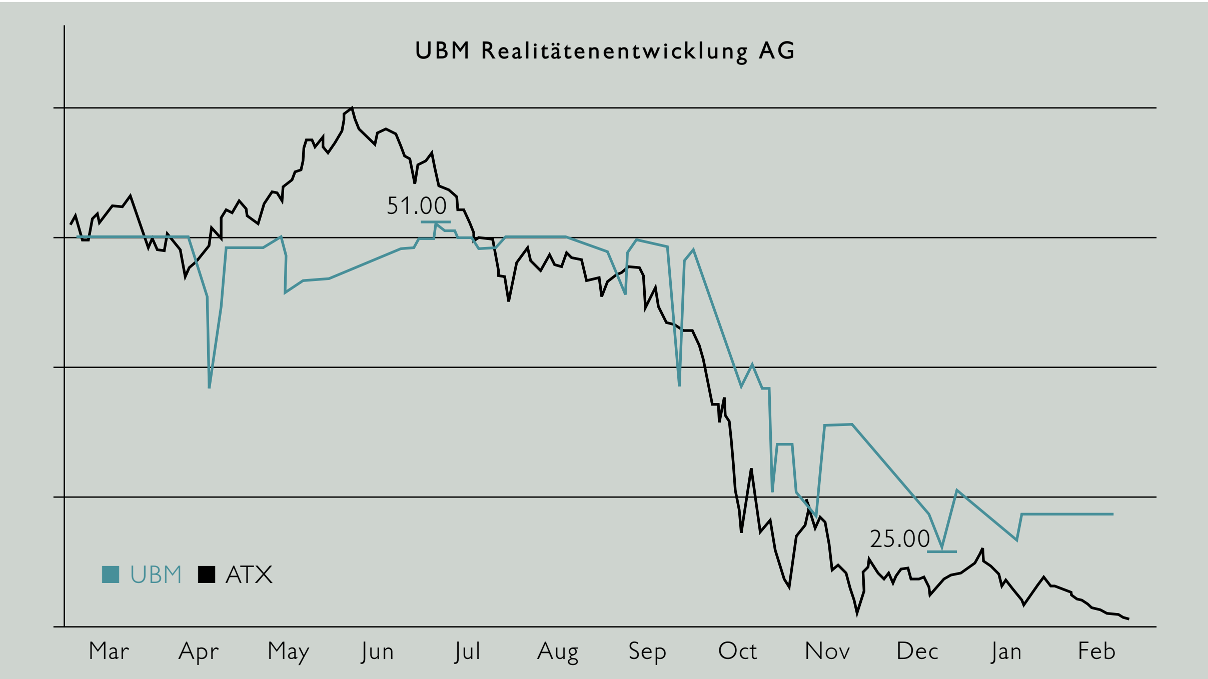
DEVELOPMENT OF INTERNATIONAL STOCK MARKETS

The 2008 stock exchange year has left its mark. You have to get your binoculars out to look back and find a year that was similarly poor to this one. The dark clouds had been gathering for some time: the subprime crisis reared its head back in 2007 and although the implications back then were still unknown and still awaited us, they unfolded with a vengeance in 2008. The extreme uncertainty was fuelled above all by the insolvency of various large banking institutions and insurance companies, creating panic-driven chaos on the stock markets. Many governments felt compelled to calm the market down, which prompted them to put economic stimulus packages together and make vast sums of money available for the financial market and the economy as a whole. These developments had dramatic implications the world over: in New York, Tokyo, Frankfurt, Moscow and Hong Kong (i.e. all of the main stock markets) share prices nosedived at breathtaking speed in 2008. While most of the indices managed to post gains once more in the closing trading days of the crisis-hit year, the annual figures speak for themselves: compared to the previous year the DAX lost approximately 40% and the Dow Jones almost 34% (the worst year since 1931). The Japanese Nikkei index also chalked up an annual loss of 42% (which is the worst performance ever by the Nikkei), but it was still beaten by share prices in China: the Chinese Shanghai Composite index posted a loss of 65%, its steepest decline of all time. But the absolute negative record goes to Russia, where the leading index plunged by 72% over the year.

DEVELOPMENTS ON THE VIENNA STOCK EXCHANGE

The Vienna Stock Exchange was unable to escape the international developments either: after many exceedingly successful years all of the key market indicators dipped in 2008 under the influence of the financial crisis emanating from the US subprime market. The ATX for example recorded a year-on-year loss of more than 60%, the greatest ever since the ATX was introduced 18 years ago. On 23 December it closed at 1,725.89 points. Market capitalisation sank in 2008 from €157.9 billion to €51.4 billion. The average monthly trading figures contracted in 2008 as well, from €14.7 billion to roughly €12 billion, but thanks to an increasing number of transactions they did not suffer as much as share prices. The main focal point for the coming year is the close cooperation with the stock exchanges in Budapest, Ljubljana and Prague, since the Vienna Stock Exchange acquired majority interests in all three neighbouring markets in the course of 2008. The primary objective in this context is to increase international awareness of this region of the capital market among institutional investors, and boost liquidity on the regional stock exchanges.

PERFORMANCE OF UBM SHARES



Unfortunately, the trend in the UBM share price was also influenced in 2008 by the international crisis sentiment. The mood in the first half of the year was relatively upbeat on the whole, with the annual peak coming in June at 51. But the tables soon turned and the second six months bore witness to almost nothing but losses. The share price bottomed out in December at 25. Looking forward, however, there appears to be a modest upwards trend forming, which definitely instils confidence for the future, though the low volatility still influences the share price even with minimal trading.

STOCK MARKET FIGURES IN €

	2008	2007	2006	2005
Price as at 31.12.	30.00	50.00	43.50	42.00
High	51.00	53.00	55.00	50.00
Low	25.00	43.50	40.51	28.30
Earnings per share	5.36	4.00	2.78	2.83
Dividend per share	1.10	1.10	1.00	0.90
P/E as at 31.12.	5.60	12.50	15.65	14.84
Dividend yield as at 31.12. in %	3.67	2.20	2.30	2.14
Total shareholder return in %	–36.33	17.14	5.87	51.08
Market capitalisation in € million	90.0	150.00	130.50	126.00
Pay-out ratio in %	20.4	27.50	36.00	31.80

Hotel angelo, Munich
Germany

INVESTOR RELATIONS

UBM has been listed in Vienna since 1873 and thus numbers among the oldest Austrian companies on the stock exchange. The 3,000,000 ordinary shares are traded in the „Standard Market Auction“ segment of the Vienna stock exchange, where prices are determined each day at 12.30 based on the principle of maximising executions. Market capitalisation at 2008 year-end totalled €90.0 million and is thus 40% lower than in the previous year (corresponding figure: €150.0 million). The UBM shares are included in the Vienna share index (WBI) with an index weighting of 0.19% (as of 31.12.2008), which as an overall index reflects the performance of the Austrian stock market.

In addition to the half-yearly and the annual financial reports, UBM also informs its shareholders about business at UBM in detailed interim reports. Detailed information on building projects, current plans and press releases along with the current share price can also be found on the website: **www.ubm.at.**

DIVIDEND PROPOSAL

For the fiscal year 2008 the Managing Board proposes a dividend of €1.10 per share to the general meeting of shareholders.

ADHERENCE TO AUSTRIAN COMPLIANCE REGULATION

To prevent the misuse of insider information, the Regulation on Compliance for Issuers (ECV) of the Austrian Financial Market Authority entered into force on 1 April 2002, and was revised in 2007. In fulfilment of the Stock Exchange Act and the ECV 2007, UBM issued a Compliance Regulation that took effect in November 2007. This guideline governs the forwarding of information within the company and the measures to monitor internal and external information flows, to prevent misuse. The objective here is to educate employees, statutory bodies and advisers as well as all other individuals working for UBM about the ban enshrined in law regarding use of insider information. Eight permanent fields were defined at UBM which are subject to confidentiality.

Moreover, in agreement with the Managing Board the Compliance Officer designates temporary areas of confidentiality for internal and external project members, who have access to insider information (compiling business reports, quarterly reports, etc.). In addition to monitoring adherence to the regulation, the Compliance Officer is also responsible for the relevant training of staff as well as keeping an insider record. Explicit freeze periods and trading bans for UBM shares are designed to prevent the misuse of insider information.

CORPORATE GOVERNANCE

To date, UBM has made no specific commitment to comply with the Austrian Corporate Governance Code. Regardless of this, all legal conditions and most of the “comply or explain” rules are met.

financial calendar

FINANCIAL CALENDAR 2009

Publication of 2008 Annual Report/Business Report	23.03.2009
128th AGM	15.04.2009
Dividend payment date	20.04.2009
Interim report on 2009	12.05.2009
Half-year financial report 2009	28.08.2009
Interim report on 2009 Q3	11.11.2009

SHAREHOLDER STRUCTURE OF UBM AG IN %

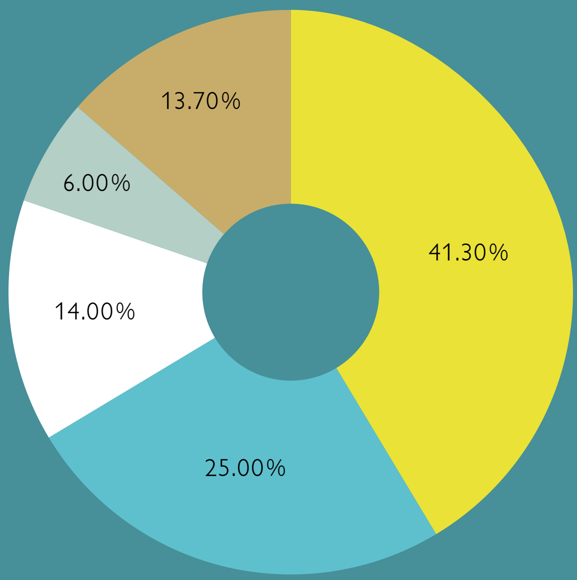
41.30% Allgemeine Baugesellschaft A. Porr Aktiengesellschaft

25.00% + 4 shares CA Immo International Beteiligungsverwaltungs GmbH

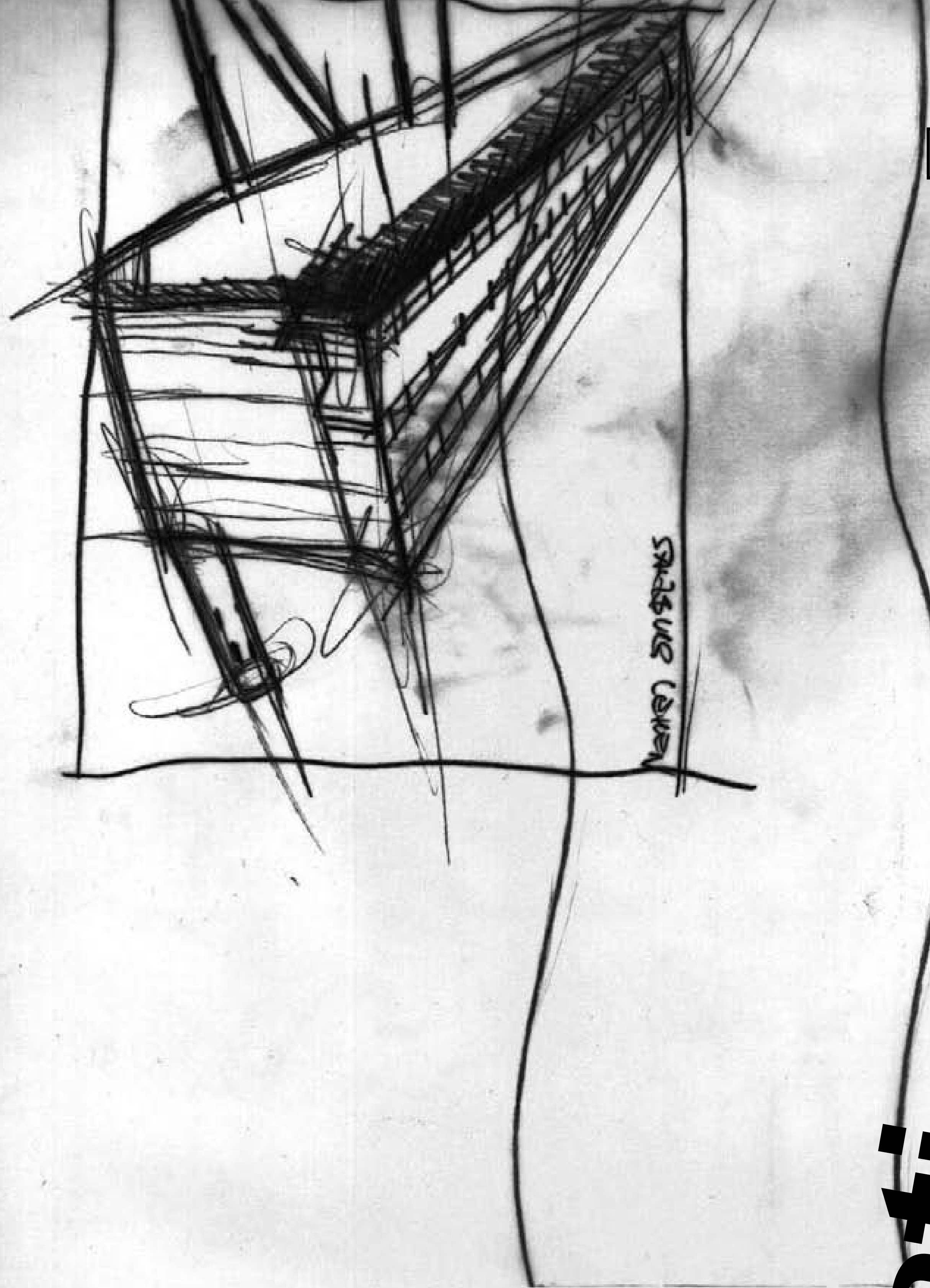
approx. 14.00% Amber Private Foundation, Bocca Private Foundation, Georg Folian, Dr. Franz Jurkowitsch

6.00% Ortner Ges.m.b.H.

13.70% Free float



operations outline



Andel City: City of Angels

Among other things the word „Andel“ may refer to a salt marsh, part of the town of Bernkastel-Kues in Germany, the Czech astronomer Karel Anděl (1884–1947), a lunar crater, a commune in Brittany in France, a town in the municipality of Woudrichen in the Netherlands and a metro station in Prague, „Anděl“. „Anděl“ means angel in Czech and is also the name of the completely new quarter of the city that has arisen in part of the Prague district of Smichov. It is an overall concept that reflects all of the forward-facing projects of UBM. Here, everything co-exists with everything else: hotels, apartments, houses, leisure and shopping centres as well as office buildings.

Originally rural, the district of Smichov which lies close to the centre of Prague was caught up in the industrial boom during the first half of the 19th century. In addition to many textile companies, the well-known Ringhoffer tram factory was also built there. In the 1980s, the factory was finally moved to the edge of the city, which created a fundamental problem: this part of the city had to be completely redeveloped and UBM proved to be more than up to the task. In 1994 UBM acquired around 25,000 m² of the former factory land, to be prepared for the construction boom upon EU accession. Under the brand name of „Andel City“, the former industrial land first accommodated Hotel „andel’s“ (2002), followed by the first office phase (2002), a Village Cinemas Multiplex (2002) and a building with 51 executive apartments (2004). UBM also built a 9,000 m² office building for the pharmaceutical company Pfizer. Based on the major success of the Andel City Residence with 97 freehold flats, construction began in 2004 Q4 with another such development (Andel City Residence II), which was completed in 2007. Two further office projects and a second hotel have also been built. The latter is known as „Hotel Angelo“ and opened its doors on 12 June 2006. The first office phase was sold in October 2007 and April 2008.

Today, Andel City is so well known that this part of the city has now been given its own entry in the English version of Wikipedia, the online encyclopaedia. Here you can also find out where the name actually comes from: In the 19th century there was a pub in this district called the „Golden Angel“. The name originated from the fact that there was a statue of an angel right in front of the pub.

DATA AND FACTS

Hotel „andel’s“
- Total area: 15,000 m²
- 231 rooms + 8 suites over 5 floors
- 350 m² conference room
- restaurant, bar, fitness room

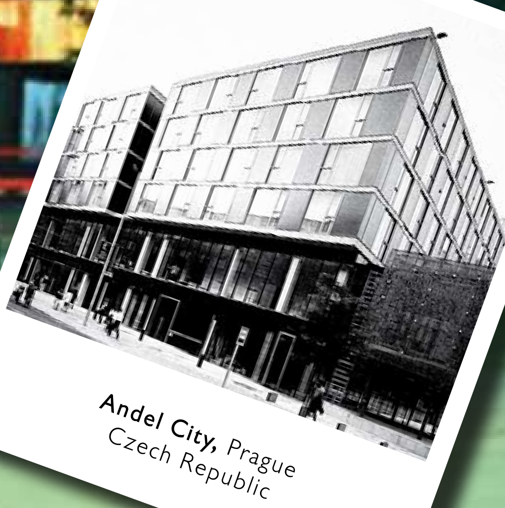
Boarding House „andel’s Suites“
- 7 floors
- 22 studios, 40 m² each
- 18 single-room apartments
- 5 maisonettes for one person each
- 4 maisonettes for two persons each
- 2 roof apartments with terrace

Pfizer headquarters
- Total area: 9,073 m²
- 6 floors

Hotel „angelo“
- 168 rooms
- including 5 suites with roof terrace
- Executive Area on 6th and 7th floors
- restaurant, bar, conference rooms

Andel City – Phase 1
- 14,027 m² office area
- Multiplex Kino
- Shopping-Mall

Andel City, Prague
Czech Republic



Andel City, Prague
Czech Republic

operations map

always there for you

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www.ubm.at

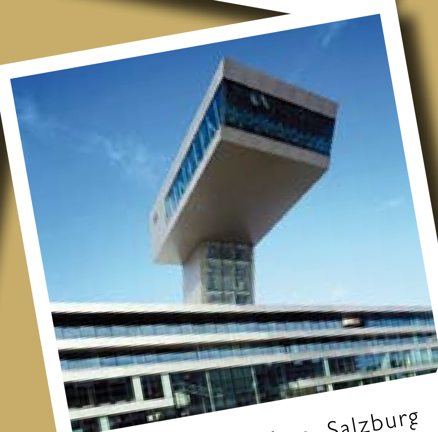
UBM Vienna,
Headquarters

Andel's Hotel, Krakow
Poland

Neue Mitte Lehen, Salzburg
Austria

Andel City, Prague
Czech Republic

Hotel angelo, Munich
Germany



Neue Mitte Lehen, Salzburg
Austria

Andel's Hotel, Krakow
Poland

Hotel angelo, Pilsen
Czech Republic

Chitila logistics centre, Bucharest
Romania

Andel City, Prague
Czech Republic

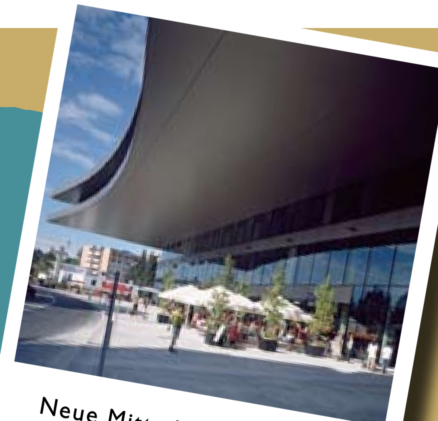
Our growth markets are exactly where they need to be to promise **success.**

- Countries in which UBM already operates
- Countries in which projects are in the pipeline
- Countries under close observation

A	Austria
BG	Bulgaria
CH	Switzerland
CZ	Czech Republic
D	Germany
F	France
H	Hungary
UA	Ukraine
HR	Croatia
I	Italy
PL	Poland
RO	Romania
RU	Russia
SCG	Serbia
SLO	Slovenia
SK	Slovakia

position

And **this** is where we want to be with our projects.



Neue Mitte Lehen, Salzburg
Austria

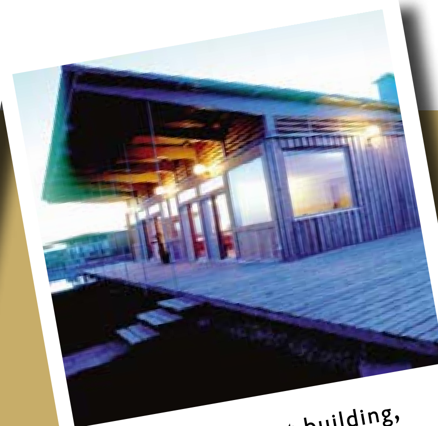
Logistics centre, Regensdorf
Switzerland

Hotel angelo, Pilsen
Czech Republic

plan

Florido Tower, Vienna, Austria

Logistics centre, Regensdorf Switzerland

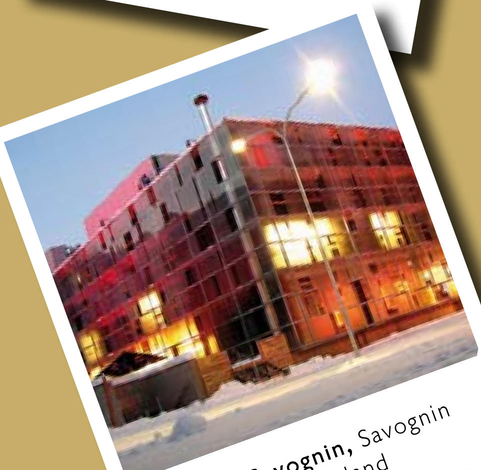


Jois apartment building, Neusiedler See, Austria

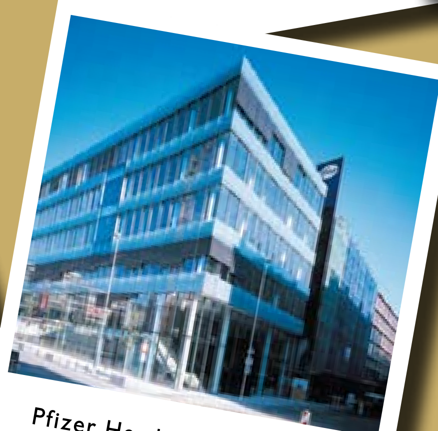
„Griffin House“, Warsaw Poland

Warschau Tower, Warsaw Poland

Marne-La-Vallee, Disneyland Paris France



Cube Savognin, Savognin Switzerland



Pfizer Headquarters, Prague Czech Republic

Radisson SAS Hotel, Krakow Poland

Andel's Krakow

Poland's first design hotel opened its doors on 1 June 2007.
andel's Hotel Krakow was designed by the famous architect duo of Jestico + Whiles, who have already demonstrated what they are capable of in many projects, including andel's Hotel Prague which opened in 2002 and has proved to be a huge success. The new 4-star hotel in Krakow, which followed on from the Prague project, was constructed in only 14 months. The contractor of the hotel was UBX Krakow Sp. z o.o. (a jointly-managed company of UBM and Warimpex), while the hotel is run by Vienna International Hotels & Resorts.
The hotel is situated in the centre of the world-famous old town, only 100 m from the main railway station. Being located in the vicinity of the train station has proved to be particularly beneficial since it has enabled the hotel to contribute to the further development of the city. There are also close links to the airport, with the express train taking you to Balice Airport in only 12 minutes. What is more, one of the most modern shopping centres in Krakow is situated just beside the hotel. The hotel was sold in March 2008.

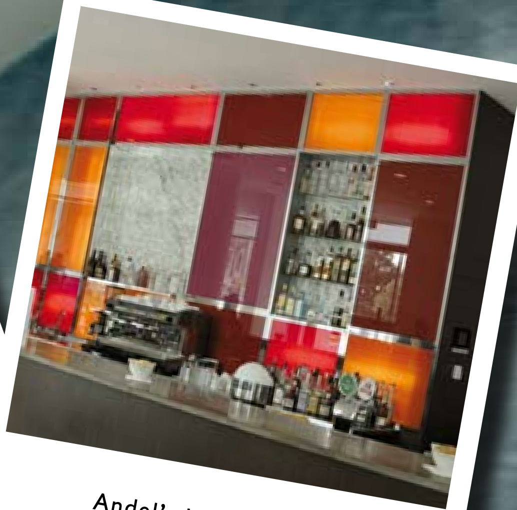
KRAKOW: where holiday tourists and business travellers meet
The city of Krakow with its 1 million inhabitants is not only one of the leading economic centres in Poland but it is also the Polish city most visited by tourists. Krakow does what only a few cities can and that is attract both business travellers and tourists alike. This guarantees the continuous utilisation of facilities and therefore a successful investment. The city welcomes more than 5 million visitors every year and with the cheap flights from Western Europe the number of tourists is rising, especially from the United Kingdom and Ireland. So tourism is booming, and there is certainly more potential to be tapped in the future, not least with the forthcoming European Football Championships to be held jointly by Poland and Ukraine in 2012.

ROOMS AND FURNISHINGS

**159 rooms in total, incl. apartments, 1 senior suite, 4 junior suites,
1 room for disabled guests; the majority of the rooms are non-smoking**

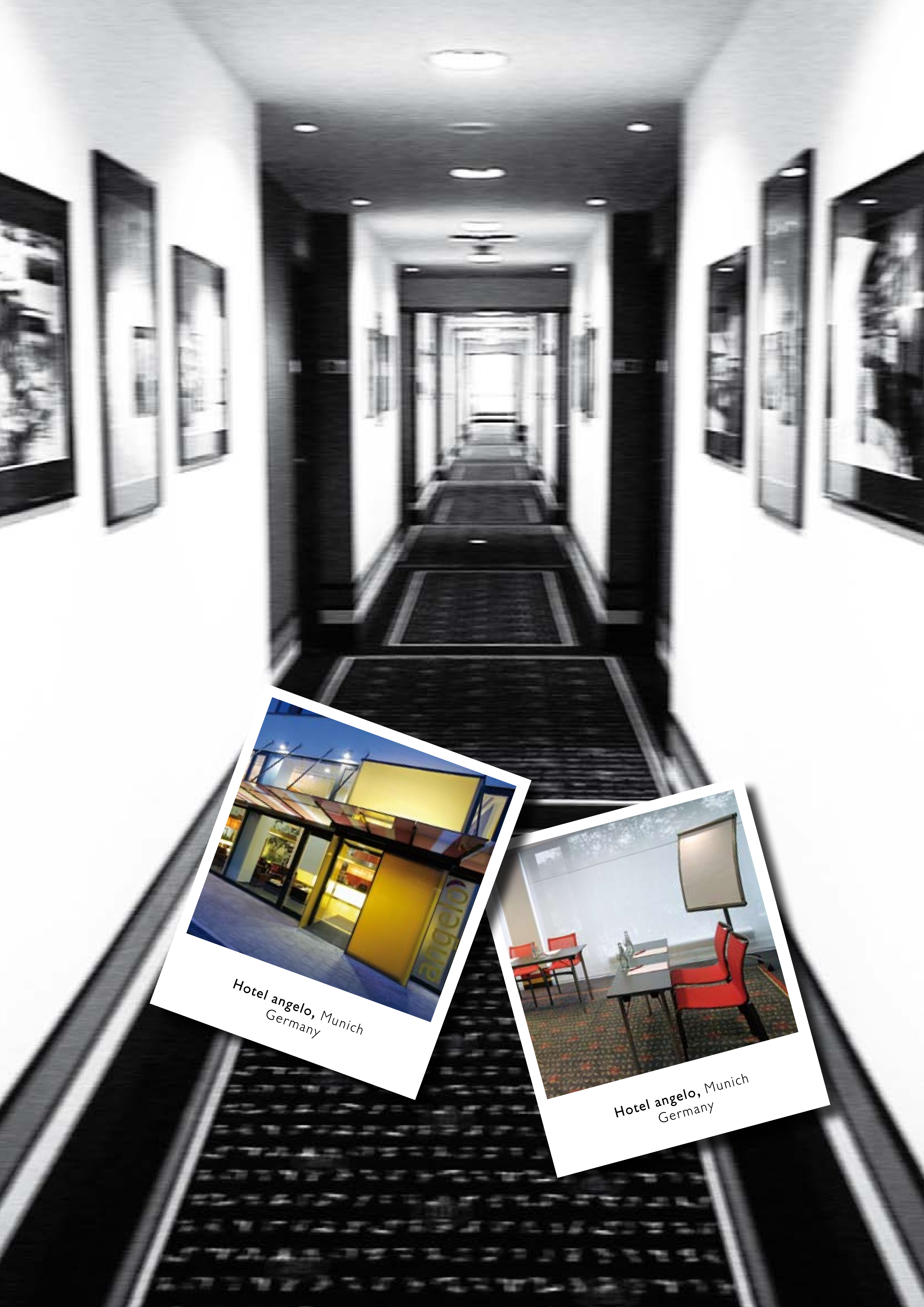
- LCD Sat-TV (flatscreen) and DVD player
- wireless Internet access
- individually controlled air-conditioning
- minibar and safe
- facility for charging laptops, telephone
- toilet and bathroom with hairdryer and under-floor heating
- all rooms are bathed in light through floor-to-ceiling windows
- andel's „special" Executive Rooms: terrace on the top floor
  restaurant and bar, fitness centre with cardio equipment, sauna, steam bath and aroma showers, four conference rooms that can be combined by means of sliding partition walls
- capacity for 320 people

Andel's Hotel, Krakow
Poland



Andel's Hotel, Krakow
Poland

Andel's Hotel, Krakow
Poland



Hotel angelo, Munich
Germany

Hotel angelo, Munich
Germany

angelo Munich

CAPTIVATES BY MEANS OF STYLE, INDIVIDUALITY AND INTERIOR DESIGN

Following the extremely successful start to the angelo design hotel in Prague in 2006, the second angelo hotel opened its doors in Munich on 15 May 2008 with a total of 146 rooms. The general contractor for the project was Münchner Grund AG, a subsidiary of UBM AG.

The hotel is situated in the district of Haidhausen (a new trendy and party district in the Bavarian capital) and is aimed at lovers of design and modern architecture. Surrounded by bars, restaurants and many shopping opportunities, coupled with ideal transport links, the angelo design hotel in Munich is in the best location. You are only a few minutes away from the centre of Munich with its famous Marienplatz and from the exhibition centre. Munich airport can also be reached quickly with the tram (the stop is just outside the hotel).

The rooms and the suites are comfortably furnished and meet the highest of demands. Moreover, the restaurant and the bar offer an extremely pleasant atmosphere. The hotel is well equipped for holding diverse events: the conference facility spreads out over 250 m^2 and provides space for up to 130 participants. It comprises four conference rooms, two of which are fitted with sliding partition walls. A spacious foyer bathed in light offers the perfect place for coffee breaks, receptions or presentations.

DATA AND FACTS

- 146 rooms (142 double rooms, 2 suites, 2 single rooms with disabled access)
- Restaurant with covers for 116 people
- Lobby bar
- Conference facilities with space for up to 130 people
- Parking for cars and buses, including an underground garage
- Tram stop in front of the hotel
- Airport transfer

DISTANCES IN FIGURES

- 35 km to Franz-Josef-Strauss airport
- 8 km to Munich Exhibition Centre
- 4 km to Marienplatz
- 1 km to Eastern Railway Station
- 0.1 km to tram stop

angelo Bucharest

In 2008 the original Sky Gate Hotel in Bucharest was transformed for Warimpex into a modern 4-star design hotel according to the tried-and-tested angelo hotel concept of the Vienna International Hotel Group by a joint venture comprising Porr Romania and UBM Romania. The 4-star angelo airport hotel is now considered the best business hotel in the north of Bucharest. Bearing the international brand name this hotel enjoys a good reputation thanks to its high quality services.

This is helped by its excellent location: it is situated only 300 metres away from the Henri Coanda International Airport. From a transport perspective, its ideal position on route E60/DN1, which links the centre of Bucharest with the region of Prahova and the major cities and sights of Transylvania, makes the angelo Hotel the ideal point of departure. The hotel is also very close to a business park that is steadily growing, as well as to the Romexpo Exhibitional Centre. This is a crucial factor in raising the popularity of the business hotel both with international business travellers as well as regional companies. The angelo airport hotel also has four conference rooms and 20 individual board rooms equipped with the latest in technology.

The development was completed and the hotel opened its doors in September 2008.

DATA AND FACTS

Highlights:
- Only 300 metres from the Henri Coanda International Airport
- Close to business park and Romexpo Exhibitional Centre
- Free Shuttle Service to the Henri Coanda International Airport in Bucharest taking only five minutes

Rooms and furnishings:
- 108 sound-proof rooms
- 69 additional angelo-design rooms
- Skygate restaurant and 24h bar
- 4 conference rooms with space for up to 240 people
- 20 individual board rooms for small meetings
- W-LAN throughout the hotel
- Security parking (free of charge)

Hotel angelo, Bucharest
Romania

Hotel angelo, Bucharest
Romania

Hotel angelo, Pilsen
Czech Republic

Hotel angelo, Pilsen
Czech Republic

angelo Pilsen

UBM AG in collaboration with Warimpex is developing a new 4-star design hotel in the Hamburk district of Pilsen, which will also comprise a conference centre. The next stage will involve the construction of multifunctional buildings. The first phase of the construction, the hotel itself, commenced in June 2007 and the hotel opened its doors in October 2008. With a total of 144 rooms and 300 beds the hotel focuses both on conference and business guests as well as on tourists visiting Pilsen either as part of organised tours or individually.

angelo Hotel Pilsen is situated in the northern part of „Hamburk" (north of the main Pilsen railway station) on an undeveloped area bordered by the streets U Prazdroje, Klicperova and Nádrazní. This means it lies directly opposite the world-famous Pilsner brewery. With its unique design and its extravagant appearance the building is definitely an eye-catcher. All of the main sights such as the brewing museum, the historical old town and the synagogue can easily be reached on foot from the hotel. In terms of style, design and category the hotel fits in seamlessly with the Hotel Angelo in the Smichov district of Prague, which was constructed by UBM and Warimpex in 2005.

Hotel angelo, Pilsen
Czech Republic

DATA AND FACTS

Category: 4-star hotel
Number of rooms: 144 rooms, of which:
- 130 standard rooms
- 2 rooms for disabled guests
- 12 large suites

Number of beds: 300 beds
Conference rooms:
- 1 large conference room
- 3 small conference rooms

Food and Beverage Facilities:
- Restaurant: roughly 114 covers (first floor)
- Lobby, Bar (ground floor)

Hotel angelo, Pilsen
Czech Republic

Chitila logistics centre

Chitila is situated on the Wallachian Plain by the Colentina River, directly on the north-west city boundary of Bucharest. The centre of the Romanian capital is only 12km away. Chitila Logistics Park (CLP) is located right on the „Centura“ ring road in the north-west of Bucharest with excellent transport connections. When completed it will have 45,000 m^2 of the most advanced logistics and office space on an area totalling 93,000 m^2. The CLP industrial park stands out both in terms of its location as well as the many ways it can be used by logistics and production companies. The appeal of the park is emphasised by being in the direct vicinity of the A1, the motorway towards Pitesti, being close to the Otopeni international airport, and given the good links to the public transport network. Many large companies have already recognised the potential of this location and have signed long-term tenancy agreements. UBM is laying more emphasis on construction quality as well as on flexibility in view of the specific requirements made by tenants as to modern logistics space.

The development and construction of the park began in May 2007. After the first phase went into operation and was fully leased out in spring 2008, the second stage of construction began which will be completed by March 2009.

DATA AND FACTS

Highlights:
- Good transport links on the „Centura“ ringroad
- 45,000 m^2 of logistics and office space when completed
- Area: 93,000 m^2
- Good links to A1
- Near airport
- Completion of 1st phase, spring 2008
- Completion of 2nd phase, March 2009

Chitila logistics centre, Bucharest
Romania

Chitila logistics centre, Bucharest
Romania

Chitila logistics centre, Bucharest
Romania

Logistics centre, Regensdorf
Switzerland

Logistics centre, Regensdorf
Switzerland

Logistics centre, Regensdorf
Switzerland

Regensdorf

Regensdorf is not only one of the largest municipalities in the Zurich Unterland, but it is also an attractive residential area by means of its good transport links, the proximity to Zurich and the large recreational area. To strengthen its importance as a business location a situation analysis was carried out which led to the elaboration of a strategy on economic development. The overarching aim of this master plan is to enhance the value of the area in terms of employment and to promote the attractiveness of Regensdorf as a business location. Moreover, conditions are to be created to entice new businesses to Regensdorf again and to keep existing ones in the town. The construction of the new DHL logistics centre follows the spirit of this plan and has already made a substantial contribution to raising the value of the town as a business location. A local hub for Zurich and the surrounding area has thus become a central hub for the whole of Switzerland.

DHL already had operations in Regensdorf, but it outgrew its premises on the Bahnstraße. Instead of the 12,000 m^2 used thus far, the new building affords the company a total of 33,500 m^2 for offices and goods turnover. The building was rendered even more efficient in terms of work areas and internal infrastructure. The investor and operator of the project is UBM Swiss AG, a wholly-owned subsidiary of UBM AG. The project was finally completed in January 2008.

Logistics centre, Regensdorf
Switzerland

DATA AND FACTS

Project info:

- Property: 33,476 m^2
- Office: gross floor space of 4,530 m^2
- Logistics terminal: gross floor space of 5,050 m^2
- Loading terminal: gross floor space of 2,550 m^2
- Parking area: gross area of 990 m^2
- Open area (secured): 20,000 m^2

Three functions:

- Trans-shipment hall (terminal): suitable for dangerous goods handling and short storage
- Delivery: ground level, open-fronted roofed area over conveyor belts constructed by tenant (protected against weather, roofed ground area 15 m wide and 82/88 m long: lights 4.3 m high)
- 44 long-haul loading docks with adjustable frames, 1 castor dock, 7 sprinter docks, 1 PUD dock with a scissor lift
- Staff / Administration / Order processing: administration buildings, connected to the terminal through a revolving door, including canteen with kitchen for warming up food

Neue Mitte Lehen, Salzburg
Austria

Neue Mitte Lehen, Salzburg
Austria

Neue Mitte Lehen

Lehen is a heavily populated district in the north of Salzburg with almost 15,000 inhabitants, more than in any other part of Salzburg. The name of the district in German is derived from the current interpretation of the old description for marshy meadows, „Loh“ and „Löhen“.

„Neue Mitte Lehen“ stands for a new part of the city centre in Salzburg that is exemplary in terms of infrastructure. The work started in the first quarter of 2006 with the demolition of the old Salzburg football stadium in Lehen. By autumn 2008, UBM in conjunction with the public housing construction firm „Die Salzburg“, created „Neue Mitte Lehen“ on an area of roughly two hectares where the old Lehen football stadium stood, according to the plans of architects Gerhard Sailer and Heinz Lang from the architect‘s office „Halle 1“.

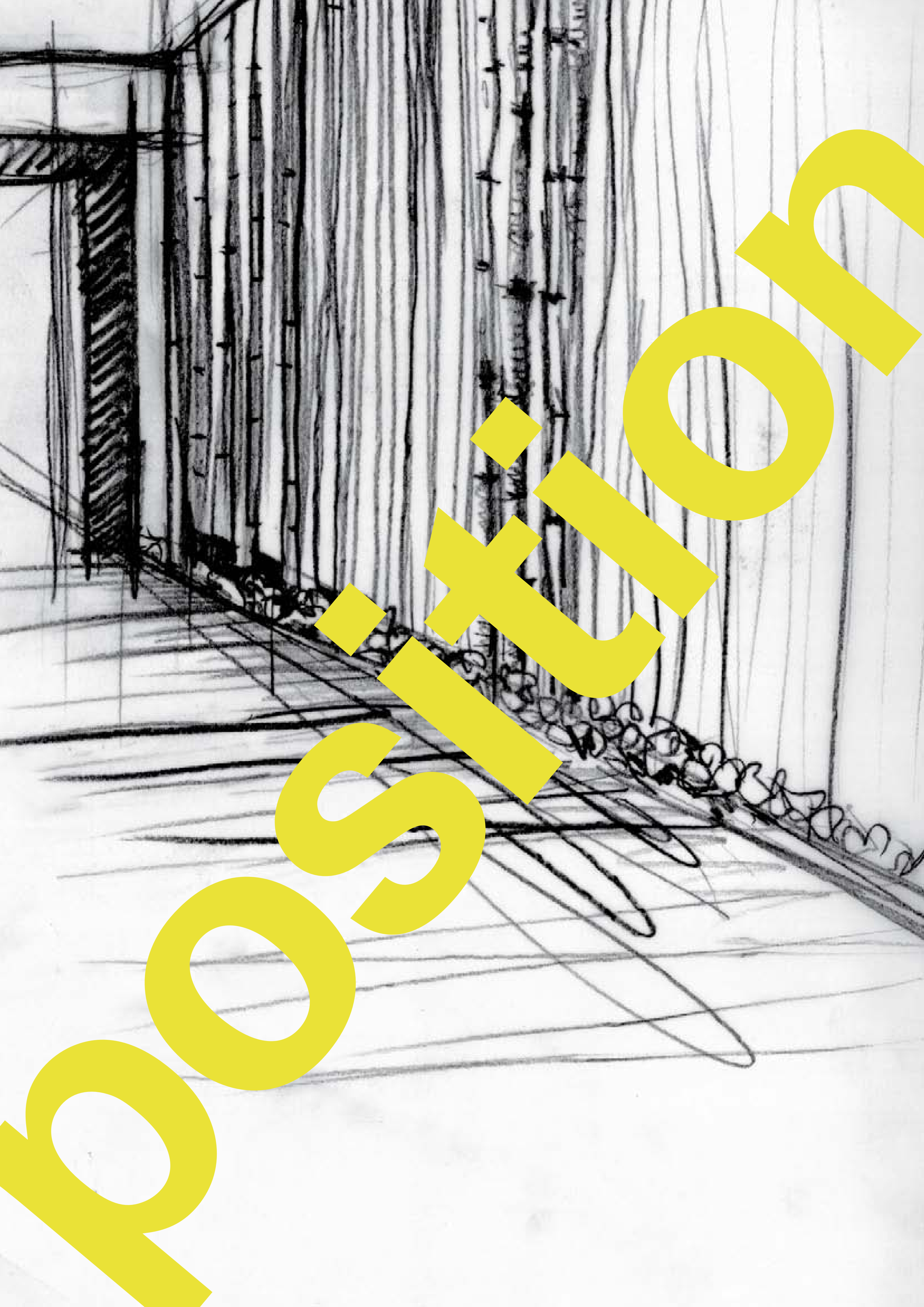
The project transformed the old Lehen stadium, but retained its main characteristics: for example, the field is open to the general public as a municipal park with lawns. On the 5,400 m^2 property owned by UBM a multi-functional building with 12,000 m^2 of floor space has been established in place of the West stand. There is also an underground car park with places for 100 vehicles. Shops, restaurants, offices and service facilities have also been constructed: the retail areas are located on the ground floor and the first floor, while the new Salzburg municipal library is on the second and the third floors. The eastern part of the land at Tulpenstraße was developed by the Salzburg housing association: 32 apartments for rent as well as an events hall and a seniors‘ centre were built.

One of the main design elements, however, is the 32m-high sky bar extending into the former playing field. This part of the building, which appears to be floating, offers not only an excellent view of the city and the surrounding mountains but also represents the determining feature of the „Neue Mitte Lehen. Part of the project was handed over at the end of August 2008 to tenants, including the Salzburg Savings Bank, Flöckner bakery, dm drugs store, Libro, Saite shoe shop and a hairdresser. The area for the municipal library was handed over at the end of September, along with the neighbouring residential building including the elderly centre in November. The celebratory opening of the complex finally took place on 9 January 2009.

DATA AND FACTS

Technical details:
- Concrete: 12,900 m^3
- Reinforced steel: 1,365,000 kg
- Formwork: 32,000 m^2
- Steel construction: 730,000 kg

Deadlines:
- Start of construction: 02/2007
- Shopping centre completion: 09/2008
- Handover of municipal library to user for construction: 09/2008
- Opening of municipal library: 12/2008
- Opening of shopping mall: 01/2009


position

Now let's get down to the details:
the hard facts and figures.

Business Report

Business developments, results and position of company

Economic situation

GENERAL CONDITIONS

The impact of the financial crisis triggered by the US subprime mortgage crisis is intensifying on the real economy. Until recently there was still hope that the adverse effects would primarily be localised in the USA, but a substantial contraction of growth is now also evident in Western Europe and Japan, as well as in the countries of Eastern Europe and the large emerging markets in Asia and Latin America. However, besides the recession and rising unemployment this is also exerting a positive influence on the rate of inflation too, which is falling thanks to the massive decline in energy and commodity prices.

EUROPE

In Europe the financial crisis is chiefly unfolding in the form of higher financing costs, falling consumer and business confidence as well as in lower external demand: this is the first time the euro area has had to face a recession since its inception.
Although the economy still expanded on an annual basis, growth was lower towards the end of the year than in the first two quarters. Looking at the large Member States, the decline compared to the previous quarter proved to be particularly severe in Germany and Italy in the third quarter, which both posted a figure of -0.5%. Spain contracted too, by 0.2%, while France was the only country to record a positive rate of 0.1%.
In the meantime the European job market has also been hit: the unemployment rate rose 0.5 percent from March 2008 (totalling 7.7% in October 2008). Employment growth has narrowed substantially, and the employment expectations based on relevant surveys predict declines ahead for all sectors in the coming months.
Parallel to these negative trends, however, counter measures have been deployed. For example, in November 2008 the European Commission put forward its recommendations for a „European Economic Recovery Plan“ to overcome the economic crisis, along with a stimulus package totalling roughly €200 billion. Hence attempts are being made to inject momentum into the economy by means of comprehensive economic stimulus programmes that benefit the budget.

AUSTRIA

The Austrian economy managed to defy the adverse international trends until well into 2008: the direct impacts on the Austrian financial sector exerted by the turmoil on the US subprime market were relatively weak, but the negative influences of the global crisis can no longer be suppressed. Based on data that is currently available, the Austrian economy is set to record a decline in output for the fourth quarter in 2008. The latest estimates suggest that real growth in 2008 will amount to just 1.8%.
The feeble export demand is impacting negatively on investment activities too. In spite of the substantial reduction in gross fixed capital formation and lower growth in private consumption, domestic demand should still manage to stay marginally in the black (0.1%).
The government recently approved an economic stimulus package that is designed to brighten up the gloomy consumer sentiment and prevent it from turning down again. It is also assumed that the wage and income tax reform coupled with other financial support measures will enable private consumption in Austria above all to be a stabilising factor in this difficult economic environment.
The recession can be prevented from intensifying depending on which measures are taken within the framework of European economic policy (first and foremost monetary policy).

Andel City, Prague
Czech Republic

Hotel angelo, Munich
Germany

CENTRAL AND EASTERN EUROPE

Given the substantial weakening of the global economy there has been a rise in macroeconomic and cyclical risks, especially in countries with unbalanced growth structures. This is a problem for South-Eastern Europe in particular, while growth processes in the majority of Central European countries are balanced: in the Czech Republic, Poland and in Hungary, exchange rate policy can be used to help adjust to changed economic circumstances should there be a decline in external demand.

In recent months a significant weakening of growth has already been registered in CEE countries. Risks in relation to foreign trade positions and the exchange rate have grown in some countries in conjunction with high external imbalances and high foreign debt levels. The current account deficit in Bulgaria and Croatia for example continued to rise in the first half of 2008, while inflows of foreign direct investment decreased. Increased current account deficits were also recorded in Romania and Ukraine. Additional currency depreciations cannot be ruled out in the Czech Republic, in Hungary or in Poland either, while these risks have receded in Slovakia after the introduction of the euro. But it is not just countries struggling with high current account deficits or external debts that are experiencing difficulties on account of the international financial crisis. Russia is also facing acute problems, even though they are of a somewhat different nature (such as the massive exodus of capital, in addition to the security tensions triggered by the crisis with Georgia).

DEVELOPMENT OF EUROPEAN REAL ESTATE MARKETS

WESTERN EUROPE

The turmoil on the international financial markets weighed down on the European real estate market in 2008. Lending conditions have been tightened since the middle of the year to the extent that it is very difficult to obtain financing for large acquisitions in particular. In comparison to the previous year the volume of transactions on Europe's investment market has contracted by approximately 57%.

In Europe, the financial crisis has exerted the most brutal impact on the UK real estate market, where investments in the first six months of 2008 plummeted by 62%. In Germany the contraction recorded was 55%, in France 50% and in Italy, Portugal and Spain 21%. The main reasons for the setbacks include the generally poor market sentiment and the associated fears that tenants will be unable to pay, as well as the more expensive financing that is proving more difficult to come by.

The average European vacancy rate in 2008 remained almost unchanged at 7.7%. However, this figure disguises the fact that the various office markets around Europe currently find themselves in different phases of the real estate market cycle: London, Madrid and the capital cities of Central Europe were confronted with a wave of new construction in 2008, while building completions will pick up pace in Amsterdam and Stockholm just from 2009. Thus vacancy rates have tended to fall in the latter locations. Madrid, Budapest and Prague, by contrast, have registered high increases in vacancy rates.

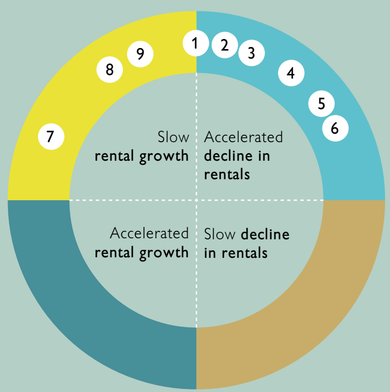
Top office yields have remained stable in the majority of locations around Europe. In some cities (e.g. in Paris), however, this is only because lessors are granting generous incentives to interested tenants, such as rent-free periods. In view of the high financing costs and the lower expectations regarding growth in rentals, the initial yields for top office properties have continued to rise (by roughly 20 basis points to 5.25% for the weighted average).

CENTRAL AND EASTERN EUROPE

Generally speaking the financial crisis is impacting more acutely on the real estate market in Eastern Europe than in Austria and Germany. While the more established economies in Western Europe have been less affected by the fall in real estate values, the increase in refinancing costs has been more pronounced in countries of Eastern Europe. Yet there are also differences between countries in the CEE region: compared to Poland and the Czech Republic which are the most stable markets just now, the situation in the Balkans, Romania, Bulgaria and especially Hungary is rather strained.
That financing is becoming more expensive is a hindrance principally for real estate developers who carry out highly leveraged projects in Eastern Europe. The fact that less is being built, developed and sold there is reflected in revenue figures. What is more, the weakening of economic growth is leading to a reduction in rents on the office market, while investments are also contracting (by 37% in comparison to 2007). Nonetheless, experts still do not anticipate large losses: the crucial factor is how many projects will actually make it onto the market in the years to come.

VIENNA OFFICE MARKET

The office market managed to de-couple itself from economic trends in 2008. Reservations expressed in respect of the crisis largely proved to be unfounded. Although initial signs of a modest decline are now starting to emerge, rental revenues generated thus far are largely in line with the figures achieved in the previous successful year. Vienna currently has roughly 9.8 million m^2 of office space, whereby the supply of new floor space in 2008 at just short of 260,000 m^2 was lower than in the previous year (280,000 m^2). More than 60% of the floor space completed in 2008 has already been pre-rented or is being used by the owner. Consequently, around 18% of the new floor space from 2008 is still available for rent. There has been a steady increase in the rental of office space since the 1990s, a trend that was bucked for the first time in 2008. The reasons for the reduction in renting include the flagging economic growth and the real estate crisis, which are now indirectly influencing tenants.
The vacancy rate has been falling since 2004 and is currently sitting at around 4.7%. Experts predict that this vacancy rate will remain constant thanks to the low level of building completions and stable quantities of rented space. Top rentals are also continuing to rise, slowly but surely: sitting at €23/m^2/month at the beginning of 2008 they have since risen to €24/m^2/month. In comparison to other European cities the rents paid in Vienna are considered to be very stable. However, the slower economic development is changing the structure of demand, and concentrating it more on the middle segment (€12 to 16).
7% less was invested in real estate in 2008 in comparison to the previous year. This is attributable to the fact that financing is generally more difficult to come by and institutional investors are tending to adopt a wait-and-see approach. However, current developments in this respect should not necessarily be regarded as detrimental: the low construction output means that occupancy rates remain high, prices are stable and the focus is clearly on quality (with particular regard to high space efficiency, good transport links and value for money).



1 Amsterdam, Athens, Budapest, Copenhagen, Düsseldorf, Edinburgh, Frankfurt, Hamburg, Lisbon, Luxembourg, Munich, Paris, Rome, Prague
2 Bucharest, Helsinki, Milan
3 Madrid, St. Petersburg
4 Barcelona, Dublin, Oslo, Kiev, Moscow, Stockholm
5 Brussels, London City
6 London West End, Warsaw
7 Istanbul
8 Lyon
9 Berlin, Stuttgart, Vienna

Business developments

The core business of the UBM Group is the real estate business for projects. Due to the many years required to realise our projects, the disclosure of revenues in the income statement is subject to strong accounting fluctuations, which influences its informative value and the comparisons with prior years. In order to ensure a true and fair presentation of our business, we define annual construction output as being the most significant way of describing revenues. Just like our range of services, this financial indicator includes income from the sale of real estate, settled construction invoices, own building sites, deliveries and services to joint ventures as well as other ancillary income.
As a rule, the following explanations and amounts relate solely to the consolidated financial statements, since these are the most relevant for the economic position of UBM RealitätenentwicklungAG itself due to the Group's structure (large number of exclusive project companies).

REVENUES

in T€	**2008**	2007	2006
Total output	307,342	262,960	185,714
Revenues	216,399	133,655	117,039
Difference	**90,943**	**129,305**	**68,675**
Revenues from joint ventures	34,770	3,690	10,742
Changes in inventory of own projects in prior year	16,089	16,372	2,568
Revenues from companies consolidated at equity or which are of minor importance	39,868	108,845	54,168
Own work capitalised	216	398	1,197
	90,943	**129,305**	**68,675**

In 2008 the UBM Group achieved a total output of €307.3 million. Since this figure represents growth of €44.4 million in comparison to the previous year, the 2008 result can be considered yet another record in the history of the company. This positive development is attributable above all to greater output in Germany, Poland and Hungary (project sale).

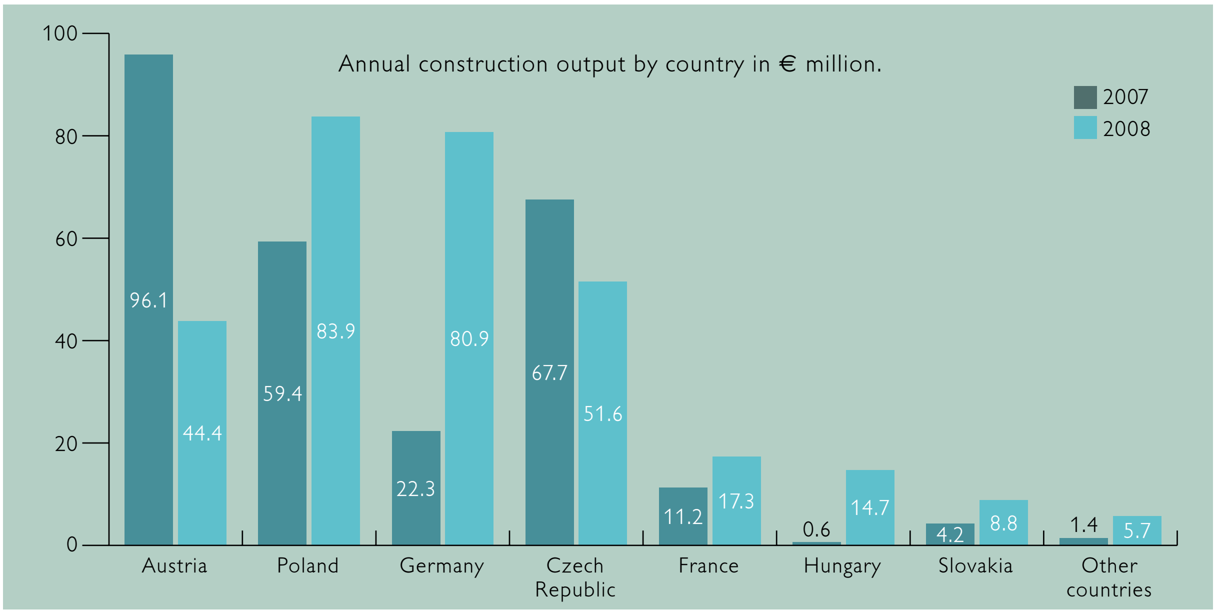
SALES TRENDS BY LINE OF BUSINESS

From the fiscal year 2007 we distinguish between the business lines of "Austria", "Western Europe" and "Central and Eastern Europe. The business lines focus on where the service is provided and comprise sales revenue from project development, renting, project sales, operating hotels and services for the following countries: the "Austria" business line brings together all of the activities performed in Austria as well as the rental revenues from Austrian real estate. "Western Europe" comprises Germany, France and Switzerland. The Czech Republic, Poland, Slovakia, Hungary, Romania, Bulgaria, Ukraine, Russia and Croatia form "Central and Eastern Europe".
The total output of the "Austria" business line was €44.4 million. In comparison to the previous year this represents a decline of €51.7 million, which was chiefly attributable to the sale of the investment in the Florido Tower reported last year (and which is thus no longer stated). First and foremost the €44.4 million comprises rental revenue from an Austrian real estate investment and the construction work on the hotel on Hessenplatz.

The total output of the "Western Europe" business line was €66.1 million higher than in the previous year (2007: €34.2 million, 2008: €100.3 million). This increase is mainly thanks to sales revenue from the construction of Hotel "andel's" in Berlin and "angelo" in Munich as well as residential sales in the Bergmannstraße and Riem projects in Munich. It also contains hotel receipts from France ("Dreamcastle" and "Holiday Inn" at Eurodisney in Paris) and rental revenue from Switzerland (logistics centre in Regensdorf).
The total output of the "Central and Eastern Europe" business line amounts to €162.7 million (2007: €132.6 million), which corresponds to an increase of approximately 23%. The rise can be attributed to the sale of the "Vaci Utca" centre in Budapest as well as the sale of Hotel "andel's" in Krakow and the sale of the last third of phases 1-4 in Andel City in Prague.

Our revenue-yielding construction activities in 2008 contain the building work on hotels in Germany and Poland as well as the completion of Hotel "angelo" in Pilsen. The apartment sales in phase SO 10 (Andel Residences) of Andel City as well as the sales revenue from the hotel investments in France made a significant contribution to the total output of this business line.

DEVELOPMENT OF GEOGRAPHICAL MARKETS



In 2008 the international portion of the annual construction output totalled around 86%, which is therefore considerably higher than in 2007 (63%). The Austrian portion totals roughly 14%, which is lower than the previous year both in relative (2007: 37%) and in absolute terms (2007: €96.1 million, 2008: €44.4 million), thanks to the sale of the Florido Tower reported last year (which is therefore no longer stated).

For the first time in a long while the greatest international portion of annual construction output was not accounted for by the Czech Republic. Its decline (2007: 25.7%, 2008: 16.8%) can be explained by the greater number of apartment sales in the previous year. Poland took top spot on the podium in terms of its international contribution (27.3%), followed closely by Germany (26.3%).

The annual construction output in Poland totalled €83.9 million, an increase of €24.5 million on 2007, and included the sale of Hotel "andel's" in Krakow as well as general contractor services for the "Poleczki Park" multi-functional building complex and for various hotels ("andel's" in Lodz, "angelo" in Katowice and "Park Inn" in Krakow).

The annual construction output in Germany was also raised to €80.9 million thanks to sales revenue from the construction of Hotel “andel’s” in Berlin and “angelo” in Munich as well as residential sales in the Bergmannstraße and Riem projects in Munich. In terms of value, therefore, the highest growth was achieved in Germany.

Posting an annual construction output of €51.6 million the Czech Republic recorded a decline of €16.1 million thanks to the fewer apartment sales. This figure comprises the completion of Hotel “angelo” in Pilsen as well as apartment sales in “andel’s” Residences and the sale of the last third of phases 1-4 in Andel City in Prague.

The increase of 54% in France (2007: €11.2 million, 2008: €17.3 million) can be explained by revenue streams from the “Dreamcastle” and “Holiday Inn” hotels at Eurodisney in Paris.An enormous leap in output to €14.7 million was also achieved in Hungary, which was primarily caused by the sale of the “Vaci Utca” centre in Budapest. The more than two-fold rise in output in Slovakia (2007: €4.2 million, 2008: €8.8 million) is down to the sale of a holding in an investment company and the sale of real estate for a new intra-company residential construction project. Under “Other countries” we have chiefly recorded rental revenue from the logistics centre in Chitila, the partial completion of Hotel “angelo” in Bucharest, Romania, as well as rental revenue for the logistics centre in Regensdorf near Zurich and revenue from management services in St. Petersburg.

Key Financial Indicators

RESULTS AND EARNINGS

The sales revenue reported in the consolidated income statement for 2008 totalled €216.4 million, constituting growth over the corresponding figure in the previous year of 61.9%. The figure that is most relevant for UBM because it is more informative is annual construction output, which totalled €307.3 million. This is 16.9% more compared to the previous year.

Other operating income totalling €4.6 million comprises the reversal of impairment, capital gains and ancillary costs from building management.

Material expenses rose by 83.7% to €-148.8 million, principally on account of the increased construction work.

The number of staff at all of the fully consolidated companies and participations increased from 254 to 294. Personnel expenses totalled approximately €-16.5 million. Other operating expenses, which mainly include administration expenses, travel expenses, advertising costs, other third-party services, duties and fees as well as legal and consulting expenses, amounted to €-17.3 million and were thus lower than in 2007 (€-19.7 million.).

Earnings before interest and taxes posted an increase compared to the previous year of roughly 11.4% to €35.8 million.

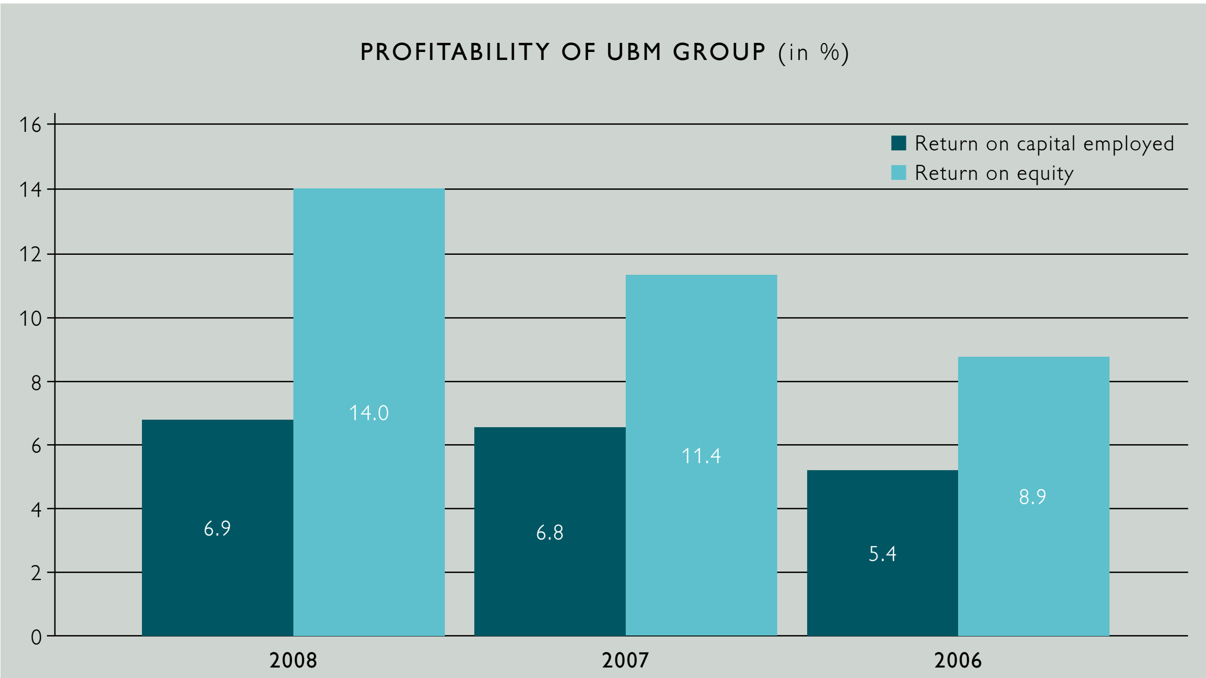
The result from associated companies in 2008 totalled €-3.8 million (previous year: €-1.5 million). The income from other financial assets totalled €6.2 million (previous year €8.6 million). Financing expenses at €-21.4 million were just under the figure from 2007 (€-22.6 million).

Earnings before tax were raised from €16.6 million in the previous year to €16.8 million. The tax expense in the reporting year totalled €-0.6 million compared to €-4.6 million in 2007. After deducting minority interests, the profit after tax in 2008 amounted to €16.2 million and is thus €4.2 million higher than in the previous year; earnings per share rose to €5.36 (2007: €4.00).

For 2008 the UBM Group reported a retained profit for the year of approximately €3.3 million which corresponds to the retained profit for the year of UBM AG and as such defines the basis for the dividend distribution. The Managing Board will propose to the general meeting of shareholders a dividend of €1.10 per share entitled to dividends.

CONSOLIDATED INCOME STATEMENT - SUMMARY

in € million	2008	Change in %	2007	2006
Annual construction output	307.3	16.9	263.0	185.7
Revenues	216.4	61.9	133.7	117.0
EBIT	35.8	11.4	32.2	18.6
EBT	16.8	1.2	16.6	11.2
Profit after tax	16.2	34.5	12.0	8.6
Retained profit	3.3	0.0	3.3	3.0
Earnings per share (in €)	5.36	34.0	4.00	2.78



in %	2008	2007	2006
Return on capital employed 1)	6.9	6.8	5.4
Return on equity 2)	14.0	11.4	8.9
Equity ratio as at 31.12. 3)	21.9	22.7	23.3

1) Return on capital employed = EBIT / Ø total capital
2) Return on equity = Profit after tax / Ø equity capital
3) Equity ratio = Equity capital / total capital

ASSETS AND FINANCIAL POSITION

Total assets of the UBM Group increased in 2008 by approximately 17.0% to roughly €559.4 million compared to 2007 year-end. The sharp increase in total assets is due on the one hand to the increase in financial real estate as well as long-term financial liabilities, and on the other hand to the increase in liquid assets.

Under assets, the main factor in total assets was long-term assets accounting for 69.1% (2007: 72.2%), totalling €386.8 million at the end of 2008. Property, plant and equipment amounted to €59.6 million (previous year: €39.5 million); the increase is largely attributable to the first-time consolidation of a Polish investment and real estate acquisitions in Germany. Financial real estate as of 31 December 2008 totalled €285.4 million (previous year: €258.9 million) and comprises the completion of „Neue Mitte Lehen" in Salzburg and the logistics centre in Regensdorf. Investments in associated companies declined from €15.5 million to €7.3 million following the sale of phases 1-4 (last third) in Andel City. Loans decreased from €13.8 million in 2007 to €11.1 million. Other financial assets rose from €13.2 million to €18.9 million; the difference can be explained by the acquisition of an investment in a Russian project company and the sale of an investment in Hungary.

The structure and the volume of current assets changed as follows: inventories increased from €14.7 million to €55.0 million thanks first and foremost to activities related to a hotel project in Germany. Trade receivables increased modestly to total €67.7 million in 2008. The sharp increase in liquid assets to €42.6 million (previous year €18.3 million) pushed current assets up to €172.6 million.

Shareholder's equity as of the reporting date totalled approximately €122.8 million. The equity ratio fell modestly to 22.0% from the figure recorded in the previous year of 22.7% thanks to the 17% increase in total assets.

The bond issued in 2005 and totalling €100.0 million is recognised under long-term liabilities. Long-term provisions fell from €7.4 million to €7.1 million. Long-term financial liabilities rose from €122.5 million to €176.4 million thanks mainly to project developments in Germany, Poland and Austria.

Current liabilities increased by 8.1% from €133.3 million to €144.1 million. The majority of short-term provisions totalling roughly €4.0 million are provisions for buildings.

Thanks to the improved profit after tax the cash flow from earnings increased by around €6.3 million to €27.5 million. The cash flow from operating activities rose by €5.5 million to €12.3 million, despite changes to inventories and liabilities. Investments in property, plant and equipment and in financial real estate totalled roughly €44.1 million, corresponding to a decrease of about €48.9 million on the previous year, whereby the cash flow from investing activities amounted to €-32.4 million. The cash flow from financing activities totalled approximately €44.5 million.

CONSOLIDATED CASH FLOW STATEMENT

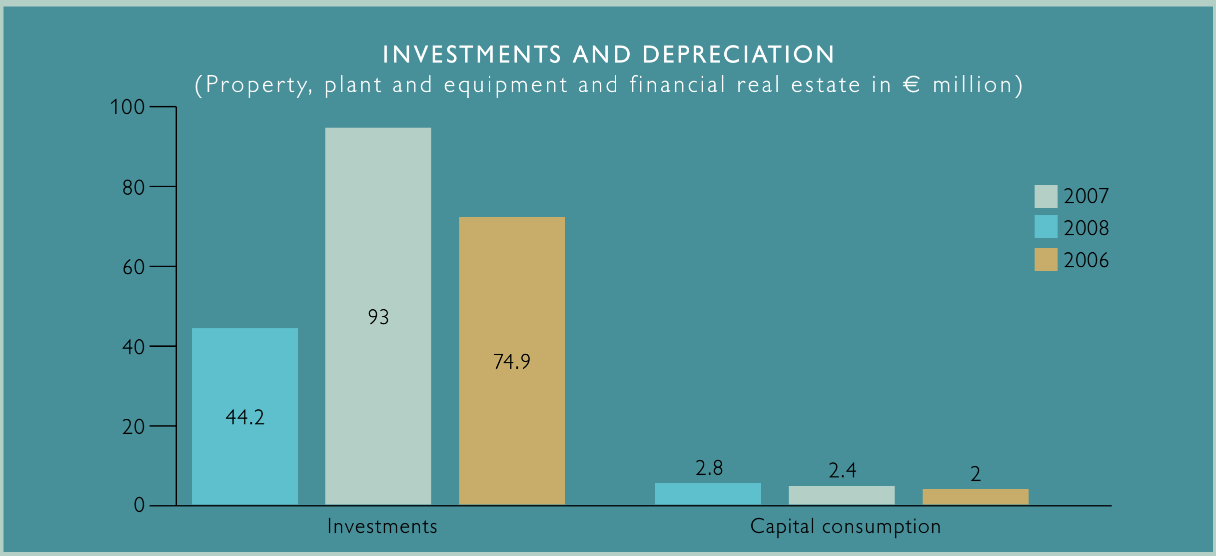
in € million	**2008**	2007	2006
Profit after tax	16.2	12.0	8.6
Cash flow from earnings	27.5	21.2	32.0
Cash flow from operating activities	12.3	6.8	34.2
Cash flow from investment activities	–32.4	–60.5	–42.1
Cash flow from financing activities	44.5	58.7	9.3
Liquid assets as of 31.12.	42.6	18.3	14.2

BALANCE SHEET STRUCTURE

in %	**2008**	2007	2006
Current assets	30.9	27.8	28.2
Non-current assets	69.1	72.2	71.8
of which financial real estate	51.0	54.2	53.7
Shareholders' equity	22.0	22.7	23.3
Long-term liabilities	52.3	49.4	41.3
Current liabilities	25.7	27.9	35.4
Total assets in € million	559.4	477.9	438.3

Investments

Investments into property, plant and equipment in the fiscal year totalled €44.2 million, which is €48.8 million less than in the previous year. In Austria, the focus of our investment activities is the Salzburg Lehen project. In Germany we invested in the real estate projects in Destouchestraße and Dornach. We also acquired a holding in a Russian project company and a property in Slovakia. All told, investments in financial real estate totalled €16.7 million and in property, plant and equipment €27.4 million.



INVESTMENTS (in € million)

in € million	**2008**	2007	2006
Total investments	44.2	93.0	74.9
Intangible assets	0.1	–	–
Financial real estate	16.7	76.3	47.1
Property, plant and equipment	27.4	16.7	25.5

Non-financial performance indicators

ENVIRONMENTAL ISSUES

Environmental protection is a key part of our lives. This is why we take every effort to plan and construct our projects in an environmentally-friendly manner. By consciously using energy-efficient building materials and energy-saving planning concepts for our projects we make our own contribution to protecting the environment.

STAFF

The structure of personnel as at 31 December 2008 shows that approximately 74% of our staff are employed abroad.

SALARIED STAFF AND WAGE EARNERS

(fully consolidated companies)	**2008**	2007	2006
Austria	76	74	64
Abroad	218	180	180
Total	**294**	**254**	**244**

We offer further training measures in the areas of planning and project development, business economics and law, as well as language courses and seminars for personal development.
In this respect we take into account the individual needs of our staff as well as the requirements of the market. Since our Group is geographically diverse, our personnel often have to work in international teams; the resultant exchange of know-how is yet another important factor within the context of comprehensive staff development.

Including all the consolidated companies the total headcount as of 31 December 2008 was 340.

Branches

UBM Realitätenentwicklung AG has the following branches recorded in the company register:
- Upper Austria Branch, Pummererstraße 17, 4020 Linz
- Tyrol Branch, Porr-Strasse 1, 6175 Kematen in Tirol
- Styria Branch, Thalerhofstrasse 88, 8141 Unterpremstätten

Significant events after the balance sheet date

At the extraordinary meeting of the Supervisory Board at UBM Realitätenentwicklung AG held on 26 February 2009 the Board decided to appoint Martin Löcker to the Managing Board from 1 March 2009 to strengthen its technical focus. The mandates of Messrs Peter Maitz and Heribert Smolé were extended. Mr Karl Bier remains in his position as chairman of the Managing Board.

Planned development and risks of the company

Economic growth forecast
Outlook for 2009

GLOBAL ECONOMIC GROWTH

Downside risks dominate in any forecast given just now: current estimates and projections are shrouded in high uncertainty as regards the extent of the implications of the financial crisis. Although the prospects do not appear too agreeable, there is still no need to dramatise the situation. The economic stimulus programmes and the liquidity-boosting measures deployed by the central banks mean that by and large the necessary steps have been taken to „cure" the ailing market – but sufficient time must be granted to let this process unfold as we will not see improvements from one day to the next. Accordingly, analysts expect to see the situation pick up by 2010.

AUSTRIAN ECONOMY

The worsening of global conditions and the setback in confidence indicators suggest that economic output will slow down. Since the main European trading partners are either on the brink of or are already in recession, while the Eastern European growth markets have also lost momentum, the forecasts are for a decline in GDP in 2009 of 0.3 to 0.5% (depending on the source of information). The lower inflation expectations that this triggers will enable the ECB to shave more percentage points off its interest rate, which could bring key interest down to 1 percent by the middle of 2009. A modest recovery is expected in the Austrian economy in 2010 with growth of 0.8%.

CENTRAL AND EASTERN EUROPE

Against a backdrop of the international financial market crisis, the key risk factors in the CEE region in the medium term include the negative growth outlook for the euro area and the concomitant weakening of the export market for countries in the region, as well as the tapering off of foreign direct investment.
The financial crisis is also hampering the conditions for and possibly the magnitude of any external debt financing, which is likely to affect countries with high current account deficits in particular. Credit and banking sector risks are growing too on account of the rising costs of financing and the greater uncertainty regarding the access of domestic banks and businesses to foreign sources of finance.

VIENNA OFFICE MARKET

Stable development is forecast for the Vienna office market in 2009. Nevertheless, the severe financial conditions worldwide are likely to leave their mark: in view of the weak economic growth and the real estate crisis, there will be a moderate reduction in rental volumes, as is already evident in many other European cities. There will also be a fall in new completions. There may also be delays in the commencement of construction projects due to the difficult financing conditions and the anticipated reduction in construction prices. Nonetheless, the supply of office space will continue to rise and we expect another record in newly constructed office space in 2010.

Forecast development of the company: Outlook for 2009

The recession triggered by the crisis on the financial market and forecast on all sides constitutes a threat for many companies. Despite this the mood at UBM remains essentially upbeat, though we do assume that we will be unable to escape the general economic trends for long. For this reason and so far as nothing changes in the prevailing mood, we anticipate a decline in sales revenue and earnings. The overriding objective of UBM is to ensure any fall in earnings is as low as possible, despite the adverse conditions in 2009. Since we work on a large number of projects both in Austria and abroad we assume that this objective is quite feasible, and it is estimated that earnings will fall to the level of 2005/2006.

In Austria our main goal in 2009 is the completion of the 4-star hotel on Hessenplatz in Linz. In Germany we are concentrating above all on residential projects in Munich, in addition to the construction of hotels (where the emphasis here is on completing Hotel “andel’s” in Berlin). Some projects in the Czech Republic are in the acquisition phase, while the main focal points in Poland are completing the “Park Inn” hotel in Krakow and “andel’s” in Lodz as well as ongoing work in the “angelo” project in Katowice and “Poleczki Park”. In Slovakia we are planning to build a residential development in Bratislava, whilst also completing the “Chitila” logistics centre in Romania. The investment in a hotel project in St. Petersburg paves the way for further market penetration in Russia. The markets in Ukraine and Bulgaria will continue to be monitored closely, with the market preparations already made enabling the implementation of a project at any time. Thanks to our diversification both in terms of markets and products, we believe that UBM will experience a more moderate contraction in 2009 compared to the market as a whole.

Key risks and factors of uncertainty

RISK MANAGEMENT GOALS AND METHODS

The UBM Group deploys a group-wide risk management system for the early identification, evaluation, control and monitoring of risks on a continuous basis. Our objective is to obtain information on risks and the related financial effects as early as possible, in order to be able to implement suitable counter measures.

Due to the sectoral and geographic diversity of our business activity, risk management takes on increasing importance to safeguard our business success. The areas of responsibility for risk management are general processes, technology, development and commercial procedures. The responsibilities have been clearly defined for each area, and experienced employees reporting directly to the Managing Board have been assigned to these tasks. General risks such as strategic risks for example, which do not arise during the course of our projects but stem from the strategic business purpose of the company, are handled by the Managing Board in consultation with the Supervisory Board.

Thanks to its many years of experience, UBM is aware of how the real estate markets in Central and Eastern Europe work, and what their features are. A detailed market and risk analysis of the given country is undertaken before every step of the expansion. These analyses examine the micro and macro economic development of the region or of the corresponding real estate market. However, what is crucial first and foremost for the realisation of a project are the individual influencing factors. In this context we have to forecast market developments correctly and try to identify potential tenants in advance.

Guidelines regarding a minimum degree of sales potential increase the security of an investment in a project. The broad geographic and sectoral diversification of the UBM Group means that penetrating new markets is safeguarded by the solid foundation of the existing real estate portfolio.

Below is a list of the main risks known to us which can exert a lasting influence on assets, finance and earnings.

EXISTING RISKS

RISK OF PRICE CHANGES

The risk of price changes essentially comprises fluctuations in the market interest rate, market prices and changes in exchange rates.

Since our rental revenue is not only index-linked but the rental contracts for foreign properties (which are concluded with international groups among others) are also based on hard currency contracts, UBM believes it is exposed to a heightened risk on account of the currency depreciations in CEE at present. To minimise this risk, action has already been and will continue to be taken with a view to concluding contracts in respective national currencies, depending on the project.

Since UBM offers a comprehensive range of services, the firm is heavily reliant on third-party businesses. The associated risks in terms of quality, deadlines and costs could lead to difficulties in the event of increased demand. Operating areas in recent years have increasingly been exposed to price hikes in the fields of energy and commodities. Unless these can be passed on to customers they exert an adverse effect on earnings.

Real estate markets in particular, which apart from macroeconomic factors are also affected by supply, suffer from strong cyclicality with regard to the development of demand. Yet thanks to our broad sectoral and geographic diversification we can compensate optimally for regional market fluctuations and shift our commitments flexibly. The option of choosing whether to sell or rent our properties also enables us to counter temporarily adverse market situations on a flexible basis.

DEFAULT RISK

Default risks relate principally to original financial instruments, namely loans and receivables. These potential risks are taken into account via bad debt allowances. Credit rating checks and adequate securities ensure the best possible protection. The maximum default risk is constituted by the carrying amounts stated in respect of these financial instruments in the balance sheet.

LIQUIDITY RISK

The liquidity risk defines the risk of not being able to settle liabilities when they fall due. As a key instrument for controlling the liquidity risk we deploy a precise financial plan which is carried out by each operating company and coordinated centrally. This determines the requirement for financing and credit lines at banks.

Working capital financing is handled through the UBM Group treasury. Companies with surplus funds place these at the disposal of companies which need liquidity. This reduces the volume of third-party financing and optimises net interest; furthermore, it also minimises the risk that liquidity reserves are insufficient to settle financial obligations on time. The current economic situation adds another aspect to the liquidity ratio, since banks are not overly willing to provide financing at present, which may impact negatively on liquidity.

INTEREST RISK

The interest risk, which is often decisive for the return on a property, is handled by means of appropriate financing models, which secure and optimise the financing requirements of the specific project. The choice of the financing currency depends on the corresponding market situation.

PERSONNEL RISK

The competition for qualified personnel can be a hindrance to effective operations. Thus future success depends on being able to tie our staff to the company in the long run and identifying highly qualified personnel.

We are aware of this risk and to manage the situation in a proactive manner we are relying on institutional programmes for apprentices, training and further training courses, geared to the needs of our business activities.

PARTICIPATION RISK

By participation risk we mean the risk of fluctuations in the market value of UBM participations. At the Group companies, the specific types of risks (e.g. market or credit risks) are collated at the level of the individual company.

The calculation and analysis of the participation risk and the reporting to management ensue on a monthly basis and are carried out by Controlling. When risk thresholds or certain concentrations of risks are reached, options are presented to the management for action.

CREDIT RISK

Credit risk describes the threat of losses caused by the default of a business partner who is no longer capable of meeting its contractual payment liabilities. This comprises default and country risks as well as lower credit ratings of borrowers. In the field of real estate the credit risk comprises rental obligations.
The default of a tenant and the resultant loss of rental payments constitute a reduction in the present value of the real estate project. This risk is taken into account based on expert estimates at project level.

IT RISK

In a centralised and standardised IT environment there is a risk of becoming overly dependent on a system or computer centre. If a system goes down this can have severe consequences for the entire company. We have implemented various security measures to reduce this risk. These include access control systems, emergency plans, uninterrupted power supply for key systems and data mirroring. We also use appropriate software to protect against data security risks caused by unauthorised access to the IT systems. Based on a services contract the UBM Group is supported by the IT department at Allg. Bauges. A. Porr AG.

COUNTRY RISK

Our strategy of moving into new markets by developing projects means that we consciously assume appropriate and clearly-defined country and market risks. This holds true especially with regard to our activities in emerging countries. Our general risk management approach ensures we monitor and control the respective legal and political environment. Evaluating the country risk is an important factor when examining the profitability of an investment.

RISK OF LOSS IN VALUE

Safeguarding the value of real estate holdings is an important factor in the economic development of the UBM Group. The property and facility management division provides regular status reports as well as valuations for the optimal maintenance of the properties and buildings in order to ensure they can be utilised either by selling or long-term renting.

Research and development

The company does not conduct any research and development activities.

Disclosure as per Article 243a of the UGB (Austrian Commercial Code)

1. The share capital is composed of 3,000,000 no-par bearer shares, each representing the same amount of share capital that totals €5,450,462.56. 3,000,000 shares were in circulation as at the balance sheet date (previous year: 3,000,000). All shares have the same legal rights and obligations, and each share carries the right to vote, which may be exercised in accordance with the number of shares held. In accordance with Section 22 of the company‘s statutes, in the event the shares are not fully paid up the right to vote shall only be granted once the minimum legal payment has been made. The share capital of the company is fully paid-up. The shareholders may not have individual share certificates issued.

2. There are no limitations known to the Managing Board concerning voting rights or the transfer of shares.

3. The following shareholders hold a direct or indirect interest amounting to at least 10 percent of the share capital: Allgemeine Baugesellschaft-A. Porr Aktiengesellschaft, Vienna: 41.30%

   CA Immo International Beteiligungsverwaltungs GmbH, Vienna: 25.00% + 4 shares
   (CA Immo International Beteiligungsverwaltungs GmbH is a wholly-owned subsidiary of CA Immo International AG, Vienna)

   Amber Private Foundation Group, Vienna, Bocca Private Foundation, Vienna, Georg Folian, Vienna,
   Dr. Franz Jurkowitsch, Vienna: roughly 14%

4. There are no shares with special control rights at the company.

5. At UBM Realitätenentwicklung AG there are no employee stock purchase plans in which the employees do not exercise voting rights directly.

6. In accordance with Article 21 (1) of the Statutes, the resolutions of the general meeting of shareholders shall be passed with a simple majority unless otherwise prescribed by specific provisions of the Stock Corporation Act. According to the legal opinion of the Managing Board, this provision of the Statutes has reduced the at least three-quarters majority of represented capital required for passing a resolution to a simple capital majority, as required by the Stock Corporation Act, even for changes to the Statutes.

7. The members of the Managing Board have no other powers with regard to the possibility of issuing or repurchasing shares which are not derived directly from the Stock Corporation Act.

8. There are no significant agreements in the sense of Article 243a, paragraph 8 of the UGB.

9. There are no compensation agreements as per Article 243a, paragraph 9 of the UGB.

Vienna, 9 March 2009

Karl Bier (Chairman) | Peter Maitz | Heribert Smolé | Martin Löcker

andel's Hotel, Krakow
Poland

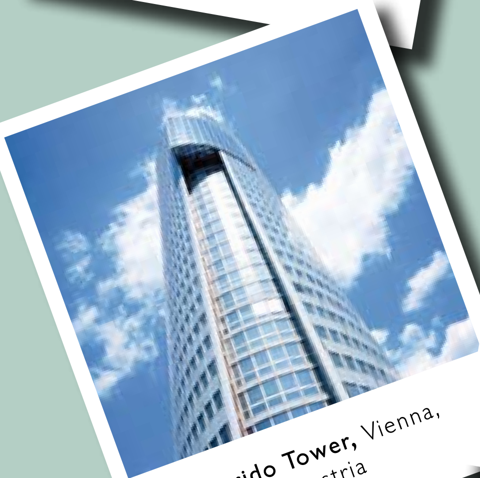
Hotel angelo, Munich
Germany

Andel City, Prague
Czech Republic

Andel City, Prague
Czech Republic

Andel City, Prague
Czech Republic

andel's Hotel, Krakow
Poland



Florido Tower, Vienna,
Austria

Hotel angelo, Munich
Germany

Hotel angelo, Munich
Germany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annual financial statements

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BALANCE SHEET

INCOME STATEMENT

SCHEDULE OF NON-CURRENT ASSETS

2008 NOTES

Balance sheet as of 31 December 2008

UBM REALITÄTENENTWICKLUNG AG

ASSETS	€	€	31.12.2008 €	31.12.2007 T€
A. NON-CURRENT ASSETS				
I. Intangible assets				
1. Rights		883,122.00		905
II. Property, plant and equipment				
1. Land, similar rights and buildings, including buildings on leasehold land, of which land value € 12,164,549.22 (2007: T€ 16,096)	55,546,506.22			36,867
2. Furniture, fixtures and office equipment	568,264.00			81
3. Assets under construction	–			9,172
		56,114,770.22		46,120
III. Financial assets				
1. Shares in related companies	16,017,398.32			14,804
2. Loans to related enterprises	5,994,910.85			–
3. Participations	13,180,566.81			21,266
4. Loans to undertakings linked by virtue of participating interests	4,786,911.99			5,128
5. Long-term securities	3,220,305.00			3,224
6. Other loans	2,416,523.00			1,393
		45,616,615.97		45,815
			102,614,508.19	**92,840**
B. CURRENT ASSETS				
I. Inventories				
1. Construction in progress net of prepayments received	14,055,179.47 –12,107,791.67			– –
2. Other inventories				
a) Planned construction	1,872,989.16			949
b) For use of given properties	618,131.55			618
		4,438,508.51		1,567
II. Receivables and other assets				
1. Trade receivables	369,170.72			665
2. Receivables from related companies	96,716,490.93			116,843
3. Receivables from companies linked by virtue of participating interests	48,591,596.45			52,050
4. Receivables from joint ventures	2,430.16			2
5. Other receivables and assets	3,569,418.92			3,996
		149,249,107.18		173,556
III. Cash and cash equivalents, bank deposits		23,296,333.37		651
			176,983,949.06	**175,774**
TOTAL ASSETS			**279,598,457.25**	**268,614**

bestsituation

Annual financial statements represent the beginning of a successful fiscal year.

EQUITY AND LIABILITIES

	€	€	31.12.2008 €	31. 12. 2007 T€
A. SHAREHOLDERS' EQUITY				
I. Share capital		5,450,462.56		5,450
II. Capital reserves				
1. allocated	44,641,566.51			44,642
2. unallocated	544,201.68			544
		45,185,768.19		45,186
III. Profit reserves				
free reserves		31,572,720.11		19,793
IV. Retained profit				
Retained earnings brought forward	25,584.44			12
2008 profit	3,295,896.97			3,314
		3,321,481.41		3,326
			85,530,432.27	**73,755**
B. UNTAXED RESERVES				
1. Valuation reserve based on special write-offs			**1,438,482.28**	**1,438**
C. PROVISIONS				
1. Provisions for severance payments		1,370,740.00		1,003
2. Provisions for pensions		1,646,357.00		1,665
3. Tax provisions		3,495,537.50		3,165
4. Other provisions		17,485,859.30		14,039
			23,998,493.80	**19,872**
D. LIABILITIES				
1. Bond		100,000,000.00		100,000.00
2. Liabilities to banks		54,396,706.42		48,545
3. Trade liabilities		2,903,473.39		3,906
4. Liabilities to related undertakings		1,689,088.17		1,433
5. Liabilities to undertakings linked by virtue of participating interests		213,573.87		529
6. Other liabilities				
from taxes	1,649,918.72			931
relating to social security	102,977.45			93
miscellaneous	5,196,988.88			15,478
		6,949,885.05		16,502
			166,152,726.90	**170,915**
E. ACCRUED EXPENSES AND DEFERRED INCOME				
			2,478,322.00	**2,634**
TOTAL EQUITY AND LIABILITIES			**279,598,457.25**	**268,614**
Contingent liabilities to related undertakings € 103,725,560.46 (2007: T€ 107,863)			114,331,810.49	119,003

Income statement for 2008 fiscal year

UBM REALITÄTENENTWICKLUNG AG

	€	31.12.2008 €	31.12.2007 T€
1. Sales revenues		28,755,110.45	25,516
2. Change in inventories of services not yet invoiced		14,978,804.57	
3. Other own work capitalised		215,419.93	–3,608
4. Other operating income			280
a) from disposal of non-current assets	7,486.33		3
b) from release of provisions	2,713,697.00		133
c) other	267,009.30		8,771
		2,988,192.63	8,907
TOTAL OUTPUT		**46,937,527.58**	**31,095**
5. Cost of materials and other services			
a) Cost of materials	–123,390.48		–109
b) Cost of services used	–21,211,574.47		–14,378
		–21,334,964.95	–14,487
6. Personnel expenses			
a) Salaries	–7,123,671.42		–6,388
b) Severance expenses and contributions to employee benefit funds	–438,379.67		–192
c) Pension expenses	7,945.80		–31
d) Expenses for statutory social security, and payroll-related taxes and contributions	–1,235,412.30		–901
e) Other social expenses	–108,296.81		–93
		–8,897,814.40	–7,605
7. Amortisation and depreciation on intangible assets and property, plant, equipment		–1,880,228.69	–1,367
8. Other operating expenses			
a) Taxes, other than income taxes	–20,078.80		–17
b) Sundry	–5,677,027.57		–5,782
		–5,697,106.37	–5,799
9. EARNINGS BEFORE INTEREST AND TAXES (rows 1 to 8)		**9,127,413.17**	**1,837**

		€	31.12.2008 €	31.12.2007 T€
10.	Income from participations			
	a) from related companies	6,326,684.07		9,270
	b) from affiliated companies	273,706.58		1,450
			6,600,390.65	**10,720**
11.	Income from other securities and loans held under financial assets of which from related companies € 220,908.42 (2007: T€ 0)		1,561,072.87	17
12.	Other interest and similar income of which from related companies € 6,352,913.61 (2007: T€ 6,380)		9,131,688.35	9,479
13.	Income from disposal of financial assets		119,025.18	105
14.	Expenses on financial assets of which amortisation and depreciation € 3,751,665.69 (2007: T€ 6,523) of which to related companies € 0.00 (2007:T€ 220)		–3,767,765.69	–7,205
15.	Interest and similar expenses of which to related companies € 88,664.49 (2007: T€ 50)		–7,032,875.50	–8,294
16.	**FINANCIAL PROFIT** (rows 10 to 15)		**6,611,535.86**	**4,822**
17.	**PROFIT ON ORDINARY ACTIVITIES**		**15,738,949.03**	**6,659**
18.	Taxes on income		–663,052.06	–1,076
19.	**PROFIT AFTER TAX**		**15,075,896.97**	**5,583**
20.	Transfer to profit reserve		–11,780,000.00	–2,269
21.	**NET INCOME**		**3,295,896.97**	**3,314**
22.	Retained earnings brought forward		25,584.44	12
23.	**RETAINED PROFIT FOR THE YEAR**		**3,321,481.41**	**3,326**

Schedule of non-current assets

UBM REALITÄTENENTWICKLUNG AG

€	Acquisition and manufacturing costs As of 01.01.2008	Additions	Disposals
I. INTANGIBLE ASSETS			
1. Rights	1,203,935.14	–	–
II. PROPERTY, PLANT AND EQUIPMENT			
1. Land, similar rights and buildings, including buildings on leasehold land	51,723,891.84	174,015.96	4.707.924,97
2. Plant and machinery	18,966.00	–	–
3. Furniture, fixtures and office equipment	403,575.21	610,389.28	97,332.27
4. Assets under construction	9,171,340.74	15,388,399.06	–
	61,317,773.79	**16,172,804.30**	**4,805,257.24**
III. FINANCIAL ASSETS			
1. Shares in related companies	14,804,418.37	1,215,959.79	10,574.03
2. Loans to related enterprises	–	5,994,910.85	–
3. Participations	21,265,850.80	516,831.79	8,594,521.59
4. Loans to undertakings linked by virtue of participating interests	19,838,756.03	1,558,872.74	–
5. Long-term securities	3,253,078.46	–	–
6. Other loans	5,153,673.00	2,760,000.00	–
	64,315,776.66	**12,046,575.17**	**8,605,095.62**
	126,837,485.59	**28,219,379.47**	**13,410,352.86**

Reclassifications	As of 31.12.2008	Accumulated depreciation	Carrying amount 31.12.2008	Carrying amount 31.12.2007	Annual depreciation
–	1,203,935.14	320,813.14	883,122.00	904,775.00	21,653.00
24,559,739.80	71,749,722.63	16,203,216.41	55,546,506.22	36,867,407.67	1,738,278.41
–	18,966.00	18,966.00	–	–	–
–	916,632.22	348,368.22	568,264.00	81,019.00	120,297.28
–24,559,739.80	–	–	–	9,171,340.74	–
0.00	**72,685,320.85**	**16,570,550.63**	**56,114,770.22**	**46,119,767.41**	**1,858,575.69**
7,594.19	16,017,398.32	–	16,017,398.32	14,804,418.37	–
–	5,994,910.85	–	5,994,910.85	–	–
–7,594.19	13,180,566.81	–	13,180,566.81	21,265,850.80	–
–	21,397,628.77	16,610,716.78	4,786,911.99	5,127,756.03	1,899,716.78
–	3,253,078.46	32,773.46	3,220,305.00	3,224,468.91	4,163.91
–	7,913,673.00	5,497,150.00	2,416,523.00	1,392,877.00	1,736,354.00
0.00	**67,757,256.21**	**22,140,640.24**	**45,616,615.97**	**45,815,371.11**	**3,640,234.69**
0.00	**141,646,512.20**	**39,032,004.01**	**102,614,508.19**	**92,839,913.52**	**5,520,463.38**

2008 notes

UBM REALITÄTENENTWICKLUNG AG

I. General information

The financial statements as at 31 December 2008 were drawn up in accordance with the regulations of the prevailing UGB. The figures shown for the previous year are stated in thousands of euros (€ 1,000). Figures not prescribed by law are reported in millions of euros (€ million). The income statement is compiled in accordance with the total-cost method.

The consolidated financial statements of UBM Realitätenentwicklung Aktiengesellschaft are deposited at Floridsdorfer Hauptstraße 1, District 1210, Vienna.

II. Accounting policies

The accounting, measurement and presentation of the individual items in the annual financial statements were subject to the provisions of the UGB.

In principle, foreign currency amounts are measured based on the lower of the deemed cost or at the exchange rate prevailing on the reporting date.

1. NON-CURRENT ASSETS

Intangible assets are recognised at cost, net of ordinary straight-line amortisation. In this context, amortisation rates of between 1.28% and 2.0% were applied in accordance with the expected useful life.

Property, plant and equipment were measured at acquisition cost including ancillary costs and net of reductions in acquisition costs, or at manufacturing cost including ordinary straight-line depreciation charged in the 2008 reporting year, whereby the following depreciation rates were applied (new acquisitions) in accordance with expected useful lives:

	%
Residential buildings	1.5
Adaptations to residential buildings	10.0
Other buildings	4.0
Buildings on third-party land	4.0
Plant and machinery	16.7 – 33.3
Furniture, fixtures and office equipment	6.7 – 33.3

Low-value assets were written off in the year when purchased.

In principle, financial assets were measured at the lower of cost or fair market value as of the balance sheet date.

2. CURRENT ASSETS

Inventories
Projected buildings were measured at cost. The properties earmarked for utilisation are properties which by the balance sheet date have already been designated for sale.

Construction in progress is measured based on the lower of cost or market, at no more than the cost value minus any partial realised gains.

The cost value generally comprises third-party services, material and personnel expenses.

For projects that take more than twelve months to execute, commensurate portions of administrative costs were recognised.

Receivables and other assets
Receivables were recognised at the lower of cost or market. Allowances were allocated in the event of risks regarding collectibility. Receivables in foreign currency are measured at the lower of the deemed cost or at the rate of exchange prevailing on the balance sheet date.

3. PROVISIONS AND LIABILITIES

The provisions for severance pay were calculated on the basis of an actuarial opinion in accordance with IAS 19 using an interest rate of 5.8% (2007: 5.3%) and an expected future wage increase of 2.9% (2007: 2.6%) as well as the earliest possible retirement date in accordance with the ASVG (2004 pension reform). Actuarial gains or losses are recognised in full during the year in which they are incurred. The principles for calculating pension insurance [AVÖ 2008-P (salaried staff)] were applied for the mortality table. When calculating the provisions for severance pay and anniversary bonuses, fluctuation discounts were applied based on statistical data. The service cost was distributed over the entire employment period, but no more than 25 years.

The calculation of the pension provisions was also based on an actuarial opinion in accordance with IAS 19, whereby the same base data was applied as in the case of the severance pay provisions. Actuarial gains or losses are recognised in full during the year in which they are incurred.

The other provisions were recorded to cover all perceivable risks and pending losses. Liabilities are recognised at the higher of their nominal value or the repayment amount.

4. SALES REVENUES

Due to the specific business activity of the company, income from the disposal of project companies is not stated as income from the disposal of financial assets but as sales revenue.

III. Notes to the balance sheet

1. NON-CURRENT ASSETS

The composition and development of non-current assets is shown in the schedule of non-current assets (page 62).

The **intangible assets** totalling €0.883 million (2007: €0.905 million) are attributable to rental rights in Innsbruck and Wolkersdorf.

The value of the land of developed sites amounts to €7,967,485.82 (2007: €6.977 million), and that of undeveloped land to €4,197,063.40 (2007: €9.119 million). The main additions to developed land were the costs of a shopping centre constructed in Salzburg-Lehen, the Thaur residential complex and the reconstruction costs of a former Praktiker store. The properties in Czatoryskygasse, Schneeburggasse, Rummelhardtgasse and in Hall (top 4) were reclassified under current assets and sold. The value of undeveloped land fell owing to the sale of three plots of land in Salzburg, Linz and Graz as well as the reclassification of properties in Salzburg-Lehen and Hall/Tirol to developed areas.

The addition to assets under construction amounted to €15,388,399.06 (2007: €7.764 million) and chiefly relates to the cost of shopping centre being built in Salzburg Lehen. At the same time the total costs were reclassified to developed land once the project went into operation. No interest was capitalised on the costs.

Liabilities from the use of property, plant and equipment not recognised in the balance sheet and due to long-term leasing contracts are as follows:

T€	**2008**	2007
for the coming year	1,234.7	931.0
for the next five years	6,173.5	4,654.9

A summary of the data required in respect of participations in accordance with Article 238, Paragraph 2 of the UGB is presented on page 108 ff.

The additions to shareholdings in related companies total €1.234 million (2007: €2.428 million) and are largely due to the capital increase of a Czech company along with various additions. Disposals amount to €0.021 million (2007: €0.242 million).

The additions to participations total €0.528 million (2007: €5.036 million). One company was founded, one was acquired, while another was granted an allowance. Disposals amounted to €8.613 million (2007: –.–) and result from the sale of four participations.

Loans

T€	**2008**	2007
Related companies	5,995	–
Participations	4,787	5,128
Other companies	2,417	1,393

As in the previous year they have a residual maturity in excess of one year.

Furthermore, extraordinary amortisation totalling €3.747 million (2007: €6.511 million) was charged to the lower fair market value.

2. CURRENT ASSETS

Inventories

The projected buildings related to acquisition costs of various projects expected to be realised in the near future.

In relation to construction in progress where projects take longer than twelve months, commensurate portions of administrative costs were recognised in the reporting year.

T€	**2008**	2007
Construction in progress	1,415	–
of which, for the fiscal year	(1,415)	(–)

Receivables and other assets

T€	**2008**	2007
Trade receivables	369	664
Receivables from related companies	96,717	116,843
Receivables from companies linked by virtue of participating interests	48,592	52,050
Receivables from joint ventures	2	2
Other receivables	3,569	3,996
Total	**149,249**	173,555

€5.454 million (2007: €5.357 million) of the receivables from related companies and €0.768 million (2006: €0.734 million) from other receivables have a residual maturity in excess of one year. T€26 (2007: T€49) of other receivables became cash items after the balance sheet date. Receivables from related companies and from companies linked by virtue of participating interests mainly consist of other receivables.

Liquid assets

T€	**2008**	2007
Cash and cash equivalents	10	3
Bank deposits	23,286	648
Total	**23,296**	651

3. SHAREHOLDERS' EQUITY

The share capital of €5,450,462.56 is divided into 3,000,000 ordinary, no-par bearer shares.

Capital and profit reserves
The allocated capital reserve is derived from the share premium paid in connection with capital increases. The unallocated capital reserve is derived from changes in the legal form of the company in previous years.

"Other (free) reserves" increased from €19.793 million to €31.573 million. This increase resulted from a transfer to the unallocated profit reserve totalling €11.780 million.

4. UNTAXED RESERVES

Untaxed reserves at UBM AG developed as follows:

€	As of 01.01.2008	Additions U=reclassification	Release due to disposal	Release due to expiry	As of 31.12.2008
I. PROPERTY, PLANT AND EQUIPMENT					
1. Undeveloped land from carry forward, Article 12 EStG	929,410.18	–	–	–	929,410.18
II. FINANCIAL ASSETS					
1. Shares in related companies from carry forward, Article 12 EStG	509,072.10	–	–	–	509,072.10
Total	**1,438,482.28**	–	–	–	**1,438,482.28**

5. PROVISIONS

T€	**2008**	2007
Severance pay	1,371	1,003
Pensions	1,646	1,665
Taxes	3,495	3,165
Other		
Buildings	14,169	10,897
Personnel	2,553	2,423
Miscellaneous	764	719
Total	**23,998**	**19,872**

6. LIABILITIES

	Total amount according to B/S		Residual maturity up to one year		Residual maturity over one year	
T€	**2008**	2007	**2008**	2007	**2008**	2007
Bonds	100,000	100,000	–	–	100,000	100,000
Liabilities to banks	54,397	48,545	35,546	41,653	18,851	6,293
Trade liabilities	2,903	3,906	2,903	3,906	–	–
Liabilities to related companies	1,689	1,433	1,689	1,433	–	–
Liabilities to undertakings linked by virtue of participating interests	214	529	214	529	–	–
Other liabilities						
from taxes	1,650	931	1,650	931	–	–
relating to social security	103	93	103	93	–	–
Miscellaneous	5,197	15,478	4,597	4,122	600	11,356
Total	**166,153**	**170,915**	**46,702**	**52,667**	**119,451**	**117,649**

Liabilities to related companies and to companies linked by virtue of participating interests mainly comprise other liabilities.

Liabilities with residual maturity of more than five years:

T€	**2008**	2007
Bonds	–	–
Liabilities to banks	12,570	326
Other liabilities		
Miscellaneous	530	548

The liabilities to banks are secured with mortgages totalling €20.502 million (2007: €6.945 million).

The other liabilities include the capital contributions of silent partners totalling €–.– million (2007: €9.889 million). €3,941 (2007: €6,330) of other liabilities will only become cash items after the balance sheet date.

7. CONTINGENT LIABILITIES

T€	**2008**	2007
Credit guarantees	114,332	119,003

Project financing credits given by project companies related to the company were secured with the pledging of these business shares.

IV. Notes to the income statement

Sales revenues break down as follows:

T€	2008	2007
BREAKDOWN BY ACTIVITY		
Rentals from property management	4,830	4,195
Project development and construction	23,924	21,321
Total	**28,755**	**25,516**

Austria	14,543	17,181
Abroad	14,212	8,335
Total	**28,755**	**25,516**

PERSONNEL EXPENSES

In item 6b 'Severance expenses and contributions to employee benefit funds' totalling €438,379.67 (2007: T€192) an amount of €402,345.50 (2007: T€171) was attributable to severance expenses, and breaks down as follows:

2008	Severance expense	Pension expense
Managing Board	268,188.00	−6,403.71
Executives	178,354.00	–
Other staff	−44,216.50	–
Total	**402,345.50**	**−6,403.71**

2007	Severance expense	Pension expense
Managing Board	34,970.00	52,940.69
Executives	−58,660.00	–
Other staff	194,703.00	–
Total	**171,013.00**	**52,940.69**

FINANCIAL RESULT

T€	2008	2007
Income from participations		
a) from related companies	6,327	9,270
b) from affiliated companies	274	1,450
Income from securities and loans	1,561	17
Other interest and similar income	9,132	9,479
of which from related companies	6,353	6,380
Income from disposal and upwards revaluation of financial assets	119	105
Expenses on financial assets	3,767	7,205
of which from related companies	–	322
of which depreciation	3,752	6,523
Interest and similar expenses	7,033	8,294
of which to related companies	89	50

TAXES ON INCOME

Deferred tax assets totalling €1.892 million (2007: €1.536 million) were not recognised in the annual financial statements. As of 31 December 2008 they amounted to €3,427 million (2007: €1.536 million).

V. Relationships with related companies

Real estate development and utilisation projects are carried out through project companies in which the company either has a sole interest or is involved with partners. In addition, the company holds (majority) stakes in companies which use real estate property in the long term by means of renting.

VI. Other financial commitments

Hotel Euro-Disney
UBM AG and Warimpex Finanz- und Beteiligungs AG have undertaken vis-à-vis RL KG Raiffeisen-Leasing Gesellschaft m.b.H. to purchase 50% each of its capital in UBX (Luxembourg) s.a.r.l. at its written request. UBX (Luxembourg) s.a.r.l is in turn the sole shareholder of RL UBX Hotelinvestment France s.a.r.l, which has erected a hotel including all adjoining buildings and external facilities on a leased plot of land belonging to the Euro Disney Park in Paris. The purchase price corresponds to the capital contributed by Raiffeisen plus interest, less repayments and administrative charges paid to Raiffeisen. As at 31 December 2008, this liability totalled T€38,520.6 (previous year: T€42,004.6) which is shared equally between UBM AG and Warimpex. UBM AG and Warimpex are also liable for each other's share of the debt.

Holiday Inn
In the previous fiscal year UBM AG and Warimpex Finanz- und Beteiligungs AG undertook vis-à-vis RL KG Raiffeisen-Leasing Gesellschaft m.b.H. to purchase 50% each of its capital in Asset Paris II (Luxembourg) s.a.r.l. at its written request. Asset Paris II (Luxembourg) s.a.r.l is in turn the sole shareholder of Asset Paris II s.a.r.l, which has erected a hotel including all adjoining buildings and external facilities on a leased plot of land in the commune of Magny-le-Hongre near Paris. The purchase price corresponds to the capital contributed by Raiffeisen plus interest, less repayments and administrative charges paid to Raiffeisen. As at 31 December 2008, this liability totalled €20,000.0 which is shared equally between UBM AG and Warimpex. UBM AG and Warimpex are also liable for each other's share of the debt.

VII. Notes to financial instruments

The original financial instruments under assets on the balance sheet primarily include financial assets, trade receivables, receivables from related companies and receivables from companies linked by virtue of participating interests, while under equity and liabilities they include financial liabilities, especially loans and liabilities to banks.

In the 2005 fiscal year a bond was issued by UBM AG under the following conditions.

Nominal amount:	€100,000,000
Term:	2005-2012
Interest rate:	3.875%
Coupon date:	10 June of each year; first time on 10 June 2006
Repayment:	100% at maturity

The decision to issue the bond was made in April 2005. Since interest was expected to rise, the interest rate was hedged for the term of the bond by means of a forward start swap. However, the interest rate developed contrary to these expectations. As a result, when closing the forward start swap a negative market value arose amounting to €2.36 million upon the issue of the bond.

Since the swap was concluded exclusively for hedging purposes, the negative market value of the closed forward start swap was not immediately expensed as incurred. However, it will be recognised as interest expense over the remaining maturity period at the interest rate hedged in April (3.875% plus 0.44% for the interest swap). The market value of the interest swap as at 31.12.2008 was €-1.430 million (2007: €-1.745 million).

VIII. Information on staff and statutory bodies

Average headcount:

	2008	2007
Salaried staff	76	69

MANAGING BOARD MEMBERS

Mag. Karl Bier, Chairman

DI Peter Maitz

Heribert Smolé

DI Martin Löcker (from 01.03.2009)

The remuneration of the Board in 2008 totalled €1,766,416.39 (2007: €1,013,448.19).

MEMBERS OF THE SUPERVISORY BOARD

DI Horst Pöchhacker, Chairman (from 18.04.2008, Deputy Chairman until 18.04.2008)

Dr. Peter Weber, Deputy Chairman (from 18.04.2008, member until 18.04.2008)

Dr. Bruno Ettenauer

Wolfhard Fromwald

Wolfgang Hesoun (from 18.04.2008)

Dr. Walter Lederer

DI Iris Ortner-Winischhofer

Dr. Johannes Pepelnik

Dr. Siegfried Sellitsch, Chairman (until 18.04.2008)

The remuneration paid to members of the Supervisory Board, including fees for meetings, totalled €76,780.21 in the reporting year (2007: €64,357.29).

Vienna, 9 March 2009

The Managing Board

Karl Bier (Chairman) | Peter Maitz | Heribert Smolé | Martin Löcker

Declaration of the Managing Board

We hereby declare to the best of our knowledge that the annual and consolidated financial statements compiled in accordance with applicable accounting standards provide a true and fair view of the financial and earnings position of the parent firm and the group, as well the results of their operations. The business report and the consolidated business report present the business operations, the results of business operations and the situation of the company and the group in a way that provides a true and fair view of the financial and earnings position and the results of operations of the company and the group, whilst also outlining the significant risks and uncertainties facing the company and the group.

Vienna, 9 March 2009

The Managing Board

Karl Bier (Chairman) | Peter Maitz | Heribert Smolé | Martin Löcker

Auditor's Report

"We have audited the financial statements of

UBM REALITÄTENENTWICKLUNG AKTIENGESELLSCHAFT, VIENNA

for the fiscal year from 01.01.2008 to 31.12.2008 on the basis of the company's accounting. The bookkeeping, the presentation and the content of these financial statements as well as the business report are the responsibility of the legal representatives of the company in accordance with the regulations of the Austrian Commercial Code. Our responsibility is to express an opinion on these financial statements based on our audit. In addition it is our responsibility to assess whether the accounting information in the business report is consistent with that contained in the financial statements.

We conducted our audit in accordance with applicable laws and regulations in Austria for audits. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, and that the business report is consistent with the financial statements. Knowledge of the company's business activities and its economic and legal environment, together with an evaluation of possible misstatements are taken into account when determining the audit procedures. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the bookkeeping and the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

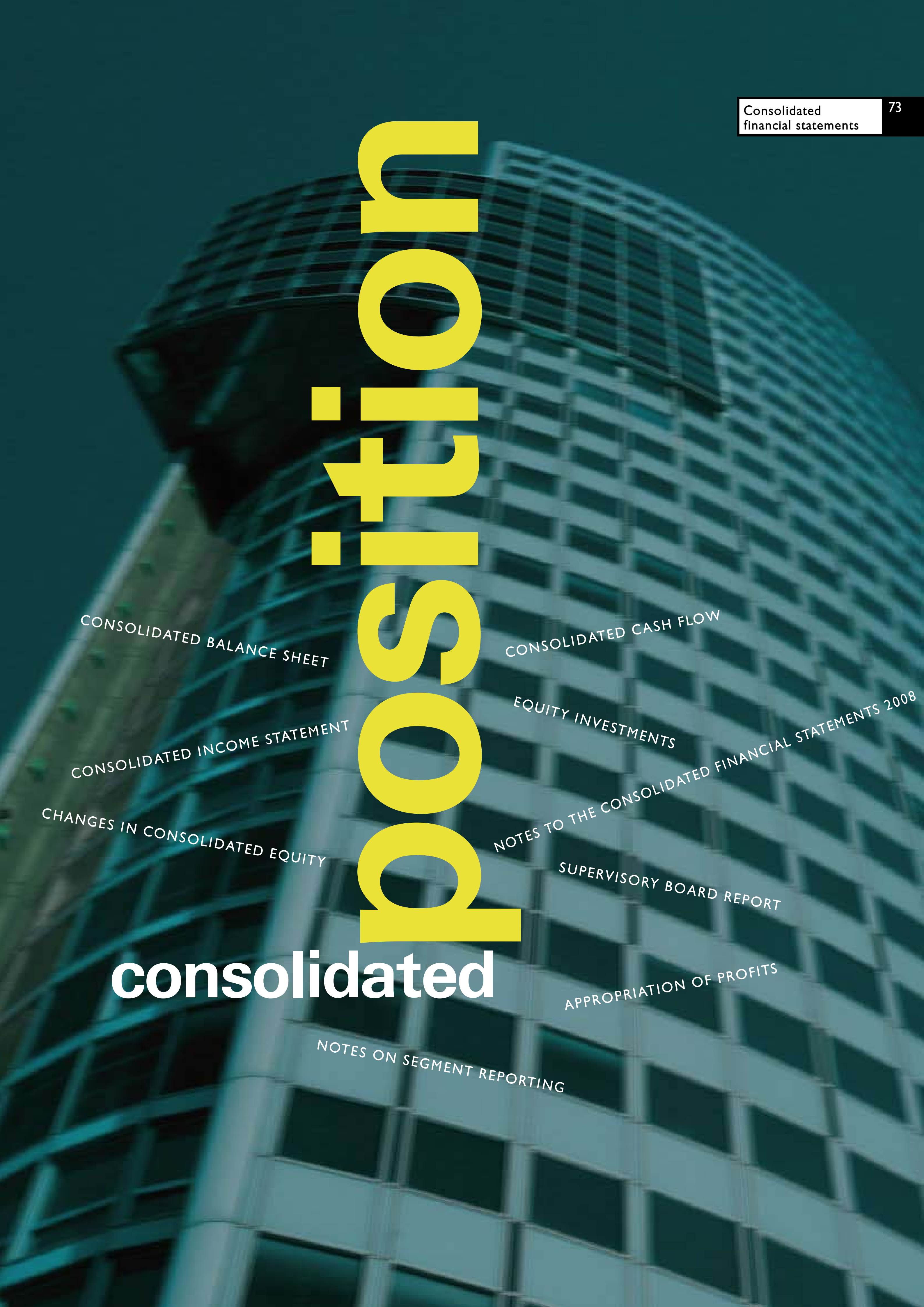
Our audit gave rise to no objections. In our opinion, based on the results of our audit the financial statements have been prepared pursuant to applicable regulations and present a true and fair view of the financial position of UBM Realitätenentwicklung Aktiengesellschaft as of 31.12.2008 and of the results of its operations for the fiscal year from 01.01.2008 to 31.12.2008 in accordance with accounting principles generally accepted in Austria. The business report is consistent with the annual financial statements."

Vienna, 10 March 2009

BDO Auxilia Treuhand GmbH
(Audit and Tax Consultants)

Hans Peter Hoffmann
Auditor

pp Christoph Wimmer
Auditor



consolidated position

CONSOLIDATED BALANCE SHEET

CONSOLIDATED INCOME STATEMENT

CHANGES IN CONSOLIDATED EQUITY

CONSOLIDATED CASH FLOW

EQUITY INVESTMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2008

SUPERVISORY BOARD REPORT

APPROPRIATION OF PROFITS

NOTES ON SEGMENT REPORTING

Consolidated income statement for the 2008 fiscal year

in T€	Notes	**2008**	2007
Sales revenue	(5)	216,399.4	133,655.1
Own work capitalised in non-current assets		215.4	397.9
Other operating income	(6)	4,615.6	13,723.2
Material expenses and other services	(7)	−148,751.3	−80,984.3
Personnel expenses	(8)	−16,534.0	−12,573.6
Amortisation and depreciation on intangible assets and property, plant, equipment	(9)	−2,789.2	−2,374.1
Other operating expenses	(10)	−17,343.0	−19,692.0
EARNINGS BEFORE INTEREST AND TAX (EBIT)		**35,812.9**	**32,152.2**
Result from associated companies		−3,839.6	−1,516.8
Financial income	(11)	6,207.8	8,637.7
Financial expenditure	(12)	−21,378.3	−22,644.2
EARNINGS BEFORE TAX (EBT)		**16,802.8**	**16,628.9**
Taxes on income	(13)	−601.9	−4,579.7
PROFIT AFTER TAX		**16,200.9**	**12,049.2**
of which due to parent company shareholders		**16,081.0**	**11,982.5**
of which due to minority shareholders		119.9	66.7
EARNINGS PER SHARE (in €)	(14)	**5.36**	**4.00**


Neue Mitte Lehen, Salzburg
Austria


Hotel angelo, Pilsen
Czech Republic

Consolidated balance sheet as of 31 December 2008

ASSETS			
in T€	Notes	**31.12.2008**	31.12.2007
NON-CURRENT ASSETS			
Intangible assets	(15)	2,789.3	3,005.8
Property, plant and equipment	(16)	59,580.1	39,541.4
Financial real estate	(17)	285,365.4	258,912.6
Shares in associated companies	(18)	7,252.4	15,483.4
Loans	(19)	11,130.9	13,786.7
Other financial assets	(20)	18,889.2	13,165.4
Deferred tax assets	(25)	1,750.6	1,160.8
		386,757.9	**345,056.1**
CURRENT ASSETS			
Inventories	(21)	55,037.6	40,354.2
Trade receivables	(22)	67,650.8	64,502.2
Other receivables and assets	(23)	7,313.6	9,708.4
Liquid assets	(24)	42,603.9	18,325.2
		172,605.9	**132,890.0**
		559,363.8	**477,946.1**

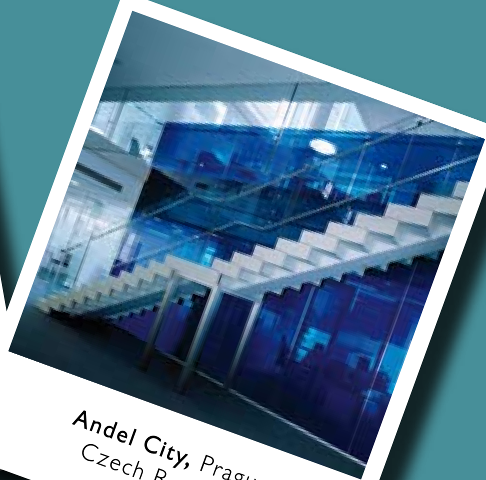
EQUITY AND LIABILITIES			
in T€	Notes	**31.12.2008**	**31.12.2007**
SHAREHOLDERS' EQUITY	(26,27)		
Share capital		5,450.5	5,450.5
Capital reserves		45,185.8	45,185.8
Foreign currency translation reserve		3,949.9	2,920.4
Other reserves		63,681.9	50,573.0
Retained profit		3,321.5	3,325.6
Interest of parent company shareholders		**121,589.6**	**107,455.3**
Interest of minority shareholders in subsidiaries		1,219.8	1,024.8
		122,809.4	**108,480.1**
LONG-TERM LIABILITIES			
Provisions	(28)	7,125.9	7,391.2
Bonds	(29)	100,000.0	100,000.0
Financial liabilities	(30)	176,356.0	122,497.6
Deferred tax liabilities	(25)	8,998.2	6,242.1
		292,480.1	**236,130.9**
CURRENT LIABILITIES			
Provisions	(28)	4,034.0	5,103.5
Financial liabilities	(30)	75,318.6	71,714.8
Trade liabilities	(31)	34,699.2	26,356.5
Tax liabilities	(32)	3,471.6	5,519.9
Other liabilities	(33)	26,550.9	24,640.4
		144,074.3	**133,335.1**
		559,363.8	**477,946.1**

Changes in consolidated equity

in T€
AS OF 01.01.2007
Currency differences
Cash flow hedges: reposted into profit of period
Income taxes on items offset directly against shareholders' equity
Total expenses and income recorded directly in shareholders' equity
Profit after tax
Total expenses and income
Dividend payments
AS OF 31.12.2007
Currency differences
Cash flow hedges: reposted into profit of period
Income taxes on items offset directly against shareholders' equity
Total expenses and income recorded directly in shareholders' equity
Profit after tax
Total expenses and income
Dividend payments
AS OF 31.12.2008

„Griffin House", Warsaw
Poland

Andel City, Prague
Czech Republic



Andel City, Prague
Czech Republic

	Share capital	Capital reserves	Foreign currency translation reserve	Other reserves	Interests of parent company shareholders	Interests of minority shareholders in subsidiaries	Total
	5,450.5	45,185.8	5,822.2	44,614.3	101,072.8	958.6	102,031.4
	–	–	–3,868.3	–	–3,868.3	–0.5	–3,868.8
	–	–	–	301.8	301.8	–	301.8
	–	–	966.5	–	966.5	–	966.5
	0.0	0.0	–2,901.8	301.8	–2,600.0	–0.5	–2,600.5
	–	–	–	11,982.5	11,982.5	66.7	12,049.2
	0.0	0.0	–2,901.8	12,284.3	9,382.5	66.2	9,448.7
	–	–	–	–3,000.0	–3,000.0	–	–3,000.0
	5,450.5	45,185.8	2,920.4	53,898.6	107,455.3	1,024.8	108,480.1
	–	–	974.0	–	974.0	75.1	1,049.1
	–	–	–	323.8	323.8	–	323.8
	–	–	55.5	–	55.5	–	55.5
	0.0	0.0	1,029.5	323.8	1,353.3	75.1	1,428.4
	–	–	–	16,081.0	16,081.0	119.9	16,200.9
	0.0	0.0	1,029.5	16,404.8	17,434.3	195.0	17,629.3
	–	0.0	0.0	–3,300.0	–3,300.0	0.0	–3,300.0
	5,450.5	45,185.8	3,949.9	67,003.4	121,589.6	1,219.8	122,809.4

Andel City, Prague
Czech Republic

Hotel angelo, Munich
Germany

Hotel angelo, Munich
Germany

Consolidated cash flow statement

in T€	**2008**	2007
Profit after tax	16,200.9	12,049.2
Depreciation/upwards revaluation of non-current assets	7,266.7	6,548.4
Income/expenses on associated companies	3,839.6	1,516.8
Increase in long-term provisions	353.8	204.9
Deferred tax liabilities	−151.0	869.2
CASH FLOW FROM EARNINGS	**27.510.0**	**21.188.5**
Increase/decrease in short-term provisions	−4,166.4	6,422.3
Income from disposal of assets	−281.9	−2,238.4
Carrying value of disposed project companies	0.0	0.0
Increase in inventories	−13,113.1	−513.4
Increase/decrease in receivables	2,740.3	−11,166.3
Increase/decrease in liabilities (excluding bank liabilities)	−4,179.2	−1,479.2
Other non-cash transactions	3,790.0	−5,458.0
CASH FLOW FROM OPERATING ACTIVITIES	**12,299.7**	**6,755.5**
Income from disposed property, plant, equipment and financial real estate	6,545.7	11,507.0
Income from disposed financial assets	23,818.5	4,152.7
Investments in intangible assets	−101.8	0.0
Investments in property, plant, equipment and financial real estate	−44,090.8	−92,956.2
Investments in financial assets	−18,524.1	−8,284.5
Income/expense from changes in consolidation scope	0.0	25,105.5
CASH FLOW FROM INVESTMENT ACTIVITIES	**−32,352.5**	**−60,475.5**
Dividends	−3,300.0	−3,000.0
Borrowing/repayment of loans and other Group financing	47,841.3	61,726.9
CASH FLOW FROM FINANCING ACTIVITIES	**44,541.3**	**58,726.9**
CASH FLOW FROM OPERATING ACTIVITIES	**12,299.7**	**6,755.5**
CASH FLOW FROM INVESTMENT ACTIVITIES	**−32,352.5**	**−60,475.5**
CASH FLOW FROM FINANCING ACTIVITIES	**44,541.3**	**58,726.9**
CHANGE IN LIQUID ASSETS	**24,488.5**	**5,006.9**
Liquid assets as of 01.01	18,325.2	14,212.2
Currency differences	−778.4	173.1
Change in liquid assets due to altered scope of consolidation	**568.6**	−1,067.1
LIQUID ASSETS AS OF 31.12.	**42,603.9**	**18,325.1**

UBM Realitätenentwicklung AG Notes to the Consolidated Financial Statements 2008

1. GENERAL INFORMATION

The UBM Group is composed of UBM Realitätenentwicklung Aktiengesellschaft (UBM AG) and its subsidiaries. UBM AG is a public company pursuant to Austrian law and is headquartered at Floridsdorfer Hauptstraße 1, 1210 Vienna. The company is registered at the Vienna Commercial Court under registration No. FN 100059 x. The core activities of the Group are the development, utilisation and administration of real estate.

The consolidated financial statements have been prepared pursuant to Article 245a of the Austrian Commercial Code (UGB), in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union, and also the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The reporting currency is the euro, which is also the functional currency for UBM AG. For the individual subsidiaries included in the consolidated financial statements it is either the euro or the respective national currency, depending on the field of business. Figures are reported in thousands of euros (T€). The reporting year corresponds to the calendar year.

2. CONSOLIDATION

Scope of consolidation
In addition to UBM AG, the consolidated financial statements include 6 domestic subsidiaries (previous year: 7) and 39 foreign subsidiaries (previous year: 33). Furthermore, 6 domestic (previous year: 5) and 13 foreign (previous year: 12) associated companies were measured at equity.

The consolidated subsidiaries and associated companies can be found on the list of equity investments (see annex). Companies of secondary importance to the consolidated financial statements have not been included. A total of 22 companies (previous year: 18) were not fully consolidated due to their minor economic importance.

The consolidated financial statements consolidate all companies in full which are under the controlling influence of the parent company ("subsidiary companies"). A controlling influence is when the parent company is able to exert a direct or indirect impact on the financial and business policies of the given company. A subsidiary company is first consolidated when this controlling influence commences, and ends when said influence no longer applies.

Companies that are managed together with another undertaking ("joint ventures") as well as companies on which the parent company directly or indirectly exerts a significant influence ("associated companies"), are consolidated at-equity.

In the 2008 fiscal year the following companies were consolidated for the first time:

- Münchner Grund Projektmanagement GmbH
- Hotel Real Estate Beratung Sp. z o.o.
- UBM Zielone Sp. z o.o.
- Tosan park a.s.
- UBM Koliba s.r.o.
- „Hotel Akademia“ Sp. z o.o.

The assets and liabilities of the companies consolidated for the first time are shown below:

Assets and liabilities	in T€
ASSETS	
Non-current assets	37,591.2
Current assets	7,225.7
Assets	44,816.9
EQUITY AND LIABILITIES	
Equity capital	5,262.8
Long-term liabilities	35,069.7
Current liabilities	4,484.4
Equity and liabilities	44,816.9
Sales revenue in reporting year	6,831.1
Net income in reporting year	–1,623.4

The interests were purchased for T€ 1,668.9.

Principles of consolidation

Acquired companies are recorded using the purchase method. According to this method, the purchased assets, liabilities and contingent liabilities are recognised as of the date of purchase at the fair values corresponding to the date of purchase. The difference between the cost and the attributable share of net assets measured at their fair market value is recognised as goodwill; such net assets are not subject to ordinary depreciation but instead are subject to an annual impairment test.

In the reporting year, any goodwill from the first-time consolidations was allocated to assets, liabilities and contingent liabilities totalling T€10,583.3 (previous year: 0).

All intra-group receivables and liabilities are eliminated during the consolidation of debts. Intra-group income and expenses are netted off during the income and expense consolidation. Interim results and intra-company supplies are eliminated when they involve significant sums, while the respective assets are still reported in the consolidated financial statements.

Participations in net assets of fully consolidated subsidiaries which are not allocable to UBM AG are reported separately under “minority interests” as part of shareholder’s equity.

3. CAPITAL RISK MANAGEMENT

The Group manages its capital with the goal of maximising the return from its participations through optimising the equity/external capital balance.

The structure of capital at the Group consists of debts, cash and cash equivalents as well as the equity capital of the shareholders of the parent company.

Net debt

Risk management at the Group checks the capital structure on a regularly basis.

Net debt as of the year-end was as follows:

in T€	**31.12.2008**	31.12.2007
Debts (i)	251,674.6	194,212.4
Cash and cash equivalents	–42,603.9	–18,325.2
Net debts	**209,070.7**	**175,887.2**
Equity capital (ii)	**122,809.4**	**108,480.1**
Net debt to equity ratio	170.2%	162.1%

(i) Debts are defined as long- and short-term financial liabilities, as outlined in Section 30.
(ii) Equity capital comprises the entire capital and reserves of the Group.

The overall strategy of the Group has not changed compared to fiscal 2007.

4. ACCOUNTING POLICIES

The annual financial statements of all of the companies included in the consolidated financial statements have been prepared in accordance with standard accounting policies.

Principles of measurement

The amortised cost is used as the basis for measuring intangible assets, property, plant and equipment, loans, inventories, trade receivables and liabilities.

With regard to available-for-sale securities, derivative financial instruments and financial real estate, the measurement is based on fair market values as of the reporting date.

Currency translations

The companies included in the consolidated financial statements compile their annual financial statements in their own functional currencies, whereby the functional currency is the one used for the financial activities of each company.

The balance sheet items for the companies included in the consolidated financial statements are converted using the middle exchange rate as of the reporting date, while income statement items are converted using the average exchange rate for the fiscal year, based on the arithmetic average of all month-end rates. The differences resulting from the currency conversion are recorded directly in shareholders' equity. These currency differences are recognised in the income statement when the business is sold or discontinued.

In the case of company acquisitions, adjustments made to the carrying values of the purchased assets, assumed liabilities and contingent liabilities to fair market value as of the purchase date, or goodwill, are treated as assets or liabilities of the acquired subsidiaries, and are thus subject to currency translation.

Exchange gains or losses of consolidated companies in a currency other than the functional currency are recognised in the income statement. Monetary positions for these companies which are not in the functional currency are converted using the middle exchange rate as of the balance sheet date.

Intangible assets are capitalised at cost and amortised using straight-line rates over their expected useful life. In this respect amortisation rates of 25% to 50% were applied.

The depreciation for the fiscal year will be reported in the income statement under "amortisation and depreciation of intangible assets and of property, plant and equipment.

If a reduction in value (impairment) is identified that is not just temporary, the corresponding intangible assets will then be amortised to the recoverable amount, i.e. the higher of the fair value less selling costs or the value in use. When the impairment no longer applies it is reversed in line with the increased valuation, but only up to the

maximum value calculated if applying the amortisation schedule on the basis of the original cost.
Goodwill is recorded as an asset and is reviewed for any impairment in value at least once a year pursuant to IFRS 3 and in connection with IAS 36. All impairments are immediately recorded in the income statement. No impairment losses are subsequently reversed.

Property, plant and equipment are measured at acquisition cost including ancillary costs and net of reductions in acquisition costs, or at production cost including ordinary straight-line depreciation charged in the 2008 reporting year, whereby the following depreciation rates were applied:

	%
Buildings	2.5
Plant and machinery	10.0 bis 33.3
Other plant, furniture, fixtures and office equipment	6.7 bis 33.3

If a reduction in value (impairment) is identified, the corresponding property, plant and equipment will then be depreciated to the recoverable amount, i.e. to the higher of the fair value less selling costs or the value in use. When the impairment no longer applies it is reversed in line with the increased valuation, but only up to the maximum value calculated if applying the amortisation schedule on the basis of the original cost. Fundamental modifications are capitalised, while current maintenance work, repairs and minor modifications are recognised as expense when they are accrued.

Low-value assets are fully written off in the year when purchased as they are insignificant for the consolidated financial statements.

Plant and buildings currently under construction which are to be used for business purposes or which do not have any specific use as yet shall be reported at cost less depreciation to reflect reductions in value. In general, borrowing costs are not included in the cost. The depreciation of these assets begins upon completion or when ready for operation.

Financial real estate is properties which are kept in order to generate rental income and/or for the purposes of increasing value. Office buildings and business premises, residential buildings, and vacant plots, which are used by the company for its own operations are not included under financial real estate. These are recognised at their fair value. Profits and losses derived from changes in value are recognised in the income statement for the period in which the change in value occurs.

The fair value measurements of financial real estate are based on the fair market appraisals from independent experts, or, the fair market value is determined from the present value of estimated future cash flows expected from utilising the real estate, or from comparable transactions.

Leasing

Leases are classified as financial leases when all risks and opportunities linked to the property are transferred to the lessee in accordance with the lease contract.

Assets held under financial leases are recorded at the start of the leasing relationship as company assets at the lower of the fair market value or the present value of the minimum lease payments. The minimum lease payments are the amounts to be paid during the obligatory contractual term, including a guaranteed residual value. The corresponding liability to the lessor is recorded in the balance sheet as a financial lease obligation. Lease payments are divided into interest expenses and a reduction in the leasing liability, in order to achieve a continuous return from the remaining liability. Interest expenses are recorded in the income statement.

Participations in associated companies are reported at cost, divided into the prorated, purchased net assets measured at fair market value, as well as goodwill, if necessary. The carrying value is increased or decreased annually by the prorated annual net profit or loss, related dividends, and other changes in equity capital. Goodwill is not subject to ordinary amortisation but an impairment test pursuant to IAS 36, which is conducted every year and whenever there are signs of a possible decrease in value. Should the recoverable amount fall below the carrying value, the difference is depreciated.

Loans are valued at amortised cost. If signs of a reduction in value (impairment) are identified, the loans are depreciated to the present value of the expected cash flow.

Shares in unconsolidated subsidiaries and other participations, reported under **other financial assets**, are measured at cost since a reliable fair market value cannot be determined. Should a reduction in value be identified on financial assets valued at cost, depreciation is recorded to the present value of the expected cash flow.

Raw materials and supplies are measured at the lower of the purchase cost and the comparative value.

Real estate intended for sale is valued at the lower of the purchase/production cost and the net sales value. In general, borrowing costs are not included in the cost value.

Construction projects are accounted using the POC method. Projected revenues are recognised under sales revenue in accordance with the percentage of completion. The percentage of completion, which forms the basis for the amount of recognised revenues, is generally determined based on the output as of the reporting date relative to the total estimated output. In the event the percentage of completion cannot be reliably estimated, revenues are only recognised to the level of corresponding costs. Project costs are recognised as expense in the period when incurred. If it is likely that the costs of a project will exceed the entire revenue of the project, the expected loss is recognised immediately.

Receivables are essentially recognised at nominal value. Allowances are allocated in the event of risks regarding collectibility.

In the case of differences between the valuation of assets and liabilities in the consolidated financial statements on the one hand, and the fiscal valuation on the other, **accrued items for deferred taxes** are stated in the amount of the anticipated future tax burden or tax relief. Furthermore, deferred tax assets for future monetary gains resulting from tax loss carry forwards are recognised for as long as realisation is probable. The exceptions to this rule of comprehensive tax deferrals are the differences from goodwill that cannot be deducted for tax purposes.

The deferred tax calculation is based on the corporate tax rate valid in each country; for Austrian companies the tax rate is 25%.

The **provisions for severance pay, pensions and anniversary bonuses** were determined pursuant to IAS 19 according to the Projected Unit Credit Method and based on the AVÖ 2008-P generations table, whereby an actuarial valuation is carried out as of each balance sheet date. In measuring these provisions, an annual interest rate of 5.8% (previous year: 5.3%) and annual reference increases of 2.9% (previous year: 2.6%) were taken into account. When calculating the provisions for severance pay and anniversary bonuses, fluctuation discounts were applied based on statistical data.

Actuarial gains and losses are recognised in full during the year in which they are incurred. Service costs are reported under personnel expenses. Interest charges are recognised under financing expenses.

Other provisions take into account all discernible risks and contingent liabilities. They are recognised in the amount which is presumably required to fulfil the underlying obligation.

Liabilities are recognised at their nominal value.

Should the repayment amount be lower or higher, the effective interest method is used accordingly to depreciate or write-up.

Derivative financial instruments are measured at their fair market value.

Revenues are measured at their fair market value for the service provided. Discounts, sales taxes, and other taxes in connection with the revenues are deducted from this amount. Revenues are recorded after the delivery and transfer of the property. The revenues from construction orders are recorded over the period in which the order is executed, distributed in accordance with the percentage of completion.

Interest income and expenses are accrued taking into account the outstanding loan amount and the interest rates to be applied. **Dividend income** from financial investments is recorded when the legal claim arises.

Management estimates and assumptions which refer to the amount and recognition of assets and liabilities in the balance sheet as well as to income and expenditures and the data of relevant contingent liabilities are inextricably linked to the compilation of the annual financial statements. The estimates and assumptions essentially refer to:

- the determination of fair values of financial real estate based on occupancy, development of rentals and interest trends,
- the appraisal of ongoing projects based on the development of production costs and the changing market conditions during the development,
- the determination of the useful life of property, plant and equipment,
- the accounting and measurement of provisions based on probable need,
- the review of the value of assets,
- the review of the value of deferred tax assets for loss carry forwards ensues by estimating the opportunity of offsetting with subsequent gains

The figures which actually arise in the future can deviate from these estimates.

New and amended accounting standards

Standards and interpretations to be applied in fiscal year
In comparison to the consolidated financial statements as of 31 December 2007 the following standards and interpretations have been amended and/or must be applied for the first time due to their incorporation into European law or the entry into force of regulations:

- Amendments to IAS 39/IFRS 7 Reclassification of Financial Instruments
- IFRIC 11 “IFRS 2 – Group and Treasury Share Transactions”
- IFRIC 14 “IAS 19 – The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction”

The application of these standards and interpretations has led to no changes in the accounting and measurement policies of the Group.

Published standards and interpretations not yet applied

The following regulations were published and adopted in European law when the financial statements were compiled, yet they are not mandatory and will not be applied prematurely on a voluntary basis either.

- IFRS 8 Operating Segments
- IFIRC 12 Service Concession Arrangements
- IFRIC 13 Customer Loyalty Programmes
- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 23 Borrowing Costs
- Amendments to IFRS 2 Share-based Payment

The Managing Board assumes that the regulations outlined above will not exert a significant influence on the consolidated financial statements when first applied.

5. SALES REVENUE

Sales revenue totalling T€216,4 (previous year: T€133,655.1) includes revenues from real estate and real estate project companies, rental income, income from property management, settled construction works of internal projects and other proceeds from normal business activities.

In the following table the Group's total output is presented by region, as an initial step, where in particular the prorated performance from associated companies and subsidiaries not fully consolidated is recorded and transferred to revenues.

in T€	2008	2007
REGIONS		
Austria	44,421.1	96,125.4
Western Europe	100,273.9	34,185.7
Eastern Europe	162,646.5	132,648.8
Total Group output	**307,341.5**	**262,959.9**
net of sales from joint ventures	–34,770.2	–13,072.0
net of inventory changes in own projects	–16,088.5	–16,372.1
net of sales from associated and subsidiary companies	–39,868.0	–95,772.5
net of joint ventures	0.0	–3,690.3
net of own work capitalised	–215.4	–397.9
Sales revenue	**216,399.4**	**133,655.1**

6. OTHER OPERATING INCOME

Other operating income primarily includes income from ancillary costs from property management as well as exchange gains. The value adjustments of financial real estate at fair value as of the reporting date were recognised net.

7. MATERIAL EXPENSES AND OTHER SERVICES

in T€	2008	2007
Costs of raw materials, supplies and purchased goods	–9,178.0	–18,577.8
Costs of services used	–139,573.3	–62,406.5
Total	**–148,751.3**	**–80,984.3**

8. PERSONNEL EXPENSES

in T€	2008	2007
Wages and salaries	–13,726.6	–10,758.8
Social security charges	–2,388.4	–1,694.5
Severance pay and pension expenses	–419.0	–120.3
Total	**–16,534.0**	**–12,573.6**

The expenses for severance pay and pensions include expenses during the period of employment and actuarial results. The interest expense is recognised under financing expenses.

9. AMORTISATION AND DEPRECIATION

The amortisation of intangible assets totalled €335.3 (previous year: €316.5) and the depreciation on property, plant and equipment totalled €2,453.9 (previous year: €2,057.6) during the year.

10. OTHER OPERATING EXPENSES

The main other operating expenses are as follows:

in T€	**2008**	2007
Office management	–2,909.8	–2,330.8
Advertising	–1,298.3	–1,768.4
Legal and advisory costs	–2,437.5	–2,767.2
Provisioning (other provisions)	–	–5,727.0
Adjustment to financial real estate	–21.2	–2,091.4
Miscellaneous	–10,676.2	–5,007.2
Total	**–17,343.0**	**–19,692.0**

The miscellaneous other operating expenses principally comprise travel costs, fees and duties, other third-party services, general administration costs and currency differences amounting to T€7,737.0.

11. FINANCIAL INCOME

in T€	**2008**	2007
Income from participations	783.9	1,994.2
(of which from related companies)	285.5	544.2
Interest and similar income	5,104.9	6,347.2
Income from disposal and upwards revaluation of financial assets	319.0	296.3
(of which from related companies)	–	–
Total	**6,207.8**	**8,637.7**

12. FINANCIAL EXPENDITURE

in T€	**2008**	2007
Interest and similar expenses on bonds	–4,289.0	–4,289.0
Interest and similar expenses on other financial liabilities	–12,190.9	–9,692.9
Other interest and similar expenses	–715.5	–739.1
Expenses from participations	–431.2	–682.4
(of which from related companies)	–	–322.4
Expenses on other financial assets	–3,751.6	–7,240.8
Total	**–21,378.3**	**–22,644.2**

13. TAXES ON INCOME

The taxes on income paid or due in the individual countries as well as deferred taxes are stated as taxes on income.

The calculation is based on tax rates which are likely to be applied at the time of realisation in accordance with valid tax laws, or in accordance with tax laws whose entry into force has essentially been approved.

in T€	**2008**	2007
Actual tax expense	–56.9	1,943.7
Deferred tax expense/income	658.8	2,636.0
Tax expense (+)/income (–)	**601.9**	**4,579.7**

The tax expense calculated on the basis of the Austrian corporate tax rate of 25% results in the following reconciliation with the actual tax expense as follows:

in T€	**2008**	2007
Earnings before tax	16,802.8	16,628.9
Theoretical tax expense (+)/income (–)	4,200.7	4,157.2
Tax rate differences	–604.5	–1,690.7
Tax effect of non-deductible expenses and tax-free income	–3,128.4	–311.3
Income/expenses from participations in associated companies	959.9	–780.2
Change in deferred tax asset not recognised in light of loss carry forwards	–841.5	3,221.4
Other differences	15.7	–16.7
Taxes on income	**601.9**	**4,579.7**

In addition to the tax expense recorded in the consolidated income statement the tax effect of expenses and income taken directly to the shareholder's equity was also set off directly in shareholder's equity. The amount set off in equity amounted to T€55.5 (previous year: T€966.5).

14. EARNINGS PER SHARE

Earnings per share are calculated by dividing the share of the parent company's shareholders in the profit after tax by the weighted average number of shares issued. The undiluted earnings per share is the same as the diluted earnings per share.

in T€	**2008**	2007
Share of parent company shareholders in profit after tax	16,081.0	11,982.5
Weighted average number of shares issued	3,000,000	3,000,000
Earnings per share €	**5.36**	**4.00**

15. INTANGIBLE ASSETS

in T€	Concessions, licences and similar rights	Goodwill	Total
ACQUISITION AND MANUFACTURING COSTS			
As of 01.01.2007	230.4	5,327.8	5,558.2
Change in consolidation scope	–	–	–
Additions	–	–	–
Disposals	–	–	–
Reclassifications	2.4	–	2.4
Currency adjustments	12.6	102.0	114.6
As of 31.12.2007	**245.4**	**5,429.8**	**5,675.2**
Change in consolidation scope	87.2	–	87.2
Additions	81.8	20.0	101.8
Disposals	−12.1	–	−12.1
Reclassifications	–	–	–
Currency adjustments	−47.2	−222.1	−269.3
As of 31.12.2008	**355.1**	**5,227.7**	**5,582.8**
ACCUMULATED DEPRECIATION AND AMORTISATION			
As of 01.01.2007	176.8	2,086.7	2,263.5
Change in consolidation scope	–	–	–
Additions	18.7	297.8	316.5
Disposals	–	–	–
Reclassifications	0.3	–	0.3
Currency adjustments	10.2	78.9	89.1
Additions	–	–	–
As of 31.12.2007	**206.0**	**2,463.4**	**2,669.4**
Change in consolidation scope	49.4	–	49.4
Additions	43.2	292.1	335.3
Disposals	−12.1	–	−12.1
Reclassifications	–	–	–
Currency adjustments	−34.4	−226.5	−260.9
Additions	12.4	–	12.4
As of 31.12.2008	**264.5**	**2,529.0**	**2,793.5**
Carrying value as of 31.12.2007	**39.4**	**2,966.4**	**3,005.8**
Carrying value as of 31.12.2008	**90.6**	**2,698.7**	**2,789.3**

Only intangible assets which have been acquired with a limited useful life are stated. With regard to useful life and the amortisation method applied, please consult the details on the accounting policies.

The ordinary amortisation and depreciation is reported in the income statement under "amortisation and depreciation of intangible assets and of property, plant and equipment.

Within the framework of the impairment test, the sum of the carrying values of the assets at the individual cash-generating units to which goodwill has been allocated are compared with their recoverable amount. The recoverable amount corresponds to the higher of the fair value less selling costs or the value in use. The fair value reflects the best possible estimation of the amount for which an independent third party could acquire the cash-generating unit under market conditions on the balance sheet date. In cases where no fair value can be determined, the value in use, i.e. the present value of the expected future cash flows of the cash-generating unit, shall be determined as the recoverable amount. Since a fair value could not be determined for any of the cash-generating units to which goodwill has been allocated, the value in use of this cash-generating unit was calculated to determine the recoverable amount. The cash flows were derived from the current plans for 2008 and subsequent years drawn up by the Managing Board and available at the time the impairment tests were undertaken. These forecasts are based on historical experience as well as on expectations regarding future market development. The discounting was undertaken on the basis of specific capital costs totalling 6%. For the UBM Group the cash-generating unit is essentially the consolidated companies.

16. PROPERTY, PLANT AND EQUIPMENT

in T€	Land, similar rights and buildings, including buildings on leasehold land	Plant and machinery	Other plant, furniture, fixtures and office equipment	Payments on account and assets under construction	Total
COST					
As of 1.1.2007	31,742.7	156.6	1,779.9	13,873.8	47,553.0
Change in consolidation scope	–	−7.0	−2.1	5,336.7	5,327.6
Additions	23.1	19.1	236.8	16,377.4	16,656.4
Disposals	−6.6	–	−203.0	−79.2	−288.8
Reclassifications	−2.4	–	–	−22,257.1	−22,269.5
Reorganisations	–	–	–	1,171.9	1,171.9
Currency adjustments	2,165.9	8.0	22.4	33.5	2,229.8
As of 31.12.2007	**33,922.7**	**176.7**	**1,834.0**	**14,447.0**	**50,380.4**
Change in consolidation scope	34,296.6	1,247.7	1,856.6	−792.5	36,617.4
Additions	1,762.4	84.8	862.7	24,712.5	27,422.4
Disposals	−134.4	−1.6	−208.0	−73.3	−417.3
Reorganisations	–	−8.5	22.1	−28,744.0	−28,730.4
Currency adjustments	−9,662.1	−207.8	−338.6	−2.9	−10,211.4
As of 31.12.2008	**60,185.2**	**1,291.3**	**4,037.8**	**9,546.8**	**75,061.1**
ACCUMULATED DEPRECIATION AND AMORTISATION					
As of 01.01.2007	**6,715.2**	**106.0**	**1,048.4**	**–**	**7,869.6**
Change in consolidation scope	–	−0.2	–	–	−0.2
Additions	1,726.0	24.5	307.1	–	2,057.6
Disposals	−0.7	–	−191.2	–	−191.9
Reclassifications	−0.3	–	–	–	−0.3
Currency adjustments	1,081.0	5.9	17.3	–	1,104.2
Upwards revaluations	–	–	–	–	–
As of 31.12.2007	**9,521.2**	**136.2**	**1,181.6**	**–**	**10,839.0**
Change in consolidation scope	2,348.8	703.8	1,822.8	–	4,911.4
Additions	1,954.2	176.5	323.2	–	2,453.9
Disposals	−27.6	−0.7	−194.9	–	−223.2

Reorganisations	–	–14.8	14.8	–	–
Currency adjustments	–2,006.8	–144.1	–306.7	–	–2,457.6
Upwards revaluations	–42.5	–	–	–	–42.5
As of 31.12.2008	**11,783.3**	**856.9**	**2,840.8**	**–**	**15,481.0**
Carrying value as of 31.12.2007	**24,401.5**	**40.5**	**652.4**	**14,447.0**	**39,541.4**
Carrying value as of 31.12.2008	**48,401.9**	**434.4**	**1,197.0**	**9,546.8**	**59,580.1**

Any extraordinary amortisation and depreciation charged to the income statement is recognised under "amortisation and depreciation of intangible assets and property, plant and equipment". Any upwards revaluations in the income statement to non-current assets previously amortised or depreciated are recognised under "other operating income" in the income statement.

The carrying value of property, plant and equipment pledged as collateral as of the reporting date totals T€50,721.6 (previous year: T€32,713.8). Property, plant and equipment with a carrying value of T€50,721.6 (previous year: €32,713.8) are subject to restraint.

17. FINANCIAL REAL ESTATE

The carrying values corresponding to the given fair values of the financial real estate developed as follows:

in T€	
CARRYING VALUE	
As of 1.1.2007	235,304.7
Change in consolidation scope	–70,153.1
Additions	76,299.7
Disposals	–13,752.9
Reclassifications	22,257.1
Reorganisations	7,375.3
Currency adjustments	1,656.6
Adjustment to fair value	–74.6
As of 31.12.2007	**258,912.6**
Change in consolidation scope	–4,843.6
Additions	16,668.5
Disposals	–8,358.0
Reorganisations	21,515.0
Currency adjustments	1,492.1
Adjustment to fair value	–21.2
As of 31.12.2008	**285,365.4**

The fair value is determined in accordance with internationally accepted measurement methods, by derivation from a current market price, by derivation from a price which has been achieved in the recent past in a transaction with similar real estate, or for lack of suitable market data by discounting the future estimated cash flows that such a real estate normally generates on the market. The value of financial real estate determined by external experts in 2008 totalled T€49,898.2. For the remaining financial real estate the valuations were conducted by the company.

Existing contractual obligations to acquire or build financial real estate, as of the balance sheet date, amounted to T€55,800.0 (previous year: T€68,081.0). In addition, financial real estate with a carrying value of T€115,465.8 (previous year: T€80,998.2) was pledged to secure liabilities.

Rental income from financial real estate totalled T€14,749.1 (previous year: T€ 16,153.9), while business expenditure amounted to €2,369.1 (previous year: T€ 3,246.2).

The carrying value of financial real estate held based on financial leasing contracts is as follows:

in T€	**2008**	2007
Real estate leasing	6,489.0	6,761.5

These are offset by liabilities totalling the present value of minimum lease payments, i.e. T€6,952.7 (previous year: €7,176.9).

The residual terms of financial leasing contracts for real estate are between 9 and 12 years. There are no extension options but there are call options.

18. SHARES IN ASSOCIATED COMPANIES

in T€	**2008**	2007
Acquisition costs	12,566.6	12,778.3
Share of profit realised since acquisition, less dividends paid	–5,314.2	2,705.1
Carrying value	**7,252.4**	**15,483.4**

The following table contains summarised financial information regarding associated companies:

in T€	**2008**	2007
Assets	434,039.6	332,887.0
Liabilities	412,734.7	299,210.1
Net assets	21,304.9	33,676.9
Group share in net assets	6,141.9	15,483.4

in T€	**2008**	2007
Sales revenue	47,166.7	31,119.3
Profit/loss after tax	–14,017.3	–2,878.1
Group share in profit/loss after tax	–6,300.6	–1,359.8

The unrecognised shares in losses of associated companies in the 2008 fiscal year amount to T€2,309.5 (previous year: T€544.0) and as of 31 December 2008 total €2,626.8 on aggregate (previous year: T€652.0).

19. LOANS

in T€	**2008**	2007
Loans to non-consolidated subsidiaries	1,889.6	6,803.4
Loans to associated companies	6,824.8	5,590.4
Other loans	2,416.5	1,392.9
Total	**11,130.9**	**13,786.7**

All loans have a residual maturity in excess of one year. In the past fiscal year allowances of T€3,747.5 (previous year: T€6,511) were recognised.

20. OTHER FINANCIAL ASSETS

in T€	2008	2007
Shares in unconsolidated subsidiaries	1,689.6	440.1
Other participations	13,977.8	9,500.9
Available-for-sale securities	3,221.8	3,224.4
Total	**18,889.2**	**13,165.4**

Available-for-sale securities primarily include fixed-income securities. They are not subject to restraint. Since the fair value of participations cannot be determined reliably, they were measured at cost.

21. INVENTORIES

Inventories comprise the following:

in T€	2008	2007
Land for sale and preliminary project costs	53,199.1	40,018.7
Payments on account	1,838.5	335.5
Total	**55,037.6**	**40,354.2**

Inventories with a carrying value of T€40,820.1 (previous year: T€28,849.2) are pledged to secure liabilities.

22. TRADE RECEIVABLES

in T€	2008	2007
Contract value accrued under POC method	72,919.7	–
Prepayments received	–69,107.8	–
Total	**3,811.9**	**–**

Prorated contract values capitalised under the POC method as of 31 December 2008 are offset by costs totalling T€71,941.0 (previous year: 0), which means the profit recognised on these contracts amounts to T€978.7 (previous year: 0).

Composition and maturity of trade receivables:

in T€	2008	2007
Receivables from third parties	3,208.6	6,529.3
Receivables from joint ventures	1,030.7	636.7
Receivables from non-consolidated subsidiaries and other participations	7,452.0	27,298.7
Receivables from associated companies	52,147.6	30,037.5
Total	**63,838.9**	**64,502.2**

All receivables are due within one year.

23. OTHER RECEIVABLES AND ASSETS

in T€	2008	Maturity > 1 year	2007	Maturity > 1 year
Receivables from pension plan reinsurance	768.8	768.8	734.3	734.3
Receivables from taxes	3,350.1	–	4,944.1	–
Other receivables and assets	3,194.7	839.4	4,030.0	864.5
Total	**7,313.6**	**1,608.2**	**9,708.4**	**1,598.8**

24. LIQUID ASSETS

Liquid assets comprise account balances at banks totalling T€42,545.8 (previous year: T€18,281.7) and cash in hand amounting to T€58.2 (previous year: T€43.5).

25. DEFERRED TAXES

Temporary differences between valuations in the IFRS consolidated financial statements and the respective tax valuations have the following impact on the deferred taxes recognised in the balance sheet.

	2008		2007	
in T€	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment, financial real estate, other	–	8,998.2	–	6,242.1
Tax loss carry forwards	1,750.6	–	1,160.8	–
Deferred taxes	1,750.6	8,998.2	1,160.8	6,242.1
Net deferred taxes	–	**7,247.6**		**5,081.3**

Deferred tax assets from loss carry forwards were capitalised insofar as they are likely to be set off against future tax profits. Deferred tax assets totalling T€1,892.0 (previous year: T€1,536.0) were not recognised in the consolidated financial statements. The deferred tax assets for loss carry forwards mostly relate to consolidated Polish companies and expire after five years.

26. EQUITY

Share capital	Unit	€
Ordinary bearer shares	3,000,000	5,450,462.56

The share capital of €5,450,462.56 is divided into 3,000,000 ordinary, no-par bearer shares. The amount of share capital attributed to any single bearer share is approximately €1.82. No change was recorded during the reporting year.

Each ordinary share has an equal right to participate in profits, including liquidation profits, and is entitled to one vote at the general meeting of shareholders.

27. RESERVES

Capital reserves are mainly derived from capital increases and adjustments and from expired dividend claims in previous years. Reserves totalling T€44,641.6 are allocated from the capital reserves. They may only be released to compensate for what would otherwise be a retained loss recognised in the financial statements of UBM AG, insofar as no unallocated reserves are available.

Other reserves include foreign currency translation differences, UBM AG profit reserves and profits of subsidiaries retained since acquisition, including the effects of adjusting the annual accounts of the consolidated companies based on the accounting policies applied in the consolidated financial statements. A retained profit for the year amounting to T€3,321.5 can be distributed as dividends to the UBM AG shareholders. In addition, the unallocated UBM AG profit reserves amounting to T€31,572.7 as at 31 December 2008 may be released during the following periods and paid out to UBM AG shareholders.

During the reporting year, dividends of €3,300,000 were distributed to UBM AG shareholders, amounting to €1.10 per share. The Managing Board has proposed the distribution of a dividend totalling €1.10 per ordinary share, amounting to a total of €3,300,000.

The shares in equity capital which do not belong to UBM AG or a group company are stated as minority interests.

28. PROVISIONS

in T€	Severance pay	Pensions	Anni-versary bonuses	Other staff pro-visions	Buildings	Other	Total
As of 01.01.2007	846.9	1,624.8	47.5	1,675.8	6,307.5	2,993.9	13,496.4
Change in consolidation scope	–	–	–	5.0	41.6	0.5	47.1
Reorganisation	–	–	–	–	–	–2,926.7	–2,926.7
Allocation	164.1	40.6	8.4	1,944.1	1,000.8	4,906.8	8,064.8
Use / release	8.1	–	–	1,029.5	5,088.4	60.9	6,186.9
As of 31.12.2007	**1,002.9**	**1,665.4**	**55.9**	**2,595.4**	**2,261.5**	**4,913.6**	**12,494.7**
of which long-term	1,002.9	1,665.4	55.9	–	–	4,667.0	7,391.2
of which short-term	–	–	–	2,595.4	2,261.5	246.6	5,103.5

in T€	Severance pay	Pensions	Anni-versary bonuses	Other staff pro-visions	Buildings	Other	Total
As of 01.01.2008	1,002.9	1,665.4	55.9	2,595.4	2,261.5	4,913.6	12,494.7
Currency adjustments	–	–	–	15.0	65.8	–	50.8
Allocation	367.8	–	6.7	2,120.2	–	–	2,494.7
Use / release	–	19.0	1.8	1,921.5	1,108.4	829.6	3,880.3
As of 31.12.2008	**1,370.7**	**1,646.4**	**60.8**	**2,779.1**	**1,218.9**	**4,084.0**	**11,159.9**
of which long-term	1,370.7	1,646.4	60.8			4,048.0	7,125.9
of which short-term	–	–	–	2,779.1	1,218.9	36.0	4,034.0

Under collective bargaining regulations, UBM AG and its subsidiaries have to pay anniversary bonuses to their employees in Austria and Germany on specific anniversaries. The provision for anniversary bonuses was determined according to IAS 19. Please refer to the explanations on accounting policies with regard to the actuarial assumptions used as the basis for the calculation.

Other staff provisions comprise provisions for unused holiday entitlement and bonuses in particular. It is expected that the group will use the provisions arising from these obligations, whereby the bonuses are paid during the following year and the utilisation of unused holidays may extend over a period of more than one year.

Provisions for buildings primarily relate to outstanding purchase invoices. Other provisions are mainly provisions for anticipated losses and provisions for losses to be taken over from subsidiaries.

Pension schemes

Performance-based schemes

Provisions for severance pay were allocated for employees and workers who are entitled to severance pay under the Employees' Act, the Workers' Severance Pay Act or the Works Agreement. Employees whose employment is subject to Austrian law are entitled to severance pay every time their employment is terminated after reaching the statutory pensionable age, provided that their employment started before 1 January 2003 and lasted for a specific time. The amount of severance pay depends on the salary amount at the time of termination and also on the length of the employment. These employee claims are therefore to be treated as entitlements from performance-based pension schemes, and there are no plan assets available to cover these claims.

Severance pay provisions break down as follows:

in T€	**2008**	2007
Present value of severance pay liabilities (DBO) as at 01.01.	1,002.9	846.9
Service cost	77.9	70.9
Interest expenses	51.1	38.5
Severance payments	–85.3	–15.0
Actuarial profits/losses	324.1	61.6
Present value of severance pay liabilities (DBO) as at 31.12.	**1,370.7**	**1,002.9**

Please refer to the explanations on accounting policies with regard to the actuarial assumptions used as the basis for the calculation. For the coming fiscal year we plan a service cost of T€63.2 and an interest expense of T€79.5.

The present value of severance obligations in the reporting year and the past four fiscal years is as follows:

in T€	**2008**	2007	2006	2005	2004
Present value of severance pay liabilities as at 31.12.	**1,370.7**	1,002.9	846.9	916.1	722.1

In the UBM group only members of the Managing Board have pension commitments. As a rule, these pension commitments are performance-based commitments which are not covered by plan assets. The amount of the pension entitlement is dependent on the number of years of service.

Pension provisions evolved as follows:

in T€	**2008**	2007
Present value of pension liabilities (DBO) as at 01.01.	1,665.4	1,624.8
Service cost	35.9	34.9
Interest expenses	88.3	76.3
Pension payments	–	–
Actuarial profits/losses	–143.2	–70.6
Present value of pension liabilities (DBO) as at 31.12.	**1,646.4**	**1,665.4**

Please refer to the explanations on accounting policies with regard to the actuarial assumptions used as the basis for the calculation. For the coming fiscal year we plan a service cost of T€31.6 and an interest expense of T€95.5.

The present value of pension obligations in the reporting year and the past four fiscal years is as follows:

in T€	**2008**	2007	200 6	2005	2004
Present value of pension liabilities as at 31.12.	**1,646.4**	1,665.4	1,624.8	1,173.7	961.5

The actuarial profits and losses recognised in the reporting year and in the previous year on severance and pension provisions are largely empirical adjustments.

Contribution-based schemes

Employees whose employment is subject to Austrian law and who joined the company after 31 December 2002 shall not be entitled to severance pay from their employer. These employees have to pay contributions amounting to 1.53% of their wage or salary into an employee pension fund. In 2008 this resulted in expense totalling T€39.0 (previous year: T€20.9). For a Board member a sum of T€12.6 (previous year: T€12.2) was paid into a pension fund.

Group employees in Austria, Germany, the Czech Republic, Poland, and Hungary are also members of their respective state pension schemes, which as a rule are financed through a contribution system. The Group's liability is limited to the payment of contributions based on remuneration. There is no legal or factual obligation.

29. BONDS

In the 2005 fiscal year a bond was issued by UBM AG under the following conditions.

Nominal amount:	€100,000,000
Term:	2005-2012
Interest rate:	3.875%
Coupon date:	10 June of each year; first time on 10 June 2006
Repayment:	100% at maturity

The decision to issue the bond was made in April 2005. Since interest was expected to rise, the interest rate was hedged for the term of the bond by means of a forward start swap. However, the interest rate developed contrary to these expectations. As a result a negative market value arose totalling €2.36 million on the conclusion of the forward start swap in June 2005 (due to the fixed net interest paid of 0.44%); this was recognised directly in equity and was reclassified to interest expense in accordance with the interest expense for the bond over its maturity. The fair value of the interest swap amounted to €-1.4 million as at 31.12.2008.

30. FINANCING LIABILITIES

2007	Nominal amount in T€	Carrying value in T€	Average effective interest rate in%
Liabilities to banks			
Variable interest	153,875.9	153,875.9	3.148 – 6.3
Liabilities to other lenders			
Fixed interest return	7,164.0	7,164.0	8.0
Variable interest	25,995.7	25,995.7	5.2
Liabilities to leasing companies			
Variable interest	10,234.4	7,176.8	4.82
Total	**197,270.0**	**194,212.4**	

2008	Nominal amount in T€	Carrying value in T€	Average effective interest rate in%
Liabilities due to banks			
Variable interest	196,276.2	196,276.2	3.125 – 6.64
Liabilities to other lenders			
Variable interest	48,445.7	48,445.7	5.2 – 6
Liabilities to leasing companies			
Variable interest	9,814.7	6,952.7	5.34
Total	**254,536.6**	**251,674.6**	

2007	Total	Maturity			of which secured
in T€		< 1 year	> 1 year < 5 years	> 5 years	
Liabilities to banks, variable interest	153,875.9	45,484.8	76,184.4	32,206.7	112,351.5
Liabilities to other lenders, variable interest	25,995.7	25,995.7	–	–	25,995.7
Liabilities to other lenders, fixed interest	7,164.0	–	7,164.0	–	–
Liabilities to leasing companies, variable interest	7,176.8	234.3	937.1	6,005.4	–
Total	**194,212.4**	**71,714.8**	**84,285.5**	**38,212.1**	**138,347.2**

2008	**Total**	**Maturity**			**of which secured**
in T€		< 1 year	> 1 year < 5 years	> 5 years	
Liabilities to banks, variable interest	196,276.2	49,071.1	93,916.8	53,288.3	158,217.2
Liabilities to other lenders, variable interest	48,445.7	25,995.7	22,450.0	–	48,445.7
Liabilities to leasing companies, variable interest	6,952.7	251.8	1,007.3	5,693.6	–
Total	**251,674.6**	**75,318.6**	**117,374.1**	**58,981.9**	**206,662.9**

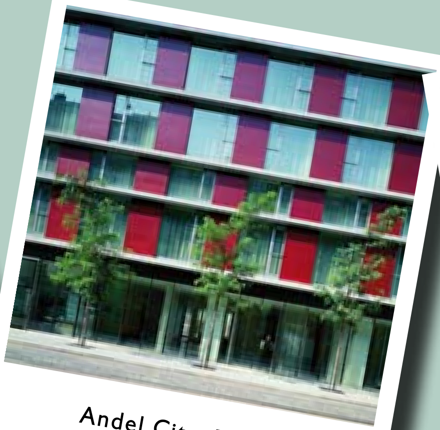
The minimum lease payments for liabilities from financial leasing contracts – only affecting buildings – break down as follows:

	2008			2007		
in T€	Nominal value	Discounted amount	Present value	Nominal value	Discounted amount	Present value
Due within 1 year	619.5	367.7	251.8	601.1	366.8	234.3
Due within 1-5 years	2,478.0	1,358.3	1,119.7	2,404.4	1,467.3	937.1
Due in more than 5 years	6,717.2	1,136.0	5,581.2	7,228.9	1,223.5	6,005.4
Total	**9,814.7**	**2,862.0**	**6,952.7**	**10,234.4**	**3,057.4**	**7,176.8**

The obligations of the Group from financial leasing contracts are secured by a retention of title of the lessor on the leased assets.

Individual items of financial real estate are also held by means of financial leasing contracts. As of 31 December 2008 the effective interest rate was 5.34% (previous year: 4.82%). Agreements concerning conditional rental payments have not been concluded; all leasing relationships are based on fixed rates.

Andel City, Prague
Czech Republic



Andel City, Prague
Czech Republic

Andel City, Prague
Czech Republic

Andel's Hotel, Krakow
Poland

Andel's Hotel, Krakow
Poland

Andel's Hotel, Krakow
Poland

Logistics centre, Regensdorf
Switzerland

Neue Mitte Lehen, Salzburg
Austria

Neue Mitte Lehen, Salzburg
Austria

31. TRADE PAYABLES

in T€	2008	2007
Liabilities to third parties	30,872.3	23,576.2
Liabilities to joint ventures	1,282.6	869.2
Liabilities to non-consolidated subsidiaries	1,661.4	1,434.2
Liabilities to associated companies	927.9	476.9
Total	**34,699.2**	**26,356.5**

All liabilities fall due in the following year.

32. TAX LIABILITIES

Tax liabilities on income are stated under tax liabilities.

33. OTHER LIABILITIES

This row essentially includes property rights and accrued interest from the bond. It also includes tax payable with the exception of taxes on income and profits, payables associated with social security and amounts owed to employees.

34. CONTINGENT LIABILITIES

Most contingent liabilities are related to credit guarantees and the undertaking of guarantees for associated companies. It is unlikely that claims will be made under these liabilities.

35. OTHER FINANCIAL COMMITMENTS

Hotel Euro-Disney
UBM AG and Warimpex Finanz- und Beteiligungs AG have undertaken vis-à-vis RL KG Raiffeisen-Leasing Gesellschaft m.b.H. to purchase 50% each of its capital in UBX (Luxembourg) s.a.r.l. at its written request. UBX (Luxembourg) s.a.r.l is in turn the sole shareholder of RL UBX Hotelinvestment France s.a.r.l, which has erected a hotel including all adjoining buildings and external facilities on a leased plot of land belonging to the Euro Disney Park in Paris. The purchase price corresponds to the capital contributed by Raiffeisen plus interest, less repayments and administrative charges paid to Raiffeisen. As at 31 December 2008, this liability totalled T€38,520.6 (previous year: T€42,004.6) which is shared equally between UBM AG and Warimpex. UBM AG and Warimpex are also liable for each other‘s share of the debt.

Holiday Inn
In the previous fiscal year UBM AG and Warimpex Finanz- und Beteiligungs AG undertook vis-à-vis RL KG Raiffeisen-Leasing Gesellschaft m.b.H. to purchase 50% each of its capital in Asset Paris II (Luxemburg) s.a.r.l. at its written request. Asset Paris II (Luxembourg) s.a.r.l is in turn the sole shareholder of Asset Paris II s.a.r.l, which has erected a hotel including all adjoining buildings and external facilities on a leased plot of land in the commune of Magny-le-Hongre near Paris. The purchase price corresponds to the capital contributed by Raiffeisen plus interest, less repayments and administrative charges paid to Raiffeisen. As at 31 December 2008, this liability totalled €20,000.0 which is shared equally between UBM AG and Warimpex. UBM AG and Warimpex are also liable for each other‘s share of the debt.

36. NOTES ON SEGMENT REPORTING

Segment reporting is based on lines of business in accordance with the internal organisational structure of the UBM Group. The exchange of goods and services between individual segments demonstrates the supply and service relationships between the business areas. They are offset at normal market prices. Expenses and income within the Group and interim profits are eliminated when providing data for the consolidated annual financial statements. During the reconciliation of segment assets and segment liabilities, internal receivables and liabilities are eliminated for the purposes of debt consolidation.

SEGMENT BREAKDOWN

	Austria		Western Europe	
in T€	**2008**	2007	**2008**	2007
TOTAL GROUP OUTPUT	**44,421.1**	96,125.4	**100,273.9**	34,185.7
SEGMENT INCOME	**54,660.0**	48,428.0	**102,381.2**	39,799.7
Cost of materials	–22,571.8	–18,965.3	–90,050.5	–30,671.2
Personnel expenses	–8,735.0	–7,490.0	–1,766.0	–1,218.2
Depreciation	–392.8	–73.3	–92.6	–106.2
Other operating expenses	–5,285.7	–2,198.8	–2,044.9	–7,021.7
EBIT (Earnings before interest and taxes)	**17,674.7**	19,700.6	**8,427.2**	782.4
Income from associated companies	–3,683.0	28.2	48.0	–63.5
Financial income	–	–	–	–
Financial expenditure	–	–	–	–
EBT (Earnings before tax)	–	–	–	–
Taxes on income	–	–	–	–
PROFIT AFTER TAX	–	–	–	–
SEGMENT ASSETS 31.12	**355,253.3**	343,685.3	**210,710.7**	176,400.4
SEGMENT LIABILITIES 31.12	**226,469.0**	229,868.9	**211,652.8**	177,368.2
INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND FINANCIAL REAL ESTATE	**17,002.8**	16,342.1	**15,512.7**	65,884.8
HEADCOUNT 31.12.	**76**	74	**19**	13

Central and Eastern Europe		Segment totals		Reconciliation		Group	
2008	2007	2008	2007	2008	2007	2008	2007
162,646.5	132,648.8	307,341.5	262,959.9	–	–	307,341.5	262,959.9
84,614.8	68,385.5	241,656.0	156,613.2	–20,425.6	–8,837.0	221,230.4	147,776.2
–52,116.9	–40,086.9	–164,739.2	–89,723.4	15,987.9	8,739.1	–148,751.3	–80,984.3
–6,033.0	–3,865.4	–16,534.0	–12,573.6	0.0	–	–16,534.0	–12,573.6
–2,561.9	–2,194.6	–3,047.3	–2,374.1	258.1	–	–2,789.2	–2,374.1
–9,867.4	–10,512.8	–17,198.0	–19,733.3	–145.0	41.3	–17,343.0	–19,692.0
14,035.6	11,725.8	40,137.5	32,208.8	–4,324.6	–56.6	35,812.9	32,152.2
–204.6	–204.6	–3,839.6	–239.9	–	0.0	–3,839.6	–1,516.8
–	–	–	–	–	–	6,207.8	8,637.7
–	–	–	–	–	–	–21,378.3	–22,644.2
–	–	–	–	–	–	16,802.8	16,628.9
–	–	–	–		–	–601.9	–4,579.7
–	–	–	–		–	16,200.9	12,049.2
157,719.0	117,846.3	723,683.0	637,932.0	–164,319.2	–159,985.9	559,363.8	477,946.1
138,470.3	110,369.3	576,592.1	517,606.4	–140,037.7	–148,140.4	436,554.4	369,466.0
11,677.1	10,729.2	44,192.6	92,956.1	–	–	44,192.6	92,956.1
199	167	294	254	–	–	294	254

The secondary segment information below relates to the specific business areas in which the Group operates.

	Total output based on lines of business	
in T€	**2008**	2007
Project development and construction	234,664.1	208,023.8
Hotel operation	46,349.1	29,906.7
Leasing and administration of real estate	14,749.1	16,153.9
Facility management	11,579.2	8,875.5
Total	**307,341.5**	**262,959.9**

37. NOTES ON CASH FLOW STATEMENT

The cash flow statement is presented broken down into operating, investment and financing activities, with the cash flow from operating activities being derived via the indirect method. The financial resources only include cash in hand and on account, which may be used freely within the Group, and correspond to the value recognised in the balance sheet for liquid assets.

Interest and dividends received, and also interest paid, are included in the cash flow from operating activities. By contrast, dividends paid are stated in the cash flow from financing activities.

38. NOTES ON FINANCIAL INSTRUMENTS

Objectives and methods of risk management with respect to financial risks Original financial assets essentially include investments in associated companies, loans and other financial assets and trade receivables. Original financial liabilities include bond and other financial liabilities as well as trade payables.

Interest rate risk

The interest rates for liabilities to banks and for leasing liabilities are as follows:

Bond	3.9%
Liabilities to banks	3.2 – 6.6%
Liabilities to other lenders	5.2 – 6.0%
Leasing	5.3%

The fair value of the fixed-income bond is subject to fluctuations based on trends in market interest rates.

Changes to the market interest rate affect the level of interest payable on financial liabilities subject to variable interest rates. A 1% change in the market interest rate would bring about a change of around T€2,516.7 p.a. (previous year: €1,870.1) in net interest expense.

Credit risk

The risk associated with receivables from customers can be classed as low in view of the broad diversification and continuous credit rating procedure.

The default risk associated with other original financial instruments carried as assets can also be described as low, since our contracting partners are financial institutions and other debtors with high credit ratings. The carrying value of financial assets represents the maximum default risk. If default risks are identified in relation to financial assets, allowances are recorded.

Currency fluctuation risk

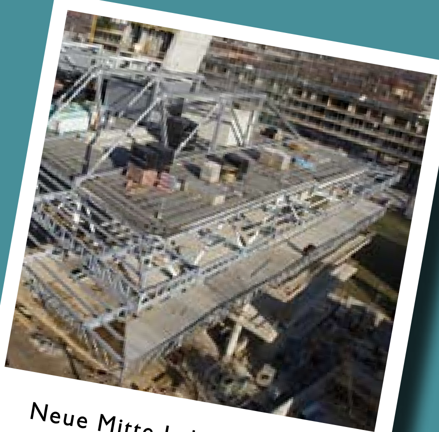
Credit financing and investments in the UBM Group are largely in euros. As a result, the currency fluctuation risk within the UBM Group is of low importance. The interest and currency risks are checked regularly by risk management. Market analyses and projections from renowned financial service providers are analysed and the management is informed in regular reports.

Liquidity risk

The liquidity risk defines the risk of being able to find funds at any time in order to pay for undertaken liabilities. As a key instrument for controlling the liquidity risk we deploy a precise financial plan which is carried out by each operating company and consolidated centrally. This determines the requirement for financing and credit lines at banks.

Working capital financing is handled through the UBM Group treasury. Companies with surplus funds place these at the disposal of companies which need liquidity. This reduces the volume of third-party financing and optimises net interest; furthermore, it also minimises the risk that liquidity reserves are insufficient to settle financial obligations on time.

Andel City, Prague
Czech Republic



Neue Mitte Lehen, Salzburg
Austria

Other price risks

We minimise our price risks with rental income by linking lease contracts to general indexes. All other service contracts are index-linked too. Other price risks are not significant for the UBM Group.

			Measurement under IAS 39			
	Measurement category under IAS 39	Carrying value 31.12.2007	(Amortised) costs	Fair value directly in equity	Fair value in net profit	Fair value on 31.12.2007
ASSETS						
Loans variable interest	LaR	13,786.7	13,786.7			13,786.7
Other financial assets	LaR	2,906.9	2,906.9			2,460.7
Other financial assets	AfS (at cost)	10,258.5	10,258.5			
Trade receivables	LaR	64,502.2	64,502.2			64,502.2
Other assets	LaR	4,762.2	4,762.2			4,762.2
Liquid assets	LF	18,325.2	18,325.2			18,325.2
EQUITY AND LIABILITIES						
Bonds fixed-income	FLAC	100,000.0	100,000.0			94,410.0
Liabilities to banks variable income	FLAC	153,875.9	153,875.9			153,875.9
Trade liabilities	FLAC	26,356.5	26,356.5			26,356.5
Other liabilities fixed-income variable income	FLAC FLAC	7,164.0 41,735.6	7,164.0 41,735.6			7,285.4 41,735.6
BY CATEGORY						
Loans and Receivables	LaR	85,958.0	85,958.0			85,958.0
Liquid assets	LF	18,325.2	18,325.2			18,325.2
Available-for-Sale Financial Assets	AfS (at cost)	10,258.5	10,258.5			
Financial Liabilities Measured at Amortised Cost	FLAC	329,132.0	329,132.0			329,253.4

	Measurement category under IAS 39	Carrying value 31.12.2008	Measurement under IAS 39 (Amortised) costs	Fair value directly in equity	Fair value in net profit	Fair value on 31.12.2008
ASSETS						
Loans variable interest	LaR	11,130.9	11,130.9			11,130.9
Other financial assets	LaR	2,906.9	2,906.9			2,719.8
Other financial assets	AfS (at cost)	15,982.3	15,982.3			
Trade receivables	LaR	67,650.5	67,650.5			67,650.5
Other assets	LaR	3,961.2	3,961.2			3,961.2
Liquid assets	LF	42,603.9	42,603.9			42,603.9
EQUITY AND LIABILITIES						
Bonds fixed-income	FLAC	100,000.0	100,000.0			74,780.0
Liabilities to banks variable income	FLAC	196,276.2	196,276.2			196,276.2
Trade liabilities	FLAC	34,699.2	34,699.2			34,699.2
Other liabilities variable income	FLAC	68,419.1	68,419.1			68,419.1
BY CATEGORY						
Loans and Receivables	LaR	85,649.5	85,649.5			85,649.5
Liquid assets	LF	42,603.9	42,603.9			42,603.9
Available-for-Sale Financial Assets	AfS (at cost)	15,982.3	15,982.3			
Financial Liabilities Measured at Amortised Cost	FLAC	399,394.5	399,394.5			374,174.5

The fair value of trade receivables corresponds to the carrying value, since these are mostly very short-term.

The available-for-sale financial assets are all from participations (shares in limited companies) of lesser importance, which are not listed on an active market and whose market value cannot be reliably determined. These are accounted at cost. As long as no project is realised there is no intention to sell the shares in these project companies.

All financial instruments which cannot be allocated to any other measurement category under IAS 39 are classed as available-for-sale.

The fair value measurement for the bond ensues based on market data from REUTERS. Credit liabilities and other financial assets were measured using the discounted cash flow method, whereby the zero coupon yield curve published by REUTERS on 31.12.2008 was used to discount the cash flows.

Net results by measurement category

in T€	from interest	from dividends	from subsequent measurement fair value	value adjustment	from disposals	Net result **2008**	2007
Loans and Receivables	786.9		–	−3,636.3	–	−2,849.4	−4,026.5
Available-for-Sale Financial Assets		783.9	–		–	783.9	1,979.0
Financial Liabilities Measured at Amortised Cost	−16,577.1		–		–	−16,577.1	−11,687.6

Financial assets are impaired if as a result of one or several events after the initial recognition of the asset there is objective evidence that the future cash flows expected from the financial asset may have undergone a negative change. The value adjustments are related solely to loans.

in T€	**2008**	2007
Accumulated impairment		
Loans and Receivables	22,107.9	14,711.0

39. AVERAGE HEADCOUNT

Salaried staff and wage earners	**2008**	2007
Austria	76	74
Abroad	218	180
Total staff	**294**	**254**

40. BUSINESS CONNECTIONS WITH RELATED COMPANIES AND INDIVIDUALS

Transactions between consolidated Group companies are eliminated during consolidation and are not subject to further explanation. Transactions between companies in the Group and their associated firms principally comprise the extension of loans for the acquisition of financial real estate as well as related interest settlements.

Services to/from related companies or individuals

In addition to the associated companies, UBM AG also has related companies and individuals as per IAS 24 in the form of Allgemeine Baugesellschaft – A. Porr AG, its subsidiaries, and CA Immo International Beteiligungsverwaltungs GmbH, since they have significant holdings in UBM AG.

The transactions in the fiscal year between companies of the UBM Group included in the consolidated financial statements and companies of the Porr Group are largely connected to construction services. The year-end receivables and liabilities derived from these transactions are not significant.

Subsidiary companies of Allgemeinen Baugesellschaft – A. PORR AG are constructing hotels in Krakow, Berlin and Pilsen on behalf of UBM AG. Over the reporting period, an apartment building was sold in Vienna District 18 to a Board member of UBM AG and a former board member of Porr Projekt- und Hochbau AG at a fair market price (substantiated independently).

41. EVENTS AFTER THE BALANCE SHEET DATE

As of 1 March 2009 Martin Löcker was elected as a member of the Managing Board. There were no other significant events after the balance sheet date.

42. STATUTORY BODIES OF THE COMPANY

MANAGING BOARD MEMBERS

Karl Bier, Baden, Chairman
Peter Maitz, Breitenfurt
Heribert Smolé, Vienna
Martin Löcker, Kobenz (from 01.03.2009)

SUPERVISORY BOARD MEMBERS

Horst Pöchhacker, Chairman (from 18.04.2008, Deputy Chairman until 18.04.2008)
Dr. Peter Weber, Deputy Chairman (from 18.04.2008, member until 18.04.2008)

Dr. Bruno Ettenauer
Wolfhard Fromwald
Wolfgang Hesoun (from 18.04.2008)
Dr. Walter Lederer
Iris Ortner-Winischhofer
Dr. Johannes Pepelnik

Dr. Siegfried Sellitsch, Chairman (until 18.04.2008)

The remuneration of the members of the Managing Board and the Supervisory Board of UBM AG are set out below, broken down by payment category:

	2008	2007
Remuneration of Managing Board		
Short-term payments (annual)	1,766.4	1,013.4
Payments due after end of Managing Board member contracts (pension)	−6.4	52.9
Other long-term payments (severance)	268.2	35.0
Total	**2,028.2**	**1,101.3**
Payments to Supervisory Board	**76.8**	**64.4**

Vienna, 9 March 2009

The Managing Board

Karl Bier (Chairman) | Peter Maitz | Heribert Smolé | Martin Löcker

Equity investments

Company	Country code	UBM AG share-holding %	UBM Group share-holding %	Type of consoli-dation	Cur-rency	Nominal share capital
RELATED COMPANIES						
Related corporations						
„Athos" Bauplanungs- und Errichtungsgesellschaft m.b.H.	AUT	90.00	90.00	V	EUR	36,336.42
„UBM 1" Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	100.00	100.00	V	EUR	36,336.42
Ariadne Bauplanungs- und Baugesellschaft m.b.H.	AUT	100.00	100.00	V	EUR	36,336.42
Logistikpark Ailecgasse GmbH	AUT	0.00	100.00	V	EUR	36,336.41
MBU Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	90.00	90.00	V	EUR	36,336.42
Rudolf u. Walter Schweder Gesellschaft m.b.H.	AUT	90.00	90.00	V	EUR	36,336.42
UBM Seevillen Errichtungs-GmbH	AUT	100.00	100.00	N	EUR	–
Zenit Bauplanungs- und Errichtungsgesellschaft m.b.H.	AUT	100.00	100.00	N	EUR	–
UML Liegenschaftsverwertungs- und Beteiligungs-GmbH	AUT	100.00	100.00	N	EUR	–
UBM BULGARIA EOOD	BGR	100.00	100.00	V	BGN	20,000.00
UBM Swiss Realitätenentwicklung GmbH	CHE	100.00	100.00	V	CHF	20,000.00
ANDOVIEN INVESTMENTS LIMITED	CYP	100.00	100.00	N	EUR	–
DICTYSATE INVESTMENTS LIMITED	CYP	100.00	100.00	V	CYP	101,000.00
AC Offices Klicperova s.r.o.	CZE	20.00	100.00	V	CZK	200,000.00
Andel City s.r.o.	CZE	0.00	100.00	V	CZK	88,866,000.00
BRINKLOW s.r.o.	CZE	100.00	100.00	N	CZK	–
FMB – Facility Management Bohemia, s.r.o.	CZE	100.00	100.00	V	CZK	100,000.00
Immo Future 6 – Crossing Point Smichov s.r.o.	CZE	20.00	100.00	V	CZK	24,000,000.00
TOSAN park a.s.	CZE	100.00	100.00	V	CZK	2,000,000.00
UBM – Bohemia 2 s.r.o.	CZE	100.00	100.00	V	CZK	200,000.00
UBM Klánovice s.r.o.	CZE	100.00	100.00	V	CZK	200,000.00
UBM-Bohemia Projectdevelopment-Planning-Construction, s.r.o.	CZE	100.00	100.00	V	CZK	8,142,000.00
UBX Praha 2 s.r.o.	CZE	100.00	100.00	V	CZK	200,000.00
Blitz 01-815 GmbH	DEU	100.00	100.00	V	EUR	25,000.00
City Objekte München GmbH	DEU	0.00	75.20	V	EUR	25,000.00
CM 00 Vermögensverwaltung 387 GmbH	DEU	100.00	100.00	N	EUR	–
CM 00 Vermögensverwaltung 511 GmbH	DEU	100.00	100.00	V	EUR	25,000.00
MG Dornach Hotel GmbH	DEU	90.00	99.40	N	EUR	–
MG Gleisdreieck Pasing Komplementär GmbH	DEU	0.00	94.00	N	EUR	–
MG Projekt-Sendling GmbH	DEU	0.00	94.00	V	EUR	25,000.00
MG-Brehmstrasse BT C GmbH	DEU	0.00	100.00	V	EUR	25,000.00
MG-Brehmstrasse BT C Komplementär GmbH	DEU	0.00	100.00	N	EUR	–
MG-Destouchesstrasse Komplementär GmbH	DEU	0.00	94.00	N	EUR	–
MG-Dornach Bestandsgebäude GmbH	DEU	0.00	100.00	V	EUR	25,000.00
MG-Dornach Komplementär GmbH	DEU	0.00	94.00	N	EUR	–
Münchner Grund Immobilien Bauträger Aktiengesellschaft	DEU	94.00	94.00	V	EUR	716,800.00
Münchner Grund Management GmbH	DEU	0.00	73.27	N	EUR	–
Münchner Grund Projektmanagement, -Beratung, -Planung GmbH	DEU	0.00	65.80	V	EUR	250,000.00
Münchner Grund Riem GmbH	DEU	0.00	60.16	N	EUR	–
Stadtgrund Bauträger GmbH	DEU	100.00	100.00	N	EUR	–
UBM Leuchtenbergring GmbH	DEU	100.00	100.00	V	EUR	25,000.00
UBM d.o.o. za poslovanje nekretninama	HRV	100.00	100.00	V	HRK	20,000.00

Company	Country code	UBM AG share-holding %	UBM Group share-holding %	Type of consoli-dation	Cur-rency	Nominal share capital
FMH Ingatlanmanagement Kft.	HUN	100.00	100.00	V	HUF	3,000,000.00
UBM Projektmanagement Korlátolt Felegösségü Társaság	HUN	100.00	100.00	N	HUF	–
„FMP Planning and Facility Management Poland“ Sp. z o.o.	POL	100.00	100.00	V	PLN	150,000.00
„Hotel Akademia“ Sp. z o.o.	POL	0.00	100.00	V	PLN	5,914,800.00
„REVITA“ Spólka z ograniczona odpowiedzialnoscia	POL	50.14	50.14	N	PLN	–
„UBM POLSKA“ spólka z ograniczona odpowiedzialnoscia	POL	100.00	100.00	V	PLN	50,000.00
„UBM Residence Park Zakopianka“ Spólka z ograniczona odpowiedzialnoscia	POL	100.00	100.00	V	PLN	50,000.00
Home Center Wroclaw Spólka z ograniczona odpowiedzialnoscia	POL	100.00	100.00	N	PLN	–
Hotel Real Estate Sp. z o.o.	POL	0.00	100.00	V	PLN	50,000.00
Philharmonie Office Center Spólka z ograniczona odpowiedzialnoscia	POL	0.00	100.00	V	PLN	7,326,000.00
UBM GREEN DEVELOPMENT spólka z ograniczona odpowiedzialnoscia	POL	0.00	100.00	V	PLN	156,000.00
UBM Zielone Tarasy Spólka z ograniczona odpowiedzialnoscia	POL	100.00	100.00	V	PLN	50,000.00
UBM DEVELOPMENT S.R.L.	ROM	100.00	100.00	V	RON	175,000.00
„UBM development doo“	RUS	100.00	100.00	N	RUB	–
FMS Facility Management Slovakia s.r.o.	SVK	100.00	100.00	N	SKK	–
Ruzinov Real s.r.o.	SVK	100.00	100.00	V	SKK	200,000.00
UBM Koliba s.r.o.	SVK	100.00	100.00	V	SKK	162,925.00
Tovarystvo z obmezhenoju vidpovidalnistu „UBM Ukraine“	UKR	100.00	100.00	N	UAH	–
Associated partnerships						
UBM Realitätenentwicklung Aktiengesellschaft & Co. Muthgasse Liegenschaftsverwertung OHG.	AUT	100.00	100.00	N	EUR	–
COM Destouchesstrasse GmbH & Co. KG	DEU	0.00	84.60	V	EUR	500.00
Immobilien- und Baumanagement Stark GmbH & Co. Stockholmstraße KG	DEU	0.00	60.16	V	EUR	50,000.00
MG Brehmstrasse BT C GmbH & Co. KG	DEU	0.00	100.00	V	EUR	51,129.97
MG Grundbesitz Objekt Gleisdreieck Pasing GmbH & Co. KG	DEU	0.00	94.00	V	EUR	10,000.00
MG-Dornach GmbH & Co. KG	DEU	0.00	94.00	V	EUR	500.00
ASSOCIATED COMPANIES						
Associated corporations						
„Internationale Projektfinanz“ Warenverkehrs- & Credit-vermittlungs-Aktiengesellschaft	AUT	20.00	20.00	E	EUR	726,728.34
„Zentrum am Stadtpark“ Errichtungs- und Betriebs-Aktiengesellschaft	AUT	33.33	33.33	E	EUR	87,207.40
FMA Gebäudemanagement GmbH	AUT	50.00	50.00	E	EUR	36,336.42
Hessenplatz Hotel- und Immobilienentwicklung GmbH	AUT	50.00	50.00	E	EUR	37,000.00
Ropa Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	50.00	50.00	E	EUR	36,336.42
W 3 Errichtungs- und Betriebs-Aktiengesellschaft	AUT	26.67	26.67	E	EUR	74,126.29
UBX Plzen s.r.o.	CZE	50.00	50.00	E	CZK	200,000.00
Leuchtenbergring Hotelbetriebsgesellschaft mbH	DEU	0.00	47.00	E	EUR	25,000.00
UBX 1 Objekt Berlin GmbH	DEU	0.00	50.00	E	EUR	25,000.00
HOTEL PARIS II S.A.R.L.	FRA	50.00	50.00	E	EUR	50,000.00
UBX Development (France) s.a.r.l.	FRA	50.00	50.00	E	EUR	50,000.00
„GF Ramba“ Spólka z ograniczona odpowiedzialnoscia	POL	0.00	50.00	E	PLN	138,800.00

Company	Country code	UBM AG share-holding %	UBM Group share-holding %	Type of consoli-dation	Cur-rency	Nominal share capital
„POLECZKI BUSINESS PARK“ spólka z ograniczona odpowiedzialnoscia	POL	0.00	50.00	E	PLN	3,936,000.00
„SOF DEBNIKI DEVELOPMENT“ spólka z ograniczona odpowiedzialnoscia	POL	0.00	50.00	E	PLN	50,000.00
„UBX Katowice“ Spólka z ograniczona odpowiedzialnoscia	POL	0.00	50.00	E	PLN	50,000.00
Oaza Kampinos Spólka z ograniczona odpowiedzialnoscia	POL	0.00	50.00	E	PLN	50,000.00
Sienna Hotel Sp. z o.o.	POL	33.33	50.00	E	PLN	81,930,000.00
M Logistic Distribution S.R.L.	ROM	50.00	50.00	E	RON	11,376,000.00
Associated partnerships						
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG	DEU	0.00	48.51	E	EUR	100,000.00
OTHER COMPANIES						
Other corporations						
„hospitals“ Projektentwicklungsges.m.b.H.	AUT	21.78	21.78	N	EUR	–
BMU Beta Liegenschaftsverwertung GmbH	AUT	50.00	50.00	N	EUR	–
hospitals Projektentwicklungsges.m.b.H.	AUT	25.00	25.00	N	EUR	–
IMMORENT-KRABA Grundverwertungsgesellschaft m.b.H.	AUT	10.00	10.00	N	EUR	–
Impulszentrum Telekom Betriebs GmbH	AUT	30.00	30.00	N	EUR	–
REHA Tirol Liegenschafts GmbH	AUT	0.00	25.00	N	EUR	–
REHAMED Beteiligungsges.m.b.H.	AUT	0.00	10.89	N	EUR	–
REHAMED-Rehabilitationszentrum für Lungen- und Stoff-wechselerkrankungen Bad Gleichenberg Gesellschaft m.b.H.	AUT	0.00	8.06	N	EUR	–
Seprocon GmbH	AUT	0.00	24.50	N	EUR	–
St. Peter-Straße 14-16 Liegenschaftsverwertung Ges.m.b.H.	AUT	50.00	50.00	N	EUR	–
VBV delta Anlagen Vermietung Gesellschaft m.b.H.	AUT	0.00	20.00	N	EUR	–
ZMI Holding GmbH	AUT	48.33	48.33	N	EUR	–
„S1“ Hotelerrichtungs AG	CHE	11.23	11.23	N	CHF	–
UBX 3 s.r.o.	CZE	50.00	50.00	N	CZK	–
Bayernfonds Immobilienentwicklungsgesellschaft Wohnen plus GmbH	DEU	0.00	30.24	N	EUR	–
BF Services GmbH	DEU	0.00	46.53	N	EUR	–
Bürohaus Leuchtenbergring Verwaltungs GmbH	DEU	0.00	48.51	N	EUR	–
REAL I.S. Project GmbH	DEU	0.00	46.53	N	EUR	–
UBX 2 Objekt Berlin GmbH	DEU	50.00	50.00	N	EUR	–
UBX 3 Objekt Berlin GmbH	DEU	0.00	50.00	N	EUR	–
UBX II (France) s.à.r.l.	FRA	0.00	50.00	N	EUR	–
Hotelinvestments (Luxembourg) S.à r.l.	LUX	50.00	50.00	N	EUR	–
„XCANTI“ spólka z ograniczona odpowiedzialnoscia	POL	0.00	50.00	N	PLN	–
OAO „AVIELEN A.G.“	RUS	0.00	10.00	N	RUB	–
Other partnerships						
Porr Projekt v.o.s.	CZE	45.00	45.00	N	CZK	–
Bürohaus Leuchtenbergring GmbH & Co. KG	DEU	0.00	48.02	N	EUR	–

Auditor’s Report

„We have audited the consolidated financial statements of

UBM REALITÄTENENTWICKLUNG AKTIENGESELLSCHAFT, VIENNA

for the fiscal year from 01.01.2008 to 31.12.2008. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2008, the consolidated income statement, the consolidated cash flow statement and a statement of changes in consolidated equity for the year ended 31 December 2008, and a summary of significant accounting policies and other explanatory notes.

The management is responsible for preparing these consolidated financial statements which provide a true and fair view of the financial position of the Group and the results of its operations in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This responsibility includes: designing, implementing and maintaining an internal control system, provided such is relevant for the preparation of consolidated financial statements and the true and fair presentation of the financial position of the Group and the results of its operations, in order that these consolidated financial statements are free from material misstatement, whether intentional or accidental; the selection and application of appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether intentional or accidental. In making these risk assessments, the auditor considers the internal control system, provided such is relevant for the preparation of consolidated financial statements and the true and fair presentation of the financial position of the Group and the results of its operations in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit gave rise to no objections. In our opinion, based on the results of our audit the consolidated financial statements of UBM Realitätenentwicklung Aktiengesellschaft have been prepared pursuant to applicable regulations and present a true and fair view of the financial position of the Group as of 31 December 2008, and the financial performance and the cash flows of the Group for the fiscal year from 1 January 2008 to 31 December 2008 in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU.

The consolidated business report must be audited based on applicable regulations in Austria to ensure it is consistent with the consolidated financial statements and that other information in the consolidated business report do not give a false impression of the position of the Group. In our opinion the consolidated business report is consistent with the annual financial statements.”

Vienna, 9 March 2009

B D O A u x i l i a T r e u h a n d G m b H
(Audit and Tax Consultants)

Hans Peter Hoffmann
Auditor

pp Christoph Wimmer
Auditor

Report of the Supervisory Board on the 2008 annual financial statements

2008 was a very successful year for UBM Realitätenentwicklung Aktiengesellschaft, despite the gloomy economic conditions from the fourth quarter of the fiscal year. The sale of real estate in Poland, the Czech Republic and an investment in Slovakia enabled UBM Realitätenentwicklung Aktiengesellschaft to raise its annual construction output to the highest level in the history of the company.

Annual net profit also shows an improvement compared to the previous year and highlights the continuation of earnings growth. In 2009 the goal of UBM Realitätenentwicklung Aktiengesellschaft is to generate significant earnings in spite of the difficult economic conditions.

The Supervisory Board has actively accompanied and supported the development of the company with its tasks and duties. The Managing Board regularly informed the Supervisory Board with up-to-date and comprehensive verbal and written reports on the business and financial position of the Group and its participations, on personnel and planning issues, as well as on investment and acquisition plans, and discussed strategy, business development and risk management with the Supervisory Board. The Supervisory Board passed the required resolutions in four meetings. For business subject to approval under Article 95 (5) of the Stock Corporation Act and business regulations the necessary approvals were obtained for the Managing Board; in urgent cases, in the form of written votes. The average attendance at meetings of the Supervisory Board was roughly 94%. On 27 March 2008 there was a meeting of the Audit Committee to review and prepare the final acceptance of the 2007 annual financial statements, with the involvement of the auditor.

Dr. Siegfried Sellitsch, member of the Supervisory Board since 16 March 2000, gave up his mandate as of 18 April 2008. The 127th annual general meeting held on 18 April 2008 appointed Wolfgang Hesoun to the Supervisory Board of the company. The Supervisory Board hereby thanks Dr. Siegfried Sellitsch for his constructive work in this body.

The Annual Financial Statements as of 31 December 2008 of UBM Realitätenentwicklung Aktiengesellschaft including all appendices and the Business Report, as well as the Consolidated Financial Statements compiled under the International Financial Reporting Standards (IFRS) as of 31 December 2008 and the Consolidated Business Report were audited by BDO-Auxilia Treuhand GmbH, Vienna. Based on the accounting records and documents of the company as well as the statements and evidence provided by the Managing Board, the audit revealed that the accounting procedures as well as the annual and consolidated financial statements comply with legal regulations and there was no cause for objections. The (consolidated) business report is consistent with the annual and consolidated financial statements. The audit firm mentioned above therefore expressed an unqualified auditor's opinion on the annual and consolidated financial statements.

All financial statement documentation, the proposal of the Managing Board on the appropriation of profits and the audit reports of the auditor were discussed in detail with the auditor on 17 March 2009 in the Audit Committee and presented to the Supervisory Board. After intensive discussions and reviews the Audit Committee and the Supervisory Board accepted the annual financial statements as of 31 December 2008 and the (consolidated) business report. The annual financial statements as of 31 December 2008 are thus approved. The Audit Committee and the Supervisory Board also accepted the 2008 consolidated financial statements compiled under IFRS and the consolidated business report. The Supervisory Board endorses the proposal of the Managing Board for the appropriation of profits.

The Supervisory Board hereby thanks the clients and shareholders for their trust and loyalty vis-à-vis UBM as well as the Managing Board and the staff for their dedication in the past year and their successful cooperation.

Vienna, March 2009

Horst Pöchhacker
Chairman of the Supervisory Board

Appropriation of profits

UBM Realitätenentwicklung Aktiengesellschaft closed the 2008 fiscal year with a retained profit of €3,321,481.41.

The Managing Board proposes a dividend of €1.10 per share, which with 3,000,000 shares totals €3,300,000, while the remainder of the profits totalling €21,481.41 should be carried forward to the new account.

Upon agreement from the general meeting of shareholders on this proposal for the appropriation of profits, the pay-out of a dividend of €1.10 per share shall ensue subject to tax law regulations from 20 April 2009 through the custodian bank. The main paying agent is Bank Austria Creditanstalt AG.

Andel City, Prague
Czech Republic

Hotel angelo, Munich
Germany

Hotel angelo, Pilsen
Czech Republic

Andel's Hotel, Prague
Czech Republic

Andel's Hotel, Krakow
Poland

Neue Mitte Lehen, Salzburg
Austria

Neue Mitte Lehen, Salzburg
Austria

Andel's Hotel, Krakow
Poland

Hotel angelo, Munich
Germany

Andel's Hotel, Krakow
Poland

Andel City, Prague
Czech Republic

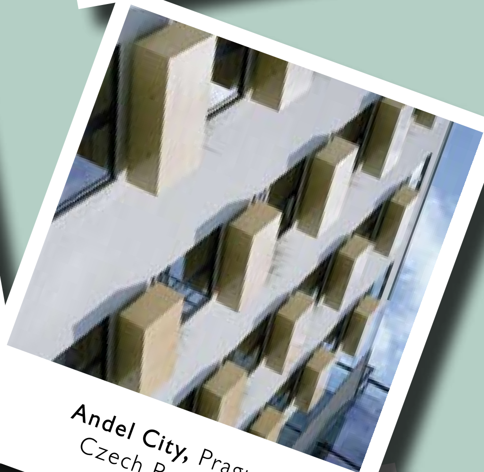
Hotel angelo, Munich
Germany

Neue Mitte Lehen, Salzburg
Austria

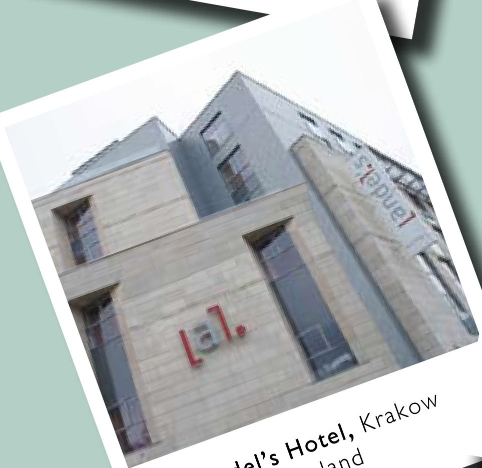
Andel's Suites, Prague
Czech Republic

Andel's Suites, Prague
Czech Republic

Hotel angelo, Pilsen
Czech Republic



Andel City, Prague
Czech Republic



Andel's Hotel, Krakow
Poland

Hotel angelo, Pilsen
Czech Republic

Andel's Hotel, Krakow
Poland

Glossary

ARGE	Joint ventures of several companies for the collective implementation of construction plans
ATX	Austrian Traded Index, leading index of Vienna Stock Exchange
Dividend yield	Dividends in relation to share price
EBIT	Earnings Before Interest and Taxes
EBT	Earnings Before Taxes
ECV	Issuer Compliance Regulation to prevent the misuse of insider information
Equity ratio	Average capital employed relative to total assets
IFRS	International Financial Reporting Standards
Impairment Test	In accordance with IAS 36 an evaluation of asset values shall be carried out by means of a regular test, which will establish any reduction in values of the asset and which may lead, if required, to the recording of corresponding adjustments.
Annual construction output	Presentation of the output in accordance with economic criteria, which differs from the presentation of revenues in the income statement since it also includes proportional output in joint ventures as well as the sales revenues of non-consolidated participations.
P/E	Price earnings ratio, share price in relation to earnings per share
Market capitalisation	Stock market value, share price x number of shares issued
Sustainability	Sustainability is economic development based on ecological criteria
Pay-out ratio	Distribution ratio, dividend per share divided by earnings per share, in %
Total shareholder‘s return	Dividend yield plus share price increase
WBI	Vienna Stock Exchange Index

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This 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 December 2008. 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 annual financial statements as of 31 December 2008 were prepared with the greatest possible diligence in order to ensure that the information provided in all parts is correct and complete. Nevertheless, rounding, typesetting and printing errors cannot be completely ruled out.

UBM