

“In every way the location counts.”

Interim report on Q3 2009

quarterly report

€ MILLION	Q3/2009	2009*	Q3/2008	2008	Q3/2007	2007
Total revenues of UBM Group	205,9	247,0	234,8	307,3	202,4	263,0
Central and Eastern Europe	56,4	76,6	129,9	162,6	89,5	132,7
Western Europe	124,7	136,5	69,0	100,3	21,5	34,2
Austria	24,8	33,9	35,9	44,4	91,4	96,1
Investments	11,3	25,0	41,0	44,2	38,5	93,0
Headcount (fully consolidated companies)**						
As of 30 September	261		296		247	
EBT						
UBM Group	7,1		14,0		13,7	
**of which hotel staff	54		100		78	

*forecast



status report

Foreword from the Managing Board

DEAR SHAREHOLDERS,

In spite of the adverse overall economic conditions, the first three quarters of 2009 proved to be an encouraging period for the UBM Group. While total revenues declined by around 12.3% from €234.8 million to €205.9 million, this is still considered a moderate contraction compared to the market as a whole.

This performance of the UBM Group up until the last quarter is mainly attributable to the sales of the "Holiday Inn", "Destouchesstraße" and "Metro Pasing" projects as well as the "Parkstadt Schwabing" residential project in Munich.

These project sales are largely responsible for the earnings before tax of €7.1 million (previous year: €14.0 million). In view of the exceedingly challenging economic conditions at present this is a sound performance, and can be attributed to the firm's long-term, forward-looking business strategy. In addition to the steady rental operations in "Andel City" in the Czech Republic as well as services provided for the "Airport Center St. Petersburg" and the "Hotel angelo" in Yekaterinburg, focal points of our work in the first three quarters also included Germany and France. At present, though, we are channelling most of our efforts into construction activities in Poland, where the "Poleczki Business Park" and "Hotel angelo Katowice" projects should be highlighted.

Throughout the rest of the year our efforts will be concentrated on completing the "Hessenplatz" project in Linz, as well as erecting a multifunctional building in Pilsen in the Czech Republic and a new residential construction project, "Cosimastraße", in Germany. We will still be focusing on Poland too, and in addition to working on all our existing projects we also intend to launch further residential construction projects (Krakow, Wroclaw and Warsaw).

For 2009 as a whole our objective is to maintain earnings at the "normal" level of 2005/2006 if possible, in spite of the changed conditions. Since we work on a large number of projects both in Austria and abroad we assume that this objective is quite feasible.




Karl Bier
(Chairman)


Peter Maitz


Heribert Smolé


Martin Löcker



Park Inn, Linz
Austria

Park Inn Linz: Hessenplatz

The project

Hessenplatz in Linz was named after an old regiment of the city.

The Linz market was relocated here from the Hauptplatz and this was followed by the creation of a large park with a fountain. Today, among other things, the Hessenplatz is an important hub for the local Obus and regional bus transport networks.

The area in and around the Hessenplatz is currently being stimulated on many fronts with a view to energising the cityscape and really turning the Hessenplatz into a "Gateway to the District of Neustadtviertel". The entire project consists of a hotel with 175 rooms, four conference halls and a restaurant, an underground garage with 260 parking spaces on two levels and two apartment buildings.

Living on Hessenplatz

Hessenplatz is being rejuvenated among other things by residential projects: a total of 20 apartments (50 to 130m²) are being built on six floors including balconies and terraces.

The apartment building is expected to be completed by the end of 2009, while the start of construction on another apartment building is pencilled in for 2010.

Parking on Hessenplatz

A total of 260 car parking spaces have been built on two underground levels. The underground garage has been in operation since May 2009.

Hotel on Hessenplatz

The guests of the Park Inn Linz can stay in one of the 175 rooms spread over 7 floors. In addition to the underground garage the services of this new hotel are rounded off with the shopping area on the ground floor. Further attractions include four flexibly-designed conference rooms, a restaurant with a terrace, a cafe and a fitness complex with a great view of the city. The hotel was opened in May 2009. The good transport links (Linz Airport is just 15km away, and the main railway station 1.5 km) coupled with the furnishings of the hotel mean it is suitable both for business guests and tourists to the city.



Park Inn, Linz
Austria



Park Inn, Linz
Austria



Park Inn, Linz
Austria



Park Inn, Linz
Austria



Park Inn, Linz
Austria

Destouchesstraße: tag.werk.

The "tag.werk." office building at Destouchesstraße 68 is situated in the middle of the Schwabing district in Munich and borders directly onto the Luitpoldpark.

In the vicinity of the Mittlerer ring-road this location offers excellent links to the city and regional road network. But the hotel is also easy to reach by using public transport thanks to the two underground stations and tram stops nearby.

The 8-storey, Y-shaped building facilitates flexible and effective office structures (from partitioned offices through landscape offices to open-plan). With total gross floor area of more than 10,000 m² it offers solutions for office tenants from 300 m².

Münchner Grund Immobilien Bauträger AG acquired the office building in 2007, together with a partner, and proceeded to modernise it extensively in 2008. In addition to an impressive new facade in a meandering style and an extension to the roof space (Penthouse), external parts of the property and common areas of the building (entrance, stairway, lifts) were also redesigned. The office space is extremely modern (false floors, air-conditioning upon request) and is designed according to the individual needs of the tenants. The first tenants were able to move in to the renovated "tag.werk." office building in December 2008.



tag.werk., Munich
Germany



tag.werk., Munich
Germany



tag.werk., Munich
Germany



tag.werk., Munich
Germany



tag.werk., Munich
Germany



tag.werk., Munich
Germany

business report

January to September 2009

SALES DEVELOPMENT

Sales revenue of the UBM Group as of 30 September 2009 totalled €205.9 million (previous year: €234.8 million). Consequently, this corresponds to a decrease compared to the previous year of €28.9 million. This performance can be attributed first and foremost to the construction work on the "Poleczki Park" project in Warsaw, "Hotel andel's" in Lodz, and the "Hotel Park Inn" in Krakow. The "Parkstadt Schwabing" project, the sale of the "Holiday Inn" in Leopoldstraße as well as the "Destouchesstraße: tag.werk." and "Metro Pasing" projects equally make a solid contribution to this result.

The primary segments are divided on a geographical basis into the business lines of "Austria", "Western Europe" and "Central and Eastern Europe". This reflects the organisational structure of the UBM Group.

In the Austria segment (€24.8 million) the main contributor to sales revenue was the construction of the "Park Inn" hotel and the apartment building on Hessenplatz, both in Linz. Rental revenue from Austrian real estate is also included here.

The Western European segment (€124.7 million) comprises sales revenue from our hotel businesses and project sales in Germany as well as hotel businesses in France. Germany deserves a special mention here after managing to double its contribution to the overall result.

The lion's share of the revenue generated by the Central and Eastern Europe segment (€56.4 million) came from Poland, with projects in Lodz, Krakow and Warsaw. This segment also includes sales revenue from services for the St. Petersburg project.

EARNINGS

The consolidated earnings of the UBM Group in the third quarter of 2009 totalled €7.1 million (previous year: €14.0 million).

INVESTMENTS

By 30 September 2009 the UBM Group had carried out investments totalling €11.3 million. We anticipate that investments will amount to around €25.0 million for 2009 as a whole.

HEADCOUNT

The headcount of the fully-consolidated companies totalled 261 as of 30 September 2009, of which 54 staff are employed in the hotel industry.

Outlook

The recession triggered by the crisis on the financial market and forecast on all sides constitutes a challenge 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 malaise. 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 maintain profits at the same level as 2005/2006, 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.

In Austria our main goal is to complete the apartment building on Hessenplatz in Linz by the end of 2009.

In Germany we are focusing above all on our residential projects in Munich ("Parkstadt Schwabing" and the "Cosimastraße" project).

In the Czech Republic we have a few projects currently in their acquisition phase and among other things we intend to erect a multi-functional building in Pilsen that will have both office space and residential units.

In Russia we continue to provide services for the "Airport City Center St. Petersburg" project.

At present, the focal point of our activities is still Poland: current projects include the "Poleczki Business Park" and "Hotel angelo Katowice", while for 2009 as a whole we are also planning to launch additional residential construction projects in Krakow, Wroclaw and Warsaw.

UBM is relatively upbeat as regards the future development of the Group, despite the difficult market conditions: 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.

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This interim 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 related to the future development of the company represent estimates that were made on the basis of information available as of 30 September 2009. 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.

This interim report for the period ending 30 September 2009 was prepared with the greatest possible diligence in order to ensure that the information provided in all parts is correct and complete. Nevertheless, rounding, type-setting and printing errors cannot be completely ruled out.