

Quarterly Report 2014
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Interim Report on Q3 2014

IN EUR MILLION

	Q3/2014	2014*	Q3/2013	2013	Q3/2012	2012
Total UBM Group revenues	257.4	385.0	158.7	286.7	134.7	258.3
Central and Eastern Europe	58.5	92.0	39.8	55.8	52.9	130.1
Western Europe	144.5	209.0	92.3	193.4	55.2	72.2
Austria	54.4	84.0	26.6	37.5	26.6	56.0
Investments (incl. equity participations)	47.7	100.0	71.7	91.0	36.2	50.0
Employees (fully consolidated companies)						
As at 30 September	513		506	509	466	456
thereof hotel staff	292		288	293	251	235
EBT						
UBM Group	11.3		8.6	17.8	8.0	12.0

* Forecast

Foreword of the Managing Board



Karl Bier
Chairman of the Managing Board



Heribert Smolé



Martin Löcker

Dear shareholders
and business partners,

The positive start to 2014 was maintained during the first three quarters of the year. On 30 September 2014, the UBM Group's total consolidated revenues amounted to € 257.4 million, which represented an increase of € 98.7 million over the comparable figure of the preceding year. In addition, earnings before tax also improved markedly, rising by € 2.7 million, or 31.4 per cent, to € 11.3 million. The performance achieved in the past nine months can be traced primarily to the successful marketing of our housing projects in Austria, the Czech Republic and Germany. In Austria, the sale of apartments in the Sternbrauerei Riedenberg project in Salzburg proceeded in excellent fashion, while in Germany the "Concor" office building in Munich was sold during the third quarter.

Activities in the final quarter of the year will continue to centre on our key markets, which are comprised by Germany, Poland and Austria. In Germany, we are not only concentrating on residential housing schemes in Munich, Frankfurt and Berlin, but at present are also realising projects involving an office complex in Munich and a hotel in Frankfurt. The construction of an office building in Wrocław forms the current focus of our activities in Poland, while in Austria we are completing housing in Graz and additional residential building schemes in Salzburg, Tyrol and Lower Austria are in the preparatory phase.

At the Extraordinary General Meeting of the PORR AG held on 29 October 2014, a resolution was approved unanimously that foresees a proportionate spin-off for the acquisition by PIAG Immobilien of PORR AG participations in exchange for a guarantee to PORR AG stockholders of shares in PIAG Immobilien. Spin-off assets include a package of 2,479,836 UMB shares, which corresponds with 41.33 per cent of UBM share capital and voting rights, as well as part of the PORR AG holding in STRAUSS & PARTNER Development GmbH, which represents 39.96 per cent of total share capital.

On the basis of the transfer of UBM stock and a participation in STRAUSS & PARTNER Development GmbH in the course of the spin-off, as well as additional purchases that have either already occurred or are in progress, once the spin-off has been completed (entry in the company register) PIAG Immobilien AG will possess a 79.36 per cent holding in UBM and a 99.96 per cent holding in STRAUSS & PARTNER Development GmbH. In a next step, a merger is planned between PIAG Immobilien AG and UBM. Subject to the precondition that the general economic climate does not differ significantly from the forecasts of business analysts, we plan sales revenues and profits for 2014 that will exceed the levels of the past year.

Karl Bier (Chairman)

Heribert Smolé

Martin Löcker

Business developments

JANUARY TO SEPTEMBER 2014

Revenues

As at 30 September 2014, the consolidated sales revenues of the UBM Group totalled € 257.4 million (2013: € 158.7 million), which represents an increase of € 98.7 million over the preceding year. This performance can be traced primarily to the sale of apartments in Germany, Austria and the Czech Republic, revenues from interests in hotels and the sale of the "Concor" office building in Munich-Dornach. The primary segments are divided on a geographical basis into the "Austria", "Western Europe" and "Central and Eastern Europe" business areas, thus reflecting the organisational structure of the UBM Group.

In the Austria segment (€ 54.4 million) the main source of sales revenues was provided by the handover of apartments in the course of the Rainbergstrasse project. The Western Europe segment (€ 144.5 million) derived revenues from the handover of apartments as part of the Lilienthalstraße II project in Munich and the Inselstrasse project in Berlin, the sale of the "Concor" office building in Munich-Unterschleißheim and hotel operations in Germany, the Netherlands and France.

The bulk of the revenues generated in the Central and Eastern Europe segment (€ 58.5 million) emanated from hotel interests in Poland and the sale of apartments from the Spindlermühle project in the Czech Republic.

Earnings

The consolidated earnings of the UBM Group in the third quarter of 2014 increased to € 11.3 million (2013: € 8.6 million).

Investments

In the period up to 30 September 2014 the UBM Group invested a total of € 47.7 million (2013: € 71.7 million). Investment activities in Germany involved housing construction projects in Frankfurt and Berlin, as well as an office building in the Landsbergerstrasse in Munich. In Austria, the Rainbergstrasse project in Salzburg was completed and work began on residential

building projects in Graz. In Poland, attention focused on the construction of the Times II office and commercial complex in Wrocław, as well as the continuation of work on the Poleczki Business Park.

Employees

As at 30 September 2014, the fully consolidated companies within the UBM Group had a workforce of 513. This figure consisted of 221 UBM employees and 292 staff at the Group's hotel operations.

Outlook

The focal point of activities in Austria lies in Salzburg, where the Rainberstrasse project will be completed with the handover of 70 apartments. In addition, two residential building projects are about to commence in Graz. In Western Europe we are concentrating on our domestic German market, where we are particularly active in the housing sector in Munich, Frankfurt and Berlin. In the commercial area, we are building a hotel in Frankfurt and are planning an office project in Munich. Moreover, in the Netherlands and France we are planning several hotel projects.

Poland remains the focus of our activities in Central and Eastern Europe and the Alma Tower in Krakow was finished at the beginning of the second half-year. In Warsaw work is continuing on the further development of the Poleczki Business Park and the third building phase should commence in autumn. An office construction project in Wrocław is also set to begin.

In the Czech Republic, the holiday home complex in Spindleruv Mlyn was completed and we have all the other countries in Eastern Europe under observation with the aim of contractually securing land or projects in order to re-intensify our activities once the markets stabilise.

Assuming that the overall economic conditions do not deviate significantly from the current forecasts of business analysts, we plan revenues and profits in 2014 that will surpass those of the previous year.

ST. PETER HAUPT- STRASSE, *Graz*



START OF CONSTRUCTION WORK, "ST. PETER HAUPT- STRASSE" – GRAZ/AUSTRIA

FACTS AND FIGURES

Start of construction: spring 2014

Handover/occupation: June 2015

36 freehold apartments, 1 business premises

Public transport in the immediate vicinity

Apartment sizes: between 36.5 m² and 100 m²

The "St.Peter Hauptstrasse" project is located at a transport hub in Graz between the Plüddemanngasse and the St. Peter Hauptstrasse. The site is not far from the city centre and is embedded in an excellent infrastructure. Moreover, the Graz University of Technology is within walking distance. A local link to the nearby A2 motorway is also available via the Liebenauer ring road. The completion phase of the St.Peter Hauptstrasse 2 project in Graz with its 36 freehold apartments

and one business premises commenced in June 2014 and at present, the second phase involving four floors above ground and one below is in progress. The structural work will be finished by the end of October 2014 and is thus proceeding as scheduled.

The residential and commercial property, which was designed by the Kreuzer + Krisper architectural office, is planned for completion in May 2015 and will be handed over to the new owners from June 2015 onwards. In their standard versions all the apartments will be fitted with a decentralised room ventilation system and the under-floor heating fed via the district heating network of the city of Graz. In addition, the underground parking spaces will dispose over charging possibilities for e-vehicles. The mix of studio apartments, student flats, two-room and larger units on the upper floor offers extensive usability to both potential residents and investors.



TIMES II, *Wrocław*



START OF CONSTRUCTION WORK, "TIMES II" – WROCŁAW/POLAND

FACTS AND FIGURES

Leasable area: approx. 20,500 m²

Total gross area: approx. 40,000 m²

373 underground parking spaces

Location: near the city centre

Good transport links to the city's airport

Final building permission for the construction of the Times II office complex in the Kazimirza Wielkiego street in Wrocław was granted at the beginning of July 2014. The site is located in the immediate vicinity of the historic city centre and has good transport links to the local airport. The land was acquired in September 2012 from the Wrocław city authorities following an invitation to tender in the form of a public competition.

The project involves two inner city office buildings with a leasable area of around 20,500 m², whereby some 18,000 m² consist of office space and 2,500 m² of commercial premises on the ground floor. Following preparations that included archaeological research, shoring and foundation work, and infrastructure installations, at the end of July 2013 the construction of the diaphragm wall commenced and will be completed in mid-October 2014. The underground shell, consisting of three floors that will accommodate 373 parking spaces, will be finished by the beginning of the second quarter of 2015. Final completion of the complex with a total gross area of roughly 40,000 m² is planned for the second quarter of 2016.



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THE “TIMES II“ PROJECT IN WROCLAW/
POLAND IS SCHEDULED FOR
COMPLETION IN 2016



START OF CONSTRUCTION WORK, "BERLIVING" – HOHENZOLLERNDAMM/BERLIN/ GERMANY

FACTS AND FIGURES (IN TWO CONSTRUCTION PHASES AND FOUR SECTIONS)

Start of construction: October 2014

Final completion: approx. December 2016

Total gross area: 16,769 m²

Unit areas: approx. 46 m² to 712 m²

Retail area: 13,124 m²

136 freehold apartments are to be completed in two construction phases and four sections
104 underground parking spaces
Two- to five-room apartments

The BERLIVING housing project is to be built in the Schmargendorf quarter of the Charlottenburg-Wilmersdorf district in the western part of Berlin. The quarter is located in the triangle formed by the Hohenzollerndamm, the city motorway and the Fritz-Wildung-Strasse and has excellent public transport links. It is near green belt leisure areas such as the Grönewald and is also in the vicinity of the exclusive establishments of the Ku'Damm shopping mile.

The four sections of the project will consist of a large, L-shaped block with 70 apartments and three compact city villas with 22 apartments each. The buildings will be located over a shared underground garage and linked by a green, inner

court with pathways, benches and playing areas. The BERLIVING complex will conform to the KfW 55 efficiency standard in accordance with EnEV 2009. This means that apart from fully insulated walls and floor slabs, and three-pane insulation glazing, all units will be fitted with the very latest heating systems with low-temperature district heating. In addition, hot water will be generated centrally and supplied via sub-stations. The apartments will all have a balcony and/or loggia, and there will be private gardens at ground level.

Top quality fixtures are planned that will include energy-saving, underfloor heating with separate thermostatic control, room-high windows and genuine wood flooring. Free accessibility will be assured by access to the lifts via the underground garage and the inner court. Sales have already commenced.

BERLIVING,
Berlin



Your UBM contact partners



UBM Realitätenentwicklung AG

Floridsdorfer Hauptstraße 1, 1210 Vienna

Austria

Tel: +43 (0) 50 626-0

www.ubm.at, www.ubm.eu

UBM Austria

UBM Investor Services

Dr. Julia Kozielski

Mail: julia.kozielski@ubm.at

Tel: +43 (0) 50 626-3827

UBM Vienna/Lower Austria/ Burgenland

Andreas Grassl

Mail: andreas.grassl@ubm.at

Tel: +43 (0) 50 626-1473

UBM Styria/Carinthia

Martin Löcker

Mail: martin.loecker@ubm.at

Tel: +43 (0) 50 626-1261

UBM Tyrol/Vorarlberg

Peter Ellmerer

Mail: peter.ellmerer@ubm.at

Tel: +43 (0) 50 626-3032

UBM Salzburg

Markus Lunatschek

Mail: markus.lunatschek@ubm.at

Tel: +43 (0) 50 626-1712

UBM Upper Austria

Markus Lunatschek

Mail: markus.lunatschek@ubm.at

Tel: +43 (0) 50 626-1712

Apartment Sales

Sonja Kopf

Mail: sonja.kopf@ubm.at

Tel: +43 (0) 664 62 65 531

UBM International

UBM in Hungary

Eva Tarcsay

Mail: e.tarcsay@ubm-bp.hu

Tel: +36 (1) 41 10 443

UBM in the Czech Republic

Margund Schuh

Mail: margund.schuh@ubm.at

Tel: +42 (02) 510 13-0

UBM in Poland

Peter Obernhuber

Mail: peter.obernhuber@ubm.pl

Tel: +48 (22) 356 81 10

UBM in France

Martin Löcker

Mail: martin.loecker@ubm.at

Tel: +43 (0) 50 626-1261

UBM in Germany

Münchner Grund

Dr. Bertold Wild

Mail: bertold.wild@

muenchnergrund.de

Tel: +49 (89) 74 15 05-0

UBM in der Slovakia

Mark-John Pippan

Mail: mark.pippan@ubm.at

Tel: +43 (0) 50 626-1723

UBM in Croatia

Erwin Zeller

Mail: erwin.zeller@ubm.at

Tel: +43 (0) 50 626-1486

UBM in Bulgaria

Elza Vassilieva Stanimirova

Mail: elza.stanimirova@ubm.at

Tel: +359 887 95 47 15

UBM in Romania

Daniel Halswick

Mail: daniel.halswick@

muenchnergrund.de

Tel: +49 (89) 741 505-42

UBM in Ukraine (in liquidation)

Heribert Smolé

Mail: heribert.smole@ubm.at

Tel: +43 (0) 50 626-1487

UBM in Russia

Georg Wuzella

Mail: georg.wuzella@ubm.at

Tel: +43 (0) 50 626-1971

UBM in the Netherlands

(A) Ton Fransoo

Mail: ton.fransoo@ubm.at

Tel: +31 (6) 22 33 0825

This quarterly report contains future-related statements based on current assumptions and estimates made by the management to the best of its knowledge.

Information using the words "expectation", "target", or similar formulations indicates such future-related statements. The forecasts relate to the future development of the company and represent estimates made on the basis of information available as at 30 September 2014. Should the assumptions

underlying the forecasts fail to materialise, or risks of an incalculable size occur, the actual results may differ from these prognoses.

The quarterly report as at 30 September 2014 was prepared with the greatest possible diligence in order to ensure that the information provided in all its parts is correct and complete. Nevertheless, rounding, typesetting and printing errors cannot be excluded entirely.