ANNUAL REPORT **2015**

KEY FIGURES

in € million	2015	2014	CHANGE
Income statement			
Total annual output[1]	**593.3**	342.7	73.1%
EBITDA	**76.5**	38.9	96.7%
EBIT	**73.6**	36.6	101.1%
EBT	**50.3**	25.2	99.6%
Profit	**37.3**	22.0	69.5%
Key financial indicators			
Total assets	**1,185.2**	756.4	56.7%
Equity	**332.0**	180.4	84.0%
Return on investment	**6.8%**	5.7%	1.1 PP
Equity ratio	**28.0%**	23.9%	4.1 PP
Return on equity	**15.1%**	13.9%	1.2 PP
Net financial liabilities	**609.7**	438.7	39.0%
Cash and cash equivalents at 31.12.	**93.7**	40.3	132.5%
Share figures			
Number of shares	**7,472,180**	6,000,000	24.5%
Closing price of share (in €)	**36.49**	23.80	53.3%
Earnings per share (in €)	**4.90**	3.59	36.4%
Dividends per share (in €)	**1.60**[2]	1.25	28.0%
Market capitalisation at 31.12	**272.7**	142.8	91.0%

ISIN: AT 0000815402/REUTERS: UBMV.VI/BLOOMBERG: UBS:AV

1 Revenue indicator: includes income from the sale of real estate, rental services, proceeds from hotel ownership, settled planning and construction invoices from own building sites, supplies and management services to third parties, as well as other ancillary income from facility management

2 Proposal to AGM

ANNUAL REPORT **2015**

ubm development

SUCCESS UNDER ONE ROOF.

FOREWORD BY THE MANAGING BOARD

From left: MICHAEL WURZINGER, HERIBERT SMOLÉ, KARL BIER, MARTIN LÖCKER, CLAUS STADLER

Dear Sir or Madam,

2015 was a very positive, labour-intensive and change-filled year for UBM Development AG. The main highlight was the merger of UBM Realitätenentwicklung AG with PIAG Immobilien AG (PIAG) – yielding a real estate developer of European stature. There was also the increased focus on the capital markets, confirmed by the capital increase in April which enabled us to increase our free float from around 4% to around 51%. The strategic realignment in the Group also had a positive impact on total output (€ 593.3 million) and on EBT (€ 50.3 million).

Successful implementation of UBM realignment

It was only in February of 2015, the year under review, that PIAG, which had been spun off from PORR, became part of the 142-year-old UBM Realitätenentwicklung AG in the course of a downstream merger – the change of name from UBM Realitätenentwicklung to UBM Development AG sealed the transaction. The synergies yielded by the merger with PIAG have been consistently implemented – one feature has been the ability to realise our focus on Austria more rapidly. Here, new projects – such as Quartier Belvedere Central (QBC) at Vienna Central Station or the former Rosenhügelstudio in Vienna's 13th district – have complemented the UBM project portfolio. At the same time, we have increased our staffing levels through the merger and thereby acquired additional employees with extensive expertise. UBM has become a real estate developer of European stature in just a short time period.

Clear strategic focus

The merger led to a strategic repositioning with the goal of expediting growth in the three UBM home markets (Germany, Austria and Poland) and the three asset classes (Residential, Hotel and Office). Furthermore, the yield portfolio of PIAG and UBM should be reduced. The properties are being sold off individually or as package sales. The extremely positive property market backdrop and the low interest rate levels favour the realisation of this strategy.

At the same time we are concentrating on further improvements to the financing structure in the coming years and strengthening the equity ratio through portfolio divestment. Our stated target is the medium-term increase in the equity ratio to over 30% – and we are on track to achieve this. While the equity ratio still stood at 23.9% at the end of 2014, we already achieved a ratio of 28.0% at the end of the 2015 business year.

Clear commitment to the capital market

Our performance on the capital market was a further highlight in the year under review. The capital increase carried out in April 2015 significantly increased the company's free float. By intensifying our capital market communication, we have sustainably improved the transparency and appeal of the UBM shares. The share ended the year with a performance plus of 53.3%, making it one of the top performers on the Vienna Stock Exchange.

The new shareholder structure also led to a significant increase in liquidity. On top of this, there is the expedited internationalisation of the free-float shares triggered by the capital increase: where the majority of the previous shareholder structure involved Austrians, we have now succeeded in bringing on board new investors from Germany, Great Britain, Switzerland, Poland and the USA.

Further measures to improve our financing structure followed at the end of the year. In December we successfully placed a bond with a volume of € 75 million and a coupon of 4.25%. Furthermore, the sale of the stake in the Hungarian M6 motorway generated net proceeds of around € 50 million and reduced the expensive mezzanine capital by half at the end of December, which had a positive impact on UBM's average interest rate structure.

Development pipeline

In 2015 UBM acquired forward-looking projects which have opened up opportunities for the coming business years. In addition to projects under development or under construction, UBM made significant acquisitions in the three home markets (Germany, Austria and Poland) and the three asset classes (Residential, Hotel and Office). In 2015 the company secured around four hotels, three residential buildings and eight office buildings for the UBM development pipeline.

Successful portfolio divestment

The reduction of our portfolio initiated back in December 2014 also proved successful in 2015 – with fixed contracts concluded for the sale of 13 properties in the year 2015. Twelve properties have already been handed over – these include the Radisson Blu Hotel in Wroclaw, Andel's Hotel in Berlin, the GKB Centre in Graz, Hotel Ramada in Tyrol and the interest in the Hungarian M6 motorway. Net cash-in from these transactions totalled around € 170 million in the year under review.

Profitable growth

In the last business year we have laid important foundations for the future growth of UBM. The low interest-rate environment, the good operating performance and the proceeds generated by the portfolio reduction have been used to further consolidate our well-filled project pipeline. In the coming years we want to invest in additional projects and exploit the positive market environment for forward deals, which were successfully realised also in 2015 – for example for the Holiday Inn Warsaw City Centre and the office project QBC 4 at Vienna Central Station.

Positive outlook

On condition that the exceptionally good mood on the property markets prevails and that we continue to expedite our development strategy, the Managing Board expects to maintain the strong levels of production output and earnings in the current business year.

We would like to thank you for the trust that you as shareholders have placed in UBM. Furthermore, our thanks go to all of our partners for the good cooperation in the past business year and especially to our employees for their dedication and their daily contributions. This is how we will succeed in continuously increasing the value of the company together.

The UBM Managing Board

KARL BIER
CEO

HERIBERT SMOLÉ
CFO

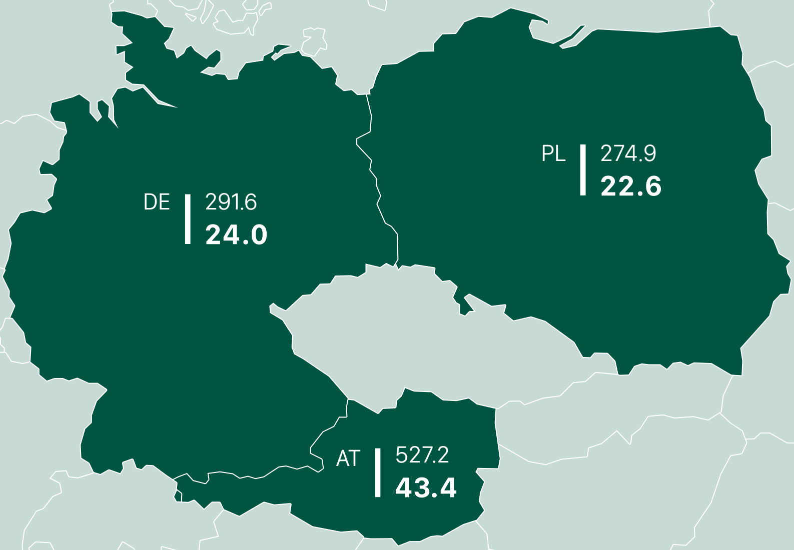
MARTIN LÖCKER
COO

CLAUS STADLER
COO

MICHAEL WURZINGER
COO

WE ARE SHAPING THE FUTURE

It is only possible to develop innovative projects, exploit opportunities and undergo further growth if you keep moving and embrace change. With its farsightedness, comprehensive market knowledge and experience, UBM has been realising ambitious real estate projects for more than 25 years – a track record which is practically unrivalled. As a leading Austrian property developer of European stature, UBM stands for reliability and performance in developing residential, hotel and office properties. We consider long-term value retention and a respectful approach to resources across the entire value chain to be important guiding principles. Attention to detail, sustainability, architectural quality and high-grade construction secure our success – and will continue to do so in the future.



2015
PORTFOLIO VALUE IN € MILLION
SHARE OF TOTAL PORTFOLIO IN %

Other markets (€ 122.1 million/10%)

"UBM IS A FIRST-CLASS PROPERTY DEVELOPER WITH TECHNICAL EXPERTISE AND POWER. WE DEVELOP PROJECTS AND COMPLETE URBAN QUARTERS FROM PREPARING THE PLOT THROUGH TO THE TURNKEY HANDOVER."

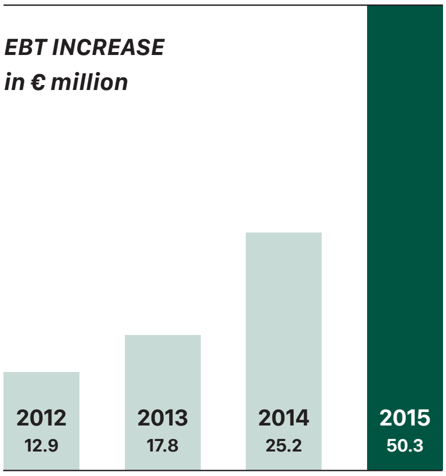
KARL BIER, CEO

685

STAFF MEMBERS

OF WHICH 332 HOTEL STAFF

IN 2015



EBT

2015 € 50.3 MILLION

99.6% INCREASE
ON 2014

STRONGER EQUITY RATIO

28%

IN 2015

NET CASH IN 2015

€ 170 MILLION

4
BRANDS
UNDER ONE
ROOF

TOTAL OUTPUT 2015

€ 593 MILLION

HIGH-LIGHTS

"2015 WAS AN EVENTFUL YEAR FOR UBM. PARTICULAR FACTORS IN THIS YEAR'S SUCCESS WERE THE MERGER WITH PIAG IN FEBRUARY, THE CAPITAL INCREASE IN APRIL AND THE FULL PLACEMENT OF THE BOND IN DECEMBER."

HERIBERT SMOLÉ, CFO

SUCCESSFUL CAPITAL INCREASE

UBM successfully carried out a capital increase in April 2015. A total of 1,462,180 new shares were placed. This led to an increase in the free float from 4% to around 51% in 2015 as a result of the merger and the capital increase.

SUSTAINABLE STRENGTHENING OF CAPITAL MARKET FOCUS

UBM has been listed on the Vienna Stock Exchange for 143 years. Hardly any other property company can look back on such a long history. UBM shares moved to the Standard Market Continuous in April 2015 and a move to the Prime Market should follow in 2016.

1,000% INCREASE IN TRADING VOLUMES

A range of smaller and larger steps led trading volumes to rise to € 114.6 million. Daily turnover increased from € 43,734 in 2014 to an average € 473,774 in 2015. This marks an almost eleven-fold increase.

DEVELOPMENT PIPELINE ENHANCED

In 2015 the company secured significant acquisitions including around four hotels, three residential buildings and eight office buildings for the UBM development pipeline in its three home markets and asset classes.

SUCCESSFUL START TO PORTFOLIO DIVESTMENT

As part of the 2015/2016 strategy, UBM started to reduce its property portfolio. Divestments have been progressing rapidly since the fourth quarter of 2014 with 13 property sales signed and twelve handed over. This has generated net proceeds of around € 170 million.

EXPANSION IN RESIDENTIAL CONSTRUCTION APPROVED

In light of the positive business forecasts for this sector, UBM is focusing on expanding the residential construction segment. In 2015 residential construction projects were finalised in Graz, Vienna and Berlin. In 2016 UBM will continue to expedite the expansion in residential construction with apartments in cities including Vienna and Berlin.

IMPRESSIVE PROOF OF HOTEL EXPERTISE

Having developed 43 hotels with around 9,000 rooms in the past 20 years, UBM is one of the leading hotel developers in Europe. The project pipeline currently involves Amsterdam and twelve more hotels in Berlin, Danzig, Frankfurt, Hamburg, Mainz, Munich, Warsaw and Vienna. Furthermore, UBM owns, co-owns or operates 17 hotels with around 3,800 rooms.

FIVE CERTIFICATES FOR SUSTAINABLE BUILDINGS

Green Building and sustainable development are a top priority for UBM. In 2015 UBM received certification from DGNB, ÖGNI and LEED for a total of 21 buildings. In Amsterdam UBM is currently building the Hyatt Regency – the city's most sustainable hotel. The BREEAM Excellent Certificate, awarded in advance with 74%, has the highest sustainability rating ever awarded to a hotel property in the Netherlands.


ALMA TOWER

CONTENTS

UBM OVERVIEW

UBM: THEN AND NOW

UBM can look back on a long history. The property developer has been listed on the Vienna Stock Exchange since 1873, making it a pioneer in both economic and geo-specific terms. UBM was also one of the first companies to open branch offices in Poland in 1992 and the Czech Republic as early as 1993.

UBM unveiled a new chapter in its corporate history in 2015. The starting gun was fired with PORR and PIAG's takeover of the shares previously held by CA Immo in summer 2014. This was followed by the successful spin-off of the real estate business into PIAG and the downstream merger of PIAG and UBM. In May 2015 UBM Realitätenentwicklung was renamed UBM Development AG. The change of name marks the conclusion of a successful transaction.

BUSINESS MODEL: PROPERTY DEVELOPMENT

"Property development" is understood to mean measures which aim to make profitable use of a plot or property for the long term, thereby maintaining and/or increasing the earning power of the building. Property development applies to every phase of a property's life cycle. UBM covers the entire value chain of property development in-house and with its powerful expert subsidiaries. Activities start with planning permission and developing the building's plot. The next steps cover the planning and advance marketing of the project along with general contractor services. The actual construction is realised with a general contractor or with construction companies for individual tenders. The project is fully developed when these four steps have been completed. Finally, the marketing, hotel management or actual sale increases the value of the developed project further.

"UBM HAS POSITIONED ITSELF AS A TRADE DEVELOPER AND IS PURSUING THE STRATEGY OF SELLING PROJECTS AT A PROFIT BACK TO INVESTORS AS EARLY AS POSSIBLE."

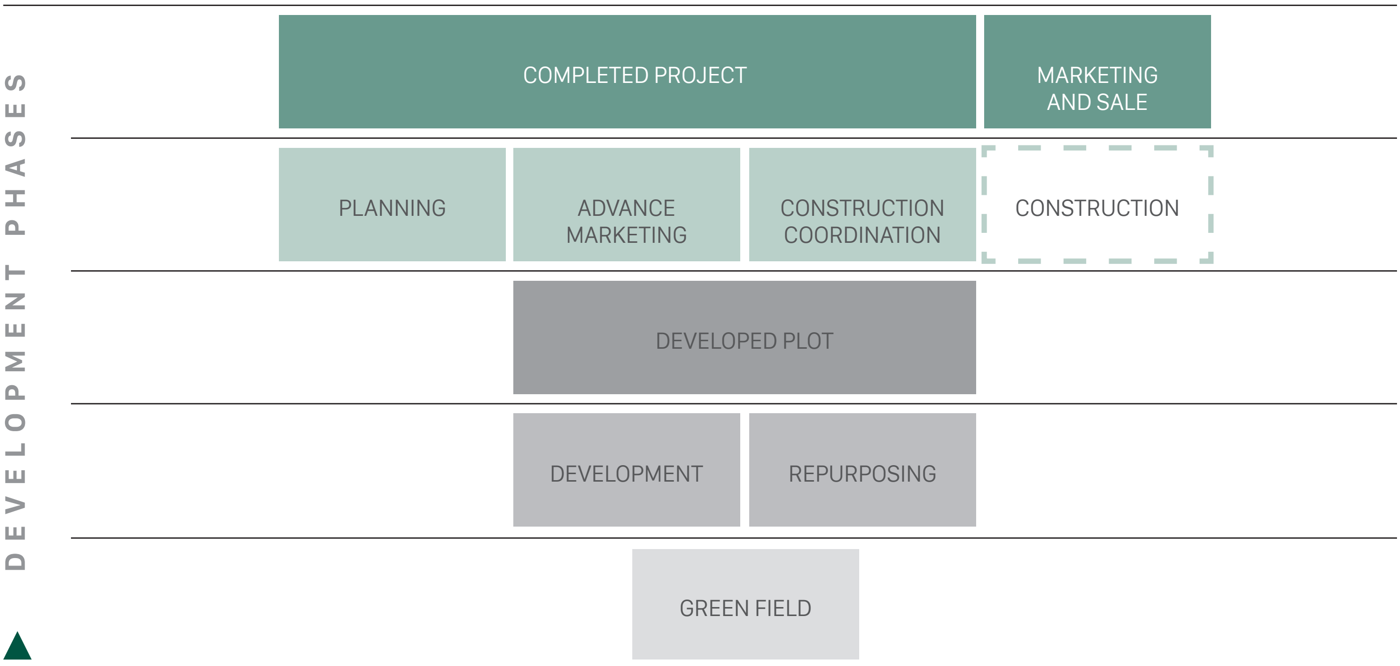
MICHAEL WURZINGER, COO

FOCUS: CORPORATE RESPONSIBILITY

Corporate Social Responsibility is part of UBM's business concept and represents value-oriented corporate management focused on long-term, sustainable value creation. This is shown in the area Social and in the area Ecological construction and development. When erecting buildings, UBM always pays attention to sustainable design and construction methods which conserve resources. This is also reflected in the wide range of project certifications – including by DGNB and ÖGNI (see Portfolio report, p. 56).

UBM places a high value on employee-focused corporate leadership. High levels of motivation and satisfaction among staff are a prerequisite for the successful realisation of projects and thereby for a medium to long-term improvement in the quality of the Group's performance. In the area "Social" and "Development cooperation", UBM has embraced its responsibility to society for many years through its sponsorship of the Upendo Home project – a home for street children and orphans in Singida, Tanzania. In 2015 the scope of UBM's Social support was further expanded. Refugees in particular received support from UBM in the form of emergency accommodation, which was provided at UBM properties for 140 refugees, as well as through numerous money-raising initiatives.

UBM'S VALUE CREATION POTENTIAL



"UBM'S UNIQUE SELLING PROPOSITION LIES IN ITS TECHNICAL EXPERTISE. BY COVERING THE ENTIRE VALUE CHAIN THROUGH OUR DIVERSE TEAM OF EXPERTS, WE HAVE ALSO ACHIEVED A SHARP REDUCTION IN RISK."

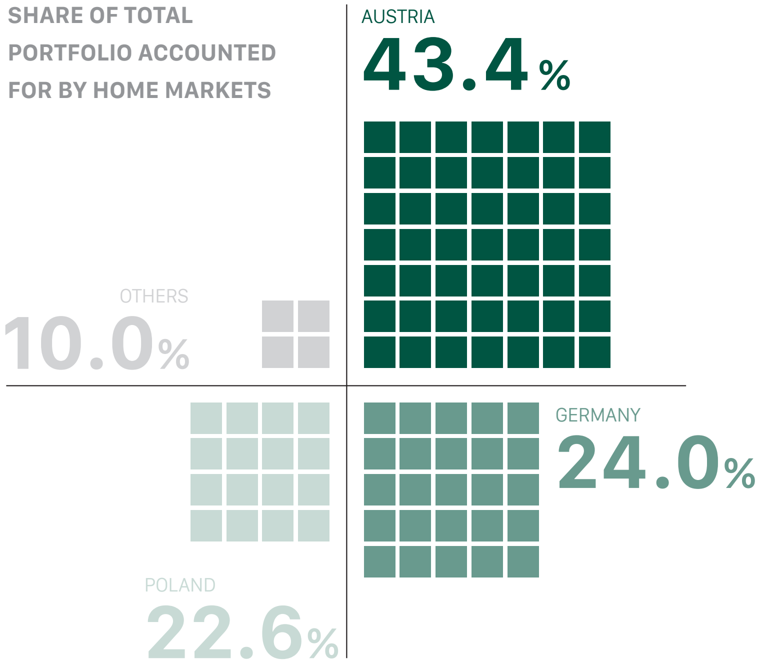
MARTIN LÖCKER, COO

FIELDS OF BUSINESS

COUNTRY FOCUS AND ASSET CLASSES

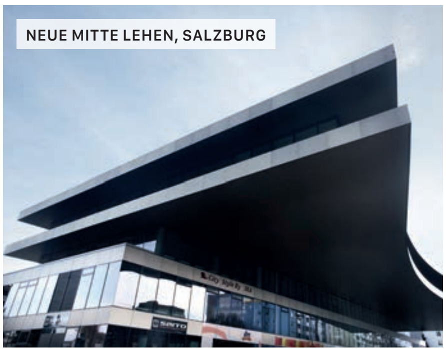
UBM divides its portfolio by country and also by asset class, with the goal of optimising risk diversification. The total value of the portfolio stood at € 1.21 billion (carrying amount at 31 December 2015). Around 90% of the portfolio is split across the three home markets of Austria, Germany and Poland. Here the largest share is in Austria with 43.4%, followed by Germany with 24.0%. Poland is the third largest market with 22.6%; 10.0% is accounted for by other countries including the Czech Republic and the Netherlands. The division is as follows in terms of asset classes: the three largest fields in the year under review were Office with 34.2%, Residential with 21.2% and Hotel with 19.7%. The remaining 17.1% involved retail and logistics properties.

SHARE OF TOTAL PORTFOLIO ACCOUNTED FOR BY HOME MARKETS



Around 43.4% of the entire portfolio measured by the UBM carrying amounts (as at 31 December 2015) is located in Austria. With its Austrian operating subsidiary STRAUSS & PARTNER, UBM covers the entire competency area of project development – from the idea through to the sale of the project. In **Austria** the company, with its stronger market presence, is focusing on residential construction and thereby on the capitals of the federal provinces Salzburg, Innsbruck, Graz and Vienna, where the largest housing development projects at present, "Wohnen am Rosenhügel" and MySky, are located. Probably the most prestigious project of STRAUSS & PARTNER is the urban development of Quartier Belvedere Central (QBC) around Vienna Central Station. Here around 250 apartments are currently taking shape along with office, hotel and retail space, on a gross floor area of around 130,000 m².

Around 24.0% of UBM's entire portfolio is transacted in **Germany.** Münchner Grund Immobilienbauträger GmbH is UBM's operating subsidiary for Germany. In light of the ongoing strong demand in the German housing market, UBM is increasing its efforts in this area. The most significant develop-

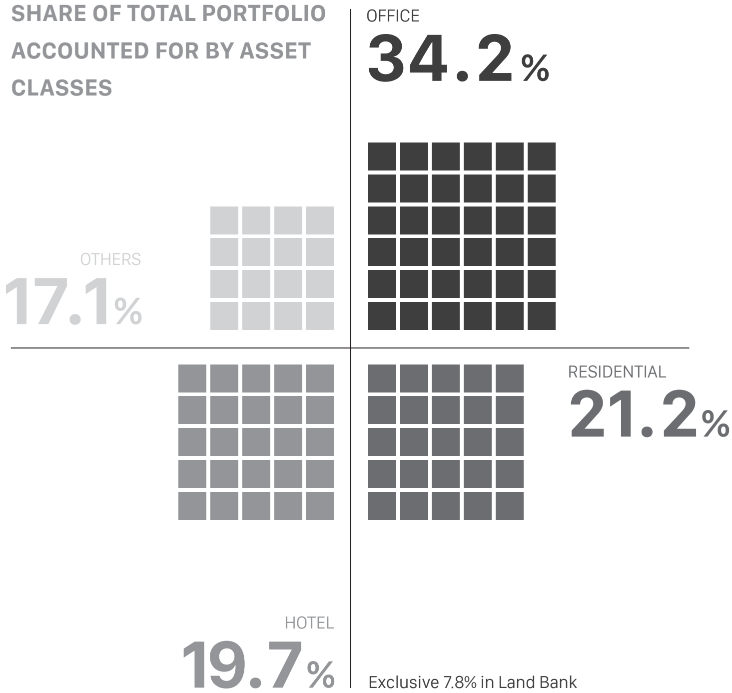

NEUE MITTE LEHEN, SALZBURG


BERLIVING HOHENZOLLERNDAMM, BERLIN

"OUR PROJECT PIPELINE IS WELL FILLED. WE ARE CURRENTLY WORKING ON 35 TO 40 NEW PROJECTS WITH A TOTAL VOLUME OF € 1.5 BILLION. UBM IS THEREBY IDEALLY POSITIONED FOR THE NEXT YEARS."

CLAUS STADLER, COO

SHARE OF TOTAL PORTFOLIO ACCOUNTED FOR BY ASSET CLASSES



ment projects at present include Enckestraße in Berlin and the Kühnehöfe in Hamburg. Also in Berlin, the residential construction project Alexanderplatz on Keibelstraße has been almost fully let and was already sold in December 2015. There is also a positive market environment prevailing in the office sector. Here UBM will develop the new headquarters of online fashion retailer "Zalando" in Berlin in the next two years – with office space for a total of 2,500 employees. UBM is also profiting from the dynamic, high-yield growth of the hotel market, which is a focal point for many investors.


ANGELO KATTOWICE, POLEN

With a 22.6% share of the entire portfolio value, **Poland** is the third largest country after Germany. UBM has been present in Poland for 25 years with its company UBM Polska and has made a name for itself in the office and hotel sector in particular. UBM's strategic focus is on the major cities of Warsaw, Krakow and Wroclaw with a concentration on the office market. The largest developments include office buildings such as Mogilska and Kodlarska in Krakow and the Times II project in Wroclaw. The full completion of the next construction phases of the Poleczki Business Park is the main project in Warsaw at present. In 2015 UBM also launched a hotel development offensive in Poland – the first project here is the Holiday Inn City Centre Warsaw.

The remaining 10.0% of the overall portfolio value is divided between **the Czech Republic, the Netherlands** and **France.** One particularly noteworthy feature here is the increasing hotel presence in the Netherlands: UBM already started its second hotel development in Amsterdam in 2015.

CORPORATE STRUCTURE

LOCAL EXPERTISE IS A KEY SUCCESS FACTOR IN THE REAL ESTATE BUSINESS – PARTICULARLY WITH REGARD TO DEVELOPING PROPERTIES. WITH ITS FOUR RENOWNED SUBSIDIARIES IN EVERY HOME MARKET, UBM IS POSITIONED AS A RECOGNISED EXPERT THAT REALISES PROJECTS WITH STRONG LOCAL PROJECT KNOW-HOW WHILE ADHERING TO INTERNATIONAL STANDARDS.

MÜNCHNER GRUND

Münchner Grund Immobilien Bauträger GmbH is the German subsidiary of UBM and has been a project and property developer in Germany for around 50 years. In addition to the existing sites in Berlin, Munich and Frankfurt, further developments are planned in Stuttgart, Dusseldorf and Hamburg. UBM opened a new branch office in the city on the Elbe in 2016. ***muenchnergrund.de***

BERTOLD WILD (L.)
Chair of the Managing Board

CHRISTIAN BERGER (R.)
Managing Director

UBM POLSKA

UBM Polska Sp. z o.o. has been active on the Polish market for around 20 years. Its experience is reflected in its broad portfolio (offices, hotels and shopping centres). UBM Polska has its headquarters in Warsaw and additional offices in Wroclaw and Krakow ***ubm.pl***

PETER OBERNHUBER (L.)
Managing Director

SEBASTIAN VETTER (M.)
Managing Director

PETER WÖCKINGER (R.)
Managing Director

STRAUSS & PARTNER

STRAUSS & PARTNER Development GmbH has been a wholly owned subsidiary of UBM Development AG since the start of 2015 and handles the entire project development competency in Austria as a national operating company. In addition to the major business in Vienna, STRAUSS & PARTNER realises projects in Salzburg, Graz and Tyrol. ***strauss-partner.com***

CLAUS STADLER (L.)
Managing Director

MARTIN PIRIBAUER (R.)
Managing Director

UBM BOHEMIA

The Czech property business is handled since 1995 by UBM Bohemia s.r.o – headquartered in Prague. UBM Bohemia is the planning competence center of the UBM. Specializing in interior design and execution planning, the planning team is especially in operation for hotel projects. ***ubm.cz***

HELMUT BERGHÖFER (L.)
Managing Director

SIMONA KULHANKOVA (M.)
Managing Director

JAN ZEMANEK (R.)
Managing Director

THE STRATEGY

OF UBM IS BASED ON THESE THREE PILLARS

CONTINUOUS EXPANSION OF MARKET PRESENCE AND MARKET SHARE, UTILISING COMPETITIVE ADVANTAGES AS A TRADE DEVELOPER.

FOCUS ON DYNAMIC AND URBAN METROPOLITAN AREAS IN EUROPE, FOLLOW-YOUR-CUSTOMER APPROACH IN GROWTH MARKETS.

CONCENTRATION ON THE CORE ASSET CLASSES RESIDENTIAL, HOTEL AND OFFICE.

STRATEGY AND SUCCESS FACTORS

FOCUS ON THE DEFINED HOME MARKETS AND ASSET CLASSES

UBM's focus is on urban areas in its home markets of Austria, Germany and Poland, a field which accounts for more than 90% of the Group's business. In view of the good macroeconomic foundation and ongoing strong demand, the company will continue to increase its focus on major urban areas and central cities in these markets. A key factor in the successful growth of UBM is the regional presence of its subsidiaries, which deliver local expertise. Furthermore, UBM employs a follow-your-customer approach. With renowned partners – mostly from the hotel industry – the company is also committed to project developments in attractive growth regions beyond the UBM home markets.

In addition to the geographical focus, UBM's activities are concentrated on the three asset classes Residential, Hotel and Office. For Residential and Hotel the company primarily operates in major cities on its home markets. The majority of UBM's developments in the Office segment are in Central-Business-District (CBD) locations and in locations in the business park sector which have good public transport links.

CONSISTENT PORTFOLIO REDUCTION

UBM is positioned as a pure trade developer and aims to substantially reduce its yield portfolio. The goal of these sales is improving the efficiency of capitalisation, proceeds and cash flows. Planned net cash-in from this area should total around € 100 million in 2016. The goal here is a long-term increase in the value of the assets, whereby optimal sales proceeds take priority over a quick sale.

UTILISING FORWARD DEALS FOR LONG-TERM, SUSTAINABLE BUSINESS

The historically low interest rates and the related low yields for investors have led to high demand for forward deals. As a developer, UBM gains project security and a contractually agreed sale at an earlier point in time when concluding a forward deal. At the same time, investors can acquire projects for their own portfolio at a phase where they can still influence the design. Alongside the sale of yield assets, UBM will use the conclusion of forward deals to secure cash flow and increase the security of earnings.

IMPROVING CAPITAL EFFICIENCY

UBM is striving for the faster sale of its properties, whereby the aforementioned forward deals should also be selectively concluded. In addition, the company continues to employ a so-called asset-light model. This involves choosing equity structures under which projects are not consolidated in full but are recognised under the equity method. These improvements in capital efficiency should lead net debt to fall by up to 40% in the long term.

ENHANCED CAPITAL MARKET ORIENTATION

Through its stock exchange listing, UBM already profits today from its access to the capital market. The company has a strong capital market focus and is committed to a proactive investor relations approach. In the year under review UBM moved to the Standard Market Continuous segment of the Vienna Stock Exchange, admittance to the Prime Market of the Vienna Stock Exchange is planned in 2016. This should lead to a further long-term increase in the liquidity of the shares and optimise financing options via the capital market.

PROPERTY SALES

THE TOTAL SALES PRICE OF THE 13 PROPERTIES WAS AROUND € 380 MILLION. THIS RESULTED IN NET CASH-IN OF AROUND € 170 MILLION.

OFFICE
ARENA BOULE-VARD
BERLIN

OFFICE
IQ
SALZBURG

OTHER
RATHAUS-VIERTEL
GUNT-RAMSDORF

HOTEL
RADISSON BLU
WROCŁAW

RESIDENTIAL
ALEXANDER PLATZ
BERLIN

HOTEL
ANDEL'S
BERLIN

OFFICE
GKB CENTER
GRAZ

PART OF UBM'S CORPORATE STRATEGY IS CONTINUOUSLY REDUCING THE HOLD PORTFOLIO. IN 2015 UBM SUCCEEDED IN SIGNING 13 PURCHASE AGREEMENTS AS WELL AS THE FINAL HANDOVER OF TWELVE PROPERTIES.

OFFICE
TRIKOT
MUNICH

HOTEL
RAMADA TIVOLI
INNSBRUCK

- Austria
- Germany
- Poland
- Hungary

HOTEL
GKB
GRAZ

OTHER
MOTOR-WAY M6

OTHER
REHAB CENTRE
MÜNSTER

OTHER
TWIN YARDS
MUNICH

INVESTOR RELATIONS

CAPITAL MARKET ENVIRONMENT

HIGH VOLATILITY ON THE INTERNATIONAL CAPITAL MARKETS

The uncertain political and economic situation was reflected in the exceptionally sharp price fluctuations on the stock market. Following a broad recovery in the first third of the year under review, which resulted in the year highs of the MSCI World Index in April and May, the weak economic data at mid-year led to renewed price falls. The devaluation of the Chinese currency added further fuel to economic concerns and intensified the downward trend. In the fourth quarter of 2015 the overall stabilisation of worldwide economic forecasts led to a significant recovery. The central bank policy and the further slump in the oil price in December then led to a renewed correction – instead of the anticipated year-end rally. Despite this high volatility throughout the course of the year, the MSCI World Index 2015 was practically unchanged against year-end 2014 and increased by just 0.2% year-on-year.

For the first time in six years, in 2015 the US index Dow Jones Industrial Average (DJIA) closed down 2.2% on the previous year. Price losses at year-end caused the Europe-wide stock index EURO STOXX 50 to increase by just 3.8% in the course of the year – thereby falling far short of expectations. Despite the turbulence surrounding the devaluation of the Chinese currency, the generally strong performance of the Japan stock market triggered a substantial increase in the Japanese index NIKKEI 225 of 9.1%. The price development on the exchanges of the emerging markets was unsatisfactory overall in 2015: weak economic growth in multiple major national economies and capital outflows led to a 17.2% decrease in the MSCI Emerging Markets Index. The price level was therefore at its lowest since the 2009 economic crisis.[1] The EPRA/NAREIT Developed Europe Index also saw a significantly weaker performance than in previous years. Although it closed 2015 higher than at year-end 2014 the price rise of 18.5% was significantly below the value of the previous year (25.6%).[2]

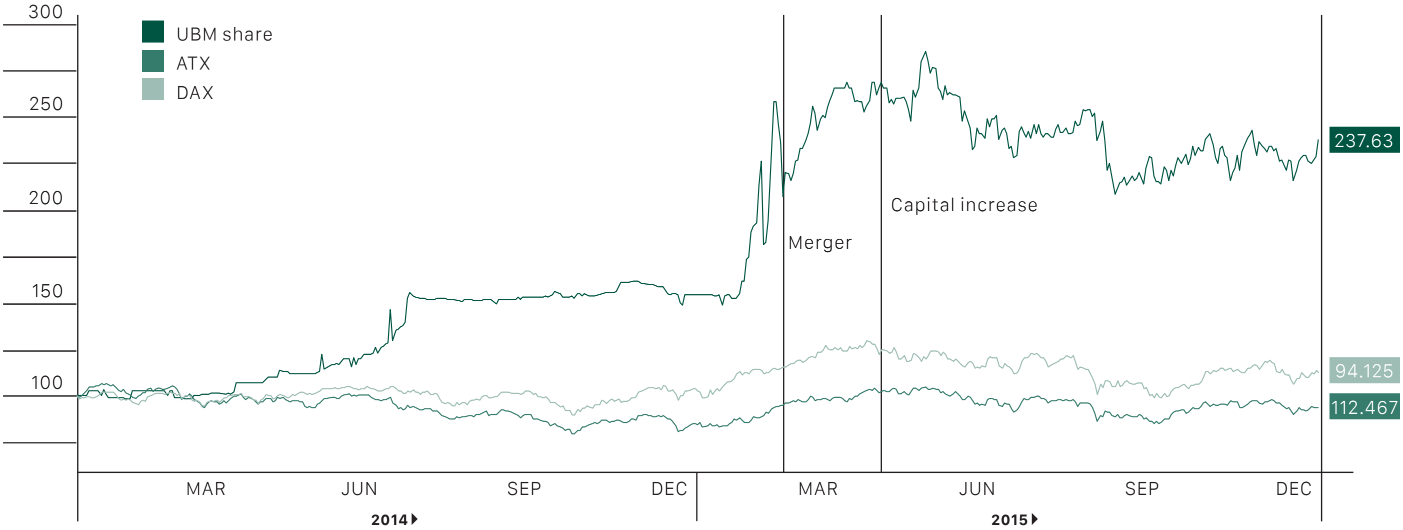
POSITIVE DEVELOPMENT OF THE VIENNA STOCK EXCHANGE

Following the weak performance in 2014, the ATX increased by 11.0% in 2015, thereby achieving one of the best values in Europe. The performance was buoyed by the favourable macroeconomic data for the eurozone and the measures by the ECB, which had a positive impact on the performance of the European stock markets. Starting from the year-low on 14 January, a yearhigh of 2,681.44 points was reached in May. The mood then darkened somewhat by the end of the third quarter before a new upward trend was observed; it closed at 2,396.94 at year-end.

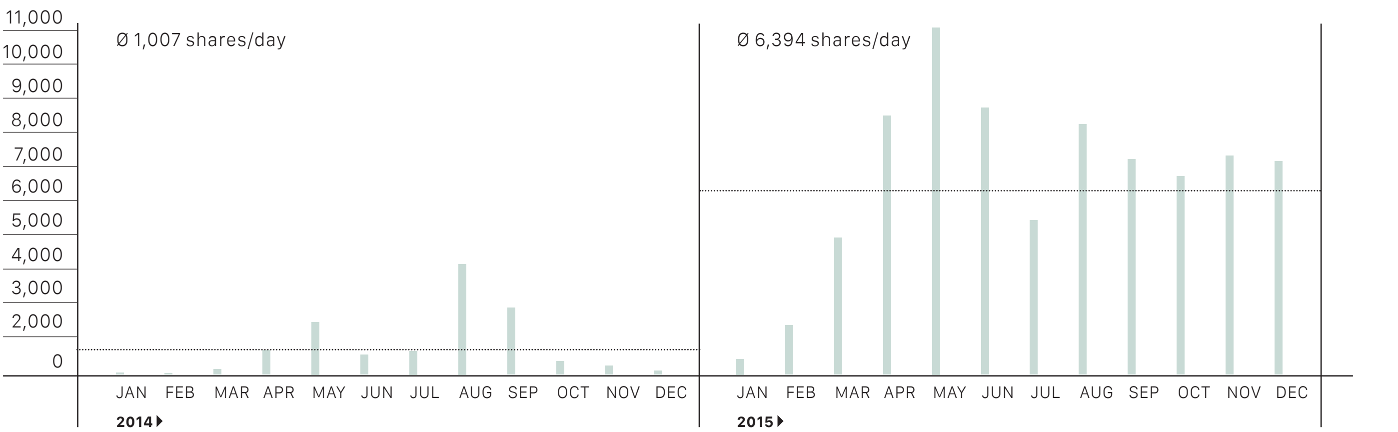
PERFORMANCE COMPARISON OF KEY INDICESS (30 DEC. 2014 TO 30 DEC. 2015)[3]	
Dow Jones Industrial Average	–2.2%
EURO STOXX 50	3.8%
NIKKEI 225	9.1%
DAX	9.6%
ATX	11.0%
IATX	17.6%
EPRA/NAREIT Developed Europe	18.5%
MSCI Emerging Markets Index	–17.2%
UBM share	53.3%

1 Vienna Stock Exchange, 4th Quarter 2015 / Full Year 2015
2 www.finanzen.net, historic data
3 Bloomberg

PERFORMANCE OF THE UBM SHARE (INDEXED)



PERFORMANCE OF TRADING VOLUMES (DAILY TURNOVER/MONTH)



VALUE INCREASE IN THE UBM SHARES

The UBM share performance was driven by two key strategic measures in 2015: the merger with PIAG Immobilien AG in February and the capital increase in April. With a value increase of 53.3%, the UBM share performed significantly better than in previous years and came fifth in the Vienna Stock Exchange's share ranking of Top Performers 2015. In addition, UBM Development achieved a remarkable increase in trading volumes of around 1,000% in the year under review. The UBM share reached its year-high of € 43.80 on 15 May 2015 following the capital increase and the publication of the 2014 annual results. The share fluctuated in the second half of the year at a level between € 34.00 and € 37.00, before closing at a price of € 36.49 on 30 December 2015 (starting price € 23.80). The UBM share hit its year-low of € 23.00 at the start of the year on 15 January. Overall, the share achieved an increase of more than 53.3% over the course of the year.

At the end of the reporting period UBM had achieved a market capitalisation of € 272.7 million – a rise of around 90.9% against the previous year (30 December 2014). One factor behind this increase was the growth in free float in the course of the capital increase. The average daily trading volume of UBM shares (trading days: 242) was 6,394 in 2015 – this represents a 534% increase compared to 2014 (average daily trading volume: 1,007 – trading days: 167). The overall liquidity of the UBM share rocketed by 819% in 2015 to 1,547,437 shares – compared to 168,213 shares in 2014.

KEY FIGURES OF THE UBM SHARE	2015	2014	2013	2012
Price at 30 Dec. (in €)	**36.49**	23.80	15.45	13.50
Year high (in €)	**43.80**	24.98	17.47	13.50
Year low (in €)	**23.00**	15.17	13.00	10.00
Earnings per share (in €)	**4.90**	3.59	2.14	2.15
Dividend per share (in €)	**1.60***	1.25	0.62	0.55
Total Shareholder Return (TSR) in %	**60.04**	59.3	18.00	12.07
Dividend yield in %	**4.38**	5.25	3.56	4.07
Payout ratio in %	**32.6**	34.8	29.0	27.0
Market cap per 30 Dec. (in €)	**272.7**	142.8	92.7	81.0
Price-earnings ratio	**7.45**	6.63	7.22	6.28
Number of shares in issue 30 Dec. (no. of shares)	**7,472,180**	6,010,000	6,000,000	6,000,000

* Proposal to AGM

ANALYSTS' BUY RECOMMENDATIONS CONFIRMED

Dialogue with all capital market participants is a top priority in the daily work of the investor relations team. UBM's declared aim is to always portray an accurate picture of the Group, thereby facilitating the proper evaluation of the UBM shares. The business analyses of renowned institutes are an important decision-making criterion for investors. UBM is currently assessed by five investment firms. All five analysts have confirmed their buy recommendation for the UBM share 2015, whereby Baader Bank AG, Steubing AG and Erste Group slightly adjusted their target prices downwards in the course of the business year. The Erste Group analysts maintained their buy recommendation at € 49.00 Kepler Cheuvreux at € 50.00, Steubing AG at € 45.00, SRC Research at € 58.00 and Baader Bank AG at € 47.00 The mean estimate of € 49.80 implied a price potential of 36.4% (based on the closing price at 30 December 2014).

ANALYST RECOMMENDATIONS (31 DEC. 2015)	TARGET PRICE (IN €)	RECOMMENDATION	DATE
BAADER BANK AG Christine Reitsamer	47.00	Buy	11.11.2015
ERSTE GROUP Martina Valenta	49.00	Buy	1.10.2015
KEPLER CHEUVREUX Thomas Neuhold	50.00	Buy	18.11.2015
SRC RESEARCH Thilo Gorlt	58.00	Buy	12.11.2015
STEUBING AG Jens Jung	45.00	Buy	4.1.2016

SHARE CAPITAL AND SHAREHOLDER STRUCTURE

DIVIDEND INCREASE

With a payout ratio of 30–50% of net profit, UBM exercises a results-oriented dividend policy. The concrete dividend proposal is generally presented upon publication of the annual results. For the year 2015 UBM proposes a dividend of € 1.60 per share. This corresponds to a payout ratio of 32.6% and is € 0.35 or 28% higher than the previous year's dividend. The dividend yield on the basis of the closing price 2015 (€ 36.49) was 4.38%.

CAPITAL MEASURES

CAPITAL INCREASE

After finalising the merger with PIAG Immobilien AG in February 2015, UBM carried out a capital increase in April 2015. A total of 1,462,180 new shares were placed (number of shares at 31 December 2015: 7,472,180). The proceeds from the issue totalled € 58.5 million and will be reinvested in new projects – including Wohnen am Rosenhügel, QBC in Vienna, Austria, and Times II in Wroclaw, Poland. The capital increase has enabled UBM to increase its free float to 50.62%.

NEW UBM CORPORATE BONDS

In December 2015 UBM issued a new **4,25%-corporate bond** (ISIN DE000A18UQM6) with a total volume of € 75 million (denomination: € 1,000) and a maturity of five years. The coupon is payable semi-annually in arrears on the 9 June and 9 December. The offer for the 2015–2020 partial debenture was targeted at institutional and private investors in Austria and Germany. Private investors in Germany and Austria were able to subscribe to the partial debentures from 30 November 2015 to 4 December 2015 using the subscription function of the Frankfurt Stock Exchange. In the month of subscription the price range was between 99.7 and 100.1; the end price was 100.1.

The partial debentures will be redeemed at the nominal amount on 9 December 2020 as long as they have not been paid back in full or part, or purchased and devalued. The net proceeds from the bond issue will be used to realise existing and new projects, particularly for expediting activities in the home markets of Austria, Germany and Poland. A liquidity reserve for potential corporate acquisitions will be built up at the same time. Furthermore, the proceeds will serve to optimise the financing structure and strengthen the company's financial position as well as for the partial refinancing of existing financial liabilities.

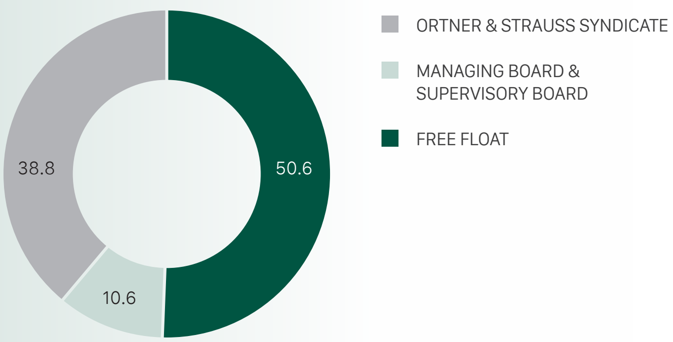
UBM BONDS

The **6% UBM bond 11–16** (ISIN AT0000A0QR71) with an open nominal amount of € 51.8 million is permitted for trading on the Second Regulated Market of the Vienna Stock Exchange. It was listed in 2015 in a price range between 102.1 (2014 year-low: 99.5) and 104.6 (year-high 2014: 104.9); the end price was 102.5 (2014: 102.8). The bond (at 31 December 2015) has a remaining term of around ten months and will be redeemed at 100% on 9 November 2016.

The **4.875% UBM bond 14–19** (ISIN AT0000185Y1) with a nominal amount of € 200 million is permitted for trading on the Second Regulated Market of the Vienna Stock Exchange. It was listed in 2015 in a price range between 100.3 (2014 year-low: 100.1) and

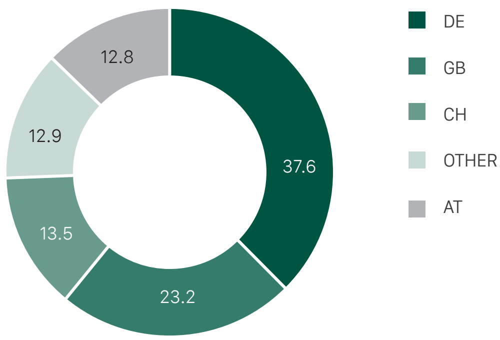
SHAREHOLDER STRUCTURE IN %

AT 31 DECEMBER 2015



REGIONAL DISTRIBUTION OF NEW SHARES IN %

APRIL 2015



103.5 (year-high 2014: 103.5); the end price was 102.3 (2014: 100.9). The bond has a remaining term of 3.6 years and will be redeemed at 100% on 9 July 2019.

FOCUS ON THE CAPITAL MARKET

As part of the strategic realignment of UBM Development AG, there was a sharper focus on the capital markets at the start of 2015. The first step was completed with the move from the Standard Market Auction segment of the Vienna Stock Exchange to the Standard Market Continuous segment. For 2016 UBM is aiming to achieve a further move to the Prime Market segment of the Vienna Stock Exchange.

INTENSIFYING CAPITAL MARKET COMMUNICATION

The dialogue with analysts, institutional investors and private shareholders is maintained through legally stipulated announcements (e.g. ad hoc announcements, quarterly statements, interim financial reports etc.), in the course of face-to-face meetings at road shows and conferences and by taking part in events and trade fairs specially designed for private shareholders. Private shareholders regularly use the AGM and investor fairs to nurture dialogue with the investor relations team. In addition, conference calls for analysts are held at least once every six months. In addition to conference participation and road shows in London, Vienna, Frankfurt, Munich, Düsseldorf, Cologne, Zurich, Amsterdam, Warsaw, Stockholm and Helsinki, conference calls and investor meetings were organised in 2015. The target audience was national and international institutional investors.

Detailed information on the key performance indicators, the UBM share, annual and quarterly results, financial news and presentations, IR events and much more is available at www.ubm.at. Investors can also subscribe to our IR newsletter at investor.relations@ubm.at, to receive updates on the latest developments.

GENERAL INFORMATION ON THE UBM SHARE	
Stock exchange listing	Vienna Stock Exchange, Std. Market Continuous
Market Maker	Erste Group, Kepler Cheuvreux
SIN	AT 0000815402
Bloomberg	UBS:AV
Reuters	UBMV.VI
Email	investor.relations@ubm.at
Website	www.ubm.at

CONTACT

Julia Kozielski

HEAD OF INVESTOR RELATIONS

investor.relations@ubm.at

FINANCIAL CALENDAR	
Publication of the 2015 Annual Financial Report and 2015 Annual Report	25.4.2016
Press conference	25.4.2016
Publication of the interim report on the first quarter of 2016	12.5.2016
135th Annual General Meeting, 11:00am CET, EURO PLAZA, Am Euro Platz 2, Building G, 1120 Vienna	25.5.2016
Ex-dividend trading on the Vienna Stock Exchange	1.6.2016
Dividend record date	2.6.2016
Dividend payout day for the 2015 business year	3.6.2016
Interest payment UBM bond 2014	11.7.2016
Publication of the interim report on the first half of 2016	29.8.2016
Interest payment/redemption UBM bond 2011	9.11.2016
Publication of the interim report on the third quarter of 2016	11.11.2016

SUPERVISORY BOARD REPORT

Following the takeover of UBM and the spin-off of the real estate business from PORR in 2014, the successful merger of PIAG and UBM was concluded in the 2015 business year. 2015 was a year which served as a test for the new structures of UBM Development AG. The challenge faced by the Managing Board was how to bring together two different listed organisations into a single, harmonic whole. This had to be realised at the same time as the Company's business built on the successful prior years since its new focus as a trade developer. Another particular challenge was the ambitious sales programme laid out by the Managing Board itself. The Supervisory Board maintains that the Managing Board has fulfilled every expectation, while the exceptional results for 2015 have comprehensively surpassed every target.

The Supervisory Board has been updated regularly and in detail by the Managing Board on the progress made in restructuring, the sales programme and new development projects, and has conducted an in-depth examination of every resolution required before giving its unanimous approval. Furthermore, the strategic approach of the Company has been constantly evaluated and discussed with the Managing Board. The Supervisory Board thanks the Managing Board and all UBM Development AG employees for their tireless dedication and exceptional work in the past year.

The Supervisory Board has actively encouraged and supported the company's development in keeping with the responsibilities assigned to it. In line with Article 81 of the Stock Corporation Act, the Managing Board has kept the Supervisory Board constantly informed of full details of the development of the business and financial position of the Group and its shareholdings, of staff and planning matters and of investment and acquisition projects through spoken and written reports, and the latter has discussed strategy, business development and risk management with the Supervisory Board. In a total of six meetings, the Supervisory Board passed the relevant resolutions that were required. The necessary approval for the transactions for which consent is required under Article 95 Section 5 of the Stock Corporation Act and pursuant to the rules of procedure for the Executive Board was obtained; in urgent cases, written voting was used for authorisation of this nature. The average level of attendance at Supervisory Board meetings on the part of the members that had been elected by the AGM was 93.8%. On 13 April 2015 a meeting of the audit committee was held in the presence of the auditor for the purpose of auditing and preparing the approval of the 2014 consolidated financial statements. A further meeting of the audit committee was held on 15 September 2015 in the presence of the auditor; the purpose of this meeting was to monitor the financial reporting process, evaluate the effectiveness of the internal control system, the internal audit system and risk management within the Group.

The annual financial statements of UBM Development AG as per 31 December 2015, including the notes to the consolidated financial statements and the management report, and the consolidated financial statements that had been prepared as of 31 December 2015 in accordance with International Financial Reporting Standards (IFRS) and the Group management report, were audited by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. The audit, based on the bookkeeping and documentation of the company as well as the explanations and documentation provided by the Executive Board, revealed that the bookkeeping records and the annual financial statements and consolidated accounts complied with the legal requirements and provided no cause for complaint. The Group report and management report accord with the annual and consolidated financial statements. The aforementioned audit company has therefore issued an unqualified audit opinion for the annual and consolidated financial statements. All of the documents related to financial statements, the Corporate Governance report and the Managing Board's proposal on the appropriation of net profit and the audit report prepared by the auditor, were dealt with in detail with the auditors on 22 April 2016 in the audit committee and submitted to the Supervisory Board.

The audit committee and the Supervisory Board have approved the annual financial statements as of 31 December 2015 and the Group management report, the Corporate Governance Report and the proposal of the Managing Board regarding the appropriation of net profits following intensive discussion and auditing. The annual financial statements as of 31 December 2015 have thus been adopted. The audit committee and the Supervisory Board also approved the consolidated accounts for 2015 that had been prepared in accordance with IFRS and the Group management report. The Supervisory Board agreed with the proposal of the Managing Board regarding the appropriation of earnings.

The Supervisory Board thanks customers and shareholders for the confidence they have placed in UBM and their commitment to the company, as well as the Managing Board and staff for the dedication they have demonstrated over the past year and the constructive collaboration it has enjoyed with them.

Vienna, April 2016

Karl-Heinz Strauss
Chairman of the Supervisory Board

CORPORATE GOVERNANCE REPORT

UBM Development AG views Corporate Governance as a key concept for responsible and transparent company management and the comprehensive auditing that accompanies this. The Managing Board and Supervisory Board work closely together in the interests of the company and its staff and are involved in the ongoing evaluation of the development and strategic direction of the UBM Group. Constant dialogue with all relevant interest groups builds trust, also in corporate activities, and provides the basis for sustainable corporate growth in the future.

So far, the UBM Group has made no formal declaration committing itself to observance of the "Austrian Code of Corporate Governance", as the code regulates the prime market and is only mandatory for companies listed on the prime market. The UBM shares are currently listed in the standard market continuous segment. Observance of the Code of Corporate Governance is therefore not compulsory for UBM. UBM does however – as it has for many years now – comply with all mandatory regulations and most of the Comply or Explain rules (C Rules) from the Corporate Governance Code. UBM will continue to strive to fully comply with the "Austrian Code of Corporate Governance" as laid out by the Austrian Working Group for Corporate Governance. This code is available to the public on the homepage of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

THE MANAGING BOARD

Mag. Karl Bier was born in Vienna, Austria, in March 1955. He graduated in law from the University of Vienna in 1979. In 1980 he joined IMMORENT, where he was responsible for project development, finance and tax affairs. He then held management positions at several regional companies and project companies. Karl Bier has been a member of the UBM AG Managing Board since 1992 and has chaired the Board since 1998. In his capacity as a member of the Managing Board he is responsible for Business Guidelines, Business Development, Investor Relations, Corporate Communication, Group Management, Audit & Risk Management, Internal Audit and Human Resources.

DI Martin Löcker was born in Leoben, Austria, in March 1976. He graduated in industrial engineering and construction from the Technical University in Graz, Austria, in 2000, before gaining a postgraduate qualification in real estate economics at the European Business School in Munich, Germany, in 2005. He joined the PORR Group and its subsidiary UBM AG in 2001. Here he was responsible for projects in Austria, France and Germany and since 2007 he has held management positions at UBM AG and its subsidiary Münchner Grund. He has been a member of the Managing Board since 1 March 2009. In his capacity as a member of the Managing Board Martin Löcker is responsible for Development and Technology in the German, Poland and Czech markets as well as for hotel management.

Heribert Smolé was born in Knittelfeld, Austria, in February 1955. He joined the PORR Group in 1973 and in 1985 became head of the commercial administration department for investments. In 1990 he became an authorised joint signatory of UBM AG (part of the PORR Group at that time) and gradually took on the functions of general manager and commercial director at various companies of the PORR Group. In 1996 he became qualified for real estate management and brokerage. Since 1997 Heribert Smolé has been a member of the UBM Managing Board. In his capacity as a member of the Managing Board he is responsible for the areas of Finance & Controlling, Accounting, Taxes, Insurance and Device Management.

Claus Stadler was born in Vöcklabruck, Austria, in 1970. In 1997 he graduated in architecture from the Vienna University of Technology, Austria. In 1998 he joined the PORR Group and was responsible for projects in Austria, Germany, Croatia and Romania. From 2005 to 2011 he worked for the Austrian Federal Railways (ÖBB) and from 2008 until 2011 he was the Managing Director of ÖBB-Immobilienmanagement GmbH, ÖBB-Werbecenter GmbH and other project companies. He became the Managing Director of STRAUSS & PARTNER Development GmbH in 2012. With his appointment to the Managing Board of UBM in 2015, his responsibilities include property development with a focus on Austrian and SEE as well as IT and Quality Management.

Mag. Michael Wurzinger, MRICS was born in Salzburg, Austria, in 1971. In 1997 he graduated in business administration from the University of Innsbruck, Austria. In 2006 he became a member of the Royal Institution of Chartered Surveyors (RICS). After his studies, he began his career at Constantia Privatbank AG in 1997 and from 2004 he was Head of Property Asset Management and Project Development for Austria; he joined the Executive Board of the bank in 2006. From 2008 to 2010 he was a member of the new Executive Board and COO of Immofinanz AG. In 2011 he became the spokesperson for the Executive Board of PORR Solutions Immobilien und Infrasturkturprojekte GmbH (now STRAUSS & PARTNER Development GmbH). In January 2015 he was appointed as a member of the Managing Board and COO of UBM Development AG. He is responsible for Asset Management, Transactions, Marketing, Legal Affairs and Compliance.

THE MANAGING BOARD

In accordance with Article 6 of the UBM Articles of Association, the Managing Board consists of between two and six people. Since May 2015 the Managing Board has consisted of five people. The Supervisory Board can name a member of the Managing Board as Chairman and name one member as the Deputy Chairman. The Managing Board passes resolutions by a simple majority of votes cast. If the Supervisory Board appoints a member to chair the Managing Board, he/she has a casting vote in the event of a tie.

The members of the Managing Board are appointed by the Supervisory Board for a maximum term of five years. The renewed appointment or an extension of this period (each for a maximum of five years) is permitted. The Supervisory Board can dismiss a member of the Managing Board before the end of his/her term in office if there is an important reason to do so, for example if there is a serious breach of duty or if the general shareholders meeting passes a vote of no confidence in the Managing Board member.

UBM is represented by two Managing Board members, or by one Managing Board member with one authorised signatory. With legal restrictions, UBM can also be represented by two authorised signatories.

The following image shows the Managing Board members, their date of birth, their position, the date of their first appointment as well as the probable end of their time in office. In 2015 the following people sat on the Managing Board: Karl Bier, Martin Löckner, Heribert Smolé, Claus Stadler and Michael Wurzinger.

The Managing Board members Karl Bier, Heribert Smolé, and Michael Wurzinger Martin Löcker do not sit on any Supervisory Boards or fulfil any similar functions in Austrian or foreign companies (that are not included in the financial statements). Claus Stadler is a member of the Supervisory Board of the following companies: GlaRi GmbH (since 2016) and BauWelt Handel-Aktiengesellschaft.

KARL BIER
Date of birth 3.3.1955
Chairman of the Managing Board
Member since 1.8.1992
Appointed until 31.12.2016

MARTIN LÖCKER
Date of birth 13.3.1976
Managing Board member
Member since 1.3.2009
Appointed until 31.12.2016

HERIBERT SMOLÉ
Date of birth 16.2.1955
Member since 15.7.1997
Appointed until 31.12.2016

CLAUS STADLER
Date of birth 4.7.1970
Managing Board member
Member since 29.5.2015
Appointed until 19.2.2018

MICHAEL WURZINGER
Date of birth 9.4.1971
Managing Board member
Member since 15.1.2015
Appointed until 19.2.2018

THE SUPERVISORY BOARD

The UBM Supervisory Board is composed of members appointed by the general shareholders meeting. In accordance with Article 9 of the UBM Articles of Association, the number of members appointed by the general shareholders meeting must be at least three and not more than ten. In 2015 the UBM Supervisory Board consisted of eight members appointed by the general shareholders meeting.

As long as the general shareholders meeting has not specified a shorter term when appointing one or all members, the Supervisory Board members are appointed until the end of the Annual General Meeting which rules on the approval of the Supervisory Board for the fourth business year after the initial election; the business year in which the Supervisory Board member was appointed does not count towards this term. Should certain Members leave the Board before the end of their term in office, a vote to replace them is not required until the next Annual General Meeting. However, a replacement vote is required at an extraordinary general meeting, to be held within six weeks, if the number of Supervisory Board members falls below three. Every member of the Supervisory Board can resign from his/her post following a 21-day notice period upon a written declaration to the Chairman of the Supervisory Board, without stating an important reason.

In a meeting held once a year following the Annual General Meeting, the Supervisory Board elects a Chairman and one or two Deputies from among its members. If two Deputies are appointed, then the order in which they are to take up the post shall be determined. If the Chairman or one of the elected Deputies withdraws from his/her post, the Supervisory Board must appoint a replacement for the rest of the term in office without delay.

In accordance with the Articles of Association, the Supervisory Board is quorate when at least three members of the Supervisory Board are present including the Chair or a Deputy Chair. The Supervisory Board passes resolutions by simple majority of votes cast. The Chairman has a casting vote on resolutions, which also applies in the case of elections. The Chairman decides on the form of voting. The Supervisory Board shall meet as often as the interests of the company require, but at least four times per year.

In the 2015 business year the Supervisory Board held six ordinary meetings.

THE SUPERVISORY BOARD:
KARL-HEINZ STRAUSS (CHAIR)
IRIS ORTNER (DEPUTY CHAIR)
CHRISTIAN B. MAIER
KLAUS ORTNER
LUDWIG STEINBAUER
PAUL UNTERLUGGAUER
BERNHARD VANAS
SUSANNE WEISS

COMPOSITION OF THE SUPERVISORY BOARD

The following table shows the current members of the Supervisory Board in 2015, their date of birth, their position, the date of their first appointment to the Supervisory Board, as well as the probable end of their time in office:

NAME	D.O.B.	POSITION	MEMBER SINCE	APPOINTED UNTIL
Karl-Heinz Strauss[1]	27.11.1960	Chair	14.4.2011	AGM 2019
Iris Ortner[2]	31.8.1974	Deputy Chair	14.4.2011	AGM 2019
Christian B. Maier	9.1.1966	Member	3.5.2013	AGM 2019
Wolfhard Fromwald[3]	22.6.1952	Member	30.4.2014	15.1.2015
Johannes Pepelnik[4]	14.6.1970	Member	25.6.2004	15.1.2015
Klaus Ortner[5]	26.6.1944	Member	15.1.2015	AGM 2019
Ludwig Steinbauer	26.10.1965	Member	15.1.2015	AGM 2019
Paul Unterluggauer	28.4.1967	Member	15.1.2015	AGM 2019
Bernhard Vanas	10.7.1954	Member	15.1.2015	AGM 2019
Susanne Weiß	15.4.1961	Member	15.1.2015	AGM 2019

1 Karl-Heinz Strauss was Deputy Chair of the Supervisory Board from 27 February 2013 and has been Chair since 18 September 2014.
2 Iris Ortner has been Deputy Chair of the Supervisory Board since 18 September 2014 and was previously a member of the Supervisory Board from 2 July 2003 to 5 May 2010.
3 Left the Supervisory Board on 15 January 2015
4 Left the Supervisory Board on 15 January 2015
5 Klaus Ortner was previously a member of the Supervisory Board from 16 March 2000 to 14 May 2014

The members of the Group's Supervisory Board each fulfil the following additional functions on Supervisory Boards or comparable positions in (non-consolidated) domestic and foreign companies as at 31 December 2015:

NAME	COMPANY	FUNCTION
Karl-Heinz Strauss	DATAX HandelsgmbH	Supervisory Board member
	KAPSCH-Group Beteiligungs GmbH	Supervisory Board member
	Kapsch Aktiengesellschaft	Supervisory Board member
	PORR BAU GMBH	Chair of the Supervisory Board
	TEERAG-ASDAG Aktiengesellschaft	Chair of the Supervisory Board
Iris Ortner	ELIN GmbH	Deputy Chair of the Supervisory Board
	PORR AG*	Supervisory Board member
	TKT Engineering Sp. z.o.o. (Polen)	Deputy Chair of the Supervisory Board
Christian B. Maier	PORR BAU GMBH	Deputy Chair of the Supervisory Board
	Rath Aktiengesellschaft	Supervisory Board member
	TEERAG-ASDAG Aktiengesellschaft	Deputy Chair of the Supervisory Board
	RAIFFEISENBANK AICHFELD EGEN	Chair of the Supervisory Board
	PORR Beteiligungs-Aktiengesellschaft in Liqu.,	Chair of the Supervisory Board

*Listed on the stock exchange

NAME	GESELLSCHAFT	FUNKTION
Klaus Ortner	ELIN GmbH	Chair of the Supervisory Board
	PORR AG*	Deputy Chair of the Supervisory Board
Ludwig Steinbauer	–	–
Paul Unterluggauer	–	–
Bernhard Vanas	PORR AG*	Supervisory Board member
	SDN Beteiligungs GmbH	Supervisory Board member
Susanne Weiss	ROFA AG	Chair of the Supervisory Board
	PORR AG*	Supervisory Board member
	Schattdecor AG	Supervisory Board member
	Wacker Chemie AG	Supervisory Board member

*Listed on the stock exchange

COMMITTEES

The Articles of Association specify that the Supervisory Board can form committees made up of its members. Pursuant to Article 92 Section 4a Stock Corporation Act, the Supervisory Board formed an audit committee from among its members. A nomination committee and a remuneration committee were established at the Supervisory Board meeting on 20 February 2015 pursuant to Article 92 Section 4a Stock Corporation Act.

AUDIT COMMITTEE

The responsibilities of the audit committee include (i) monitoring the financial reporting process; (ii) monitoring the effectiveness of the internal control system, the internal revision system and the Group's risk management system; (iii) monitoring the auditing of the individual and consolidated financial statements; (iv) assessing and monitoring the independence of the chartered auditors, in particular as regards any additional services they may have provided to UBM; (v) assessing the annual financial statements and preparing for their approval, assessing the proposal for appropriation of profits, the management report and the Corporate Governance report as well as reporting on the audit findings to the Supervisory Board; (vi) assessing the consolidated financial statements and the Group management report as well as reporting back to the Supervisory Board of the parent on the audit findings; (vii) preparing the Supervisory Board's recommendation on the choice of auditor.

In the 2015 business year the audit committee held two meetings. The members of the audit committee are Karl-Heinz Strauss (Chair), Iris Ortner, Christian B. Maier (financial expert) and Susanne Weiss.

NOMINATION COMMITTEE

The nomination committee deals with personnel issues related to the Group's Managing Board and the Supervisory Board members. (Managing Board appointments, successor planning etc.). The following Supervisory Board members sit on the nomination committee: Karl-Heinz Strauss (Chair), Iris Ortner and Susanne Weiss. Since the committee was formed in February 2015 there have been no additional nominations of Managing Board members. Michael Wurzinger and Claus Stadler had already been appointed/elected.

REMUNERATION COMMITTEE

The remuneration committee handles matters related to remuneration of the Managing Board members and the content of the employment agreements with Managing Board members. The remuneration committee met twice in 2015. The remuneration committee consists of the following board members: Karl-Heinz Strauss (Chair), Iris Ortner and Susanne Weiss (remuneration expert).

EMPLOYEE PARTICIPATION IN THE SUPERVISORY BOARD

With the Works Council election on 15 June and the subsequent constituent meeting held on 30 July 2015 after expiry of the objection period, the employee representatives of the company and its Austrian subsidiary Strauss & Partner Development GmbH officially took office. In the past business year no Works Council representatives were appointed to the Supervisory Board, although this is being prepared for the 2016 business year.

POSITIVE ACTION FOR WOMEN

UBM is working hard on increasing the number of women in the organisation. Compared to other companies in the real estate sector, UBM measures up positively, with seven women in management positions across the Group at 31 December 2015, accounting for 21% (including Managing Board, first and second management level). This represents a steady increase against the previous year. In addition, two female members sit on the Supervisory Board of UBM. It is worth noting that UBM itself cannot influence the composition of the Managing Board, as its members are appointed and elected by the Supervisory Board.

When recruiting managers and employees, the corporate focus is on finding suitable females candidates. In 2015 28 new employees were recruited across the Group, of which 14 were women and 14 were men. There are no salary differences between men and women performing the same activity and with the same qualifications. Women are specifically addressed in job advertisements.

As a sustainable corporation, UBM focuses on topics relevant for society, such as equal opportunities in the workplace. UBM treats its employees equally – regardless of gender, social background, sexual orientation, nationality, religion or age. Any form of discrimination or harassment is categorically opposed.

REMUNERATION REPORT

GENERAL PRINCIPLES OF THE REMUNERATION POLICY

The remuneration of the UBM Managing Board consists of components which are not related to performance (fixed salary and pension entitlements) and those which are performance-related (variable performance bonus). There are no stock option plans in place.

FIXED REMUNERATION

The amount of the fixed salary of each Managing Board member is based on the sphere of responsibility in accordance with the corporate plan on division of responsibilities. Any additional duties of or by Managing Board members require the approval of the Supervisory Board. The fixed remuneration is paid as non-performance-linked, basic compensation on a monthly basis in the form of a salary. The Managing Board members also receive additional, non-cash fringe benefits (company car, telephone, travel expenses), which are in principle equally available to all Managing Board members.

VARIABLE/PERFORMANCE RELATED REMUNERATION

The maximum value of the variable performance bonus for the Chairman of the Managing Board amounts to 2.5% of the EBT shown in the financial statements, up to a maximum of € 300,000 gross per year. The calculation relates to the Group's annual earnings after deductions for non-controlling interests. If the annual earnings meet or exceed the amount defined with the remuneration committee, the Chairman of the Managing Board is entitled to the maximum amount of the variable performance bonus. If earnings are below the defined amount, he is entitled to an aliquot share.

The Managing Board members Heribert Smolé and Martin Löcker each receive an annual variable performance bonus in accordance with the aforementioned scheme, up to a maximum of € 200,000 gross a year. The Managing Board members Claus Stadler and Michael Wurzinger each receive an annual variable performance bonus up to a maximum of € 236,300 and € 271,200 gross a year respectively.

For successfully carrying out the capital increase in 2015, Karl Bier, Martin Löcker and Heribert Smolé received a special bonus of € 100,000 each.

PENSION REGULATIONS

The Chairman of the Managing Board has a direct pension entitlement, which, depending on the age of retirement, can amount to up to 30% of the last fixed salary at the time his employment ends. Annual payments are made to a pension fund for the other Managing Board members. The amount paid in is based on the age of the member. In the business year 2015 provisions were formed in the amount of € 118,179.

Karl Bier is entitled to severance pay under the analogue application of the legal claim to severance in accordance with the Austrian Employee Act. Heribert Smolé, Michael Wurzinger, Claus Stadler and Martin Löcker do not have any entitlements to severance pay upon termination of their employment contracts. In the business year 2015 provisions were formed in the amount of € 27,168.

D&O LIABILITY INSURANCE

D&O liability insurance covers the members of the Managing Board, the cost of which is borne by the company.

MANAGING BOARD REMUNERATION 2015 (IN €)	SALARY	VARIABLE GRATUITIES	PENSION FUND	TOTAL
Karl Bier	359,636.78	400,000.00	n/a	**759,636.78**
Heribert Smolé	248,402.71	300,000.00	18,092.89	**566,495.60**
Martin Löcker	228,257.68	300,000.00	9,500.54	**537,758.22**
Michael Wurzinger	260,797.83	247,348.30	7,686.00	**515,832.13**
Claus Stadler	140,493.52	137,205.24	0.00	**277,698.76**
Total	**1,237,588.52**	**1,384,553.54**	**35,279.43**	**2,657,421.49**

The provisions for severance pay and pensions are not included in these figures.

SUPERVISORY BOARD REMUNERATION

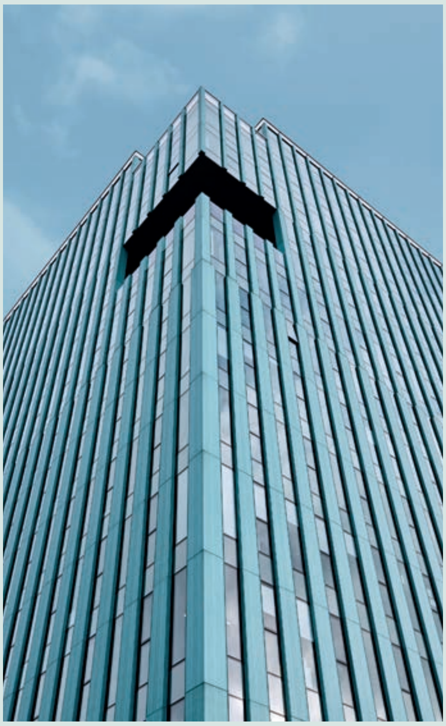
The resolution of the Annual General Meeting on 20 May 2015 determined the following remuneration for Members of the Supervisory Board: the resolution states that the Chairman of the Supervisory Board shall receive fixed remuneration of € 25,000.00 per year, the Deputy Chairman of the Supervisory Board shall receive fixed remuneration of € 20,000.00 per year and the other Members shall receive fixed remuneration of € 15,000.00 per year. The attendance fee for meetings was set at € 1,000.00 per meeting of the Supervisory Board or one of its committees. Members of the Supervisory Board who do not reside in Austria receive an additional reimbursement of tax at source settled by the company. The fixed remuneration is due in arrears once a year, within four weeks of the Annual General Meeting. The attendance fee for meetings is due within the four weeks following the respective Supervisory Board meeting.

SUPERVISORY BOARD REMUNERATION 2015 (IN €)	FIXED REMUNERATION[6]	ATTENDANCE FEE FOR MEETINGS[7]
Karl-Heinz Strauss (Chair)	25,000.00	2,498.76
Iris Ortner (Deputy Chair)	20,000.00	2,498.76
Christian B. Maier	15,100.00	1,498.76
Klaus Ortner	14,424.66	2,374.07
Ludwig Steinbauer	14,424.66	2,498.76
Paul Unterluggauer	14,424.66	2,498.76
Bernhard Vanas	14,424.66	2,498.76
Susanne Weiss	14,424.66	2,374.07
Wolfhard Fromwald[8]	575.34	–
Johannes Pepelnik[9]	575.34	–

6 Payout four weeks after the 2015 Annual General Meeting
7 The attendance fee for meetings has been € 1,000.00 per meeting since 20 May 2015, prior to this € 124.69 per meeting was remunerated.
8 Left the Supervisory Board on 15 January 2015
9 Left the Supervisory Board on 15 January 2015

HIGH-PROFILE PROJECTS

Office | Resi-dential | Hotel | Com-pleted | Under development



TRIKOT OFFICE p. 46 ►
An eight-storey commercial building has been built in an attractive location in Munich-Laim with total space of 21,390 m² and rental space totalling 12,976 m².

ALMA TOWER p. 44 ◄
The Alma Tower is a modern, 14-storey office building in the form of a cuboid. It stands out for its striking recesses on the corners, spread over multiple floors, which lend the Alma Tower a prestigious, unique appearance.

ZALANDO p. 49 ►
Under the project name "Orange 3.0", UBM is developing two office buildings which are set to be the future headquarters of online fashion company, Zalando.

MYSKY p. 51 ▼

The construction of the "MySky" residential tower marks the start of the final construction phase in the urban development area between Absberggasse and Laaer Wald.

QBC p. 52 ▼

A new city quarter is taking shape on 25 hectares near Vienna Central Station, a unique location very close to the centre of Vienna.

HOLIDAY INN "ALTE OPER" p. 47 ▲

On the spot where the Holiday Inn hotel now stands in Mainzer Landstraße 27–31, at the start of 2013 was still a vacant, seven-to-eight-storey office building with a two-floor underground garage.

HOLIDAY INN ► WARSAW CITY CENTRE p. 50

The Holiday Inn Warsaw City Centre is being built right in the city centre of Warsaw.

ALMA TOWER

KRAKOW

Plot size: 2,892 m²
Usable space: 10,087 m²
Project period: 09/2012–05/2014

UNIQUE ARCHITECTURAL QUALITY

The Alma Tower is a modern, 14-storey office building in the form of a cuboid. It stands out for its striking recesses on the corners, spread over multiple floors, which lend the Alma Tower a prestigious, unique appearance. The exterior walls of the tower have vertical pillars in a patinated copper colour which run from the bottom to the top with a tapering effect. They visually give the building a sense of height and allow it stand out from the backdrop of existing developments. The building was completed in May 2014, following a two-year construction period.

The office building is very well situated in terms of traffic links – around 3 km north-east of Krakow's old city. Nearby are department stores, apartment buildings, a large shopping centre and a range of small parks. The 48 m-high building has 14 storeys and three underground floors with 149 parking spaces. High technical standards were incorporated into the development of the Alma Tower. The tower has energy-efficient ventilation and air conditioning systems, suspended ceilings, raised floors, and some windows which open. Furthermore, the tower offers a 24-hour security service, a surveillance system and an elegant entrance hall with a reception. The office areas have been planned with flexible elements and moveable walls so that tenants' individual needs and wishes can be accommodated.

The Alma Tower was built in accordance with the requirements of the LEED certification and has numerous environmental advantages: the use of environmentally friendly surface materials leads to greater efficiency at work. In order to promote exercise and a healthy lifestyle, the Alma Tower has around 50 spaces to park bicycles on a secure plot, along with shower facilities for cyclists. There are also six parking spaces available for low-emission, fuel-efficient vehicles. On the basis of high environmental standards — such as generous windows, water-saving fixtures and lighting systems controlled by motion detectors — the Alma Tower produces 30% fewer CO_2 emissions.

TRIKOT OFFICE

MUNICH

CUSTOMISED BUILDING – GEARED TOWARDS SUSTAINABILITY

An eight-storey commercial building – to be used as offices, services and retail space – has been built in an attractive location in Munich-Laim; it has a total space of 21,390 m² and rental space totalling 12,976 m². The shell was completed at the end of March 2015 and the finishing work at the end of October 2015. Occupancy of the office space is expected to be finalised by August 2016. The Edeka Markt (food retailer) moved into the garden storey at the end of October 2015.

Thanks to its location directly on the Mittlere Ring, the building on Elsenheimerstraße 1/Landsberger Straße 191 offers optimal links to the local and superregional road network. In addition, the site has exceptional access to the public transport network. There were three commercial buildings on the plot which were demolished in the course of the new building measures.

One of the building's most appealing features is the way the urban development blends into its surroundings and the high point of the building on the intersection of the road and the railway line, which uses simple geometric forms to impose order on the complicated backdrop. The principles of sustainability have been incorporated at every planning phase in terms of the economic and ecological construction and operation of the new building. The goal is to secure sustainability certification from the German Sustainable Building Council (DGNB) in the Gold category.

GFA: 21.390 m²
Project period:
04/2013–12/2015

HOLIDAY INN "ALTE OPER"

FRANKFURT

FROM OFFICE BUILDING TO HOTEL WITH A STRIKING OPEN-LOBBY CONCEPT

On the spot where the Holiday Inn hotel now stands in Mainzer Landstraße 27–31, at the start of 2013 was still a vacant, seven-to-eight-storey office building with a two-floor underground garage. UBM bought the plot, demolished the office building in spring 2013, got authorisation to repurpose it as a hotel space and then developed the Holiday Inn hotel on the 1,950 m² plot from June 2013.

More than a month before the date stipulated in the contract, UBM handed over the completed hotel development to Union Investment in February 2015. Regular operations started at the beginning of March 2015 following a soft-opening phase. The revenue and earnings forecasts were already exceeded in the first year, partly thanks to a thriving trade fair business – to the great satisfaction of the hotel manager, IHG, the hotel operator, UBM, and the owner, Union Investment.

The design of the new eight-storey hotel involved a new angular construction with a total of 249 rooms, which fills in the block edge similar to the existing building and thereby blends in perfectly with its surroundings. The hotel made a name for itself on the Frankfurt market very quickly. Everyone is talking about the hotel thanks to its new and exceptionally successful open-lobby concept. The project was awarded the "Silver" sustainability certificate by the DGNB (German Sustainable Building Council).

Mainzer Landstrasse 27–31, Frankfurt/Main
Number of rooms: 249
Parking spaces: 77
Storeys: 2 basements, ground floor, 7 upper storeys
GFA: around 13,400 m²
Construction start: 06/2013
Completion: 02/2015

INSELWELT JOIS

BURGENLAND

Inselwelt Jois phase 3
Yacht marina, 7093 Jois
Number of buildings: 11
GFA: around 1,250 m²
Construction start: 11/2015
Completion: 12/2016

ATTRACTIVE LIVING ON THE WATER

During the first and second construction phases in the period 1999–2001, 70 houses were built right on the Jois Marina with direct access to Lake Neusiedl. The third and final phase will see Inselwelt Jois expanded by a further eleven detached houses.

The one-storey homes are designed as stand-alone buildings and are spread around an island (around 5,000 m²), which is surrounded by a newly created body of water (around 9,500 m²). This basin is connected to Lake Neusiedl via the existing bodies of water and the canal. There is also a dedicated jetty assigned for access to the properties and parking spaces along the access route to the area. Three types of layout will be realised: a large L-shaped floor plan (five buildings), a smaller house type (four buildings) and two cubic structures (two buildings). The living space in the homes varies between around 50 m² and 160 m². The buildings do not have a cellar and will have flat roofs with extensive greenery.

Access to the island will be in the east from the existing road via a wooden bridge that will be built to carry 14.5 tonnes. All of the buildings, jetties, terraces, appliance sheds, entrance platforms and access bridges will be built on ductile piles.

ZALANDO HEADQUARTERS

BERLIN

NEW ZALANDO HEADQUARTERS ON THE SPREE

Under the project name "Orange 3.0", UBM subsidiary Münchner Grund is developing two office buildings in Berlin on the so-called "Anschutz-Areal", which is set to be the future Group headquarters of online fashion company, Zalando SE. Built to the design of Henn-Architekten, Berlin, around 2,500 employees will work here.

The building is in an excellent and central location in downtown Berlin in the Friedrichshain-Kreuzberg district, directly beside the world-famous Mercedes-Benz Arena (formerly O2-World). Mühlenstraße offers great links as the main traffic artery to Alexanderplatz and to the airport.

"Orange 3.0" consists of two lots each with seven full storeys and with a total of 9,514 m². Each of the lots has an underground storey with around 156 parking spaces. The building will exclusively be used as an office building and complemented by a canteen area on the ground floor. The generous open design of the work, meeting and recreational areas will provide space for creativity and communication alongside the office areas. Modern fixtures and technology are the basis for the planned DGNB "Gold" certification. The building is based on the ENEV 2014 energy standard.

The building application was submitted at the end of November 2015. If the planned construction start takes place in the third quarter of 2016, then "Orange 3.0" should be completed in the second quarter of 2018.

LOT A
Plot size: 6,961 m²
GFA above ground: 34,874 m²
Rental space: 28,292 m²
Storage space: 399 m²
Underground garage/ Parking spaces: 107

LOT B
Plot size: 2,553 m²
GFA above ground: 15,471 m²
Rental space: 13,407 m²
Storage space: 247 m²
Underground garage/ Parking spaces: 49

TOTAL
Plot size: 9,514 m²
GFA above ground: 50,345 m²
Rental space : 41,699 m²
Storage space: 646 m²
Underground garage/ Parking spaces: 156

HOLIDAY INN WARSAW CITY CENTRE

WARSAW

Plot size: 1,618 m²
GFA: 13,436.76 m²
Parking spaces: 29
Conference facilities on first floor: 144.07 m²
Open lobby: 58.23 m²
Restaurant/bar: 259.10 m²
Operator: InterContinental Hotels Group
Hotel brand: Holiday Inn
Construction period: expected 20 months
Completion: Q4/2017

NEW HOTEL PROJECT IN THE BEST INNER-CITY LOCATION

The Holiday Inn Warsaw City Centre is being built right in the city centre of Warsaw. Construction work on the down-town plot near the Palace of Culture and Central Station will begin in early 2016.

A four-star building with 256 rooms will be built on approx. 1,600 m^2, along with a conference area on the first floor and the new open-lobby concept on the ground floor, which will house the reception area as well as the restaurant and bar. As with all UBM projects, the company will strive to secure proof of sustainability in the form of a LEED-Standard "Gold" certification.Surrounded on two sides by Zelazna street and Twarda street, there will be a triangular building with 17 storeys, whereby the so-called peak will house attractive hotel suits with exceptional views. The fitness facilities are located here on the top floor. Two underground storeys will have the back-of-house area and around 30 parking spaces.

The construction work will take around 20 months and the hotel is expected to open in the fourth quarter of 2017. By building this hotel, the operator IHG has taken another important step in consolidating its brand in Poland.

MYSKY MONTE LAA

VIENNA

PEOPLE – LIVING – MONTE LAA

The Viennese quarter Monte Laa has been growing and developing for more than 15 years and has become a popular place to live and work. The construction of the "MySky" residential tower marks the start of the final construction phase in the urban development area between Absberggasse and Laaer Wald. STRAUSS & PARTNER Development GmbH is realising the residential tower project in cooperation with Wohnbauvereinigung für Privatangestellte Gemeinnützige GmbH (WBV-GPA).

The optimum location in the south west of Vienna gives MySky fast access to the city's hotspots – the new Central Station, the airport, various universities, Vienna city centre and local recreational areas around the metropolis are all close at hand. What's more, the planned completion of the U1 metro southern expansion to Oberlaa in 2017 will add another two metro stations within walking distance.

In addition to 100 subsidised rental apartments, there will also be 34 SMART flats and halls of residence for around 180 youngsters. The upper storeys of the tower will boast 128 privately financed freehold flats measuring between 45 m² and 145 m². Nestled behind the stylish facade of the 60-metre high building are airy, comfortable, efficient homes with elegant furnishings, loggias and balconies, and some with generous terraces. MySky brings together flexible design, comfortable homes and services with underground parking, a sauna, a fitness room, a playground and an adjoining nursery.

GFA: 41,000 m²
Parking spaces: 164
Height of building: around 60 m
Construction start: 05/2015
Completion: Q4/2017

QUARTIER BELVEDERE

VIENNA

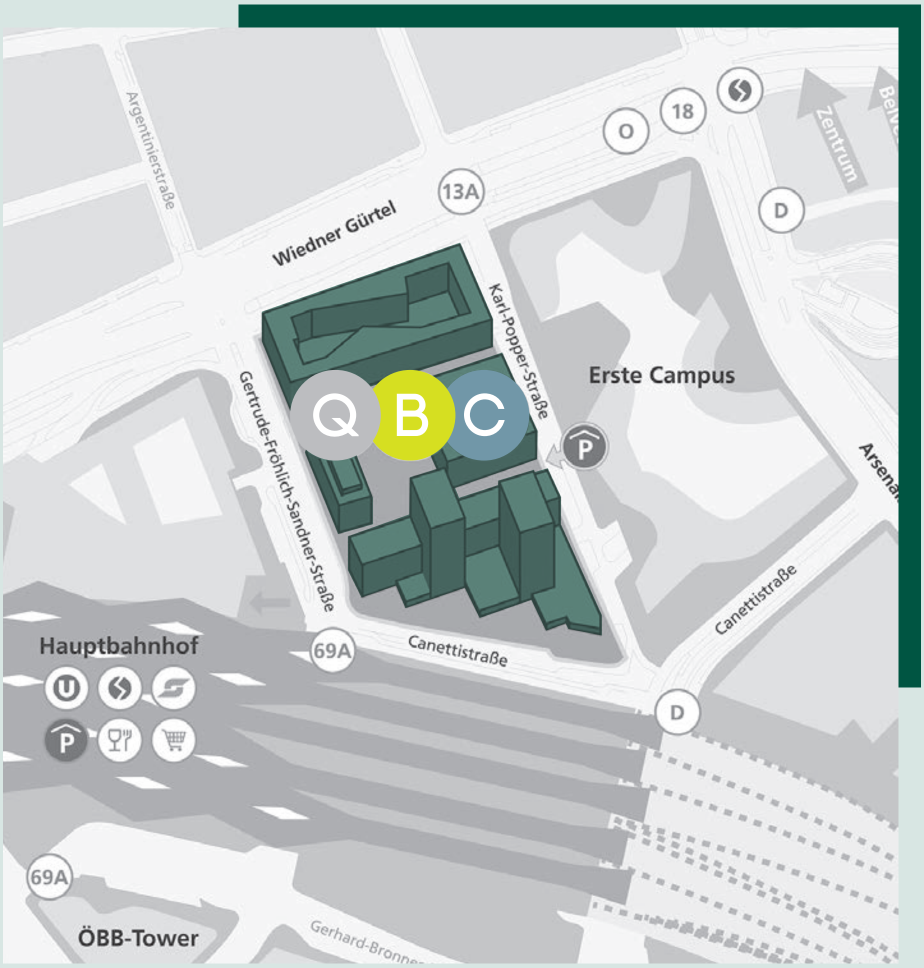
A NEW CITY QUARTER IS TAKING SHAPE

A new city quarter approximately the size of Vienna's eighth district is taking shape on 25 hectares near Vienna Central Station, a unique location very close to the city centre. Quartier Belvedere is currently Vienna's most attractive "development hotspot" and the second connection to urban living in the heart of Vienna. The whole development area and Vienna Central Station project is the largest infrastructure measure at present and a key project for the Austrian Federal Railways (ÖBB) and the city of Vienna. It represents the most important hub for regional, national and international travel. Offices, hotels, apartments, shops, eateries, schools, healthcare facilities and parks are all taking form around the new Central Station. With the ÖBB headquarters, the full opening of Vienna Central Station and the ERSTE GROUP moving into its new headquarters at the end of 2015/start of 2016, the growth of the new city quarter Quartier Belvedere has been progressing very positively and quickly.

QBC – WHERE BUSINESS MEETS CITY

As one of Europe's largest urban development projects, Quartier Belvedere is a trailblazing example of sustainable, holistic urban development. The heart of this new cosmopolitan quarter is formed by QBC (Quartier Belvedere Central), which is being developed by UBM subsidiary STRAUSS & PARTNER. Here, on a gross floor area of around 130,000 m², stands an innovative concept which uniquely brings together working and living.

Gross area:
approx. 130,000 m²
Plot size:
approx. 25,000 m²
Lots: 6
Parking spaces:
approx. 700
Completion:
2016–2018



QBC: urban development by
UBM subsidiary Strauss und Partner

QBC 1+2

Offices
Gastronomy
Trade
Completion 2018

QBC 3

Offices
Gastronomy
Completion 2017

QBC 4

Offices
Gastronomy
Completion 2017

QBC 5

Hotels
Conference
Gastronomy
Completion 2017

QBC 6

LIVING IN
Completion
Spring 2018

QUARTIER BELVEDERE CENTRAL

VIENNA

DIVERSE MIX OF USAGE ACROSS SEVEN LOTS

The overall project is currently divided into seven lots, for which a legally binding zoning and land-use plan is already in place. According to the development plan, the lots QBC 1/2, QBC 3 and QBC 4 will be office buildings – complemented by space for eateries and retail – with a total gross floor area of around 76,000 m². Ground was broken on lot QBC 5 in July 2015 for a three-star hotel (Ibis) and a four-star hotel (Novotel) for the AccorHotels Group. By spring 2017 there will be a total of 577 rooms and a 1,800 m² event area with ball room and conference facilities.

In the centre of the ensemble of QBC buildings will be a multifaceted living space named LIVING IN QBC on lot 6. The architecturally sophisticated and sustainably designed building will house 135 privately financed freehold flats which stand out with their optimal layouts, above-average room heights from 2.70 m to 3.00 m and generous glazed areas and open-air spaces. With a total gross floor area of around 25,000 m², lot QBC 6 will boast 120 serviced apartments and office spaces alongside the privately financed freehold flats. Lot QBC 7 forms the centre of QBC. Above ground there will be a highly flexible space which is suitable for lively urban happenings such as cultural events, markets etc., as well as serving as a place to relax and while away the hours. The underground levels will house the general infrastructure areas (garage with around 700 parking spaces, logistics yard, garbage room).

ARCHITECTURAL VARIETY

The key architectural features of QBC are its diversity and its campus-style structure. The lots are being designed by the renowned architects NEUMANN + PARTNER, JABORNEGG & PÁLFFY ARCHITEKTEN, RLP RÜDIGER LAINER + PARTNER and BEHNISCH ARCHITEKTEN. The lots are linked by a generous archway element which stretches over every building and gives QBC its unmistakable appearance. Furthermore, individual architectural elements are reflected in every individual component.

DEVELOPMENT WITH A STRONG PARTNER

The development, construction and utilisation of the whole project will take place from 2013 to 2018. The QBC project was originally initiated in a consortium consisting of ERSTE GROUP Immorent AG, S IMMO AG and STRAUSS & PARTNER Development GmbH and was taken over by STRAUSS & PARTNER at the end of 2013, initially with full responsibility for the development. In 2015 the successive takeover of the project companies followed. S IMMO AG has participated in individual project companies with stakes of up to 35% and has thereby remained a key partner in the project. This means that QBC is ideally equipped for the next development phases which involve further construction.


QBC 6


QBC 4


QBC 6


QBC 5

QBC 4 AS THE NEW "BDO HOUSE"

QBC is already well-established on the national and international property market and has attracted investor interest even though it is still in its construction phase. With the renowned audit and tax consultants BDO Austria GmbH, one of the industry's leading players will be moving into QBC. The fact that the BDO partners have purchased lot QBC 4 even before the construction start is a clear sign of the interest and trust investors have in the site. UBM Development AG sees the early sale of the first QBC lot as a testament to its existing corporate strategy.

GREEN BUILDING

Incorporating ecological, energy-related and social aspects has long been an intrinsic feature of UBM's entrepreneurial approach – long before the trend towards certification took hold. Added to this is the strong interest shown by investors, who have recognised the benefits of buildings which are environmentally friendly and conserve resources and are expressing greater demand for such buildings. The significance of a sustainable approach to resources across every industry sector has strengthened the resolve of UBM to focus intensely on the issue of sustainability in its role as an international property developer.

UBM is positioned as a sustainable developer of properties with a high technical level and as a provider of quality-assured planning processes. Building certification represents a good opportunity to measure performance in this area. This is why Green Building certification of properties has been an important component of UBM's development activities since 2009. Office buildings and hotels in particular are now fully certified – this gives sustainable support to the marketing and sales process. Furthermore, UBM has been presenting its own annual Green Building Award for development projects since 2012. The last award-winning project was the Hotel Holiday Inn "Alte Oper", which stood out for its exceptionally efficient energy management system.

In 2015 a total of five UBM properties in Germany, Austria and the Czech Republic were certified in the categories DGNB Gold and LEED Gold. A further six projects received preliminary certification in the categories LEED Platinum and DGNB Platinum in Poland and Austria. A total of 13 projects under development are also in the process of certification: there is a colourful mixture of LEED Gold for projects such as MySky, the sixth construction phase of EURO PLAZA and the QBC development in Vienna, Austria. Certification is pending for four office buildings in Poland – the Mogilska and Kodlarska properties in Krakow and the two office buildings under development in the Poleczki Business Park in Warsaw. UBM is achieving pioneering work with the Poleczki Business Park – it will be Poland's first certified office building. Also in Poland in 2015 were two hotel developments, the Holiday Inn Warsaw City Center (LEED Core and Shell) and the Hotel in Danzig (LEED New Construction).

DGNB Gold	DGNB Platin	LEED Gold	LEED Platin	CORE AND SHELL DEVELOPMENT	NEW CONSTRUCTION & MAJOR RENOVATIONS	BREEAM
Holiday Inn "Alte Oper", Frankfurt, DE (2015)[1]	EURO PLAZA 5, Vienna, AT (2015)[1]	Poleczki Business Park, Building B1, Warsaw, PL (2013)[1]	Alma Tower, Krakow, PL (2014)[1]	Kotlarska Büro, Krakow, PL (2015)[3]	Hotel Holiday Inn Warsaw City Centre, Warsaw, PL (2015)[3]	Hyatt Regency, Amsterdam, NL (2015)[2]
Hotel & Büro Campus, Berlin, DE (2015)[1]	QBC 3, 4, Vienna, AT (2015)[2]	Poleczki Business Park, Building C1, Warsaw, PL (2013)[1]	Premium Plaza, Karlsbad, CZ (2015)[1]	Mogilska Office, Krakow, PL (2015)[3]	Hotel, Danzig, PL (2015)[3]	
MySky, Vienna, AT (2015)[3]	QBC 1, 2, 3, 4, Vienna, AT (2015)[3]	Hotel & Office Campus, Berlin, DE (2015)[1]	Poleczki Business Park, Building B2, B3, Warsaw, PL (2015)[2]	Poleczki Business Park, Building C2, Warsaw, PL (2015)[3]		
QBC 5, 6, Vienna, AT (2015)[3]	EURO PLAZA 6, Vienna, AT (2015)[3]	MySky, Vienna, AT (2015)[3]	Times II/Pegaz, Building A, B, Wroclaw, PL (2015)[2]	Poleczki Business Park, Building D, Warsaw, PL (2015)[3]		
Holiday Inn Gateway Gardens, Frankfurt, DE (2015)[3]		QBC 1, 2, 3, 4, 5 Vienna, AT (2015)[3]				
		Holiday Inn Gateway Gardens, Frankfurt, DE (2015)[3]				

[1] Certified, [2] Preliminary certification, [3] Certification pending

EXAMPLES OF BEST PRACTICE

sustainability across the board

Sustainability and energy efficiency play a role which is just as important as the perfect location mix of working, living and travelling in the innovative concepts of UBM. High energy efficiency for buildings is incorporated right from the planning process. To document sustainability and high quality standards, all buildings strive for certification to the standards of DGNB and LEED. The lots **QBC 3 and QBC 4** have already been awarded a preliminary Platinum certificate from DGNB for incorporating ecological, energy-related and social aspects into property development. The great flexibility of the office space also plays an important role, reflected in the fast and cost-effective adjustments in the course of ongoing business, as well as the low running costs.


HOLIDAY INN "ALTE OPER" FRANKFURT

In Amsterdam UBM and its partner AEDES are currently building the city's most sustainable hotel, namely the **Hyatt Regency.** With a sustainability rating of 74%, the recently awarded advance BREEAM Excellent certificate is the highest ever given to a hotel property in the Netherlands. Construction work started at the end of 2014 and is set for completion in autumn 2016. With a high-quality insulation system, groundwater heat pumps for heating and cooling, energy-efficient LED lighting, a sophisticated energy management system, climate-friendly, landscaped facade elements and many other tools, the project has set a new benchmark for energy efficiency, sustainability and eco-compatibility in Amsterdam. Given the prime location in the city's historic centre, the building regulations for the 5-star hotel with 211 rooms are particularly stringent. What's more, parts of the former facade have to be retained in order to protect the ensemble.

Another example of energy-efficient development and long-term usage is the **Holiday Inn "Alte Oper",** which received DGNB Gold certification in 2015. The careful selection of construction products led to an indoor climate which is solvent-free and with minimal emissions, so that there is no impact on the health and hygiene of the users. By choosing high-quality components, the EnEV requirements were surpassed by more than 20%, facilitating the energy-efficient and resource-friendly utilisation of the building. The selection and tendering of construction products and subcontractors was realised in line with stringent requirements on environmental and social sustainability. The construction, technical building fittings and the surfaces in particular mean that the building expects comparatively low life-cycle costs and a simple dismantling option. The 249 guest rooms have generous natural lighting and the entire roof surface has been realised with extensive greenery. All of the plants used are native flora and are suited to the location.


HYATT REGENCY, AMSTERDAM

GROUP MANAGEMENT REPORT

ECONOMIC ENVIRONMENT

POLITICAL CRISES IN MIDDLE EAST IMPACT ON GLOBAL ECONOMY

In 2015 the global economy was characterised by pronounced differences in the regional economic areas. Global GDP growth fell to 3.0% overall (2014: 3.4%).[1] In terms of politics, there was a range of developments which played a part here and which will continue to affect the world long after 2015. The Middle East remained the subject of international attention – with the conflict heating up, not only with regard to the battle against the Islamic State, but also the increased tensions between individual regional powers. This stood in contrast to the renewed relations between the USA and the West with Iran as a result of the nuclear deal which comes with a significant lifting of sanctions. These developments take on special significance in light of the slump in the oil price as a reaction by the oil-producing countries to the expansion of the fracking industry in the USA. The current refugee situation in the European Union also has its roots in the Middle East. These flows of refugees are also having an impact on the housing and office property markets in the main countries affected – Germany and Austria. Increased demand for space to accommodate the migrants and the related decline in vacanct space, particularly in the lower price segment, is leading to price hikes. The main issues in the Far East were the slowdown in the Chinese economy, along with unresolved political tension in this part of the world.

USA ROBUST IN 2015; CHINA'S ECONOMY FALTERS

The USA reported predominantly good economic data for 2015. Particularly in the second half of the year, the United States benefited from the increase in investments as well as high consumer spending triggered by the low levels of unemployment.[2] GDP growth of 2.5%[3] was significantly higher than in other industrial states. In mid-December the Fed announced the end of zero interest rates with an increase of 0.25%[4] in base rates. Nevertheless, at the start of 2016 this good economic data contrasted with a modest outlook for consumer spending. The low oil price continues to weigh on the entire sector. The ongoing downward trend in China continued in the year 2015. The structural change from export-oriented products towards a stronger focus on domestic consumption is hampering competitiveness and causing production companies to move to neighbouring countries. GDP growth of 6.8%[5] in the past year was the first time it had fallen below the significant mark of 7.0%. This put further pressure on share prices and the danger of a currency collapse as a result of the weaker economy is becoming ever more likely.[6]

Parallel to the slump in the oil price, most other commodities also entered a downward spiral and weakened the national economies of the most important emerging nations. Alongside Brazil, Russia in particular is experiencing an economic downturn.[7]

SIGNS OF WEAK GROWTH IN THE EUROZONE

Against a backdrop of economic slowdown in the emerging economies, the eurozone also failed to gather pace in 2015. In the year under review GDP grew by a mere 1.6%, falling far short of growth in the USA. With the exception of France, growth in the major member states slowed down in 2015. Consumer spending continued to be the stabilizing factor, with consumer confidence remaining far higher than that of businesses, which are postponing investment plans in light of weaker exports. Inflation stagnated in 2015 as a result of the decline in commodities prices.[8] In contrast, the countries in Central and Eastern Europe achieved economic growth rates of over 3%. Eurozone growth is set to pick up again, with GDP growth of 1.9% already forecast for 2016.

STABLE GROWTH IN THE UBM HOME MARKETS

Besides Czech Republic, Poland was among the countries with the highest GDP growth in Europe in 2015 with 3.5%. Investment activity in infrastructure increased significantly in both countries, supported by high subsidies from Brussels. With growth of 1.8%, Germany was exactly in line with or slightly above the

European average, depending on the figures used. Despite the high economic level already in place, the German economy again succeeded in implementing significant signs of growth, cementing its role as Europe's economic locomotive.

AUSTRIA BELOW EUROPEAN AVERAGE

Austria's economic situation remained challenging in 2015, although forecasts suggest cautious optimism is not misplaced. While GDP growth in the reporting period of 0.7% was significantly below the eurozone average, growth is expected to accelerate somewhat in 2016 and approach the levels of the other eurozone members. In addition, the tax reform in 2016 is set to have a positive impact on consumer spending and exports to the USA are expected to increase again.

Should commodities prices stabilise, demand for Austrian exports to threshold countries would return to growth. National debt will continue to be influenced by the bank bailout in the coming years – but experts expect the impact to decline progressively. The dangers come from the minimum income resulting from the tax reform, as well as the ongoing high unemployment levels.[9]

ECONOMIC GROWTH INDICATORS (in %)	**GROWTH RATE**	**GROWTH RATE** (HICP BASIS)[3]	**UNEMPLOYMENT RATE**[4]
European Union	1.9[1]	0.0	8.9
Eurozone	1.6[1]	0.0	10.3
Austria	0.7[2]	0.9	6.0
Germany	1.8[2]	0.1	4.3
Poland	3.5[2]	–0.7	6.8

1 http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=de&pcode=tec00115&plugin=1
2 80th EUROCONSTRUCT Country Report 2015 Winter
3 http://wko.at/statistik/eu/europa-inflationsraten.pdf
4 http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Unemployment_rates,_seasonally_adjusted,_February_2016.png

1 WIFO Monthly Report 2016, 89(1), p. 6
2 Ibid. p. 4f
3 Ibid. p. 6
4 http://www.nzz.ch/wirtschaft/wirtschaftspolitik/amerikanische-bip-zahlen-wars-das-mit-der-zinswende-ld.4644#kommentare
5 WIFO Monthly Report 2016, 89(1), p. 6
6 Ibid. p. 5
7 Ibid. p. 6
8 WIFO Monthly Report 2016, 89(1), p. 5f
9 Ibid. p. 3f

DEVELOPMENTS ON THE PROPERTY MARKETS

EUROPEAN PROPERTY MARKET

Investment volumes reach all-time high

2015 was a record year for sales of commercial property in Europe. Investments in commercial property totalled € 77.9 billion in the fourth quarter, with investment volumes climbing to € 263 billion for the full year – an increase of 18% compared to 2014. Among the different countries, Germany recorded the strongest growth with a rise of € 2.8 billion.[10]

Office market at a high level

The rental take-up of office buildings in Europe increased by more than 15% in 2015. The market thereby experienced by far its best year since 2010 – a year in which there was an unusually strong upsurge after the 2008/2009 financial crisis. The growth in 2015 was triggered in particular by the increase in the number of jobs, especially in the technology sector and the telecommunications industry.[11]

Growth in the European hotel market

The Hotel asset class reported growth in revenue and profitability on every European market in the year under review. € 12.7 billion was already invested in 2014 in the European hotel market, a new record for capital inflows in this asset class and an increase of 17% against the peak of the previous cycle (€ 10.6 billion in 2006). Although a similarly positive increase in the investment volume had been forecast for 2015 as well, the final result exceeded all expectations: investment volumes in this sector topped € 22 billion in 2015 – a rise of around 79%. Here around 31% or € 6.9 billion of the investment capital was generated in the fourth quarter of 2015, representing an increase of 86% (q-o-q) and 101% compared to the fourth quarter of the previous year.[12]

GERMAN PROPERTY MARKET

New record high for investment market

The transaction volumes in Germany reached a new record high in the year under review – at € 78.5 billion they were up by 48% against the previous year's figure. The strongest growth was generated in Berlin of € 7.8 billion and +120%, followed by Düsseldorf with € 2.8 billion and +43%, Munich with € 5.9 billion and +17%, Hamburg with € 4.1 billion and +12%, and Frankfurt with € 5.6 billion and +10%.[13]

Among the individual asset classes, the retail sector came out on top with volume growth of 98% and € 18.1 billion, followed by the hotel sector with a plus of 46% (€ 4.3 billion) and the office sector with 24% and € 25.2 billion.[14] The residential market also hit a new record, with transaction volumes rising by 74% year-on-year. A total of € 23 billion was invested in the German housing market.[15] In the fourth quarter of 2015 alone, 58,950 units with a value of € 4.8 billion were sold – a rise of 159% on the fourth quarter 2014. Given the ongoing surplus demand, the outlook for the housing market is also very positive for 2016. The current trend is expected to continue in 2016.[16]

The good letting economy has confirmed the investment strategy in the office asset class. Office properties were the strongest asset class with € 25.2 billion and accounted for around 46% of the total commercial volumes, particularly as a result of individual large-scale transactions in top locations and portfolio transactions across the country. Here around € 17.7 billion or 70% of the total transaction volume was generated in the top five locations. Berlin, Frankfurt and Munich made particularly strong contributions with investments of well over € 4 billion each. The number of international investors is rising continuously.[17]

Office market with declining vacancies and new prime rents

At year-end 2015 cumulative vacancies stood at 5.69 million m² and thereby fell below the 6-million-m² mark for the first time since 2002, as well as being 16% lower than the previous year. What's more, the vacancy rate across all of the BIG-7 (Munich, Berlin, Frankfurt, Hamburg, Cologne, Stuttgart, Düsseldorf) reached a new low with an aggregated rate of 6.4% at the end of the year. This development was due to the high demand coupled with only moderate levels of new-builds. An additional factor was the increased demand for refugee accommodation. With the ongoing influx of refugees, vacant office properties are being intensively assessed for their suitability. Vacancy rates are expected to undergo another slight decline in 2016.[18]

Prime rents and average rents on the German office market are once again going up. In the course of the year prime rents increased in every city except Cologne and Düsseldorf; the prime office rental index stood at 3% in 2015, representing the strongest increase since 2007 along with the year 2012.[19]

Demand remains strong on the housing market

In the fourth quarter of 2015 around 58,950 residential units were sold on the German housing market alone, with a value of around € 4.8 billion, representing an increase of 159% compared to the fourth quarter 2014. As a result of the ongoing strong demand and the insufficient coverage of existing supply, new residential complexes are increasingly catching the eye of investors. This has led residential property to establish itself as the most sought-after asset class. This increased interest was also reflected in the transaction volumes. While almost € 1 billion was invested in property development in the first half of the year, transaction volumes for new housing projects in the second half-year rocketed by more than 30% against the same period in the previous year. A total of 70 projects in 2015 generated a transaction volume of around € 2.3 billion.[20]

AUSTRIAN PROPERTY MARKET

Investment market exceeds expectations

Transaction activity in Austria surpassed all expectations in the year 2015, with investment volumes generating a total of € 3.8 billion. A volume of € 2.7 billion was achieved in Vienna alone – almost the same as the entire investment volume in 2014. The greatest contributors here were office and retail properties, accounting for 40% and 31% respectively. The strong interest shown by international investors is reflected in the rise in foreign investment volumes. For the first time in a decade the share accounted for by foreign capital passed the 50% mark. The highest volume was generated in the fourth quarter, whereby foreign capital accounted for 65%. In this period most of the transactions again took place in the office sector with 48%, followed by retail (39%) and the housing market with 6%. 3% and 2% of the transactions were generated by the hotel and logistics sectors respectively.[21]

Prime yields fell in every sector over the course of the year. While they declined to around 4.2% for office properties by year-end, the yields on inner-city retail properties in Vienna slipped back to 3.8%. The hotel and logistics sectors also experienced a decline in returns to 5.4% and 6.25% respectively.[22] Following on from a very good market backdrop in the year under review, a similar environment is expected for 2016. In the short and long term the ongoing interest of international investors should generate further increases in investment volumes and thereby lead to an exceptional year for property in 2016.[23]

Growth in the office market

Supply of existing office space in Vienna rose by around 198,000 m² in 2015 – this represents a 75% increase compared to the previous year at the same time as the volume of new space declined. The vacancy rate stood at 6.3%, prime rents for office buildings reached € 25.8 per m² in the fourth quarter 2015. In light of the limited availability of newly built office space, the percentage of pre-letting in Vienna remained at a high level in 2015. 90% of the projects which will be completed in 2016 have already been pre-let.[24]

Housing market

Favourable financing opportunities, more planning permissions granted and an increase in the need for housing combined to lead to surplus demand, which was exacerbated by above-average growth in new households and the ongoing high demand for investment apartments. The home-building offensive announced by the government, which will start in January 2016 and should create 30,000 additional residential units by 2020, is expected to lead to a change in the trend of the Austrian housing market as early as 2016. Investment volumes of around € 5.75 billion are expected.[25]

POLISH PROPERTY MARKET

High level on the investment market

Following three weaker quarters in 2015, investor activity picked up significantly in the fourth quarter to € 2.4 billion. With more than 68 transactions, total investment volumes in the Polish property market rose to € 4.0 billion, thereby marking the highest level since the 2008/2009 financial crisis.

Around 57% of all of the transactions carried out in this sector in 2015 related to office investments in regional towns and cities. Regional towns generated higher transaction volumes than the capital Warsaw for the first time. Prime yields slipped back at the end of 2015 for high-priced office space, distribution centres and shopping centres to 5.75%, 5.50% and 6.35% respectively. 89% of all purchases involved foreign capital. The most active investors on the Polish market came from the USA and Germany; they were responsible for 36% and 27% respectively of total investment volumes.

In terms of the transaction pipeline, a similar level of investment to 2015 is expected in 2016. Moreover, analysts expect investor activity by property companies to increase with corporate acquisitions. For 2016 investor activities should also be concentrated on the regional markets across every sector.[26]

Stable performance of the office sector

Vacancy rates remained relatively stable in 2015, before slipping back slightly in the fourth quarter. Several new office developments are expected in Warsaw in 2016, with 400,000 m² of office space set for completion in 2016. This will lead to an increase in vacancies.[27]

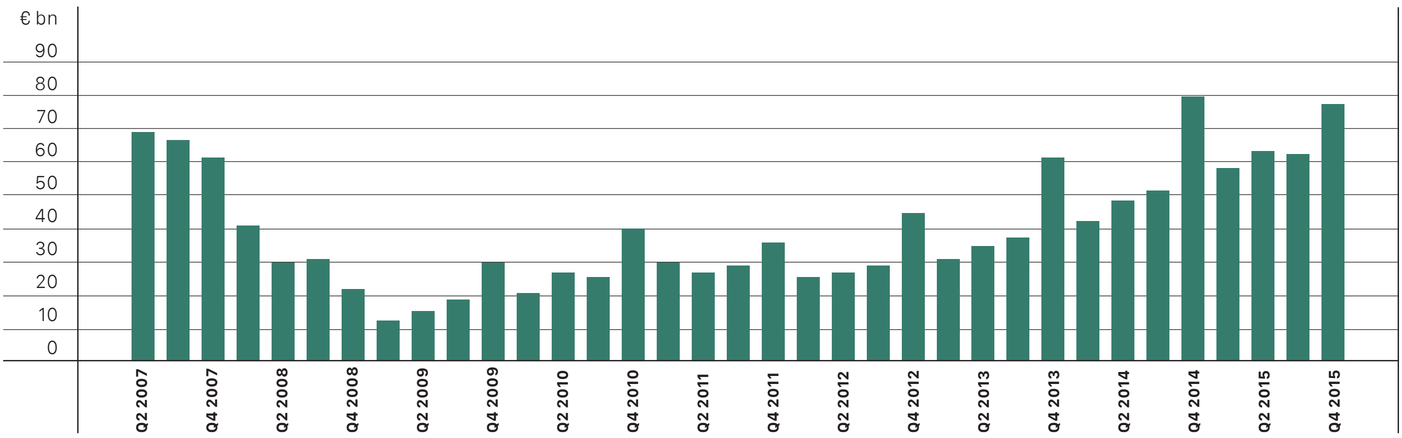
Increased demand on the housing market

2015 proved to be a good year for property developers in major Polish cities; in total more than 14,400 apartments were sold. The largest revenues were generated in Warsaw, Krakow, Wroclaw and Lodz. The total revenue from apartment sales totalled € 52 million in the fourth quarter 2015, thereby rising by 13.7% against the fourth quarter 2015.[28]

The strong interest in purchasing buy-to-let properties will continue to be supported by ongoing deflation and the announcement of a further cut in interest rates. The stable rents are also increasing the appeal of buying and renting properties.[29]

Compared to year-end 2014, the number of unsold apartments in completed buildings experienced a sharp fall. In 2015 and the preceding years occupancy-ready apartments only accounted for 19% of all apartments on the market. In 2014 11,300 apartments were completed – a quarter of the current supply.[30]

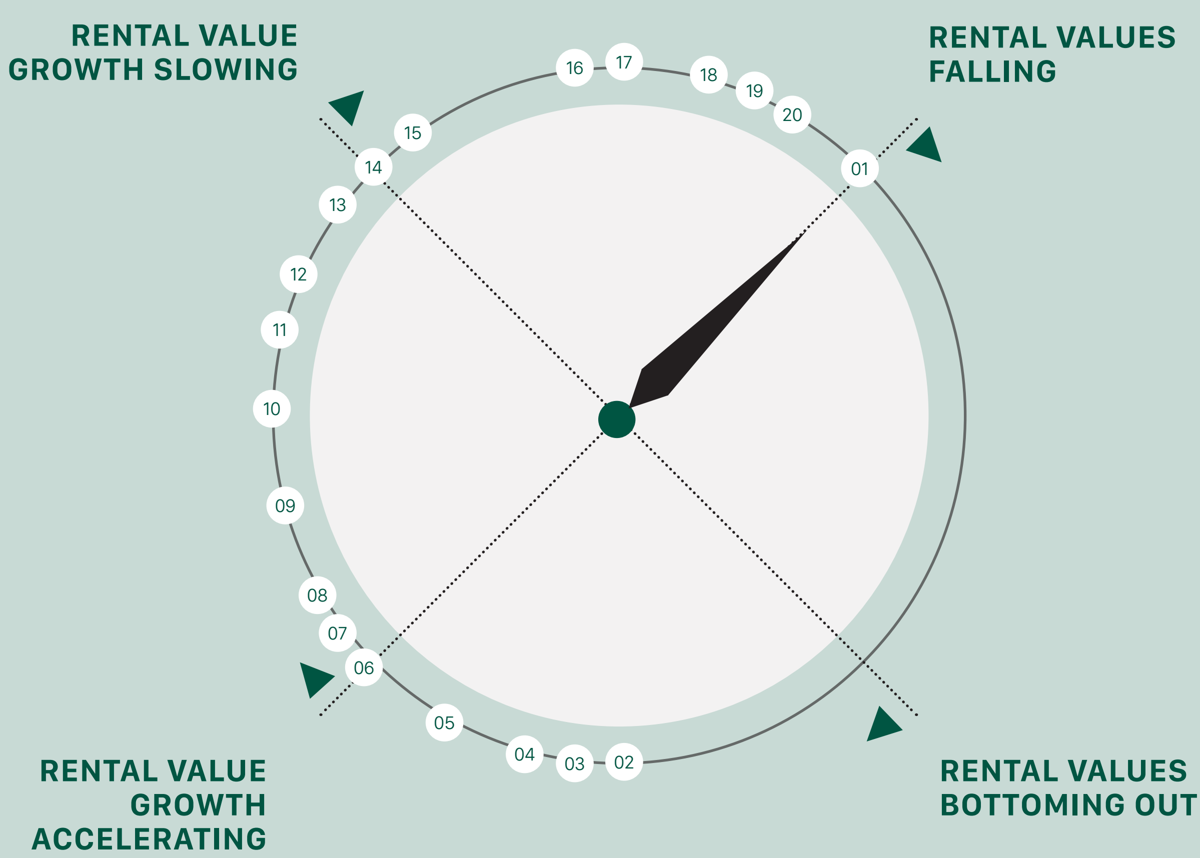
COMMERCIAL REAL ESTATE (CRE) INVESTMENTVOLUME IN EUROPE INVESTMENT IN EUROPE



Source: CBRE Real Estate Market Outlook 2016, p.10

10 CBRE European Investment Quarterly, Q4 2015
11 CBRE EMEA Real Estate Market Outlook, 2016
12 CBRE Europa Hotel Investment Q4 2015
13 CBRE – Germany Investment, Q4 2015
14 CBRE – Germany Investment, Q4 2015
15 CBRE – Germany Residential Market Investment, Q4 2015
16 CBRE – Germany Residential Market Investment, Q4 2015
17 CBRE – Germany Office Investment Market, Q4 2015
18 JLL Office Market Overview Big 7, Q4 2015
19 JLL Office Market Overview Big 7, Q4 2015
20 CBRE Germany Residential Market, p.2
21 CBRE Austria Investment, Q4 2015
22 CBRE Austria Investment, Q4 2015
23 ibid.
24 CBRE Vienna Office, Q4 2015
25 https://www.bka.gv.at/DocView.axd?CobId=61011
26 CBRE Poland Investment, H2 2015
27 JLL Office Market Profile Poland, Q4 2015
28 reas Residential Market in Poland, Q4 2015
29 reas Residential Market in Poland, Q4 2015
30 reas Residential Market in Poland, Q4 2015

JLL PROPERTY CLOCK



1 Oslo
2 Moscow
3 Warsaw
4 St. Petersburg
5 Kiev
6 Athens, Bucharest, Dusseldorf, Helsinki, Istanbul, Prague, Rome, Zurich
7 Brussels
8 Lissabon, Paris CBD
9 Budapest, Milan
10 Edinburgh
11 Manchester
12 Copenhagen
13 Berlin, Dublin, London City, Luxembourg, Stockholm
14 London WE
15 Munich
16 Stuttgart
17 Hamburg
18 Frankfurt
19 Cologne
20 Vienna, Lyon

Source: JLL Property Clock 2015

NOTES ON THE PROPERTY CLOCK

The Jones Lang LaSalle index covers a total of 38 cities and provides a visual representation of the position on these markets in relation to prime rents within a conventional rental cycle. Eleven European cities experienced an increase in prime rents in the fourth quarter 2015. These included Barcelona and Madrid, which recorded their fifth and seventh consecutive quarters of rental growth respectively. Dublin, Stockholm, Edinburgh, Budapest, Munich and Luxembourg also returned to growth. Berlin and Hamburg saw their sharpest growth in 15 years as a result of major demand. In Moscow and Paris prime rents for office space declined, while office rents in London remained the same. Rental growth for European offices is expected at 2-3% for the years 2016 and 2017.

BUSINESS PERFORMANCE

The core business of the UBM Group involves the project-based development of properties and their sale. Given the fact that projects take multiple years to realise, the revenues reported in the income statement are subject to severe accounting fluctuations which may impact on the informative value and on comparisons with prior years. In order to ensure a true and fair presentation of the business developments, UBM uses total annual output as a significant revenue indicator. In line with the range of services provided, this financial indicator includes income from the sale of real estate, rental services, proceeds from hotel ownership, settled planning and construction invoices from own building sites, supplies and management services to third parties, as well as other ancillary income from facility management.

The following statements and values are based on the consolidated financial statements, as these provide the truest and most fair presentation, also for the economic state of UBM itself, owing to the corporate structure (high number of exclusive project companies).

In 2015 the UBM Group generated total output of € 593.3 million, representing a year-on-year increase of € 250.6 million. This growth resulted from property sales in Austria, Germany, Poland and in other markets. Properties sold in Austria included office properties in Graz, Salzburg and Guntramsdorf, a hotel in Innsbruck and a healthcare property in Tyrol. In Germany a hotel in Berlin, an office property in Munich, and the Sonus City project in Berlin were sold. In Poland the sale of the Radisson Hotel in Wrocław closed, while in the other markets the PPP project M6 motorway was sold in Hungary. Apartment sales in Germany (Frankfurt, Munich), Austria (Graz, Salzburg) and in the Czech Republic (Špindlerův Mlýn) also contributed to the increase in total output.

GROUP REVENUE BY GEOGRAPHIC FIELD OF BUSINESS

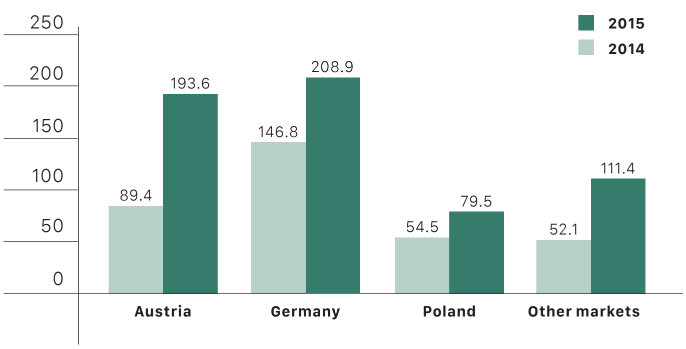
Since the business year 2015 UBM has divided its business into the segments "Austria", "Germany", "Poland" and "Other markets". The fields of business are based on the place in which services are rendered and consist of revenues from Administration, Hotel, Office, Other, Residential and Service for the following countries: the "Austria" business field includes all activities in Austria as well as rental income from Austrian properties. The "Germany" segment covers all activities in Germany, while the "Poland" business field relates to all activities in Poland. The "Other markets" segment involves activities in the Czech Republic, France, Switzerland, the Netherlands, Slovakia, Hungary, Romania, Bulgaria, Russia and Croatia. The total output of the "Austria" segment amounted to € 193.6 million in 2015, representing an increase of € 104.2 million against the previous year. Property sales in Innsbruck, Salzburg and Graz as well as apartment sales in Salzburg and Graz contributed to this growth.

The total output of the "Germany" business field was € 208.9 million and was thereby € 62.1 million higher than the comparative figure (2014: € 146.8 million). This included hotel proceeds, the sale of the andel's Hotel in Berlin and the sale of properties in Munich and Berlin. Apartment sales in Munich and Frankfurt and construction services for hotels in Frankfurt and Munich also contributed to overall output in this business segment.

The total output of the "Poland" business field stood at € 79.5 million (2014: € 54.5 million), which was € 25.0 million higher than the previous year's value. Output included the sale of the Radisson Hotel in Wrocław, proceeds from hotel operations and rental income from Polish properties owned by the Group.

In the "Other markets" segment UBM generated total output of € 111.4 million (2014: € 52.1 million). The increase in this field of business was primarily caused by the sale of the M6 motorway in Hungary. This segment also includes output in the Czech Republic (apartment sales in Špindlerův Mlýn), in the Netherlands and France (hotel operations), and from the remaining countries.

GROUP REVENUE BY FIELD OF BUSINESS (in € million)



GROUP REVENUE BY OPERATING FIELD OF BUSINESS (ASSET CLASSES)

The asset class “Administration” covers the total output of the activities of all holding companies. Mainly through UBM Development AG, UBM achieved total revenue of € 17.1 million (2014: € 16.6 million) from the sale of apartments in Graz, the sale of undeveloped properties and from invoicing management services.

The asset class “Hotel” generated a value of € 198.5 million (2014: € 90.2 million) and includes revenue from hotel operations and hotel sales. Total output of € 100.6 million was achieved from hotel operations, while hotel sales generated € 97.9 million (sale of hotels in Berlin, Innsbruck and Wrocław).

In the asset class “Office” UBM generated total output of € 58.7 million (2014: € 72.1 million). This asset class includes the sale of office properties in Munich and Graz as well as rental income from portfolio properties.

The asset class “Other” includes total output from mixed-use companies totalling € 142.3 million (2014: € 74.9 million). The increase primarily came from the sale of the M6 motorway interest and the sale of a healthcare property in Tyrol.

The total output of the asset class “Residential” amounted to € 86.3 million (2014: € 73.7 million). This asset class included the sale of the Sonus City project in Berlin and apartment sales in Frankfurt, Munich, Salzburg and Graz.

In the asset class “Service” UBM achieved total output of € 90.3 million (2014: € 15.2 million); this contained project management, construction and design services. In the business year 2015 the sale of two office properties by STRAUSS & PARTNER were recognised in this asset class.

FINANCIAL PERFORMANCE INDICATORS

EARNINGS AND FINANCIAL PERFORMANCE

Income statement – summary (in € million)	2015	2014	CHANGE
Total annual output	**593.3**	342.7	73.1%
Revenue	**307.8**	223.6	37.7%
EBT	**50.3**	25.2	99.6%
Profit for the year	**37.3**	22.0	69.5%
Earnings per share (in €)	**4.90**	3.59	36.4%

The merger of PIAG and UBM concluded in February means that comparisons with the income statement and the assets and liabilities of previous years are only of limited informative value.

The revenues recognised in the income statement reached € 307.8 million in 2015 and were thereby 37.7% higher than the value for the previous year. Total annual output, which is a more informative economic indicator for the UBM Group, amounted to € 593.3 million, which was a new record high and was 73.1% more than the previous year.

Profit from companies accounted for under the equity method amounted to € 25.3 million in 2015 (previous year: € 15.7 million) and included profits on the sale of properties in Germany as well as the pro-rata annual profit.

Gains from fair value adjustments to investment property of € 29.7 million primarily relate to value increases of properties in Germany.

Other operating income of € 8.8 million (previous year: € 4.2 million) includes proceeds from various amounts invoiced, gains from exchange rates and other income from hotel operations.

The increase in material expenses and other manufacturing costs mirrors the growth in revenue. In the year under review this item stood at € 252.7 million compared to € 178.5 million in 2014.

The number of staff from all companies included in the pro-forma financial statements rose from 555 to 685 staff members, whereby 108 staff members joined as a result of the merger with the PIAG Group. Staff expense totalled € 37.3 million (previous year: € 21.5 million).

Losses from fair value adjustments to investment property amounted to € 3.1 million and predominantly reflect the value adjustments to portfolio property in Austria.

The item other operating expenses, which primarily comprises administrative fees, travel expenses, advertising costs, other third-party services, contributions and charges and legal and consultancy services, stood at € 48.3 million (previous year: € 27.4 million).

EBITDA almost doubled against the previous year from € 38.9 million to € 76.5 million through the increase in project and apartment sales in Germany and Austria.

Financial income of € 7.4 million primarily consists of interest income on project financing loans to companies accounted for under the equity method and companies of minor significance; it was practically unchanged against the previous year (€ 6.7 million). Financial expenses increased due to the sharp rise in project volumes from € 18.1 million to € 30.8 million.

EBT doubled from € 25.2 million in the previous year to € 50.3 million. Tax expense in the year under review amounted to € 13.0 million (previous year: € 3.2 million). Before deductions for non-controlling interests, the profit for the year 2015 was € 37.3 million and was thereby € 15.3 million higher than the comparable period of the previous year. Earnings per share were € 4.90 (previous year: € 3.5).

Return on assets was 6.8% in 2015 (2014: 5.7%). Return on equity stood at 15.1% (2014: 13.9%) and the equity ratio was 28.0% at 31 December 2015 (2014: 23.9%).

FINANCIAL POSITION AND CASH FLOWS

Statement of financial position (in %)	2015	2014
Current assets	**31.4**	46.1
Non-current assets	**68.6**	53.9
of which investment property	**46.7**	30.4
Equity	**28.0**	23.9
Non-current liabilities	**45.1**	58.0
Current liabilities	**26.9**	18.1
Total assets in € million	**1,185.2**	756.4

The total assets of the UBM Group increased year-on-year by 56.7% to around € 1,185.2 million, mainly as a result of the merger with the PIAG Group.

Property, plant and equipment stood at € 38.7 million (previous year: € 32.9 million), whereby the increase was caused by a logistics property in Austria acquired through the merger. At 31 December 2015 investment property totalled € 553.9 million (previous year: € 229.9 million) and rose as a result of the merger (€ +193.2 million) as well as through investments in property projects in Austria and Germany. Equity interests in companies accounted for under the equity method increased because of the merger by € 76.4 million, although this item only rose by € 58.9 million to total € 111.5 million, as several properties were sold off in the current business year. Project financing amounted to € 88.8 million and underwent a reduction when the impact of the merger is not included (€ +23.8 million) as well as project turnarounds of € 7.5 million (previous year: € 72.5 million). Other financial assets totalled € 5.9 million (previous year: € 9.1 million) and financial assets stood at € 3.5 million (previous year: € 0.1 million).

Under current assets, inventories increased by € 59.1 million because of the merger and because of residential construction projects, primarily in Austria and Germany, by € 26.7 million to total € 215.2 million (previous year: € 129.5 million). At 31 December 2015 trade receivables accounted for € 43.1 million (previous year: € 22.6 million). Current financial assets saw a massive reduction through the elimination of the cash pool receivable between PIAG and UBM of € 108 million, falling from € 129.1 million to € 10.0 million. Cash and cash equivalents increased to € 93.7 million (previous year: € 40.3 million). Investment property of € 23.5 million shown under current assets was sold in the current business year.

At the end of the reporting period, equity stood at € 332.0 million (previous year: € 180.4 million). One reason for the increase is the capital increase conducted in May (€ +56.1 million), as well as the capital inflow from the merger (€ +84.9 million) and the extraordinarily positive total comprehensive income (€ +71.9 million). Dividend payments and the repayment of a profit participation right had a contrary effect. The equity ratio was 28.0% (previous year: 23.9%).

Bond liabilities increased from € 271.4 million to € 321.9 million due to the bond issued in December. The expansion of the property portfolio in the course of the merger and the investments made led to an increase in financial liabilities (current and non-current) from € 207.7 million to € 381.5 million.

Trade payables increased as a result of the merger by € 5.2 million to € 55.2 million.

Other financial liabilities (current and non-current) rose by € 15.7 million to € 56.1 million, whereby the majority were intragroup liabilities resulting from the merger.

CONSOLIDATED CASH FLOW STATEMENT – SUMMARY (in € million)	2015	2014
Profit for the period	**37.3**	22.0
Cash flow from operating activities	**14.4**	–25.8
Cash flow investing activities	**–3.1**	–65.8
Cash flow financing activities	**35.6**	72.3
Cash and cash equivalents at 31.12.	**93.7**	40.3

In 2015 cash flow from operating activities stood at € 14.4 million compared to € –25.8 million in 2014. This was triggered by the improvement in operating cash flow adjusted for non-cash effects. Under cash flow from investing activities of € –3.1 (previous year: € –65.8) million, the flow of funds from the sale of projects and financial assets broadly compensated for the outflow from investments in property, plant and equipment and investment property. Cash flow from financing activities shows the inflow of funds from issuing a bond, from credit financing and from the capital increase in 2015, as well as outflows from redeeming a bond, settling loans and the partial redemption of a profit participation right. Cash flow from financing activities amounted to € 35.6 million against €72.3 million in 2014.

Liquidity planning demonstrates that the company is currently in a position to meet its existing and any perceived future payment obligations, thanks to the continuation and the completion of significant investment plans.

The stable interest rate at present means that no impact which would trigger any change in lending conditions is anticipated.

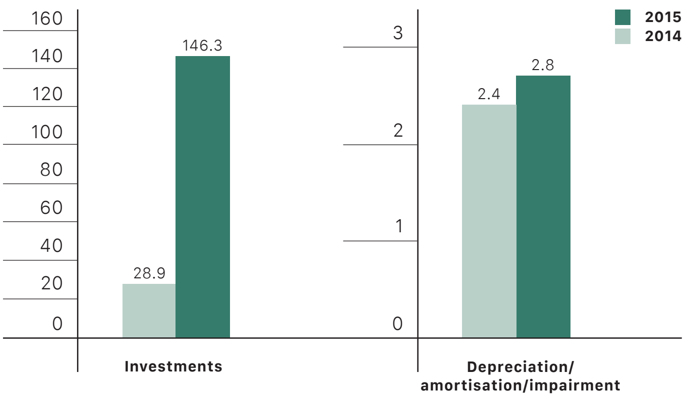
INVESTMENTS

Investments in property, plant and equipment amounted to € 17.8 million in 2015 (previous year: € 1.7 million) and primarily resulted from the purchase and subsequent resale of a hotel property.

Investments in investment property stood at € 128.5 million (previous year: € 27.2 million) and included investments in office and hotel properties in Austria, Germany and Poland.

Total investments in investment property and property, plant and equipment thereby amounted to € 146.3 million (previous year: € 28.9 million).

INVESTMENTS AND DEPRECIATION/AMORTISATION/ IMPAIRMENT (in € million)



INVESTMENTS (in € million)	2015	2014
Investments in property, plant and equipment and investment property	**146.3**	28.9
Investment property	**128.5**	27.2
Property, plant and equipment	**17.8**	1.7

Investments in residential construction projects and hotels held for sale amounted to € 87.6 million (previous year: € 53.6 million) and also applied to the home markets of Austria, Germany and Poland. These are included under the item inventories.

NON-FINANCIAL PERFORMANCE INDICATORS

ENVIRONMENTAL ISSUES

Environmental protection and conserving resources are an important part of the way UBM Development AG approaches and conducts its business. This is why every effort is taken to plan and construct projects and developments in an environmentally friendly manner. By consciously using energy-efficient building materials and energy-saving planning concepts, the project developments result in sustainable, ecological buildings.

STAFF

The average staffing levels at 31 December 2015 when all Group companies are included stood at 685 staff members (of which 53 were waged workers). This thereby represents an increase of 23.4% compared to 2014 (555 staff members of which 53 waged workers).

In total around 81% of UBM employees work abroad. Professional development and training measures are offered in the areas of planning and project development, business economics and law, as well as language courses and seminars for soft skills. Here the individual needs of staff as well as the requirements of the market are taken into account. Since UBM is geographically diverse, the personnel often have to work in international teams; the resultant exchange of expertise is yet another important factor within the context of comprehensive HR development.

SALARIED EMPLOYEES AND WAGED WORKERS	2015	2014
Domestic	**125**	58
Foreign	**560**	497
Total staff	**685**	555
of which salaried employees	**632**	502
of which waged workers	**53**	53

BRANCH OFFICES

UBM Development AG has the following branch offices entered in the Commercial Register:

Upper Austria branch office
Pummererstrasse 17,4020 Linz

Tyrol branch office
Porr-Strasse 1, 6175 Kematen in Tirol

Styria branch office
Thalerhofstrasse 88, 8141 Unterpremstätten

EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events occurred after the end of the reporting period.

FORECASTS AND RISKS

SLOWDOWN IN GLOBAL ECONOMIC GROWTH[31]

Since mid-2015 the global economy has lost momentum, with the expansion of world trade practically coming to a standstill. Major economic problems are continuing to surface, especially in emerging economies – Brazil and Russia are mired in recession, while China's growth has slowed to around 7%.This had the consequence of bringing the expansion of global trade almost to a standstill, so that even the USA and Japan experienced a slowdown in growth.[32] A further slowdown in the global economy is expected in 2016, although this should still grow more sharply in 2017 compared to 2016, with a growth forecast of 3.7%. China should still grow by 6.5% in 2016, but by just 6.2% in 2017. The USA is set to level off by 2017 with GDP growth of 2.7%. The sharp fall in the oil price, however, means that forecasts may still be revised downwards.[33]

MODERATE GROWTH IN EUROZONE[34]

Moderate growth will continue in the eurozone in 2016, as the weak momentum of the global economy is hampering business confidence in Europe. However, growth in the developed economies will rebound in the course of 2016. The eurozone should grow by 1.4% in 2016 and 1.6% in 2017 – following a rate of 1.6% in 2015, the year under review. Growth in the EU-28 has been forecast at 1.6% for 2016. One reason for this is the partially favourable backdrop: the low oil price is reducing the burden on the consumer spending of private households in particular. Furthermore, disposal income is rising, for example in Germany, sometimes significantly. In addition, the ongoing expansive monetary policy means low financing costs for companies, households and the state. The relatively weak exchange rate of the euro is also favouring eurozone exports. However, this effect could become less pronounced through the latest rise in the euro against the currencies of its main trading partners if this development prevails on the foreign exchange markets.

SLUGGISH ECONOMIC GROWTH IN AUSTRIA

The slowdown of the international economy means that the Austrian economy is only expected to grow by 1.5% in 2016.[35] The main factors affecting growth will be higher expenditure on supporting refugees and the tax reform which came into force in 2015 and which relieves pressure on the income of private households and will increase consumer spending. However, by 2017 the tax reform and the asylum issue should no longer have an impact. The weak global economy is also affecting Austria's export growth, but exports are expected to see an overall rise of 2.8% in 2016 and a sharp increase of 3.5% in 2017. Unemployment is set to increase to 9.4% in 2016 and 9.8% in 2017.[36] In the forecasting period the number of jobs is expected to rise significantly – due to refugee migration, later retirement, higher numbers of working women and an increase in skilled labour. Low corporate confidence and uncertainty about economic growth mean that investment demand is likely to remain at a low level. However, investment in construction is set to rise for the first time in three years. Contributing factors here include the favourable financing conditions, the increased demand for replacement investments and the public home-building initiative.

CENTRAL AND EASTERN EUROPE BROADLY UNTOUCHED BY INTERNATIONAL TURBULENCE

The economies of EU member states in CEE/SEE are expected to remain robust as a result of strong domestic demand, whereby investments will draw on the increased utilisation of EU funding. Consumer spending will also make a positive contribution to growth.[37] The economic growth of countries in Central and Eastern Europe is set to significantly surpass that of Western European countries, with a forecast of 3.1% in 2016. Poland is expected to see the sharpest growth of 3.4%, followed by Slovakia at 3.1% and Hungary and the Czech Republic with 2.5% each.[38] Growth in Slovenia and Croatia is likely to be slightly weaker than the regional average.[39]

According to the OeKB CEE Business Climate Index, there will be a variation in developments at the level of the individual national economies and industry sectors. However, growth is subject to risks in light of the growing scepticism surrounding the economic policy of the new Polish government elected in October. The Czech Republic and Romania had the best business climate at the start of 2016, while the economic mood is brightening in the Western Balkans, particularly in Serbia. Russia and the Ukraine are likely to remain the weakest performers.[40]

POWERFUL DRIVERS FOR THE VIENNA PROPERTY MARKET

The home-building offensive announced by the federal government started in January 2016 and should lead to the construction of 30,000 additional residential units by 2020; this has already triggered a turnaround on the Austrian residential market. The investment volume should reach around € 5.8 billion. Given the limited supply of new office space, the level of pre-letting in Vienna is expected to remain high. The projects which will be completed in 2016 have a pre-letting rate of 90%. [41]

CONTINUED GROWTH ON GERMAN PROPERTY MARKET

Good corporate data and figures from the labour market are the driving force behind the German office market. Growth in this segment is set to continue and the vacancy rate is thereby likely to decrease once again in 2016.[42] In theory the office vacancy rate could fall far below 6% if this space is fully utilised or repurposed. Further slight growth of around 1% in prime rents and around 2% in average rents is expected. In view of the ongoing surplus demand, the outlook for the residential market remains positive and the high level of transaction volumes may be surpassed in 2016.[43]

POLISH PROPERTY MARKET IN 2016

Poland is the most important property market in Eastern European – a new transaction record is expected in 2016. In 2015 total investment volumes reached € 4.0 billion, with similar investment volumes anticipated from the transaction pipeline in 2016. Furthermore, analysts have forecast a rise in investment activity by property companies for corporate acquisitions. For 2016 investors are also expected to concentrate on the regional markets across every sector.[44] Several new office developments in Warsaw – 400,000 m² of office space should be completed in 2016 – will lead to an increase in vacancy rates in the long term. The increasing burden of the banks and the upcoming tax on shopping centres should be offset by the planned labour market incentives and the promises to reduce bureaucracy.[45]

FORECASTS AND CORPORATE RISKS: OUTLOOK 2016

The probable performance of UBM Development AG as the parent of the UBM Group is significantly linked to the performance of its equity interests and thereby that of the Group. Subsequent comments thereby relate to the probable performance of the UBM Group.

Accounting for over 90% of UBM's business, the Group's focus is on urban areas in the home markets of Austria, Germany and Poland. In view of the good macroeconomic environment and the ongoing strong demand, the company will further increase its concentration on major urban cities and those in central locations.

UBM is positioned as a pure trade developer and is striving for the further streamlining of its yield portfolio. These sales aim to improve capital efficiency, proceeds and cash flows. The expected net-cash-in from this area should amount to around € 100 million in 2016.

Should the positive mood on the property markets continue, along with the further implementation of the development strategy, the Managing Board expects to be able to maintain the previous year's high level of production output and earnings in 2016. Here a UBM priority is optimising the sales price, in order to sell the value created in the company in the best-possible way.

31 http://www.wifo.ac.at, Economic forecast 2016 and 2017, press release
32 http://www.ihs.ac.at/publications/lib/prognose170316.pdf, page 1
33 ÖNB, Current Economy, January 2016
34 http://www.nachrichten.at/nachrichten/wirtschaft/Weltwirtschaft-verlor-Schwung-Welthandel-erlahmt;art15,2180128;art15,218012
35 Press release IHS forecast 170316.pdf, p.1
36 ibid., p. 3
37 https://www.oenb.at/Geldpolitik/Konjunktur/konjunktur-aktuell.html
38 EUROCONSTRUCT, Country Report 2015 Winter, p. 18
39 ONB, Current Economy, January 2016
40 http://www.oekb.at/de/unternehmen/Presse/pressetexte/Seiten/gki-03-2016.aspx
41 https://www.bka.gv.at/DocView.axd?CobId=61011
42 JLL Office Market Overview Big 7, Q4 2015
43 ibid.
44 CBRE Poland Investment, H2 2015
45 http://wirtschaftsblatt.at/home/nachrichten/europa_cee/4904624/ImmoKonzerne-setzen-trotz-EUVerfahrens-weiter-auf-Polen

RISK REPORT

SIGNIFICANT RISKS AND SOURCES 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. The objective is to obtain information on risks and the related financial impact as early as possible in order to be able to implement suitable countermeasures.

Due to the diversity of the business activity in terms of sectors and geography, risk management is becoming increasingly important to safeguard business success. Risk management responsibilities involve general processes, technology, development and commercial aspects. 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.

MANAGING BOARD: KARL BIER, HERIBERT SMOLÉ, MARTIN LÖCKER, CLAUS STADLER, MICHAEL WURZINGER
- Technical risk management
- Permanent risk monitoring
- Commercial risk management

MARKET PENETRATION RISK

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 precedes every expansion move. These analyses examine the micro and macroeconomic development of the region or of the corresponding property market. However, what is crucial first and foremost for the realisation of a project are the individual influencing factors. In this context UBM has 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 known risks that can have a sustained influence on the company's financial position, financial performance and cash flows.

EXISTING RISKS

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

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

Since UBM offers a comprehensive range of services, the firm is heavily dependent on third-party businesses. The associated risks in terms of quality, deadlines and costs could lead to supply difficulties in the event of increased demand. Operating areas could be exposed to price hikes in the fields of energy and commodities. Unless these can be passed on to customers they have 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 the broad sectoral and geographic diversification UBM can compensate in the best possible way for regional market fluctuations and flexibly adjust our commitments. The option of choosing whether to sell or rent properties also enables UBM to counter temporarily adverse market situations on a flexible basis.

Default risk
Default risks principally relate to original financial instruments, namely loans and receivables. These potential risks are addressed by applying impairment. Credit rating checks and adequate securities also ensure the best possible protection. The maximum default risk is represented by the carrying amounts stated for these financial instruments in the statement of financial position.

Liquidity risk
The liquidity risk is defined as the risk that liabilities cannot be paid upon maturity. Managing the liquidity risk is based on a

precise financial plan which originates at operational level and is centrally coordinated. This is how the demand for financing and bank loans is determined.

Working capital financing is handled through the UBM Group treasury, meaning UBM takes on financial clearing tasks too. 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.

Interest rate risk
The interest risk, which is often decisive for the return on a property, is handled as far as possible with matching financing models, which secure and optimise the financing requirements of the given project. The choice of financing currency depends on the given market situation.

Staff risk
The competition for qualified personnel can be a hindrance to effective business operations. Future success therefore depends on being able to tie staff to the company in the long run and identifying highly qualified personnel.

UBM is aware of this risk and manages the situation in a proactive manner by relying on institutional programmes for apprentices, training and professional development courses, in order to address these risks well into the future.

Shareholding risk
The shareholding risk is the risk of fluctuations in the market value of UBM shareholdings. For the Group companies, the specific types of risks (e.g. market or credit risks) are collated at the level of the individual project.

Shareholding risks are calculated and analysed by Controlling, which reports to management on a monthly basis. If certain risk thresholds or concentrations are reached, the management shall be presented with various courses of 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 reduce 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. UBM has implemented various security measures to reduce this risk. These include access control systems, business continuity planning, uninterrupted power supply for key systems and data mirroring. The company also uses appropriate software to protect against data security risks caused by unauthorised access to the IT systems. This is largely ensured by service contracts with the IT department of PORR AG.

Country risk
The strategy of moving into new markets by developing projects means that UBM assumes reasonable and clearly defined country and market risks. This currently holds true with regard to activities in emerging countries in particular. The general risk management approach ensures the monitoring and assessment of the respective legal and political environment. Evaluating country risk is an important factor when examining the profitability of an investment.

Impairment risk
Safeguarding the value of the property portfolio is an important factor in the economic growth 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.

Internal control system
The internal control system (ICS) has the following goals:

- Checking compliance with the business policy and the set goals
- Safeguarding the assets of the company
- Ensuring the reliability of accounting and reporting
- Ensuring the effectiveness and efficiency of operating processes
- Fulfilling legal requirements by the Managing Board and Supervisory Board
- Early risk detection and reliable assessment of potential risks
- Compliance with statutory and legal provisions
- Efficient use of resources and cost-efficiency
- Ensuring information, documentation and processes are complete and reliable

The internal control system tasks at UBM AG are carried out by two units that report to the Managing Board: commercial controlling supervises current business developments for variations from the budgeted figures, and ensures that the necessary countermeasures are introduced for any such deviations. In addition, ad-hoc examinations can be launched at any time at the request of management for anything that is relevant from a risk perspective. Technical controlling supervises the ongoing implementation of projects in terms of scheduling, construction costs and all processes relevant to technical implementation.

These measures are designed to ensure that the assets and property of the company are maintained and the management is supported with effective and reliable reporting. To this end the necessary precautions are taken in the UBM Group to ensure both legal and internal guidelines are complied with on the one hand, and possible weaknesses in operating and organisational processes are recognised and rectified on the other.

Relevant requirements to ensure compliance with accounting procedures are adhered to and communicated in uniform accounting and valuation regulations. Clear divisions of functions and control measures such as plausibility tests, regular control activities at various levels of reporting and the dual-control principle ensure reliable and accurate accounting. This systematic control management ensures that the accounting processes at the UBM Group are consistent with national and international accounting standards as well as internal guidelines.

As part of the internal control system, the audit committee is responsible for monitoring accounting procedures and for financial reporting on behalf of the Supervisory Board.

The internal control system has been further developed with an investment committee for new projects, in which the Managing Board, the responsible managers and controlling evaluate the potential risks of a project and decide whether implementing the project meets the Group's risk management guidelines.

Other risks

Legal disputes

In January 2015 resolutions were passed for a merger by the general shareholders meetings of PIAG Immobilien AG, as the transferring company, and UBM Realitätenentwicklung AG, as the acquiring company, in the course of which the existing shareholders of PIAG Immobilien AG would become shareholders of UBM. The conversion ratio was set at 10:3.701098. In accordance with Article 225c Stock Corporation Act, shareholders who fulfil certain criteria are entitled to submit a request for the legal review of the conversion ratio. In essence, the shareholders argue that the conversion ratio was inadequate for a range of reasons. UBM disputes this, as the conversion ratio was based on the corporate valuations which were applied using comparable methods, principles and approaches. There was no foreseeable end to this case at the time this Annual Report went to press.

As the result of a payment of € 600,000.00 made by the company to a company of Walter Meischberger in 2005, criminal proceedings are pending against Managing Board members Karl Bier and Heribert Smolé, who stand accused of embezzlement under Article 153 of the Austrian Penal Code. The trial has been underway since January 2016. The accused Managing Board members insist that they have always behaved correctly and in the interests of the company. They assert that a brokerage fee in line with market rates was paid for a concrete service (real estate brokerage related to the purchase of a hotel in Munich). At the time this Annual Report went to press the result of the case was still pending. A verdict is expected at the end of April 2016.

Criminal proceedings are pending against Managing Board member Michael Wurzinger on charges of aiding embezzlement under Article 153 of the Austrian Penal Code, whereby the accusation dates back to the period in which Mr Wurzinger worked for IMMOFINANZ AG. The subject of the proceedings is payments made by IMMOFINANZ AG to Ronald Leitgeb in 2006 in relation to a property project in the south of France. The start of the trial is planned for mid-April 2016. At the time this Annual Report went to press the result of the case was still pending. A verdict is expected in mid-2016.

RESEARCH AND DEVELOPMENT

The Group does not conduct any research or development.

DISCLOSURE ACC. TO ART. 243A, AUSTRIAN COMMERCIAL CODE

AS AT 31 DECEMBER 2015

1) As at 31 December 2015 the share capital is composed of 7,472,180 no-par bearer shares, each representing the same amount of the total share capital of € 22,416,540. 7,472,180 shares were in circulation at the end of the reporting period. All shares bear 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. The share capital of the company is fully paid in. The bearer shares must be documented in a global certificate, several if required, and deposited at a collective securities depository in accordance with Article 1 Section 3 of the Securities Deposit Act or at an equivalent foreign institution.

2) A syndicate agreement is in place between the Strauss Group and the IGO-Ortner Group. The Managing Board has no knowledge of the content of the syndicate agreement. Resolutions passed by the syndicate oblige the syndicate members to exercise their voting rights. There is a reciprocal acquisition right.

3) The following shareholders hold a direct or indirect interest amounting to at least ten percent of the share capital as at 31 December 2015: Ortner & Strauss Syndicate 38.84% (of which Strauss Group 11.22%, IGO-Ortner Group 27.62%)

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

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

6) In accordance with Article 6 Section 1 of the company Articles of Association, the Managing Board consists of between two and six people. In line with Article 6 Section 2 of the Articles of Association, the Supervisory Board can appoint deputies to the Managing Board. In line with Article 6 Section 3 of the Articles of Association, the Supervisory Board can name one member as the Chairman and one member as the Deputy Chairman. Any deputy Managing Board members have the same powers of representation as the regular Managing Board members. In line with Article 9 Section 1 of the Articles of Association, the Supervisory Board is composed of at least three and not more than twelve members appointed by the general shareholders meeting. In line with Article 9 Section 8 of the Articles of Association, a replacement member can be appointed at the same time as the appointment of a Supervisory Board member, in which case the replacement member would take up his seat on the Supervisory Board effective immediately if the Supervisory Board member steps down before the end of his time in office. If multiple replacement members are appointed, the order in which they are to replace a Supervisory Board member who steps down must be determined. A replacement member can also be appointed as a replacement for multiple Supervisory Board members, so that he takes a seat on the Supervisory Board if any one of these members steps down prematurely. The term of office of a replacement member who joins the Supervisory Board is terminated as soon as a successor to the former Supervisory Board member has been appointed, or at the latest when the remainder of the former Supervisory Board member's time in office comes to an end. Should the term of office of a replacement member who joins the Supervisory Board be terminated because a successor to the former Supervisory Board member has been appointed, the replacement member still serves as a replacement for the additional Supervisory Board members he has been chosen to represent. In line with Article 9 Section 2 of the Articles of Association, the general shareholders meeting can determine a shorter period in office than legally stipulated for individual Supervisory Board members or all of the members it appoints. Should certain members leave the Board before the end of their term in office, in line with Article 9 Section 6 of the Articles of Association, a vote to replace them is not required until the next general shareholders meeting. However, a replacement vote is required at an extraordinary general meeting, to be held within six weeks, if the number of Supervisory Board members falls below three. In line with Article 9 Section 4 of the Articles of Association, the appointment of a member of the Supervisory Board can be rescinded before the end of his time in office by general shareholders meeting resolution requiring a simple majority of votes cast.

In accordance with Article 19 Section 1 of the Articles of Association, 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 Articles of Association has reduced the necessary majority of at least three quarters of share capital for passing a resolution to a simple capital majority, even for changes to the Articles of Association, as required by the Stock Corporation Act.

7) In accordance with Article 4 Section 4 of the Articles of Association, as at 31 December 2015, the Managing Board is authorised to increase the share capital by up to € 4,613,460 by 7 May 2019 with the approval of the Supervisory Board by issuing up to 1,537,820 new ordinary no-par bearer shares in exchange for cash and/or contribution in kind, in multiple tranches if so wished, also under application of indirect pre-emptive rights pursuant to Article 153

Section 6 Stock Corporation Act; the Managing Board is also authorised to specify the issue price, issue conditions, the subscription ratio and other details with the approval of the Supervisory Board. The Supervisory Board is entitled to pass resolutions on amending the statutes to allow the Managing Board to make use of this authorisation.

8) In 2011 the company issued a bond (partial debenture) (2011 – 2016), of which a volume of € 51,863,000 is still in issue. In July 2014 a bond (partial debenture) worth € 160,000.000 (2014 – 2019) was issued, which was raised by € 15,000,000 to € 175,000,000 in December 2014 and by € 25,000,000 to € 200,000,000 in February 2015. In December 2015 a bond (partial debenture) of € 75,000.000 (2015– 2020) was issued. The bonds involve the following agreement: If there is a change of control in accordance with the Austrian Takeover Act and this change of control results in a lower credit rating of the issuer, and the issuer is unable to produce proof of its credit standing within 60 days of becoming aware of the change of control, any bond creditor is entitled to call in his/her partial debenture and demand the immediate repayment at nominal value along with any interest accrued until the day of repayment. There are no other significant agreements under the terms of Article 243a Line 8 of the Commercial Code.

9) Indemnification agreements under the terms of Article 243a Line 9 of the Commercial Code shall not apply.

KARL BIER
Chairman of the Managing Board, CEO

HERIBERT SMOLÉ
Member of the Managing Board, CFO

MARTIN LÖCKER
Member of the Managing Board, COO

CLAUS STADLER
Member of the Managing Board, COO

MICHAEL WURZINGER
Member of the Managing Board, COO

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR THE BUSINESS YEAR 2015

in T€	Notes	2015	2014
Revenue	(7)	307,781	223,566
Changes in the portfolio	(7)	45,105	17,574
Own work capitalised in non-current assets		1,205	925
Share of profit/loss of companies accounted for under the equity method		25,322	15,683
Income from fair-value adjustments to investment property		29,675	4,421
Other operating income	(8)	8,759	4,222
Cost of materials and other related production services	(9)	–252,720	–178,547
Personal expense	(10)	–37,305	–21,523
Expenses from fair-value adjustments to investment property		–3,109	–
Other operating expenses	(11)	–48,263	–27,380
EBITDA		**76,450**	**38,941**
Depreciation, amortisation and impairment expense	(12)	–2,807	–2,384
EBIT		**73,643**	**36,557**
Financial income	(13)	7,407	6,690
Finance costs	(14)	–30,765	–18,087
EBT		**50,285**	**25,160**
Income tax expense	(15)	–12,952	–3,174
Profit (loss) for the period		**37,333**	**21,986**
Profit (loss) for the period attributable to shareholders of the parent		33,808	21,531
of which attributable to non-controlling interests		3,525	455
Earnings per share (diluted and basic in €)	(16)	**4.90**	**3.59**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE BUSINESS YEAR 2015

in T€	Notes	2015	2014
Profit (loss) for the year		**37,333**	**21,986**
Other comprehensive income			
Remeasurement from benefit obligations	(34)	–24	–1,019
Income tax expense on other comprehensive income		5	255
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)		**–19**	**–764**
Gains (losses) from cash flow hedges of associates - recycled		34,886	–
Losses (gains) from fair value measurement of securities		–18	–
Exchange differences		–319	–638
Income tax expense (income) on other comprehensive income		–2	–
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)		**34,547**	**–638**
Other comprehensive income		**34,528**	**–1,402**
Total comprehensive income		**71,861**	**20,584**
of which attributable to shareholders of the parent		68,340	20,133
of which attributable to non-controlling interests		3,521	451

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2015

in T€	Notes	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Intangible assets	(17)	2,883	2,745
Property, plant and equipment	(18)	38,749	32,932
Investment property	(19)	553,907	229,869
Shareholdings in companies accounted for under the equity method	(20)	111,543	52,616
Project financing	(21)	88,777	72,494
Other financial assets	(22)	5,894	9,103
Financial assets	(26)	3,505	129
Deferred tax assets	(29)	7,314	8,031
		812,572	**407,919**
Current assets			
Inventories	(23)	215,219	129,457
Trade receivables	(24)	43,118	22,604
Financial assets	(25)	10,016	129,069
Other receivables and current assets	(26)	9,176	1,826
Cash and cash equivalents	(27)	93,744	40,309
Non-current assets held for sale	(28)	1,391	25,190
		372,664	**348,455**
Total assets		**1,185,236**	**756,374**
EQUITY AND LIABILITIES			
Equity			
Share capital	(30, 31)	22,417	18,000
Capital reserves	(32)	98,954	44,642
Other reserves	(32)	121,725	115,733
Mezzanine/hybrid capital	(33)	80,100	–
Equity attributable to shareholders of the parent		**323,196**	**178,375**
Non-controlling interests		8,828	2,071
		332,024	**180,446**
Non-current liabilities			
Provisions	(34)	11,895	7,832
Bonds	(35)	271,436	222,812
Non-current financial liabilities	(36)	229,819	197,337
Other non-current financial liabilities	(38)	5,746	2,460
Deferred tax liabilities	(29)	16,038	8,226
		534,934	**438,667**
Current liabilities			
Provisions	(34)	1,098	128
Bonds	(35)	50,472	48,523
Current financial liabilities	(36)	151,727	10,348
Trade payables	(37)	55,204	32,197
Other current financial liabilities	(38)	50,356	37,923
Other current liabilities	(39)	3,663	2,343
Tax payables	(40)	5,758	5,799
		318,278	**137,261**
Total equity and liabilities		**1,185,236**	**756,374**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE BUSINESS YEAR 2015

in T€	2015	2014
Profit (loss) for the period	37,333	21,986
Depreciation, impairment and reversals of impairment on fixed assets	–18,820	–401
Interest income/expense	15,969	15,475
Income from companies accounted for under the equity method	–25,310	–15,683
Dividends from companies accounted for under the equity method	31,497	108
Decrease in long-term provisions	–754	–5,689
Deferred income tax	8,127	–486
Operating cash flow	**48,042**	**15,310**
Increase in short-term provisions	540	92
Decrease in tax provisions	–1,220	–2,734
Losses/gains on the disposal of assets	803	–624
Increase in inventories	–5,580	–12,051
Decrease/increase in receivables	–5,137	–2,426
Decrease in payables (excluding banks)	–7,253	–4,114
Interest received	6,280	1,054
Interest paid	–23,091	–16,529
Other non-cash transactions	1,064	–3,766
Cash flow from operating activities	**14,448**	**–25,788**
Proceeds from the sale of intangible assets	6	–
Proceeds from sale of property, plant and equipment and investment property	18,644	87,821
Proceeds from sale of financial assets	55,713	742
Proceeds from settling project financing	20,673	6,908
Proceeds from the disposal of assets held for sale	66,615	–
Investments in intangible assets	–96	–19
Investments in property, plant and equipment and investment property	–146,188	–28,917
Investments in financial assets	–4,813	–25
Investments in project financing	–24,349	–7,475
Proceeds/payouts for current financial assets	17,000	–125,000
Payouts from the purchase of subsidiaries less cash and cash equ. acquired	–6,296	168
Cash flow from investing activities	**–3,091**	**–65,797**
Dividends	–11,051	–3,720
Dividends paid out to non-controlling interests	–2,019	–180
Proceeds from bonds	100,425	126,074
Repayment of bonds	–50,191	–39,540
Obtaining loans and other financing	102,660	59,646
Redeeming loans and other financing	–78,797	–69,672
Capital increase	55,252	–
Redemption of profit participation right	–50,000	–
Payout for acquiring non-controlling interests	–	–318
Payout for obligations of PIAG from UBM shares	–30,708	–
Cash flow from financing activities	**35,571**	**72,290**
Cash flow from operating activities	**14,448**	**–25,788**
Cash flow from investing activities	**–3,091**	**–65,797**
Cash flow from financing activities	**35,571**	**72,290**
Change to cash and cash equivalents	**46,928**	**–19,295**
Cash and cash equivalents at 1 Jan	40,309	59,893
Currency differences	–87	–232
Changes to cash and cash equivalents resulting from changes to the consolidated group	6,594	–57
Cash and cash equivalents at 31 Dec	**93,744**	**40,309**
Tax paid	6,537	6,393

STATEMENT OF CHANGES IN GROUP EQUITY

FOR THE BUSINESS YEAR 2015

in T€	Share capital	Capital reserves	Remeasurement from benefit obligations	Foreign currency translation reserves
Balance at 1 Jan 2014	**18,000**	**44,642**	**–543**	**1,972**
Total profit/loss for the period	–	–	–764	19
Dividend payout	–	–	–	–
Changes in non-controlling interests	–	–	–	–
Balance at 31 Dec 2014	**18,000**	**44,642**	**–1,307**	**1,991**
Additions from common control transaction	30	211	–912	–461
Total profit/loss for the period	–	–	–19	–326
Dividend payout	–	–	–	–
Capital increase	4,387	54,101	–	–
Repayment of profit participation right	–	–	–	–
Changes in non-controlling interests	–	–	–	–
Balance at 31 Dec 2015	**22,417**	**98,954**	**–2,238**	**1,204**

Total debt securities available for sale - fair value reserve	Reserve for cash flow hedges	Other reserves	Mezzanine/ hybrid capital	Equity attributable to equity holders of the parent	Non-controlling interests	Total
–	**–**	**97,795**	**–**	**161,866**	**1,852**	**163,718**
–	–	20,878	–	20,133	451	20,584
–	–	–3,720	–	–3,720	–180	–3,900
–	–	96	–	96	–52	44
–	**–**	**115,049**	**–**	**178,375**	**2,071**	**180,446**
57	–34,886	–9,663	126,729	81,105	3,761	84,866
–14	34,886	26,903	6,910	68,340	3,521	71,861
–	–	–7,512	–3,539	–11,051	–2,019	–13,070
–	–	–2,427	–	56,061	–	56,061
–	–	–	–50,000	–50,000	–	–50,000
–	–	366	–	366	1,494	1,860
43	**–**	**122,716**	**80,100**	**323,196**	**8,828**	**332,024**

NOTES TO THE 2015 CONSOLIDATED FINANCIAL STATEMENTS OF UBM DEVELOPMENT AG

1. GENERAL INFORMATION

The UBM Group consists of UBM Development AG (UBM) (formerly: UBM Realitätenentwicklung Aktiengesellschaft) and its subsidiaries. UBM is a public limited company according to Austrian law and has its registered head office at 1210 Vienna, Floridsdorfer Hauptstraße 1. The company is registered with the commercial court of Vienna under reference number FN 100059 x. The Group deals mainly with the development, utilisation and management of real estate.

The consolidated financial statements have been prepared pursuant to Art. 245a of the Austrian Commercial Code (UGB) in accordance with the International Financial Reporting Standards (IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The reporting currency is the euro, which is also the functional currency of UBM. For the individual subsidiaries included in the consolidated financial statements the functional currency is either the euro or the respective national currency, depending on the business area. Figures are reported in thousands of euros (T€) and rounded accordingly. The year under review corresponds to the calendar year and ends on 31 December 2015.

A resolution was passed at the extraordinary general meeting on 15 January 2015 on the basis of the draft of the merger agreement dated 28 November 2014, to merge PIAG Immobilien AG (PIAG) as the transferring company and UBM AG, Vienna, as the acquiring company with a retrospective effective date of 1 July 2014, whereby the merger of PIAG with UBM, which was entered into the Corporate Register on 19 February 2015, involved the transfer of PIAG's assets to UBM by way of universal legal succession without recourse to liquidation. At the end of March the company was informed that the PIAG shareholders had submitted a request for the legal review of the conversion ratio.

To carry out the merger, UBM increased its share capital from € 18,000,000 by € 30,000 to € 18,030,000 by issuing 10,000 new no-par bearer shares in UBM. As the transferring company, PIAG's assets were used as contribution in kind for the capital increase. The new shares as part of the capital increase were transferred by UBM to the PIAG shareholders at the pro-rata amount of share capital due to them of € 3.00 per share without applying a premium.

2. CONSOLIDATED GROUP

In addition to UBM, 66 (previous year: nine) domestic subsidiaries and 80 (previous year: 57) foreign subsidiaries are included in the consolidated financial statements. In the reporting period 51 companies were included in the UBM consolidated financial statements for the first time due to the merger of PIAG, see item 2.1, as well as 26 companies as a result of new foundations or purchases, see item 2.2.

Three companies were included as a result of a change in control through the merger, and eight companies passed the materiality threshold. Seven companies each were eliminated from internal transfers in the form of mergers or liquidations and one company was sold, with the inflow of funds recognised in cash flow from investing activities.

In addition, 26 (previous year: four) domestic and 32 (previous year: 30) foreign associates and joint ventures were valued under the equity method. In the reporting period 20 companies were included for the first time in the UBM consolidated financial statements as a result of the merger of PIAG, six companies as the result of purchases and four companies as the result of new foundations. One company was deconsolidated due to a sale and the stake in five companies was increased to an extent that they qualified for full consolidation.

For ten subsidiaries UBM does have the majority of voting rights, but the rules in the shareholders agreements state that there is no right of control. These companies are recognised as joint ventures.

2.1. MERGER

A resolution was passed at the extraordinary general meeting on 15 January 2015 on the basis of the merger agreement dated 28 November 2014, to merge PIAG as the transferring company and UBM, Vienna, as the acquiring company with a retrospective effective date of 1 July 2014, whereby the merger of PIAG with UBM, which was entered into the Commercial Register on 19 February 2015, involved the transfer of PIAG's assets to UBM by way of universal legal succession without recourse to liquidation.

This relates to a transaction under common control, which is not covered by the regulations of IFRS. The merger is presented as of 19 February 2015 at the carrying amounts.

The following companies were eliminated in the course of the merger:

Bahnhofcenter Entwicklungs-, Errichtungs- und Betriebs GmbH
Emiko Beteiligungsverwaltungs GmbH & Co. KG
EPS Haagerfeldstrasse – Business Hof Leonding 2 Errichtungs- und Verwertungs GmbH
EPS MARIANNE-HAINISCH-GASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG
EPS Office Franzosengraben GmbH & Co KG
EPS Rathausplatz Guntramsdorf Errichtungs- und Beteiligungsverwaltungs GmbH & Co KG
EPS RINNBÖCKSTRASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG
EPS Tivoli Hotelerrichtungs- und Beteiligungsverwaltungs GmbH
EPS Welser Strasse 17 Business Hof Leonding Errichtungs- und Beteiligungs GmbH & Co KG
Gepal Beteiligungsverwaltungs GmbH
Gevas Beteiligungsverwaltungs GmbH
Glamas Beteiligungsverwaltungs GmbH & Co „Delta“ KG
Golera Beteiligungsverwaltungs GmbH
GORPO Projektentwicklungs- und Errichtungs-GmbH & Co KG
Gospela Beteiligungsverwaltungs GmbH & Co KG
Hotelbetrieb SFZ Immobilien GmbH & Co KG
IBC Business Center Entwicklungs- und Errichtungs-GmbH
Impulszentrum Telekom Betriebs GmbH
Jandl Baugesellschaft m.b.H.

MLSP Absberggasse Immobilien GmbH & Co KG
MLSP IBC WEST Immobilien GmbH & Co KG
MultiStorage GmbH & Co KG
Porr – living Solutions GmbH
Porr Infrastruktur Investment AG
Projekt Ost – IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG
Projekt West – IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG
Sabimo Gerhard-Ellert-Platz GmbH
Sabimo Immobilien GmbH
Sabimo Liebenauer Hauptstraße GmbH
Sabimo Monte Laa Bauplatz 2 GmbH
Sabimo Söllheimer Strasse GmbH
SFZ Freizeitbetriebs-GmbH & Co KG
SFZ Immobilien GmbH & Co KG
Somax Beteiligungsverwaltungs GmbH
STRAUSS & PARTNER Development GmbH
Wibeba Holding GmbH
WIPEG – Bauträger- und Projektentwicklungsgesellschaft m.b.H.
WLB Projekt Laaer Berg Liegenschaftsverwertungs- und Beteiligungs-GmbH
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 5 „rosa“ Projekt-OG

ALBA BauProjektManagement Bulgaria EOOD
ALBA BauProjektManagement GmbH
Arena Boulevard GmbH & Co. KG
Bartycka Real Estate Spólka z ograniczona odpowiedzialnoscia
Gamma Real Estate Ingtalanfejlesztö és – hasznositó Korlátolt Felelösségü Társaság
Lamda Imobiliare SRL
Porr Solutions Polska Spólka z ograniczona odpowiedzialnoscia
RE Moskevská spol.s.r.o.
Sitnica drustvo s ogranicenom odgovornoscu za usluge
SONUS City GmbH & Co. KG
STRAUSS & CO Projektentwicklungs GmbH
Yipsilon Imobiliare SRL

through a change in control

BMU Beta Liegenschaftsverwertung GmbH
Ropa Liegenschaftsverwertung Gesellschaft m.b.H.
St.-Peter-Strasse 14-16 Liegenschaftsverwertung Ges.m.b.H.

The following assets and liabilities were eliminated in the course of the merger:

in T€	19.2.2015
NON-CURRENT ASSETS	
Intangible assets	109
Property, plant and equipment	4,639
Investment property	193,212
Shareholdings in companies accounted for under the equity method	76,373
Project financing	23,787
Other financial investments	2,203
Financial assets	10,491
Deferred tax assets	7,822
Total non-current assets	**318,636**
CURRENT ASSETS	
Inventories	59,083
Trade receivables	7,821
Financial assets	16,487
Other receivables and assets	1,720
Cash and cash equivalents	6,594
Non-current assets held for sale	18,654
Total current assets	**110,359**
NON-CURRENT LIABILITIES	
Provisions	–4,573
Bonds	–
Financial liabilities	–94,519
Other financial liabilities	–16,605
Other liabilities	–
Deferred tax payables	–6,908
Total non-current liabilities	**–122,605**
CURRENT LIABILITIES	
Provisions	–430
Bonds	–
Financial liabilities	–42,045
Trade payables	–17,769
Other financial liabilities	–159,045
Other liabilities	–1,047
Tax payables	–1,189
Total current liabilities	**–221,525**

The other financial liabilities included liabilities to the UBM Group totalling T€ 108,011 and T€ 30,708 of liabilities for purchasing UBM through PIAG.

The companies contributed T€ 6,512 to the pre-tax profit for the period and T€ 121,792 to revenues.

The significant changes to segment assets and segment liabilities relate to the merger and break down as follows:

		of which:			
in T€	Total 19.2.2015	Austria 19.2.2015	Germany 19.2.2015	Poland 19.2.2015	Other markets 19.2.2015
Segment assets	**428,995**	**309,104**	**44,937**	**2,474**	**72,480**
of which intangible assets, property, plant and equipment and investment property	197,960	168,961	10,193	–	18,806
of which interests in companies accounted for under the equity method	76,373	60,919	201	–	15,253
Segment liabilities	**–344,130**	**–253,593**	**–44,193**	**–2,527**	**–43,817**

Furthermore, in the course of the merger the internal reporting structure was divided into new segments regarding the geographic classification and the division into asset classes.

2.2. FIRST-TIME CONSOLIDATIONS

In the 2015 business year the following companies were consolidated for the first time (see list of shareholdings for details):

Because of new foundations	Date of initial consolidation
UBM Twarda Sp. z o.o.	6.2.2015
UBM Kotlarska Sp. z o.o.	22.6.2015
QBC Beta SP Immomanagement GmbH	13.3.2015
QBC Epsilon SP Immomanagement GmbH	13.3.2015
QBC Eta SP Immomanagement GmbH	13.10.2015
QBC Immobilien GmbH & Co Eta KG	24.11.2015
Mainz Zollhafen Hotel GmbH & Co KG	10.4.2015
UBM Nowy Targ Sp. z o.o.	11.12.2015
UBM Hotel Granary Sp. z o.o.	8.12.2015

Because of acquisitions	Date of initial consolidation
QBC Immobilien GmbH & Co Beta KG	1.1.2015
QBC Immobilien GmbH & Co Epsilon KG	1.1.2015
Yavin Spólka z ograniczona odpowiedzialnoscia	1.1.2015
Poplar Company spólka z ograniczona odpowiedzialnoscia	1.1.2015
EPS Dike West – IBC GmbH	1.4.2015
CM Wohunungsentwicklungs GmbH	12.10.2015
UBM Riwiera 2 Spolka z ograniczona odpowiedzialnoscia	25.9.2015
Ligustria 12 Spolka z ograniczona odpowiedzialnoscia	25.9.2015
Reality U Pruhonu s.r.o.	15.10.2015
MGO I Development GmbH & Co KG (formerly Portokali Property Development I GmbH & Co KG)	4.11.2015
MGO II Development GmbH & Co KG (formerly Portokali Property Development II GmbH & Co KG)	4.11.2015

Because of an increase in the interest held	Date of initial consolidation
UBX 3 s.r.o.	1.1.2015
UBX 2 Objekt Berlin GmbH	1.11.2015
M Logistic Distribution S.R.L.	21.12.2015
EPS Höhenstrasse Immobilien GmbH	1.1.2015
EPS Immobilienmanagment "Schützenwirt" GmbH & CO KG	1.1.2015
EPS Immobilienmanagement "Kreuzstrasse" GmbH & CO KG	1.1.2015

Because of materiality	Date of initial consolidation
EPS Welser Strasse 17 – Business.Hof Leonding 1 Errichtungs- und Beteiligungs GmbH	14.12.2015
UBM Seevillen Errichtungs-GmbH	1.1.2015
EPS MARIANNE-HAINISCH-GASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs-GmbH	14.12.2015
EPS RINNBÖCKSTRASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs-GmbH	14.12.2015
GORPO Projektentwicklungs- und Errichtungs-GmbH	14.12.2015
MG-Brehmstrasse BT C Komplementär GmbH	23.12.2015
Gospela Beteiligungsverwaltungs GmbH	14.12.2015
EPS Office Franzosengraben GmbH	14.12.2015

With the exception of two companies, the acquisitions and the increases in the interests held relate to purchasing properties and financing for these properties which are not classed as business combinations pursuant to IFRS 3.

The companies included for the first time on grounds of materiality relate to restructuring measures which did not lead to material additions of assets and liabilities in the Group.

T€ 1,683.2 was used to purchase the remaining 50% in M Logistic Distribution S.R.L. The purchase price was not yet paid in the business year 2015 and was allocated to the Group's assets and liabilities as follows:

in T€	**2015**
NON-CURRENT ASSETS	
Intangible assets	–
Property, plant and equipment	1,224
Investment property	16,462
CURRENT ASSETS	
Inventories	41
Trade receivables	1,295
Other receivables and assets	18
Cash and cash equivalents	234
NON-CURRENT LIABILITIES	
Financial liabilities	–12,157
Deferred tax payables	–901
CURRENT LIABILITIES	
Financial liabilities	–1,188
Trade payables	–1,039
Other financial liabilities	–439
Other liabilities	–184
Fair value of the equity interest already held	–1,683
Purchase price	–1,683

No profit resulted from the valuation of the previously held shares.

T€ 6,653 was used to purchase 89.9% in Reality U Pruhonu s.r.o. The purchase price was paid in full in the business year 2015 and was allocated to the Group's assets and liabilities as follows:

in T€	2015
NON-CURRENT ASSETS	
Property, plant and equipment	164
Investment property	8,170
CURRENT ASSETS	
Inventories	32
Trade receivables	122
Other receivables and assets	217
Cash and cash equivalents	123
NON-CURRENT LIABILITIES	
Deferred tax payables	–1,160
CURRENT LIABILITIES	
Trade payables	–4
Other liabilities	–240
Non-controlling interest	–771
Purchase price	–6,653

The initial consolidation of the company contributed T€ 44 to earnings before taxes for the period and T€ 180 to revenue.

3. CONSOLIDATION PRINCIPLES

Business combinations are accounted for in accordance with the acquisition method. According to this method, the assets acquired and liabilities assumed as well as contingent liabilities are measured on the acquisition date at their fair values attributable at this date. Where the difference between the acquisition costs and the attributable proportion of net assets valued at fair value shows an excess, this item is shown as goodwill, which is not written off or amortised in regular amounts but is subjected to a test for impairment at least once a year.

All accounts receivable and payable between consolidated companies are eliminated during debt consolidation. Intragroup income and expense is offset within the framework of consolidation of income and expense. Intragroup profits or losses from intragroup deliveries are eliminated if these relate to significant amounts and the relevant assets are still recognised in the consolidated financial statements. Shares in net assets of subsidiaries not attributable to UBM are shown separately as part of equity under the item "Non-controlling interests".

4. ACCOUNTING AND MEASUREMENT METHODS

The annual financial statements of all companies included in the consolidated financial statements are prepared according to standard accounting and measurement methods.

Measurement principles
Historic acquisition costs form the basis for the measurement of intangible assets, property, plant and equipment, inventories, accounts receivable from billed orders and liabilities.

The fair value at the end of the reporting period is the basis for the measurement in respect of securities available for sale, derivative financial instruments and investment property.

Currency translation
The companies included in the consolidated financial statements prepare their annual financial statements in their respective functional currencies, whereby the functional currency is the relevant currency for the commercial activities of the company concerned.

Items in the consolidated statement of financial position are translated at the mean rate of exchange at the end of the reporting period and income statement items are translated at the annual mean rate of exchange for the fiscal year (as an arithmetic mean of all end-of-month quotations). Differences resulting from the currency translation are recognised directly in equity. These translation differences are recognised in the income statement at the date of disposal of the business activities.

The following significant exchange rates were applied for the inclusion and translation of foreign subsidiaries:

	Mean exchange rate at 31 Dec 2015	Average annual exchange rate
PLN	4.2615	4.1848
CZK	27.0250	27.2688

	Mean exchange rate at 31 Dec 2015	Average annual exchange rate
PLN	4.2623	4.1893
CZK	27.7250	27.5500

In the event of company acquisitions, adjustments of the carrying amounts of the acquired assets and assumed liabilities to the fair value at the date of acquisition or, if applicable, goodwill, are treated as assets or liabilities of the acquired subsidiary and are, accordingly, subject to currency translation.

Exchange gains or losses on transactions undertaken by companies included in the consolidation in a currency other than the functional currency are recognised in profit or loss for the period. Monetary items not denominated in the functional currency held by companies included in the consolidation are translated at the mean rate ruling at the end of the reporting period.

Intangible assets are capitalised at acquisition cost and amortisation is recognised on a straight-line basis over the probable useful life. Rates of amortisation of between 10% and 50% were applied.

The amortisation apportionable to the fiscal year is shown in the income statement under the item "Depreciation, amortisation and impairment expense".

If impairment is established, the relevant intangible assets are recognised at the recoverable amount, which is the fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a reversal of the impairment is performed equivalent to the increase in value, but up to a maximum of the carrying amount which was calculated when applying the amortisation plan based on the original acquisition and manufacturing costs.

Goodwill is recorded as an asset and tested at least once a year for impairment in accordance with IFRS 3 in conjunction with IAS 36. Any impairment is immediately recognised in profit or loss and a subsequent reversal is not permitted.

Property, plant and equipment is valued at cost, including incidental costs less reductions in the acquisition costs, or at manufacturing cost, and is subject to the previously accumulated and regularly applied straight-line depreciation during the year under review, whereby the following rates of depreciation are applied:

Buildings	1.5 to 33.3%
Technical equipment and machinery	4.0 to 50.0%
Other facilities, fixtures and office equipment	4.0 to 50.0%

If impairment is established, the relevant tangible assets are impaired to the recoverable amount, which is the fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a reversal of the impairment is performed equivalent to the increase in value, but up to a maximum of the carrying amount which was calculated when applying the amortisation plan based on the original acquisition and manufacturing costs. Fundamental rebuilding work is recognised in the statement of financial position, while ongoing maintenance work, repairs and minor rebuilding work are recognised in profit or loss at the time they arose.

Low-value assets were written off in full in the year of purchase, as they are of minor importance for the consolidated financial statements.

Plants under construction, including buildings under construction, which are to be used for operational purposes or whose type of use has not yet been established, are accounted for at acquisition cost or manufacturing cost less impairment.

Borrowing costs for qualifying assets are included in the acquisition or manufacturing cost. Depreciation or impairment of these assets commences upon their completion or attainment of operational status. In the current business year, T€ 13,302 (previous year T€ 6,296) was recognised in interest on property. Please refer to the disclosures in note 36 for the capitalisation rate.

Investment property is real estate that is held for the purpose of obtaining rental income and/or for the purpose of its rise in value. This includes office and commercial premises not used for the Group's own business purposes, residential buildings and unimproved land. These are recognised at their fair values. Gains or losses from changes in value are reflected in profit or loss for the period in which the change in value occurred. If a fair value cannot be reliably determined, buildings under construction are accounted for at acquisition cost or manufacturing cost, or with the fair value generally determined by the residual value method.

Market value reports by experts are used as the basis for determining the fair value of investment property and/or the fair value is determined using the present value of estimated future cash flows which are expected from the use of the property or have been achieved in similar transactions.

Properties held for sale are measured at the lower of acquisition cost, manufacturing cost and net realisable value. Borrowing costs for qualifying assets are included in the acquisition or manufacturing cost.

For properties where the market value can be determined based on comparable transactions, the market value was determined using the sales comparison approach or the cost approach; this applies to real estate held under current assets that is intended for immediate sale once completed. In accordance with accounting standards, the carrying amount is only aligned with the market value if this is lower. The external appraisers determined the parameters with the local project developers based on the size, age and condition of the buildings and country-specific parameters.

Leases

The Group as lessor:
Where the Group is the lessor, the only lease contracts applicable are operating leases. The rental income from these contracts is recognised in net income on a straight-line basis over the term of the corresponding lease.

The Group as lessee:
Leases are classified as finance leases when, according to the lease contract, essentially all the risks and rewards relating to the ownership are transferred to the lessee.

Assets held under finance leases are recorded as Group assets at their fair values or at the present value of the minimum lease payments, if this is lower, at the beginning of the lease. The minimum lease payments are those amounts payable during the non-terminable term of the lease, including a guaranteed residual value. The corresponding liability owed to the lessor is recorded in the statement of financial position as obligations under finance leases. The lease payments are apportioned between interest paid and the reduction of the lease obligation in such a way as to achieve a constant rate of interest on the remaining liability. Interest expense is recognised in the income statement.

Shares in companies accounted for under the equity method are accounted for at acquisition cost, which is apportioned between the pro rata net assets acquired at fair value and, if applicable, goodwill. The carrying amount is increased or decreased annually by the proportionate annual profit or loss, dividends received and other changes to equity. Goodwill is not subject to planned amortisation, rather it is assessed for impairment, as per IAS 36, once a year as well as when circumstances exist that indicate there may be possible impairment. If the recoverable amount differs from the carrying amount, the difference is written off.

Project financing is measured at amortised cost. If indicators of impairment are determined, project financing is written down to the present value of the expected cash flows.

The shares in non-consolidated subsidiaries and other shareholdings shown under **other financial assets** are valued at acquisition cost, as it is not possible to determine a reliable fair value. If impairment is established on the financial assets valued at acquisition cost, they are written down to the present value of the expected cash flows.

Construction contracts are recognised according to the percentage of completion of the contract (POC method). The anticipated revenues from the contracts are shown under revenue according to the respective percentage of completion. The percentage of completion, which is the basis for the amount of the contract revenues shown, is, as a rule, determined according to the ratio of the services supplied compared to the estimated total services at the end of the reporting period. Claims are only recognised when it is likely that the customer will accept them and when they can be reliably measured. Where the result of a construction contract cannot be reliably estimated, the amount of the accumulated contract costs alone shall represent the amount recorded for contract revenues. If it is probable that the total contract costs will exceed the total contract revenues, the expected loss is recognised immediately and in full. The revenues attributable to the services supplied so far according to the percentage of completion method are, to the extent that they exceed the payments on account made by the customer, shown in the statement of financial position under trade receivables. Amounts by which the payments on account received exceed the revenues attributable to the services supplied so far are shown under other liabilities.

Receivables are fundamentally recognised at amortised cost. Should there be substantial evidence of default risks, allowances are set up.

Deferred tax items are recognised where there are temporary differences between the values of assets and liabilities in the consolidated financial statements on the one hand and the values for tax purposes on the other hand in the amount of the anticipated future tax expense or tax relief. In addition, a deferred tax asset for future asset advantage resulting from tax loss carryforwards is recognised if there is sufficient certainty of realisation. Temporary differences arising from the first recognition of goodwill constitute exceptions to this comprehensive tax deferral.

The calculation of the deferred tax amount is based on the rate of income tax valid in the country concerned; for Austrian companies this is a tax rate of 25%.

The **provisions for severance payments, pensions and anniversary bonuses** were determined by the projected unit credit method in accordance with IAS 19 and based on the life table AVÖ 2008-P, whereby an actuarial assessment is performed on each reference date. In the valuation of these provisions for Austria and Germany, an interest rate for accounting purposes of 2.25% p.a. (previous year: 2.25%) was applied with salary increases of 2.50% (previous year: 2.60%). When determining provisions for severance payments and anniversary bonuses for Austria, deductions are made for fluctuations based on statistical data within a range of 1.1% to 14.20% (previous year: 0.0% to 10.40%) and for anniversary bonuses in Germany a range of 0.0% to 25.0% (previous year: 0.0% to 25.0%) was applied. For Austrian companies the assumed retirement age is the earliest possible retirement age permitted by law following the 2004 pension reform (corridor pension), taking into account all transitional arrangements; for German companies the legal retirement age is used. The life table AVÖ 2008-P – Pagler & Pagler is used for calculating provisions in Austria, while for Germany the life table Richttafeln 2005 G by Klaus Heubeck is applied.

Actuarial gains and losses for severance payments and pensions are recognised in full in other comprehensive income, while anniversary bonuses are under profit or loss for the period. Service costs are shown under staff expense. Interest paid is recorded under finance costs.

Other provisions take account of all currently discernible risks and contingent liabilities. They are recognised with the best estimate of the expenditure required to settle the present obligation if a reliable estimate exists.

Liabilities are recognised at amortised cost in accordance with the effective interest method.

If the amount to be paid back is lower or higher, this is subjected to appreciation or depreciation in accordance with the effective interest method.

Derivative financial instruments are recognised at fair value. Derivatives which involve hedges are treated in line with the requirements for hedge accounting.

Revenue is measured at the fair value of the consideration. Discounts and other subsequent reductions in revenue are deducted from this amount. Revenue is recognised on delivery and transfer of ownership. Revenue from construction contracts is recognised according to the percentage of completion allocated over the period of the contract.

Interest income and expense is limited under consideration of the respective outstanding sum borrowed and the applicable interest rate. Dividend income from financial investments is recognised when legal title arises.

5. KEY ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and assumptions made by management which relate to the amount and recognition of the assets and liabilities in the statement of financial position and to income and expenses and contingent liabilities are inextricably linked to the preparation of annual financial statements. The key assumptions and sources of estimation uncertainty in accordance with IAS 1.125 et seq. relate to:

Determining fair values of real estate: The fair value is generally equal to the present value of realisable rental income. If the estimate regarding the future realisable rental income or the predicted rate of return on alternative investments changes, the fair value of the given item will also change. The capitalisation rate (bandwidth from 5.50 to 11.00%) is the rate at which the return from the property is generally computed on the market. One criterion for choosing the capitalisation rate is the general and specific risk that the return from the property is subject to.

In the current year the majority of investment property has been valued using internationally accepted valuation methods, particularly the Term and Reversion approach (more details on valuation methods are given in note 19).

For real estate under development (assets under construction – IAS 40) the residual value method was used for valuation. Using this method, the income values are estimated by the appraisers – provided there has been no pre-letting activity – in consultation with the project developers. The budgeted completion costs, including an appropriate developer margin, are deducted from the income values. What is left after this valuation method constitutes the market value of our properties under development.

The following sensitivity analysis shows the impact of key parameter changes on the fair value of investment property:

in T€						
PORTFOLIO PROPERTY						
	Carrying amount as at 31 Dec 2015	272,687		**Carrying amount as at 31 Dec 2014**	159,857	
	Adjustment to long-term rent			Adjustment to long-term rent		
	0.0%	10.0%	–10.0%	0.0%	10.0%	–10.0%
Adjustment to yield						
0.00%	–	17,791	–18,064	–	10,714	–9,914
0.50%	–17,345	–1,022	–33,929	–10,550	2,421	–19,677
–0.50%	19,985	39,897	62	12,396	18,117	–3,348

in T€				
DEVELOPMENT PROJECTS				
	Carrying amount as at 31 Dec 2015	281,220	**Carrying amount as at 31 Dec 2014**	70,012
Developer profit	–5.00%	5.00%	–5.00%	5.00%
	32,242	–33,631	11,439	–11,382
Adjustment to yield	–0.50%	0.50%	–0.50%	0.50%
	44,032	–46,434	16,894	–14,923
Adjustment to construction costs	10.00%	–10.00%	10.00%	–10.00%
	–43,153	56,977	–10,858	13,061
Adjustment to rental income	–10.00%	10.00%	–10.00%	10.00%
	–62,981	61,614	–12,723	14,928

The classification as investment property (IAS 40) or inventories (IAS 2) is based on the following considerations. Projects that are held for the purpose of generating rental revenue or for the purposes of increasing value are classified as investment property. The inventory category comprises real estate that is intended for resale at the outset.

Properties intended for sale: for any property where the market value can be determined based on comparable transactions, the market value was determined using the sales comparison approach or the cost approach. This primarily applies to real estate held under current assets (residential buildings) that is intended for immediate sale once completed. In accordance with accounting standards, the carrying amount is only aligned with the market value if this is lower. The external appraisers determined the parameters with the local project developers based on the size, age and condition of the buildings and country-specific parameters. Please refer to note 23 with regard to carrying amounts and the possible impact of impairment.

Provisions: the estimated values of severance payments, pension and anniversary bonus provisions are based on parameters such as discount factors, salary increases or fluctuations, which can lead to higher or lower provisions, staff expense and interest costs if changes occur. Other provisions are based on estimates related to the likelihood of an event occurring or the probability of an outflow of funds. Changes to these estimates or the occurrence of an event previously classed as unlikely can have a significant impact on the financial performance of the Group.

Sensitivity analysis of pension provisions:

The following actuarial assumptions were deemed relevant and the following margins were applied:
Discount rate +/– 0.25%, Pension trend +/– 0.25%, Life expectancy +/– 1 year.

The sensitivity analysis of life expectancy was carried out on the basis of a shift in life expectancy for the total candidates of the respective plan.

The difference to the values disclosed in the statement of financial position is shown in the tables below as relative deviations:

	Interest +0.25%		**Interest –0.25%**	
	active	liquid	active	liquid
Pensions DBO	–4.3%	–2.8%	–4.5%	–2.9%

	Pension trend +0.25%		**Pension trend –0.25%**	
	active	liquid	active	liquid
Pensions DBO	4.5%	2.9%	–4.3%	–2.8%

	life expectancy +1 year		**life expectancy –1 year**	
	active	liquid	active	liquid
Pensions DBO	2.8%	3.6%	–2.6%	–3.2%

Sensitivity analysis of severance payments:

For severance payments, the following actuarial assumptions were deemed relevant and the following margins were applied:
Discount rate +/– 0.25%, Salary trend +/– 0.25%, Fluctuation +/– 0.5% up to 25th year of work, Life expectancy +/– 1 year.

The sensitivity analysis of life expectancy was carried out on the basis of a shift in average life expectancy for the total candidates of the respective plan.

The difference to the values disclosed in the statement of financial position is shown in the tables below as relative deviations:

	Interest +0.25%	Interest –0.25%	Salary trend +0.25%	Salary trend –0.25%
Severance DBO	–1.72%	1.78%	1.75%	1.70%

	Fluctuation +0.5% until 25th year of service	Fluctuation –0.5% until 25th year of service	Life expectancy +1 year	Life expectancy –1 year
Severance DBO	–0.23%	0.24%	0.14%	–0.16%

The following table shows the average duration of the respective obligations:

	Maturity profile – DBO			DBO	Maturity profile – Cash			Cash
	1–5 years	6–10 years	10+ years	Duration	1–5 years	6–10 years	10+ years	Duration
Pensions	1,461	1,615	4,376	13.82	1,562	1,942	7,105	16.06
Severance	1,278	608	900	7.17	1,374	940	2,308	10.14

Project financing: As the parent company, UBM issues loans to its companies accounted for under the equity method and subsidiaries. These loans serve as financing for the equity share of property projects. They are subject to interest at common market rates and are payable after the sale of the project.

The actual amounts realised in the future could differ from the estimates and assumptions based on the success of individual projects. With regard to carrying amounts and possible impacts from impairment, please refer to note 21.

6. NEW AND AMENDED ACCOUNTING STANDARDS

STANDARDS ADOPTED FOR THE FIRST TIME IN THE YEAR UNDER REVIEW

Amendments to standards and interpretations

Annual Improvements to IFRSs (2011–2013 Cycle)
The Annual Improvements to IFRSs 2011–2013 Cycle contains a number of minor amendments to different standards. The amendments apply to fiscal years beginning on or after 1 January 2015. The standards affected by these amendments include: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 3 Business Combinations; IFRS 13 Fair Value Measurement; and IAS 40 Investment Property.

As the main purpose of the Annual Improvements project is to clarify the formulation of existing IFRSs and make small amendments to eliminate unforeseen consequences and conflicts, the Group does not expect any of the amendments arising from Improvements to IFRSs to have a significant impact on the consolidated financial statements. The clarifications to IAS 40 related to the limitations of IFRS 3 have been applied to the classification of acquisitions.

New interpretations

IFRIC 21 — Levies
The interpretation provides guidance on when to recognise a liability for a levy imposed by a government. The interpretations apply to fiscal years beginning on or after 17 June 2014. The interpretation has not had significant impact on the consolidated financial statements.

STANDARDS AND INTERPRETATIONS WHICH HAVE NOT YET BEEN ADOPTED

The following published standards and interpretations relevant to the preparation of consolidated financial statements did not need to be applied compulsorily to the current business year and the voluntary option to apply them early was also not exercised.

Standards and interpretations already adopted by the European Union

Amendments to standards and interpretations

Amendment to IAS 19 Employee Benefits
The amendment clarifies how contributions from employees or third parties which are linked to service should be attributed to periods of service and also permits a practical expedient if the amount of the contributions is independent of the number of years of service. The amendment applies to fiscal years beginning on or after 1 February 2015. The amendment has not had any impact on the consolidated financial statements.

Annual Improvements to IFRSs (2010–2012 Cycle)
The Annual Improvements to IFRSs 2010–2012 Cycle contains a number of minor amendments to different standards. The amendments apply to fiscal years beginning on or after 1 February 2015. The standards affected by these amendments include: IFRS 2 Share-based Payment; IFRS 3 Business Combinations; IFRS 8 Operating Segments; IFRS 13 Fair Value Measurement; IAS 16 Property, Plant and Equipment; IAS 24 Related Party Disclosures; and IAS 38 Intangible Assets.

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

The amendments relate to accounting for interests in joint ventures and joint operations. This amendment will involve the inclusion of new guidance in IFRS 11 on accounting for acquisitions on interests in joint operations which constitute a business. The amendments apply to fiscal years beginning on or after 1 January 2016. The Group is currently evaluating the impact of the amendments on the consolidated financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate because such methods reflect factors other than the pattern of consumption of an asset's expected future economic benefits. The amendments also specify that a revenue-based amortisation method for determining the future economic benefits of intangible assets is generally inappropriate, whereby this presumption can be overcome under specific limited circumstances. The amendments apply to fiscal years beginning on or after 1 January 2016. The amendments are not likely to have any impact on the consolidated financial statements.

Amendments to IAS 16 and IAS 41: Bearer Plants

The amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" relate to the financial reporting for bearer plants. Bearer plants, which are used solely to grow produce, have been brought into the scope of IAS 16. This means that they can be accounted for in the same way as property, plant and equipment. The amendments apply to fiscal years beginning on or after 1 January 2016, whereby earlier adoption is permitted. The amendments are not likely to have any impact on the consolidated financial statements.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The minor amendments to IAS 27 "Separate Financial Statements" allow entities to use the equity method as an accounting option for investments in subsidiaries, joint ventures and companies accounted for under the equity method in an entity's separate financial statements. The amendments apply to fiscal years beginning on or after 1 January 2016. The amendment will not have any impact on the consolidated financial statements.

Annual Improvements to IFRSs 2012–2014 Cycle

The IASB has issued IASB ED/2013/11 "Annual Improvements to IFRSs 2012–2014 Cycle". The draft proposes the following amendments:

- IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" – clarifies that no accounting change is required in cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa.
- IFRS 7 "Financial Instruments: Disclosures" – clarifies whether a servicing contract is continuing involvement in a transferred asset and clarifies offsetting disclosures to the condensed interim financial statements.
- IAS 19 "Employee Benefits" – the amendments clarify that the corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.
- IAS 34 "Interim Financial Reporting" – proposes the inclusion of a cross-reference to information disclosed in interim financial reports.

Subject to adoption by the EU, all of the amendments will apply to fiscal years beginning on or after 1 January 2016. Earlier adoption is permitted. The Group is currently evaluating the impact of the amendments on the consolidated financial statements.

Amendments to IAS 1: Disclosure Initiative

In December 2014 the IASB issued amendments to IAS 1 "Presentation of Financial Statements". The amendments primarily relate to the following points:

- Clarifying that disclosures in the financial statements are only necessary if their content is not immaterial.
- Guidance on aggregating and disaggregating items in the statement of financial position and statement of profit or loss and other comprehensive income.
- Clarifying how to account for an entity's share of other comprehensive income of equity-accounted companies accounted for under the equity method in the statement of comprehensive income.
- Eliminating the model structure of the financial statements in order to take account of relevance to the specific company.

Subject to adoption by the EU, the amendments will apply to reporting periods beginning on or after 1 January 2016. Earlier adoption is permitted. The Group is currently evaluating the impact of the amendments on the consolidated financial statements.

Standards and interpretations not yet adopted by the European Union

New standards

IFRS 9 – Financial Instruments

The IASB published the final version of the standard on 24 July 2014 in the course of completing the various phases of its comprehensive financial instruments project. This means that IAS 39 Financial Instruments and Recognition can now be fully replaced with the application of IFRS 9. The most recently published version of IFRS 9 replaces all earlier versions of the standard. The amendment applies to reporting periods beginning on or after 1 January 2018. The Group is currently evaluating the impact of the amendment on the consolidated financial statements.

IFRS 14 – Regulatory Deferral Accounts

IFRS 14 "Regulatory Deferral Accounts" permits an entity which is a first-time adopter of IFRSs to continue to account, with some limited changes, for regulatory deferral account balances in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required. IFRS 14 was issued in January 2014 and applies to reporting periods beginning on or after 1 January 2016. The standard will not have any impact on the consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles-based, five-step model to be applied to all contracts with customers. IFRS 15 was issued in May 2014 and applies to reporting periods beginning on or after 1 January 2018. The Group is currently evaluating the impact of the standard on the consolidated financial statements.

IFRS 16 — Leases

The standard specifies how to recognise, measure, present and disclose leases. IFRS 16 replaces the previous standard IAS 17 and three interpretations related to leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value (option to choose). The standard was published in January 2016 and its application will be obligatory for reporting periods beginning on or after 1 January 2019. The Group is currently evaluating the impact of the standard on the consolidated financial statements.

Amendments to standards and interpretations

Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception

The IASB issued amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Companies accounted for under the equity method and Joint Ventures" with regard to applying the consolidation exception for investment entities. The amendments serve to clarify three issues related to the consolidation exception for investment entities whose subsidiaries are measured at fair value. The amendments will apply to reporting periods beginning on or after 1 January 2016. The amendments are not likely to have any impact on the consolidated financial statements.

Amendments to IFRS 10 and IAS 28: Investments in Companies accounted for under the equity method and Joint Ventures

The amendments address an inconsistency between the requirements of IFRS 10 and IAS 28. They clarify how to deal with gains and losses resulting from a transaction between an investor and its associate or joint venture. Gains or losses from downstream transactions involving assets that constitute a business must be recognised in full by the investor. Transactions involving assets which do not constitute a business require only partial recognition of the gain or loss. The application of the amendments has been postponed for an indefinite period. The Group is currently evaluating the impact of the amendments on the consolidated financial statements.

Amendments to IAS 12: Recognition of deferred tax assets for unrealised losses

The amendments to IAS 12 aim in particular to clarify how to account for deferred tax assets for unrealised losses from assets measured at fair value in order to address diversity in practice. The amendments will apply to reporting periods beginning on or after 1 January 2017. The application is not likely to have any impact on the consolidated financial statements.

Amendments to IAS 7: Disclosure Initiative

The amendments come with the objective that an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will apply to reporting periods beginning on or after 1 January 2017. The application is not likely to have any impact on the consolidated financial statements.

7. REVENUE

Revenue totalling T€ 307,781 (previous year: T€ 223,566) includes proceeds from the sale of properties and project companies, rental income, construction services invoiced for certain projects and other revenue from ordinary activities.

The following table shows total Group output based on internal reporting by region, which in particular shows the proportional output of companies accounted for under the equity method and subsidiaries which are not consolidated in full.

in T€	2015	2014
REGIONS		
Austria	193,559	89,374
Germany	208,853	146,771
Poland	79,480	54,455
Other markets	111,423	52,138
Total Group output	**593,315**	**342,738**
Less revenue from companies accounted for under the equity method, subsidiaries and joint ventures	–240,429	–101,598
Less changes to the portfolio	–45,105	–17,574
Revenue	**307,781**	**223,566**

8. OTHER OPERATING INCOME

in T€	2015	2014
Income from the release of provisions	558	2,701
Staff cost allocations	607	354
Exchange gains	1,677	436
Rent from space and land	241	101
Miscellaneous	5,676	630
Total	**8,759**	**4,222**

9. COST OF MATERIALS AND OTHER RELATED PRODUCTION SERVICES

in T€	2015	2014
Expenditure on raw materials and supplies and for purchased goods	–20,476	–3,350
Expenditure on purchased services	–232,244	–175,197
Total	**–252,720**	**–178,547**

10. STAFF EXPENSE

in T€	2015	2014
Salaries and wages	–30,801	–17,195
Social welfare expenses	–6,251	–4,004
Expenditure on severance payments and pensions	–253	–324
Total	**–37,305**	**–21,523**

Expenditure on severance payments and pensions includes the current service costs and expenditure on defined contribution obligations. The interest expense is shown under the item finance costs.

11. OTHER OPERATING EXPENSES

The significant other operating expenses break down as follows:

in T€	2015	2014
Office operations	–7,155	–4,196
Advertising	–2,913	–1,366
Legal and consultancy services	–10,625	–4,151
Depreciation/impairment on current real estate assets	–5,105	–3,347
Exchange losses	–1,295	–3,182
Taxes, contributions and charges	–3,975	–2,255
Bank charges	–2,912	–1,768
Miscellaneous	–14,283	–7,115
Total	**–48,263**	**–27,380**

The miscellaneous other operating expenses primarily comprise other third-party services, travel expenses, charges and fees, as well as general administrative costs.

12. DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE

Amortisation of T€ 67 (previous year: T€ 17) was applied to intangible assets and depreciation of T€ 2,740 (previous year T€ 2,367) to property, plant and equipment.

13. FINANCIAL INCOME

in T€	2015	2014
Income from shareholdings	659	486
of which from affiliates	305	186
Interest and similar income	6,330	5,498
of which from project financing for companies accounted for under the equity method and subsidiaries	3,624	3,806
of which from affiliates	365	379
Income from the disposal of/reversal of impairment of current financial assets	418	706
of which from affiliates	–	–
Total	**7,407**	**6,690**

14. FINANCE COSTS

in T€	2015	2014
Interest and similar expenditure relating to bonds	–11,225	–11,161
Interest and similar expenditure relating to other financial liabilities	–4,444	–5,404
Other interest and similar expenses	–6,630	–4
Expenditure relating to shareholdings	–	–1,518
of which from companies accounted for under the equity method	–	–1,518
of which from affiliates	–	–
Expenditure from other financial assets	–8,466	–
of which impairment and amortisation	–4,939	–
Total	**–30,765**	**–18,087**

15. INCOME TAX

Income tax is the taxes on income and earnings paid or owed in the individual countries, the tax allocation for other shareholders of a non-consolidated shareholding in accordance with Article 9 Austrian Corporate Tax Act and deferred taxes.

The calculation is based on tax rates that will be applicable pursuant to the prevailing tax laws or according to tax laws whose entry into force is essentially finalised, at the probable date of realisation.

in T€	2015	2014
Actual tax expense	5,306	3,660
Deferred tax expense/income	7,646	–486
Tax expense (+)/income (–)	**12,952**	**3,174**

The tax expense resulting from the application of the Austrian Corporation Tax rate of 25% can be reconciled to the actual expense as follows:

in T€	2015	2014
Profit before income tax	50,285	25,160
Theoretical tax expense (+)/income (–)	12,571	6,290
Differences in rates of taxation	317	486
Tax effect of non-deductible expenditure and tax-exempt income	–9,194	240
Income/expenditure from companies accounted for under the equity method	2,013	–3,903
Changes in deferred tax assets not applied in relation to loss carryforwards	8,356	–
Effect of changes in tax rates	103	–
Tax losses (–)/income (+) related to other periods	–1,603	33
Other differences	389	28
Taxes on income and earnings	**12,952**	**3,174**

In addition to the tax expense recognised in the consolidated income statement, the tax effect of expenses and income set off to other comprehensive income was also recognised in other comprehensive income. The income recognised in other comprehensive income amounted to T€ 3 (previous year: T€ 255) and related to the tax effect of the remeasurement from benefit obligations.

16. EARNINGS PER SHARE

Earnings per share are calculated by dividing the proportion of the annual profit relating to the shareholders of the parent by the weighted average number of shares issued. The diluted earnings per share correspond to the basic earnings per share.

	2015	2014
Proportion of annual surplus relating to shareholders of the parent	33,808	21,531
Weighted average number of shares issued	6,901,962	6,000,000
Earnings per share in €	**4.90**	**3.59**

17. INTANGIBLE ASSETS

in T€	Concessions, licences and similar rights	Goodwill	Total
ACQUISITION AND MANUFACTURING COSTS			
Balance at 1 Jan 2014	**276**	**3,861**	**4,137**
Changes through corporate acquisitions	74	–	74
Additions	19	–	19
Disposals	–7	–	–7
Reclassifications	–	–	–
Currency adjustments	–7	–	–7
Balance at 31 Dec 2014	**355**	**3,861**	**4,216**
Additions from common control transaction	438	–	438
Additions	96	–	96
Disposals	–164	–	–164
Reclassifications	6	–	6
Currency adjustments	2	–	2
Balance at 31 Dec 2015	**733**	**3,861**	**4,594**
ACCUMULATED AMORTISATION AND IMPAIRMENT			
Balance at 1 Jan 2014	**265**	**1,182**	**1,447**
Changes through corporate acquisitions	20	–	20
Additions	17	–	17
Disposals	–7	–	–7
Reclassifications	–	–	–
Currency adjustments	–6	–	–6
Appreciation	–	–	–
Balance at 31 Dec 2014	**289**	**1,182**	**1,471**
Additions from common control transaction	329	–	329
Additions	67	–	67
Disposals	–158	–	–158
Reclassifications	–	–	–
Currency adjustments	2	–	2
Appreciation	–	–	–
Balance at 31 Dec 2015	**529**	**1,182**	**1,711**
Carrying amounts – balance at 31 Dec 2014	**66**	**2,679**	**2,745**
Carrying amounts – balance at 31 Dec 2015	**204**	**2,679**	**2,883**

Ausgewiesen werden ausschließlich erworbene immaterielle Vermögenswerte mit einer begrenzten Nutzungsdauer. In Bezug auf Nutzungsdauer und Abschreibungsmethode wird auf die Ausführungen zu den Bilanzierungs- und Bewertungsmethoden verwiesen.

Die planmäßigen Abschreibungen sind in der Gewinn- und Verlustrechnung unter „Abschreibungen auf immaterielle Werte des Anlagevermögens und Sachanlagen“ ausgewiesen.

Im Rahmen des Impairment-Tests wird die Summe der Buchwerte der Vermögenswerte der einzelnen zahlungsmittelgenerierenden Einheit, der ein Geschäfts- oder Firmenwert zugeordnet wurde, mit dem erzielbaren Betrag derselben verglichen. Die zahlungsmittelgenerierende Einheit entspricht im UBM-Konzern der einzelnen konsolidierten Gesellschaft. Der Firmenwert ist der zahlungsmittelgenerierenden Einheit Münchner Grund Immobilien Bauträger AG zugeordnet.

Der erzielbare Betrag entspricht dem Nutzungswert. Die Cashflows wurden von den vom Vorstand erstellten und im Zeitpunkt der Durchführung des Impairment-Tests aktuellen Planungen der Jahre 2015 und der folgenden vier Jahre (Detailplanungszeitraum) und einer Wachstumsrate von 1 % (Vorjahr: 1 %) abgeleitet. Diese Prognosen basieren auf Erfahrungen aus der Vergangenheit sowie auf Erwartungen über die zukünftige Marktentwicklung. Die Diskontierung wurde auf Basis der spezifischen Kapitalkosten in Höhe von 7,68 % (Vorjahr: 7,67 %) unter Zugrundelegung einer ewigen Rente vorgenommen. Bei einer Änderung der spezifischen Kapitalkosten von 1 % gäbe es keine Änderung des Wertansatzes.

18. SACHANLAGEVERMÖGEN

in T€	Grundstücke, grundstücksgleiche Rechte und Bauten, einschließlich der Bauten auf fremdem Grund	Technische Anlagen und Maschinen	Andere Anlagen, Betriebs- und Geschäftsausstattung	Geleistete Anzahlungen und Anlagen in Bau	Gesamt
ANSCHAFFUNGS- UND HERSTELLUNGSKOSTEN					
Stand 1.1.2014	**27.461**	**1.819**	**9.439**	**231**	**38.950**
Änderung durch Unternehmenserwerb	28.231	–	938	–	29.169
Zugänge	69	33	562	1.106	1.770
Abgänge	–30	–129	–487	–	–646
Umgliederungen	–26.767	221	778	–1.289	–27.057
Währungsanpassungen	–284	–50	–119	–3	–457
Stand 31.12.2014	**28.679**	**1.894**	**11.111**	**45**	**41.729**
Zugang aus Common Control Transaction	4.648	725	3.599	–	8.972
Änderung durch Unternehmenserwerb	–	1.330	774	–	2.104
Zugänge	14.084	196	3.355	163	17.798
Abgänge	–	–1.646	–2.532	–7	–4.185
Umgliederungen	–14.253	5	–1.162	136	–15.274
Währungsanpassungen	8	6	21	–5	30
Stand 31.12.2015	**33.166**	**2.510**	**15.166**	**332**	**51.174**

Tabellenfortsetzung auf Seite 112

in T€	Land, land rights and buildings including buildings on leasehold land	Technical equipment and machinery	Other facilities, fixtures and office equipment	Payments on account and assets under construction	Total
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
Balance at 1 Jan 2014	**5,837**	**1,376**	**6,015**	**–**	**13,228**
Changes through corporate acquisitions	169	–	161	–	330
Additions	1,093	113	1,161	–	2,367
Disposals	–21	–87	–402	–	–510
Reclassifications	–6,426	–1	1	–	–6,426
Currency adjustments	–58	–38	–96	–	–192
Appreciation	–	–	–	–	–
Balance at 31 Dec 2014	**594**	**1,363**	**6,840**	**–**	**8,797**
Additions from common control transaction	638	707	2,988	–	4,333
Changes through corporate acquisitions	–	374	342	–	716
Additions	999	127	1,614	–	2,740
Disposals	–	–1,489	–2,364	–	–3,853
Reclassifications	–328	–	–33	–	–361
Currency adjustments	1	17	35	–	53
Appreciation	–	–	–	–	–
Balance at 31 Dec 2015	**1,904**	**1,099**	**9,422**	**–**	**12,425**
Carrying amounts – balance at 31 Dec 2014	**28,085**	**531**	**4,271**	**45**	**32,932**
Carrying amounts – balance at 31 Dec 2015	**31,262**	**1,411**	**5,744**	**332**	**38,749**

Any impairment recognised in profit or loss is shown together with scheduled depreciation under "Depreciation, amortisation and impairment expense" and any reversals of impairment recognised in profit or loss on assets subject to prior impairment are shown in the income statement under "Other operating income". The carrying amount of property, plant and equipment pledged as collateral as of the reporting date amounts to T€ 31,400 (previous year: T€ 27,676). Property, plant and equipment with a carrying amount of T€ 31,400 (previous year: T€ 27,676) is subject to restrictions on disposal.

The carrying amounts of property, plant and equipment held under finance leasing agreements amounted to T€ 2,312 (previous year: T€ 0). These are balanced by corresponding liabilities represented by the present value of the minimum lease payments of T€ 1,097 (previous year: T€ 0).

OPERATING LEASES

The Group essentially leases cars and individual items of real estate under operating leases, in most cases pre-agreed extension options are not exercised. The average term of car leasing agreements is five years and the term of real estate leasing agreements is up to seven years.

in T€	2015	2014
Due with 1 year	3,099	507
Due within 1 to 5 years	14,647	2,209
Due after 5 years	–	3,574

19. INVESTMENT PROPERTY

The carrying amounts of investment property correspond to the fair value and break down as follows:

in T€	
CARRYING AMOUNTS	
Balance at 1 Jan 2014	**279,429**
Changes through corporate acquisitions	14,312
Additions	27,176
Disposals	87,767
Reclassifications	–4,912
Currency adjustments	–2,790
Adjustment to fair value	4,421
Balance at 31 Dec 2014	**229,869**
Additions from common control transaction	193,212
Changes through corporate acquisitions	24,632
Additions	128,479
Disposals	–18,327
Reclassifications IFRS 5	–27,973
Reclassifications	–2,306
Currency adjustments	–245
Appreciation	26,566
Balance at 31 Dec 2015	**553,907**

RECONCILIATION OF LEVEL 3 VALUATIONS:

	Austria					Germany	
in T€	**Office**	**Other**	**Residential**	**Hotel**	**Land bank**	**Office**	**Residential**
Carrying amount at start of business year	**37,176**	**29,194**	**956**	**–**	**2,294**	**42,044**	**936**
Change of use/new segmentation	–	2,529	–869	–	–1,660	–	–
Carrying amount at start of business year after new segmentation	**37,176**	**31,723**	**87**	**–**	**634**	**42,044**	**936**
Addition from common control transaction	98,377	13,924	7,165	5,564	39,286	10,090	–
Currency adjustments	–	–	–	–	–	–	–
Additions from property purchases	–	–	18,118	27,635	145	6,995	–
Additions in existing properties	3,464	65	–	14	–	29,434	–
Additions/disposals from expanding the consolidated group	–	–	–	–	–	–	–
Disposals from reclassifying properties as properties held for sale	–	–	–	–	–	–27,973	–
Additions from reclassifying properties as properties held for sale/disposals in current assets	1,667	2,145	–5,899	–	–	–	–
Disposals	–15,888	–152	–164	–88	–564	–	–936
Net gains/losses from adjustments to fair value*)	–1,442	102	–5	–	–862	28,014	–
Carrying amount at end of business year	**123,354**	**47,807**	**19,302**	**33,125**	**38,639**	**88,604**	**–**

	Austria			
in T€	**Office**	**Other**	**Residential**	**Land bank**
Carrying amount at start of business year	37,453	55,808	1,844	2,700
Currency adjustments	–	–	–	–
Additions from property purchases	–	–	–	–
Additions in existing properties	40	–	–	–
Additions/disposals from expanding the consolidated group	–	–	–	–
Disposals from reclassifying properties as properties held for sale	–1,667	–3,245	–	–
Disposals	–	–23,392	–883	–753
Net gains/losses from adjustments to fair value*)	1,350	23	–5	347
Carrying amount at end of business year	**37,176**	**29,194**	**956**	**2,294**

*) Net income from changes in fair value consists of revaluation gains of T€ 29,675 (previous year: T€ 5,273) and revaluation losses of T€ –3,109 (previous year: T€ –852).

Germany		Poland				Other markets				Total
Hotel	Land bank	Office	Other	Hotel	Land bank	Office	Other	Residential	Land bank	2015
–	**1,568**	**–**	**–**	**–**	**–**	**35,918**	**73,642**	**–**	**6,141**	**229,869**
–	–	35,088	63,642	–	–	–35,088	–63,427	–	–215	–
–	**1,568**	**35,088**	**63,642**	**–**	**–**	**830**	**10,215**	**–**	**5,926**	**229,869**
–	–	–	–	–	–	10,129	–	523	8,154	193,212
–	–	–422	–2	–162	–	281	–54	2	112	–245
917	8,466	8,623	783	8,699	–	–	495	–	–	80,876
–	–	14,388	–	–	–	3	–	–	235	47,603
–	–	–	–	–	–	8,170	16,462	–	–	24,632
–	–	–	–	–	–	–	–	–	–	–27,973
–	–	–	–	–	–	–	–219	–	–	–2,306
–	–500	–	–4	–	–	–	–20	–	–11	–18,327
–	–	833	–	288	–	–362	–	–	–	26,566
917	**9,534**	**58,510**	**64,419**	**8,825**	**–**	**19,051**	**26,879**	**525**	**14,416**	**553,907**

West			East			Total
Office	Residential	Land bank	Office	Other	Land bank	2014
73,300	1,007	3,099	28,164	72,138	3,916	279,429
–	–	–	–895	–1,847	–48	–2,790
–	–	–	–	–	–	–
12,406	–	–	11,135	1,322	2,273	27,176
14,312	–	–	–	–	–	14,312
–	–	–	–	–	–	–4,912
–57,974	–71	–1,163	–3,513	–18	–	–87,767
–	–	–368	1,027	2,047	–	4,421
42,044	**936**	**1,568**	**35,918**	**73,642**	**6,141**	**229,869**

FAIR VALUE OF LAND AND BUILDINGS

Determining the fair value of properties is carried out by way of a revolving cycle. An internal valuation team determines the market value of any property which has not undergone an external valuation. Discussions related to the parameters which need to be applied to determine fair value (Level 3) are led by operational project developers, the Managing Board and the valuation team.

In the year under review the market values of all properties with a carrying amount over T€ 1,000, including those of non-controlling interests included in the consolidated financial statements, were determined by external appraisers; this involved investment property with a total carrying amount of T€ 491,643 (previous year: T€ 227,215).

As in the previous year, the majority of fair values were determined using capital earnings methods, particularly the Term and Reversion approach, an international valuation method for determining the value of real estate. This valuation method divides all expected future cash flows into two distinct, independent areas. This division is necessary as when a property is rented out, the period until the current agreement (in place on the valuation date) ends – the so-called TERM – cannot be treated in the same way with regard to the requisite calculations as the period which starts after the existing rental agreement comes to an end – so-called REVERSION (applying to the subsequent rental agreement).

Term (contractual duration) – the present value of the net yield during the term is calculated. This present value is not, however, a perpetual annuity, but merely a temporary annuity which ends when the rental agreement ends.

Reversion (adjustment period) – the net yield of the reversion (market rent starting from the subsequent rental agreement), taking into account the duration the property will be vacant, is capitalised with a common market interest rate for the valuation as a perpetual annuity. A separate discount is not applied to this result, but considered in the capitalisation rate. The structural vacancy rate, should such a rate exist, is deducted separately.

The choice of capitalisation rate in the term and the reversion is specified in light of the current market conditions. An investor expects a certain yield for the respective property in accordance with this estimate. Using this as a starting point, an appropriate capitalisation rate in the term and the reversion is specified for the property.

When choosing the interest rate, factors such as the market potential, the vacancy rate and other risks related to the property are taken into consideration.

For real estate under development (assets under construction – IAS 40) the residual value method was used for valuation. Using this method, the income values are estimated by the appraisers – provided there has been no pre-letting activity – in consultation with the project developers. The budgeted completion costs, including an appropriate developer margin, are deducted from the income values. What is left after this valuation method constitutes the market value of our properties under development.

The following table shows the place in the fair value hierarchy, the valuation method and the information used to value non-observable inputs.

The various levels of the fair value hierarchy are defined as follows:

- Quoted (non-adjusted prices) in active markets for identical assets or liabilities (Level 1)
- Inputs which differ from the quoted market prices in Level 1, which are either indirectly observable (i.e. as a price) or directly observable (i.e. derived from the price) (Level 2)
- Inputs which are based on unobservable market data for the assets or liabilities (Level 3)

				RANGE OF NON-OBSERVABLE INPUTS			
Property type	**Segment**	**Fair value hierarchy**	**Fair value in T€ at 31 Dec 2015**	**Valuation method**	**Capitalisation rate in %**	**Rent in € per m²/ sales price in € per m²**	**Maintenance in €/m²**
INVESTMENT PROPERTY							
Office	Austria	Level 3	104,854	TR*)	6.00–6.50	7.08–12.05	5.50–12.50
Office	Austria	Level 3	18,500	Residual	5.50	15.71	8.34
Other	Austria	Level 3	47,807	TR*)	6.00–7.25	6.29–10.58	5.50–6.50
Residential	Austria	Level 2	19,302	Residual	4.00	4,500.00	–
Hotel	Austria	Level 3	33,125	Residual	5.00	–	–
Land bank	Austria	Level 2	38,639	CV*)	–	–	–
Office	Germany	Level 3	88,604	Residual	5.25–5.50	8.90–14.33	5.13–6.16
Hotel	Germany	Level 3	917	–	–	–	–
Land bank	Germany	Level 3	9,534	Residual	6.50	15.50	6.19
Office	Poland	Level 3	35,510	Residual	6.50–7.00	12.00–21.00	3.95–6.13
Office	Poland	Level 3	23,000	TR*)	6.75–7.25	12.51–14.07	2.50
Other	Poland	Level 3	10,737	Residual	7.25	9.07	4.68
Other	Poland	Level 3	53,682	TR*)	7.50–8.50	6.78–8.53	2.00–6.00
Hotel	Poland	Level 3	8,825	Residual	7.00	18.72	6.74
Office	Other markets	Level 3	19,051	TR*)	6.75	9.50–11.94	8.00
Other	Other markets	Level 3	26,879	TR*)	8.25–11.00	4.75–7.35	4.00–8.00
Residential	Other markets	Level 3	525	–	–	–	–
Land bank	Other markets	Level 3	13,485	Residual	7.00–8.50	5.50–5.65	2.19–8.12
Land bank	Other markets	Level 3	931	–	–	–	–

				RANGE OF NON-OBSERVABLE INPUTS			
Property type	**Segment**	**Fair value hierarchy**	**Fair value in T€ at 31 Dec 2014**	**Valuation method**	**Capitalisation rate in %**	**Rent per m² €/m²**	**Maintenance in €/m² or %**
INVESTMENT PROPERTY							
Office	Austria	Level 3	37,176	TR*)	6.25 –6.50	7.50–13.84	2.50–5.50
Other	Austria	Level 3	31,723	TR*)	6.50–7.00	7.46–10.35	3.00–6.50
Residential	Austria	Level 3	87	CV*)	–	–	–
Land bank	Austria	Level 3	634	CV*)	–	–	–
Office	Germany	Level 3	42,044	Residual	5.25–7.00	5.80–16.50	3.00–5.50%
Residential	Germany	Level 3	936	TR*)	8.00	5.17	4.00
Land bank	Germany	Level 3	1,568	CV*)	–	–	–
Office	Poland	Level 3	35,088	TR*)	6.25–7.25	9.36–13.50	2.00–7.00
Other	Poland	Level 3	63,642	TR*)	7.50–9.25	7.32–8.52	2.00–6.00
Office	Other markets	Level 3	830	TR*)	6.25–7.25	9.36–10.73	2.50–7.00
Other	Other markets	Level 3	10,215	Residual	7.00	5.30–13.10	3.00–4.00%
Land bank	Other markets	Level 3	4,779	Residual	7.00	5.30–6.50	3.00–4.75%
Land bank	Other markets	Level 3	1,147	CV*)	–	–	–

*) capitalised earnings = CE | *) comparative value = CV | *) term reversion = TR

THE IMPACT OF NON-OBSERVABLE INPUTS ON FAIR VALUE

- Rent: the higher the price per m², the higher the fair value
- Maintenance: the higher the anticipated cost of maintenance, the lower the fair value
- Capitalisation rate: the higher the capitalisation rate, the higher the fair value

At the reporting date existing contractual obligations to acquire or build investment property amounted to T€ 119,799 (previous year: T€ 103,281). In addition, investment property with a carrying amount of T€ 421,437 (previous year: T€ 200,656) was pledged as collateral.

Rental income from investment property rented out amounted to T€ 20,549 in the reporting period (previous year: T€ 15,504), while operating expenses totalled T€ 2,958 (previous year: T€ 1,514). Operating expenses related to investment property which did not generate any rental income in the reporting period amounted to T€ 998 (previous year: T€: 540).

The carrying amounts of investment property held under finance leasing agreements relate to:

in T€	2015	2014
Real estate leasing	67,386	28,698

These carrying amounts are balanced by corresponding liabilities represented by the present value of the minimum lease payments, i.e. of T€ 35,846 (previous year: T€ 22,187).

The remaining term of the finance leasing agreements on real estate are between 5 and 13 years. There are no extension options, although there are purchase options in place.

20. SHARES IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

The requisite disclosures pursuant to IFRS 12 have been made for associates and joint ventures which are classed as significant by the UBM Group for reasons of quality or quantity.

ASSOCIATES

The following associated company relates to a hotel property in Vienna.

Company	Palais Hansen GmbH
Share in %	33.57%
Asset class	Hotel
Country	Austria
Development status	Portfolio

in T€	2015	2014
Revenue	3,886	29,609
Profit for the year	122	13,189
of which depreciation, amortisation and impairment	–	–
of which interest expense	–3,170	–3,222
of which tax expense	–	–13
Total comprehensive income	**122**	**13,189**
Non-current assets	115,700	115,700
Current assets	13,002	23,613
of which cash and cash equivalents	4,473	10,590
Non-current liabilities	67,346	67,830
of which non-current financial liabilities	57,409	58,695
Current liabilities	326	472
Net assets	61,030	71,011
Group share of net assets at 1 Jan		
Transaction under common control	23,838	23,561
Group share of total comprehensive income	41	277
Dividends received	–3,391	–
Group share of net assets at 31 Dec	20,488	23,838
Carrying amount of companies accounted for under the equity method at 31 Dec	**20,488**	**23,838**

Disclosures on associates of minor significance:

in T€	2015	2014
Carrying amount of share in associates at 31 Dec	2,463	–
Group share in		
Profit for the year	309	–
Other comprehensive income	–	–
Total comprehensive income	**309**	**–**

The accumulated amount of non-recognised shares of losses of associates in the full year 2015 stood at T€ 344 (previous year: T€ 0) at 31 December 2015. The net from companies accounted for under the equity method includes the recycled result from a cash flow hedge of two associates which were sold totalling T€ –34,886.

JOINT VENTURES

The joint ventures listed below relate exclusively to project companies which are involved with developing and selling properties in various European countries. All companies are accounted for under the equity method.

2015 in T€			
Company	hospitals GmbH	W 3 AG	Jochberg Errichtungs KG
Share in %	74.00%	80.00%	50.00%
Asset class	Other	Other	Hotel
Country	Austria	Austria	Austria
Development status	Portfolio	Portfolio	Portfolio
Revenue	145	4,271	1,231
Profit/loss for the year	10,506	1,882	–1,644
of which depreciation, amortisation and impairment	–11	–	–2,414
of which interest expense	–755	–593	–675
of which tax expense	–2,347	–18	–
Total comprehensive income	**10,506**	**1,882**	**–1,644**
Non-current assets	3,432	75,920	56,145
Current assets	8,794	1,045	86
of which cash and cash equivalents	3,495	752	10
Non-current liabilities	–	64,315	23,428
of which non-current financial liabilities	–	64,315	23,428
Current liabilities	2,843	1,212	1,662
Net assets	9,383	11,438	31,141
Group share of net assets at 1 Jan 2015	**–**	**2,503**	**–**
Exchange differences 1 Jan 2015	–	–	–
Transaction under common control	5,677	5,006	16,392
Group share in total comprehensive income	1,232	1,640	–821
Dividends received	–6,542	–	–
Group share of net assets at 31 Dec 2015	367	9,149	15,571
Carrying amount of companies accounted for under the equity method at 31 Dec 2015	**367**	**9,149**	**15,571**

*) merged with Vienna Office spzoo and Amsterdam Office spzoo

"hospitals" GmbH	BLV Pasing GmbH	UBX 1 Objekt Berlin GmbH	Polecki Business park spzoo*)	Sienna Hotel SKA	Top Office Munich GmbH
65.34%	47.00%	50.00%	50.00%	50.00%	47.00%
Other	Residential	Hotel	Other	Hotel	Other
Austria	Germany	Germany	Poland	Poland	Germany
Portfolio	Development			Portfolio	Portfolio
854	750	34,551	232	21,646	56,418
3,838	1,876	18,318	800	94	5,718
–4	–	–2,197	–	–867	–
–96	–203	–2,538	–36	–	–
–30	–323	–	–24	–	–
3,838	**1,876**	**18,318**	**800**	**94**	**5,718**
14,835	38,092	–	–	9,866	–
676	6,268	32,790	29,918	5,187	15,928
78	923	1,033	628	4,446	5,837
4,675	23,487	–	–	1,468	–
3,352	15,857	–	–	1,468	–
48	1,364	2,766	48	1,103	9,786
10,788	19,509	30,024	29,870	12,482	6,142
–	**8,287**	**5,850**	**14,535**	**6,194**	**–**
–	–	–	2	–	–
4,540	–	–	–	–	200
2,508	870	9,162	400	47	2,687
–	–	–14,975	–	–	–
7,048	9,157	37	14,937	6,241	2,887
7,048	**9,157**	**37**	**14,937**	**6,241**	**2,887**

2014 in T€			
Company	hospitals GmbH	W 3 AG	Jochberg Errichtungs KG
Share in %	74.00%	80.00%	50.00%
Asset class	Other	Other	Hotel
Country	Austria	Austria	Austria
Development status	Portfolio	Portfolio	Portfolio
Revenue	3,002	4,253	784
Profit/loss for the year	1,177	645	–2,695
of which depreciation, amortisation and impairment	–12	–	–2,508
of which interest expense	–919	–1,056	–760
of which tax expense	–175	–3	–
Total comprehensive income	**1,177**	**645**	**–2,695**
Non-current assets	37,456	75,632	58,553
Current assets	1,721	1,360	770
of which cash and cash equivalents	844	851	248
Non-current liabilities	29,792	66,370	24,167
of which non-current financial liabilities	27,399	64,508	24,167
Current liabilities	1,713	1,237	2,372
Net assets	7,672	9,385	32,784
Group share of net assets at 1 Jan 2014	**–**	**2,298**	**–**
Exchange differences 1 Jan 2014	–	–	–
Transaction under common control	5,640	5,159	16,512
Additions/disposals	–	–	–
Group share in total comprehensive income	37	51	–120
Dividends received	–	–	–
Group share of net assets at 31 Dec 2014	5,677	7,508	16,392
Carrying amount of companies accounted for under the equity method at 31 Dec 2014	**5,677**	**7,508**	**16,392**

BLV Pasing GmbH	UBX 1 Objekt Berlin GmbH	Polecki Business park spzoo	Vienna Office spzoo	Amsterdam Office spzoo	Sienna Hotel SKA
47.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Residential	Hotel	Other	Office	Office	Hotel
Germany	Germany	Poland	Poland	Poland	Poland
Development	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio
701	24,559	621	769	945	20,615
13,689	–1,441	2,539	440	596	2,925
–	–3,079	–221	–225	–225	–872
–222	–3,579	–304	–302	–301	–
–6,120	–	–15	–312	–288	–
13,689	**–1,441**	**2,539**	**440**	**596**	**2,925**
34,702	77,745	4,232	11,253	14,357	10,142
6,276	2,714	73	87	111	4,563
1,082	228	16	43	74	3,646
21,618	64,673	1,007	–	–	1,240
14,207	64,673	1,007	–	–	1,240
1,727	4,084	35	1	–	1,078
17,633	11,702	3,263	11,339	14,467	12,388
1,853	**6,559**	**372**	**5,601**	**7,128**	**5,645**
–	–	–10	–151	–192	–152
–	–	–	–	–	–
–	12	–	–	–	–
6,434	–721	1,269	220	298	1,462
–	–	–	–	–	–761
8,287	5,850	1,631	5,670	7,234	6,194
8,287	**5,850**	**1,631**	**5,670**	**7,234**	**6,194**

Disclosure on joint ventures of minor significance:

in T€	2015	2014
Carrying amount attr. to joint ventures of minor significance as at 31 Dec	23,198	10,806
Share in the Group of		
Annual profit	7,247	976
Other comprehensive income	–	–
Total earnings	**7,247**	**976**

The amount of non-recognised shares of losses of joint ventures and companies accounted for under the equity method for the 2015 business year is T€ 382 (previous year: T€ 1,452) and the accumulated amount as of 31 December 2015 is T€ 2,713 (previous year: T€ 2,331).

As at 31 December 2015 there were no significant restrictions on access to assets. See the details in note 41 for obligations related to contingent liabilities for companies accounted for under the equity method.

21. PROJECT FINANCING

in T€	2015	2014
Project financing for other shareholders	15,875	16,666
Project financing for companies accounted for under the equity method	70,010	52,981
Other project financing	2,892	2,847
Total	**88,777**	**72,494**

In the past business year impairment of T€ 0 (previous year: T€ 2,721) and reversals of impairment of T€ 2,531 (previous year: T€ 2,137) were applied.

The maturity of the project financing is tied to the sale of the respective property. There are no sums overdue at present.

22. OTHER FINANCIAL ASSETS

in T€	2015	2014
Shareholdings in non-consolidated subsidiaries	1,575	153
Other shareholdings	249	5,770
Securities available for sale	273	273
Securities HtM	3,797	2,907
Total	**5,894**	**9,103**

Securities available for sale mainly comprise fixed-interest instruments. They are not subject to any restrictions on disposal. As the fair value of shareholdings cannot be determined reliably, they are recognised at acquisition cost.

23. INVENTORIES

Inventories comprise the following items:

in T€	2015	2014
Properties intended for sale		
under development	152,421	62,988
in the portfolio	89,764	88,895
Other inventories	5,113	286
Less payments	–32,079	–22,712
Total	**215,219**	**129,457**

Inventories with a carrying amount of T€ 154,072 (previous year: T€ 60,661) were pledged as collateral for liabilities.

The carrying amount of the inventories recognised at fair value amounts to T€ 29,669 (previous year: T€ 27,000). In the reporting period allowances of T€ 5,105 (previous year: T€ 3,347) were recognised.

24. TRADE RECEIVABLES

CONSTRUCTION CONTRACTS

The construction contracts valued by the POC method at the end of the reporting period but not yet finally settled are stated as follows:

in T€	2015	2014
Contract values defined according to POC method (=contract proceeds for the period)	3,141	25,680
Less attributable payments on account	–3,065	–19,906
Total	**76**	**5,774**

Proportional contract values capitalised according to the percentage of completion of the contract as at 31 December 2015 are balanced by contract costs valued at T€ 1,407 (previous year: T€ 21,832), so that the recognised profit for these contracts amounts to T€ 1,734 (previous year: T€ 3,848).

Composition and maturity terms of **trade receivables**:

in T€	2015	2014
Receivables from third parties	15,130	7,905
Receivables from non-consolidated subsidiaries and other shareholdings	629	1,659
Receivables from companies accounted for under the equity method	27,283	7,266
Total	**43,042**	**16,830**

Receivables from third parties totalling T€ 5,785 (previous year: T€ 5,464) were not yet overdue and T€ 9,345 (previous year: T€ 2,441) were due for less than a year. All other receivables from non-consolidated subsidiaries, other shareholdings and companies accounted for under the equity method are not yet due.

Ageing structure of receivables from third parties:

			OF WHICH OVERDUE AT CLOSING DATE IN THE FOLLOWING TIME PERIODS				
in T€	Carrying amount at 31 Dec 2015	Of which not overdue at closing date	Less than 30 days	Between 30 and 60 days	Between 60 and 180 days	Between 180 and 360 days	More than 360 days
Receivables from third parties	15,130	5,785	3,980	246	2,003	3,116	–

			OF WHICH OVERDUE AT CLOSING DATE IN THE FOLLOWING TIME PERIODS				
in T€	Carrying amount at 31 Dec 2014	Of which not overdue at closing date	Less than 30 days	Between 30 and 60 days	Between 60 and 180 days	Between 180 and 360 days	More than 360 days
Receivables from third parties	7,905	5,464	445	125	574	1,297	–

25. FINANCIAL ASSETS

in T€	2015	Remaining term > 1 year	2014	Remaining term > 1 year
Receivables from related companies				
PIAG AG	–	–	108,000	–
PORR Group	–	–	17,000	–
Other	13,521	3,505	4,198	129
Total	**13,521**	**3,505**	**129,198**	**129**

Other financial assets primarily include receivables from insurance and from managing property, other advances from the previous year and a cash deposit.

26. OTHER RECEIVABLES AND ASSETS

in T€	2015	Remaining term > 1 year	2014	Remaining term > 1 year
Tax assets	9,174	–	1,799	–
Other	2	–	27	–
Total	**9,176**	**–**	**1,826**	**–**

27. CASH AND CASH EQUIVALENTS

The cash and cash equivalents include cash at banks amounting to T€ 92,237 (previous year: T€ 39,582) and cash in hand of T€ 1,507 (previous year: T€ 727).

28. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets held for sale relate to properties whose sale is considered highly probable and have therefore been reclassified out of property, plant and equipment or investment property.

29. DEFERRED TAX ASSETS

Temporary differences between the valuations in the IFRS consolidated financial statements and the respective valuations for tax purposes impacted as follows on the tax deferments shown in the statement of financial position:

	2015		2014	
in T€	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Investment property, other valuation differences	6,466	25,217	9,195	7,786
Property plant and equipment	659	4,071	359	1,802
Financial assets and liabilities	17,174	8,102	–	–
POC method	346	501	–	1,154
Provisions	3,086	107	266	–
Tax loss carryforwards	1,687	–	1,299	–
Other	55	199	173	745
Offsetting	–22,159	–22,159	–3,261	–3,261
Deferred taxes	**7,314**	**16,038**	**8,031**	**8,226**
Net deferred taxes	**–**	**8,724**	**–**	**195**

Deferred tax assets from loss carryforwards are recognised to the extent that these can probably be offset against future taxable profits. The balance of the non-recognised tax assets for loss carryforwards amounted to T€ 21,778 (previous year T€ 7,934) as of 31 December 2015, of which T€ 1,346 (previous year: T€ 1,388) were foreign losses in Austria. The recognised deferred tax assets for loss carryforwards primarily relate to Austrian pre-consolidation losses.

30. SHARE CAPITAL

Share capital	Number	€
Ordinary bearer shares	7,472,180	22,416,540

The share capital of € 22,416,540 (previous year: € 18,000,000) is divided into 7,472,180 (previous year: 6,000,000) ordinary, no-par bearer shares. The amount of share capital attributed to any single bearer share is € 3 (previous year: € 3).

Every ordinary share has an equal right to participate in profits, including liquidation profits, and is entitled to one vote at the Annual General Meeting.

CAPITAL INCREASE FROM THE MERGER WITH PIAG

In the extraordinary general meeting of 15 January 2015 a resolution was passed for the merger of PIAG and UBM. In order to carry out the merger, UBM increased its share capital from € 18,000,000 by € 30,000 to € 18,030,000 by issuing 10,000 new, ordinary, no-par bearer shares with voting rights in exchange for contribution in kind from the assets of PIAG. UBM transferred the new shares in the course of the capital increase to the PIAG shareholders at the pro-rata amount of share capital due to them of € 3 per share without applying a premium. The capital increase came into effect as of 19 February 2015.

CAPITAL INCREASE FROM AUTHORISED CAPITAL

On the basis of the authorisation granted by the Annual General Meeting on 30 April 2014, the Managing Board was authorised to increase the Company's share capital within five years from 7 May 2014 with the approval of the Supervisory Board, also in multiple tranches if so wished, to € 27,000,000 in exchange for cash and/or contributions in kind.

The Managing Board resolved to exercise this authorisation in April 2015, with the approval of the Supervisory Board, and to increase the Company's share capital from € 18,030,000 to € 22,416,540, by issuing a total of 1,462,180 new, ordinary, no-par bearer shares with voting rights and entitled to share in profits from the business year 2015.

THE CAPITAL INCREASE WAS CONDUCTED IN TWO TRANCHES

With effect from 22 April 2015 the share capital in the company was increased from € 18,030,000 by € 4,060,629 to € 22,090,629 (first tranche of cash capital increase, see note 31, 1,353,543 shares).

With effect from 8 May 2015 the share capital in the company was increased from € 22,090,629 by € 325,911 to € 22,416,540 (second tranche of cash capital increase, see note 31, 108,637 shares).

The new shares were issued at a price of € 40 per share, resulting in an influx to equity totalling € 58,487,200 gross, which increased the share capital by € 4,386,540 and the capital reserves by € 54,100,660.

31. AUTHORISED CAPITAL

Subject to approval being granted by the Supervisory Board, the Managing Board is authorised until 7 May 2019 to increase the share capital by up to € 4,613,460 by issuing up to 1,537,820 new ordinary no-par bearer shares in exchange for cash and/or contribution in kind, in multiple tranches if so wished, also under application of indirect pre-emptive rights pursuant to Art. 153 Sec. 6

Austrian Stock Corporation Act; the Managing Board is also authorised to specify the issue price, issue conditions, the subscription ratio and other details with the approval of the Supervisory Board. The Supervisory Board is entitled to pass resolutions on amending the statutes to allow the Managing Board to make use of this authorisation.

Furthermore, the Managing Board is permitted, with the approval of the Supervisory Board, to acquire treasury shares in the Company up to the legally permitted level of 10% of share capital, including treasury shares already bought back for a 30-month period beginning on the date the resolution was passed (20 May 2015).

32. RESERVES

The capital reserves result from the capital increases, adjustments and statute-barred dividend claims arising from previous years and the year 2015. The capital reserves include an amount of T€ 98,954 (previous year: T€ 44,642), which is restricted. It may only be released to compensate for an accumulated loss which would otherwise be shown in the annual financial statements of UBM, to the extent that free reserves are not available to cover this.

The other reserves comprise the reserves from revaluation of the annual financial statements of subsidiaries in foreign currencies (foreign currency translation reserves), the reserves for remeasurement from benefit obligations, retained earnings of UBM AG including the statutory reserve and the untaxed reserves after deducting deferred tax items, retained profits from subsidiaries since their acquisition and the effects of adjusting the annual financial statements of companies included in the consolidated financial statements to the accounting and measurement methods used in the consolidated financial statements.

Net earnings for the year amounting to T€ 11,976 (previous year: T€ 7,520) are available for distribution to shareholders in UBM. In addition, the unrestricted retained earnings of UBM, which come to T€ 18,087 (previous year: T€ 47,977) as at 31 December 2015 may be released and distributed to the shareholders of UBM in subsequent periods.

In the year under review dividends totalling € 7,512,500 from the 2014 unappropriated profit were paid to the shareholders of UBM, amounting to € 1.25 per share. The Managing Board proposes the distribution of dividends from the 2015 unappropriated profit of € 1.60 per share, thereby totalling € 11,955,488. It should be noted that the UBM exchange shares related to the merger as described in note 1 (both existing UBM shares and the 10,000 UBM shares newly issued for carrying out the merger) are fully entitled to dividends for the 2015 business year.

Equity interests which are not held by UBM or a Group company are shown under the item "Non-controlling interests".

33. MEZZANINE AND HYBRID CAPITAL

The merger of PIAG as the transferring company and UBM as the absorbing company led to the transfer of mezzanine capital totalling € 100 million and hybrid capital totalling € 25.3 million, issued by PIAG in November 2014, to UBM AG by way of legal succession. Both the mezzanine capital and the hybrid capital are fundamentally subject to ongoing interest. In December 2015 € 50 million of the mezzanine capital was paid back

UBM is only obliged to pay interest on the mezzanine capital and hybrid capital if it resolves to pay a dividend to shareholders from the annual surplus. UBM is not obliged to pay the due interest for one year in the absence of a profit payout, and if the issuer utilises their right not to pay, then this unpaid interest is kept in arrears which must be paid as soon as the shareholders of UBM decide to pay out a dividend from the annual surplus.

In the case of dismissal by UBM of the mezzanine or hybrid capital, the mezzanine or hybrid capital becomes due to the holders, in addition to the valid interest accrued by this date and outstanding interest. The hybrid capital can only be paid back if, prior to the payback, a process is carried out in accordance with Art. 178 Stock Exchange Act in the amount of the planned equity payback in the course of a capital increase in accordance with Art. 149 et seq. Stock Exchange Act, or if a capital adjustment is carried out.

As payments, interest and capital redemption are only compulsory when the conditions are activated, where their activation can be authorised or prevented by UBM, and the Group therefore has the option of avoiding payment on the mezzanine and hybrid capital permanently, this mezzanine and hybrid capital is categorised as equity instruments. Interest which is paid, less any tax effect such as profit payouts, is to be recorded directly in equity as a deduction.

Both the mezzanine capital and the hybrid capital were held by PORR AG.

34. PROVISIONS

in T€	Severance	Pensions	Anniversary bonuses	Buildings	Rental guarantees	Other	Total
Balance at 1 Jan 2014	1,628	1,858	95	2,305	4,000	2,652	12,538
Currency adjustments	–	–	–	–	–	–44	–44
Additions	126	140	10	–	–	129	405
OCI additions	259	760	–	–	–	–	1,019
Amounts used	–	–110	–9	–1,561	–	–1,672	–3,352
Amounts reversed	–	–	–	–385	–2,316	–	–2,701
Reclassification	–3	3	–	–	–	95	95
Balance at 31 Dec 2014	**2,010**	**2,651**	**96**	**359**	**1,684**	**1,160**	**7,960**
of which non-current	2,010	2,651	96	359	1,684	1,032	7,832
of which current	–	–	–	–	–	128	128

in T€	Severance	Pensions	Anniversary bonuses	Buildings	Rental guarantees	Other	Total
Balance at 1 Jan 2015	2,010	2,651	96	359	1,684	1,160	7,960
Additions from common control transaction	593	3,596	34	50	–	730	5,003
Currency adjustments	–	–	–	1	–	7	8
First-time consolidation	–	–	–	30	–	–	30
Additions	161	166	26	130	–	538	1,021
OCI additions	22	2	–	–	–	–	24
Amounts used	–	–295	–15	–86	–61	–38	–495
Amounts reversed	–	–	–	–30	–123	–405	–558
Reclassification	–	–	–	–	–	–	–
Balance at 31 Dec 2015	**2,786**	**6,120**	**141**	**454**	**1,500**	**1,992**	**12,993**
of which non-current	2,786	6,120	141	324	1,500	1,024	11,895
of which current	–	–	–	130	–	968	1,098

UBM and its subsidiaries must pay their employees in Austria and Germany anniversary bonuses on certain anniversaries in accordance with collective agreements. The provision for anniversary bonuses was determined in accordance with the provisions of IAS 19. Please refer to the notes on accounting and measurement methods with regard to the actuarial assumptions underlying the calculation.

Provisions for buildings relate to obligations from guarantees. The other provisions primarily involve provisions for impending losses. Both for provisions from rental guarantees and provisions for impending losses, any possible claim is calculated on the basis of one or two years.

PENSION PLANS

Defined benefit plans

Provisions for severance pay were created for employees (on wages and salaries) who have claims to severance payments pursuant to the Employee Act, the Wage Earners' Severance Pay Act or works agreements. Employees whose employment is subject to Austrian law, if the relevant employment began prior to 1 January 2003 and has been ongoing for a specific period, have a claim to severance pay where the employment is terminated upon the employee reaching the statutory age of retirement. The amount of the severance pay depends on the amount of the pay at the time of termination and of the length of employment. These employee claims should therefore be treated as claims under defined benefit pension plans, in which case plan assets do not exist.

Changes within provisions for severance pay were as follows:

in T€	2015	2014
Present value of severance obligations (DBO) at 1 Jan	2,010	1,628
Additions from common control transaction	593	–
Transfers	–	–3
Current service cost	105	65
Interest expense	56	61
Severance payments	–	–
Actuarial profits/losses	22	259
of which demographic profits/losses	–	–28
of which financial profits/losses	–19	174
of which profits/losses from experience-based adjustments	42	113
Present value of severance obligations (DBO) at 31 Dec	**2,786**	**2,010**

in T€	2015	2014
Current service cost (entitlements)	105	65
Interest expense	56	61
Severance costs (recognised in profit and loss for the period)	**161**	**126**
Severance costs (recognised in comprehensive profit and loss for the period)	**22**	**259**

Please refer to the notes on the accounting and measurement methods with regard to the actuarial assumptions underlying the calculation. For the following business year a current service cost of T€ 104 and an interest expense of T€ 58 are planned.

The only pension commitments in the UBM Group relate to the members of the Managing Board. As a rule, these pension commitments are defined individual benefit commitments. The amount of the pension claim depends on the number of years' service in each case.

Pension provisions:

Pension obligations transferred to provisions:

in T€	2015	2014
Present value of obligations covered by plan assets	7,463	3,888
Fair value of the plan assets	–1,343	–1,237
Net value of the obligations covered by plan assets	6,120	2,651
Carrying amount of provisions at 31 Dec	**6,120**	**2,651**

Changes within provisions for pensions were as follows:

in T€	2015	2014
Present value of pension obligations (DBO) at 1 Jan	3,888	2,994
Additions from common control transaction	3,596	3
Transfers	–	3
Current service cost	101	94
Interest expense	165	111
Pension payments	–295	–110
Actuarial profits/losses	8	796
of which demographic profits/losses	–	–
of which financial profits/losses	–5	771
of which profits/losses from experience-based adjustments	13	25
Present value of pension obligations (DBO) at 31 Dec	**7,463**	**3,888**

The obligations from the direct pension benefits are partly covered by insurance contracts concluded with WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group. In order to secure the pension rights of the employees insured from the corporate pension benefits, the rights from the insurance agreements are pledged in favour of the employees insured The pension plan reinsurance is held in an independent department of the cover pool for life insurance as laid down in Article 20 Section 2 Line 1 in connection with Article 78 of the Insurance Supervision Law.

Receivables from pension plan reinsurance amounting to T€ 1,343 (previous year: T€ 1,237) represent plan assets pursuant to IAS 19 and were offset against the present value of pension provisions.

Plan assets:

in T€	2015	2014
Fair value of the plan assets at 1 Jan	1,237	1,136
Contribution payments	132	97
Payouts (benefit payments)	–32	–32
Actuarial gains/losses	6	36
Fair value of the plan assets at 31 Dec	**1,343**	**1,237**

Pension obligations (net):

in T€	2015	2014
Service cost (entitlement)	101	94
Interest expense	165	111
Pension costs (recognised in profit/loss for the period)	**266**	**205**
Pension costs (recognised in comprehensive income for the period)	**2**	**760**

Please refer to the notes on the accounting and measurement methods with regard to the actuarial assumptions underlying the calculation. For the following business year, a current service cost of T€ 106 and an interest expense of T€ 165 are planned.

In the year under review and in the previous year the actuarial gains and losses related to severance and pension provisions primarily involved experience-based adjustments.

Defined contribution plans

Employees whose employment is subject to Austrian law and who commenced employment after 31 December 2002 do not acquire any severance pay claims in respect of their respective employer. For these employees contributions of 1.53% of the wage or salary must be paid to an employee welfare fund. In 2015 this amounted to T€ 158 (previous year: T€ 44). A sum of T€ 35 (previous year: T€ 27) was paid into a pension fund for three Managing Board members.

The Group employees in Austria, Germany, Czech Republic, Poland and Hungary also belong to their country-specific, state pension plans, which are usually funded on a pay-as-you-earn basis. The Group is only obliged to pay the contributions when they become due. There is no legal or actual obligation to provide benefits.

35. BONDS

in T€	2015
Balance at 1 Jan 2015	271,335
Issued	100,425
Redemption	–50,191
Increase in effective interest	339
Balance at 31 Dec 2015	**321,908**

In the business year 2015 a bond (tenor 2011–2016) was increased by the nominal amount of T€ 25,000 and a new bond (tenor 2015–2020) was issued with the nominal amount of T€ 75,000. Furthermore, one bond due at the end of the business year was redeemed in the amount of T€ 50,191.

36. FINANCIAL LIABILITIES

2015 in T€	Average effective interest in %	Total	Remaining term < 1 year	Remaining term > 1 year < 5 years	Remaining term > 5 years	of which secured by collateral
Borrowings and overdrafts from banks subject to interest at variable rates	0.81–5.06	310,815	148,870	115,837	46,108	310,815
Borrowings and overdrafts from banks subject to interest at fixed rates	1.80	5,808	278	1,480	4,050	5,808
Borrowings from other lenders subject to interest at variable rates	4.46–4.58	19	–	19	–	–
Borrowings from other lenders subject to interest at fixed rates	1.00–10.00	28,724	–	27,900	824	–
Lease obligations subject to interest at variable rates	1.00–3.49	35,846	2,245	9,752	23,849	35,745
Obligations from derivatives	–	334	334	–	–	–
Total		**381,546**	**151,727**	**154,988**	**74,831**	**352,545**

2014 in T€	Average effective interest in %	Total	Remaining term < 1 year	Remaining term > 1 year < 5 years	Remaining term > 5 years	of which secured by collateral
Borrowings and overdrafts from banks subject to interest at variable rates	0.93–4.16	146,657	5,719	116,978	23,960	146,657
Borrowings and overdrafts from banks subject to interest at fixed rates	1.95–7.50	865	857	8	–	865
Borrowings from other lenders subject to interest at variable rates	1.68–4.80	10,130	634	6,381	3,115	10,113
Borrowings from other lenders subject to interest at fixed rates	4.00–10.00	26,801	–	26,801	–	–
Lease obligations subject to interest at variable rates	2.66–3.92	22,210	2,116	3,585	16,509	22,187
Obligations from derivatives	–	1,022	1,022	–	–	–
Total		**207,685**	**10,348**	**153,753**	**43,584**	**179,822**

The minimum lease payments for liabilities from finance leasing agreements, which only relate to buildings, break down as follows:

	2015			2014		
in T€	**Nominal value**	**Discount**	**Present value**	**Nominal value**	**Discount**	**Present value**
Due within 1 year	3,371	1,032	2,339	2,753	638	2,115
Due within 1 to 5 years	13,080	3,422	9,658	5,877	2,291	3,586
Due after more than 5 years	27,036	3,187	23,849	19,663	3,154	16,509
Total	**43,487**	**7,641**	**35,846**	**28,293**	**6,083**	**22,210**

The Group's obligations from finance leasing agreements are secured by the lessor's title retention on the assets leased.

Some individual items of investment property are held under finance leasing agreements. At 31 December 2015 the average effective interest rate was 2.81% (previous year: 3.29%).There are no agreements which involve conditional rental payments, instead all leasing agreements are based on fixed instalments.

37. TRADE PAYABLES

in T€	2015	2014
Trade payables	55,192	32,087
Payables to consortiums	12	110
Total	**55,204**	**32,197**

All of the payables are due in the following year.

38. OTHER FINANCIAL LIABILITIES

2015 in T€	Total	Remaining term < 1 year	Remaining term > 1 year < 5 years	Remaining term > 5 years	of which secured by collateral
Payables to non-consolidated subsidiaries	1,757	1,757	–	–	–
Payables to companies accounted for under the equity method	17,673	17,673	–	–	–
Payables to other shareholdings	15,293	15,293	–	–	–
Payables related to interest on bonds	5,310	5,310	–	–	–
Payables to staff	5,036	5,036	–	–	–
Miscellaneous	11,033	5,287	5,746	–	–
Total	**56,102**	**50,356**	**5,746**	–	–

2014 in T€	Total	Remaining term < 1 year	Remaining term > 1 year < 5 years	Remaining term > 5 years	of which secured by collateral
Payables to non-consolidated subsidiaries	18	18	–	–	–
Payables to companies accounted for under the equity method	10,974	10,974	–	–	–
Payables to other shareholdings	14,601	14,601	–	–	–
Payables related to interest on bonds	6,661	6,661	–	–	–
Payables to staff	2,795	2,795	–	–	–
Miscellaneous	5,334	2,874	1,483	977	–
Total	**40,383**	**37,923**	**1,483**	**977**	–

39. OTHER LIABILITIES

2015 in T€	Total	Remaining term < 1 year	Remaining term > 1 year < 5 years	Remaining term > 5 years	of which secured by collateral
Tax liabilities	633	633	–	–	–
Social security liabilities	375	375	–	–	–
Advances received	2,542	2,542	–	–	–
Miscellaneous	113	113	–	–	–
Total	**3,663**	**3,663**	**–**	**–**	**–**

2014 in T€	Total	Remaining term < 1 year	Remaining term > 1 year < 5 years	Remaining term > 5 years	of which secured by collateral
Tax liabilities	1,002	1,002	–	–	–
Social security liabilities	232	232	–	–	–
Advances received	1,024	1,024	–	–	–
Miscellaneous	85	85	–	–	–
Total	**2,343**	**2,343**	**–**	**–**	**–**

40. DEFERRED INCOME TAX

Advance payments of corporate tax amounting to T€ 292 (previous year: T€ 250) were set off against the payment obligations of corporate tax as they were in previous years.

41. CONTINGENT LIABILITIES AND GUARANTEES

Guarantees comprise credit guarantees and guarantee declarations amounting to T€ 133,931 (previous year: T€ 135,965). Contingent liabilities for companies accounted for under the equity method amounted to T€ 111,031 (previous year: T€ 98,252). An availment of these liabilities is improbable.

SECURITIES PLEDGED

In the course of project financing, it is common that individual Group companies pledge securities for loans and borrowings. As a rule, the financing applies individually at the level of the project. Every company must take responsibility for the ongoing servicing of the debt. There are a range of securities available to the lender for hedging loans and borrowings, which can be drawn on if the claims need to be settled. The securities pledged can involve the following collateral:

- Mortgage-backed securities on property
- Pledging shares in the project company
- Pledging rent receivables

The conditions, type and scope of the securities are agreed individually (for each project company) and are tied to the project volume and the amount and duration of the loans and borrowings.

With regard to securities for investment property, please refer to note 19 and for inventories to note 23.

42. NOTES ON SEGMENT REPORTING

Segment reporting is based on geographical regions in accordance with the internal organisational structure of the UBM Group. In the course of the merger of the PIAG Group, the internal reporting structure was divided into new segments regarding the geographic classification and the division into asset classes; the comparative figures have been adjusted to reflect these changes. The individual development companies within a segment are pooled into groups for the purposes of segment reporting. These groups each constitute a business area of the UBM Group. During the transfer of segment assets and liabilities, internal receivables and liabilities are eliminated for the purposes of debt consolidation.

Internal reporting is based on IFRS figures and adjusted for intragroup sales as standard. High revenues are generated through the sale of real estate projects in the course of UBM's business activities; however, this does not mean the Group is dependent on individual clients.

in T€	Austria 2015	Austria 2014	Germany 2015	Germany 2014
Total output				
Administration	17,150	16,562	–	–
Hotel	29,486	2,732	79,264	24,921
Office	21,541	696	28,311	61,105
Other	66,577	32,389	16,322	35,485
Residential	7,789	36,995	73,202	25,260
Service	51,016	–	11,754	–
Total output	**193,559**	**89,374**	**208,853**	**146,771**
Less revenue from associates and companies of minor significance and from performance companies	–92,102	–42,692	–57,521	–13,666
Change in inventories	–25,554	24,906	–16,711	–39,210
Revenue	**75,903**	**71,588**	**134,621**	**93,895**
Administration	16,606	–8,651	–	–
Hotel	433	–140	5,457	2,334
Office	–2,039	286	28,429	–1,102
Other	–5,445	5,237	1,401	5,721
Residential	489	4,528	5,258	11,863
Service	–8,084	–1,514	–418	–
Total EBT	**1,960**	**–254**	**40,127**	**18,816**
including: earnings from associates	4,384	1,933	13,038	7,712
Depreciation, amortisation and impairment	–933	–62	–865	–547
Interest income	5,626	4,859	665	371
Interest expense	–20,856	–16,487	–1,048	–562
Segment assets at 31 Dec	**1,294,474**	**612,921**	**333,496**	**303,392**
of which including intangible assets, property, plant and equipment and investment property	270,373	58,090	126,843	87,414
of which including associates	64,655	3,657	12,406	15,511
Segment liabilities at 31 Dec	**764,610**	**412,762**	**273,632**	**274,384**
Investments in non-current assets and investment property	**102,838**	**25,597**	**45,998**	**11,591**
Staff	**125**	**58**	**175**	**123**

Poland		Other markets		Reconciliation		Group	
2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
–	–	–	–			17,150	16,562
47,763	26,530	42,023	36,045			198,536	90,228
7,948	9,794	880	465			58,680	72,060
3,107	4,746	56,300	2,333			142,306	74,953
600	864	4,745	10,545			86,336	73,664
20,062	12,521	7,475	2,750			90,307	15,271
79,480	**54,455**	**111,423**	**52,138**			**593,315**	**342,738**
–19,002	–19,040	–71,804	–26,200			–240,429	–101,598
–2,856	–3,251	16	–19			–45,105	–17,574
57,622	**32,164**	**39,635**	**25,919**			**307,781**	**223,566**
–	–	–	–20			16,606	–8,671
1,525	829	115	462			7,530	3,485
2,522	–1,551	–1,057	–374			27,855	–2,741
452	5,462	5,171	–14			1,579	16,406
–4,758	–1,292	–2,116	2,025			–1,127	17,124
1,213	1,447	5,131	–376			–2,158	–443
954	**4,895**	**7,244**	**1,703**			**50,285**	**25,160**
4,464	3,274	3,436	2,764			25,322	15,683
–484	–1,264	–525	–511			–2,807	–2,384
40	265	–1	3			6,330	5,498
23	–1,207	–418	169			–22,299	–18,087
219,456	**177,303**	**145,385**	**59,590**	**–807,575**	**–396,832**	**1,185,236**	**756,374**
133,992	100,717	64,330	19,325			595,538	265,546
28,779	26,483	5,703	6,965			111,543	52,616
219,146	**183,791**	**108,064**	**56,684**	**–512,240**	**–351,693**	**853,212**	**575,928**
33,435	**14,814**	**786**	**2,396**			**183,057**	**54,398**
273	**266**	**112**	**108**			**685**	**555**

The following information relates to the geographic countries in which the Group operates.

in T€	Revenue by customer base 2015	Revenue by customer base 2014
Domestic	**75,903**	**71,588**
Germany	134,621	93,895
Poland	57,622	32,164
Other foreign	39,635	25,919
Total foreign	**231,878**	**151,978**
Total segments	**307,781**	**223,566**

43. NOTES ON THE CASH FLOW STATEMENT

The cash flow statement is broken down into separate cash flows from operating, investing and financing activities, in which the cash flow from operating activities is derived according to the indirect method. The financial fund exclusively comprises cash on hand/at bank to which the Group has free access and corresponds to the value shown in the statement of financial position for cash and cash equivalents.

Interest and dividends received are included in cash flow from operating activities, as is interest paid. In contrast, dividends paid are stated under cash flow from financing activities.

The transaction under common control (see note 2.1) is non cash, the inflow of cash and cash equivalents is recognised in cash and cash equivalents.

44. NOTES ON FINANCIAL INSTRUMENTS

CAPITAL RISK MANAGEMENT

The Group manages its capital with the goal of maximising the return from its shareholdings through optimising the ratio of equity and external capital. The structure of capital at the Group consists of debts, cash and cash equivalents, as well as the equity of the shareholders of the parent.

Net debt
The Group’s risk management subjects the capital structure to regular evaluation.

At year-end net debt broke down as follows:

in T€	31 Dec 2015	31 Dec 2014
Debt (i)	703,454	479,020
Cash and cash equivalents	–93,744	–40,309
Net debt	609,710	438,711
Equity (ii)	332,024	180,446
Net debt to equity ratio	183.63%	243.1%

(i) Debt is defined as non-current and current financial liabilities as shown in Notes 35 and 36.
(ii) Equity involves the Group's entire capital and reserves.

The Group's overall strategy remains unchanged against the 2015 business year.

AIMS AND METHODS OF FINANCIAL RISK MANAGEMENT

Original financial assets primarily comprise shareholdings in companies accounted for under the equity method, project financing 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 rate risk is defined as the risk from rising interest cost or falling interest income in connection with financial items and for UBM this risk results almost exclusively from the scenario of rises in interest rates for financial liabilities at variable interest rates, especially in the long term.

An analysis of the floating interest rate position, which amounted to around T€ 398,745 at 31 December 2015, showed the following sensitivities which would occur under the scenarios of interest rate increases of 0.06 PP and 0.32 PP. The extent of the interest rate increases is based on the average volatility of the 3-month and 6-month EURIBOR in 2015. An interest rate bandwidth of 6 BPS therefore falls statistically within a probability band of 67% and the probability of an interest rate bandwidth of 32 BPS is respectively 99 %. The simulated impact on interest rates is as follows:

in T€	Higher payable interest for the year 2016	Higher payable interest (p.a.) with straight-line extrapolation from 2017
At interest rate rise of 6 PP	158	840
At interest rate rise of 32 PP	243	1,294

Interest for receivables from project financing has an appropriate mark-up in accordance with the UBM Group's refinancing rate. A change of 32 BP would lead to an increase in interest income of T€ 284 in 2015 (previous year: T€ 40).

CREDIT RISK

Credit risk describes the threat of losses caused by the default of a business partner no longer capable of meeting its contractual payment obligations. This comprises default and country risks as well as the credit standing of borrowers being downgraded. The credit risk for the real estate business comprises rental obligations. The default of a tenant and the resultant loss of rental payments reduce the present value of the real estate project. This risk is taken into account at project level through expert opinions.

The risk related to receivables from customers can be classified as marginal, owing to the broad dispersion and ongoing creditworthiness checks, with regard to project financing please refer to the table of accumulated depreciation for project financing.

The risk of default in the case of other original financial instruments stated under assets in the statement of financial position is also regarded as low because all contracting parties are financial institutions and other debtors with prime credit standing. The carrying amount of the financial assets represents the maximum risk of default. Where risks of default are recognised in relation to financial assets, account is taken of these risks by performing allowances for impairment. There was no need for allowances of this type.

FOREIGN EXCHANGE RISK

The interest and currency risks are evaluated regularly by risk management. Market analyses and projections from renowned financial service providers are analysed and regular reports are made to management.

The foreign exchange risk is treated within the UBM Group as transaction-oriented and results from financing in connection with property development.

As of 31 December 2015, currency risks, which result from intragroup financing transactions and/or from loan financing for project companies, were subject to a simulation, in order to be able to estimate possible risks from changes to foreign exchange rates:

FX position in T€	Local currency	FX position in local currency in thousand	VAR* in T€
–20,879	CZK	564,205	317
–19,201	HRK	146,656	186
–5,165	HUF	1,631,922	169
–166,247	PLN	708,860	5,205
–18,048	RON	81,647	296

* VAR = Value At Risk at a one-sided 99% confidence interval, this corresponds to a standard deviation of 2.3 over a time period of 10 days. Correlations between currency pairs remain unconsidered.

The simulated maximum loss at a probability of 99% and over a time period of ten days is currently a maximum of € 6.17m.

HEDGING CURRENCY RISKS

The UBM Group had concluded forward exchange contracts of T€ 14,735 (previous year: T€ 29,844) at 31 December 2015 which all involved €/PLN forward sales. Around T€ 10,090 (previous year: T€ 24,366) are used as hedges for loans financed in euros and the remainder of T€ 4,645 (previous year: T€ 5,478) for hedging intragroup financing.

At 31 December 2015 the market valuation of open forward exchange contracts resulted in a fair value of T€ 334 (previous year: T€ 1,022). In the fiscal year 2015 total expense of T€ 701 (previous year: T€1,022) which resulted from changes in the fair value of forward contracts including exchange differences was recognised in profit or loss.

DERIVATIVE FINANCIAL INSTRUMENTS

The following table shows the fair values of the different derivative instruments. They are differentiated between whether or not they are connected to a cash flow hedge in accordance with IAS 39.

in T€	2015	2014
ASSETS		
Derivatives		
without hedges	–	–
with hedges	–	–
LIABILITIES		
Derivatives		
without hedges	334	1,022
with hedges	–	–

LIQUIDITY RISK

		NON-DISCOUNTED PAYMENT FLOW		
in T€	**Average interest rate**	**2016**	**2017–2020**	**from 2021**
Bonds at fixed interest rates	4.91%	67,912	316,965	–
Borrowings and overdrafts from banks at variable interest rates	2.39%	168,497	111,936	58,732
Borrowings and overdrafts from banks at fixed interest rates	1.8%	803	1,802	3,965
Payables to other lenders at variable interest rates	4.5%	–	22	–
Payables to other lenders at fixed interest rates	5.21%	1,455	28,463	1,197
Lease obligations at variable interest rates	2.81%	3,371	13,080	27,036
Liabilities from derivatives	interest-free	334	–	–
Trade payables	interest-free	55,204	–	–
Other financial liabilities	interest-free	50,356	5,746	–

in T€	Average interest rate	NON-DISCOUNTED PAYMENT FLOW 2015	2016–2019	from 2020
Bonds at fixed interest rates	5.63%	64,837	264,091	–
Borrowings and overdrafts from banks at variable interest rates	2.55%	8,657	121,495	24,527
Borrowings and overdrafts from banks at fixed interest rates	2.55%	873	9	–
Payables to other lenders at variable interest rates	5.84%	794	6,797	3,200
Payables to other lenders at fixed interest rates	7.00%	–	35,409	–
Lease obligations at variable interest rates	3.29%	2,753	5,877	19,663
Liabilities from derivatives	interest-free	1,022	–	–
Trade payables	interest-free	32,197	–	–
Other financial liabilities	interest-free	37,923	1,483	977

The liquidity risk is the risk of being able to access funds at any time in order to settle existing liabilities. A precise financial plan is a key instrument for managing the liquidity risk; this plan is implemented by every operating company and consolidated centrally. This plan determines the need for financing and borrowing from banks.

Credit financing largely relates to current real estate projects whose development is not at risk from today’s perspective.

Working capital financing is handled by the UBM Group treasury. Companies with surplus funds make these funds available to 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.

In addition to the contractually fixed project financing, UBM AG had access to credit lines of T€ 4,020 as at 31 December 2015; the overall liquidity risk is therefore considered to be minimal.

OTHER PRICE RISKS

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

The UBM Group minimises price risks related to rental income by linking rental agreements to general indices. All other service contracts are also index-linked. Other price risks are of minor importance for the UBM Group.

CARRYING AMOUNTS, MEASUREMENT RATES AND FAIR VALUES

			MEASUREMENT IN ACC. WITH IAS 39				
	Measure-ment in acc. with IAS 39	Carrying amount at 31 Dec 2015	(Continuing) acquisition costs	Fair value other com-prehensive income	Fair value affecting net income	Fair value hierarchy (IFRS 7.27A)	Fair Value at 31 Dec 2015
ASSETS							
Project financing							
at variable interest rates	LaR	88,777	88,777	–	–	–	–
Other financial assets	HtM	3,797	3,797	–	–	Level 1	4,372
Other financial assets	AfS (at cost)	1,824	1,824	–	–	–	–
Other financial assets	AfS	273	–	273	–	Level 1	273
Trade receivables	LaR	43,042	43,042	–	–	–	–
Financial assets	LaR	13,521	13,521	–	–	–	–
Cash and cash equivalents	–	93,744	93,744	–	–	–	–
LIABILITIES							
Bonds							
at fixed interest rates	FLAC	321,908	321,908	–	–	Level 1	335,718
Borrowings and overdrafts from banks							
at variable interest rates	FLAC	310,815	310,815	–	–	–	–
at fixed interest rates	FLAC	5,808	5,808	–	–	Level 3	4,716
Other financial liabilities							
at variable interest rates	FLAC	19	19	–	–	–	–
at fixed interest rates	FLAC	28,724	28,724	–	–	Level 3	28,047
Lease obligations	–	35,846	35,846	–	–	–	–
Trade payables	FLAC	55,204	55,204	–	–	–	–
Other financial liabilities	FLAC	56,102	56,102	–	–	–	–
Derivatives (without hedges)	FLHfT	334	334	–	334	–	–
BY CATEGORY:							
Loans and receivables	LaR	145,340	145,340	–	–	–	–
Held to maturity	HtM	3,797	3,797	–	–	–	–
Available-for-sale financial assets	AfS (at cost)	1,824	1,824	–	–	–	–
Available-for-sale financial assets	AfS	273	–	273	–	–	–
Cash and cash equivalents	–	93,744	93,744	–	–	–	–
Financial liabilities measured at amortised cost	FLAC	778,580	778,580	–	–	–	–
Financial liabilities held for trading	FLHfT	334	334	–	334	–	–

			MEASUREMENT IN ACC. WITH IAS 39				
	Measure-ment in acc. with IAS 39	**Carrying amount at 31 Dec 2014**	**(Continuing) acquisition costs**	**Fair value other com-prehensive income**	**Fair value affecting net income**	**Fair value hierarchy (IFRS 7.27A)**	**Fair Value at 31 Dec 2014**
ASSETS							
Project financing							
at variable interest rates	LaR	72,494	72,494	–	–	–	–
Other financial assets	HtM	2,907	2,907	–	–	Level 1	3,575
Other financial assets	AfS (at cost)	5,923	5,923	–	–	–	–
Other financial assets	AfS	273	–	273	–	Level 1	273
Trade receivables	LaR	16,830	16,830	–	–	–	–
Financial assets	LaR	129,198	129,198	–	–	–	–
Cash and cash equivalents	–	40,309	40,309	–	–	–	–
LIABILITIES							
Bonds							
at fixed interest rates	FLAC	271,335	271,335	–	–	Level 1	281,335
Borrowings and overdrafts from banks							
at variable interest rates	FLAC	146,657	146,657	–	–	–	–
at fixed interest rates	FLAC	865	865	–	–	Level 3	843
Other financial liabilities							
at variable interest rates	FLAC	10,130	10,130	–	–	–	–
at fixed interest rates	FLAC	26,801	26,801	–	–	Level 3	30,914
Lease obligations	–	22,210	22,210	–	–	–	–
Trade payables	FLAC	32,197	32,197	–	–	–	–
Other financial liabilities	FLAC	40,383	40,383	–	–	–	–
Derivatives (without hedges)	FLHfT	1,022	–	–	1,022	–	–
BY CATEGORY:							
Loans and receivables	LaR	218,522	218,522	–	–	–	–
Held to maturity	HtM	2,907	2,907	–	–	–	–
Available-for-sale financial assets	AfS (at cost)	5,923	5,923	–	–	–	–
Available-for-sale financial assets	AfS	273	–	273	–	–	–
Cash and cash equivalents	–	40,309	40,309	–	–	–	–
Financial liabilities measured at amortised cost	FLAC	528,368	528,368	–	–	–	–
Financial liabilities held for trading	FLHfT	1,022	–	–	1,022	–	–

In accordance with IFRS 7.29, the carrying amount of the financial instruments represents a reasonable approximation of the fair value, with the exception of held to maturity financial assets and available-for-sale assets (fair value hierarchy level 1), bonds subject to fixed interest rates (fair value hierarchy level 1) and borrowings and overdrafts from banks subject to fixed interest rates and other financial liabilities subject to fixed interest rates (fair value hierarchy level 3).

The fair value valuation for the bond is determined in accordance with prevailing market prices. Liabilities from bank loans and overdrafts and other financial assets are valued under the discounted cash flow valuation method, whereby the zero coupon yield curve published by REUTERS as of 31 December 2015 was used for the discounting of the cash flow.

The available-for-sale financial assets all relate to shareholdings (shares in limited companies) of minor importance, which are not listed on an active market and whose market value cannot be reliably determined. These are capitalised at acquisition cost. As long as a project has not been completed there is no intention to sell the shares in these project companies.

NET INCOME BY MEASUREMENT CATEGORY

in T€	from interest	from dividends	from subsequent measurement	Net income 2015
Loans and receivables LaR	6,130	–	2,531	8,661
Held to maturity HtM	174	–	–	174
Available-for-sale financial assets AfS (at costs)	–	659	–4,939	–4,280
Available-for-sale financial assets AfS	8	–	–	8
Financial liabilities measured at amortised cost FLAC	–21,241	–	382	–20,859
Financial liabilities held for trading FLHfT	–	–	–	–

in T€	from interest	from dividends	from subsequent measurement	Net income 2014
Loans and receivables LaR	4,860	–	–584	4,276
Held to maturity HtM	174	–	–	174
Available-for-sale financial assets AfS (at costs)	–	486	–	486
Available-for-sale financial assets AfS	13	–	–	13
Financial liabilities measured at amortised cost FLAC	–17,207	–	–1,707	–18,914
Financial liabilities held for trading FLHfT	–	–	1,039	–1,039

An impairment loss is recognised on financial assets if one or more events occur after the initial recognition of the asset for which there is objective evidence that the estimated future cash flows of the financial asset have undergone a negative change. All allowances for impairment relate to project financing.

in T€	2015	2014
ACCUMULATED WRITEDOWNS FOR PROJECT FINANCING LAR		
Value adjustments at 31 Jan	9,049	10,904
Additions from common control transaction	520	–
Amortisation and impairment	–	2,721
Appreciation	–2,531	–2,137
Use	–520	–2,439
Balance at 31 Dec	**6,518**	**9,049**

45. AVERAGE STAFFING LEVELS

	2015	2014
SALARIED EMPLOYEES AND WAGED WORKERS		
Domestic	125	58
Foreign	560	497
Total staff	**685**	**555**
of which salaried employees	632	502
of which waged workers	53	53

46. RELATED PARTY DISCLOSURES

Transactions between Group companies included in the consolidated financial statements were eliminated on consolidation and are not examined any further. Transactions between Group companies and their companies accounted for under the equity method primarily involve project development, construction management, and loans granted with their related interest charges, and are disclosed in the following analysis:

in T€ Companies accounted for under the equity method	Selling goods and services		Purchasing goods and services		Receivables		Liabilities	
	2015	2014	2015	2014	2015	2014	2015	2014
Joint ventures	25,925	5,069	1,683	814	96,200	60,247	15,092	10,974
of which from financing	3,226	2,393	851	516	69,542	52,981	–	–
Affiliates	52	–	–	–	1,093	–	2,581	–
of which from financing	–	–	–	–	468	–	–	–

TRANSACTIONS WITH RELATED PARTIES

In addition to companies accounted for under the equity method, related parties pursuant to IAS 24 include PORR AG and its subsidiaries, and PIAG Immobilien AG and its subsidiaries, as well as companies in the Ortner Group and Strauss Group, as they and/or their controlling bodies have significant influence over UBM due to the existing syndicate.

in T€	Selling goods and services		Purchasing goods and services		Receivables		Liabilities	
	2015	2014	2015	2014	2015	2014	2015	2014
PORR Group	2,767	1,028	86,672	19,512	1,578	18,090	3,916	22,844
of which from financing	720	358	3,265	–	–	–	–	–
Ortner Group	85	7	6,583	69	–	–	767	3
Strauss Group	63	–	–	–	5	–	–	–
Other	–	–	58	–	–	–	9	–

In the course of the merger of PIAG and UBM, the UBM Group was granted a credit line up to a maximum of € 150 million.

47. EVENTS AFTER THE END OF THE REPORTING PERIOD AND OTHER INFORMATION

The Managing Board of UBM approved the consolidated financial statements and handed them over to the Supervisory Board on 8 April 2016. The Supervisory Board is responsible for reviewing the consolidated financial statements and declaring whether or not it accepts them.

UBM paid the sum of T€ 65 (previous year T€ 57) for audit services carried out by the independent auditor. The auditor of the consolidated financial statements also received the sum of T€ 336 (previous year: T€ 144) for other services.

48. EXECUTIVE BODIES

The table below shows the remuneration paid to the Managing Board and the Supervisory Board of UBM AG broken down by payment category:

in T€	2015	2014
MANAGING BOARD REMUNERATION		
Current benefits due (annual)	2,622	1,324
Due on or after completion of management contract (pension)	154	27
Other non-current benefits due (severance)	27	156
Total	**2,803**	**1,507**
Supervisory Board remuneration	**192**	**83**

MANAGING BOARD MEMBERS:

Karl Bier, Chairman
Heribert Smolé
Martin Löcker
Michael Wurzinger (from 15 Jan 2015)
Claus Stadler (from 29 May 2015)

MEMBERS OF THE SUPERVISORY BOARD:

Karl-Heinz Strauss, Chair
Iris Ortner Deputy Chair
Christian B. Maier
Klaus Ortner (from 15 Jan 2015)
Ludwig Steinbauer (from 15 Jan 2015)
Paul Unterluggauer (from 15 Jan 2015)
Bernhard Vanas (from 15 Jan 2015)
Susanne Weiss (from 15 Jan 2015)

Wolfhard Fromwald (from 30 April 2014 to 15 Jan 2015)
Johannes Pepelnik (until 15 Jan 2015)

Vienna, 8 April 2016
The Managing Board

KARL BIER
Chairman

MARTIN LÖCKER

HERIBERT SMOLÉ

MICHAEL WURZINGER

CLAUS STADLER

SHAREHOLDINGS

Company	Country code	Domicile	Capital share in % direct	Capital share in % indirect	Type of con-solidation	Cur-rency	Nominal capital
Affiliated companies							
Affiliated companies limited by shares							
"Athos" Bauplanungs- und Errichtungs-gesellschaft m.b.H.	AUT	Vienna	99.00%	99.00%	F	€	36,336.42
"UBM 1" Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	Vienna	100.00%	100.00%	F	€	36,336.42
Aiglhof Projektentwicklungs GmbH	AUT	Vienna	100.00%	100.00%	F	€	1,000,000.00
Ariadne Bauplanungs- und Baugesellschaft m.b.H.	AUT	Vienna	100.00%	100.00%	F	€	36,336.42
Bahnhofcenter Entwicklungs-, Errichtungs- und Betriebs GmbH	AUT	Unterpremstätten, pol. Gem. Premstätten	99.00%	99.00%	F	€	350,000.00
BMU Beta Liegenschaftsverwertung GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
CM Wohnungsentwicklungs GmbH	AUT	Vienna	100.00%	100.00%	F	€	36,000.00
Emiko Beteiligungsverwaltungs GmbH	AUT	Vienna	100.00%	100.00%	N	€	0.00
EPS Dike West-IBC GmbH	AUT	Vienna	100.00%	100.00%	F	€	36,336.42
EPS Haagerfeldstraße - Business.Hof Leonding 2 Errichtungs- und Verwertungs GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
EPS Höhenstraße Immobilien GmbH	AUT	Kematen in Tirol	100.00%	100.00%	F	€	35,000.00
EPS Immobilienmanagement GmbH	AUT	Kematen in Tirol	100.00%	100.00%	N	€	0.00
EPS MARIANNE-HAINISCH-GASSE - LIT-FASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs-GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
EPS Office Franzosengraben GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
EPS RINNBÖCKSTRASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungs-verwaltungs-GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
EPS Tivoli Hotelerrichtungs- und Beteiligungs-verwaltungs GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
EPS Welser Straße 17 - Business.Hof Leonding 1 Errichtungs- und Beteiligungs GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
Gepal Beteiligungsverwaltungs GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
Gevas Beteiligungsverwaltungs GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
Giral Beteiligungsverwaltungs GmbH	AUT	Vienna	100.00%	100.00%	N	€	0.00
Golera Beteiligungsverwaltungs GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
GORPO Projektentwicklungs- und Errichtungs-GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
Gospela Beteiligungsverwaltungs GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
IBC Business Center Entwicklungs- und Errichtungs-GmbH	AUT	Unterpremstätten, pol. Gem. Premstätten	99.00%	99.00%	F	€	364,000.00
Impulszentrum Telekom Betriebs GmbH	AUT	Unterpremstätten, pol. Gem. Premstätten	76.00%	76.00%	F	€	727,000.00
Jandl Baugesellschaft m.b.H.	AUT	Unterpremstätten, pol. Gem. Premstätten	99.07%	99.07%	F	€	36,336.42

Company	Country code	Domicile	Capital share in % direct	Capital share in % indirect	Type of con-solidation	Cur-rency	Nominal capital
Logistikpark Ailecgasse GmbH	AUT	Vienna	100.00%	100.00%	F	€	36,336.41
MBU Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	Vienna	99.00%	99.00%	F	€	36,336.42
MultiStorage GmbH	AUT	Salzburg	75.00%	75.00%	N	€	0.00
Porr - living Solutions GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
Porr Infrastruktur Investment AG	AUT	Vienna	100.00%	100.00%	F	€	70,000.00
QBC Beta SP Immomanagement GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
QBC Epsilon SP Immomanagement GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
QBC Eta SP Immomanagement GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
Rainbergstraße - Immobilien-projektentwicklungs GmbH	AUT	Vienna	99.00%	99.00%	F	€	35,000.00
REHA Tirol Errichtungs GmbH	AUT	Münster	98.57%	74.00%	N	€	0.00
Reha Zentrum Münster Betriebs GmbH	AUT	Münster	100.00%	74.00%	N	€	0.00
Ropa Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	Vienna	99.00%	99.00%	F	€	36,336.42
Rudolf u. Walter Schweder Gesellschaft m.b.H.	AUT	Vienna	99.00%	99.00%	F	€	36,336.42
Sabimo Gerhart-Ellert-Platz GmbH	AUT	Vienna	99.00%	99.00%	F	€	35,000.00
Sabimo Immobilien GmbH	AUT	Vienna	99.00%	99.00%	F	€	35,000.00
Sabimo Liebenauer Hauptstraße GmbH	AUT	Vienna	99.00%	99.00%	F	€	35,000.00
Sabimo Monte Laa Bauplatz 2 GmbH	AUT	Vienna	99.00%	99.00%	F	€	35,000.00
SFZ Immobilien GmbH	AUT	Unterpremstätten, pol. Gem. Premstätten	100.00%	100.00%	N	€	0.00
Somax Beteiligungsverwaltungs GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
Sovelis Beteiligungsverwaltungs GmbH	AUT	Vienna	100.00%	100.00%	N	€	0.00
St. Peter-Straße 14-16 Liegenschaftsverwertung Ges.m.b.H.	AUT	Vienna	99.00%	99.00%	F	€	35,000.00
sternbrauerei-riedenburg revitalisierung gmbh	AUT	Vienna	99.00%	99.00%	F	€	35,000.00
STRAUSS & PARTNER Development GmbH	AUT	Vienna	100.00%	100.00%	F	€	535,000.00
UBM Beteiligungsmanagement GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
UBM Seevillen Errichtungs-GmbH	AUT	Vienna	100.00%	100.00%	F	€	35,000.00
WLB Projekt Laaer Berg Liegenschafts-verwertungs- und Beteiligungs-GmbH	AUT	Vienna	100.00%	100.00%	F	€	36,336.42
UBM BULGARIA EOOD	BGR	Sofia	100.00%	100.00%	F	BGN	2,732,100.00
ANDOVIEN INVESTMENTS LIMITED	CYP	Limassol	100.00%	100.00%	F	€	3,000.00
DICTYSATE INVESTMENTS LIMITED	CYP	Limassol	100.00%	100.00%	F	€	181,260.00
AC Offices Klicperova s.r.o.	CZE	Prague	100.00%	100.00%	F	CZK	11,000,000.00
FMB - Facility Management Bohemia, s.r.o.	CZE	Prague	100.00%	100.00%	F	CZK	100,000.00
Immo Future 6 - Crossing Point Smichov s.r.o.	CZE	Prague	100.00%	100.00%	F	CZK	24,000,000.00
Na Záhonech a.s.	CZE	Prague	100.00%	100.00%	F	CZK	2,862,000.00
RE Moskevská spol.s.r.o.	CZE	Prague	100.00%	100.00%	F	CZK	300,000.00
Reality U Pruhonu s.r.o.	CZE	Prague	89.90%	100.00%	F	CZK	12,375,000.00
TOSAN park a.s.	CZE	Prague	100.00%	100.00%	F	CZK	2,000,000.00
UBM - Bohemia 2 s.r.o.	CZE	Prague	100.00%	100.00%	F	CZK	200,000.00
UBM Bohemia Development s.r.o.	CZE	Prague	100.00%	100.00%	F	CZK	8,142,000.00
UBX 3 s.r.o.	CZE	Prague	100.00%	100.00%	F	CZK	200,000.00
ALBA BauProjektManagement GmbH	DEU	Oberhaching	100.00%	100.00%	F	€	300,000.00
Arena Boulevard Verwaltungs GmbH	DEU	Berlin	100.00%	94.00%	N	€	0.00
BERMUC Hotelerrichtungs GmbH	DEU	Munich	94.00%	94.00%	F	€	25,000.00
Blitz 01-815 GmbH	DEU	Munich	100.00%	100.00%	F	€	25,000.00
Bürohaus Leuchtenbergring Verwaltungs GmbH	DEU	Munich	100.00%	95.04%	N	€	0.00
City Objekte München GmbH	DEU	Munich	90.00%	84.60%	F	€	25,000.00

Company	Country code	Domicile	Capital share in % direct	Capital share in % indirect	Type of con-solidation	Cur-rency	Nominal capital
City Tower Vienna Grundstücksentwicklungs- und Beteiligungs-GmbH	DEU	Munich	100.00%	100.00%	N	€	0.00
Friendsfactory Projekte GmbH	DEU	Munich	55.00%	51.70%	F	€	25,000.00
GeMoBau Gesellschaft für modernes Bauen mbH	DEU	Berlin	94.00%	88.36%	N	€	0.00
HPG Hirschgarten GmbH	DEU	Munich	100.00%	100.00%	F	€	25,000.00
HPG Klosterstraße GmbH	DEU	Munich	100.00%	100.00%	F	€	25,000.00
Kühnehöfe Hamburg Komplementär GmbH	DEU	Munich	100.00%	75.20%	N	€	0.00
Leuchtenbergring Hotelbetriebsgesellschaft mbH	DEU	Munich	100.00%	94.00%	F	€	25,000.00
Mainz Zollhafen Verwaltungs GmbH	DEU	Berlin	100.00%	94.00%	N	€	0.00
Mainzer Landstraße Hotelbetriebs GmbH	DEU	Munich	100.00%	100.00%	F	€	25,000.00
MG Projekt-Sendling GmbH	DEU	Munich	100.00%	94.00%	F	€	25,000.00
MG Sendling Hotelbetriebsgesellschaft mbH	DEU	Munich	100.00%	94.00%	F	€	25,000.00
MG-Brehmstrasse BT C GmbH	DEU	Munich	100.00%	100.00%	F	€	25,000.00
MG-Brehmstrasse BT C Komplementär GmbH	DEU	Munich	100.00%	100.00%	F	€	25,000.00
MG-Dornach Bestandsgebäude GmbH	DEU	Munich	100.00%	100.00%	F	€	25,000.00
Münchner Grund Immobilien Bauträger GmbH	DEU	Munich	94.00%	94.00%	F	€	3,000,000.00
Münchner Grund Riem GmbH	DEU	Munich	100.00%	94.00%	N	€	0.00
Schloßhotel Tutzing GmbH	DEU	Starnberg	94.00%	88.36%	F	€	25,000.00
SONUS City Verwaltungs GmbH	DEU	Berlin	100.00%	94.00%	N	€	0.00
Stadtgrund Bauträger GmbH	DEU	Munich	100.00%	100.00%	F	€	76,694.96
UBM Leuchtenbergring GmbH	DEU	Munich	100.00%	100.00%	F	€	25,000.00
UBX 2 Objekt Berlin GmbH	DEU	Munich	94.00%	91.36%	F	€	25,000.00
Sitnica drustvo s ogranicenom odgovornoscu za usluge	HRV	Samobor	100.00%	100.00%	F	HRK	21,777,200.00
STRAUSS & PARTNER Development d.o.o. za usluge i graditeljstvo	HRV	Samobor	100.00%	100.00%	N	HRK	0.00
UBM d.o.o. za poslovanje nekretninama	HRV	Zagreb	100.00%	100.00%	F	HRK	9,166,100.00
Gamma Real Estate Ingtalanfejlesztö és -hasznositó Korlátolt Felelösségü Társaság	HUN	Budapest	100.00%	100.00%	F	HUF	3,000,000.00
UBM Projektmanagement Korlátolt Felegösségü Társaság	HUN	Budapest	100.00%	100.00%	F	HUF	20,000,000.00
UBM Holding NL B.V.	NLD	Amsterdam	100.00%	100.00%	F	€	60,000.00
UBM Hotel Zuidas B.V.	NLD	Amsterdam	100.00%	100.00%	F	€	18,000.00
UBM Spinoza B.V.	NLD	Amsterdam	100.00%	100.00%	F	€	18,000.00
"FMP Planning and Facility Management Poland" Sp. z o.o.	POL	Warsaw	100.00%	100.00%	F	PLN	150,000.00
"UBM Polska" Spólka z ograniczona odpowiedzi-alnoscia	POL	Warsaw	100.00%	100.00%	F	PLN	50,000.00
"UBM Residence Park Zakopianka" Spólka z ograniczona odpowiedzialnoscia	POL	Krakow	100.00%	100.00%	F	PLN	50,000.00
"UBM-HPG" Spólka z ograniczona odpowiedzialnoscia	POL	Krakow	100.00%	100.00%	F	PLN	50,000.00
Bartycka Real Estate Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	100.00%	100.00%	F	PLN	50,000.00
FMZ Gdynia Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	100.00%	100.00%	F	PLN	101,000.00
FMZ Lublin Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	70.00%	70.00%	F	PLN	50,000.00
FMZ Sosnowiec Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	55.00%	55.00%	F	PLN	50,000.00
Ligustria 12 Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	100.00%	100.00%	F	PLN	5,000.00
Oaza Kampinos Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	100.00%	100.00%	F	PLN	50,000.00

Company	Country code	Domicile	Capital share in % direct	Capital share in % indirect	Type of con-solidation	Cur-rency	Nominal capital
Poplar Company spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	100.00%	100.00%	F	PLN	5,000.00
SNH spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	100.00%	74.00%	N	PLN	0.00
UBM GREEN DEVELOPMENT SPÓLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	POL	Warsaw	100.00%	100.00%	F	PLN	156,000.00
UBM Kotlarska Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	99.00%	99.00%	F	PLN	5,000.00
UBM Mogilska Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	100.00%	100.00%	F	PLN	5,000.00
UBM Riwiera 2 Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	100.00%	100.00%	F	PLN	5,000.00
UBM Riwiera Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	100.00%	100.00%	F	PLN	5,000.00
UBM Rumba Spólka z ograniczona odpowiedzialnoscia w likwidacji	POL	Warsaw	100.00%	100.00%	F	PLN	5,100.00
UBM Times Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	100.00%	100.00%	F	PLN	5,000.00
UBM Twarda Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	100.00%	100.00%	F	PLN	5,000.00
UBM Zielone Tarasy Spólka z ograniczona odpowiedzialnoscia	POL	Krakow	100.00%	100.00%	F	PLN	50,000.00
Yavin Spólka z ograniczona odpowiedzialnoscia	POL	Poznan	100.00%	100.00%	F	PLN	38,323,300.00
Lamda Imobiliare SRL	ROM	Bucharest	100.00%	100.00%	F	RON	19,146,810.00
M Logistic Distribution S.R.L.	ROM	Bucharest	100.00%	100.00%	F	RON	11,376,000.00
UBM DEVELOPMENT S.R.L.	ROM	Bucharest	100.00%	100.00%	F	RON	176,500.00
Yipsilon Imobiliare SRL	ROM	Bucharest	100.00%	100.00%	F	RON	4,452,900.00
Gesellschaft mit beschränkter Haftung "UBM development doo"	RUS	St. Petersburg	100.00%	100.00%	F	RUB	3,700,000.00
UBM Koliba s.r.o.	SVK	Bratislava	100.00%	100.00%	F	€	6,390,000.00
UBM Slovakia s.r.o.	SVK	Bratislava	100.00%	100.00%	F	€	6,639.00
Tovarystvo z obmezhenoju vidpovidalnistu "UBM Ukraine"	UKR	Kiev	100.00%	100.00%	N	UAH	0.00
Affiliated partnerships							
"MySky" Verwertungs GmbH & Co. OG	AUT	Vienna	100.00%	100.00%	F	€	1,162.76
Emiko Beteiligungsverwaltungs GmbH & Co. KG	AUT	Kematen in Tirol	100.00%	100.00%	F	€	1,000.00
EPS Immobilienmanagement "Kreuzstraße" GmbH & CO KG	AUT	Innsbruck	100.00%	100.00%	F	€	1,000.00
EPS Immobilienmanagment "Schützenwirt" GmbH & CO KG	AUT	Innsbruck	100.00%	100.00%	F	€	1,000.00
EPS MARIANNE-HAINISCH-GASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG	AUT	Vienna	100.00%	100.00%	F	€	1,000.00
EPS Office Franzosengraben GmbH & Co KG	AUT	Vienna	100.00%	100.00%	F	€	1,000.00
EPS RINNBÖCKSTRASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungs-verwaltungs GmbH & Co KG	AUT	Vienna	100.00%	100.00%	F	€	1,000.00
EPS Welser Straße 17 - Business.Hof Leonding 1 Errichtungs- und Beteiligungs GmbH & Co KG	AUT	Vienna	100.00%	100.00%	F	€	1,000.00
Giral Beteiligungsverwaltungs GmbH & Co. KG	AUT	Vienna	100.00%	100.00%	N	€	0.00
Glamas Beteiligungsverwaltungs GmbH & Co "Delta" KG	AUT	Vienna	100.00%	100.00%	F	€	1,000.00
GORPO Projektentwicklungs- und Errichtungs-GmbH & Co KG	AUT	Vienna	100.00%	100.00%	F	€	1,000.00
Gospela Beteiligungsverwaltungs GmbH & Co KG	AUT	Vienna	100.00%	100.00%	F	€	1,000,000.00
MLSP Absberggasse Immobilien GmbH & Co KG	AUT	Vienna	100.00%	100.00%	F	€	999.00

Company	Country code	Domicile	Capital share in % direct	Capital share in % indirect	Type of con-solidation	Cur-rency	Nominal capital
MLSP IBC WEST Immobilien GmbH & Co KG	AUT	Vienna	100.00%	100.00%	F	€	999.00
MultiStorage GmbH & Co KG	AUT	Salzburg	75.00%	75.00%	F	€	10,000.00
Projekt Ost - IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG	AUT	Unterpremstätten, pol. Gem. Premstätten	100.00%	99.94%	F	€	290,691.34
Projekt West - IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG	AUT	Unterpremstätten, pol. Gem. Premstätten	100.00%	100.00%	F	€	290,691.34
QBC Immobilien GmbH & Co Beta KG	AUT	Vienna	100.00%	100.00%	F	€	8,271.37
QBC Immobilien GmbH & Co Epsilon KG	AUT	Vienna	100.00%	100.00%	F	€	10,627.48
QBC Immobilien GmbH & Co Eta KG	AUT	Vienna	100.00%	100.00%	F	€	1,000.00
SFZ Freizeitbetriebs-GmbH & Co KG	AUT	Unterpremstätten, pol. Gem. Premstätten	100.00%	100.00%	F	€	100,000.00
SFZ Immobilien GmbH & Co KG	AUT	Unterpremstätten, pol. Gem. Premstätten	100.00%	100.00%	F	€	363,364.17
UBM Realitätenentwicklung Aktiengesellschaft & Co. Muthgasse Liegenschaftsverwertung OG	AUT	Vienna	100.00%	100.00%	N	€	0.00
Vermögensverwaltung SFZ Immobilien GmbH & Co KG	AUT	Unterpremstätten, pol. Gem. Premstätten	100.00%	100.00%	F	€	100,000.00
Wohnpark Laaer Berg Verwertungs- und Beteili-gungs-GmbH & Co. Bauplatz 4 "blau" Projekt-OG	AUT	Vienna	100.00%	100.00%	N	€	0.00
Arena Boulevard GmbH & Co. KG	DEU	Berlin	94.00%	88.36%	F	€	1,000.00
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG	DEU	Munich	99.00%	95.04%	F	€	100,000.00
Immobilien- und Baumanagement Stark GmbH & Co. Stockholmstraße KG	DEU	Munich	100.00%	94.00%	F	€	50,000.00
Kühnehöfe Hamburg GmbH & Co. KG	DEU	Munich	80.00%	75.20%	F	€	500.00
Mainz Zollhafen Hotel GmbH & Co. KG	DEU	Berlin	100.00%	94.00%	F	€	1,000.00
MG Brehmstrasse BT C GmbH & Co. KG	DEU	Munich	100.00%	100.00%	F	€	51,129.97
MGO I Development GmbH & Co KG (vormals Portokali Property Development I GmbH & Co. KG)	DEU	Berlin	100.00%	94.00%	F	€	1,000.00
MGO II Development GmbH & Co KG (vormals Portokali Property Development II GmbH & Co. KG)	DEU	Berlin	100.00%	94.00%	F	€	1,000.00
SONUS City GmbH & Co. KG	DEU	Berlin	84.00%	78.60%	F	€	500,000.00
POPLAR COMPANY Spólka z ograniczona odpowiedzialnoscia Spólka Komandytowa	POL	Warsaw	100.00%	100.00%	F	PLN	55,100.00
Companies recognised under the equity method							
Companies recognised under the equity method limited by shares							
"hospitals" Projektentwicklungsges.m.b.H.	AUT	Vienna	65.34%	65.34%	E/J	€	500,000.00
CCG Immobilien GmbH	AUT	Werndorf	24.90%	24.90%	E/A	€	2,000,000.00
Ehrenhausen Bauträger GmbH	AUT	Bad Gleichenberg	30.00%	30.00%	E/A	€	35,000.00
Hessenplatz Hotel- und Immobilienentwicklung GmbH	AUT	Vienna	50.00%	50.00%	E/J	€	37,000.00
hospitals Projektentwicklungsges.m.b.H.	AUT	Graz	74.00%	74.00%	E/J	€	535,000.00
Jochberg Kitzbüheler Straße Hotelbetriebs GmbH	AUT	Jochberg	50.00%	50.00%	E/J	€	35,000.00
KDS 98 Errichtungs GmbH	AUT	Klagenfurt am Wörthersee	33.33%	33.30%	E/J	€	35,000.00
Murgalerien Errichtungs- und Verwertungs-GmbH	AUT	Unterpremstätten, pol. Gem. Premstätten	50.00%	50.00%	E/J	€	35,000.00
Muthgasse Alpha Holding GmbH	AUT	Vienna	47.06%	47.06%	E/J	€	35,000.00
Palais Hansen Immobilienentwicklung GmbH	AUT	Vienna	33.57%	33.57%	E/A	€	35,000.00
QBC Alpha SP Immomanagement GmbH	AUT	Vienna	65.00%	65.00%	E/J	€	35,000.00
QBC Gamma SP Immomanagement GmbH	AUT	Vienna	65.00%	65.00%	E/J	€	35,000.00

Company	Country code	Domicile	Capital share in % direct	Capital share in % indirect	Type of con-solidation	Cur-rency	Nominal capital
QBC Immobilien GmbH	AUT	Vienna	78.98%	78.98%	E/J	€	60,000.00
Seeresidenz am Wolfgangsee Bauträger GmbH	AUT	Vienna	45.00%	45.00%	E/J	€	35,000.00
Seeresidenz am Wolfgangsee Beteiligungsverwaltung GmbH	AUT	Vienna	45.00%	45.00%	E/J	€	35,000.00
Wohnanlage Andritz - Stattegger Straße 2 GmbH	AUT	Graz	51.00%	51.00%	E/J	€	35,000.00
Wohnanlage EZ 208 KG Andritz GmbH	AUT	Graz	100.00%	100.00%	E/J	€	35,000.00
W 3 Errichtungs- und Betriebs-Aktiengesellschaft	AUT	Vienna	80.00%	80.00%	E/J	€	800,000.00
Wohnanlage Geidorf - Kahngasse GmbH	AUT	Graz	50.00%	50.00%	E/J	€	10,000.00
DOCK V1, s.r.o.	CZE	Prague	50.00%	50.00%	E/J	CZK	200,000.00
UBX Plzen s.r.o.	CZE	Prague	50.00%	50.00%	E/J	CZK	200,000.00
ACC Berlin Konferenz Betriebs GmbH	DEU	Berlin	50.00%	50.00%	E/J	€	25,000.00
Anders Wohnen GmbH	DEU	Grünwald, Landkreis Munich	50.00%	47.00%	E/J	€	25,000.00
Lilienthalstraße Wohnen GmbH Münchner Grund und Baywobau	DEU	Grünwald, Landkreis Munich	50.00%	47.00%	E/J	€	25,000.00
Top Office Munich GmbH	DEU	Grünwald, Landkreis Munich	50.00%	47.00%	E/J	€	25,000.00
UBX 1 Objekt Berlin GmbH	DEU	Munich	50.00%	50.00%	E/J	€	25,000.00
GALLIENI DEVELOPPEMENT SARL	FRA	Boulogne Billancourt	50.00%	50.00%	E/J	€	50,000.00
HOTEL PARIS II S.A.R.L.	FRA	Marne la Vallée	50.00%	50.00%	E/J	€	650,000.00
UBX Development (France) Societé par actions simplifiée	FRA	Magny le Hongre Cedex 4	50.00%	50.00%	E/J	€	50,000.00
Sarphati 104 B.V.	NLD	Amsterdam	50.00%	50.00%	E/J	€	18,000.00
Styria B.V.	NLD	Amsterdam	50.00%	50.00%	E/J	€	18,000.00
"GF Ramba" Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	50.00%	50.00%	E/J	PLN	138,800.00
"POLECZKI BUSINESS PARK" SPÓLKA Z OGRANIC-ZONA ODPOWIEDZIALNOSCIA W LIKWIDACJI	POL	Warsaw	50.00%	50.00%	E/J	PLN	7,936,000.00
"SOF DEBNIKI DEVELOPMENT" SPÓLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	POL	Krakow	50.00%	50.00%	E/J	PLN	66,000.00
"UBX Katowice" Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	50.00%	50.00%	E/J	PLN	50,000.00
Berlin Office Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	50.00%	50.00%	E/J	PLN	5,000.00
Lanzarota Investments spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	50.00%	50.00%	E/J	PLN	5,000.00
PBP IT-Services spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	50.00%	50.00%	E/J	PLN	50,000.00
Poleczki Amsterdam Office Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	50.00%	50.00%	E/J	PLN	5,000.00
Poleczki Development Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	50.00%	50.00%	E/J	PLN	5,000.00
Poleczki Lisbon Office Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	50.00%	50.00%	E/J	PLN	5,000.00
Poleczki Vienna Office Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	50.00%	50.00%	E/J	PLN	5,000.00
Warsaw Office Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	50.00%	50.00%	E/J	PLN	5,000.00
Partnerships recognised under the equity method							
CCG Nord Projektentwicklung GmbH & Co KG	AUT	Werndorf	50.00%	50.00%	E/J	€	1,000,000.00
Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG	AUT	Vienna	26.67%	26.67%	E/A	€	10,000.00
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH & Co KG	AUT	Jochberg	50.00%	50.00%	E/J	€	2,000.00

Company	Country code	Domicile	Capital share in % direct	Capital share in % indirect	Type of con-solidation	Cur-rency	Nominal capital
Jochberg Kitzbüheler Straße Errichtungs und Beteiligungsverwaltungs GmbH & Co KG	AUT	Vienna	50.00%	50.00%	E/J	€	3,769.00
LiSciV Muthgasse GmbH & Co KG	AUT	Vienna	26.67%	26.67%	E/A	€	10,000.00
QBC Immobilien GmbH & Co Alpha KG	AUT	Vienna	67.10%	65.00%	E/J	€	10,000.00
QBC Immobilien GmbH & Co Gamma KG	AUT	Vienna	67.10%	65.00%	E/J	€	10,000.00
QBC Immobilien GmbH & Co Zeta KG	AUT	Vienna	80.24%	78.98%	E/J	€	10,000.00
Rosenhügel Entwicklungs-, Errichtungs- und Verwertungsgesellschaft mbH & Co KG	AUT	Vienna	50.00%	50.00%	E/J	€	999.00
German Hotel Invest I GmbH & Co. KG	DEU	Grünwald, Landkreis Munich	50.00%	47.00%	E/J	€	2,000.00
German Hotel Invest III GmbH & Co. KG	DEU	Grünwald, Landkreis Munich	50.00%	47.00%	E/J	€	2,000.00
Obersendlinger Grund GmbH & Co. KG	DEU	Grünwald, Landkeis Munich	30.00%	28.20%	E/A	€	100,000.00
Emma Hotel C.V.	NLD	Amsterdam	50.00%	47.62%	E/J	€	2,100.00

Other companies

Other companies limited by shares

Company	Country code	Domicile	Capital share in % direct	Capital share in % indirect	Type of con-solidation	Cur-rency	Nominal capital
"IQ" Immobilien GmbH	AUT	Pasching	50.00%	50.00%	N	€	0.00
CCG Nord Projektentwicklung GmbH	AUT	Werndorf	50.00%	50.00%	N	€	0.00
Clubhaus & Golfhotel Eichenheim Errichtungs-GmbH in Liqu.	AUT	Vienna	50.00%	50.00%	N	€	0.00
Glamas Beteiligungsverwaltungs GmbH	AUT	Vienna	56.67%	26.67%	N	€	0.00
IMMORENT-KRABA Grundverwertungsgesellschaft m.b.H.	AUT	Vienna	10.00%	10.00%	N	€	0.00
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH	AUT	Jochberg	50.00%	50.00%	N	€	0.00
Jochberg Kitzbüheler Straße Errichtungs- und Beteiligungsverwaltungs GmbH	AUT	Vienna	50.00%	50.00%	N	€	0.00
KBB - Klinikum Besitz- und Betriebs Gesellschaft m.b.H.	AUT	Vienna	74.00%	24.18%	N	€	0.00
KMG - Klinikum Management Gesellschaft mbH	AUT	Graz	49.50%	32.67%	N	€	0.00
PEM Projektentwicklung Murgalerien GmbH	AUT	Unterpremstätten, pol. Gem. Premstätten	50.00%	50.00%	N	€	0.00
REHAMED Beteiligungsges.m.b.H.	AUT	Graz	50.00%	32.67%	N	€	0.00
REHAMED-Rehabilitationszentrum für Lungen- und Stoffwechselerkrankungen Bad Gleichenberg Gesellschaft m.b.H.	AUT	Bad Gleichenberg	74.00%	24.18%	N	€	0.00
Rosenhügel Entwicklungs-, Errichtungs- und Verwertungsgesellschaft mbH	AUT	Vienna	50.00%	50.00%	N	€	0.00
Seeresidenz am Wolfgangsee Projektentwicklungs- und Errichtungs GmbH	AUT	Vienna	45.00%	45.00%	N	€	0.00
Soleta Beteiligungsverwaltungs GmbH	AUT	Vienna	26.67%	26.67%	N	€	0.00
Storchengrund GmbH	AUT	Vienna	50.00%	50.00%	N	€	0.00
VBV delta Anlagen Vermietung Gesellschaft m.b.H.	AUT	Vienna	20.00%	20.00%	N	€	0.00
"S1" Hotelerrichtungs AG	CHE	Savognin	4.91%	4.91%	N	CHF	0.00
EKO-SBER BRNO, spol. s.r.o. - v likvidaci	CZE	Brünn	20.00%	20.00%	N	CZK	0.00
Alexander Parkside Verwaltungs GmbH	DEU	Berlin	50.00%	3.00%	N	€	0.00
FAB Beteiligungsgesellschaft mbH	DEU	Berlin	100.00%	6.00%	N	€	0.00
Frankenstraße 18-20 Verwaltungs GmbH	DEU	Hamburg	100.00%	3.00%	N	€	0.00
German Hotel III Verwaltungs GmbH	DEU	Grünwald, Landkreis Munich	47.00%	44.36%	N	€	0.00

Company	Country code	Domicile	Capital share in % direct	Capital share in % indirect	Type of con-solidation	Cur-rency	Nominal capital
German Hotel Verwaltungs GmbH	DEU	Grünwald	47.00%	44.36%	N	€	0.00
Obersendlinger Grund Verwaltungs GmbH	DEU	Grünwald, Landkreis Munich	30.00%	28.20%	N	€	0.00
Olympia Gate Munich Verwaltungs GmbH	DEU	Grünwald	50.00%	3.00%	N	€	0.00
STRAUSS & CO. Development GmbH	DEU	Berlin	6.00%	6.00%	N	€	0.00
UBX II (France) s.à.r.l.	FRA	Magny le Hongre Cedex 4	100.00%	50.00%	N	€	0.00
M6 Tolna Üzemeltetö Korlátolt Felelösségü Társaság	HUN	Budapest	16.00%	16.00%	N	HUF	0.00
Hotelinvestments (Luxembourg) S.à r.l.	LUX	Luxemburg	50.00%	50.00%	N	€	0.00
Lanzarota Investments spólka z ograniczona odpowiedzialnoscia Sienna Hotel spólka komandytowo-akcyjna	POL	Warsaw	100.00%	50.00%	N	PLN	0.00
Mlynska Development Spólka z ograniczona odpowiedzialnoscia	POL	Danzig	40.00%	40.00%	N	PLN	0.00
ZAO "AVIELEN A.G."	RUS	St. Petersburg	10.00%	10.00%	N	RUB	0.00
Other partnerships							
PEM Projektentwicklung Murgalerien GmbH & Co KG	AUT	Unterpremstätten, pol. Gem. Premstätten	100.00%	50.00%	N	€	0.00
Seeresidenz am Wolfgangsee Projektentwick-lungs- und Errichtungs GmbH & Co KG	AUT	Vienna	100.00%	45.00%	N	€	0.00
Alexander Parkside GmbH & Co. KG	DEU	Berlin	50.00%	3.00%	N	€	0.00
Forum am Bahnhof Quickborn GmbH & Co. KG	DEU	Hamburg	6.00%	0.36%	N	€	0.00
Frankenstraße 18-20 GmbH & Co. KG	DEU	Hamburg	50.00%	3.00%	N	€	0.00
C.V. Nederlanden	NLD	Amsterdam	0.10%	0.05%	N	€	0.00

Key:

F = fully consolidated company

E/A = associated company recognised under the equity method

E/J = joint venture recognised under the equity method

N = non-consolidated company

AUDITOR'S REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements, including the accounting system, of UBM Development AG Vienna for the fiscal year from 1 January 2015 to 31 December 2015. These financial statements comprise the balance sheet as of 31 December 2015, the income statement for the fiscal year ended 31 December 2015 and the notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS AND FOR THE ACCOUNTING SYSTEM

The Company's management is responsible for the accounting system and for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and in accordance with relevant Austrian laws. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY AND DESCRIPTION OF TYPE AND SCOPE OF THE STATUTORY AUDIT

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance 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 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 due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company'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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2015 and of its financial performance for the fiscal year from 1 January 2015 to 31 December 2015 in accordance with Austrian Generally Accepted Accounting Principles.

COMMENTS ON THE MANAGEMENT REPORT

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report is consistent with the financial statements. The disclosures according to § 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 11 April 2016

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

KLEMENS EITER
Auditor

HELMUT KERN
Auditor

According to the Austrian Commercial Code (UGB) the financial statements of UBM Development AG as of 31 December 2015 have been prepared in German. We have audited these financial statements. The financial statements and our audit report have been translated into English language. This translation was made for the convenience of the reader only, therefore the only legally binding report is the report in German language.

Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

APPROPRIATION OF PROFITS

UBM Development AG ended the 2015 fiscal year with a retained profit of € 11,976,246.08. The Managing Board proposes a dividend of € 1.60 per share, which with 7,472,180 shares totals € 11,955,488.00, with the remainder of the profits totalling € 20,758.08 to be carried forward to new account.

Upon approval by the Annual General Meeting on this proposal for the appropriation of profits, the payout of a dividend of € 1.60 per share shall ensue from 3 June 2016 through the custodian bank, subject to tax law regulations. The main paying agent is Erste Group Bank AG.

Vienna, 8 April 2016
The Managing Board

KARL BIER
Chairman

MARTIN LÖCKER

HERIBERT SMOLÉ

CLAUS STADLER

MICHAEL WURZINGER

RESPONSIBILITY STATEMENT

PURSUANT TO ARTICLE 82 SECTION 4 STOCK EXCHANGE ACT – CONSOLIDATED FINANCIAL STATEMENTS

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the company and management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Vienna, 8 April 2016
The Managing Board

KARL BIER
Chairman

MARTIN LÖCKER

HERIBERT SMOLÉ

CLAUS STADLER

MICHAEL WURZINGER

GLOSSARY

ARGE	Joint Venture of several companies for the joint realisation of building 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
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 output in accordance with economic criteria, which deviates from the presentation of revenues in the income statement since it also includes proportional output in joint ventures as well as the revenues of non-consolidated participations.
equity interests	P/E ratio Price/earnings ratio, share price in relation to earnings per share
Market capitalisation	Stock market value, share price x number of shares issued
MSCI	MSCI Inc. is a US financial services provider based in New York, which offers financial services primarily for the investment banking industry.
Sustainability	Sustainability is economic development based on ecological criteria
PIAG	PIAG Immobilien AG
UBM	UBM Development AG

DISCLAIMER

This Annual Report also contains statements relating to the future which are based on estimates and assumptions made, to the best of their current knowledge, by managerial staff.

Future-related statements may be identified as such by expressions such as “anticipated”, “target” or similar constructions. Forecasts concerning the future development of the company take the form of estimates based on information available at 31 December 2015. Actual results may differ from forecast values where the assumptions on which these are based should prove incorrect or risks should develop in unforeseeable ways.

Ratios have been rounded sum preserving. Changes were calculated from the rounded figures. Every care has been taken in the compilation of this Annual Report as of 31 December 2015 to ensure the accuracy and completeness of information in all sections. However, round-off, typesetting and printing errors cannot be completely ruled out.

This report is a translation into English of the 2015 Annual Report published in the German language and is provided solely for the convenience of English-speaking users. In the event of a discrepancy or translation error, the German-language version prevails.

LEGAL NOTICE

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