Interim Report on H1 2007

The best imaginable.

UBM Group figures

	H1/2007	2007*	H1/2006	2006	H1/2005	2005
KEY FIGURES IN EUR MILLION						
Total revenues of UBM Group	150.7	256.4*	91.7	185.7	68.2	109.0
of which: foreign revenue in %	42.0	70.0*	90.0	72.2	55.0	58.0
Earnings before interest and taxes (EBIT)	13.1		5.3	18.6		14.1
Earnings before tax (EBT)	6.9		5.0	11.2		9.9
Net income	6.1		4.6	8.6		8.5
Investments	26.9	75.0*	27.1	74.9	18.6	38.7
BUSINESS OVERVIEW IN EUR MILLION						
Total revenues of UBM Group	150.7	256.4*	91.7	185.7	68.2	109.0
Revenues from project development and construction operations	146.7	249.8*	89.6	181.1	66.4	105.1
of which: real estate rentals	9.5	15.9*	10.8	19.7	10.0	19.1
Facility management	4.0	6.6*	2.1	4.6	1.8	3.9
Headcount						
As of 30 June	280		146		138	

* Forecast

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Message from the MANAGING BOARD

UBM: A solide base for selective growth

Dear Shareholders,

After only six months we are delighted to be able to present an extremely pleasing set of figures to you with outstanding prospects for future development at UBM. Total revenues are up year on year from € 91.7 million to € 150.7 million, which in percentage terms means growth of more than 50%.

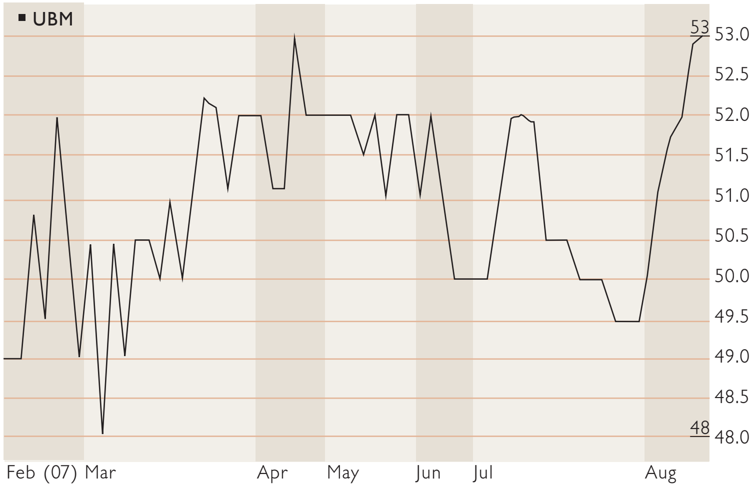
Poland has proven to be the most successful country at present, thanks principally to the huge andel's project in Cracow: the hotel opened its doors on the 1st of June. The strong success of business in the Czech Republic has continued as well with the sale of residential property in the Andel City development in Prague. The sale of the Florido Tower has been the main reason behind the positive development in Austria.

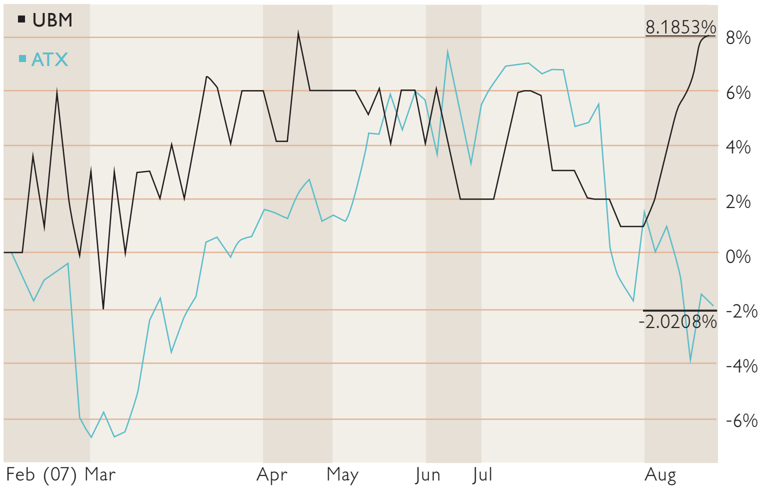
This upwards trend has led among other things to an improvement of € 1.9 million in earnings before taxes (from € 5.0 million to € 6.9 million). And yet there are still other projects that promise much for the future. Projects in Central and Eastern Europe will remain the focal point of business, particularly in the cities of Berlin, Munich, Pilsen, Katowice and Cracow. Moreover, UBM will be concentrating on the construction of logistics centres, and especially in Poland on the building of residential property. The firm is also gearing up to penetrate the Russian market: a project is being worked on in the vicinity of the airport in St. Petersburg.

Thus the selective growth policy adopted by UBM is being pursued, targeting an increase in average sales revenue and earnings of at least 25% by the end of the year.

DI Peter Maitz | Mag. Karl Bier | Heribert Smolé

Price development of UBM shares in comparison to ATX





The underlying trend in the price of UBM shares over the first six months was positive. The January low of 45.49 proved to be the turning point, and apart from a brief setback, February saw a steady increase in the share price, reaching a provisional high of 52 at the end of the month. Although there were some minor, irregular fluctuations in March, the share price managed to recover quickly and topped a new high of 53 in April. In May the price again floated between 52 and 51. After an intermediate low towards the end of July, the shares eventually recovered to 53.

With the exception of the last two weeks in August, this development corresponds essentially to the movements of the ATX. However, the UBM shares coped relatively better with the trough in March and therefore in comparison to the January figures they were able to post higher percentage rates of growth. Nevertheless, developments in June and July in particular again demonstrated some convergence in value. With the ATX breaking the magic 5,000 point mark at the beginning of July, expectations on future development are cautiously positive. The 12.02% growth recorded by the ATX in the first six months is closely linked to the fact that more than 95% of the companies listed on the ATX are active in the region of Central and South-eastern Europe.

andel's Hotel Cracow

Poland's first design hotel opened its doors on 1 June 2007.

Andel's Hotel Cracow was designed by the famous architect duo of Jestico + Whiles, who have already demonstrated what they are capable of in many projects, including andel's Hotel Prague which opened in 2002 and has proved to be a huge success. The new 4-star hotel in Cracow, which followed on from the Prague project and consequently also represents new dimensions in interior design, was constructed in only 14 months at an investment cost of approximately € 25 million. The contractor and owner of the hotel is UBX Krakow Sp. z o.o. (a jointly managed company of UBM and Warimpex), while the hotel is run by Vienna International Hotels & Resorts.

CRACOW: WHERE HOLIDAY TOURISTS AND BUSINESS TRAVELLERS MEET

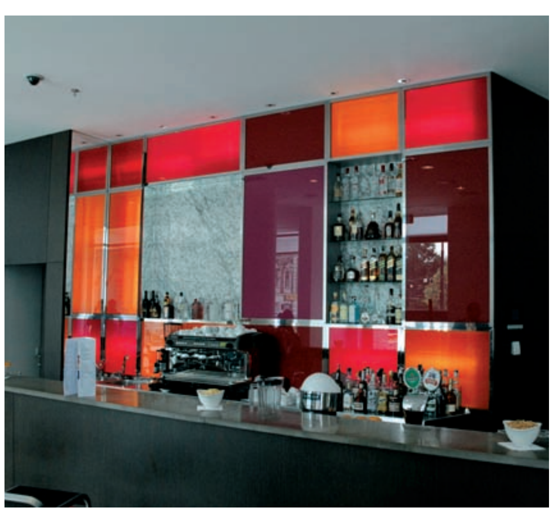
The city of Cracow with its 1 million inhabitants is not only one of the leading economic centres in Poland but it is also the Polish city most visited by tourists. Cracow attracts both business travellers and tourists alike, which is only possible in a few towns and cities. This guarantees the continuous utilisation of facilities and therefore a successful investment. In the last two years alone the number of visitors to Cracow has risen by 300,000, and in 2006 a total of 1.3 million came to see the sights of the city. One reason for this is the many airline companies that serve Cracow, which since last year now also include some low-cost carriers. So tourism is booming, and there is certainly more potential to be tapped in the future, not least with the forthcoming European Football Championships to be held jointly by Poland and Ukraine in 2012.

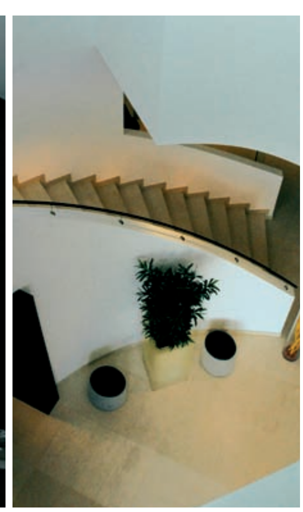
LOCATION

The hotel is situated in the centre of the world-famous old town, only 100 m from the main railway station. Being located in the vicinity of the train station has proved to be particularly beneficial since it has enabled the hotel to contribute to the further development of the city. There are also close links to the airport, with the express train taking you to Balice Airport in only 12 minutes. What is more, one of the newest shopping centres in Cracow is situated just beside the hotel.

ROOMS AND FURNISHINGS

- **159 rooms in total,** including apartments, 1 senior suite, 4 junior suites, 1 room for disabled guests; the majority of the rooms are non-smoking
  - LCD Sat-TV (Flat screen) and DVD player
  - wireless Internet access
  - individually controlled air-conditioning
  - minibar and safe
  - facility for charging laptops, telephone
  - toilet and bathroom with hairdryer and under-floor heating
  - all rooms are bathed in light through floor-to-ceiling windows
  - andel's "special" Executive Rooms: terrace on the top floor, high level of convenience
- **Restaurant and Bar**
- **Fitness centre** with cardio equipment, sauna, steam bath and aroma showers
- **Four conference rooms** that can be combined by means of sliding partition walls
  - Total floor space: 440 m^2
  - Holds 320 people





Regensdorf logistics centre

Optimal transport links, the proximity to Zurich and the large recreational area all make Regensdorf a new hub for the whole of Switzerland.

REGENSDORF AS A BUSINESS LOCATION

Regensdorf is not only one of the largest municipalities in the Zurich Unterland, but it is also an attractive residential area by means of its good transport links, the proximity to Zurich and the large recreational area. Over and above this, Regensdorf boasts one of the largest employment areas in the Canton of Zurich stretching over approximately 124 hectares.

Yet in spite of this large size the municipality is not considered a classical working area with a large number of commuters. In fact, in recent years there has from time to time been a fall in the number of jobs on offer. This is why the municipality wants to strengthen its significance as a business location: A situation analysis was carried out which led to the elaboration of a strategy on economic development. The overarching aim of this master plan is to enhance the value of the area in terms of employment and to promote the attractiveness of Regensdorf as a business location. Moreover, conditions are to be created to entice new businesses to Regensdorf again and to keep existing ones in the town. The construction of the new DHL logistics centre follows the spirit of this plan and has already made a substantial contribution to raising the value of the town as a business location.

A local hub for Zurich and the surrounding area has thus become a central hub for the whole of Switzerland.

DHL IN REGENSDORF

DHL already has operations in Regensdorf, but it has outgrown its premises on the Bahnstraße. Instead of the 12,000 m^2 used thus far, the new building affords the company a total of 33,500 m^2 for offices and goods turnover. 420 jobs are planned, of which 150 will be in the offices. The building was rendered more efficient in terms of work areas and internal infrastructure; an additional parking area with spaces for 52 vehicles will facilitate the expansion in customer traffic. The relocation of the DHL divisions of marketing and sales from Zurich to Regensdorf and the amalgamation of the freight terminals in Schlieren, Tägerwilen and Schaffhausen will enable the creation of 230 new jobs, mostly in the areas of commerce and management. The investor and operator of the project is UBM Swiss AG, a wholly-owned subsidiary of UBM AG.

DATA AND FACTS

- **Project info:**
  - Property: 33,476 m²
  - Office: gross floor space of 4,530 m²
  - Logistics terminal: gross floor space of 5,050 m²
  - Loading terminal: gross floor space of 2,550 m²
  - Parking area: gross area of 990 m²
  - Open area (secured): 20,000 m²

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

- **September 2007:** planned handover of logistics hall
- **October 2007:** planned handover of offices

Business Report Economic conditions – present and future

THE WORLD, EUROPE AND THE USA

The dynamic growth of the global economy is not likely to slow down any time soon. Developments in the first six months in Europe were extremely pleasing, marked by high investments as well as strong export growth. The ECB key rate was raised in March 2007 to 3.75% and then in June to 4% in order to ward off inflationary risks. The gross domestic product of the euro area is set to grow by 2.6%, the same as in the previous year, while economic activity in the USA, by contrast, is slower and therefore the speed of growth throughout the entire global economy has been more restrained to date: the situation has been rendered somewhat gloomier above all by the falling prices on the real estate market, but other adverse factors include the negative development in fixed capital formation and the high rates of inflation. The Asian economy on the other hand has continued its positive development, especially in China. Forecasts suggest that Germany and France will also continue to develop in line with expectations: while the lively growth recorded in Germany last year will not be exceeded (analysts predict a minimal decline of 0.2% compared to the 2.7% posted in 2006), France is set to record higher growth (up by 0.4%) than in the previous year (2.0%).

To sum up it is clear that the outlook is still positive across the board, albeit subdued slightly by developments in the USA. Since the cooling down of economic activity in the USA is likely to be short-lived, the global economy should expand robustly in the coming period, though at a modestly slower rate, whereby the main growth dynamo will be the economies in Asia. Bolstered by powerful investment growth the euro area economy has now become self-sufficient and will at any rate record stronger growth than in the USA.

CENTRAL AND EASTERN EUROPE

The pace of economic development in the EU countries of Central Europe has remained high. In addition to an increase in consumption caused by benign employment effects and rising real incomes, exports and fixed capital formation also made a considerable contribution to the upswing. Only private consumption in Hungary and the country's investment activity were slightly subdued, principally because of the restructuring of the state budget. There has been a moderate slowdown in comparison to 2006, but the economy is still expanding at above-average rates: growth continues to surpass that of the euro area. Russia and Kazakhstan are still the front runners in terms of growth, while in Central Europe the country recording the most dynamic development at present is Poland.

AUSTRIA

Figures for the first six months indicate anything but a cool-down in the buoyant economic activity seen across the board: the slowdown in the USA, the increase in long-term interest rates and the strength of the euro are only likely to weigh on events in the coming year, after a slight delay; under current conditions GDP growth should reach 3.2% (compared to 3.1% in the previous year). Exports and the sharp increase in investment demand are the main drivers behind economic growth at present; this is principally benefiting goods manufacturing, construction – which is developing extremely dynamically – and providers of business-related services. But the labour market has also responded positively to this economic growth so far: the figures available to date on 2007 confirm that a rising number of full-time jobs are being created, which means that the number of those in employment will rise again this year (probably by 1.9% in comparison to 1.7% in the previous year). The expanding economic activity in Germany and Italy coupled with the robust growth recorded in the new EU Member States are the main factors influencing the Austrian economy.

REAL ESTATE MARKET

While the downward trend in development of private housing construction in the USA is weighing down on the US GDP, the fledgling market in Eastern Europe is still going strong. Though some express doubts that the boom in the east can be sustained at its current level, at the same time there are a good many analyses that still identify major growth trends, especially in relation with freehold flats and logistics centres. The heightened demand for real estate is obviously benefiting directly from the persistently high economic growth in Eastern Europe: a new middle class is emerging that wants to live under modern conditions. At the same time, the life-span of most pre-fabricated apartment blocks is 50 years, and new living space has to be created. The real estate markets in Prague and Warsaw are particularly attractive at the minute, yet also noticeably more expensive.

The market for office real estate in the euro area is experiencing a real upswing just now. In contrast to the USA, there is no recession looming on the horizon: the structural demand for living space remains high, while incomes and the financial wealth of private households are growing strongly. The cooling-off period will above all affect Spain, but also France and Italy. However, the extent of any slowdown in these countries is difficult to judge with any certainty as yet. Although household lending figures are now far from their peak recorded last spring, according to ECB figures, the current rate of growth remains at a relatively high level. This alone suggests that there will be no sudden slowdown in the construction and real estate sector. Over and above this there are other factors which are likely to limit the scope of any cool-down on the housing market: the higher interest rates have coincided with a period of buoyant economic growth, declining unemployment and accelerating growth in wages and salaries, which will compensate for the negative impacts. Structural factors such as the strong immigration and the tendency now for smaller houses will also persist.

On the Vienna office market, the spate of completed construction projects in the first quarter led to a brief increase in the vacancy rate, but this should settle back down to around 6% towards the end of the year. Office rentals are stable, and only a modest increase is expected in the top rentals by the end of the year to € 21,--/m^2. Almost 38% of the office space completed in the first half of the year has already been pre-rented or is being used by the owner.

Development of sales revenue

As of 30 June 2007, the construction output of the UBM Group totalled € 150.7 million (previous year: € 91.7 million) which constitutes a rise of more than 50% on the comparable figure from 2006.

The majority of this increase (more than € 78 million) can be attributed to the sale of the interest in the Florido Tower. Yet major contributions to revenue from construction were also made by UBM Bohemia (after starting the construction of the Hotel Angelo Pilsen) and UBM Polska (after completing the Andel's Hotel Cracow and the Poleczki Park project), amounting to € 4 million each. The sale of interests of up to 50% in Poleczki Park Sp. z o.o. and UBM Hotel Gdansk Sp. z o.o. boosted revenues as well. The sale of apartments constitutes a substantial part of construction output, over and above these holding sales, for example with the sale of the apartments in the Andel Residence building in Prague as well as at the Parkstadt Schwabing in Munich. Project activities in the field of construction are based largely around the hotels already mentioned (Hotel Angelo Pilsen and Andel's Hotel Cracow) as well as the Brehmstraße project.

The Facility Management division has also expanded strongly: in comparison to the € 2.1 million from last year the division managed to record a figure of € 4.0 million, almost twice as much. Looking at the different countries it is clear that Austria accounted for the greatest portion of construction output through the sale of the Florido Tower (€ 87.8 million). It is followed by the Czech Republic and Poland with € 23.4 million and € 24.0 million respectively. For the Czech operations this constitutes a decline on the previous year (where revenue totalled € 63.8 million), while in Poland, revenue was more than doubled in comparison to 2006 (€ 10.1 million). The lion's share of revenue in the Czech Republic was derived from the apartment sales at the Andel Residence in Prague (amounting to roughly € 15.7 million) while in Poland it was primarily the construction of Andel's Hotel Cracow and sales revenue from the Poleczki Park project. In slightly larger jumps, markets like Germany's (with its € 7.5 million staying pretty much in line with the previous year) and France's follow (expanding from € 0.9 million in the previous year to € 5.4 million in 2007). The majority of revenue in Germany is linked to the Parkstadt Schwabing residential property sales, while the improvement in France is attributable principally to the Hotel Dreamcastle. Slovakia also made a contribution to construction output again this year through the sale of land plots in Senec amounting to € 1.3 million.

in T€	H1 2007	2006 full-year
Total Group revenue	**150.676**	**185.714**
Intra-Group sales	-3.374	-4.530
Sales from joint ventures	-5.013	-13.742
Inventory changes in own projects	28.685	2.568
Sales revenue from interests consolidated on an equity basis, or subordinate capital investments	-93.579	-54.168
Own performance capitalised	142	1.197
Sales revenue in Group P/L	**77.537**	**117.039**

Earnings

The sales revenue reported in the consolidated profit and loss account as of 30 June 2007 totalled € 77.5 million, constituting growth over the corresponding figure in the previous year of 70.2%. The figure that is most relevant for UBM in light of its operations is construction output, which totalled € 150.7 million. This represents a percentage rise of more than 50% compared to the corresponding figure in the previous year. These benign developments can primarily be attributed to the sale of the interest in the Florido Tower as well as the sale of the holding in Poleczki Park Sp. z o.o.

Other operating income amounted to € 15.7 million, which is an enormous increase compared to the figure recorded in the previous year of only € 0.5 million. The reason for this rise was the reversal of impairment on a receivable from a non-consolidated company and the sale of an interest. Material expenses totalled approximately € 64.1 million, principally thanks to construction work on Andel's Hotel Cracow, the hotel in Pilsen, the Brehmstraße office building and residential building projects in Germany. Personnel expenses as per 30 June 2007 totalled € 5.6 million, and are strongly influenced by the expansion of activities in Eastern Europe and the consolidation of Philharmonie Office Center Sp. z o.o. The loss from associated companies in the first six months of 2007 amounted to € -0.5 million, comprising mainly the loss sustained by a Polish firm and the profit of a Slovakian company. Income from other financial investments and current assets totalled € 2.0 million. Financing expenses amounted to € 7.8 million on account of lively investment activity and the increase in key interest rates. Net income totalled € 6.1 million with an earnings per share figure of € 1.99.

Finance, assets and capital structure

Total assets of the UBM Group increased over the first six months of 2007 compared to 2006 year-end by approximately 4.1% to € 456.8 million.
On the asset side of the balance sheet there were significant changes in property, plant, equipment and financial real estate. The reason for the 23.5% growth in property, plant and equipment to € 49.0 million was the acquisition of the SO11 office building in Prague (Andel City) as well as the firm's investment projects in Salzburg-Lehen and the logistics centre in Regensdorf, while the decline in financial real estate by € 11.1 million was chiefly attributable to the partial sale of interests in Poland. Growth was also noted for inventories (up 27.6%) as well as for other receivables and assets (up 66.5%): the increase in inventories was due to the acquisition of office real estate in Germany, while receivables from companies valued at equity were higher.
On the equity and liabilities side of the balance sheet the key changes were as follows: long-term financial liabilities dropped by € 34.4 million, while current financial liabilities rose by € 51.2 million. This came about following an amendment made to the maturity date for a loan. Equity capital increased to € 103.9 million as of 30 June 2007, but with a figure of 22.7% the equity ratio barely changed.

Risks and factors of uncertainty

UBM believes that the key risk factor to benign business development in the second half of 2007 is the development of interest rates. The planned hikes in interest are being justified by fears of rising inflation, fuelled by the current upswing. Such developments on the finance markets, which are difficult to predict, can cause higher financing costs for the UBM Group, both in the construction and then in the subsequent operation of facilities. The choice of financing currency generally depends on the currency in which revenue will be generated, which is why currency risks are of lesser importance. Further information on risks can be found in the more detailed section of the 2006 Business Report (p. 58).

Events after 30 June 2007

Following the crisis on the sub-prime mortgage market, the summer of 2007 brought difficulties for a series of hedge funds after and as a consequence of sharply falling real estate prices in the USA. The managing board of UBM has yet to identify any effect that the sub-prime mortgage crisis could have on the current business of the UBM Group. The business operations of the UBM Group are focused on Central and Eastern Europe, countries which are enjoying steady and robust economic activity. The positive price development of UBM shares also indicates that the UBM Group is considered by investors to be a stable company in times of volatile markets.

Segment reporting

The primary segments are divided into the business fields of "Project development and construction operations" and "Facility Management".
Construction output in the first business line of "Project development and construction operations" in H1 2007 totalled € 146.7 million. In comparison to the corresponding figure from the previous year this constitutes growth of 63.7%. Segment revenue totalled € 76.2 million (previous year: € 44.6 million), while net income in the segment amounted to € 13.0 million (previous year: € 5.2 million).

In the "Facility Management" segment, construction output totalled € 4.0 million, which is almost double the figure from the previous year. Segment revenue totalled € 1.3 million (previous year: € 0.9 million), while net income in the segment amounted to € 0.1 million (previous year: € 0.1 million).

Outlook for H2 2007

The focal point for projects implemented by UBM is still hotels and office buildings. These are being built primarily in Germany (Berlin and Munich), but there are also hotels under construction in Katowice and Pilsen. Furthermore, high priority is being accorded to stepping up the construction of residential property in Poland as well as the building of logistics centres, mostly in the new EU Member States.

In **Austria** the focus is on continuing the Salzburg-Lehen project currently underway, while the construction of a hotel in Linz is pending.
In **Switzerland** the logistics centre in Regensdorf is close to completion. A logistics centre is also being established on the edge of Bucharest as the first project in **Romania**.
The main focal point in **Germany**, apart from the hotels already mentioned in Berlin and Munich, is the continuation of the residential property projects (for example there are further projects in the pipeline for building offices and homes in Schwabing and München-Riem).
While the construction work on the Hotel Pilsen in the **Czech Republic** is continuing apace, in **Poland**, besides the hotel in Katowice, detailed analyses have also been compiled on residential projects in Cracow and Warsaw. Over and above this, work is still continuing on the Poleczki Park project. This business park in Warsaw will create a completely new and vast real estate complex (similar to Andel City in Prague), offering everything from offices and commercial buildings to a hotel. In **Slovakia**, the sales of land plots near Senec are continuing with the help of a local partner, but there are also plans to realise a residential property project.

The Airport Center planned in **Russia** will soon be given the green light too.
The UBM Group compiles market analyses on a regular basis, which at present concentrate particularly on Italy and Ukraine.

UBM is confident as regards the future development of the Group: the Board are happily expecting an improvement in annual construction output for 2007 as well as an increase in earnings of at least 25%.

Declaration of the Board

The Managing Board of UBM Realitätenentwicklung AG guarantees that

- the condensed half-yearly financial statements compiled in accordance with applicable accounting standards provide a true and fair view of the financial position of UBM Realitätenentwicklung AG and all of the consolidated companies, as well the results of their operations, and

- the half-yearly business report provides a true and fair view of the financial position and the result of operations as determined in the condensed half-yearly financial statements.

Vienna, 24 August 2007

The Board

Mag. Karl Bier DI Peter Maitz Heribert Smolé

Condensed interim consolidated financial statements
Consolidated balance sheet as of 30 June 2007

in T€	30.06.2007	31.12.2006
ASSETS		
Fixed assets		
Intangible assets	3.150.5	3.294.7
Property, plant and equipment	49.009.9	39.683.4
Financial real estate	224.155.1	235.304.5
Shares in associated companies	11.513.9	9.767.2
Loans	17.521.2	14.981.1
Other financial investments	8.297.3	10.691.4
Deferred tax assets	1.719.0	1.181.9
	315.366.9	**314.904.2**
Current assets		
Inventories	59.049.3	46.261.5
Trade receivables	47.064.5	50.687.5
Other receivables and assets	20.360.1	12.224.8
Cash on hand and in banks	14.993.8	14.212.2
	141.467.7	**123.386.0**
	456.834.6	**438.290.2**
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	5.450.5	5.450.5
Capital reserves	45.185.8	45.185.8
Foreign currency translation reserve	4.420.5	5.822.2
Other reserves	47.744.6	44.614.3
Minority shareholdings in subsidiaries	1.056.4	958.6
	103.857.8	**102.031.4**
Long-term liabilities		
Provisions	2.614.7	2.519.2
Bonds	100.000.0	100.000.0
Financing liabilities	32.809.0	68.121.8
Deferred tax liabilities	11.226.0	10.454.5
	146.649.7	**181.095.5**
Current liabilities		
Provisions	14.209.2	10.977.2
Financing liabilities	141.310.4	89.066.0
Trade liabilities	16.073.4	16.316.6
Tax liabilities	4.043.1	2.926.7
Other liabilities	30.691.0	35.876.8
	206.327.1	**155.163.3**
	456.834.6	**438.290.2**

Consolidated profit and loss account from 1 January 2007 to 30 June 2007

in T€	from 01.01.2007 to 30.06.2007	from 01.01.2006 to 30.06.2006
Net sales revenue	77.536.7	45.564.5
Own performance capitalised	142.0	49.0
Other operating income	15.707.7	544.8
Material expenses and other services	-64.087.2	-27.711.4
Personnel expenses	-5.561.6	-3.613.7
Amortisation and depreciation on intangible assets and property, plant, equipment	-1.183.2	-672.1
Other operating expenses	-9.464.5	-8.884.6
Operating profit (EBIT)	**13.089.9**	**5.276.5**
Income from associated companies	-450.3	0.0
Income from other financial investments and current assets	2.046.8	4.484.6
Financing expenses	-7.812.0	-4.719.7
Earnings before tax (EBT)	**6.874.4**	**5.041.4**
Taxes on income	-802.2	-415.7
Net income	**6.072.2**	**4.625.7**
of which: due to parent company shareholders	**5.974.2**	**3.986.7**
of which: due to minority shareholders	98.0	639.0
Earnings per share (in €)	**1.99**	**1.33**

Consolidated cash flow statement

in T€	from 01.01.2007 to 30.06.2007	from 01.01.2006 to 30.06.2006
Cash flow from operating activities	**11.752.2**	**9.383.0**
Cash flow from investment activities	**-25.770.9**	**-14.327.5**
Cash flow from financing activities	**14.836.0**	**15.437.1**
Change in liquid assets	**817.3**	**10.492.6**
Liquid assets as of 01.01	14.212.2	11.502.0
Currency differences	-35.7	17.6
Liquid assets as of 30.06	**14.993.8**	**22.012.2**

Change in consolidated equity

in T€	Share capital	Capital reserve	Foreign currency translation reserve	Other reserves	Interest of parent company shareholders	Interest of minority shareholders in subsidiaries	Total
As of 01.01.2006	**5.450,5**	**45.185,8**	**-39,1**	**38.696,4**	**89.293,6**	**790,4**	**90.084,0**
Currency differences	-	-	5.884,1	-	5.884,1	291,2	6.175,3
Cash flow hedges	-	-	-	135,1	135,1	-	135,1
Income taxes on items offset directly against shareholders' equity	-	-	-1.376,9	-	-1.376,9	-	-1.376,9
Total expenses and income recorded directly in shareholders' equity	-	-	4.507,2	135,1	4.642,3	291,2	4.933,5
Net income	-	-	-	3.986,7	3.986,7	639,0	4.625,7
Total expenses and income	0,0	0,0	4.507,2	4.121,8	8.629,0	930,2	9.559,2
Dividend payments	-	-	-	-2.700,0	-2.700,0	-	-2.700,0
As of 30.06.2006	**5.450,5**	**45.185,8**	**4.468,1**	**40.118,2**	**95.222,6**	**1.720,6**	**96.943,2**
As of 01.01.2007	**5.450,5**	**45.185,8**	**5.822,2**	**44.614,3**	**101.072,8**	**958,6**	**102.031,4**
Currency differences	-	-	-1.746,5	5,2	-1.741,3	-0,2	-1.741,5
Cash flow hedges	-	-	-	150,9	150,9	-	150,9
Income taxes on items offset directly against shareholders' equity	-	-	344,8	-	344,8	-	344,8
Total expenses and income recorded directly in shareholders' equity	0,0	0,0	-1.401,7	156,1	-1.245,6	-0,2	-1.245,8
Net income	-	-	-	5.974,2	5.974,2	98,0	6.072,2
Total expenses and income	0,0	0,0	-1.401,7	6.130,3	4.728,6	97,8	4.826,4
Dividend payments	-	-	-	-3.000,0	-3.000,0	-	-3.000,0
As of 30.06.2007	**5.450,5**	**45.185,8**	**4.420,5**	**47.744,6**	**102.801,4**	**1.056,4**	**103.857,8**

UBM Realitätenentwicklung AG Notes to the consolidated interim financial statements as of 30 June 2007

1. General information

The UBM Group is composed of UBM Realitätenentwicklung Aktiengesellschaft (UBM AG) and its subsidiaries. UBM AG is a public company pursuant to Austrian law and has its headquarters at Absberggasse 47, 1103 Vienna. The company is registered at the Vienna Commercial Court under registration No. FN 100059 x. The core activities of the Group are the development, appraisal and administration of real estate. The reporting currency is the euro, which is also the functional currency for UBM AG and for the majority of subsidiaries included in the consolidated financial statements. The interim consolidated financial statements were reviewed by an auditor.

2. Scope of consolidation

In addition to UBM AG, the interim consolidated financial statements include 6 domestic subsidiaries (previous year: 6) and 34 foreign subsidiaries (previous year: 29). Furthermore, 6 domestic (previous year: 6) and 10 foreign (previous year: 4) associated companies were valued in accordance with the equity method.

The change in the scope of consolidation is largely due to the first-time full consolidation of UBX Praha 2 s.r.o., whose remaining shares were acquired (50%) during the reporting year for T€ 2,367. The resultant changes led to a rise in property, plant and equipment of T€ +10,494, in interest-bearing liabilities of T€ +4,365 and a fall in the contribution to consolidated EBT of T€ −445. To date, the interest was recognised as an associated company holding.

3. Principles of reporting

Essentially the same accounting and valuation methods have been applied for these interim consolidated financial statements of UBM AG and its subsidiary companies for the period ended 30 June 2007, prepared based on the IFRS (IAS 34) adopted by the EU, as for the consolidated financial statements in fiscal 2006. For more information on the individual accounting and valuation methods applied see the consolidated financial statements of UBM AG for the year ended 31 December 2006.

4. Business connections with related companies and individuals

Transactions between companies in the Group and its associated firms principally comprise the extension of loans for the acquisition of financial real estate as well as related interest settlements.

Services to/from related companies or individuals

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

The transactions in the fiscal year between companies of the UBM Group included in the interim consolidated financial statements and companies of the Porr Group are largely connected to construction services. In H1 2007 the construction contract for the hotel in Pilsen was awarded to Porr Cesko, a wholly-owned subsidiary of Porr-Hochbau AG, and to PORR Deutschland GmbH for a hotel in Munich.

5. Dividends

At the General Meeting of Shareholders on 11 April 2007 it was decided to pay a dividend of € 1.00 per share, which with 3,000,000 shares totals € 3,000,000.00, while the remainder of the profits totalling € 11,671.35 was to be carried forward to the new account. The dividend pay-out ensued on 16 April 2007.

6. Contingent liabilities

Contingent liabilities are generally related to credit guarantees and the undertaking of guarantees for associated companies. In H1 2007 there were no major changes in comparison to the reporting date of 31 December 2006.

Vienna, 24 August 2007
The Board

Mag. Karl Bier	DI Peter Maitz	Heribert Smolé

Independent auditor's report on the condensed interim consolidated financial statements

We have reviewed the accompanying condensed interim consolidated financial statements of UBM Realitätenentwicklung AG, Vienna, for the period from 1 January to 30 June 2007. These condensed interim consolidated financial statements are components of the half-yearly financial report in accordance with Article 87 (1) of the Stock Exchange Act, and comprise the consolidated balance sheet as at 30 June 2007, the consolidated profit and loss account, the consolidated cash flow statement and the consolidated statement of changes in equity for the period from 1 January 2007 to 30 June 2007, as well as significant explanatory notes facilitating the understanding of the interim consolidated financial statements.

The management is responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU for interim reporting. Our responsibility is to issue a review report on these condensed interim consolidated financial statements based on our review.

We conducted our review in accordance with laws and regulations applicable in Austria and in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor". A review of interim financial information is limited primarily to discussions with persons responsible for financial and accounting matters as well as applying analytical techniques and other inquiries. An interim review is substantially less in scope than an audit and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU.

We also reviewed the half-yearly consolidated business report to ascertain whether it was in accordance with the condensed interim consolidated financial statements. In our opinion the half-yearly consolidated business report contains no obvious contradictions to the condensed interim consolidated financial statements.

The half-yearly financial report also contains the statutory declaration from the management in accordance with Article 87 (1) 3 of the Stock Exchange Act.

Vienna, 24 August 2007

BDO Auxilia Treuhand GmbH (Audit and Tax Advisory Firm)

ppa Wimmer

Mag. Hans Peter Hoffmann Auditor	ppa Mag. Christoph Wimmer Auditor

Imprint

Publisher
UBM Realitätenentwicklung AG
Absberggasse 47, 1103 Vienna, Austria
www.ubm.at

Concept and Design
Projektagentur Weixelbaumer
Landstraße 22, 4020 Linz, Austria
www.projektagentur.at

Image texts
Mag. Petra Radel

Credits
Florian Vierhauser, Linz, Austria
UBM

Repro / Image editing
Martin Märzinger, Lithoworks

Printed by
Gutenberg Linz, Austria
Subject to typesetting and printing errors.

UBM Realitätenentwicklung AG
Absberggasse 47, 1103 Vienna, Austria
Tel: +43 (0) 50 626-0
www.ubm.at, www.ubm.eu

UBM AUSTRIA

UBM Investor Services
Dr. Julia Schmidt
E-Mail: julia.schmidt@ubm.at
Tel: +43 (0) 50 626-3827

UBM Vienna/Lower Austria/Burgenland
Mag. Edgar Rührlinger
E-Mail: edgar.ruehrlinger@ubm.at
Tel: +43 (0) 50 626-1760

UBM Styria/Carinthia
DI Gabriele Wiedergut
E-Mail: gabriele.wiedergut@ubm.at
Tel: +43 (0) 50 626-1322

UBM Tyrol/Vorarlberg
DI Peter Ellmerer
E-Mail: peter.ellmerer@ubm.at
Tel: +43 (0) 50 626-3032

UBM Salzburg
Mag. Edgar Rührlinger
E-Mail: edgar.ruehrlinger@ubm.at
Tel: +43 (0) 50 626-1760

UBM Upper Austria
DI Markus Lunatschek
E-Mail: markus.lunatschek@ubm.at
Tel: +43 (0) 50 626-1712

UBM INTERNATIONAL

UBM in Hungary
DI Sarolta Koeves
E-Mail: sarolta.szabo-koeves@ubm.at
Tel: +43 (0) 50 626-1477

UBM in the Czech Republic
Mag. Margund Schuh
E-Mail: margund.schuh@ubm.at
Tel: +42 (02) 510 13-0

UBM in Switzerland
Mag. Edgar Rührlinger
E-Mail: edgar.ruehrlinger@ubm.at
Tel: +43 (0) 50 626-1760

UBM in Poland
Mag. Peter Obernhuber
Mail: peter.obernhuber@ubm.pl
Tel: +48 (22) 356 81 10

UBM in France
DI Martin Löcker
E-Mail: martin.loecker@ubm.at
Tel: +43 (0) 50 626-1261

UBM in Germany
Münchner Grund
Dr. Bertold Wild
E-Mail: bertold.wild@muenchnergrund.de
Tel: +49 (89) 74 15 05-0

UBM in Slovakia
Mag. Edgar Rührlinger
E-Mail: edgar.ruehrlinger@ubm.at
Tel: +43 (0) 50 626-1760

UBM in Croatia
DI Gabriele Wiedergut
E-Mail: gabriele.wiedergut@ubm.at
Tel: +43 (0) 50 626-1322

UBM in Bulgaria
DI Martin Löcker
E-Mail: martin.loecker@ubm.at
Tel: +43 (0) 50 626-1261

UBM in Romania
DI Daniel Halswick
E-Mail: daniel.halswick@ubm.at
Tel: +43 (0) 50 626-1620

UBM in Ukraine
Mag. Peter Obernhuber
E-Mail: peter.obernhuber@ubm.pl
Tel: +48 (22) 356 81 10

These half-yearly financial statements contain forward-looking statements based on current assumptions and estimates that are made by the management to the best of its knowledge. Information offered using the words "expectation", "target" or similar phrases indicate such forward-looking statements. The forecasts that are related to the future development of the company represent estimates that were made on the basis of the information available as of 30 June 2007. Actual results may differ from these forecasts if the assumptions underlying the forecasts fail to materialise or if risks arise at a level that was not anticipated.

The interim financial statements for the period ending 30 June 2007 were prepared with the greatest possible diligence in order to ensure that the information provided in all parts is correct and complete. Nevertheless, rounding, type-setting and printing errors cannot be completely ruled out.