



Report on 1st quarter 2008

The best imaginable.

€ million	Q1/2008	2008*	Q1/2007	2007	Q1/2006	2006
Total revenues of UBM Group	74.0	313.6*	103.7	263.0	31.6	185.7
Central and Eastern Europe	48.2	167.0*	16.2	132.7	22.9	109.6
Western Europe	17.3	117.8*	4.7	34.2	3.1	24.4
Austria	8.5	28.8*	82.8	96.1	5.6	51.7
Investments	16.2	95.0*	15.0	93.0	8.4	74.9
Headcount						
As of 31 March	333		301			
EBT						
UBM Group	3.3		3.2			

Message

from the Managing Board

Dear Shareholders,

The first quarter of 2008 has been successful for the UBM Group. While total revenues fell to €74.0 million, this decline is solely attributable to the fact that the Florido Tower was sold in the corresponding quarter of the previous year.

The satisfying total output of the UBM Group in the last fiscal quarter is thanks to the sale of Hotel "andel's" in Krakow, the sale of the "Váci Utca" office property in Budapest as well as project management services for hotel constructions in Poland, Germany and the Czech Republic.

These factors are largely responsible for the renewed increase in earnings before tax to €3.3 million (previous year: €3.2 million).

In the first quarter our investment activities focused on the Salzburg-Lehen project, hotel constructions in Berlin, Munich and Pilsen, residential projects in Munich and a logistics centre in Bucharest. We also managed to enter the Russian market by means of acquiring a holding in a project company in Russia.

Our activities going forward this year will be concentrated on the region of Central and Eastern Europe, where we are implementing projects in Warsaw, Krakow, Prague, Bratislava and Bucharest.

For 2008 as a whole we are expecting the positive trend in earnings observed through 2007 to continue.



Peter Maitz



Karl Bier



Heribert Smolé

Development of Business

January to March 2008

Sales development

Sales revenue of the UBM Group as of 31 March 2008 totalled €74.0 million (previous year: €103.7 million). The decline is due to the fact that the Florido Tower was sold in the first quarter of last year, and was therefore responsible for the above-average revenues in that period.

To provide more meaningful information it was decided in the past fiscal year to adopt a new segmentation based on geographical areas. There are now three business segments of Austria, Western Europe and Central and Eastern Europe.

The lion's share of the revenue generated by the Central and Eastern Europe segment (€48.2 million) comprises the sale of Hotel "andel's" in Krakow and the "Váci Utca" office building in Budapest as well as project management services for a hotel in Lodz.

The Western Europe segment (€17.3 million) was dominated first and foremost by our work related to Hotel "andel's" in Berlin as well as Hotel "angelo" in Munich. This figure also contains our share of sales revenue from our two hotels at Eurodisney in Paris.

The Austria segment (€8.5 million) comprises the revenue from the sale of a property in Graz, the lease revenue from our Austrian real estate projects as well as facility management services.

Earnings

The consolidated profit of the UBM Group improved in the first quarter of 2008 to €3.3 million (previous year: €3.2 million).

Investments

By 31 March 2008 the UBM Group had implemented investments totalling €16.2 million. We anticipate that investments will amount to around €95.0 million for 2008 as a whole.

In Austria, the focus of our investment activities is the Salzburg-Lehen project as well as the construction of a hotel in Linz.

In Germany, besides hotel constructions in Berlin and Munich, our investments are concentrated on two residential properties in Munich as well as the development of office projects in Destouchestraße and Dornach.

In Poland and the Czech Republic we are working on residential and hotel projects, while in Romania we are close to complete a logistics centre.

We have also entered the Russian market by acquiring shares in a project company.

Headcount

The UBM Group employed a total of 333 staff at the end of March 2008. This increase is due to the expansion of facility management activities and the hiring of new staff in Central and Eastern Europe to strengthen our market presence in the region.

Outlook

We are working on a large number of projects in Austria and abroad that should guarantee we attain our objectives: for example, the "Neue Mitte Lehen" project in Salzburg will be completed in the second half of the year. In Linz we are also constructing a 4-star hotel for an international hotel chain.

Yet it is not just in Austria that we have hotel projects underway, but also in Germany. In early summer this year the Hotel "angelo" will open its doors in Munich for instance, while intensive work is ongoing to build the Hotel "andel's" in Berlin. We are also continuing our residential construction success in Munich with the "Bergmannstraße" project. Two of the office properties

we acquired in 2007 should be available for the market in the autumn once the renovation is completed.

In the Czech Republic we are opening Hotel "angelo" in Pilsen which we have built with a partner. In Poland we are planning to launch the construction for the "Oaza Campinos" project in Malocice near Warsaw. Over and above this, construction has commenced on two further hotel projects in Krakow and Katowice. The "Poleczki Park" project is also set for its implementation phase.

In Slovakia we are planning to build a residential development in Bratislava, while in Romania we want to consolidate our market entry with additional projects.

The markets in Ukraine and Bulgaria will come under increasing attention in the coming year, with the market preparations already made enabling the implementation of a project at any time.

The constant growth strategy of UBM with the permanent objective of optimising short-term gains by selling real estate from the portfolio, parallel to the medium- to long-term development of our target markets, should enable the current trends in sales and earnings to continue in 2008.



“Váci utca” Center in Budapest

The “Váci utca” Center is located on the famous pedestrian zone of “Váci utca”, in the heart of the city. This modern office building has 8,400 m² of top-class office space, more than 900 m² of retail space and 166 underground parking spaces.

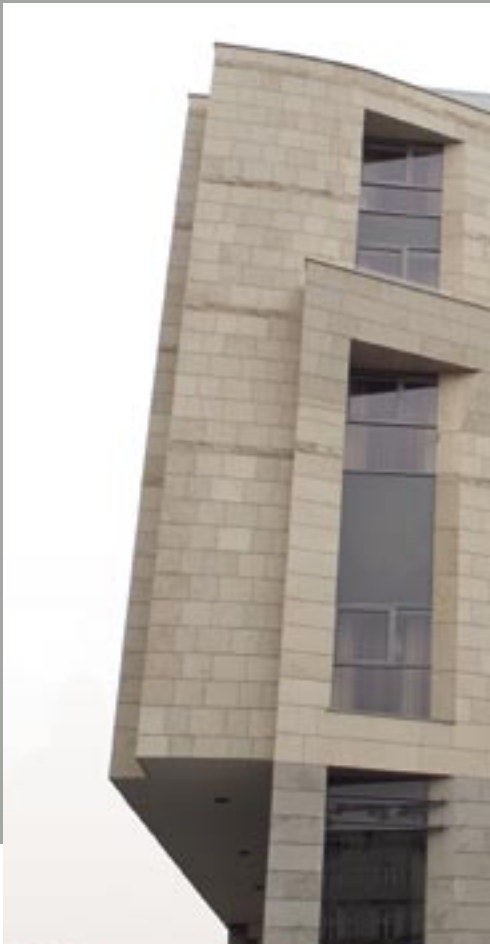
The building was sold in the first quarter of 2008.

“andel’s” Hotel in Krakau

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

“andel’s” Hotel Krakow was designed by the famous architect duo of Jestico + Whiles, who have already demonstrated what they are capable of in many projects, including „andel’s“ Hotel Prague which opened in 2002 and has proved to be a huge success. The new 4-star hotel in Krakow, which followed on from the Prague project and consequently represents new dimensions in interior design, was constructed in only 14 months. The contractor of the hotel was UBX Krakow Sp. z o.o. (a jointly-managed company of UBM and Warimpex), while the hotel is run by Vienna International Hotels & Resorts. We sold our share in the hotel in February of this year.

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





ROOMS AND FURNISHINGS:

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

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



Salzburg: “Neue Mitte Lehen”

“Neue Mitte” stands for a new part of the city centre in Salzburg that is exemplary in terms of infrastructure. The work began in 2006 Q1 with the dismantling of the old Salzburg football stadium in Lehen, which signalled the start of the construction for the new heart of the city. By autumn 2008, UBM in conjunction with the public housing construction firm “Die Salzburg”, will create “Neue Mitte Lehen” on an area of roughly two hectares according to the plans of architects Gerhard Sailer and Heinz Lang from the architect’s office “Halle 1”.

The project transforms the old Lehen stadium, but retains its main characteristics: for example, the field is to be open to the general public as a municipal park with lawns. On the 5,400 m² property owned by UBM a multi-functional building with 12,000 m² of floor space will be established in place of the West stand. There will also be an underground car park with places for 100 vehicles. Shops, restaurants, offices and service facilities are also planned, including a shopping and service centre with floor space of roughly 9,000 m². The upper two stories of the building will be used in the future by the Salzburg Municipal Library; the eastern part of the land at Tulpenstraße will be developed by our partner, the Salzburg housing association: 32 apartments for rent as well as an events hall and a seniors’ centre are to be built.

One of the main design elements will be a 32m-high sky bar extending into the former playing field. It will be accessible from the library and the commercial buildings by means of a lift and stairs. This part of the building, which will appear to be floating, will not only offer an excellent view but will also represent the determining feature of the “Neue Mitte Lehen”.

DATA AND FACTS:

Technical details:

- Concrete: 12,900 m³
- Reinforced steel: 1,365,000 kg
- Formwork: 32,000 m²
- Steel construction: 730,000 kg

Deadlines:

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





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This interim report contains forward-looking statements based on current assumptions and estimates that are made by the management to the best of its knowledge. Information offered using the words "expectation", "target" or similar phrases indicate such forward-looking statements. The forecasts that are related to the future development of the company represent estimates that were made on the basis of information available as of 31 March 2008. Actual results may differ from these forecasts if the assumptions underlying the forecasts fail to materialise or if risks arise at a level that was not anticipated.

This interim report for the period ending 31 March 2008 was prepared with the greatest possible diligence in order to ensure that the information provided in all parts is correct and complete. Nevertheless, rounding, type-setting and printing errors cannot be completely ruled out.