



QUARTERLY REPORT 2012 *Diary*

Interim Report on 2012 Q1

in EUR million	Q1/2012	2012*	Q1/2011	2011	Q1/2010	2010
Total revenues of UBM Group	34.1	247.9	31.0	297.7	36.3	217.0
Central and Eastern Europe	19.5	94.8	15.7	202.8	14.1	93.3
Western Europe	8.8	74.5	9.2	57.3	15.3	95.2
Austria	5.8	78.6	6.1	37.6	6.9	28.5
Investments (incl. participations consolidated using equity method)	16.1	50.0	14.2	78.7	7.5	72.4
Headcount (fully-consolidated companies)						
As of 31 March	461		393		373	381
of which hotel staff	238		170		172	169
EBT						
UBM Group	1.1		1.4		1.2	14.4

*Forecast

FOREWORD

from the Managing Board



KARL BIER
CHAIRMAN OF THE
MANAGING BOARD



HERIBERT SMOLÉ



MARTIN LÖCKER

Dear shareholders,

UBM has made a very positive start to 2012 generating revenues of €34.1 million (previous year: €31.0 million). In spite of the higher revenues compared to the previous year, earnings before tax fell by €1.4 million to €1.1 million. This drop in earnings is primarily attributable to higher interest costs on borrowings as credit margins have risen steadily in the last few months. The revenue has been generated principally from residential activities in Munich, construction work on projects in Poland as well as from hotel investments.

Activities in Austria focus on Salzburg, where in the current year we will complete a quality residential property with 31 apartments and launch a follow-on project comprising

another 65 residential units. In Western Europe we are concentrating on our home market of Germany, where we are particularly busy in the residential markets of Munich, Frankfurt and Berlin. In terms of commercial real estate we are building a hotel and also have an office building in the pipeline in Munich. Hotel projects are also planned in the Netherlands and France. Poland will remain the focus of our activities in Central and Eastern Europe in 2012. We are still working on the Poleczki Business Park in Warsaw, while we also intend building an office property in Krakow. In the Czech Republic we want to erect an office building in Prague. All other countries in Eastern Europe are under observation, with the aim of securing land or projects that will then enable us to ramp up our activities again when the markets stabilise.

A handwritten signature in black ink, appearing to read 'Karl Bier'.

Karl Bier
(Chairman)

A handwritten signature in black ink, appearing to read 'Heribert Smolé'.

Heribert Smolé

A handwritten signature in black ink, appearing to read 'Martin Löcker'.

Martin Löcker

SALZBURG

Sternbrauerei apartment building



Photos: Hariri & Hariri

Salzburg has more than just festivals
and the Getreidegasse: stylish studio apartments
at the gateway to the Old Town.

STERNBRAUEREI APARTMENT BUILDING, SALZBURG

At the foot of the Rainberg a top-quality apartment building has been constructed on the site of the former Sternbrauerei brewery. The development is based on an international architectural competition from 2009 won by Hariri & Hariri, New York.

The project was realised in close consultation with the local authorities responsible for protecting the old town of Salzburg, and has therefore become an integral part of the city centre that is on the list of World Heritage sites. The work on the first phase of the construction and the sale of the apartments is underway.

The first apartments have already been handed over to the new tenants and this process will be completed by the end of Q3 2012.

The whole building is divided into three parts: House E, House F and House G, as well as the underground car park in the basement.

Houses E and F were newly built, while House G was subjected to a comprehensive refurbishment.

In 2011 the 2nd construction phase was secured, which means the entire district can now be converted according to the competition design.

Consequently, this year should see work start on another 65 apartments.

The project is scheduled for completion by the end of 2013. This unique residential district in the heart of Salzburg will create almost 100 high-quality apartments, fulfilling all the needs of home-owners as well as investors and penthouse clients with its location, marvellous architecture, wide open spaces and terraces.

FACTS AND FIGURES

- Inner-city location, roughly 500m from the festival theatre
- Area of around 11,500m²
- Approximately 10,000m² of usable space
- Around 2,400m² of terraces
- 96 apartments
- 143 underground car parking spaces
- Children's play area, gardens



MUNICH

Apartment building in Cosimastraße

COSIMASTRASSE APARTMENT BUILDING, OBERFÖHRING, MUNICH

This land in Cosimastraße was purchased back in October 2008 by UBM subsidiary Münchner Grund Immobilien Bau-träger AG. Architect firm KP Pitzko was engaged to design the property, and 62 freehold apartments ranging from 56.4 m² to 157.9 m² were built between 2010 and 2012.

The project stands out thanks to the construction methods based on the KfW Energy Efficiency 70 programme, solar heating and decentralised ventilation, a unique penthouse with a hip roof and direct access to the lift and stairs. Parquet flooring, tiling and bathroom fittings from renowned manufacturers round the high-quality furnishings off. Lifts from the underground car park enable level access to all floors, and the car parking spaces are available in different sizes.

Getting around is easy thanks to the great transport connections. The Johanneskirchen railway station is just 10 minutes away on foot. The S8 links the centre of Munich with the airport and offers a whole host of connections for local traffic. The A9 motorway and the A99 ring-road are just five minutes away by car. There is also a tram stop just outside the building.

All of the apartments in the project were sold by April 2012.



FACTS AND FIGURES

- 62 freehold apartments
- 2 to 4-room apartments
- Total sales area: 5,484.6 m²
- Johanneskirchen railway station reachable on foot
- Tram line 17 only five minutes away
- Munich city centre roughly 25 minutes away by bike
- Direct links to the A9 and the A99 ring-road
- Children's play area, gardens



RUSSIA

Airport City

AIRPORT CITY ST. PETERSBURG

The “Airport City St. Petersburg” project has the motto: “Live work fly – be connected with the world”, and this sums up the project perfectly.

The development of the roughly 62,300 m² site began in 2007 after planning permission was granted.

This 4-star Crowne Plaza hotel has 294 rooms, a restaurant with 300 covers, the Illy-Café and a Russian bar with room for 285 people, a Lounge Bar for 100 people and a fitness centre, a ballroom and eleven conference rooms for up to 700 participants (1,800 m² including pre-function areas) as well as 960 parking spaces for hotel guests and offices. The hotel was handed over to the operator IHG on 12 December 2011, and the grand opening ceremony took place on 20 December 2011.

The “Office I” building has lettable space of approximately 15,800 m², while the “Office II” building has around 14,300 m² including retail space.

Both of the office towers comply with Classification A, which means the partition walls can be positioned on a grid scaled to 1.25 m, the offices have a ceiling height of 3m

and a double floor. The facade meets the highest of requirements, with the internal facade also having windows that can be opened. The offices are fitted with the most modern technology. Office I opened in 1 March 2012 with the first rented units. Now that the project has been completed the efforts to let out the remaining offices are in full swing.

This multi-functional property is located roughly 300 m from the international airport of Pulkovo. The historical city centre of St. Petersburg is just 15 km away, and can be reached very quickly on the super-highway and the motorway ring-road, which also connects to the motorway heading over to Moscow. In the near future there will also be an express train connection between the city centre and Pulkovo airport.

The combination of the 4-star hotel and the offices is unique in St. Petersburg in this category; it is extremely beneficial for business-people as the time required for meetings is easy to calculate given the proximity to the airport. Travelling from the city centre to the airport at peak times generally takes more than an hour.

UBM AG holds a stake of 10% in the project as a partner of CA Immo and Warimpex, and was responsible for the entire building process.



BUSINESS

developments

JANUARY TO MARCH 2012

Revenues

Sales revenue of the UBM Group as of 31 March 2012 totalled €34.1 million (previous year: €31.0 million). Consequently, this corresponds to an increase on the previous year of €3.1 million. This performance is based primarily on construction work in Poland, residential sales in Germany and revenue from hotel investments. The primary segments are divided on a geographical basis into the business lines of "Austria", "Western Europe" and "Central and Eastern Europe". This reflects the organisational structure of the UBM Group. In the Austria segment (€5.8 million) the main contributor to sales revenue was management services as well as rental income. The Western Europe segment (€8.8 million) comprises sales revenues from our hotel operations in Germany and France. The sale of the apartments in Munich (Cosimastraße and Lilienthalstraße) should be highlighted here. The lion's share of the revenue generated by the Central and Eastern Europe segment (€19.5 million) comes from Poland with construction work on the Poleczki Business Park (Phase 2) and the Holiday Inn in the Poleczki Business Park.

Earnings

The consolidated profit of the UBM Group improved in the first quarter of 2012 to €1.1 million (previous year: €1.4 million).

Investments

By 31 March 2012 the UBM Group had carried out investments totalling €16.1 million. Investments in Germany included residential projects in Munich, Frankfurt and Berlin as well as the erection of a hotel and office building in Roßhaupter Straße. The Sternbrauerei project in Riedenburg was also continued in Salzburg, while office and commercial properties (Poleczki Business Park) dominate in Poland. We anticipate that investments will amount to around €50.0 million for 2012 as a whole.

Headcount

The UBM Group employed a total of 461 staff at its fully-consolidated companies as of 31 March 2012. Some 223 were employed by UBM and another 238 were employed as staff in our hotel operations. The increase is due to the full consolidation of the Crowne Plaza, our hotel investment in Amsterdam.

OUTLOOK

The 2012 fiscal year of the UBM Group is being influenced by the debt crisis. The upheaval on the financial sector caused by the debt crises of some European countries

have prompted banks to tighten requirements for loans and borrowings. The banking sector has also been called upon to strengthen its equity base – and the combination of both these factors has impacted on the business policy of the company. Although the UBM Group has a sound and stable equity position and a reliable cash flow, it can often take months to obtain funding because of the aspects described above. Consequently it can take longer to develop projects than originally planned, which then means it also takes more time to recover capital. The UBM Group has responded to these challenges in its strategy for 2012, and in this context is supported by its geographic and sectoral diversification. Activities in Austria focus on Salzburg, where in the current year we will complete a luxury residential property with 31 apartments and launch a follow-on project comprising roughly another 65 residential units. In Western Europe we are concentrating on our home market of Germany, where we are particularly busy in the residential markets of Munich, Frankfurt and Berlin. In terms of commercial real estate we are building a hotel in Munich and also have an office building in the pipeline in the city. In our new Western European markets (the Netherlands and France) we are planning several hotel projects. Poland will remain the focus of our activities in Central and Eastern Europe in 2012. We are still working on the Poleczki Business Park in Warsaw, while we also intend building an office property in Krakow. In the Czech Republic we want to erect an office building in Prague. All other countries in Eastern Europe are under observation, with the aim of securing land or projects that will then enable us to ramp up our activities again when the markets stabilise. Assuming that the general economic climate does not deviate significantly from the current forecasts of economic analysts, for 2012 we expect to generate revenues and profits that reflect the lower economic growth across Europe.



Sternbrauerei apartment building, Salzburg

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This quarterly 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 indicates 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 2012. 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 quarterly report as of 31 March 2012 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.