


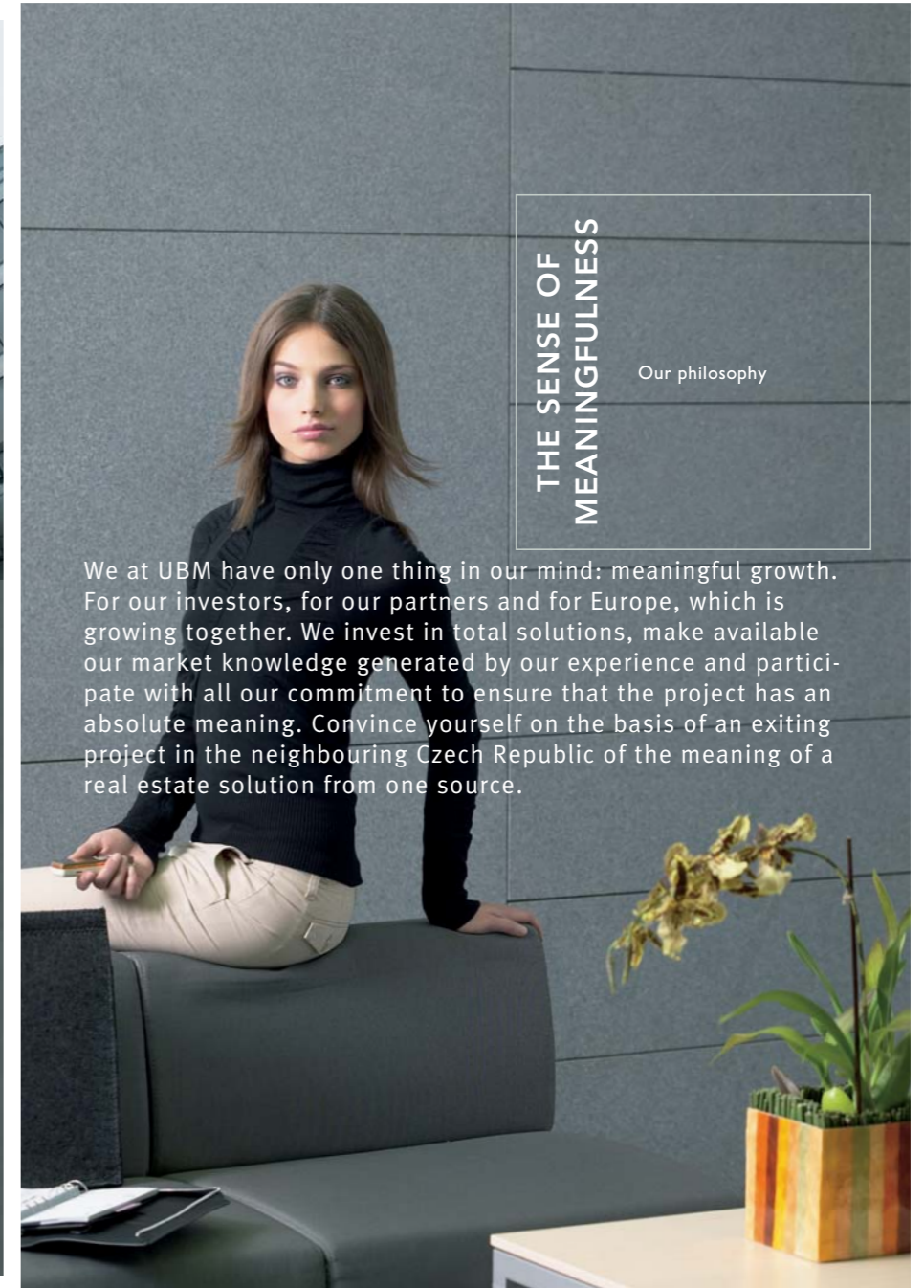
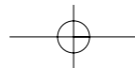
Annual report 2005 The best imaginable.



Annual report 2005 The best imaginable.



Annual report 2005  
The best imaginable.



**THE SENSE OF MEANINGFULNESS**

Our philosophy

We at UBM have only one thing in our mind: meaningful growth. For our investors, for our partners and for Europe, which is growing together. We invest in total solutions, make available our market knowledge generated by our experience and participate with all our commitment to ensure that the project has an absolute meaning. Convince yourself on the basis of an exiting project in the neighbouring Czech Republic of the meaning of a real estate solution from one source.



## Key data of the UBM Group

	2005	Change in %	2004	2003
<b>PROFIT AND LOSS DATA IN € MILLION</b>				
Annual construction output	109.0	-19.8	135.9	118.7
of which abroad in %	58.0	-13.2PP	71.2	62.9
Earnings before interest and taxes (EBIT)	14.1	38.2	10.2	16.2
Earnings before taxes (EBT)	9.9	6.5	9.3	11.4
Consolidated net income	8.5	-9.6	9.4	9.5
Net income for the year	2.7	-	2.7	-
Return on total capital in %	2.6	-2.6PP	5.2	6.0
Return of shareholders' equity in %	9.6	-2.0PP	11.6	12.8
<b>BALANCE SHEET DATA IN € MILLION</b>				
Balance sheet total	381.3	35.8	280.7	296.8
Percentage of shareholders' equity in the balance sheet total as at 31.12	23.6	-7.3PP	30.9	27.1
Investments	38.7	11.8	34.6	16.0
Depreciation and amortisation	4.4	18.9	3.7	3.0
<b>STOCK MARKET DATA</b>				
Earnings per share in € <sup>1)</sup>	2.8	-0.9	3.1	3.2
Dividends per share in €	0.90	2.2	0.88	0.88
Pay out ratio in %	31.8	3.7PP	28.1	27.6

<sup>1)</sup> Data for 2003 adjusted for share split in the ratio of 1:4



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**CONTACT**

UBM Group  
**RANGE OF SERVICES**



**Acquisition of real estate sites**

Search, analysis, rental, purchase

**Studies**

Market studies, feasibility studies,  
project studies

**Finance and legal**

Financing model, special financing,  
tax model, corporate legal concept

**Approval process**

Dedication, demolition approval,  
construction permit, utility permit

**Planning**

Submission planning, Execution  
planning, structural engineering,  
general planning

**Construction services**

Construction management, general  
contractor, total entrepreneur,  
construction client

**Commercialisation**

Rental, sale

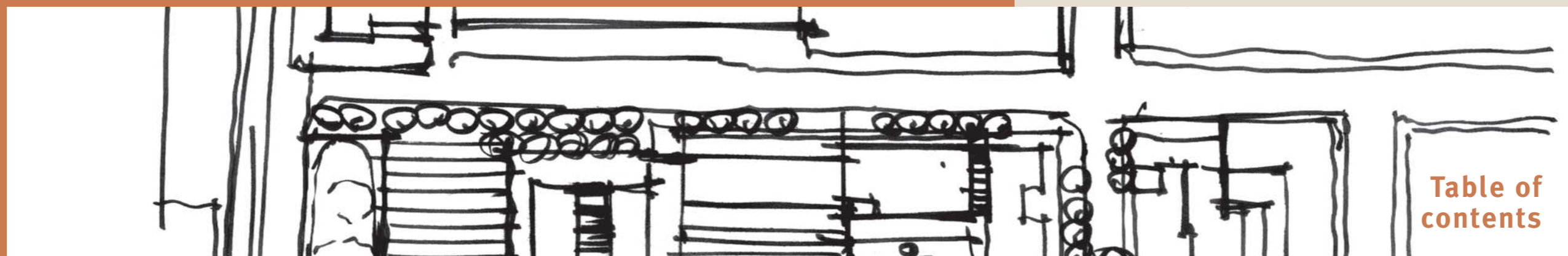
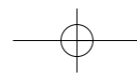
**Property management**

Commercial property administration,  
optimisation of operating costs

**Facility management**

**Centre Management**

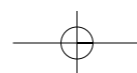
Marketing, PR, surface management,  
tenant services

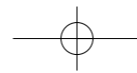


What has started as a sketch on a napkin has often turned into a large project. Far-reaching ideas always begin in a small way. And grow with their development. In the broadest sense of the word we at UBM are concerned with the development of visions into material values. Observe this exiting process through a particular example. This report will tell you all about it.



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## Feeling for the future has a sound foundation: more than 130 years of experience

### Ladies and gentlemen,

The UBM Group showed a sense for success in 2005; important projects were completed during the past year and new targets were set.

UBM looks back at a year with somewhat lower revenues but with an improved result. The annual construction output amounted to approximately € 109.0 million. Revenues thus declined by € 26.9 million versus 2004. This decline in revenues is attributable to sales which were negotiated in 2005 but which will only be completed in 2006.

In Austria we are operating in a relatively mature market, which is subject to normal fluctuations. Currently, however, we are experiencing a slight upward trend. The major portion of the revenues of UBM Realitätenentwicklung AG were attributable to the project development and the construction activity for the Brehmstrasse BT A project. A further highlight of the past year was the sale of the Alt-Erlaa atrium market which earned significant revenues.

Our past activities have proven that geographic diversification makes sense. In the long term the requirements in Central and Eastern Europe are significantly greater than in Austria, and above all high demand is also registered with regard to the construction of residential properties. As a general rule all segments of these markets of the future are not sufficiently served, resulting in a very large potential, which we have already been exploiting for years within the meaning of our corporate success. The revenues of our companies in these countries continue to be at a consistent high level. Additional residential properties were completed in Andel City project on Prague, where a hotel as well as additional residential properties are also currently under construction.

In Poland we concluded the restoration of the historic office building, Griffin House, in Warsaw. During 2005 the contracts were finalised for a hotel project in Krakow and construction was started in March 2006. The first construction phase of the logistics project in Senec (Slovakia) has already been completed and sold to an American investor. We are currently endeavouring to secure further land sites (approx. 1,000,000 m<sup>2</sup>) in the neighbourhood of Bratislava Airport and the automobile manufacturers in this region.

Earnings before taxes (EBT) increased versus the prior year from € 9.3 million to € 9.9 million.

During 2006 we shall continue to pursue our consistent successful course. Apart from the expansion of our home markets we are also planning our market introduction in Romania, Bulgaria and Croatia and are preparing our entry into the Ukraine and Russia.



DI Peter Maitz  
Member of the Board  
of Management

Mag. Karl Bier  
Chairman of the Board  
of Management

Heribert Smolé  
Member of the Board  
of Management

The major portion of our construction activity is attributable to the Czech Republic, Germany and Poland, namely the last construction phases of Andel City in Prague, the residential property construction in Munich as well as residential and hotel projects in Warsaw and Krakow. In Salzburg-Lehen we have started the demolition of the old stadium.

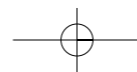
For the fiscal year 2006 we expect annual construction output of approximately € 148 million, and the positive result of 2005 should be increased further thanks to our various projects which we have mentioned. Within the context of our quarterly reports we shall inform you regularly about the successful development of our business.

We wish to thank our shareholders, business partners and employees for their confidence and their excellent cooperation. We are looking forward to a year full of new challenges and projects.

DI Peter Maitz

Mag. Karl Bier

Heribert Smolé



## Statutory bodies

### SUPERVISORY BOARD

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### SUPERVISORY BOARD

**KR Dkfm. Dr. Siegfried Sellitsch**  
Chairman

**DI Horst Pöchhacker**  
Deputy Chairman

**DI Thomas Jakoubek**

**Dr. Walter Lederer**

**MMag. Dr. Erlefried Olearczick**

**DI Iris Ortner**

**Dr. Johannes Pepelnik**

**Dr. Peter Weber**

### BOARD OF MANAGEMENT

#### Mag. Karl Bier

Chairman of the Board of Management

Degree in law, professional training in taxation; general manager of several project companies, since 1992 member of the Board of Management of UBM AG. Responsible for the development and expansion of project development domestically as well as in the Czech Republic (since 1993), Hungary (since 1994), Poland (since 1995) and Germany.

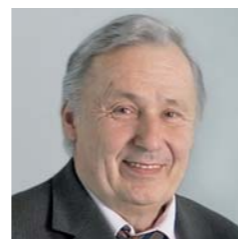
UBM – Vienna/Lower Austria/Burgenland  
UBM – Upper Austria  
UBM – Salzburg  
Münchner Grund – Germany  
UBM – Poland  
UBM – Slovakia  
UBM – Hungary  
Various property companies in Austria



#### DI Peter Maitz

Studied construction engineering in Graz; joined Porr in 1972, 1972 to 1986 management of several projects in Austria, Hungary, Iran and Algeria. Since 1985 technical manager of various project companies domestically and abroad. Member of the Board of Management of UBM AG since 1992.

UBM – Styria/Carinthia  
UBM – Tyrol/Vorarlberg  
UBM – Czech Republic  
UBM – France  
Various property companies in Austria



#### Heribert Smolé

Joined the Porr Group in 1973. 1985 department manager for the administration of participations, executive holding power of attorney of UBM AG as from 1990, general manager of various companies of the UBM Group. Since 1997 member of the Board of Management of UBM AG.

Finance and accounting  
Project financing  
Risk management  
Controlling  
Property administration  
Investor relations  
Various property companies in Austria



## Corporate profile

The corporate object of the UBM Group is the development, rental and sale of real estate in the whole of Europe with emphasis on the countries of Central and Eastern Europe (CEE states). We make available today our experiences from now more than 130 years of corporate history to the areas of real estate development and consulting as a construction client and general contractor in many different countries. Professional investors rely on us, since they appreciate the advantages for their real estate activities in having a single contact partner for different questions and regions.

The confidence of the shareholders in the safety of real estate investments is based on the "real values" underlying such investments. The corporate philosophy of UBM takes this confidence into account to a high degree. The spread of our investments throughout different European markets and sectors guaran-

tees the minimum of corporate risk. Thanks to profound market knowledge UBM can study the optimal moment to commercialise their properties. Last but not least, our different positions in the value added chain, for example as project developer, renter or property manager, assure us flexible reaction possibilities towards changes in the market conditions.

We construct buildings in accordance with specific instructions for each customer, whether this may be, for example, a real estate fund or an internationally operating hotel chain. Such tailor-made real estate properties achieve substantially higher returns than an investment in already existing properties. Strict requirement profiles as well as many years of knowledge of our European home markets are the sure basis for a prudent expansion into the developing markets of our European continent.

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### Reconciliation of the annual construction output according to the operating accounts to the total operating output in accordance with the profit and loss account for the fiscal year 2005

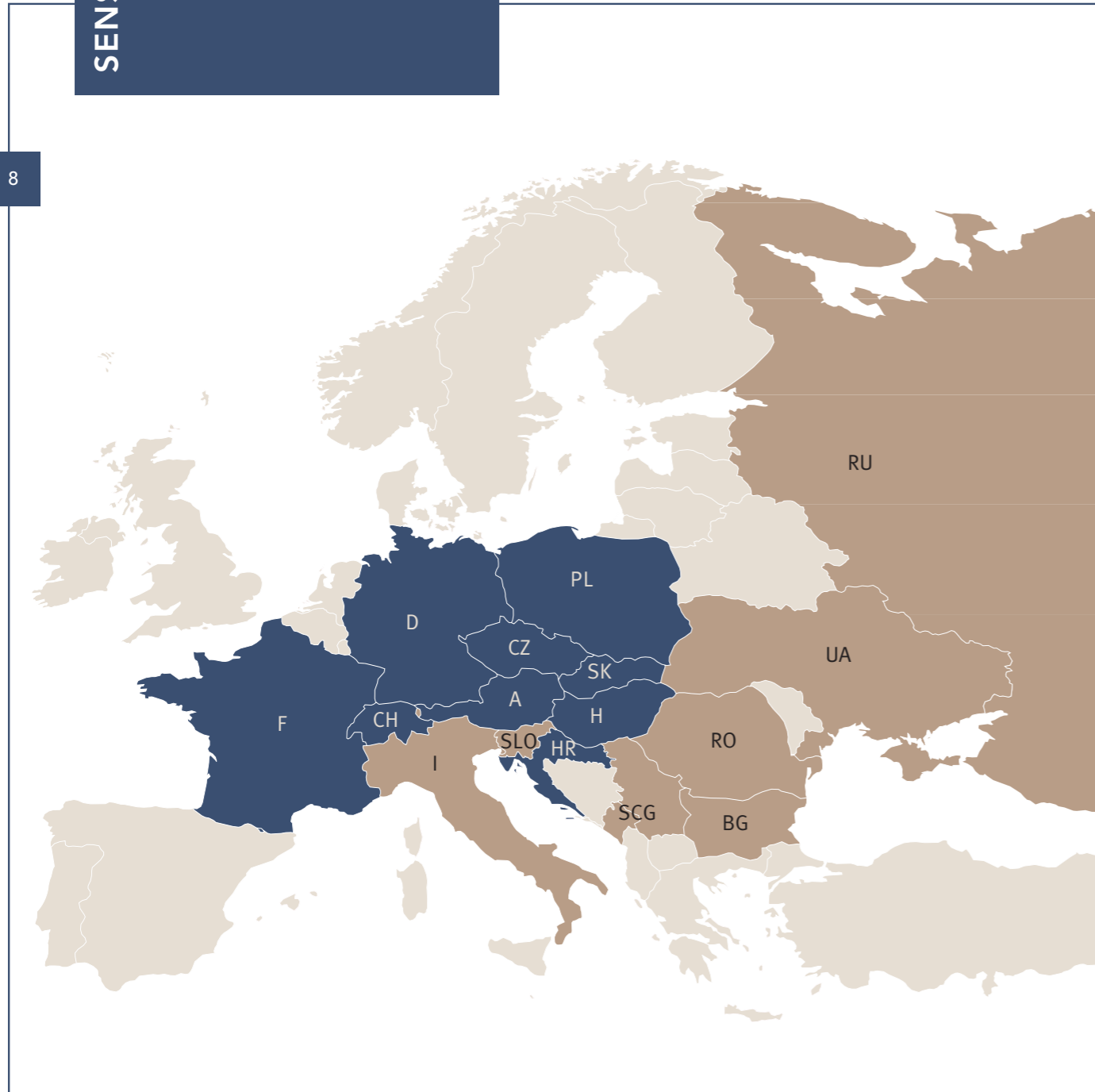
The UBM Group defines annual construction output as a key item of data for revenues. Unlike the total operating output shown in the consolidated profit and loss account, this key economic item of data also shows the proportional share of sales from joint ventures as well as from participations which are consolidated on an equity basis or which are of minor importance. Furthermore, it includes changes in inventory in our own projects of the prior year as well as own work performed during the year under report. The following table shows the calculation of the annual construction output for the fiscal years 2003 to 2005:

#### Development of revenues

€ 000	2005	2004	2003
Annual construction output as per the operating accounts	108,972	135,886	118,707
Total operating output as per the consolidated profit and loss account	72,707	79,345	52,561
Difference	36,265	56,541	66,146
Revenues from joint ventures	0	20,050	23,942
Changes in inventory in our own projects of the prior year	-2,686	-2,386	3,185
Revenues from participations which are consolidated on an equity basis or which are of minor importance	39,000	39,056	39,081
Own work performed	-49	-179	-62
	36,265	56,541	66,146

SENSE OF DIRECTION

- Countries in which UBM is already operating
  - Countries under close observation
- A Austria
  - BG Bulgaria
  - CH Switzerland
  - CZ Czech Republic
  - D Germany
  - F France
  - H Hungary
  - UA Ukraine
  - HR Croatia
  - I Italy
  - PL Poland
  - RO Rumania
  - RU Russia
  - SCG Serbia
  - SLO Slovenia
  - SK Slovakia



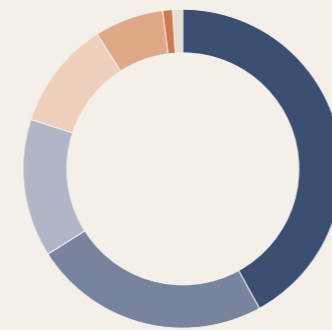
## Strategy and success factors of UBM.

Geographic presence. Since the beginning of the 1990's the strategic direction of the UBM Group has experienced an enormous change and is characterised by a dynamism, which allows it to cross both geographic as well as operating frontiers profitably. Today UBM is an internationally active specialist in all questions regarding real estate development and administration.

### Annual construction output 2005

As per country (in %)

- 42 % Austria
- 24 % Czech Republic
- 14 % Poland
- 11 % Slovakia
- 7 % Germany
- 1 % Switzerland
- 1 % Hungary



Following more than 15 years of experience and the successful realisation of many projects we consider the countries of Central and Eastern Europe (CEE states) increasingly as our home market apart from Austria. We were already active in the Czech Republic, Poland, Hungary and Slovakia long before the entry into the European Union by countries in this region. Starting in the capital cities of these countries we are constantly expanding our field of operations and are developing projects in cities such as Krakow or Katowice in Poland or Plzen in the Czech Republic. We are also active successfully with our own companies in Germany, France and in Switzerland. We set no geographic growth limits for the expansion of our market presence and are permanently investigating new market opportunities, such as currently in Croatia, Italy, Romania and in the Ukraine. In the medium term, however, we wish to be positioned also in the markets of Bulgaria and Serbia as well as in specific markets in Russia.



## Well developed – our businesses

### Comprehensive range of services

The range of services of the UBM Group includes the acquisition of land sites, the drawing up of market and project studies, the legal corporate concept and the handling of the approval processes for the complete submission, execution and general planning up to the provision of construction services and commercialisation. We have also proved ourselves to be a competent partner in all questions of real estate administration and facility management. For real estate funds we carry out tailor-made projects from the planning to the turnkey delivery stage.

The Andel City project is the exemplary implementation of this range of services. Starting with the acquisition of the property, the planning, execution, administration, operation and commercialisation, all our fields of competence were deployed within the realisation of this project.

### Sectoral diversification

Apart from a broad geographic presence, which enables us to set off differences in local demand, UBM also exploits the varied development of sectoral cycles, in order to achieve the most stable continuous course of business possible. Depending on the corresponding market environment not only residential properties and office buildings are constructed, since UBM also has excellent know-how for the building of complex hotel facilities, shopping centres and logistics facilities. With regard to the strategic decisions regarding emphasis the choice of the optimal timing is decisive for the commercial success of a project. Detailed market analyses for determining the demand situation support us in our decision making as well as our many years of experience, which enable us to recognise trends at an early stage.

The Andel City project is an example for the development of a real estate property which corresponds

to the demand of the relative sectoral cycle. At the beginning of the project the market in Prague demanded office buildings and UBM developed them; then came hotels and UBM realised them; and finally residential properties, and UBM was also able to satisfy this demand.

### Real estate portfolio

In our main operating field of activity, real estate development, we are subject to fluctuations on a specific project by project basis, which we endeavour to compensate against the income from the rental of our real estate portfolio. However, we are not only pursuing the objective of generating rental income from this portfolio, which we have built up since many decades; it also puts us in the position of being able to choose the optimal timing for the commercialisation of the real estate. The UBM Group has real estate property with a total land surface of more than 1.3 million m<sup>2</sup>. This ownership of real estate is distributed throughout all of Europe. 60 % of the properties owned are held abroad and constitute a major factor for our strategic operations in the market. The rented areas totalling approximately 130,000 m<sup>2</sup> comprise roughly 60 % offices, 35 % commercial space and 5 % residential properties.

The Andel project is also an important element in our real estate portfolio, both with regard to the choice of the correct period for commercialisation as well as the current generation of rental income.

### Safe investment

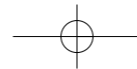
In spite of the difficult economic environment of the years following 2001 UBM has always pursued a positive dividend policy and has now raised the dividend in stages from € 0.80 to a current level of € 0.90. The corporate policy of UBM is to satisfy through prudent expansion and diversification of risk the requirements of the shareholders, who are seeking a safe investment in real estate.

## Well constructed – our projects

### CURRENT PROJECTS AND THOSE COMPLETED DURING THE YEAR UNDER REPORT

	Place	Start of construction	Completion
<b>CZECH REPUBLIC</b>			
Andel City – residential construction project SO 14/15/18	Prague	2003	Dec. 2005
Office building of the banking subsidiary of BNP Paribas	Prague	2004	July 2005
Hotel Angelo – Andel City	Prague	2005	June 2006
Hotel in Plzen	Plzen	2006	2007
Andel City – office building SO 11	Prague	Dec. 2005	2007
<b>POLAND</b>			
Griffin House	Warsaw	April 2005	Oct. 2005
Residential area in Lesznowola	Warsaw	2006	2008
Hotel "andel's Krakow"	Krakow	March 2006	2007
<b>SLOVAKIA</b>			
Logistikpark Senec Cargo Center – 1st phase	Bratislava	July 2004	2007
<b>GERMANY</b>			
Residential area Riem WA 14	Munich	2005	2006
Marianne elf, Parkstadt Schwabing	Munich	Spring 2005	Summer 2006
<b>FRANCE</b>			
Logistics Tournan near Paris	Tournan	2006	2007
<b>AUSTRIA</b>			
Neue Mitte Lehen	Salzburg	March 2006	2007
Office building Brehmstrasse BT A	Vienna	2004	Aug. 2005
Office building Brehmstrasse BT C	Vienna	April 2006	2007
<b>SWITZERLAND</b>			
Logistics centre Regensdorf near Zürich	Regensdorf	Autumn 2006	2007

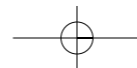




BUSINESS SENSE

ING. MARIETA GUNDOVA  
Finance Director Pfizer

“It is simple to explain why we at Pfizer are partners and customers of UBM in the most varied European locations: we can rely on receiving what has been promised to us with the highest degree of quality and completion on schedule.”



## The UBM share

### International environment shows positive trend

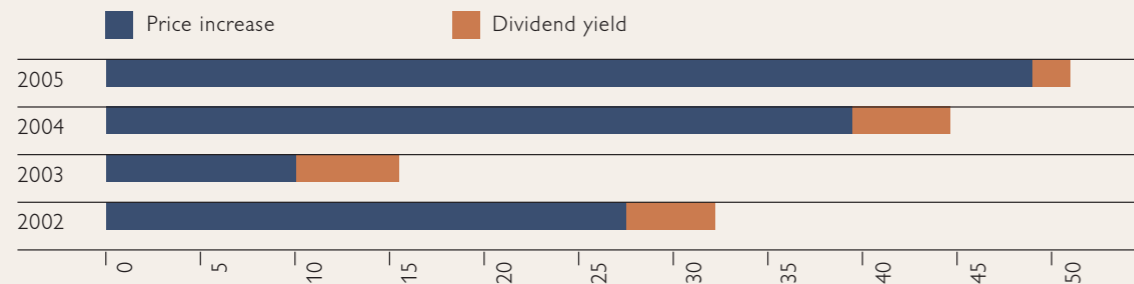
During the course of 2005 the international capital markets showed a positive upwards trend, even if the growth at the individual stock markets was not standard. In fact, the beginning of the stock market year was characterised in general by a cautious sideward movement, but the increasing optimism expressed itself in rising share prices already during the middle of the second quarter. Even geopolitical crises, continuous new record prices for oil as well as uncertainty with regard to the development of interest rates could not permanently stop the upwards trend. At the end of the year the European stock markets registered substantially higher rates of growth in comparison with the US markets. Whilst the Dow Jones concluded the year with a slight increase of 4.8 %, the

German DAX achieved again at the end of the year 2005 with 5,408 points, representing an increase of + 26.9 %, a level in excess of 5,000 points for the first time since 2001. The performance of the Dow Jones Euro STOXX 50, as the overall European benchmark, was similarly strong and ended the year with 3,579 points which was approximately 20 % in excess of this share price index at the end of 2004.

The Vienna Stock Market was again among the international top performers of 2005. With an all-time high of 3,667 points at the end of the year the leading ATX index registered an impressive price increase of 50.8 %, and in the first quarter 2006 even the historic hurdle of 4,000 points was surpassed. In parallel with the price performance, trading volume also doubled to an average of € 6.2 billion per month, whilst market capitalisation and the end of the year, amounting to roughly € 107 billion, was almost two thirds

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### Total shareholder's return in %



### Stock market data in €

	2005	2004	2003 <sup>1)</sup>	2002 <sup>1)</sup>
Price as at 31.12.	42.00	28.20	20.00	18.00
High	50.00	28.20	20.00	18.00
Low	28.30	20.00	16.25	13.59
Earnings per share	2.83	3.13	3.17	2.46
Dividend per share	0.90	0.88	0.88 <sup>2)</sup>	0.80
Price/earnings ratio as at 31.12.	14.84	9.00	6.31	7.33
Dividend yield as at 31.12. in %	2.14	3.12	4.38	4.44
Total shareholder return in %	51.08	44.10	15.49	33.01
Market capitalisation in € Mio.	126.00	84.60	60.00	54.00
Pay out ratio in %	31.80	28.12	27.60	32.58

1) Amounts adjusted for share split in the ration of 1:4  
2) Incl. bonus

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higher than the comparative amount in 2004. The development of the share price of the UBM share was also able to benefit during 2005 from the positive Vienna stock market environment and the high interest in real estate shares listed in Vienna. Following the attainment of the annual high of € 50.00 towards the end of the first half year the share stabilised at the end of the year at a price of € 42.00 and thus registered an impressive price increase of 48.9 %. The trading volume also increased by almost 60 % to € 5.2 million versus the comparative period of the prior year.

### Investor relations

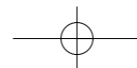
UBM has been listed since 1873 on the Vienna Stock Exchange and is thus one of the oldest stock market listed companies in Austria. The 3,000,000 common shares are traded in the "Standard Market Auction" segment of the Vienna Stock Exchange, where the fixing of the price is based daily on the highest price execution principle at 12.30 p.m. At the end of

the year the market capitalisation registered an amount of € 126.0 million representing an increase of 48.9 %. The UBM shares are part of the Vienna Stock Exchange Index (WBI), where they have an index weighting of 0.1314 % (status as at 16.03.2006); the WBI represents the total market index and thus reflects the development of the Austrian stock market.

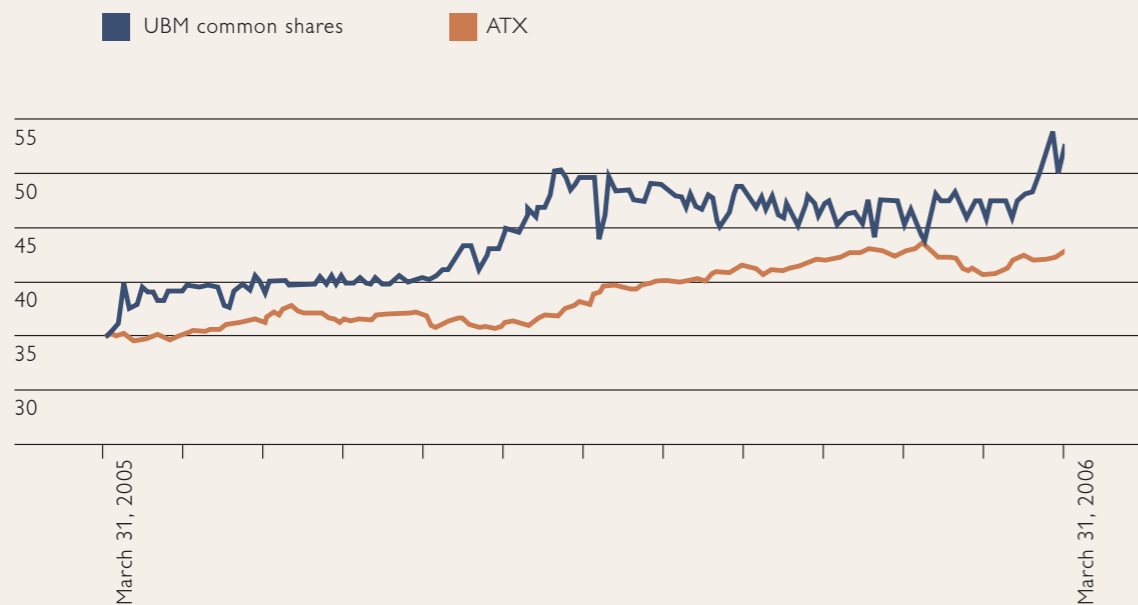
Apart from the annual report UBM informs its shareholders about the business development of UBM in detailed quarterly reports. Detailed information regarding construction projects, current projects as well as press announcements and the current stock market price can also be found on our internet site: [www.ubm.at](http://www.ubm.at).

### Dividend proposal

The Board of Management will propose to the general meeting of shareholders a dividend of € 0.90 per share.



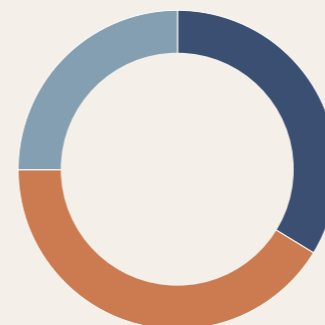
**Price development of the UBM share** (indexed as at 1.1.2005)



**Shareholder structure of UBM AG**

in %

- 33.73 % Free float
- 41.27 % Allgemeine Baugesellschaft A. Porr Aktiengesellschaft
- 25.00 % + 1 share Immobilien Holding GmbH



**Share.** What do we understand when UBM speaks of being “of high value”? Certainly not only the optimum performance of our share. We are focussing on sustainable business in the service of the community. And this again has a positive effect on the price of our share.

**Fulfilment of the Austrian compliance guidelines**

In order to prevent the misuse of insider information, the Issuers' Compliance Law (ECV) of the supervisory authority for the financial markets came into force on April 1, 2002: in 2005 a new version was issued on the basis of an amendment to the Stock Exchange Law. In order to execute the requirements of the Stock Market Law and the ECV, UBM issued a new compliance guideline, which came into force in June 2005. This guideline regulates the transfer of information within the Company as well as the measures for the monitoring of all internal and external flows of information, in order to prevent them from being used in an unauthorised manner. The objective is to inform the employees and members of the statutory bodies as well as consultants and other persons acting on behalf of UBM that the misuse of insider information is legally prohibited. Eight permanent confidentiality areas were defined at UBM. In addition,

the person responsible for compliance in agreement with the Board of Management designates temporary confidentiality areas for external project employees, who have access to insider information (drawing up of annual report, quarterly reports etc.). Apart from the control regarding the compliance with this guideline, the person responsible for compliance is also designated to give the corresponding training to employees and is also responsible for the maintenance of a compliance register. Explicit restrictive periods, including periods when trading in UBM shares is prohibited, should prevent any unauthorised use of insider information.

**Corporate governance**

To date UBM has not issued any declaration of commitment regarding the compliance with the Austrian Corporate Governance Code. Independent of this, however, all the legal requirements and also most of the “comply or explain” regulations are adhered to.

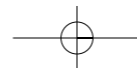
**Data sources**

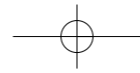
**UBM COMMON SHARES**

Reuters	UBMVI
Bloomberg	UNBM AV
Datastream	O:UBAU
ISIN	AT0000815402
Security identification code	UBS

**Financial calendar 2006**

Balance sheet press conference	May 3, 2006
Results of 1st quarter 2006	Calendar week 19, 2006
125th ordinary general meeting of shareholders	May 19, 2006
Payment date of dividend	May 24, 006
Half year results 2006	Calendar week 38, 2006
Results of 3rd quarter 2006	Calendar week 48, 2006

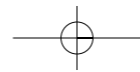
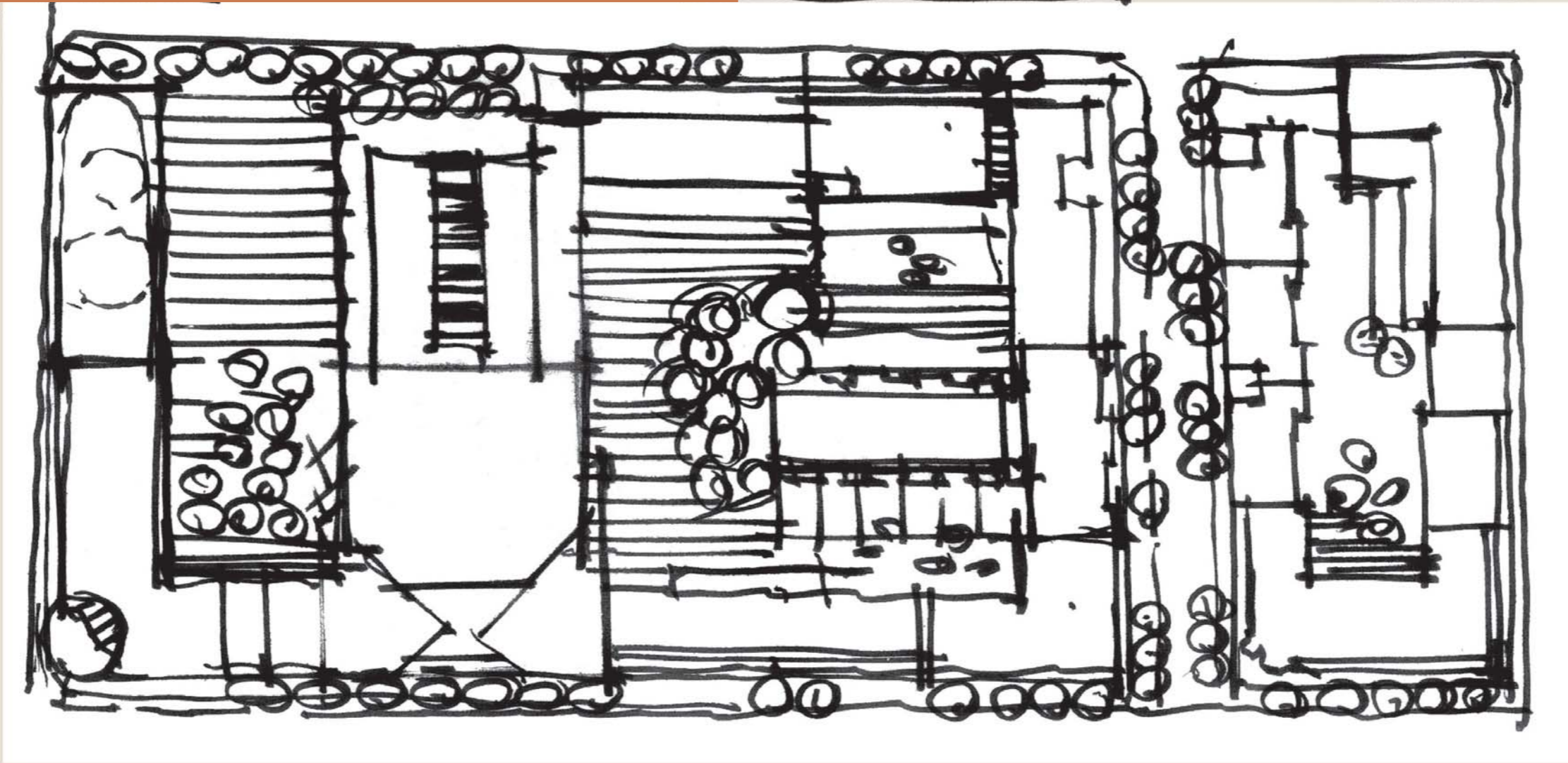


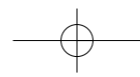


Welcome to the future of today.  
Welcome to "Andel City".

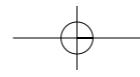
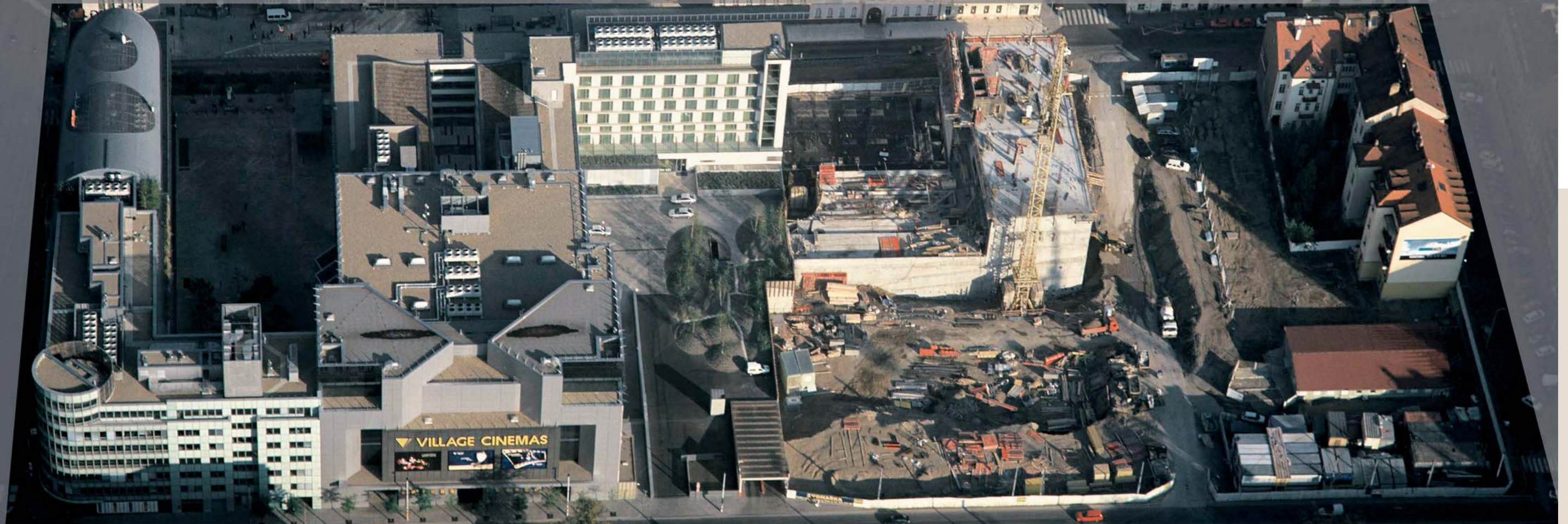
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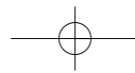
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**“Andel City”** – City of the angels.  
Where vision and know-how support  
each other.



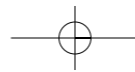


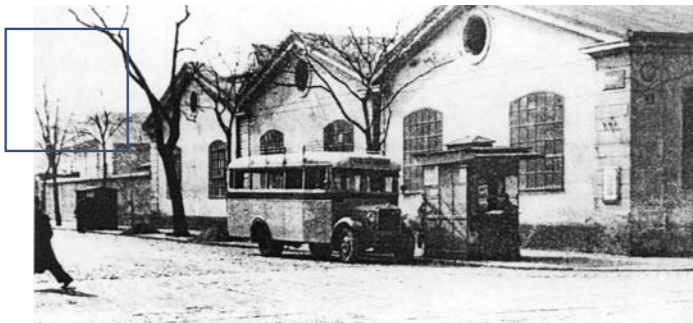
FEELING FOR THE  
FUTURE

DI ARCH. DAVID LUKAS  
DI ARCH. TOMÁS KREJČÍ  
Architects at UBM



“In part of the Prague suburb of Smichov, which is called “Andel” (=angels) a completely new area has been created, which combines all the advantages of a modern infrastructure with that of an environment which has grown naturally: hotels, apartments, flats, shopping centres and public houses; everything exists together in mutual harmony. We are extremely proud of this vibrant “total work of art”, since it represents all our future-looking projects.”





**Wagonfabrik Tatra Smichov:** During the second half of the 19th century approximately 17,000 trucks, cars, service wagons and locomotive tenders emerged through the gates of this factory.

## History of Andel City.

The suburb of Smichov, which is close to the centre of Prague and which originally had a rural character, was invaded by the industrial boom during the first half of the 19th century. Numerous textile companies were established here as well as the famous Ringhoffer Wagonfabrik. The area of the factory extended from Kartouzská (today Stefanikova) Street and Plzenska Street. Following a flourishing time during the first world war, years of change followed, which finally ended in 1945 when the factory was transferred to the administration of the people. During the 80's of the last century the factory was finally moved to the edge of the city of Prague. Now the problem arose that a complete suburb had to be newly "developed" from the ground up. UBM, as the independent developer active in the whole of Central Europe, was the correct company for this task.

Residential construction project of a special type: **Boarding House andel's Suites**  
The interior decoration of the 51 studios and apartments was carried out by the leading English architects and designers, Jestico and Whiles just like the neighbouring design hotel.



## Andel City. Designer hotel andel.'s / Boarding House andel.'s Suites / office building 16/17 – Andel City / Andel City Residences / Pfizer headquarters

### Designer hotel andel.'s, Prague

The hotel, which was opened in 2002, combines the highest level of comfort with contemporary functionality in all its 231 rooms and eight suites. Installed in the wide developed landscape of Andel City it has excellent infrastructural connections. Here there are two multiplex cinemas and the largest shopping centre in Prague, the "Obchodni Centrum Novy Smichov", with more than 130 brand-name boutiques and restaurants. The underground station, "Andel", which is next to the hotel, guarantees a fast connection to the world-famed sights. In addition, there are bus and tram stops just a few metres away from the hotel. Within 8 minutes one can reach the Charles Bridge and the Mala Strana.

The interior design was carried out by the famous British architects and designers, Jestico + Whiles. "andel.'s" has in the meantime become the most favoured hotel in Prague, since it combines modern form and function into an exceptional symbiosis. The equipment of the rooms with "plug and play" internet access, a CD DVD player and satellite TV as well as the 650 m<sup>2</sup> large conference centre with the most

modern audiovisual and multimedia technology guarantees both businessmen and sophisticated design-oriented guests a comfortable stay.

### Boarding House andel.'s Suites

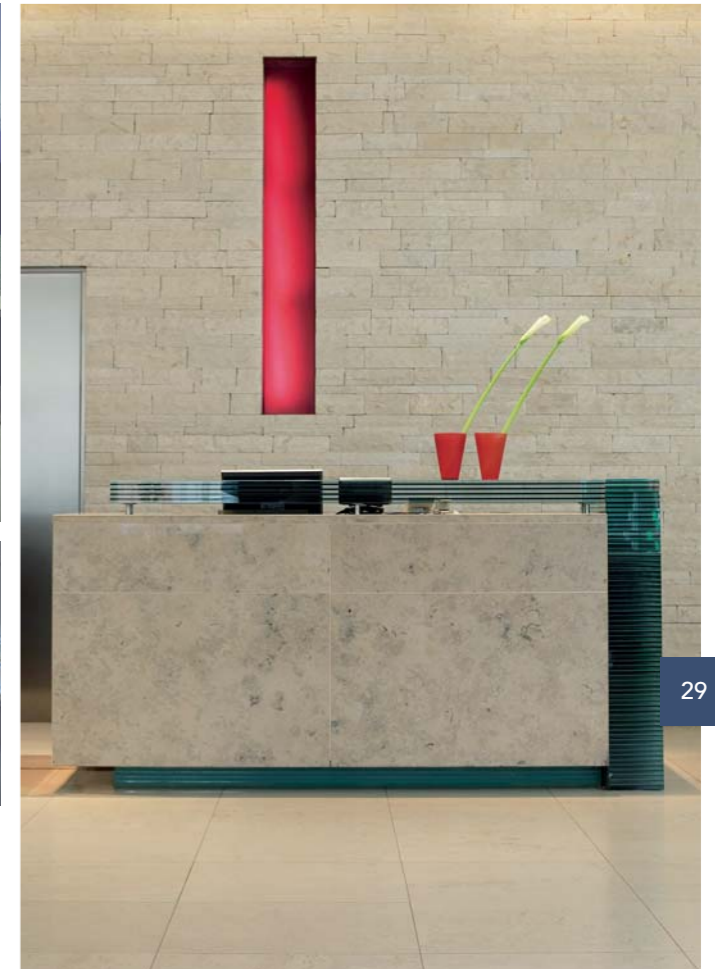
Immediately after the designer hotel andel.'s was opened in 2002 UBM completed this unique residential property project in 2004. The long-term rentable apartments are characterised by their modern functional floor space solutions as well as by the services which are also provided by the neighbouring hotel. The building has six storeys; on the ground floor there are commercial areas and an underground garage in the basement. The exclusively designed studios and apartments represent a refreshing new concept of the highest quality of accommodation in Prague. The interior design of the 51 studios and apartments, like those of the neighbouring design hotel, was also carried out by the leading English architects and designers Jestico + Whiles. Situated close to the historic centre of Prague the studios and apartments are suitable for both tourists and businessmen, who wish to spend a night or a longer period there.

FEELING FOR THE  
FUTURE



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"Andel City" ('city of the angels') designer hotel andel's, Boarding House andel's Suites, office building 16/17 – Andel City, Andel City Residences, Pfizer Headquarters. Contemporary form and function in combination with stylish ambiance guarantees a pleasant atmosphere. A complete suburb is blooming.



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## City development of Andel City.

In the Czech Republic as well as in Austria UBM acts both as a construction client and a general contractor for third parties as well as on its own account. In order to be prepared for the construction boom following the admission of the new countries to the EU, UBM acquired already in 1994 the approximately 25,000 m<sup>2</sup> site of the Tatra tramway factory in the Prague suburb of Smichov. The brand name of the urban development developed by UBM is "Andel City" (city of the angels). Following the hotel "andel's" and the office facility I of "Andel City", a boarding house was constructed on the former industrial site with 51 executive apartments, which was completed in September 2004. UBM constructed a 9,000 m<sup>2</sup> office building for the pharmaceutical Group, Pfizer on this "Andel City" site. As a result of the great success with the Andel City Residence complex with the 97 owned residential properties, the construction of an additional owner occupied residential property complex (Andel City Residence II) was started during the 4th quarter 2004. Moreover, preliminary work is currently being carried out for additional office properties as well as for the construction of a second hotel in Andel City. In total, the land reserves in Andel City are sufficient up to 2007.

### Office building 16/17 – Andel City

The third construction phase of Andel city was concluded with a six storey office building for CETELEM, a Czech subsidiary of the BNP-PARIBAS Group. The delivery of the building to the tenant took place in 2005.

### Andel City Residences

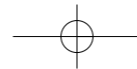
In the third construction phase the UBM subsidiary, IF6, built as construction client a central city apartment complex. On the ground floor there are eight business areas with different types of uses; in the upper floors there are apartments with usable space of 40 m<sup>2</sup> to 185 m<sup>2</sup>, which are equipped with balconies or with terraces in the top floors. The delivery of the apartments to the purchasers is planned for the beginning of 2006.

### Pfizer headquarters, Prague

The building structure of the office facility has two basement floors and six storeys, which apart from an extremely representative two-storied reception area also has a conference centre for more than 100 visitors. The property has a gross usable surface of approximately 9,000 m<sup>2</sup> and was able to be completed by UBM in an extremely short construction time to the full satisfaction of the client.

The new property with 9,000 m<sup>2</sup> gross surface area was constructed for the pharmaceutical group, Pfizer. The environmentally friendly infrastructure created by UBM during the last few years as well as the closeness to other internationally active corporations and the outstanding central location were decisive for the selection of the site of Pfizer's headquarters. All in all, prerequisites for the successful existence and prosperity of a branch of international quality.

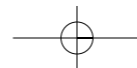


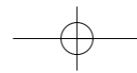


FEELING FOR THE FAMILY

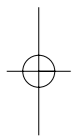
KAROLINA RADOVÁ  
Appartements Andel City

“A new suburb with all the advantages of a naturally developed city. Planned and executed by experts, all from a single source, which knows what the others are actually doing. This has a very positive effect on our quality of life.”

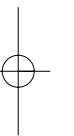




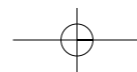
**Sustainability.** Our activity as a project developer always bears a high measure of responsibility. With our action we have an influence on people and their surroundings from a social environmental and economic point of view. A project therefore proves to be successful, when it has a positive influence of those whom it directly concerns. Referring specifically to the example of Andel City: a suburb which was no longer used and which was neglected was revitalised, modernised and given a diversified infrastructure. A mix of activities was created which guaranteed a fruitful mutual existence. People and business settle here on a permanent basis and tourism is given a boost. These are all prerequisites for a whole suburb to start coming to life again.

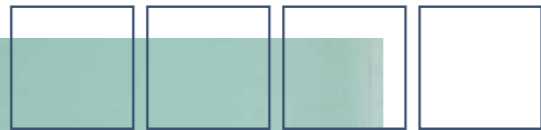
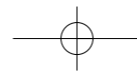


The environmental infrastructure created by UBM during the last few years as well as the closeness to other internationally active corporations and the outstanding central location were decisive for the selection of the site of Pfizer's headquarters. All in all, prerequisites for the successful existence and prosperity of a branch with international quality.

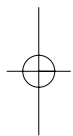


Pfizer office building Andel City





An open dialogue with all our employees and equal treatment at all levels is obvious for us.



Specifically, we provide continuous further training measures in the areas of planning and project development, economics and law as well as language courses and seminars for the development of the personality. In this respect we take into consideration the individual requirements of our employees as well as the requirements of the market.

### Training on the job

A further pillar of our training programme is continuous training on the job. In order to promote and free up development potential, experienced employees are allocated to all young employees with regard to all projects. As a result both parties benefit mutually from each others' qualities. Fresh ideas and an unburdened access to problems are exchanged for strategically trained experience. The company benefits from this symbiosis and the cooperation in small project teams promotes self-reliance and thereby the required level of satisfaction. UBM is endeavouring to create a climate of

confidence, fairness and integrity, which is the basis for a sustainable employee policy. Since our Company is widely spread from a geographic point of view there is always an international combination of personnel, and the exchange of experiences resulting there from is an additional practical factor in the comprehensive development of the employees.

### Sustainable management

We place particularly high requirements on our management, and the capability for contact and communication is an important element of their personality profile. Open dialogue with all employees and equal treatment on all levels is obvious for us.

In this context we should like to thank our employees for their valuable contribution to the success of the Company during the past year and to request from them their continued commitment in the future.



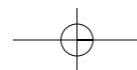
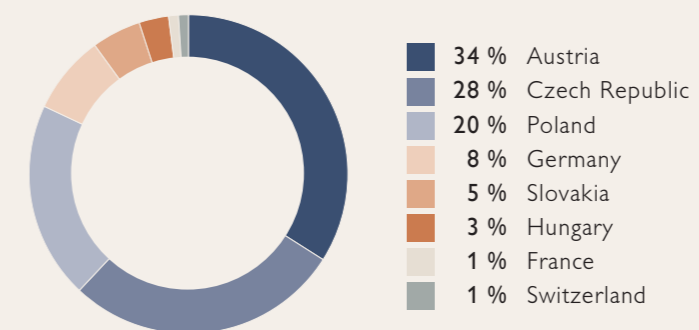
## Our employees

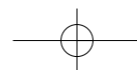
### Employees are our most important capital

This claim can after all be proved not only by financial data. Only 12 percent of the specific corporate know-how is situated in data banks, the remainder being stored in the heads of the employees. A savings policy, which aims at eliminating employees, will finally turn out to be at the cost of the company. Personnel fluctuation should therefore be avoided at all costs.

What should be done to motivate experienced employees and to retain them in the company in the longer term? During the last few years UBM has always paid particular attention to the continuous training of the employees. In order to maintain and increase quality standards, profound professional knowledge is required as well as the capability of finding flexible solutions covering all sectors.

Employees (per country)

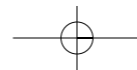




FEELING OF TASTE

YIANNIS MOUTSOPOULUS  
Executive Jet Set Restaurant-Bar

“For my taste we have obtained simply the best of what was offered on the menu. A real estate property with all the extras which are relevant for our company, ranging from the infrastructure to the integrated employee recreation area.”



## Management report Economic environment

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### Slight growth in Europe

Following a relatively strong economic development in 2004 the European economic area was not able to maintain the same rate of growth in 2005. The gross domestic product of the EU-25 increased only by 1.6 % following 2.4 % in the prior year. As a result Europe again laid behind the growth drivers of the last few years: USA and China. During 2005 the economic development continued to be particularly sluggish in Germany which with a rate of growth of only 0.9 % once again lay below the European average. Strong exports and a significant improvement of the confidence index of industry were not able to compensate for the continuing weak private consumption and the high oil prices. The French market also had to register a considerable slow-down of its growth to 1.5 %. In general, a potential improvement in the development of the eurozone's GDP is negatively affected by the continuing high exchange rate of the euro as well as the uncertainties concerning an increase in the bank rate by the European Central Bank. (Source: Eurostat)

### Improvement in Austria's growth

Following a relatively weak development at the beginning of 2005 the Austrian economy improved somewhat during the course of the year. In total, GDP was able to increase by 1.9 % during 2005. In spite of the not very favourable starting point, in particular in view of the economic weakness of the euro area, foreign demand in 2005 was better than expected.

The propensity to consume of the Austrian population remained nevertheless limited during the past fiscal year, which was in part attributable to the high consumer prices with an inflation rate of 2.4 %. During the first half year the results of the retail trade were below expectations; however, a recovery occurred by the end of the year, whereby even private consumption was able to increase by 1.5 % on an annual average basis. According to the calculations of Eurostat unemployment in Austria rose to 5.2 % as at the end of 2005.

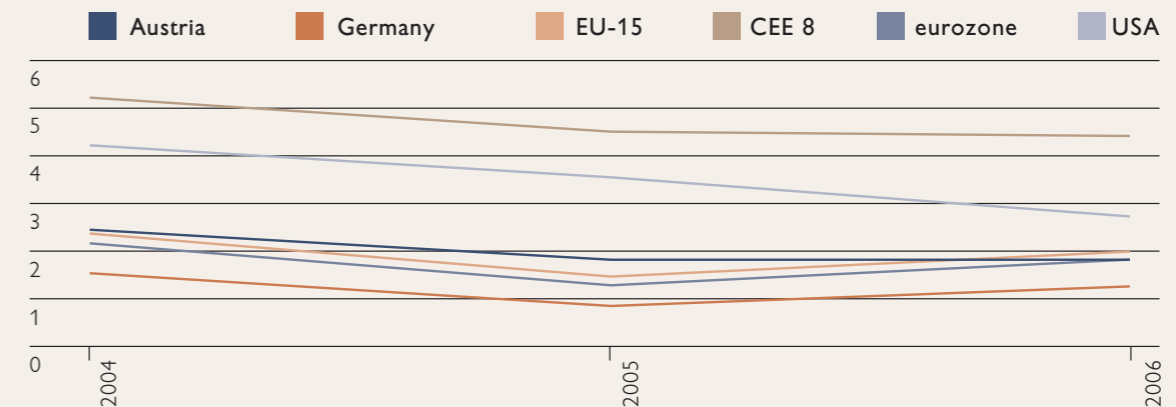
### Growth region of Central and Eastern Europe

In the new member states of the EU the economic expansion in 2005 weakened somewhat. The main reason was their comprehensive integration into the economic development of the eurozone, whose markets represent by far the most important trading partners of the new member states. In addition, the foreign direct investments levelled out, but still remained at a high level. Above all Poland, the largest market of Central and Eastern Europe, could not maintain the strong growth of the past years and registered growth of 3.2 % during 2005. The Baltic countries, Estonia, Latvia and Lithuania registered the highest increase in GDP in the region in excess of 7 %. The Czech Republic and Slovakia were the only members of the CEE-5 to register a strong improvement of 6.0 % each versus 4.7 % and 5.5 % respectively in 2004. In spite of a difficult environment Hungary was able to report stable growth of 3.9 % in GDP.

**The meaning of healthy growth** / first of all one must pay major attention to the quality of the seed / a further important factor is the period for sowing / in this respect one should rely primarily on experience and instinct / the condition of the ground must also be examined closely / one must then be patient and permit the young plants to develop at their own pace / the optimal development is a very complex matter / this is attributable to the correct balance between the rich nutrients of the earth and the visionary rays of the sun / if all of this is true there is a 1:1 chance for a successful business life.

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Growth of real gross domestic product (in %)



Source: OECD/Eurostat

# Development of the European real estate markets

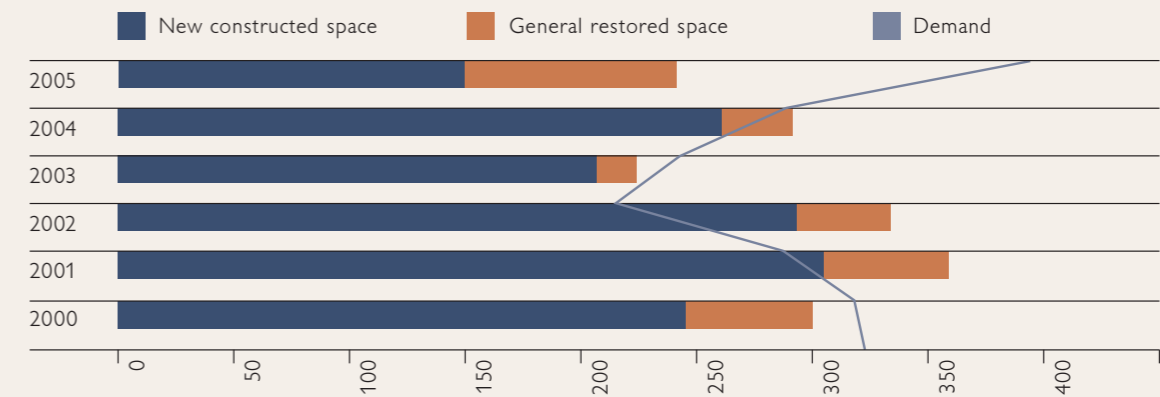
## Western Europe

In spite of the restrained economic activity, the Western European real estate markets developed better than in the prior year. The European office market experienced signs of improved demand, which nevertheless continued to remain at a low level. A noticeable recovery in rental demand was registered above all in the German market and in Brussels. In Europe there is a continuation of the downward trend with regard to the volume of supply. The average ratio of empty floor space fell from 12 % in 2004 to approximately 11 % during 2005. During 2005 the rents in the European office market increased on average by 1.5 %. The highest increase in rental prices, amounting to 33 %, was registered in the surroundings of Barcelona, followed by the commercial centres of Barcelona and Seville with an inflation rate of 25 %. The highest office rents in Europe are still to be found in the West End of London, followed by the City of London and Paris (Source: Cushman & Wakefield)

## Central and Eastern Europe

Office real estate in Central and Eastern Europe continued to boom during 2005. In this respect Estonia and Lithuania registered the strongest growth of the CEE countries, whereby a significant slow-down was observed towards the end of 2005. Demand improved at a strong, above average rate in Moscow, Warsaw and Budapest. Real estate investments in these markets also increased at the same rate, whereby 87 % of such investments were attributable to the Czech Republic, Hungary and Poland. However on the other hand the achievable returns from office properties continued to decline in Central and Eastern Europe. In Romania, for example, a decline of 350 basis points had to be accepted for returns from office properties during 2005. This trend was particularly noticeable in Poland, where in the meantime income of only 6.5 % can now be expected. As a general rule, the returns for office properties in the CEE zone at the end of 2005 amounted to between 6.5 % and 10.3 %, for

Supply and demand for office space in Vienna (in m<sup>2</sup> thousand)



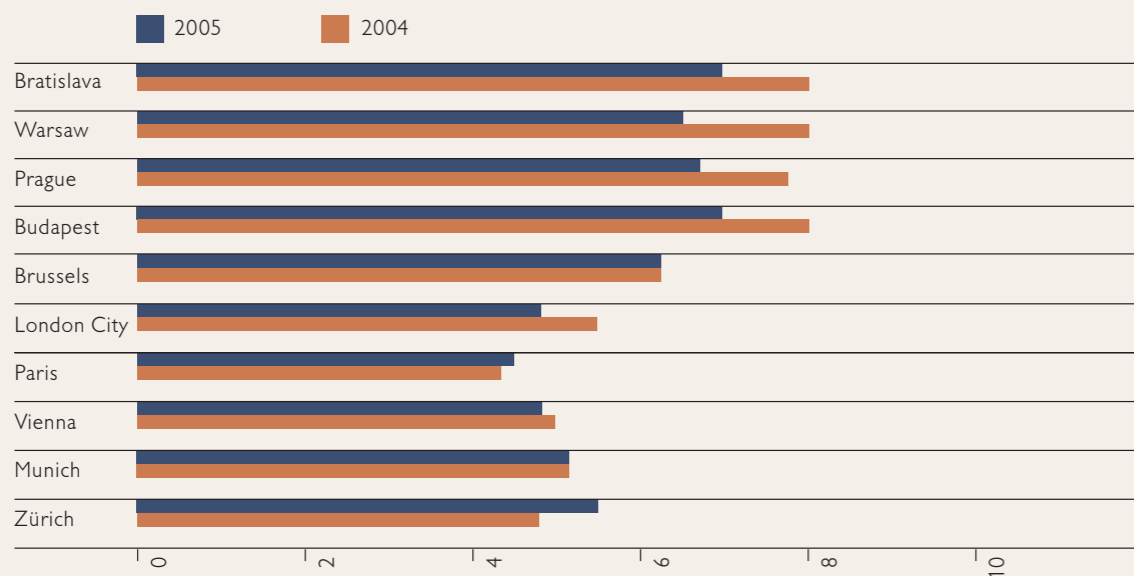
Source: CB Richard Ellis

Development of office floor space and percentage rate of unoccupied space in Vienna

	2005	2004	2003	2002	2001
Demand in m <sup>2</sup> thousand	390	280	240	220	280
Supply in m <sup>2</sup> thousand	242	290	225	330	360
Empty floor space in %	6.50	6.87	6.72	6.22	4.46

Source: CB Richard Ellis

Development (in %)



Source: CB Richard Ellis

shopping centres between 7.5 % and 11.7 % and for industrial property from between 8.5 % and 15.0 %. (Sources: Cushman & Wakefield and CB Richard Ellis) This trend confirms the correctness of the strategy of UBM of putting on the market only now real estate properties in Central and Eastern Europe.

## Vienna office market

The Vienna office market has undergone a clear change in trend. Following stabilisation and only slight growth during the past few years, a new record was achieved with regard to the rental of office properties. As a result the volume of rentals in 2005 increased by about 40 % to approximately 390,000 m<sup>2</sup> versus the prior year. Apart from renewed rising demand for new office space, an improved collection possibility in the market is responsible for this positive development. A further reason for the positive development in Vienna is also the change of headquarters of many companies. In this respect above all higher value and better situated locations or a central location are in

demand. The actually newly rented space without an exchange of space thus represents only approximately one third of the total volume of rentals. In view of this positive development in demand the rate of empty floor space for office properties in Vienna has again declined somewhat and amounted as at the end of 2005 to 6.5 %. In comparison with other European cities the rental incomes in Vienna can be described as stable. The top rates amount to € 20 per m<sup>2</sup> per month, an amount which has even declined somewhat in nominal terms since 2000. In 2005 an amount of € 1.9 billion was placed by institutional investors in real estate in Austria, which corresponds to an increase of 53 % versus the prior year. In this respect the major portion was invested by domestic investors and not primarily by international investors as in the past. The top returns in Vienna amounted in 2005 to 4.8 % following 5.0 % in the prior year. In this respect it must be taken into consideration that the return is determined increasingly by the quality of the rental agreements and correspondingly less by the quality of the properties or the location. (Source: CB Richard Ellis)

## Development of revenues

The core business of the UBM Group is the specific project real estate business. As a result of the fact that the realisation period of our projects last for several years, the presentation of revenues in the profit and loss account is subject to major fluctuations for accounting reasons, which limit extensively the meaningfulness and the comparability with prior years.

In order to ensure a presentation of our business development, which is as close to reality as possible, we define the annual construction output as the decisive expression of revenues for our Company. Like our range of services, this economic measure includes income from the sale of real estate, the construction invoices settled, deliveries and services to joint ventures as well as other ancillary income.

In 2005 the UBM Group reported total construction output of € 109.0 million. The revenues of 2004 could thus not be achieved. The decline of the total construction output of approximately € 26.9 million is attributable to the absence of the revenues from the completion of the hotel for Eurodisney as well as a lower number of sales of real estate both domestically and abroad.

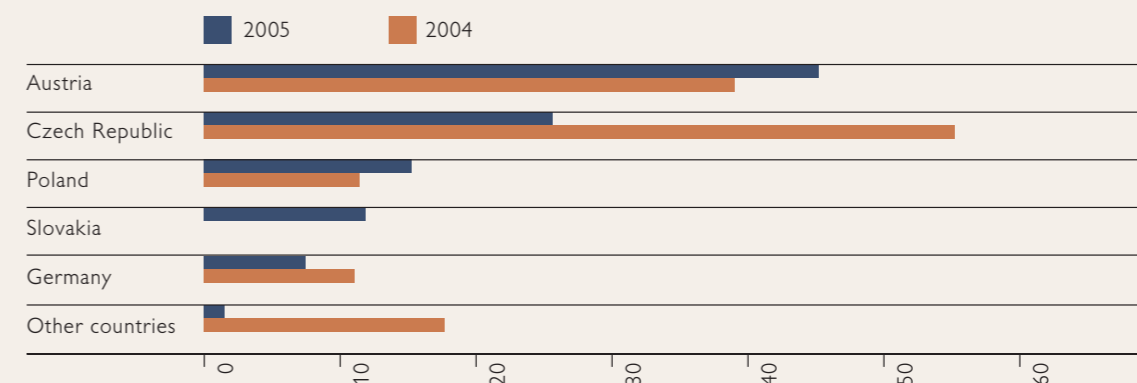
### Development of revenues per operating division

Starting with the year under report 2004 we divide our business into two divisions, namely "project development and rentals" and "facility management". The decision as to whether a property realised by us should be part of our rental portfolio depends to an increasing extent not only on the optimal sales opportunities but also on complex ownership limitations in the form of longer term project companies. The income from rentals obviously continues to represent an important contribution to the compensation for specific project revenue fluctuations; nevertheless its volume depends on the above-mentioned factors, and for this reason a separate presentation would lose any meaningfulness. The annual construction output of the project development and rental division amounted to € 105.1 million during the year under report and is thus € 28.1 million lower than in the prior year. The largest components of our revenues in 2005 were represented by our construction activities in the Czech Republic, where we were able to complete during the year under report an office building for the Czech subsidiary of a

### Development of revenues

€ 000	2005	2004	2003
Annual construction output as per operating accounts	108,972	135,886	118,707
Total operating output as per the profit and loss account	72,707	79,345	52,561
Difference	<b>36,265</b>	<b>56,541</b>	<b>66,146</b>
Revenues from joint ventures	0	20,050	23,942
Changes in inventory from own projects in the prior year	-2,686	-2,386	3,185
Revenues from participations consolidated at equity or those of minor importance	39,000	39,056	39,081
Own work capitalised	-49	-179	-62
	<b>36,265</b>	<b>56,541</b>	<b>66,146</b>

Annual construction output by country (in € million)



large French bank as well as a residential property complex with 97 apartments. Moreover, further construction phases in Andel City (Hotel Angelo, office building SO 11, residential complex SO 10) were commenced. In Germany the construction work for the residential property complex in Munich-Riem and Parkhaus Schwabing were commenced. In Poland the restoration of the office building, "Griffin House", could be completed. Already during the second year following our entry into the market in Slovakia we were able to complete two halls of the logistic centre in Senec and the complete project was sold. In Austria the realization of the office building Brehmstrasse BT A represented the major emphasis of our operations. The atrium market Alt-Erlaa and the properties at Nebingerstrasse and Wattstrasse in Linz were also sold during the year under report. The "facility management division", which includes comprehensive services of property administration, technical and commercial property services up to the administration of floor space, is offered increasingly also to interested third parties. 3.6 % of the total annual construction output amounting to € 3.9 million (2004: € 2.7 million) was attributable to "facility management" division in 2005. The increase in the annual construction output was attributable to new orders in Poland, the Czech Republic and Austria.

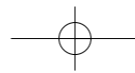
### Development of the geographic markets

Starting from its home market in Austria the UBM Group has continuously expanded its geographic positioning since the end of the 1980's and has thus

reduced its dependence on local demand cycles. Apart from the strong growth markets of Central and Eastern Europe projects are also carried out in Germany, where we are active through our subsidiary Münchner Grund, above all in the greater Munich area, as well as in France and now also in Switzerland. In 2005 the foreign share of the annual construction output was approximately 58 % and was thus lower than in 2004 (71.2 %). This is attributable to the sale of the atrium market Alt Erlaa, which increased the domestic share of the annual construction output to € 45.8 million. During 2005 the highest foreign share of the annual construction output (2005: 24.2 %, 2004: 41.1 %) was also achieved in the Czech Republic, above all due to the realisation of the project in Andel City. In the prior year the real estate sales of Pfizer and Boarding House led to a substantially higher share of revenues.

As a result of the completion of the restoration of the office building, "Griffin House", in Warsaw annual construction output of € 15.7 million was achieved in Poland, which corresponds to an increase of € 3.8 million versus 2004. On the other hand the contribution to performance was in decline in Germany, which with an amount of € 7.1 million represented a share of 6.6 % following 8.6 % in the prior year.

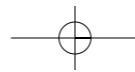
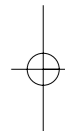
Annual operating performance of € 12.2 million was achieved in Slovakia as a result of the Senec logistics centre project. The item "other foreign revenues" is attributable primarily to the project management for a cube hotel in Switzerland as well as rental income from an office property in Hungary.



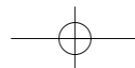
FEELING FOR SUCCESS

JÜRGEN GRUBER  
Assistent General Manager andel's

“We appreciate the profound market knowledge of our partner, UBM. As well as its many years of experience in our target region. Our corporate success was therefore assured to us from the very beginning. The combination of an optimal central location and a perfect infrastructure ensures that the suites rent themselves almost on their own. Thank you very much, UBM.”







FEELING FOR SUCCESS

## Profitability

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The total operating output shown in the consolidated profit and loss account amounted in 2005 to € 72.7 million and is thus 8.3 % lower than that of 2004. Annual construction output, an economic measure which is more relevant and meaningful for us amounted in the year under report to € 109.0 million, which was also a lower amount than in the record year of 2004.

Earnings before interest and taxes (EBIT) registered in comparison with the prior year an increase of more than 38 % to € 14.1 million. The result is characterised by the effects of the year under report resulting from sales, whereby detailed comparability is limited and is only meaningful in its total.

Due to the lower level of annual construction output, the cost of materials was reduced by approximately 30 % to € 38.1 million.

The number of employees of all fully consolidated companies and participations increased from 139 to a present level of 141. Personnel expenses increased by 8.9 % to approximately € 7.1 million. In line with the increase in investment activity during the year under report depreciation on property, plant and equipment increased by 25.2 % to approximately € 4.4 million. The item relating to other operating expenses, which includes mainly administration expenses, allocations to provisions, travel expenses, fees and duties as well

as legal and consulting services, amounts to € 13.6 million and therefore corresponds almost exactly to the amount of the year 2004 (€ 13.7 million).

The result from participations in 2005 was lower than in the prior year due to the write-down of a loan to a project company. The interest result deteriorated by € 1.0 million due to the higher investments in the year under report versus the result of 2004. Tax expenses for the year under report amounted to € 1.5 million versus an amount of € -0.2 million in the prior year. This change occurred on the one hand through the transfer of taxable results from several subsidiaries and on the other hand due to the absence of tax-free sales of participations. Following the deduction of profits allocable to the minority interests the consolidated net income amounts to € 8.5 million following € 9.4 million in the prior year; earnings per share amounted to € 2.83 (2004: € 3.13). The allocation to retained earnings amounted to € 5.8 million (2004: € 7.8 million).

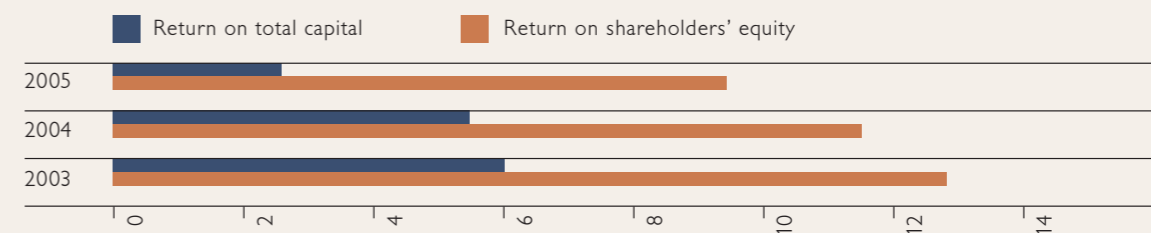
For 2005 the UBM Group reports a net income for the year of approximately € 2.7 million (2004: € 2.7 million), which corresponds to the net income for the year of UBM AG; this represents the funds required for the payment of the dividend distribution. The Board of Management will propose to the general meeting of shareholders a dividend in the amount of € 0.90 per share with rights to dividend.

## Consolidated profit and loss account – short version

in € million	2005	Change in %	2004	2003
Annual construction output	109.0	-19.8	135.9	118.7
Operating output	72.7	-8.3	79.3	52.6
EBITA	14.1	34.3	10.5	17
EBIT	14.1	38.2	10.2	16.2
EBT	9.9	6.5	9.3	11.4
Consolidated net income	8.5	-9.6	9.4	9.5
Net income for the year	2.7	-	2.7	-
Earning per share (in €)*	2.83	-9.6	3.13	3.17

\* Data for 2003 adapted for share split in the ratio of 1:4

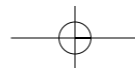
## Profitability of the UBM Group (in %)



## Profitability of the UBM Group (in %)

in %	2005	2004	2003
Return on total capital	2.6	5.2	6.0
Return on shareholders' equity	9.6	11.6	12.8
Equity ratio as at 31.12.	23.6	30.9	27.1

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## Finance, assets and capital structure

The balance sheet total of the UBM Group increased during 2005 in comparison with the prior year by 35.8 % to approximately € 381.3 million. This substantial increase in the balance sheet total is attributable to the intensive investment activity of the whole year as well as to the extension of the scope of consolidation.

On the asset side of the balance sheet property, plant and equipment represent the major part of, the balance sheet total with a share of 51.1 % (2004: 54.5 %) and amounted as at the end of 2005 to € 194.9 million. The book value of the land and buildings (including buildings on third party land and rights to land) increased in 2005 by € 45.3 million to € 186.7 million, whereby 51.1 % of the overall balance sheet total is attributable to this item. Prepayments received and plant under construction declined by 35 % to € 7.4 million. Financial assets were reduced by 28.2 % to € 28.1 million, which was attributable primarily to the deconsolidation of a company, the

real estate of which was sold. The structure and the volume of the current assets have changed as follows: the inventories held have increased by 108.4 % to approximately € 41.8 million due to a higher level of land and buildings designated for sale. Receivables and other assets have risen by 69.1 % to € 97.9 million. This increase is due primarily to the refinancing and financing of various subsidiaries.

EBT (earnings before taxes) could be increased from € 9.3 million in the prior year to € 9.9 million. As at the balance sheet date the shareholders' equity therefore amounts to approximately € 90.1 million. However, due to the increase in the balance sheet total, the equity ratio declined to 23.6 % versus 30.9 % in the prior year.

The provisions for benefits and pensions increased from approximately € 1.7 million by € +0.4 million to € 2.1 million. The other provisions in the amount of € 17.3 million are attributable to a large extent to

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### Balance sheet structure

in %	2005	2004	2003
Fixed assets	60.1	70.6	65.7
of which property, plant and equipment	51.1	54.5	50.3
Current assets	39.7	29.1	33.7
Shareholders' equity	23.6	30.9	27.1
Liabilities	74.5	66.7	70.1
of which to banks	21.8	34.8	39.6
Balance sheet total in € million	381.3	280.7	286.8

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provisions for buildings, with which, for example, guarantee claims, construction damages, pending losses of foreign risks can be covered. During the fiscal year under report the provisions increased by € 3.9 million.

Due to the issue of a loan in the amount of € 100.0 million (maturity 06/2005 to 06/2012) the liabilities increased in total during the year under report by 54 % to approximately € 264.8 million. With regard to the liabilities to banks there was a decline (14.8 %) from € 97.7 million to € 83.2 million. Mainly due to the increase of depreciation on fixed assets

from approximately € 3.2 million in the prior year to € 4.9 million, cash earnings in accordance with ÖVFA rose by about € 1.5 million to € 14.0 million. The cash flow from operating activities declined by approximately € 34.1 million to € -17.6 million following an increase in both inventories and receivables. Investments in property, plant and equipment amounted to € 38.0 million versus € 33.2 million in the prior year, whereby the cash flow from investing activities amounted to € -33.7 million. The cash flow from financing activities amounting to approximately € 59.2 million represents the intensive investment activity of the Group.

### Consolidated statement of cash flow – short version

in € million	2005	2004	2003
Consolidated net income	8.5	9.4	9.5
Cash earnings in accordance with ÖVFA	14.0	12.5	16.0
Cash flow from current operations	-17.6	16.5	19.9
Cash flow from investment activities	-33.7	-0.3	-0.8
Cash flow from financing activities	59.2	-16.4	-16.0
Securities and liquid assets as at 31.12.	11.5	3.6	3.8

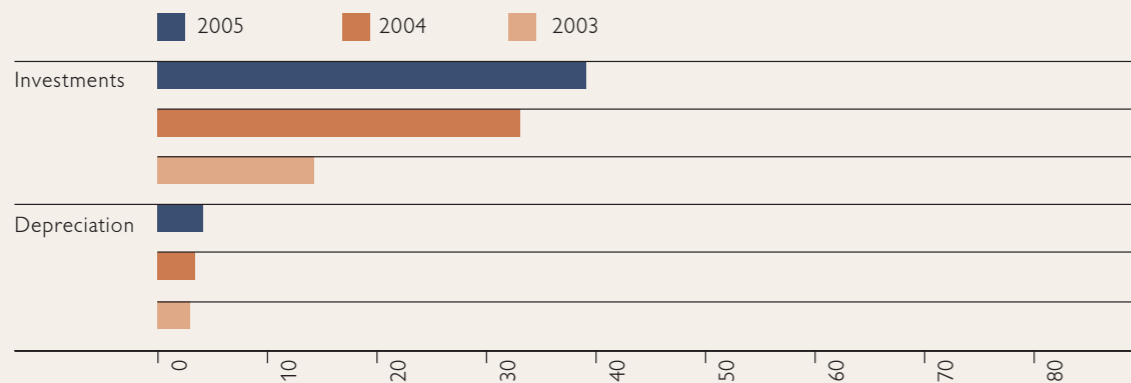
**Structure sharpens the feeling for the essential** healthy structures are the backbone of all life / they give strength and direction at a time which is characterised by increasing uncertainty.

## Investments

Apart from the specific project fluctuations the annual investment volume of the UBM Group depends directly on the form of financing of the relative projects, whereby the possible range extends from the construction project financed by ourselves to financing through leasing contracts. In principle, however, we pursue the objective by means of an early relationship with the future user and to keep the financing requirement low through strategic partnerships and participations. At the same time solid prerequisites are created for future projects through the acquisitions of land sites, as recently in Slovakia, the Czech Republic and Poland. The investment volume of the fiscal year amounting to € 38.7 million is € 4.0 million higher than that of the prior year. In 2005 the major emphasis was our Andel City project, where a second office building and a residential property complex were able to be completed. Apart from the completion of these construction phases the further extension of the project

made rapid progress, so that this showpiece project of the UBM Group can be finally concluded successfully in 2007. Furthermore, we have acquired a land site in Lipno for the construction of a leisure centre. In Austria the BT A office building in the Brehmstrasse was completed and transferred to the user fully rented. In Poland we have concluded the restoration of the office building, Griffin House, and purchased a land site near Warsaw for the construction of a residential complex. In Germany the construction of two residential property complexes is underway, and in Slovakia we have created the basis for an additional positive entry into the market following the successful sale of the logistics park in Senec. Moreover, we have acquired real estate properties with very profitable development potential in Austria in Brunn am Gebirge, Schwechat and Graz. In total the investments in property, plant and equipment amounted to € 38.0 million; the financial assets were reduced by € 11.0 million.

Investments and depreciation / property, plant and equipment (in € million)



Investments (in € million)

in € million	2005	2004	2003
Total investments	38.7	34.6	16.0
Intangible assets	-	0.2	0.7
Property, plant and equipment	38.0	33.2	14.4
Financial assets	0.7	1.1	0.9

**Risk minimisation makes sense** / detailed risk analysis from the very beginning / know-how about particularities of the market / consideration of individual influences / establishment of exact forecasts / flexible spread of the investment through diversification / with the certainty of an experienced company.

## Risk management

Entrepreneurial action is permanently connected with the evaluation of risks. It is therefore important to recognise these risks at the right time and to take measures actively with efficient control systems. Risk management is an integral part of the operating action of the UBM Group and is gaining increasing importance for the assurance of our operating success through the expansion of our business activity both from a sectoral as well as from a geographic point of view. The UBM Group reacted at an early stage to this challenge and has at its disposal an extremely varied risk management system, which is regularly adjusted to technical market and regulatory developments. The areas of responsibility of risk management are general processes, technology, development and commercial aspects. For each area the competences have been really defined and experienced employees appointed, who report directly to the Board of Management. General risks, such as, for example, the strategic risk which does not arise within the course of our projects but result from the business object of our Company, are dealt with by the Board of Management in agreement with the Supervisory Board.

### Risk of market entry

Thanks to its many years of experience UBM knows the ways of functioning and the peculiarities of the real estate markets in Central and Eastern Europe. Apart from the general development know-how, the knowledge of demand, cyclicity as well as the legal and overall economic general conditions of a country minimise the risk of a false strategic decision. A detailed market and risk analysis of the corresponding country precedes each stage of expansion. These expert opinions include the micro and macro economic stage of development of the region or the relative real estate market. The individual factors of influence are above all decisive for the realisation of a project. In this respect it is necessary to forecast the market development correctly and to find in advance the potential tenants. Instructions concerning the minimal required degree of commercialisation increase the security in the investment in a project. The broad diversification of the UBM Group means that the entry into new markets is assured through the solid basis of the existing real estate portfolio. Our employees give us the answer to all these questions, since they have

excellent qualifications and competence both in the area of the real estate economy and the construction sector as well as in technical and commercial matters.

### Cyclicality of our markets

The real estate markets show in their demand development a strong cyclicality, which apart from overall economic factors is also affected by the relative supply situation. Thanks to our broad sectoral as well as geographic diversification we can set off regional market fluctuations against each other and structure our investment in a flexible manner. The possibility of choosing between the sale or the rental of our properties permits us, moreover, to create a flexible compensation for temporary unfavourable market conditions.

### Financing and currency risk

The strong internationalisation of our business activity requires the consistent use of hedging instruments. Our rental income is not only index-related but the

rental contracts of foreign properties, which were almost exclusively concluded with international groups, are, moreover, based on hard currency contracts, in order to minimise the risk of changes in the rates of foreign currencies. We meet the interest risk, which is often decisive for the future returns on a property, with financing models geared to the relative periods concerned, which secure and optimise the specific project finance requirements. The choice of the financing currency takes place depending on the corresponding currency of the commercialisation, whereby the currency risk is excluded.

### Security of property

The security of the value of the real estate portfolio is an important element for the economic development of the UBM Group. The property and facility management division submits situation reports at regular intervals as well as forecasts for the optimal maintenance of the sites and the buildings, in order to guarantee the work of commercialisation as well as the sale in the longer term.

## Segment reporting

The primary segments are divided into the divisions of “project development and construction” and “facility management”. This division also corresponds to the composition of the relative management. A summary table showing the most important key data of the segments is presented in the segment reporting of the consolidated financial statements.

### Project development and construction

The “project development and construction” segment includes the business activities of the following principle companies included in the UBM Group either on a fully consolidated basis or at equity:

- UBM Realitätenentwicklung Aktiengesellschaft
- Ariadne Bauplanungs- und Baugesellschaft m.b.H.
- “Athos” Bauplanungs- und Errichtungsgesellschaft m.b.H.
- MBU Liegenschaftsverwertung Gesellschaft m.b.H.
- “UBM 1” Liegenschaftsverwertung Gesellschaft m.b.H.
- Rudolf und Walter Schweder Gesellschaft m.b.H.
- Logistikpark Ailecgasse GmbH
- UBM-Bohemia Projectdevelopment-Planning-Construction, s.r.o.
- “Mazurska Development” Sp. z o.o.
- UBM Polska Sp. z o.o.
- UBM Green Development Sp. z o.o.
- Münchner Grund Immobilien Bauträger Aktiengesellschaft
- Immobilien- und Baumanagement Stark GmbH & Co. Stockholmstraße KG
- CM 00 Vermögensverwaltung 511 GmbH
- Immo Future 6 - Crossing Point Smichov s.r.o.
- UBM Klánovice s.r.o.
- UBM-Bohemia 2 s.r.o.
- Andel City s.r.o.
- Ruzinov real s.r.o.
- Dictysate Investments Limited
- Ropa Liegenschaftsverwertung Gesellschaft m.b.H.
- “Zentrum am Stadtpark” Errichtungs- und Betriebs-Aktiengesellschaft
- W 3 Errichtungs- und Betriebs-Aktiengesellschaft

- “Internationale Projektfinanz” Warenverkehrs- & Creditvermittlungs Aktiengesellschaft
- GF Ramba Sp. z o.o.
- INTERCOM a.s.
- UBX Development (France) s.à.r.l.

During the year under report the annual construction output of this segment declined by approximately 21.1 % to € 105.1 million. This represents the traditional operating core sectors of the UBM Group, to which 96.4 % of the total annual construction output is attributable.

### Facility management

The facility management segment includes the following principle companies included in the UBM Group either on a fully consolidated basis or at equity:

- FMA Gebäudemanagement GmbH
- FMB-Facility Management Bohemia, s.r.o.
- FMH Ingotlanmanagement Kft.
- “FMP Planning and Facility Management Poland” Sp. z o.o.
- FMS Facility Management Slovakia s.r.o.

The share of the annual construction output for 2005 amounts to approximately € 3.9 million (3.6 %). We nevertheless define this area as an independent segment, since we can gain from the administration of properties valuable experience regarding tenant requirements, project conditions and infrastructural requirements, which can be included directly into the planning of future realisation projects.

Board of Management

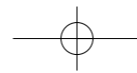
Risk management

GENERAL PROCESSES ISO 9001

TECHNOLOGY

DEVELOPMENT

COMMERCIAL ASPECTS



## Outlook for 2006

The forecasts for the world economy continue to indicate unchanged high dynamic growth for 2006 with regard to the economic drivers, the USA and Asia. Moreover, as in the past fiscal year the greatest risk is the development of the oil price. For the 25 member states of the EU this means an expected increase in GDP of 2.1 %. The estimates for the overall European region are somewhat lower at 1.9 % but still higher than the level of the prior year. Apart from the increasing expenditure on investments and an unchanged strong level of exports, private consumption should again recover somewhat in spite of a modest growth in real available income. Germany, as the largest market in Europe, will again be below the European average with growth of 1.2 %, as will be France with 1.8 % (OECD and Eurostat).

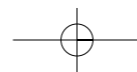
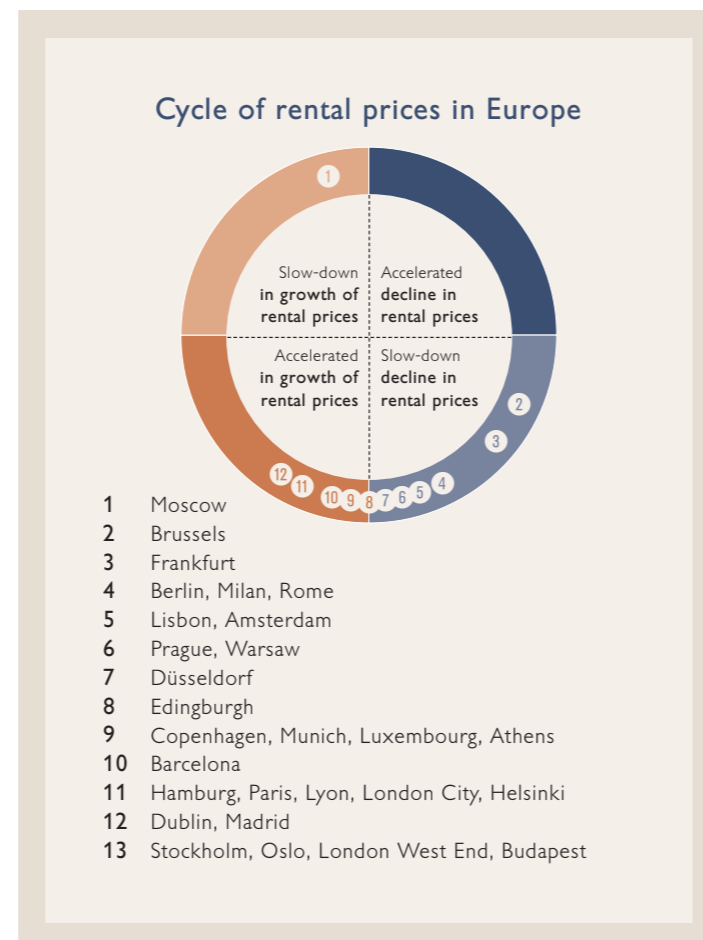
In view of the growing economy in the European region economic experts expect an acceleration of growth to 2.4 % in Austria. This growth will be supported above all by exports and the rising level of investments. On the other hand, consumer demand from private households will continue to remain sluggish with an increase of only 2 %. In 2006 the inflation rate is expected to amount to 1.9 % insofar as the crude oil prices do not move unexpectedly on the world markets. The situation on the labour market will continue to remain difficult. According to Eurostat the unemployment rate should remain unchanged at 5.2 %. (Wifo).

The economic development in the new EU member states in Central and Eastern Europe will increase during 2006. The gross domestic product will increase on average by 4.4 %. Consumption should increase at an accelerated rate. Investments should increase substantially as a result of the recent expansive monetary policy. Above all, however, foreign trade should increase significantly as a result of the economic recovery in the eurozone. The rise

in prices should remain comparatively moderate in most countries according to the majority of the forecasts.

### Real estate economy 2006

The trends in the worldwide office market which were already registered in 2005, will continue during 2006. The rate of growth should increase constantly. As a result of the continuing rise in demand and a decline in supply, the quota of rented space will increase. This development appears to be positive above all in America. In contrast with this the outlook for Europe is slightly less optimistic. For this reason a stabilisation of the market situation is assumed.



### Vienna office market

As a result of the low rate of completion of new office buildings and an increase in the volume of rentals, a slight decline in the direction of 6.0 % is expected with regard to empty floor space. The office rents will stabilise independent of the situation. Barely 44 % of the approximately 84,000 m<sup>2</sup> of office space which will be completed during the first half year 2006 has already been rented. It is expected that in 2006 the total supply of floor space in Vienna will decline to 177,000 m<sup>2</sup>. The achievable returns in the Vienna office market could decline somewhat due to the high demand for real estate investments. In this respect the income for property in good locations and in average locations could converge further with each other.

### Corporate outlook

In 2006 the successful course of the UBM Group will be continued with the further extension of the sectoral and geographic diversification. Apart from our home markets of Austria, the Czech Republic, Poland, Hungary, France, Germany, Slovakia and Switzerland, we shall also realise our market entry into Romania, Bulgaria and Croatia and shall also prepare for the markets in the Ukraine and in Russia.

In Germany we will continue to place our emphasis on the residential sector and conclude the residential property projects in Schwabing and Munich Riem, Munich. In Poland the start of construction is planned for a housing estate near Warsaw, and a hotel project is already underway in Krakow. In Krakow we assured for ourselves an attractive land site for an additional housing estate. In the Czech Republic the last construction phases of Andel City will constitute the major emphasis. In the autumn of this year a hotel project will be undertaken in Pilsen. In Slovakia, as a result of a cooperation agreement with a Slovakian partner, we have secured the commercialisation pos-

sibilities for a large number of land sites in the neighbourhood of Senec. In Switzerland we are constructing an operational building for an international logistics company in the neighbourhood of Zürich. A logistics building should also be constructed in Croatia. In Austria the Salzburg-Lehen project will be implemented and in Vienna we are continuing with the successful project of the construction of the building phase C in the Brehmstrasse.

Apart from this variety of projects with a large volume of investment, we also intend to realise some smaller projects of local importance.

The major portion of our construction output is attributable to the countries of the Czech Republic, Germany and Poland. Within the framework of our quarterly reports we shall give detailed information on the development of the projects and their effect on the course of the overall business.

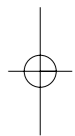
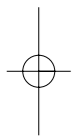
For the fiscal year 2006 we are expecting a total construction output of approximately € 148 million; the satisfactory development of the results and thus also the dividend policy of the prior years should be continued.

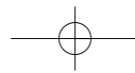
### Events following the balance sheet date

No significant events have occurred since the balance sheet date.

Vienna, April 18, 2006

Mag. Karl Bier  
Dipl.-Ing. Peter Maitz  
Heribert Smolé



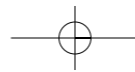


KEEN PERCEPTION

TOMÁS PALIČKA  
Managing Director Village Cinema



“It is fully understandable that our films are so much in focus on the screen. In the same way it is clear that the project developers of our suburb have paid focused attention to the selection of the mix of business and residential activities. The optimal relationship of private residences, offices and tourists is also extremely good news for our company.”



# Balance sheet as at December 31, 2005

UBM Realitätenentwicklung AG

## ASSETS

		31.12.2005		31.12.2004	
	€	€	€	€	€ 000
<b>A. FIXED ASSETS</b>					
I. Intangible assets					
1. Rights		948,081.00		970	
II. Property, plant and equipment					
1. Land, rights to land and buildings including buildings on third party land	36,404,176.78			36,003	
2. Technical equipment and machinery	67.00			3	
3. Fixtures and furniture	149,109.00			121	
4. Plant under construction	523,356.78			174	
		37,076,709.56		36,301	
III. Financial assets					
1. Participations in affiliated companies	21,221,447.72			19,469	
2. Participations	10,650,379.83			11,404	
3. Intercompany loans	130,034.95			2,203	
4. Long-term securities	3,253,078.46			3,253	
5. Other loans	3,901,537.12			3,480	
		39,156,478.08		39,809	
			77,181,268.64	77,080	
<b>B. CURRENT ASSETS</b>					
I. Inventories					
1. Uncompleted construction	-			3,268	
2. Other inventories					
a) Projected construction	1,385,931.57			429	
b) Project companies to be developed	8,000,317.24			8,000	
c) Land sites to be developed	618,131.55			31	
		10,004,380.36		11,728	
II. Receivables and other assets					
1. Trade receivables	600,654.50			8,379	
2. Receivables from affiliated companies	99,930,202.32			31,066	
3. Intercompany receivables	24,161,441.44			17,891	
4. Receivables from joint ventures	314,625.00			-	
5. Other receivables and assets	7,566,321.54			5,663	
		132,573,244.80		62,999	
III. Cash on hand and in banks		2,800,994.19		5	
			145,378,619.35	74,732	
<b>TOTAL ASSETS</b>			<b>222,559,887.99</b>	<b>151,812</b>	

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## LIABILITIES

		31.12.2005		31.12.2004	
	€	€	€	€	€ 000
<b>A. SHAREHOLDERS' EQUITY</b>					
I. Share capital		5,450,462.56		5,450	
II. Capital reserves					
1. legal	44,641,566.51			44,642	
2. free	544,201.68			544	
		45,185,768.19		45,186	
III. Retained earnings					
Free reserves		16,493,720.11		10,932	
IV. Net income for the year					
Profits carried forward	30,003.85				
Net income 2005	2,683,363.92				
		2,713,367.77		2,670	
			69,843,318.63	64,238	
<b>B. NON-TAXES RESERVES</b>					
1. Valuation reserve due to unscheduled depreciation			1,639,436.55	1,663	
<b>C. PROVISIONS</b>					
1. Provisions for benefits	915,608.00			719	
2. Provisions for pensions	1,173,694.00			962	
3. Provision for taxes	2,029,659.00			220	
4. Other provisions	8,316,261.73			8,737	
			12,435,222.73	10,638	
<b>D. LIABILITIES</b>					
1. Loan 2005-2012	100,000,000.00			-	
2. Liabilities to banks	21,745,797.93			50,128	
3. Trade payables	1,026,351.90			878	
4. Liabilities to affiliated companies	1,832,170.00			11,816	
5. Other liabilities					
from taxes	574,372.35			1,015	
within the framework of social security	78,803.56			68	
miscellaneous	13,200,382.34			11,366	
		13,853,558.25		12,449	
			138,457,878.08	75,271	
<b>E. PREPAID INCOME</b>			184,032.00	2	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			<b>222,559,887.99</b>	<b>151,812</b>	
Contingent liabilities			95,579,235.13	89,079	

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# Profit and loss account for the fiscal year 2005

UBM Realitätenentwicklung AG

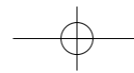
	31.12.2005	31.12.2004
	€	€ 000
1. Revenues	30,283,257.13	37,386
2. Change in the inventories of services not yet invoiced	-2,310,835.25	-1,474
3. Other capitalised own work	49,475.75	179
4. Other operating income		
a) from the disposal of fixed assets	2,001.00	-
b) from the release of provisions	489,000.00	-
c) Other	70,737.02	194
	561,738.02	194
<b>TOTAL OPERATING OUTPUT</b>	<b>28,583,635.65</b>	<b>36,285</b>
5. Cost of materials and expenses for purchased services		
a) Cost of materials	-93,425.27	-90
b) Expenses for purchased services	-7,654,443.61	-18,478
	-7,747,868.88	-18,568
6. Personnel expenses		
a) Salaries	-3,981,368.25	-3,415
b) Expenses for benefits and payments to operational employee benefit schemes	-293,703.10	-318
c) Expenses for pensions	-228,526.40	-174
d) Expenses for legally regulated social charges as well as dues and obligatory contributions dependent on wages	-843,464.62	-669
e) Other social charges	-57,435.93	-56
	-5,404,498.30	-4,632
7. Amortisation and depreciation on intangible assets and property, plant and equipment	-1,272,334.96	-1,241
8. Other operating expenses		
a) Taxes not attributable to income	-18,601.51	-31
b) Other	-7,160,904.38	-9,498
	-7,179,505.89	-9,529
<b>9. OPERATING PROFIT (Subtotal from lines 1 to 8)</b>	<b>6,979,427.62</b>	<b>2,315</b>

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	31.12.2005	31.12.2004
	€	€ 000
10. Income from participations		
a) from Group companies	3,876,989.07	105
b) from affiliated companies	444,500.00	42
	4,321,489.07	147
11. Income from securities and loans	26,458.21	10
12. Other interest and similar income	3,934,088.30	2,226
13. Income from the disposal of financial assets	-	68
14. Expenses from financial assets	-2,159,750.92	-106
15. Interest and similar expenses	-3,813,097.43	-2,494
<b>16. FINANCIAL RESULT (Subtotal from lines 10 to 15)</b>	<b>2,309,187.23</b>	<b>-149</b>
<b>17. RESULT FROM OPERATING ACTIVITIES</b>	<b>9,288,614.85</b>	<b>2,166</b>
18. Taxes	-1,066,892.61	-219
<b>19. NET INCOME</b>	<b>8,221,722.24</b>	<b>1,947</b>
20. Release of non-taxed reserves		
a) Valuation reserve from unscheduled depreciation	23,641.68	873
b) Other untaxed reserves	-	206
	23,641.68	1,079
21. Allocation to retained earnings	-5,562,000.00	-356
<b>22. NET INCOME</b>	<b>2,683,363.92</b>	<b>2,670</b>
23. Profit carried forward	30,003.85	-
<b>24. NET INCOME FOR THE YEAR</b>	<b>2,713,367.77</b>	<b>2,670</b>

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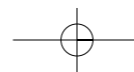
## Schedule of the fixed assets

UBM Realitätenentwicklung AG

€	Acquisition and manufacturing costs				Reclassifications	Status 31.12.2005	Accumulated depreciation	Book value 31.12.2005	Book value 31.12.2004	Annual depreciation
	Status 01.01.2005	Additions	Disposals							
<b>I. INTANGIBLE ASSETS</b>										
1. Rights	1,203,935.14	-	-	-	-	1,203,935.14	255,854.14	948,081.00	969,735.29	21,654.29
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>										
1. Land, rights to land and buildings and buildings, including buildings on third party land	46,361,344.66	3,654,909.75	2,079,197.48	-	-	47,937,056.93	11,532,880.15	36,404,176.78	36,002,552.27	1,177,253.80
2. Technical equipment and machinery	23,220.00	-	4,254.00	-	-	18,966.00	18,899.00	67.00	2,871.00	2,144.00
3. Fixtures and furniture	410,778.13	101,543.87	77,663.80	-	-	434,658.20	285,549.20	149,109.00	121,508.00	71,282.87
4. Plant under construction	173,852.25	349,504.53	-	-	-	523,356.78	-	523,356.78	173,852.25	-
	<b>46,969,195.04</b>	<b>4,105,958.15</b>	<b>2,161,115.28</b>	<b>-</b>	<b>-</b>	<b>48,914,037.91</b>	<b>11,837,328.35</b>	<b>37,076,709.56</b>	<b>36,300,783.52</b>	<b>1,250,680.67</b>
<b>III. FINANCIAL ASSETS</b>										
1. Shares in affiliated companies	19,468,841.08	3,591,276.35	1,838,669.71	-	-	21,221,447.72	-	21,221,447.72	19,468,841.08	-
2. Participations	11,404,532.73	97,188.12	851,341.02	-	-	10,650,379.83	-	10,650,379.83	11,404,532.73	-
3. Loans to affiliated companies	3,360,006.78	-	-	-3,229,971.83	-	130,034.95	-	130,034.95	2,203,224.67	-
4. Long-term securities	3,253,504.46	-	426.00	-	-	3,253,078.46	-	3,253,078.46	3,253,504.46	-
5. Other loans	4,335,764.29	422,000.00	-	3,229,971.83	-	7,987,736.12	4,086,199.00	3,901,537.12	3,479,537.12	2,073,189.72
	<b>41,822,649.34</b>	<b>4,110,464.47</b>	<b>2,690,436.73</b>	<b>-</b>	<b>-</b>	<b>43,242,677.08</b>	<b>4,086,199.00</b>	<b>39,156,478.08</b>	<b>39,809,640.06</b>	<b>2,073,189.72</b>
	<b>89,995,779.52</b>	<b>8,216,422.62</b>	<b>4,851,552.01</b>	<b>-</b>	<b>-</b>	<b>93,360,650.13</b>	<b>16,179,381.49</b>	<b>77,181,268.64</b>	<b>77,080,158.87</b>	<b>3,345,524.68</b>

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# Notes to the financial statements 2005

UBM Realitätenentwicklung AG

## I. General

The financial statements as at December 31, 2005 were drawn up in accordance with the regulations of HGB idgF. The presentation of the figures is given in thousands of euro (€ 000). Figures, which are not obligatory from a legal point of view are shown in € million. The cost of production method was applied for the profit and loss account. The consolidated financial statements of UBM Realitätenentwicklung Aktiengesellschaft can be consulted at Vienna 10, Absberggasse 47.

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## II. Accounting and valuation principles

The accounting, valuation and presentation of the individual items of the financial statements were subject to the regulations of HGB.

The valuation of amounts in foreign currency is stated in accordance with the accounting regulations at their acquisition cost or at the rates prevailing at the balance sheet date.

### 1. Fixed assets

The intangible assets are valued at acquisition cost, less scheduled straight-line amortisation. In this respect the amortisation rates applied were in the amounts of 1.28 % to 2 %.

Property, plant and equipment was valued at acquisition cost including ancillary costs, less reductions in the acquisition costs or at manufacturing cost and after deduction of the scheduled straight-line accumulated depreciation and the depreciation charged during the year under report 2005, whereby the following depreciation rates (new value) were applied:

	%
Residential property	1.5
Adaptations to residential property	10.0
Other constructions	4.0
Buildings on third party land	4.0
Technical machinery and equipment	16.7 – 33.3
Fixtures and furniture	6.7 – 33.3

Assets of minor value were fully depreciated during the year of their acquisition. The financial assets were valued in principle at their acquisition cost or at the lower applicable market value as at the balance sheet date.

## 2. Current assets

### Inventories

The projected buildings were valued at manufacturing cost. The properties/project companies earmarked for commercialisation are attributable to properties/companies which were designated for further sale by contract already at the balance sheet date.

### Receivables and other assets

The receivables were included on the basis of the strict principle of the lower of cost or value. In the event that risks existed with regard to their collectibility, specific provisions were set up. Receivables in foreign currency are valued at the rate of exchange prevailing on the balance sheet date.

## 3. Provisions and liabilities

The provisions for benefits were calculated on the basis of an actuarial opinion in accordance with IAS 19 on the basis of an accounting interest rate of 4.7 % and an expected future wage increase of 2 % as well as the earliest possible date of entry into retirement in accordance with ASBG (pension reform 2004). The calculation of the provisions for pensions was also based on an actuarial opinion in accordance with IAS 19 whereby the same basis data was applied as in the case of the provisions for benefits. The other provisions were set up to cover all recognisable risks and pending losses. Liabilities are included at nominal value or at the higher repayment amount.

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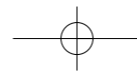
## III. Notes to the balance sheet

### 1. Fixed assets

The composition and the development of the fixed assets are presented in the schedule of fixed assets of UBM AG (see pages 62/63).

The intangible assets in the amount of € 0.948 million (2004: € 0.970 million) are attributable to rental rights in Innsbruck and Wolkersdorf.

The value of the land of the constructed sites amounts to € 7,364,724.92 (2004: € 5.754 million), and that of the non-constructed land to € 7,850,820.70 (2004: € 8.344 million). A building in Brunn am Gebirge was registered as an addition. A residential property in Innsbruck was reclassified into current assets and sold. With regard to the non-constructed land, two sites in Linz were sold. In addition, one was acquired in Graz.



The obligations from the use of property, plant and equipment not included in the balance sheet due to long-term leasing contracts are as follows:

€ 000	2005	2004
for the following year	832.3	672.4
for the following five years	4,161.6	3,362.1

(A list of the data concerning the participation companies required in accordance with Section 238 paragraph 2 HGB is presented on pages 102/103)

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The additions to **shareholdings in affiliated companies** are composed as follows:

€	
Logistikpark Ailecgasse GmbH	1,121,263.64
UBM Polska Sp. z o.o.	12,722.65
UBM Klanovice s.r.o.	6,862.85
Immo Future 6 s.r.o.	352,522.34
UBM Projektmanagement kft.	12,595.67
UBV France s.a.r.l.	15,000.00
Dictysate Investments Limited	2,064,999.65
FMS Facility Management Slovakia s.r.o.	5,309.55
<b>Total</b>	<b>3,591,276.35</b>

The disposals at book value are composed as follows:

€	
"Mazurska Development" Sp. z o.o.	14,142.76
Philharmonie Office Center Sp. z o.o.	1,824,526.95
<b>Total</b>	<b>1,838,669.71</b>

The additions to the **participations** are composed as follows:

€	
hospitals Projektentwicklung GmbH	8,750.00
"UBX" Krakow Sp. z o.o.	6,321.11
Hotel Real Estate Sp. z o.o.	4,136.97
UBX Praha 1 s.r.o.	3,384.41
UBX Praha 2 s.r.o.	3,372.41
"S1" Hotelerrichtungs AG	65,068.62
"UBX" Katowice Sp. z o.o.	6,154.60
<b>Total</b>	<b>97,188.12</b>

The disposals at book value are composed as follows:

€	
"UBX" Krakow Sp. z o.o.	6,321.11
Hotel Real Estate Sp. z o.o.	4,136.97
GF Ramba Sp. z o.o.	108,000.00
"UBX" Katowice Sp. z o.o.	6,154.60
Bad Pirawarth GmbH & Co KG	726,728.34
<b>Total</b>	<b>851,341.02</b>

**Loans**

T€	2005	2004
Affiliated companies	130	2,203
Other companies	3,902	3,479

As in the prior year they have a remaining maturity in excess of one year.

## 2. Current assets

### Inventories

The projected buildings are attributable to acquisition costs of various projects, where a realisation is expected in the near future.

### Receivables and other assets

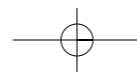
T€	2005	2004
Trade receivables	601	8,379
Receivables from affiliated companies	99,930	31,066
Receivables from participations	24,161	17,891
Receivables from joint ventures	315	0
Other receivables	7,566	5,663
<b>Total</b>	<b>132,573</b>	<b>62,999</b>

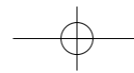
All receivables have a remaining maturity of less than one year. Receivables from affiliated companies were written down in the amount of € 9.354 million (2004: € 6.54 million).

### Liquid assets

T€	2005	2004
Cash on hand	2	3
Cash in banks	2,799	2
<b>Total</b>	<b>2,801</b>	<b>5</b>

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### 3. Shareholders' equity

The share capital of € 5,450,462.56 is divided into 3,000,000 common shares. The no par value shares are bearer shares.

#### Capital and profit reserves

The non-free capital reserve results from the share premium paid within the framework of capital increases. The free capital reserve results from the allocated profit of ZSG-OHG in 1990 as well as from the merger profit of "Ares" GesmbH and "Goma" GesmbH. The item "other (free) reserves" increased from € 10,932,000 to € 16,494,000. The increase results from the allocation of the free profit reserves in the amount of € 5,562,000.

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### 4. Untaxed reserves

The development of the untaxed reserves of UBM AG is shown in the following table:

€	Status 01.01.2005	Additions R=	Release through disposal	Release through expiry of relevant period	Status 31.12.2005
<b>I. Property, plant and equipment</b>					
1. Land with buildings and buildings on third party land					
	From carry forward in accordance with Section 12 EStG			23,641.68	200,954.28
	224,595.96	-	-		
2. Land without buildings					
	From carry forward in accordance with Section 12 EStG				929,410.17
	929,410.17	-	-		
	<b>1,154,006.13</b>	<b>-</b>	<b>-</b>	<b>23,641.68</b>	<b>1,130,364.45</b>
<b>II. Financial assets</b>					
1. Shares in affiliated companies					
	From carry forward in accordance with Section 12 EStG				509,072.10
	509,072.10	-	-		
	<b>509,072.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>509,072.10</b>
	<b>1,663,078.23</b>	<b>-</b>	<b>-</b>	<b>23,641.68</b>	<b>1,639,436.55</b>

### 5. Provisions

€ 000	2005	2004
Benefits	915	719
Pensions	1,174	962
Taxes	2,030	220
Miscellaneous		
Buildings	6,837	7,562
Personnel	1,213	1,013
Other	266	162
<b>Total</b>	<b>12,435</b>	<b>10,638</b>

### 6. Liabilities

	Total amount in accordance with balance sheet		Remaining maturity of up to one year		Remaining maturity in excess of one year	
€ 000	2005	2004	2005	2004	2005	2004
Loan	100,000	-	-	-	100,000	-
Liabilities to banks	21,746	50,128	14,886	19,591	6,860	30,537
Trade payables	1,026	878	1,026	878	-	-
Liabilities to affiliate companies	1,832	11,816	1,832	11,816	-	-
Other liabilities from taxes within the framework of social security	79	68	79	68	-	-
Other	13,201	11,366	5,023	3,171	8,178	8,195
<b>Total</b>	<b>138,458</b>	<b>75,271</b>	<b>23,420</b>	<b>36,539</b>	<b>115,038</b>	<b>38,732</b>

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Liabilities with a remaining maturity in excess of five years:

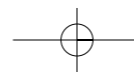
€ 000	2005	2004
Loan	100,000	-
Liabilities to banks (concern projects exclusively)	1,629	2,280
Other liabilities		
Other	583	600

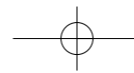
The liabilities to banks serve as collateral in an amount of € 9,962,000 (2004: € 34,039,000).

### 7. Contingent liabilities

€ 000	2005	2004
Credit guarantees	95,579	89,079

The usual collateral demanded by banks in respect of shares in companies has been granted for those project companies, which have taken down project financing credits.





## IV. Notes to the profit and loss account

### Annual construction output

€ 000	2005	2004
<b>BREAK-DOWN IN ACCORDANCE WITH ACTIVITY</b>		
Rentals from property administration	4,677	4,577
Project development and construction	25,606	49,205
<b>Total</b>	<b>30,283</b>	<b>53,782</b>
Domestic	26,375	29,578
Abroad	3,908	24,204
<b>Total</b>	<b>30,283</b>	<b>53,782</b>

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### Personnel expenses

In the item 6b. Expenses for benefits and contributions to operational benefit funds in the amount of € 293,703.10 (2004: € 318,000) the amount of € 287,395.99 (2004: € 317,000) is attributable to the expense of benefits, as shown as follows:

2005	Expense of benefits	Expense of pensions
Members of the Board of Management	21,704.00	228,526.40
Executives	205,885.89	-
Other employees	59,806.10	-
<b>Total</b>	<b>287,395.99</b>	<b>228,526.40</b>

2004	Expense of benefits	Expense of pensions
Members of the Board of Management	231,243.54	173,983.94
Executives	-29,567.80	-
Other employees	115,131.68	-
<b>Total</b>	<b>316,807.42</b>	<b>173,983.94</b>

### Financial result

€ 000	2005	2004
Income from participations		
a) from affiliated companies	3,877	105
b) from participations	445	42
Income from securities and loans	26	10
Other interest and similar income	3,934	2,226
of which from affiliated companies	2,628	1,085
Income from the disposal of financial assets	-	68
Expenses relating to financial assets	2,160	106
of which from affiliated companies	-	-
Interest and similar expense	3,813	2,494
of which to affiliated companies	-	-

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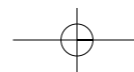
## V. Notes on the financial instruments

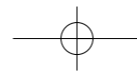
The original financial instruments on the asset side of the balance sheet comprise primarily financial assets, trade receivables and liquid assets, and on the liability side financial liabilities and trade payables. Furthermore, during the past fiscal year a loan was issued by UBM AG at the following conditions:

<b>Nominal amount:</b>	€ 100,000,000.-
<b>Maturity:</b>	2005-2012
<b>Interest rate:</b>	3.875 %
<b>Interest payment date:</b>	June 10 of each year; for the first time on June 10, 2006
<b>Repayment:</b>	100 % at end of maturity

The decision to issue the loan was made in April. Since in principle a rising level of interest rates was expected, the interest rate was hedged throughout the maturity of the loan through a forward start swap. The interest rate level developed, however, contrary to these expectations. As a result a negative market value arose in the amount of € 2.36 million on the conclusion of the forward start swap at the issue of the loan.

The transaction (issue of the loan and interest rate hedge) were accounted for under HGB as a closed position, whereby there is no immediate charge to the profit and loss account of the negative market value of the closed forward start swap, but a charge to the profit and loss account of the expense of the other interest during the period when the interest rate hedged in April (3.875 % plus 0.44 % for interest swap).





## VI. Information concerning employees and members of the statutory bodies

Average number of employees:

	2005	2004
Salaried personnel	56	52

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### Members of the Board of Management

Mag. Karl Bier, Baden (Chairman)  
 DI Peter Maitz, Breitenfurt  
 Heribert Smolé, Vienna

The remuneration of the Board of Management amounted to € 828,732.02 during 2005 (2004: € 1,304,718.26).

### Members of the Supervisory Board

KR Dkfm. Dr. Siegfried Sellitsch, Wien (Chairman)  
 DI Horst Pöchhacker, Wien (Deputy Chairman)  
 Dr. Peter Weber, Deutsch-Wagram  
 DI Thomas Jakoubek, Küb  
 MMag. Dr. Erlefried Olearczick, Tulln  
 Dr. Johannes Pepelnik, Vienna  
 Dr. Walter Lederer, Vienna  
 DI Iris Ortner, Vienna

The remuneration paid to the members of the Supervisory Board including fees for meetings amounted to € 39,720.63 during the year under report (2004: € 115,034.59).

Vienna, April 18, 2006

Mag. Karl Bier (Chairman)

DI Peter Maitz

Heribert Smolé

## Auditors' report

"We have audited the financial statements of

**UBM Realitätenentwicklung Aktiengesellschaft,  
 Vienna**

for the fiscal year from 01.01.2005 to 31.12.2005 on the basis of the company's bookkeeping. The book-keeping, the presentation and the contents of these financial statements as well as the management report in accordance with the regulations of the Austrian Commercial Code are the responsibility of the legal representatives of the company. It is our responsibility to issue an opinion on these financial statements on the basis of our audit and to confirm that the management report is in agreement with the financial statements.

We have conducted our audit in accordance with the legal regulations valid in Austria as well as with the generally accepted standards for the audit of financial statements. These standards require that the audit be planned and performed in such a manner that it can be assessed with reasonable assurance whether the financial statements are free from significant errors and whether the management report corresponds to the financial statements. Knowledge of the company's business activities and its economic and legal environment, together with the evaluation of the incidence of possible misstatements, are taken into account in the determination of the audit procedures. The scope of the audit includes assessing the evidence for amounts and other information in the accounting records and in the financial statements, which are mainly examined on a test basis. The audit also includes an assessment of the accounting principles applied as well as the significant estimates made by the legal representatives of the company as well as an assessment of the overall adequacy of the presentation of the financial statements. We are of the opinion that our audit provides an adequate basis for reaching our opinion.

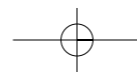
Our audit did not result in any objections. On the basis of our knowledge gained during the audit the financial statements correspond in our opinion to the legal regulations and present a true and fair view of the assets and financial situation of the company as 31.12.2005 as well as the profitability of the company for the fiscal year from 01.01.2005 to 31.12.2005 in conformity with the Austrian principles of generally accepted accounting standards. The management report corresponds to the financial statements"

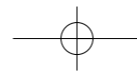
Vienna, April 18, 2006

B D O A u x i l i a T r e u h a n d G m B H (Wirtschaftsprüfungs- und Steuerberatungsgesellschaft)  
 Prof. Dr. Karl Bruckner e.h., Mag. Dr. Johann Seidl e.h. (Auditors and tax consultants)

Deloitte Wirtschaftsprüfungs GmbH  
 Mag. Nikolaus Schaffer e.h., Dr. Michael Heller e.h. (Auditors and tax consultants)

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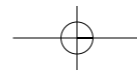




## FEELING FOR TRADITION

JIŘÍ GAJDOŠÍK  
General Manager Le Palais Hotel

“As a house with tradition we owe it to ourselves as well as to our guests to maintain this tradition whilst at the same time spoiling them with the most modern infrastructure. In view of these tricky requirements it was therefore necessary to select a partner for the renovation of our hotel, who was conscious of tradition and quality. In this respect UBM appeared to us to be perfect with its references. Following the smooth course of the renovation and the reconstruction we can only congratulate ourselves on this choice.”



## Consolidated profit and loss account for the fiscal year 2005

€ 000	Notes	31.12.2005	31.12.2004
1. Revenues	(1)	72,706.9	79,344.8
<b>2. TOTAL OPERATING OUTPUT</b>		<b>72,706.9</b>	<b>79,344.8</b>
3. Other operating income	(2)	4,438.1	9,819.2
4. Cost of materials	(3)	-38,070.7	-55,064.4
5. Personnel expenses	(4)	-7,054.3	-6,475.5
6. Depreciation on property, plant and equipment	(5)	-4,357.5	-3,480.8
7. Other operating expenses	(6)	-13,571.5	-13,665.3
<b>8. EBITA</b> (earnings before interest, taxes and goodwill amortisation)		<b>14,091.0</b>	<b>10,478.0</b>
9. Amortisation of goodwill	(7)	0.0	-275.3
<b>10. EBIT</b> (earnings before interest and taxes)		<b>14,091.0</b>	<b>10,202.7</b>
11. Result of participations	(8)	478.6	2,669.5
12. Interest result	(9)	-4,640.5	-3,623.9
<b>13. EBT</b> (earnings before taxes)		<b>9,929.1</b>	<b>9,248.3</b>
14. Taxes	(10)	-1,454.0	237.6
<b>15. CONSOLIDATED NET INCOME</b>		<b>8,475.1</b>	<b>9,485.9</b>
of which for shareholders of the parent company		8,481.7	9,394.3
of which minority interests	(11)	-6.6	91.6
<b>EARNINGS PER SHARE</b> (in €)	(12)	<b>2.83</b>	<b>3.13</b>

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## Consolidated balance sheet as at December 31, 2005

### ASSETS

€ 000	Notes	31.12.2005	31.12.2004
<b>A. FIXED ASSETS</b>	(13)		
I. Intangible assets		6,133.2	6,251.1
II. Property, plant and equipment		194,912.3	152,941.0
III. Financial assets		28,090.8	39,109.8
		<b>229,136.3</b>	<b>198,301.9</b>
<b>B. CURRENT ASSETS</b>	(14)		
I. Inventories		41,799.6	20,055.1
II. Receivables and other assets		97,898.5	57,895.9
III. Liquid assets		11,502.0	3,579.1
		<b>151,200.1</b>	<b>81,530.1</b>
<b>C. DEFERRED TAXES</b>	(15)	<b>920.3</b>	<b>853.6</b>
<b>TOTAL ASSETS</b>		<b>381,256.7</b>	<b>280,685.6</b>

### LIABILITIES

€ 000	Notes	31.12.2005	31.12.2004
<b>A. SHAREHOLDERS' EQUITY</b>	(16, 17)		
I. Subscribed capital		5,450.5	5,450.5
II. Reserves		81,129.8	78,494.4
III. Net income for the year		2,713.3	2,670.0
IV. Minority interests		790.4	318.1
		<b>90,084.0</b>	<b>86,933.0</b>
<b>B. PROVISIONS</b>	(18)		
I. Provisions for pensions and similar obligations		2,089.8	1,683.6
II. Other provisions		17,294.8	13,406.8
		<b>19,384.6</b>	<b>15,090.4</b>
<b>C. LIABILITIES</b>	(19)		
I. Loans		100,000.0	-
II. Liabilities to banks		83,187.8	97,647.4
III. Other liabilities		81,600.4	74,311.4
		<b>264,788.2</b>	<b>171,958.8</b>
<b>D. DEFERRED TAXES</b>		<b>6,999.9</b>	<b>6,703.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>381,256.7</b>	<b>280,685.6</b>

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## Schedule of consolidated fixed assets

€ 000	Status 01.01.2005	Change in scope of consolidation	Additions	Disposals	Reclassifications	Status 31.12.2005	Accumulated depreciation and amortisation	Book value 31.12.2005	Book value 31.12.2004	Depreciation and amortisation of the fiscal year
<b>I. INTANGIBLE ASSETS</b>										
1. Concessions, licences and similar rights	5,254.2	23.5	4.4	-	-	5,282.1	1,827.5	3,454.6	3,572.4	139.0
2. Goodwill (Company)	7.2	-	0.4	7.6	-	-	-	-	-	-
3. Goodwill	3,860.5	-	-	-	-	3,860.5	1,181.9	2,678.6	2,678.6	-
	<b>9,121.9</b>	<b>23.5</b>	<b>4.8</b>	<b>7.6</b>	<b>-</b>	<b>9,142.6</b>	<b>3,009.4</b>	<b>6,133.2</b>	<b>6,251.0</b>	<b>139.0</b>
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>										
1. Land, rights to land and buildings, including buildings on third party land	159,708.1	30,266.0	26,292.0	10,844.1	5,378.4	210,800.4	24,097.2	186,703.2	141,374.2	3,992.5
2. Technical equipment and machinery	112.4	-	12.9	14.1	-	111.2	95.0	16.2	20.5	6.7
3. Fixtures and furniture	873.3	694.5	169.9	121.6	-	1,616.1	865.7	750.4	203.6	172.3
4. Assets of minor value	2.9	-	47.0	46.8	-	3.1	3.1	-	-	47.1
5. Prepayments received and plant under construction	11,342.7	114.3	11,430.8	10,066.8	- 5,378.4	7,442.6	-	7,442.6	11,342.7	-
	<b>172,039.4</b>	<b>31,074.8</b>	<b>37,952.6</b>	<b>21,093.4</b>	<b>-</b>	<b>219,973.4</b>	<b>25,061.0</b>	<b>194,912.4</b>	<b>152,941.0</b>	<b>4,218.6</b>
<b>III. FINANCIAL ASSETS</b>										
1. Shares in affiliated companies	3,011.8	-	88.9	102.1	-718.0	2,280.6	-	2,280.6	3,011.8	-
2. Participations	18,771.9	-10,390.8	93.0	726.7	718.0	8,465.4	-7,016.4	15,481.8	24,226.0	-1,562.3
3. Loans to affiliated companies	4,014.0	-	23.9	-	-3,229.9	808.0	-	808.0	2,857.2	-
4. Long-term securities	3,265.0	-	-	0.4	-	3,264.6	-	3,264.6	3,265.0	-
5. Other Loans	6,606.0	-	506.1	-	3,229.9	10,342.0	4,086.2	6,255.8	5,749.8	2,073.2
	<b>35,668.7</b>	<b>-10,390.8</b>	<b>711.9</b>	<b>829.2</b>	<b>-</b>	<b>25,160.6</b>	<b>-2,930.2</b>	<b>28,090.8</b>	<b>39,109.8</b>	<b>510.9</b>
	<b>216,830.0</b>	<b>20,707.5</b>	<b>38,669.3</b>	<b>21,930.2</b>	<b>-</b>	<b>254,276.6</b>	<b>25,140.2</b>	<b>229,136.4</b>	<b>198,301.8</b>	<b>4,868.5</b>

## Schedule of consolidated shareholders' equity

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€ 000	Subscribed capital	Capital reserve	Retained earnings	Minority interest	Total
Status as at 01.01.2004	5.450,5	45.185,8	26.988,8	871,1	<b>78.496,2</b>
Dividend payments	-	-	-	-	-
Consolidated net income	-	-	9.485,9	91,6	<b>9.577,5</b>
Change					
Scope of consolidation	-	-	-530,5	-644,6	<b>- 1.175,1</b>
Differences in foreign currency	-	-	34,4	-	<b>34,4</b>
<b>STATUS AS AT 31.12.2004</b>	<b>5.450,5</b>	<b>45.185,8</b>	<b>35.978,6</b>	<b>318,1</b>	<b>86.933,0</b>
Status as at 01.01.2005	5.450,5	45.185,8	35.978,6	318,1	<b>86.933,0</b>
Dividend payments	-	-	-2.640,0	-	<b>-2.640,0</b>
Consolidated net income	-	-	8.481,7	-6,6	<b>8.475,1</b>
Cash flow hedge	-	-	-2.209,0	-	<b>-2.209,0</b>
Change					
Scope of consolidation	-	-	-880,5	460,9	<b>-419,6</b>
Differences in foreign currency	-	-	-73,5	18,0	<b>-55,5</b>
<b>STATUS AS AT 31.12.2005</b>	<b>5.450,5</b>	<b>45.185,8</b>	<b>38.657,3</b>	<b>790,4</b>	<b>90.084,0</b>

## Consolidated statement of cash flow

€ 000	31.12.2005	31.12.2004
Consolidated net income	8,481.7	9,394.3
Share in results of minority interests	-6.6	91.6
Depreciation and amortisation of fixed assets	4,868.5	3,243.7
Increase in long-term provisions	406.1	562.8
Deferred tax expense	229.9	-834.6
Other cash effective transactions	-	-
<b>CASH EARNINGS IN ACCORDANCE WITH ÖVFA</b>	<b>13,979.6</b>	<b>12,457.8</b>
Increase in short-term provisions	11,992.1	1,210.7
Profits from the disposal of fixed assets	-6.2	-6,604.2
Increase in inventories	-21,744.5	-3,135.3
Increase/decrease in receivables	-39,145.4	17,145.8
Increase in liabilities (excluding liabilities to banks)	17,326.4	2,999.3
Other non-cash effective transactions	-	-7,546.7
<b>CASH FLOW FROM OPERATING ACTIVITIES (1)</b>	<b>-17,598.0</b>	<b>16,527.4</b>
Inflow of funds from disposal of property, plant and equipment	22,851.0	33,613.9
Inflow of funds from disposal of financial assets	829.2	270.5
Investments in intangible assets	-4.8	-284.8
Investments in property, plant and equipment	-37,952.6	-33,248.6
Investments in financial assets	-712.0	-1,095.3
Inflow of funds from the divestment of consolidated companies	-	448.5
Outflow of funds from the acquisition of consolidated companies	-4,315.0	-
Other non-cash effective transactions	-14,404.9	-
<b>CASH FLOW FROM INVESTING ACTIVITIES (2)</b>	<b>-33,709.1</b>	<b>-295.8</b>
Inflow of funds from loan	100,000.0	-
Dividend of the AG (parent company)	-2,640.0	-
Repayments of loans and Group financing	-34,964.0	-16,002.8
Other non-cash effective transactions	-3,162.9	-404.5
<b>CASH FLOW FROM FINANCING ACTIVITIES (3)</b>	<b>59,233.1</b>	<b>-16,407.3</b>
<b>TOTAL FROM CASH FLOW FROM OPERATING ACTIVITIES (1)</b>	<b>-17,598.0</b>	<b>16,527.4</b>
<b>TOTAL FROM CASH FLOW FROM INVESTING ACTIVITIES (2)</b>	<b>-33,709.1</b>	<b>-295.8</b>
<b>TOTAL FROM CASH FLOW FROM FINANCING ACTIVITIES (3)</b>	<b>59,233.1</b>	<b>-16,407.3</b>
<b>CASH EFFECTIVE CHANGE IN SECURITIES AND LIQUID ASSETS (4) = (1)+(2)+(3)</b>	<b>7,926.0</b>	<b>-175.7</b>
Securities and liquid assets as at 01.01.	3,579.1	3,825.0
Deconsolidation	-3.1	-70.2
<b>SECURITIES AND LIQUID ASSETS AS AT 31.12.</b>	<b>11,502.0</b>	<b>3,579.1</b>

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## Segment reporting

€ 000	Project development and construction		Facility management		Total of the segments		Reconciliation		Group	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
<b>PRODUCTION OUTPUT (GROUP)</b>	<b>105,040.0</b>	<b>133,178.0</b>	<b>3,932.0</b>	<b>2,708.0</b>	<b>108,972.0</b>	<b>135,886.0</b>	<b>-</b>	<b>-</b>	<b>108,972.0</b>	<b>135,886.0</b>
<b>SEGMENT INCOME</b>	<b>78,857.4</b>	<b>87,868.9</b>	<b>2,022.1</b>	<b>2,038.2</b>	<b>80,879.5</b>	<b>89,907.1</b>	<b>-3,734.5</b>	<b>-743.1</b>	<b>77,145.0</b>	<b>89,164.0</b>
Cost of materials	-41,074.2	-57,681.5	-1,046.3	-796.6	-42,120.5	-58,478.1	4,049.8	3,413.7	-38,070.7	-55,064.4
Personnel expenses	-6,632.9	-5,948.1	-421.4	-525.5	-7,054.3	-6,473.6	-	-1.9	-7,054.3	-6,475.5
Depreciation and amortisation	-4,335.3	-3,741.0	-22.2	-27.4	-4,357.5	-3,768.4	-	287.6	-4,357.5	-3,480.8
Other operating expenses	-12,778.7	-13,122.0	-428.9	-582.3	-13,207.6	-13,704.3	-363.9	39.0	-13,571.5	-13,665.3
<b>EBITA</b> (earning before interest, taxes and amortisation of goodwill)	<b>14,036.3</b>	<b>7,376.3</b>	<b>103.3</b>	<b>106.4</b>	<b>14,139.6</b>	<b>7,482.7</b>	<b>-48.6</b>	<b>2,995.3</b>	<b>14,091.0</b>	<b>10,478.0</b>
Amortisation of goodwill	-	-	-	-	-	-	-	-275.3	-	-275.3
<b>EBIT</b> (earnings before interest and taxes)	<b>14,036.3</b>	<b>7,376.3</b>	<b>103.3</b>	<b>106.4</b>	<b>14,139.6</b>	<b>7,482.7</b>	<b>-48.6</b>	<b>2,720.0</b>	<b>14,091.0</b>	<b>10,202.7</b>
Result of participations	2,059.9	2,669.5	-	-	2,059.9	2,669.5	-1,581.3	-	478.6	2,669.5
Interest result	-4,640.7	-3,623.9	-	-	-4,640.7	-3,623.9	0.2	-	-4,640.5	-3,623.9
<b>EBT</b> (earnings before taxes)	<b>11,455.5</b>	<b>6,421.9</b>	<b>103.3</b>	<b>106.4</b>	<b>11,558.8</b>	<b>6,528.3</b>	<b>-1,629.7</b>	<b>2,720.0</b>	<b>9,929.1</b>	<b>9,248.3</b>
Taxes	-	-	-	-	-	-	-	-	-1,454.0	237.6
<b>CONSOLIDATED NET INCOME</b>									<b>8,475.1</b>	<b>9,485.9</b>
<b>SEGMENT ASSETS AS AT 31.12.</b>	<b>481,862.0</b>	<b>263,675.6</b>	<b>844.9</b>	<b>521.6</b>	<b>482,706.9</b>	<b>264,197.2</b>	<b>-101,450.2</b>	<b>16,488.4</b>	<b>381,256.7</b>	<b>280,685.6</b>
<b>SEGMENT LIABILITIES AS AT 31.12.</b>	<b>380,336.5</b>	<b>211,410.2</b>	<b>598.6</b>	<b>367.6</b>	<b>380,935.1</b>	<b>211,777.8</b>	<b>-89,762.5</b>	<b>-18,025.2</b>	<b>291,172.6</b>	<b>193,752.6</b>
<b>INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT</b>	<b>37,948.5</b>	<b>34,591.1</b>	<b>4.1</b>	<b>37.2</b>	<b>37,952.6</b>	<b>34,628.3</b>	<b>-</b>	<b>-</b>	<b>37,952.6</b>	<b>34,628.3</b>
<b>EMPLOYEES AS AT 31.12.</b>	<b>121</b>	<b>116</b>	<b>20</b>	<b>23</b>	<b>141</b>	<b>139</b>	<b>-</b>	<b>-</b>	<b>141</b>	<b>139</b>

Notes to the segment reporting (companies of the UBM Group included on a fully consolidated basis or in accordance with the equity method)

### Project development and construction

UBM Realitätenentwicklung Aktiengesellschaft  
 Ariadne Bauplanungs- und Baugesellschaft m.b.H.  
 "Athos" Bauplanungs- und Errichtungsgesellschaft m.b.H.  
 MBU Liegenschaftsverwertung Gesellschaft m.b.H.  
 "UBM 1" Liegenschaftsverwertung Gesellschaft m.b.H.  
 Rudolf und Walter Schweder Gesellschaft m.b.H.  
 Logistikpark Ailecgasse GmbH  
 UBM-Bohemia Projectdevelopment-Planning-Construction, s.r.o.  
 "MAZURSKA DEVELOPMENT" Sp. z o.o.  
 UBM Polska Sp. z o.o.  
 UBM Green Development Sp. z o.o.  
 Münchner Grund Immobilien Bauträger Aktiengesellschaft  
 Immobilien- und Baumanagement Stark GmbH & Co. Stockholmstraße KG  
 CM 00 Vermögensverwaltung 511 GmbH  
 Immo Future 6 - Crossing Point Smichov s.r.o.  
 UBM Klánovice s.r.o.  
 UBM-Bohemia 2 s.r.o.  
 Andel City s.r.o.  
 Ruzinov Real s.r.o.  
 Dictysate Investments Limited

Ropa Liegenschaftsverwertung Gesellschaft m.b.H.  
 "Zentrum am Stadtpark" Errichtungs- und Betriebs-Aktiengesellschaft  
 W 3 Errichtungs- und Betriebs-Aktiengesellschaft  
 "Internationale Projektfinanz" Warenverkehrs- & Creditvermittlungs-Aktiengesellschaft  
 GF Ramba Sp. z o.o.  
 INTERCOM a.s.  
 UBX Development (France) s.a.r.l.

### Facility management

FMA Gebäudemanagement GmbH  
 FMB-Facility Management Bohemia, s.r.o.  
 FMH Ingtanmanagement Kft.  
 "FMP Planning and Facility Management Poland" Sp. z o.o.  
 FMS Facility Management Slovakia s.r.o.

In the reconciliation to the data shown in the consolidated financial statements, intercompany expenses and income as well as intercompany profits were eliminated.

# Notes to the consolidated financial statements 2005

## UBM Realitätenentwicklung AG

### General explanations

The consolidated financial statements of UBM Realitätenentwicklung Aktiengesellschaft (UBM Group) have been drawn up in accordance with Section 245a HGB in conformity with the regulations of the International Accounting Standards Board (IASB) as well as the requirements of the International Financial Reporting Interpretations Committee (IFRIC).

UBM Realitätenentwicklung Aktiengesellschaft has already made use of Section 245a HGB aF and drawn up its consolidated financial statements since the fiscal year 2002 exclusively in accordance with the International Financial Reporting Standards (IFRS).

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#### 1. Scope of consolidation

Apart from UBM AG 6 (prior year 6) domestic companies as well as 17 (prior year 8) foreign companies are included in the consolidated financial statements. During the year under report 1 (prior year: 1) domestic company and 0 (prior year: 2) foreign companies were included in the scope of consolidation for the first time. Furthermore, 5 (prior year: 6) domestic companies and 3 (prior year: 3) foreign affiliated companies were included in accordance with the equity method. During the year under report 3 companies were deconsolidated. The comparability with the prior year has not significantly changed as a result in the change in the scope of consolidation.

The affiliated and associated companies included are shown in the list of participations. No company is included within the scope of consolidation, should the subsidiary in question be of minor importance. 22 (prior year: 19) companies were not included within the scope of consolidation. Participation companies, in respect of which there is no intention of holding the shareholdings permanently, are not fully consolidated. This concerns during the current fiscal year 1 (prior year: 1) real estate company for which already since the commencement of the project an onward sale to third party shareholders was planned on construction completion or on rental.

The outstanding financial debt of this project company as at December 31, 2005 amounted to approximately € 65.4 million (prior year: € 65.4 million).<sup>≤</sup>

#### 2. Principles of consolidation

The capital consolidation of the subsidiary companies included in the consolidated financial statements is carried out in accordance with the acquisition method. In this respect the acquisition costs are set off against the proportional shareholders' equity at the time of acquisition. Until and including 2003 the goodwill arising on the first consolidation was capitalised and amortised over the period of its useful life. Since January 1, 2004 goodwill is no longer amortised but is subject to a regular impairment test in accordance with IFRS 3.

Untaxed reserves are allocated to the retained earnings in the consolidated balance sheet after deduction of any deferred taxation. The valuation at equity is carried out in the case of significant participations in accordance with the new valuation method.

The participations included in accordance with the equity method are valued on the date on which they are first included in the consolidated financial statements. The share in the net income of companies consolidated in accordance with this method is stated in the consolidated profit and loss account under result of participations.

All receivables and liabilities between the affiliated companies are eliminated in the debt consolidation. Differences in foreign currency are booked to the profit and loss account as other operating income or as other operating expense.

Intercompany expenses and income are set off within the framework of the consolidation of expenses and income. Intercompany profits from intra-Group deliveries are eliminated from the profit and loss account in accordance with the principle of significance. Deferred taxes from consolidation events which have an influence on the profit and loss account are established.

#### 3. Formal presentation

Individual items are combined in order to improve the clarity of the presentation in the balance sheet and in the profit and loss account. These are presented separately and explained in the notes to the consolidated financial statements.

#### 4. Conversion of foreign currency

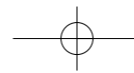
The conversion of the balance sheets and profit and loss accounts of the subsidiaries drawn up in foreign currency is carried out on the basis of the modified balance sheet date method. The balance sheet items of the companies included in the consolidated financial statements are converted at the mean foreign currency rate on the balance sheet date, whilst the profit and loss accounts are in principle converted at the average annual foreign currency rate of the fiscal year, as an arithmetic average of all month-end rates. The net income / net loss are similarly converted at the average foreign currency rates as at the balance sheet date. Conversion differences from the balance sheet are set off against the retained earnings, whilst those from the profit and loss account are included in the other operating income/expenses. The movements in the schedule of fixed assets as well as the depreciation and amortisation are converted at the prevailing foreign exchange currency rates as at the balance sheet date.

#### 5. Accounting and valuation principles

The financial statements of all domestic companies included in the consolidated financial statements are drawn up in accordance with standard accounting and valuation principles. The financial statements of the foreign Group companies are adjusted correspondingly; insignificant differences in valuation or presentation are not eliminated.

**Intangible assets** are capitalised at acquisition cost and amortised in accordance with the straight line method over their estimated economic life. In this respect amortisation rates of between 1.28 % and 50 % were applied.

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**Property, plant and equipment** are valued at acquisition cost including ancillary costs and after deduction of reductions in acquisition costs or manufacturing costs as well as the hitherto accumulated depreciation as well as the scheduled straight-line depreciation charged during the year under report, whereby the following depreciation rates were applied:

	%
Land with constructions and buildings on third party land	1,1 – 10,0
Technical equipment and machinery	10,0 – 33,3
Other plant, equipment and office equipment	6,7 – 33,3

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Assets of minor value are mainly fully written off during the year of acquisition. Real estate property held as financial investments is capitalised at its appropriate market value in accordance with IAS 40. These real estate properties include primarily:

- Office and commercial buildings
- Residential properties
- Land sites

The basis for these valuations consist mainly of market value analyses undertaken by independent experts or, in the event that these are not available, on the value applied as at the relative balance sheet date. The value applied constitutes in this respect the discounted cash value of the estimated future cash flow, which is expected from the use of the corresponding asset.

€ 000	Book value	Market value	Amount of new valuation before deduction of deferred taxes
Land IAS 40	20,702.7	38,674.2	17,971.5
Buildings IAS 40	94,712.8	102,725.5	8,012.7
<b>Total</b>	<b>115,415.5</b>	<b>141,399.7</b>	<b>25,984.2</b>

If in the case of leasing contracts the economic ownership of the item leased is allocable to a company of the UBM Group (financial leasing), the asset is capitalised at its prevailing discounted value or at the lower discounted cash value of the leasing instalments.

The **financial assets** are in principle valued at acquisition cost or, at a lower prevailing market value, should this be appropriate.

Insofar as the shareholdings are of no significant importance, shares in associated companies are valued in accordance with the equity method in accordance with IAS 28. In this respect the same valuation principles are applied as in the case of fully consolidated companies.

Non-consolidated subsidiaries as well as participations not valued in accordance with the equity method are stated at acquisition cost or at the lower prevailing market value.

Profit realisation in accordance with the percentage of completion method is carried out in respect of production contracts. The newly calculated realised amounts are included in the revenues.

Insofar as work in respect of production contracts is carried out, which is in excess of the prepayments received, this amount is stated in the item of **future receivables from production contracts**. Insofar as the amount of the prepayments received is higher than the work performed, the corresponding amount is stated as **liabilities from the percentage of completion method**. Pending losses are taken fully into account at the time of their being recognised. The actual performance undertaken as at the balance sheet date constitutes the measure for the degree of completion.

The realisation of profits relating to production contracts which are carried out in joint ventures is carried out by taking into consideration the percentage of completion method corresponding to the actual performance completed as at the balance sheet date. Corresponding provisions are set up with regard to pending losses from the future construction process. The receivables and the liabilities against joint ventures include apart from capital payments, incoming and outgoing payments performance accounts also the proportional share of the profit from the contract.

**Receivables and other assets** are in principle capitalised at nominal value. Insofar as risks exist concerning the collectibility of such receivables and assets, provisions have been set up. Receivables stated in foreign currency are valued at the foreign exchange rate prevailing as at the balance sheet date.

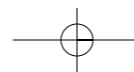
**Deferred taxes** are taken into account on the differences between the valuations of assets and liabilities stated in accordance with IFRS and the tax valuations in the amount of the expected future tax charges or rebates. Furthermore, capitalised deferred taxes are included in respect of future claims from tax loss carry forwards, insofar as a realisation can be prudently assumed. A setting off of deferred taxes in respect of differences in valuation, which are stated as assets or as liabilities, is carried out insofar as there is a possibility of compensation. Exceptions from this comprehensive provision of taxes are constituted by differential amounts from non-tax deductible goodwill.

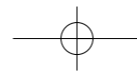
The calculation of the deferred taxes is based on the relative income tax rates valid in the corresponding countries.

The **provisions for pensions, benefits and jubilee bonuses** were calculated as per IAS 19 in accordance with the current unit credit method. For the valuation of these provisions an underlying interest rate of 4.7 % (prior year: 5.5 %) and increases in performance-based wage and salary increases of 2 % p.a. (prior year: 2 %) were taken into account. Reductions for personnel fluctuation on the basis of statistical data are taken into consideration for the calculation of the provision for benefits and jubilee bonuses.

The **other provisions** take into account all recognisable risks and uncertain obligations. They are stated at the corresponding amount which is required at the balance sheet date according to prudent business opinion, in order to be able to cover the future payment obligations of the Group. In this respect the amount stated reflects the most probable amount following prudent examination of the matter.

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**Liabilities** are stated at their nominal value or at the higher repayment amount. In the case of **financial leasing contracts** the valuation of the liabilities is based on the amount of the discounted cash value of the leasing instalments. In the consolidated financial statements estimates and assumptions had to be made to a certain extent, which have an influence on the capitalised assets and the liabilities, on the information on the other obligations as at the balance sheet date as well as the presentation of income and expenses during the period under report. In the future the actual amounts resulting could differ from the estimates.

## Notes to the profit and loss account

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### 1. Revenues

The revenues include income from the sales of real estate, the invoiced construction performance of our own construction sites, deliveries and services to joint ventures and other ancillary income. Revenues, which result from the application of the percentage of completion method amounted to € 0 (prior year: € 0).

The data for the individual divisions and regions is summarised as follows, in order to give a presentation of the performance in the Group in accordance with economic criteria, in particular with the inclusion of the proportional performance within joint ventures:

€ 000	2005	2004
<b>DIVISIONS</b>		
Project development and construction	105,040.0	133,178.0
of which from property rentals	19,143.0	16,270.0
Facility management	3,932.0	2,708.0
<b>Total</b>	<b>108,972.0</b>	<b>135,886.0</b>
<b>REGIONS</b>		
Austria	45,823.0	39,173.0
Germany	7,138.0	11,635.0
Czech Republic	26,382.0	55,889.0
Poland	15,659.0	11,937.0
Slovakia	12,227.0	0.0
Other countries	1,743.0	17,252.0
Foreign countries	63,149.0	96,713.0
<b>Total</b>	<b>108,972.0</b>	<b>135,886.0</b>

### 2. Other operating income

€ 000	2005	2004
Income from the disposal of property, plant and equipment	8.7	6,604.2
Income from the release of provisions	489.0	0.0
Other income	3,940.4	3,215.0
<b>Total</b>	<b>4,438.1</b>	<b>9,819.2</b>

Profits from the disposal of financial assets are included in the result from participations, insofar as they are not attributable to participations in project companies.

### 3. Cost of materials

€ 000	2005	2004
Expenses for raw materials, supplies and finished goods	-11,936.1	-48,373.6
Expenses for third party services	-26,134.6	-6,690.8
<b>Total</b>	<b>-38,070.7</b>	<b>-55,064.4</b>

### 4. Personnel expenses

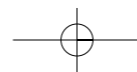
€ 000	2005	2004
Wages and salaries	-5,398.6	-4,998.0
Social security charges	-1,228.7	-1,069.7
Expenses for employee benefits and pensions	-427.0	-407.8
<b>Total</b>	<b>-7,054.3</b>	<b>-6,475.5</b>

The expenses for employee benefits and pensions in 2005 (see explanations Section 18) include the expenses during the period of service and the actuarial results. The interest portions are included under the item interest result.

### 5. Amortisation and depreciation

Amortisation of intangible assets amounted to € 139,000 (prior year: € 145,000); depreciation on property, plant and equipment amounted to € 4,218,600 (prior year: € 3,335,800).

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## 6. Other operating expenses

The other operating expenses are attributable primarily the costs of office operations, hotel and travel expenses, fees and duties, legal audit and consulting expenses, allocations to provisions, advertising expenses, other third party services as well as general administration expenses.

## 7. Amortisation of goodwill

In accordance with IFRS 3 goodwill as from January 1, 2004 is no longer subject to scheduled amortisation but is subject to a regular impairment test.

## 8. Result from participations

€ 000	2005	2004
Result from participations	-1.0	1,640.6
of which from affiliated companies	107.5	1,314.6
Result from affiliated companies consolidated on the basis of the equity method	2,553.2	1,028.9
Income/amortisation from/on participations	-2,073.6	0.0
<b>Total</b>	<b>478.6</b>	<b>2,669.5</b>

The income from the affiliated companies consolidated on the basis of the equity method includes the proportional results of the corresponding companies.

## 9. Interest result

€ 000	2005	2004
Interest and similar income	3,606.1	2,093.4
of which from affiliated companies	1,453.3	762.7
Other interest and similar expenses	-8,246.6	-5,717.3
of which from affiliated companies	-29.3	-53.1
of which for interest portion from the allocation of employee benefits and pension provisions	-91.1	-86.0
<b>Total</b>	<b>-4,640.5</b>	<b>-3,623.9</b>

## 10. Taxes on income

The taxes on income paid or owed in the individual countries as well as the deferred tax charges are shown as taxes on income. The calculation is based on the expected tax rates in the individual countries at the time of realisation.

These are based in principle on the valid or legislated regulations as at the balance sheet date.

€ 000	2005	2004
Actual taxes	1,411.8	596.8
Deferred taxes	42.2	-834.4
<b>Tax expense (+) /-income (-)</b>	<b>1,454.0</b>	<b>-237.6</b>

The resulting tax expense following the application of the tax rate of the UBM Group is reconciled as follows with the actual tax expense:

€ 000	2005	2004
Earnings before taxes (IFRS)	9,929.1	9,248.4
Theoretical tax expense (-) /-income (+)	-2,482.3	-2,756.9
Tax rate differences	122.8	179.2
Transfer of losses from companies included in the Group	129.7	0.0
Effect of tax rate changes from 34 to 25 %	0.0	1,091.2
Tax effect of non-deductible expenses and tax-free income	208.2	1,199.4
Tax effect of the after tax profits of affiliated companies	390.6	125.9
Effects of changes in tax loss carry forwards and utilisations	-118.3	415.8
Miscellaneous	295.3	-17.0
<b>Taxes</b>	<b>-1,454.0</b>	<b>237.6</b>

## 11. Share in result of minority interests

The share in the results of minority interests amounted during the fiscal year to € -6,600 (prior year: € 91,600).

## 12. Earnings per share

The earnings per share are calculated by dividing the consolidated net income by the weighted average number of shares issued.

€ 000	2005	2004
Consolidated net income	8,481.7	9,394.3
Weighted average number of shares issued	3,000,000	3,000,000
<b>Earnings per share (in €)</b>	<b>2.83</b>	<b>3.13</b>

## Notes to the balance sheet

### 13. Fixed assets

With regard to the development of the fixed assets please consult the schedule of fixed assets.

#### Property, plant and equipment and intangible assets

As at the balance sheet date the following book values are included in property, plant and equipment on the basis of existing financial leasing contracts:

€ 000	2005	2004
Real estate leasing	7,306.5	7,579.0

Set off against this are liabilities from the discounted cash value of the leasing obligations in the amount of € 7,647,400 (prior year: € 7,871,500). The periods of the financial leasing contracts for real estate amount to between 6 and 20 years.

#### Financial assets

The loans include loans to affiliated companies in the amount of € 808,000 (prior year: € 2,857,300).

### 14. Current assets

The inventories are composed of the following items:

€ 000	2005	2004
Land designated for sale	41,697.6	20,032.9
Prepayments	101.9	22.2
<b>Total</b>	<b>41,799.5</b>	<b>20,055.1</b>

#### Production contracts

The production contracts, which on the balance sheet date were valued on the basis of the percentage of completion method but which were not yet completed, are presented as follows:

€ 000	2005	2004
Costs incurred plus results of non completed projects	0.0	3,268.2
Less prepayments received	0.0	0.00
<b>Total</b>	<b>0.0</b>	<b>3,268.2</b>

#### Composition and maturity of receivables and other assets:

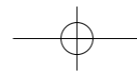
€ 000	Remaining maturity			
	31.12.2005	> 1 year	31.12.2004	> 1 year
Trade receivables including receivables from percentage of completion	7.830,6	-	17.538,0	-
Receivables from joint ventures	2.627,9	-	698,3	-
Intercompany receivables	43.261,5	-	15.239,3	-
Receivables from affiliated companies	26.080,4	-	15.613,4	-
Other assets	18.098,1	5.153,7	8.806,9	-
<b>Total</b>	<b>97.898,5</b>	<b>5.153,7</b>	<b>57.895,9</b>	<b>-</b>

The **other assets** are attributable primarily to receivables and assets which are not related to trading and services.

#### Liquid assets

The liquid assets include cash at banks of € 11,485,700 (prior year: € 3,564,900) as well as cash on hand in the amount of € 16,300 (prior year: € 14,200)





## 15. Deferred taxes

Temporary differences between the valuation in the IFRS consolidated financial statements and the relative valuation in the tax balance sheet have the following effects on the provisions for taxes reported in the balance sheet:

	2005		2004	
	Corporation tax rate 25 %		Corporation tax rate 25 %	
€ 000	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment, i.e. assets	-	6,590.0	-	6,287.6
Percentage of Completion	-	-	-	-
Untaxed reserves	-	409.9	-	415.8
Tax loss carry forwards	920.3	-	853.6	-
<b>Deferred taxes</b>	<b>920.3</b>	<b>6,999.9</b>	<b>853.6</b>	<b>6,703.4</b>
<b>Balance of deferred taxes</b>		<b>6,079.6</b>		<b>5,849.8</b>

Deferred taxes from tax loss carry forwards are capitalised insofar as these may probably be set off against taxable profits in the future.

## 16. Shareholders' equity

	No. of shares	€
<b>SHARE CAPITAL</b>		
No par value shares	3,000,000	5,450,462.56

At the 123rd ordinary general meeting of shareholders of June, 25, 2004 it was resolved to convert the 150,000 15 % preference shares without voting rights into common shares with voting rights. At the same time there was a share split in the ratio of 1:4. The share capital of € 5,450,462.56 is now divided into 3,000,000 no par value shares. The shares are bearer shares.

## 17. Reserves

€ 000	31.12.2005	31.12.2004
I. Capital reserve	45,185.8	45,185.8
II. Retained earnings	35,944.0	33,308.6
<b>Total</b>	<b>81,129.8</b>	<b>78,494.4</b>

The capital reserves are attributable primarily to the capital increases and adjustments undertaken in the prior years.

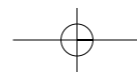
The retained earnings include differences in foreign currency as well as the legal and free profit reserves, the net income for the period as well as the net income carried forward from prior periods of UBM AG and its consolidated subsidiaries, insofar as these have not been eliminated by means of capital consolidation. Furthermore, the negative market value from the forward start swap in the amount of € 2,360,000 was included in the retained earnings without any effect on the profit and loss account. Of this € 151,000 was reclassified in the result during the year under report (see also Section 22).

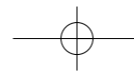
For details concerning the shareholders' equity of the UBM Group please refer to the table showing the development of the consolidated shareholders' equity (see page 80). The shares in the shareholders' equity, which do not belong to UBM AG or a company of the Group, are shown in the consolidated financial statements as minority interests. The net income for the year which is shown is that of UBM AG.

## 18. Provisions

€ 000	Status 01.01.2005	Changes in the scope of consolidation			Status 31.12.2005
		Additions	Release/Use		
Employee benefits	722.1	-	194.0	-	916.1
Pensions	961.5	-	212.2	-	1,173.7
Taxes	530.5	-87.6	3,704.2	-452.8	3,694.3
Miscellaneous					
Buildings	8,209.0	48.0	2,636.5	-2,358.3	8,535.2
Personnel	1,165.2	-	861.6	-670.4	1,356.4
Other	3,502.1	-	4,133.5	-3,926.7	3,708.9
<b>Total</b>	<b>15,090.4</b>	<b>-39.6</b>	<b>11,742.0</b>	<b>-7,408.2</b>	<b>19,384.6</b>

€ 000	Status 01.01.2004	Carry forward as at 01.01.2004	Changes in the scope of consolidation			Status 31.12.2004
			Additions	Release/Use		
Employee benefits	0.0	902.6	-	-	-180.5	722.1
Pensions	0.0	776.2	-	185.3	-	961.5
Taxes	24.7	-	-	505.8	-	530.5
Miscellaneous						
Buildings	10,290.1	-	-10.0	1,865.8	-3,936.9	8,209.0
Personnel	1,351.8	-	-164.6	739.5	-761.5	1,165.2
Other	3,990.0	-	-27.6	4,011.4	-4,471.7	3,502.1
<b>Total</b>	<b>15,656.6</b>	<b>1,678.8</b>	<b>-202.2</b>	<b>7,307.8</b>	<b>-9,350.6</b>	<b>15,090.4</b>





Provisions for employee benefits were set up for employees, who have claims to benefits in accordance with an agreement with the Company. Pension rights for the management are as a general rule performance-based rights not administered by funds. The number of years of service forms the basis for the pension plans.

In the provisions for buildings reserves were set up for uninvoiced receivables, pending losses from order backlog, foreign risks, building faults and guarantees.

The other personnel provisions are attributable in particular to leave not taken, jubilee bonuses and premiums.

The provisions for benefits show the following development:

€ 000	31.12.2005	31.12.2004
Discounted cash value of the benefits obligations (DBO) as at 01.01.	722.1	902.6
Service time expenses (CSC)	69.2	47.6
Interest expenses (IC)	38.2	33.2
Payment of benefits	-125.4	-483.4
Actuarial profits / losses	212.0	222.1
<b>Discounted cash value of the benefits obligations (DBO) as at 31.12.</b>	<b>916.1</b>	<b>722.1</b>

The provisions for pensions show the following development:

€ 000	31.12.2005	31.12.2004
Discounted cash value of the pension obligations (DBO) as at 01.01.	961.5	776.2
Service time expenses (CSC)	71.5	70.6
Interest expenses (IC)	52.9	52.9
Pension payments	0.0	0.0
Actuarial profits / losses	87.8	61.8
<b>Discounted cash value of the pension obligations (DBO) as at 31.12.</b>	<b>1,173.7</b>	<b>961.5</b>

## 19. Liabilities

€ 000	31.12.2005	Remaining maturity			of which secured
		< 1 year	> 1 year < 5 years	> 5 years	
Loans	100.000,0	-	-	100.000,0	-
Liabilities to banks	83.187,8	33.682,8	36.489,4	13.015,6	68.357,8
Prepayments received	11.164,8	11.164,8	-	-	-
Trade payables	11.050,6	11.050,6	-	-	-
Intercompany liabilities	7,0	7,0	-	-	-
Liabilities to affiliated companies	1.834,6	1.834,6	-	-	-
Liabilities to joint ventures	15,1	15,1	-	-	-
Other liabilities	57.528,3	9.734,4	12.631,7	35.162,2	7.647,4
Leasing	7.647,4	245,9	983,7	6.417,8	7.647,4
from taxes	2.649,8	2.649,8	-	-	-
within the framework of social security	118,4	118,4	-	-	-
<b>Total</b>	<b>264.788,2</b>	<b>67.489,3</b>	<b>49.121,1</b>	<b>148.177,8</b>	<b>76.005,2</b>

€ 000	31.12.2004	Remaining maturity			of which secured
		< 1 year	> 1 year < 5 years	> 5 years	
Liabilities to banks	97.647,4	30.189,5	62.089,5	5.368,4	77.429,3
Prepayments received	4.404,1	4.404,1	-	-	-
Trade payables	8.727,4	8.727,4	-	-	-
Intercompany liabilities	-	-	-	-	-
Liabilities to affiliated companies	32.352,6	32.352,6	-	-	-
Liabilities to joint ventures	18,4	18,4	-	-	-
Other liabilities	28.808,9	8.105,8	11.799,4	8.903,7	7.871,5
Leasing	7.871,5	239,7	1.062,4	6.569,4	7.871,5
from taxes	2.646,3	2.646,3	-	-	-
within the framework of social security	96,1	96,1	-	-	-
<b>Total</b>	<b>171.958,8</b>	<b>83.797,8</b>	<b>73.888,9</b>	<b>14.272,1</b>	<b>85.300,8</b>

## 20. Contingent liabilities

€ 000	2005	2004
Contingent liabilities	21,917.2	49,167.2
of which for affiliated companies	8,175.7	8,175.7
<b>Total</b>	<b>21,917.2</b>	<b>49,167.2</b>

The contingent liabilities are attributable primarily to credit guarantees, and declarations of guarantee. Furthermore, the usual bank securities were granted with regard to shares in companies for those project companies, which have taken down project financing credits.

## 21. Notes to the statement of cash flow

The presentation of the statement of cash flow is based on the indirect method, namely they are separated in accordance with the flow of funds from operating, investing and financing activities.

The liquid assets include exclusively cash on hand, cash in banks as well as short term securities. The effects of changes within the scope of consolidation were eliminated and shown in the statement of cash flow as part of the investing activities.

The liquid assets are composed as follows:

€ 000	31.12.2005	31.12.2004
Cash on hand and cash in banks	11,502.0	3,579.1
<b>Total</b>	<b>11,502.0</b>	<b>3,579.1</b>

## 22. Notes on financial instruments

The original financial instruments on the asset side of the balance sheet comprise primarily financial assets, trade receivables and liquid assets, and on the liability side financial liabilities and trade payables. Furthermore, during the past fiscal year a loan was issued by UBM AG at the following conditions:

<b>Nominal amount:</b>	€ 100,000,000.-
<b>Maturity:</b>	2005-2012
<b>Interest:</b>	3.875 %
<b>Interest payment date:</b>	June 10 of each year, for the first time on June 10, 2006
<b>Repayment:</b>	100 % payable on maturity

The decision to issue the loan was made in April 2005. Since in principle a rising level of interest rates was expected the interest rate was hedged throughout the maturity of the loan through a forward start swap. The interest rate level developed however contrary to these expectations. As a result a negative market value arose in the amount of € 2.36 million on the conclusion of the forward start swap in June 2005 (resulting from the fixed higher rate of interest of 0.44 %, which was included in the shareholders' equity without any effect on the profit and loss account and was reclassified in the result in accordance with the interest expense for the loan over its maturity.

### Risk of change in interest rate

The interest rates for the liabilities to banks as well as for leasing liabilities are composed as follows:

	%
Loan	3.875 + 0.44
Liabilities to banks	2.6 - 5.4
Leasing	3.3 - 6.0

### Credit risk

The risk regarding receivables from customers can be considered to be low due to their wide diversification and a permanent monitoring of their creditworthiness. The risk of loss of other original financial instruments included on the asset side of the balance sheet can also be considered as low, since the contractual partners are exclusively financial institutes with the highest level of creditworthiness. The total of the financial assets represents the maximum risk of loss.

### Risk of change in foreign currency rates

At UBM credit financing and investments are made primarily in euro. The risk of changes in exchange rates is therefore of little significance within the UBM Group.

## Other information

### 23. Average number of employees

	2005	2004
<b>SALARIED PERSONNEL</b>		
Domestic	67	70
Abroad	67	61
<b>WAGE-EARNING PERSONNEL</b>		
Domestic	6	7
Abroad	1	1
<b>Total employees</b>	<b>141</b>	<b>139</b>

### 24. Business transactions with related parties

Within the meaning of IAS 24 Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, its group companies and Immobilien Holding GmbH as well as their shareholders are considered to be related parties. Mutual delivery agreements exist with Porr AG, which are based on market conditions.

### 25. Statutory bodies

#### Members of the Board of Management

Mag. Karl Bier, Baden (Chairman)  
DI Peter Maitz, Breitenfurt  
Heribert Smolé, Vienna

#### Mitglieder des Aufsichtsrates

KR Dkfm. Dr. Siegfried Sellitsch, Wien (Chairman)  
DI Horst Pöchlhammer, Wien (Vice-Chairman)  
Dr. Peter Weber, Deutsch-Wagram  
DI Thomas Jakoubek, Küb  
MMag. Dr. Erlefried Olearczick, Tulln  
Dr. Johannes Pepelnik, Vienna  
Dr. Walter Lederer, Vienna  
DI Iris Ortner, Vienna

The compensation paid to the Board of Management amounted in 2005 to € 828,700 (prior year: € 1,304,700). The compensation paid to the members of the Supervisory Board including the meeting fees amounted to € 39,700 (prior year: € 115,000).

### 26. Appropriation of profits

The fiscal year of UBM AG concluded with a net income for the year of € 2,713,367.77.

The Board of Management proposes the following appropriation:  
Distribution of a dividend of € 0.90 per no par value share.

	No. of shares	in €	in €
Share capital	3,000,000	5,450,462.56	
Distribution			2,700,000.00
Carried forward to new account			13,367.77

### 27. Registered office of the Company

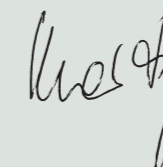
UBM Realitätenentwicklung Aktiengesellschaft  
Austria, 1103 Vienna, Absberggasse 47  
Commercial register FN 100059 x, Commercial Court Vienna

Vienna, April 18, 2006

The Board of Management



Mag. Karl Bier



DI Peter Maitz



Heribert Smolé

# Schedule of participations

Company	National code	Shareholding (%) UBM- AG	Shareholding (%) UBM- Group	Type of consolidation	Currency	Nominal share capital
<b>ASSOCIATED COMPANIES</b>						
<b>Associated capital stock companies</b>						
"Athos" Bauplanungs- und Errichtungsgesellschaft m.b.H.	AUT	90.00	90.00	A	EUR	36,336.42
"UBM 1" Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	100.00	100.00	A	EUR	36,336.42
Ariadne Bauplanungs- und Baugesellschaft m.b.H.	AUT	100.00	100.00	A	EUR	36,336.42
Atriumhotel Loipersdorf Errichtungs- und Verwaltungsgesellschaft m.b.H.	AUT	100.00	100.00	N	EUR	-
MBU Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	90.00	90.00	A	EUR	36,336.42
Rudolf u. Walter Schweder Gesellschaft m.b.H.	AUT	90.00	90.00	A	EUR	36,336.42
UBM Seevillen Errichtungs-GmbH	AUT	100.00	100.00	N	EUR	-
UML Liegenschaftsverwertungs- und Beteiligungs-GmbH	AUT	100.00	100.00	N	EUR	-
Logistikpark Ailecgasse GmbH	AUT	99.80	100.00	A	EUR	36,336.42
FMB - Facility Management Bohemia, s.r.o.	CZE	100.00	100.00	A	CZK	100,000.00
Immo Future 6 - Crossing Point Smichov s.r.o.	CZE	20.00	100.00	A	CZK	24,000,000.00
Andel City s.r.o.	CZE	0.00	100.00	A	CZK	200,000.00
UBM Klánovice s.r.o.	CZE	100.00	100.00	A	CZK	200,000.00
UBM-Bohemia Projectdevelopment-Planning-Construction, s.r.o.	CZE	100.00	100.00	A	CZK	8,142,000.00
UBM - Bohemia 2 s.r.o.	CZE	100.00	100.00	A	CZK	200,000.00
Blitz 01-815 GmbH	DEU	100.00	100.00	N	EUR	-
Blitz 04-247 GmbH	DEU	0.00	94.00	N	EUR	-
CM 00 Vermögensverwaltung 387 GmbH	DEU	100.00	100.00	N	EUR	-
CM 00 Vermögensverwaltung 389 GmbH	DEU	100.00	100.00	N	EUR	-
CM 00 Vermögensverwaltung 510 GmbH	DEU	100.00	100.00	N	EUR	-
CM 00 Vermögensverwaltung 511 GmbH	DEU	100.00	100.00	A	EUR	25,000.00
CM 00 Vermögensverwaltung 512 GmbH	DEU	100.00	100.00	N	EUR	-
Florida Tower Management GmbH	DEU	50.00	73.27	N	EUR	-
Münchner Grund Immobilien Bauträger Aktiengesellschaft	DEU	94.00	94.00	A	EUR	716,800.00
Münchner Grund Riem GmbH	DEU	0.00	60.16	N	EUR	-
Stadtgrund Bauträger GmbH	DEU	100.00	100.00	N	EUR	-
UBM Leuchtenbergring GmbH	DEU	100.00	100.00	N	EUR	-
FMH Ingotlanmanagement Kft.	HUN	100.00	100.00	A	HUF	3,000,000.00
UBM Projektmanagement Kft.	HUN	100.00	100.00	N	HUF	-
"FMP Planning and Facility Management Poland" Sp. z o.o.	POL	100.00	100.00	A	PLN	150,000.00
"MAZURSKA DEVELOPMENT" Sp. z o.o.	POL	100.00	100.00	A	PLN	50,000.00
Philharmonie Office Center Spółka z ograniczona odpowiedzialnoscia	POL	100.00	100.00	N	PLN	-
UBM Green Development Sp. z o.o.	POL	100.00	100.00	A	PLN	156,000.00
UBM Polska Sp. z o.o.	POL	100.00	100.00	A	PLN	50,000.00
Larissa Sp. z o.o.	POL	100.00	100.00	N	PLN	-
Ruzinov Real s.r.o.	SVK	100.00	100.00	A	SKK	200,000.00
Facility Management Slovakia s.r.o.	SVK	100.00	100.00	A	SKK	200,000.00
UBV France s.a.r.l.	FRA	75.00	75.00	N	EUR	-
Dictysate Investment limited	ZYP	100.00	100.00	A	CYP	175,609.00
<b>Associated partnerships</b>						
UBM Realitätenentwicklung Aktiengesellschaft & Co. Muthgasse Liegenschaftsverwertung OHG.	AUT	100.00	100.00	N	EUR	-
Bayernfonds Immobiliengesellschaft mbH & Co. Florida Tower KG	DEU	0.00	73.27	N	EUR	-
MG Grundbesitz Objekt Wolfratshausenstrasse 50-56 KG	DEU	0.00	94.00	N	EUR	-
CM 00 Vermögensverwaltung 387 Brehmstrasse GmbH & Co. KG.	DEU	0.00	100.00	N	EUR	-
CM 00 Vermögensverwaltung 389 Brehmstrasse GmbH & Co. KG.	DEU	0.00	100.00	N	EUR	-
Immobilien- und Baumanagement Stark GmbH & Co. Stockholmstrasse KG	DEU	0.00	60.16	A	EUR	50,000.00

Company	National code	Shareholding (%) UBM- AG	Shareholding (%) UBM- Group	Type of consolidation	Currency	Nominal share capital
<b>AFFILIATED COMPANIES</b>						
<b>Associated capital companies</b>						
"Internationale Projektfinanz" Warenverkehrs- & Creditvermittlungs-Aktiengesellschaft	AUT	20.00	20.00	E	EUR	726,728.34
"Zentrum am Stadtpark" Errichtungs- und Betriebs-Aktiengesellschaft	AUT	33.33	33.33	E	EUR	87,207.40
FMA Gebäudemanagement GmbH	AUT	50.00	50.00	E	EUR	36,336.42
Ropa Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	50.00	50.00	E	EUR	36,336.42
W 3 Errichtungs- und Betriebs-Aktiengesellschaft	AUT	26.67	26.67	E	EUR	74,126.29
INTERCOM a.s.	CZE	50.00	50.00	E	CZK	32,000,000.00
GF Ramba Sp. z o.o.	POL	50.00	50.00	E	PLN	138,800.00
UBX Development (France) s.a.r.l.	FRA	50.00	50.00	E	EUR	50,000.00
<b>OTHER COMPANIES</b>						
<b>Other capital companies</b>						
"Hermes" Bau Planungs- und Errichtungsgesellschaft m.b.H. und Mitgesellschafter	AUT	50.00	50.00	N	EUR	-
"hospitals" Projektentwicklungsges.m.b.H.	AUT	21.78	21.78	N	EUR	-
hospitals Projektentwicklungsges.m.b.H.	AUT	25.00	25.00	N	EUR	-
REHAMED Beteiligungsges.m.b.H.	AUT	0.00	10.89	N	EUR	-
BMU Beta Liegenschaftsverwertung GmbH	AUT	50.00	50.00	N	EUR	-
FMA alpha Gebäudemanagement & -services GmbH	AUT	0.00	50.00	N	EUR	-
IMMORENT-KRABA Grundverwertungsgesellschaft m.b.H.	AUT	10.00	10.00	N	EUR	-
Porr Technics & Services GmbH	AUT	10.00	10.00	N	EUR	-
St.-Peter-Straße 14-16 Liegenschaftsverwertung Ges.m.b.H.	AUT	50.00	50.00	N	EUR	-
VBV delta Anlagen Vermietung Gesellschaft m.b.H.	AUT	0.00	20.00	N	EUR	-
ZMI Holding GmbH	AUT	48.33	48.33	N	EUR	-
DAREX, spol. s.r.o.	CZE	0.00	48.33	N	CZK	-
UBX Praha 1 s.r.o.	CZE	50.00	50.00	N	CZK	-
UBX Praha 2 s.r.o.	CZE	50.00	50.00	N	CZK	-
"UBX Krakow" Sp. z o.o.	POL	50.00	50.00	N	PLN	-
"UBX Katowice" Sp. z o.o.	POL	50.00	50.00	N	PLN	-
<b>Other partnerships</b>						
Bayernfonds Immobilienentwicklungsgesellschaft Wohnen plus GmbH	DEU	0.00	30.24	N	EUR	-
BFS Florida Tower GmbH	DEU	0.00	46.53	N	EUR	-
Bürohaus Leuchtenbergring Verwaltungs GmbH	DEU	0.00	48.51	N	EUR	-
REAL I.S. Project GmbH	DEU	0.00	46.53	N	EUR	-
Váci utca Center Üzletközpont Kft.	HUN	50.00	50.00	N	HUF	-
Hotelinvestments (Luxembourg) S.à r.l.	LUX	50.00	50.00	N	EUR	-
"S 1" Hotelerrichtungs AG	CHE	10.00	10.00	N	SFR	-
"Hotel Akademia" Sp. z o.o.	POL	0.00	33.00	N	PLN	-
Hotel Real Estate Sp. z o.o.	POL	0.00	33.00	N	PLN	-
Sienna Hotel Sp. z o.o.	POL	33.33	33.33	N	PLN	-
Zenit Bauplanungs- und Errichtungsgesellschaft m.b.H.	AUT	50.00	50.00	N	EUR	-
UBX Plzen s.r.o.	CZE	50.00	50.00	N	CZK	-
<b>Other partnerships</b>						
Bayernfonds Immobilienverwaltung Austria Objekte Salzburg und Wien KG	DEU	0.00	1.25	N	EUR	-
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG	DEU	0.00	48.51	N	EUR	-
Bürohaus Leuchtenbergring GmbH & Co. KG	DEU	0.00	45.11	N	EUR	-
Porr Projekt v.o.s.	CZE	45.00	45.00	N	CZK	-
Florida Tower Am Spitz Wohnungseigentumsgesellschaft m.b.H. & Co. KG.	AUT	4.82	4.82	N	EUR	-
UML Liegenschaftsverwertungs- und Beteiligungs-GmbH & Co OEG.	AUT	0.00	50.00	N	EUR	-
Porr Technics & Services GmbH & Co KG	AUT	10.00	10.00	N	EUR	-

A = Affiliated companies E = Equity consolidated companies N = non-consolidated companies in accordance with Section 249 Paragraph. 2 and Section 263 Paragraph. 2 HGB

## Auditors' Report

"We have audited the consolidated financial statements of

### UBM Realitätenentwicklung Aktiengesellschaft, Vienna

for the fiscal year from 01.01.2005 to 31.12.2005. The legal representatives of the company are responsible for the presentation and the contents of these consolidated financial statements in accordance with the Financial Reporting Standards (IFRS), as they are to be applied in the EU, as well as the group management report drawn up in accordance with the regulations of the Austrian Commercial Code. It is our responsibility to issue an opinion on these consolidated financial statements on the basis of our audit and to confirm that the Group management report is in agreement with the financial statements.

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We have conducted our audit taking into consideration the legal regulations valid in Austria as well as the principles of generally accepted accounting standards and the International Standards on Auditing (ISA) of the International Federation of Accountants (IFAC). These standards require that the audit be planned and performed in such a manner that it can be assessed with reasonable assurance whether the consolidated financial statements are free from significant errors and whether the Group management report corresponds to the consolidated financial statements. Knowledge of the Group's business activities and its economic and legal environment, together with the evaluation of the incidence of possible misstatements, are taken into account in the determination of the audit procedures. The scope of the audit includes assessing the evidence for amounts and other information in the accounting records and in the consolidated financial statements, which are mainly examined on a test basis. The audit also includes an assessment of the accounting principles applied as well as the significant estimates made by the legal representatives of the company and an assessment of the overall adequacy of the presentation of the consolidated financial statements. We are of the opinion that our audit provides an adequate basis for reaching our opinion.

Our audit did not result in any objections. On the basis of our knowledge gained during the audit the consolidated financial statements correspond in our opinion to the legal regulations and present a true and fair view of the assets and financial situation of the Group as at 31.12.2005 as well as the profitability of the Group for the fiscal year from 01.01.2005 to 31.12.2005 in accordance with the International Financial Reporting Standards published by the International Accounting Standards Board and adopted by the European Union. The Group management report corresponds to the consolidated financial statements."

Vienna, April 18, 2006

B D O A u x i l i a T r e u h a n d G m b H (Wirtschaftsprüfungs- und Steuerberatungsgesellschaft)  
Prof. Dr. Karl Bruckner e.h., Mag. Dr. Johann Seidl e.h. (auditors and tax consultants)

Deloitte Wirtschaftsprüfungs GmbH  
Mag. Nikolaus Schaffer e.h., Dr. Michael Heller e.h. (auditors and tax consultants)

## Report of the Supervisory Board on the financial statements 2005

Through oral and written reports submitted by the Board of Management the Supervisory Board has been informed continuously at its meetings about the development of the business and about all important matters concerning the Company.

Deloitte Wirtschaftsprüfungs GmbH, Vienna, and BDO Auxilia Treuhand GmbH, Vienna have audited jointly the financial statements as at December 31, 2005, which were drawn up by the Board of Management as well as the notes thereto and the management report. The audit, which was undertaken on the basis of the accounts and the documents of the Company as well as on the basis of the explanations and evidence given by the Board of Management, confirmed that the accounts and the financial statements comply with the legal regulations and that there was no cause for objections. The management report is in agreement with the financial statements. The above-mentioned audit companies have therefore issued an unqualified opinion for their audit.

The Supervisory Board has examined and subsequently confirmed and approved the financial statements 2005 as well as the management report for the fiscal year 2005 in particular in consultation with the Audit Committee in the presence of the auditors. The Supervisory Board approves the proposal of the Board of Management with regard to the appropriation of profits.

Vienna, April, 2006

Gen.-Dir. Komm.-Rat Dkfm. Dr. Siegfried SELLITSCH e.h.  
Chairman of the Supervisory Board

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## Appropriation of profits

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The fiscal year 2005 of UBM Realitätenentwicklung Aktiengesellschaft concluded with a net income for the year of € 2,713,367.77.

The Board of Management proposed to distribute a dividend in the amount of € 0.90 per no par value share, i.e. a total of € 2,700,000 based on the amount of 3,000,000 no par value shares in circulation and to carry forward the remaining profit in the amount of € 13,367.77 to new account.

Subject to the acceptance of this proposal, the payment of the dividend of € 0.90 per no par value share shall be made as from May 25, 2006 less 25 % withholding tax in accordance with the legal requirements.

The payment of the dividend will be carried out through a transfer by the depositary bank. Bank Austria Creditanstalt AG will act as the main payment agent.

## Glossary

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Joint ventures	Joint ventures of several companies for the realisation of construction projects
ATX	Austrian Traded Index
Cash earnings in accordance with ÖVFA	Definition of earnings, which was developed by the Austrian Company for Financial Analysis and Investment Consulting, and which serves as the basis for the cash flow calculation
Dividend yield	Dividend in relationship to the share price
EBIT	Earnings before interest and taxes
EBT	Earnings before taxes
ECV	Issuers' Compliance Law, for the prevention of illegal use of insider information
Equity ratio	Share of the average shareholders' equity in relation to the balance sheet total
IFRS	International Financial Reporting Standards
Impairment test	In accordance with IFRS 3 a valuation of the capitalised goodwill must be undertaken through a regular test, which should examine the possible reduction in value of the asset, and if appropriate, determine the amount of adjustments to be applied.
Annual construction output	Presentation of the output achieved in accordance with economic criteria, which deviates from the presentation of revenues in the profit and loss account, since it also includes proportional output in joint ventures as well as the revenues of non-consolidated participations.
P/E	Price earnings ratio, share price in relation to the earnings per share
Market capitalisation	Stock market value, share price X number of shares issued
Sustainability	Sustainability of the economic development based on ecological criteria
Pay-out ratio	Distribution ratio, dividend per share divided by earnings per share in %
Total shareholder's return	Dividend yield plus share price increase
WBI	Vienna Stock Exchange Index

## Imprint

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[www.projektagentur.at](http://www.projektagentur.at)

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Florian Vierhauser, UBM

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