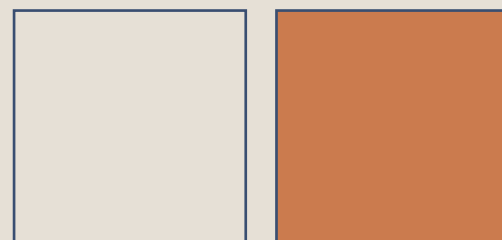


## Business development January to September 2006



### Development of revenues

The revenues of the UBM Group as at September 30, 2006 amounted to € 145.5 million (prior year € 85.2 million) and were thus € 60.3 million (approx. +71%) higher than in the comparative period of the prior year.

During the 3<sup>rd</sup> quarter of the current year the sale of phase A of the Brehmstrasse office building to an international fund company was concluded.

We can continue to mention our building transactions in Andel City in Prague as an important component of our revenues. Apartment construction in Germany (Riem) as well as the reconstruction of the Lehener Stadium in Salzburg completes the activities which have an effect on our revenues.

The revenues from real estate rental are showing constant development due to our solid real estate portfolio and current new rentals in completed properties.

In the "facility management" sector we achieved revenues of € 3.1 million (prior year € 2.6 million) as at the balance sheet date of 30.09.

### Profitability

As at 30.09.2006 UBM AG achieved a result of € 4.6 million. The consolidated result of the UBM Group amounted to € 8.5 million (prior year: € 6.2 million) as at the balance sheet date.

### Investments

Up to 30.09.2006 the UBM Group made investments in the amount of € 36.2 million.

The main emphasis of our investments was on the Czech Republic and Poland as well as on the development of commercial properties in Munich. We acquired land sites for the construction of hotels in Berlin and Linz.

For the full year 2006 we expect to make investments in the order of approx. € 50.0 million.

### Personnel

As at 30.09.2006 the number of employees at the UBM Group amounted to 146 and thus increased versus the number in the comparative period of the prior year. The increase in the number of employees is attributable to the expansion of our activities in Romania, Bulgaria, the Ukraine and Russia as well as to a stronger market presence in Poland.

### Outlook

We are expecting a constant further development of revenues and earnings for the last quarter of 2006.

In the Czech Republic the main emphasis is on the completion of the Andel City project; the construction start for a hotel project in Pilsen will already take place during the first quarter of 2007. In Poland the preparatory work for residential property projects is being started in Krakow and Warsaw, in order to assure the start of construction in the spring of 2007. In Slovakia we are working intensively on the exploitation of real estate near Senec. In Switzerland the construction start will take place this year for the DHL logistics centre near Zurich. In Germany the development of hotels will in the future also be concentrated on in addition to our main activities in the construction of residential properties. In Austria our main activities are the projects in Salzburg-Lehen and the hotel construction in Linz.

With regard to the development of earnings we are confident on the basis of the course of business that the level of 2005 will be exceeded.



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## Report on the 3<sup>rd</sup> quarter 2006 The best imaginable.

€ million	Q3/2006	2006*	Q3/2005	2005	Q3/2004	2004
<b>TOTAL REVENUES OF THE UBM GROUP</b>	145.5	191.8*	85.2	109.0	108.4	135.9
<b>REVENUES FROM PROJECT DEVELOPMENT AND CONSTRUCTION ACTIVITIES</b>	142.4	187.6*	82.6	105.1	106.5	133.2
of which from rental of real estate	15.0	21.0*	15.6	19.1	14.2	16.3
<b>FACILITY MANAGEMENT</b>	3.1	4.2*	2.6	3.9	1.9	2.7
<b>INVESTMENTS</b>	36.2	50.0*	23.8	38.7	14.9	34.6
<b>NUMBER OF EMPLOYEES</b>						
Balance sheet date 30.09	146		138			
<b>EBT</b>						
UBM Group	8.5		6.2			

\*Forecast

## Foreword OF THE BOARD OF MANAGEMENT

Dear Shareholders,

We are pleased to report a successful third quarter 2006. The revenues of the UBM Group as at September 30, 2006 were € 60.3 million (approximately +71%) higher than in the comparative period of the prior year.

The substantial increase in revenues during this fiscal year is due to our "feeling for business" as well as the successful sale of numerous real estate projects both domestically and abroad. In the 3<sup>rd</sup> quarter the sale of the Brehmstrasse office building followed that of the Hotel "Angelo", the "Velky Spalicek" shopping and cinema centre as well as the "Darex" office complex in the Czech Republic.

The current transactions in Andel City in Prague (apartments and offices) constitute a substantial proportion of the revenues which are contributing to the positive result. Furthermore, we are relying in this respect on the Hotel "Andel's" in Krakow as well as apartments in Germany (Riem) and the reconstruction of the Lehener Stadium in Salzburg.

Up to 30.09.2006 the UBM Group made investments in the amount of € 36.2 million. The main emphasis of our investments was on the Czech Republic and Poland, where real estate sites were acquired in Krakow and Warsaw. In Switzerland and in Croatia we purchased land for the construction of logistics centres. During the past quarter we pursued our objective of geographic growth through the establishment of companies in Romania, Bulgaria and in the Ukraine, and at the same time we strengthened our presence in the booming markets of the two new EU member states as well as with an important European trading partner.

For the full year 2006 we are expecting investments in the order of approximately € 50.0 million and also forecast that the excellent result of the prior year will again be exceeded.

We are very happy with our shareholders.

DI Peter Maitz

Mag. Karl Bier

Heribert Smolc



The customs office in Vienna is one of our satisfied tenants.

Good prerequisites for a profitable sale.



## Working on complex projects.

We are developing in three phases an office complex with utilisable floor area of approx. 32,000 m<sup>2</sup> in the Brehmstrasse in Vienna (11<sup>th</sup> municipal area).

### Brehmstrasse office complex

The first construction phase could be sold successfully already in March 2002 following a construction period of only 12 months.

In August 2005 the second phase was completed and was delivered to the customs office in Vienna

During the 3<sup>rd</sup> quarter 2006 UBM sold the fully rented property to an international fund

The third construction phase of the Brehmstrasse project, the completion of which is planned for the middle of 2007, is currently underway.

### Andel City RESIDENCES

During the third construction phase of the Andel City development the UBM subsidiary, IF6, constructed as owner an inner city apartment complex

Apartments were built with utilisable floor area of between 40 m<sup>2</sup> and 185 m<sup>2</sup> and are equipped with balconies or with terraces in the upper floors.

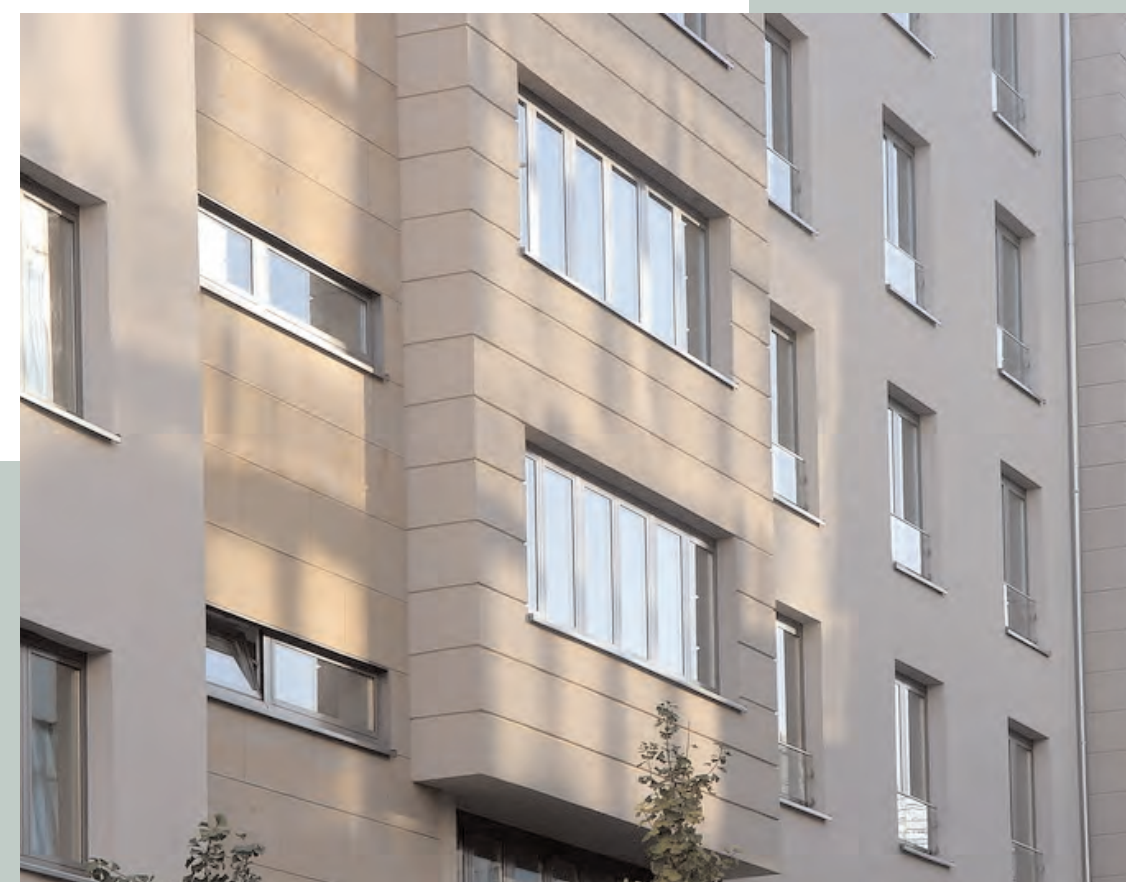
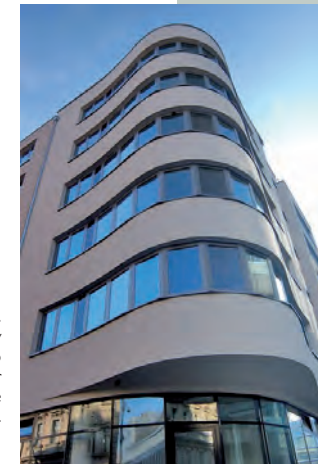
The exploitation of this first residential property complex within the framework of the Andel City project could in the meantime be carried out almost completely.

As a result of positive customer demand for our apartments the construction of a further 94 residential units was started in the middle of 2006.

The construction work is currently completely underway and conclusion is forecasted for the 3<sup>rd</sup> quarter 2007. Already in the current project phase a further successful project of UBM is indicated on the basis of the positive sales figures.

**High demand** for apartments in the City of the Angels. It is therefore no wonder that even more residences must be built. The new part of the city in the municipal area of Schichov in Prague enjoys high popularity both with companies as well as with individuals.

Living above the roofs. The exclusive inner city apartments invite you to admire the view over Andel City and to enjoy the exclusive feeling of living.



Everything only a façade! No, since the apartments in Andel City have something to offer. Most modern infrastructure and fine design in one of the most booming areas of Prague.



Light, friendly and functional. And also how beautiful! The desirable Andel Residences, which are popular with families and businessmen, were sold immediately on completion.



As one of the last construction phases of our successful Andel City project the office building SO 11 is currently being built.

It includes **six upper floors** and **two basement floors** with a gross floor area of approximately 6.800 m<sup>2</sup>.

**A conference centre is also integrated** which is available both to the office tenants as well as to the neighbouring Andel's and Angelo hotels.

