



Report on 3rd quarter 2008

The best imaginable.

€ million	Q3/2008	2008*	Q3/2007	2007	Q3/2006	2006
Total revenues of UBM Group	234.8	290.7*	202.4	263.0	145.5	185.7
Central and Eastern Europe	129.9	167.9*	89.5	132.7	92.5	109.6
Western Europe	69.0	80.7*	21.5	34.2	9.9	24.4
Austria	35.9	42.1*	91.4	96.1	43.2	51.7
Investments	41.0	50.0*	38.5	93.0	37.8	74.9
Headcount						
As of 30 September	342		307			
EBT						
UBM Group	14.0		13.7			

*forecast

Development of Business January to September 2008

Sales development

Sales revenue of the UBM Group as of 30 September 2008 totalled €234.8 million (previous year: €202.4 million). The increase compared to the previous year totalled €32.4 million (+16.0%).

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

The lion's share of the revenue generated by the Central and Eastern Europe segment (€129.9 million) comprises the sale of Hotel "andel's" in Krakow and the "Váci Utca" office building in Budapest as well as general contractor services for projects in Lodz (hotel), Krakow (hotel) and Warsaw (multi-functional building).

The Western Europe segment (€69.0 million) was dominated first and foremost by our work related to Hotel "andel's" in Berlin, Hotel "angelo" in Munich and residential sales in Munich. This figure also contains our share of sales revenue from our two hotels at Eurodisney in Paris.

The Austria segment (€35.9 million) comprises the revenue from the sale of a property in Graz, the building sales revenue for a hotel in Linz, the lease revenue from our Austrian real estate projects as well as facility management services.

Earnings

The consolidated result of the UBM Group rose in the year to the third quarter of 2008 to €14.0 million (previous year: €13.7 million).

Investments

By 30 September 2008 the UBM Group had implemented investments totalling €41.0 million. We anticipate that investments will amount to around €50.0 million for 2008 as a whole.

In Austria the Salzburg Lehen project is nearing completion.

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

In Poland and the Czech Republic we are working on residential and hotel projects, while in Romania our logistics centre is moving into the next phase.

Headcount

The UBM Group employed a total of 342 staff at the end of September 2008. This increase is due to the expansion of facility management activities and the hiring of new staff in Central and Eastern Europe to strengthen our market presence in the region.

Outlook

The UBM Group is unable to escape the impacts of the critical economic environment which is shaped by the cooling down of economic growth referred to as the financial market crisis.

By means of long-term risk management and its broad geographical and sectoral diversification, the UBM Group is in a position to neutralise fluctuations in economic activity. The strategy of UBM has been adapted to the changed market conditions in view of the impacts of the financial market crisis on the real economy.

We are working on a large number of projects in Austria and abroad that should guarantee we attain

our objectives: In Austria we are building a 4-star hotel in Linz which will open its doors in 2009.

Yet it is not just in Austria that we have hotel projects underway, but also in Germany. In Berlin the Hotel "andel's" will be completed in spring 2009. We are also continuing our residential construction success in Munich with the "Bergmannstraße" project. Office properties we acquired in 2007 will be available for the Munich market once the renovation is completed.

In the Czech Republic we are acquiring residential construction projects and a logistics project. A hotel project is being completed in Krakow, Poland.

Furthermore, the "Poleczki Park" project and the "angelo" hotel project in Katowice are in their implementation phase.

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

As things stand at present we expect to see a dip in sales revenue and earnings in 2009 given the market environment and the weak economic forecasts.

Message

from the Managing Board

Dear Shareholders,

The first three quarters of 2008 have been marked by turmoil on the financial markets amidst fears of a recession. In spite of the steadily gloomier economic conditions and outlooks the UBM Group managed to raise its total revenues by roughly 16% from €202.4 million to €234.8 million.

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

These factors are largely responsible for the renewed increase in earnings to €14.0 million (previous year: €13.7 million).

In the first three quarters our investment activities focused on the Salzburg-Lehen project (partially opened in September 2008), hotel constructions in Berlin (opening 2009 first quarter), Munich and Pilsen (completed September 2008), residential projects in Munich and a logistics centre in Bucharest (partial launch in July 2008).

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

We expect sales and earnings to continue developing well towards the end of the year.



DI Peter Maitz



Mag. Karl Bier



Heribert Smolé

Neue Mitte Lehen project

The project was constructed on the site of the former Lehen football stadium and is located directly opposite a supermarket. This part of the city is one of the most densely populated with around 13,000 inhabitants. The GFA of "Neue Mitte Lehen" totals approximately 12,000 m²; the ground floor and the first floor accommodate retail space while floors 2 and 3 are where the new municipal library will be. 32 metres up there is the panorama bar which looks out over the entire city and the surrounding mountains.

At the end of August the first part of the project was opened with the Salzburg Savings Bank, the Flöckner bakery, dm Drogeriemarkt, Libro, Saite shoes and a hairdresser, whilst in the meantime the office of the municipal library has also opened. The area was handed over to the municipal library at the end of September, and the opening is planned for January 2009. A weekly market now takes place in the forecourt. The neighbouring residential project along with the elderly centre will be handed over in November.



“Angelo” Hotel in Pilsen

UBM AG in collaboration with Warimpex is developing a new 4-star design hotel in the Hamburg district of Pilsen, which will also comprise a conference centre. The next stage will involve the construction of multifunctional buildings. The first phase, Hotel Angelo, commenced in June 2007. With a total of 144 rooms and 300 beds the hotel is focused both on conference and business guests as well as on tourists visiting Pilsen either as part of organised tours or individually.

Angelo Hotel Pilsen is situated in the northern part of “Hamburg”, north of the main Pilsen railway station, on an undeveloped area bordered by the streets U Prazdroje, Klicperova and Nädrazni. In terms of style, design and category the hotel fits in seamlessly with Hotel Angelo in Prague, in the Smichov district, which was constructed by UBM and Warimpex in 2005.





DATA AND FACTS:

Category:

4-star hotel

Number of rooms:

144 rooms, of which:
– 130 standard rooms
– 2 rooms for disabled guests
– 12 large suites

Number of beds:

300 beds

Conference rooms:

1 large conference room
3 small conference rooms

Food and Beverage Facilities:

Restaurant: roughly 114 covers (first floor)
Lobby, Bar (ground floor)

Bucharest: Chitila Logistics Park

Chitila Logistics Park (CLP) is located right on the “Centura” ring-road in the north-west of Bucharest with excellent transport connections. When completed it will have 45,000 m² of the most advanced logistics and office space on an area totalling 93,000 m². The CLP industrial park stands out both in terms of its location as well as the many ways it can be used by logistics and production companies. The appeal of the park is emphasised by being in the direct vicinity of the A1, the motorway towards Pitesti, close to the Otopeni international airport, and given the good links to the public transport network.

Many large companies have already recognised the potential of this location and have signed long-term tenancy agreements.

The development and construction of the park began in May 2007. After the first phase went into operation and was fully leased out in spring 2008, the second stage of construction began which will be completed by March 2009.

UBM is laying more emphasis on construction quality as well as on flexibility in view of the specific requirements made by tenants as to modern logistics space.





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This report contains forward-looking statements based on current assumptions and estimates that are made by the management to the best of its knowledge. Information offered using the words "expectation", "target" or similar phrases indicate such forward-looking statements. The forecasts that are related to the future development of the company represent estimates that were made on the basis of information available as of 30 September 2008. Actual results may differ from these forecasts if the assumptions underlying the forecasts fail to materialise or if risks arise at a level that was not anticipated.

This report for the period ending 30 September 2008 was prepared with the greatest possible diligence in order to ensure that the information provided in all parts is correct and complete. Nevertheless, rounding, type-setting and printing errors cannot be completely ruled out.