Half-Yearly Report **2015**

Together
we are thinking ahead.

Key performance indicators

UBM Development

EARNINGS

IN € MILLION	1-6/2015	1-6/2014	2014	1-6/2013	2013
Revenues	109.8	87.2	223.6	70.6	211.6
EBIT	22.6	14.5	36.6	11.6	29.4
EBT	15.3	8.3	25.2	6.2	17.8
Profit for the period	8.4	6.8	22.0	4.1	13.5

BUSINESS OVERVIEW

IN € MILLION	1-6/2015	1-6/2014 [1]	2014 [1]
Total UBM Group output	205.9	184.4	482.6
Austria	111.9	68.2	198.7
Germany	47.5	58.0	171.0
Poland	26.1	29.2	54.4
Others	20.4	29.0	58.5
Staff (fully consolidated companies)			
as at 30 June	682	673	664
of which hotel staff	334	336	332

[1] UBM Realitätenentwicklung Aktiengesellschaft including PIAG Immobilien AG (PIAG) based on the pro-forma assumption that the merger between PIAG and UBM had taken effect as of 1 January 2014.

CONTENTS



From left: Karl Bier, Heribert Smolé, Martin Löcker, Claus Stadler, Michael Wurzinger, MRICS

Foreword by the Managing Board

DEAR SHAREHOLDERS,

UBM Development AG can look back on a successful first half of 2015. In the first six months of the business year, total output rose to € 205.9 million and revenue amounted to € 109.8 million. EBT almost doubled from € 8.3 million (2014) to € 15.3 million. The improvement in earnings was primarily generated by the valuation of properties sold in Munich and Berlin which will be handed over upon completion.

Other sales in the reporting period included a property in the healthcare sector, an office property in Salzburg, while the Holiday Inn Alte Oper Hotel in Frankfurt was completed, as was the Rainbergstraße residential construction project in Salzburg. Proceeds from hotel operations contributed to production output in the second quarter of 2015.

The merger with PIAG in mid-February 2015 and the capital increase carried out in April 2015 has enabled UBM to significantly improve its presence on the capital market. Numerous one-on-ones with private and institutional investors in Europe's financial centres confirmed that there is huge interest in UBM – particularly with its new positioning as a pure property developer.

It was possible to place 1,462,180 new shares in the course of the capital increase, whereby there was a sharp increase in the number of free-float shares to over 50%. The transaction generated gross proceeds of around € 58.5 million, which will be used for new projects – these include an office property in Wrocław, a residential project at Rosenhügel in Vienna, two towers in Laaerberg, and the "QBC" project near the new Vienna Central Station.

Our goal of substantially reducing UBM's portfolio has been successfully and energetically pursued in the period under review. The purchase agreements for the Andels Hotel in Berlin and the Hotel Radisson Blu Hotel in Wroclaw were signed in June. Contracts were also finalised for the sale of two office buildings in Berlin and Munich. These sales, combined with implementation of the sales programme for portfolio property, has led us to forecast net proceeds (after costs, taxes and paying back project-specific financing) of up to € 250 million in the years 2015 and 2016. The acquisition of new projects was very

successful in the first half 2015 despite the highly competitive environment, whereby UBM managed to secure plots in Poland, Austria and Germany. This has allowed an expansion and consolidation of the pipeline, which is well-filled at around € 1.5 billion.

We are working off the assumption that the economic backdrop should continue to be positive for the European property markets, at least throughout 2015. Based on the consistent implementation of our sales and development strategy, we are therefore planning a significant increase in total output and earnings for the year 2015.

Karl Bier
Chairman of the
Managing Board

Heribert Smolé
Managing Board member
for finance/CFO

Martin Löcker
Managing Board member for technology and
development in Germany, Poland, the Czech
Republic and Western Europe

Claus Stadler
Managing Board member for
technology and development in Austria
and South-Eastern Europe

Michael Wurzinger, MRICS
Managing Board member for asset
management & transactions

Pegaz – Times II

Wrocław

Central – Distinctive – Sustainable

In the heart of the historic old town of Wrocław, UBM Development AG is developing two A-class business premises with offices, services and retail use under the project name "Pegaz – Times II".

Around 18,500 sqm of office space and 2,500 sqm of commercial space offer great flexibility, which can be realised in a traditional or modern office design – from individual through to open-plan – depending on client requirements.

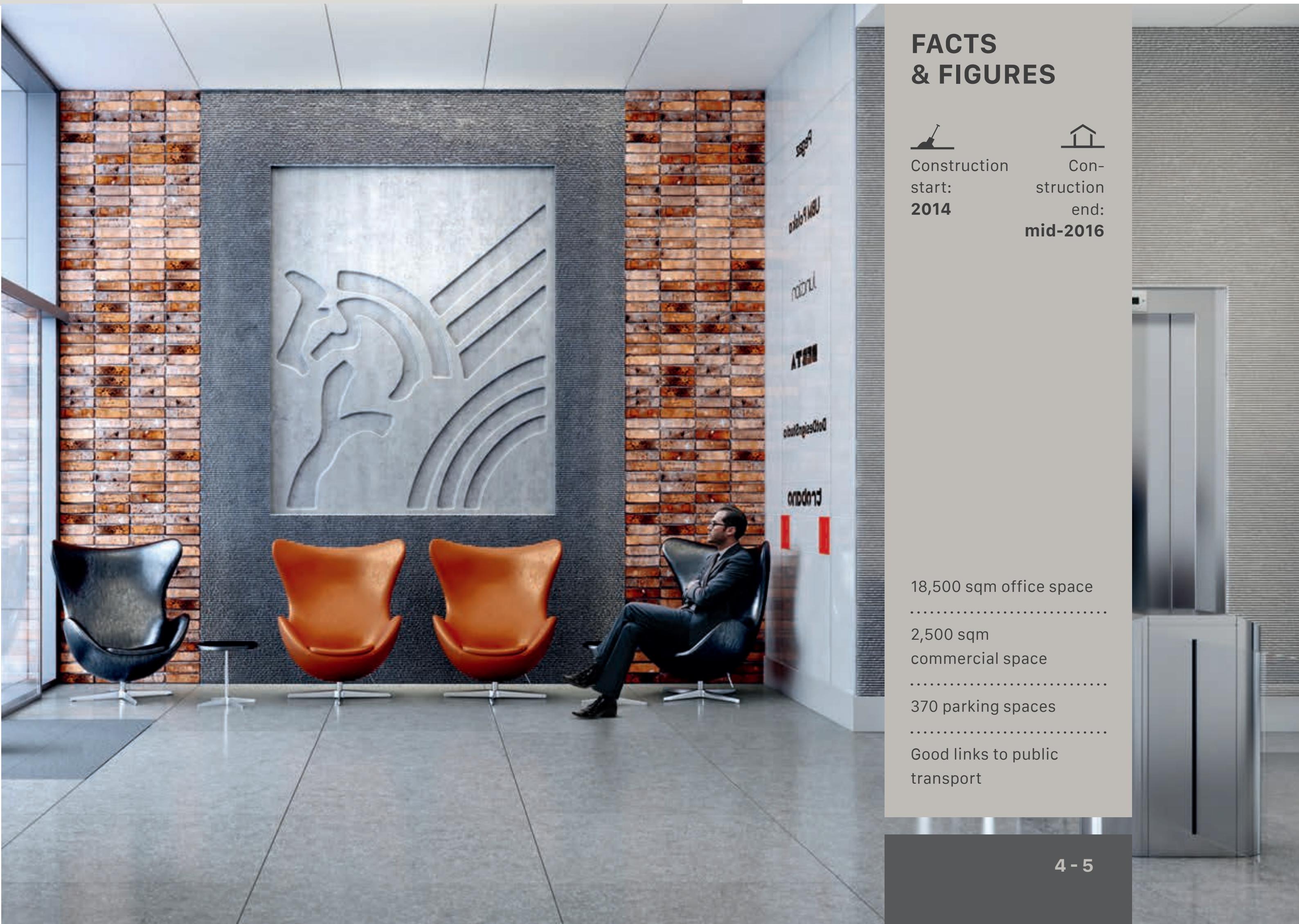
The innovative concept is complemented by 370 parking spaces in the underground garage – 170 of which are available to the public. The property has excellent links to the public transport network,

Pegaz – Times II
Wrocław

while the location on the inner city ring road also offers optimum access to long-distance destinations. The multifaceted range of shops, eateries and hotels is an additional testament to the quality of the location. Office space (starting from around 300 sqm) is offered to cutting-edge standards with efficient floor plans and building services solutions.

The new buildings will become a prestigious address in the area of the quarter directly beside the old town. The building plans, which stand out with the geometrically accented stone facade, were drawn up by renowned architects APA Hubka. Sustainable building is at the heart of UBM's development projects. As with all of UBM's office properties in Poland, this building is also being realised to the criteria of LEED – Gold Standard.

UBM secured the plot on which the project will be built from the city of Wrocław in 2012 in the course of a public call for tenders. Preparation of the site began in 2013 and construction started in August 2014. Completion is planned for mid-2016.



FACTS & FIGURES

Construction start: **2014**

Construction end: **mid-2016**

18,500 sqm office space

2,500 sqm commercial space

370 parking spaces

Good links to public transport

Rosenhügel

Apartment complex – Vienna

Austrian national broadcaster ORF sold the almost 32,100 sqm property in mid-2013 in a structured, multi-phase tender process, from which STRAUSS & PARTNER (a subsidiary of UBM AG) emerged as the winner together with IMMOVATE.

The property is situated in the south west of Vienna, on the southern slopes of the Rosenhügel hill in the north of the 23rd district, right on the border to the 13th district. The surroundings are characterised by detached houses and the greenery of the neighbouring Rosenberg area. The Speising orthopaedic hospital and Rosenhügel neurological hospital are also in the neighbourhood.

On a plot measuring around 15,200 sqm, UBM plans to build around 205 privately financed freehold flats in the upper-medium range and measuring between 50 and 160 sqm, whereby the focus is on apartments with two to three rooms and with an average size of around 80 sqm. All of the apartments boast generous balconies, terraces or private gardens. Other facilities include saunas, play areas, bicycle parking and a common room. There are plans to complete the benefits by offering concierge/caretaker services, whereby additional services will be provided on site and will ensure the sustainable maintenance of the high-quality project goals.

The exceptional architectural concept resulted from a competition. The architects Berger + Parkkinen in cooperation with Christoph Lechner and Beckmann-N´Thepe designed the apartment buildings, with Lindle + Bukor contributing the concept-defining landscape architecture.

FACTS & FIGURES

Construction start: **early 2016**

Construction end: **2018**

Reclassification July 2015

7 apartment buildings

GFA above ground
21,800 sqm

GFA underground
9,200 sqm

16,500 sqm
residential space

10,000 sqm balconies, terraces and private gardens

205 residential units, average size 80 sqm

230 underground parking spaces

3 sauna areas, fitness room

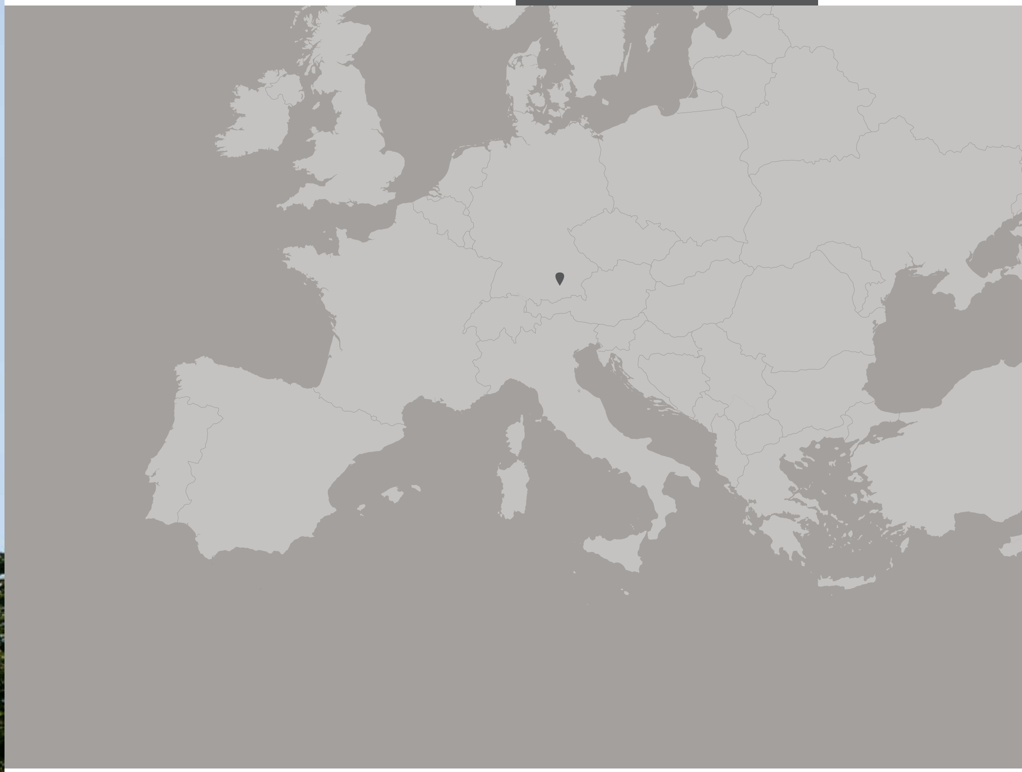
Common room

Caretaker’s apartment

Twin Yards

Office – Munich

The Twin Yards office building is a project by Top Office Munich GmbH, a joint venture by Münchner Grund Immobilien Bauträger AG – Member of UBM and Münchner Grundbesitz Verwaltungs GmbH. The project plot is around 4,550 sqm, is situated with excellent visibility directly on the A9, the main route to Munich, and also has a direct link to Munich airport. With renowned neighbours such as MAN, Osram, Amazon and Microsoft, the full occupancy with prime tenants is a testament to the quality of the location. The high-quality office building has a gross floor area above ground of 13,800 sqm as well as around 168 parking spaces in a two-storey underground garage and offers its users a prestigious address. Access to the extremely flexible rental units, which can be easily divided or brought together, is provided via a



generous central entrance hall with a covered driveway for taxis and visitors; the layout of the different floor plans accommodates every common type of office, be it individual, open-plan or combined. The building boasts extremely high energy efficiency and sustainability standards and is certified to LEED Gold and DGNB Silver.

When planning and realising the project, particular attention has been paid to sustainability and functionality. Both criteria are impressively reflected in Twin Yards and have been confirmed by the success in letting. Around 83% of the office space is currently let. From autumn 2015 Twin Yards will be a sought-after address for many companies across 13,800 sqm. PORR Deutschland GmbH, which built the office in its role as general contractor, will also be one of the main tenants.

The project was already sold in the first half-year to a renowned German investor in the course of a forward purchase.

FACTS & FIGURES

Construction start: **April 2014**

Construction end: **autumn 2015**

Current occupancy rate: around 83%

Plot size around 4,550 sqm (with own driveway)

Public transport links: bus, tram, metro

GFA above ground approx. 13,800 sqm (7 storeys above ground)

GFA underground approx. 6,000 sqm (underground garage with 2 floors)

Lettable office and storage space 14,135 sqm GFA

Lettable parking spaces 173 (of which 5 on ground floor)

Can be divided into 34 rental units

Management Report
on the First Half 2015

ECONOMIC ENVIRONMENT

[1] WIFO Monthly Report 06/2015, esp. pages 475-479
[2] WIFO Monthly Report 06/2015, p 478 f.
[3] WIFO Monthly Report 06/2015, p 497

GENERAL ECONOMIC ENVIRONMENT [1]

The global economy is currently experiencing two conflicting trends. On the one hand there is an array of threshold countries with a significant slowdown in their economies, including China (GDP growth in the first quarter: +7.0%), Brazil (–1.6%) and Russia (–1.9%). In Russia the sanctions by Europe and the USA in particular, along with the low oil price, had their first significant impact.

The USA itself also underwent a much weaker performance than originally forecast (–0.2%) in the first quarter of 2015. Here, the strength of the dollar, the harsh winter and the subsequent delay in construction investment had a surprisingly negative impact.

In contrast, India (+7.5%), Japan (+0.6%) and parts of the eurozone (overall +0.4%) achieved economic growth. The general upward trend in the EU was also felt by France (+0.6%) and Italy (+0.3%). In addition, Spain saw a stronger return to growth with GDP up by 0.9%, while there was a slowdown in growth in Great Britain, the Netherlands and Germany.

As the economic weakness in Germany was caused by factors such as lower industrial production and weaker import activity, it also had an impact on Austria as one of Germany's key trade partners.

In Austria (+0.1%) the mood in every economic sector was subdued, although the most negative forecasts were in the construction industry.[2] The economy continues to suffer from relatively high inflation, rising unemployment, and high costs coupled with weak consumer spending. GDP growth is expected to remain below 1% in 2015 for the fourth year in a row. The unemployment rate as defined in Austria reached its highest level since the 1950s.[3]

This performance highlights the need for structural reform, although in comparison to Germany or other eurozone countries Austria's deficit is also explained by special features, for example the delayed need to catch up after the crisis in certain Western European countries or a consumer-driven recovery in Germany.

DEVELOPMENTS ON THE PROPERTY MARKETS

The European market experienced a rebound in the first half of 2015 with investor confidence returning. The central bank's interest rate policy created a positive investment climate for real estate and has led to a forecast of high transaction volumes for the full year 2015. Investors' appetite for risk also increased in line with their search for attractive returns. Growing demand led to renewed price hikes even though top properties were already being viewed as overpriced. There was a resurgence in demand for peripheral locations and markets in crisis countries such as Spain.

The most popular European property market with the best earnings prospects from an investor viewpoint is currently Berlin. The German capital currently tops the "Emerging Trends in Real Estate" ranking, an annual review by the Urban Land Institute and audit and consulting firm PwC. Just last year Berlin was still in fourth place. In general the German market is seen as a safe haven for investors and transaction volumes for commercial property totalled € 9.7 billion in the first quarter 2015.

Hamburg also gained a place among the top five most attractive cities in Europe from an earnings perspective alongside Madrid, Athens and Dublin. In the meantime, Munich has become one of Europe's most expensive cities together with London and Paris with a square metre price of € 6,300 per square metre for new builds, leading it to slip back from its top position of recent years.

Smaller markets in Central and Eastern Europe are profiting from a fall in yields on the major property markets. In Hungary, for example, there was massive growth in investment volumes, whereby interest was particularly strong for large-scale projects in the office and retail sector with participation from international investors. Countries such as Romania and Slovakia also reported strong growth in the period under review.

CBRE - SUPPLY/TAKE-UP/VACANCY RATE in Vienna

* Source: CBRE

The Vienna office market is currently facing a paradigm shift. The focus is now on quality instead of quantity – the consequence is lower levels of new space, but of higher quality. An 18% increase in letting activity to 250,000 sqm is expected for the full year 2015; however, this growth is first and foremost due to the pre-letting of planned large-scale projects, which will be occupied from 2016. Overall, the level of new space is at a low level with 130,000 sqm. However, Austria is still performing well compared to other locations in Europe: rents underwent a steady performance in the first half 2015, there was an attractive vacancy rate of 6.7% which is likely to remain stable or even see a further decline. Parallel to developments on the German market, Austria is expected to experience a rise in average rents.

Sources: Bank Austria, CBRE, Deloitte, EHL, Ernst & Young, PWC

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BUSINESS PERFORMANCE

GROUP REVENUE (BY LINE OF BUSINESS)

The business lines (segments) of UBM Development are divided into two: the primary segmentation splits the business activities into the segments "Austria", "Germany" and "Poland", which represent the Group's home markets. All other countries in which the Group conducts its business are found in the "Others" segment; this includes activities in the Czech Republic, the Netherlands and France.

The secondary segmentation divides business activities into the asset classes "Office", "Hotel", "Residential", "Others" (which contains activities in commercial, retail, logistics and leisure properties), "Services" (for services related to general contractor tenders, design tenders or facility management agreements) and "Administration" for the Group's overheads. Total output in the first half-year was € 205.9 million, while total output of the "Austria" business line was € 111.9 million. The sale of a property in Tyrol in the healthcare sector and the sales of office properties in Salzburg and Graz, several developed and undeveloped portfolio properties and apartments in Salzburg contributed to this figure.

The total output of the "Germany" business line amounted to € 47.5 million. This included revenue from hotels, the completion of the Holiday Inn hotel in Frankfurt and apartment sales in Frankfurt.

The "Poland" segment generated total output of € 26.1 million. The total output included income from hotel operations as well as rental income from properties owned in Poland. The primary segment "Others" showed the output from other markets, with a value of € 20.4 million. This primarily included hotel revenues from the French hotels at Disneyland Park and the Crown Plaza Hotel in Amsterdam. In the secondary segmentation the "Office" asset class generated € 24.9 million, primarily from the sale of office properties in Salzburg and Graz, as well as rental income from the Poleczki Business Park. The asset class "Hotel" achieved total output of € 51.6 million. The asset class "Residential" had total output of € 24.8 million, consisting of apartment sales in Salzburg and Frankfurt. The asset class "Others", with a value of € 52.6 million, included the sale of a property in Tyrol and the business activities related to commercial, retail, logistics and leisure properties. In the first half of 2015 this asset class still included several sales of the Group's portfolio property, as these were sold as a package and involved various usage types. "Services" of € 40.8 million comprised construction services for completing the Holiday Inn hotel in Frankfurt, as well as design and facility management services.

Total output of the asset class "Administration" amounting to € 11.2 million was generated by invoicing management services. Foreign activities accounted for around 45.7% of total annual output in the first half 2015. The domestic share of total annual output stood at around 54.3%.

FINANCIAL PERFORMANCE INDICATORS

The merger of PIAG Immobilien AG as the transferring company with UBM Development AG, with effect from 19 February 2015, has led to the inclusion of the PIAG Group figures in the income statement from 1 January 2015 to 30 June 2015 and in the assets and liabilities as at 30 June 2015.

FINANCIAL PERFORMANCE

The core business of the UBM Group is the real estate business for projects. Due to the many years required to realise the projects, the disclosure of revenues in the income statement is subject to strong accounting fluctuations, which influences its information value and the comparisons with prior years. In order to ensure a true and fair presentation of UBM business, total annual output is defined as being the most significant way of describing revenues. This financial indicator includes income from the sale of real estate, rental services, proceeds from hotel ownership, settled planning and construction invoices from own building sites, supplies and management services to third parties, as well as other ancillary income from facility management. The revenues in the consolidated income statement amounted to € 109.8 million as at 30 June 2015 (2014: € 87.2 million). Total annual output, which is relevant for the company as it is a more reliable economic indicator, amounted to € 205.9 million in the first half 2015.

The share of profit/loss of companies accounted for under the equity method amounted to € 3.7 million. Income from fair-value adjustments to investment property totalled € 8.8 million. Other operating income of € 5.0 million (2014: € 3.4 million) was primarily generated by proceeds from amounts invoiced to shareholdings. The cost of materials and related production services amounted to € –100.3 million (2014: € –34.0 million), primarily because of project-related construction services. The number of staff from all companies included in the consolidated financial statements was 682. Staff expense totalled € –19.2 million (2014: € –9.7 million). The item "other operating expenses", which primarily comprises administrative fees, travel expenses, advertising costs, other third-party services (such as commission fees for brokers), taxes, contributions and charges and legal and consultancy services, was € –22.6 million (2014: € –12.5 million).

Expenses from fair-value adjustments to investment property were € –0.2 million (2014: € 0).

The sale of projects and apartments in Germany and Austria, as well as proceeds from hotel operations, renting, leasing design and construction services, etc. resulted in EBITDA of € 23.8 million (2014: € 16.1 million). Financial income was € 4.4 million (2014: € 1.9 million); finance costs amounted to € –11.7 million (2014: € –8.1 million).

EBT (earnings before taxes) stood at € 15.3 million (2014: € 8.3 million). Before deductions for non-controlling interests, the profit for the period amounted to € 8.4 million at 30 June 2015 (2014: € 6.8 million). Earnings per share were € 1.21.

FINANCIAL POSITION AND CASH FLOWS

At 30 June 2015 the Group had total assets of € 1,172.0 million (2014: € 756.4 million). Non-current assets accounted for 65.7% (2014: 53.9%), representing the majority of total assets and amounted to € 770.3 million at the end of the first half 2015 (2014: € 407.9 million). Property, plant and equipment totalled € 37.6 million (2014: € 32.9 million). At 30 June 2015 investment property stood at € 479.9 million (2014: € 229.9 million). Companies accounted for under the equity method totalled € 129.3 million (2014: € 52.6 million). Project financing had a value of € 91.6 million (2014: € 72.5 million), while other financial assets of € 11.0 million (2014: € 9.1 million) and financial assets of € 10.5 million (2014: € 0.1 million) were recognised.

Inventories amounted to € 234.3 million (2014: € 129.5 million), primarily because of residential construction projects in Austria, the Czech Republic and Germany. At 30 June 2015 trade receivables reached € 49.4 million (2014: € 22.6 million). Cash and cash equivalents of € 47.7 million were recognised (2014: € 40.3 million).

Current financial liabilities stood at € 15.2 million (2014: € 129.1 million) at 30 June 2015. The massive reduction is due to the discontinuation of the cash-pool agreement between PIAG and UBM (€ 108.0 million) as a result of the merger. Assets held for sale, whose sale is planned in the near future, amounted to € 45.1 million (2014: € 25.2 million). Total current assets were € 401.7 million (2014: € 348.5 million). At the end of the reporting period, equity was € 322.9 million (2014: € 180.4 million). The increase primarily resulted from the capital increase carried out in May, as well as the influx of capital in the course of the merger. The equity ratio was 27.5% (2014: 23.9%). Non-current liabilities included bonds worth € 246.9 million (2014: € 222.8 million) and financial liabilities of € 289.9 million (2014: € 197.3 million). Total non-current liabilities amounted to € 576.8 million (2014: € 438.7 million).

Current liabilities stood at € 272.3 million (2014: € 137.3 million) and consisted of current financial liabilities (2015: € 132.5 million; 2014: € 10.3 million), trade payables (2015: € 48.8 million; 2014: € 32.2 million), other current liabilities (2015: € 77.1 million; 2014: € 37.9 million) and other liabilities and tax payables.

Cash flow from operating activities fell to € –56.4 million, primarily due to investments in residential projects. High investment in property, plant and equipment and investment property led cash flow from investment activities to reach € –42.8 million. Cash flow from financing activities rose mainly because of the capital increase in the first half 2015.

The stable interest rate at present means that no impact which would trigger any change in lending conditions is anticipated.

OUTLOOK FOR THE SECOND HALF 2015

Following a successful first half of the year, the company will be focusing on realising development projects and project sales in the next six months. The reduction in portfolio properties will remain at the forefront of UBM's activities: the sale of multiple office and hotel properties is planned including those in Vienna, Munich and Warsaw. The positive market environment prevailing at present may also lead to sales as part of portfolio deals. In addition, the stake in the Hungarian M6 motorway should be sold. The company will thereby take a major step towards becoming a pure property developer.

The Group's focus in Austria is on developing the area around the new central station, "Quartier Belvedere", a flagship project in Vienna. The project involves a total of six structural elements; construction began in June 2015 when the foundation stone was laid for the hotel element. The Group's activities will also centre around the development of residential complexes in Salzburg, Graz and Vienna. UBM's primary focus in Germany will be on marketing the office properties in Munich and Berlin which are in their final completion phase. Furthermore, a key issue will be advancing housing projects in Munich, Frankfurt, Berlin and Hamburg. The Group's goal is to intensify activities in Germany in the second half of the year in light of the good macroeconomic growth which has been forecast. There will be a concentration on office development on the third home market of Poland: this will involve the "Pegaz" office building in Wrocław as well as the next construction phase of the Poleczki Business Park in Warsaw.

SIGNIFICANT RISKS AND UNCERTAINTIES

For details on existing risks and sources of uncertainty, please see the 2014 Annual Report (pages 66-68).

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group over the first six months of the fiscal year, together with a description of the principal risks and uncertainties associated with the expected development of the Group for the remaining six months of the fiscal year.

26 August 2015, Vienna
The Managing Board

Karl Bier
Chairman of the Managing Board

Heribert Smolé
Managing Board member for finance/CFO

Martin Löcker
Managing Board member for technology and development in Germany, Poland, the Czech Republic and Western Europe

Claus Stadler
Managing Board member for technology and development in Austria and South-Eastern Europe

Michael Wurzinger, MRICS
Managing Board member for asset management & transactions

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events occurred after the end of the reporting period.

Condensed **Interim Consolidated Financial Statements**

CONSOLIDATED INCOME STATEMENT
for the business year from 1 Jan 2015 to 30 June 2015

IN € THOUSAND	1-6/2015	1-6/2014
Revenue	109,802	87,225
Changes in the portfolio	38,375	–20,415
Own work capitalised in non-current assets	296	119
Share of profit/loss of companies accounted for under the equity method	3,704	1,953
Income from fair-value adjustments to investment property	8,818	–
Other operating income	5,017	3,427
Cost of materials and other related production services	–100,297	–33,980
Staff expense	–19,170	–9,665
Expenses from fair-value adjustments to investment property	-202	-13
Other operating expenses	–22,571	–12,504
EBITDA	**23,772**	**16,147**
Depreciation, amortisation and impairment expense	–1,219	–1,633
EBIT	**22,553**	**14,514**
Financial income	4,417	1,913
Finance costs	–11,657	–8,092
EBT	**15,313**	**8,335**
Income tax expense	–6,901	–1,567
Profit (loss) for the period	**8,412**	**6,768**
Profit (loss) for the period attributable to shareholders of the parent	**7,649**	**6,534**
of which: attributable to non-controlling interests	763	234
Earnings per share (diluted and basic in €)	**1.21**	**1.09**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the business year from 1 Jan 2015 to 30 June 2015

IN € THOUSAND	1-6/2015	1-6/2014
Profit (loss) for the period	**8,412**	**6,768**
Other comprehensive income:		
Gains (losses) from cash flow hedges of associates	1,038	–
Gains (losses) from fair value measurement of securities	–2	–
Exchange differences	–360	67
Income tax expense (income) on other comprehensive income	1	3
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	**677**	**70**
Other comprehensive income	**677**	**70**
Total comprehensive income	**9,089**	**6,838**
of which: attributable to shareholders of the parent	8,322	6,604
of which: attributable to non-controlling interests	767	234

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as of 30 June 2015

ASSETS

IN € THOUSAND	30.06.2015	31.12.2014
Non-current assets		
Intangible assets	2,831	2,745
Property, plant and equipment	37,623	32,932
Investment property	479,923	229,869
Shareholdings in companies accounted for under the equity method	129,323	52,616
Project financing	91,643	72,494
Other financial assets	11,024	9,103
Financial assets	10,543	129
Deferred tax assets	7,436	8,031
	770,346	**407,919**
Current assets		
Inventories	234.288	129,457
Trade receivables	49,372	22,604
Financial assets	15,201	129,069
Other receivables and current assets	10,044	1,826
Cash and cash equivalents	47,680	40,309
Assets held for sale	45,108	25,190
	401,693	**348,455**
	1,172,039	**756,374**

EQUITY AND LIABILITIES

IN € THOUSAND	30.06.2015	31.12.2014
Equity		
Share capital	22,417	18,000
Capital reserves	97,195	44,642
Other reserves	68,035	115,733
Mezzanine/hybrid capital	129,340	–
Equity attributable to shareholders of the parent	**316,987**	**178,375**
Non-controlling interests	5,900	2,071
	322,887	**180,446**
Non-current liabilities		
Provisions	12,340	7,832
Bonds	246,937	222,812
Non-current financial liabilities	289,889	197,337
Other non-current financial liabilities	18,776	2,460
Deferred tax liabilities	8,883	8,226
	576,825	**438,667**
Current liabilities		
Provisions	525	128
Bonds	–	48,523
Current financial liabilities	132,509	10,348
Trade payables	48,800	32,197
Other current financial liabilities	77,141	37,923
Other current liabilities	4,824	2,343
Tax payables	8,528	5,799
	272,327	**137,261**
	1,172,039	**756,374**

CONSOLIDATED CASH FLOW STATEMENT
for the business year from 1 Jan 2015 to 30 June 2015

IN € THOUSAND	1-6/2015	1-6/2014
Profit (loss) for the period	8,412	6,768
Depreciation, impairment and reversals of impairment on fixed assets	–4,098	1,837
Income from associates	956	–1,215
Decrease in long-term provisions	–66	–2,167
Deferred income tax	2,209	–924
Operating cash flow	**7,413**	**4,299**
Increase in short-term provisions	1,524	–
Profit on the disposal of assets	–327	27
Increase/Decrease in inventories	–49,049	144
Increase in receivables	–3,021	–14,761
Decrease in payables (excluding banks)	–11,836	–3,816
Other non-cash transactions	–1,114	705
Cash flow from operating activities	**–56,410**	**–13,402**
Proceeds from sale of property, plant and equipment and investment property	1,275	8,728
Proceeds from sale of financial assets	8,698	3,464
Proceeds from the disposal of assets held for sale	19,648	–
Investments in property, plant and equipment and investment property	–69,615	–12,308
Investments in financial assets	–2,839	–12,703
Other non-cash transactions	–	–112
Cash flow from investing activities	**–42,833**	**–12,931**
Dividends	–7,819	–3,720
Dividends paid out to non-controlling interests	–1,557	–
Proceeds from bonds	25,000	6,050
Repayment of bonds	–50,191	–
Redeeming loans and other financing	–16,722	–19,004
Obtaining loans and other financing	94,872	20,107
Capital increase	56,143	–
Other non-cash transactions	–	–157
Cash flow from financing activities	**99,726**	**3,276**
Cash flow from operating activities	**–56,410**	**–13,402**
Cash flow from investing activities	**–42,833**	**–12,931**
Cash flow from financing activities	**99,726**	**3,276**
Change to cash and cash equivalents	**483**	**–23,057**
Cash and cash equivalents at 1 Jan	40,309	59,893
Currency differences	294	–20
Changes to cash and cash equivalents resulting from changes to the consolidated group	6,594	–56
Cash and cash equivalents at 30 June	**47,680**	**36,760**
Interest paid	4,973	7,854
Interest received	2,005	237
Tax paid	3,154	3,470
Dividends received	1,110	–

Park Inn
Poland, Krakow

STATEMENT OF CHANGES IN GROUP EQUITY
for the business year 2015

IN € THOUSAND	Share capital	Capital reserves	Remeasure-ment from benefit obligations	Foreign currency translation reserves
Balance at 1 Jan 2014	**18,000**	**44,642**	**–543**	**1,973**
Total profit/loss for the period	–	–	–	70
Dividend payout	–	–	–	–
Changes in non-controlling interests	–	–	–	–
Balance at 30 June 2014	**18,000**	**44,642**	**–543**	**2,043**
Balance at 1 Jan 2015	**18,000**	**44,642**	**–1,307**	**1,991**
Additions from common control transaction	30	211	-912	–461
Total profit/loss for the period	–	–	–	–363
Dividend payout	–	–	–	–
Capital increase	4,387	52,342	–	–
Changes in non-controlling interests	–	–	–	–
Balance at 30 June 2015	**22,417**	**97,195**	**–2,219**	**1,167**

	Total debt securities available for sale – fair value reserve	Reserve for cash flow hedges	Other reserves	Mezzanine/ hybrid capital	Equity attributable to equity holders of the parent	Non-controlling interests	Total
	–	**–**	**97,795**	**–**	**161,867**	**1,852**	**163,719**
	–	–	6,534	–	**6,604**	234	6,838
	–	–	–3,720	–	**–3,720**	–	–3,720
	–	–	52	–	**52**	7	59
	–	**–**	**100,661**	**–**	**164,803**	**2,093**	**166,896**
	–	**–**	**115,049**	**–**	**178,375**	**2,071**	**180,446**
	57	–34,886	–9,663	126,729	**81,105**	3,761	**84,866**
	–2	1,038	4,731	2,918	**8,322**	767	**9,089**
	–	–	–7,512	–307	**–7,819**	–1,557	**–9,376**
	–	–	–	–	**56,729**	–	**56,729**
	–	–	275	–	**275**	858	**1,133**
	55	**–33,848**	**102,880**	**129,340**	**316,987**	**5,900**	**322,887**

SEGMENT REPORT [1]

IN € THOUSAND	Austria 6/2015	Austria 6/2014 [2]	Germany 6/2015	Germany 6/2014 [2]
Total output				
Administration	11,277	10,770	0	0
Hotel	6,739	4,148	16,626	11,857
Office	19,683	2,661	962	15,105
Other	49,612	17,957	250	18,074
Residential	5,177	30,191	17,658	8,924
Service	19,375	2,485	12,017	4,074
Total output	**111,863**	**68,212**	**47,513**	**58,034**
Less companies accounted for under the equity method, subordinated companies and portfolio changes	–81,877	–31,086	–133	–41,309
Revenues	**29,986**	**37,126**	**47,380**	**16,725**
EBT				
Administration	–13,207	–6,028	0	0
Hotel	4,644	0	4,030	1,548
Office	976	66	9,631	1,372
Other	–536	342	3,981	3,321
Residential	4,876	1,083	424	224
Service	–12,408	216	2,302	
Total EBT	**–15,655**	**–4,321**	**20,368**	**6,465**

1) Part of the notes
Intersegmental revenue is insignificant
2) Values for the previous year have been adjusted retrospectively in line with the new reporting structure

	Poland		Other markets		Group	
	6/2015	6/2014 [2)]	**6/2015**	6/2014 [2)]	**6/2015**	6/2014 [2)]
	0	0	0	0	11,277	10,770
	12,547	14,182	15,654	13,293	51,566	43,480
	3,915	5,802	352	379	24,912	23,947
	1,592	1,998	1,124	3,961	52,578	41,990
	451	574	1,530	9,730	24,816	49,419
	7,637	6,617	1,767	1,618	40,796	14,794
	26,142	**29,173**	**20,427**	**28,981**	**205,945**	**184,400**
	–7,654	–12,347	–6,479	–12,433	–96,143	–97,175
	18,488	**16,826**	**13,948**	**16,548**	**109,802**	**87,225**
	0	0	0	0	–13,207	–6,028
	1,113	40	46	–402	9,833	1,186
	2,499	1,322	22	30	13,128	2,790
	1,715	1,456	893	563	6,053	5,682
	–936	1,210	–677	3,292	3,687	5,809
	1,837	–310	4,088	–1,010	–4,181	–1,104
	6,228	**3,718**	**4,372**	**2,473**	**15,313**	**8,335**

Notes to the Interim Consolidated Financial Statements of

UBM Development AG as of 30 June 2015

I. GENERAL INFORMATION

The UBM Group consists of UBM Development AG (formerly: UBM Realitätenentwicklung Aktiengesellschaft) (UBM AG) and its subsidiaries. UBM AG is a public limited company according to Austrian law and has its registered head office at 1210 Vienna, Floridsdorfer Hauptstraße 1. The company is registered with the commercial court of Vienna under reference number FN 100059x. The Group deals mainly with the development, utilisation and management of real estate.

The interim consolidated financial statements have been prepared pursuant to IAS 34, Interim Financial Reporting, in accordance with the standards published by the International Accounting Standards Board (IASB) and adopted by the International Financial Reporting Standards (IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

In accordance with IAS 34, the interim consolidated financial statements do not contain every comprehensive entry which is obligatory in the annual financial statements and therefore this interim report should be read in conjunction with the annual report of the UBM Group as at 31 December 2014. As per IAS 34, the consolidated results of the interim consolidated financial statements are not necessarily indicative of the annual results.

The reporting currency is the Euro, which is also the functional currency of UBM AG and the majority of the subsidiaries included in the consolidated financial statements.

These interim consolidated financial statements were voluntarily submitted for an audit review.

II. CONSOLIDATED GROUP

In addition to UBM AG, 58 domestic subsidiaries (financial statements as of 31 December 2014: 9) and 69 foreign subsidiaries (financial statements as of 31 December 2014: 57) are included in these interim consolidated financial statements.

In the reporting period 51 companies were included in the UBM AG consolidated group for the first time due to the merger of PIAG Immobilien AG (PIAG), see item 2.1, as well as twelve companies as a result of new foundations or purchases, see item 2.2. A further three companies were included as a result of a change in control through the merger, and three companies were eliminated from internal transfers in the form of mergers or liquidations.

Furthermore, 21 domestic (financial statements as of 31 December 2014: 4) and 33 foreign (financial statements as of 31 December 2014: 30) associates and Group companies were valued under the equity method. In the reporting period 20 companies were included for the first time in the UBM AG interim consolidated financial statements as a result of the merger of PIAG and one company as a result of a purchase. One company was deconsolidated due to a sale.

2.1. MERGER

A resolution was passed at the extraordinary general meeting on 15 January 2015 on the basis of the merger agreement dated 28 November 2014, to merge PIAG as the transferring company and UBM AG, Vienna, as the acquiring company with a retrospective effective date of 1 July 2014, whereby the merger of PIAG with UBM AG, which was entered into the Commercial Register on 19 February 2015, involved the transfer of PIAG’s assets to UBM AG by way of universal legal succession without recourse to liquidation. This relates to a transaction under common control, which is not covered by the regulations of IFRS. The merger is presented as of 19 February 2015 at the carrying amounts.

The following companies were eliminated in the course of the merger:

- Bahnhofcenter Entwicklungs-, Errichtungs- und Betriebs GmbH
- Emiko Beteiligungsverwaltungs GmbH & Co. KG
- EPS Haagerfeldstraße - Business Hof Leonding 2 Errichtungs- und Verwertungs GmbH
- EPS MARIANNE-HAINISCH-GASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG
- EPS Office Franzosengraben GmbH & Co KG
- EPS Rathausplatz Guntramsdorf Errichtungs und Beteiligungsverwaltungs GmbH & Co KG
- EPS RINNBÖCKSTRASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG
- EPS Tivoli Hotelerrichtungs- und Beteiligungsverwaltungs GmbH
- EPS Welser Straße 17 Business Hof Leonding Errichtungs und Beteiligungs GmbH & Co KG
- Gepal Beteiligungsverwaltungs GmbH
- Gevas Beteiligungsverwaltungs GmbH
- Glamas Beteiligungsverwaltungs GmbH & Co "Delta" KG
- Golera Beteiligungsverwaltungs GmbH
- GORPO Projektentwicklungs- und Errichtungs-GmbH & Co KG
- Gospela Beteiligungsverwaltungs GmbH & Co KG
- Hotelbetrieb SFZ Immobilien GmbH & Co KG
- IBC Business Center Entwicklungs- und Errichtungs-GmbH
- Impulszentrum Telekom Betriebs GmbH
- Jandl Baugesellschaft m.b.H.
- MLSP Absberggasse Immobilien GmbH & Co KG
- MLSP IBC WEST Immobilien GmbH & Co KG
- MultiStorage GmbH & Co KG
- Porr - living Solutions GmbH
- Porr Infrastruktur Investment AG
- Projekt Ost - IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG
- Projekt West - IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG
- Sabimo Gerhard-Ellert-Platz GmbH
- Sabimo Immobilien GmbH
- Sabimo Liebenauer Hauptstraße GmbH
- Sabimo Monte Laa Bauplatz 2 GmbH
- Sabimo Söllheimer Straße GmbH
- SFZ Freizeitbetriebs-GmbH & Co KG
- SFZ Immobilien GmbH & Co KG
- Somax Beteiligungsverwaltungs GmbH
- STRAUSS & PARTNER Development GmbH
- Wibeba Holding GmbH
- WIPEG - Bauträger- und Projektentwicklungsgesellschaft m.b.H.
- WLB Projekt Laaer Berg Liegenschaftsverwertungs- und Beteiligungs-GmbH
- Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 5 "rosa" Projekt-OG

- ALBA BauProjektManagement Bulgaria EOOD
- ALBA BauProjektManagement GmbH
- Arena Boulevard GmbH & Co. KG
- Bartycka Real Estate Spólka z ograniczona odpowiedzialnoscia
- Gamma Real Estate Ingtalanfejlesztö és - hasznositó Korlátolt Felelösségü Társaság
- Lamda Imobiliare SRL

- Porr Solutions Polska Spólka z ograniczona odpowiedzialnoscia
- RE Moskevská spol.s.r.o.
- Sitnica drustvo s ogranicenom odgovornoscu za usluge
- SONUS City GmbH & Co. KG
- STRAUSS & CO Projektentwicklungs GmbH
- Yipsilon Imobiliare SRL

Through a change in control

- BMU Beta Liegenschaftsverwertung GmbH
- Ropa Liegenschaftsverwertung Gesellschaft m.b.H.
- St. Peter-Straße 14-16 Liegenschaftsverwertung Ges.m.b.H.

The following assets and liabilities were eliminated in the course of the merger:

IN € THOUSAND	19.02.2015
Non-current assets	
Intangible assets	109
Property, plant and equipment	4,639
Investment property	193,212
Shareholdings in companies accounted for under the equity method	76,373
Project financing	23,787
Other financial investments	2,203
Financial assets	10,491
Deferred tax assets	7,822
Total non-current assets	**318,636**
Current assets	
Inventories	59,083
Trade receivables	7,821
Financial assets	16,487
Other receivables and assets	1,720
Cash and cash equivalents	6,594
Assets held for sale	18,654
Total current assets	**110,359**
Non-current liabilities	
Provisions	–4,573
Bonds	0
Financial liabilities	–94,519
Other financial liabilities	–16,605
Other liabilities	0
Deferred tax payables	–6,908
Total non-current liabilities	**–122,605**
Current liabilities	
Provisions	–430
Bonds	0
Financial liabilities	–42,045
Trade payables	–17,769
Other financial liabilities	–159,045
Other liabilities	–1,047
Tax payables	–1,189
Total current liabilities	**–221,525**

Other financial liabilities include liabilities owed to the UBM Group of T€ 108,011. The companies contributed T€ 3,568 to the pre-tax profit for the period and T€ 32,737 to revenues.

The significant changes to segment and assets and segment liabilities relate to the merger and break down as follows:

		thereof			
IN € THOUSAND	Total 19.02.2015	Austria 19.02.2015	Germany 19.02.2015	Poland 19.02.2015	Other markets 19.02.2015
Segment assets	**428,995**	**309,104**	**44,937**	**2,474**	**72,480**
of which intangible assets, property, plant and equipment and investment property	197,960	168,961	10,193	0	18,806
of which interests in companies accounted for under the equity method	76,373	60,919	201	0	15,253
Segment liabilities	**–344,130**	**–253,593**	**–44,193**	**–2,527**	**–43,817**

Furthermore, the internal reporting structure has been newly adapted in the course of the merger with regard to the geographic breakdown and the division in asset classes.

2.2. FIRST-TIME CONSOLIDATIONS

The following twelve companies were consolidated in full for the first time in these interim financial statements:

BECAUSE OF NEW FOUNDATIONS	Date of initial consolidation
UBM Twarda Sp. z o.o.	06.02.2015
UBM Kotlarska Sp. z o.o.	22.06.2015

BECAUSE OF ACQUISITIONS	Date of initial consolidation
EPS Höhenstraße Immobilien GmbH	01.01.2015
EPS Immobilienmanagment "Schützenwirt" GmbH & CO KG	01.01.2015
EPS Immobilienmanagement "Kreuzstraße" GmbH & CO KG	01.01.2015
QBC Immobilien GmbH & Co Beta KG	01.01.2015
QBC Immobilien GmbH & Co Epsilon KG	01.01.2015
QBC Immobilien Gmbh & Co Zeta KG	01.01.2015
Yavin Spólka z ograniczona odpowiedzialnoscia	01.01.2015
Poplar Company spólka z ograniczona odpowiedzialnoscia	01.01.2015
VB Real Estate Leasing Dike GmbH	01.04.2015

BECAUSE OF AN INCREASE IN SHARES HELD	Date of initial consolidation
UBX 3 s.r.o.	01.01.2015

The acquisitions relate to the purchase of property and the respective financing of this real estate, which does not qualify as a business combination under IFRS 3.

III. ACCOUNTING AND VALUATION METHODS

The accounting and valuation methods applied in the consolidated financial statements of 31 December 2014, which are presented in the notes to the consolidated annual financial statements, were used unmodified in the interim report, with the exception of the following standards and interpretations which have been adopted for the first time:

Amendments to standards and interpretations

Amendment to IAS 19 Employee Benefits
The amendment clarifies how contributions from employees or third parties which are linked to service should be attributed to periods of service and also permits a practical expedient if the amount of the contributions is independent of the number of years of service. The amendment applies to fiscal years beginning on or after 1 July 2014.

Annual Improvements to IFRSs (2010–2012 Cycle)
The Annual Improvements to IFRSs 2010–2012 Cycle contain a number of minor amendments to different standards. The amendments apply to fiscal years beginning on or after 1 July 2014. The standards affected by these amendments include: IFRS 2 Share-based Payment; IFRS 3 Business Combinations; IFRS 8 Operating Segments; IFRS 13 Fair Value Measurement; IAS 16 Property, Plant and Equipment; IAS 24 Related Party Disclosures; and IAS 38 Intangible Assets.

Annual Improvements to IFRSs (2011–2013 Cycle)
The Annual Improvements to IFRSs 2011–2013 Cycle contain a number of minor amendments to different standards. The amendments apply to fiscal years beginning on or after 1 July 2014. The standards affected by these amendments include: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 3 Business Combinations; IFRS 13 Fair Value Measurement; and IAS 40 Investment Property.

The main purpose of the Annual Improvements project is to clarify the formulation of existing IFRSs and make small amendments to eliminate unforeseen consequences and conflicts.

New interpretations

IFRIC 21 – Levies
The interpretation provides guidance on when to recognise a liability for a levy imposed by a government. The interpretations apply to fiscal years beginning on or after 17 June 2014.

The first-time application of the interpretations and amendments to the standards have not had an impact on the interim consolidated financial statements.

The interim consolidated financial statements at 30 June 2015 use the same consolidation methods and basis for currency exchange as were used in the annual financial statements of 31 December 2014.

IV. ESTIMATES AND ASSUMPTIONS

Producing interim consolidated financial statements in accordance with IFRSs requires management to make estimates and assumptions which affect the amount and disclosure of assets and liabilities in the statement of financial position, income and expense, as well as entries regarding contingent liabilities in the interim report. Actual results may deviate from these estimates.

V. DIVIDENDS

A resolution was passed at the Annual General Meeting on 20 May 2015 to pay out a dividend of € 1.25 per ordinary share, which corresponds to € 7,512,500 for 6,010,000 ordinary shares, with the remainder of € 8,073 carried forward to new account. The dividends were paid out on 26 May 2015.

VI. EARNINGS PER SHARE

IN € THOUSAND	1-6/2015	1-6/2014
Proportion of surplus relating to shareholders of the parent	7,648,658.67	6,534,130.53
Weighted average number of shares issued	6,322,293	6,000,000
Basic earnings per share = diluted earnings per share in €	**1.21**	**1.09**

VII. SHARE CAPITAL

SHARE CAPITAL	No. in 2015	€ 2015	No. in 2014	€ 2014
Ordinary bearer shares	7,472,180	22,416,540	6,000,000	18,000,000

In connection with the merger with PIAG, which was entered into the Commercial Register on 19 February 2015, UBM increased its share capital by issuing 10,000 new no-par bearer shares for € 30,000. As the transferring company, PIAG's assets were used as contribution in kind for the capital increase. The new shares as part of the capital increase were transferred by UBM AG to the PIAG shareholders at the pro-rata amount of share capital due to them of € 3.00 per share without applying a premium.

With resolutions passed by the Managing Board and Supervisory Board on 17 April 2015, 21 April 2015 and 7 May 2015, on the basis of the authorisation granted by the Annual General Meeting, the Company's share capital was increased in two tranches from € 18,030,000 by € 4,386,540 to € 22,416,540, by issuing a total of 1,462,180 new no-par bearer shares with voting rights and pro-rata share of share capital of € 3 each and entitled to share in profits from the business year 2015, as part of a capital increase.

VIII. AUTHORISED CAPITAL

Within five years of the appropriate changes to the statutes being entered into the Commercial Register and approval being granted by the Supervisory Board, the Managing Board is authorised to increase the share capital by up to € 9,000,000 by issuing up to 3,000,000 new ordinary no-par bearer shares in exchange for cash and/or contribution in kind, in multiple tranches if so wished, also under application of indirect pre-emptive rights pursuant to Art. 153 Sec. 6 Austrian Stock Corporation Act; the Managing Board is also authorised to specify the issue price, issue conditions, the subscription ratio and other details with the approval of the Supervisory Board. The Supervisory Board is entitled to pass resolutions on amending the statutes to allow the Managing Board to make use of this authorisation.

Furthermore, the Managing Board is permitted, with the approval of the Supervisory Board, to acquire treasury shares in the Company up to the legally permitted level of 10% of share capital, including treasury shares already bought back for a 30-month period beginning on the date the resolution was passed (22 May 2015).

IX. MEZZANINE AND HYBRID CAPITAL

The merger of PIAG as the transferring company and UBM AG as the absorbing company led to the transfer of mezzanine capital totalling €100 million and hybrid capital totalling €25.3 million, issued by PIAG in November 2014, to UBM AG by way of legal succession. Both the mezzanine capital and the hybrid capital are fundamentally subject to ongoing interest.

UBM AG is only obliged to pay interest on the mezzanine capital and hybrid capital if it resolves to pay a dividend to shar holders from the annual surplus. UBM AG is not obliged to pay the due interest for one year in the absence of a profit payout, and if the issuer utilises their right not to pay, then this unpaid interest is kept in arrears which must be paid as soon as the issuer decides that a dividend from the annual surplus is payable to their holdings or shareholders.

In the case of dismissal by UBM AG of the mezzanine or hybrid capital, the mezzanine or hybrid capital becomes due to the holders, in addition to the valid interest accrued by this date and outstanding interest. The hybrid capital can only be paid back if, prior to the pay back, a process is carried out in accordance with Art. 178 Stock Exchange Act in the amount of the planned equity pay back in the course of a capital increase in accordance with Art. 149 et seq. Stock Exchange Act, or if a capital adjustment is carried out.

As payments, interest and capital redemption are only compulsory when the conditions are activated, where their activation can be authorised or prevented by UBM AG, and the Group therefore has the option of avoiding payment on the mezzanine and hybrid capital permanently, this mezzanine and hybrid capital is categorised as equity instruments. Interest which is paid, less any tax effect such as profit payouts, is to be recorded directly in equity as a deduction.

Both the mezzanine capital and the hybrid capital were held by PORR AG.

X. BONDS

IN € THOUSAND	2015
Performance	
Balance at 1 Jan	271,335
Issued	25, 000
Buyback	–50,191
Increase in effective interest	793
Balance at 30 June	**246,937**

XI. FINANCIAL INSTRUMENTS

In accordance with IFRS 7.29, the carrying amount of the financial instruments represents a reasonable approximation of the fair value, with the exception of held-to-maturity financial assets and available-for-sale assets (fair value hierarchy level 1), bonds subject to fixed interest rates (fair value hierarchy level 1) and borrowings and overdrafts from banks subject to fixed interest rates and other financial liabilities subject to fixed interest rates (fair value hierarchy level 3).

CARRYING AMOUNTS, MEASUREMENT RATES AND FAIR VALUES

	Measurement in acc. with IAS 39						
	Measure-ment in acc. with IAS 39	Carrying amount at 30.06.2015	(Continu-ing) acquisi-tion costs	Fair value other com-prehensive income	Fair value affecting net income	Fair value hierarchy (IFRS 7.27 A)	Fair value at 30.06.2015
ASSETS							
Project financing							
at variable interest rates	LaR	91,643	91,643	–	–	–	–
Other financial assets	HtM	2,907	2,907	–	–	Level 1	3,515
Other financial assets	AfS (at cost)	6,938	6,938	–	–	–	–
Other financial assets	AfS	1,179	–	1,179	–	Level 1	1,179
Trade receivables	LaR	47,128	47,128	–	–	–	–
Financial assets	LaR	25,744	25,744	–	–	–	–
Cash and cash equivalents	–	47,680	47,680	–	–	–	–
LIABILITIES							
Bonds							
at fixed interest rates	FLAC	246,937	246,937	–	–	Level 1	256,941
Borrowings and overdrafts from banks							
at variable interest rates	FLAC	300,468	300,468	–	–	–	–
at fixed interest rates	FLAC	950	950	–	–	Level 3	932
Other financial liabilities							
at variable interest rates	FLAC	9,396	9,396	–	–	–	–
at fixed interest rates	FLAC	74,207	74,207	–	–	Level 3	73,276
Lease obligations	–	37,095	37,095	–	–	–	–
Trade payables	FLAC	48,800	48,800	–	–	–	–
Other financial liabilities	FLAC	95,917	95,917	–	–	–	–
Derivatives (without hedges)	FLHfT	281	–	–	281	–	–
BY CATEGORY:							
Loans and receivables	LaR	164,515	164,515	–	–	–	–
Held to maturity	HtM	2,907	2,907	–	–	–	–
Available-for-sale financial assets	AfS (at cost)	6,938	6,938	–	–	–	–
Available-for-sale financial assets	AfS	1,179	–	1,179	–	–	–
Cash and cash equivalents	–	47,680	47,680	–	–	–	–
Financial liabilities measured at amortised cost	FLAC	776,675	776,675	–	–	–	–
Financial liabilities held for trading	FLHfT	281	–	–	281	–	–

Measurement in acc. with IAS 39							
	Measure-ment in acc. with IAS 39	Carrying amount at 31.12.2014	(Continu-ing) acquisi-tion costs	Fair value other com-prehensive income	Fair value affecting net income	Fair value hierarchy (IFRS 7.27 A)	Fair value at 31.12.2014
ASSETS							
Project financing							
at variable interest rates	LaR	72,494	72,494	–	–	–	–
Other financial assets	HtM	2,907	2,907	–	–	Level 1	3,575
Other financial assets	AfS (at cost)	5,923	5,923	–	–	–	–
Other financial assets	AfS	273	–	273	–	Level 1	273
Trade receivables	LaR	16,830	16,830	–	–	–	–
Financial assets	LaR	129,198	129,198	–	–	–	–
Cash and cash equivalents	–	40,309	40,309	–	–	–	–
LIABILITIES							
Bonds							
at fixed interest rates	FLAC	271,335	271,335	–	–	Level 1	281,335
Borrowings and overdrafts from banks							
at variable interest rates	FLAC	146,657	146,657	–	–	–	–
at fixed interest rates	FLAC	865	865	–	–	Level 3	843
Other financial liabilities							
at variable interest rates	FLAC	10,130	10,130	–	–	–	–
at fixed interest rates	FLAC	26,801	26,801	–	–	Level 3	30,914
Lease obligations	–	22,210	22,210	–	–	–	–
Trade payables	FLAC	32,197	32,197	–	–	–	–
Other financial liabilities	FLAC	40,383	40,383	–	–	–	–
Derivatives (without hedges)	FLHfT	1,022	–	–	1,022	–	–
BY CATEGORY:							
Loans and receivables	LaR	218,522	218,522	–	–	–	–
Held to maturity	HtM	2,907	2,907	–	–	–	–
Available-for-sale financial assets	AfS (at cost)	5,923	5,923	–	–	–	–
Available-for-sale financial assets	AfS	273	–	273	–	–	–
Cash and cash equivalents	–	40,309	40,309	–	–	–	–
Financial liabilities measured at amortised cost	FLAC	528,368	528,368	–	–	–	–
Financial liabilities held for trading	FLHfT	1,022	–	–	1,022	–	–

XII. TRANSACTIONS WITH RELATED PARTIES

Transactions between Group companies and those accounted for under the equity method primarily relate to providing loans for the acquisition of investment property and the respective interest charges.

In addition to companies accounted for under the equity method, related parties pursuant to IAS 24 include PORR AG and its subsidiaries, as well as companies of the Ortner Group and Strauss Group as they, or their controlling entity has significant influence over UBM AG as a result of the existing syndicate.

Transactions in the business year between companies included in the UBM Group's consolidated financial statements and the PORR Group companies primarily relate to construction services and a loan totalling T€ 150,000, of which T€ 46,121 had been drawn on as at the reporting date. The loan is for the purpose of advance and interim financing of property development projects.

XIII. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no events after the end of the reporting period which are subject to disclosure.

26 August 2015, Vienna
The Managing Board

Karl Bier
(CEO)

Heribert Smolé

Martin Löcker

Claus Stadler

Michael Wurzinger, MRICS

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This Half Yearly report also contains statements relating to the future which are based on estimates and assumptions which are made by managerial staff to the best of their current knowledge.

Future-related statements may be identified as such by expressions such as "expected", "target" or similar constructions. Forecasts related to the future development of the Group take the form of estimates based on information available on 30 June 2015. Actual results may differ from the forecast if they are shown to be based on inaccurate assumptions or are subject to unforeseen risks.

Every care has been taken to ensure that all information contained in every part of this Half Yearly report as of 30 June 2015 is accurate and complete. However, we regret that we cannot rule out possible round-off, typesetting and printing errors.

This report is a translation into English of the interim report issued in the German language and is provided solely for the convenience of English-speaking users. In the event of a discrepancy or translation error, the German-language version prevails.

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Together
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planning
growth and
success.

ubm
development