



**Non-binding translation
of the**

Report

in accordance with §§ 13 et seqq Austrian

Takeover Act by the expert

appointed by

ECO Business-Immobilien AG

as Target Company regarding the takeover

offer of

conwert Immobilien Invest SE

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ECO Business-Immobilien AG, Vienna
Report of the expert appointed by the Target Company pursuant to §§ 13 et seqq
Austrian Takeover Act regarding the Offer of conwert Immobilien Invest SE
5 July 2010

Attachments

Attachment

Insurance confirmation acc. to § 9 (2) lit a Austrian Take-Over Act	I
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Rounding: Rounding differences may arise from the summation of rounded figures.

List of Abbreviations

Abbreviation	Definition
AktG	Aktiengesetz – Stock Corporation Act
Offer Share	All shares of the Target Company neither owned by the Bidder nor by parties acting in concert with the Bidder
Offer price	The price offered for each Offer Share in cash
Bidder	conwert Immobilien Invest SE, Albergasse 35, 1080 Wien, FN 212163f
BörseG	Stock Exchange Act
CEE	Central Eastern Europe
Credit Suisse	Credit Suisse Securities (Europe) Limited, Frankfurt
SEE	South Eastern Europe
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
ECO	ECO Business-Immobilien AG, Opernring 1, 1010 Wien, FN 241364y
EPRA	European Public Real Estate Association
EU	European Union
EUR	Euro
FN	Commercial registry number
Parties acting in concert with the Bidder	For this purpose acc. to §1 no. 6 Austrian Takeover Act and the Offer Document the Bidder and Mag. Johann Kowar (including companies attributable to him)
ISIN	International Securities Identification Number
P/E	Price Earnings Ratio
KMG	Kapitalmarktgesetz - Capital Market Act
KWT	Kammer der Wirtschaftstreuhänder - Chamber of Austrian Chartered Accountants
m	Millions or months, respectively
NAV	Net Asset Value
NNNAV	Triple Net Asset Value according to EPRA
Approx	Approximately
Due date	The day before the announcement of the intention to launch a takeover bid: 14 June 2010
Target Company	ECO Business-Immobilien AG, Opernring 1, 1010 Wien, FN 241364y
6m	Time period of 6 month.



1. Scope of the Engagement

Conwert Immobilien Invest SE (“Conwert” or “Bidder”) announced to launch a voluntary takeover bid to acquire a controlling interest in

ECO Business-Immobilien AG
 (“ECO” or “Target Company”).

In this context the Management Board of ECO appointed KPMG Alpen-Treuhand GmbH (in the following “KPMG” or “we” or “us”) as the independent expert in accordance with §§ 13 et seqq of the Austrian Takeover Act by letter dated June 18, 2010. The Supervisory Board approved our appointment by resolution on 24 June 2010.

We are independent of ECO in accordance with the regulations of our profession, The insurance coverage required by § 9 (2) of the Austrian Takeover Act exists (see Attachment I). Our engagement is based on the "**General Conditions of Contract for the Public Accounting Professions**" issued by the Chamber of Austrian Chartered Accountants ("Allgemeine Auftragsbedingungen für Wirtschaftstreuhandberufe") (see Attachment IV).

This report is prepared solely for the purpose of assessing the takeover offer. The use of this report for any other proposes is not permitted.

The Management Board and Supervisory Board of ECO have confirmed to us in a letter of representation that they have provided us with all documents and information known to them, relevant for the evaluation of the public takeover offer. Moreover they confirmed the accuracy and completeness of the provided documents and information.

We performed our services in our office in Vienna as well as at the premises of the client. During our engagement, we interviewed the Management Board of the Target Company as well as representatives named by the Management Board.

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2. Summary of the Takeover Offer

On 15 June 2010 the Bidder announced his intention to submit a takeover offer in order to acquire a controlling interest in ECO pursuant to § 25a of the Austrian Takeover Act. The Offer Document was published on 2 July, 2010.

The Offer is directed to all shares, which are neither owned by the Bidder nor by a party acting in concert with the Bidder, i.e. 25,380,086 shares ("Offer Shares"). Based on the assumption of a complete acceptance of the Offer, the Bidder expects a total financing volume for the Offer of EUR 185.5 million including transaction costs.

The Offer can be accepted by the holders of Offer Shares from 2 July 2010 until (incl.) 30 July 2010.

The Bidder pays all transaction costs. Income taxes and other taxes, which are not considered transaction costs, are not reimbursed by the Bidder.

2.1. Offer conditions

In accordance with the Offer Document, the Offer is subject to the following conditions precedent:

- i. Non-prohibition and/or clearance of the envisaged transaction by the competent antitrust authorities of Austria and Germany by 31 August 2010.
- ii. The Bidder purchases more than 50% of the Shares in the Target Company which are subject of the Offer. If the Bidder and parties acting in concert with the Bidder purchase Shares in parallel to the Offer, such share purchases shall be added to the declarations of acceptance.
- iii. The Target Company has neither become insolvent (*zahlungsunfähig*) nor have bankruptcy proceedings, restructuring proceedings (*Sanierungsverfahren*) or reorganisation proceedings been initiated or dismissed by a competent court due to lack of assets.
- iv. No changes or events will occur until the end of the Acceptance Period which result in or are very likely to result in a reduction of the consolidated equity (excluding non-controlling interests) of the Target Company by 15% or more compared to the consolidated equity (excluding non-controlling interest) as of 31 March 2010.

The Bidder reserves the right to waive one or both conditions precedent as specified in section iii and section iv no later than at the end of the Acceptance Period. Upon exercise of that right the condition(s) precedent waived are deemed to have been fulfilled.

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The Bidder reserves the right to withdraw from his offer according to Offer Document 4.10 in the case of competitive offers.

2.2. Interdependencies between Bidder and the Target Company

The Bidder currently holds 8,490,900 Shares in the Target Company which is equivalent to 24.90% of the nominal share capital.

The Bidder points out the existence of several personnel, organizational, economic and legal interdependencies between the Bidder and the Target Company as well as its subsidiaries. Personnel interdependencies concern especially the Management and Supervisory Board of the Target Company. Organizational integration mainly concerns the management of all ordinary activities of ECO and its subsidiaries by the Bidder. This relationship is based on a management contract, which is concluded between the Target Company and ECO Management GmbH (wholly owned by Bidder). For further information please refer to chapter 5.4 of the Offer Document.

2.3. Parties acting in concert with the Bidder

Parties acting in concert with the Bidder according to the Offer Document are Mr. Johann Kowar and companies controlled by him. Therefore, the Bidder and the parties acting in concert with the Bidder hold a total of 8,490,900 and 229,014, respectively, of shares in ECO. These figures do not include any potential transactions with respect to shares and the future or optional acquisition of shares in the Target Company by the Bidder.

2.4. Offer Price

The offer price equals EUR 7.15 per Offer Share in cash ("Offer Price").

According to the Offer Document, the Offer Price is based, among other factors, on the volume weighted average share price of the last six (6) and twelve (12) months, respectively in accordance with statutory regulations for the minimum price. Furthermore, the Bidder has considered publicly available information on the Target Company in the Offer Price. Among others, the Bidder refers to an analysis of the Target Company prepared by Erste Group Research stating a price target of EUR 6.20 per share as well as to stock market data from comparable companies.

According to the Offer Document the Offer Price is higher than the closing price on the day before the announcement of the Offer and higher than the volume weighted average share price of the last six (6) months preceding the announcement of the intention to launch an offer.

The Bidder and parties acting in concert with the Bidder declare that they have not purchased any shares in the Target Company during the 12 months preceding the announcement of the Offer. The Offer price exceeds therefore the legal minimum price.

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2.5. Transactions in shares of the Target Company according to § 16 (2) Takeover Act

In the Offer Document, the Bidder confirms that the Offer Price is the same for all holders of Offer Shares in the Target Company and that the legal requirements on equal treatment of all shareholders will be complied with during the period of the Offer.

Should the Bidder or the parties acting in concert acquire Offer Shares at terms and conditions more favorable than those of the Offer during a period of nine months after expiry of the Acceptance Period, such more favorable terms and conditions shall also apply to all other holders of Offer Shares in the Target Company, even if they have already accepted the Offer. The Bidder is obliged to settle the difference by subsequent payment.

The acquisition of Offer Shares in ECO by the Bidder or parties acting in concert with the Bidder in the course of a capital increase or the payment of a higher consideration in connection with a procedure pursuant to the Act on the Squeeze-out of Minority Shareholders (*Gesellschafter-Ausschlussgesetz*) are excluded from the subsequent payment obligation by the Bidder.

2.6. Aims of the Takeover

According to the Offer Document, the Bidder aims to simplify the present structure and increase flexibility to allow for the implementation of value-increasing measures. Even in the case of a complete takeover of ECO, the Bidder's business focus will remain on the residential real estate market.

The Bidder points out that in case of merging the Target Company with the Bidder, the Target Company as the transferring company would be dissolved without liquidation and the current shareholders of the Target Company would become shareholders of the absorbing company. Furthermore, if the Bidder acquires 90% or more of the Target Company's share capital, it will be entitled to carry out squeeze-out procedures of the minority shareholders (*Gesellschafter-Ausschlussgesetzes*).

Furthermore, the Bidder reserves the right to make use of other legally permitted options to remove the shareholders remaining after the Acceptance Period (including, if any, the Additional Acceptance Period) has elapsed.

The Offer Document indicates a possible delisting from the Prime Market and the potential end of stock market trading (delisting), which would likely restrict the share's liquidity.

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3. Evaluation of the Takeover Offer

In the recent past, valuations of real estate businesses were subject to unusually high fluctuations in value, which may adversely impact the reliability of the following valuation considerations. We evaluated the economic appropriateness of the Offer on the basis of various market oriented valuation considerations. An analysis based on a fundamental valuation approach (e.g. DCF) was not conducted, since a recent business plan approved by the Management Board (Vorstand) and the Supervisory Board (Aufsichtsrat) was not available. In our view other approaches are more important for the valuation of real estate companies.

3.1. Legally permitted minimum limit of the Offer Price

The Offer Price amounts to EUR 7.15 per Offer Share. Pursuant to § 26 (1) Austrian Takeover Act the price of a voluntary takeover bid in order to acquire a controlling interest in the Target Company has to meet two requirements:

1. The price for a voluntary takeover offer may not be less than the highest price paid or granted by the Bidder, or parties acting in concert with the Bidder, within the last 12 months preceding the announcement of the takeover offer for shares in the target company (§ 26 (1) 1. sentence Austrian Takeover Act).

In accordance with the information presented in the Offer Document, neither the Bidder nor a party acting in concert with the bidder purchased shares in the Target Company within the last 12 months preceding the day prior to the announcement of the Offer. In the event the Bidder or parties acting in concert with the Bidder would purchase Offer Shares for more favorable conditions than the Offer Price, those improved terms would in general - within certain time limits - apply to all holders of Offer Shares irrespective of whether they have accepted the Offer or not (reference is made to Offer Document 4.13).

In our role as expert appointed by the Target Company we had no access to the documentation of the Bidder or the parties acting in concert with the Bidder for the purpose of assessing the accuracy of information provided by the Bidder. In accordance with the information stated in the Offer Document the legal requirements regarding the minimum price are met.

2. In addition, the Offer Price must equal or exceed the average share price of the Target Company, weighted by the respective stock trading volumes, during the last 6 months prior to the date on which the intention to launch the Offer was announced. This announcement was issued on 15 June 2010. The volume weighted average price during the last 6 month prior to the announcement of the intention to launch the Offer amounted to EUR 4.85 per share (based on intraday volume weighted average

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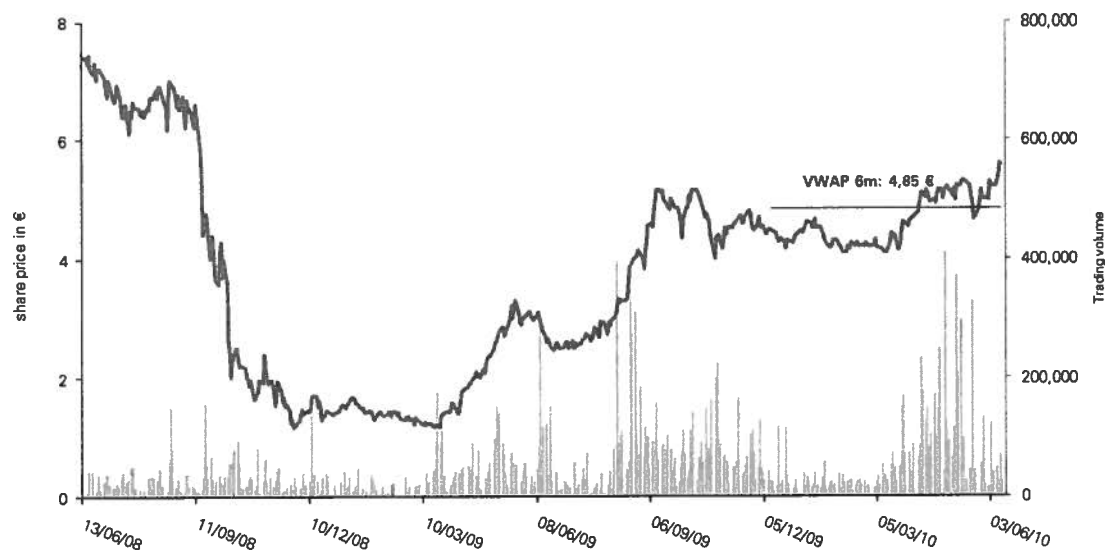
transaction prices acc. to Bloomberg data). The cash-based offer price equals EUR 7.15 and is therefore approx. 47% higher than the mentioned volume weighted average price.

3.2. Development of the share price of the Target Company

ECO has been publicly listed on the Wiener Börse (Vienna Stock Exchange) since 2005 and it has been a member of the Prime Market Segment since 2007. As of the due date, the Target Company has 34.1m shares outstanding. According to the Offer Document 24.9% of the share capital is held by the Bidder (or approx. 25.6% by the parties acting in concert, respectively)

Our analyses refer to the due date 14 June 2010. That is the day prior to the announcement of the intention to launch the takeover offer by the Bidder. That day the share closed at EUR 5.58.

ECO Business-Immobilien - share price development until 14 June 2010



The share price was impacted severely by the real estate and financial crises and dropped heavily in the last quarter of 2008. Since then the price has recovered partially, only. In comparison to the issuing price in 2005 of EUR 10.6 per share, the market capitalization as of the due date is about 47% lower. Hence, the Offer Price is approx. 33% lower than the issuing price at the time.

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Since April 2010, Eco has quoted mostly above its 6m volume weighted average share price amounting to EUR 4.85 as of the due date. As per 14 June 2010 the price is about 15% above the relating 6m average. The Offer Price comprises a premium of approx. 28% compared to the share price as at the due date and of approx. 47% to the 6m average. The table below presents the volume weighted average prices for the different observation periods and the relating premiums included in the Offer Price.

Premium analysis	Analyst				
	14/06/10	Ø 3m	Ø 6m	Ø 12m	22/04/10
Share price	5.58	4.98	4.85	4.45	6.20
Offer Price	7.15	7.15	7.15	7.15	7.15
Delta to Offer	1.57	2.17	2.30	2.70	0.95
Premium in %	28.1%	43.6%	47.4%	60.7%	15.3%

Our analyses show that the Offer Price comprises a significant premium compared to the average shares prices of the Target Company. However, the long-term share price development of the most recent years also demonstrates that the present share price is clearly below quotes observed prior to the real estate and financial crisis.

3.3. Valuation based on Net Asset Value

3.3.1. Valuation approach

An important criterion for the value of a real estate company is the Net Asset Value (“NAV”). The NAV is defined as the sum of assets (at fair value) less liabilities of the company. In addition, the European Public Real Estate Association („EPRA“) recommends further adjustments leading to modified calculations of the NAV, e.g. the NNNAV (Tripple Net Asset Value).

Even though real estate assets are essential for the value of the company, for this valuation purpose the company as a whole must be considered. For that reason we refer in our analyses to the NAV defined as the IFRS equity less non-controlling interest (minorities) without applying further adjustments according to EPRA.

3.3.2. Expert opinions on real estate

The value of a real estate company is significantly determined by the market value of its real estate portfolio. For the financial statements of the Company every single property is evaluated by an external expert at least once a year. The values are updated on a quarterly basis taking into account the most recent tenant lists, new tenant contracts, notices of termination as well as capital expenditure plans. We were provided with the updated fair values of the properties as of 31 March 2010.

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The expert opinions are conducted basically by three different experts who perform their work based on the Austrian Property Valuation Act (“Liegenschaftsbewertungsgesetz”). The valuation was predominately performed applying capitalized earnings value and DCF methodologies.

In our evaluation of the appropriateness of the Offer Price we also rely on the IFRS value of the real estate portfolio. Therefore we performed a review of a sample of expert opinions regarding the real estate portfolio. In this process we performed a high level plausibility check of the significant value drivers and assumptions (rents, operating costs, vacancy rates and yields). The focus of our work was the plausibility check of the methodical approach and the compliance with valuation standards. Pursuant to IAS 40 the fair value is defined as the “amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction”. This definition is in line with the definition of the fair value according to § 2 (2) and (3) of the Austrian Property Valuation Act.

Additional analyses were not performed by us. In particular, we neither reviewed documents such as land register excerpts, certificates, contracts or plans nor did we conduct site visits.

3.3.3. NAV - Analysis

Based on figures reported in the financial statements, ECO presented a development of NAVs and NNNAVs as follows:

ECO Business-Immobilien AG - NAV and NNNAV calculation				
In €m	Dec 07	Dec 08	Dec 09	Mar 10
Equity excl. minorities (NAV)	422.9	368.2	356.5	354.4
Hidden reserves Hold-Portfolio as per financial statements	30.3	-	-	-
Deferred taxes	14.7	8.2	5.6	4.9
EPRA NAV after adjustments	468.0	376.4	362.1	359.3
Value adjustments for financial instruments	2.4	0.1	-	-
Deferred taxes	-1.1	-10.9	-11.0	-11.2
EPRA NNNAV	469.3	365.6	351.1	348.1
NNNAV per share in €	13.76	10.72	10.30	10.21
Change of NNN in comparison to prior period	12.5%	-22.1%	-4.0%	-0.8%
NAV/share in €	12.40	10.80	10.45	10.39
Change of NNN in comparison to prior period	5.2%	-12.9%	-3.2%	-0.6%

Calculation as per annual-/ quarterly financial statements

As a result of the depreciation of the real estate portfolio the NAV declined by about 3.2% in 2009 and approx. 12.9% in 2008. In the first quarter of 2010 the NAV was slightly reduced to EUR 10.39 (-0.6%). The deviation of the NNNAV acc. to EPRA – in this case basically eliminating the effects of deferred tax assets and liabilities – to the NAV is only minor.

A comparison of the “price to NAV”-ratio of a peer group of comparable, publicly listed real estate companies results in high discounts to the NAV. The average discount as at the due date

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(14 June 2010) amounts to approx. 42-45%. In the year 2008 it was about 69-71%. In 2007, prior to the commencing of the real estate and financial crisis, discounts of 23-25% were observed.

During the last years the discount to NAV of the peer group amounted to about 26-27% in average (see table below). Please note that the average discount on ECO is higher and amounts to approx. 34%.

NAV Analysis	Ø 06-Q1/102	30 Dec 2005	19 Dec 2006	31 Dec 2007	31 Dec 2008	31 Dec 2009	31 Mar 2010	14 Jun 2010
Figures in €								
NAV per Share¹⁾								
Immofinanz AG ³⁾		7.2	8.4	9.3	4.9	4.9	4.9	4.9
Sparkassen Immobilien AG		7.3	8.5	8.9	8.5	7.03	7.01	7.01
Atrium European Real Estate		13.5	15.2	14.4	10.2	5.7	5.8	5.8
Conwert Immobilien Invest SE ¹⁾		13.2	14.5	16.2	15.6	15.7	15.8	15.8
CA Immo International AG		19.5	20.8	22.0	18.6	17.9	17.6	17.6
ECO Business-Immobilien AG		11.0	11.8	12.4	10.8	10.5	10.4	10.4
Ø Share price in quarter								
Immofinanz AG		8.0	9.8	7.5	0.8	2.7	2.5	2.5
Sparkassen Immobilien AG		8.4	9.1	7.9	3.0	5.2	4.8	4.8
Atrium European Real Estate		14.8	17.7	9.5	3.5	4.7	4.6	3.7
Conwert Immobilien Invest SE ¹⁾		13.8	15.9	11.9	4.8	8.8	8.5	8.8
CA Immo International AG		20.4	21.3	16.6	5.1	9.2	7.8	9.0
ECO Business-Immobilien AG		11.3	12.9	8.6	1.9	4.6	4.3	5.6
Discount (-) / Premium (+) on NAV								
Immofinanz AG		10.2%	16.6%	-19.5%	-83.2%	-44.7%	-49.4%	-48.8%
Sparkassen Immobilien AG		16.2%	7.1%	-11.0%	-64.3%	-25.9%	-32.1%	-32.2%
Atrium European Real Estate		9.7%	17.0%	-34.0%	-65.6%	-17.1%	-21.1%	-36.1%
Conwert Immobilien Invest SE ¹⁾		4.4%	9.8%	-26.6%	-68.8%	-44.1%	-46.0%	-44.8%
CA Immo International AG		4.7%	2.7%	-24.9%	-72.5%	-48.6%	-55.5%	-48.8%
Median		-26.7%	9.7%	9.8%	-24.9%	-68.8%	-44.1%	-46.0%
Average		-26.0%	9.0%	10.6%	-23.2%	-70.9%	-36.1%	-40.8%
ECO Business-Immobilien AG		-33.5%	2.7%	9.1%	-30.4%	-82.0%	-56.3%	-58.5%
Delta ECO to Median		-6.8%	-6.9%	-0.7%	-5.5%	-13.2%	-12.2%	-1.6%

1) Calculation excl treasury shares

2) Calculation based on quarterly data

3) Annual financial statements as of 30 April, Thus figures compared to peer group distorted by 1 month

Source: Bloomberg, KPMG

Recent transactions, of which the most prominent example is the disposal of the Opernringhof, Vienna, have to be considered as well. In total, properties with a value of EUR 106.9m were sold above IFRS book value and thus contributing to the profit of ECO. The Management Board of the Target Company assumes a positive effect on NAV of about EUR 0.10 to 0.15 per share.

Based on the NAV per share as of 31 March 2010, a historical discount on NAV and the added value from the most recent transactions the derived value per share amounts to EUR 7.06.

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Value consideration on NAV basis				
Figures in €				
NAV Eco per share 31.3.2010			10.39	10.39
Historical NAV-discount Eco	33.5%		-3.48	33.5%
Analogous transaction value			6.91	6.91
Disposal above IFRS book value (per share)			0.10	0.15
Derived transaction value per share in Eco			7.01	7.06

Based on the historic discount on NAV, a value for ECO of EUR 7.01 or EUR 7.06, respectively, can be derived. The Offer Price exceeds that value range by EUR 0.14 (approx. 2%) or EUR 0.09 (ca. 1%), respectively. Referring to the peer group a value of EUR 7.71 (EUR 7.76) per Offer Share would be derived; that is 8% (9%) above the Offer Price. Applying the peer group discount of 44.8% the resulting value would amount to EUR 5.84 (EUR 5.89) per share as at the due date 14 June 2010. The Offer Price exceeds that value by approx. 22% (21%).

On the stock markets significant deviations between the NAV and the (lower) share prices have been observed. Among others, those differences in value are systematic, since the NAV represents the fair value of the single properties; the market capitalization on the other hand reflects the value of the Company as a whole. Costs concerning the entire company (e.g. administration costs, especially major parts of the management fee) are typically not considered in real estate valuations. Moreover, the calculation of the discount factors used to discount cash-flows differs (leverage effect and its impact on risk assessment). In particular, the share price also reflects liquidity and default risks. These do not impact the NAV. The currently very high discounts on NAV may be linked especially to uncertainties on the financial markets.

3.4. Market Multiples

For the purpose of analyzing the Offer Price based on market multiples we formed a peer group of Austrian publicly listed real estate companies and computed earnings multiples for 2009 and the planning year 2010. The calculation of the multiples for 2010 is based on estimates of stock analysts.

EURm	Companies	Country	Market cap	Enterprise Value	Revenue 2009	Enterprise Value /						Equity Value /					
						Revenue			EBITDA			EBIT		Net income			
					2009	2010e	2011e	2009	2010e	2011e	2009	2010e	2011e	2009	2010e	2011e	
	IMMOFINANZ AG	AUSTRIA	2,831.4	7,475.9	763.0	8.8x	12.4x	11.2x	24.1x	20.4x	17.5x	n/a	17.3x	14.6x	n/a	9.1x	8.0x
	SPARKASSEN IMMOBILIEN AG	AUSTRIA	323.8	1,836.1	153.8	10.7x	8.4x	7.4x	30.7x	17.1x	16.0x	n/a	17.4x	13.5x	n/a	10.5x	6.5x
	ATRIUM EUROPEAN REAL ESTATE	JERSEY	1,378.8	1,418.1	207.8	6.8x	8.8x	10.0x	15.8x	out	14.7x	n/a	42.1x	13.9x	n/a	out	17.2x
	CONWERT IMMOBILIEN INVEST SE	AUSTRIA	746.9	2,270.4	281.5	8.1x	11.8x	11.2x	21.8x	16.7x	17.7x	23.9x	18.6x	18.7x	31.4x	20.6x	18.8x
	CA IMMOBILIEN ANLAGEN AG	AUSTRIA	785.3	2,334.3	288.7	8.1x	13.8x	12.8x	16.4x	20.8x	18.2x	out	18.7x	15.8x	n/a	32.8x	17.1x
	Average					8.7x	11.1x	10.5x	21.7x	18.2x	18.6x	n/a	23.0x	14.9x	n/a	18.3x	13.1x
	Median					8.1x	11.8x	11.2x	21.8x	18.5x	17.5x	n/a	18.6x	14.8x	n/a	18.8x	16.8x
	ECO BUSINESS-IMMOBILIEN AG	AUSTRIA	180.3	646.6	61.4	10.5x	8.5x	8.4x	21.7x	14.5x	17.7x	52.3x	12.1x	13.3x	n/a	9.7x	11.2x

Source: Bloomberg 14 Jun 2006, financial annual statements

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- Elimination of extreme outliers („out“).
- For the year 2009 no EBIT and Net Income multiples were calculated due to negative earnings and therefore too little sample size of the peer group.
- We believe the revenue multiple has only minor significance due to the insufficient correlation to the earnings power of companies. For that reason this multiple is not used in further investigations.
- The EBITDA multiple is more significant in our view. It is computed based on the operating results before fair value adjustments and therefore reflects the operating earnings power of the leasing business.

The calculation of the stock multiples was performed in three scenarios:

1. Based on actual figures 2009
2. Based on actual figures 2009 adjusted for disposals

Adjustment for disposals	2009
<i>figures in €</i>	
EBITDA as per annual financial statement	29.8
Elimination net income related to the sale of assets	-4.0
Adjusted EBITDA	25.8
Net profit as per financial statement	-6.9
Elimination net income considering tax effects	-3.0
Adjusted net profit	-9.9
Adjustment net debt	
Net debt as at 31.3.2010	456.3
Redemption loan	-64.0
Liquidity effect	-40.9
Net debt adjusted for disposals	351.5

3. Based on a range of estimates for EBITDA and Net Income of ERSTE Group Research

Hence, the following value range for the Target Company can be derived:

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	Sc 1	Sc 2	Sc 3a	Sc 3b
Peer Group multipliers				
	2009	adj 2009 ¹	2010E	2010E
EBITDA	21.6x	21.6x	19.5x	19.5x
P/E ³	n/a	n/a	15.5x	15.5x
ECO key ratios				
			von	bis
In €m	2009	adj 2009 ¹	2010E	2010E
EBITDA ²	29.8	25.8	27.0	29.0
Net profit ⁴	-6.9	-9.9	13.0	15.0
Net debt ⁵	456.3	351.5	351.5	351.5
Number of shares in mio	34.1	34.1	34.1	34.1
Equity value				
In €m	2009	adj 2009 ¹	2010E	2010E
EBITDA	5.5	6.1	5.2	6.3
Net profit	n/a	n/a	5.9	6.8

¹ Adjusted for sales
² Assumption 2010: sustainable EBITDA on the basis of estimations of Erste Group
³ Profit after Tax (excl. Minorities)
⁴ Assumption 2010: Net profit on the basis of estimations of Erste Group Research
⁵ The net debt in the scenarios 3a and 3b was assumed to be in line with Sc. 2

We consider the result based on the EBITDA multiple to be more significant, as it is not biased by fair value adjustments of properties and therefore allows the assessment of the operating earnings power. The Offer Price is above the various comparable values computed by applying the market multiple approach.

3.5. Comparable Transactions

3.5.1. Acquisition of CA Immo 2010

The takeover bid for the shareholders of CA Immo International AG was announced on 20 April 2010. The offer price at the time was EUR 6.50 per share. The NAV amounted to EUR 9.33 per share as of 31 December 2009. The offered price therefore implies a discount on NAV of about 30.3%.

We consider the transaction in CA Immo International AG comparable for its close temporal proximity and the general similarity of the portfolio (focus on office and investment properties). Significant differences are the regional focus (CEE, SEE) and the fact that a controlling interest in the target already existed prior to the transaction.

The regional focus of CA Immo International AG can be evaluated differently. On the one hand growth potentials are undoubtedly superior; on the other hand in the light of current market situation the relating risk is undeniably significantly higher. This does not only relate to the currently low investment volume but also to the tense economic situation that adversely impacts the leasing business.

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Transactionmultiplier CA Immo		
<i>Figures in €</i>		
NAV Eco per share 31.3.2010		10.39
Discount of CA Immo transaction	30.3%	-3.15
Analogous transactionvalue		7.24

The Offer Price deviates (ca. 1%) from the resulting value only marginally. The calculation does not reflect the fact that for ECO a control premium should be considered, which would in principal increase the comparable value.

3.5.2. M&A Transactions since 2007

In the process of evaluation the offer price for CA Immo International AG additional comparable transactions were considered. Against this background we performed another plausibility check using mentioned comparable transactions and included the results in our valuation considerations as well. The resulting multiples are presented in the table below:

Date	Target Company	Country	Transaction- volume EUR(m)	Enterprise Value EUR(m)	Revenue EUR(m)	EBITDA Multiple	EBIT Multiple
29/04/2010	Immoeast Immobilien Anlagen AG	Austria	1,484.0	6,480.5	407.0	39.7x	n/a
9/22/2009	Parquesol SA	Spain	88.0	898.6	113.6	28.4x	35.7x
19/08/2009	Din Bostad Sverige AB	United Kingdom	445.0	445.1	52.1	17.7x	49.7x
12/06/2009	Rutley European Property Limited	United Kingdom	522.3	527.0	44.8	n/a	n/a
16/10/2008	GTC Real Estate N.V	Netherlands	105.1	671.8	86.4	30.5x	34.3x
12/08/2008	Bennet Property Plc	United Kingdom	28.0	28.4	3.9	9.8x	9.8x
01/04/2008	Metrovacesa, SA (29.48% stake)	-	1,709.0	12,744.2	913.3	27.2x	27.6x
01/06/2007	Norrvidden Fastigheter AB	Sweden	438.0	476.5	48.5	16.7x	19.3x
8/6/2007	Deutsche Real Estate AG	Germany	269.0	281.9	30.3	15.6x	15.7x
2/24/2007	A.A.A. Aktiengesellschaft Allgemeine	Germany	84.0	88.5	6.5	20.7x	20.8x
Average						22.9x	26.6x
Median						20.7x	24.2x

Source: Merger Market

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Based on the multiples, the value below can be computed. For assumptions on ECO key figures please refer to chapter 3.4.

Peer Group Multiple		
	2009	adj 2009 ¹
EBITDA	20.7x	20.7x

ECO key ratios		
In Mio €	2009	adj 2009 ¹
EBITDA ²	29.8	25.8
Net debt	456.3	351.5
Number of shares in mio	34.1	34.1

Equity Value		
In Mio €	2009	adj 2009 ¹
EBITDA	4.7	5.4

¹ Adjusted for sales

² 2010: normalized income generated from the disposal of assets

Considering the transactions mentioned above, the resulting value range would be EUR 4.7 – 5.4 per share only. Please note that the presented transactions were predominately observed in the UK, which in our view might impair the comparability of the results.

On 24 June 2010, Österreichische Volksbank AG fixed the sale of Europolis AG, a subsidiary active in the real estate business, to CA Immo Anlagen AG for a consideration of EUR 272m. Without taking into account present value effects originating deferred payment of the purchase price and other financial agreements, the purchase price corresponds to a discount of 10% on NAV according to an ad hoc announcement issued on 24 June 2010 by CA Immo Anlagen AG. In our view, this most insignificant discount seems unusual in the current market and seems to be a result of the specific payment and financing agreements related to the transaction: Half of the purchase price is deferred over a period of 5 years. According to the “Investor Presentation” of CA Immo dated June 2010 a discount of 25% on NAV was achieved taking into account the present value effects. Furthermore, Österreichische Volksbank AG agreed upon a prolongation of existing real estate loans for an additional 5 years as well as granting subordinated loans in the amount of EUR 75m for 5 years.

3.6. Presentation of the Target Company in the financial statements of the Bidder

The Bidder holds an interest of 24.9% of the share capital or 8.490.900 shares in the Target Company. The book value of this investment in ECO in the financial statements of the Bidder, amounts to approx. EUR 71m, corresponding to a value per share of approx. EUR 8.36. As of 31 March 2010, an impairment loss on this investment was recognized to a new book value of approx. EUR 70.6m resulting in a value of EUR 8.31 per share. We do not have any information regarding the basis and the assumptions of this valuation.

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3.7. Fairness Opinion

Credit Suisse Securities (Europe) Limited, Frankfurt a.M., Germany, was engaged by the board of directors to prepare a fairness opinion regarding the economic appropriateness of the Offer Price. Based on the Fairness Opinion dated 2 July 2010, Credit Swiss has come to the conclusion that the Offer Price of EUR 7.15 is fair from a financial point of view.

3.8. Analyst Estimates

ECO is covered by ERSTE Group Research on a regular basis. The most recent company report was issued on 22 April 2010 and it was subsequently updated as of 16 June 2010.

As of 22 April 2010 the Buy recommendation was confirmed. This opinion was justified considering a price potential of 20% compared to the share price at the time. According to the stock analyst of ERSTE Group Research, ECO would benefit from the slight recovery of real estate markets and the low interest level. The external management of ECO and the lacking takeover fantasy were regarded as negative aspects.

As of 16 June 2010 ECO was downgraded from Buy to Hold. The price target was slightly increased to correspond to the Offer Price of EUR 6.5 per share at the time. Accepting the Offer was recommended. This was based on the 5% premium compared to the own prior price target and the premium compared to the most recent closing and the 6m volume weighted average price.

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4. Evaluation of the statements by the Management Board and the Supervisory Board

4.1. Statement by the Management Board

In accordance with §14 (1) of the Austrian Takeover Act, the statement of the Management Board of the Target Company must include in particular:

- An assessment of whether the consideration offered and the other terms of the Offer adequately reflect the interests of all shareholders;
- An indication of the probable effects of the Offer on the Target Company, especially with respect to employees, creditors and the public interest based on the strategic planning of the Bidder for the Target Company.

If the Management Board is unable to make a final recommendation, it must in any event outline the arguments for accepting or rejecting the Offer and also indicate the most important aspects.

The Management Board of the Target Company consists of the following persons:

- Mag. Wolfgang Gössweiner
- Dipl.-Kfm. Frank Brün, FRICS

Summarized, the statement of the Management Board of the Target Company (“Statement”) regarding the voluntary public takeover offer to acquire a controlling interest (§25a Austrian Takeover Act) comprises the following:

- The Management Board notes that its statement also includes information supplied by the Bidder, which is specially emphasized as such, and which cannot be verified by the Target Company.
- Comments related to future development and events may be linked with uncertainty and may eventually prove to be incorrect.
- The legal situation, the shareholding and the economic activities of ECO and of the Bidder are summarized by the Management Board. It reports that the Bidder announced that BNP Paribas holds approx. 5.01% of the shares in the Bidder. The Bidder is not aware of any other shareholders holding 5% or more in the Bidder. Besides that,

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Günther Kerbler (including companies attributable to him) holds approx. 3.81% and Mag. Johann Kowar (including companies attributable to him) holds 3.10% of the shares. Additionally, Petrus Advisers Investment Ltd informed the Bidder on 3 May 2010 that they had (through the controlled companies Albona LP and Albona Ltd) entered into put/call options for the purchase of shares in the Bidder with a total of 7,032,124 voting rights (corresponding to approx. 8.24% of voting rights) and that after exercising these options another 1,110,500 shares and voting rights (corresponding to approx. 1.30% of voting rights) would be attributable to Petrus Advisers Investment Ltd. Once these options have been exercised, Günther Kerbler will only hold 583 shares in the Bidder and Johann Kowar would no longer hold any shares in the Bidder. The Bidder states to hold 553,244 treasury shares as of 18 June 2010 and that he is further authorized to purchase additional treasury shares under a repurchasing program.

- The Management Board informs that the Offer made by the Bidder is directed to the purchase of all shares of ECO that are neither owned by the Bidder nor by a party acting in concert with the Bidder, which amount to 25,380,086 shares. Moreover, it addresses the conditions precedent regarding the Offer and regulations with respect to the acceptance period.

Report and evaluation of the Offer Price by the Management Board

- The Offer Price equals EUR 7.15 per Offer Share
- The price per share for a voluntary public offer to obtain a controlling interest has to meet the legal requirements of §26 Austrian Takeover Act:

The price for a voluntary public offer may not be less than the highest consideration in money paid or agreed on by the Bidder, or any parties acting in concert with the Bidder for these shares of the Target Company within the preceding 12 months before the announcement of the Offer (§26 (1) 1st sentence of the Austrian Takeover Act)

According to the Offer, neither the Bidder nor parties acting in concert with the Bidder purchased any shares in the Target Company within the 12 months prior to the day of announcement of the Offer. The offer price may also not be less than the average share price weighted by the respective trading volumes of the respective shares during the last six months before the day on which the intention to make an offer was announced. This announcement was published on 15 June 2010. The average share price during the last six calendar months prior to the day on which the intention to make an offer was announced, weighted by the respective trading volumes, equals EUR 4.85 per share.

According to the Bidder, the Offer Price of EUR 7.15 complies with the legal requirements.

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The Management Board explicitly points out that it had no access to the documentation of the Bidder or parties acting in concert with the Bidder and thus is not able to evaluate the accuracy of the information provided.

Appropriateness of the Offer Price

The Management Board conducted a range of various valuation considerations. These are mainly based on historical share prices, on the consideration of the NAV in comparison to other companies and on the reference to a Fairness Opinion prepared by CREDIT SUISSE SECURITIES (EUROPE) LIMITED (“Credit Suisse”), in which it confirms that the Offer Price from a financial point of view is fair. The Management Board concludes on the following final evaluation:

“The Management Board analysed the above-mentioned valuation factors and engaged Credit Suisse to prepare a Fairness Opinion in order to evaluate the appropriateness of the Offer Price. In addition to these quantitative factors, the Management Board also reviewed qualitative criteria. Other important factors for the valuation were the relatively small size and the current ownership structure of the Target Company. These factors may make it more difficult to access the capital market during adverse phases and thereby also limit growth opportunities. This, in turn, can result in a relatively low liquidity for the share and lead to a significant difference between the market price and NAV.

Based on various valuation methods and the above-mentioned circumstances, the Management Board concludes that the Offer Price of EUR 7.15 per share is fair and appropriate.”

We refer to the statement of the Management Board in chapter 2.3. and to our analysis in chapter 3 of this report.

Acceptance period and settlement of the offer

- The Management Board presents relevant deadlines and refers to the Offer Document as well. It is pointed out explicitly that no shareholder is obliged to accept the Offer.
- The Bidder explicitly ruled out subsequent improvement of the Offer Price
- In the case of competing offers the acceptance period pursuant to §19 (1) c Austrian Takeover Act, is extended. Furthermore, the Management Board refers to legal stipulations, which in the case of competing offers permit the holders of shares to withdraw the previously issued declarations of acceptance.

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Equal treatment

- The Offer Price applies to all holders of shares. If the Bidder or parties acting in concert with the Bidder declare to acquire shares at terms and conditions more favorable than those of the Offer during the Acceptance Period, these more favorable terms and conditions will principally also apply to all other holders of shares in the Target Company, irrespective of whether they have already accepted the Offer or not.
- In this context the Management Board refers to subsequent payment obligations pursuant to §16 (7) Austrian Takeover Act and to the Offer Document.

Bidder's reasons for the Offer

The Bidder provides the following reasoning for the Offer: According to the Offer Document, the Bidder already holds approx. 24.9% of the share capital of the Target Company. This participation has existed since July 2007 and was made against the background of joint business activities. Additionally, the Bidder is related to the Target Company under the terms of a management contract on an operational basis. Since 2007 the Bidder has carried out all ordinary day-to-day business activities of ECO and its subsidiaries. According to the Bidder the share price is lower than its book value. The situation also dissatisfies the Bidder in its capacity as ECO's largest shareholder.

Intentions and objectives of the Bidder with respect to business policies

The Bidder defines its intentions as follows:

- By submitting this Offer the Bidder aims to raise the values of ECO, thus benefiting both ECO and conwert shareholders. The Bidder expects this transaction to have a positive impact on key financial ratios of the Bidder.
- Even in the case of a complete takeover of ECO, the Bidder intends to keep its business focus on the residential real estate market. Furthermore, the Bidder expects that the transaction will simplify the present structure and increase flexibility. Maximization of value can be achieved due to its asset management expertise as well as long-standing experience in real estate trading.
- The declared aim of the Bidder is to fully integrate ECO and its subsidiaries into the corporate structure of Conwert. The Bidder explicitly points out the possibility of a squeeze-out pursuant to the provisions of the Act on the Squeeze-out of Minority Shareholders as well as other available corporate law measures (e.g. a merger between ECO and the Bidder), which can be implemented.

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Regulatory framework and listing

The Bidder makes the following statements concerning the legal framework:

- Merging the Target Company with the Bidder would require the adoption of favorable resolutions by the general assemblies of the two companies involved. Each of these resolutions would require the approval of at least 75% of the represented share capital. In the event of a merger, the Target Company would be dissolved without liquidation and the current shareholders of the Target Company would become shareholders of the acquiring Bidder.
- If the Bidder acquires 90% or more of the Target Company's share capital, the requirements for a squeeze-out pursuant to the Act on the Squeeze-out of Minority Shareholders would be fulfilled and the remaining minority shareholders could be squeezed out against payment of an appropriate cash settlement. This would not trigger a subsequent payment within the meaning of §16 (7) of the Austrian Takeover Act.
- The Bidder does not rule out other options permitted by corporate law.
- The Bidder also notes that once the Offer has been successfully concluded, the requirements for the Target Company to remain in the Prime Market segment of the Vienna Stock Exchange may no longer exist. Furthermore, a delisting from the Official Market of the Vienna Stock Exchange is mandatory if the statutory requirements defined in §66a (1) no 7 of the Austrian Stock Exchange Act are no longer met.
- According to the Bidder, the successful conclusion of the Offer and the possible delisting could lead to a decrease in the liquidity of the shares of the Target Company.

Effects on the employment situation and locations of the Target Company

The Management Board reports on the assessment of the Bidder, who argues that due to the management contract, the Target Company currently has no employees and thus a successful Offer would neither impact the employment situation nor the location of the Target Company. The Management Board agrees to this view.

Effects on creditors and public interest

The Management Board states that it does not expect a successful Offer to impair the present position of creditors or to have a negative effect on the public interest.

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Statement by the Management Board of the Target Company

The Management Board of the Target Company recommends that shareholders accept this Offer. However, the Management Board explicitly notes that each shareholder must separately evaluate the merits of this Offer based on his/her individual situation (purchase price, investment strategy etc.). Accordingly, the decision by shareholders to accept or reject the Offer must be made on an individual basis.

From the viewpoint of the Management Board of the Target Company, the following arguments speak in favor of accepting the offer:

a) **Appropriate Offer Price**

The Management Board considers the Offer Price to be fair and appropriate based on its own considerations and based on the fairness opinion issued by Credit Suisse.

b) **Substantial premium over the market price for the last two years**

The Offer Price is 28.1% higher than the closing price on the day prior to the announcement of the Bidder's intention to launch this Offer. It also reflects a significant premium over the average share prices for the last 3, 6 and 12 calendar months prior to the announcement of the Bidder's intention to launch this Offer (43.6%, 47.4% and 60.7%). The share's market price last exceeded EUR 7.15 per share at the end of June 2008.

c) **Cash offer**

The cash offer provides shareholders with the greatest possible flexibility for the disposition of their assets and will give shareholders an opportunity to invest in more liquid shares with a higher difference between the NAV and market price.

d) **Relative low liquidity of the share**

The relatively small size and current ownership structure of the Target Company make it more difficult to access the capital market during adverse phases and thereby also limit growth opportunities. This gives the share a relatively low liquidity and also leads to a substantial difference between the share price and NAV.

e) **Lower share price if the Offer fails**

The failure of the Offer would likely have a direct negative influence on the market price of the share. The closing price on the day prior to the announcement of the Bidder's intention to launch the Offer was EUR 5.58 per share; the average price during the three months prior to the announcement of the Bidder's intention to launch the Offer was EUR 4.98 per share.

f) **A successful Offer can reduce the liquidity of the share further**

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A successful Offer (the Bidder acquires more than 50% of the shares that are the object of the Offer) would likely reduce the share's liquidity because of the lower free float. This, in turn, would also result in a lower share price over the long-term for shareholders who do not accept the Offer.

From the viewpoint of the Management Board of the Target Company, the following arguments speak against accepting the offer:

a) Offer Price is less than NAV

The Offer Price of EUR 7.15 per share is 31.2% less than the NAV per share, which amounted to EUR 10.39 on 31 March 2010. NAV is an important indicator for the valuation of real estate companies that hold property assets. The market price of the share last reached EUR 10.39 per share in September 2007.

b) Possibly higher price under a squeeze out

If the Bidder acquires 90% or more of the nominal share capital of the Target Company, it can squeeze out the remaining minority shareholders against payment of a cash settlement in proceedings pursuant to the Act on the Squeeze-out of Minority Shareholders (Gesellschafter-Ausschlussgesetzes). This cash consideration per share could possibly be higher than the Offer Price of EUR 7.15 per share.

c) Possible future increase in the market price

It cannot be excluded that the market price of the share will exceed the Offer Price in a more favorable capital market climate.

Interests of the Management Board in the Target Company

The Management Board confirms that neither the Bidder nor parties acting in concert with the Bidder have offered or granted its members any financial benefits in excess of existing conditions in connection with a successful conclusion of the Offer. This applies in the event of a failure of the Offer as well. The Management Board has not been offered or granted any financial benefits in excess of existing conditions for this case.

The Management Board discloses its shareholdings in the Target Company as follows: Mr. Mag. Wolfgang Gössweiner 22,500 shares. Mr. Mag. Wolfgang Gössweiner announced to accept the Offer.

The Management Board points out that numerous and comprehensive organizational, legal as well as personal interdependencies exist between the Target Company and the Bidder:

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“The Bidder is the sole shareholder of ECO Management GmbH, which carries out all ordinary day-to-day business activities of ECO and the companies of the ECO Group under the terms of a management contract. Wolfgang Gössweiner and Frank Brün serve as the managing directors of ECO Management GmbH and members of the Management Board of the Target Company. Elke Englert is a representative with statutory powers (*Prokurist*) of ECO Management GmbH and a representative with statutory powers of the Target Company

Wolfgang Gössweiner exercised additional functions in the conwert Group up to 2009. Although Mr. Gössweiner no longer exercises these functions, the following functions are still recorded in the company register: representative with statutory powers of conwert Immobilien Invest SE and managing director of GJ-Beteiligungs GmbH.

The following personnel relations exist between the Bidder and the Target Company: Johann Kowar is a managing director of the Bidder and a member of the ECO Supervisory Board. Thomas Rohr is a managing director of the Bidder and a member of the ECO Supervisory Board. Andreas Nittel is a member of the ECO Supervisory Board and managing director of Con value one Immobilien GmbH, a subsidiary of the Bidder. Additionally, Claudia Badstöber is a managing director of the Bidder and a member of the Supervisory Board of Kapital & Wert Immobilienbesitz AG, a subsidiary of ECO.

Moreover, there are numerous arm's length relationships for the provision of property services between subsidiaries of the Bidder, on the one hand, and the Target Company and its subsidiaries, on the other hand. For example, Resag Property Management GmbH and Alt & Kelber Immobilienverwaltung GmbH provide facility management services in Austria and Germany on behalf of the Target Company and its subsidiaries.”

4.2. Statement by the Supervisory Board

Pursuant to § 14 (1) Austrian Takeover Act and in analogy to the statement of the Management Board, the statement by the Supervisory Board of the Target Company must include in particular:

- An assessment of whether the Offer Price and the other terms of the Offer adequately reflect the interests of all shareholders
- An indication based on the strategic planning of Bidder regarding the probable effects of the Offer on the Target Company, especially with respect to the employees, creditors and the public interest

In the event the Supervisory Board is unable to give a final recommendation, it is obliged to outline in any event the arguments for accepting and rejecting the Offer and to stress out the most important aspects.

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The Supervisory Board is composed of the following persons:

- Dr. Alexander Schoeller
- Mag. Johann Kowar
- Ao. Univ.-Prof. Dr. Franz Hörmann
- Ing. Andreas Nittel
- KR Dipl.-Ing. Gottfried Johann Parizek
- Thomas Rohr

In accordance with §14 (1) Austrian Takeover Act the Supervisory Board issued a statement regarding the voluntary takeover offer to obtain a controlling interest on 5 July 2010:

Summarized, the Supervisory Board reported as follows:

- After an extensive review of the Statement by the Management Board and in-depth discussion of the Offer, the Supervisory Board agreed with the Statement of the Management Board and declares its full agreement with the content of the Statement of the Management Board.
- Furthermore the Supervisory Board discloses in its statement its interest in the Target Company as follows:

Dr. Alexander Schoeller: 19,662 shares
Mag. Johann Kowar: 229,014 shares

- Dr. Alexander Schoeller declared to accept the Offer. The Offer is not directed to shares held by parties acting in concert. However, per the Offer Document it is intended to offer parties acting in concert to purchase their shareholdings under the terms of the Offer during an additional acceptance period. Mr. Kowar has announced to accept the offer during the additional acceptance period.
- The Supervisory Board states that neither the Bidder nor parties acting in concert have offered or granted its members any financial benefits in excess of existing conditions in connection with the successful conclusion of the Offer. Furthermore the supervisory board has not been offered or granted any financial benefits in excess of the existing conditions in the event of the failure of the Offer.

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5. Summary Remarks

As the expert appointed by ECO Business-Immobilien AG pursuant to § 13 Austrian Takeover Act we have been engaged to evaluate and issue a written report on the takeover offer of conwert Immobilien Invest SE, the statements of the Management Board and the Supervisory Board

On the basis of the information and documentation provided to us, we consider the Offer prepared by the Bidder to be in conformance with the legal regulations.

The Management Board and the Supervisory Board recommend the acceptance of the Offer. In our view, the reasoning with respect to advantages and disadvantages of the Offer are plausible and enable the shareholders of the Target Company to evaluate the Offer independently in order to take respective decisions.

We have evaluated the appropriateness of the Offer Price based on various valuation considerations. The Offer Price comprises a significant premium compared to present and historical share prices of the Target Company and the target price of the stock analyst. The Management Board engaged Credit Suisse to prepare a fairness opinion. It confirmed that the Offer Price is fair from a financial point of view. The Offer Price is below NAV of ECO; however, it is at or above the level, which would result by applying discounts to the NAV currently observed on the markets.

On the basis of our analysis we conclude that the Offer Price in the amount of EUR 7.15 per share is within the valuation range which we consider appropriate.

Vienna, 5 July 2010

KPMG Alpen-Treuhand GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

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Please note:

The provided translation of the German version of the expert's report is courtesy translation for your convenience and it is **legally not binding**. The German version of the document represents the definitive version of this report for all purposes.