



Presentation on the Statement by the Management Board and Supervisory Board of ECO Business-Immobilien AG concerning the voluntary public takeover offer to acquire a controlling interest by conwert Immobilien Invest SE

July 2010

# Disclaimer

This presentation does not represent an invitation or a recommendation to offer shares in ECO Business-Immobilien AG (“ECO”) or to accept the offer by convert Immobilien Invest SE (“conwert“)

ECO notes that this presentation does not include the full content of the legally required statement by the Management Board and Supervisory Board of ECO on the voluntary public takeover offer to acquire a controlling interest (§ 25a of the Austrian Takeover Act) (“Statement“) by convert Immobilien Invest SE.

The full text of the Statement and the report by the expert pursuant to § 13 of the Austrian Takeover Act (“Report“) can be found on the homepage of ECO ([www.eco-immo.at](http://www.eco-immo.at)) and the homepage of the Austrian Takeover Commission ([www.takeover.at](http://www.takeover.at)). The Statement and the Report as well as the brochures are also available at the offices of ECO. Only the full documents are binding.

Accordingly, shareholders should not take any actions based on this presentation but should study the full Statement and the full Report before forming an opinion.

## > **Key points of the voluntary takeover offer**

**Statement by the Management Board and  
Supervisory Board as well as the evaluation  
of the offer by Credit Suisse**

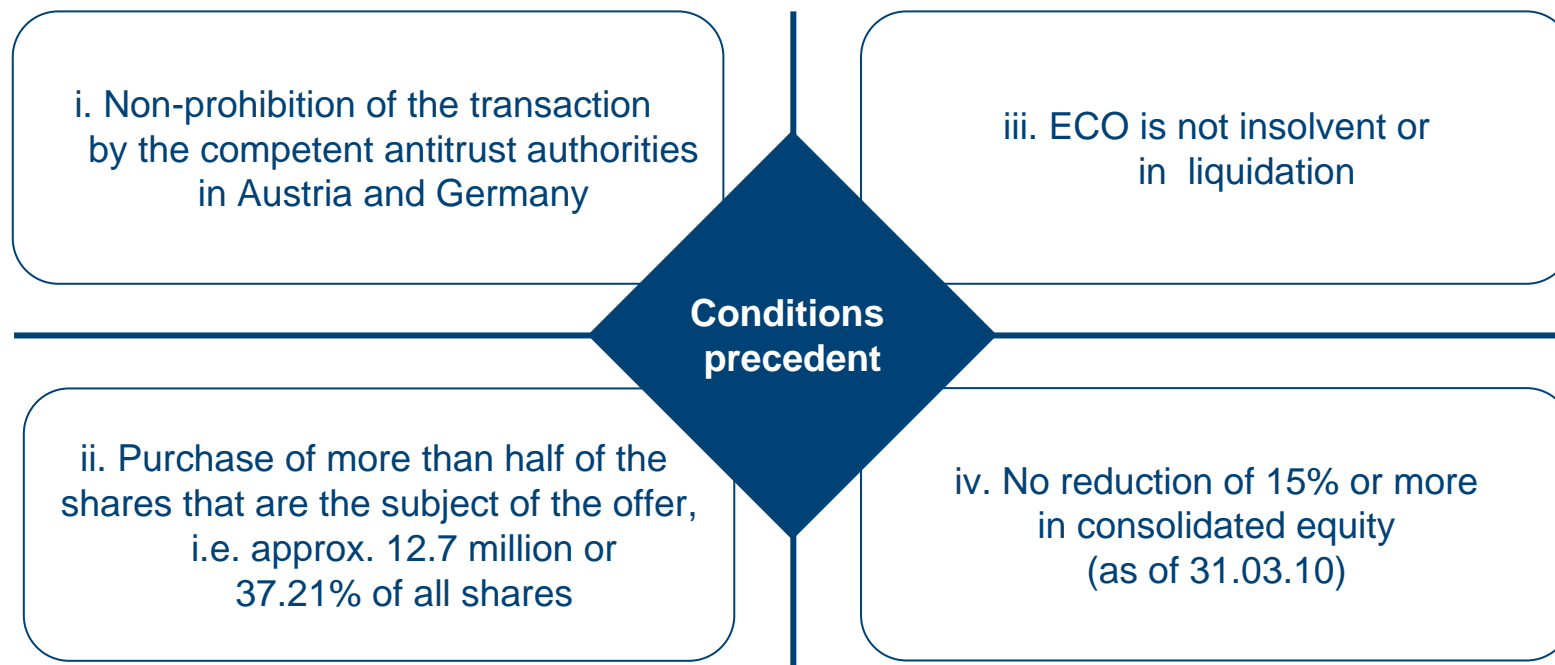
**Evaluation of the offer by KPMG**

## Main Elements of the Voluntary Takeover Offer



- > **Publication** of the **offer documents** on **2 July 2010** by conwert Immobilien Invest SE
- > The offer is directed to the purchase of **25,380,086 ECO shares** (offer shares); i.e. **74.43% of all issued shares**
- > **Offer price: EUR 7.15 / ECO share**
- > Acceptance period for the offer by ECO shareholders: **2 July to 30 July 2010**
- > **Settlement** of the first phase of the offer: presumably on **13 August 2010**

The takeover offer is dependent on the following conditions precedent:



## Key points of the voluntary takeover offer

- > **Statement by the Management Board and Supervisory Board as well as the evaluation of the offer by Credit Suisse**

## Evaluation of the offer by KPMG

**The offer price amounts to EUR 7.15 / share (“Offer Price“) in cash.**

conwert determined the Offer Price, in particular based on the following factors:

- > **Offer Price** in relation to **historical prices**
- > **Average market price** for the share
- > **Key share date** of ECO
- > **Research Report and price target** published by the Erste Group analysts, i.e. **EUR 6.20** per share
- > **Legal requirements for the minimum price**

### ECO Business-Immobilien - Development of share price up to 14 June 2010



# Development of Share Price – Premium Analysis

Premium analysis					Analyst
	14.06.10	Ø 3m	Ø 6m	Ø 12m	22.04.10
Market price / analyst target	5.58	4.98	4.85	4.45	6.20
Offer Price	7.15	7.15	7.15	7.15	7.15
Difference to Offer	1.57	2.17	2.30	2.70	0.95
<b>Premium in %</b>	<b>28.1%</b>	<b>43.6%</b>	<b>47.4%</b>	<b>60.7%</b>	<b>15.3%</b>

- > The Offer Price is **approx. 15%** over the analyst's price target
- > The Offer Price includes a **premium of approx. 28%** over the **closing price** and **approx. 47%** over the **6m average**



**Clear premium over average share price.**

# Analysis of Net Asset Value (NAV) for Comparable Companies

Company	Share price <sup>[1]</sup> in EUR	NAV per share in EUR	Discount to NAV
Alstria	8.57	11.47	(25.3%)
DIC Asset	6.15	14.60	(57.9%)
CA Immo	9.00	17.57	(48.8%)
Immofinanz	2.52	4.92	(48.8%)
IVG	5.08	6.75	(24.8%)
sIMMO	4.75	7.01	(32.2%)
Median			(40.5%)
Average			(39.6%)
ECO Offer Price	7.15	10.39	(31.2%)

[1] The share prices provided for the comparable companies represent the closing prices on 14 June 2010 .



The **Offer Price** includes a **discount of 31.2% to the NAV**, which is nearly **10 percentage points less than the average discount** for comparable listed companies.

## Analysis of ECO based on regular reporting by Erste Group Research

Last Company Report dated 22 April 2010 – revised through a Company Update on 16 June 2010

### Company Report - 22 April 2010

- > “Buy” recommendation confirmed.
- > Upward potential of more than 20% vs. share price at that time.
- > Price target of EUR 6.20 per share.

### Company Update - 16 June 2010

- > ECO downgraded to “Hold”.
- > Price target raised slightly to EUR 6.50 per share.



The **recommendation to accept the Offer** reflects the 16 June 2010 estimate.

This recommendation was based on the 5% discount to the company’s own price target as well as the premium over the last closing price and the 6m average price.

- > Credit Suisse Securities (Europe) Limited („Credit Suisse“) has been asked by the Management Board of ECO Business-Immobilien AG to provide a fairness opinion with regard to Conwert’s offer
- > Based on its valuation analysis Credit Suisse is of the opinion, that the offer price of €7.15 is fair from a financial point of view
- > The Management Board conducted its own analysis and came to the same conclusion as Credit Suisse

# Effects on the Employment Situation & Creditors as well as the Public Interest

## **Effect on the employment situation of ECO and location issues**

According to the assessment of the Management Board and the announcement by conwert, the takeover of ECO would neither impact the employment situation nor the location of the Target Company because of the management contract.

## **Effects on creditors and the public interest**

The Management Board assumes that a successful Offer would not worsen the present position of creditors or have a negative effect on the public interest.

## Pro

**According to the viewpoint of the Management Board, the following points speak in favour of accepting the Offer :**

- > Appropriate offer price
- > Substantial premium over the market price for the last two years
- > Cash offer
- > Relative low liquidity of the share
- > Lower share price if the Offer fails
- > A successful Offer can further reduce the liquidity of the share

## Contra

**According to the viewpoint of the Management Board, the following points speak against accepting the Offer :**

- > Offer Price is less than NAV
- > Possibly higher price under a squeeze out
- > Possible future increase in the market price

# Summary Evaluation by the Management Board and Supervisory Board

## Joint statement by the Management Board and Supervisory Board

- > In order to evaluate the appropriateness of the Offer Price, the above-mentioned factors were analysed and
- > Credit Suisse was engaged to prepare a Fairness Opinion.
- > In addition to these quantitative factors, qualitative criteria were also reviewed.
- > Other important factors for the valuation were the relatively small size and the current ownership structure of ECO.
- > 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 the NAV.



## Summary evaluation

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

**After extensive evaluation of the Offer, the Management Board and Supervisory Board of ECO therefore recommend the acceptance of the Offer by shareholders.**

## Key points of the voluntary takeover offer

Statement by the Management Board and Supervisory Board as well as the evaluation of the offer by Credit Suisse

### > Evaluation of the offer by KPMG

# KPMG audit report pursuant to § 13 of the Austrian Takeover Act

The full text of the report by KPMG is available under [www.eco-immo.at](http://www.eco-immo.at) and [www.takeover.at](http://www.takeover.at). Only the full report represents the audit report pursuant to § 13 of the Austrian Takeover Act. The following summary can therefore in no way be complete.

## > Various valuation factors

- > Analysis of market prices (current, historical)
- > Analyst estimates
- > Net Asset Value discounts (current, historical)
- > Peer group market multipliers
- > M&A transactions

## > Results

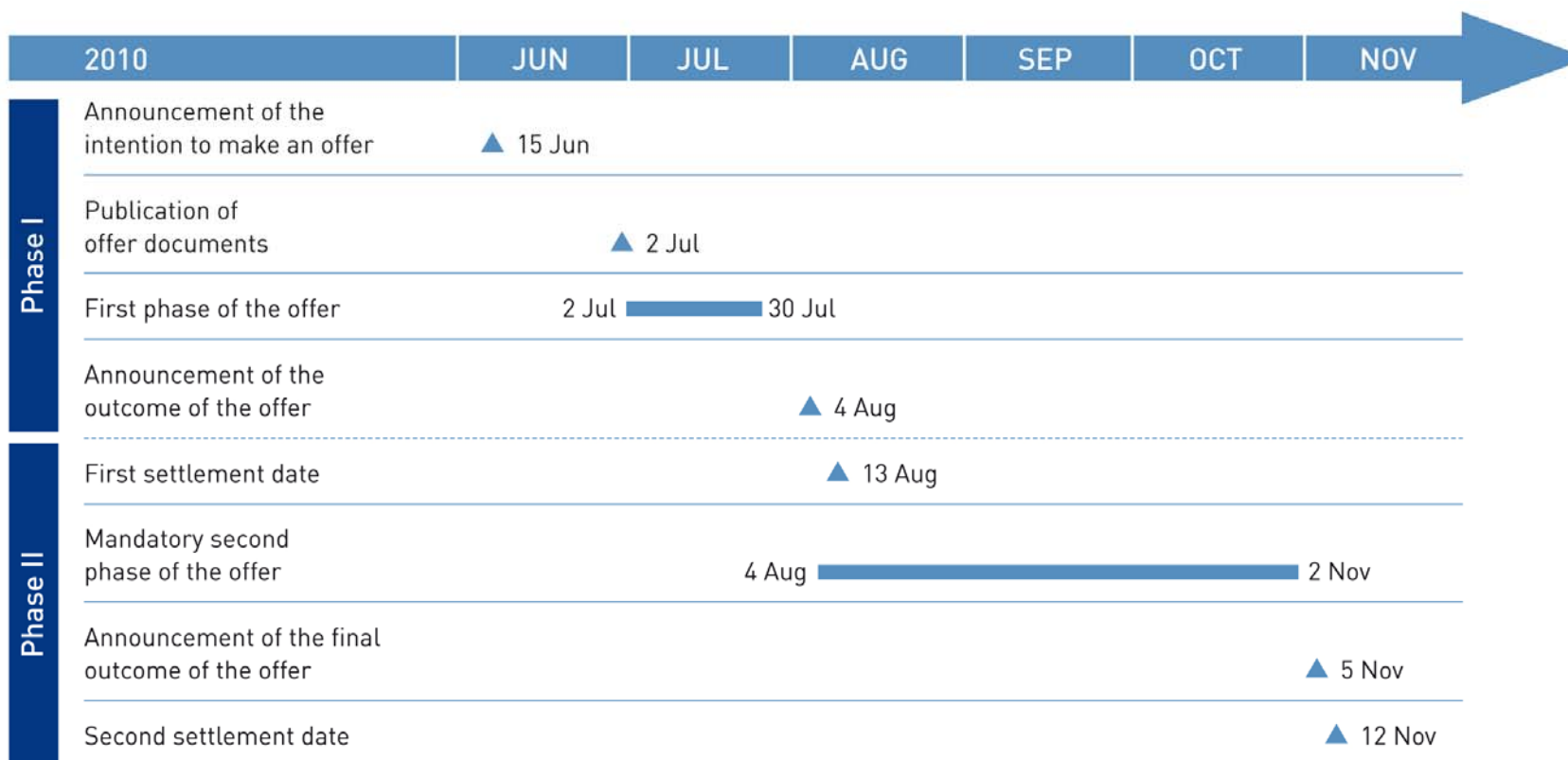
- > The Offer Price is substantially higher than the current and historical market prices for the target company's shares and is also higher than the price target specified by analysts. The Offer Price is lower than ECO's NAV; however, it equals or exceeds the level that would result from the application of standard market discounts to the NAV.
- > Bases on its analyses, KPMG concludes that the Offer Price of EUR 7.15 per share is within the range considered by this firm to be appropriate.

ECO Business-Immobilien - Development of share price up to 14 June 2010



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# Indicated timetable for the takeover by conwert



## Contact

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