

PRESS RELEASE

26 August 2008



Business-Immobilien AG

ECO Business-Immobilien AG: sound development of core business operations during first half of 2008

- **Revenues + 58% to EUR 36.8 million supported by organic growth**
- **Slight increase in EBIT to EUR 25.8 million in spite of difficult market conditions**
- **6% improvement in NAV based on conservative valuation of the property portfolio**

Vienna, 26 August 2008. ECO Business-Immobilien AG, which is traded in the Prime Market segment of the Vienna Stock Exchange, continued to record sound operating development in its core business during the first half of 2008. However, the tense conditions on international financial and property investment markets were also reflected in a substantial slowdown in the pace of the company's growth. Against the backdrop of this difficult market environment, ECO concentrated on the efficient management of its existing portfolio during the reporting period and was able to generate further organic growth. Revenues rose by 58% to EUR 36.8 million, and EBIT increased slightly year-on-year to EUR 25.8 million. The sustainable value of the ECO properties was confirmed, even in the current market environment with its falling prices and declines in value.

"While the rental markets at the ECO locations remained on an upward trend, we were confronted with increasingly difficult conditions on international financial markets during the first half of 2008. The cost of credit financing continued to rise and the investment markets for business properties were characterised by general reservation on the part of buyers. Although we were unable to completely detach from these negative external factors, the efficient management of the portfolio and our conservative valuation and accounting policies made it possible for us to record positive operating results for the first six months of this year", commented Friedrich Scheck, Chief Executive Officer of ECO, on the development of business.

Positive revenue and earnings indicators

Revenues rose by 58% year-on-year during the reporting period to a new high of EUR 36.8 million. This increase was supported above all by organic effects from properties acquired in 2007 as well as the realisation of higher prices on new rentals. The very conservative approach used to value the company's properties resulted in a total net gain of EUR 5.4 million on fair value adjustments, which roughly matches the prior year value of EUR 5.5 million. The general slowdown on investment markets led to a decline in trading income from the very high level recorded in 2007: at EUR 3.3 million, this indicator was substantially less than the record EUR 5.9 million registered for the first six months of 2007. The profit margin, which represents the selling price in relation to the IFRS value for the objects sold during the reporting period, equalled 26%.

The growth in revenues and the continuing optimisation of the portfolio properties supported an increase in EBIT to EUR 25.8 million for the first half of 2008. This indicator nearly matched the comparable prior year value of EUR 25.7 million. However, EBIT for the reporting period was negatively influenced by a non-recurring, non-cash charge of EUR 5.7 million. On a comparable basis, EBIT clearly exceeded the prior year level. Financial results totalled EUR -21.2 million (1-6/2007: EUR -8.8 mill.) because of higher interest rates and a

PRESS RELEASE

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substantial rise in the volume of financing. Accordingly, profit before tax (EBT) equalled EUR 4.7 million (1-6/2007: EUR 16.9 mill.).

Funds from operations (FFO), which exclude gains from the fair value adjustment of properties and extraordinary non-cash expenses, also reflect the increase in interest rates and volume of financing compared with the prior year. In contrast, the sound operating development of the company had a positive effect and FFO before interest and taxes reached EUR 28.0 million (versus EUR 20.2 mill. in the comparable prior year period).

Increase in NAV to EUR 12.61 per share

Net asset value (NAV) per share increased 6% to equal EUR 12.61 at the end of the second quarter (30.06.2007: EUR 11.90 per share). Adjusted NAV per share equalled EUR 13.10 as of this same date.

Outlook on 2008

In spite of the difficult conditions on financial markets, ECO was able to record sound operational results for the first half of 2008. A strong core business and the effective management of the existing portfolio supported a substantial improvement in revenues. The Management Board also expects a steady increase in revenues over the prior year during the remainder of 2008. "Due to the continuing uncertainty on investment markets, our activities for the coming six months will focus on the further development of the investment portfolio. Trading activities will be intensified if favourable opportunities are available or if the market situation changes. In addition, we also intend to pursue the realisation of the development projects currently under construction as well as the development of new and attractive projects with well-known partners", explained Friedrich Scheck with a summary of the focal points for the remaining two quarters of this year.

This strategy is expected to support further organic growth and the also strengthen the company's internal financing power. Based on the development of business during the first half of 2008, the Management Board of ECO Business-Immobilien AG expects solid results for the 2008 financial year. However, the current market environment may further slow the pace of growth in revenues and earnings and thereby prevent earnings from matching the record 2007 level.

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Company Data in accordance with IFRS

		01-06/2008	01-06/2007
Revenues	(TEUR)	36,804	23,356
Thereof rental income	(TEUR)	30,663	19,276
Gain on the disposal of non-current assets	(TEUR)	3,312	5,927
Net gain from fair value adjustments	(TEUR)	5,419	5,492
Operating profit (EBIT)	(TEUR)	25,844	25,685
Profit before tax (EBT)	(TEUR)	4,682	16,853
Profit after tax (after minority interests)	(TEUR)	5,757	12,638
Earnings per share	(EUR)	0.17	0.51
Weighted average number of shares outstanding	(nr.)	34,100,000	25,000,000
FFO (funds from operations) before interest and taxes, incl. impairment charges ¹⁾	(TEUR)	27,970	20,207
FFO (funds from operations) after interest and taxes incl. impairment charges ²⁾	(TEUR)	6,685	10,966
NAV (net asset value) per share	(EUR)	12.61	11.90

¹⁾ EBIT + depreciation and amortisation +/- fair value adjustments

²⁾ EBIT + depreciation and amortisation +/- fair value adjustments – financial results – income taxes paid

Property Data

	30/06/2008	30/06/2007
Number of objects	122	122
Thereof investment portfolio	70	61
Thereof trading portfolio	46	60
Thereof development projects	6	1
Total rentable space in m ² *	651,400	487,800
Thereof trading portfolio	42,500	47,400
Thereof development projects	46,000	5,600
Garage spaces (number)	3,560	2,460
Thereof trading portfolio	280	290
Thereof development projects	230	0
Property assets (in TEUR)	1,083,903	714,097
Thereof construction in progress	36,457	0
Thereof trading portfolio	57,968	62,965

* Garage spaces were included at 20 m² each

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