

1-6 2008

Highlights

- Strong development of core operating business
- Earnings negatively influenced by financial market crisis and decline in trading activities
- 6% increase in NAV based on conservative valuation of the property portfolio



Stability.
Return.
Growth.

Financial Report



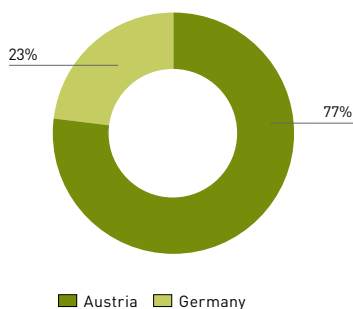
eco

Business-Immobilien AG

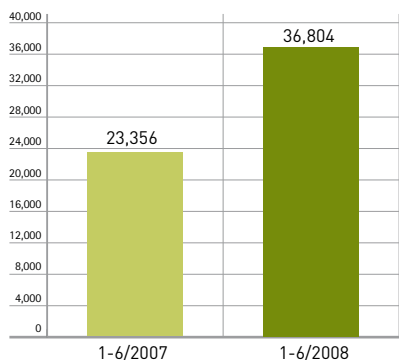


Highlights 1-6/2008

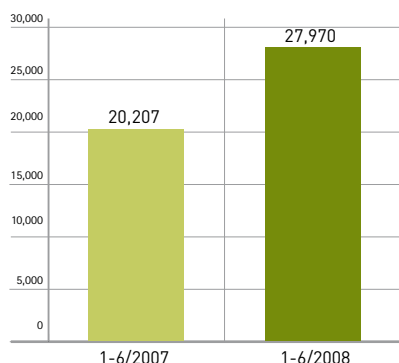
REVENUES BY REGION 1-6/08



REVENUES (TEUR)



FFO BEFORE INTEREST AND TAXES (TEUR)



Property portfolio

- Robust development in rental sector – decline on investment markets
- Strong growth in revenues through organic effects and effective asset management
- Split up of BAWAG portfolio and first successful rentals

Key data

- Rental income +59% to EUR 30.7 million
- Slight improvement in EBIT to EUR 25.8 million
- Continued positive valuation results (EUR 5.4 mill.) confirm conservative appraisals and sustainable value of the ECO portfolio

Capital market

- Continuation of difficult capital market environment for property shares
- Increase in substance value per share (+ 6.0% to EUR 12.61)
- ECO share ranks second in Feri Transparency Rating

COMPANY DATA IN TEUR	1-6/2008	1-6/2007	1-12/2007
Rental income	30,663	19,276	39,959
Revenues	36,804	23,356	48,589
Earnings before interest and tax (EBIT)	25,844	25,685	60,801
Profit before tax (EBT)	4,682	16,853	41,654
Profit for the year	5,757	12,638	32,772
Cash flow from operating activities	964	1,379	4,311
FFO (funds from operations) before interest and taxes, incl. impairment charges ¹⁾	27,970	20,207	44,195
FFO (funds from operations) after interest and taxes, incl. impairment charges ²⁾	6,685	10,966	24,723
Equity (incl. minority interests)	437,118	431,322	435,685
BALANCE SHEET TOTAL	1,178,092	905,918	1,338,095

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	31.12.2007
Number of objects	122	122	127
Thereof investment / trading ¹⁾ / development	70 / 46 / 6	61 / 60 / 1	73 / 46 / 8
Rental space in m ² ²⁾	651,400	487,800	668,000
Garage spaces (number)	3,560	2,460	3,380
Property portfolio (in TEUR)	1,083,903	714,097	1,233,083
Thereof construction in progress (in TEUR)	36,457	0	34,746

1) ECO owns a 50% stake in the objects included in the trading portfolio

2) Garage spaces were included at 20 m² each

Highlights from the Property Portfolio

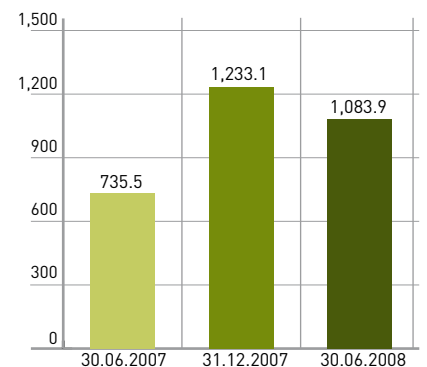
Development of the portfolio

During the first six months of 2008 ECO concentrated on the optimisation of the portfolio through effective asset management. The former BAWAG properties represented a focal point of these activities: here ECO was able to record initial successes with various measures to improve earnings. In keeping with the changed conditions in the operating environment, ECO only carried out selective purchases and sales of individual properties in its core markets of Austria and Germany. In addition, two development projects were successfully completed during the reporting period.

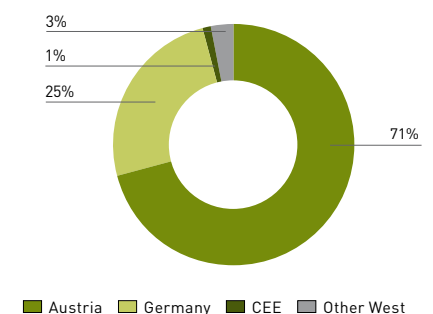
The ECO property portfolio comprised 122 objects with a total value of roughly EUR 1.08 billion as of 30 June 2008. This reflects a year-on-year increase of 47% in property assets [EUR 736 mill. as of 30.6.2007], but a decline compared with the EUR 1.23 billion recorded at the end of 2007. The decisive factor for this decrease was the split up of the former BAWAG portfolio between ECO and Signa Holding GmbH, which took effect at the end of June 2008. The BAWAG properties were fully consolidated by ECO as of 31 December 2007 in accordance with accounting regulations. As a consequence of the allocation – 12 properties remain with ECO and two were transferred to Signa, property assets declined by the value of the two transferred objects. This allocation was based on the respective specialisations of the two companies, and underscores the focus of ECO on high-quality office properties at inner city locations.

The development of rentable space also reflects the above transaction: the space owned by ECO as of 30 June 2008 totalled 651,400 m², which represents a substantial increase over the 482,200 m² reported at the end of June 2007 and a slight decline compared with year-end 2007 (668,000 m²). In accordance with the ECO strategy, investment activity continued to concentrate on office space (40% of total rentable space) and retail objects (31%) during the first half of 2008. An analysis of property assets by segment shows generally stable development: 91% of the total property assets were held in the investment portfolio, 5% in the trading portfolio and 4% in the development portfolio as of 30 June 2008. Austria remains the core market of ECO Business-Immobilien AG with 76% of all investments.

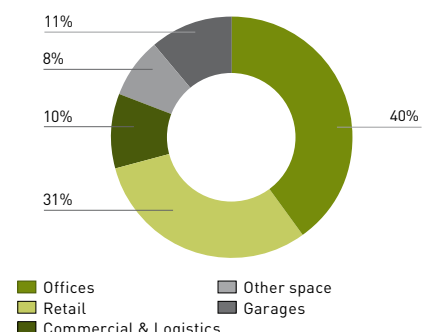
PROPERTY PORTFOLIO (EUR MILL.)



RENTABLE SPACE BY REGION AS OF 30.06.2008



RENTABLE SPACE BY SECTOR AS OF 30.06.2008



PROPERTY PORTFOLIO AS OF 30.06.2008	SPACE ¹⁾		RETAIL VACANCY RATE ²⁾		IFRS-CARRYING VALUE TEUR	RETURN ³⁾
	m ²	%	%	%		
Investment portfolio	562,900	40.8	32.2	15.8	978,273	5.5
Austria	410,700	44.4	31.3	20.3	752,739	5.0
Germany	152,200	30.9	34.6	3.9	225,534	7.0
Other Western Europe	0	0.0	0.0	0.0	0	0.0
CEE region	0	0.0	0.0	0.0	0	0.0
Trading portfolio (Austria only)	42,500	37.6	10.6	21.6	57,968	5.2
Investment portfolio	605,500	40.6	30.6	16.2	1,036,241	5.5
Development portfolio	46,000	35.4	35.9		11,204	8.6
Austria	6,400	6.3	34.2		1,132	8.1
Germany	11,700	0.0	35.5		3,927	6.8
Other Western Europe	7,500	100.0	0.0		6,000	6.2
CEE region	20,500	35.4	49.7		144	12.9
TOTAL INCL. DEVELOPMENT PROJECTS	651,400	40.2	31.0		1,047,445	5.7
Properties under construction					36,457	
PROPERTY PORTFOLIO					1,083,903	

1) Rentable space including garage spaces at 20 m² each, rounded to 100 m²

2) Total rentable space, including properties under development

3) Annualised monthly rent based on fair value; development projects based on planned rentals and estimated total costs

Half Year Management Report as of 30 June 2008



Management Report

For ECO Business-Immobilien AG, the first half of 2008 was shaped by the sound growth of the core business as well as increasingly difficult conditions on international financial and property investment markets. The rental markets at the ECO locations remained on an upward trend, but the changing market climate – with a steady increase in the cost of credit financing and higher equity requirements by lenders – had an in part strong negative influence. These changes in the financing sector had a fast and direct effect on potential property buyers, which was reflected in growing reservation on the market for business properties and a subsequent decline in the expected results from trading activities.

In this type of market climate ECO is able to benefit from the selective composition of its portfolio and the long-term concentration on high-quality business properties at prime locations. A steady focus on asset management and conservative valuation policy have moderated the effects of the above-mentioned negative external factors and, as a result, the company recorded positive operating results for the first half-year in spite of the turbulence on international property markets. Revenues rose by a significant amount and operating profit (EBIT) matched the comparable prior year level despite an unfavourable operating environment. The valuation of the properties by external specialists did not indicate any need for impairment charges during the first half of 2008, even in the current market climate. This reflects the conservative valuation approach taken since the founding of the company and the robust development of the markets at the ECO locations as well as the steady increase in earnings and value through the continued optimisation of the portfolio.

The right corporate strategy also made it possible for ECO to generate positive earnings during the difficult first six months of 2008. For the second half-year the Management Board expects a slight improvement in market conditions – above all in the areas of financing opportunities and trading. Activities to strengthen organic growth, and thereby also the internal earnings power of the company, will be intensified in order to safeguard the positive development of business in 2008.

The market environment – intact prospects on core markets

The demand for well-equipped business properties at top locations remained high on the ECO home market in Vienna. New rentals equalled approx. 220,000 m², which is only slightly below the prior year level. Although top rents in the inner city of rose to approx. EUR 23 / m², the overall vacancy rate for the Austrian capital fell to 4.7% for the first half of 2008.

In Germany, the second core market of ECO Business-Immobilien AG, the positive trend on business property markets continued. The six most important office centres – Berlin, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart – exceeded the outstanding prior year results with a total volume of 1.5 million m². This sound demand was also reflected in a further year-on-year decline in vacancies, with the average vacancy rate for all six cities equalling 8.9%. Another slight increase has been recorded in top rents, raising prices to the highest level in five years.

As a consequence of the continued solid economic growth in Central and Eastern Europe, demand on the business property market was high throughout the first six months of 2008. A number of office markets, such as the ECO location in Kiev, reported a significant rise in rental prices (+ 27%). This upward spiral was driven above all by a limited offering and strong growth in new rentals as well as a limited number of projects in the pipeline.

In contrast to the fundamentally positive market conditions, the European investment market for business properties presented a very different picture during the first half of this year. An increase in the cost of debt financing and general liquidity shortage led to a wait-and-see attitude on the part of most institutional investors, which cut the volume of investments by nearly half in relation to the first six months of 2007. The investment market in Vienna performed relatively well in comparison with a minus of only 7%. However this statistic was significantly influenced by one major sale transaction (SCS), while the larger part of the market was characterised by reserved development.

Focus on portfolio optimisation

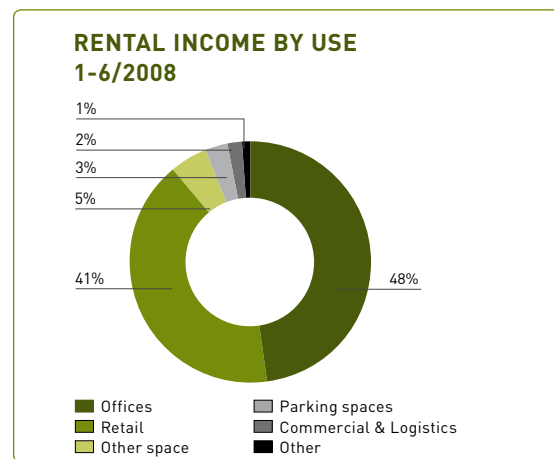
Against the backdrop of the current difficult market environment and in keeping with its corporate strategy to realise a sustainable increase in value, ECO focused above all on the optimisation of its existing portfolio during the first two quarters of this year. Activities were concentrated on effective asset management, in particular measures to increase the value of the portfolio objects over the long-term. The company made only extremely selective acquisitions, and trading activities were not intensified because of the shift in demand on the investment market.

The property portfolio grew to 122 objects with a total value of EUR 1.08 billion, for a year-on-year increase of EUR 348 million. Lettable space equalled 651,400 m² as of 30 June 2008. The slight decline in property assets in comparison with the December 2007 level of EUR 1.23 billion is explained by the June 2008 split up of the BAWAG portfolio, which was acquired at the end of the past year, between ECO and Signa Holding GmbH. ECO previously held a 60% stake in these properties, but now owns 100% of 12 high-quality objects with a combined value of EUR 320 million. The objects at Kärntner Strasse 9 and Tuchlauben in Vienna, which have a total value of roughly EUR 174 million, are now wholly owned by Signa. The former BAWAG property portfolio was allocated to the two owners based on the focus of their respective business activities. ECO concentrates on high-quality, inner city office properties such as the objects at Fleischmarkt and Stubenring in the first district of Vienna or the Aspernbrückengasse property in the second district. These properties represent first-class objects, whose attractiveness and value will be further improved by new realisation concepts and rentals. The first rental agreements were concluded during the reporting period.

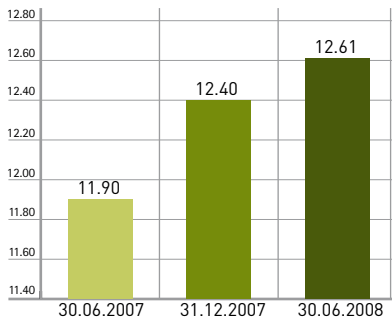
New record for revenues

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 valuation of the property portfolio by independent experts confirmed the value of the ECO properties, even in the current market environment with its falling prices and declines in value. 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 (excluding the Hochholzerhof and Kärntnerstrasse 9), equalled 26%.



NAV PER SHARE (EUR)



Positive revenue and earnings indicators

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 (1-6/2007: EUR 25.7 mill.). However, EBIT was negatively influenced by an impairment charge of EUR 5.7 million. Potential problems connected with the collection of the receivable from the sale of the object at Schwarzenbergplatz 7 and 8, which was sold at the end of the prior year, were reflected in a provision of EUR 5.7 million as of 30 June 2008. If this transaction is cancelled pursuant to a provision of the sale contract that serves as a guarantee for the outstanding receivable, the Management Board is optimistic that this top location can be sold at the originally agreed price within a foreseeable period of roughly one year.

Financial results totalled EUR -21.2 million (1-6/2007: EUR -8.8 mill.) because of higher interest rates and a substantial rise in the volume of financing. Accordingly, profit before tax (EBT) equalled EUR 4.7 million (1-6/2007: EUR 16.9 mill.). As a result of the unsatisfactory decline in earnings and an increase in the number of shares outstanding, earnings per share for the first six months of 2008 equalled EUR 0.17 compared with EUR 0.51 in the first half of 2007.

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 million (versus EUR 20.2 mill. in the comparable prior year period).

Increase in NAV to EUR 12.61 per share

Equity (incl. minority interests) totalled EUR 437.1 million as of 30 June 2008, and reflects an equity ratio of 37%. Of the total financial liabilities due to banks and insurance companies, roughly one-third was hedged against fluctuations in interest rates. This resulted in an average interest rate of 5.34%, including hedging effects, as of 30 June 2008.

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.

Major risks for the second half of 2008

The risk management programme followed by the company and the major business risks to which the company is exposed still reflect the evaluation provided in the 2007 annual report. For this reason, we would like to refer to the relevant sections of the annual financial statements as of 31 December 2007. The following section provides specific comments on the most important risks:

The international financial crisis and the accompanying liquidity shortage as well as the rising level of interest rates have increased the cost of external financing. However, the interest rate hedges concluded in earlier periods have allowed ECO to reduce these higher costs to a certain extent.

If the conditions on property markets deteriorate, it cannot be completely excluded that appraisals will produce a lower valuation of properties.

From the present point of view, the Management Board is optimistic that there will be no material cost overruns on the development projects currently in progress.

ECO is well-equipped to meet the more difficult operating environment with a solid equity basis (37% as of 30 June 2008) and the partial protection against rising interest rates that is provided by hedges as well as its extremely selective acquisition strategy and high internal financing power. However, the Management Board expects the business climate will also remain difficult throughout the second half of this year.

Transactions with related companies and persons

Detailed information on the transactions with Wiener Privatbank Immobilien Invest AG and ECO Management GmbH is provided in the notes to the consolidated financial statements.

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. Activities for the coming six months will focus on the further development of the investment portfolio, in keeping with the reserved behaviour on investment markets. Trading activities will be intensified if favourable opportunities are available or if the market situation changes. Moreover, ECO will pursue the realisation of the development projects currently under construction as well as the development of new and attractive projects with well-known partners. This strategy should sustain continued organic growth and further 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.

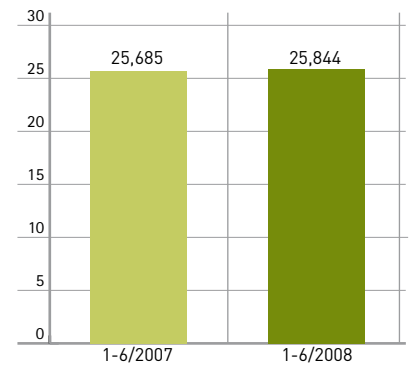
Vienna, August 2008

The Management Board

Friedrich Scheck

Wolfgang Gössweiner

DEVELOPMENT OF EBIT (TEUR)



Segment Report



Investment Portfolio

Activities in this segment during the first half of 2008 were directed to increasing the earnings and value of the portfolio properties. Effective asset management led to an improvement in the overall occupancy rate and a subsequent rise in rental income. One example of this positive development is the office building in Vienna's Neulinggasse, where the occupancy rate doubled from 40% at the end of June 2007 to 80% as of 30 June 2008 following the implementation of various measures to improve the attractiveness of this object. First successes were also recorded in the rental of properties from the former BAWAG portfolio, which was acquired at the end of 2007 and split up during the reporting period. Additionally, office space in an object on the Stubenring in the first district of Vienna was let during the first six months of 2008.

The value of the Traunpark Wels, an inner city shopping centre in the province of Upper Austria, was substantially increased by the acquisition of the Merkur supermarket, which was previously located in this building complex but not part of the ECO portfolio. In Germany ECO also made a number of selective acquisitions and also sold properties at a profit during the reporting period.

The investment portfolio totalled EUR 980 million or 91% of the property assets held by ECO Business-Immobilien AG as of 30 June 2008 and was responsible for 95% of rental income. Rental income rose from EUR 17.1 million to EUR 29.2 million during the first half of 2008. The investment portfolio generated EBIT of EUR 25.8 million, for an increase of EUR 2.5 million over the first six months of 2007.

KEY DATA ON THE INVESTMENT PORTFOLIO

		30.06.2008	30.06.2007	31.12.2007
Number of objects	(nr.)	70	61	73
Total rentable space ¹⁾	(m ²)	562,900	434,800	572,100
Garage spaces	(nr.)	3,050	2,170	2,870
Vacancy rate	(%)	15.8	13.0	14.8
Property portfolio	(TEUR)	980,499	651,115	1,132,236
Thereof properties under construction	(TEUR)	2,226	0	3,711
Revenues	(TEUR)	34,878	20,654	43,842
EBIT	(TEUR)	25,808	23,222	52,968

¹⁾ Garage spaces were included at 20 m² each Asset-based figures are calculated at the last day of the reporting period, revenue-based figures over the entire period. Square metre amounts were rounded to 100 m².

Trading-Portfolio

Following the profitable sale of a major part of the former Allianz properties from the trading portfolio during the fourth quarter of 2007, the development of business in this segment was slower during the first half of 2008. Activities connected with the trading portfolio were concentrated on optimisation, in order to increase the quality and earning power of the properties. Four apartments were sold during the first two quarters of this year for approx. TEUR 800. The gain on the sale of these objects totalled roughly TEUR 200 and the profit margin (the difference between the selling price and the book value of the disposal) equalled 37%.

The trading portfolio equalled EUR 58 million or roughly 5% of property assets as of 30 June 2008. Rental income totalled EUR 1.5 million, and reflects a contribution of 4.9% to the total rental income recorded by ECO for the first half of 2008. Due to the decline in sales and lower volume of properties in this segment, EBIT fell from EUR 3.6 million in the previous year to EUR 1.3 million for the first six months of 2008.



KEY DATA ON THE TRADING PORTFOLIO

		30.06.2008	30.06.2007	31.12.2007
Number of objects	(nr.)	46	60	46
Total rentable space ¹⁾	(m ²)	42,500	47,400	42,800
Garage spaces	(nr.)	280	290	280
Vacancy rate	(%)	21.6	23.3	22.7
Property portfolio	(TEUR)	57,968	62,965	58,319
Thereof properties under construction	(TEUR)	0	0	0
Revenues	(TEUR)	1,926	2,702	4,747
EBIT	(TEUR)	1,302	3,574	10,183

1) Garage spaces were included at 20 m² each Asset-based figures are calculated at the last day of the reporting period, revenue-based figures over the entire period. Square metre amounts were rounded to 100 m².

Segment Report



Development Portfolio

ECO has invested in selected development projects in Eastern and Western Europe since 2007, in order to utilise opportunities to increase the value and earnings of its portfolio. Against the backdrop of the international financial crisis and changing market climate, ECO was able to profit from the optimal use of resources on development projects during the first half of this year.

The development portfolio included six projects with an investment volume that totalled approx. EUR 91 million as of 30 June 2008. These projects have 46,000 m² of usable space, and are scheduled to be completed and opened in 2008 and 2009.

Two development projects in Germany were successfully completed and opened during the first half of 2008. The third section of the Pocking specialty shopping centre in Bavaria was finished in March 2008. The three sections have a combined total of 7,600 m² and are fully occupied. The return on this project equals 8%. In Munich a mixed-use object with approx. 6,100 m² of usable space at a prime location was completed and transferred in May 2008; this object generates a return of 9%. During the reporting period work also continued on two other projects in Germany with approx. 11,700 m² of rentable space.

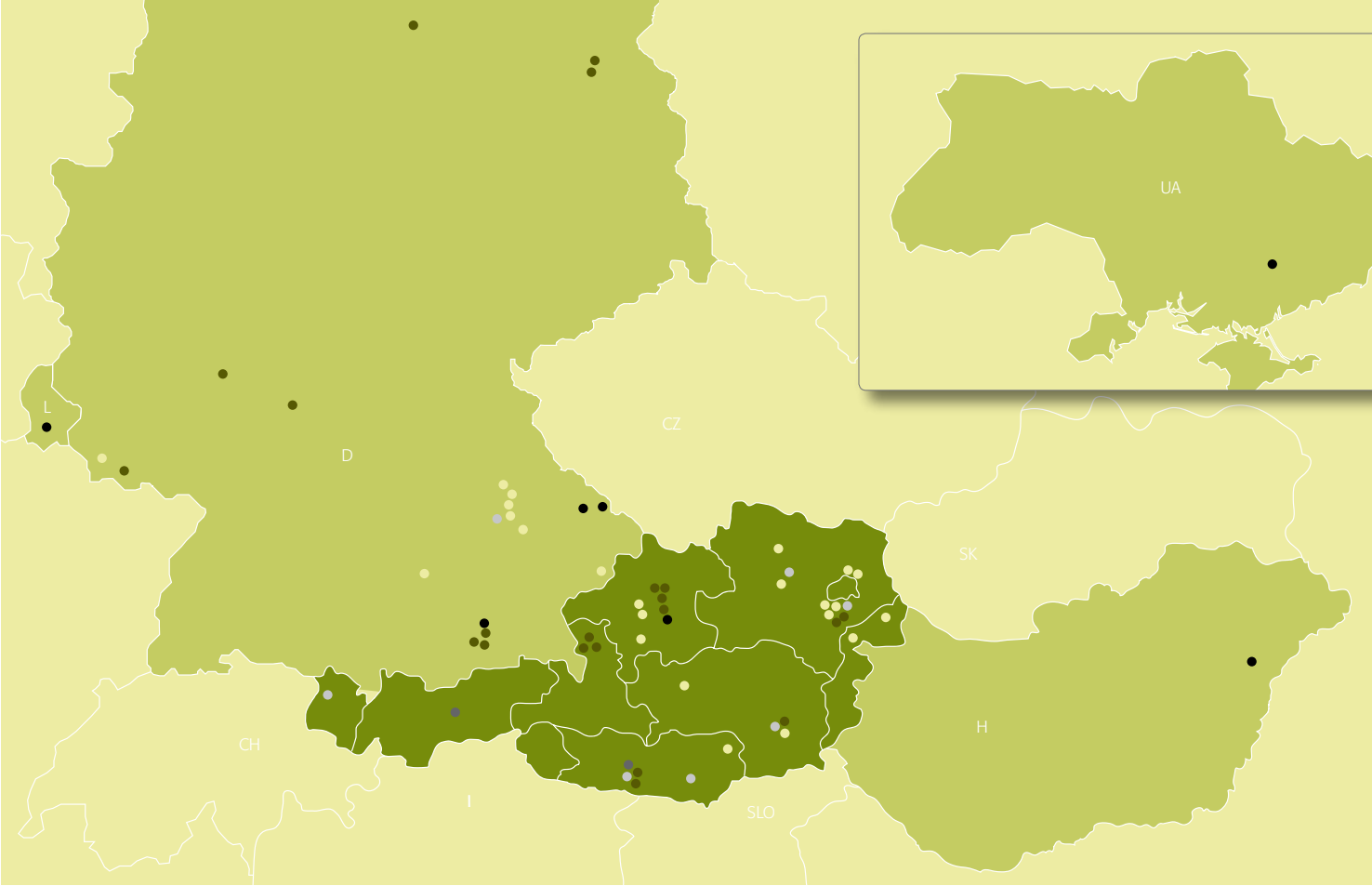
In Austria one development project (a hotel and specialty shopping centre) with approx. 6,400 m² of lettable space is under construction. Construction on the development projects in Luxembourg, Hungary and Ukraine also proceeded according to schedule.

The investment criterion for development projects is an average return of 8.5% after completion, whereby the returns in western markets range from 6.2% to 8.1% and projects in the CEE markets average 12.9%.

KEY DATA ON THE DEVELOPMENT PORTFOLIO		30.06.2008	30.06.2007	31.12.2007
Number of objects	(nr.)	6	1	8
Total rentable space ¹⁾	(m ²)	46,000	5,600	53,100
Garage spaces	(nr.)	230	0	230
Investment volume	(TEUR)	90,815	14,441	106,600
Annual rental income after completion	(TEUR)	7,787	1,141	9,081
Return after completion	(%)	8.6	7.9	8.5

1) Garage spaces were included at 20 m² each Asset-based figures are calculated at the last day of the reporting period, revenue-based figures over the entire period. Square metre amounts were rounded to 100 m².

PROPERTY LOCATIONS



■ Offices ■ Retail ■ Mixed use ■ Other space ■ Development project



EECO

Interim Financial Statements

For the period ended 31 March 2024

As at 31 March 2024

For the period ended 31 March 2024

As at 31 March 2024

For the period ended 31 March 2024

As at 31 March 2024

For the period ended 31 March 2024

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For the period ended 31 March 2024

As at 31 March 2024

For the period ended 31 March 2024

As at 31 March 2024

For the period ended 31 March 2024

Condensed Consolidated Balance Sheet as of 30 June 2008

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences.

ASSETS	NOTES	30.06.2008	31.12.2007
Non-current assets			
Intangible assets		226	237
Property, plant and equipment			
Investment properties	4	989,477	1,140,019
Other tangible assets		200	210
Construction in progress	5	36,457	34,746
		1,026,360	1,175,211
Financial assets			
Shares in associated companies		18	35
Properties available for sale	6	57,968	58,319
Deferred tax assets		2,486	1,076
Other receivables and assets	10	13,729	10,125
		1,100,561	1,244,766
Current assets			
Receivables arising from the sale of assets	10	57,257	20,257
Other receivables and asset	10	14,594	38,365
Cash and cash equivalents		5,680	34,708
		77,532	93,330
TOTAL ASSETS		1,178,092	1,338,095
EQUITY AND LIABILITIES			
Equity and reserves			
Issued capital	12	341,000	341,000
Capital reserves		43,411	43,411
Retained earnings		45,484	38,491
Equity attributable to shareholders of the parent company		429,895	422,902
Minority interests		7,223	12,784
		437,118	435,685
Non-current liabilities			
Loans from banks	9	438,966	545,063
Other loans	9	42,062	43,748
Finance lease liabilities	11	14,435	14,804
Deferred tax liabilities		17,242	14,728
		512,706	618,343
Current liabilities			
Provisions		1,104	2,214
Overdrafts and current portion of loans from banks	9	154,662	158,722
Current portion of other loans	9	45,574	52,093
Finance lease liabilities	11	427	316
Trade accounts payable		4,456	8,595
Liabilities arising from the acquisition of investment properties		2,154	46,921
Other current liabilities		19,891	15,205
		228,268	284,067
TOTAL EQUITY AND LIABILITIES		1,178,092	1,338,095

The following notes to the financial statements form an integral part of this condensed consolidated balance sheet.

Condensed Consolidated Income Statement for the period from 1 January to 30 June 2008

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences.

	NOTES	1-6/2008	4-6/2008	1-6/2007	4-6/2007	1-12/2007
1. Revenues						
a) Rental income		30,663	15,431	19,276	9,733	39,959
b) Owner's operating costs charged on		6,142	3,070	4,080	2,101	8,630
		36,804	18,501	23,356	11,833	48,589
2. Changes in fair value of investment property		5,419	-280	5,492	3,083	17,146
3. Other operating income						
a) Gain on disposal of non-current assets		3,312	564	5,927	3,635	16,508
b) Miscellaneous		736	446	918	676	1,263
		4,048	1,010	6,845	4,311	17,771
4. Owner's operating costs		-9,063	-4,342	-6,221	-3,291	-14,117
5. Depreciation and amortisation		-28	-14	-14	-8	-27
6. Other operating expenses		-11,337	-8,381	-3,772	-2,028	-8,561
7. EARNINGS BEFORE INTEREST AND TAXES	1	25,844	6,494	25,685	13,900	60,801
8. Finance revenue		1,573	778	1,184	449	2,947
9. Finance costs		-22,734	-11,042	-10,01	-4,913	-22,094
10. FINANCIAL RESULTS		-21,162	-10,264	-8,832	-4,464	-19,147
11. PROFIT BEFORE TAX		4,682	-3,770	16,853	9,436	41,654
12. Income tax expense		-124	-47	-409	-248	-325
13. Deferred tax expense	2	-803	346	-3,858	-2,197	-8,091
		-928	299	-4,267	-2,444	-8,416
14. PROFIT FOR THE PERIOD		3,755	-3,471	12,586	6,992	33,238
Thereof attributable to						
Equity holders of the parent company		5,757	-2,936	12,638	7,013	32,772
Minority interests		-2,003	-535	-52	-21	466
		3,755	-3,471	12,586	6,992	33,238
Earnings per share in EUR	3	0.17	-0.09	0.51	0.28	1.11
Weighted average number of shares		34,100,000	34,100,000	25,000,000	25,000,000	29,550,000

Condensed Consolidated Cash Flow Statement for the period from 1 January to 30 June 2008

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences.

	NOTES	1-6/2008	1-6/2007	1-12/2007
NET CASH FLOW FROM OPERATING ACTIVITIES		964	1,379	4,311
Payments for the acquisition of properties		-39,646	-93,854	-239,555
Payments for properties under construction		-1,918	-10,598	-19,402
Proceeds from the disposal of properties		17,368	46,179	34,425
Payments for the acquisition of subsidiaries		0	-900	-157,834
Payments for the acquisition of investments in other companies		0	-5,030	310
Proceeds from the disposal of subsidiaries		0	1,346	7,916
Other net cash flows		-2,711	1,182	-1,035
NET CASH FLOW FROM INVESTING ACTIVITIES	13	-26,907	-61,675	-375,174
Proceeds from capital increases		0	96,335	109,650
Transaction costs relating to capital increases		-777	-5,337	-14,078
Changes in loans from banks		-3,796	7,922	250,699
Other net cash flows		1,487	0	-656
NETTO-GELDFLUSS AUS FINANZIERUNGSTÄTIGKEIT	13	-3,086	98,920	345,615
CHANGE IN CASH AND CASH EQUIVALENTS		-29,028	38,624	-25,248
Cash and cash equivalents at the beginning of the period		34,708	59,956	59,956
Cash and cash equivalents at the end of the period		5,680	98,580	34,708
CHANGE		-29,028	38,624	-25,248

The following notes to the financial statements form an integral part of this consolidated cash flow statement.

Condensed Consolidated Statement of Changes in Equity for the period from 1 January to 30 June 2008

	NOTES	ATTRIBUTABLE TO SHAREHOLDERS OF T		
		ISSUED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS
BALANCE ON 1.1.2007		250,000	34,311	8,879
Transaction costs relating to capital increases		0	0	-12,356
Deferred taxes on transaction costs relating to capital increases		0	0	3,089
Changes in the fair value of interest rate hedges		0	0	0
Deferred taxes on changes in the fair value of interest rate hedges		0	0	0
Currency translation adjustment		0	0	0
Profit/loss after tax recognised directly in equity		0	0	-9,267
Net profit for the period		0	0	12,638
Income and expense recognised for the period		0	0	3,371
Proceeds from capital increases		91,000	9,100	0
Changes in consolidation range		0	0	56
Other changes		0	0	-10
BALANCE ON 30.6.2007		341,000	43,411	12,305
BALANCE ON 1.1.2008		341,000	43,411	31,363
Costs of other capital measures		0	0	-923
Deferred taxes on costs of other capital measures		0	0	231
Changes in the fair value of interest rate hedges		0	0	0
Deferred taxes on changes in the fair value of interest rate hedges		0	0	0
Currency translation adjustment		0	0	0
Profit/loss after tax recognised directly in equity		0	0	-692
Net profit for the period		0	0	5,757
Income and expense recognised for the period		0	0	5,065
Proceeds from capital increases		0	0	0
Changes in consolidation range	7	0	0	-290
Other changes		0	0	-463
BALANCE ON 30.6.2008		341,000	43,411	35,675

The following notes to the financial statements form an integral part of this condensed consolidated statement of changes in equity.

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences.

HE PARENT COMPANY			TOTAL	MINORITY INTERESTS	TOTAL EQUITY AND RESERVES
RESERVE FOR DERIVATIVES	CURRENCY TRANSLATION ADJUSTMENT				
1,672	-161	294,701	1,647	296,348	
0	0	-12,356	-806	-13,162	
0	0	3,089	202	3,291	
9,932	0	9,932	0	9,932	
-2,522	0	-2,522	0	-2,522	
0	0	0	0	0	
7,410	0	-1,858	-605	-2,462	
0	12,638	-52		12,586	
7,410	0	10,781	-657	10,124	
0	0	100,100	24,900	125,000	
0	0	56	-205	-148	
0	-1	0		-1	
9,082	-161	405,637	25,686	431,322	
7,253	-125	422,902	12,784	435,685	
0	0	-923	0	-923	
0	0	231	0	231	
3,524	0	3,524	0	3,524	
-763	0	-763	0	-763	
0	-80	-80	0	-80	
2,761	-80	1,989	0	1,989	
0	0	5,757	-2,003	3,755	
2,761	-80	7,746	-2,003	5,744	
0	0	0	0	0	
0	0	-290	-4,014	-4,304	
0	0	-463	456	-7	
10,014	-205	429,895	7,223	437,118	

Condensed Consolidated Statement of Non-Current Assets as of 30 June 2008

	ACQUISITION COSTS			
	01.01.2008	ADDITIONS	RECLASSIFICATION	ADDITIONS THROUGH BUSINESS COMBINATIONS
NON-CURRENT ASSETS				
Intangible assets	313	0	0	0
Property, plant and equipment				
Investment property	1,140,019	16,631	13,300	0
Other tangible assets	282	7	0	0
Properties under construction	34,746	15,012	-13,300	0
	1,175,047	31,650	0	0
TOTAL NON-CURRENT ASSETS	1,175,359	31,650	0	0
Properties held for sale	58,319	247	0	0
TOTAL	1,233,678	31,897	0	0

	ACCUMULATED DEPRECIATION AND AMORTISATION			
	01.01.2008	ADDITIONS	RECLASSIFICATION	ADDITIONS THROUGH BUSINESS COMBINATIONS
Intangible assets	76	11	0	0
Property, plant and equipment				
Investment property	0	0	0	0
Other tangible assets	73	17	0	0
Properties under construction	0	0	0	0
	73	17	0	0
TOTAL DEPRECIATION AND AMORTISATION	149	28	0	0

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences.

DISPOSALS	REVALUATIONS	30.06.2008	BOOK VALUE	
			30.06.2008	01.01.2008
0	0	313	226	237
185,892	5,419	989,477	989,477	1,140,019
0	0	289	200	210
0	0	36,457	36,457	34,746
185,892	5,419	1,026,224	1,026,134	1,174,974
185,892	5,419	1,026,536	1,026,360	1,175,211
598	0	57,968	57,968	58,319
186,489	5,419	1,084,505	1,084,328	1,233,529
DISPOSALS	30.06.2008			
0	87			
0	0			
0	90			
0	0			
0	90			
0	176			

Condensed Consolidated Statement of Non-Current Assets as of 30 June 2007

	ACQUISITION COSTS		
	01.01.2007	ADDITIONS	ADDITIONS THROUGH BUSINESS COMBINATIONS
NON-CURRENT ASSETS			
Intangible assets	309	0	4
Property, plant and equipment			
Investment property	598,885	36,919	9,863
Other tangible assets	32	0	0
Properties under construction	3,892	17,510 *)	0
	602,810	54,429	9,863
TOTAL NON-CURRENT ASSETS	603,119	54,429	9,868
Properties available for sale	94,445	396	0
TOTAL	697,564	54,826	9,868

*) Properties under construction includes the addition of a construction in progress with a value of TEUR 12,966

	ACCUMULATED DEPRECIATION AND AMORTISATION		
	01.01.2007	DEPRECIATION AND AMORTISATION EXPENSE	ADDITIONS THROUGH BUSINESS COMBINATIONS
Intangible assets	55	11	0
Property, plant and equipment			
Investment property	0	0	0
Other tangible assets	16	4	0
Construction in progress	0	0	0
	16	4	0
TOTAL DEPRECIATION AND AMORTISATION	71	14	0

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences.

DISPOSALS	REVALUATIONS	30.06.2007	BOOK VALUE	
			30.06.2007	01.01.2007
0	0	314	248	255
29	5,492	651,132	651,132	598,885
0	0	32	14	16
0	0	21,402	21,402	3,892
29	5,492	672,566	672,548	602,793
29	5,492	672,880	672,796	603,048
31,876	0	62,965	62,965	94,445
31,905	5,492	735,845	735,761	697,493
ELIMINATED ON DISPOSAL OF ASSETS	30.06.2007			
0	65			
0	0			
2	18			
0	0			
2	18			
2	84			

Notes to the Consolidated Interim Financial Statements

Selected Explanatory Notes to the Consolidated Interim Financial Statements as of 30 June 2008

ECO Business-Immobilien AG is a joint-stock company incorporated under the laws of the Republic of Austria, which is engaged in the acquisition, sale, development and rental of real estate.

Presentation of the Consolidated Interim Financial Statements

These consolidated interim financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, in accordance with IAS 34. All amendments to the Standards that took effect as of 1 January 2008 were applied in preparing the interim financial statements as of 30 June 2008. The accounting and valuation principles applied by the Group remain unchanged from the consolidated financial statements as of 31 December 2007. The consolidated interim financial statements are presented in thousand Euro ("TEUR"), which can lead to rounding differences. The majority of the Group's transactions are concluded in Euro. Numerous amounts and percentage rates presented in these consolidated interim financial statements were rounded. The income and expenses of the Group are subject to immaterial seasonal fluctuations.

The consolidated interim financial statements were prepared in keeping with the principle of historical purchase and production costs, as modified by the fair value measurement of land and buildings in accordance with IAS 40 as well as the fair value measurement of certain financial instruments. Property companies founded during 2006, which are included in the consolidation at the proportional share held by the Group, own objects that are classified as available for sale. These objects are valued at acquisition cost. Additional information on the accounting and valuation principles applied by the ECO Group is provided in the consolidated financial statements as of 31 December 2007.

As indicated in the last consolidated financial statements, management believes that valuation, and above all the valuation of investment properties, is connected with significant judgments and estimates. The valuation of properties is dependent on the valuation method used. Although expert opinions on the objects owned by the Group reflect international standards, it cannot be excluded that another valuation method would lead to a different – and possibly lower – valuation for the properties owned by the Group. In addition to rental payments and the stability of these payment flows over the long-term, the valuation of properties is based on the condition and location of the objects as well as other qualitative factors and assumptions. It cannot be excluded that the negative development of one of these factors or assumptions would lead to a decline in the value of a property, and thereby have a negative influence on the financial position and on the results of operations and the cash flows of the Group. The Management Board has also made important forward-looking assumptions concerning the collectibility of receivables from the sale of properties.

A. Selected Explanatory Notes to the Condensed Consolidated Interim Income Statement

1. Earnings before interest and tax (EBIT)

Revenues recorded by the ECO Group are comprised of the following:

	30.06.2008	30.03.2007
	TEUR	TEUR
Rental income	30,663	19,276
Operating costs charged on	6,142	4,080
TOTAL	36,804	23,356

Of the total revenues recorded on rentals, TEUR 28,488 (1-6/2007: TEUR 16,471) were generated in Austria and TEUR 8,317 (1-6/2007: TEUR 6,884) in other countries. The net gain from changes in the fair value of investment property totalled TEUR 5,419 (1-6/2007: TEUR 5,492).

Gains of TEUR 3,312 (1-6/2007: TEUR 5,927) on the disposal of non-current assets resulted chiefly from the sale of condominium units in the property at 1010 Vienna, Parkring 12a.

The purchase price for the property at Schwarzenbergplatz 7 and 8 had not been paid by the end of the second quarter of 2008. Accordingly, an impairment charge of EUR 5.7 million was recognised to reflect the potential problems connected with the collection of this receivable. If this transaction is cancelled pursuant to the provisions of the sale contract, the management Board is optimistic that the property can be sold within one year at the originally agreed price.

Earnings before interest and taxes (EBIT) rose from TEUR 25,685 (1-6/2007) to TEUR 25,844, which represents an increase of TEUR 159. EBIT also includes the above-mentioned impairment charge of EUR 5.7 million to the purchase price receivable.

2. Income tax expense

The recording of transaction costs for capital market measures without recognition through profit or loss resulted in a tax credit of TEUR 231. This tax credit was recorded directly to the consolidated balance sheet.

The provisions for taxes shown on the balance sheet are the result of temporary differences between the carrying amount of an asset or liability in the consolidated interim financial statements and the relevant tax base. The calculation of these provisions was based on a tax rate of 25% or the applicable local tax rate in the relevant foreign country.

3. Earnings per share

	30.06.2008	30.06.2007
	TEUR	TEUR
Share of profit attributable to shareholders of the parent company	5,757	12,638
Number of shares	34,100,000	25,000,000
EARNINGS PER SHARE IN EUR	0.17	0.51

No dividends were paid during the reporting period.

B. Selected Explanatory Notes to the Condensed Consolidated Balance Sheet

4. Investment property

Investment property was measured at fair value. These fair values are generally based on the updated opinions prepared by independent property experts in August 2008 as of the balance sheet date on 30 June 2008; these experts have no relationship to the ECO Group.

The Group has pledged most of the investment properties as collateral for loans.

This item also includes land to be used in development projects, which is carried at cost.

The joint venture with SIGNA Holding GmbH was dissolved as of 30 June 2008 through the acquisition at nominal value of the minority interests in each of the two holding companies by the ECO Group and the subsequent full acquisition of the Hochholzerhof and Kärntnerstrasse 9 properties (both in Vienna) by the SIGNA Holding Group. This transaction resulted in a book gain of EUR 0.5 million.

All properties owned by the Group are rented through operating leases. Since the Group is active exclusively in the rental of properties, income and expenses are generated by the properties held. The Group is entitled to receive income from the rental of investment properties beginning on the date of acquisition.

5. Properties under construction

Properties under construction are carried on the balance sheet at acquisition cost. Of the total properties under construction as of 30 June 2008, TEUR 2,226 is related to objects in the investment portfolio and TEUR 34,232 to development projects.

Development projects comprise the following:

PROJECT LOCATION	LAND RECOGNISED AS OF 30.06.2008 TEUR	PROPERTY UNDER CONSTRUCTION RECOGNISED AS OF 30.06.2008 TEUR
Ansfelden, A	1,132	4,455
Deggendorf, D	3,165	7,281
Tittling, D	762	1,507
Leudelage, L	6,000	11,042
Zaporizhya, UA	144	9,594
TOTAL	11,203	34,232

The statement of non-current assets is attached as an appendix to these notes.

The Kreillerstrasse property in Munich was completed during the second quarter of 2008 and reclassified from properties under construction to investment properties. The valuation as of 30 June 2008 by an independent expert resulted in income of EUR 0.9 million.

In addition to the above development projects, the Group has concluded an agreement to purchase a project company. The transfer of the shares is subject to the suspensive condition that the development project will be completed. The purchase price for the shares is based on an agreed value of EUR 10.0 million for the completed object plus an additional payment if higher rental income is recorded. The Group has made a prepayment of EUR 1.4 million on the acquisition of these shares.

The Group also holds a 40% stake in an associated project development company in Hungary, which was working on a project as of the balance sheet date. The ECO Group holds an option to acquire the remaining 60% of the shares, which is based on an agreed price for the object. The investment costs are expected to total EUR 9.0 million.

6. Properties available for sale

The properties available for sale are owned one-half each by the ECO Group and the convert Property Group. Therefore, these properties and the related external financing are included in the consolidated financial statements through proportionate consolidation. Four condominium apartments were sold from this portfolio during the first six months of 2008 for a total of TEUR 823.

7. Investments in other companies

The parent company of the Group held shares in the following subsidiaries as of 30 June 2008:

SHARES IN SUBSIDIARIES	STAKE	CONSOLIDATION	PRIMARY BUSINESS ACTIVITY	FOUNDING / ACQUISITION IN 2008
AUSTRIA				
ECO Business-Immobilien-Beteiligungen GmbH	100%	Full consolidation	Holding company	
EBI Beteiligungen GmbH	100%	Full consolidation	Holding company	
ECO Eastern Europe Real Estate AG	86.20%	Full consolidation	Holding company	
ECO CEE & Real Estate Development GmbH	86.20%	Full consolidation	Holding company	

SHARES IN SUBSIDIARIES	STAKE	CONSOLIDATION	PRIMARY BUSINESS ACTIVITY	FOUNDING / ACQUISITION IN 2008
AUSTRIA				
Immobilien-Allianz Holding GmbH	100%	Full consolidation	Holding company	
ECO Finance Holding GmbH	100%	Full consolidation	Holding company	
PI Immobilien GmbH	100%	Full consolidation	Holding company	
PI Beteiligungen GmbH	100%	Full consolidation	Holding company	
Immobilien-Allianz Holding GmbH & Co. 1040 Wien, Prinz-Eugen-Strasse 32 OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. 1050 Vienna, Siebenbrunnengasse 19-21 OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. 1070 Vienna, Westbahnstrasse 28 OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. 1090 Vienna, Schlickgasse 5 OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. 1120 Vienna, Schönbrunner Schlosstraße 38-42 OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Eins OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Zwei OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Drei OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Vier OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Fünf OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Acht OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Neun OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Zehn OEG	50%	Proportionate consolidation	Rental of properties	
ECO Business-Immobilien-Beteiligungen GmbH & Co., 1010 Vienna, Opernringhof OEG	100%	Full consolidation	Rental of properties	
Kapital & Wert Immobilienbesitz AG	99.25%	Full consolidation	Rental of properties	
Brunn am Gebirge Realbesitz GmbH	99.26%	Full consolidation	Rental of properties	
St. Magdalen Projektentwicklungs- und Verwertungsgesellschaft m.b.H.	100%	Full consolidation	Rental of properties	
„MEZ“ – Vermögensverwaltungs Gesellschaft m.b.H.	100%	Full consolidation	Rental of properties	
„MSU“ Immobilientreuhand GmbH	100%	Full consolidation	Rental of properties	
„TPW“ Immobilien GmbH	100%	Full consolidation	Rental of properties	
EB Immobilien Invest GmbH	100%	Full consolidation	Rental of properties	
EBI Beteiligungen GmbH & Co, 1190 Vienna, Rampengasse 3-5 KEG	100%	Full consolidation	Rental of properties	
EBI Beteiligungen GmbH & Co, 1110 Vienna, Simmeringer Hauptstrasse 24 KEG	100%	Full consolidation	Rental of properties	
ECO Rechenzentren Vermietungs GmbH & Co KEG	100%	Full consolidation	Rental of properties	
ECO KB GmbH	100%	Full consolidation	Rental of properties	
GETINA Immobilien-Management GmbH	100%	Full consolidation	Rental of properties	
ECO Treasury GmbH	100%	Full consolidation	Rental of properties	
ECO Immobilien Verwertungs GmbH	100%	Full consolidation	Rental of properties	
ECO Hotel und Fachmarktzentrum Ansfelden GmbH	100%	Full consolidation	Rental of properties	
PI Fleischmarkt 1, 3-5 GmbH & Co OG	100%	Full consolidation	Rental of properties	
PI Fleischmarkt 19 GmbH	100%	Full consolidation	Rental of properties	

SHARES IN SUBSIDIARIES	STAKE	CONSOLIDATION	PRIMARY BUSINESS ACTIVITY	FOUNDING / ACQUISITION IN 2008
AUSTRIA				
PI Theobaldgasse 19 GmbH & Co OG	100%	Full consolidation	Rental of properties	
PI Marktstrasse 6 GmbH & Co OG	100%	Full consolidation	Rental of properties	
PI Praterstrasse 62-64 GmbH & Co OG	100%	Full consolidation	Rental of properties	
PI Grabmayr-Strasse 4 GmbH & Co OG	100%	Full consolidation	Rental of properties	
PI Stubenring 2 GmbH & Co OG	100%	Full consolidation	Rental of properties	
PI Aspernbrückengasse 2 GmbH & Co OG	100%	Full consolidation	Rental of properties	
PI Eggenberger Allee 49 GmbH & Co OG	100%	Full consolidation	Rental of properties	
PI Wohllebengasse 12-14 GmbH & Co OG	100%	Full consolidation	Rental of properties	
PI Gudrunstrasse 124 / Keplerplatz 14 GmbH & Co OG	100%	Full consolidation	Rental of properties	
GERMANY				
ECO Business-Immobilien Deutschland GmbH	100%	Full consolidation	Rental of properties	
DINAMI GmbH	100%	Full consolidation	Rental of properties	
Diak-Nd Pflege-Altenheime Besitz GmbH	94.5%	Full consolidation	Rental of properties	
ECO Einkaufszentrum Meitingen GmbH & Co. KG, Munich	94.8%	Full consolidation	Rental of properties	
ECO Fachmarktzentren GmbH & Co. KG, Munich	94.8%	Full consolidation	Rental of properties	
ECO Büroimmobilien GmbH & Co. KG, Munich	94.8%	Full consolidation	Rental of properties	
ECO Fachmarktzentrum Pocking GmbH & Co KG	94.8%	Full consolidation	Rental of properties	
ECO Real Estate Deutschland GmbH	100%	Full consolidation	Rental of properties	
Projektgesellschaft Kreiller Strasse 215 mbH	100%	Full consolidation	Rental of properties	
ECO Fachmarktzentrum Geiselhöring GmbH & Co KG	94.8%	Full consolidation	Rental of properties	
ECO Fachmarktzentrum Tittling GmbH	100%	Full consolidation	Project development	
LUXEMBOURG				
ECO Real Estate Luxembourg S.à.r.l.	100%	Full consolidation	Project development	
HUNGARY				
My-Box Kecskemet Ingatlan-Fejlesztő kft	34.48%	Equity consolidation	Project development	
My-Box Debrecen Ingatlan-Fejlesztő kft	34.48%	Equity consolidation	Project development	
My-Box 5. Ingatlan-Fejlesztő kft	34.48%	Equity consolidation	Project development	
My-Box 6. Ingatlan-Fejlesztő kft	34.48%	Equity consolidation	Project development	
CYPRUS				
Graforco Investments Limited	86.20%	Full consolidation	Holding company	
UKRAINE				
Ukrainska Comertsiina Nerukhomist	86.20%	Full consolidation	Project development	

Furthermore, 265,000 shares in ECO Eastern Europe Real Estate AG and 18,538 shares in KAPITAL & WERT Immobilienbesitz AG were acquired from minority shareholders during the first half of 2008. These additions are included on the statement of changes in equity without recognition through profit or loss.

ECO CEE & Real Estate Development GmbH (a subsidiary of ECO Eastern Europe Real Estate AG) owns a stake of 40% in each of four Hungarian companies; these stakes were consolidated at equity. These companies will build and rent specialty shopping centres in Hungary. The project company My-Box Debrecen Inगतlan-Fejlesztő kft acquired land in 2007 and construction began during the third quarter of that year.

No companies were acquired during the reporting period. The companies PI Hochholzerhof GmbH & Co OG and PI Kärntnerstrasse 9 GmbH & Co OG were sold during the first half of 2008.

Sale of subsidiaries

	2008 HOCHHOLZERHOF 30.06.2008 TEUR	2008 KÄRNTNERSTRASSE 30.06.2008 TEUR	2008 TOTAL TEUR
DATE OF DECONSOLIDATION:			
NET ASSETS SOLD:			
Property	73,421	2,517	75,938
Adjustments to fair value	69,590	28,855	98,445
Fair value	143,011	31,372	174,383
Trade accounts receivable	214	458	673
Bank liabilities	-62,062	0	-62,062
Other liabilities	-12,670	-97	-12,767
	68,494	31,733	100,227
Minority interests	-1,400	-171	-1,571
Book gain	-496	965	469
TOTAL RETURN COMPENSATION	66,598	32,527	99,125
NET CASH INFLOW FROM THE TRANSACTIONS:			
Cash payment	-66,636	-32,543	-99,179
Bank deposits surrendered	38	16	55
	-66,598	-32,527	-99,125

During the first six months of 2007 two property companies were acquired for the investment portfolio. The acquisition of the Geiselhöring subsidiary as of 1 January 2007 would have had no influence on consolidated revenues or consolidated earnings because Geiselhöring was a project company during the period from January to May 2007. Immobilien Verwertungs GmbH has a different financial year, with 30 September as the balance sheet date. The acquisition of this subsidiary as of 1 January 2007 would have increased consolidated revenues by TEUR 251 and consolidated earnings by TEUR 95.

The following table explains the resulting effects on the Group:

Acquisition of subsidiaries

DATE OF INITIAL CONSOLIDATION:	2007 FMZ GEISELHÖRING 01.06.2007 TEUR	2007 IMMOBILIENVERWERTUNG 30.06.2007 TEUR	2007 TOTAL 30.06.2007 TEUR
ACQUIRED NET ASSETS:			
Property	3,791	5,289	9,081
Adjustment of fair value	1	782	783
Fair value	3,792	6,071	9,863
Properties under construction	79	0	79
Other receivables	496	0	496
Bank liabilities	-3,989	-5,113	-9,102
Other liabilities	-377	-59	-436
	1	899	900
Minority interests	0	0	0
Consolidation differences	0	0	0
TOTAL RETURN COMPENSATION	1	899	900
Net cash outflow from the transactions:			
Cash payments	-2	-899	-901
Bank deposits acquired	1		1
	-1	-899	-900

During the first half of 2007 four project companies were sold from the trading portfolio. The following table explains the resulting effects on the Group:

Sale of subsidiaries

DATE OF DECONSOLIDATION:	2007 PROJECT 7 31.03.2007 TEUR	2007 PROJECT 6 28.02.2007 TEUR	2007 NAGLERGASSE 15.03.2007 TEUR	2007 KÄRNTNERSTRASSE 30.06.2007 TEUR	2007 TOTAL TEUR
NET ASSETS SOLD:					
Property	9,531	899	4,201	11,015	25,646
Adjustment of fair value	108	9	48	3,167	3,332
Fair value	9,639	908	4,249	14,182	28,979
Trade accounts receivable	5	1	4	3	13
Provisions for deferred taxes	0	0	0	-21	-21
Other provisions	-3	-5	0	0	-8
Bank liabilities	-7,356	-692	0	-8,369	-16,417
Amounts due to joint venture partners	-2,409	-234	-4,334	-2,986	-9,963
Other liabilities	-31	-16	-5	-45	-97
	-155	-38	-86	2,765	2,486
Book gain	614	116	698	3,339	4,767
TOTAL RETURN CONSIDERATION	459	78	612	6,104	7,253
Net cash inflow from the transactions:					
Cash payment	-610	-89	-646	-6,128	-7,473
Bank deposits surrendered	151	11	34	24	220
	-459	-78	-612	-6,104	-7,253

8. Derivative financial instruments and recognition of hedges

The Group uses interest rate swaps and interest rate caps to hedge the financial risk arising from changes in interest rates. The ECO Group does not use any derivative financial instruments for speculative purposes.

The effective portion of the changes in the fair value of derivative financial instruments that are used to hedge future cash flows is recorded directly in equity; the ineffective portion is recognised immediately to the income statement. For interest rate caps, only the underlying value is used as a hedge.

During the period from January to June 2008, TEUR +2,761 (1-6/2007: TEUR +7,410) was recorded under equity without recognition through profit or loss. As of 30 June 2008 retained earnings totalled TEUR 10,014 (30 June 2007: TEUR 9,082).

9. Loans from banks and other loans

The fair value of non-current liabilities is based on the actual interest rates for liabilities with the same term. The fair value of non-current bank loans with variable interest rates generally reflects the carrying amount of these items. The carrying amount represents the estimated fair value of the financial instruments held by the Group. Management considers the risk arising from changes in the interest rates of financial assets and other liabilities to be immaterial. Loans from banks declined from EUR 703.8 million as of 31 December 2007 to EUR 593.6 million as of 30 June 2008. This decrease comprised approximately EUR 8.9 million of additional loans as well as roughly EUR 119.1 million of scheduled repayments and repayments connected with the sale of objects during the first six months of 2008.

Individual bank credits are connected with covenants that require the Group to meet specific financial indicators. Management assumes it will be possible to meet these obligations.

In addition, miscellaneous loans totalling EUR 44.6 million (30.06.2007: EUR 47.6 mill.) were granted by insurance companies and EUR 43.1 million (30.06.2007: EUR 0.0 mill.) of other loans were granted by conwert Group in connection with financing for the BAWAG portfolio.

10. Receivables

Receivables arising from the sale of investment properties are comprised primarily of EUR 40.7 million resulting from the dissolution of the joint venture with the SIGNA Holding Group. This amount includes EUR 5.0 million of the total purchase price due from the SIGNA Holding Group, whereby the payment of this instalment was postponed to the end of 2008.

Other receivables include a prepayment of EUR 1.4 million for the acquisition of a stake in a project company. This item also includes current settlements with tenants (EUR 0.7 mill.) and settlements with tax authorities (EUR 1.7 mill.). A receivable of EUR 4.6 million due from an associated company is also included under other receivables.

Other non-current receivables represent the market value of derivatives, and total EUR 13.7 million.

11. Finance lease liabilities

The finance lease liabilities were created by the acquisition of a shopping centre in Germany and a specialty shopping centre in Austria. The average lease term equals 15 years. As of 30 June 2008, the fair value of investment property obtained through finance leases totalled TEUR 23,725.

The lease obligations are denominated in Euro.

The fair value of lease obligations held by the Group approximates the carrying amount of these items.

12. Equity

Issued capital comprises the following:

	NUMBER	NOMINAL VALUE	NOMINAL VALUE ON	
	OF SHARES	PER SHARE	30 JUNE	30 JUNE
		EUR	2008	2007
			TEUR	TEUR
Common stock	34,100,000	10.00	341,000	341,000
TOTAL	34,100,000		341,000	341,000

The issued shares are individual share certificates, and all shares are bearer shares. The share capital is fully paid in.

The Annual General Meeting on 22 May 2007 approved an increase in the share capital of the company from a nominal value of TEUR 250,000 by a nominal value of TEUR 91,000 to a nominal value of TEUR 341,000 through the issue of 9,100,000 bearer shares. This capital increase was carried out in June 2007, and was recorded in the company register on 30 June 2007.

There were no changes in the share capital of ECO Business-Immobilien AG during the first six months of 2008.

Authorised capital

The Annual General Meeting on 22 May 2007 authorised the Management Board to increase the share capital of the company by up to TEUR 125,000 through the issue of 12,500,000 bearer shares at a minimum issue price equal to 100% of the proportional amount of share capital in one or more segments, also under the full or partial exclusion of subscription rights or through indirect subscription rights, in exchange for cash or contributions in kind, and to determine the issue price and conditions in agreement with the Supervisory Board. This authorisation is valid through 22 May 2012.

Conditional capital

The Annual General Meeting on 21 May 2008 approved a conditional increase of up to TEUR 100,000 in the share capital of the company through the issue of up to 10,000,000 shares of bearer stock. This conditional capital increase will only be carried out to the extent that the holders of the convertible bonds exercise their conversion or subscription rights. The issue amount may not be less than the proportional share of share capital. The Management Board was authorised, contingent upon the approval of the Supervisory Board, to determine the details for the execution of this conditional capital increase. Furthermore, the Supervisory Board was authorised to approve any necessary changes to the articles of association resulting from the issue of shares on the basis of conditional capital.

Convertible bond

The Annual General Meeting on 21 May 2008 authorised the Management Board, contingent upon the approval of the Supervisory Board, to issue convertible bonds that carry conversion or subscription rights for up to 10,000,000 shares of bearer stock in the company with a proportional share of share capital up to TEUR 100,000. The Management Board may issue these bonds in one or more segments, and may determine all other terms and conditions for the issue. This approval is valid up to 21 May 2013.

Furthermore, the Management Board was authorised, contingent upon the approval of the Supervisory Board, to determine the conditions of issue and the terms of the convertible bonds – above all the interest rate, issue price, term and denomination, provisions for dilution, conversion period and conversion obligations, conversion ratio, conversion price and conversion terms – in accordance with the provisions of Austrian stock corporation law.

The subscription of shares after conversion will also be based on the authorisation of conditional capital, which was granted by the Annual General Meeting on 21 May 2008. The price of the convertible bonds is to be determined using accepted financial methods through a recognised price-finding procedure, above all based on the price of an ordinary fixed-interest bond as well as the value of the conversion right and the other specific terms of the convertible bonds (e.g. the right to premature cancellation of the convertible bonds, mandatory conversion, the right to a monetary payment instead of conversion, fixed or variable conversion ratio, etc), including the credit standing of the company and the current market interest rate.

The volume-based average market price of the ECO share at the time the bonds are allocated will be used to determine the price of the shares to be issued on exercise of the conversion rights. The objective is to realise a premium that reflects the expected development of the share price based on estimates by analysts and the premiums realised on similar capital market transactions as well as the current situation on capital markets.

The subscription rights of shareholders were excluded.

Share buyback

The Annual General Meeting on 21 May 2008 authorised the Management Board to repurchase the company's shares up to the maximum amount permitted by law on or before 21 November 2009 at a price ranging from EUR 5.00 to EUR 10.00 per share. The Management Board was also authorised to determine the conditions of the share buyback, whereby the relevant resolution of the Management Board and the resulting share buyback programme, including the duration of this programme, must be announced in accordance with legal regulations. This authorisation can be exercised by the company, by a subsidiary or by a third party on the account of the company, in full or in part and in multiple segments as well as in fulfilment of one or more purposes. The purposes of this share buyback exclude trading in the company shares.

Furthermore, the Management Board was authorised to utilise these treasury shares as return compensation for the acquisition of companies, businesses, parts of businesses or shares in one or more companies in Austria or other countries.

This authorisation also empowers the Management Board to take any or all of the following steps: to sell the purchased shares at any time over the stock exchange or through a public offer and to determine the conditions of sale; to withdraw these shares without the specific approval of the Annual General Meeting; and to sell these shares on or before 21 May 2013, contingent on the approval of the Supervisory Board, in any other manner permitted by law, also over the counter, whereby the Management Board may also decide to exclude the purchase of shares by the general public.

13. Cash flow statement

Acquisition of subsidiaries

No companies were acquired during the first six months of 2008.

Two pure holding companies were acquired through contracts dated 1 March 2007, which were a first and second tier subsidiary of Immobilien-Allianz Holding GmbH & Co. 1050 Vienna, Siebenbrunnengasse 19-21 OEG. These companies were inactive, and therefore had only an immaterial effect on Group earnings.

Investments and financing

Net cash flow from investing activities includes payments of EUR 28.2 million (1-6/2007: EUR 0.0 mill.) for properties acquired during the reporting period as well as payments of EUR 11.4 million (1-6/2007: EUR 69.0 mill.) for properties acquired in previous years. It also includes payments of EUR 6.7 million (1-6/2007: EUR 26.2 mill.) for properties that were sold during 2007. Net cash flow from investing activities also includes cash inflows of EUR 10.7 million (1-6/2007: EUR 31.3 mill.) from the sale of properties during the reporting period. Other cash flows include a payment of EUR 2.7 million (1-6/2007: EUR 0.0 mill.) for the acquisition of minority interests. Interest received was included under net cash flows from operating activities for the first time in the first quarter of 2008; in prior periods this item was reported under net cash flows from investing activities.

Net cash flow from financing activities includes an increase of EUR 8.9 million in loans as well as repayments of EUR 12.7 million (1-6/2007: EUR 25.9 mill.) on existing loans. Other net cash flows from financing activities include a short-term loan of EUR 1.5 million to a project company that is consolidated at equity.

14. Contingent receivables and liabilities

The parent company of the Group has issued abstract guarantees, sureties and comfort letters as well as warranty und indemnity declarations on behalf of subsidiaries in connection with financing for the property portfolio. Bank deposits of EUR 0.6 million have been blocked as collateral for guarantees connected with the possible acquisition of a property and rental commitments. The securities depository containing the shares owned by the Group in Kapital & Wert Immobilienbesitz AG is also blocked.

With the exception of a joint and several guarantee for the interest resulting from the financing of the BAWAG portfolio, the Group had granted no other additional guarantees, accepted no other liabilities and held no other contingent liabilities on behalf of third parties, which are shown on or below the balance sheet as of 30 June 2008 (unless such agreements are disclosed in another section of the notes).

ECO Eastern Europe Real Estate AG has submitted a conditional offer for the acquisition of a building materials market near Donetsk, Ukraine. The conditions of this offer had not been met at the time these consolidated interim financial statements were prepared.

15. Operating leases

Investment properties are rented through operating leases. These contracts have fixed terms and index adjustments, and can be extended at the wish of tenants. It is therefore not possible to estimate the resulting rental income. The Company also concludes rental agreements for an unlimited period of time. Prepayments received are recognised as income on a straight-line basis over the term of the relevant lease.

Segment Reporting

Information on the primary segment

The members of management in key positions of the ECO Group have defined the distribution of business activities according to geographical criteria as the primary format for segment reporting. The major geographical regions are Austria, Germany, other West European countries ("Other countries - west") and other East European countries ("Other countries - east"). This classification also reflects the Group's planned expansion into the eastern and south-eastern areas of Europe.

Segment revenues

	RENTAL REVENUES		INCOME ON THE DISPOSAL OF NON-CURRENT ASSETS	
	1-6/2008 TEUR	1-6/2007 TEUR	1-6/2008 TEUR	1-6/2007 TEUR
Austria	28,488	16,471	3,312	5,954
Germany	8,317	6,743	0	-27
Other countries - west	0	0	0	0
Other countries - east	0	141	0	0
TOTAL	36,804	23,356	3,312	5,927

There were no material inter-Group revenues. Revenues and income from the disposal of non-current assets were generated exclusively by transactions with third parties.

Segment earnings

	EBIT		FINANCIAL RESULTS		SUMME	
	1-6/2008	1-6/2007	1-6/2008	1-6/2007	1-6/2008	1-6/2007
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Austria	20,928	23,531	-16,757	-6,883	4,171	16,647
Germany	6,164	3,036	-4,025	-1,913	2,139	1,123
Other countries - west	-53	0	0	0	-53	0
Other countries - east	-68	165	206	-49	138	116
TOTAL	26,970	26,731	-20,576	-8,845	6,394	17,886
Not allocated	-1,126	-1,046	-585	13	-1,711	-1,033
	25,844	25,685	-21,162	-8,832	4,682	16,853
Income taxes					-928	-4,267
PROFIT AFTER TAX					3,755	12,586

C. Other Information

Events after the balance sheet date

There were no major changes in the property portfolio after the balance sheet date.

Transactions with related companies and persons

Geschäftsvorfälle zwischen dem Unternehmen und seinen Tochtergesellschaften, die nahestehende Personen sind, wurden im Zuge der Konsolidierung eliminiert und werden in dieser Anhangangabe nicht erläutert. Geschäftsvorfälle zwischen dem Unternehmen und seinen Töchtern werden im Einzelabschluss des Mutterunternehmens offen ausgewiesen.

Transactions from the delivery of goods and provision of services

During the financial year the parent company of the ECO Group conducted the following transactions with related companies and/or persons that do not belong to the Group:

A) ACQUISITION OF PROPERTIES	ACQUISITION OF PROPERTIES		OUTSTANDING LIABILITY	
	1-6/2008	1-6/2007	30.6.2008	30.6.2007
	TEUR	TEUR	TEUR	TEUR
Kerbler & Kowar Holding GmbH	0	13,598	0	5,481

The acquisition costs for the acquired properties are supported by opinions prepared by an independent property expert.

B) SALE OF PROPERTIES	SALE OF PROPERTIES		OUTSTANDING RECEIVABLE	
	1-6/2008 TEUR	1-6/2007 TEUR	30.6.2008 TEUR	30.6.2007 TEUR
TRIMMOBILIEN ALPHA Immobilieninvest GmbH	0	1,000	0	0

c) Transactions with Wiener Privatbank Immobilieninvest AG

Wiener Privatbank Immobilieninvest AG is a related company, which served as the lead manager for the capital increase carried out by ECO Eastern Europe Real Estate AG in January 2007 and the capital increase carried out by ECO Business-Immobilien AG in June 2007. In this function Wiener Privatbank Immobilieninvest AG received EUR 0.5 million (1-6/2007: EUR 7.1 mill.) of commissions and reimbursements for other transaction costs during the reporting period; these amounts were recorded in full under equity. Of the total commissions due to Wiener Privatbank Immobilieninvest AG, EUR 0.4 million were outstanding as of 30 June 2008 (1-6/2007: EUR 4.6 mill.).

WPB Finanzdienstleistungsvertriebs GmbH, a subsidiary of Wiener Privatbank Immobilieninvest AG, received TEUR 30 (1-6/2007: TEUR 19) for financial services provided during the reporting period.

The ECO Group invests cash and cash equivalents with Wiener Privatbank Immobilieninvest AG at interest rates that equal or exceed the rates for other invested funds. In addition, a depository for shares in Group companies is maintained with this bank. Furthermore, Wiener Privatbank Immobilieninvest AG receives a fee of TEUR 37.5 per quarter for capital market management services.

d) Transactions with conwert Immobilien Invest SE

Properties available for sale and certain investment properties are managed by RESAG Business Immobilienverwaltung GmbH (formerly WPB Facility Management GmbH, formerly Kapital & Wert Facility Management GmbH). RESAG Business Immobilienverwaltung GmbH is a subsidiary of conwert Immobilien Invest SE.

Property management fees totalled TEUR 252 for the first six months of 2008 (1-6/2007: TEUR 179), whereby the major part of these expenses are charged out to tenants. These charges equalled TEUR 245 for the reporting period (1-6/2007: TEUR 143). As of 30 June 2008 receivables of EUR 0.7 million (1-6/2007: EUR 0.7 mill.) were due from these management companies.

Commercial Gesellschaft für Vermögenanlagen Gesellschaft m.b.H., which is also a subsidiary of conwert Immobilien Invest SE, brokers insurance policies and coverage for the Group. The related fees were not carried by the Group.

The ECO Group uses RESAG Immobilienmakler GmbH (formerly IMMOROHR Zinshausvermittlung Ges.m.b.H. and MAK Immobilien Ges.m.b.H.), which is a subsidiary of Wiener Privatbank Immobilieninvest AG and conwert Immobilien Invest SE, to broker property transactions and rent space. The costs for these services are carried primarily by the tenants. The ECO Group received invoices totalling TEUR 40 for the brokerage of property transactions during the reporting period (1-6/2007: EUR 0.3 mill.). These services are directly related to the sale of properties classified as available for sale.

RESAG Baumanagement GmbH (formerly Kerbler & Kowar Holding GmbH) and conwert Baudevelopment GmbH, which are also subsidiaries of conwert Immobilien Invest SE, provided construction planning and supervisory services during the reporting period. The fees for these services totalled TEUR 32 (1-6/2007: EUR 0.0 mill.).

In addition, conwert Deutschland Immobilien GmbH is the tenant in a property located in Germany and pays monthly rent of EUR 2,300.00 for this space.

ECO Business-Immobilien AG recognised interest expense of EUR 1.9 million during the reporting period for an interest-bearing loan of EUR 43.1 million, which was granted by the conwert Property Group as of 30 June 2008.

Other transactions

Management contract

The company concluded a management contract with ECO Management GmbH (a subsidiary of conwert Immobilien Invest SE), which was amended on 22 May 2007; this amendment was approved by the Annual General Meeting on 22 May 2007. In accordance with this management contract, ECO Management GmbH receives a transaction fee of 1.00% to 1.75% for acquisitions, which is dependent on the purchase price for the objects (1-6/2008: TEUR 32; 1-6/2007: EUR 0.8 mill.) as well as a management fee of 0.6% for the first EUR 1 billion and 0.5% thereafter (1-6/2008: EUR 2.1 mill.; 1-6/2007: EUR 1.8 mill.). For each property sold, ECO Management GmbH receives a maximum transaction fee of 1.75% (1-6/2008: EUR 0.3 mill.; 1-6/2007: EUR 0.0 mill.). The assessment base for the management fee represents the monthly carrying value of properties in the IFRS financial statements. The upper limit for the transaction fee on property sales equals 25% of the gains on sale generated during a financial year.

A management fee equal to 0.6% of the carrying amount of non-current assets was agreed for activities related to the proportionately consolidated trading portfolio. During the first six months of 2008, EUR 0.1 million (1-6/2007: EUR 0.3 mill.) each was paid to ECO Management GmbH and conwert Management GmbH. A transaction fee of 2% was also defined for each acquisition or sale related to the trading portfolio. If the total selling price of the trading portfolio exceeds EUR 263 million by the end of 2008, ECO Management GmbH is entitled to receive a performance bonus of 5% of the amount over EUR 263 million. During the first six months of 2008, ECO Management GmbH and conwert Management GmbH each received payments of TEUR 20 (1-6/2007: EUR 0.8 mill.).

The management fee for activities related to the acquired BAWAG portfolio equals 0.5% per year of the carrying value of non-current assets (1-6/2008: EUR 1.0 mill., 1-6/2007: EUR 0.0 mill.).

Of these transaction and management fees, EUR 1.4 million was recorded as a liability at 30 June 2008 (30.6.2007: EUR 1.0 mill.). The invoices for all fees arising from this management contract include the applicable value added tax.

Information on trading in ECO shares is provided in the report filed in accordance with § 48 d (4) of the Austrian Stock Exchange Act.

Remuneration for the Management Board and key employees

The Management Board was comprised of Friedrich Scheck and Wolfgang Gössweiner during the reporting period. These persons represent the Company together or with an officer.

The members of the Supervisory Board are listed below:

- Franz Zwickl (Chairman)
- Alexander Schoeller (Vice-Chairman)
- Johann Kowar (Vice-Chairman)
- Günter Kerbler (since 22 May 2007)
- Franz Hörmann
- Gottfried Johann Parizek

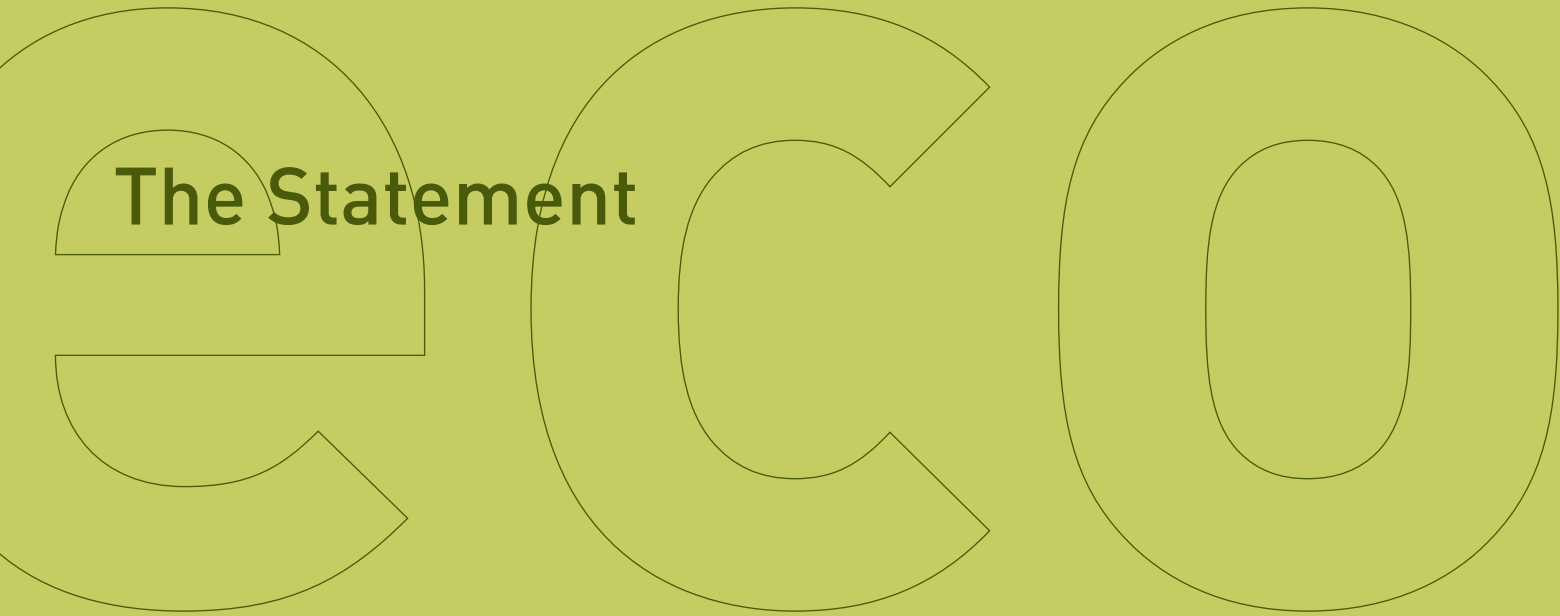
No credits or advances were granted to the members of the Management Board or Supervisory Board, and the company did not entered into any guarantees on behalf of these persons. The members of the Management Board received no remuneration.

Vienna, 26 August 2008

The Management Board

Friedrich Scheck

Wolfgang Gössweiner



The Statement

Statement of all Legal Representatives in accordance with § 87 (1) 3 of the Austrian Stock Corporation Act

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, 26 August 2008

The Management Board



Friedrich Scheck



Wolfgang Gössweiner

ECO

The Report

Report on Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated interim financial statements of ECO Business-Immobilien AG as of 30 June 2008. The condensed consolidated interim financial statements comprise the condensed consolidated balance sheet as of 30 June 2008, the condensed consolidated statements of income, the condensed consolidated changes in equity and the condensed consolidated cash flows for the period from 1 January to 30 June 2008 as well as the selected explanatory notes to the consolidated interim financial statements which summarize the main accounting and valuation principles.

Management is responsible for the preparation of these condensed consolidated interim financial statements in accordance with IFRS for interim financial reporting, as adopted by the EU.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with generally accepted standards and with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared in accordance with IFRS for interim financial reporting, as adopted by the EU.

Report on Other Legal and Regulatory Requirements

We have read the six-months' group management report in order to assess whether the six-months' group management report does not contain obvious discrepancies to the condensed consolidated interim financial statements. In our opinion, the six-months' group management report does not contain obvious discrepancies to the condensed consolidated interim financial statements.

The six-months' interim financial report contains the statement of all legal representatives in accordance with § 87 (1) 3 Austrian Stock Corporation Act.

Vienna, 26 August 2008

AUDITOR TREUHAND GMBH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Alfons STIMPFL-ABELE

Peter GRÄTZ

Certified Public Accountants

ECO

The Share

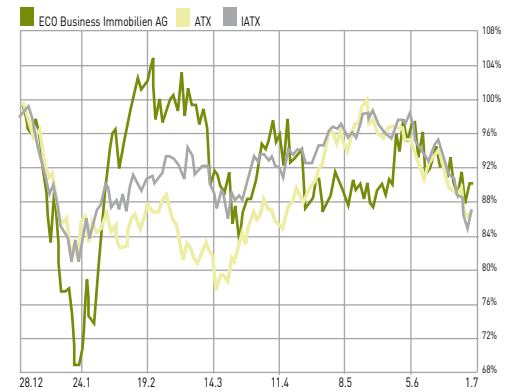
The Share

■ The after-effects of the US mortgage crisis and negative corporate reports from the banking sector as well as forecasts for a slowdown in growth and rising inflation were reflected in a negative mood on international capital markets during the first half of 2008. These factors combined to trigger a renewed decline in the price of property shares. After a clear recovery between mid-March and mid-May, the previously registered gains disappeared over the last weeks of the second quarter.

The ECO share exhibited substantial volatility during the first six months of 2008 in this difficult capital market environment. Following a price of EUR 7.88 at the beginning of the year and an annual high of EUR 8.38 on 20 February 2008, the ECO share closed the reporting period at EUR 7.20. At a market price of EUR 7.20 on 30 June 2008, the share continued to trade significantly below its net asset value (NAV) of EUR 12.61 per share. This represents a discount of approx. 45% to the NAV.

The investor relations activities of ECO received an extremely positive evaluation from Feri Rating & Research in its first transparency ranking of property corporations. ECO was awarded second place in this listing of Austrian property stock corporations. A decisive factor for the positive rating of ECO in this survey was the high degree of reporting transparency at the individual project level.

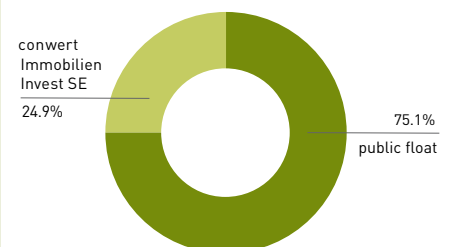
DEVELOPMENT OF THE SHARE PRICE FROM 1/08 TO 6/08



DEVELOPMENT AS OF 30.06.2008

Since the initial public offering (17.03.2005)	-31.36 %
Since the initial public offering per year	-10.81 %
6 months	-8.63 %
12 months	-33.27 %
2008	-10.00 %
Market capitalisation (TEUR)	248.93

SHAREHOLDER STRUCTURE



As of: July 2008

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STOCK EXCHANGE DATA

		30.06.2008	30.06.2007	31.12.2007
Number of shares	(nr.)	34,100,000	34,100,000	34,100,000
Share price at the end of the period	EUR	7.20	10.94	8.00
Market capitalisation	EUR	245,520,000	373,054,000	272,800,000
Earnings per share (annualised)	EUR	0.34	1.02	1.11
Price/earnings ratio		21.18	10.82	7.21
Substance value (NAV) per share	EUR	12.61	11.90	12.40
Adjusted substance value per share ¹⁾	EUR	13.10	12.2	13.76
Return on equity (ROE)	%	2.7	8.6	9.5
Return on capital employed (ROCE) ²⁾	%	4.6	7.2	7.8
Equity ratio	%	37.1	47.6	32.6
Gearing (net debt to equity)	%	147.1	68.8	181.8

1) Equity attributable to shareholders of the parent company plus deferred tax liabilities – deferred tax assets + unrecognised appreciation on properties

2) Based on EBIT

Investment Highlights

- Attractive and balanced portfolio with a primary focus on office and retail properties
- Stable core markets in Austria and Germany, growth opportunities in the CEE region
- Increase in the value of the portfolio through effective asset management
- Unique positioning between pure property developers and long-term buy-and-hold investors
- Impressive track record for high cash earnings
- Experienced management with branch expertise

FINANCIAL CALENDAR

Results for the third quarter of 2008

25 November 2008

Annual results for 2008

26 March 2009

eco

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