

LETTER TO THE
SHAREHOLDERS

Q3 2006

ECO

HIGHLIGHTS

- Revenues and earnings set new records
- Increase in property portfolio through acquisitions
- Expansion to Eastern Europe in preparation

A good deal better.

ECO

Business-Immobilien AG

REPORT OF THE MANAGEMENT BOARD

DEAR SHAREHOLDERS

In the third quarter of 2006, ECO Business-Immobilien AG was able to take advantage of the attractive market environment, thus continuing to deliver its constant growth course. The business real estate markets in Austria and Germany – ECO's two core markets – continued to develop to ECO's advantage. Regarding the company's sales and profit key figures, the values for the third quarter of the previous year were significantly surpassed. ECO also expects numerous attractive investment opportunities for the fourth quarter, on the one hand, to further enhance its property portfolio by adding premium properties. And, on the other hand, to further increase the company's profitability.

SALES AND PROFIT FIGURES ONCE AGAIN SIGNIFICANTLY INCREASED

The sales and profit figures rose to new record heights during the first nine months 2006, thereby surpassing the level for the whole of 2005. Rental income rose by 210% from EUR 8.5 million in the first three quarters of 2005 to EUR 26.4 million this year. Accordingly, earnings before interest and taxes (EBIT) were improved to EUR 20.6 million, a rise of 200% in comparison to the previous year's value of EUR 6.9 million. Group results after minority were up by a factor of three, increasing from EUR 3.1 million in the first nine months of 2005 to a current total of EUR 9.2 million. Mainly responsible for this pleasing development was higher rental income due to the expansion of the property portfolio. Also the profitable sale of two commercial properties (EUR 1.5 million) and moderately set fair value adjustments amounting to EUR 2.9 million, corresponding to 0.45 % of the real estate assets, contributed to the good results.

PROPERTY PORTFOLIO CONSISTENTLY EXPANDED

In the first nine months of fiscal year 2006 ECO Business-Immobilien AG was once again able to add premium, high profit yielding properties to its property portfolio. The number of properties in the portfolio increased from 56 as of December 31, 2005 to 146 properties as of September 30, 2006 (including 77 properties in the trading portfolio in which ECO has a 33% interest). These include 115 properties in Austria (of which 77 in the trading portfolio), 30 properties in Germany and 1 property in the Czech Republic. Property assets were up to EUR 650.8 million as of September 30, 2006. In comparison to the end of 2005 (EUR 331.3 million), this represents an increase of 96% and vis-à-vis the value for the corresponding period of the previous year, an increase of 184%.

The acquisitions in the third quarter comprised properties in Austria and Germany, although the primary focus was in Germany. The most significant new acquisition was an optimally incorporated office and commercial centre in Saarbrücken with around 33,000 sqm of total usable space. In Austria, in addition to selective purchases two retail park centres were sold at a profit to an international investor. This disposal also had a positive impact on the company's profit situation.

EXPANSION TO EASTERN EUROPE

In the third quarter of 2006, ECO decided to force its expansion to Eastern Europe. To this end, an Eastern European subsidiary is currently being founded to carry out this mission. With this subsidiary, ECO together with partners aims at becoming a significant participant in the Eastern European business real estate market. ECO will continue to pursue its conservative acquisition policy in Eastern Europe too and will only invest in properties which satisfy its stringent investment requirements.

CONTINUED ATTRACTIVE PERFORMANCE ON THE VIENNA STOCK EXCHANGE

The pleasing company development during the period under review also had a positive effect on the company's share performance. Following two capital increases in the first half year of 2006, the share price was very satisfactory, especially in the third quarter. Since its IPO in March of 2005, ECO has demonstrated a performance track record of 12.72 % p.a. as of the reference date November 10, 2006.

ATTRACTIVE INVESTMENT OPPORTUNITIES IN THE BUSINESS REAL ESTATE MARKET

ECO expects the business real estate market in Austria and Germany to continue to develop positively in the coming quarters and offer attractive investment opportunities. Furthermore, ECO will reinforce its market position in Eastern Europe and will, via its subsidiary, invest in properties in the CEE markets. Pursuant to the investment guidelines, ECO will only invest in properties that are characterised by a balanced risk-return profile. The company will pursue its considered growth course and conservative equity policy it has followed up to now. Based on the existing conditions in the capital market and the numerous acquisition opportunities already in the acquisition pipeline, ECO's property portfolio will soon overtake the billion Euro level.

Vienna, November 2006

Friedrich Scheck
Chairman of the Management Board

Wolfgang Lösch
Member of the Management Board

CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS

(IN TEUR)

	30.09.2006 TEUR	31.12.2005 TEUR
ASSETS		
Fixed Assets		
Intangible assets	260	276
Tangible assets		
1. Investment properties	576,956	331,348
2. Prepayments on properties	1,209	4,868
3. Other non-current assets	11	14
Total fixed assets	578,435	336,505
Properties held for sale	73,885	0
Deferred tax assets	908	934
	653,229	337,440
Current assets		
Trade accounts receivable	3,635	29,450
Other receivables and current assets	38,066	9,150
Cash and cash equivalents	36,331	26,437
Total current assets	78,031	65,037
Total assets	731,260	402,477
EQUITY AND LIABILITIES		
Shareholders' equity		
Issued capital	225,000	125,250
Capital reserves	27,311	8,800
Retained earnings and consolidated profits	4,523	3,116
	256,834	137,166
Minority interest	4,199	6,379
Total shareholders' equity	261,033	143,544
Non-current liabilities		
Bank loans	270,692	101,919
Other long-term loans	48,111	0
Liabilities from finance leases	35,647	36,999
Deferred tax liabilities	6,780	7,137
Total non-current liabilities	361,229	146,055
Current liabilities		
Provisions	172	168
Overdraft credits and short-term interest bearing liabilities	46,009	5,881
Other short-term loans	5,390	0
Liabilities from finance leases	3,180	1,193
Trade accounts payable	1,130	1,584
Liabilities from property purchases	41,089	92,086
Other current liabilities	12,028	11,966
Total current liabilities	108,998	112,878
Total equity and liabilities	731,260	402,477

DEVELOPMENT OF SHAREHOLDERS' EQUITY ACCORDING TO IFRS

(IN TEUR)

	1-9 / 2006	1-9 / 2005
Balance at the beginning of the period	143.544	34.569
Capital increases	118.261	44.255
Net profit for the period	9.773	3.167
Cost of capital increase	-8.766	-3.769
Deferred taxes on cost of capital increase	2.192	942
Addition to minority interest from acquisitions	0	6.182
Loss arising from change in minority interest	-3.325	0
Valuation of derivative financial instruments	-850	0
Other changes	204	0
Balance at the end of period	261.033	85.346

CONSOLIDATED INCOME STATEMENT ACCORDING TO IFRS

(IN TEUR)

	1-9 / 2006 TEUR	1-9 / 2005 TEUR	1-12 / 2005 TEUR
1. Revenues			
a) Rental income	22,498	7,286	11,514
b) Owner's operating costs charged on	3,872	1,210	1,974
	26,370	8,496	13,488
2. Net gain from the adjustment of fair value	2,944	2,228	3,044
3. Other operating income			
a) Proceeds from the disposal of non-current assets	1,492	0	3,500
b) Other income	669	145	375
	5,105	2,373	6,918
4. Owner's operating costs	-5,692	-1,872	-3,114
5. Depreciation/amortisation	-18	-20	-29
6. Other operating expenses	-5,164	-2,098	-3,360
7. Earnings before interest and taxes (EBIT)	20,602	6,879	13,903
8. Interest and similar income	887	278	645
9. Interest and similar expenses	-9,382	-2,676	-4,136
10. Financial results	-8,495	-2,397	-3,492
11. Earnings before tax (EBT)	12,107	4,482	10,412
12. Income taxes	-132	-194	-101
13. Deferred taxes	-2,201	-1,121	-2,765
	-2,333	-1,315	-2,866
14. Net profit for the period	9,773	3,167	7,546
thereof			
equity holders of the parent company	9,178	3,060	6,914
minority interest	595	108	633
	9,773	3,167	7,546
Earnings per share	0.52	0.52	0.93
Average number of shares	17,643,750	5,937,500	7,457,692

CONSOLIDATED CASH FLOW STATEMENT ACCORDING TO IFRS

(IN TEUR)

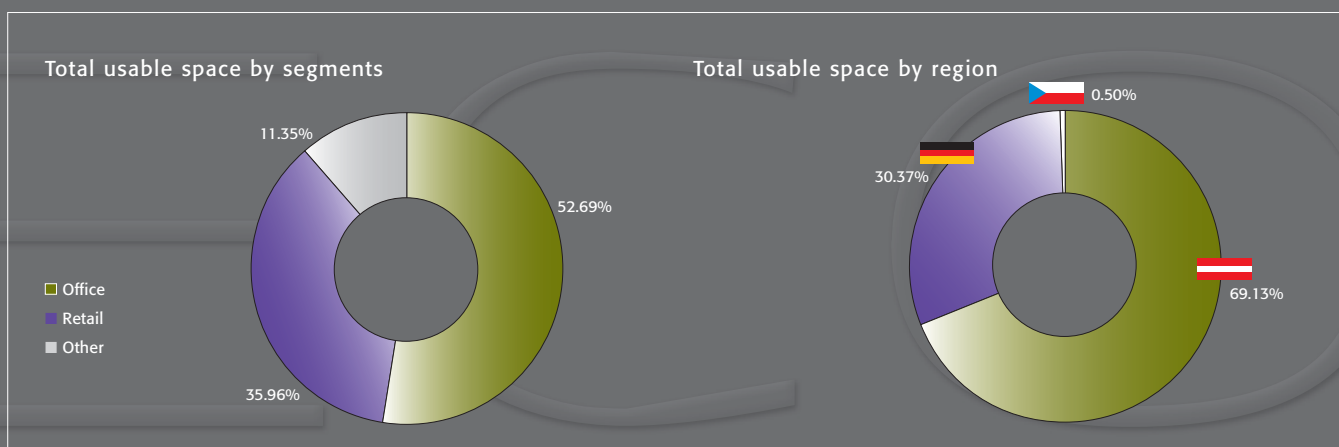
	1-9 / 2006 TEUR	1-9 / 2005 TEUR	1-12 / 2005 TEUR
Cash flow from operating activities	-1,651	-2,978	-4,207
Cash flow from investment activities	-330,706	-85,238	-123,404
Cash flow from financing activities	342,250	90,031	150,371
Changes in cash and cash equivalents	9,894	1,815	22,761
Cash and cash equivalents at the beginning of the period	26,437	3,676	3,676
Cash and cash equivalents at the end of the period	36,331	5,491	26,437
Changes in cash and cash equivalents	9,894	1,815	22,761

Corporate Data in TEUR	1-9 / 2006	1-9 / 2005	01-12 / 2005
Rental income	26,370	8,496	13,488
Net gain from the adjustment of fair value	2,944	2,228	3,044
Proceeds from the disposal of non-current assets	1,492	0	3,500
Earnings before interest and taxes (EBIT)	20,602	6,879	13,903
Earnings before tax (EBT)	12,107	4,482	10,412
Net profit after minority interest	9,178	3,060	6,914

Property Data in TEUR	30.09.2006	30.09.2005	31.12.2005
Number of properties held for investment/trading	69 / 77	51 / 0	56 / 0
Total usable space in sqm	415,600	181,182	235,482
<i>thereof trading portfolio</i>	40,183	0	0
Garage spaces	1,965	760	1,549
<i>thereof trading portfolio</i>	199	0	0
Property assets in TEUR	650,841	229,356	331,348
<i>thereof trading portfolio</i>	73,885	0	0

The figures for total usable space and garage spaces include the trading portfolio on a proportional basis.

TOTAL USABLE SPACE AS OF 30.09.2006 (INCLUDING TRADING PORTFOLIO)



INFORMATION ON THE ECO SHARE

Issue price at IPO (17 March 2005) in EUR	10.60
Performance as of 7 August 2006 in EUR	12.80
Performance IPO to 7 August 2006	21.98 %
Annual performance since IPO	12.72 %
Number of shares as of 30 June 2006	22,500,000
Market capitalisation as of 7 August 2006 in EUR million	288.00
Vienna Stock Exchange / Standard Market Auction / OTC	ECO / AT0000617907
Ticker / ISIN	ECO AV
Bloomberg	EBIV.VI
Reuters	Common shares
Type of shares	

PERFORMANCE IPO (17 March 2005) TO 10 NOVEMBER 2006

