

ECO Business-Immobilien AG with record earnings for the 2006 business year

Vienna, 2 March 2007. ECO Business-Immobilien AG (Vienna Stock Exchange: ECO, Reuters: EBIV.VI, Bloomberg: ECO AV) successfully continued its expansions in the 2006 business year. All sales and earnings figures well exceeded the comparable figures for 2005, thus resulting in record highs. Earnings from rent rose by 188% to EUR 38.80 m, and operating profit (EBIT) reached a new record of EUR 38.28 m. Property assets were expanded by 109% to EUR 693.33 m within the space of a year.

During the 2006 business year, ECO raised its earnings from rent from EUR 13.49 m in 2005 by 188% to EUR 38.80 m, whereby approx. 77% of this income came from domestic property and 23% from abroad. This increase resulted from the expansion of the property portfolio by acquisitions as well as new rentals of empty spaces.

The operating profit (EBIT) was increased by 175% to EUR 38.28 m. This rather high profit was due largely to the continuous optimisation of the portfolio and the resulting high rental profit, profit from sales of properties as well as positive results from the increase in value of the portfolio deriving from a reassessment by independent real estate experts (fair-value adjustments according to IAS 40).

Profits of EUR 6.07 m were realized from new assessment by experts in 2006, corresponding to about 1 % of the property portfolios. Profits from sales of properties rose from EUR 3.50 m the previous year to EUR 9.82 m in 2006. Approximately 40% of sales profits came from the trading portfolio formed in cooperation with conwert Immobilien Invest AG within the framework of the Allianz package, and approximately 60% from portfolio optimisation within the long-term property holdings of the ECO.

Due to the significant expansion of the property portfolio, financial expenditure increased considerably to EUR 15.3 m. Earnings before tax (EBT) thus rose from EUR 10.41 m to EUR 24.74 m. Profit tax expenditure for 2006 thus amounted EUR 6.55 m, most of which fell under deferred taxes and only a very small part of which remained liquid. Company profits (according to minority shares) rose to a record high of EUR 17.9 mil, an increase of 159% compared to the previous year.

Over the course of the 2006 business year, ECO expanded the property portfolio by high-quality, profitable properties. The number of properties rose from 56 as of 31.12.2005 to 126 (including the trading portfolio) as of 31.12.2006. In Austria, ECO owned 110 properties (71 of those on the trading portfolio, of which ECO holds a 50% share), 15 properties in Germany and 1 property in the Czech Republic. During this period, total usable space expanded from approx. 266,000 sqm at the end of the year 2005 to 463,000 sqm currently. Property assets rose to EUR 693.33 m. Compared to the end of 2005 (EUR 331.3 m) this is an increase of 109%.

Approx. 74% of property assets were located in Austria, where the property portfolio in the past business year rose from EUR 208.80 m to EUR 510.88 m. In Germany during this period the property portfolio was expanded from EUR 78.86 m to EUR 178.88 m, not only through sales but also through portfolio optimisation in which smaller properties were exchanged for larger, more profitable ones. As of 31.12.2006, the German share of property assets was 26%. Approximately EUR 4 m was invested in a property in the Czech Republic.

In the core markets of Austria and Germany and the growing CEE market, ECO plans to exploit the prevailing favourable conditions for a further expansion of the property portfolio. Acquisitions will continue to be centred in Austria and Germany. At the same time, ECO will aim to attain a significant market position in Central and Eastern European business real estate markets via its subsidiary ECO Eastern Europe Real Estate AG. In Eastern Europe, ECO will also focus on high-yield properties and only invest in real estate with a balanced risk-return ratio.

Following its growth strategy, ECO should – assuming current conditions – be able to expand its property portfolio to EUR 1.2 – 1.5 b in 2007, following approx. EUR 700 m around the end of 2006. At the time of this report, the company is looking to acquire properties worth over EUR 750 m.

The expansion of the company will be reflected in the sales and earnings figures. The high-quality expansion of the real estate portfolio should also result in an increase in rental income. As far as earnings are concerned, the company expects a significant increase compared to the previous year.

In order to finance this growth, ECO will balance the use of equity capital and outside capital. Capital measures, such as capital increases, are thus still a crucial component of the ECO growth strategy. As long as capital earned can be directly invested in profitable real estate – which the company assumes – and as long as conditions on the capital market allow, ECO will continue to exploit capital in 2007.

Company figures in TEUR

| | 01-12/2006 | 01-12/2005 |
|--|-------------------|-------------------|
| Earnings from rentals | 38,803 | 13,488 |
| <i>rental profits</i> | 32,129 | 11,514 |
| Fair value adjustments | 6,068 | 3,044 |
| Sales from property disposals | 9,819 | 3,500 |
| Earnings before interest and tax (EBIT) | 38,280 | 13,903 |
| Financial results | -13,541 | -3,492 |
| Earnings before tax (EBT) | 24,739 | 10,412 |
| Company profits | 18,191 | 7,546 |
| Company profits (according to minority shares) | 17,900 | 6,914 |
| | | |
| Earnings per share (EUR) | 0.99 | 0.93 |
| Average number of shares (units) | 17,997,115 | 7,457,692 |

Figures in TEUR may vary due to rounding differences.

Property figures

| | 31.12.2006 | 31.12.2005 |
|-----------------------------|------------|------------|
| Number of properties | 126 | 56 |
| <i>in Hold-Portfolio</i> | 55 | 56 |
| <i>in Trading-Portfolio</i> | 71 | 0 |
| Total usable space in sqm * | 463,431 | 266,462 |
| <i>in Trading-Portfolio</i> | 57,434 | -- |
| Garage spaces | 2,339 | 1,549 |
| <i>in Trading-Portfolio</i> | 289 | -- |
| Property assets in TEUR | 693,331 | 331,348 |
| <i>in Trading-Portfolio</i> | 94,445 | -- |

* Garage spaces shown with a conversion factor of 20sqm / garage space

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