

# AD HOC PRESS RELEASE

24 August 2007



## ECO Business-Immobilien AG with record half-year: rental revenues +74%, EBIT +143% to EUR 25.7 mill.

**Vienna, 24 August 2007.** ECO Business-Immobilien AG, which is listed in the Prime Market segment of the Vienna Stock Exchange, set new records for revenues and earnings and also continued the selective expansion of its business activities during the first half of 2007. Rental revenues rose by 74% to EUR 23.4 million and earnings before interest and taxes (EBIT) improved by 143% to EUR 25.7 million. The acquisition of high-quality properties in the company's core markets of Austria and Germany increased the property portfolio to a total of EUR 739.1 million.

The favourable development of financial indicators was supported by an increase in the space owned by the company and the subsequent rise in rental income as well as the steady optimisation of the properties in the portfolio and profits from trading activities (EUR 5.9 million), which generated a sound 23% of EBIT. The adjustment of the property portfolio to reflect fair value in accordance with IFRS made a contribution of EUR 5.5 million (or 0.8% of the investment portfolio) to the growth in earnings.

Profit before tax (EBT) rose from EUR 6.8 million to EUR 16.9 million, for an increase of 149%. Income tax expense totalled EUR 4.3 million for the reporting period, whereby this item was comprised primarily of deferred taxes and only EUR 0.4 million represented cash outflows. Profit for the period (after minority interest) increased to EUR 12.6 million, which represents an improvement of 163% over the first six months of the previous year. Earnings per share rose by 65% to EUR 0.51 for the reporting period, despite a substantial increase in the number of shares outstanding.

### Selective expansion of the property portfolio

ECO expanded its property portfolio through the acquisition of selected objects during the reporting period. As of 30 June 2007 the company owned property with a total value of EUR 739.1 million, compared with EUR 641.4 million at the end of June 2006.

Together with well-known partners, ECO also increased its investments in development projects. This will place the company in an even better position to profit from the added potential for an increase in value and improvement in earnings as well as the many growth opportunities that are provided by a balanced portfolio strategy. These development projects have a total investment volume of roughly EUR 47 million.

ECO also successfully sold a number of objects from the trading portfolio: 12 properties, one development project and apartments with a combined value of approx. EUR 36.8 million were sold at a profit during the first six months of 2007.

### Acquisition pipeline and growth financing

The ECO property portfolio is expected to increase to more than EUR 1 billion by the end of this year. Over the coming months investment opportunities totalling approx. EUR 300 million will be realised on the company's core markets in Austria and Germany. The company's subsidiary ECO Eastern Europe Real Estate AG also plans to complete projects with a value

# AD HOC PRESS RELEASE

24 August 2007



of EUR 150 million in the CEE region. The selective realisation of projects in the investment pipeline will also lead to a sustainable improvement in the inherent value (NAV) of the ECO share.

In addition to growth through acquisitions, ECO will also improve its revenue and earnings indicators by generating attractive cash flows on its trading activities and through the active management of objects in the portfolio. Interest rate risk will be minimised by the company's strong equity-debt structure, which was exemplified by a solid equity basis of 47.6% as of 30 June 2007. As an additional protection against rising interest rates, ECO has also concluded interest rate hedges that will hold the base interest rates for roughly two-thirds of the credit volume below an average of 4% per year over the long-term.

The Management Board expects earnings for the full 12 months of 2007 will exceed the prior figures by a significant amount.

## Company Data in TEUR (in accordance with IFRS)

	01-06/2007	01-06/2006	01-12/2006
Rental revenues	23,356	13,452	38,803
<i>Thereof rental income</i>	19,276	11,311	32,129
Operating profit (EBIT)	25,685	10,569	38,280
Profit before tax (EBT)	16,853	6,759	24,739
Profit after tax	12,638	4,798	17,900
Cash flow from operating activities	1,379	-1,475	1,533
FFO (funds from operations) <sup>*)</sup>	10,966	3,808	16,957
Earnings per share (EUR)	0.51	0.31	0.99
Average number of shares outstanding	25,000,000	15,562,500	17,997,115

<sup>\*)</sup> Profit before tax + depreciation and amortisation +/- fair value adjustments – income tax payments

## Property Data

	01-06/2007	01-06/2006	01-12/2006
Number of objects	121	144	126
<i>Thereof investment portfolio</i>	60	66	54
<i>Thereof trading portfolio</i>	60	77	71
<i>Thereof CEE portfolio</i>	1	1	1
Total rentable space in m <sup>2</sup> *	482,186	441,779	463,431
<i>Thereof trading portfolio</i>	47,380	46,999	57,444
Garage spaces (number)	2,462	2,427	2,339
<i>Thereof trading portfolio</i>	294	344	289
Property portfolio (in TEUR)	735,499	641,400	697,223
<i>Thereof properties under construction</i>	21,402	0	3,892
<i>Thereof trading portfolio</i>	62,965	73,817	94,445

\* Garage spaces were included at 20m<sup>2</sup> each

# AD HOC PRESS RELEASE

24 August 2007



For additional information contact:

**ECO Business-Immobilien AG**

Friedrich Scheck, Chairman of the Management Board  
Tel +43 1 535 21 99  
E scheck@eco-immo.at

**Hohegger|Financials**

Roland Mayrl  
Tel +43 1 504 69 87-31  
E r.mayrl@hohegger.com