

PRESS RELEASE

16 November 2007



ECO Business-Immobilien AG with strong earnings growth for 1-9/2007: EBIT rises by 98%

- **Property portfolio grows to EUR 755.5 million**
- **EBIT increases 98% to EUR 40.8 million and EBT by 126% to EUR 27.3 million**
- **NAV grows by 5,5 % within one year to EUR 12,04/share**

Vienna, 16 November 2007. ECO Business-Immobilien AG, which is listed in the Prime Market segment of the Vienna Stock Exchange, successfully continued its selective growth course during the third quarter of 2007. During the first nine months of this year, organic growth combined with the active management of the property portfolio and selective acquisitions led to higher rental revenues and an increase in the value of properties, while the expansion of trading activities generated higher gains on sale. Improvements were registered in all earnings indicators: EBIT rose by 98% to EUR 40.8 million for the first three quarters of 2007, and the property portfolio grew to EUR 755.5 million following the acquisition of selected properties.

“Our strategy to establish ECO as a niche player on the business property market and safeguard high growth through selective acquisitions, property management measures that are specially designed to improve earnings and increase value as well as profitable sales from our portfolio has proven highly successful during this turbulent period on the capital market“, commented Friedrich Scheck, Chairman of the Management Board of ECO, on the development of the company, adding “This strategy – which is designed to optimise risk and income – will also allow us to realize sustainable organic earnings growth in the future and make certain that we are not solely dependant on growth through acquisitions or new infusions of cash. In this way, we are well-equipped to meet the opportunities and challenges of the European property market.”

Further growth in revenues and earnings

Revenues and earnings improved significantly during the first three quarters of 2007. Rental income rose by 36% year-on-year to EUR 35.8 million. This sound development was based above all on organic effects and new rentals in the existing portfolio as well as acquisitions in Austria and Germany. The sale of properties as part of trading activities generated a gain of EUR 6.0 million (1-9/2006: EUR 1.5 mill.). The profit margin equalled roughly 15% based on the latest recorded values. The adjustment of the property portfolio to reflect fair value in accordance with IFRS contributed EUR 13.5 million to earnings. These revaluations resulted above all from specially designed measures as part of the Group’s asset management activities as well as an increase in the market values of objects in attractive locations, and totalled roughly 2% of investment property.

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This favourable development led to an improvement of 98% in operating profit (EBT) to EUR 40.8 million. Profit before tax (EBT) increased 126% to EUR 27.3 million. Profit for the year (after minority interest) rose to EUR 20.1 million, for an increase of 120% over the comparable prior year period. Funds from operations (FFO) equalled EUR 13.4 million, compared with EUR 9.0 million for the first three quarters of 2006. Earnings per share for the reporting period rose from EUR 0.52 to EUR 0.73.

Net asset value (NAV) increased 5.5% within a single year to EUR 12.04 per share. Since 2004 NAV per share has risen by an average of 5.8% per year.

High-quality expansion of the property portfolio

ECO not only expanded its property portfolio throughout the first three quarters of 2007, but also improved the attractiveness of the individual objects through active management. In the current market environment ECO has taken an extremely cautious approach to acquisitions, in order to make optimal use of liquidity shortages experienced by other market participants as a result of the financial market crisis.

As of 30 September 2007 the property portfolio comprised 113 objects with a total value of EUR 755.5 million, which reflects an increase of EUR 57.2 million since the end of 2006. Within one year, the value of the property portfolio has grown by EUR 103.6 million. The total rentable space in the portfolio rose to approx. 481,200 m².

Sales from the trading portfolio also generated sound gains: 20 properties, one development project and five apartments with a combined value of approx. EUR 38.2 million were sold at a profit during the first nine months of 2007.

Outlook on 2007

ECO plans further investments in the core markets of Austria and Germany as well as the CEE region during the last three months of 2007. The value of the portfolio – including current development projects – should increase to more than EUR 1 billion within the near future in relation to the acquisition projects currently under negotiation.

The Management Board of ECO expects a significant improvement in revenues and earnings over the previous year as a result of the sound development of business during the first nine months of 2007 as well as attractive investment opportunities and the further potential for an increase in the value of the existing portfolio.

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Company Data in TEUR (in accordance with IFRS)

	01-09/2007	01-09/2006	01-12/2006
Rental revenues	35,818	26,370	38,803
<i>Thereof rental income</i>	29,369	22,498	32,129
Gain on the disposal of non-current assets	5,973	1,492	9,819
Changes in the fair value of investment property	13,487	2,944	6,067
Operating profit (EBIT)	40,833	20,602	38,280
Profit before tax (EBT)	27,303	12,107	24,739
Profit for the year (after minority interest)	20,149	9,178	17,900
Earnings per share (EUR)	0.73	0.52	0.99
Average number of shares outstanding	34,100,000	22,500,000	25,000,000
Cash flow from operating activities	2,271	-1,651	1,533
FFO (funds from operations) ^{*)}	13,379	9,048	16,957
NAV per share (EUR)	12.04	11.41	11.79

^{*)} Profit before tax + depreciation and amortisation +/- fair value adjustments – income tax payments

Property Data

	01-09/2007	01-09/2006	01-12/2006
Number of objects	113	146	126
<i>Thereof investment portfolio</i>	60	68	54
<i>Thereof trading portfolio</i>	52	77	71
<i>Thereof CEE portfolio</i>	1	1	1
Total rentable space in m ² *	481,200	444,700	463,400
<i>Thereof trading portfolio</i>	46,500	4,200	57,400
Garage spaces (number)	2,432	1,977	2,339
<i>Thereof trading portfolio</i>	291	199	289
Property portfolio (in TEUR)	755,412	650,841	697,223
<i>Thereof properties under construction</i>	30,488	0	3,892
<i>Thereof trading portfolio</i>	61,803	73,885	94,445

* Garage spaces were included at 20m² each.

ECO has advanced the announcement of key data on the first three quarters of 2007 from 23 November to today, 16 November 2007, because of discussions with investors. The full report on the third quarter of 2007 will be published as planned on 23 November 2007 and will also be available under www.eco-immo.at as of this same date.

For additional information contact:

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