

# PRESS RELEASE

21 May 2008



## ECO Business-Immobilien AG: strong business performance in Q1 2008

- **Focus on effective asset management and selective acquisitions**
- **EBIT up 64% from EUR 11.8 million to EUR 19.4 million**
- **Net asset value (NAV) of EUR 12.53 per share**

**Vienna, 21 May 2008** – Vienna Prime Market listed ECO Business-Immobilien AG reported another strong operating performance in the first quarter of 2008, with improvements in all revenue and earnings indicators. Operating profit (EBIT) jumped 64% year on year to EUR 19.4 million as a result of higher revenues and revaluation gains, which were mainly attributable to changes in the fair value of the BAWAG portfolio. Total real estate assets at 31 March 2008 amounted to around EUR 1.2 billion, compared with EUR 697.5 million at the end of the first quarter of 2007.

“Following significant portfolio expansion in 2007, the first quarter of 2008 was fully taken up with improving the effectiveness of asset management of existing properties. We increased the attractiveness and value of our properties, and secured several new long-term tenants. Unlocking the value of the BAWAG real estate – which was acquired late in 2007 – was the key to this success. We introduced effective measures that successfully increased revenues and raised the occupancy rate. All of these factors are reflected in our strong earnings performance,” says Friedrich Scheck, Chairman of ECO's Management Board, of the figures for the first quarter of 2008.

### Increases in revenue and earnings

ECO's revenues and earnings increased once again in the period under review. Revenues for the quarter rose 60% year on year to EUR 15.2 million, which can be attributed to organic growth from the real estate acquired in 2007 and new rentals from the existing portfolio. Due to current market conditions and the focus on developing the existing portfolio, acquisitions were made only selectively. As a result of seasonal factors, trading activities in the first quarter of 2008 were flat. Total trading income of EUR 2.75 million was slightly higher than the EUR 2.29 million achieved in the previous period, with a consistently higher margin of 28% on IFRS values. “The cash earnings due to our strong operating performance make certain that we can act relatively independently from acquisitions or new infusions of cash,” says ECO Chief Financial Officer Wolfgang Gössweiner. The real estate asset revaluation required under IFRS accounting amounted to EUR 5.7 million (Q1 2006: EUR 2.4 million), or 0.5% of the value of real estate held as investment properties. This is primarily a reflection of value-adding asset management activities and increases in market prices for attractive locations.

In line with the strong operating performance, EBIT rose by 64% to EUR 19.4 million (Q1 2007: EUR 11.8 million). Profit before tax (EBT) increased to EUR 8.5 million, compared with EUR 7.4 million in the first quarter of 2007. Consolidated net profit was up by 55% to EUR 8.7 million, while earnings per share (on a higher number of shares) rose some 13%, to EUR 0.25.

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Net asset value (NAV) per share at 31 March 2008 was 4.4% higher than a year earlier, increasing from EUR 12.00 to EUR 12.53.

Total real estate assets jumped from EUR 697.5 million at the end of the first quarter of 2007 to EUR 1.2 billion, mainly as a result of the acquisitions made at the end of 2007. As Mr. Scheck points out, "We are currently analysing the supply and demand sides of the market in detail and will be taking an extremely considered approach." ECO's real estate portfolio at 31 March 2008 amounted to 126 properties (including development projects), compared with 119 at the end of the first quarter of 2007, while total usable space amounted to around 671,500 m<sup>2</sup>.

## Outlook for 2008

Following the good start to financial 2008 and the strong earnings performance in the opening months of the year, the Management Board of ECO expects solid results for 2008 as a whole. ECO's focus in the current financial year will be on increasing earnings through effective real estate management (raising revenues with new rentals and reduced vacancy rates), profitable trading activities and an expansion of development activities. Plans for selective growth in the property portfolio will be implemented using a balanced mix of own funds and debt capital.

## Key financial indicators in accordance with IFRS

		Q1 2008	Q1 2007
Revenues	(EUR '000)	18,303	11,522
of which rental income	(EUR '000)	15,232	9,543
Profits on disposal of non-current assets	(EUR '000)	2,748	2,292
Net gain from changes in fair value	(EUR '000)	5,700	2,410
Earnings before interest and tax (EBIT)	(EUR '000)	19,350	11,785
Earnings before tax (EBT)	(EUR '000)	8,453	7,417
Consolidated net profit (after minority interests)	(EUR '000)	8,694	5,625
Earnings per share	(EUR)	0.25	0.23
Weighted average number of shares		34,100,000	25,000,000
Funds from operations (FFO) before interest and taxes*	(EUR '000)	15,209	9,382
Funds from operations (FFO) after interest and taxes*	(EUR '000)	4,234	4,852
NAV per share	(EUR)	12.53	12.00

\* Earnings before tax + depreciation +/- changes in fair value

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## Property information

	March 31, 2008	March 31, 2007
Number of properties	126	119
<i>of which hold portfolio</i>	72	55
<i>of which trading portfolio</i>	46	63
<i>of which development projects</i>	8	1
Total usable space in m <sup>2</sup> *	671,500	463,300
<i>of which trading portfolio</i>	42,600	49,200
<i>of which development portfolio</i>	53,100	5,600
Underground parking spaces (number)	3,470	2,330
<i>of which trading portfolio</i>	280	270
<i>of which development portfolio</i>	230	0
Total real estate assets (EUR '000)	1,244,601	697,533
<i>of which properties under construction</i>	38,597	11,982
<i>of which trading portfolio</i>	58,195	81,973

\* Garage spaces calculated at 20 m<sup>2</sup> per space

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