

ECO Business-Immobilien AG: sound development of core business operations during first half of 2008

Vienna, 26 August 2008. ECO Business-Immobilien AG, which is traded in the Prime Market segment of the Vienna Stock Exchange, continued to record sound operating development in its core business during the first half of 2008. However, the tense conditions on international financial and property investment markets were also reflected in a substantial slowdown in the pace of the company's growth. Against the backdrop of this difficult market environment, ECO concentrated on the efficient management of its existing portfolio during the reporting period and was able to generate further organic growth.

Revenues rose to EUR 36.8 million for the first half of 2008, which represents an increase of 58% and a new record for the company. In accordance with the conservative approach applied in the valuation of properties, the net gain on fair value adjustments equalled EUR 5.4 million (1-6/2007: EUR 5.5 mill.). The reserved mood on investment markets led to a decline in trading income from the very high level recorded in 2007: at EUR 3.3 million, this indicator remained below the record EUR 5.9 million registered for the first six months of 2007. The profit margin (the selling price in relation to the IFRS value of the objects sold during the reporting period) equalled 26%.

The growth in revenues and the continuing optimisation of the portfolio properties supported an increase in EBIT to EUR 25.8 million for the first half of 2008 (1-6/2007: EUR 25.7 mill.). However, EBIT was negatively influenced by a non-recurring, non-cash charge of EUR 5.7 million. Financial results totalled EUR -21.2 million (1-6/2007: EUR -8.8 mill.) because of higher interest rates and a substantial rise in the volume of financing. Accordingly, profit before tax (EBT) equalled EUR 4.7 million (1-6/2007: EUR 16.9 mill.).

Funds from operations (FFO) also reflect the increase in interest rates and higher volume of financing compared with the prior year. The sound operating development of the company had a positive effect, and FFO before interest and taxes reached EUR 28.0 million for the reporting period (1-6/2007: EUR 20.2 mill.).

Net asset value (NAV) per share increased 6% to equal EUR 12.61 at the end of the second quarter (30.06.2007: EUR 11.90 per share). Adjusted NAV per share equalled EUR 13.10 as of this same date.

ECO expects a year-on-year increase in revenues during the second half of 2008. Activities for the coming six months will also focus on the further development of the investment portfolio, in keeping with the cautious attitude on investment markets. Trading activities will be intensified if favourable opportunities are available or if the market situation changes. Moreover, ECO will pursue the realisation of the development projects currently under construction as well as the development of new and attractive projects with well-known partners.

This strategy should support further organic growth and strengthen the internal financing power of the company. Based on the development of business during the first half of 2008, the Management Board of ECO Business-Immobilien AG expects solid results for the current financial year. However, the market environment may further slow the pace of growth in revenues and earnings and thereby prevent earnings from matching the record 2007 level.

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Business-Immobilien AG

Company Data in accordance with IFRS

		01-06/2008	01-06/2007
Revenues	(TEUR)	36,804	23,356
<i>Thereof rental income</i>	(TEUR)	30,663	19,276
Gain on the disposal of non-current assets	(TEUR)	3,312	5,927
Net gain from fair value adjustments	(TEUR)	5,419	5,492
Operating profit (EBIT)	(TEUR)	25,844	25,685
Profit before tax (EBT)	(TEUR)	4,682	16,853
Profit after tax (after minority interests)	(TEUR)	5,757	12,638
Earnings per share	(EUR)	0.17	0.51
Weighted average number of shares outstanding	(nr.)	34,100,000	25,000,000
FFO (funds from operations) before interest and taxes, incl. impairment charges ¹⁾	(TEUR)	27,970	20,207
FFO (funds from operations) after interest and taxes, incl. impairment charges ²⁾	(TEUR)	6,685	10,966
NAV (net asset value) per share	(EUR)	12.61	11.90

¹⁾ EBIT + depreciation and amortisation +/- fair value adjustments

²⁾ EBIT + depreciation and amortisation +/- fair value adjustments – financial results – income taxes paid

Property Data

	30/06/2008	30/06/2007
Number of objects	122	122
<i>Thereof investment portfolio</i>	70	61
<i>Thereof trading portfolio</i>	46	60
<i>Thereof development projects</i>	6	1
Total rentable space in m ² *	651,400	487,800
<i>Thereof trading portfolio</i>	42,500	47,400
<i>Thereof development projects</i>	46,000	5,600
Garage spaces (number)	3,560	2,460
<i>Thereof trading portfolio</i>	280	290
<i>Thereof development projects</i>	230	0
Property assets (in TEUR)	1,083,903	714,097
<i>Thereof construction in progress</i>	36,457	0
<i>Thereof trading portfolio</i>	57,968	62,965

* Garage spaces were included at 20 m² each

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