

# AD-HOC PRESS RELEASE

21 May 2010



## ECO Business-Immobilien AG with sound earnings growth in the first quarter of 2010

**Vienna, 21 May 2010.** ECO Business-Immobilien AG (Vienna Stock Exchange / Prime Market: ECO) completed a successful start into the 2010 financial year with EBIT of EUR 9.2 million for the first quarter (1-3/2009: EUR -6.2 million). The foundation for this positive development was formed by the re-dimensioning programme implemented in 2009 as well as an improvement in the market environment in Austria and Germany. These factors supported satisfactory rentals, an increase in property values and a further improvement in financial results. The equity ratio remained stable at a high 41.3%.

ECO generated revenues of EUR 14.3 million for the first quarter of 2010, compared with EUR 16.5 million in the first quarter of 2009 based on a larger property portfolio. The more encouraging market environment and active property management supported a net gain of EUR 1.2 million from changes in the fair value of investment properties. This represents a significant shift from the first quarter of 2009, which brought a valuation loss of EUR 14.9 million. Earnings before interest and taxes (EBIT) equalled EUR 9.2 million for the reporting period, compared with EUR -6.2 million in the first three months of 2009.

A reduction in debt and generally lower interest rates allowed for an improvement in financial results to EUR -4.8 million (1-3/2009: EUR -6.5 million). Profit before tax equalled EUR 4.5 million and reflects a substantial increase over the comparable prior year level of EUR -12.7 million. Profit after tax turned positive at EUR 3.5 million, versus EUR -9.9 million in the first quarter of 2009. The operating strength of ECO is underscored by funds from operations before interest and taxes, which amounted to EUR 8.0 million for the first quarter of 2010 (1-3/2009: EUR -5.7 million). FFO after interest and taxes was also positive at EUR 3.3 million, compared with EUR -12.2 million in the first quarter of the previous year.

Following the re-dimensioning of the property portfolio and the strengthening of equity during 2009, no major changes were made to the balance sheet structure during the first quarter of 2010. The balance sheet total of ECO equalled EUR 858.1 million as of 31 March 2010, and is nearly unchanged in comparison with the EUR 858.6 million reported at year-end 2009. The equity ratio remained stable at 41.3% (31.12.2009: 41.6%), as did net debt at EUR 476.4 million (31.12.2009: EUR 468.7 million). The loan-to-value (LTV) ratio was 56.5% at the end of March 2010. A total of EUR 11.4 million in liabilities due for refinancing in 2010 were converted to long-term during the first quarter. The Company's financing is secured over the long-term, and the remaining volume of refinancing for this year totals only EUR 3.5 million. Cash and cash equivalents totalled EUR 10.4 million at the end of the first quarter of 2010, compared with EUR 16.0 million as of 31 December 2009.

Net asset value (NAV) per share equalled EUR 10.39 as of 31 March 2010, versus EUR 10.45 at year-end 2009. Adjusted NAV equalled EUR 10.21 per share (versus EUR 10.30 at year-end 2009).

The ECO property portfolio comprised 61 objects with 541,500 m<sup>2</sup> of rentable space as of 31 March 2010. The occupancy levels as well as average rents remained constant during the reporting period. The focus for the first quarter of 2010 was placed on the redevelopment of selected objects, and the first positive results have already been recorded.

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Activities during the remainder of this year will focus on the implementation of ECO's strategy for the future, which was defined during the first quarter. The initial step in this strategy involves strengthening the creation of value in the existing portfolio through the redevelopment of properties, through active asset management and through trading activities. Plans call for the sale of completed properties whose development potential has been exhausted and the acquisition of other objects with a potential for an increase in value. Accordingly, preparations were made during the first quarter of 2010 for the sale of selected objects during the coming months.

A solid liquidity and equity structure as well as secured long-term financing will allow ECO to effectively utilise the growing number of opportunities offered by the market in 2010. In addition, the property portfolio provides a sound foundation for the Company's further development. The continuous optimisation of the portfolio should ensure stable occupancy and rental income this year. Against the backdrop of a recovering market environment, the Management Board of ECO expects positive cash income from operating activities as well as an improvement in profit over 2009.

## Selected Company Data in accordance with IFRS

		1-3/2010	1-3/2009
Revenues	(TEUR)	14,324	16,523
<i>Thereof rental income</i>	(TEUR)	11,592	13,444
Net gain/(loss) from changes in the fair value of investment properties	(TEUR)	1,210	-14,888
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(TEUR)	8,034	8,708
Operating profit (EBIT)	(TEUR)	9,235	-6,193
Profit before tax (EBT)	(TEUR)	4,484	-12,679
Profit after tax (after non-controlling interests)	(TEUR)	3,414	-9,828
Earnings per share	(EUR)	0.10	-0.29
Weighted average number of shares	(no.)	34,100,000	34,100,000
FFO (funds from operations) before interest and taxes <sup>1)</sup>	(TEUR)	8,034	-5,694
Cash earnings (FFO - funds from operations) after interest and taxes <sup>2)</sup>	(TEUR)	3,274	-12,191
NAV per share as of the balance sheet date	(EUR)	10.39	10.31

<sup>1)</sup> EBIT + depreciation and amortisation +/- fair value adjustments +/- impairment charges

<sup>2)</sup> EBIT + depreciation and amortisation +/- fair value adjustments +/- impairment charges - financial results - income taxes paid

## Balance Sheet Data

Consolidated balance sheet – summary in TEUR	31/03/2010	31/12/2009
Non-current assets	837,570	833,149
<i>Thereof investment properties</i>	783,966	782,465
<i>Thereof properties under construction</i>	42,043	39,281
Current assets	20,533	25,401
<b>Total assets</b>	<b>858,102</b>	<b>858,550</b>
Equity and reserves	354,627	357,329
<i>Thereof non-controlling interests</i>	243	834
Non-current liabilities	466,155	452,400
Current liabilities	37,321	48,822
<b>Total equity and liabilities</b>	<b>858,102</b>	<b>858,550</b>

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## Property Data

	31/03/2010	31/03/2009
Number of objects	61	71
<i>Thereof investment portfolio</i>	59	69
<i>Thereof development projects</i>	2	2
Rentable space in m <sup>2</sup> *	541,500	580,800
Garage spaces (number)	2,970	3,060
Property assets (in TEUR)	826,009	892,792
<i>Thereof properties under construction</i>	42,043	31,247

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

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