

PRESS RELEASE

23 November 2010



ECO Business-Immobilien AG with fivefold increase in Group EBIT to EUR 25.0 million for the first three quarters of 2010

- **Earnings clearly positive at EUR 9.1 million**
- **Solid liquidity and equity base: equity ratio rises to 45%**
- **Takeover offer successful: conwert holds 95.8% of ECO**

Vienna, 23 November 2010. ECO Business-Immobilien AG (Vienna Stock Exchange / Prime Market: ECO) continued its stable positive development during the first three quarters of 2010. Earnings improved significantly over the comparable prior year period, which was influenced by impairment charges. Profit after tax rose to EUR 9.1 million (1-9/2009: EUR -8.2 million) and Group EBIT increased 380% to EUR 25.0 million. ECO's liquidity and equity base remained solid, with the equity ratio equaling 45% as of 30 September 2010.

"The positive development of ECO during the first three quarters was supported by the improvement in our portfolio and financing structure that started last year. In a friendlier market environment, this paved the way for a massive increase in earnings", summarised Elke Englert, Chief Financial Officer of ECO Business-Immobilien AG, on developments for the first three quarters of 2010.

Improvement in revenues and earnings

ECO generated revenues of EUR 41.1 million during the first nine months of this year. These results were slightly lower than the comparable prior year period (EUR 46.8 million) due to the sale of several properties. Income from the disposal of non-current assets increased substantially to EUR 4.3 million (1-9/2009: EUR 0.3 million), above all due to the sale of the Opernringhof in Vienna. The positive trend in property valuation continued during the reporting period, with the valuation of the property portfolio by independent experts producing a net gain of EUR 3.0 million in fair value adjustments. In contrast, the first nine months of 2009 brought a valuation loss of EUR 18.6 million. Earnings before interest and taxes (EBIT) amounted to EUR 25.0 million for the reporting period (1-9/2009: EUR 5.3 million).

A decline in the volume of financing and lower interest rates had a positive effect on financial results, but the positive interest effect was offset in part by exceptional legal and consulting expenses of EUR 1.9 million in the third quarter of 2010. In spite of this development, financial results improved notably from EUR -16.0 million to EUR -14.2 million. Profit before tax rose significantly to EUR 10.7 million for the reporting period (1-9/2009: EUR -10.7 million). Moreover, profit after tax turned positive to equal EUR 9.3 million (1-9/2009: EUR -8.3 million). Funds from operations (FFO) before interest and taxes totalled EUR 31.2 million for the first three quarters of 2010 (1-9/2009: EUR 0.6 million). FFO after interest and taxes was also positive at EUR 15.9 million, compared with EUR -15.4 million in the first three quarters of the previous year.

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Further increase in equity ratio

The sale of properties during the first three quarters of 2010 reduced the balance sheet total to EUR 784.9 million as of 30 September 2010 (31 December 2009: EUR 858.6 million). A decline in liabilities increased the equity ratio to 45.0% as of 30 September 2010 (31 December 2009: 41.6%). Net debt fell to EUR 384.3 million (31 December 2009: EUR 470.1 million). The loan-to-value ratio (LTV) equalled 53.5% at the end of September 2010. ECO has no further financing requirements for 2010. Cash and cash equivalents totalled EUR 30.5 million at the end of the third quarter of 2010, which represents a significant improvement over the EUR 16.0 million reported as of 31 December 2009.

Net asset value (NAV) per share amounted to EUR 10.34 as of 30 September 2010, compared with EUR 10.45 at year-end 2009.

Focus on redevelopment projects and sales

The ECO property portfolio comprised 58 objects with 521,700 m² of rentable space as of 30 September 2010. Occupancy levels as well as average rents remained largely constant throughout the reporting period. "Our business activities for the first three quarters of 2010 focused on redevelopment projects, on profitable sales and on the completion of the development project in Ukraine", explained Frank Brün, member of the Management Board.

conwert takeover of ECO successful

The extended acceptance period for the takeover offer made by conwert Immobilien Invest SE to the free float shareholders of ECO Business-Immobilien AG for the purchase of their ECO shares (offer price: EUR 7.15 per share) ended on 3 November 2010. After the expiration of this extension and the purchase of 229,014 shares owned by parties acting in concert (Johann Kowar and Kowar KG), conwert held 32,653,279 shares in ECO Business-Immobilien AG. This represents approx. 95.76% of the share capital of ECO Business-Immobilien AG.

Outlook on 2010

Activities during the fourth quarter of 2010 will concentrate on the realisation of redevelopment projects as well as the sale of selected properties whose development potential has been exhausted. The project in Ukraine will be completed in the near future, and no other development projects are planned at the present time. The active management of the properties in the investment portfolio will form the basis for continued stable rental income and satisfactory occupancy levels.

The Management Board expects a substantial year-on-year improvement in the equity ratio for 2010. Operating earnings will exceed the previous year, supported by a stable rental business and the positive development of valuation results. Based on the sound development of operations, the continuing low level of interest rates and a lower volume of financing, the Management Board expects an improvement in profit over the prior year.

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Selected Company Data in accordance with IFRS

		1-9/2010	1-9/2009
Revenues	(TEUR)	41,071	46,771
<i>Thereof rental income</i>	(TEUR)	32,599	38,206
Net gain/(loss) from changes in the fair value of investment properties	(TEUR)	2,958	-18,554
Operating profit (EBIT)	(TEUR)	24,946	5,253
Profit before tax (EBT)	(TEUR)	10,724	-10,740
Profit after tax (after non-controlling interests)	(TEUR)	9,116	-8,226
Earnings per share	(EUR)	0.27	-0.24
Weighted average number of shares	(no.)	34,100,000	34,100,000
FFO (funds from operations) before interest and taxes ¹⁾	(TEUR)	31,219	603
Cash earnings (FFO - funds from operations) after interest and taxes ²⁾	(TEUR)	15,917	-15,429
NAV per share as of the balance sheet date	(EUR)	10.34	10.37

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

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

Balance Sheet Data

Consolidated balance sheet – summary in TEUR	30/09/2010	31/12/2009
Non-current assets	741,559	834,560
<i>Thereof investment property</i>	711,489	782,465
<i>Thereof properties under construction</i>	17,257	39,281
Current assets	43,307	23,990
Total assets	784,866	858,550
Equity and reserves	353,075	357,329
<i>Thereof non-controlling interests</i>	371	834
Non-current liabilities	382,443	452,400
Current liabilities	49,348	48,822
Total equity and liabilities	784,866	858,550

Property Data

	30/09/2010	30/09/2009
Number of objects	58	61
<i>Investment properties</i> ¹⁾	57	59
<i>Thereof development projects</i>	1	2
Rentable space in m ² ²⁾	521,700	538,800
Garage spaces (number)	2,950	2,840
Property assets (in TEUR)	728,746	816,760
<i>Thereof properties under construction</i>	17,257	38,768

¹⁾ Investment property

²⁾ Garage spaces were included at 20 m² each / parking areas included

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For additional information contact:

ECO Business-Immobilien AG

Elke Englert, Chief Financial Officer

Tel +43 1 580 88 0

E englert@eco-immo.at

Metrum Communications

Roland Mayrl

Tel +43 1 504 69 87-331

E r.mayrl@metrum.at

This press release includes forward-looking estimates and statements that are based on the information available to ECO Business-Immobilien AG at the present time. Forward-looking statements are normally described with terms such as "expect", "estimate", "plan", "anticipate", "assume", "should", "could", etc., and reflect conditions at the time they are made. ECO notes that numerous factors may cause actual circumstances and, therefore also actual results, to differ from the expectations described in this press release.