

Q1 2008

HIGHLIGHTS

- Increase in earnings through effective asset management
- Successful start of realisation on BAWAG properties
- Further improvement in revenue and earnings indicators

The ECO Business-Immobilien Share:

SHAREHOLDERS' LETTER

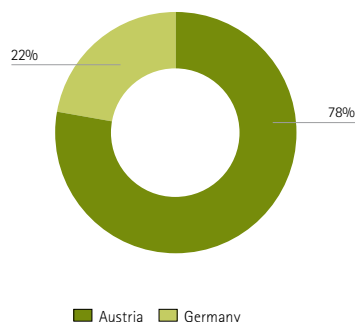
Stability, Return, Growth

ECO

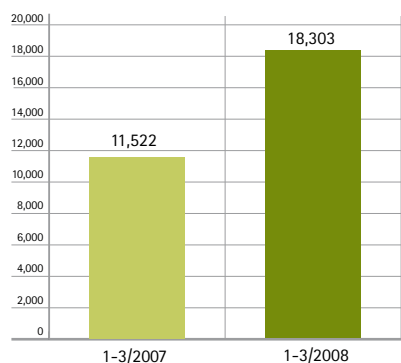
Business-Immobilien AG

HIGHLIGHTS Q1/2008

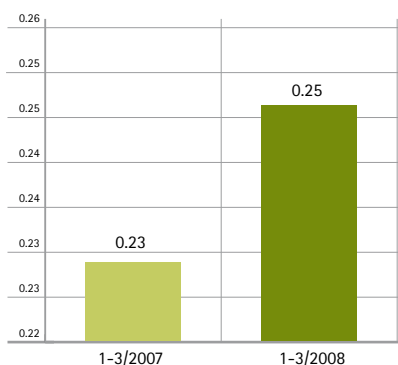
REVENUES 1-3/2008



REVENUES (TEUR)



EARNINGS PER SHARE (EUR)



Property portfolio

- Focus on effective asset management to increase earnings
- Selective acquisitions and sales in Austria and Germany
- First rentals in BAWAG properties

Key data

- Increase in all revenue and earnings indicators
- Rental income + 60% to EUR 15.2 million
- EBIT + 64% to EUR 19.4 million

Capital market

- Turbulence on capital markets limits growth of property shares
- Increase in substance value per share
- Positive analyst recommendations for ECO share

COMPANY DATA IN TEUR

	1-3/2008	1-3/2007	1-12/2007
Rental income	15,232	9,543	39,959
Revenue	18,303	11,522	48,589
Earnings before interest and tax (EBIT)	19,350	11,785	60,801
Profit before tax (EBT)	8,453	7,417	41,654
Profit for the year	8,694	5,625	32,772
Cash flow from operating activities	434	1,194	4,311
FFO (funds from operations) ¹⁾ before interest and taxes	15,209	9,382	44,195
FFO (funds from operations) ¹⁾ after interest and taxes	4,234	4,852	24,723
Equity (incl. minority interests)	434,645	325,798	435,685
Balance sheet total	1,334,917	778,925	1,338,095

1) Cash profit = profit before tax + depreciation and amortisation +/- fair value adjustments - income taxes paid

PROPERTY DATA

	31.03.2008	31.03.2007	31.12.2007
Number of objects	126	119	127
Thereof investment / trading / development ¹⁾	72 / 46 / 8	55 / 63 / 1	73 / 46 / 8
Rental space in m ² ²⁾	671,500	463,300	668,000
Garage spaces (number)	3,470	2,330	3,380
Property portfolio (in TEUR)	1,244,601	697,533	1,233,083
Thereof construction in progress (in TEUR)	38,597	11,982	34,746

1) ECO owns a stake of 50% in the objects included in the trading portfolio

2) Garage spaces were included at 20 m² each

Highlights from the Property Portfolio

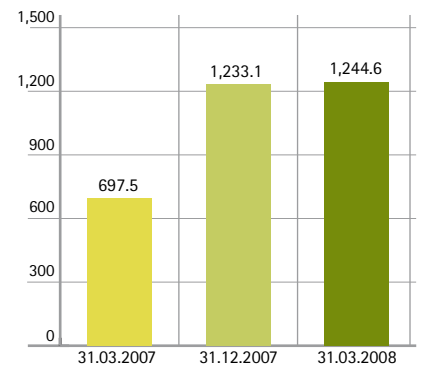
Development of the portfolio

Activities during the first quarter of 2008 were focused on the effective asset management of the property portfolio. Specially designed measures were implemented to improve the attractiveness of individual objects and increase rentals. Realisation also started on the former BAWAG properties, which were acquired at the end of 2007, and a programme was launched to strengthen the earnings generated by these objects. In addition, ECO closed transactions during the first three months of 2008 for the selective acquisition and sale of individual objects in Austria and Germany.

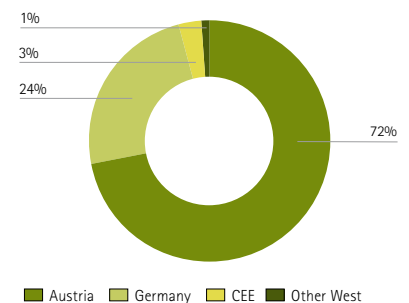
As of 31 March 2008 the ECO property portfolio comprised 126 objects with a combined value of EUR 1.24 billion, which represents an increase of 78% over the comparable prior year period. The investment portfolio is responsible for EUR 1.14 billion or 91% of total property assets. The trading portfolio declined by 5% to EUR 58 million following the profitable sale of properties. The share of development projects equalled roughly 4%.

The regional focus remained on Austria (79%) and Germany (19%) during the reporting period, with the result that nearly 98% of total property assets are invested in these core markets. In accordance with the Group's investment strategy, office (41%) and retail objects (31%) form the majority component of the property portfolio.

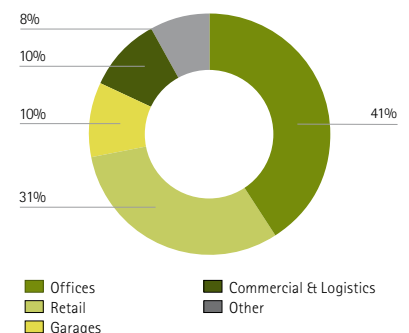
PROPERTY PORTFOLIO (EUR MILL.)



RENTABLE SPACE BY REGION AS OF 31.03.2008



RENTABLE SPACE BY SECTOR AS OF 31.03.2008



PROPERTY PORTFOLIO	SPACE ¹⁾	OFFICES	RETAIL	VACANCY RATE ²⁾	IFRS-CARRYING VALUE	RETURN ³⁾
AS OF 31.03.2008	m ²	%	%	%	TEUR	%
Investment portfolio	575,800	42.5%	31.7%	14.4%	1,134,116	5.0 %
Austria	433,200	45.7%	30.4%	17.9%	923,846	4.6 %
Germany	142,600	33.0%	35.8%	4.0%	210,270	6.8 %
Other Western Europe	0	0.0%	0.0%	0.0%	0	0 %
CEE region	0	0.0%	0.0%	0.0%	0	0 %
Trading portfolio						
(Austria only)	42,600	37.5%	10.6%	21.5%	58,195	5.1 %
Investment portfolio	618,500	42.2%	30.3%	14.9%	1,192,311	5.0 %
Development portfolio	53,100	30.7%	33.9%		13,693	8.5 %
Austria	6,400	6.3%	34.2%		1,132	8.1 %
Germany	18,800	0.0%	30.1%		6,422	7.5 %
Other Western Europe	7,500	100.0%	0%		6,000	6.2 %
CEE region	20,500	30.7%	49.7%		138	12.9 %
TOTAL INCL.						
DEVELOPMENT PROJECTS	671,500	41.3%	30.6%		1,206,004	5.3 %
Properties under construction					38,597	
PROPERTY PORTFOLIO					1,244,601	

1) Rentable space including garage spaces at 20 m² each, rounded to 100 m²

2) Total rentable space, including properties under development

3) Annualised monthly rent based on fair value; development projects based on planned rentals and estimated total costs



Dear Shareholders,

ECO Business-Immobilien AG is pleased to report a successful start into the 2008 financial year. In spite of difficult conditions on financial markets and the resulting higher cost of external financing – which represents a key factor for property companies – ECO continued its sound operating performance during the first quarter of 2008. A significant increase in the portfolio during 2007 was followed by a shift in the focus of activities to the effective management of properties. ECO was able to increase the attractiveness and value of the objects under its ownership and also finalise new long-term leases during the reporting period. First successes were also recorded in the rental of the former BAWAG properties, which were acquired at the end of 2007, where specially designed measures led to an increase in earnings and successful rentals.

Improvement in revenue and earnings indicators

ECO recorded a further improvement in revenue and earnings indicators during the reporting period. Rental income rose by 60% year-on-year to EUR 15.2 million for the first quarter of 2008. This increase was supported by organic growth through properties acquired in 2007 as well as new rentals from the property portfolio. Only selected acquisitions were concluded during the first three months of 2008 because of the difficult market environment and the Group's concentration on the further development of the existing portfolio. Trading activities were subdued during this period for seasonal reasons. Income from trading activities totalled EUR 2.75 million and slightly exceeded the comparable prior year level of EUR 2.29 million, which represents a profit of 28% on the IFRS carrying value. The fair value adjustment of properties in accordance with IFRS generated gains of EUR 5.7 million (Q1 2007: EUR 2.4 mill.), or 0.5% of the total carrying value of investment properties. These increases resulted above all from asset management measures to improve value as well as higher market values for objects in attractive locations.

Operating profit (EBIT) was driven by the sound development of business, rising 64% to EUR 19.4 million (Q1 2007: EUR 11.8 mill.). Profit before tax (EBT) increased to EUR 8.5 million, compared with EUR 7.4 million in the first quarter of the previous year. Profit after tax equalled EUR 8.7 million, which reflects an increase of 55%. Earnings per share rose by 13% to EUR 0.25, based on a higher number of shares outstanding.

The development of funds from operations (FFO) after interest and tax was influenced by a rise in interest rates over the comparable prior year level as well as a higher volume of financing. FFO equalled EUR 4.23 million in the first quarter of 2008, versus EUR 4.85 million for the first quarter of 2007.

Increase in NAV to EUR 12.54 per share

Equity (incl. minority interests) totalled EUR 434.65 million as of 31 March 2008, compared with EUR 325.79 million at the end of the first quarter of 2007. The equity ratio equalled 33%. Roughly one-third of the total financial liabilities were hedged against fluctuations in interest rates. This resulted in an average interest rate of 5.2%, including the effects of hedges, as of 31 March 2008.

Net asset value (NAV) per share increased from EUR 12.00 as of 31 March 2007 to EUR 12.54 as of the balance sheet date for these interim financial statements, which represents a plus of 4.5%.

Property assets rose from approximately EUR 697.5 million at the end of the first quarter of 2007 to EUR 1.2 billion. This growth was driven primarily by acquisitions made at the end of 2007. The property portfolio of ECO Business-Immobilien AG, including development projects, comprised 126 objects as of 31 March 2008, compared with 119 at the end of the first quarter of 2007. Rentable space totalled roughly 671,500 m².

Outlook on 2008

Based on the good start into the current year and the positive development of earnings during the first three months, the Management Board of ECO Business-Immobilien AG expects solid results for the full 2008 financial year. The focus of activities will be placed on the improvement of earnings with effective property management, i.e. an increase in rental income through new rentals and a reduction in vacancies, as well as profitable trading activities and expanded development activities. The implementation of planned activities for the selective development of the property portfolio will be based on the balanced use of debt and equity.

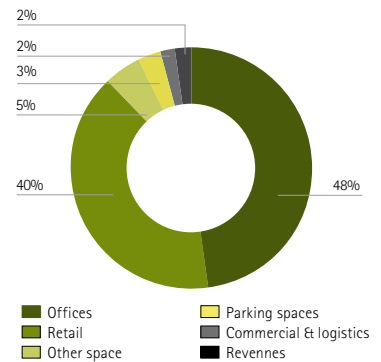
Vienna, May 2008

The Management Board

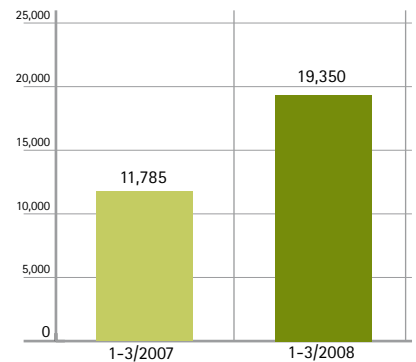
Friedrich Scheck
Chief Executive Officer

Wolfgang Gössweiner
Chief Financial Officer

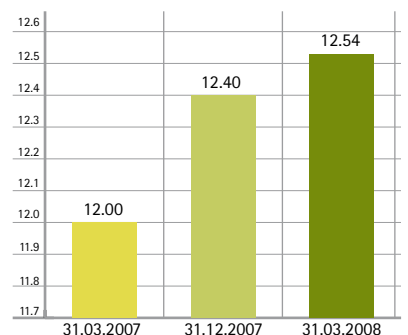
RENTAL INCOME BY USE 31.03.2008



DEVELOPMENT OF EBIT (TEUR)



NAV PER SHARE (EUR)



Segment Report



Hold Portfolio

Activities for the first quarter of 2008 were concentrated on increasing the earnings and value of the investment portfolio. Effective asset management led to an improvement in occupancy rates, which was reflected in higher rental income. The Group was able to finalise contracts with well-known tenants for its office and retail properties in Austria and Germany, including the SpreeEck in Berlin, the campus21 south of Vienna and the Kaufpark Vösendorf. In addition, the first rental agreements were concluded for objects in the former BAWAG portfolio that was acquired at the end of 2007. The ECO Group also acquired an office building with 4,700 m² of rentable space in Wiesbaden, which expanded its high-quality portfolio in Germany to include an EUR 8.8 million property with 4,700 m² and 90 garage spaces. An office floor in the Vienna Hotel Marriott was sold for EUR 13.5 million, and generated a gain of EUR 2.9 million on the reassessed IFRS carrying value. The hold portfolio totalled EUR 1.1 billion or 91.3% of the property assets owned by ECO as of 31 March 2008, and was responsible for 95% of rental income. Rental income generated by the hold portfolio rose from EUR 8.4 million to EUR 14.5 million for the reporting period. EBIT on the hold portfolio equalled EUR 19.2 million, which represents an increase of EUR 10.3 million compared with the first quarter of 2007.

KEY DATA ON THE HOLD PORTFOLIO		31.03.2008	31.03.2007	31.12.2007
Number of objects	(nr.)	72	55	73
Total rentable space ¹⁾	(m ²)	575,800	408,500	572,100
Garage spaces	(nr.)	2,950	2,070	2,870
Vacancy rate	(%)	14.4	15.4	14.8%
Property portfolio	(TEUR)	1,136,064	615,524	1,132,236
Thereof properties under construction	(TEUR)	1,948	11,963	3,711
Revenues	(TEUR)	17,303	10,002	43,842
EBIT	(TEUR)	19,217	8,931	52,968

¹⁾ Garage spaces were included at 20 m² each / Asset-based figures are calculated at the last day of the reporting period, revenue-based figures over the entire period. Square metre amounts were rounded to 100 m².

Trading Portfolio

Following a high pace of sales activity during the fourth quarter of 2007, developments in the trading portfolio slowed for seasonal reasons at the start of this year. Two condominiums with a combined value of roughly TEUR 408 were sold during the first quarter. These transactions generated a gain of TEUR 111 which represents a profit margin of 37%. Rental income for the reporting period equalled EUR 1 million, or 5% of total revenues.

KEY DATA ON THE TRADING PORTFOLIO ¹⁾		31.03.2008	31.03.2007	31.12.2007
Number of objects	(nr.)	46	63	46
Total rentable space ²⁾	(m ²)	42,600	49,200	42,800
Garage spaces	(nr.)	280	266	280
Vacancy rate	(%)	21.5	17.9	22.7%
Property portfolio	(TEUR)	58,195	81,973	58,319
Thereof properties under construction	(TEUR)	0	0	0
Revenues	(TEUR)	1,000	1,520	4,747
EBIT	(TEUR)	649	3,185	10,183

¹⁾ Data on the trading portfolio is based on the 50% stake owned by ECO

²⁾ Asset-based figures are calculated at the last day of the reporting period, revenue-based figures over the entire period. Square metre amounts were rounded to 100 m².

Development Portfolio

ECO has participated in selective development projects in Western and Eastern Europe since 2007. The expansion of business activities to include this sector of the property market allows ECO to utilise additional opportunities for the creation of value and improvement of earnings, and thereby complement its investment strategy. The development portfolio comprised eight projects with an estimated investment volume of approximately EUR 107 million during the first quarter of 2008. The rentable space in these projects is planned to total roughly 50,000 m².

The projects currently under construction are scheduled for completion during 2008 and 2009. In Austria, a development project (hotel and specialty shopping centre) with roughly 6,400 m² of space is under construction. In Germany, activities focused on the expansion of retail space as well as the construction of retail areas and mixed use objects. Four projects with nearly 19,000 m² of rentable space were in progress during the first quarter. In Luxembourg and Ukraine, construction on the large development projects started in 2007 is proceeding as scheduled. These projects are realised on the basis of an average return of 8.5% after completion, whereby the returns in western markets range from 6.2% to 8.1% and projects in the CEE markets average 12.9%.

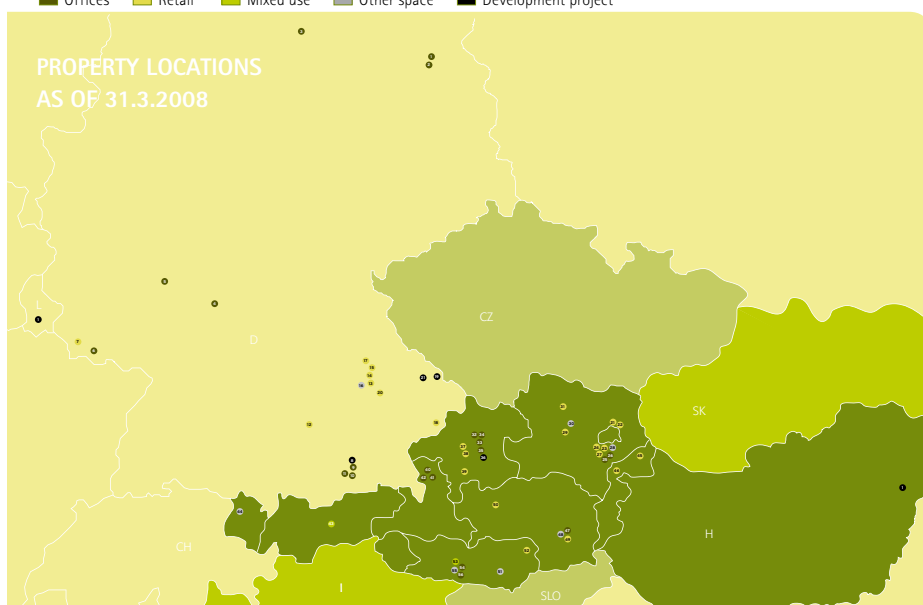


KEY DATA ON THE DEVELOPMENT PORTFOLIO

		31.03.2008	31.03.2007	31.12.2007
Number of objects	(nr.)	8	1	8
Total rentable space ¹⁾	(m ²)	53,100	5,600	53,100
Garage spaces	(nr.)	230	0	230
Investment volume	(TEUR)	106,600	13,400	106,600
Rental income after completion	(TEUR)	9,081	1,141	9,081
Return after completion	(%)	8.5	8.5	8.5

¹⁾ Garage spaces were included at 20 m² each / Asset-based figures are calculated at the last day of the reporting period, revenue-based figures over the entire period. Square metre amounts were rounded to 100 m².

■ Offices ■ Retail ■ Mixed use ■ Other space ■ Development project



Condensed Consolidated Balance Sheet as of 31 March 2008

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences.

ASSETS	NOTES	31.03.2008	31.12.2007
Non-current assets			
Intangible assets		231	237
Property, plant and equipment			
Investment properties	4	1,147,809	1,140,019
Other tangible assets		208	210
Construction in progress	5	38,597	34,746
		1,186,846	1,175,211
Financial assets			
Shares in associated companies		25	35
Investments in other companies		0	0
Properties available for sale	6	58,195	58,319
Deferred tax assets		2,174	1,076
Other receivables and assets		5,148	10,125
		1,252,388	1,244,766
Current assets			
Receivables arising from the sale of assets		24,606	20,257
Other receivables and assets		38,861	38,365
Cash and cash equivalents		19,063	34,708
		82,530	93,330
TOTAL ASSETS		1,334,917	1,338,095
EQUITY AND LIABILITIES			
Equity and reserves			
Issued capital	9	341,000	341,000
Capital reserves		43,411	43,411
Retained earnings		43,187	38,491
Equity attributable to shareholders of the parent company		427,598	422,902
Minority interests		7,047	12,784
		434,645	435,685
Non-current liabilities			
Loans from banks		536,031	545,063
Other loans		43,748	43,748
Finance lease liabilities	8	14,685	14,804
Deferred tax liabilities		15,874	14,728
		610,338	618,343
Current liabilities			
Provisions		2,279	2,214
Overdrafts and current portion of loans from banks		162,384	158,722
Current portion of other loans		51,944	52,093
Finance lease liabilities	8	316	316
Trade accounts payable		7,575	8,595
Liabilities arising from the acquisition of investment properties		44,953	46,921
Other current liabilities		20,483	15,205
		289,934	284,067
TOTAL EQUITY AND LIABILITIES		1,334,917	1,338,095

The following notes to the financial statements form an integral part of this condensed consolidated balance sheet.

Condensed Consolidated Income Statement for the period from 1 January to 31 March 2008

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences.

	NOTES	1-3/2008	1-3/2007	1-12/2007
1. Revenues				
a) Rental income		15,232	9,543	39,959
b) Owner's operating costs charged on		3,072	1,979	8,630
		18,303	11,522	48,589
2. Changes in fair value of investment property		5,700	2,410	17,146
3. Other operating income				
a) Gain on disposal of non-current assets		2,748	2,292	16,508
b) Miscellaneous		290	241	1,263
		3,038	2,534	17,771
4. Owner's operating costs		-4,721	-2,930	-14,117
5. Depreciation and amortisation		-14	-6	-27
6. Other operating expenses		-2,956	-1,744	-8,561
7. EARNINGS BEFORE INTEREST AND TAXES	1	19,350	11,785	60,801
8. Finance revenue		804	735	2,947
9. Finance costs		-11,702	-5,103	-22,094
10. FINANCIAL RESULTS		-10,898	-4,368	-19,147
11. PROFIT BEFORE TAX		8,453	7,417	41,654
12. Income tax expense		-78	-161	-325
13. Deferred tax expense	2	-1,149	-1,661	-8,091
		-1,227	-1,823	-8,416
14. PROFIT FOR THE PERIOD		7,226	5,594	33,238
Thereof attributable to				
Equity holders of the parent company		8,694	5,625	32,772
Minority interests		-1,468	-31	466
		7,226	5,594	33,238
Earnings per share in EUR	3	0.25	0.23	1.11
Weighted average number of shares		34,100,000	25,000,000	29,550,000

The following notes to the financial statements form an integral part of this condensed consolidated income statement.

Condensed Consolidated Cash Flow Statement for the period from 1 January to 31 March 2008

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences.

	NOTES	1-3/2008	1-3/2007	1-12/2007
NET CASH FLOW FROM OPERATING ACTIVITIES		434	1,194	4,311
Payments for the acquisition of properties		-17,235	-40,783	-239,555
Payments for properties under construction		-4,575	-6,545	-19,402
Proceeds from the disposal of properties		12,735	11,776	34,425
Payments for the acquisition of subsidiaries		0	0	-157,834
Payments for the acquisition of investments in other companies		0	-30	310
Proceeds from the disposal of subsidiaries		0	1,149	7,916
Other net cash flows		-2,644	-23	-1,035
NET CASH FLOW FROM INVESTING ACTIVITIES	10	-11,719	-34,406	-375,174
Proceeds from capital increases		0	24,900	109,650
Transaction costs relating to capital increases		-422	-800	-14,078
Changes in loans from banks		-5,639	-9,900	250,699
Other net cash flows		1,701	0	-656
NET CASH FLOW FROM FINANCING ACTIVITIES	10	-4,360	14,200	345,615
CHANGE IN CASH AND CASH EQUIVALENTS		-15,646	-19,013	-25,248
Cash and cash equivalents at the beginning of the period		34,708	59,956	59,956
Cash and cash equivalents at the end of the period		19,063	40,944	34,708
CHANGE		-15,646	-19,013	-25,248

The following notes to the financial statements form an integral part of this consolidated cash flow statement.

Condensed Consolidated Statement of Changes in Equity for the period from 1 January to 31 March 2008

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences.

	NOTES	ATTRIBUTABLE TO SHAREHOLDERS		
		ISSUED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS
BALANCE ON 1.1.2007		250,000	34,311	8,879
Transaction costs relating to capital increases		0	0	-2,540
Deferred taxes on transaction costs relating to capital increases		0	0	635
Changes in the fair value of interest rate hedges		0	0	0
Currency translation adjustment		0	0	0
Profit/loss after tax recognised directly in equity		0	0	-1,905
Net profit for the period		0	0	5,625
Income and expense recognised for the period		0	0	3,720
Proceeds from capital increases		0	0	0
Changes in consolidation range		0	0	12
Other changes		0	0	0
BALANCE ON 31.3.2007		250,000	34,311	12,611
BALANCE ON 1.1.2008		341,000	43,411	31,363
Other transaction costs relating to capital		0	0	-199
Deferred taxes on other transaction costs relating to capital		0	0	50
Fair value adjustment of investment properties		0	0	0
Changes in the fair value of interest rate hedges		0	0	0
Currency translation adjustment		0	0	0
Profit/loss after tax recognised directly in equity		0	0	-149
Net profit for the period		0	0	8,694
Income and expense recognised for the period		0	0	8,544
Proceeds from capital increases		0	0	0
Repurchases from capital increases by subsidiaries		0	0	0
Distributions to minority shareholders		0	0	0
Changes in consolidation range	7	0	0	47
Other changes		0	0	-7
BALANCE ON 31.03.2008		341,000	43,411	39,947

The following notes to the financial statements form an integral part of this condensed consolidated statement of changes in equity.

OF THE PARENT COMPANY			TOTAL	MINORITY INTERESTS	TOTAL EQUITY AND RESERVES
RESERVE FOR DERIVATIVES	CURRENCY TRANSLATION ADJUSTMENT				
1,672	-161		294,701	1,647	296,348
0	0		-2,540	-806	-3,346
0	0		635	202	837
1,619	0		1,619	0	1,619
0	1		1	0	1
1,619	1		-285	-605	-890
0	0		5,625	-31	5,594
1,619	1		5,340	-635	4,705
0	0		0	24,900	24,900
0	0		12	-166	-154
0	0		0	0	0
3,291	-161		300,052	25,746	325,798
7,253	-125		422,902	12,784	435,685
0	0		-199	0	-199
0	0		50	0	50
0	0		0	-1,571	-1,571
-3,695	0		-3,695	0	-3,695
0	-193		-193	0	-193
-3,695	-193		-4,037	-1,571	-5,608
0	0		8,694	-1,468	7,226
-3,695	-193		4,656	-3,039	1,617
0	0		0	0	0
0	0		0	0	0
0	0		0	0	0
0	0		47	-2,698	-2,650
0	0		-7	0	-7
3,558	-317		427,598	7,047	434,645

Condensed Consolidated Statement of Non-Current Assets as of 31 March 2008

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences.

	ACQUISITION COSTS		
	01.01.2008	ADDITIONS	ADDITIONS THROUGH BUSINESS COMBINATIONS
NON-CURRENT ASSETS			
Intangible assets	313	0	0
Property, plant and equipment			
Investment property	1,140,019	13,955	0
Other tangible assets	282	7	0
Properties under construction	34,746	3,851	0
	1,175,047	17,813	0
TOTAL NON-CURRENT ASSETS	1,175,359	17,814	0
Properties held for sale	58,319	173	0
TOTAL	1,233,678	17,987	0
ACCUMULATED DEPRECIATION AND AMORTISATION			
	01.01.2008	DEPRECIATION	ADDITIONS THROUGH BUSINESS COMBINATIONS
Intangible assets	76	5	0
Property, plant and equipment			
Investment property	0	0	0
Other tangible assets	73	8	0
Prepayments for property, plant and equipment	0	0	0
	73	8	0
TOTAL DEPRECIATION AND AMORTISATION	149	14	0

DISPOSALS	REVALUATION	31.03.2008	BOOK VALUE	
			31.03.2008	01.01.2008
0	0	313	231	237
11,864	5,700	1,147,809	1,147,809	1,140,019
0	0	289	208	210
0	0	38,597	38,597	34,746
11,864	5,700	1,186,695	1,186,614	1,174,974
11,864	5,700	1,187,008	1,186,846	1,175,211
297	0	58,195	58,195	58,319
12,161	5,700	1,245,203	1,245,040	1,233,529
DISPOSALS	31.03.2008			
0	81			
0	0			
0	81			
0	0			
0	81			
0	162			

Condensed Consolidated Statement of Non-Current Assets as of 31 March 2007

Based on International Financial Reporting Standards (all amounts in TEUR). The presentation in TEUR can lead to rounding differences..

	ACQUISITION COSTS		
	BALANCE AT 01.01.2007	ADDITIONS	ACQUISITIONS THROUGH BUSINESS COMBINATIONS
NON-CURRENT ASSETS			
Intangible assets	309	0	4
Property, plant and equipment			
Investment property	598,885	2,312	0
Other tangible assets	32	24	0
Construction in progress	3,892	8,090 *)	0
	602,810	10,426	0
TOTAL NON-CURRENT ASSETS	603,119	10,426	4
Properties available for sale	94,445	2,695	0
TOTAL	697.564	13,121	4
*) Construction in progress includes the addition of TEUR 7,067 for a property under construction.			
	ACCUMULATED DEPRECIATION AND AMORTISATION		
	BALANCE AT 01.01.2007	DEPRECIATION AND AMORTISATION EXPENSE	ACQUISITIONS THROUGH BUSINESS COMBINATIONS
Intangible assets	55	5	0
Property, plant and equipment			
Investment property	0	0	0
Other tangible assets	16	1	0
Prepayments for investments in other companies	0	0	0
	16	1	0
TOTAL DEPRECIATION AND AMORTISATION	71	6	0

DISPOSALS	REVALUATION INCREASES	BALANCE AT 31.03.2007	BOOK VALUE	
			31.03.2007	01.01.2007
0	0	314	254	255
29	2,410	603,578	603,578	598,885
0	0	56	39	16
0	0	11,982	11,982	3,892
29	2,410	615,616	615,599	602,793
29	2,410	615,930	615,853	603,048
15,167	0	81,973	81,973	94,445
15.196	2,410	697,903	697,825	697,493
ELIMINATED ON DISPOSAL OF ASSETS	BALANCE AT 31.03.2007			
0	60			
0	0			
0	17			
0	17			
0	0			
0	77			

Notes to the Consolidated Interim Financial Statements

Selected Explanatory Notes to the Consolidated Interim Financial Statements as of 31 March 2008

ECO Business-Immobilien AG is a joint-stock company incorporated under the laws of the Republic of Austria, which is engaged in the acquisition, sale, development and rental of real estate.

Presentation of the Consolidated Interim Financial Statements

These consolidated interim financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, in accordance with IAS 34. All amendments to the Standards that took effect as of 1 January 2008 were applied in preparing the interim financial statements as of 31 March 2008. The accounting and valuation principles applied by the Group remain unchanged from the consolidated financial statements as of 31 December 2007.

The consolidated interim financial statements are presented in thousand Euro ("TEUR"), which can lead to rounding differences. The majority of the Group's transactions are concluded in Euro. Numerous amounts and percentage rates presented in these consolidated interim financial statements were rounded. The income and expenses of the Group are subject to immaterial seasonal fluctuations. The consolidated interim financial statements were prepared in keeping with the principle of historical purchase and production costs, as modified by the fair value measurement of land and buildings in accordance with IAS 40 as well as the fair value measurement of certain financial instruments. Property companies founded during 2006, which are included in the consolidation at the proportional share owned by the Group, own objects that are classified as available for sale. These objects are valued at acquisition cost. Additional information on the accounting and valuation principles applied by the ECO Group is provided in the consolidated financial statements as of 31 December 2007.

As indicated in the last consolidated financial statements, management believes that significant judgements and estimates are connected above all the valuation of investment properties. The valuation of properties is dependent on the valuation method used. Although expert opinions on the objects owned by the Group reflect international standards, it cannot be excluded that another valuation method would lead to a different – and possibly lower – valuation for the properties owned by the Group. In addition to rental payments and the stability of these payment flows over the long-term, the valuation of properties is based on the condition and location of the objects as well as other qualitative factors and assumptions. It cannot be excluded that the negative development of one of these factors or assumptions would lead to a decline in the value of a property, and thereby have a negative influence on the financial position and on the results of operations and the cash flows of the Group.

The Management Board has also made important forward-looking assumptions concerning the collectibility of receivables from the sale of properties.

A. Selected Explanatory Notes to the Condensed Consolidated Interim Income Statement

1. Earnings before interest and tax (EBIT)

Revenues recorded by the ECO Group are comprised of the following:

	31.03.2008	31.03.2007
	TEUR	TEUR
Rental income	15,232	9,543
Operating costs charged on	3,072	1,979
TOTAL	18,303	11,522

Of the total revenues recorded on rentals, TEUR 14,198 (1-3/2007: TEUR 8,242) were generated in Austria and TEUR 4,105 (1-3/2007: TEUR 3,280) in other countries. The net gain from changes in the fair value of investment property totalled TEUR 5,700 (1-3/2007: TEUR 2,410). Gains of TEUR 2,748 (1-3/2007: TEUR 2,292) on the disposal of non-current assets resulted chiefly from the sale of condominium units in the property at 1010 Vienna, Parking 12a. Earnings before interest and taxes (EBIT) rose from TEUR 11,785 (1-3/2007) to TEUR 19,350, which represents an increase of TEUR 7,565.

2. Income tax expense

The recording of transaction costs for the capital increase without recognition through profit or loss resulted in a tax credit of TEUR 50. This tax credit was recorded directly to the consolidated balance sheet.

The provisions for taxes shown on the balance sheet are the result of temporary differences between the carrying amount of an asset or liability in the consolidated interim financial statements and the relevant tax base. The calculation of these provisions was based on a tax rate of 25% or the applicable local tax rate in the relevant foreign country.

3. Earnings per share

	31.03.2008	31.03.2007
	TEUR	TEUR
Share of profit attributable to shareholders of the parent company	8,694	5,625
Number of shares	34,100,000	25,000,000
EARNINGS PER SHARE IN EUR	0.25	0.23

No dividends were paid during the reporting period, and no distributions are planned.

B. Selected Explanatory Notes to the Condensed Consolidated Balance Sheet

4. Investment property

Investment property was measured at fair value. These fair values are generally based on the updated opinions prepared by independent property experts in May 2008 as of the balance sheet date on 31 March 2008; these experts have no relationship to the ECO Group.

The Group has pledged most of the investment properties as collateral for loans.

This item also includes land to be used in development projects, which is carried at cost.

A property in Germany was acquired for EUR 8.0 million during the first quarter. This purchase price was confirmed by an opinion prepared by an independent expert.

The fair value adjustments recognised to properties in the BAWAG portfolio were partially reversed as of 31 March 2008. These adjustments were recorded at 31 December 2007 as a charge to the equity attributable to minority interests. The partial reversal of these adjustments reflects negotiations concerning the allocation of the BAWAG portfolio between the ECO Group and the minority shareholders, which were in progress at the time these financial statements were prepared. The fair value adjustments recognised through profit or loss as of 31 March 2008 are related only to the stake held by the ECO Group in this portfolio.

All properties held are rented through operating leases. Since the Group is active exclusively in the rental of properties, income and expenses are generated by the properties held. The Group is entitled to receive income from the rental of investment properties beginning on the date of acquisition.

5. Properties under construction

Properties under construction are carried on the balance sheet at acquisition cost. Of the total properties under construction as of 31 March 2008, TEUR 1,948 is related to objects in the investment portfolio and TEUR 36,649 to development projects.

The development projects comprise the following:

PROJECT LOCATION	LAND RECOGNISED AS OF 31.03.2008 TEUR	PROPERTY UNDER CONSTRUCTION RECOGNISED AS OF 31.03.2008 TEUR
Ansfelden, A	1,132	2,343
Munich, D	189	10,703
Deggendorf, D	3,165	5,101
Tittling, D	762	680
Leudelage, L	6,000	9,254
Zaporizhya, UA	138	8,567
TOTAL	11,386	36,649

The statement of non-current assets is attached as an appendix to these notes.

In addition to the above development projects, the Group has concluded an agreement to purchase a project company. The transfer of the shares is subject to the suspensive condition that the development project will be completed. The purchase price for the shares is based on an agreed value of EUR 10.0 million for the completed object plus an additional payment if higher rental income is recorded. A prepayment of EUR 1.0 million was made on this acquisition during 2007.

The Group also holds a 40% stake in an associated project development company in Hungary, which was working on a project as of the balance sheet date. The ECO Group holds an option to acquire the remaining 60% of the shares, which is based on an agreed price for the object. The investment costs are expected to total EUR 9.0 million.

6. Properties available for sale

The properties available for sale are owned one-half each by the ECO Group and the conwert Group. Therefore, these properties and the related external financing are included in the consolidated financial statements through proportionate consolidation. Two condominium apartments were sold from this portfolio during the first quarter of 2008 for a total of TEUR 408.

7. Investments in other companies

The parent company of the Group held shares in the following subsidiaries as of 31 March 2008:

SHARES IN SUBSIDIARIES	STAKE	CONSOLIDATION	PRIMARY BUSINESS ACTIVITY	FOUNDING / ACQUISITION IN 2008
AUSTRIA				
ECO Business-Immobilien-Beteiligungen GmbH	100%	Full consolidation	Holding company	
EBI Beteiligungen GmbH	100%	Full consolidation	Holding company	
ECO Eastern Europe Real Estate AG	86.10%	Full consolidation	Holding company	
ECO CEE & Real Estate Development GmbH	86.10%	Full consolidation	Holding company	

SHARES IN SUBSIDIARIES	STAKE	CONSOLIDATION	PRIMARY BUSINESS ACTIVITY	FOUNDING / ACQUISITION IN 2008
AUSTRIA				
Immobilien-Allianz Holding GmbH	100%	Full consolidation	Holding company	
ECO Finance Holding GmbH	100%	Full consolidation	Holding company	
PI Immobilien GmbH	60%	Full consolidation	Holding company	
PI Beteiligungen GmbH	60%	Full consolidation	Holding company	
Immobilien-Allianz Holding GmbH & Co. 1040 Vienna, Prinz-Eugen-Strasse 32 OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. 1050 Vienna, Siebenbrunnengasse 19-21 OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. 1070 Vienna, Westbahnstrasse 28 OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. 1090 Vienna, Schlickgasse 5 OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. 1120 Vienna, Schönbrunner Schloßstrasse 38-42 OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Eins OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Zwei OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Drei OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Vier OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Fünf OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Acht OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Neun OEG	50%	Proportionate consolidation	Rental of properties	
Immobilien-Allianz Holding GmbH & Co. Projekt Zehn OEG	50%	Proportionate consolidation	Rental of properties	
ECO Business-Immobilien-Beteiligungen GmbH & Co., 1010 Vienna, Opernringhof OEG	100%	Full consolidation	Rental of properties	
Kapital & Wert Immobilienbesitz AG	99.25%	Full consolidation	Rental of properties	
Brunn am Gebirge Realbesitz GmbH	99.26%	Full consolidation	Rental of properties	
St. Magdalen Projektentwicklungs- und Verwertungsgesellschaft m.b.H.	100%	Full consolidation	Rental of properties	
„MEZ“ – Vermögensverwaltungs Gesellschaft m.b.H.	100%	Full consolidation	Rental of properties	
„MSU“ Immobilienreuehand GmbH	100%	Full consolidation	Rental of properties	
„TPW“ Immobilien GmbH	100%	Full consolidation	Rental of properties	
EB Immobilien Invest GmbH	100%	Full consolidation	Rental of properties	
EBI Beteiligungen GmbH & Co., 1190 Vienna, Rampengasse 3-5 KEG	100%	Full consolidation	Rental of properties	
EBI Beteiligungen GmbH & Co., 1110 Vienna, Simmeringer Hauptstraße 24 KEG	100%	Full consolidation	Rental of properties	
ECO Rechenzentren Vermietungs GmbH & Co KEG	100%	Full consolidation	Rental of properties	
ECO KB GmbH	100%	Full consolidation	Rental of properties	
GETINA Immobilien-Management GmbH	100%	Full consolidation	Rental of properties	
ECO Treasury GmbH	100%	Full consolidation	Administration	
ECO Immobilien Verwertungs GmbH	100%	Full consolidation	Rental of properties	
ECO Hotel und Fachmarktzentrum Ansfelden GmbH	100%	Full consolidation	Project development	
PI Hochholzerhof GmbH & Co OG	60%	Full consolidation	Rental of properties	
PI Fleischmarkt 1, 3-5 GmbH & Co OG	60%	Full consolidation	Rental of properties	
PI Fleischmarkt 19 GmbH	60%	Full consolidation	Rental of properties	

SHARES IN SUBSIDIARIES	STAKE	CONSOLIDATION	PRIMARY BUSINESS ACTIVITY	FOUNDING / ACQUISITION IN 2008
AUSTRIA				
PI Kärntnerstrasse 9 GmbH & Co OG	60%	Full consolidation	Rental of properties	
PI Theobaldgasse 19 GmbH & Co OG	60%	Full consolidation	Rental of properties	
PI Marktstrasse 6 GmbH & Co OG	60%	Full consolidation	Rental of properties	
PI Praterstrasse 62-64 GmbH & Co OG	60%	Full consolidation	Rental of properties	
PI Grabmayr-Strasse 4 GmbH & Co OG	60%	Full consolidation	Rental of properties	
PI Stubenring 2 GmbH & Co OG	60%	Full consolidation	Rental of properties	
PI Aspernbrückengasse 2 GmbH & Co OG	60%	Full consolidation	Rental of properties	
PI Eggenberger Allee 49 GmbH & Co OG	60%	Full consolidation	Rental of properties	
PI Wohllebengasse 12-14 GmbH & Co OG	60%	Full consolidation	Rental of properties	
PI Gudrunstrasse 124 / Keplerplatz 14 GmbH & Co OG	60%	Full consolidation	Rental of properties	
GERMANY				
ECO Business-Immobilien Deutschland GmbH	100%	Full consolidation	Rental of properties	
DINAMI GmbH	100%	Full consolidation	Rental of properties	
Diak-Nd Pflege-Altenheime Besitz GmbH	94.5%	Full consolidation	Rental of properties	
ECO Einkaufszentrum Meitingen GmbH & Co. KG, Munich	94.8%	Full consolidation	Rental of properties	
ECO Fachmarktzentren GmbH & Co. KG, Munich	94.8%	Full consolidation	Rental of properties	
ECO Büroimmobilien GmbH & Co. KG, Munich	94.8%	Full consolidation	Rental of properties	
ECO Fachmarktzentrum Pocking GmbH & Co KG	94.8%	Full consolidation	Rental of properties	
ECO Real Estate Deutschland GmbH	100%	Full consolidation	Rental of properties	
Projektgesellschaft Kreiller Strasse 215 mbH	100%	Full consolidation	Project development	
ECO Fachmarktzentrum Geiselhöring GmbH & Co KG	94.8%	Full consolidation	Rental of properties	
ECO Fachmarktzentrum Tittling GmbH	100%	Full consolidation	Project development	
LUXEMBOURG				
ECO Real Estate Luxembourg S.à.r.l.	100%	Full consolidation	Project development	
HUNGARY				
My-Box Kecskemet Ingatlan-Fejlesztő kft	34.44%	Equity consolidation	Project development	
My-Box Kisvarda Ingatlan-Fejlesztő kft	34.44%	Equity consolidation	Project development	
My-Box Debrecen Ingatlan-Fejlesztő kft	34.44%	Equity consolidation	Project development	
My-Box 4. Ingatlan-Fejlesztő kft	34.44%	Equity consolidation	Project development	
My-Box 5. Ingatlan-Fejlesztő kft	34.44%	Equity consolidation	Project development	
My-Box 6. Ingatlan-Fejlesztő kft	34.44%	Equity consolidation	Project development	
CYPRUS				
Grafoeco Investments Limited	86.10%	Full consolidation	Holding company	
UKRAINE				
Ukrainska Comertsiina Nerukhomist	86.10%	Full consolidation	Project development	

Furthermore, 260,000 shares in ECO Eastern Europe Real Estate AG and 18,538 shares in KAPITAL & WERT Immobilienbesitz AG were acquired from minority shareholders during the first quarter of 2008. These additions are included on the statement of changes in equity without recognition through profit or loss.

ECO CEE & Real Estate Development GmbH (a subsidiary of ECO Eastern Europe Real Estate AG) owns a stake of 40% in each of six Hungarian companies; these stakes were consolidated at equity. These companies will build and rent specialty shopping centres in Hungary. The project company My-Box Debrecen Inगतlan-Fejlesztő kft acquired land during the reporting period, and construction began during the third quarter of 2007.

No companies were acquired, founded or sold during the reporting period.

During the first quarter of 2007 three project companies were sold from the trading portfolio. The following table explains the resulting effects on the Group:

Sale of subsidiaries

	2007 PROJECT 7 31.03.2007 TEUR	2007 PROJECT 6 28.02.2007 TEUR	2007 NAGLERGASSE 15.03.2007 TEUR	2007 TOTAL TEUR
NET ASSETS SOLD:				
Property	9,531	899	4,201	14,631
Adjustments to fair value	108	9	48	165
Fair value	9,639	908	4,249	14,796
Trade accounts receivable	5	1	4	10
Other receivables	0	0	0	0
Other provisions	-3	-5	0	-8
Bank liabilities	-7,356	-692	0	-8,048
Trade accounts payable	0	0	0	0
Amounts due to joint venture partners	-2,409	-234	-4,334	-6,977
Other liabilities	-31	-16	-5	-52
	-155	-38	-86	-279
Book gain	614	116	698	1,428
Total return consideration	459	78	612	1,149
NET CASH INFLOW FROM THE TRANSACTION:				
Cash payment	-610	-89	-646	-1,345
Bank deposits surrendered	151	11	34	196
	-459	-78	-612	-1,149

Derivative financial instruments and recognition of hedges

The Group uses interest rate swaps and interest rate caps to hedge the financial risk arising from changes in interest rates. The ECO Group does not use any derivative financial instruments for speculative purposes.

The effective portion of the changes in the fair value of derivative financial instruments that are used to hedge future cash flows is recorded directly in equity; the ineffective portion is recognised immediately to the income statement. For interest rate caps, only the underlying value is used as a hedge.

During the period from January to March 2008, TEUR -3,695 (1-3/2007: TEUR +1,619) was recorded under equity without recognition through profit or loss. As of 31 March 2008 retained earnings totalled TEUR 3,558 (31 March 2007: TEUR 3,291).

Loans from banks and other loans

The fair value of non-current liabilities is based on the current interest rates for liabilities with the same term. The fair value of non-current loans from banks with variable interest rates primarily reflects the carrying amount of these items. The carrying amount represents the estimated fair value of the financial instruments held by the Group. Management considers the risk arising from changes in the interest rates of financial assets and other liabilities to be immaterial. Loans from banks declined from EUR 703.8 million as of 31 December 2007 to EUR 698.4 million as of 31 March 2008. This change comprised approximately EUR 2.8 million of additional loans as well as roughly EUR 8.2 million of scheduled repayments and repayments connected with the sale of objects during the first quarter of 2008.

Individual bank credits are connected with covenants that require the Group to meet specific financial indicators. Management assumes it will be possible to meet these obligations.

In addition, miscellaneous loans totalling EUR 46.3 million (31.03.2007: EUR 48.9 mill.) were granted by insurance companies and EUR 49.4 million of other loans were granted in connection with financing for the BAWAG portfolio (31.03.2007: EUR 0.0 mill.).

Receivables

Receivables arising from the sale of investment properties include EUR 14.1 million from a sale in 2007.

Other receivables include prepayments of EUR 1.4 million for the acquisition of a stake in a project company. This item also includes current settlements with tenants (EUR 1.6 mill.) and settlements with fiscal authorities (EUR 26.0 mill.). A receivable of EUR 4.5 million due from an associated company is also included under other receivables.

Other non-current receivables represent the market value of derivatives, and total EUR 5.1 million.

8. Finance lease liabilities

The finance lease liabilities were created by the acquisition of a shopping centre in Germany and a specialty shopping centre in Austria. The average lease term equals 15 years. As of 31 March 2008, the fair value of investment property obtained through finance leases totalled TEUR 24,575.

The lease obligations are denominated in Euro.

The fair value of lease obligations held by the Group approximates the carrying amount of these items.

9. Equity

Issued capital comprises the following:

	NUMBER OF SHARES	NOMINAL VALUE PER SHARE EUR	NOMINAL VALUE ON	
			31 MARCH 2008 TEUR	31 MARCH 2007 TEUR
Common stock	34,100,000	10.00	341,000	250,000
TOTAL	34,100,000		341,000	250,000

The issued shares are individual share certificates, and all shares are bearer shares. The share capital is fully paid in. The Annual General Meeting of the company on 17 May 2006 approved an increase in share capital from a nominal value of TEUR 225,000 by a nominal value of TEUR 25,000 to nominal value of TEUR 250,000 through the issue of 2,500,000 new zero par value, bearer shares with voting rights in exchange for cash payment. This capital increase from authorised capital was recorded in the company register on 20 December 2006. The Annual General Meeting on 22 May 2007 approved an increase in the share capital of the company from a nominal value of TEUR 250,000 by a nominal value of TEUR 91,000 to a nominal value of TEUR 341,000 through the issue of 9,100,000 bearer shares. This capital increase was carried out in June 2007, and was recorded in the company register on 30 June 2007. There were no changes in the share capital of ECO Business-Immobilien AG during the first quarter of 2008.

Authorised capital

The Annual General Meeting on 22 May 2007 authorised the Management Board to increase the share capital of the Company by up to TEUR 125,000 through the issue of 12,500,000 bearer shares at a minimum issue price equal to 100% of the proportional amount of share capital in one or more segments, also under the full or partial exclusion of subscription rights or through indirect subscription rights, in exchange for cash or contributions in kind, and to determine the issue price and conditions in agreement with the Supervisory Board. This authorisation is valid through 22 May 2012.

10. Cash flow statement

Acquisition of subsidiaries

No companies were acquired during the first three months of 2008. Two pure holding companies were acquired through contracts dated 1 March 2007, which are a first and second tier subsidiary of Immobilien-Allianz Holding GmbH & Co. 1050 Vienna, Siebenbrunnengasse 19-21 OEG. These companies were inactive, and therefore had only an immaterial effect on Group earnings.

Investments and financing

Net cash flow from investing activities includes payments of EUR 14 million (prior period: EUR 0.0 mill.) for properties acquired during the reporting period as well as payments of EUR 3.1 million (prior period: EUR 40.7 mill.) for properties acquired in previous years. It also includes payments of EUR 6.5 million for properties that were sold during 2007 (prior period: EUR 9.2 Mio.). Cash inflows of EUR 6.2 million for the sale of properties during the reporting period are also included (prior period: EUR 2.5 mill.). Other cash flows include a payment of EUR 2.6 million (prior period: EUR 0.0 mill.) for the acquisition of minority interests. Interest received was included under net cash flows from operating activities for the first time in the first quarter of 2008; in prior periods this item was reported under net cash flows from investing activities.

Net cash flow from financing activities includes an increase of EUR 2.8 million in loans as well as repayments of EUR 8.2 million on existing loans (prior period: EUR 9.7 mill.). Other net cash flows from financing activities include the granting of a EUR 1.7 million short-term loan from a project company that is consolidated at equity.

11. Contingent receivables and liabilities

The parent company of the Group has issued abstract guarantees, sureties and comfort letters as well as warranty und indemnity declarations on behalf of subsidiaries in connection with financing for the property portfolio. Bank deposits of EUR 0.6 million have been blocked as collateral for guarantees connected with rental commitments. The securities depository containing the shares owned by the Group in Kapital & Wert Immobilienbesitz AG is also blocked.

With the exception of an interest payment guarantee for the financing of the BAWAG portfolio, the Group has granted no other additional guarantees, accepted no other liabilities and holds no other contingent liabilities on behalf of third parties, which are not shown on or below the balance sheet (unless such agreements are disclosed in another section of the notes).

12. Operating leases

Investment properties are rented through operating leases. These contracts have fixed terms and index adjustments, and can be extended at the wish of tenants. It is therefore not possible to estimate the resulting rental income. The Company also concludes rental agreements for an unlimited period of time. Prepayments received are recognised as income on a straight-line basis over the term of the relevant lease.

Segment Reporting

Information on the primary segment

The members of management in key positions of the ECO Group have defined the distribution of business activities according to geographical criteria as the primary format for segment reporting. The major geographical regions are Austria, Germany, other West European countries ("Other countries – west") and other East European countries ("Other countries – east"). This classification also reflects the Group's planned expansion into the eastern and south-eastern areas of Europe.

Segment revenues

	RENTAL REVENUES		INCOME ON THE DISPOSAL OF NON-CURRENT ASSETS	
	1-3/2008 TEUR	1-3/2007 TEUR	1-3/2008 TEUR	1-3/2007 TEUR
Austria	14,198	8,242	2,748	2,292
Germany	4,105	3,215	0	0
Other countries - west	0	0	0	0
Other countries - east	0	65	0	0
TOTAL	18,303	11,522	2,748	2,292

There were no material inter-Group revenues. Revenues and income from the disposal of non-current assets were generated exclusively by transactions with third parties.

Segment earnings

	EBIT		FINANCIAL RESULTS		TOTAL	
	1-3/2008 TEUR	1-3/2007 TEUR	1-3/2008 TEUR	1-3/2007 TEUR	1-3/2008 TEUR	1-3/2007 TEUR
Austria	16,319	9,168	-8,791	-3,392	7,528	5,776
Germany	3,545	2,712	-1,904	-854	1,641	1,858
Other countries - west	-32	0	0	0	-32	0
Other countries - east	-84	199	98	-24	14	175
TOTAL	19,748	12,079	-10,597	-4,270	9,151	7,809
Not allocated	-398	-293	-301	-99	-699	-392
	19,350	11,786	-10,898	-4,369	8,453	7,417
Income taxes					-1,227	-1,823
PROFIT AFTER TAX					7,226	5,594

C. Other Information

Events after the balance sheet date

There were no major changes in the property portfolio after the balance sheet date.

Transactions with related companies and persons

Transactions between the company and its subsidiaries, which represent related legal entities, were eliminated during the consolidation and are not discussed in these notes. Transactions between the company and its subsidiaries are disclosed in the individual financial statements of the parent company.

Transactions from the delivery of goods and provision of services

During the financial year the parent company of the ECO Group conducted the following transactions with related companies and/or persons that do not belong to the Group:

a) Acquisition of properties

A) ACQUISITION OF PROPERTIES	ACQUISITION OF PROPERTIES		OUTSTANDING LIABILITY	
	1-3/2008 TEUR	1-3/2007 TEUR	31.3.2008 TEUR	31.3.2007 TEUR
Kerbler Et Kowar Holding GmbH	0	8,117	0	8,117

The acquisition costs for the acquired properties are supported by opinions prepared by an independent property expert.

b) Transactions with Wiener Privatbank Immobilieninvest AG

Wiener Privatbank Immobilieninvest AG is a related company, which served as the lead manager for the capital increase carried out by ECO Eastern Europe Real Estate AG in January 2007 and the capital increase carried out by ECO Business-Immobilien AG in June 2007. In this function, Wiener Privatbank Immobilieninvest AG received commissions of EUR 0.0 million during the reporting period (1-3/2007: EUR 1.9 mill.). These amounts were recorded in full under equity. Of the total commissions due to Wiener Privatbank Immobilieninvest AG, EUR 0.0 million were outstanding as of 31 March 2008 (prior period: EUR 0.8 mill.).

The ECO Group invests cash and cash equivalents with Wiener Privatbank Immobilieninvest AG at interest rates that equal or exceed the rates for other invested funds. In addition, a depository for shares in Group companies is maintained with this bank. Furthermore, Wiener Privatbank Immobilieninvest AG receives a fee of TEUR 37.5 per quarter for capital market management services.

Properties available for sale and certain investment properties are managed by RESAG Business Immobilienverwaltung GmbH (formerly WPB Facility Management GmbH, formerly Kapital & Wert Facility Management GmbH). RESAG Business Immobilienverwaltung GmbH is a subsidiary of conwert Immobilien Invest SE.

Property management fees totalled TEUR 100 for the first quarter of 2008 (1-3/2007: TEUR 84), whereby the major part of these expenses are charged out to tenants. These charges equalled TEUR 87 for the reporting period (1-3/2007: TEUR 66). As of 31 March 2008 receivables of EUR 0.4 million (prior period: EUR 0.6 mill.) were due from these management companies.

Commercial Gesellschaft für Vermögensanlagen Gesellschaft m.b.H., another subsidiary of conwert Immobilien Invest SE, brokers insurance policies and coverage for the Group. The related fees were not carried by the Group.

The ECO Group uses RESAG Immobilienmakler GmbH (formerly IMMOROHR Zinshausvermittlung Ges.m.b.H. and MAK Immobilien Ges.m.b.H.), which is a subsidiary of Wiener Privatbank Immobilieninvest AG and conwert Immobilien Invest SE, to broker property transactions and rent space. The costs connected with the brokerage of rentals are carried by the tenants. The ECO Group received invoices totalling TEUR 35 for the brokerage of property transactions during the reporting period (1-3/2007: EUR 0.1 mill.). These services are directly related to the sale of properties classified as available for sale.

RESAG Baumanagement GmbH (formerly Kerbler & Kowar Holding GmbH), which is also a subsidiary of conwert Immobilien Invest SE, provided construction planning and supervisory services for a number of objects that are classified as available for sale. The fees for these services totalled TEUR 4 (1-3/2007: EUR 0.0 mill.).

In addition, conwert Deutschland Immobilien GmbH is the tenant in one property located in Germany and pays monthly rent of EUR 2,300.00 for this space.

Other transactions

Management contract

The company concluded a management contract with ECO Management GmbH (a subsidiary of conwert Immobilien Invest SE), which was amended on 22 May 2007; this amendment was approved by the Annual General Meeting on 22 May 2007. In accordance with this management contract, ECO Management GmbH receives a transaction fee of 1.00% to 1.75% for acquisitions, which is dependent on the purchase price for the object (1-3/2008: EUR 0.0 mill.; 1-3/2007: EUR 0.1 mill.) as well as a management fee of 0.6% for the first EUR 1 billion and 0.5% thereafter (1-3/2008: EUR 1.1 mill.; 1-3/2007: EUR 1.0 mill.). For each property sold, ECO Management GmbH receives a maximum transaction fee of 1.75% (1-3/2008: EUR 0.2 mill.; 1-3/2007: EUR 0.0 mill.). The assessment base for the management fee represents the monthly carrying value of properties in the IFRS financial statements. The upper limit for the transaction fee on property sales equals 25% of the gains on sale generated during a financial year.

A management fee equal to 0.6% per year of the carrying amount of non-current assets was agreed for activities related to the proportionately consolidated trading portfolio. During the first three months of 2008, EUR 0.1 million (1-3/2007: EUR 0.1 mill.) each was paid to ECO Management GmbH and conwert Management GmbH. A transaction fee of 2% was also defined for each acquisition or sale related to the trading portfolio. If the total selling price of the trading portfolio exceeds EUR 263 million by the end of 2008, ECO Management GmbH is entitled to receive a performance bonus of 5% of the amount over EUR 263 million. During the first quarter of 2008, ECO Management GmbH and conwert Management GmbH each received payments of TEUR 10 (1-3/2007: EUR 0.4 mill.).

The management fee for activities related to the acquired BAWAG portfolio equals 0.5% per year of the carrying value of non-current assets (1-3/2008: EUR 0.6 mill., 1-3/2007: EUR 0.0 mill.), whereby the stake owned by the ECO Group in these properties forms the basis for determining the amount attributable to ECO Management GmbH from this management fee. ECO Business-Immobilien AG has guaranteed the payment of the proportional share of the management fee to SIGNA Holding GmbH because ECO Management GmbH issues the invoice for the entire fee.

Of these transaction and management fees, EUR 2.2 million was recorded as a liability at 31 March 2008 (31.3.2007: EUR 1.0 mill.). The invoices for all fees arising from this management contract include the applicable value added tax.

Information on trading in ECO shares is provided in the report filed in accordance with § 48 d (4) of the Austrian Stock Exchange Act.

Remuneration for the Management Board and key employees

The Management Board was comprised of Friedrich Scheck and Wolfgang Gössweiner during the reporting period. These persons represent the company together or with an officer.

The members of the Supervisory Board are listed below:

- Franz Zwickl (Chairman)
- Alexander Schoeller (Vice-Chairman)
- Johann Kowar (Vice-Chairman)
- Günter Kerbler, as of 22 May 2007
- Franz Hörmann
- Gottfried Johann Parizek

No credits or advances were granted to the members of the Management Board or Supervisory Board, and the company did not entered into any guarantees on behalf of these persons. The members of the Management Board received no remuneration.

Vienna, 20 May 2008

The Management Board

Friedrich Scheck
Chief Executive Officer

Wolfgang Gössweiner
Chief Financial Officer

■ The first quarter of 2008 brought a continuation of the unfavourable mood on capital markets. Property shares remained volatile and investors were again confronted with losses. Despite the sound indicators underlying the property sector, the general feeling among the investing public was one of uncertainty. After the US subprime crisis, this negative climate was fuelled by speculation over a possible recession in the USA and losses reported by a number of banks. However, the first signs of stabilisation were noted among property shares during the first quarter. In spite of its strong operating performance, the ECO share was unable to avoid the negative market trend and closed at EUR 7.05 on 31 March 2008 after a volatile first three months. At the start of the year, the share traded at EUR 7.88 – and in spite of performance that topped this level several times during the first quarter – was unable to remain stable for a longer period of time. The ECO share was quoted at EUR 7.05 at the end of March 2008, which represented a substantial decline below the net asset value (NAV) of EUR 12.54 and a discount of 49% to the NAV. The generally optimistic opinion of the analysts at Erste Bank on the development of the ECO share was confirmed by results for the 2007 financial year, which significantly exceeded expectations.

DEVELOPMENT OF THE SHARE PRICE FROM IPO TO 3/08



1) Equity attributable to shareholders of the parent company/number of shares
2) Equity attributable to shareholders of the parent company + deferred tax liabilities - deferred tax assets + unrecognised appreciation on properties

STOCK EXCHANGE DATA

		31.03.2008	31.03.2007	31.12.2007
Number of shares	(nr.)	34,100,000	25,000,000	34,100,000
Share price at the end of the period	EUR	7.05	14.40	8.00
Market capitalisation	EUR	240,405,000	360,000,000	272,800,000
Earnings per share (annualised)	EUR	1.00	0.92	1.11
Price/earnings ratio		6.91	16.00	7.21
Substance value (NAV) per share	EUR	12.54	12.00	12.40
Adjusted substance value per share 1)	EUR	13.76	12.38	13.76
Return on equity (ROE)	%	8.2%	7.6%	9.5%
Return on capital employed (ROCE) 2)	%	6.2%	6.6%	7.8%
Equity ratio	%	32.6%	41.8%	32.6%
Gearing (net debt to equity)	%	184.0%	110.9%	181.8%

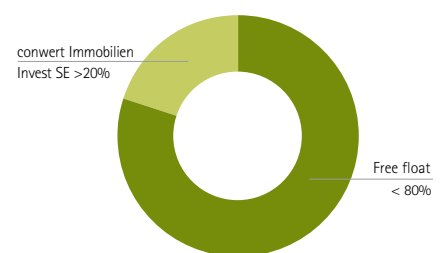
Asset-based figures are calculated at the last day of the reporting period, revenue-based figures over the entire period.

1) Equity attributable to shareholders of the parent company plus deferred tax liabilities - deferred tax assets + unrecognised appreciation on properties
2) Based on EBIT

DEVELOPMENT AS OF 31.03.2008

Since the initial public offering (17.03.2005)	-32.79%
Since the initial public offering per year	-12.25%
6 months	-30.00%
12 months	-50.40%
2008	-11.88%
Market capitalisation (TEUR)	243,470

SHAREHOLDER STRUCTURE



As of: April 2008

Investment Highlights

- Attractive and balanced portfolio, comprised primarily of office and retail properties
- Stable core markets in Austria and Germany as well as growth opportunities in the CEE region
- Increase in the value of the portfolio through effective asset management
- Unique positioning between pure property developer and long-term buy-and-hold investor
- Impressive track record with high cash profit
- Experienced management with branch expertise

CONTACT

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FINANCIAL CALENDAR

Annual general meeting	21 May 2008
Results for the second quarter of 2008	26 August 2008
Results for the third quarter of 2008	25 November 2008
Annual results for 2008	26 March 2009

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