

AD-HOC PRESS RELEASE

23 March 2010



ECO Business-Immobilien AG posts EBIT of EUR 12.4 million for financial 2009

Vienna, 23 March 2010. In 2009 Vienna Prime Market-listed ECO Business-Immobilien AG responded to the recession and the difficult conditions on commercial property markets with a comprehensive programme of restructuring. The company also succeeded in optimising its real estate portfolio by pursuing active asset management strategies and making a number of disposals. As a result the equity ratio increased to 42% at year end 2009, compared with 34% a year earlier. Net debt declined by EUR 233 million to EUR 469 million. Impairment charges continued to have an impact on earnings. Nevertheless the company posted earnings before interest and taxes (EBIT) of EUR 12.4 million, following a loss of EUR 6.8 million in 2008.

ECO Business-Immobilien disposed of properties with a total value of around EUR 280 million during 2009. Owing to the significant downsizing in the property portfolio, revenues for 2009 slipped to EUR 61.4 million (2008: EUR 74.8 million), in line with expectations. Due to weak market conditions, property sales were at the most recent IFRS carrying values. Consequently, gains on disposal of non-current assets contributed only EUR 0.5 million in earnings, down from EUR 4.5 million in 2008.

EBIT turned positive by EUR 12.4 million in 2009, following a loss of EUR 6.8 million in the previous year. Revaluation results remained negative in 2009 at EUR -17.4 million, but impairments were well down on the EUR -49.0 million recorded in 2008. Earnings before interest, tax, depreciation and amortisation (EBITDA) were EUR 29.8 million, down from EUR 42.3 million in 2008.

Net finance costs remained negative by EUR 21.4 million — an improvement on the EUR 43.2 recorded in the previous year. This was mainly due to the decline in borrowings. Low interest rates also had a positive effect on finance costs. The loss before tax was EUR 9.0 million, a significant improvement on 2008 (2008: EUR 50.0 million). The loss after tax narrowed to EUR 7.0 million (2008: EUR 38.0 million), and the loss per share from EUR 1.05 in 2008 to EUR 0.20 in the period under review. Funds from operations before interest and tax dropped to EUR 12.0 million (2008: EUR 48.1 million) due to the sale of properties at below their historical cost as a result of the sluggish market.

ECO Business-Immobilien AG's total assets amounted to EUR 858.6 million in 2009, a year-on-year decline of about 23% (2008: EUR 1,113.6 million). This was attributable to the unusually high property disposals in 2009. Thanks to the reduction in liabilities ECO's equity ratio jumped to 42% at year-end 2009, compared with 34% on 31 December, 2008. The company also recorded a significant fall in net debt from EUR 701.6 million in 2008 to EUR 468.7 million at the end of 2009. The loan-to-value ratio stood at 57.3% on the balance sheet date (31 December 2008: 64.5%).

Borrowings amounted to EUR 471.3 million at the end of 2009. EUR 17.2 million of short-term bank borrowings (or 2.0% of total assets) fall due by the end of 2010; refinancing was secured for EUR 11.5 million of that amount in the first quarter of this year. ECO will have no problems servicing or extending the outstanding refinancing volume in 2010. Cash and cash equivalents totalled EUR 16.0 million at year-end 2009, compared with EUR 14.6 million on the balance sheet date in 2008. Impairments to the property portfolio during the reporting period and to interest rate hedges at year-end 2009 pushed down net asset value (NAV) per share to EUR 10.45 on the balance sheet date (31 December 2008: EUR 10.80).

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After strengthening its portfolio structure, improving its equity ratio and securing long-term financing in 2009, ECO is well placed to deal with continued tough market conditions and to take advantage of any opportunities arising from the economic upturn. As part of the company's strategy of generating added value, the focus in 2010 will be on exploiting opportunities to boost earnings and real estate values by means of active asset management policies, and property redevelopment and sales. As soon as the market allows, ECO's sales efforts will concentrate on disposing of redeveloped real estate in non-core markets. This in turn should enable the company to acquire properties with development potential in core regions.

The Management Board expects positive cash flow and EBIT in financial 2010 if as predicted the rental business remains stable, potential for increased earnings and capital appreciation is realised, and the downward trend in property values goes into reverse. With interest rates set to remain low, the financial result should stay close to 2009 levels. Consolidated earnings should improve in comparison with 2009.

Key financial indicators (in accordance with IFRS)

		2009	2008
Revenues	(EUR '000)	61,370	74,794
of which rental income	(EUR '000)	49,729	61,668
Net gains on remeasurement to fair value	(EUR '000)	-17,418	-48,985
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(EUR '000)	29,816	42,250
Earnings before interest and taxes (EBIT)	(EUR '000)	12,360	-6,790
Earnings before tax (EBT)	(EUR '000)	-9,002	-49,940
Consolidated profit for the period attributable to equity holders of the parent	(EUR '000)	-6,869	-35,698
Earnings per share	(EUR '000)	-0,20	-1,05
Weighted average number of shares	(number)	34,100,000	34,100,000
Funds from operations (FFO) before interest and tax ¹⁾	(EUR '000)	11,981	48,067
Cash earnings (FFO) after interest and taxes ²⁾	(EUR '000)	-9,013	4,991
Net asset value (NAV) per share on balance sheet date	(EUR '000)	10.45	10.80

¹⁾ EBIT + depreciation +/- changes in fair value

²⁾ EBIT + depreciation +/- changes in fair value - financial result - taxes paid

AD-HOC PRESS RELEASE

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Balance sheet

Summary consolidated balance sheet (EUR '000)	31 December 2009	31 December 2008
Non-current assets	833,149	1,085,709
<i>of which investment properties</i>	782,465	981,890
<i>of which properties under construction</i>	39,281	40,421
Current assets	25,401	27,904
Total assets	858,550	1,113,614
Equity and reserves	357,329	375,113
<i>of which minority interests</i>	834	6,918
Non-current liabilities	452,400	470,846
Current liabilities	48,822	267,654
Total equity and liabilities	858,550	1,113,614

Property data

	31 December 2009	31 December 2008
Number of objects	61	117
<i>of which investment portfolio</i>	59	72
<i>of which development projects</i>	2	4
<i>of which trading portfolio</i>	0	41
Total rentable space (m ²) *	538,300	662,700
Garage spaces (number)	2,820	3,530
Property portfolio (EUR '000)	821,746	1,074,192
<i>of which properties under construction</i>	39,281	40,421

Garage spaces calculated at 20 m² per space

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This report contains forward-looking estimates and statements which are based on all of the information currently available to ECO Business-Immobilien AG. These statements often employ expressions such as "expect", "estimate", "plan", "anticipate", "assume", "ought", "should" and "can". The forward-looking statements reflect conditions prevailing at the time when the statements were made. ECO points out that due to various factors, actual circumstances and outcomes may differ from the expectations expressed in this release.