

Statement by the Management Board and Supervisory Board of

ECO Business-Immobilien AG (FN 241364 y)

on the

**voluntary public takeover offer to acquire a controlling interest
(§ 25a of the Austrian Takeover Act)**

by

conwert Immobilien Invest SE (FN 212163 f)

I. Statement by the Management Board of ECO Business-Immobilien AG

conwert Immobilien Invest SE (the "**Bidder**"), which is listed in the commercial register of the Vienna Commercial Court under FN 212163 f and maintains its registered office at Albertgasse 35, 1080 Vienna, has made a voluntary public takeover offer (the "**Offer**") to acquire a controlling interest, pursuant to § 25a of the Austrian Takeover Act, for the purchase of all shares in ECO Business-Immobilien AG ("**Target Company**" or "**ECO**"). ECO is recorded in the commercial register of the Vienna Commercial Court under FN 241364 y and maintains its registered office at Operring 1, 1010 Vienna. The Offer covers all shares that are admitted for trading on the Official Market of the Vienna Stock Exchange, which are neither owned by the Bidder nor a party acting in concert with the Bidder, i.e. 25,380,086 shares ("**shares**"; ISIN AT0000617907). The nominal share capital of the Target Company totals EUR 341,000,000.--; it is divided into 34,100,000 shares, each of which represents an equal portion of nominal share capital.

In accordance with § 14 (1) of the Austrian Takeover Act, the Management Board ("**Management Board**") and the Supervisory Board ("**Supervisory Board**") of the Target Company are obliged to publish a statement on the Offer, including the reasoning for this response, immediately after publication of the Offer documents. This response must contain, in particular, an assessment of whether the consideration offered and the other terms of the Offer take adequate account of the interests of all shareholders and other holders of equities, and what the probable effects of the bid would be on the Target Company, especially with respect to employees (jobs, working conditions and the fate of the locations), on creditors and on the public interest based on the strategic planning of the Bidder for the Target Company. If the Management Board or Supervisory Board is unable to make a final recommendation, they must still outline the arguments for accepting or rejecting the Offer and also indicate the most important aspects.

In accordance with this framework, the Management Board of ECO hereby issues the following statement on the Offer and indicates that these comments also include information supplied by the Bidder (which is separately designated as such), whose completeness and correctness could not be verified by the Target Company. Any comments related to the Offer Price or to future development, forecasts and events are dependent to a significant extent on future developments, expectations and evaluations, which are naturally connected with estimation uncertainty and may, in the final analysis, prove to be incorrect. With respect to legal issues, it should be noted that the Austrian Takeover Commission and other levels of authority may arrive at different evaluations.

1. Present situation

According to the Offer, the Bidder is a Societas Europaea that maintains its registered office in Vienna and is listed with the Vienna Commercial Court under FN 212163 f. The Bidder's shares are admitted for trading on the Official Market of the Vienna Stock Exchange. The Bidder is a residential real estate group and, in addition to real estate investments, also provides a full range of real estate-related services. The Bidder is currently active in Austria and Germany as well as in the Czech Republic, Hungary and Slovakia. Additional information on the Bidder is available on the website of the Bidder (www.conwert.at); also see section 5.1 of the Offer.

According to information available to the Bidder, BNP Paribas held 4,275,621 shares (voting rights) in the Bidder as of 21 June 2010; this represents approx. 5.01% of voting rights. The Bidder did not have notice of any other shareholders who held 5% or more of voting rights as of the above date. Günther Kerbler (including companies attributable to him) holds 3,250,583 shares in the Bidder (approx. 3.81% of voting rights) and Johann Kowar (including companies attributable to him) holds 2,644,574 shares in the Bidder (approx. 3.10% of voting rights); also see section 5.2 of the Offer.

On 5 May 2010 the Bidder announced in a notification of voting rights pursuant to § 93 (2) of the Austrian Stock Exchange Act that Petrus Advisers Investment Ltd. (through the controlled companies Albona LP and Albona Ltd) entered into put/call options for the purchase of shares in the Bidder with a total of 7,032,124 voting rights (corresponding to approx. 8.24% of voting rights) and that after exercising these options another 1,110,500 shares und voting rights (corresponding to approx. 1.30% of voting rights) would be attributable to Petrus Advisers Investment Ltd. Once these options have been exercised, Günther Kerbler would only hold 583 shares in the Bidder and Johann Kowar would no longer hold any shares in the Bidder. The Bidder held 553,244 treasury shares as of 18 June 2010 and is authorised to purchase additional shares (also see section 5.2 of the Offer).

According to the Offer, the Bidder held 8,490,900 shares in ECO, corresponding to 24.9% of nominal share capital and voting rights, on the date the Offer was announced. On this same date, parties acting in concert with the Bidder (Johann Kowar and companies attributable to him) held 229,014 shares or 0.67% of the shares in ECO. This represents a shareholding of 25.57% (also see section 5.3 of the Offer).

The Bidder is the sole shareholder of ECO Management GmbH which, under the terms of a management contract, carries out all ordinary day-to-day business activities of ECO and the companies in the ECO Group. Wolfgang Gössweiner and Frank Brün FRICS are the managing directors of ECO Management GmbH and members of the Management Board of the Target Company. Elke Englert is a representative with general commercial power (Prokurist) of ECO Management GmbH and a representative with general commercial power of the Target Company.

The Offer by the Bidder is directed to the purchase of all shares of ECO admitted to trading in the Official Market of the Vienna Stock Exchange that are neither owned by the Bidder nor by a party acting in concert with the Bidder. The Offer by the Bidder is not directed to the purchase of the shares held by Johann Kowar (and companies attributable to him), since Mr. Kowar is considered to be a party acting in concert with the Bidder. According to the information in the Offer documents, the Bidder intends to offer to purchase the ECO shares held by parties acting in concert with the Bidder under the terms of this Offer during the additional acceptance period. Accordingly, this Offer concerns the purchase of 25,380,086 shares or 74.43% of the issued shares in ECO (see section 2.1 of the Offer).

The Offer is subject to the following conditions precedent, which are specified in section 2.3.1 of the Offer:

- (1) Non-prohibition and/or clearance of the envisaged transaction by the competent antitrust authorities of Austria and Germany by 31 August 2010.
- (2) The Bidder purchases more than 50% of the shares in the Target Company which are subject of the Offer. If the Bidder or a party acting in concert with the Bidder purchases shares in parallel to the Offer, such share purchases shall be added to the declarations of acceptance.
- (3) The Target Company has neither become insolvent (*zahlungsunfähig*) nor have bankruptcy proceedings, restructuring proceedings (Sanierungsverfahren nach der Insolvenzordnung) or reorganisation proceedings (nach dem Reorganisationsgesetz) been initiated or dismissed by a competent court due to lack of assets.
- (4) No changes or events occur by the end of the acceptance period which result in or are very likely to result in a reduction of the consolidated net assets (excluding net assets attributable to non-controlling interests) of the Target Company by 15% or more compared to the audited consolidated net assets

(excluding net assets attributable to non-controlling interests) as of 31 March 2010.

According to section 2.3.2 of the Offer the Bidder reserves the right to waive one or both conditions precedent as specified in section 2.3.1 (3) and section 2.3.1 (4) no later than the end of the Acceptance Period. Upon exercise of that right the condition(s) precedent waived are deemed to have been fulfilled. The condition precedent specified in section 2.3.1 (1) and the condition precedent specified in section 2.3.1 (2) cannot be waived.

The acceptance period for the Offer amounts to 21 stock exchange trading days, i.e. four weeks, and may be extended as described in section 4.1 of the Offer. Thus, the Offer can be accepted from (and including) 2 July 2010 to (and including) 30 July 2010, 5.00 p.m. Vienna local time. Detailed information on tax issues as well as the acceptance period and settlement of the Offer is provided in sections 3 and 4 of the Offer.

2. Evaluation of the Offer

2.1. Offer price

The Offer Price specified in the Offer amounts to EUR 7.15.

2.2. Legal minimum price

The price for a voluntary public offer to obtain a controlling interest (§ 26 of the Austrian Takeover Act)

- may not be less than the highest consideration in money paid or agreed on by the Bidder or any parties acting in concert with the Bidder (§ 1 fig. 6 of the Austrian Takeover Act) for these shares of the Target Company within the preceding 12 months before the announcement of the Offer. The same applies to the consideration for shares which the Bidder or any party acting in concert with the Bidder (§ 1 fig. 6 of the Austrian Takeover Act) is entitled or obliged to purchase in the future;
- may also not be less than the average exchange price weighted by the respective trading volumes of the respective equity during the last six months before the day on which the intention to make an offer was announced.

The share price during the last six calendar months prior to the day on which the intention to make an offer was announced (14 June 2010), weighted by the

respective trading volumes, equals amounts to EUR 4.85. Therefore, the Offer Price clearly exceeds the weighted average price for the last six calendar months.

According to the information provided by the Bidder, neither the Bidder nor parties acting in concert with the Bidder purchased any shares in the Target Company during the 12 months prior to announcement of the Offer (see section 2.2 of the Offer).

According to the information provided by the Bidder, the Offer Price of EUR 7.15 complies with the minimum price required by law.

The Bidder definitely rules out any subsequent improvement of the Offer Price of EUR 7.15 per share (see section 4.11 of the Offer).

The Management Board notes that it has no authority to review the documents of the Bidder or parties acting in concert with the Bidder in order to evaluate the correctness of the information provided by the Bidder. In particular, it is not possible to evaluate whether or not any shares in the Target Company were purchased during the last 12 months prior to the announcement of the Offer.

2.3. Appropriateness of the Offer Price

2.3.1. Valuation of the Target Company by the Bidder

In order to value the Target Company, the Bidder has analysed the publicly available information on the Target Company as well as the market and stock exchange situation of listed residential and commercial real estate companies in the European Union. In section 2.2 of the Offer the Bidder establishes the Offer Price, in particular, based on the following analyses:

- Offer Price in relation to historical prices
- Average market price of the Target Company's shares
- Key share data of the Target Company
- Recent development of the Target Company's business.

In its calculations the Bidder also incorporated the Research Report and the latest price target (EUR 6.20) issued prior to the announcement of the Bidder's intention to launch the Offer. This information was published by the Erste Group analysts.

The Offer Price developed by the Bidder complies with the legal requirement for the minimum price as well as the average volume weighted share price during the last six and 12 months preceding the announcement of the Bidder's intention to launch the Offer.

2.3.2. Average share price and key share data of the Target Company

Average share prices and differences to the Offer Price

| | 3 months | 6 months | 12 months |
|----------------------------------|----------|----------|-----------|
| Weighted average price in EUR | 4.98 | 4.85 | 4.45 |
| Difference to Offer Price in EUR | 2.17 | 2.30 | 2.70 |
| Difference to Offer Price in % | 43.6% | 47.4% | 60.7% |

Sources: Vienna Stock Exchange, calculations by the Target Company.

The Offer Price of EUR 7.15 per share includes a premium of 47.4% over the legal minimum price, i.e. the volume weighted six-month average share price of EUR 4.85.

The Offer Price also represents a premium of 28.1% in comparison with the closing price of EUR 5.58 on the day prior to the announcement of the Bidder's intention to launch the Offer.

Key share data of the Target Company

Key share data on the Target Company is provided in the following table.

| in EUR | Q1 2010 | 2009 | 2008 | 2007 |
|--|-------------|-------------|-------------|--------------|
| Share price – high / low | 4.54 / 4.39 | 5.15 / 1.17 | 8.38 / 1.17 | 14.77 / 6.10 |
| Earnings per share based on the share of Group earnings attributable to the parent company | 0.10 | (0.20) | (1,05) | 1,11 |
| Dividend per share | none | none | none | none |
| Book value per share | 10.39 | 10.45 | 10.80 | 12.49 |

Source: Vienna Stock Exchange (www.wienerborse.at)

2.3.3. Valuation by analysts

The latest analysis on the Target Company available prior to the announcement of the Bidder's intention to launch the Offer was prepared by Erste Group Research and included a price target of EUR 6.20 per share. Following the announcement of the Bidder's intention to launch the Offer, Erste Group Research raised its price target to the Offer Price of EUR 6.50 per share that was specified in the Bidder's press release on 15 June 2010. The Target Company is not aware of any other analyses published to date in 2010.

2.3.4. Analysis of Net Asset Value (NAV)

The following table shows the discount between the share price and the NAV for comparable companies:

| Company | Share price ¹ in EUR | NAV per share in EUR | Discount to NAV |
|-----------------|------------------------------------|-------------------------|-----------------|
| Alstria | 8.57 | 11.47 | (25.3%) |
| DIC Asset | 6.15 | 14.60 | (57.9%) |
| CA Immo Anlagen | 9.00 | 17.57 | (48.8%) |
| Immofinanz | 2.52 | 4.92 | (48.8%) |
| IVG | 5.08 | 6.75 | (24.8%) |
| sIMMO | 4.75 | 7.01 | (32.2%) |
| Median | | | (40.5%) |
| Average | | | (39.6%) |
| ECO Offer Price | 7.15 | 10.39 | (31.2%) |

Sources: Bloomberg, current company financial reports, calculations by the Target Company.

The Offer Price includes a discount of 31.2% to the NAV and is therefore nearly 10 percentage points higher than the average discount for comparable listed companies.

2.3.5. Evaluation of the Offer Price by Credit Suisse

Credit Suisse Securities (Europe) Limited ("**Credit Suisse**"), which was engaged by the Target Company to issue a statement on the appropriateness of the Offer from a financial viewpoint ("Fairness Opinion"), concludes that the Offer Price of EUR 7.15 per share is fair and appropriate from this point of view.

¹ The share prices of the comparable companies reflect the closing prices on 14 June 2010.

2.3.6. Summary evaluation of the Offer Price by the Management Board

The Management Board analysed the above-mentioned valuation factors and engaged Credit Suisse to prepare a Fairness Opinion in order to evaluate the appropriateness of the Offer Price. In addition to these quantitative factors, the Management Board also reviewed qualitative criteria. Other important factors for the valuation were the relatively small size and the current ownership structure of the Target Company. These factors may make it more difficult to access the capital market during adverse phases and thereby also limit growth opportunities. This, in turn, can result in a relatively low liquidity for the share and lead to a significant difference between the market price and the NAV.

Based on various valuation methods and the above-mentioned circumstances, the Management Board concludes that the Offer Price of EUR 7.15 per share is fair and appropriate.

3. Acceptance period and settlement of the offer

The acceptance periods and the handling of the Offer are defined in section 4 of the Offer. An important fact is that no shareholder is obliged to accept the Offer.

The Bidder reserves the right to extend the Acceptance Period once or several times (see section 4.1 of the Offer).

Pursuant to § 19 (1c) of the Austrian Takeover Act, the Acceptance Periods will be extended if a competing offer is made.

If a competing offer is announced, the holders of shares may withdraw previously issued declarations of acceptance no later than four stock exchange trading days before the expiration of the original Acceptance Period (§ 19 (1) of the Austrian Takeover Act).

If a competing offer is launched during the term of the Offer, the Bidder reserves the right to withdraw this Offer. In such case this Offer will become invalid and no agreement, which would otherwise have been validly concluded by the acceptance of the Offer, will become legally effective. All shares that were submitted and blocked will then be released immediately (see section 4.10 of the Offer).

4. Equal treatment

The Offer Price amounts to EUR 7.15 per share and is the same for all shareholders.

If the Bidder or parties acting in concert with the Bidder declare to acquire shares at terms and conditions more favourable than those of the Offer during the Acceptance Period, these more favourable terms and conditions will also apply to all other holders of shares in the Target Company, even if they have already accepted the Offer (see section 4.13 of the Offer).

Subsequent payment obligations on the part of the Bidder pursuant to § 16 (7) of the Austrian Takeover Act are described in section 4.13 of the Offer.

5. Information by the Bidder as well as statements on the public interest and the interests of shareholders, employees and creditors

5.1. Bidder's reasons for the Offer (economic and legal)

The Bidder provides the following reasons for the Offer (summary of the Bidder's Offer, see section 1.2 of the Offer):

Since July 2007 the Bidder holds 24.9% of the nominal share capital of the Target Company. The acquisition of this shareholding was aimed above all at promoting joint business activities of the Bidder and the Target Company (i.e., bidding for mixed portfolios of residential and commercial real estate). Moreover, the Bidder acquired all shares in ECO Management GmbH during the fourth quarter of 2007; this company carries out all ordinary day-to-day business activities of ECO and the companies of the ECO Group under the terms of a management contract.

ECO generates good operative results, but its shares face low liquidity as a result of the current difficulties in accessing the capital market. This low liquidity is due to ECO's size and limited opportunities for growth. Therefore, the price of the ECO share is significantly lower than its book value. This situation also dissatisfies the Bidder in its capacity as ECO's largest shareholder.

5.2. Intentions and objectives of the Bidder with respect to business policies

The Bidder defines its objectives and intentions as follows (summary of the Bidder's Offer):

By submitting this Offer the Bidder aims to raise the values of ECO in a fast and efficient manner, thus benefiting both ECO and convert shareholders. The Bidder expects this transaction will increase the book value per share of the Bidder and also improve key financial ratios, such as funds from operations and earnings per share (see section 1.2 of the Offer).

Even in the case of a complete takeover of ECO, the Bidder's business focus will remain on the residential real estate market. The envisioned takeover will simplify the present structure and increase flexibility to allow for the implementation of value-increasing measures. The Bidder would acquire control over a real estate portfolio worth approx. EUR 732 million (94% in Austria and Germany) with a rental return of approx. 6.2% p.a. The Bidder will have numerous options at its disposal for the maximisation of value and will benefit from the asset management expertise of its affiliated service companies as well as many years of experience and excellent market access in trading real estate (see section 1.2 of the Offer).

The Bidder aims to fully integrate ECO and its subsidiaries into the convert corporate structure. This goal may be achieved either by way of a squeeze-out pursuant to the provisions of the Act on the Squeeze-out of Minority Shareholders (*Gesellschafter-Ausschlussgesetzes*) or by other available corporate law measures such as a merger between ECO and the Bidder (see section 7.1 of the Offer und section 5.3 of this statement).

5.3. Regulatory framework and listing

The Bidder makes the following statements concerning the legal framework and listing (summary of the Bidder's Offer, see section 7.2 of the Offer):

Merging the Target Company with the Bidder would require the adoption of favourable resolutions by the general assemblies of the two companies involved. Each of these resolutions would require the approval of at least 75% of the represented share capital. In the event of a merger, the Target Company would be dissolved without liquidation and the current shareholders of the Target Company would become shareholders of the acquiring Bidder.

If the Bidder acquires 90% or more of the Target Company's share capital, it will be entitled to carry out a simplified merger (without a resolution of the general assembly of the Bidder) pursuant to Section 231 of the Austrian Stock Corporation Act (*Aktiengesetz*) or to squeeze out the remaining minority shareholders against payment of a cash settlement in proceedings pursuant to the Act on the Squeeze-out of Minority Shareholders (*Gesellschafter-Ausschlussgesetzes*). The payment of a higher consideration (cash settlement) in connection with a shareholder squeeze out pursuant to the provisions of this act will not trigger a subsequent payment within the meaning of § 16 (7) of the Austrian Takeover Act.

Furthermore, the Bidder does not rule out other options permitted by corporate law to remove the shareholders remaining after the Acceptance Period (including, if any, the Additional Acceptance Period) has elapsed.

The Bidder also notes that once the Offer has been successfully concluded, the minimum free float / market capitalisation required for the Target Company to remain in the Prime Market segment of the Vienna Stock Exchange may no longer exist (with a free float component of at least 25%, the threshold for the market capitalisation of free float is EUR 15 million; for a free float component of less than 25%, EUR 30 million). Furthermore, delisting from the Official Market of the Vienna Stock Exchange is mandatory if the statutory requirements defined in § 66a (1) no 7 of the Austrian Stock Exchange Act (*Börsegesetz*) are no longer met.

Delisting from the Prime Market and the potential end of stock market trading would severely restrict the share's liquidity and the development of a market-driven share price.

5.4. Effects on the employment situation and location issues

The Bidder states in the Offer that the Target Company currently has no employees because management is carried out by ECO Management GmbH. Therefore, a successful Offer would neither impact the employment situation nor the location of the Target Company (see section 7.3 of the Offer).

The Management Board agrees with the Bidder's opinion that a successful Offer will not have a material effect on the employment situation or location of the Target Company because of the existing close connections through the management contract.

5.5. Effects on creditors and public interest

There are no indications at the present time that a successful Offer would worsen the present position of creditors or have a negative effect on the public interest.

5.6. Statement by the Management Board of the Target Company

The Management Board of the Target Company recommends that shareholders accept this Offer. However, the Management Board expressly notes that each shareholder must separately evaluate the merits of this Offer based on his/her individual situation (purchase price, investment strategy etc.). Accordingly, the decision by shareholders to accept or reject the Offer must be made on an individual basis.

From the viewpoint of the Management Board of the Target Company, the following arguments speak in favour of accepting, respectively not accepting the Offer:

5.6.1. According to the viewpoint of the Management Board, the following points speak in favour of accepting the Offer:

Appropriate Offer Price

The Management Board considers the Offer Price to be fair and appropriate based on its own considerations and based on the fairness opinion issued by Credit Suisse.

Substantial premium over the market price for the last two years

The Offer Price is 28.1% higher than the closing price on the day prior to the announcement of the Bidder's intention to launch this Offer. It also reflects a significant premium over the average share prices for the last three, six and 12 calendar months prior to the announcement of the Bidder's intention to launch this Offer (43.6%, 47.4% and 60.7%).

The share's market price last exceeded EUR 7.15 per share at the end of June 2008.

Cash offer

The cash offer provides shareholders with the greatest possible flexibility for the disposition of their assets and will give shareholders an opportunity to invest in more liquid shares with a higher difference between NAV and the market price.

Relative low liquidity of the share

The relatively small size and current ownership structure of the Target Company make it more difficult to access the capital market during adverse phases and thereby also limit growth opportunities. This has given the share relatively low liquidity and may also continue to cause a substantial difference between the share price and NAV.

Lower share price if the Offer fails

The failure of the Offer might have a direct negative influence on the market price of the share. The closing price on the day prior to the announcement of the Bidder's intention to launch the Offer was EUR 5.58 per share; the average price during the three months prior to the announcement of the Bidder's intention to launch the Offer was EUR 4.98 per share.

A successful Offer can further reduce the liquidity of the share

A successful Offer (the Bidder acquires more than 50% of the shares that are the object of the Offer) may further reduce the share's liquidity because of the lower free float. This, in turn, would also result in a lower share price over the long-term for shareholders who do not accept the Offer.

5.6.2. According to the viewpoint of the Management Board, the following points speak against accepting the Offer:

Offer Price is less than NAV

The Offer Price of EUR 7.15 per share is 31.2% less than the NAV per share, which amounts to EUR 10.39 on 31 March 2010. NAV is an important indicator for the valuation of real estate companies that hold property assets. The market price of the share last reached EUR 10.39 per share in September 2007.

Possibly higher price under a squeeze out

If the Bidder acquires 90% or more of the nominal share capital of the Target Company, it can squeeze out the remaining minority shareholders against payment of a cash settlement in proceedings pursuant to the Act on the Squeeze-out of Minority Shareholders (*Gesellschafter-Ausschlussgesetzes*). This cash consideration per share could possibly be higher than the Offer Price of EUR 7.15 per share.

Possible future increase in the market price

It cannot be excluded that the market price of the share will exceed Offer Price in a more favourable capital market climate.

6. Description of the markets in which the shares of the Target Company are admitted for trading

The shares of the Target Company are admitted for trading in the Official Market of the Vienna Stock Exchange under ISIN AT0000617907. These shares are traded in the Prime Market segment.

7. Interests of the Management Board in the Target Company

The Management Board confirms that neither the Bidder nor parties acting in concert with the Bidder have offered or granted its members any financial benefits in excess of existing conditions in connection with the successful conclusion of the Offer. Furthermore, the Management Board has not been offered or granted any financial benefits in excess of existing conditions in connection with the failure of the Offer.

Current shareholdings of the Management Board:

- Wolfgang Gössweiner: 22,500 shares

Wolfgang Gössweiner, Speaker of the Management Board, has announced his intention to accept the Offer.

8. Major legal and corporate relationships with the Bidder

The Bidder is the sole shareholder of ECO Management GmbH, which carries out all ordinary day-to-day business activities of ECO and the companies of the ECO Group under the terms of a management contract. Wolfgang Gössweiner and Frank Brün serve as the managing directors of ECO Management GmbH and members of the Management Board of the Target Company. Elke Englert is a representative with general commercial power (*Prokurist*) of ECO Management GmbH and a representative with general commercial power of the Target Company

Wolfgang Gössweiner exercised additional functions in the conwert Group up to 2009. Although Mr. Gössweiner no longer exercises these functions, the following functions are still recorded in the company register: representative with statutory powers of conwert Immobilien Invest SE and managing director of GJ-Beteiligungs GmbH.

The following personnel relations exist between the Bidder and the Target Company: Johann Kowar is a managing director of the Bidder and a member of the ECO Supervisory Board. Thomas Rohr is a managing director of the Bidder and a member of the ECO Supervisory Board. Andreas Nittel is a member of the ECO Supervisory Board and managing director of Con value one Immobilien GmbH, a subsidiary of the Bidder. Additionally, Claudia Badstöber is a managing director of the Bidder and a member of the Supervisory Board of Kapital & Wert Immobilienbesitz AG, a subsidiary of ECO.

Moreover, there are numerous arm's length relationships for the provision of property services between subsidiaries of the Bidder, on the one hand, and the Target Company and its subsidiaries, on the other hand. For example, Resag Property Management GmbH and Alt & Kelber Immobilienverwaltung GmbH provide facility management services in Austria and Germany on behalf of the Target Company and its subsidiaries.

9. Advisers

The legal advisers of the Target Company and its representatives before the Austrian Takeover Commission is Prochaska Heine Havranek Rechtsanwälte GmbH, 1010 Vienna, Julius-Raab-Platz 4, which is listed in the company register of the Vienna Commercial Court under FN 219613 k.

The Target Company is also supported by Credit Suisse Securities (Europe) Limited, 60311 Frankfurt am Main, Junghofstrasse 16, ("**Credit Suisse**") in its position as a financial advisor.

10. Expert pursuant to § 13 of the Austrian Takeover Act

The Target Company has appointed KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft ("**KPMG**"), 1090 Vienna, Porzellangasse 51, which is listed in the company register of the Vienna Commercial Court under FN 269874 z, as the expert pursuant to § 13 of the Austrian Takeover Act.

11. Additional information

Additional information on the statement by the ECO Management Board is available from Wolfgang Gössweiner, Tel: +43 1 580 88, Fax: +43-1-580 88-88, E-Mail: goessweiner@eco-immo.at

Further information is also available on the website of the Target Company (www.eco-immo.at).

12. Summary and recommendation

The valuation of the shares of the Target Company by Credit Suisse indicates that the Offer Price is fair and appropriate. This evaluation agrees with the assessment by the Management Board.

**After extensive evaluation of the Offer, the Management Board
recommends
the acceptance of the Offer by shareholders.**

Vienna, 5 July 2010

The Management Board

Wolfgang Gössweiner m.p.
(Speaker of the Management Board / CFO)

Frank Brün FRICS m.p.
(Member of the Management Board)

II. Statement by the Supervisory Board of ECO Business-Immobilien AG

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In accordance with § 14 (1) of the Austrian Takeover Act, the Management Board ("**Management Board**") and the Supervisory Board ("**Supervisory Board**") of the Target Company are obliged to publish a statement on the bid, including the reasoning for this response, immediately after publication of the offer documents. This response must contain, in particular, an assessment of whether the consideration offered and the other terms of the Offer take adequate account of the interests of all shareholders and other holders of equities, and what the probable effects of the bid would be on the Target Company, especially with respect to employees (jobs, working conditions and the fate of the locations), on creditors and on the public interest based on the strategic planning of the Bidder for the Target Company. If the Management Board or Supervisory Board is unable to make a final recommendation, they must in any case outline the arguments for accepting or rejecting the Offer and also indicate the most important features.

The Supervisory Board was informed of the statement by the Management Board of the Target Company.

After in-depth discussion of the Offer documents in a meeting of the Supervisory Board and extensive review of the statement by the Management Board, the Supervisory Board of the Target Company agreed the statement by the Management Board through a resolution on 5 July 2010 and declares its full agreement with the content of this statement.

Current shareholdings of the Supervisory Board members:

- Alexander Schoeller: 19,662 shares
- Johann Kowar and companies attributable to him: 229,014 shares

Alexander Schoeller, Chairman of the Supervisory Board, has announced his intention to accept the Offer.

This Document is a non binding English translation of the German statement and serves information purposes only. The sole legally binding document is the German statement document published on 5 July 2010.

The Offer by the Bidder is not directed to the purchase of the shares held by Johann Kowar (and companies attributable to him), since Mr. Kowar is considered to be a party acting in concert with the Bidder. According to the information in the Offer documents, the Bidder intends to offer to purchase the ECO shares held by parties acting in concert with the Bidder under the terms of this Offer during the additional acceptance period. Mr. Kowar has announced his intention to accept the Offer during the additional acceptance period.

The Supervisory Board confirms that neither the Bidder nor parties acting in concert with the Bidder has offered or granted its members any financial benefits in excess of existing conditions in connection with the successful conclusion of the Offer. Furthermore, the Supervisory Board has not been offered or granted any financial benefits in excess of existing conditions in connection with the failure of the Offer

Vienna, 5 July 2010

For the Supervisory Board

Alexander Schoeller m.p.
(Chairman of the Supervisory Board)