



Ad Hoc Publication (English Translation)

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**design hotels AG Publishes Preliminary Results for 2006
Earnings before Tax more than Doubled; Revenue Increased by 23 Percent**

Berlin – design hotels AG (Regulated Market, Munich: LBA; ISIN: DE0005141006), marketing and service provider for individually-managed hotels and small hotel groups in the New Luxury segment, publishes today the preliminary results for the fiscal year 2006 and the results for the 4th quarter of 2006.

Key Figures of the Group:

In the fiscal year 2006, **revenue** increased by approx. 23 percent to 6.60m Euro (previous year: 5.38m Euro). In the 4th quarter, revenue increased by approx. 19 percent to 1.99m Euro (previous year: 1.67m Euro). All divisions contributed to this positive development. Commissions provided the major contribution to total revenues with 3.48m Euro (+29 percent); membership fees generated 1.61m Euro (+17 percent); Marketing Products and Consulting generated 1.51m Euro (+15 percent).

Gross operating profit for the entire year with 69 percent was at last year's level, and reached 66 percent in the 4th quarter.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) amounted to approx. 0.80m Euro in 2006, which is a 114 percent progress compared to 374,000 Euro in the previous year. The **EBITDA margin** amounted to 12 percent. In the 4th quarter of 2006, EBITDA increased by 91 percent to 323,000 Euro (previous year: 169,000 Euro); the EBITDA margin reached 16 percent. Extraordinary effects from exchange rate fluctuations in the adjustment of existing liabilities led to an extraordinary contribution to the operating income in the amount of 129,000 Euro.

In 2006, **Earnings before Tax and Interest (EBIT)** amounted to approx. 0.66m Euro, which is a 113 percent increase compared to the 310,000 Euro in the previous year. In the 4th quarter of 2006, EBIT increased by 46 percent to 232,000 Euro (previous year: 159,000 Euro).

Net profit amounted to 3m Euro compared to total earnings after tax of 466,000 Euro in the previous year. The disproportionate high increase of the net profit is due to capitalisation of deferred taxes from existing loss carry forwards. Due to the enduring positive earnings the company decided in favour of a partial capitalisation based on expected future tax payments. This leads to an increase in the net profit by 2.3m Euro. In 2006, no cash flow was linked to this amount.

As per December 31, 2006, the company had **liquid funds** in the form of cash and short-term deposits in the amount of 1.39m Euro compared to 1.20m Euro on the balance sheet date of the previous year.

Further Notes:

CEO Claus Sendlinger comments: „We are very satisfied with the 2006 results. The constant positive development of all key performance indicators shows that we are on the right track. This financially sound position provides the foundation for investment in the focussed expansion of our business activities. In case of a sound business environment, we are optimistic that these investments will pay off quickly. We look forward to continuing our growth also in the year 2007. “

The complete and audited annual financial statements will be available in the second half of April.

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design hotels AG (formerly: lebensart global networks AG) is an integrated provider of communication and positioning services and acts as a consultant for individually managed hotels and small hotel groups. The service range of design hotels begins with the concept for a hotel. Clients of design hotels AG can choose from a modular service portfolio. With the brand design hotels™ the company currently represents and markets a unique collection of over 154 individual hotels in more than 40 countries.

Through its marketing and communication activities design hotels AG forms the connection between the member hotel and a global clientele looking for self-determination and individuality.

www.designhotels.com, ISIN : DE0005141006, Munich Stock Exchange (Regulated Market)

Consolidated Statements (unaudited)

According to IFRS

Profit and Loss Statement

		Total as per December 31, 2006		4th Quarter	
Revenues		2006	2005	2006	2005
Annual Membership Fees	TEuro	1,611	1,375	414	357
Commissions	TEuro	3,481	2,700	922	718
Marketing Products/Consulting	TEuro	1,507	1,306	649	590
Others	TEuro	0	0		0
	TEuro	6,599	5,381	1,985	1,665
Cost of Sales	TEuro	2,021	1,653	666	582
Gross Profit	TEuro	4,578	3,728	1,319	1,083
Staff Expenses	TEuro	2,495	2,165	689	602
Selling Expenses	TEuro	710	473	309	103
Administrative Expenses	TEuro	899	716	319	208
Total Operating Expenses	TEuro	4,104	3,354	1,317	913
EBITDA	TEuro	321	404	321	404
EBIT	TEuro	795	374	323	170
EBT	TEuro	655	310	232	159
After-tax Profit	TEuro	666	314	242	161
	TEuro	2,996	466	2,572	313
Average Number of Staff					
Revenue per Staff Member		40	35	42	37
Revenues	TEuro	167	154	47	45