



- English Translation -

Press Release

February 26, 2008

Design Hotels AG Reports Preliminary Results for 2007

Earnings before Interest and Taxes Improved by 71 Percent

Revenues Increased by 19 Percent

Berlin – Design Hotels AG (Regulated Market, Munich: LBA; ISIN: DE0005141006), integrated provider of marketing and positioning services for individually managed hotels and small hotel groups in the New Luxury Segment, reports the preliminary results for the financial year ended 31st December 2007 as well as the results for the 4th quarter 2007.

Financial Highlights for the Design Hotels Group:

Revenues for 2007 increased by approximately 19 percent to 7.88m Euro (previous year: 6.60m Euro). In the 4th quarter revenues increased by approx. 12 percent to 2.23m Euro (previous year: 1.99m Euro). Once again all business fields contributed to the positive development. With 4.21m Euro (+22 percent), booking commissions accounted for more than half of total revenue; membership fees reached 1.85m Euro (+15 percent); Marketing Products and Consulting fees came in at 1.81m Euro (+17 percent).

The **gross profit margin** improved to 71 percent compared to 69% in the previous year. In the 4th quarter the gross profit margin amounted to 63 percent (previous year: 67%).

EBITDA reached approximately 1.28m Euro in 2007, showing an improvement by 60 percent compared to the 0.80m Euro posted in 2006. In the 2nd quarter of 2007, extraordinary income to the amount of 271,000 Euro was generated due to adjustments in liabilities. In the 4th quarter, extraordinary income to the amount of 99,300 Euro was generated from sales tax refunds from a case pending since 1999. The **EBITDA margin** including extraordinary items was to 16 percent for 2007 (previous year: 12 percent).

In the 4th quarter, EBITDA decreased by 13 percent to 284,000 Euro (previous year: 323,000 Euro). In the 4th quarter 2006 extraordinary income from valuation effects to the amount of 129,000 Euro was generated. The EBITDA margin exclusive of extraordinary items income was 13 percent (previous year: 16 percent).

EBIT reached approximately 1.13m Euro in 2007, which shows an improvement of 71 percent compared to the 0.66m Euro of the previous year. In the 4th quarter 2007, EBIT increased by 5 percent to 239,000 Euro (previous year: 227,000 Euro).

Net profit was 1.17m Euro compared to 3.00m Euro for 2006. When adjusted for last year's activation of losses carried forward, Net Profit increased by 67 percent compared to 0.70m Euro for 2006.

As of December 31, 2007, the company had **liquidities** in the form of cash and short-term investments to the amount of 2.20m Euro, compared to 1.39m Euro at the end of 2006. In 2007, the **shareholders' equity** increased by 3.55m to 4.73m Euro.

At the end of the financial year, 174 hotels (previous year: 153) with 13,256 rooms in 101 destinations and 43 countries were affiliated with Design Hotels™. In 2007, 420 hotels applied for membership compared to 280 hotels in the previous year. On average the group had 48 employees (previous year: 40).

Additional Notes:

Claus Sendlinger, CEO of Design Hotels AG, comments as follows: “For the third year in a row, Design Hotels has shown a considerable growth in revenues and an extraordinary high increase in earnings. This growth was achieved purely through organic development of our business. We believe that the company is on the right track and we expect a further increase in revenues for 2008. In the 4th quarter 2007, we have started our investment in human capital to secure future growth. In 2008, we will mainly invest in hotel development consulting services. We are already working on a number of projects, with further projects in the starting phase. We expect that these investments will show a positive effect on the results as of 2009.

We believe that our success over the past three years has been a combination of a favourable economic environment, our expertise in identifying new trends in the tourism industry, and the adaptation of our service portfolio to the needs of the market and our clients. We will continue to focus on the expansion of the consulting services and the development of new licence and commission models. Furthermore, we will expand our member portfolio.

In 2008, we will also focus on strengthening the brand Design Hotels™ by improving quality management at the member hotels and by launching a loyalty program for the end customers.”

Group Overview (unaudited)

According to IFRS Consolidated Profit and Loss Statement

		Total per December 31, 2007		4th Quarter	
		2007	2006	2007	2006
Revenues					
Annual Membership Fees	TEuro	1.854	1.611	479	414
Commissions	TEuro	4.207	3.441	1.078	882
Marketing Products/Consulting	TEuro	1.815	1.547	668	689
Others	TEuro	0	0		
Total Revenues	TEuro	7.876	6.599	2.225	1.985
Cost of Sales	TEuro	2.253	2.013	829	658
Gross Profit	TEuro	5.623	4.586	1.396	1.327
Staff Expenses	TEuro	2.700	2.443	656	637
Selling Expenses	TEuro	1.049	738	369	337
Administrative Expenses	TEuro	1.036	919	208	200
Total Operating Expenses	TEuro	4.785	4.100	1.233	1.174
Other Operating Income	TEuro	482	333	166	194
Other Operating Expenses	TEuro	45	21	45	21
EBITDA	TEuro	1.275	798	284	326
EBIT	TEuro	1.125	650	239	227
EBT	TEuro	1.181	661	295	237
After-tax Profit	TEuro	1.165	2.989	229	2.565
Average Number of Employees		48	40	54	42
Revenue per Employee	TEuro	164	165	41	47

The complete and audited annual accounts will be published in the second half of April.

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Design Hotels AG (formerly: lebensart global networks AG) is an integrated provider of marketing 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 170 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 independent choice and individuality.

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