



- English Translation -

## Press Release

April 30, 2008

### **Design Hotels AG Reports Results for Q1 of 2008 Revenues increase by 27%, Net Profits increased by 34%**

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, today reports its results for the first quarter of 2008 under IFRS.

#### **Financial Highlights for the Design Hotels Group:**

**Revenues** for the first quarter of 2008 increased by around 27% to Euro 2.05 million (previous year Euro 1.61 million). As before, all activities contributed to the positive developments. Commissions on bookings contributed around half of total revenues with Euro 1.02 million (+11%), membership fees came in at Euro 0.50 million (+24%) and Marketing Products and Consulting achieved revenues of Euro 0.53 million (+84%).

The gross profit margin came in slightly below last year's with 71% as compared to 74%.

The **EBITDA** for the first quarter came in at around Euro 156,000, showing an improvement of 28% over the Euro 122,000 achieved during the comparative period last year. The EBITDA margin remained at 8%.

The **EBIT** for Q1 of 2008 came in at Euro 117,000, an improvement of 34% compared to last year (Q1 2007, Euro 87,000)

**Net profits** were also Euro 117,000, compared to profits after tax of Euro 87,000 in Q1 2007. Earnings per share came in at Euro 0.01 (Q1 2007, Euro 0.01)

As of March 31st 2008, the Company had **cash and cash equivalents** of Euro 2.15 million, as compared to Euro 2.20 million for 31<sup>st</sup> March 2007. **Shareholders' equity** increased during the first three months of the year from Euro 4.73 million to Euro 4.85 million.

#### **Additional Notes:**

CEO Claus Sendlinger commented: „Following three years of very dynamic revenue and profit development, 2008 will mainly be focused on increasing Design Hotel's capacity. We will have to adapt our organizational structure in order to be able to carry further growth. This is not only applicable to our new activity Consulting. We have recruited new staff for all our business activities in order to maintain service at the highest levels, even while the number of customers and transactions have increased. Against a background of a cooling global economy, the tourism sector, which has been spoilt these last few years, has to be prepared for increased competition. Under these circumstances it is therefore of great importance that we keep improving the exposure of our service portfolio as well as that of our customers' products.

## **Highlights and additional details for the first quarter:**

### **Revenues**

All business activities contributed again with double digit growth rates to the overall positive revenue development. The strong increase in revenues for the Company's Consulting arm is strongly related to the project nature of this activity, and going forward this nature will cause further up and down swings in revenue development.

The first three months of the year saw an increase by 19% in the number of bookings taken. The total value of these bookings ran to Euro 18.3 million, representing a 15% increase.

At the end of the quarter, 165 (Q1 2007, 156) hotels with a total of 12,057 rooms were affiliated with Design Hotels. The reduction as compared to the 174 hotels affiliated towards the end of 2007 is related to the strategic decision to discontinue the arrangement with an Asian hotel group.

### **Costs**

The number of employees grew to 53 by 31st March 2008 as compared to 44 for the comparative period last year. Revenues per employee increased from Euro 37,000 to Euro 39,000.

Total operating costs (staff, marketing, sales and general and admin) came in at Euro 1.31 million for the first three months of this year, increasing by 21% as compared to the same period last year.

### **Operating Highlights**

The 2008 focus on branding the group's activities towards the end customers, have started in Q1 in co-operation with member hotels. At the centre of these activities is the focus on the improved quality control.

The following tables provide an overview of the Company's financials for Q1 of 2008.

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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 165 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](http://www.designhotels.com), ISIN: DE0005141006, Munich Stock Exchange (Regulated Market)

**Group Overview (unaudited)**  
**According to IFRS**  
**Consolidated Profit and Loss**  
**Statement**

		<b>Total as of March 31</b>	
<b>Revenues</b>		<b>2008</b>	2007
Annual Membership Fees	TEuro	<b>502</b>	405
Commissions	TEuro	<b>1.017</b>	919
Marketing Products/Consulting	TEuro	<b>534</b>	290
Others	TEuro	<b>0</b>	0
<b>Total Revenues</b>	TEuro	<b>2.053</b>	1.614
Cost of Sales	TEuro	<b>597</b>	416
<b>Gross Profit</b>	TEuro	<b>1.456</b>	1.198
Staff Expenses	TEuro	<b>822</b>	676
Selling Expenses	TEuro	<b>222</b>	171
Administrative Expenses	TEuro	<b>270</b>	230
<b>Total Operating Expenses</b>	TEuro	<b>1.314</b>	1.077
Other Operating Income	TEuro	<b>32</b>	7
Other Operating Expenses	TEuro	<b>18</b>	6
<b>EBITDA</b>	TEuro	<b>156</b>	122
<b>EBIT</b>	TEuro	<b>117</b>	87
<b>EBT</b>	TEuro	<b>117</b>	87
<b>After-tax Profit</b>	TEuro	<b>117</b>	87
Average Number of Employees		<b>53</b>	44
Revenue per Employee	TEuro	<b>39</b>	37

**Consolidated Statement of Cash Flow**  
(nicht testiert)

		<b>Total as of March 31</b>	
		<b>2008</b>	<b>2007</b>
EBITDA from Profit and Loss Statement	TEuro	156	122
Cash flow from Investing Activities	TEuro	-24	-17
Balance Trade Payables vs. Trade Receivables	TEuro	-180	-237
Changes in Securities Portfolio	TEuro	0	0
<b>Change of Liquid Funds</b>	TEuro	<b>-48</b>	<b>-132</b>
Liquid Funds at the Beginning of the Period	TEuro	2.202	1.392
<b>Liquid Funds at the End of the Period</b>	TEuro	<b>2.154</b>	<b>1.260</b>
Bonds and Guarantees	TEuro	146	125
<b>Available Liquid Funds</b>	TEuro	<b>2.008</b>	<b>1.135</b>

**Consolidated Balance Sheet**  
(unaudited)

<b>Assets</b>	31.03.2008		31.12.2007	
	EUR	EUR	EUR	EUR
<b>Long-term Assets</b>				
Fixed Assets	309.082,60		322.352,60	
Deferred Taxes	<u>2.365.000,00</u>	2.674.082,60	<u>2.365.000,00</u>	2.687.352,60
<b>Short-term Assets</b>				
Inventory	190.368,78		124.522,00	
Accounts Receivable	1.602.924,99		1.391.545,03	
Other Assets	250.958,79		194.241,51	
Liquid Funds and Securities	<u>2.153.608,53</u>	4.197.861,09	<u>2.201.859,91</u>	3.912.168,45
<b>Total Assets</b>		<b>6.871.943,69</b>		<b>6.599.521,05</b>
<b>Liabilities and Shareholder's Equity</b>				
<b>Shareholder's Equity Capital</b>				
Share Capital	8.972.072,00		8.972.072,00	
Cumulated Other Equity Capital	-1.900.202,82		-1.910.521,71	
Net Loss	<u>-2.218.111,72</u>	4.853.757,46	<u>-2.335.258,40</u>	4.726.291,89
<b>Long-term Liabilities</b>				
Deferred Taxes	<u>0,00</u>	0,00	<u>2.840,00</u>	2.840,00
<b>Short-term Liabilities</b>				
Accruals	200.238,00		375.539,22	
Down-payments	275.914,53		281.162,20	
Accounts Payable	706.149,66		624.001,10	
Other Liabilities	<u>835.884,04</u>	2.018.186,23	<u>589.686,64</u>	1.870.389,16
<b>Total Liabilities</b>		<b>6.871.943,69</b>		<b>6.599.521,05</b>

**Design Hotels AG (Group)**  
**Consolidated Statement of Change in Equity**

	<b>Paid in Capital</b>	<b>Other Cumulated Equity Capital</b>	<b>Net Loss</b>	<b>Total</b>
	<b>in EUR</b>	<b>in EUR</b>	<b>in EUR</b>	<b>in EUR</b>
As per 1.1.2007	8.972.072,00	-1.924.712,63	-3.499.907,36	3.547.452,01
Regrouping				0,00
Variance due to Currency Conversions				0,00
Group Annual Net Profit			87.031,23	87.031,23
<b>As per 31.03.2007</b>	<b>8.972.072,00</b>	<b>-1.924.712,63</b>	<b>-3.412.876,13</b>	<b>3.634.483,24</b>

	<b>Paid in Capital</b>	<b>Other Cumulated Equity Capital</b>	<b>Net Loss</b>	<b>Total</b>
	<b>in EUR</b>	<b>in EUR</b>	<b>in EUR</b>	<b>in EUR</b>
As per 1.1.2008	8.972.072,00	-1.910.521,71	-2.335.258,40	4.726.291,89
Regrouping				0,00
Variance due to Currency Conversions		10.318,89		10.318,89
Consolidated Annual Net Profit			117.146,68	117.146,68
<b>As per 31.03.2008</b>	<b>8.972.072,00</b>	<b>-1.900.202,82</b>	<b>-2.218.111,72</b>	<b>4.853.757,46</b>