Interim report for the 3rd quarter of fiscal year 2010/2011

- Debt reduced by EUR 9.3 million during quarter; equity ratio rises to 65.9 per cent
- Exploitations in Q4 ensure cash inflows are in line with budget
- Net result after nine months still negative, but slightly improved as compared to same period last year
- Board of Management presses forward with strategic focusing

Frankfurt am Main, 11 February 2011 – MAGNAT Real Estate AG ('MAGNAT', ISIN DE000A0XFSF0) has reduced the loss in the first nine months of the 2010/2011 fiscal year (1 April 2010 to 31 March 2011) further. The net loss amounted to EUR 2.0 million after minority interests. At the same time, debt in the amount of EUR 9.3 million was reduced, due to which the Group's equity ratio rose from 62.9 per cent at 30 September 2010 to 65.9 per cent at 31 December 2010.

Gains/losses relating to the letting of real estate stood at EUR 0.5 million for the quarter. In the nine-month comparison, it rose slightly from EUR 2.0 million to EUR 2.1 million. Only a small profit was accrued from the sale of real estate in the third quarter; therefore, as was the case at the end of the first half, gains during the nine-month period stood at EUR 1.4 million. Asset Management once again reported a result of EUR 0.1 million for the quarter, and for the nine months EUR 0.3 million.

While these areas continue to generate a positive result, net income is weighed down by losses from the companies valued at equity. The negative result of EUR -5.6 million includes losses from YKB amounting to EUR 1.7 million as well as losses in the second quarter from the project in Poland of EUR 2.5 million. This is offset by a positive change in the measurement of the loan to Poland amounting to EUR 2.9 million, which is recognised as financial income.

Income before taxes in the Group of EUR -2.8 million in the first nine months of last year was thus improved to EUR -1.8 million. Earnings per share amounts to EUR -0.15.

In the third quarter, MAGNAT succeeded in reducing long-term debt by more than EUR 8.4 million and short-term by just over EUR 0.8 million. This essentially concerns the reduction of financial debt, which was partially offset by corresponding receivables, contributing to the reduction of the balance sheet. In the third quarter, trade receivables of EUR 15.8 million was thus reduced to EUR 7.8 million and financial receivables also dropped.

At 31 December 2010, shares in companies valued at equity were measured at EUR 36.8 million. The value of real estate inventory rose to EUR 69.5 million at 31 December 2010.

Net asset value (NAV) according to EPRA's recommendations amounted to EUR 98.5 million after this change. Based on the number of shares issued (13.89 million) this represents a NAV of EUR 7.09 per share.

Cash and cash equivalents stood at EUR 6.8 million at 31 December 2010 and are thus at the anticipated, sufficient level. The sale of two properties from the YKB portfolio was successfully completed in the current Q4. This gives rise to further already budgeted cash inflows before the end of the year, which will be used for operating the company and investing in the realignment of the portfolio.

Outlook

On 10 December 2010, Dr. Marc-Milo Lube was appointed the position of Chairman of the Board of Management by the Supervisory Board. Since then, the new Board of Management, in which Jürgen Georg Faè remains responsible for the company's finances, has continued to press forward with the strategic focusing of MAGNAT. In essence, the new strategy aims at focusing on a small number of promising core markets, which exhibit above-average potential and where the company has already firmly established itself.

The trimming of the portfolio by the activities that will no longer be the focus of the company should provide the financial flexibility necessary to grow the business selectively in the core markets. This strategic focusing will be carried out judiciously and still with the aim of not being pressured into selling interests, but achieving the best possible conditions and making investments in new projects after careful analysis and examination of the particular challenges and opportunities. Details of the new strategy will be announced in the coming weeks.

About MAGNAT

MAGNAT Real Estate AG is the first publicly traded real estate company in Frankfurt to focus on real estate development in east European, Austrian and German metropolitan areas.

MAGNAT is an integrated real estate group and covers the entire value chain – from acquisition across development through to the sale of projects and land. In addition, the Group provides real estate asset management services for third parties.

MAGNAT investors participate in development returns in eastern Europe as well as special business situations in Germany and Austria.

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