MAGNAT reports half-year results

- Strategic realignment pursued consistently
- Loss in the first half considerably lower compared to the previous year
- Strained liquidity due to the low volume of disposals
- Safeguarding of liquidity has top priority
- MAGNAT diligently working on additional disposals

Frankfurt am Main, November 30, 2012 – Today, MAGNAT Real Estate AG („MAGNAT“, ISIN DE000A0XFSF0) published its report for the first half (April through September) and the second quarter (July through September) of fiscal year 2012/2013.

The first half-year was affected by two distinct trends. Firstly, the MAGNAT Group consistently pursued its strategic realignment. In the reporting period, a real estate company and a property in Austria were successfully sold. The disposals resulted in cash proceeds of EUR 0.5 million. In addition and in line with its strategy, significant progress was achieved in the further reduction of operating expenses. General and administrative expenses declined 35 percent over the prior year's period to EUR 1.9 million and other operating expenses declined 31 percent to EUR 0.6 million.

These favourable developments are also reflected in the earnings of the first half of fiscal year 2012/2013. The loss before interest and taxes declined 58 percent from EUR –2.4 million in the previous year to EUR –1.0 million. In the second quarter, the loss before interest and taxes decreased 76 percent from EUR –1.6 million in the previous year to EUR –0.4 million. This positive trend is even more pronounced in the development of the net loss for the period attributable to parent company shareholders, which declined by almost two thirds from EUR –3.4 million in the previous year to EUR –1.2 million. In the second quarter, the net loss amounted to EUR –0.6 million after EUR –2.1 million in the previous year's quarter.

Secondly, the economic environment in MAGNAT's core markets, the countries surrounding the Black Sea, remained extremely difficult. This trend particularly affected the real estate markets. Therefore, the number of real estate transactions in the region was very low and the price level still remained at depressed levels. This has made disposals at economically feasible conditions almost impossible in the first half of the year. As a result of the low volume of disposals, MAGNAT Group's cash and cash equivalents has declined significantly by EUR 2.1 million in the first half of the year and amounted to EUR 1.5 million as of September 30, 2012 as compared to EUR 3.6 million as of March 31, 2012. Thus, the liquidity position is strained.

Therefore, MAGNAT's top priority in the second half of 2012/2013 will be the safeguarding of liquidity. The Company is currently diligently working on additional disposals.

As a result of Europe’s bleak growth prospects, it has to be expected that the real estate markets in MAGNAT’s target regions will continue to be impacted by a large degree of uncertainty which will make disposals at economically feasible prices very difficult. Overall, the risks for the business development of MAGNAT continue to outweigh.

About MAGNAT

MAGNAT Real Estate AG is the first publicly traded real estate company in Frankfurt that focuses on real estate development in Austria and selected countries within the emerging economies of the Black Sea region.

MAGNAT is an integrated real estate group, addressing the entire value chain and covering the acquisition, development, and disposal of projects and construction land. The Group also offers real estate asset management.

Group Key Figures in EUR ‘000	**H1 2012/2013**	H1 2011/2012	**Q2 2012/2013**	Q2 2011/2012
Profit/loss on rental of real estate inventory	283	1,661	197	753
Profit/loss on sale of real estate companies	89	0	89	0
Profit/loss on sale of real estate	302	0	302	0
Profit/loss on asset management	39	83	20	50
Profit/loss from investments accounted for using the equity method	234	–145	71	232
Profit/loss before interest and taxes (EBIT)	–1,006	–2,374	–398	–1,649
Profit/loss before taxes (EBT)	–1,218	–3,121	–543	–1,910
Net profit/loss for the period attributable to parent company shareholders	–1,199	–3,365	–569	–2,096

(Fiscal year April 1, 2012 – March 31, 2013)

Group Key Figures in EUR ‘000	**Sept. 30, 2012**	March 31, 2012
Total assets	40,608	44,267
Group equity	18,700	20,229
Equity ratio in percent	46.0	45.7
Net Asset Value per share in EUR	1.33	1.44

(Fiscal year April 1, 2012 – March 31, 2013)

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