



- **MAGNAT Real Estate Opportunities with largest transaction in corporate history**
- **Investment program on schedule**

Frankfurt am Main, 06 March 2007

With the acquisition of an apartment portfolio with a total of around 67,400 m² of floor space and a total transaction volume of € 25.3 million, MAGNAT Real Estate Opportunities GmbH & Co. KGaA has made its largest investment to date on the German market. The transaction was structured as a co-investment lead by MAGNAT with an investment share of 75 %.

The portfolio consists of the “Brandenburgian Quarter” in Berlin-Eberswalde and a 19-floor apartment block in Rostock. The Brandenburgian Quarter property in Eberswalde has approximately 1,050 residential units and a floor space of 59,900 m² in the Berlin commuter belt. The current rental level is approximately 80 %. As the property renovation is nearly finished, full rental seems realistic within a short period. The property in Rostock is an apartment block with approximately 160 apartments and a floor space of 7,500 m² in the Evershagen district. This property was also renovated and modernised in recent years so that the current vacancy rate of approximately 13% is likely to be reduced quickly.

The MAGNAT management expressed its great satisfaction about its most recent investment: "With these purchases, MAGNAT has reached its target corridor for strategic asset allocation for the Germany portfolio within a few months, thus before the end of its first financial year. Individual supplementary investments are being negotiated. Due to the selective purchasing policy and a very favourable market trend on the

German real estate market, there is considerable potential for value creation."

The implementation of the investment program in the core markets of Eastern and Southern Europe and CIS (with a focus on Russia and Ukraine) is also in line with planning. Several projects are expected to be concluded in the current month. Furthermore, by means of options and preliminary contracts, MAGNAT has secured access to further lucrative projects which are currently at the due diligence stage.

About MAGNAT:

MAGNAT is a real estate company with a focus on real estate development in Eastern European countries. The founding partners are the Silvia Quandt family and the two financial investors Themis Equity Partners and Heliad Equity Partners as well as the management itself. In the course of two capital increases in July and September 2006, participations were taken up by several institutional investors, including Swiss Real Estate.

MAGNAT's goal is to exploit inefficiencies which are inherent in real estate markets to the advantage of its shareholders. In contrast to classical real estate investors, MAGNAT not only benefits from rental income, but also and primarily from attractive developers' returns as well as a high turnover rate of the investments (investment horizon of between 1 and 3 years). All projects must meet an above-average yield requirement.

The management focuses on markets with interesting development cycles, i.e. undervalued markets ("anti-cyclical investing") and markets with high economic growth rates ("growth markets"). The regional investment focus is currently Central, Eastern and South-Eastern Europe, as well as special situations in the home market of Germany.

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