



- **MAGNAT Real Estate Opportunities profitable already in its first year of business**
- **Consolidated Profit (IFRS) for financial year ended March 31, 2007 of EUR 0.34 million**
- **Value appreciation of portfolio investments not included in financial results 2006/07**
- **MAGNAT very well positioned for current financial year 2007/08**

Frankfurt / Main, August 21st, 2007

MAGNAT Real Estate Opportunities GmbH & Co. KGaA has achieved profitability already in its first year of business. The consolidated profit after taxes (IFRS based) for its first financial year, covering the period from April 6, 2006 (foundation of company) through March 31, 2007, is EUR 0.34 million.

Revenues (from rental income and from the sale of the first investment) totaled EUR 1.0 million, standing against EUR 0.75 million costs and against the net book value of EUR 0.56 million of the project sold. Net financial income, including the investments accounted for at equity, contributed EUR 0.65 million to total income. Value appreciations in the real estate and project portfolio are not included in the financial results 2006/07, as MAGNAT has not accounted for such appreciations.

Consolidated Equity as of March 31, 2007 was EUR 45 million (including EUR 2 million minority interests) and increased, subsequent to the end of the last financial year, to approximately EUR 90 million as a result of the capital increase of April 2007. Total consolidated assets as of March 31, 2007 were EUR 50 million.

Progress of MAGNAT's investment program continues to be very satisfactory: Since the end of financial year 2006/07, MAGNAT has added to its portfolio the very promising key investments Peremogi (Ukraine) and the Yapi Kredi-portfolio (Turkey), the development projects Vacaresti (Romania) and Pancharevo (Bulgaria), and selected properties to complement the German portfolio. Further investments are currently being examined.

For the current financial year 2007/08, MAGNAT is well-positioned: The potentials in the Eastern European development portfolio are significant, and the German portfolio includes, as a result of the selective purchasing strategy, substantial unrealized gains. Due to its focus on real estate development in Eastern Europe, MAGNAT is not affected directly by the current US mortgage lending crisis. Also, MAGNAT does not expect direct negative consequences from the turbulences on the credit markets that have been provoked by this. They could result in higher financing costs and / or reduced leverage for real estate investors in the future. The yields expected from the German portfolio of MAGNAT are driven mainly by selective procurement and the intended short holding periods, whereas – as opposed to “buy and hold investors” – the project leverage is a complementary element. For the development projects in Eastern Europe, MAGNAT has already in the past employed conservative financing assumptions, which include in particular an above average equity ratio and higher comparable financing costs.

About MAGNAT:

MAGNAT is a real estate company with a focus on real estate development in Eastern European countries. Seed investors were the Silvia Quandt family, the two financial investors Themis Equity Partners and Heliad Equity Partners, and the management.

With its opportunistic strategy, MAGNAT capitalizes on inefficiencies in real estate markets. In contrast to traditional

investment strategies, MAGNAT not only benefits from rental income, but also and primarily from attractive development yields and the comparable short time of capital employed in its projects. All projects must meet an above-average yield requirement.

Management focuses on real estate markets with interesting development cycles, i.e. undervalued markets ("anti-cyclical investing") and markets with high economic growth rates ("growth markets"). The regional focus is currently on Central, Eastern and South-Eastern Europe, supplemented by opportunistic, special situations in the German home market.

Kontakt

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