



- **MAGNAT Real Estate Opportunities enters Bulgarian market**
- **Residential project “Pancharevo” in Sofia promises high double-digit return on equity**

Frankfurt, 26. June 2007

MAGNAT Real Estate Opportunities GmbH & Co. KGaA has made its first investment in Bulgaria. MAGNAT, through a local project company 75% owned by MAGNAT, purchased a site for residential development in Pancharevo, a suburb of Sofia. On a 7.775 sqm plot of land, some 100 upscale apartments with 10.000 sqm of sellable floor space will be built. Total investment volume will be approximately 10 million Euros.

The project location is very good, well-connected and only 18 kilometers south of the centre of Sofia, in a parkland-style neighborhood next to the American school. The demand on the residential market in Sofia for such upscale apartments is high, vacancies are practically zero. Due to the imbalanced supply-demand, sales of apartments are possible already off-plan or in early stages of development. This market situation allows for high double-digit returns on equity.

MAGNAT-CEO Jan O. Ruester comments: „With this project, we have entered the Bulgarian market. Negotiations for several other projects in our target countries in Eastern Europe are well under way; we expect signings in the near future. One priority continues to be the residential segment, where we see significant potential. “

**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. In the course of two capital increases in 2006 and a further capital increase in spring of 2007, a number of institutional investors, amongst them Swiss Real Estate, invested in MAGNAT.

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.

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