

Turning Inefficiencies into **Opportunities.**



## MAGNAT

Key figures in thousands of Euro	Q1 2009/2010	Q1 2008/2009
Earnings from rentals	868	671
Earnings from the sale of real estate companies	0	0
Earnings from investments accounted for using the equity method	-397	19
Operating result (EBIT)	-808	-1,043
Earnings before taxes (EBT)	-862	-1,277
Consolidated result after taxes and minority interests	-844	-1,176
Total equity	94,407	104,170
Equity ratio	63.5%	72.6%
Total equity and liabilities	148,701	143,468
NAV (EUR per share)	16.24	18.90

### About MAGNAT:

MAGNAT is a German real estate company which focuses on real estate development in Eastern Europe supplemented by special situations in the home market of Germany and Austria. The management focuses on undervalued real estate markets and on markets with macroeconomic growth. The strategy of MAGNAT is designed to exploit opportunistic inefficiencies. Unlike traditional investment strategies, MAGNAT profits not only from rental income, but also principally from attractive development returns.

**INTERIM REPORT OF THE MAGNAT-GROUP**



### **Interim report for the 1st quarter of fiscal year 2009/2010**

(Fiscal year: 1 April 2009 to 31 March 2010)

- In the first three months of fiscal year 2009/2010, MAGNAT's consolidated result was EUR -0.8 million
- Operating performance of the YKB portfolio in the Greater Istanbul area is gratifying
- Operating credit lines amounting to EUR 12.9 million due in 2010 have been extended until 2014

Frankfurt, 11 August 2009 – In the first three months of fiscal year 2009/2010 (1 April 2009 - 31 March 2010), the consolidated result of MAGNAT REAL ESTATE OPPORTUNITIES GmbH and Co. KGaA ("MAGNAT", ISIN DE000A0XFSF0) was EUR -0.8 million after taxes and minority interests (according to IFRS). This is an improvement over the previous year, which was EUR -1.2 million.

Net income from the leasing of portfolio properties rose from EUR 0.7 million in the previous year to EUR 0.9 million in the 1st quarter of 2009. Real estate valued at equity saw a loss of EUR -0.4 million after a balanced result in the previous year. At EUR -0.8 million, the operating result (EBIT) saw an improvement over the previous year (EUR -1.0 million). The financial result amounted to EUR -0.1 million after EUR -0.2 million in the previous year.

As of 30 June 2009, MAGNAT disposes of consolidated equity of EUR 94.4 million and a solid equity ratio of 63.5 percent after 72.6 percent on the same date of the previous year. Cash and cash equivalents increased from EUR 3.2 million in the previous year to EUR 5.8 million as at 30 June 2009; on 31 March 2009 cash and cash equivalents amounted to EUR 7.6 million. The net asset value (NAV), which is calculated according to international standards, stood at EUR 16.24 per share on the reporting date.

## KEY DEVELOPMENTS:

### **Investment YKB portfolio**

The progress of the YKB portfolio in the Greater Istanbul area was gratifying in the first quarter of the current fiscal year. With sales amounting to approximately EUR 32.4 million, gross profit of approximately EUR 12.0 million was achieved based on amortised cost. Due to revaluations in the previous periods according to IAS 40 in the YKB portfolio, the sales led to a balanced result. This confirms the current assessment of the market value and leaves the Management of MAGNAT feeling optimistic about the future development of the portfolio. Around EUR 24.0 million from the sales has been used for agreed unscheduled repayments for loans attached to the portfolio. With the exception of an operating cash reserve, most of the remaining funds were paid out to the shareholders. In the current fiscal year, MAGNAT has already received EUR 3.5 million from these cash flows.

## OUTLOOK:

Strategically, MAGNAT continues to give absolute priority to securing liquidity. At the end of July, MAGNAT was successful in refinancing operating credit lines amounting to EUR 12.9 million due in 2010 until 2014. Moreover, intensification of the re-marketing efforts is an important component for securing and improving profitability. To mitigate the sharp cyclical fluctuations in the real estate markets, MAGNAT aims to balance the distribution of the portfolio between the regions of Germany/Austria and Eastern/Southeastern Europe. In addition, cost optimisation measures will include a review and where necessary adjustment of the real net output ratio of the Company.

On the assumption of a general improvement in the current market situation, the Management of MAGNAT anticipates a stabilisation of the business model, an improvement in earnings performance and a return to growth over the next 12 - 24 months.

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conurbations. The strategy of MAGNAT is designed to exploit opportunistic inefficiencies. Unlike traditional investment strategies, MAGNAT profits not only from rental income, but also from attractive development returns.

KEY INDICATORS:

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\*unaudited

CONTACT:

**MAGNAT Real Estate Opportunities GmbH & Co. KGaA**

Dominic Köfner, CIRO  
Head of Corporate Communications  
Grüneburgweg 18  
D-60322 Frankfurt am Main  
Tel.: +49 (0) 69 719 189 79 36  
Email: [dominic.koefner@magnat-reop.com](mailto:dominic.koefner@magnat-reop.com)

**Press Relations**

edicto GmbH  
Axel Mühlhaus/Werner Rüppel  
Tel.: +49 (0) 69 905 50 55 2  
Email: [amuehlhaus@edicto.de](mailto:amuehlhaus@edicto.de)

## FINANCIAL CALENDAR

Interim Report Q1 as of 30 June 2009	August 11 <sup>th</sup> , 2009
Ordinary Shareholders' Meeting, Frankfurt/Main	October 29 <sup>th</sup> , 2009
Half Year Report 2009/10	November 30 <sup>th</sup> , 2009
Interim Report Q3 as of 31 December 2009	February 11 <sup>th</sup> , 2010
Publication of annual financial statements 2009/10	July 31 <sup>st</sup> , 2010

MAGNAT financial year from 01, April until 31, March

### IR-Contact

Dominic Köfner, CIRO  
MAGNAT Real Estate Opportunities GmbH & Co. KGaA  
Grüneburgweg 18  
D-60322 Frankfurt am Main  
Phone: +49 (0) 69-719 189 79-0  
Fax: +49 (0) 69-719 189 79-11  
Email: [dominic.koefner@magnat-reop.com](mailto:dominic.koefner@magnat-reop.com)  
Web: [www.magnat-reop.com](http://www.magnat-reop.com)

### Information:

The original of this interim report was published in German. In case of deviations, the German version prevails. Further company information as well as the online-version of this financial report is available for download at [www.magnat-reop.com](http://www.magnat-reop.com). To request printed information, please mail to: [info@magnat-reop.com](mailto:info@magnat-reop.com).



**Magnat Real Estate Opportunities  
GmbH & Co. KGaA**

Grüneburgweg 18  
60322 Frankfurt / Main

Tel. +49 (0)69 - 719 189 79 0  
Fax +49 (0)69 - 719 189 79 11

E-Mail [investor-relations@magnat-reop.com](mailto:investor-relations@magnat-reop.com)