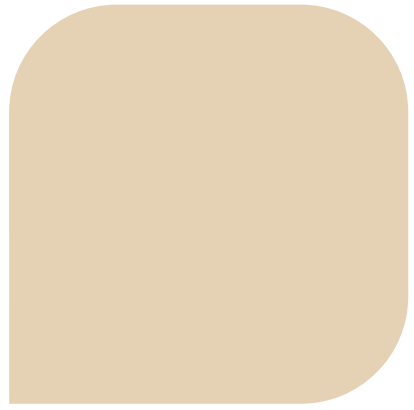




Turning Inefficiencies into **Opportunities.**



Interim Report
within
2nd half-year 07/08

Financial year
1 April 2007 - 31 March 2008

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Introduction by the Management Board

Ladies and Gentlemen, esteemed shareholders!

As already indicated on the occasion of our initial listing on the stock exchange, we completed the upgrade of the MAGNAT-share to the Regulated Market. MAGNAT shares were admitted to trading in the General Standard segment of the Frankfurt Stock Exchange on 31 October 2007, which was another milestone for the company. The prospectus approved by BaFin (Federal Financial Supervisory Authority) in connection with the application for the segment change is available for download at <http://www.magnat-reop.com/en/investorrelations/wertpapierprospekt>. With the segment change, we are now subject to comprehensive reporting requirements. In the first Interim Financial Report published at the end of November 2007 (for the period 1 April 2007 through 30 September 2007), we therefore provided a deliberately detailed report, specifically with respect to the changes of the business environment that have occurred since the submission of our Annual Report for the financial year 2006/07, and with respect to the implementation of our investment program.

Interim Announcement within the 2nd Half-Year and Semi-Annual Financial Report

The interim report according to Article § 37x of the WpHG, as attached, includes information on the significant developments, events and transactions since October 1st 2007, as well as a description of the financial position and of the group results. To a large extent, we have focused on providing an update of the (detailed) information given in our semi-annual report, to which we may refer (also to avoid reiterations). The Interim Financial Report 2007/08 is available for download at <http://www.magnat-reop.com/en/investorrelations/finanzberichte/index.html>.

Strategy, Economic Environment and Implementation of Strategy

Without doubt, the business environment in general and also for the real estate business has changed since the start of the credit crisis in summer 2007, and recent events as well as evaluations by economists show continued uncertainty specifically in capital and credit markets. Just now, in this more difficult environment, we are convinced that MAGNAT's strategy is right. The issue of strategy was revisited and confirmed after discussion and evaluation in the meeting of

the Supervisory Board on the 11th January 2008. MAGNAT will continue to focus on real estate development in the CEE/SEE/CIS-region and on special situations in Germany. For the German business, this means the execution of the value-added-program with the goal of a subsequent sale of the properties and no change to the “develop & sell” strategy for the development business. As a consequence, MAGNAT will continue to refrain from “IFRS 40 revaluation“ contributions to earnings, profits are recorded only upon sale.

In the course of executing this strategy, we have been able to demonstrate achievements that are very pleasing, specifically against the background of the changes in the business environment:

- Net Asset Value (NAV), excluding the significant upside-potentials from the development portfolio, is at EUR 1.85 / share. This corresponds to an increase of 13 percent as compared to the total equity raised of EUR 1.64 / share. This NAV-increase could be achieved within a comparatively short period of time, because the last (and also biggest) capital increase took place only less than one year ago in April 2007.
- Despite the strained situation in the credit markets since midyear 2007, credit financings for all investments of the German portfolio, as well as all currently required financings for development projects, could be secured. MAGNAT’s financial structure is solid, with a continued high equity ratio and a comfortable liquidity status.
- First exits could be realised after a comparatively short holding period. At present, we are working on further exits which are in varying stages of negotiation and execution. Because of the selected strategy – and because, as a result, we refrain from “IFRS 40 revaluations“ – contribution to earnings from further exits in the current financial year 2007/08 is subject to closing of such sales until 31st of March 2008.

Development of the MAGNAT-Share

Valuations of real estate shares have changed substantially since the start of the credit crisis in summer 2007. The MAGNAT share has not been able to escape this trend.

Many analysts and commentators are of the opinion that the fall of share prices has led in many cases to an under-valuation of the sector, and that discounts in relation to the fundamental data of companies are not justified. It is our opinion that this is particularly true for the MAGNAT-share, as the share trades at a very high discount to its substantial value. The current share price of EUR 1.03

(closing price XETRA on 8th of February 2008) is significantly below total equity raised, as well as MAGNAT's Net Asset Value:

Equity raised = EUR 1.64 / share (+ 59.2 % *)

Total equity raised by MAGNAT (foundation capital plus capital increases in July 2006, October 2006 and April 2007) amounts to EUR 87 million. In relation to total shares issued and outstanding (52.9 million), total equity raised is EUR 1.64 / share.

Shareholders' Equity (EXCLUDING revaluations) = EUR 1.66 / share (+ 61.1 % *)

Consolidated shareholder's equity as of 31st December 2007, net of minority interests, was EUR 87.82 million. In relation to total shares issued and outstanding (52.9 million), total shareholders' equity is EUR 1.66 / share. It should be noted that – contrary to prevailing industry practice – properties and property investments are carried in the books at historical costs, and no “IFRS 40 revaluations” have been made.

Net Asset Value (NAV) = EUR 1.85 / share (+ 79.6 % *)

On the basis of a very attractive rental yield of 9 percent, the market value of the German portfolio is above acquisition costs. Our own internal valuations have rendered a market value that is approximately EUR 6 million higher than acquisition costs; external appraisals for the German portfolio are being prepared for year-end financial statements (as of 31st of March 2008). Further appreciations are targeted through active asset management, such as reducing vacancies in the German residential portfolio. Appreciations are also inherent in the land bank not developed yet, as a result of the continued dynamic growth of the Eastern European markets and through the preparatory steps for the development of such plots. In those cases where appreciation is above-average, we are looking at the potential sale of individual land plots as an alternative to development. Per our most recent assessment, the market value of such land plots is approximately EUR 4 million higher than acquisition costs. Altogether, and in relation to total shares issued and outstanding (52.9 million), the total of EUR 10 million corresponds to a value of EUR 0.19 / share. Accordingly, NAV is EUR 1.85 / share (EUR 1.66 / share of shareholders' equity plus these EUR 0.19 / share).

*) as compared to the share price of 8th of February

Development Business

The most significant value added is embedded in real estate development, MAGNAT's core business. Development projects contribute to earnings after completion and sale. We refrain intentionally from a revaluation in the financial statements and an inclusion of higher market values of development projects into NAV – which has become (even though not predominantly, but partially) industry practice.

As already stated above as well as in our Interim Financial Report, the timing for recognition of profits is determined by the strategy of MAGNAT and the resulting accounting policies. This needs to be factored in when measuring the earnings potential of the company and, as a consequence, of the shares (as in particular on the basis of price-earnings ratios). Whereas prerequisites for the recognition of income by “traditional” real estate companies are being met already after closing of a transaction (revenues from rental income and gains from appreciations), this is not the case in MAGNAT's business model. This is particularly true in real estate development, as gains are not recorded before investments are sold (and therefore realization of profits is deferred); until then, neither rental income nor gains from revaluations are available for recognition in the books. In addition to the deferred profits recognition, continuity of earnings is affected, which should be noted when comparing quarterly, semi-annual and annual results (which may fluctuate, depending on the recognition of gains from sales of investments).

MAGNAT's business policy is designed to partially compensate for these effects. Important measures are to complement the portfolio with properties that generate recurring rental income, and high capital turnover, also within the development portfolio (e.g., by investing in development projects with existing building permits; selling individual land plots pre-development; forward sales of development projects).

When considering these aspects, development of earnings in the current financial year 2007/08 is satisfactory, as significant gains could be realised after a comparatively short holding period and despite the changes in general business environment. Due to MAGNAT's strategy – and due to the lack of “IFRS 40 revaluations” – the achievement of the profit targets for the current fiscal year 2007/08 will depend on the completion of further sales until financial year-end (March 31st, 2008).

Frankfurt, February 2008

Jan Oliver Ruester

Peter Waldner

Disclaimer

This interim report contains future-oriented statements and information concerning expected developments. Such forward-looking statements are based on our present expectations and estimates and certain assumptions. Risks and uncertainties are inherent. The actual events, results and performances therefore can deviate significantly. MAGNAT does not assume liabilities of any kind, and does not intend to update such future-oriented statements in view of new information or future events.

**INTERIM REPORT of the MAGNAT-group
as of February 11, 2008 (Ad-hoc-news)**



INTERIM REPORT
WITHIN 2nd HALF-YEAR 2007/08
(financial year 1 April 2007 – 31 March 2008)

- **MAGNAT net profit (consolidated, IFRS) for the first 9 months of the financial year 2007/08 (1 April – 31 December 2007) at EUR 2.27 million**
- **MAGNAT continues to refrain from recognition of gains from revaluations of its real estate portfolio in the financial statements – Profits generated exclusively from realised earnings (gains from sales and rental income)**
- **Increase of NAV to EUR 1.85 / share – Significant additional intrinsic value from MAGNAT's core development business**

Frankfurt / Main, February 11, 2008

MAGNAT Real Estate Opportunities GmbH & Co. KGaA (ISIN DE000A0J3CH0) earned a consolidated net profit (IFRS based, after taxes and minority interests) of EUR 2.27 million for the first nine months of its financial year 2007/2008 (1 April 2007 – 31 December 2007). Compared to the reference period of the preceding financial year (an incomplete fiscal year from 6 April 2006 to 31 December 2006), net profit was increased by EUR 2.08 million. Earnings per share were EUR 0.04 (EUR 0.01 per share for the reference period of the preceding financial year).

Net result from rental activities was EUR 1.52 million. As a result of sales from the development portfolio, profits from investments accounted for “at equity“ were EUR 3.59 million. The result in both segments was zero for the reference period of the preceding financial year. Operating result (EBIT) was EUR 2.02 million (minus 0.19 million in the reference period of the preceding financial year). Net financial income was EUR 0.30 million (0.38 million for the reference period of the preceding financial year), income before taxes was EUR 2.11 million (EUR 0.19 million for the reference period of the preceding financial year).

In contrast to predominant industry practice, MAGNAT entirely abstained from “IFRS 40 revaluations” of the real estate portfolio. Earnings in the current financial year are exclusively the result of realised gains from sales and from rental income. Further sales are in varying stages of negotiation and execution, impact on earnings within current financial year 2007/08 is subject to completion of such sales until financial year-end.

Consolidated equity as of December 31, 2007, was EUR 100.45 million (including EUR 12.62 million minority interests), corresponding to an equity ratio of 80 percent (45.45 million and 91 percent, respectively, as of March 31, 2007). Total assets as of December 31, 2007, were EUR 125.62 million (EUR 49.99 million as of March 31, 2007). MAGNAT has a comfortable liquidity status, all currently necessary credit financings could be secured according to plan. The continued high equity ratio provides flexibility for further financing.

Net Asset Value, excluding the significant upsides from the development portfolio, is EUR 1.85 per share. This is an increase of 13 percent compared to total equity raised of EUR 1.64 per share. This increase in NAV could be realised after a comparatively short period of time, as the last (and also most substantial) capital increase took place in April 2007. A significant additional upside, not included in the NAV-data above, is embedded in real estate development, MAGNAT’s core business.

Important Changes and Developments since October 1st, 2007

The following information is, to a large extent, an update of the (detailed) information provided in our semi-annual report, to which we may refer (also to avoid reiterations). The semi-annual report is available for download at <http://www.magnat-reop.com/de/investorrelations/finanzberichte>).

No investments in new projects were made since publication of our semi-annual report. Closing of the investments Saalfeld und Delitzsch (German portfolio) for which contracts were signed in the first half of the financial year was effected in December 2007. Credit financings for both properties, as well as for the A&T-portfolio, were secured and executed. Also, a loan commitment for the development project Peremogi (Kiev, Ukraine) is now available.

In addition to recurring rental income, further exits have contributed to the bottom line, specifically sales from the YKB-Portfolios. In the fourth quarter of the current financial year, the contractual rights for phase 2 and the participation in the management company of the Chemelnitzky project were sold; closing of this sale is subject to certain conditions precedent. When closed as planned (which can be expected during the current financial year 2007/08 from today's point of view, with purchase price due at the end of March 2008), MAGNAT will be able to generate an additional pre-tax profit of approximately EUR 6.5 million. Consolidated earnings (after taxes and minority interests) for the 3rd quarter (October 1st, 2007 – December 31st, 2007) was slightly negative with EUR 0.3 million, as this transaction took place after December 31, 2007; the results for the 3rd quarter was also affected by one-time costs due to the segment change to the General Standard. Further sales are in varying stages of negotiation and execution, impact on earnings within current financial year 2007/08 is subject to completion of such sales until financial year-end. All segments (properties from the German portfolios, land bank in Eastern Europe, development-portfolio) contribute to the exit pipeline.

Besides the sale of the contractual rights for phase 2 and the participation in the management company as described above, the following developments have taken place since publication of the interim financial report: Also considering the agreement on the sale of the contractual rights for phase 2 and the participation in the management company, the buyer was granted an extension of the due date for the purchase price for phase 1 (USD 8 million for the sale of 500 shops) until the end of February. Management believes that the remaining conditions will be met and, consequently, the payment will be made in accordance with the adapted contract; the 10 percent reserve against the receivable (to account for the currency risk and the net present value of the receivable) was maintained out of prudence. Shares in both project companies sold remain pledged to the seller until payment of purchase prices. Due date for the additional, short-term loan of USD 1 million granted to the local project partner in October 2007 was extended until the end of April 2008, ownership of the additional 100 shops pledged was however transferred to MAGNAT (indirectly through a project company). If repayment is not effected until the end of April 2008, MAGNAT will be able to sell these additional 100 shops. Financing of the transformers to increase the electrical load for the whole market was secured by R-QUADRAT, MAGNAT's Asset manager; MAGNAT has not incurred additional costs or provided additional financing.

Frankfurt/Main, 11th February 2008

MAGNAT Real Estate Opportunities GmbH & Co KGaA

Jan Oliver Ruester

Peter Waldner

Financial Calendar 2007/2008

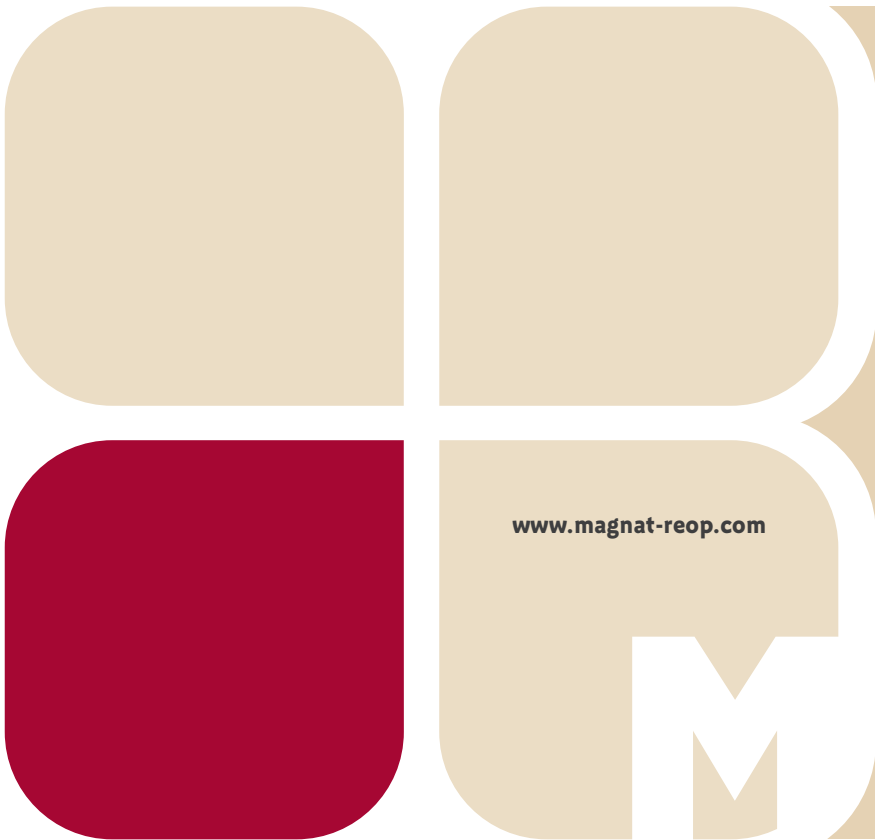
Publication of annual financial statements/ Annual Report 2007/08	31 July 2008
Interim announcement within 1st half-year 2008/2009	11 August 2008
Annual Shareholders' Meeting, Frankfurt / Main	August 2008

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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. To request printed information, please mail to: info@magnat-reop.com.



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