MAGNAT publishes half-year results

- Sales programme will be implemented
- Half-year result affected by special factors
- Earnings relief for the second half of the year expected
- Yet overall business environment remains extremely demanding
- Gaining liquidity remains management's focus

Frankfurt am Main, 30 November 2011 – Today, MAGNAT Real Estate AG ("MAGNAT", ISIN DE000A0XFSF0) are presenting their half-year report (April through September) and the second quarter report (July through September) for the 2011/2012 financial year.

Currently, the overall economic environment is extremely demanding and is hampering the implementation of our sales programme. For this reason, the overall business operations during the first half-year 2011/2012 were disappointing. In addition, temporary cut-off date charges stemming from the restructuring of a Ukrainian project additionally burdened the result by EUR –1.9 million. However, this charge will be largely recovered during the third quarter.

As previously communicated, we were able to sell the residential portfolio in Germany after the close of the reporting period. This transaction will – after deduction of the transaction costs and the debt associated with the buildings – directly and indirectly provide MAGNAT with a cash inflow in the single-digit million amount. In addition, the sale includes impairment on the portfolio's book value totalling EUR 1.6 million that has already been taken into consideration in the current half-year report.

In total, the six-month period 2011/2012 the pre-tax loss was EUR –5.9 million after a pre-tax loss of EUR –0.7 million in the previous year. The net loss attributable to parent company shareholders for the period amounted to EUR –5.4 million after a loss of EUR –1.0 in the previous year. In the second quarter, the pre-tax loss was EUR –4.7 million after a pre-tax profit of EUR 0.3 the previous year. The net loss attributable to parent company shareholders for the period amounted to EUR –4.2 million after EUR 0.1 million the previous year.

Per 30 September 2011, MAGNAT's cash position was EUR 4.3 million, after a total of EUR 0.3 million at the conclusion of the previous financial year. At 59.8 per cent (63.2 per cent in the previous year), the company's equity ratio remained at a high level. The net asset value (NAV) per share – in accordance with EPRA requirements – fell to EUR 5.57, after a previous value of EUR 6.17.

The continued growth of the MAGNAT Group will significantly be affected by the success of the additionally planned sales. A quick success in the implementation of the sales programme is therefore urgently required in order to ensure the liquidity of the company in future.

After a brief recovery period of the global economy, the national debt crisis in both the USA and Europe have again significantly clouded the overall outlook. This can be especially felt in the availability of financing offers for larger property transactions in Eastern Europe but also in Germany. That being said, the risks for the business development of MAGNAT are significantly higher than some of the revenue losses that loom in both the third quarter and second half of the year.

About MAGNAT

MAGNAT Real Estate AG is the first publicly traded real estate company in Frankfurt that focuses on real estate development in Austria and selected countries within the emerging economies of the Black Sea region.

MAGNAT is an integrated real estate group, addressing the entire value chain and covering the acquisition, development, and disposal of projects and construction land. The Group also offers real estate asset management.

Corporate figures in EUR ('000)	**HY1 2011/2012**	HY1 2010/2011	**Q2 2011/2012**	Q2 2010/2011
Rental profit	1,661	1,641	753	951
Profit /loss on sale of real estate	0	1,356	0	1,356
Profit /loss on asset management	83	212	50	127
Profit/loss on entities measured at equity	–780	–5,030	–443	–3,842
Profit/loss before interest and taxes (EBIT)	–5,180	–2,753	–4,473	–2,077
Profit/loss before taxes (EBT)	–5,927	–731	–4,734	291
Corporate profit/loss after taxes attributable to parent company shareholders	–5,404	–1,043	–4,159	60

(Financial year 1 April 2011 – 31 March 2012)

Corporate figures in EUR ('000)	30 Sept. 2011	31 March 2011
Total assets and liabilities	143,923	149,423
Group equity	86,094	94,428
Equity ratio in per cent	59.8	63.2
Net Asset Value per share in EUR	5.57	6.17

(Financial year 1 April 2011 – 31 March 2012)

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