



MAGNAT publishes results for financial year 2011/2012

- Change in the accounting for the integration of R-QUADRAT Immobilien GmbH retrospectively for financial years 2009/2010 and 2010/2011 has a significant impact on the valuation of assets and the financial results for the subsequent financial years
- Based on the new accounting, group net income amounted to EUR 12.9 million in financial year 2011/2012 following a loss of EUR 10.3 million in the prior year
- Extensive resale programme was carried out successfully in the reporting year in order to secure liquidity
- Strategic focus on the emerging markets of the Black Sea region continues

Frankfurt am Main, August 24, 2012 – On August 23, 2012, the Supervisory Board of MAGNAT Real Estate AG („MAGNAT“, ISIN DE000A0XFSF0) dealt extensively with the financial statements and the consolidated financial statements for financial year 2011/2012 (as per March 31), including the management report for both the Company and the Group, which have been audited and furnished with unqualified audit certificates. The Supervisory Board adopted the financial statements and approved the consolidated financial statements.

MAGNAT Real Estate AG's results for financial year 2011/2012 were largely impacted by an accounting change concerning the integration of R-QUADRAT Immobilien GmbH in 2009. Based on the examination of the accounting as per March 31, 2010 by the German Financial Reporting Enforcement Panel (Deutsche Prüfstelle für Rechnungslegung, DPR), the consolidated financial statements for financial years 2009/2010 and 2010/2011 were adjusted retrospectively with respect to the integration of the R-QUADRAT Group. In accordance with international accounting standards (IFRS), the DPR came to the conclusion that the transaction was a reverse acquisition and that R-QUADRAT Immobilien GmbH must be identified as the acquiring company. The corresponding adjustments carried out are described in detail in the notes to the current annual report.

On this basis, MAGNAT reported a profit for the period of EUR 12.9 million for financial year 2011/2012 (as per March 31, 2012) compared to a loss of EUR 10.3 million in the previous year. Earnings per share amounted to EUR 0.93 following EUR -0.74 in the prior year. Group equity increased to EUR 20.2 million from EUR 12.6 million due to the positive profit for the period. The equity ratio rose to 45.7 percent as per March 31, 2012 from 18.6 percent in the previous year.

In addition, financial year 2011/2012 was characterised by a number of successful disposals of the real estate portfolio. This also led to a reduction of risk positions. The resale of the residential portfolio in Germany contributed a single-digit million amount to the annual result.



Due to the disposals, the profit on the sale of real estate soared to EUR 15.7 million following EUR 2.3 million in the previous year.

The Turkish Project YKB developed favourably and contributed EUR 6.0 million to earnings. In addition, MAGNAT realised a gain of EUR 2.7 million from a settlement payment which resulted from the conclusion of a legal dispute concerning the Schwarzenberg project.

Due to continued cost controlling efforts, general and administrative expenses declined from EUR 7.4 million in the previous year to EUR 5.7 million in the reporting year.

Earnings before interest and taxes (EBIT) amounted to EUR 14.8 million compared to EUR -9.4 million in the prior year. The financial result was EUR -1.8 million following EUR -1.2 million and profit before taxes was EUR 13.0 million (previous year: EUR -10.6 million). After taxes, net income for the period amounted to EUR 13.0 million compared to EUR -10.8 million.

After non-controlling interests of EUR 0.0 million (previous year: EUR -0.5 million), net income for the period attributable to parent company shareholders amounted to EUR 12.9 million following EUR -10.3 million in the prior year.

Total assets declined from EUR 67.6 million in the previous year to EUR 44.3 million primarily as a result of the disposals mentioned in the reporting year. Correspondingly, liabilities declined EUR 31.0 million to EUR 24.0 million as compared to the previous year.

As of the balance sheet date, the net asset value according to the internationally accepted EPRA requirements amounted to EUR 1.44 per share due to the acquisition of R-QUADRAT Immobilien GmbH. The calculation is based on 13,894,651 shares outstanding.

In financial year 2011/2012, several measures were implemented in order to sustainably improve the Group's earnings situation in the medium term. These include the further reduction of the overall risk of the real estate portfolio, extensive cost savings, as well as the consistent focussing of the portfolio on the emerging markets of the Black Sea region. MAGNAT's key markets are the Ukraine, Turkey, Georgia, and possibly Romania. Securing the Group's liquidity remains the key focus of MAGNAT's financial planning. The situation in the real estate markets in which MAGNAT is active, is likely to remain challenging in the current financial year.

The annual financial report for financial year 2011/2012 will be available from August 24, 2012 at the Company's website at www.magnat.ag.



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.

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