MAGNAT REAL ESTATE

Q01

Interim Report 1st Quarter
FY April 1, 2011 to March 31, 2012

Magnat in brief

MAGNAT Real Estate AG is the first Frankfurt-listed real estate company 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 covering the acquisition, development, and disposal of projects and construction land. The Group also offers real estate management for third parties.

MAGNAT's strategy is oriented to exploiting inefficiencies on real estate markets. In contrast to the conventional "buy & hold" approach, MAGNAT pursuits a "develop & sell" and "buy & sell" approach that focuses on real estate development, augmented by portfolio trading. MAGNAT investors participate in developer returns in Eastern Europe, and in special situations in Germany and Austria.

Key Group figures (unaudited)

in EUR 'ooo	Q1 2011/12	Q1 2010/11	FY 2010/11
Profit/loss on rental of real estate inventory	908	689	3,036
Profit/loss on sale of real estate	0	0	2,304
Profit/loss on asset management	33	85	−483
Profit/loss on companies measured at equity	−337	−1,188	−11,168
Profit/loss before interest and tax (EBIT)	−706	−676	−15,898
Profit/loss before tax (EBT)	−1,193	−1,022	−15,059
Profit/loss after tax attributable to parent company shareholders	−1,246	−1,102	−13,284
Basic earnings per share in EUR	−0.09	−0.08	−0.96
Diluted earnings per share in EUR	−0.09	−0.08	−0.96
Equity	91,466	111,782	94,428
Liabilities	57,030	66,497	54,995
Total assets	148,496	178,279	149,423
Equity ratio in percent	61.6	62.7	63.2
Cash & cash equivalents	5,571	7,669	5,320

Interim Report for the 1st Quarter of Fiscal Year 2011/2012

- Quarterly net result at previous year's level
- Unrealised currency losses burden earnings and equity
- EUR 4 million of cash returned from YKB portfolio
- Original investment already fully returned as a consequence; portfolio nevertheless still contains further attractive real estate to be developed or sold
- Slight growth in cash and cash equivalents during first quarter; reduction in short-term finance debt

Frankfurt am Main, August 11, 2011 – In its report for the first three months of the 2011/2012 financial year (April 1, 2011 until March 31, 2011), Magnat Real Estate AG ("MAGNAT", ISIN DE000A0XFSF0) notes that its business has progressed in line with expectations, with the exception of charges arising from unrealised currency losses. The quarterly net loss amounted to EUR −1.2 million, essentially at the previous year's level of EUR −1.1 million.

Cash and cash equivalents nevertheless underwent a slight increase to EUR 5.6 million as of March 31, 2011 balance sheet date, compared with EUR 5.3 million at the end of the previous financial year. Funds of EUR 4 million accrued to the company from the YKB portfolio. Above and beyond this, short-term finance debt was reduced by EUR 1.7 million over the course of the quarter under review.

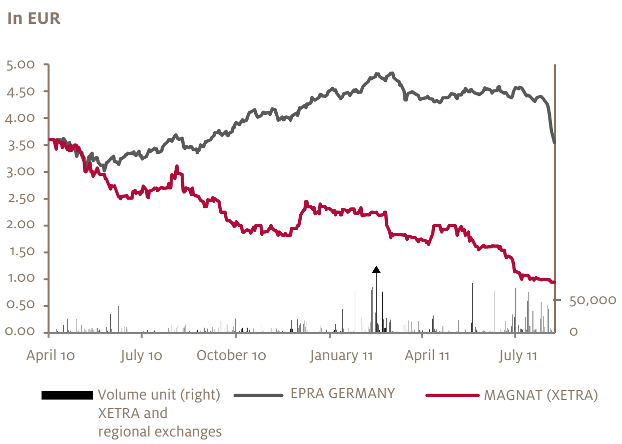
Stock market data

	Q1 2011/12	FY 2010/11	FY 2009/10
Number of shares	13,894,651	13,894,651	13,894,651
Market capitalisation	15,839,902	24,315,639	50,020,744
Earnings per share	–0.09	–0.96	–1.35
PER	negative	negative	negative
NAV per share in EUR	5.95	6.17	7.63
Free float (shareholders < 3%) in percent as of July 15, 2011	34.63	38.95	34.36
Share capital in EUR	13,894,651	13,894,651	13,894,651

Net asset value (NAV) calculation (in EUR million)

	NAV	No. of shares	NAV per share in EUR
NAV per the financial statements as of June 30, 2011	**82.62**	**13.89**	**5.95**
Effect of exercise of options, convertibles and other equity interests	–	–	–
Diluted NAV, after the exercise of options, convertibles and other equity interests	**82.62**	**13.89**	**5.95**
Revaluations	–		–
Development of properties held for investments	–		–
Revaluation of other non current investments	–		–
Fair value of tenant leases held as finance leases	–		–
Fair value of trading properties	–		–
Fair value of financial instruments	–		–
Deferred tax	0.11		0.01
Goodwill as result of deferred tax	–		–
Diluted EPRA NAV	**82.72**		**5.95**

Share price performance



Including the inflows that it received during the reporting period, MAGNAT has already received funds of around EUR 21 million from its Turkish portfolio, and has thereby received the entire equity that it originally employed in this investment. At the same time, however, the project company still holds further attractive real estate that it intends to develop and/or sell in the future. In overall terms, we are consequently very confident concerning both further future fund inflows, and the total return that the investment can achieve after the resale of all properties.

In the first quarter of the 2011/2012 financial year, MAGNAT boosted its earnings from the rental of real estate to EUR 0.9 million, compared with EUR 0.7 million. This results both from slightly improved income and from a light reduction in expenses. There were no property sales, in line with the company's plans. Earnings from asset management stood at EUR 0.033 million compared with EUR 0.1 million in the previous year. Here, there was a decline in both income and expenses following the filing for insolvency of Austrian co-investors, for whom MAGNAT had rendered payments.

The loss on investments measured at equity underwent a significant improvement to EUR –0.3 million, compared with EUR –1.2 million, since a one-off charge in the previous year was no longer incurred in the quarter under review. At EUR –1.2 million, general and administrative expenses were unchanged compared with the prior year. Other operating expenses rose during the reporting period to EUR –1.0 million, compared with EUR –0.5 million in the previous year, mainly due to unrealised currency charges connected with projects in the Ukraine. Overall, the loss before interest and tax stood at EUR –0.7 million, as in the previous year.

Due to lower financial income, the financial result amounted to EUR –0.5 million, compared with EUR –0.3 million in the prior year. The tax position was immaterial. As a consequence, the quarterly net loss attributable to parent company shareholders stood at EUR –1.2 million, compared with EUR –1.1 million in the previous year, and basic and diluted earnings per share amounted to EUR –0.09, compared with EUR –0.08.

There was only a slight change in MAGNAT's total assets and balance sheet structure in the quarter under review compared with the March 31, 2011 balance sheet date. As of June 30, 2011, total assets amounted to EUR 148.5 million, compared with EUR 149.4 million on March 31, 2011.Besides the slight growth in cash and cash equivalents that has already been mentioned, and the reduction in short-term finance debt, there is also a change among interests held in companies measured at equity. These were down from EUR 29.5 million to EUR 27.6 million, primarily due to unrealised currency losses.

Other Information

Name	MAGNAT Real Estate AG
ISIN	DE000A0XFSF0
Ticker symbol	M5R (Bloomberg: M5R RK, Reuters: M5RGK.DE)
Number of shares	13,894,651
Free float (shareholders < 3%) in percent	34.63
Coverage	Close Brothers Seydler, Silvia Quandt & Cie. AG
General standard	Frankfurt Stock Exchange (Frankfurt and Xetra)
Open market	Berlin, Dusseldorf and Stuttgart
Index	C-DAX, DIMAX
E-Mail	ir@magnat.ag
Website	www.magnat.ag

Financial Calendar

Publication/event	Date
Annual General Meeting of shareholders, Frankfurt am Main	27.10.2011
Interim financial report as of September 30, 2011	30.11.2011
Q3 interim release as of December 31, 2011	10.02.2012
Annual report 2011/2012	30.07.2012

MAGNAT fiscal year: April 1 to March 31

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Remarks: This interim report is also available in English. The German version of this report is authoritative. More information about the company and the online interim report is available on the Internet at www.magnat.ag. We will be pleased to send you information in printed form on request: info@magnat.ag

This resulted in a currency translation charge that was taken to equity, as a consequence of which the equity ratio reduced slightly from 63.2 percent to 61.6 percent.

There was also an increase in non-current finance debt to EUR 43.4 million, compared with EUR 39.5 million. This reflects the cash inflows from the YKB portfolio, where the original investment was in the form of a loan.

The net asset value (NAV) based on EPRA regulations amounted to EUR 82.16 million after these changes. This corresponds to NAV of EUR 5.95 per share based on 13.89 million shares in issue.

Outlook

The 2011/2012 financial year is characterised by an ambitious sales programme to secure liquidity and implement our strategic reorientation to our core markets in the Black Sea region. Besides disposals in markets that we have categorised as no longer strategic, we have also identified projects in our target regions, particularly the Ukraine, that can be transferred to the sale phase on a commercially viable basis due to the slight improvement that is emerging in the market situation there. By their nature, it is impossible to issue reliable forecasts for such transactions in advance, neither in terms of timing nor quantification.

The prospects for the global economy have also recently worsened significantly due to the state debt crisis. The global currency system, the role of the US dollar as an international reserve currency, and the future of the euro have come into focus with the consequence of extreme price movements on capital markets due to the fundamental decline in confidence in policymakers' ability to act. This jeopardises the slight recovery trends in Eastern Europe, and may, in particular, result in requisite capital inflows failing to reach the region.

On the expenditure side, by contrast, there are indications for the current financial year – particularly in the case of legal advice costs – of specific increases connected with the further development with the Austrian co-investors. On the other hand, future income shortfalls in this connection no longer play a significant role.

Frankfurt am Main, August 11, 2011

Dr. Marc-Milo Lube
CEO

Jürgen Georg Faè
CFO