



- **MAGNAT Real Estate Opportunities announces first exits**
- **Successful sale of investments 'Podillja 1' und 'Vossbergstrasse' – Returns distinctly exceed own expectations**
- **Investment Agreement for phase 2 of „Podillja“ signed**

Frankfurt / Main, 7th May 2007

MAGNAT Real Estate Opportunities GmbH & Co. KGaA signed contracts for the sale of its investments 'Podillja' in Chemelnitzky/Ukraine and 'Vossbergstrasse' in Berlin/Germany. Both investments were made in 2006 and were classified as 'distressed real estate'.

The project 'Podillja' comprises the development of a wholesale market in the town of Chemelnitzky, which is the most important trading location for Central Ukraine. With an initial investment of USD 2.5 million, MAGNAT has co-financed the completion of development phase 1, consisting of 4.500 stores and to be opened in mid-2007. Further, the investment agreement for 'Podillja 2' was signed with the local project partner. Development phase 2 will comprise an additional 5.000 units for a total investment of USD 25 Mio.

The project 'Vossbergstrasse', a property in a prime location in Berlin-Schoeneberg, comprises the conversion of a vacant office building into 12 exclusive lofts with a total usable space of 1.600m². Already prior to the start of the construction works, MAGNAT sold 94.5% of the shares in the project company, for a fixed price and an additional profit participation in the development gain. The total project volume is EUR 3.2 million.

The management of MAGNAT, with CEO Jan Ruster und CFO Peter Waldner, gives the following additional explanations: „ These projects demonstrate very clearly the execution of our ‘develop and sell’ strategy. We are particularly pleased that we were able to realize these first two exits at a very early stage of MAGNAT – i.e., only one year after MAGNAT had been established. At the same time, these two investments are live examples of our ‘distressed real estate’ portfolio: Both ‚Podillja’ und ‚Vossbergstrasse’ were – particularly at the time of the investment decisions – very challenging projects, with a corresponding risk profile. Therefore, we were able to achieve attractive purchase terms, which in turn were a decisive factor for the high value added at exit. Bottom line is that the returns, for both projects, distinctly exceed our own, above-average yield requirements – and is further improved by the short holding period.”

About MAGNAT:

MAGNAT is a real estate company with a focus on real estate development in Eastern European countries. Seed investors were the Silvia Quandt family, the two financial investors Themis Equity Partners and Heliad Equity Partners, and the management. In the course of two capital increases in 2006 and a further capital increase in spring of 2007, a number of institutional investors, amongst them Swiss Real Estate, invested in MAGNAT.

With its opportunistic strategy, MAGNAT capitalizes on inefficiencies in real estate markets. In contrast to traditional investment strategies, MAGNAT not only benefits from rental income, but also and primarily from attractive development yields and the comparable short time of capital employed in its projects. All projects must meet an above-average yield requirement.

Management focuses on real estate markets with interesting development cycles, i.e. undervalued markets ("anti-cyclical investing") and markets with high economic growth rates ("growth markets"). The regional focus is currently on Central, Eastern and South-Eastern Europe, supplemented by opportunistic, special situations in the German home market.

Contact

MAGNAT Real Estate Opportunities GmbH & Co. KGaA

Christiane Kriesche

Head of Marketing & Communication

Tel.: +49(0)69 719 189 79 0

E-mail: christiane.kriesche@magnat-reop.com