



- **MAGNAT expands activities in Russia – EUR 2.5 million investment in Russian Land**
- **Land banking in Moscow Region offers high upside potentials due to dynamic population and strong GDP growth rates**
- **First property with total area of 40 hectares ready for signing**

Frankfurt am Main, 16<sup>th</sup> October 2007

MAGNAT Real Estate Opportunities GmbH & Co. KGaA expands its activities in Russia with an investment in Russian Land AG. With a seed investment of EUR 2.5 million, MAGNAT is one of the founding shareholders of the company that specializes in land banking in the Moscow Region.

Prevailing macro-data are compelling for investments in this segment: Annual GDP growth of approximately 6 per cent in Russia creates a continued strong demand for all classes of real estate, in particular in urban centres. Despite the continued process of closing the wealth gap, Russian GDP per capita in 2006 was only at close to USD 7,000 which is still only 20 percent of the comparable rate for Germany. Migration from all Russian regions into Moscow – which is already the biggest European capital city, the Greater Moscow region has 14 million inhabitants – creates a continued dynamic population growth and, as a consequence, high demand for residential property.

Russian Land will take advantage of the favourable external environment as follows: In the Greater Moscow region, land plots in certain regions can be purchased for prices between 1 and 3 USD per square meter. With such attractive investment opportunities, it is possible in

strategically good locations – if supported by certain active measures, such as making the land ready for development and achieving the zoning for the intended use – to create high value in a relatively short period of time. Russian Land intends to commercialize an investment – and by that realize the value added – within approximately three years from acquisition of the land plot.

The participation of MAGNAT currently represents 50 per cent of the nominal capital of Russian Land AG. Subsequent to the first investments, Russian Land plans to raise additional capital; it is intended to attract primarily new investors. The supervisory board of MAGNAT already approved a potential increase of the investment in Russian Land of an additional up to EUR 2.5 million (hence up to EUR 5 million total investment).

CEO Jan Oliver Ruester explains the investment of MAGNAT in Russian Land: „This investment offers a high yield potential for MAGNAT in the segment of land banking, and at the same time secures an appropriate diversification of the portfolio. The strategy is being implemented by an experienced management team present in Moscow. One 40 hectares land plot is ready for signing, further properties are in due diligence now. So our shareholders are able to benefit from the above-average growth-rates in this region. “

### **About MAGNAT:**

MAGNAT is a real estate company with a focus on real estate development in Eastern European countries.

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

Grueneburgweg 18

60322 Frankfurt am Main

### **Investor Relations**

Eva Moertenhuber

phone: +49 (0) 69 719 189 79 0

E-Mail: [eva.moertenhuber@magnat-reop.com](mailto:eva.moertenhuber@magnat-reop.com)

### **Press Relations**

edicto GmbH

Axel Muehlhaus / Werner Rueppel

phone: +49 (0) 69 905 50 55 2

E-Mail: [amuehlhaus@edicto.de](mailto:amuehlhaus@edicto.de)