



- **MAGNAT Real Estate Opportunities with promising investment in Russia.**
- **Strategic cooperation with Moscow-based real estate developer is a platform for future projects in this strong growth market.**

Frankfurt am Main, 21 March 2007

With an investment into the “Cottage Village Sadko” project, MAGNAT Real Estate Opportunities GmbH & Co. KGaA successfully entered the Russian market. With a total volume of approximately USD 100 million, 600 cottages with some 80.000 m² of floor space will be developed in several phases. The property with a size of 900.000 m² is located in Moscow Oblast at the south-western rim of the city. It is distinguished by its very good accessibility. The deal is structured as a co-investment with MAGNAT owning 25% of the total project.

As part of the investment, MAGNAT entered into a cooperation with Transregion, a Russian-American company that initiated the Sadko project and is the market leader in the “Economic Cottages” segment for the Moscow Oblast region. This strategic alliance enables MAGNAT to enter one of the fastest growing segments of the Russian real estate market.

The management team of MAGNAT, with CEO Jan Ruester and CFO Peter Waldner, is convinced about the significant potential of its latest project: “The Sadko Development targets young families with a monthly income between 1,000 and 3,000 USD. This group comprises the fastest growing segment in the Moscow market. The concept of economic cottages in a gated community, sized between 90 and 150 m² each (including garden), is the first of this type in the suburbs of Moscow. For the target group, we are able to offer a highly attractive alternative with superior value, as compared to buying an apartment in a suburb of the city.

Due to the strong demand, we see a great potential for the project and view this deal and our strategic alliance with Transregion as an ideal entry into the Moscow residential market."

The implementation of MAGNAT's investment program in the core markets of Eastern and Southern Europe and CIS (with a focus on Russia and Ukraine) continues to be fully in accordance with planning. The closing of further deals during the second quarter of 2007 is expected.

About MAGNAT:

MAGNAT is a real estate company with a focus on real estate development in Eastern European countries. The founding partners are the Silvia Quandt family and the two financial investors Themis Equity Partners and Heliad Equity Partners as well as the management itself. In the course of two capital increases in July and September 2006, participations were taken up by several institutional investors, including Swiss Real Estate.

MAGNAT's goal is to exploit inefficiencies which are inherent in real estate markets to the advantage of its shareholders. In contrast to classical real estate investors, MAGNAT not only benefits from rental income, but also and primarily from attractive developers' returns as well as a high turnover rate of the investments (investment horizon of between 1 and 3 years). All projects must meet an above-average yield requirement.

The management focuses on markets with interesting development cycles, i.e. undervalued markets ("anti-cyclical investing") and markets with high economic growth rates ("growth markets"). The regional investment focus is currently Central, Eastern and South-Eastern Europe, as well as special situations in the home market of Germany.

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