



MAGNAT increases earnings in the 2007/2008 financial year to EUR 8.7 million

- Sound assets structure established, NAV at EUR 1.89 per share
- Consolidated equity capital at EUR 104.2 million more than doubled, balance sheet total at EUR 141.0 million almost tripled
- Focus on development and exit activities in the next 24 months

Frankfurt, 31 July 2008 - In the first full financial year, 2007/2008 (April 1, 2007 - March 31, 2008), MAGNAT REAL ESTATE OPPORTUNITIES GmbH and Co. KGaA (ISIN DE000A0J3CH0) generated consolidated net earnings of EUR 8.7 million after tax and minority interests (according to IFRS). The profit per share in the 2007/2008 financial year is EUR 0.17 (EUR 0.01 in the previous shortened year).

In the 2007/2008 financial year, MAGNAT succeeded in investing in attractive projects and in doing so building sound assets, from which the company will benefit in the coming years. The Net Asset Value (NAV), without taking into account the value potential in the development portfolio per MAGNAT share, at 31 March 2008 was EUR 1.89 and thus well above the current share price.

Earnings were supported by the rental of housing inventory with a value of EUR 2.0 million (previous year: EUR 0.1 million). This is based on the residential and commercial portfolio in Germany. Here, in the course of the year, the rental revenue base was widened through acquisitions (Saalfeld, Eberswalde, Rostock, and Delitzsch) and the rents increased by reducing the vacancy rates.

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Income from participations from at equity valued companies contributed decisively to earnings in the amount of EUR 10.6 million (previous year: minus EUR 0.02 million). In the case of investment properties in accordance with IAS 40, MAGNAT decided to maintain the assessment at fair market value in the sub-groups, especially in the acquired YKB portfolio, at group level. For the majority of MAGNAT investments, particularly in respect of the development projects, assessment is based solely on the historical acquisition cost.

Overall, MAGNAT succeeded in generating net operating income (EBIT) of EUR 7.1 million in the first full financial year, 2007/2008 (previous year: minus EUR 0.3 million). The financial result in the past financial year was EUR 1.0 million (previous year: EUR 0.7 million). This resulted in earnings before taxes on income (EBT) in the amount of EUR 8.1 million; compared to the shortened financial year of 2006/2007, this represents an increase of EUR 7.7 million. The taxation ratio is approximately 1.2%.

The company's share capital increased to EUR 52.9 million during the past financial year due to the issue of 20.7 million new shares as part of the capital increase. As a result of this, the capital reserve climbed to EUR 24.8 million. Thus, as of the balance sheet date, MAGNAT disposed of consolidated equity capital of EUR 104.2 million (including EUR 14.5 million minority interests) and a solid equity ratio amounting to 73.9% (previous year: 90.9 %). The balance sheet total at the reporting date, 31 March 2008, increased by EUR 91.0 million from EUR 50.0 million to EUR 141.0 million. Cash and cash equivalents on the balance sheet date amounted to EUR 4.8 million (previous year: EUR 30.2 million).

CEO of MAGNAT Jan Oliver Ruster explains: *"We are pleased that we have been able to generate a satisfactory result in spite of the difficult situation on the financial and real estate market. For the company, the 2007/2008 financial year was symbolised by investing the funds raised. We have succeeded in investing in attractive projects and in doing so building sound assets, from which we will benefit in the coming financial year. In the young history of MAGNAT, we have more than doubled our equity and almost tripled the balance sheet total. Hence, we are ideally equipped for the future. After intensively and successfully building our inventory in the past financial year, the coming 24 months will be dedicated to development and exit activities."*

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OUTLOOK:

The real estate markets of the regions relevant to MAGNAT: CEE/SEE/CIS, continue to benefit from the overall economic dynamics coupled with a backlog demand in almost all segments. MAGNAT has built up solid assets, will continue to focus on these markets and after profitable project sales plans to continue strengthening its commitment in the medium-term.

In the current and following financial year, efforts in terms of investment exits will be guided by the following principles:

- increased focus on growth markets, particularly in the CIS region;
- intensification of the ongoing exit activities in the residential sector and realization of achieved value growth in land banking as well as opportunistic sales of key projects;
- exit of the German portfolio over the next two financial years.

About MAGNAT:

MAGNAT is a German real estate company which focuses on real estate development in Eastern Europe supplemented by special situations in the home market of Germany. The management focuses on undervalued real estate markets and on markets with high macroeconomic growth. The strategy of MAGNAT is designed to exploit opportunistic inefficiencies. Unlike traditional investment strategies, MAGNAT profits not only from rental income, but also principally from attractive development returns.

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