

Turning Inefficiencies into **Opportunities.**



Interim report
for the 1st quarter of the
2008/2009 financial year

Financial year:
1 April 2008 to 31 March 2009

MAGNAT

Key figures in thousands of euro	Q1 2008/2009	Q1 2007/2008
Earnings from rentals	671	597
Earnings from the sale of real estate companies	0	0
Earnings from investments accounted for using the equity method	19	3.897
Operating result (EBIT)	-1.043	3.562
Earnings before taxes (EBT)	-1.277	4.066
Consolidated result after taxes and minority interests	-1.176	3.875

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.

INTERIM REPORT OF THE MAGNAT-GROUP



Interim report for the 1st quarter of the 2008/2009 financial year

(Financial year: 1 April 2008 to 31 March 2009)

- In the first three months of the 2008/2009 financial year, the consolidated result of MAGNAT was EUR -1.2 million.
- Starting in the first quarter with concentration of activities on development of the portfolio and preparation of exits in Romania and Germany
- Net asset value (NAV) at EUR 1.89 per share, without taking account of the value lever in the development portfolio

Frankfurt, 11 August 2008 – In the first three months of the 2008/2009 financial year, the consolidated result of MAGNAT REAL ESTATE OPPORTUNITIES GmbH and Co. KGaA (ISIN DE000A0J3CH0) after taxes and minority interests (according to IFRS) was EUR -1.2 million (same period in previous year: EUR 3.9 million).

The net result from the rental activities as of the reporting date, 30 June 2008, was EUR 0.7 million (previous year: EUR 0.6 million). No real estate companies were sold during the period under review. Intensification of development activities led to a balanced outcome from companies accounted for using the equity method (previous year: EUR 3.9 million). The operating result (EBIT) amounts to EUR -1.0 million (previous year: EUR 3.6 million). In June 2008, the short-term financing of two investments in Germany were replaced by long-term financing with outside capital at more favourable terms and with a higher loan-to-value ratio. The financial result amounted to EUR -0.3 million (previous year: EUR 0.5 million).

As of 30 June 2008, MAGNAT disposed of consolidated equity of EUR 104.2 million. Hence, the equity ratio is 72.6%. The balance sheet total as of 30 June 2008 stood at EUR 143.5 million. Cash and cash equivalents on the reporting date amounted to EUR 3.2 million.

The net asset value as of 30 June 2008 stood at EUR 1.89 per share, without taking into account any potential from the development portfolio. Thus, at EUR 0.89 (XETRA closing price on 30 June 2008) the MAGNAT share was quoted at 53% below NAV.

After the previous financial year saw focus principally being placed on investing the funds raised, the first quarter of 2008/2009 sees MAGNAT moving to the project developments phase. At the same time, exploitation from existing investments is being prepared.

SIGNIFICANT DEVELOPMENTS:

Peremogi investment

40% stake in a project related to the construction of a Class A office and commercial building in Kiev with an effective area of approximately 30,000 m². During the period under review, further optimisation of the planning took place. Expansion of the effective area within the constraints of the existing building permit is currently being looked at; in addition, cost effectiveness of the structural foundation is being optimised. Financing for the construction costs was secured during the reporting period. Talks on a potential end-user participating in the project are at an advanced stage.

VAKE 28 investment

In the first quarter of the financial year, MAGNAT acquired, for a total of USD 1.0 million, a 37.5% stake in a project company involved in developing an approximately 13,000 m² residential area in Tbilisi/Georgia. It is encouraging to note that in this early phase, preliminary agreements on the sale of several homes have already been concluded. After transfer, the corresponding deposit payments will be revenue-producing. Due to the payments received, the requirement of an available bank loan is under review.

Nasze Katy investment

Construction of some 1,000 homes in five elements in Wroclaw; MAGNAT holds 50% of this investment. Building permits already exist for four elements; the fifth element has been adapted for optimised utility by the end user and submitted for approval. After completion and sale of the first element consisting of 67 homes in the previous financial year, completion of the second element consisting of some 200 homes is planned for between the end of 2008 and spring 2009. The corresponding skeleton structure was completed during the reporting period. In June 2008, a preliminary agreement on the sale of a block

comprising 26 flats and 10 parking spaces from the second element was concluded with the municipality.

Yapi Kredi investment

33.3% participation in some 400 properties of varying usage in the metropolitan area of Istanbul is developing according to schedule. From the real estate earmarked for sale, 41 properties were sold during the reporting period. In July 2008, part of a bridging loan from a consortium partner was settled in the course of the disbursement of a bank loan. The planning competition related to a promising development project at an outstanding location in Istanbul has begun.

OUTLOOK:

The current situation in international financial markets gives no clear indication of the further development of either the real estate markets or the stock markets. While several international financial institutions are already predicting an end to the real estate crisis, the Bank for International Settlements (BIS) warns of a "deeper and more prolonged downturn than widely expected". Since MAGNAT principally invests in prosperous urban areas in Central and Eastern Europe ("CEE"), South Eastern Europe ("SEE") and the Commonwealth of Independent States ("CIS"), which are characterised by a high infrastructural backlog demand, MAGNAT is optimistic that the demand for high-quality real estate will continue.

In the coming weeks and months, MAGNAT will, in particular, concentrate on the exit from their investments in Romania. Furthermore, exploitation of certain existing individual development projects will be pursued in the coming months.

MAGNAT will reinvest funds released as a result of these exits in profitable pipeline projects.

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inefficiencies. Unlike traditional investment strategies, MAGNAT profits not only from rental income, but also principally from attractive development returns.

ECONOMIC INDICATORS:

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*un-audited

Frankfurt/Main, August 11th, 2008

MAGNAT Real Estate Opportunities GmbH & Co. KGaA

Jan Oliver Rüster

Jürgen Georg Faè

FINANCIAL CALENDAR

Interim Report Q1 as of 30 June 2008	August 11 th , 2008
Annual Shareholders' Meeting, Frankfurt/Main	October 30 th , 2008
Half Year Report 2008/09	November 28 th , 2008
Interim Report Q3 as of 31 December 2008	February 11 th , 2009
Publication of annual financial statements 2008/09	July 31 st , 2009

IR-Contact

Dominic Köfner, CIRO
MAGNAT Real Estate Opportunities GmbH & Co. KGaA
Grüneburgweg 18
D-60322 Frankfurt am Main
Phone: +49 (0) 69-719 189 79-0
Fax: +49 (0) 69-719 189 79-11
Email: dominic.koefner@magnat-reop.com
Web: www.magnat-reop.com

Information:

The original of this interim report was published in German. In case of deviations, the German version prevails. Further company information as well as the online-version of this financial report is available for download at www.magnat-reop.com. To request printed information, please mail to: info@magnat-reop.com.



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**Magnat Real Estate Opportunities
GmbH & Co. KGaA**

Grüneburgweg 18
60322 Frankfurt/Main

Tel. +49 (0)69-719 189 79 0
Fax +49 (0)69-719 189 79 11

E-Mail investor-relations@magnat-reop.com