



Half-Year Financial Report 2012/2013

Fiscal Year April 1, 2012 – March 31, 2013

KEY DATA

Financial Highlights (consolidated, IFRS)

in EUR 'ooo	01/04/2012 to 30/09/2012	01/04/2011 to 30/09/2011
Profit/loss on rental of real estate inventory	283	1,661
Profit/loss on real estate companies	89	0
Profit/loss on sales of real estate	302	0
Profit/loss from asset management	39	83
Profit/loss from investments accounted for using the equity method	234	-145
Other operating income and other effects	601	-82
Profit/loss before interest and taxes (EBIT)	-1,006	-2,374
Profit/loss before taxes (EBT)	-1,218	-3,121
Net profit/loss attributable to parent company shareholders	-1,199	-3,365

in EUR 'ooo	30/09/2012	31/03/2012
Cash and cash equivalents	1,479	3,589
Shareholders' equity	18,700	20,229
Total assets	40,608	44,267
Equity ratio	46.0	45.7

	01/04/2012 to 30/09/2012	01/04/2011 to 30/09/2011
Cash flow from operating activities	-800	-3,032
Cash flow from investing activities	-82	-271
Cash flow from financing activities	-1,223	2,257
Net change in cash and cash equivalents	-2,105	-1,046

Calculation of Net Asset Value (NAV, in millions)

	NAV	No. of shares	NAV per share
NAV per the financial statements	18.80	13.89	1.35
Effect of exercise of options, convertibles and other equity interests	-	-	-
Diluted NAV, after the exercise of options, convertibles and other equity interests	18.80	13.89	1.35
Revaluations	-	-	-
Development of properties held for investments	-	-	-
Revaluation of other non-current investments	-	-	-
Fair value of tenant leases held as finance leases	-	-	-
Fair value of trading properties	-	-	-
Fair value of financial instruments	-	-	-
Deferred tax	-0.35	-	-0.03
Goodwill as result of deferred tax	-	-	-
Diluted EPRA NAV	18.45		1.33

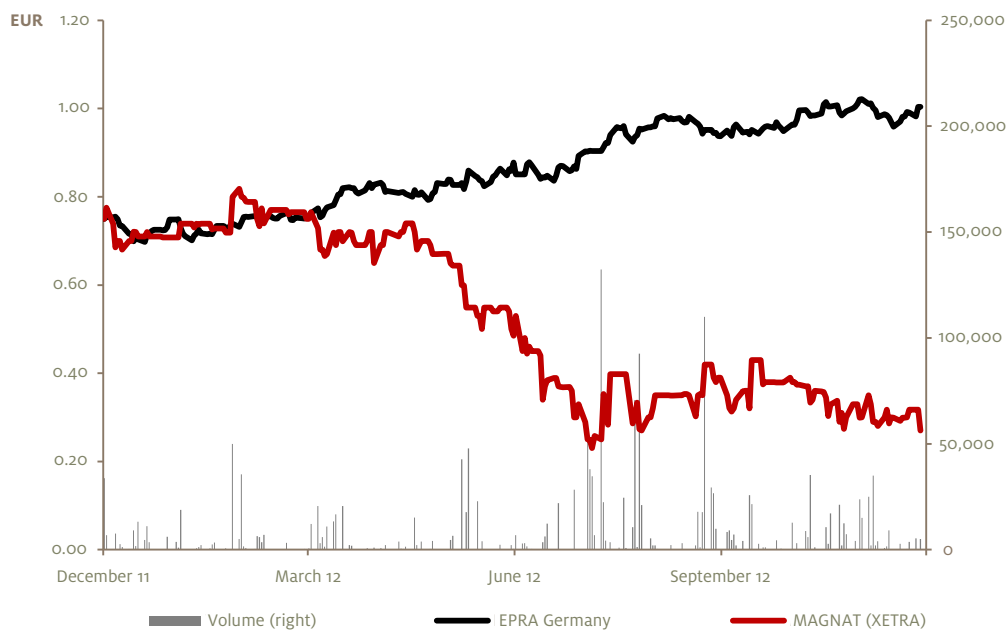
Key stock market data

	30/09/2012	31/03/2012
Number of shares outstanding	13,894,651	13,894,651
Share price at the end of the reporting period in EUR	0.38	0.65
Market capitalisation in EUR million	5.27	9.03
Net asset value (NAV) per share in EUR	1.33	1.44
Free Float (definition according to Deutsche Börse AG)	55.30	55.30

Other information

Name	MAGNAT Real Estate AG
ISIN	DE000A0XFSFo
WKN	A0XFSF
Code	M5R (Bloomberg: M5R RK, Reuters: M5RGK.DE)
Market segment	General Standard (Regulated Market) Frankfurt Stock Exchange (Frankfurt and Xetra)
Open market	Berlin, Düsseldorf and Stuttgart
Email	info@magnat.ag
Home page	www.magnat.ag

MAGNAT vs. EPRA Germany Index (12 months)



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FOREWORD OF THE EXECUTIVE BOARD

Dear shareholders,

The MAGNAT Group consistently pursued its strategic realignment in the first half of fiscal year 2012/2013. Through focussing the investment portfolio on the countries surrounding the Black Sea and the disposal of real estate outside these core markets, MAGNAT pursues two targets: reducing complexity and reducing the risks in the portfolio. In the reporting period, the Company successfully sold a real estate company and a property in Austria. Both transactions resulted in capital gains for MAGNAT. In total, the disposals led to cash proceeds of EUR 0.5 million.

MAGNAT also made substantial progress in the reduction of operating expenses in the reporting period, which constitutes the second part of its strategic realignment. General and administrative expenses declined 35 percent over the prior year's period and other operating expenses declined 31 percent. In total, this resulted in a cost reduction of EUR 1.3 million as compared to the previous year's period.

These favourable developments are also reflected in the earnings of the first half of fiscal year 2012/2013. The loss before interest and taxes declined 58 percent from EUR -2.4 million in the previous year to EUR -1.0 million. This positive trend is even more pronounced in the development of the net loss for the period attributable to parent company shareholders, which declined by almost two thirds.

Despite these important achievements, the economic environment for MAGNAT remained extremely difficult. In Eastern Europe, the economic situation has further deteriorated due to the unresolved European debt crisis. This trend had a particular impact on the real estate markets.

The recovery of the Eastern European markets that was initially expected by experts has not yet materialised and is currently unforeseeable. This is reflected in the significant reluctance on the part of investors and banks when it comes to financing new projects. The banks' restrictive lending policies are further exacerbated by the intention to reduce risk-weighted assets due to the stricter capital requirements under Basel III and the generally high risk aversion. Therefore, there were a very low number of real estate transactions in Eastern Europe and the prices remained at depressed levels. This has made disposals at economically feasible conditions almost impossible.

The near paralysis of the real estate markets in our target regions is increasingly becoming a challenge for MAGNAT in safeguarding its liquidity. Since only smaller disposals could be carried out in the reporting period, cash and cash equivalents have declined by EUR 2.1 million and amounted to just EUR 1.5 million as of September 30, 2012. Thus, the liquidity position is strained.

Therefore, MAGNAT's top priority in the second half of 2012/2013 will be the adjustment of the portfolio with the aim of further disposals, despite the very unfavourable market conditions. However, at this point in time, it is not possible to foresee when such transactions can be concluded.

Yours sincerely,



Dr. Marc-Milo Lube
CEO



Jürgen Georg Faè
CFO

INTERIM GROUP MANAGEMENT REPORT

for the period April 1 to September 30, 2012

1. Company Profile

MAGNAT Real Estate AG is the first publicly traded real estate company in Frankfurt that focuses on real estate development in Austria and selected countries within the emerging economies of the Black Sea region.

MAGNAT is an integrated real estate group, addressing the entire value chain and covering the acquisition, development, and disposal of projects and construction land. The Group also offers real estate asset management.

2. General Economic Conditions and Sector Trends

In 2012, the world economy has continued to significantly lose momentum. In the opinion of the IMF, the main cause for the weakness was the on-going European sovereign debt crisis. As a result of much more stringent fiscal discipline in the European crisis countries, especially in Greece, Spain, and Italy, the financial crisis did not escalate further. However, the cuts into the public-sector budgets have brought economic growth in the eurozone practically to a standstill.

Therefore, in the meantime the IMF is forecasting real GDP to contract 0.4 percent in the eurozone in 2012. A recovery is not expected until the second half of 2013. Nevertheless, for the full year 2013, the IMF is predicting minimal growth of just 0.2 percent for the eurozone in 2013. The weakness of the eurozone also prevents a recovery in the emerging markets due to their strong dependence on exports into the eurozone. For Eastern Europe, the IMF is expecting growth of only 2.0 percent in 2012 after growth of 5.3 percent in 2011.

Target Region: "Black Sea Countries"

The economic activity in our core markets, the countries surrounding the Black Sea, has also lost momentum overall but in largely varying degrees. For Turkey and Georgia, the IMF has successively increased its forecasts over the course of 2012. In contrast, the forecast for Romania has been significantly cut. In the Ukraine, the economic development has stabilised but at a considerably lower level than that of 2011.

Outside of some of the individual market segments such as the still prosperous residential real estate market in Turkey, the real estate markets in our target regions are still characterised by a

high degree of uncertainty. This resulted in an insufficient volume of real estate transactions and inadequate prices.

Germany and Austria

Also Germany and Austria – two countries that are traditionally very dependent upon their export industries – are increasingly being impacted by the weak economic development in many of the important sales regions. The IMF estimates GDP growth in Germany of 0.9 percent in 2012 as compared to 3.1 percent in the prior year. Growth in Austria is also expected at 0.9 percent compared to 2.7 percent in 2011.

The German residential real estate market is currently experiencing a boom. Concerns regarding the overall economic situation and possible inflationary risks have resulted in a sharp increase in real estate prices in Germany. However, this trend is primarily observed only with regard to core objects in the prime locations of the five most important cities in Germany. Construction activity in Germany has also noticeably picked up.

3. Net Assets, Financial Position and Results of Operations

Revenue and Earnings Trends

In the first half of fiscal year 2012/2013, the MAGNAT Group significantly reduced its loss as compared to the previous year. Profit/loss before interest and taxes declined 58 percent from EUR –2.4 million in the prior year to EUR –1.0 million. In the second quarter, the improvement was even more pronounced. Profit/loss before interest and taxes decreased 76 percent from EUR –1.6 million in the prior year to EUR –0.4 million.

Also the net profit/loss attributable to parent company shareholders improved considerably in the first half of fiscal year 2012/2013. The loss declined by almost two thirds from EUR –3.4 million to EUR –1.2 million. In the second quarter, the loss amounted to EUR –0.6 million as compared to EUR –2.1 million in the previous year's period.

Both, the result of the first half and of the second quarter of fiscal year 2012/2013 included only minor effects from unrealised fair value adjustments and from and impairments of goodwill and receivables.

The significant reduction in losses was primarily the result of

- The on-going measures for cost containment which resulted in a considerable decline in administrative expenses and other operating expenses
- Positive earnings contributions from the disposal of one real estate company and one property
- A clearly improved result from investments accounted for using the equity method
- A further improvement in the financial result following the significant reduction in financial debt

In the first half of 2012/2013, profit/loss on rental of real estate inventory declined from EUR 1.7 million in the prior year to EUR 0.3 million. This decrease largely reflects the disposal of the German residential portfolio in the previous year. Profit/loss on sale of real estate companies and of real estate amounted to EUR 0.1 million and EUR 0.3 million, respectively. This referred to the disposal of a real estate company and a property in Vienna. In the previous year, no proceeds from disposals were received.

Profit/loss from investments accounted for using the equity method improved from a loss of EUR –0.1 million to a profit of EUR 0.2 million. This was the result of a positive effect from unrealised fair value adjustments in equity investments in an amount of EUR 0.7 million and relates to the investment companies Russian Land and Peremogi.

Other operating income and other effects also improved from a loss of EUR –0.1 million to a profit of EUR 0.6 million. This improvement was the result of a number of factors: lower impairments of goodwill and receivables; reduced losses from unrealised fair value adjustments in real estate inventory; and currency gains.

As already mentioned, general and administrative expenses were greatly reduced once again thanks to our on-going cost containment measures. These expenses declined 35 percent from EUR 3.0 million in the prior year to EUR 1.9 million. Other operating expenses also developed favourably and declined from EUR 0.9 million to EUR 0.6 million. In total, this resulted in total cost savings of EUR 1.3 million as compared to previous year.

Following a sizable reduction in financial debt, financial expenses declined from EUR 1.1 million to EUR 0.6 million. In contrast, financial income remained virtually unchanged at EUR 0.4 million. Thus, in the first half of 2012/2013, profit/loss before taxes amounted to a loss of EUR –1.2 million following a loss of EUR –3.1 million. In the second quarter, the loss was EUR –0.5 million following a loss of EUR –1.9 million.

After taxes and non-controlling interests, the net loss for the period amounted to EUR –1.2 million after EUR –3.4 million in the previous year. This corresponds to earnings per share (basic and diluted) of EUR –0.09 after EUR –0.24.

Segment Reporting

In the reporting period, the Investments segment recorded revenues of EUR 0.5 million after EUR 3.3 million in the prior year, which is equivalent to the rental income posted in the consolidated statement of income. The net loss for the period amounted to EUR –0.1 million. In the prior year's period, the segment had reported a loss of EUR –1.0 million.

The Asset Management segment recorded revenues of EUR 2.0 million after EUR 0.2 million in the prior year. The segment's net profit for the period amounted to EUR 0.1 million after EUR –1.9 million in the previous year.

Central functions incurred a net loss for the period of EUR –1.1 million compared to EUR –2.3 million in the first half of the prior year.

Consolidated Statement of Cash Flows

In the reporting period, cash flow from operating activities improved to EUR –0.8 million after EUR –3.0 million in the previous year. This was largely the result of considerably lower losses in the period and the proceeds from the disposal of real estate inventory (EUR 1.3 million after EUR 0.0 million in the previous year's period).

Cash flow from investing activities amounted to EUR –0.1 million after EUR –0.3 million in the prior year's period. The cash outflow was essentially the result of payments for granting loans to companies accounted for using the equity method and to other participating interests. Cash flow from financing activities stood at EUR –1.2 million after EUR 2.3 million and reflects the repayment of financial debt.

In total, the net change in cash and cash equivalents in the first half of the current fiscal year amounted to EUR –2.1 million after EUR –1.0 million in the prior year.

Net Assets

MAGNAT Group's total assets declined by EUR 3.7 million as compared to the end of fiscal year 2011/2012. As of the reporting date, total assets amounted to EUR 40.6 million after EUR 44.3 million as of March 31, 2012.

This was largely due to a EUR 3.8 million decline in current assets. This was the result of the above-mentioned noticeable

reduction in cash and cash equivalents from EUR 3.6 million as of March 31, 2012 to EUR 1.5 million as of September 30, 2012. In addition, real estate inventories also declined EUR 1.4 million following the disposals in the reporting period. There were only minor changes in non-current assets.

Financial Position

As at the reporting date, shareholders' equity of the MAGNAT Group declined to EUR 18.7 million from EUR 20.2 million as of March 31, 2012. This was largely the result of the loss occurred in the period and of currency effects. The Group's equity ratio remained practically unchanged at 46.0 percent after 45.7 percent.

In the reporting period, liabilities declined EUR 2.1 million in total, most of which were current liabilities (EUR 2.0 million). Non-current liabilities declined only marginally. Current and non-current financial debt fell by a total of EUR 1.2 million. As at the reporting date, they amounted to EUR 19.0 million after EUR 20.2 million as of March 31, 2012.

Net Asset Value

Due to the loss in the reporting period of fiscal year 2012/2013, MAGNAT's net asset value (NAV) as of September 30, 2012 according to EPRA requirements, declined to EUR 18.5 million as compared to EUR 20.0 million as of March 31, 2012. Based on the unchanged number of 13.89 million shares outstanding, this is equivalent to a NAV per share of EUR 1.33 compared to EUR 1.44.

4. Employees

As of September 30, 2012, 24 people were employed in the MAGNAT Group (September 30, 2011: 28 employees).

5. Events subsequent to the Reporting Date

In November 2011, "SQUADRA Immobilien Gruppe", in which MAGNAT holds a 16.1 percent interest, had sold the Schrödterhaus in Leipzig. MAGNAT Asset Management advised on the purchase, development, renovation, and the sale of the property. The sale price, which was achieved following the refurbishment, was significantly above the property's book value and led to a substantial cash inflow for SQUADRA Immobilien Gruppe. In March 2012, the shareholders of SQUADRA decided in favour of a capital reduction in the amount of EUR 3.5 million. In October 2012, following its execution, MAGNAT received a payment of around EUR 0.6 million in proportion to its interest.

6. Condensed Report on Opportunities and Risks

The annual report for the 2011/2012 fiscal year covered MAGNAT's risk policy and the principles of risk and opportunity management extensively. The following notes to the half-year report should be read in conjunction with that report. They apply to the Group as well as to its segments.

Market and Sector Risks

By nature, the real estate market is strongly shaped and influenced by economic developments and investor's propensity to invest. Economic and investment behaviour in turn are influenced by a variety of factors, and especially by the high volatility of the global financial markets in recent years. The key factors of supply and demand, the availability of capital, the cost of capital, and cost of construction, exert their influence within the single economies and real estate markets. On a national or global basis, the most important factor is investor demand for investment in the asset class of real estate and its relative attractiveness when compared with other asset classes.

In the markets of MAGNAT's target regions there is significantly higher country risk than in the western industrialised nations. This country risk becomes apparent in different ways. For example, political developments, the instability of the legal system, and justice in general and especially with factual circumstances and business practices in real estate and land law. Many of these risks cannot be eliminated or completely controlled by the Company.

Many of MAGNAT Group's key markets continue to be in a very difficult situation. This is primarily the result of the strong increase in risk aversion on the part of investors due to the European debt crisis. Investment capital is almost only available at a very high cost if at all so that only a limited number of transactions take place and at correspondingly unfavourable terms. Furthermore, portfolios continue to be offered by competitors at greatly reduced prices in the markets of the target regions having economic problems. An improvement in these unfavourable market conditions is not expected as long as the European debt crisis continues.

Financial Risks

Currency Risks

MAGNAT is predominantly active in markets outside of the eurozone and is therefore also exposed to exchange rate risks. Wherever possible and feasible, projects are carried out in the local currency (e.g. local currency financing of construction costs).

The remaining exchange rate risk, which is mostly limited to invested equity and the potential profit, is only partially hedged. Generally, preference is given to hedging on an aggregated basis rather than for individual project-related risks.

The foreign currency hedging strategy is determined in close coordination with the Supervisory Board.

Operating Risks

Typical project risks may arise with projects being developed by the Asset Management segment. As a result, higher liquidity on the part of project companies may be required.

If loan financing at the project level cannot be realised or cannot be realised as planned, then the additional risk may arise of the project time line being delayed, more equity for the project being necessary, or the financing costs exceeding the original plan.

Liquidity risks

MAGNAT deploys detailed fine tuning for managing its liquidity in order to ensure that payments can be made at any time. The management of the liquidity risk is carried out at the Executive Board level.

The aim is to generate liquidity through cash inflows from disposals for the financing of the Group as well as for investments in new value-creating development projects. However, since the outbreak of the financial market and debt crisis, such disposals have been difficult or have entailed discounts that were not commercially sensible. Due to the continued difficult economic environment and the very limited opportunities for disposals, the resulting liquidity risks have grown once again.

MAGNAT's liquidity position must be considered as strained given the level of cash and cash equivalents of EUR 1.5 million as at the reporting date. Therefore, MAGNAT will continue to focus on further disposals in the second half of fiscal year 2012/2013. However, at this point in time, it is not possible to predict when such transactions may be concluded. Therefore, the management of liquidity is currently given particular attention.

Risks Connected with Co-investors' Insolvency

Reorganisation proceedings were initiated in accordance with the Austrian insolvency directive and amended in December 2011 into a bankruptcy proceeding regarding the assets of the co-investor R-QUADRAT Capital Alpha GmbH ("RQCA"). This gives rise to a number of risks for the MAGNAT Group: MAGNAT and RQCA hold interests in joint real estate projects in which MAGNAT does not hold a majority. Thus, decisions concerning the operational processing of projects and the strategic orientation could become more difficult or impeded. In addition, risks could arise from contractual and other receivables relationships as well as from the integration of the asset manager. Lastly, MAGNAT is exposed to risks to its image as a result of the negative reporting in the media regarding the issue.

7. Outlook

The global economy continues to be characterised by an extremely high degree of uncertainty. The focus here is still the concern for the future development of the eurozone. European growth prospects will remain bleak for some time due to strong cuts in the public-sector budgets and the resulting negative effects on growth.

It is to be expected that the real estate markets of our target regions will continue to be characterised by a high degree of uncertainty and a very limited availability of financing possibilities. Consequently, the number of real estate transactions will remain at insufficient levels and prices will continue to be depressed.

This will make the execution of our planned disposals at economically feasible prices very challenging. Nevertheless, a

successful execution of our disposal programme is essential in order to safeguard the Company's liquidity in the future.

Still, we are making significant progress on the earnings side. As a result of the previous year's disposals and the significant adjustments to the carrying amounts of the real estate portfolio, the balance sheet risks were materially reduced. In addition, we were able to further cut the Group's operating cost basis. We will continue to pursue this strategy.

In the second half of 2012/2013, the focus of our efforts will be on safeguarding the liquidity. The cash inflow resulting from the capital reduction of SQUADRA was an important first step. In addition, we are working diligently in order to execute further disposals. As in the previous years, the risks for the business development of MAGNAT will continue to outweigh in the second half of 2012/2013.

This interim group management report contains forward-looking statements. Such forward-looking statements are based on expectations that we have today, and on certain assumptions. They harbour a number of risks and uncertainties as a consequence. A large number of factors, many of which lie outside the scope of MAGNAT's influence, affect MAGNAT's business activities, success, its business strategy, and its results. These factors may result in a significant divergence in the actual results, successes, and performance achieved by MAGNAT.

Should one or more of these risks or uncertainties materialise, or should the underlying assumptions prove incorrect, the actual results may significantly diverge both positively and negatively from those results that were stated in the forward-looking statements as expected, anticipated, intended, planned, projected or estimated results. MAGNAT accepts no obligation, and does also not intend to update these forward-looking statements or to correct them given a development that is other than the one expected.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as of 30 September 2012

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Consolidated Balance Sheet as at September 30, 2012

in EUR	30/09/2012	31/03/2012
ASSETS		
Non-current assets		
Intangible assets	24,656	29,440
Property, plant, and equipment	49,258	58,340
Investments accounted for using the equity method	8,217,258	8,074,182
Other financial assets	49,318	49,318
Loans to investments accounted for using the equity method	1,150,432	1,020,351
Other loans	342,658	541,309
Deferred tax assets	615,632	585,509
Total non-current assets	10,449,214	10,358,449
Current assets		
Real estate inventory	14,774,638	16,134,196
Trade accounts receivables and other receivables	5,658,687	5,577,777
Financial receivables and other financial assets	3,907,950	3,995,646
Tax refund claims	532,029	806,233
Cash and cash equivalents	1,479,302	3,589,108
Total current assets	26,352,605	30,102,960
Assets available for sales in investments accounted for using the equity method	3,805,981	3,805,981
Total assets	40,607,800	44,267,390
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Subscribed capital	13,894,651	13,894,651
Reserves	4,909,628	6,431,744
Equity attributable to parent company shareholders	18,804,279	20,326,395
Interest of non-controlling shareholders	-104,776	-97,786
Total shareholders' equity	18,699,502	20,228,609
Liabilities		
Non-current liabilities		
Deferred tax liabilities	264,305	265,034
Non-current financial debt	14,733,078	14,829,263
Total non-current liabilities	14,997,383	15,094,297
Current liabilities		
Provisions	1,206,957	1,760,010
Trade payables and other liabilities	1,228,623	1,512,903
Tax liabilities	214,414	283,960
Current financial debt	4,260,921	5,387,611
Total current liabilities	6,910,914	8,944,484
Total liabilities	21,908,297	24,038,781
Total equity and liabilities	40,607,800	44,267,390

Consolidated Statement of Income from April 1 to September 30, 2012

in EUR	01/04/2012 to 30/09/2012	01/04/2011 to 30/09/2011	01/07/2012 to 30/09/2012	01/07/2011 to 30/09/2011
Rental income	478,245	3,265,726	224,920	1,601,836
Operating expenses to generate rental income	-195,644	-1,604,926	-28,326	-848,567
Profit/loss on rental of real estate inventory	282,601	1,660,800	196,593	753,269
Revenue on sale of real estate companies	277,200	0	277,200	0
Net assets from sold real estate companies	-188,303	0	-188,303	0
Profit/loss on sale of real estate companies	88,897	0	88,897	0
Revenue on sale of real estate	1,045,620	0	1,100,000	0
Expenses on real estate sales	-743,445	0	-797,825	0
Profit/loss on sales of real estate	302,175	0	302,175	0
Revenue on asset management	112,352	183,526	55,686	106,784
Expenses for asset management	-73,786	-100,485	-35,851	-56,844
Profit/loss on asset management	38,566	83,041	19,835	49,940
Profits from investments accounted for using the equity method	0	1,441,968	-86,217	1,312,770
Losses from investments accounted for using the equity method	-469,409	-1,586,719	-209,671	-1,081,168
Unrealised fair value adjustments in equity investments	703,564	0	366,885	0
Profit/loss from investments accounted for using the equity method	234,155	-144,751	70,997	231,602
Unrealised fair value adjustments in real estate inventory	-84,373	-235,701	530,833	-402,327
Impairment of goodwill and receivables	-411,990	-678,500	-384,656	-678,500
Other operating income	1,096,880	832,590	-13,077	144,712
Other operating income and other effects	600,518	-81,611	133,100	-936,115
General and administrative expenses	-1,915,409	-2,964,647	-923,419	-1,799,904
Other operating expenses	-637,736	-926,687	-286,264	51,835
Profit/loss before interest and taxes	-1,006,233	-2,373,853	-398,086	-1,649,373
Financial income	387,709	398,766	175,075	210,699
Financial expenses	-599,285	-1,145,600	-320,064	-471,041
Financial result	-211,576	-746,834	-144,988	-260,342
Profit/loss before taxes	-1,217,810	3,120,687	-543,074	-1,909,715
Income taxes	19,871	-7,826	-32,999	-10,286
Net profit/loss for the period	-1,197,938	-3,128,514	-576,073	-1,920,001
Of which, attributable to:				
Non-controlling interests	1,068	236,712	-7,453	176,265
Parent company shareholders	-1,199,006	-3,365,225	-568,619	-2,096,266
Basic and diluted earnings per share	-0.09	-0.24	-0.04	-0.15

Statement of Comprehensive Income from April 1 to September 30, 2012

in EUR	01/04/2012 to 30/09/2012	01/04/2011 to 30/09/2011	01/07/2012 to 30/09/2012	01/07/2011 to 30/09/2011
Net profit/loss for the period	-1,197,938	-3,128,514	-576,073	-1,920,001
Other comprehensive income				
— Currency translation effects	-303,862	-539,090	-153,149	-280,537
— Equity change arising from the equity method recognised financial assets	-27,637	-2,984,777	-176,035	-1,471,475
Other comprehensive income before tax	-331,499	-3,523,867	-329,184	-1,752,012
— Tax relating to other comprehensive income	0	44,082	0	44,082
Other comprehensive income after tax	-331,499	-3,479,785	-329,184	-1,707,930
Total comprehensive income	-1,529,437	-6,608,298	-905,256	-3,627,931
Of which, attributable to:				
Non-controlling interests	-7,534	-12,790	-32,771	-3,584
Parent company shareholders	-1,521,903	-6,595,508	-872,485	-3,624,347

Consolidated Statement of Changes in Equity as at September 30, 2012

in EUR '000	Share capital	Reserves					Equity attributable to parent company shareholders	Interest of non-controlling shareholders	Total share-holders' equity
	Subscribed capital	Capital reserves	Retained earnings incl. unapropriated retained earnings	Reserves for treasury shares	Currency translation	Other reserves			
01/04/2012	13,895	7,455	4,660	-310	-2,174	-3,200	20,326	-98	20,228
Change in deferred taxes recognised directly in equity	0	0	0	0	0	0	0	0	0
Proportional transfer of earnings-neutral changes in equity in investments accounted for using the equity method	0	0	0	0	-28	0	-28	0	-28
Currency translation effects	0	0	0	0	-295	0	-295	-8	-303
Other comprehensive income	0	0	0	0	-323	0	-323	-9	-332
Net profit/loss for the period	0	0	-1,199	0	0	0	-1,199	1	-1,198
Total comprehensive income	0	0	-1,199	0	-323	0	-1,522	-8	-1,529
30/09/2012	13,895	7,455	3,461	-310	-2,498	-3,200	18,804	-105	18,700
01/04/2011	13,895	7,455	-8,273	-310	-136	66	12,697	-122	12,575
Change in deferred taxes recognised directly in equity	0	0	0	0	0	44	44	0	44
Proportional transfer of earnings-neutral changes in equity in investments accounted for using the equity method	0	0	0	0	-2,528	-353	-2,881	-105	-2,986
Currency translation effects	0	0	0	0	-395	0	-395	-144	-539
Other comprehensive income	0	0	0	0	-2,922	-309	-3,231	-250	-3,481
Net profit/loss for the period	0	0	-3,365	0	0	0	-3,365	237	-3,128
Total comprehensive income	0	0	-3,365	0	-2,922	-309	-6,596	-13	-6,608
30/09/2011	13,895	7,455	-11,638	-310	-3,059	-243	6,101	-134	5,968

Consolidated Statement of Cash Flows from April 1 to September 30, 2012

in EUR '000	01/04/2012 to 30/09/2012	01/04/2011 to 30/09/2011
Consolidated profit/loss before tax	-1,218	-3,121
Change in real estate inventory	1,275	-18
Change in trade accounts receivables and other receivables	-638	369
Change in income tax receivables	274	-285
Change in financial receivables and other financial assets	286	-877
Change in intangible assets	5	-47
Change in provisions	-553	-126
Change in trade payables and other liabilities	-355	141
Other non-cash items	123	932
Cash flow from operating activities	-800	-3,032
Payments for investments in property, plant, and equipment	-9	-11
Payments for the granting of loans to companies accounted for using the equity method and to other participating interests	-73	-260
Cash flow from investing activities	-82	-271
Proceeds from the increase of financial debt	0	4,744
Repayment of financial debt	-1,223	-2,487
Cash flow from financing activities	-1,223	2,257
Net change in cash and cash equivalents	-2,105	-1,046
Change due to currency translation	-5	4
Cash and cash equivalents at the start of the period	3,589	5,320
Cash and cash equivalents at the end of the period	1,479	4,279
Supplementary information concerning the statement of cash flows		
Income taxes received (+)/ income taxes paid (-)	266	-285
Interest received	27	43
Interest paid	247	574

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period from April 1, 2012 to September 30, 2012

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A. General Information

MAGNAT Real Estate AG (hereinafter also referred to as the “Company” or “MAGNAT”) is recorded in the commercial register in Frankfurt am Main, Germany, which is the location of the company’s headquarters. On September 17, 2010, the company’s legal form was changed from that of a GmbH & Co. KGaA to a public stock corporation and was recorded in the commercial register (HRB 89041). MAGNAT Real Estate Opportunities GmbH & Co. KGaA was formed on April 6, 2006 and recorded in the commercial register in Frankfurt am Main, Germany on May 31, 2006. The Company’s headquarters are located at Lyoner Strasse 32 in Frankfurt am Main. The company’s fiscal year ends on March 31.

To date, MAGNAT Real Estate AG itself has not undertaken any investments in real estate or real estate projects. Generally, investments are processed through project companies. Interests in these project companies are either directly or indirectly (through intermediate holding companies) held by MAGNAT Real Estate AG.

These interim consolidated financial statements prepared in the name of the legal parent company, MAGNAT Real Estate AG, are to be economically attributed to the economic acquirer identified as MAGNAT Asset Management GmbH, Vienna, Austria, within the context of a reverse acquisition in fiscal year 2009/2010.

Through the integration of MAGNAT Asset Management GmbH, the MAGNAT Group has further developed itself into an integrated real estate group. As a result, the company covers the entire value chain from purchase and development to the sale of real estate and construction land. In addition, through subsidiaries the Group offers in particular real estate asset management services for third parties as well as co-proprietors’ building schemes.

MAGNAT’s business model follows a “develop & sell” and “buy & sell” strategy when it comes to real estate and land held. This contrasts with traditional holders who pursue a “buy & hold” strategy. MAGNAT’s investment portfolio is currently distributed among nine countries.

B. Accounting Policies

The interim consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial reporting, as applicable in the EU. The interim Group Management Report was prepared in accordance with the provisions set forth under the German Securities Trading Act (WpHG). The interim consolidated financial statements were not subject to a review by an auditor.

The interim consolidated financial statements as of September 30, 2012 were prepared in accordance with the provisions set forth under International Accounting Standards (IAS) 34. As is permitted by IAS 34, it has been decided to publish a condensed version compared to the consolidated financial statements as of March 31, 2012.

The International Accounting Standards Board (IASB) and the International Financial Reporting Standards Committee (IFRIC) have approved standards and interpretations and did not yet require mandatory application in the reporting period. The application of these standards and interpretations presupposes that the current partially still outstanding recognition by the EU will occur. The Group has not utilised the option to make voluntary prior application of the relevant standards and interpretations.

The consolidated financial statements were prepared on the assumption of a going concern. The reporting currency is the euro. Where figures have been rounded to EUR ‘000, this has been stated. Rounding discrepancies may occur as a result of rounding.

The interim consolidated financial statements of the MAGNAT Group were prepared according to uniform accounting and valuation policies. This takes into account all IFRS standards that require mandatory application as of the reporting date (September 30, 2012) and that were adopted by the European Union. The accounting and valuation policies and the estimation methods have not changed compared to the consolidated financial statements as of March 31, 2012. We refer to our annual report as of March 31, 2012.

These interim consolidated financial statements do not contain all of the information required for consolidated financial statements and should therefore be read in conjunction with the published consolidated financial statements as of March 31, 2012.

Compared to the consolidated financial statements as of March 31, 2012, the scope of consolidation has changed as follows:

Group company		Group share	Date of disposal	Proceeds from disposal EUR'000
R-QUADRAT Immobilien Management GmbH & Co. Grazer Straße 59-61 KG	Subsidiary	99.00%	11/07/2012	277
R-QUADRAT Ukraine XII Ltd.	Subsidiary	100.00%	23/07/2012	101

C. Selected Notes to the Consolidated Statement of Income

The net profit/loss for the period of EUR –1,198 thousand was largely impacted by impairments of goodwill and receivables (EUR 412 thousand) and other operating expenses (EUR 638 thousand). This was partly compensated by a profit on rental of real estate inventory (EUR 283 thousand) and profits on the sale of real estate companies (EUR 89 thousand) and the sale of real estate (EUR 302 thousand).

General and administrative expenses amounted to EUR 1,915 thousand in the reporting period.

Earnings per Share

Basic earnings per share are computed by dividing the net profit/loss for the period attributable to the parent company shareholders by the weighted average number of shares outstanding.

	01/04/2012 to 30/09/2012	01/04/2011 to 30/09/2011
Net profit/loss for the period attributable to the parent company shareholders (in EUR '000)	–1,199	–3,365
Average number of shares outstanding	13,889,651	13,889,651
Basic earnings per share (EUR)	–0.09	–0.24
Diluted earnings per share (EUR)	–0.09	–0.24

D. Selected Notes to the Consolidated Balance Sheet and Consolidated Statement of Changes in Equity

In the reporting period, the carrying amount of real estate inventory declined by EUR 1,359 thousand as the result of a real estate company disposal, the disposal of a property, and impairments and reversals of impairments of real estate inventory. The balance of the latter two amounted to EUR –84 thousand. The change in investments accounted for using the equity method was due to the result of investments accounted for using the equity method and the proportional transfer of earnings-neutral changes in equity. In the reporting period, the carrying amount of provisions decreased by EUR 553 thousand.

The net loss for the period attributable to the parent company shareholders amounted to EUR –1,199 thousand. The net profit attributable to non-controlling interests amounted to EUR 1 thousand.

Further earnings-neutral changes in equity were primarily the result of a negative currency translation effect in the amount of EUR 304 thousand and the proportionate change in other reserves for investments accounted for using the equity method in an amount of EUR –28 thousand.

For the development of shareholders' equity, please refer to the Statement of Changes in Equity.

E. Selected Notes to the Consolidated Statement of Cash Flows

Cash flow from operating activities is calculated using the indirect method. Cash flows from investing and financing activities are calculated on a payment-related basis.

Cash flow includes interest received in the amount of EUR 27 thousand (resulted entirely from operating activities) and interest paid in the amount of EUR 247 thousand (EUR 8 thousand from operating activities and EUR 239 thousand from financing activities). Cash flow from income taxes resulted in a cash inflow of EUR 266 thousand within cash flow from operating activities.

Cash Flow from Operating Activities

Cash flow from operating activities in the amount of EUR –800 thousand was largely impacted by the change in real estate inventory (EUR 1,275 thousand), the change in trade accounts receivables and other receivables (EUR –638 thousand), the change in tax refund claims (EUR 274 thousand), and the change in financial receivables and other financial assets (EUR 286 thousand). The change in trade payables and other liabilities amount to EUR –355 thousand and the change in provisions amount to EUR –553 thousand. Non-cash expenses and income amounted to EUR 123 thousand. A split of the significant items is presented separately and can be found in the section “Non-Cash Items”.

Cash Flow from Investing Activities

Cash flow from investing activities of EUR –82 thousand was primarily the result of payments in the amount of EUR –73 thousand related to the granting of loans to companies accounted for using the equity method.

Cash Flow from Financing Activities

Cash flow from financing activities of EUR –1,223 thousand was largely impacted by the repayment of financial debt totalling EUR 1,223 million.

Non-Cash Items

Non-cash items arose primarily from the results of investments accounted for using the equity method (EUR –234 thousand), from impairment charges (EUR 611 thousand), and currency translations (EUR –304 thousand).

Cash and Cash Equivalents

Cash and cash equivalents correspond to the amount of EUR 1,479 thousand reported in the consolidated balance sheet. This item of the consolidated balance sheet comprises cash in hand and current accounts with banks.

F. Notes to the Segment Reporting

April 1, 2012 to September 30, 2012

(in EUR '000)	Segments by business areas			Consolidation effects	Group
	Investments	Asset Management	Corporate Functions		
Revenue	478	1,972	690	-1,227	1,913
Net profit/loss for the period	-137	92	-1,058	-95	-1,198

April 1, 2011 to September 30, 2011

(in EUR '000)	Segments by business areas			Consolidation effects	Group
	Investments	Asset Management	Corporate Functions		
Revenue	3,266	184	0	0	3,450
Net profit/loss for the period	1,030	-1,906	-2,253	0	-3,129

Additional information

Segment assets (in EUR '000)	Investments	Asset Management	Corporate Functions	Group
September 30, 2012	31,373	4,761	4,473	40,608
March 31, 2012	32,302	6,475	5,490	44,267
Segment assets (in EUR '000)	Investments	Asset Management	Corporate Functions	Group
September 30, 2011	53,958	10,070	6,464	70,491
March 31, 2011	51,604	8,995	6,970	67,570

The segmentation of the financial statement data is based on the internal alignment according to strategic business segments and geographic considerations pursuant to IFRS 8. In accordance with the management approach, the segment information provided represents the information to be reported to the Executive Board. The Group is split into the business segments: Investments and Asset Management.

The Investments segment contains all information relating to real estate held as non-current assets as well as the business areas of revitalisation, project development, and land banking. The Asset Management segment represents the Group's asset management activities.

Significant changes to the Group's assets and liabilities are discussed in section D.

There has been no change in the assignment of group companies to business segments since the consolidated financial statements as of March 31, 2012.

G. Other Disclosures

1. Related Party Disclosures

Business Transactions with Members of Management Having Key Positions within the Company

In the reporting period, the law firm of Supervisory Board member Dr. Christoph Jeannée rendered consultancy services to MAGNAT in an amount of EUR 8 thousand plus VAT. As of September 30, 2012, there were no outstanding liabilities to the law firm.

The Supervisory Board had granted its assent to this contractual relationship.

In fiscal year 2011/2012, AURAGUS GmbH, Vienna granted MAGNAT a loan in the amount of EUR 2,000 thousand for which no collateral was provided. AURAGUS GmbH is attributed to the company of Supervisory Board member Friedrich Lind.

The following balances exist with respect to associated companies:

in EUR '000	30/09/2012	30/09/2011
Trade accounts receivables and other receivables	52	78
Financial receivables and other financial assets	2	288

The following balances exist with respect to joint ventures:

in EUR '000	30/09/2012	30/09/2011
Loans to investments accounted for using the equity method	1,150	115
Financial receivables and other financial assets	3,740	4,005
Current financial debt	159	19

Volume of business transactions with companies accounted for using the equity method:

in EUR '000	01/04/2012 to 30/09/2012
Loans to investments accounted for using the equity method	73
Trade accounts receivables and other receivables	104
Financial receivables and other financial assets	37
Current financial debt	9

Business Transactions with Other Related Parties

In addition, there was a consultancy relationship between MAGNAT (especially MAGNAT Asset Management GmbH) and the company of Supervisory Board member Dr. Falko Müller-Tyl. He holds an indirect interest in MAGNAT. In the reporting period, this consultancy relationship amounted to payments of EUR 28 thousand plus VAT. Of this amount, a liability in an amount of EUR 7 thousand was outstanding as of September 30, 2012.

The Supervisory Board had granted its assent to this contractual relationship.

2. Executive Board

In the reporting period, fixed remuneration (short-term benefits) totalling EUR 206 thousand were recorded for the Executive Board of MAGNAT Real Estate AG which is divided as follows (amounts in EUR '000):

	01/04/2012 to 30/09/2012
Dr. Marc-Milo Lube	111
Jürgen Georg Faè	95
	206

3. Events subsequent to the Balance Sheet Date

In October 2012, MAGNAT received a payment of around EUR 0.6 million in line with its interest in SQUADRA Immobilien GmbH & Co. KGaA as a result of capital reduction, which was resolved by SQUADRA's shareholders in March 2012.

Frankfurt am Main, November 30, 2012
MAGNAT Real Estate AG



Dr. Marc-Milo Lube
Executive Board member



Jürgen Georg Faè
Executive Board member

RESPONSIBILITY STATEMENT

As the Executive Board of MAGNAT Real Estate AG, we hereby confirm to the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group, and furthermore that the Group management report includes a fair review of the development of the business including the results and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remainder of the fiscal year.

Frankfurt am Main, November 30, 2012
MAGNAT Real Estate AG



Dr. Marc-Milo Lube
Executive Board member



Jürgen Georg Faè
Executive Board member

FINANCIAL CALENDAR 2012/2013

Publication	Date
— Interim report for Q3 as of December 31, 2012	February 11, 2013
— Annual Report 2012/2013	July 30, 2013

MAGNAT fiscal year: April 1 to March 31, respectively

IMPRINT

MAGNAT Real Estate AG
Investor Relations
Blue Towers, Lyoner Straße 32
60528 Frankfurt am Main
Telephone: +49 (0) 69-719 189 79 0
Telefax: +49 (0) 69-719 189 79 11
Email: ir@magnat.ag
Web: www.magnat.ag

NOTICE

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