ESTAVIS AG

THE REAL ESTATE INVESTMENT GROUP

INTERIM REPORT

First Nine Months 2010/11

1 July 2010 – 31 March 2011

OVERVIEW KEY FINANCIAL DATA

ESTAVIS AG	3rd quarter 10/11 1 Jan. 2011 – 31 March 2011	3rd quarter 09/10 1 Jan. 2010 – 31 March 2010	9 months 10/11 1 July 2010 – 31 March 2011	9 months 09/10 1 July 2009 – 31 March 2010
Revenues and earnings*	TEUR	TEUR	TEUR	TEUR
Revenues	14,051	8,863	43,949	49,198
Total operating performance	15,594	15,105	44,449	51,757
EBIT	1,660	–143	4,285	3,227
Pre-tax profit	500	–881	1,095	698
Net profit	268	–630	676	319

* from continued operations

ESTAVIS AG	31 March 2011	30 June 2010
Structure of assets and capital	TEUR	TEUR
Non-current assets	31,225	22,537
Current assets	108,788	132,864
Equity	52,807	52,270
Equity ratio	37.7 %	33.6 %
Total assets/equity and liabilities	140,013	155,401

ESTAVIS AG

Share	
Stock exchange segment	Prime Standard
ISIN	DE000A0KFKB3
German Securities Code Number (WKN)	A0KFKB
Number of shares on 31 March 2011	9,546,235
Free float (as of 31 March 2011)	71 %
Share price high (1 July 2010 – 31 March 2011*)	2.23 EUR
Share price low (1 July 2010 – 31 March 2011*)	1.75 EUR
Closing price on 31 March 2011*	1.83 EUR
Market capitalisation on 31 March 2011*	EUR 17.5 million

* Closing prices in Xetra trading

CONTENT

LETTER TO THE SHAREHOLDERS

Dear Shareholders,
dear Ladies and Gentlemen,

In the first nine months of the 2010/11 financial year ESTAVIS AG achieved a consolidated net profit of EUR 0.7 million and successfully continued to drive forward its strategic concentration on projects in the upmarket segment. The positive sales development in our major listed projects confirms us in our objective of also retaining and further expanding this focus in the future.

At EUR 43.9 million, revenues in the first nine months were below the figure for the same period of the previous year (EUR 49.2 million) but higher in the third quarter at EUR 14.0 million than in the same period of the previous year (EUR 8.9 million). Notarial sales, which reflect future revenues, continued to develop positively and at the end of March 2011 came to EUR 38.6 million.

The most important influencing factors shaping net income in the reporting period were the extensive advance payments for our listed projects in Berlin “Kodak-Glanzfilmfabrik” and “Kastaniengärten” and the trend in revenues in the sale of apartments and the proceeds from the sale of two houses from the “Kodak-Glanzfilmfabrik” ensemble in Berlin-Köpenick as well as the disposal of properties from the optimisation portfolio.

Our major listed projects developed positively and we also expect continued solid demand here and a corresponding development of sales. In the apartments segment the trend in revenues remains curbed by the delayed handover of renovated apartments. The key reason for this is continued sluggish customer finance as many banks are still being very restrictive in lending to new customers. We have introduced measures to work off the backlog in this segment and also be able to list the corresponding sales in our IFRS accounting with recognition of revenue and income following the handover of property to the buyers.

Dynamic development in the listed property segment – successful capital increase paves the way for further projects

The demand for the apartments at our listed properties in Berlin “Kodak-Glanzfilmfabrik” and “Kastaniengärten” has exceeded our expectations and resulted in corresponding sales successes. Now that the first building of the “Kodak-Glanzfilmfabrik”, a unique listed ensemble located directly next to the river Spree, has been fully sold we expect to be able to start construction work here on 1 June 2011. (For further information about the project please visit www.glanzfilmfabrik.de.)

The sale of apartments in our “Kastaniengärten” listed project in Berlin-Schöneberg also developed very dynamically. The scheduled start of the initial construction measures already took place in December 2010.

A few weeks after the end of the reporting period we successfully concluded the negotiations for the purchase of another unique property and with the "Friedrichshöhe" project in Berlin acquired what was once Europe's largest brewery. A total of 152 apartments and nine commercial units will be constructed on the site of the former brewery, with a further 5,500 square metres of new construction space to be added to the existing space on the listed site comprising approximately 8,400 square metres. Here we expect total revenues of around EUR 43 million.

The "Friedrichshöhe" project will bring us another major step forward in the expansion of our portfolio of high-quality residential real estate and we also wish to acquire further attractive industrial wasteland in the future. In view of this the fact that the capital increase resolved on 21 March 2011 was fully placed on 6 April and attracted lively interest especially from institutional investors represented a particular success for us. The fact that the capital increase was considerably oversubscribed through the exercise of options and declarations of oversubscription shows that the strategy of ESTAVIS AG and the successes achieved through its implementation are being very positively received by the capital market. This poses a significant basis for further planned projects.

Further progress with the restructuring of the optimisation portfolio

We have made further progress in the restructuring of the optimisation portfolio in the reporting period. In the first quarter of the financial year, we sold a newly built commercial centre in Pforzheim with long-term letting agreements in place at a profit for EUR 3.6 million. In the third quarter we sold a further commercial property in Stuttgart also at a profit for EUR 3.4 million.

Furthermore, we acquired an attractive residential portfolio in Leipzig in the reporting period through the liquidation operations of a major German bank at a purchase price of EUR 6.9 million; the transfer of rights and obligations took place in the third quarter of the financial year. The portfolio comprising 214 apartments and total space of 12,443 square metres is partly to be resold through the sale of individual apartments or by means of a global sale and partly to be held by the Group as a financial investment. Before selling property from the portfolio we will carry out renovation work and reduce vacancy rates with the aim of achieving corresponding capital appreciation during the later exit.

Outlook for the 2010/11 financial year

A key focal point of our future work will comprise the expansion of our range of products. For the remaining months of the 2010/11 financial year the focus will also remain on the planned development and implementation of our listed projects "Kodak-Glanzfilmfabrik" and "Kastaniengärten". In addition, we are planning to sell further properties from the optimisation portfolio over the course of the next months.

Based on the business development of the first nine months of the current 2010/11 financial year we consider our existing forecast that ESTAVIS AG will close the year as a whole with positive net income to be confirmed. However, particularly in view of the prevailing slow customer finance, the original ambitious target of an increase in revenues and consolidated net income on the previous financial year will not be achieved if there are no major changes to the business development in the remaining weeks prior to the end of the financial year.

With our projects currently underway and thanks to the successful capital increase and the acquisition of the “Friedrichshöhe” property key requirements have simultaneously been fulfilled for ensuring that the revenues and earnings of ESTAVIS AG also continue to develop positively in the next two financial years.

Florian Lanz
Chief Executive Officer (CEO)

Eric Mozanowski
Member of the Management Board

THE ESTAVIS SHARE

ESTAVIS shares are listed on the Regulated Market of the Frankfurt Stock Exchange and fulfil the transparency requirements of the Prime Standard.

ESTAVIS' share price performance

In light of rising confidence in terms of future economic development, the recovery on the global stock markets continued in the period under review. The ESTAVIS share, the price of which increased by 4.6% in the first nine months of the 2010/11 financial year, also benefited from this development.

On 31 March 2011, the ESTAVIS share closed at EUR 1.83 compared with EUR 1.75 at the start of the financial year on 1 July 2010. ESTAVIS' market capitalisation came to around EUR 17.5 million as of 31 March 2011.

ESTAVIS' shares reached a high of EUR 2.23 on 11 February 2011 compared with a low of EUR 1.75 on 1 July 2010 (Xetra closing prices).

The development of ESTAVIS AG is monitored continuously by analysts at WestLB and Warburg Research. According to current analyst reports, ESTAVIS' shares are believed to offer continued upside potential:

- WestLB, recommendation: "Buy", target price EUR 2.40
- Warburg Research, recommendation: "Buy", target price EUR 2.40

Annual Conference of the Real Estate Share Initiative

ESTAVIS AG is a member of the Real Estate Share Initiative, the goal of which is to promote understanding for investments in real estate through listed real estate and REIT companies, the way they are seen by the public and to encourage a regular exchange of experience and information.

With its members, it organises an annual conference that was held in Frankfurt on 19 October 2010. In workshops, panel discussions and company presentations, a large number of investors, analysts, journalists and representatives of national and international associations were informed of the developments on the real estate market and real estate companies.

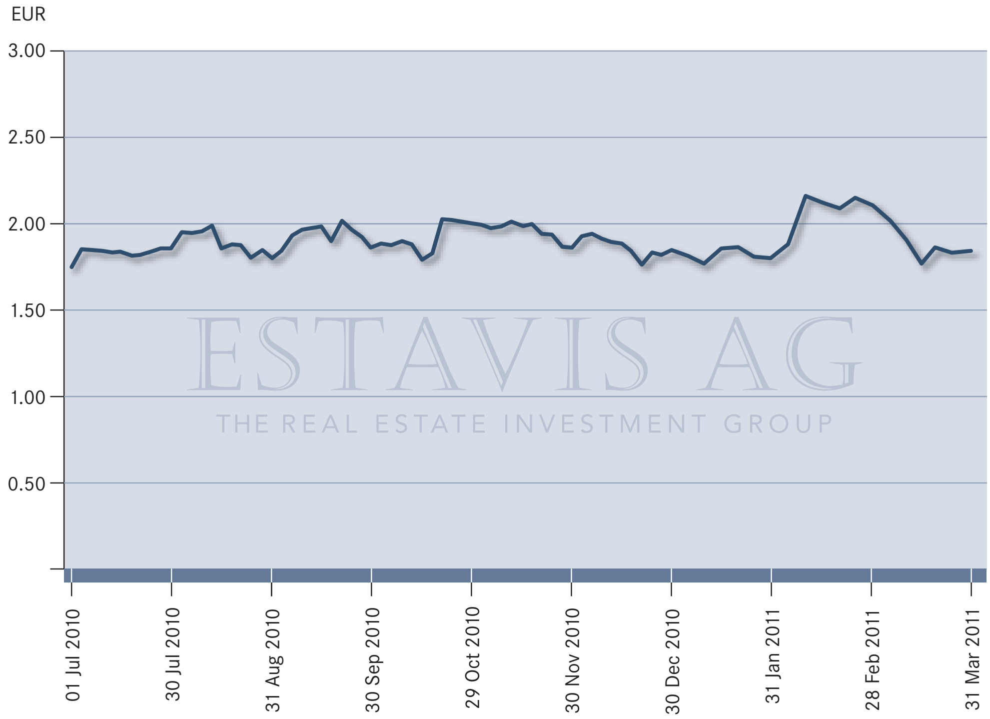
In a company presentation and several individual discussions, Florian Lanz, CEO of ESTAVIS AG, explained the company's business model and provided information on current real estate projects.

10. MKK – Münchner Kapitalmarkt Konferenz (10th Munich Capital Market Conference)

On 8 and 9 December 2010, the 10. MKK – Münchner Kapitalmarkt Konferenz (10th Munich Capital Market Conference) took place in Munich and achieved record attendance with 350 participants and almost 50 presenting companies. The event was primarily geared towards institutional investors, financial journalists and analysts focusing on small and mid caps.

Florian Lanz, CEO of ESTAVIS AG, explained in his presentation and in one-to-one discussions with investors and analysts the business model of ESTAVIS AG and provided information about the company's business performance and current projects.

ESTAVIS share price development from 1 July 2010 to 31 March 2011



ESTAVIS AG

Share	
Stock exchange segment	Prime Standard
ISIN	DE000A0KFKB3
German Securities Code Number (WKN)	A0KFKB
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INTERIM MANAGEMENT REPORT

1 BUSINESS AND CONDITIONS

1.1 Economic environment and business performance

The global economic development during the first nine months of the current financial year was shaped by a sustained recovery that was reflected by moderate GDP growth rates of Europe's developed countries and the USA and a high level of growth momentum in the emerging markets. This also benefited the strongly export-oriented German economy which in 2010 witnessed the strongest growth since German reunification with a price-adjusted increase in GDP of 3.6 % and at the same time emerged as the engine of European economic performance. The economic growth also continued in the first quarter of 2011. The German Institute of Economic Research (Deutsches Institut für Wirtschaftsforschung e.V. – DIW Berlin) expects a price and seasonally adjusted increase in GDP of 0.9 % for the period from January to March 2011.

Alongside a sharp growth in export trade, significant growth momentum also came from the domestic economy. Both government and private consumer spending increased and investments rose markedly. Gainful employment went up further and on average the economic output in Germany in 2010 was generated by some 40.4 million workers, which represents a year-on-year increase of 212,000 people or 0.5 %. According to provisional estimates, the number of unemployed fell on a national average by 9.2 % to 2.9 million. The positive development on the employment market in Germany also continued in the first few months of 2011; according to the Federal Statistical Office the unemployment rate fell to 6.5 % in March.

In view of these developments the economic expectations of companies improved significantly. There was a marked revival in transaction and renting activity on the real estate markets.

The development on the international financial markets in the reporting period reflected the growing optimism on the economy. However, ongoing problems such as the poor development of the US economy, sluggish lending and concerns about the financial stability of individual countries continue to pose risk factors for the sustainability of the emerging economic recovery.

The limited lending particularly poses a risk to a robust recovery of the real economy. The restrictions in financing are also perceptible in the German real estate sector. Increasing requirements by banks in terms of the creditworthiness of private real estate purchasers are also having a detrimental effect on business performance in the real estate sector.

The business performance of the ESTAVIS Group in the period under review was shaped by a strong sales development in the major listed projects in Berlin. The notarised sales volume amounted to around EUR 38.6 million at the end of March 2011. This volume indicates the future revenues that ESTAVIS will generate after the apartments are handed over.

At EUR 43.9 million, revenues in the first nine months of the 2010/11 financial year were lower than corporate planning. This was primarily due to slow customer finance, which in many cases led to delays in the handover to the buyers impacting revenues. ESTAVIS has taken measures to reduce the resulting backlog.

1.2 Earnings situation

The following key figures for the first nine months of the 2010/11 financial year and of the comparison period (first nine months of 2009/10) relate to continued business operations.

In the first nine months of the 2010/11 financial year ESTAVIS Group revenues decreased to EUR 43.9 million from EUR 49.2 million in the comparison period.

Broken down for financial reporting purposes, revenues for continued operations were attributable to the following company business segments:

- Retail trading EUR 34.8 million (previous year: EUR 45.1 million)
- Other activities EUR 9.1 million (previous year: EUR 4.1 million)

The consolidated result after taxes amounted to EUR 0.7 million (previous year's period: EUR 0.3 million). Extensive advance payments recognised as expenses (predominantly staff and material costs) for the listed projects "Kodak-Glanzfilmfabrik" and "Kastaniengärten" in the amount of roughly EUR 0.5 million were offset by extraordinary income from the reversal of provisions for rental guarantees and pending construction obligations (EUR 1.3 million).

Since the third quarter of the financial year the Group has for the first time held real estate as a financial investment again. The value of this real estate increased by EUR 1.3 million in the reporting period.

Other operating income fell to EUR 4.8 million (previous year's period: EUR 5.9 million).

The gross margin for continued operations (revenues plus changes in inventories minus cost of materials/revenues) amounted to 32.0 % (comparison period: 40.9 %).

The total operating performance decreased from EUR 51.8 million to EUR 44.4 million.

Staff costs in the reporting period came to EUR 2.0 million and were therefore virtually unchanged on the previous year's period (EUR 2.0 million).

Other operating expenses decreased sharply to EUR 13.8 million (previous year's period: EUR 20.7 million). A decline in distribution costs of EUR 4.8 million and the reversal of provisions (EUR 1.3 million) mainly contributed to this development.

Earnings before interest and taxes (EBIT) amounted to EUR 4.3 million (previous year: EUR 3.2 million). The EBIT margin (EBIT/revenue) amounted to 9.75 % in the period under review and was therefore a good three percentage points higher than in the same period of the previous year (6.6 %).

The financial result in the period under review came to EUR –3.2 million after EUR –2.5 million in the same period of the previous year.

After income taxes of EUR 0.4 million, consolidated net profit amounted to EUR 0.7 million. In the previous year's period the result from continued operations came to EUR 0.3 million; taking into account discontinued operations consolidated net profit amounted to EUR 0.7 million. The consolidated net profit results in earnings per share of EUR 0.07 (previous year, based on continued operations: EUR 0.04).

1.3 Financial and assets position

The total assets of the ESTAVIS Group as of 31 March 2011 declined by EUR 15.4 million to EUR 140.0 million (30 June 2010: EUR 155.4 million).

The decline in assets is mainly attributable to trade receivables (EUR –8.5 million).

As compared to 30 June 2010, cash and cash equivalents decreased from EUR 4.1 million to EUR 2.2 million as of 31 March 2011.

Financial liabilities, which mainly relate to liabilities to banks, decreased in total by EUR 14.6 million to EUR 61.7 million (30 June 2010: EUR 76.3 million).

Shareholders' equity increased from EUR 52.3 million to EUR 52.8 million due to positive net profit in the first nine months of the financial year.

The reduction in total assets and the equity increase meant that the ESTAVIS Group's equity ratio increased from 33.6 % as of 30 June 2010 to 37.7 % at the end of the period under review.

The debt-to-equity ratio accordingly fell from 66.4 % to 62.3 %. The ratio of cash and cash equivalents to total assets amounted to 1.6 % at the end of the period under review (30 June 2010: 2.6 %). The Group's cash ratio (cash and cash equivalents/current liabilities) came to 3.3 % as of 31 March 2011 (30 June 2010: 4.9 %).

In the first nine months of the financial year net cash from operating activities amounted to EUR –1.8 million (previous year's period: EUR –4.9 million).

Net cash used in investing activities totalled EUR 0.0 million in the period under review (previous year's period: EUR –4.5 million). In the previous year, the figure was influenced by the sale of the HAG shares and the resulting derecognition of the cash and cash equivalents of the HAG Group.

Net cash used in financing activities amounted to EUR –0.0 million in the period under review (previous year's period: EUR –0.5 million).

2 RISK REPORT

The ESTAVIS Group has implemented a risk management system that is designed for several purposes, including allowing the early recognition and appropriate communication of significant risk factors arising from its business activities that could be of relevance to its earnings situation or continued existence. The risk management system allows action to be taken against potentially unfavourable developments and events in a timely manner and, where required, facilitates the implementation of countermeasures before any significant damages are incurred.

There have been no significant revisions to the risks for the ESTAVIS Group in the period under review compared with the Risk Report in the Group Management Report for the previous financial year. Accordingly, reference should be made to the information contained therein.

3 FORECAST REPORT

During the remaining weeks of the 2010/11 financial year, business activities will focus on the planned development and implementation of the major listed projects “Kodak-Glanzfilmfabrik” and “Kastaniengärten” and the initial preparatory measures for the “Friedrichshöhe” project. These projects will form a key basis for a positive development of revenues and earnings over the next two financial years.

Based on the business development in the first nine months the Management Board continues to expect ESTAVIS AG to conclude the 2010/11 financial year with consolidated net profit. The Management Board considered a growth in revenues and consolidated net income compared with the previous period to be an ambitious target the achievement of which depends largely on the realisation of planned sales from the optimisation portfolio and the development of customer finance. However, in view of the prevailing slow customer finance this target is not likely to be achieved in the 2010/11 financial year.

CONSOLIDATED BALANCE SHEET – ASSETS

ESTAVIS AG

Assets	31 March 2011 TEUR	30 June 2010 TEUR
Non-current assets		
Goodwill	17,776	17,776
Other intangible assets	41	37
Property, plant and equipment	374	486
Investment property	8,986	0
Investments in associates	58	59
Other non-current financial assets	520	155
Deferred income tax receivables	3,471	4,024
Total	**31,225**	**22,537**
Current assets		
Inventories	71,648	83,958
Trade receivables	11,074	19,527
Other receivables	23,792	24,335
Current income tax receivables	29	979
Cash and cash equivalents	2,245	4,065
Total	**108,788**	**132,864**
Total assets	**140,013**	**155,401**

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

ESTAVIS AG

	31 March 2011	30 June 2010
Equity	TEUR	TEUR
Issued capital	9,546	9,546
Capital reserves	45,109	45,249
IAS 39 reserve	0	0
Retained earnings	−1,849	−2,525
Equity attributable to the shareholders of the parent company	52,806	52,270
Minority interests	0	0
Total equity	**52,807**	**52,270**
Liabilities		
Non-current liabilities		
Provisions	90	90
Non-current financial liabilities	15,159	16,448
Deferred income tax liabilities	3,177	3,583
Total non-current liabilities	**18,426**	**20,120**
Current liabilities		
Provisions	2,203	3,961
Current financial liabilities	46,495	59,824
Advance payments received	7,061	4,051
Current income tax liabilities	2,020	2,169
Trade payables	7,218	7,673
Other liabilities	3,784	5,333
Total current liabilities	**68,781**	**83,011**
Total equity and liabilities	**140,013**	**155,401**

CONSOLIDATED INCOME STATEMENT

ESTAVIS AG	3rd quarter 10/11 1 Jan. 2011 – 31 March 2011	3rd quarter 09/10 1 Jan. 2010 – 31 March 2010	9 months 10/11 1 July 2010 – 31 March 2011	9 months 09/10 1 July 2009 – 31 March 2010
	TEUR	TEUR	TEUR	TEUR
Revenues	14,051	8,863	43,949	49,198
Change in value of investment property	1,345	0	1,345	0
Other operating income	1,839	1,734	4,765	5,926
Changes in inventories	–1,640	4,508	–5,610	–3,367
Total operating performance	**15,594**	**15,105**	**44,449**	**51,757**
Cost of materials	8,723	9,942	24,279	25,723
Staff costs	635	586	1,994	1,998
Depreciation and amortisation	17	35	76	98
Other operating expenses	4,559	4,689	13,814	20,715
Operating profit	**1,660**	**–147**	**4,286**	**3,223**
Net income from associates	**0**	**4**	**–1**	**4**
Interest income	7	56	61	257
Interest expenses	1,166	794	3,251	2,786
Financial result	**–1,159**	**–738**	**–3,190**	**–2,529**
Pre-tax profit from continued operations	**500**	**–881**	**1,095**	**698**
Income taxes	232	237	419	379
Result from continued operations	**268**	**–1,117**	**676**	**319**
Result from discontinued operations	0	487	0	419
Net profit	**268**	**–630**	**676**	**739**
attributable to parent company shareholders	268	–623	676	746
attributable to minority interests	0	–7	0	–7
Earnings per share (EUR)				
from continued operations	0.03	–0.14	0.07	0.04
from discontinued operations	0.00	0.06	0.00	0.05
from net profit	**0.03**	**–0.08**	**0.07**	**0.09**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ESTAVIS AG	3rd quarter 10/11 1 Jan. 2011 – 31 March 2011	3rd quarter 09/10 1 Jan. 2010 – 31 March 2010	9 months 10/11 1 July 2010 – 31 March 2011	9 months 09/10 1 July 2009 – 31 March 2010
	TEUR	TEUR	TEUR	TEUR
Net profit	**268**	**–630**	**676**	**739**
Available-for-sale financial assets	0	–8	0	–16
Changes in fair values	0	–8	0	–16
Reclassification recognized in profit or loss	0	0	0	0
Income taxes	0	0	0	0
Income directly recognized in equity	**0**	**–8**	**0**	**–16**
Total comprehensive income	**268**	**–639**	**676**	**723**
attributable to parent company shareholders	268	–632	676	730
attributable to minority interests	0	–7	0	–7

CONSOLIDATED CASH FLOW STATEMENT

ESTAVIS AG

		9 months 10/11 1 July 2010 – 31 March 2011	9 months 09/10 1 July 2009 – 31 March 2010
		TEUR	TEUR
	Net profit	676	739
+	Depreciation/amortisation of non-current assets	76	98
+/–	Increase/decrease in provisions	–1,758	–420
+/–	Change in value of investment property	–1,345	0
+/–	Other non-cash expenses/income	11	–16
–/+	Gains/losses from the disposal of non-current assets	3	0
–/+	Increase/decrease in inventories, trade receivables and other assets that are not attributable to investing or financing activities	14,669	16,881
+/–	Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	–14,160	–21,737
–/+	Result from the disposal of consolidated companies	0	–419
=	**Cash flow from current operating activities**	**–1,828**	**–4,874**
+	Payments received from the disposal of property, plant and equipment	89	0
+	Payments received for the disposal of financial assets	33	30
–	Payments for investments in intangible assets	–14	–4
–	Payments for investments in property, plant and equipment	–45	–64
–	Payments for investment property	0	0
–	Payments for investments in non-current financial assets	–48	0
+	Payments received for the disposal of fully consolidated companies	0	0
–	Payments from the disposal of fully consolidated companies	0	–4,491
=	**Cash flow from investing activities**	**14**	**–4,529**
+	Payments from shareholders	0	0
–	Payments to shareholders	0	0
+	Payments from issuing bonds and raising (financial) loans	0	0
–	Repayment of bonds and financial loans	–6	–516
=	**Cash flow from financing activities**	**–6**	**–516**
	Net change in cash and cash equivalents	–1,820	–9,919
+	Cash and cash equivalents at the beginning of the period	4,065	12,694
	attributable to cash and cash equivalents reclassified as assets held for sale	0	8,810
=	**Cash and cash equivalents at the end of the period**	**2,245**	**2,774**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 July 2010 to 31 March 2011

ESTAVIS AG

	Issued capital	Capital reserves	IAS 39 reserve	Retained earnings	Equity attributable to the shareholders of the parent company	Minority interests	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
As of 1 July 2010	**9,546**	**45,249**	**0**	**–2,525**	**52,270**	**0**	**52,270**
Total comprehensive income	–	–	0	676	676	0	**676**
Equity-raising costs	0	–140	–	–	–140	–	**–140**
As of 31 March 2011	**9,546**	**45,109**	**0**	**–1,849**	**52,806**	**0**	**52,807**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 July 2009 to 31 March 2010

ESTAVIS AG

	Issued capital	Capital reserves	IAS 39 reserve	Retained earnings	Equity attributable to the shareholders of the parent company	Minority interests	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
As of 1 July 2009	**8,099**	**44,222**	**16**	**–3,597**	**48,740**	**340**	**49,080**
Total comprehensive income	–	–	–16	746	730	–7	**723**
Change in consolidated group	–	–	–	–	–	–333	**–333**
Equity to be used for capital increase	1,447	1,027	–	–	2,474	–	**2,474**
As of 31 March 2010	**9,546**	**45,249**	**0**	**–2,852**	**51,943**	**0**	**51,943**

SELECTED DISCLOSURES ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 BASIC INFORMATION

Die ESTAVIS AG and its subsidiaries trade in property upon which they undertake maintenance work partly for the purpose of resale.

The company is domiciled in Berlin, Germany. The company's shares are listed on the Frankfurt Stock Exchange for trading on the Regulated Market (Prime Standard).

On 31 March 2011, ESTAVIS AG acted as the operating holding company for numerous special purpose entities.

These condensed consolidated interim financial statements were approved for publication by the company's Management Board in May 2011. The condensed consolidated interim financial statements were not checked by an auditor or subjected to review.

2 SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the third quarter of the 2010/11 financial year, which ended on 31 March 2011, were prepared in accordance with the provisions of IAS 34 "Interim Financial Reporting" as adopted by the EU by way of a regulation. The condensed interim consolidated financial statements should be read in conjunction with the most recent consolidated financial statements of ESTAVIS AG for the year ended 30 June 2010.

With the following exceptions, the accounting policies applied in the condensed interim consolidated financial statements are the same as those applied in the preparation of the most recent consolidated financial statements for the year ended 30 June 2010.

The following standards are required to be applied for the first time in the current financial year:

Standard/Interpretation	
Various	IFRS Improvements 2009
IFRS 2	Amendments: Group Cash-settled Share-based Payment Transactions
IFRS 1	Amendment: Additional Exemptions for First-time Adopters
IAS 32	Classification of Rights Issues
IFRS 1	Amendment: Limited Exemption from Capital Comparative IFRS 7 Disclosures for First-time Adopters
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

This did not result in any changes to the financial reporting for the ESTAVIS AG Consolidated Financial Statements. No regulations were applied early.

As of 31 March the Group posted real estate that had been held as a financial investment again for a prolonged period. The real estate held as a financial investment comprises real estate serving in the long time to achieve rental income and value enhancements. Unlike real estate contained in inventory assets, active resale activities for these properties are generally only developed after a prolonged holding period within the scope of portfolio reallocations. They are initially measured at cost and thereafter at fair value. Changes to the fair value are recognized in the income statement and reported separately.

The fair value of real estate is equivalent to the price at which it could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements or special considerations or concessions granted by anyone associated with the sale.

All real estate held within the Group as a financial investment was measured at the time of allocation to this category by independent real estate appraisers. The fair value was essentially determined by the real estate appraisers in accordance with the so-called income capitalisation approach according to the Directive on the measurement of property. The net income value is derived from the sum of the land value and earnings value of the constructed facilities. Furthermore, other value-influencing circumstances are to be taken into account, in particular deviations from the normal status due to a lack of maintenance work or in the case of construction defects or damage as long as these have not already been taken into account by the reduced earnings approach or a reduced residual period of economic use.

The earnings value of the constructed facilities is calculated from the rentable land area multiplied by the basic rent achievable over the long term minus the operating expenses for maintenance, administration and taking into account a contingency for risk of loss of rent. The net annual earnings calculated in this way are divided by a so-called property return calculated under consideration of risk-adequate benchmark returns and the estimated remaining service life of the building, thereby arriving at the fair value in accordance with IAS 40 for the respective property.

All amounts in the balance sheet, income statement, consolidated statement of comprehensive income, statement of changes in equity and cash flow statement, as well as in the notes and tabular overviews, are given in thousands of euro (TEUR), unless otherwise noted. Both individual and total figures represent the value with the smallest rounding difference. Small differences can therefore occur between the sum of the individual values represented and the reported totals.

3 CONSOLIDATED GROUP

As of 31 March 2011, the condensed interim consolidated financial statements of ESTAVIS AG included 42 subsidiaries and one associate. In the second quarter of the 2010/11 financial year the consolidated group changed due to the termination of the two joint ventures: one was sold, the other one was completely acquired. In the third quarter, five special purpose entities accrued on their general partner that was disposed.

4 SUPPLEMENTARY NOTES TO THE INDIVIDUAL ITEMS OF THE INTERIM FINANCIAL STATEMENTS

4.1 Segment informations

The segment results (concerning the continued operations including the changes in segment reporting) for the third quarter of the 2010/11 financial year and the comparison period are shown below:

	Retail trading		Other activities		Group	
	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Revenues (external only)	8,575	8,118	5,476	745	14,051	8,863
Revenues (internal only)	–	–	–	–	–	–
Segment result	**–1,327**	**–583**	**2,987**	**435**	**1,660**	**–147**
Unallocated					–	–
Operating result					1,660	–147
Net income from investments carried at-equity	–	–	0	4	0	4
Financial result					–1,159	–738
Net profit before income taxes					500	–881

The segment results (concerning the continued operations including the changes in segment reporting) for the first nine months of the 2010/11 financial year and the comparison period are shown below:

	Retail trading		Other activities		Group	
	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Revenues (external only)	34,820	45,060	9,129	4,138	43,949	49,198
Revenues (internal only)	–	–	–	–	–	–
Segment result	**–883**	**2,569**	**5,169**	**654**	**4,286**	**3,223**
Unallocated					–	–
Operating result					4,286	3,223
Net income from investments carried at-equity	–	–	–1	4	–1	4
Financial result					–3,190	–2,529
Net profit before income taxes					1,095	698

4.2 Income from reversal of provisions and other income

In the first quarter, provisions for disputed claims from rental guarantees were reversed in the amount of TEUR 804. In the third quarter, further provisions were reversed for rental guarantees and pending construction obligations in the amount of TEUR 537. In addition, income from the derecognition of statute-barred liabilities in the amount of TEUR 505 was achieved. These incomes were allocated to the Other activities segment. In the second quarter of the previous year, reversals of write-downs totalling TEUR 1,000 were carried out on impaired receivables. This income was allocated to the Other activities segment.

4.3 Investment property

At the end of the third quarter several properties that had been previously listed under inventory assets were earmarked as real estate held as financial investments. Reversals of write-downs totalling TEUR 1,345 were carried out on these properties. The income is allocated to the Other activities segment.

4.4 Related party transactions

The purchase price receivable, deferred in the short term, from the sale of a real estate portfolio to a company of the associated shareholder TAG Immobilien AG totalling TEUR 10,250 was received in the first half of the year.

Mr. Florian Lanz, CEO of ESTAVIS AG, and Mr. Eric Mozanowski, member of the Management Board of ESTAVIS AG assumed guarantees amounting to TEUR 3,500 each for various loans of the ESTAVIS Group during the second quarter. Remuneration of 5 % p. a. was agreed for each of them.

Mr. Eric Mozanowski, a member of the Management Board of ESTAVIS AG, has made commitments to provide project-related credit lines up to a total of TEUR 1,852 to several companies of the ESTAVIS Group. The amount had been drawn down completely. In the third quarter a further loan of TEUR 244 was granted. Following repayments since made, the total outstanding loan amount as per 31 March 2011 was TEUR 1,048. The interest rates are between 9.75 % and 12 %. The loans are collateralised by land charges and the assignment of purchase price receivables and profit shares.

Above and beyond this, there were no significant new related party transactions, nor were any of the related party transactions reported in the notes to the consolidated financial statements for the 2009/10 financial year changed or derecognised.

4.5 Employees

The ESTAVIS Group employed 46 staff at the end of the third quarter. In the third quarter of the previous year, the figure was 41. On average, 42 were employed in the Group during the last financial year.

4.6 Events after the reporting date

At the start of April ESTAVIS AG carried out a cash capital increase that was entered in the commercial register on 8 April 2011. 4,733,117 new shares were issued. The issuing proceeds amounted to TEUR 8,114. The costs of the capital procurement came to TEUR 400.

FINANCIAL CALENDAR 2011

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FORWARD-LOOKING STATEMENTS

This interim report contains specific forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events. This applies, in particular, to statements relating to future financial earning capacity, plans and expectations with respect to the business and management of ESTAVIS, growth, profitability and the general economic and regulatory conditions and other factors to which ESTAVIS is exposed.

Forward-looking statements are based on current estimates and assumptions made by the company to the best of its knowledge. Such forward-looking statements are based on assumptions and are subject to risks, uncertainties and other factors that may cause the actual results including the net asset, financial and earnings situation of ESTAVIS to differ materially from or disappoint expectations expressed or implied by these statements. The operating activities of ESTAVIS are subject to a number of risks and uncertainties that may also cause a forward-looking statement, estimate or prediction to become inaccurate.

This translation of the original German version of the interim report has been prepared for the convenience of our English-speaking shareholders.
The German version is authoritative.

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