ESTAVIS AG

THE REAL ESTATE INVESTMENT GROUP

INTERIM REPORT

First Nine Months 2009/10

1 July 2009 – 31 March 2010

OVERVIEW KEY FINANCIAL DATA

ESTAVIS AG	3rd quarter 09/10 1 Jan. 2010 – 31 March 2010	3rd quarter 08/09 1 Jan. 2009 – 31 March 2009	9 months 09/10 1 July 2009 – 31 March 2010	9 months 08/09 1 July 2008 – 31 March 2009
Revenues and earnings*	TEUR	TEUR	TEUR	TEUR
Revenues	8,863	11,410	49,198	57,053
Total operating performance	15,105	15,518	51,757	59,803
EBIT	–143	–1,440	3,227	–4,448
Pre-tax profit	–881	–2,512	698	–7,865
Net profit	–1,117	–1,774	319	–5,716

* from continued operations

ESTAVIS AG	31 March 2010	30 June 2009
Structure of assets and capital	TEUR	TEUR
Non-current assets	22,540	22,241
Current assets	121,628	185,047
Equity	51,943	49,080
Equity ratio	36 %	24 %
Total assets/equity and liabilities	144,168	207,287

ESTAVIS AG

Share	
Stock exchange segment	Prime Standard
ISIN	DE000A0KFKB3
German Securities Code Number (WKN)	A0KFKB
Number of shares on 31 March 2010	8,099,427
Free float (as of April 2010)	71.1 %
Share price high (1 July 2009 – 31 March 2010*)	EUR 2.55
Share price low (1 July 2009 – 31 March 2010*)	EUR 1.25
Closing price on 31 March 2010*	EUR 1.71
Market capitalisation on 31 March 2010*	EUR 14 million

* Closing prices in Xetra trading

CONTENT

LETTER TO THE SHAREHOLDERS

Dear Shareholders,
dear Ladies and Gentlemen,

ESTAVIS AG has made important progress in the third quarter of 2009/10 in the implementation of its corporate strategy.

The strategic participation of TAG Immobilien AG (TAG) in our company and the acquisition of a large listed site in Berlin were at the forefront here. Both transactions offer promising perspectives for the future development of ESTAVIS.

TAG new core shareholder

With a holding of about 15 % TAG, a successful listed real estate company from Hamburg, is now the largest single shareholder of ESTAVIS AG.

The holding was acquired by means of a capital increase through non-cash contributions. Some 1.4 million new shares were subscribed to at a price of EUR 2.35 per share. The capital increase was entered into the commercial register on 26 April 2010.

The subject of the non-cash contribution is a listed property in a very sought-after location in the centre of Berlin. On a total surface area of around 3,900 m² 54 high-quality apartments and loft apartments are being created through the planned refurbishment of the building dating from 1910. We expect total revenues from the sale of the listed apartments of some EUR 13 million.

We consider TAG's commitment as a sign of confidence in our corporate strategy. The participation of TAG furthermore serves to strengthen our shareholder structure and also offers interesting business prospects for both companies.

Large listed site in Berlin acquired

We have secured a lucrative major project for our sales pipeline with the acquisition of a unique listed ensemble in the immediate vicinity of the river Spree. The renovation and conversion of the former "Glanzfilmfabrik Köpenick" will result in the creation of a total of 230 apartments. Furthermore, the construction of new town houses is planned.

We are convinced that the "Glanzfilmfabrik" will be a major success – both architecturally and in business terms. Even before the official launch of sales to take place in the current quarter we are registering a large amount of interest from private investors and first reservations have been made.

We expect total proceeds from the sale of the property of around EUR 65 million. The acquisition and renovation of this unique listed ensemble in Berlin has enabled us to expand our range of top-quality residential real estate in the upper price segment and at the same time strengthen our presence in this segment.

Operating business on course – outlook confirmed

Our revenue and earnings trend in the quarter under review was largely in line with expectations. The prolonged winter weather resulted in delays in construction progress at some renovation properties but we will catch up here in the quarter currently under way.

In the first nine months of the 2009/10 financial year we sold a total of 499 apartments and achieved revenues of EUR 49.2 million (previous year: EUR 57.1 million).

Our business is benefiting particularly from the prevailing high demand for listed real estate that enables private purchasers to derive significant tax benefits. Our sales and renovation pipeline currently contains listed real estate with a sales value of some EUR 40 million (excluding major projects).

Consolidated income for the first nine months of 2009/10 came to EUR 0.7 (previous year: EUR –9.4 million). We are therefore on good course for achieving our target for the current financial year – the return to the profit zone.

Dear shareholders,
We consider ESTAVIS to be on a good footing for future development.

Our competence – exit solutions for private and institutional property investments – is encountering growing demand in the real estate market. We will expand this business further and in doing so tap new potential in markets in which we are able to achieve sustained profits.

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.

Increased number of shares after capital increase

With effect from 26 April 2010, the number of shares went up to 9,546,235 due to a capital increase. The new major shareholder is TAG Immobilien AG, Hamburg, which subscribed to 1,446,808 shares at a price of EUR 2.35 per share within the scope of a capital increase. This means that TAG Immobilien AG has a stake of around 15.2 % in ESTAVIS AG. The members of the Management Board of ESTAVIS AG retain a significant share in the company of around 11 %.

Annual General Meeting for the 2008/09 financial year

On 16 February 2010 the ordinary Annual General Meeting for the 2008/09 financial year took place in Berlin. All items on the agenda were approved with an overwhelming majority by the Annual General Meeting. The resolutions included the reduction in size of the Supervisory Board which from now on only consists of three members.

Investor relations activities

We intensified our financial communication over the past few months in order to convince the investment community of the potential of our newly realigned business model.

On 4 February 2010, we took part in the Small & Mid Cap Conference of Close Brothers Seydler AG in Frankfurt am Main. Furthermore, at the DVFA Real Estate Conference on 23/24 February 2010, we informed participants about the prospects of our company in a corporate presentation and during several individual discussions.

On top of this, on 22 April 2010, we presented ESTAVIS AG for the first time at the Munich Capital Market Conference, which offers a high-quality shareholder communication platform in particular for small and medium-sized enterprises.

ESTAVIS AG

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Stock exchange segment	Prime Standard
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* Closing prices in Xetra trading

ESTAVIS' share price performance

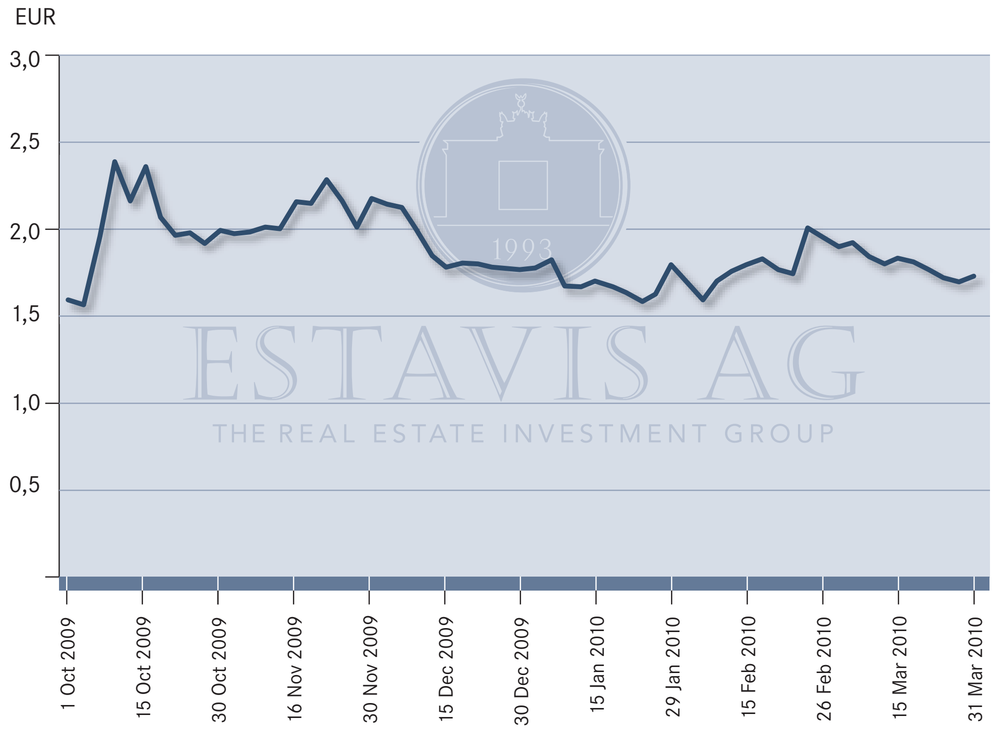
The growing confidence in the positive economic development continued in the period under review with a recovery on the global financial markets. ESTAVIS' share price also benefited from this development, increasing by around 16 % during this period.

The company's shares closed at EUR 1.71 on 31 March 2010 compared with EUR 1.48 at the start of the financial year on 1 July 2009. ESTAVIS' market capitalisation totalled around EUR 14 million as of 31 March 2010.

ESTAVIS' shares reached a high of EUR 2.55 on 13 August 2009 compared with a low of EUR 1.25 on 6 July 2009 (Xetra closing prices).

The ESTAVIS share is currently being covered by analysts at WestLB ("Buy", target price EUR 3.00) and SES Research ("Buy", target price EUR 3.40).

ESTAVIS share price development from 1 October 2009 to 31 March 2010



INTERIM MANAGEMENT REPORT

1 BUSINESS AND CONDITIONS

1.1 Economic environment and business performance

The global economy continued to recover in the first quarter of 2010. The general economic conditions in Germany also benefited. Sentiment among consumers and companies improved markedly.

The development on the international financial markets in the first quarter reflected the growing economic optimism. However, ongoing risks such as the weak development on the employment market, sluggish lending and concerns about the financial stability of individual countries are endangering the economic recovery that is getting under way.

The limited lending particularly poses a risk to the 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.

In view of the overall economic conditions, ESTAVIS AG recorded positive business performance in the first nine months of the 2009/10 financial year. Despite a downturn of sales compared with the previous period, net profit of EUR 0.7 million was generated.

Performance in the third quarter of the 2009/10 financial year was particularly impaired by the prolonged winter weather. This led to delays in the completion of some properties undergoing renovation. These delays will be largely made good in the current fourth quarter.

The sale of apartments – especially listed property with attractive tax relief – made a significant contribution to the positive business performance.

Furthermore, the restructuring measures implemented as part of the company's realignment had a positive impact on the financial performance. The revenues and earnings attained in the first nine months of the 2009/10 financial year provide a good basis for ESTAVIS AG to achieve its annual targets.

The new German Federal Government committed itself to the provision of tax relief for listed properties in its coalition agreement in October 2009 so that planning security will continue to exist here in the future.

1.2 Earnings situation

Key figures for the first nine months 2009/10 and of the comparison period (first nine months of 2008/09 financial year) only relate to continued business operations.

In the first nine months of 2009/10 financial year ESTAVIS Group revenues decreased 14 % to EUR 49.2 million from EUR 57.1 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 45.1m (previous year: EUR 49.3m)
- Portfolio trading EUR 4.1m (previous year: EUR 7.7m)

Revenues generated in the first nine months 2009/10 are based on a business volume of 499 sold units (comparison period: 535) with a total residential and useful area of 27,015 m² (comparison period: 27,539 m²).

Other operating income increased to EUR 5.9 million (previous year: EUR 4.9 million). The increase is mainly attributable to write-ups on impaired receivables.

The gross margin for continued operations (revenues plus changes in inventories minus cost of materials/revenues) rose from 24.9 % to 40.9 % year-on-year. However, these values cannot be compared as the cost of materials in the previous year suffered much more from the settlement of the effects of purchase price allocation (particularly from the acquisition of B&V) than the cost of materials in the reporting period.

Total operating performance decreased by EUR 8.0 million, from EUR 59.8 million to EUR 51.8 million.

In the period under review, staff costs declined to EUR 2.0 million (previous year: EUR 2.5 million). This development is primarily due to the reduction in the number of employees as a result of the restructuring measures.

Other operating expenses decreased slightly from EUR 20.9 million to EUR 20.7 million in the period under review.

Earnings before interest and taxes (EBIT) rose sharply to EUR 3.2 million (previous year: EUR –4.4 million). The EBIT margin (EBIT/revenue) amounted to 6.6 % in the reporting period.

Financial result improved by EUR 0.9 million from EUR –3.4 million to EUR –2.5 million.

After income taxes (EUR –0.4 million) the consolidated net profit from continued operations rose to EUR 0.3 million in the period under review after a consolidated net loss of EUR 5.7 million in the same period of the previous year. This corresponds to earnings per share of EUR 0.04 (previous year: EUR –0.71).

1.3 Financial and assets position

The total assets of the ESTAVIS Group as of 31 March 2010 declined significantly by EUR 63.1 million to EUR 144.2 million (30 June 2009: EUR 207.3 million); this was primarily due to the completion of the sale of the shares in Hamburgische Immobilien SUCV AG (HAG Group).

The asset derecognised as a result of the sale of the shares in HAG amounted to EUR 47.0 million.

Furthermore, items within other receivables were offset by corresponding offsetting items under other liabilities with an overall effect of EUR 12.0 million.

Cash and cash equivalents decreased from EUR 3.9 million in the previous year to EUR 2.8 million.

The liabilities derecognised as a result of the sale of the shares in HAG amounted to EUR 43.4 million.

Financial liabilities, which mainly relate to liabilities to banks, decreased by EUR 2.1 million to EUR 66.4 million.

Shareholders' equity increased from EUR 49.1 million to EUR 51.9 million as a result of the expected capital increase.

The substantial reduction in total assets and the equity increase meant that the ESTAVIS Group's equity ratio increased from 23.7 % as of 30 June 2009 to 36.0 % at the end of the period under review.

Accordingly, the debt-to-equity ratio fell from 76.3 % to 64.0 %. The ratio of cash and cash equivalents to total assets remained unchanged (1.9 %), while the Group's cash ratio (cash and cash equivalents/current liabilities) increased slightly from 2.5 % to 3.1 %.

In the first nine months of 2009/10, net cash from operating activities amounted to EUR –4.9 million (previous year: EUR –9.1 million).

Net cash used in investing activities totalled EUR –4.5 million in the period under review (previous year: EUR –0.5 million). This was attributable in particular to 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 –0.5 million in the period under review (previous year: 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 its 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

Based on the business development in the first nine months of the 2009/10 financial year, the Management Board confirms its forecast of a positive consolidated result for the year as a whole. The Management Board continues to consider revenues in a range from EUR 75.0 million to EUR 85.0 million (previous year EUR 70.7 million) to pose an ambitious, albeit achievable target. Reaching this target depends primarily on the successful conclusion of sales negotiations currently underway.

The assessment of the expected revenue and profit trend for the 2009/10 financial year is based largely on the volume of apartment sales notarised as of the reporting date and to the end of the first quarter of 2009/10. Notarised apartment sales have a high probability of generating revenue and earnings in the 2009/10 financial year.

Furthermore, on the basis of the forecast revenue and earnings trend, the Management Board expects cash inflows. According to the Management Board, this will result in the financial and liquidity situation stabilising – in connection with measures to improve the financing structure of the ESTAVIS Group which have already been implemented or are planned.

In addition, the information contained in the Forecast Report given in the Group Management Report for the 2008/09 financial year also continues to apply.

On the basis of the available information, we currently regard as realistic the forecast statements for the future course of business and the influencing factors judged decisive. However, they naturally involve the risk that the expected developments will not actually occur either in terms of their trend or their extent.

4 SUPPLEMENTARY REPORT

As per an agreement of 5 March 2010 ESTAVIS AG carried out a capital increase through non-cash contributions through the issue of 1,446,808 shares. The subject of the non-cash contribution is a property that was transferred to the stock corporation on 31 March 2010. The capital increase was entered in the commercial register on 26 April 2010.

CONSOLIDATED BALANCE SHEET – ASSETS

ESTAVIS AG

Assets	31 March 2010 TEUR	30 June 2009 TEUR
Non-current assets		
Goodwill	17,776	17,776
Other intangible assets	15	18
Property, plant and equipment	458	485
Investments in associates	55	50
Other non-current financial assets	119	193
Deferred income tax receivables	4,117	3,718
Total	**22,540**	**22,241**
Current assets		
Inventories	80,139	80,727
Trade receivables	7,785	1,955
Other receivables	30,121	49,424
Current income tax receivables	807	2,028
Cash and cash equivalents	2,774	3,884
Assets held for sale	0	47,029
Total	**121,628**	**185,047**
Total assets	**144,168**	**207,287**

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

ESTAVIS AG	31 March 2010	30 June 2009
Equity	TEUR	TEUR
Issued capital	8,099	8,099
Capital reserves	44,222	44,222
Amount provided for capital increase	2,474	–
IAS 39 reserve	0	16
Retained earnings	–2,852	–3,597
Equity attributable to the shareholders of the parent company	51,943	48,740
Minority interests	0	340
Total equity	**51,943**	**49,080**
Liabilities		
Non-current liabilities		
Provisions	97	97
Non-current financial liabilities	564	588
Deferred income tax liabilities	3,477	4,254
Total non-current liabilities	**4,138**	**4,938**
Current liabilities		
Provisions	4,435	4,855
Current financial liabilities	65,825	67,918
Advance payments received	3,684	4,101
Current income tax liabilities	2,536	1,158
Trade payables	4,376	6,214
Other liabilities	7,231	25,586
Liabilities held for sale	0	43,437
Total current liabilities	**88,086**	**153,269**
Total equity and liabilities	**144,168**	**207,287**

CONSOLIDATED INCOME STATEMENT

ESTAVIS AG	3rd quarter 09/10 1 Jan. 2010 – 31 March 2010	3rd quarter 08/09 1 Jan. 2009 – 31 March 2009	9 months 09/10 1 July 2009 – 31 March 2010	9 months 08/09 1 July 2008 – 31 March 2009
	TEUR	TEUR	TEUR	TEUR
Revenues	8,863	11,410	49,198	57,053
Other operating income	1,734	1,867	5,926	4,879
Changes in inventories	4,508	2,241	–3,367	–2,128
Total operating performance	**15,105**	**15,518**	**51,757**	**59,803**
Cost of materials	9,942	10,432	25,723	40,742
Staff costs	586	780	1,998	2,474
Depreciation and amortisation	35	36	98	102
Other operating expenses	4,689	5,703	20,715	20,930
Operating profit	**–147**	**–1,433**	**3,223**	**–4,444**
Net income from associates	**4**	**–7**	**4**	**–4**
Interest income	56	148	257	591
Interest expenses	794	1,220	2,786	4,008
Financial result	**–738**	**–1,072**	**–2,529**	**–3,417**
Pre-tax profit from continued operations	**–881**	**–2,512**	**698**	**–7,865**
Income taxes	237	–738	379	–2,148
Result from continued operations	**–1,117**	**–1,774**	**319**	**–5,716**
Result from discontinued operations	487	–1,397	419	–3,651
Net profit	**–630**	**–3,171**	**739**	**–9,367**
attributable to parent company shareholders	–623	–2,634	746	–8,381
attributable to minority interests	–7	–537	–7	–986
Earnings per share (EUR)				
from continued operations	–0.14	–0.22	0.04	–0.71
from discontinued operations	0.06	–0.11	0.05	–0.33
from net profit	**–0.08**	**–0.33**	**0.09**	**–1.03**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ESTAVIS AG

	3rd quarter 09/10 1 Jan. 2010 – 31 March 2010	3rd quarter 08/09 1 Jan. 2009 – 31 March 2009	9 months 09/10 1 July 2009 – 31 March 2010	9 months 08/09 1 July 2008 – 31 March 2009
	TEUR	TEUR	TEUR	TEUR
Net profit	**–630**	**–3,171**	**739**	**–9,367**
Available-for-sale financial assets	–8	0	–16	–16
Changes in fair values	–8	0	–16	–16
Reclassification recognized in profit or loss	0	0	0	0
Income taxes	0	0	0	0
Income directly recognized in equity	**–8**	**0**	**–16**	**–16**
Total comprehensive income	**–639**	**–3,171**	**723**	**–9,383**
attributable to parent company shareholders	–632	–2,634	730	–8,397
attributable to minority interests	–7	–537	–7	–986

CONSOLIDATED CASH FLOW STATEMENT

ESTAVIS AG

		9 months 09/10 1 July 2009 – 31 March 2010	9 months 08/09 1 July 2008 – 31 March 2009
		TEUR	TEUR
	Net profit	739	–9,367
+	Depreciation/amortisation of non-current assets	98	240
+/–	Increase/decrease in provisions	–420	1,413
+/–	Change in value of investment property	0	558
+/–	Other non-cash expenses/income	–16	46
–/+	Increase/decrease in inventories, trade receivables and other assets that are not attributable to investing or financing activities	16,881	–13,230
+/–	Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	–21,737	10,591
–/+	Result from the disposal of consolidated companies	–419	680
=	**Cash flow from current operating activities**	**–4,874**	**–9,068**
+	Payments received for the disposal of financial assets	30	0
–	Payments for investments in intangible assets	–4	–33
–	Payments for investment property	0	–413
–	Payments for investments in property, plant and equipment	–64	–350
–	Payments from the disposal of fully consolidated companies	–4,491	293
=	**Cash flow from investing activities**	**–4,529**	**–504**
–	Payments to shareholders	0	–78
+	Payments from issuing bonds and raising (financial) loans	0	299
–	Repayment of bonds and financial loans	–516	–703
=	**Cash flow from financing activities**	**–516**	**–482**
	Net change in cash and cash equivalents	–9,919	–10,054
+	Cash and cash equivalents at the beginning of the period	12,694	25,733
	attributable to cash and cash equivalents reclassified as assets held for sale	8,810	–
=	**Cash and cash equivalents at the end of the period**	**2,774**	**15,679**

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 recognised income and expenses	–	–	–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 2009	**9,546**	**45,249**	**0**	**–2,852**	**51,943**	**0**	**51,943**

* Amounts included in balance sheet item "Amount provided for capital increase"

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 July 2008 to 31 March 2009

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 2008	**8,099**	**77,065**	**16**	**1,413**	**86,594**	**8,742**	**95,336**
Total recognised income and expenses	–	–	–16	–8,381	–8,397	–986	**–9,383**
Acquisition of shares of consolidated companies	–	–	–	–1	–1	–19	**–20**
As of 31 March 2009	**8,099**	**77,065**	**0**	**–6,938**	**78,196**	**7,737**	**85,933**

SELECTED DISCLOSURES ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 BASIC INFORMATION

ESTAVIS AG and its subsidiaries trade in property upon which they undertake maintenance work partly for the purpose of resale. Furthermore, property is held as financial investments. 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 2010, 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 2010. The Condensed Consolidated Interim Financial Statements were not checked by an auditor or subjected to review.

2 SIGNIFICANT ACCOUNTING POLICIES

The condensed interim consolidated financial statements for the third quarter of the 2009/10 financial year, which ended on 31 March 2010, 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 2009.

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 2009.

The amended IAS 1 and IAS 23 are required to be applied for the first time in preparing the IFRS consolidated financial statements for the 2009/10 financial year. The amendment to IAS 1 requires the additional presentation of other comprehensive income as part of the income statement. The amendment to IAS 23 requires the capitalisation of the financing costs of properties for renovation and development projects resulting from cumulative production costs for projects starting in the 2009/10 financial year. For all projects starting prior to 1 July 2009, the previous accounting treatment, under which interest is not recognised in cost, remains in force. The provisions of IFRS 8 "Segment Reporting", the amended IAS 27 "Consolidated and Separate Financial Statements in Accordance with IFRS" and the amended IFRS 3 "Business Combinations", which are required to be applied for the first time in the current financial year, were already applied by the company in the previous year. Above and beyond this, the following standards are required to be applied for the first time in the current financial year:

Standard/Interpretation	
IAS 32 + IAS 1	Amendments: Puttable Financial Instruments and Obligations Arising on Liquidation
IAS 39	Amendments: Eligible Hedged Items
IFRS 1 + IAS 27	Amendments: Cost of Subsidiaries, Joint Ventures and Associates
IAS 39	Amendments: Reclassification of Financial Assets: Effective Date and Transition
IAS 39 + IFRIC 9	Amendments: Embedded Derivatives
IFRS 2	Amendments: Vesting Conditions and Cancellation
IFRS 7	Amendments: Enhancing Disclosures on Financial Instruments
IFRIC 12	Service Concession Arrangements
IFRIC 13	Customer Loyalty Programmes
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 15	Agreements on the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 18	Transfers of Assets from Customers
Various	IFRS Improvements 2008

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

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 euros (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 2010, the condensed interim consolidated financial statements of ESTAVIS AG included 59 subsidiaries, two joint venturews and one associate. The sale of the shares in the HAG Group was completed in the first half of the current financial year. Accordingly, the 23 companies in this subgroup were deconsolidated with effect from 1 July 2009. One company was newly formed in the first quarter. In the second quarter two companies that are now largely wound up and no longer active were sold. All remaining shares in the joint venture to date (a property company) were acquired. The company will be fully consolidated as of 1 October 2010. In the third quarter two companies that are no longer active were sold. Shares in two joint ventures (property companies) were acquired and three more new property companies established.

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

4.1 Segment information

The segment results for the third quarter of the 2009/10 financial year are shown below:

	Portfolio trading	Retail trading	Development	Consolidation	Group
	TEUR	TEUR	TEUR	TEUR	TEUR
Revenues (external only)	745	8,118	–	–	8,863
Revenues (internal only)	–	–	–	–	–
Segment result	**355**	**–583**	**80**	**–**	**–147**
Unallocated				–	–
Operating result				–	–147
Net income from investments carried at-equity	4	–	–	–	4
Financial result				–	–738
Pre-tax profit				–	–881

The segment earnings for the first nine months of the 2009/10 financial year are as follows:

	Portfolio trading	Retail trading	Development	Consolidation	Group
	TEUR	TEUR	TEUR	TEUR	TEUR
Revenues (external only)	4,138	45,060	–	–	49,198
Revenues (internal only)	–	–	–	–	–
Segment result	**377**	**2,569**	**277**	**–**	**3,223**
Unallocated				–	–
Operating result				–	3,223
Net income from investments carried at-equity	4	–	–	–	4
Financial result				–	–2,529
Pre-tax profit				–	698

The portfolio trading segment is to be discontinued during the fourth quarter. The assets attributable to the segment will be allocated to other activities in accordance with their expected deployment.

The segment results for the third quarter of the 2008/09 financial year (continued operations) are as follows:

	Portfolio trading	Retail trading	Development	Consolidation	Group
	TEUR	TEUR	TEUR	TEUR	TEUR
Revenues (external only)	403	10,775	–	–	11,178
Revenues (internal only with discontinued operations)	191	–	–	–	191
Segment result	**–1,624**	**209**	**–18**	**–**	**–1,433**
Unallocated				–	–
Operating result				–	–1,433
Net income from investments carried at-equity	–7	–	–	–	–7
Financial result				–	–1,072
Pre-tax profit				–	–2,512

The segment earnings for the first nine months of the 2008/09 financial year (continued operations) are as follows:

	Portfolio trading	Retail trading	Development	Consolidation	Group
	TEUR	TEUR	TEUR	TEUR	TEUR
Revenues (external only)	7,487	49,333	–	–	56,821
Revenues (internal only with discontinued operations)	231	–	–	–	231
Segment result	**–6,101**	**1,739**	**–82**	**–**	**–4,444**
Unallocated				–	–
Operating result				–	–4,444
Net income from investments carried at-equity	–4	–	–	–	–4
Financial result				–	–3,417
Pre-tax profit				–	–7,865

4.2 Write-ups on receivables

In the second quarter, write-ups on impaired receivables for TEUR 1,000 were carried out. The income is contained in other operating income and is allotted to the portfolio trading segment. In the third quarter a written-off receivable on the activities discontinued in the previous year was sold. This resulted in a gain on disposal of TEUR 487 which is contained in the result from discontinued operations.

4.3 Capital increase

As per an agreement of 5 March 2010, ESTAVIS AG carried out a capital increase through non-cash contributions through the issue of 1,446,808 shares. The subject of the non-cash contribution is a property. It was transferred to the stock corporation on 31 March 2010. The capital increase was entered in the commercial register on 26 April 2010. The property was valued at TEUR 2,474 based on the stock exchange price of ESTAVIS AG as at 31 March 2010.

4.4 Company disposals

At the end of the 2008/09 financial year, the ESTAVIS Group sold its shares in the HAG subgroup with effect from the start of the 2009/10 financial year. The selling price for the shares in the HAG Group was TEUR 3,400. The sale was completed during the first half of financial year 2009/10. The disposal related to the assets and liabilities reported as available for sale as of 30 June 2009, which included cash and cash equivalents in the amount of TEUR 8,810.

Discontinued operations accounted for a cash outflow from the sale of shareholdings in the amount of TEUR –4,491 in the period under review (taking into account the cash and cash equivalents derecognised as a result of the sale and transaction costs). In the same period of the previous year, discontinued operations accounted for net cash from operating activities of TEUR 2,610, net cash used in investing activities of TEUR –767 and net cash used in financing activities of TEUR –471.

4.5 Related party transactions

In the period under review, a company falling within the sphere of interest of Mr Rainer Schorr acquired a property from a Group company for a purchase price of TEUR 1,050. The proceeds of this sale were used to repay a loan liability to the same company. A loan in the amount of TEUR 979 due for repayment to a company belonging to the sphere of interest of Mr Rainer Schorr was extended during the third quarter until mid of May 2010.

In the first quarter, Mr Eric Mozanowski, a member of the Management Board of ESTAVIS AG, acquired a property from a Group company for a purchase price of TEUR 350. The short-term loan liability to Mr Eric Mozanowski as of 30 June 2009 in the amount of TEUR 300 was repaid. In the second quarter, Mr Eric Mozanowski granted a group company a short-term loan of TEUR 150 at an interest rate of 10% that was settled in the same quarter.

In the third quarter Mr Mozanowski granted a group company a short-term loan of TEUR 3,260 at an interest rate of 15%. The term of the loan is 2.5 months.

Mr Rainer Schorr and Mr Florian Lanz have promised the Group cash of up to TEUR 2,000 and TEUR 500 respectively in the second quarter in the event of a liquidity bottleneck.

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 2008/09 financial year changed or derecognised.

4.6 Employees

The ESTAVIS Group employed 41 staff at the end of the third quarter. In the third quarter of the previous year, the figure was 56 (thereof 16 in disposed group companies). On average, 69 were employed in the Group during the last financial year.

FINANCIAL CALENDAR 2010

1 June	Investors' Conference „Real Estate Update“, Frankfurt/Main
24 September	Full Year Results 2009/10

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.

CREDITS

ESTAVIS AG
Uhlandstraße 165
10719 Berlin, Germany

Phone: +49 (0)30 887 181-0
Telefax: +49 (0)30 887 181-11

E-Mail: mail@estavis.de
Home: www.estavis.de

ESTAVIS AG
THE REAL ESTATE INVESTMENT GROUP

Management Board

Florian Lanz (Chairman)
Eric Mozanowski

Chairman of the Supervisory Board

Dr. Karl-Josef Stöhr, Berlin

Contact

ESTAVIS AG
Peter Vogt
Investor & Public Relations

Phone: +49 (0)30 887 181-799
Telefax: +49 (0)30 887 181-779

E-Mail: ir@estavis.de

Concept, editing

Goldmund Kommunikation, Berlin
www.goldmund.biz

Layout and design

Power-DesignThing GmbH
www.derthing.de

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ESTAVIS AG

THE REAL ESTATE INVESTMENT GROUP