ESTAVIS AG

THE REAL ESTATE INVESTMENT GROUP

HALF-YEAR INTERIM REPORT 2007/2008

July 1 – December 31, 2007

OVERVIEW KEY FINANCIAL DATA

ESTAVIS AG	2nd quarter 07/08 Oct. 1, 2007 – Dec. 31, 2007	2nd quarter 06/07 Oct. 1, 2006 – Dec. 31, 2006	1st half-year 07/08 July 1, 2007 – Dec. 31, 2007	1st half-year 06/07 July 1, 2006 – Dec. 31, 2006
Revenues and earnings	TEUR	TEUR	TEUR	TEUR
Revenues	59,111	66,566	104,651	79,738
Total operating performance	48,915	66,025	94,603	79,792
EBIT	3,128	8,403	4,392	9,524
Pre-tax profit	2,057	7,828	2,994	8,541
Net profit	1,805	4,782	2,682	5,250

ESTAVIS AG	December 31, 2007	June 30, 2007
Structure of assets and capital	TEUR	TEUR
Non-current assets	38,733	32,563
Current assets	239,514	144,753
Equity	104,915	96,168
Equity ratio	38 %	54 %
Total assets/equity and liabilities	278,247	177,316

ESTAVIS AG

Share	
ISIN	DE000A0KFKB3
German Securities Code Number (WKN)	A0KFKB
Trading symbol	E7S
Number of shares on December 31, 2007	8,099,427
Free float	38 %
Issue date	April 2, 2007
Issue price	EUR 28.00
Share price high (July 2– December 28, 2007*)	EUR 29.40
Share price low (July 2– December 28, 2007*)	EUR 11.75
Closing price on December 28, 2007*	EUR 13.93
Market capitalisation on December 28, 2007*	EUR 113 million

* Closing prices in Xetra trading

CONTENT

LETTER TO THE SHAREHOLDERS

Dear Shareholders,
dear Ladies and Gentlemen,

We are looking back on a very successful half-year in operating terms. In the first six months we sold a total of 1,765 property units to institutional and private investors. Group revenues rose during this time by 31 % to EUR 105 million. In addition, transactions with a revenue volume of EUR 57.0 million were notarized by December 31, 2007. We expect these additional revenues and corresponding earnings to be realised to a large extent in the second half of the current financial year.

Earnings before interest and tax (EBIT) amounting to EUR 4.4 million were impaired by non-recurring events of EUR 5.6 million due primarily to the purchase price allocation for corporate acquisitions stipulated in accordance with IFRS. Owing to IFRS provisions, earnings amounting to some EUR 4.8 million of the companies Hamburgische Immobilien Invest SUCV AG and B&V Bauträger- und Vertriebsgesellschaft für Immobilien mbH, Berlin (B&V GmbH), which were acquired in 2007, are not included in EBIT. Furthermore, start-up costs of EUR 0.8 million were incurred for the development of ESTAVIS property and asset management.

Following adjustment for non-recurring events, EBIT therefore comes to around EUR 10.0 million.

We expect that once the new business year starts our revenue figures will reflect the true earnings strength of the ESTAVIS Group.

Following the complete takeover of B&V GmbH, we have included the company's transactions in the income statement as of October 31, 2007. B&V GmbH specialises in the restoration and modernisation of high-quality, predominantly listed properties in central locations.

In portfolio trading, we succeeded in selling two comprehensive portfolios with a total value of EUR 76 million to institutional investors during the first half-year, thereby once more demonstrating our skill in structuring risk diversified property portfolios.

Furthermore, with our newly founded ESTAVIS Property Management GmbH with head office in Halle we also offer our customers professional property services which thereby create additional added value on top of portfolio transactions. In future, these services will also be offered to third parties. ESTAVIS Property Management GmbH is currently responsible for around 3,700 units.

High demand for property-based investment and pension provision

In terms of residential privatisation, the ESTAVIS Group benefits from the large amount of interest shown by private investors in tailored property solutions. We expect the demand for property as a form of pension provision to continue to rise in the future. Additional impetus will emerge here from the state support provided for property investment within the scope of the "Riester Rente". According to current plans, this support should come into force before the end of the year.

With its subsidiaries CWI Real Estate AG (Bayreuth) and B&V GmbH, which specialise in residential privatisation, ESTAVIS Group is excellently positioned to benefit in the long term from the opportunities emerging from this growing market segment. With a planned sales volume for the current year of 1,000 residential property units, ESTAVIS Group is already one of the leading suppliers in the German property market.

Outlook for 2007/2008 financial year reduced due to financial market crisis

The insecurity on the financial markets at national and international level have detrimental effects above all on the financing conditions of portfolio transactions. In the next few months we therefore expect a very restrained business performance within the portfolio trading segment.

For this reason, we are reducing the outlook for the current financial year. We now expect sales to grow only slightly compared to last year (EUR 198 million) with an EBIT margin before non-recurring events of around 10 %.

We believe, that the current financial crisis will only delay investments into German properties. The underlying conditions for the German property market remain positive. Compared with other European countries, German property is rated favourably overall.

The recent results of a survey we carried out among institutional investors confirm this view. Around 70 % of the investors surveyed were planning to increase their investments in the German property market in 2008.

ESTAVIS Group will be at their side as an efficient partner.

Rainer Schorr *Chief Executive Officer (CEO)*	Corina Büchold *Member of the Management Board*	Hans Wittmann *Member of the Management Board*

THE ESTAVIS SHARE

The turbulence on the international capital markets over the past weeks and months has resulted in significant losses for German property shares. The ESTAVIS share has also been affected by this trend. The share price was trading at EUR 13.93 on December 28, 2007 (last trading day), which is equivalent to a market capitalisation of some EUR 113 million. Hence ESTAVIS AG is valued on the stock market solely on the basis of its equity.

Financial communication intensified

Over the past months we stepped up our financial communication in order to convince the investment community of the opportunities and potential of our business model. In addition to participating at investor conferences and staging road shows, this also included expanding analyst coverage by including SES Research and SRC Research. We expect this to give rise to considerably enhanced transparency for institutional and private investors as well as higher share liquidity on the stock exchanges.

In its initial assessment of February 2008, SES Research, one of the leading German research companies, recommended purchasing the ESTAVIS share at a target price of EUR 21. SRC Research, which specialises in financial and property values, started coverage in January 2008 at a target price of EUR 24.50 ('Buy').

Analyses and recommendations are currently being published by WestLB ('Buy', target price EUR 36) and Cazenove ('In-line').

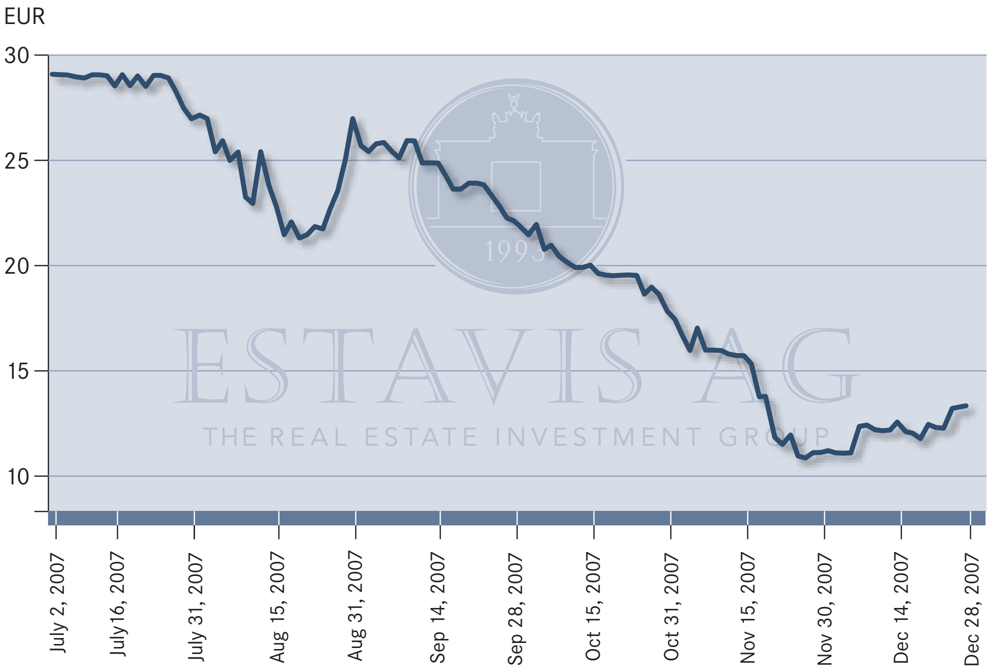
Ordinary Annual General Meeting with high level of participation

The Ordinary Annual General Meeting of ESTAVIS AG took place on November 30, 2007 in Berlin. Attendance was pleasingly high at around 84% of voting rights. ESTAVIS shareholders approved the items on the agenda of the Annual General Meeting virtually unanimously.

Capital increase for B&V takeover completed

The capital increase using the approved capital within the scope of the takeover of B&V GmbH was completed successfully at the end of December 2007. Following the issue of 375,000 new shares, the total number of ESTAVIS shares now rises to 8,099,427.

ESTAVIS share price development from July 2 to December 28, 2007



ESTAVIS shares at a glance

ESTAVIS AG

Share	
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INTERIM MANAGEMENT REPORT

Preliminary Remarks

Owing to the latest external growth steps of ESTAVIS AG, the comparability of the figures for the period under review with the corresponding figures of the previous year is limited. Firstly, Hamburgische Immobilien Invest SUCV AG (HAG Group), which was taken over on March 31, 2007, is included in the reporting concerning the first half of the 2007/2008 financial year. Furthermore, the new acquisitions during the second quarter as described below affect the reporting for the current financial year.

1 BUSINESS PERFORMANCE AND FINANCIAL POSITION

1.1 Important business occurrences and events

The ESTAVIS Group continued its growth strategy during the second quarter. The key events here were in particular the 100% acquisitions on October 31, 2007 of B&V Bauträger und Vertriebsgesellschaft für Immobilien mbH, Berlin, and its affiliate Protect Vermittlungsgesellschaft für Kapitalanlagen mbH, Stuttgart (hereinafter referred to collectively as B&V). In addition to EUR 11.8 million of cash, the purchase price included the issue of 375,000 ESTAVIS shares to the seller. The companies acquired predominantly operate in the area of property trade, especially in the sale and restoration of residential property.

The capital increase from the capital authorised to create the shares to be issued to the seller of B&V was approved by the Management Board and Supervisory Board of ESTAVIS AG in October/November 2007 and entered in the commercial register on December 27, 2007.

With the acquisition of B&V, ESTAVIS aims to achieve a sustained commercial strengthening of the Group by diversifying its product range. By expanding its business activities in residential privatisation, the Group's dependence on its traditional main source of revenue, portfolio trading, will be further reduced.

The takeover of B&V exerted an influence on the Half Year Results for 2007/2008 in the form of major revenue-boosting effects. However, owing to the allocation to inventory property of a large part of the surplus of the acquisition price above the book value of the acquired assets of B&V, the transaction has only a minor influence on profits for the period under review.

At the Annual General Meeting of ESTAVIS AG on November 30, 2007 it was decided to carry forward the entire balance sheet profits for the 2006/2007 financial year amounting to EUR 4.97 million to the new financial statement. The other motions put forward for approval were also passed with the necessary majority at the Annual General Meeting, including in particular authorisation for the launch of a stock option plan for Management Board Members and the creation of conditional capital to fund this stock option plan. This makes it possible for a remuneration tool with a long-term appeal to be created in order to enhance the corporate value.

With effect from December 13, 2007, Mr Klaus-Dieter Jakob has withdrawn from his position as member of the Supervisory Board.

1.2 Earnings situation

Owing to the unfavourable impact of the US mortgage crisis on the investment activity of institutional investors on the property market, business development in the second quarter of the 2007/2008 financial year was more restrained than in the previous year. The portfolio revenues realised in the second quarter are around EUR 48.7 million down on the same period in the previous year. Portfolio revenues in the first half-year fell by EUR 26.5 million year-on-year. Despite this, the ESTAVIS Group maintained its growth course and in the first half of the financial year achieved revenues of EUR 104.7 million as against EUR 79.7 million in the previous year's period. Revenues were distributed among the company's business segments as follows:

- Property trading EUR 104.1m (previous year: EUR 79.7m)
- Property asset management EUR 0.6m (previous year: EUR 0.0m)

Revenues generated in the first half of 2007/2008 are based on a business volume of 1,765 sold units (comparable period: 2,038) with a total residential and useful area of 114,052 m² (comparable period: 108,182 m²). Owing to the present restraint of investors in particular with regard to portfolio investments in the second quarter of the current financial year, the revenue expansion is due primarily to the external growth measures of the ESTAVIS Group.

In connection with revenue performance, it should be pointed out that on the period's reporting date the ESTAVIS Group posted a significant volume of transactions and sales that were not yet entered as sales-relevant. These transactions comprised 579 units with a total residential and useful area of 36,323 m² and a total sales value of some EUR 57.0 million. Hence the provisional revenue potential was considerably higher than on the reporting date of the previous year's period at 329 units with a total residential and useful area of 34,773 m² and a total sales value of approximately EUR 25.5 million.

The gross margin (gross profit/revenues) decreased slightly as against the comparable period from 16.8 % to 16.6 %. Earnings before interest and taxes (EBIT) declined by 54 % to EUR 4.4 million in comparison with the previous year's period, while net profit fell by 49 % to EUR 2.7 million. The EBIT margin (EBIT/revenues) accordingly declined from 11.9 % to 4.2 % and the return on sales (net profit/revenues) fell from 6.6 % to 2.6 %.

In view of the development of earnings and profitability, the following influencing factors have to be highlighted: The earnings contribution of the HAG Group and B&V during the reporting period was largely due to revenues which had already been contractually agreed at the time of the acquisition of these companies. For this reason, the property portfolio had to be revalued within the scope of the purchase price allocation: a deduction from the EBIT of TEUR 4,834 arises as a result.

In addition to this, start-up expenditure of approximately TEUR 800 for the development of the ESTAVIS property and asset management company, now with 21 employees, is included in the EBIT. This expansion of the operating spectrum supplements the ESTAVIS Group's service package, in particular for buyers of property portfolios.

Net profit was positively impacted in the amount of TEUR 583 as a result of one-time effects in deferred tax receivables and liabilities as a result of the changes arising from the 2008 German corporation tax reform.

1.3 Financial and assets position

The increase in total assets during the reporting period from EUR 177.3 million on June 30, 2007 to EUR 278.2 million is primarily due to influences from the business expansion of the ESTAVIS Group, in particular the takeover of B&V, as well as sales transactions taking place close to the reporting date for the period under review. This led to a sharp rise in goodwill, inventories and other receivables of a total of EUR 102.2 million.

In financing this resulted in an increase of financial liabilities totalling EUR 58.0 million, essentially including liabilities to banks. At the same time, other current liabilities also rose by EUR 31.2 million.

As a result of the clear increase in total assets, ESTAVIS Group's equity ratio fell during the second quarter. At the end of the reporting period it was 37.7 % as against 54.2 % on June 30, 2007. Despite this expansion effect, the company's financing and liquidity situation remains stable. Cash and cash equivalents and working capital (current assets – current liabilities) remain high at EUR 34.5 million (June 30, 2007: EUR 36.0 million) and EUR 87.1 million (June 30, 2007: EUR 80.9 million) respectively. Cash and cash equivalents continue to represent a large share of total assets at 12.4 % (June 30, 2007: 20.3 %), albeit that this relation has declined in view of the growth measures of the ESTAVIS Group in the second quarter.

2 RISK REPORT

The ESTAVIS Group has implemented a risk management system which is designed for the early recognition and the appropriate communication of significant risk factors arising from its business activities relevant to earnings and its continued existence. It facilitates prompt action against potentially unfavourable developments and events and, where required, facilitates the implementation of countermeasures before any significant damage has been done.

On the basis of this information, the Management Board of ESTAVIS AG currently sees no specific risks which could individually or collectively threaten the continued existence of the company or which could significantly compromise the company's asset, finance and earnings position. The risks listed in the risk report of the Group Management Report for the 2006/2007 financial year by and large continue to apply unchanged, so that reference is made to the statements contained therein.

It should be additionally pointed out that the turbulence on the international property and financial markets resulting from the mortgage crisis in the USA and the overall economic uncertainty triggered by this has intensified further.

Although ESTAVIS Group is not directly affected by the property crisis, the associated insecurity on the financial markets at national and international level has had a detrimental effect above all on the financing conditions of institutional investors. Despite the high appeal of the German property market in terms of earnings prospects, a restraint in investments in German property can be observed, which the Management Board judges as temporary. While the portfolio business is impaired by this, no negative effects have been observed as yet in residential privatisation. However, it cannot be ruled out that this business area will also be affected in the event of an ongoing property and financial crisis.

3 FORECAST REPORT

As mentioned in the risk report, the negative development on the international property and financial markets has continued since the end of the 2006/2007 financial year, so that the associated economic risks have risen. We think that this will result not only in a clouding of general economic developments but that there could also be repercussions on the business development of ESTAVIS Group in the current financial year.

Due to the above-mentioned negative influences in the international property and financial markets our expectations regarding the revenue performance of ESTAVIS Group – especially in the portfolio trading – for the year as a whole have changed. We now expect sales to increase only slightly compared to last year (EUR 198 million). Our expectations regarding profits are also somewhat restrained, as we predict them to be lower than we had previously anticipated. Taking into account the currently unfavourable overall economic market situation, we expect an EBIT margin before non-recurring events for the 2007/2008 financial year of around 10 % (previous estimates were between 12 and 14 %). We expect the B&V takeover to make a significant positive contribution towards achieving these targets.

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

No further events occurred after the end of the reporting period which are of particular significance to the commercial development of the ESTAVIS Group.

CONSOLIDATED INTERIM BALANCE SHEET – ASSETS

ESTAVIS AG

	Dec. 31, 2007	June 30, 2007
Assets	TEUR	TEUR
Non-current assets		
Goodwill	20,606	11,492
Other intangible assets	80	50
Property, plant and equipment	1,067	775
Investment property	13,788	16,939
Investments in associates	10	917
Other non-current financial assets	249	721
Deferred income tax receivables	2,933	1,668
Total	**38,733**	**32,563**
Current assets		
Inventories	86,958	23,057
Trade receivables	52,588	50,139
Other receivables	64,558	35,323
Current income tax receivables	130	185
Cash and cash equivalents	34,470	36,048
Assets held for sale	810	0
Total	**239,514**	**144,753**
Total assets	**278,247**	**177,316**

CONSOLIDATED INTERIM BALANCE SHEET – EQUITY AND LIABILITIES

ESTAVIS AG	Dec. 31, 2007	June 30, 2007
Equity	TEUR	TEUR
Issued capital	8,099	7,724
Capital reserves	77,065	70,577
IAS 39 reserve	–156	73
Retained earnings	9,740	7,280
Equity attributable to the shareholders of the parent company	94,748	85,654
Minority interests	10,167	10,514
Total equity	**104,915**	**96,168**
Liabilities		
Non-current liabilities		
Provisions	402	341
Non-current financial liabilities	14,877	14,243
Deferred income tax liabilities	5,617	2,666
Total non-current liabilities	**20,896**	**17,250**
Current liabilities		
Provisions	7,567	5,506
Current financial liabilities	90,395	33,022
Advance payments received	3,863	768
Current income tax liabilities	9,921	5,553
Trade payables	13,836	3,443
Other liabilities	26,854	15,606
Total current liabilities	**152,436**	**63,898**
Total equity and liabilities	**278,247**	**177,316**

CONSOLIDATED INTERIM INCOME STATEMENT

ESTAVIS AG

	2nd quarter 07/08 Oct. 1, 2007 – Dec. 31, 2007	2nd quarter 06/07 Oct. 1, 2006 – Dec. 31, 2006	1st half-year 07/08 July 1, 2007 – Dec. 31, 2007	1st half-year 06/07 July 1, 2006 – Dec. 31, 2006
	TEUR	TEUR	TEUR	TEUR
Revenues	59,111	66,566	104,651	79,738
Change in investment property	0	0	–170	0
Other operating income	1,128	175	1,554	187
Changes in inventories	–11,324	–715	–11,432	–134
Total operating performance	**48,915**	**66,025**	**94,603**	**79,792**
Cost of materials	38,877	55,370	75,864	66,206
Staff costs	2,100	693	3,233	1,031
Depreciation and amortisation	22	27	126	41
Other operating expenses	4,796	1,532	10,930	2,989
Operating profit	**3,119**	**8,403**	**4,450**	**9,524**
Net income from associates	**9**	**0**	**–58**	**0**
Interest income	671	117	1.426	187
Interest expenses	1,742	693	2,823	1,170
Financial result	**–1,071**	**–576**	**–1,397**	**–983**
Pre-tax profit	**2,057**	**7,828**	**2,994**	**8,541**
Income taxes	252	3,045	312	3,291
Net profit	**1,805**	**4,782**	**2,682**	**5,250**
attributable to parent company shareholders	1,599	4,735	2,737	5,203
attributable to minority interests	206	47	–55	47
Earnings per share (EUR)	**0.20**	**0.95**	**0.35**	**1.04**

CONSOLIDATED INTERIM CASH FLOW STATEMENT

ESTAVIS AG

		1st half-year 07/08 July 1, 2007 – Dec. 31, 2007	1st half-year 06/07 July 1, 2006 – Dec. 31, 2006
		TEUR	TEUR
	Net profit	2,682	5,250
+	Depreciation/amortisation of non-current assets	126	41
+/–	Increase/decrease in provisions	–1,960	1,680
+/–	Change in investment property	170	0
+/–	Other non-cash expenses/income	109	588
–/+	Gains/losses from the disposal of non-current assets	0	4
–/+	Increase/decrease in inventories, trade receivables and other assets that are not attributable to investing or financing activities	–47,016	13,435
–/+	Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	44,520	–29,485
=	**Cash flow from current operating activities**	**–1,370**	**–8,486**
	Payments received from the disposal of property, plant and equipment	23	5
+	Payments received for the disposal of financial assets	259	0
+	Payments received from the disposal of investment property	2,172	0
–	Payments for investments in intangible assets	–39	–5
–	Payments for investment property	–1	0
–	Payments for investments in property, plant and equipment	–286	–111
–	Payments for investments in non-current financial assets	–2	0
+	Payments from the disposal of fully consolidated companies	0	5
–	Payments from the additions of fully consolidated companies	–2,223	0
=	**Cash flow from investing activities**	**–97**	**–106**
	Payments made by shareholders	25	0
–	Payments to shareholders	–594	0
+	Payments from issuing bonds and raising (financial) loans	2,530	0
–	Repayment of bonds and financial loans	–2,072	–10
=	**Cash flow from financing activities**	**–111**	**–10**
	Net change in cash and cash equivalents	–1,578	–8,603
+	Cash and cash equivalents at the beginning of the period	36,048	13,807
=	**Cash and cash equivalents at the end of the period**	**34,470**	**5,204**

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the period from July 1, 2007 to December 31, 2007

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 July 1, 2007	**7,724**	**70,577**	**73**	**7,280**	**85,654**	**10,514**	**96,168**
Changes in the value of available-for-sale financial assets	–	–	–229	–	–229	–	**–229**
Net profit for the period July 1, 2007 – December 31, 2007	–	–	–	2.737	2.737	–55	**2,682**
Total recognised income and expenses	–	–	**–229**	**2.737**	**2.508**	**–55**	**2,453**
Capital increase	–	–	–	–	0	25	**25**
Capital increase against contributions in kind (acquisition of B&V Group)	375	6,488	–	–	6,863	–	**6,863**
Acquisition of shares of consolidated companies	–	–	–	–277	–277	–317	**–594**
As of December 31, 2007	**8,099**	**77,065**	**–156**	**9,740**	**94,748**	**10,167**	**104,915**

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the period from July 1, 2006 to December 31, 2006

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 July 1, 2006	**3,451**	**0**	**–55**	**62**	**3,458**	**2**	**3,461**
Changes in the value of available-for-sale financial assets	–	–	–6	–	–6	0	**–7**
Net profit for the period July 1, 2006 – December 31, 2006	–	–	–	5,203	5,203	47	**5,250**
Total recognised income and expenses	**–**	**–**	**–6**	**5,203**	**5,197**	**47**	**5,244**
Capital increase from retained earnings	1,549	0	0	–1,549	0	0	**0**
As of December 31, 2006	**5,000**	**0**	**–61**	**3,716**	**8,655**	**49**	**8,704**

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 December 31, 2007, ESTAVIS AG acted as operating holding company of numerous special purpose entities. Its major operating investments are the 80.36 % stake in Hamburgische Immobilien Invest SUCV AG, Hamburg (HAG Group), which itself holds 54.76 % in the operating CWI Real Estate AG, Bayreuth, as well as a direct 1.4 % stake in CWI Real Estate AG itself. It also has a 100 % stake in the operating B&V Bauträger- und Vertriebsgesellschaft für Immobilien mbH, Berlin (B&V).

The figures in the reporting period are comparable only to a limited extent with those of the previous year's period in view of the expansion of the consolidated group following the addition of the HAG Group and B&V Group as well as the significantly strengthened equity base due to the IPO of the company.

These condensed consolidated interim financial statements were approved for publication by the company's Management Board in February 2008. The condensed consolidated interim financial statements were not checked by an auditor and subjected to review.

2 SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the first quarter of the 2007/2008 financial year ended December 31, 2007, were compiled in accordance with the regulations of IAS 34, 'Interim Reporting' included in the directives of European law. The condensed consolidated interim financial statements should be read in connection with the most recent consolidated financial statements of ESTAVIS AG as at June 30, 2007.

The accounting methods employed in the condensed consolidated interim financial statements are equivalent to those on which the consolidated financial statements as at June 30, 2007 are based, with the exception of two changes in reporting and presentation.

Standard/Interpretation		amended/new
IAS 1	Presentation of Financial Statements	amended
IAS 32	Financial Instruments: Presentation	amended
IFRS 7	Financial Instruments: Disclosures	new
IFRIC 10	Interim Financial Reporting and Impairment	new
IFRIC 11	IFRS 2: Group and Treasury Share Transactions	new

The first-time application of the new accounting regulations did not impact the IFRS interim financial statements of ESTAVIS AG and will have no effect on the IFRS consolidated financial statements for the 2007/2008 financial year, with the exception of several additional statements in the notes. None of the regulations have been applied early.

The changes in reporting as against the most recent consolidated financial statements concern, on the one hand, reporting of minority interests in subsidiaries with the legal form of partnerships. Up until now, these minority interests were reported separately in the Group's liabilities and the change to these liability items reported separately in the income statement. Due to the materially reduced significance of these items for the Group, they will be reported in the balance sheet under the items financial liabilities and the corresponding expenses and income reported in the income statement under the items interest income and interest expenses.

The second change concerns the allocation of cash flows from raising and repayment of credit for refinancing inventory property. These cash flows were previously reported in the cash flow statement from financing activities. In cases where property was sold partly against the assumption of credit in connection with their refinancing (typical of share deals), this led to transactions with a negative cash flow from operating activities and a positive financing cash flow being shown in the cash flow statement. To avoid this separated presentation, cash flows from raising and repayment of credit for refinancing inventory property are allocated to cash flow from operating activities. Regardless of whether a property purchase takes place in part against the assumption of credit liabilities, a positive cash flow from ordinary operations is now shown if the sales price exceeds the costs of the property and a negative cash flow is shown if the sales price is below the costs of the property. The meaningfulness of the cash flow statement will thereby be improved.

In view of both changes in reporting and presentation, the values for the comparable period were also adjusted.

As at December 31, 2007, ESTAVIS AG included 59 subsidiaries in the condensed consolidated interim financial statements. Since the most recent consolidated financial statements as at June 30, 2007, the consolidated group has grown with the acquisition of two property management companies founded in the first quarter of the current financial year. The Group's stake in ESTAVIS Property-Management GmbH declined from 100 % to 50.1 % as a result of other shareholders being taken up. In the second quarter of the current financial year the consolidated group grew with the acquisition of B&V and its affiliate Protect (see under 3.6 Corporate acquisitions for further details). In addition, four further new property management companies were included in the consolidated financial statements. One property management company was partially disposed of to leave a residual stake of 5.5 % as part of a share deal.

All amounts in the balance sheet, income statement, 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 SUPPLEMENTARY NOTES TO THE INDIVIDUAL ITEMS OF THE INTERIM FINANCIAL STATEMENTS

3.1 Segment information

The segment results for the first half and the second quarter of the 2007/2008 financial year are as follows. During the first half of the previous year, the whole of the Group's activities related to the property trading segment.

Segment data for the period from July 1, 2007 to December 31, 2007 (first half-year)

	Trading	Investment property	Unallocated	Group
	TEUR	TEUR	TEUR	TEUR
Revenues (external only)	104,086	565	–	104,651
Segment result	**4,369**	**65**	**–**	**4,434**
Currency gains				16
Operating result				4,450
Net income from investments consolidated valued at-equity	–58	–	–	–58
Financial result				–1,397
Net profit before income taxes				2,994

Segment data for the period from October 1, 2007 to December 31, 2007 (second quarter)

	Trading	Investment property	Unallocated	Group
	TEUR	TEUR	TEUR	TEUR
Revenues (external only)	58,826	285	–	59,111
Segment result	**2,970**	**141**	**–**	**3,111**
Currency gains				8
Operating result				3,119
Net income from investments consolidated valued at-equity	9	–	–	9
Financial result				–1,071
Net profit before income taxes				2,057

3.2 Non-current assets for sale

Non-current assets for sale reported separately relate to two properties held as investment property, for which binding sales contracts were concluded in the first quarter. Performance of the contracts is expected to take place in the third quarter.

3.3 Equity

The subscribed capital of ESTAVIS AG on the interim reporting date amounts to EUR 8,099,427, with an equivalent number of shares issued. It has been boosted by a capital increase against contribution in kind of TEUR 375 which was carried out on October 31 and entered in the commercial register on December 27, 2007. The contribution in kind comprised investments in the companies of B&V Group (see under 3.6 Corporate acquisitions for further details).

3.4 Income tax expense

Due to the changes arising from the 2008 corporation tax reform, different tax rates are to be applied to deferred tax receivables and liabilities. The parent company's tax rate has decreased from 39 % to 30.175 %. The discontinuation of partial tax relief at a subsidiary has a counter effect. In net terms, a tax benefit of TEUR 358 arises as a result of the amended tax rates. In the second quarter there is an additional tax benefit of TEUR 225 due to adjusted tax rates arising from the B&V takeover.

3.5 Related party transactions

In the first and second quarters, neither significant new transactions with related parties have occurred, nor were transactions which were reported in the Notes to the Consolidated Financial Statements for the financial year 2006/2007, changed or discontinued in the reporting period.

3.6 Corporate acquisitions

On October 31, 2007, against the issue of 375,000 shares with a value of EUR 18.30 each and a cash purchase price of TEUR 11,825, the ESTAVIS Group acquired 100% of interest in B&V Bauträger und Vertriebsgesellschaft für Immobilien mbH, Berlin, and in its affiliate Protect Vermittlungsgesellschaft für Kapitalanlagen mbH Grundstücksvermittlung, Stuttgart (hereinafter referred to collectively as B&V). The companies of the B&V Group operate in property trading, primarily in the marketing of listed residential property in need of renovation.

The following purchase price allocation is still temporary.

The goodwill acquired can (for the time being) be calculated as follows:

Calculation of goodwill

	TEUR
Value of shares issued	6,863
Cash purchase price	11,825
Costs directly attributable to the acquisitions	473
Total cost	**19,161**
Fair value of net assets acquired	**10,048**
Goodwill	**9,113**

The goodwill resulting from the acquisitions is due to the good market position of the companies acquired and their expected growth rates as well as their anticipated synergies with the business of the ESTAVIS Group to date.

The assets and liabilities of the two companies acquired are composed as follows:

Net assets acquired

	Fair value	Carrying amount at companies acquired
	TEUR	TEUR
Cash and cash equivalents	4,250	4,250
Property, plant and equipment	145	145
Properties held as inventories	38,435	20,555
Receivables	9,569	9,569
Provisions	–1,652	–1,652
Liabilities	–36,387	–36,387
Deferred taxes	–4,312	224
Net assets acquired	**10,048**	**–3,297**

The definitive purchase price will depend especially on the results of the tax audit of the companies acquired for the financial years ending prior to January 1, 2007. If deviations from the tax debt assumed to date should result, these will give rise to corresponding adjustments of the purchase price.

Since November 1, 2007, the newly acquired companies have contributed some EUR 21 million to revenues and TEUR 70 to net profit.

3.7 Employees

The ESTAVIS Group employed 105 staff at the end of the quarter. The figure was 21 on December 31, 2006. On average, 34 employees were operating in the Group during the last financial year. The increased number was primarily the result of the take-over of the HAG Group and B&V and the founding of ESTAVIS Property Management GmbH.

INSURANCE OF LEGAL REPRESENTATIVES

of ESTAVIS AG in accordance with §37y of the Securities Trade Act in conjunction with § 37w, clause 2, item 3 of the Securities Trade Act.

We state to the best of our knowledge that in accordance with the applicable auditing principles for interim reporting the interim consolidated financial statements convey an accurate picture of the Group assets, financial situation and earnings, and that the course of business including net operating profit and the condition of the Group are portrayed in the Group Interim Management Report in such a way as to convey a true and fair view, and the key opportunities and risks concerning the anticipated development of the Group in the remainder of the financial year are set out.

Berlin, February 11, 2008

Rainer Schorr	Corina Büchold	Hans Wittmann
Chief Executive Officer (CEO)	*Member of the Management Board*	*Member of the Management Board*

FINANCIAL CALENDAR 2008

2008

April 22	WestLB Real Estate Conference, New York
May 16	Interim Report – 3rd quarter 2007/2008
September 26	Full Year Results 2007/2008

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

Rainer Schorr (Chairman)
Corina Büchold
Hans Wittmann

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