



ESTAVIS AG
THE REAL ESTATE INVESTMENT GROUP

HALF-YEAR INTERIM REPORT 2009/10
July 1 – December 31, 2009

OVERVIEW KEY FINANCIAL DATA

	2nd quarter 09/10 Oct. 1, 2009 – Dec. 31, 2009	2nd quarter 08/09 Oct. 1, 2008 – Dec. 31, 2008	1st half-year 09/10 July 1, 2009 – Dec. 31, 2009	1st half-year 08/09 July 1, 2008 – Dec. 31, 2008
ESTAVIS AG				
Revenues and earnings*	TEUR	TEUR	TEUR	TEUR
Revenues	18,261	25,682	40,335	45,643
Total operating performance	17,454	26,058	36,652	44,286
EBIT	1,269	-567	3,370	-3,008
Pre-tax profit	375	-2,152	1,579	-5,353
Net profit	936	-1,676	1,437	-3,943

* from continued operations

ESTAVIS AG	December 31, 2009	June 30, 2009
Structure of assets and capital	TEUR	TEUR
Non-current assets	22,441	22,241
Current assets	116,349	185,047
Equity	50,153	49,080
Equity ratio	36.1%	23.7%
Total assets/equity and liabilities	138,791	207,287

ESTAVIS AG

Share	
Stock exchange segment	Prime Standard
ISIN	DE000A0KFKB3
German Securities Code Number (WKN)	A0KFKB
Number of shares on December 31, 2009	8,099,427
Free float	71.1%
Share price high (July 1 – December 30, 2009*)	EUR 2.55
Share price low (July 1 – December 30, 2009*)	EUR 1.25
Closing price on December 30, 2009*	EUR 1.77
Market capitalisation on December 30, 2009*	EUR 14 million

* Closing prices in Xetra trading

CONTENT

3	Letter to the Shareholders
5	The ESTAVIS Share
7	Interim Management Report
11	Consolidated Balance Sheet
13	Consolidated Income Statement
14	Consolidated Statement of Comprehensive Income
15	Consolidated Cash Flow Statement
16	Consolidated Statement of Changes in Equity
17	Selected Disclosures on Condensed Consolidated Interim Financial Statements
23	Responsibility Statement of Legal Representatives
24	Financial Calendar
24	Forward-looking Statements
25	Credits

LETTER TO THE SHAREHOLDERS

Dear Shareholders,
dear Ladies and Gentlemen,

The figures for the first half of the 2009/10 financial year show that the realignment of ESTAVIS AG is paying off. We have considerably simplified our corporate structures, discontinued loss-making activities and geared our resources towards profitable business opportunities.

In the first six months we thus generated revenues of EUR 40.3 million (previous year: EUR 45.6 million) and net profit of EUR 1.4 million (previous year: EUR –6.2 million) on the basis of a stable business development.

We are therefore well on the way towards achieving our annual targets.

Our business is continuing to benefit from the strong demand for real estate on the part of private purchasers – as a form of pension provision or simply as a stable investment.

Above all listed properties entailing special tax benefits for private purchasers in accordance with Section 7 of the German Income Tax Act (Einkommenssteuergesetz) are very popular.

Listed properties offer the only remaining legally secured opportunity for converting taxes into assets. 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.

Changes on the Management Board

With effect from 1 January 2010, the Management Board of ESTAVIS AG was reduced from four to two members. This is to take account of the changed economic and organisational situation of the company.

However, the previous Management Board members Corina Büchold and Hans Wittmann will remain closely connected with ESTAVIS. Following her retirement from the Management Board, Ms Büchold will continue to hold a management position within the company. Mr Wittmann will support ESTAVIS AG in an advisory capacity.

Outlook for 2009/10 financial year confirmed

Based on the pleasing business development in the first six months, the Management Board confirms the outlook for the 2009/10 financial year.

We expect consolidated sales in the order of EUR 75 to 85 million. This represents a significant increase compared with the previous year's figure (EUR 70.7 million). In terms of the result for the 2009/10 financial year, we anticipate a return to profitability.

Dear shareholders,

The pleasing business performance in the first half of the 2009/10 financial year confirms our course towards a consistent realignment of ESTAVIS AG. We have already mastered important stages on our chosen route and view the coming challenges with confidence. In future, we will pay increased attention to the gradual expansion of our business model in order to tap additional earnings potential for ESTAVIS on a healthy economic basis.



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.

Shareholder structure

71.1 % of ESTAVIS shares are in free float according to the definition of the Deutsche Börse (as of December 2009). The members of the Management Board have a major stake in the company with approximately 13 % of total shares.

Other major shareholders according to the published notifications on voting rights are Asset Value Investors Ltd. (10 %), Rainer Schorr Beteiligungsgesellschaft mbH (9 %), Elliston Properties Ltd. (9 %) and Galloway Ltd. (5 %).

Investor relations activities/Analyst coverage

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. In October 2009 we introduced ourselves to a large number of analysts, investors and media representatives at the annual conference of the Real Estate Share Initiative, of which we are a member.

On 4 February 2010 we took part in the Small & Mid Cap Conference of Close Brothers Seydler AG in Frankfurt/Main. We also plan to take part in the DVFA Real Estate Conference (DVFA Immobilienkonferenz) on 23/24 February 2010 in Frankfurt am Main.

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

ESTAVIS AG

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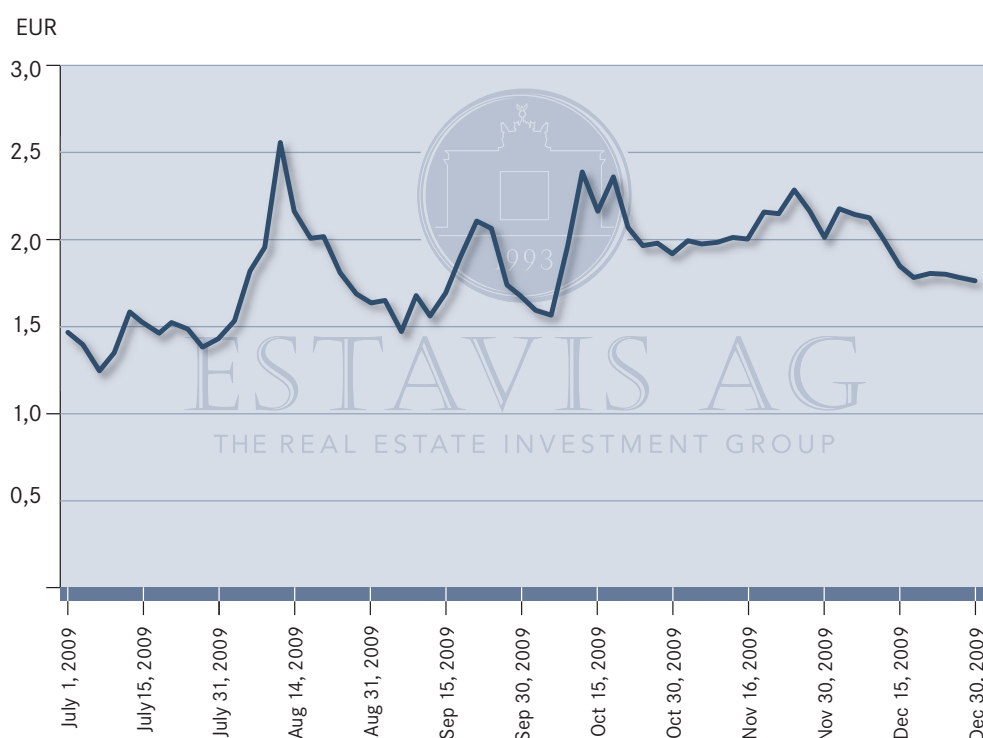
ESTAVIS' share price performance in the first half of 2009/10

In light of rising confidence in terms of future economic development, the recovery on the global stock markets continued in the period under review. ESTAVIS' share price also benefited from this development, increasing by 20% during this period.

The company's shares closed at EUR 1.77 on 30 December 2009 compared with EUR 1.48 on 1 July 2009. ESTAVIS' market capitalisation totalled around EUR 14 million at the end of first half year.

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).

ESTAVIS share price development from July 1 to December 30, 2009



INTERIM MANAGEMENT REPORT

1 BUSINESS AND CONDITIONS

1.1 Economic environment and business performance

The overall economic conditions in Germany and key Western developed nations stabilised in the second half of 2009. Compared with the start of 2009, there was a significant improvement in sentiment among companies and consumers.

However, in the view of leading economic experts, 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 for companies particularly poses a growing risk to the recovery of the real economy. The restrictions in corporate financing are also clearly perceptible in the German real estate sector.

In view of the adverse overall economic conditions, ESTAVIS AG recorded positive business performance in the first half of the 2009/10 financial year. Despite a downturn compared with the previous period, a net profit of EUR 1.4 million was generated.

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 half 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 half 2009/10 and of the comparison period (first half of 2008/09 financial year) only relate to continued business operations.

In the first half of the 2009/10 financial year ESTAVIS Group revenues decreased 12% to EUR 40.3 million from EUR 45.6 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 36.9m (previous year: EUR 38.6m)
- Portfolio trading EUR 3.4m (previous year: EUR 7.1m)

Revenues generated in the first half 2009/10 are based on a business volume of 400 sold units (comparison period: 411) with a total residential and useful area of 21,995 m² (comparison period: 21,113 m²).

Other operating income increased to EUR 4.2 million (previous year: EUR 3.0 million). The increase is mainly attributable to write-ups on impaired receivables.

The gross margin for continued operations (gross profit/revenues) rose from 24.0% to 41.4% 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 7.6 million, from EUR 44.3 million to EUR 36.7 million.

In the period under review, staff costs declined to EUR 1.4 million (previous year: EUR 1.7 million). This development is primarily due to the reduction in the number of employees as a result of the restructuring measures.

Other operating expenses increased from EUR 15.2 million to EUR 16.0 million in the period under review.

Earnings before interest and taxes (EBIT) rose sharply to EUR 3.4 million (previous year: EUR -3.0 million). The EBIT margin (EBIT/revenue) amounted to 8.4% in the first half of 2009/10.

Financial result improved by EUR 0.6 million from EUR -2.3 million to EUR -1.8 million.

After income taxes (EUR 0.1 million) the consolidated net profit from continued operations rose to EUR 1.4 million in the period under review after a consolidated net loss of EUR 3.9 million in the same period of the previous year. This corresponds to earnings per share of EUR 0.18 (previous year: EUR -0.49).

1.3 Financial and assets position

The total assets of the ESTAVIS Group as of 31 December 2009 declined significantly by EUR 68.5 million to EUR 138.8 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 increased from EUR 3.9 million in the previous year to EUR 5.4 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 4.2 million to EUR 64.3 million.

Shareholders' equity increased slightly to EUR 50.2 million as a result of the consolidated net profit for the quarter.

The substantial reduction in total assets meant that the ESTAVIS Group's equity ratio increased from 23.7 % as of 30 June 2009 to 36.1 % at the end of the period under review.

Accordingly, the debt-to-equity ratio fell from 76.3 % to 63.9 %. The ratio of cash and cash equivalents to total assets improved slightly during the period under review, from 1.9 % to 3.9 %, while the Group's cash ratio (cash and cash equivalents/current liabilities) also increased slightly from 2.5 % to 6.4 %.

In the first half of 2009/10, net cash from operating activities amounted to EUR –1.2 million (previous year: EUR –9.0 million).

Net cash used in investing activities totalled EUR –5.5 million in the period under review (previous year: EUR –0.6 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 –0.2 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 performance in the first six months, the ESTAVIS AG Management Board reiterates the forecast for the 2009/10 financial year. The Management Board expects revenues to be in the range of EUR 75.0 million and EUR 85.0 million (previous year EUR 70.7 million). A return to profitability at net consolidated result level is expected for the 2009/10 financial year.

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

No other events of particular significance to the business development of the ESTAVIS Group have occurred since the end of the first half of the 2009/10 financial year.

CONSOLIDATED BALANCE SHEET – ASSETS

ESTAVIS AG		Dec. 31, 2009	June 30, 2009
Assets	TEUR	TEUR	
Non-current assets			
Goodwill	17,776	17,776	
Other intangible assets	13	18	
Property, plant and equipment	477	485	
Investments in associates	50	50	
Other non-current financial assets	148	193	
Deferred income tax receivables	3,978	3,718	
Total	22,441	22,241	
Current assets			
Inventories	73,754	80,727	
Trade receivables	6,145	1,955	
Other receivables	29,539	49,424	
Current income tax receivables	1,496	2,028	
Cash and cash equivalents	5,415	3,884	
Assets held for sale	0	47,029	
Total	116,349	185,047	
Total assets	138,791	207,287	

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

ESTAVIS AG	Dec. 31, 2009	June 30, 2009
Equity	TEUR	TEUR
Issued capital	8,099	8,099
Capital reserves	44,222	44,222
IAS 39 reserve	8	16
Retained earnings	-2,228	-3,597
Equity attributable to the shareholders of the parent company	50,101	48,740
Minority interests	52	340
Total equity	50,153	49,080
Liabilities		
Non-current liabilities		
Provisions	97	97
Non-current financial liabilities	565	588
Deferred income tax liabilities	3,922	4,254
Total non-current liabilities	4,585	4,938
Current liabilities		
Provisions	4,422	4,855
Current financial liabilities	63,718	67,918
Advance payments received	2,890	4,101
Current income tax liabilities	1,498	1,158
Trade payables	6,373	6,214
Other liabilities	5,151	25,586
Liabilities held for sale	0	43,437
Total current liabilities	84,053	153,269
Total equity and liabilities	138,791	207,287

CONSOLIDATED INCOME STATEMENT

	2nd quarter 09/10 Oct. 1, 2009 – Dec. 31, 2009	2nd quarter 08/09 Oct. 1, 2008 – Dec. 31, 2008	1st half-year 09/10 July 1, 2009 – Dec. 31, 2009	1st half-year 08/09 July 1, 2008 – Dec. 31, 2008
ESTAVIS AG				
	TEUR	TEUR	TEUR	TEUR
Revenues	18,261	25,682	40,335	45,643
Other operating income	2,726	1,647	4,192	3,012
Changes in inventories	-3,534	-1,271	-7,875	-4,369
Total operating performance	17,454	26,058	36,652	44,286
Cost of materials	8,225	16,040	15,781	30,310
Staff costs	726	871	1,411	1,694
Depreciation and amortisation	30	37	63	66
Other operating expenses	7,204	9,680	16,026	15,227
Operating profit	1,269	-570	3,370	-3,011
Net income from associates	0	3	0	3
Interest income	116	75	201	443
Interest expenses	1,009	1,661	1,992	2,787
Financial result	-894	-1,586	-1,791	-2,345
Pre-tax profit from continued operations	375	-2,152	1,579	-5,353
Income taxes	-561	-477	142	-1,410
Result from continued operations	936	-1,676	1,437	-3,943
Result from discontinued operations	-68	-1,538	-68	-2,254
Net profit	868	-3,214	1,369	-6,196
attributable to parent company shareholders	869	-2,953	1,369	-5,747
attributable to minority interests	0	-261	0	-449
Earnings per share (EUR)				
from continued operations	0.12	-0.21	0.18	-0.49
from discontinued operations	-0.01	-0.16	-0.01	-0.22
from net profit	0.11	-0.36	0.17	-0.71

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ESTAVIS AG	2nd quarter 09/10 Oct. 1, 2009 – Dec. 31, 2009	2nd quarter 08/09 Oct. 1, 2008 – Dec. 31, 2008	1st half-year 09/10 July 1, 2009 – Dec. 31, 2009	1st half-year 08/09 July 1, 2008 – Dec. 31, 2008
	TEUR	TEUR	TEUR	TEUR
Net profit	868	-3,214	1,369	-6,196
Available-for-sale financial assets	-5	0	-7	-16
Changes in fair values	-5	0	-7	-16
Reclassification recognized in profit or loss	0	0	0	0
Income taxes	0	0	0	0
Changes recognized outside profit or loss	-5	0	-7	-16
Total comprehensive income	864	-3,214	1,361	-6,212
attributable to parent company shareholders	864	-2,953	1,362	-5,763
attributable to minority interests	0	-261	0	-449

CONSOLIDATED CASH FLOW STATEMENT

ESTAVIS AG	1st half-year 09/10 July 1, 2009 – Dec. 31, 2009		1st half-year 08/09 July 1, 2008 – Dec. 31, 2008	
	TEUR		TEUR	
Net profit	1,369		-6,196	
+ Depreciation/amortisation of non-current assets	63		176	
+/- Increase/decrease in provisions	-433		1,275	
+/- Other non-cash expenses/income	-15		48	
-/+ Increase/decrease in inventories, trade receivables and other assets that are not attributable to investing or financing activities	22,966		-19,937	
+/- Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	-25,268		14,963	
-/+ Result from the disposal of consolidated companies	68		680	
= Cash flow from current operating activities	-1,249		-8,990	
+ Payments received for the disposal of financial assets	13		0	
- Payments for investments in intangible assets	0		-33	
- Payments for investment property	0		-219	
- Payments for investments in property, plant and equipment	-50		-339	
- Payments from the disposal of fully consolidated companies	-5,478		-5	
= Cash flow from investing activities	-5,515		-596	
- Payments to shareholders	0		-78	
+ Payments from issuing bonds and raising (financial) loans	0		208	
- Repayment of bonds and financial loans	-514		-359	
= Cash flow from financing activities	-514		-229	
Net change in cash and cash equivalents	-7,278		-9,815	
+ 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	5,415		15,918	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from July 1, 2009 to December 31, 2009

	Issued capital	Capital reserves	IAS 39 reserve	Retained earnings	Equity attrib- utable to the shareholders of the parent company	Minority interests	Total
ESTAVIS AG							
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
As of July 1, 2009	8,099	44,222	16	-3,597	48,740	340	49,080
Total recognised income and expenses	-	-	-7	1,369	1,362	0	1,361
Change in consolidated group	-	-	-	-	-	-289	-289
As of December 31, 2009	8,099	44,222	8	-2,228	50,101	52	50,153

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from July 1, 2008 to December 31, 2008

	Issued capital	Capital reserves	IAS 39 reserve	Retained earnings	Equity attrib- utable to the shareholders of the parent company	Minority interests	Total
ESTAVIS AG							
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
As of July 1, 2008	8,099	77,065	16	1,413	86,594	8,742	95,336
Total recognised income and expenses	-	-	-16	-5,747	-5,763	-449	-6,212
Acquisition of shares of consolidated companies	-	-	-	-1	-1	-19	-20
As of December 31, 2008	8,099	77,065	0	-4,335	80,829	8,274	89,104

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 December 2009, ESTAVIS AG acted as the operating holding company for numerous special purpose entities. Its major operating investment is B&V Bauträger- und Vertriebsgesellschaft für Immobilien mbH, Berlin (B&V Group).

These Condensed Consolidated Interim Financial Statements were approved for publication by the company's Management Board in February 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 second quarter of the 2009/10 financial year, which ended on 31 December 2009, 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 December 2009, the condensed interim consolidated financial statements of ESTAVIS AG included 58 subsidiaries 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.

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

4.1 Segment information

The segment results for the second 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)	859	17,402	–	–	18,261
Revenues (internal only)	–	–	–	–	–
Segment result	617	489	163	–	1,269
Unallocated				–	–
Operating result				–	1,269
Net income from investments carried at-equity	0	–	–	–	0
Financial result				–	–894
Net profit before income taxes				–	375

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

	Portfolio trading	Retail trading	Development	Consolidation	Group
	TEUR	TEUR	TEUR	TEUR	TEUR
Revenues (external only)	3,393	36,942	–	–	40,335
Revenues (internal only)	–	–	–	–	–
Segment result	22	3,152	197	–	3,370
Unallocated				–	–
Operating result				–	3,370
Net income from investments carried at-equity	0	–	–	–	0
Financial result				–	–1,791
Net profit before income taxes				–	1,579

The segment results for the second 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)	2,776	22,904	–	–	25,682
Revenues (internal only)	–	–	–	–	–
Segment result	–2,965	2,414	–18	–	–570
Unallocated				–	–
Operating result				–	–570
Net income from investments carried at-equity	3	–	–	–	3
Financial result				–	–1,586
Net profit before income taxes				–	–2,152

The segment earnings for the first half 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)	7,084	38,558	–	–	45,643
Revenues (internal only with continued operations)	40	–	–	–	40
Segment result	–4,477	1,530	–64	–	–3,011
Unallocated				–	–
Operating result				–	–3,011
Net income from investments carried at-equity	3	–	–	–	3
Financial result				–	–2,345
Net profit before income taxes				–	–5,353

4.2 Reversal of bad debt allowances

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.

4.3 Company disposals

At the end of the 2008/09 financial year, the ESTAVIS Group sold its shares in the HAG sub-group 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 -5,478 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 787, net cash used in investing activities of TEUR -563 and net cash used in financing activities of TEUR -222.

4.4 Correction of cash flow statement for the first quarter

In the cash flow statement for the first quarter of the 2009/10 financial year, cash flow relating to the refinancing of inventories was mistakenly allocated to financing activities. However, according to the disclosure regulations applicable within the Group, this relates to the Group's current operating activities. The adjusted increase/decrease in trade payables and other liabilities not attributed to investing and financing activities amounts to TEUR -3,742 (instead of TEUR -1,992). Adjusted cash flow from current operating activities is therefore TEUR -1,333 (not TEUR 417). The adjusted payments for issuing bonds and raising (financial) loans amount to TEUR 0 (not TEUR 7,492) and the adjusted repayment of bonds and financial loans comes to TEUR -512 (instead of TEUR -9,753). Adjusted cash flow from financing activities therefore comes to TEUR -512 (not TEUR -2,261). The total cash flow (net change in cash and cash equivalents) remained unchanged TEUR -8,383.

Furthermore, the payment from the disposal of fully consolidated companies in the amount of TEUR 6,510 was mistakenly described as the payment for investments in non-current financial assets.

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 until the end of February 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.

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 39 staff at the end of the second quarter. In the second quarter of the previous year, the figure was 63 (thereof 17 in disposed group companies). On average, 69 were employed in the Group during the last financial year.

RESPONSIBILITY STATEMENT 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 12, 2010



Florian Lanz
*Chief Executive
Officer (CEO)*



Eric Mozanowski
*Member of the
Management Board*

FINANCIAL CALENDAR 2010

12 May	Quarterly Report – 3rd Quarter 2009/10
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



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



ESTAVIS AG

THE REAL ESTATE INVESTMENT GROUP