

# ESTAVIS

REAL ESTATE PERFORMANCE

INTERIM REPORT

First Quarter 2013/14

1 July 2013 – 30 September 2013

## Overview Key Financial Data

ESTAVIS AG	First Quarter 13/14 1 July 2013 – 30 September 2013	First Quarter 12/13 1 July 2012 – 30 September 2012
Revenues and earnings	TEUR	TEUR
Revenues	7,779	8,330
Total operating performance	8,419	10,394
EBIT	1,878	51
Pre-tax profit	311	–1,738
Net profit	102	–1,828

\* adapted to change in reporting

ESTAVIS AG	30 September 2013	30 June 2013
Structure of assets and capital	TEUR	TEUR
Non-current assets	159,731	157,612
Current assets	42,396	45,080
Equity	66,734	66,632
Equity ratio	33.0%	32.9%
Total assets/equity and liabilities	202,127	202,692

ESTAVIS AG	
Share	
Stock exchange segment	Prime Standard
ISIN	DE000A0KFKB3
German Securities Code Number (WKN)	A0KFKB
Number of shares on 30 September 2013	18,058,938
Free float (information according to last notification from investors)	34.7%
Share price high (1 July – 30 September 2013*)	2.13 EUR
Share price low (1 July – 30 September 2013*)	1.88 EUR
Closing price on 30 September 2013*	2.05 EUR
Market capitalisation on 30 September 2013*	EUR 37.0 million

\* Closing prices in Xetra trading

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## Letter to the Shareholders

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Dear Shareholders,  
Dear Ladies and Gentlemen,

ESTAVIS AG accomplished its turnaround last year, concluding its most recent financial year with a positive result. We intend to continue along the same lines in the 2013/14 financial year. At this point, we are pleased to report that the first quarter saw continued success. Due to the clearly positive contribution to operating income that we realised both in the privatisation business and through the management of our proprietary portfolio, the operating result increased noticeably to a total of EUR 1.8 million, which is several times the sum reported at the end of the same quarter last year. During the first three months of the new financial year, we realised a consolidated profit of EUR 0.1 million after taxes, compared to a loss of EUR 1.8 million a year ago.

These developments show that the strategic realignment that ESTAVIS undertook over the past year and a half has more than paid off. Now that the encumbrances associable with last year's wind-up of the discontinued activities in project development has been successfully overcome, we can devote our entire energy to our two strategic core business areas of portfolio management and housing privatisation. The income-stabilising effect of the continuous inflow of rent revenues in the portfolio segment is now more keenly felt. Meanwhile, we continue to operate in a highly positive and dynamic market environment in the housing privatisation segment.

The interest in condominium purchases in Germany remains high among potential owner-occupiers as well as among private investors, while the demand generated by foreign buyers is as high as ever. As far as the upcoming quarters are concerned, we are confident that the privatisation business will continue to grow briskly. Notwithstanding the controversies surrounding the manifest changes to the parameters on the German real estate markets under the incoming Federal Government, it is safe to say that the environment for housing privatisations is likely to keep improving rather than deteriorating.

The introduction of the so-called "rent freeze" will probably put a damper on housing construction. Yet unless the rental housing stock is expanded by building new residential units, there is no way to meet the rising demand except through an increased trend toward homeownership in existing stock. The connection between the two aspects was recently highlighted by the council of experts colloquially referred to as the "Wirtschaftsweisen" – the "economy sages" – when appraising the macro-economic development. Moreover, the housing privatisation market may also benefit from the fact that housing companies will be driven by the tightened restrictions on rent increases to look into other sources of income, and to privatise some of their holdings. Against this background, ESTAVIS considers itself well-positioned through its subsidiary Accentro to acquire new mandates for privatisation services and to buy additional residential stock earmarked for privatisation.

At the end of the 2012/13 financial year, we stated our intention to keep growing. We acquired a portfolio of 160 residential units in the Saxon town of Chemnitz in September while also acquiring an 80-percent stake in the local housing company J2P Real Estate AG which holds a proprietary stock of another 160 residential units. This means that we consolidated our footprint in the region not just through the acquisition of real estate, but also by acquiring a local management with comprehensive market know-how. Integrating local co-entrepreneurs with matching interest into ESTAVIS Group serves the purpose of boosting portfolio growth because it ensures that the required management capacities grow in sync.

### Outlook for the 2013/14 financial year

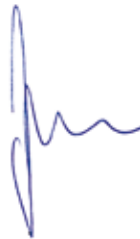
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As far as we can see, the opening quarter and the performance during the first weeks of the second quarter form a robust starting basis for the 2013/14 year as a whole. The senior management is confident that ESTAVIS will be able to continue on this auspicious trajectory and conclude the ongoing financial year, like the previous one, with a positive consolidated income.

The Management Board



Torsten Cejka



Jacopo Mingazzini

## The ESTAVIS Share

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

### ESTAVIS' share price performance

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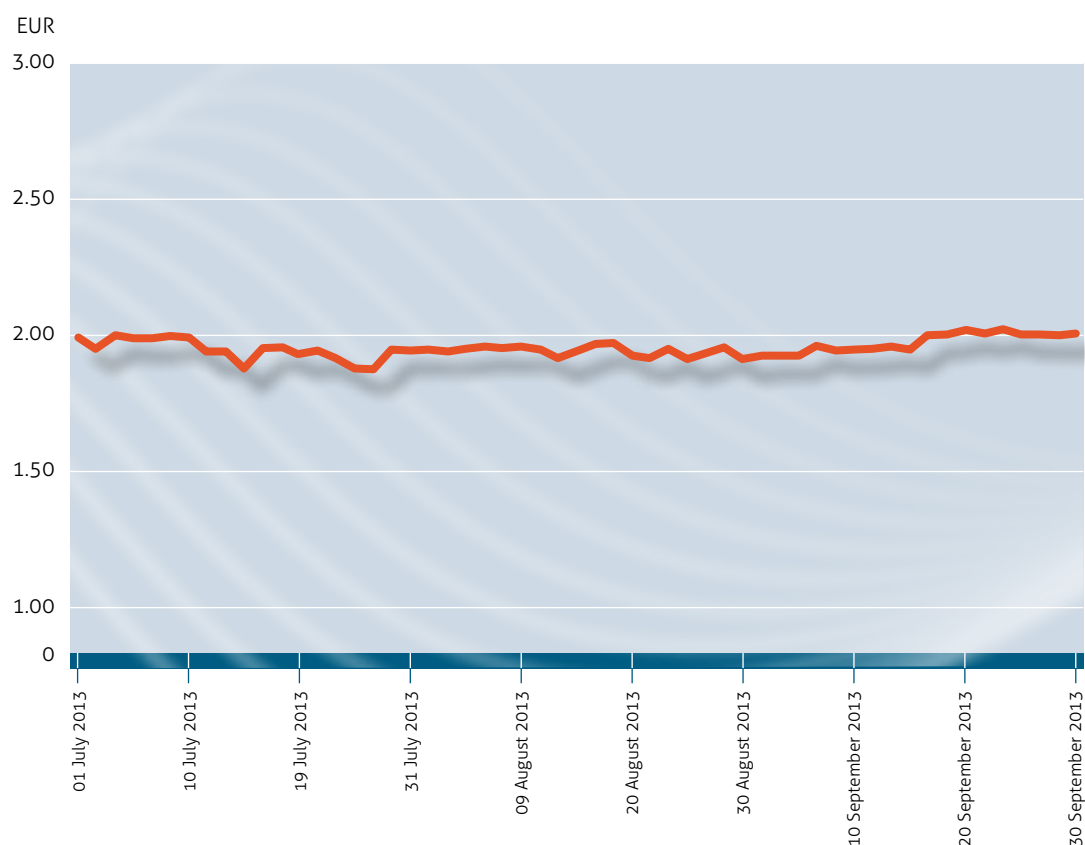
The German stock index DAX performed quite handsomely during the first quarter of the 2013/14 financial year, because the persistently low interest rates encourage investors to focus increasingly on the stock market. Indeed, Germany's blue-chip index gained by more than 600 points or 7.6 % between the start of July and the end of September 2013, and stood at 8,594 points by the end of the quarter. The positive trend continued beyond the end of the reporting period, boosted not least by the fact that the European Central Bank lowered the key lending rate once more in early November.

The ESTAVIS share price registered a gain by 3.5 % during the reporting period, and showed a positive performance even as it failed to stay abreast of the DAX. ESTAVIS shares ended the opening quarter of the 2013/14 financial year at a closing price of EUR 2.05 in Xetra trading, up from EUR 1.98 as recently as 1 July 2013. The market capitalisation of ESTAVIS AG amounted to EUR 37.02 million as of 30 September 2013. The mean daily trading volume during the first three months of 2013/14 equalled 17,799 shares.

The corporate performance of ESTAVIS AG is continuously monitored by the analysts of several institutes. The latest analyst reports resulted in the following estimates for ESTAVIS shares:

- SMC Research, recommendation: "Buy", target price EUR 3.00
- Close Brothers Seydler Research AG, recommendation: "Buy", target price EUR 2.50
- LFG Value, recommendation: "Buy", target price EUR 2.40

## ESTAVIS share price development from 1 July to 30 September 2013



## ESTAVIS shares at a glance

### ESTAVIS AG

Share	
Stock exchange segment	Prime Standard
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## ■ 1 Business and Conditions

### 1.1 Economic environment and business performance

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During the first quarter of the 2013/14 financial year, Germany's gross domestic product grew by 0.3 % when adjusted for inflation, seasonal variation and calendar effects. This means the German economy continued its uptrend from the previous quarter. The growth was driven primarily by private and public consumption, while investments in buildings, plant and machinery increased as well. For the year 2013 as a whole, Deutsche Bank Research expects an economic growth of 0.5 %. The recovery of the German economy is predicted to continue over the next three quarters of the financial year.

The number of gainfully employed persons continued to rise during the reporting period. According to preliminary calculations by the Federal Statistical Office, around 42.0 million people were gainfully employed during Q3 2013. It is the highest total since Germany was reunited in 1990, and equals an increase by 0.6 % year on year. Meanwhile, the number of jobless stood at 2.2 million by the end of September 2013, a year-on-year increase by 1.4 %.

The turnover on Germany's investment market for residential real estate totalled EUR 2.6 billion, roughly half of what it was the previous year. Overall, the transaction volume by the end of the first three quarters of 2013 came to approximately EUR 9.5 billion, according to figures released by Jones Lang LaSalle (JLL). This was a year-on-year increase by nearly 10 %. The single biggest transaction during the period was the sale of GBW to an investor syndicate led by Patrizia, having a volume of EUR 2.5 billion. JLL predicts a year-end transaction volume between EUR 11.0 billion and EUR 11.5 billion. Once again, Berlin turned out to have been the most important market during the reporting period. Germany's capital accounted for well over a quarter of the entire turnover. Prices for existing properties in the city rose by nearly 3 % quarter on quarter. Since supply in core properties is drying up fast, investors are increasingly shifting their investment focus to opportunities such as redeveloped prefabricated housing.

During the first three months of the 2013/14 financial year, the ESTAVIS Group focused primarily on the implementation of the strategic realignment process which aims for continued growth. The corresponding activities resulted in the acquisition of a 160-unit housing portfolio in Chemnitz, Saxony by ESTAVIS in September 2013. Also in September 2013, ESTAVIS decided in favour of, and initiated, the acquisition of an 80-percent majority interest in the Chemnitz-based housing company J2P Real Estate AG. The company holds a portfolio that includes another 160 residential units. Year over year, ESTAVIS achieved a substantially improved operating result, and ended the first quarter with a positive consolidated income. It needs to be remembered that the same period last year had still ended with a loss.

Looking forward, ESTAVIS AG intends to pursue additional acquisitions, specifically in order to expand the privatisation portfolio of its subsidiary Accentro GmbH. The Management Board considers the performance of the first three months a sound starting basis for the 2013/14 financial year as a whole, which might well conclude with a positive result, too.

## 1.2 Earnings position

The revenues of ESTAVIS Group during the first quarter of the 2013/2014 financial year came to EUR 7.8 million, down from EUR 8.3 million during the same period last year. Broken down for financial reporting purposes, they were attributable to the company's following business segments:

- Trading: EUR 5.4 million (prior-year period: EUR 6.4 million)  
thereof
  - Privatisation: EUR 3.6 million (prior-year period: EUR 4.0 million)
  - Other trade: EUR 1.8 million (prior-year period: EUR 2.5 million)
- Portfolio: EUR 2.4 million (prior-year period: EUR 1.9 million)

Transactions in the **"Trade" segment** declined, particularly because the activities in the project development and listed properties sectors, now discontinued, were largely wound up ("Other Trade"). Rent revenues in the privatisation division declined by 18.9% in proportion to the progressing retailing of the privatisation stock.

On the whole, the operating result (EBIT) of the "Trading" segment improved noticeably year on year, from EUR –0.04 million up to EUR 0.7 million. The fact reflects in particular the elimination of encumbrances for the trading business in general that were associated with the wind-up of the discontinued activities.

The increase in revenues in the **Portfolio segment** is essentially attributable to the expansion of the proprietary portfolio and the steep increase in rental income associated with it, which nearly doubled year on year as it rose from EUR 1.2 million to EUR 2.4 million.

The capital growth of the investment property, which was not itemised during the same period last year, totalled EUR 0.3 million during the first quarter of the 2013/2014 financial year.

The other operating income amounted to EUR 0.4 million (first quarter 2012/13: EUR 0.2 million).

The Group's gross margin for continued operations (revenues plus changes in inventories minus cost of materials/revenues) increased to 39.5% (prior year period: 32.7%), caused essentially by the wind-up of the discontinued activities and the absence of the encumbrances associated therewith.

The total operating performance dropped from EUR 10.4 million to EUR 8.4 million year on year.

The cost of materials declined from EUR 7.4 million to EUR 4.7 million year on year. There were no changes in portfolio, which had amounted to EUR 1.8 million by the end of the same quarter last year. The balance between the cost of materials and portfolio changes decreased from EUR 5.6 million to EUR 4.7 million year on year.

Staff expenses during the period under review added up to EUR 0.7 million after EUR 0.5 million in the same period of the previous year.



At EUR 1.2 million, the other operating expenses remained below the figure of the corresponding prior-year period (EUR 2.3 million).

Earnings before interest and taxes (EBIT) during Q1 2013/14 amounted to EUR 1.8 million (prior-year period: EUR 0.05 million).

The financial result in the period under review equalled EUR –1.6 million after EUR –1.8 million in the same period of the previous year.

With income taxes in the amount of EUR 0.2 million taken into account, the consolidated net profit equalled EUR 0.1 million (prior-year period: EUR –1.8 million). This equals a quarterly result of EUR –0.23 in earnings per share (previous year: EUR –0.12).

### 1.3 Financial and assets position

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The total assets of ESTAVIS Group amounted to EUR 202.1 million by 30 September 2013, and were therefore EUR 0.6 million or 0.3 % lower than they were by the balance sheet date of the previous financial year (30 June 2013: EUR 202.7 million).

The value of the investment property rose from EUR 137.3 million to EUR 139.6 million, reflecting the acquisition of the residential portfolio in Chemnitz transacted in September. Non-current assets increased by EUR 2.1 million or 1.3 % overall. Non-current assets increased by EUR 2.7 million or 5.9 % overall. The inventories declined from EUR 20.9 million to EUR 17.7 million, while cash and cash equivalents dropped from EUR 9.3 million down to EUR 6.3 million.

Financial liabilities, which mainly relate to liabilities to banks, increased by a total of EUR 2.5 million to EUR 112.5 million (30 June 2013: EUR 115.0 million).

At EUR 66.7 million, the company equity nearly matched the sum reported by the balance sheet date of the previous financial year (30 June 2013: EUR 66.6 million).

The reduction in total assets meant that ESTAVIS Group's equity ratio increased slightly from 32.9 % as of 30 June 2013 to 33.0 % as of 30 September 2013.

Gearing (debt/total capital) declined from 67.1 % down to 67.0 %. The ratio of cash and cash equivalents to total assets amounted to 3.1 % at the end of the period under review (30 June 2013: 4.6 %). The cash ratio of ESTAVIS Group (cash and cash equivalents/current liabilities) came to 12.8 % as of 30 September 2013 (30 June 2013: 19.4 %).

During the reporting period, net cash from operating activities amounted to EUR 0.8 million (previous year: EUR –6.3 million).

The cash flow from investment activities amounted to EUR –2.9 million during the period under review (previous year: EUR 3.8 million).

During the first quarter of the 2013/14 financial year, the cash flow from financing activities amounted to EUR –0.8 million (prior-year period: EUR –3.6 million).

## ■ 2 Risk Report

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

There have been no significant revisions to the risks for ESTAVIS Group in the period under review compared to the Risk Report in the Group Management Report for the previous financial year of 2012/13. Accordingly, reference should be made to the information contained therein.

## ■ 3 Forecast Report

In the months to come, the ESTAVIS Group will focus on the ongoing set-up and expansion of activities in its two strategic business lines of portfolio management and housing privatisation.

With a view to the stable positive contribution to operating income that is generated by the portfolio management, and to the then-as-now rather tidy business performance in housing privatisation, the Management Board expects the 2013/14 financial year as a whole to return a positive consolidated income.

## ■ 4 Supplementary Report

The acquisition of a majority interest of 80 percent in the Chemnitz-based housing company J2P Real Estate AG was completed by 1 October 2013, as resolved in September 2013.

In October, Rolf Elgeti notified the company of his intention to resign from his position as Deputy Chairman of the Supervisory Board of ESTAVIS AG as of the next annual general meeting and to leave the supervisory board of the company at the same time.

## ■ Consolidated Balance Sheet

ESTAVIS AG		30 Sept. 2013	30 June 2013
Assets		TEUR	TEUR
<b>Non-current assets</b>			
Goodwill		17,776	17,776
Other intangible assets		71	76
Property, plant and equipment		212	195
Investment property		139,578	137,328
Equity interests accounted for using the equity method		866	831
Other non-current financial assets		30	29
Deferred income tax receivables		1,198	1,377
<b>Total</b>		<b>159,731</b>	<b>157,612</b>
<b>Current assets</b>			
Inventories		17,670	20,867
Trade receivables		6,282	4,232
Other receivables		11,958	10,547
Current income tax receivables		168	177
Cash and cash equivalents		6,317	9,258
<b>Total</b>		<b>42,396</b>	<b>45,080</b>
<b>Total assets</b>		<b>202,127</b>	<b>202,692</b>

## ■ Consolidated Balance Sheet

ESTAVIS AG		30 Sept. 2013	30 June 2013
Equity	TEUR	TEUR	
Issued capital	18,059	18,059	
Capital reserves	44,308	44,308	
Retained earnings	4,367	4,265	
<b>Total equity</b>	<b>66,734</b>	<b>66,632</b>	
Liabilities			
<b>Non-current liabilities</b>			
Provisions	106	106	
Financial liabilities	84,005	86,118	
Deferred income tax liabilities	2,132	2,098	
<b>Total non-current liabilities</b>	<b>86,244</b>	<b>88,321</b>	
<b>Current liabilities</b>			
Provisions	988	2,901	
Financial liabilities	28,460	28,842	
Advance payments received	9,605	6,422	
Current income tax liabilities	2,277	2,196	
Trade payables	5,639	3,318	
Other liabilities	2,180	4,059	
<b>Total current liabilities</b>	<b>49,150</b>	<b>47,739</b>	
<b>Total equity and liabilities</b>	<b>202,127</b>	<b>202,692</b>	

## ■ Consolidated Income Statement

ESTAVIS AG	First Quarter 13/14 1 July 2013 – 30 Sept. 2013	First Quarter 12/13 1 July 2012 – 30 Sept. 2012
	TEUR	TEUR
Revenues	7,779	8,330
Change in value of investment property	284	–
Other operating income	355	233
Changes in inventories	–	1,831
<b>Total operating performance</b>	<b>8,419</b>	<b>10,394</b>
Cost of materials	4,706	7,434
Staff costs	694	533
Depreciation and amortisation	23	30
Other operating expenses	1,151	2,346
<b>Operating result</b>	<b>1,843</b>	<b>51</b>
<b>Result from the equity interests accounted for using the equity method</b>	<b>35</b>	<b>0</b>
Interest income	2	35
Interest expenses	1,570	1,824
<b>Financial result</b>	<b>–1,568</b>	<b>–1,789</b>
<b>Net profit before income taxes</b>	<b>311</b>	<b>–1,738</b>
Income taxes	209	90
<b>Net profit</b>	<b>102</b>	<b>–1,828</b>
<b>Earnings per share (EUR)*</b>	<b>0.01</b>	<b>–0.12</b>

\* The existing conversion privileges had no dilution effect.

## ■ Consolidated Statement of Comprehensive Income

ESTAVIS AG	First Quarter 13/14 1 July 2013 – 30 Sept. 2013	First Quarter 12/13 1 July 2012 – 30 Sept. 2012
	TEUR	TEUR
<b>Net profit</b>	<b>102</b>	<b>-1,828</b>
Available-for-sale financial assets	–	–
Changes in fair value	–	–
Reclassification recognised in profit or loss	–	–
Income taxes	–	–
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive income</b>	<b>102</b>	<b>-1,828</b>

## ■ Consolidated Cash Flow Statement

ESTAVIS AG	First Quarter 13/14 1 July 2013 – 30 Sept. 2013	First Quarter 12/13 1 July 2012 – 30 Sept. 2012
	TEUR	TEUR
Net profit	102	–1,828
+ Depreciation/amortisation of non-current assets	23	30
+/- Increase/decrease in provisions	–1,913	–423
+/- Change in value of investment property	–284	0
+/- Other non-cash expenses/income	–35	1
–/+ Gains/losses from the disposal of non-current assets	0	0
–/+ Increase/decrease in inventories, trade receivables and other assets that are not attributable to investing or financing activities	936	2,501
+/- Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	1,968	–6,623
<b>= Cash flow from current operating activities</b>	<b>797</b>	<b>–6,343</b>
+ Payments received from the disposal of investment property	0	3,850
– Payments for investments in intangible assets	–1	–6
– Payments for investments in property, plant and equipment	–34	–1
– Payments for investment property	–1,880	0
– Payments for the acquisition of fully consolidated companies	–1,015	0
<b>= Cash flow from investing activities</b>	<b>–2,930</b>	<b>3,842</b>
+ Payments from shareholders	0	0
– Payments to shareholders	0	–437
+ Payments from issuing bonds and raising (financial) loans	0	0
– Repayment of bonds and (financial) loans	–808	–3,160
<b>= Cash flow from financing activities</b>	<b>–808</b>	<b>–3,597</b>
Net change in cash and cash equivalents	–2,940	–6,098
+ Cash and cash equivalents at the beginning of the period	9,258	10,915
<b>= Cash and cash equivalents at the end of the period</b>	<b>6,317</b>	<b>4,817</b>

## ■ Consolidated Statement of Changes in Equity

for the financial year from 1 July 2013 to 30 September 2013

	Issued capital	Capital reserves	Retained earnings	Total
ESTAVIS AG				
	TEUR	TEUR	TEUR	TEUR
<b>As of 1 July 2013</b>	<b>18,059</b>	<b>44,308</b>	<b>4,265</b>	<b>66,632</b>
Net profit	–	–	102	102
Other comprehensive income	–	–	–	–
Total comprehensive income	–	–	102	102
<b>As of 30 September 2013</b>	<b>18,059</b>	<b>44,308</b>	<b>4,367</b>	<b>66,734</b>

## ■ Consolidated Statement of Changes in Equity

for the financial year from 1 July 2012 to 30 September 2012

	Issued capital	Capital reserves*	Retained earnings	Total
ESTAVIS AG				
	TEUR	TEUR	TEUR	TEUR
<b>As of 1 July 2012</b>	<b>14,319</b>	<b>41,963</b>	<b>2,766</b>	<b>59,048</b>
Net profit	–	–	–1,828	–1,828
Other comprehensive income	–	–	–	–
Total comprehensive income	–	–	–1,828	–1,828
Non-cash contribution made	440	–440	–	0
Repurchase of company shares	–235	–	–201	–437
<b>As of 30 September 2012</b>	<b>14,524</b>	<b>41,523</b>	<b>736</b>	<b>56,783</b>

\* including special reserves from non-cash contributions as of 1 July 2012.



# ■ Selected Disclosures on Condensed Consolidated Interim Financial Statements

## ■ 1 Basic Information

ESTAVIS AG with its subsidiaries is active both as property portfolio holder and property trader.

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

By 30 September 2013, ESTAVIS AG acted as 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 November 2013. The condensed consolidated interim financial statements were not checked by an auditor or subjected to review.

## ■ 2 Significant Accounting Policies

The condensed consolidated interim financial statements for the first quarter of the 2013/14 financial year, which ended on 30 September 2013, were prepared in accordance with the provisions of IAS 34 "Interim Financial Reporting" as adopted by the EU by way of ordinance. The condensed consolidated interim financial statements should be read in conjunction with the most recent consolidated financial statements of ESTAVIS AG for the year ended 30 June 2013.

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 2013.

The current financial year is the first year in which the application of the following standards has become mandatory:

Standard/Interpretation	
IFRS 7	Financial Instruments: Disclosures – Offsetting of Financial Assets and Financial Liabilities
Various	Transition Guidance Amendments for IFRS 10, IFRS 11, IFRS 12
IFRS 13	Determination of Fair Value
IAS 12	Deferred Taxes: Recovery of Underlying Assets
IAS 19	Employee Benefits
Various	Improvements to the International Financial Reporting Standards 2011
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

This did not result in any significant changes to the financial reporting for the ESTAVIS AG consolidated financial statements, except for expanded disclosures in the Notes concerning valuations at fair value. No regulations were applied early.

All amounts posted 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 quoted in thousands of euro (TEUR), unless otherwise noted. Both individual and total figures represent the value with the smallest rounding difference. Small differences can therefore occur between the sum of the individual values represented and the reported totals.

### ■ 3 Consolidated Group

As of 30 September 2013, the condensed interim consolidated financial statements of ESTAVIS AG included 40 subsidiaries, one joint venture, and one associate. The status quo of the consolidated group as of 30 June 2013 expanded during the first quarter of the ongoing financial year via the acquisition of two property vehicles.

## ■ 4 Supplementary Notes to the Individual Items of the Interim Financial Statements

### 4.1 Segment informations

The segment results for the first quarter of the 2013/14 financial year and the comparison period are shown below:

	Trading						Portfolio		Group	
	Total		Privatisation		Other trade					
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Revenues (external)	5,355	6,438	3,585	3,956	1,770	2,482	2,424	1,892	7,779	8,330
thereof										
Letting	229	442	215	265	14	177	2,424	1,231	2,653	1,673
Sales	3,740	4,261	1,984	1,957	1,756	2,304	–	661	3,740	4,922
Brokerage	1,386	1,735	1,386	1,735	–	–	–	–	1,386	1,735
Revenues (internal)	–	–	–	–	–	–	–	–	–	–
<b>Operating result</b>	<b>718</b>	<b>–43</b>	<b>806</b>	<b>1,081</b>	<b>–88</b>	<b>–1,124</b>	<b>1,125</b>	<b>94</b>	<b>1,843</b>	<b>51</b>
Result from the equity interests accounted for using the equity method	35	–	35	–	–	–	0	0	35	0
Financial result	–466	–1,219	–234	–264	–232	–956	–1,103	–570	–1,568	–1,789
<b>Net profit before income taxes</b>	<b>287</b>	<b>–1,262</b>	<b>607</b>	<b>817</b>	<b>–320</b>	<b>–2,080</b>	<b>24</b>	<b>–476</b>	<b>311</b>	<b>–1,738</b>

The change in value of investment property in the amount of TEUR 284 that was posted for the first quarter is listed among the operating results of the "Portfolio" segment.

The financial result of the first quarter of the previous year is burdened with an early termination fee of TEUR 535 for the premature repayment of a loan. The expense was accounted for in the "Trade" segment, and there in the sub-segment "Other Trade."

## 4.2 Disclosures on financial assets and financial liabilities

The book values of the financial assets and liabilities in the scope of application of IFRS 7 match the short-term items at their fair value. There are some deviations concerning the non-current financial liabilities. Their book value equals TEUR 84,005, whereas their fair value is TEUR 84,577.

## 4.3 Related party transactions

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 2012/13 financial year changed or derecognised.

## 4.4 Employees

The ESTAVIS Group employed 39 staff by the end of the quarter. During the same quarter last year, there was a workforce of 30. On average, 33 staff were on the Group's payroll during the past financial year. The change in human resources is explained by the fact that altogether 19 employees were taken over in conjunction with the acquisition of the portfolio in Berlin-Hohenschönhausen and the concomitant transfer of undertakings. The wind-up will not be concluded until December 2013 because of the statutory protection against dismissal and the employees' level of seniority.

## 4.5 Events after the reporting date

By way of a contract signed on 16 September 2013, ESTAVIS AG acquired an 80% interest in J2P Real Estate AG located in Chemnitz, Saxony. The acquisition was signed into effect in early October 2013. The acquisition was transacted against a combination of cash payment (TEUR 1,015) and increase in kind (174,000 shares). The company acquired, J2P AG, acts both as property asset holder and as real estate agent trading in properties located in Saxony. A subsidiary provides janitorial and housing administrative services on a moderate scale.

According to preliminary figures, the acquisition resulted in a negative goodwill:

### Calculation of negative goodwill

	TEUR
<b>Cost</b>	
Cash purchase price	1,015
174,000 shares of ESTAVIS AG at EUR 2.04 each	355
<b>Cost</b>	<b>1,370</b>
<b>Fair value of the acquired net assets (80 %)</b>	<b>1,618</b>
<b>Negative goodwill</b>	<b>-248</b>

According to preliminary data, the acquired assets and liabilities break down as follows:

Acquired net assets		
	Fair value	Carrying amount of companies acquired
	TEUR	TEUR
Investment property	3,820	3,533
Other plant and equipment	4	4
Properties held as inventory assets	3,075	2,428
Liquid assets, accounts receivable, and other assets	1,046	1,046
Liabilities	-5,685	-5,685
Deferred taxes	-238	61
<b>Net assets</b>	<b>2,022</b>	<b>1,386</b>
<b>Pro rata acquired net assets (80 %)</b>	<b>1,618</b>	

The data are not final, because it is based on the annual accounts of the acquired companies as of 31 December 2012, on the one hand, and because the fair values of the properties, especially the liabilities, have not been appraised yet and could qualify the negative goodwill, on the other hand. The report for Q2 will post the negative goodwill in the preliminary amount shown among the consolidated income, unless the audit of the valuations returns a deviating result.

In October 2013, one shareholder raised his voting rights share in ESTAVIS AG to nearly 30 %. As a consequence, the Group will lose some of its corporation and trade tax loss carry-forwards. This will result in a derecognition of latent tax assets from losses carried forward in an amount of approx. TEUR 150, and raise the tax expense by a corresponding amount.

## ■ Financial Calendar 2014

**2014**

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**24 February 2014**      Quarterly report – 2nd quarter / Half year 2013/14

**19 May 2014**          Quarterly report – 3rd quarter / Nine months 2013/14

All dates are provisional. Please check our website [www.estavis.de](http://www.estavis.de) for confirmation.

## ■ Forward-looking Statements

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

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

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

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# ESTAVIS

REAL ESTATE PERFORMANCE

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