ESTAVIS

REAL ESTATE PERFORMANCE

Half-Year Financial Report

1 July 2013 – 31 December 2013

Overview Key Financial Data

ESTAVIS AG	2nd quarter 13/14 1 Oct. 2013 – 31 Dec. 2013	2nd quarter 12/13 1 Oct. 2012 – 31 Dec. 2012	1st half-year 13/14 1 July 2013 – 31 Dec. 2013	1st half-year 12/13 1 July 2012 – 31 Dec. 2012
Revenues and earnings	TEUR	TEUR	TEUR	TEUR
Revenues	8,356	9,711	16,135	18,040
Total operating performance	8,643	9,476	17,062	19,870
EBIT	1,954	–35	3,797	17
Pre-tax profit	348	–876	659	–2,614
Net profit	14	–842	116	–2,670

ESTAVIS AG	31 December 2013	30 June 2013
Structure of assets and capital	TEUR	TEUR
Non-current assets	166,241	157,612
Current assets	46,115	45,080
Equity	67,485	66,632
Equity ratio	31.8 %	32.9 %
Total assets/equity and liabilities	212,356	202,692

ESTAVIS AG

Share	
Stock exchange segment	Prime Standard
ISIN	DE000A0KFKB3
German Securities Code Number (WKN)	A0KFKB
Number of shares on 31 December 2013	18,058,938
Free float (information according to last notification from investors)	34.7 %
Share price high (1 July – 31 December 2013*)	2.13 EUR
Share price low (1 July – 31 December 2013*)	1.88 EUR
Closing price on 30 December 2013*	2.08 EUR
Market capitalisation on 31 December 2013*	EUR 37.9 million

* Closing prices in Xetra trading

Content

Letter to the Shareholders

Dear Shareholders,
Dear Ladies and Gentlemen,

At the end of the first half year 2013/14, we find it safe to say that the development that was initiated with the turnaround during the previous financial year is here to stay. As in the first quarter, we are able to report a clearly positive operating income of EUR 3.8 million at the end of the first semester, which is the result of stable, positive contribution to operating income by the privatisation business and the management of our proprietary portfolio, and which tops the operating income of the same period last year several time over. During the first six months of the ongoing financial year, we realised a consolidated profit of EUR 0.1 million after taxes, compared to a loss of EUR 2.7 million that ESTAVIS reported at the end of H1 2012/13.

The strategic realignment of ESTAVIS that was initiated in 2011/12 and essentially implemented last year has a growing impact on our financials in just the way in which we intended it when deciding to realign the company. Aside from the sustained sound development in the privatisation business, it is specifically the substantial improvement of the key performance indicators in the Portfolio segment that has made a difference, and increasingly so.

The situation on the markets of relevance for us continues to develop auspiciously, and is characterised in many places by brisk momentum. There is no better example to illustrate the situation than the market in Berlin, which plays a key role for the business activities of ESTAVIS both in the Privatisation and in the Portfolio segments. According to the 10th Housing Market Report Berlin published a few weeks ago, Berlin's population grew by nearly 50,000 residents, while the number of households expanded by more than 20,000 between June 2012 and June 2013. But though the number of completed apartments has slightly gone up compared to recent years, it remains – at the latest annual completion rate of 5,400 units – far below the number actually required to come anywhere near meeting the growing demand. So it is rather safe to expect the trend to remain favourable in the foreseeable future, meaning both for rent rates and purchase prices.

Berlin also remains an attractive market from the perspective of foreign condominium buyers – not least because many international investors continue to view Germany as a safe haven within the larger European environment whose stabilisation has been at a very long time coming, and where recovery remains sluggish. Against this background, we are confident that the privatisation business will continue to benefit from robust buyer demand, and keep showing a dynamic performance.

The introduction of the so-called "rent freeze" contemplated by German policymakers will probably put the damper on buildings activities and thus exacerbate the supply shortage in Germany's metro areas. These conditions will cause the rising housing demand to manifest itself, at least to some extent, in a stronger trend toward homeownership, according to experts. ESTAVIS considers itself well placed through its subsidiary Accentro to acquire new mandates for privatisation services and to buy additional residential stock earmarked for privatisation.

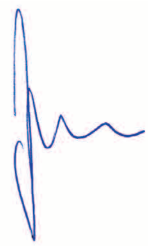
At the end of the 2012/13 financial year, we had stated our intention to keep driving the growth of ESTAVIS forward, and several achievements during the reporting period testify to our efforts in this regard. On the one hand, we acquired a portfolio with 160 residential units in Chemnitz. On the other hand, ESTAVIS acquired an 80 %-interest in the J2P Real Estate AG housing company in Chemnitz with a proprietary stock of another 160 residential units shortly thereafter – as of 1 October. This way, we combined the purchase of the properties with the acquisition of a local management that brings comprehensive market know-how to the job.

Other milestones included the issuance of the bond in November and the implementation of the capital increase that was resolved in December and became effective in January 2014. The capital increase was entirely subscribed by Wecken & Cie., and we are delighted to have managed to bring in another major shareholder. Not least, the fact illustrates the growing appeal of ESTAVIS for investors, which in turn is based on the company's successful performance and growth. Another indication of the growing interest in our company on the capital market is obviously the takeover bid that ADLER Real Estate AG announced to the shareholders of ESTAVIS AG in February 2014. We should like to seize the opportunity to thank our shareholders for their faith when paving the way for a continued successful and growth-driven development with their vote at the annual general meeting on 10 January 2014.

Outlook for the 2013/14 financial year

The Management Board believes that the company's performance during the first semester forms a robust starting basis for the 2013/14 year as a whole. We assume that the months ahead will see a continuation of the favourable trend and that the ongoing financial year will conclude with a positive consolidated income, too.

The Management Board



Torsten Cejka

Jacopo Mingazzini

The ESTAVIS Share

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

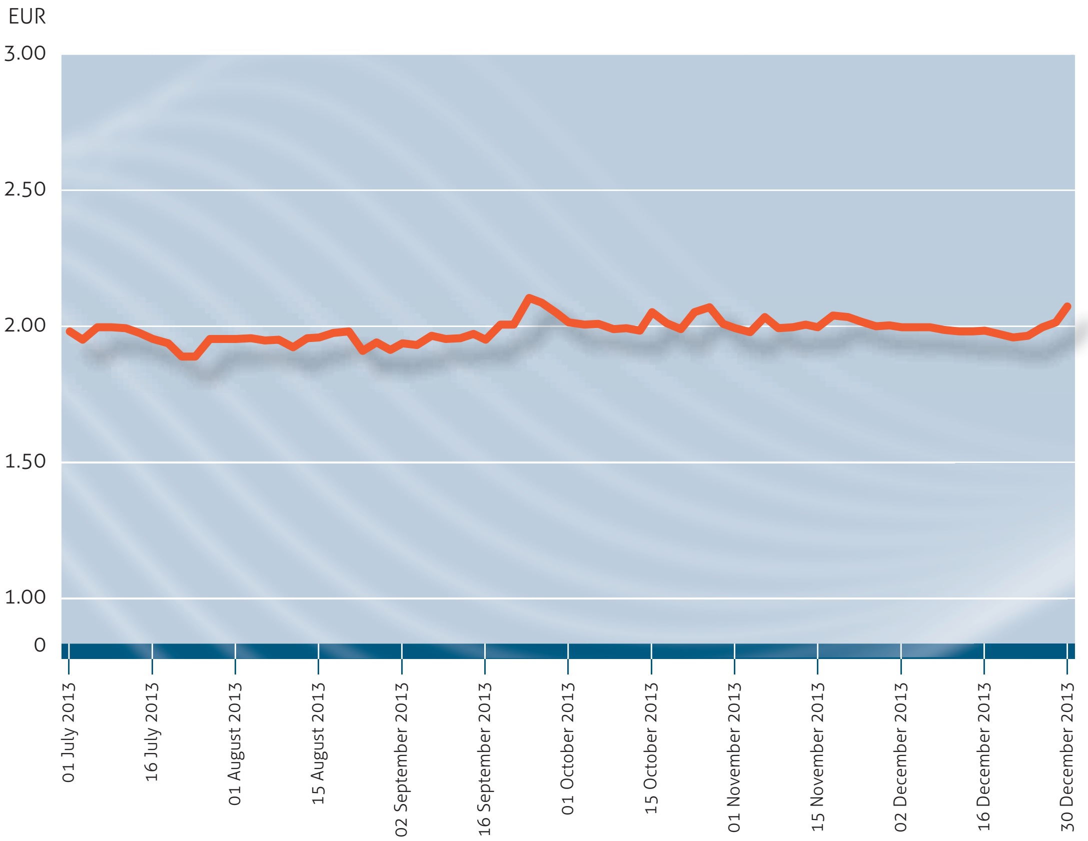
The key lending rate in the eurozone was lowered even further last November, stimulating massive investor interest in German equities. The German stock index DAX benefited from the fact, gaining nearly 20 % during the first six months of the 2013/14 financial year, and hitting the mark of 9,552 points by the end of 2013. Shortly after the end of the reporting period, the DAX temporarily achieved a new record peak of more than 9,700 points.

The ESTAVIS share price performed handsomely as it gained 5.1 %, yet it failed to match the dynamic of the DAX. Having stood at EUR 1.98 in Xetra trading at the start of the 2013/14 financial year, the share price ended the year at EUR 2.08 as of 30 December 2013. That day, the market capitalisation of ESTAVIS AG equalled approximately EUR 37.92 million. The mean daily trading volume during the first six months of the financial year equalled 19,376 shares.

The corporate performance of ESTAVIS AG is continuously monitored by 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 2.60
- LFG Value, recommendation: "Buy", target price EUR 2.40

ESTAVIS share price development from 1 July to 31 December 2013



ESTAVIS shares at a glance

ESTAVIS AG

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Interim Management Report

1 Business and Conditions

1.1 Economic environment and business performance

The German economy continued to show a steady performance during the reporting period. During the first and second quarter of the 2013/14 financial year, the German gross domestic product (GDP) rose by 0.3 % and 0.4 %, respectively, according to the Federal Statistical Office. For the year 2013 as a whole, Germany's economy grew by 0.4 %. Particularly private and public consumption ensures that Germany was able to increase its economic output despite the altogether strained situation of the global economy. In the coming two quarters of the financial year, the DIW German Institute for Economic Research predicts a modest surge for the German economy, specifically a growth by 0.4 % for either quarter.

At the same time, the German labour market remained robust. Figures released by the Federal Statistical Office show an annual average of 41.8 million gainfully employed persons, which represents a new all-time high and a year-on-year increase by 0.6 %. The unemployment rate declined by 1.6 % down to 2.3 million. The DIW German Institute for Economic Research expects the employment situation to keep improving, and the number of gainfully employed persons to cross the mark of 42.0 million in 2014.

The transaction volume on the German investment market for residential real estate totalled EUR 15.8 billion during the calendar year of 2013, meaning that the brisk growth seen in previous years continued. According to figures of Jones Lang LaSalle (JLL), the year-end total of 2012 was topped by more than 40 %. The only year on record with a yet higher market turnover was 2005. All in, more than 236,000 residential units changed hands through more than 440 transactions. Berlin proved once again the most important regional market, ending 2013 with a transaction volume of EUR 6.8 billion. For 2014, JLL anticipates a transaction volume of no less than EUR 11 billion nationwide.

Berlin proved once again the most important regional market, ending 2013 with a transaction volume of EUR 6.8 billion. For 2014, JLL anticipates a transaction volume of no less than EUR 11 billion nationwide. The demographic trend in the German capital makes it reasonable to assume that the parameters in the apartment retailing and letting business will remain favourable. According to data that CB Richard Ellis and GSW Immobilien AG published in their jointly edited 10th Housing Market Report Berlin in late January 2014, Berlin's population increased by nearly 50,000 residents between June 2012 and June 2013. At the same time, the number of households in Berlin increased by more than 20,000. This increase contrasts starkly with the very low number of completed apartments, notwithstanding a slight increase in completions compared to previous years. The latest annual total of 5,400 units is not nearly enough to satisfy the rise in demand.

During the first six 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. Most notably, ESTAVIS acquired a portfolio of 160 residential units in the Saxon town of Chemnitz in September 2013 while moreover acquiring an 80 %-interest in the housing company J2P Real Estate AG based in Chemnitz which owns a proprietary stock of another 160 residential units.

In November 2013, ESTAVIS AG placed a corporate bond with a five-year maturity and a volume of EUR 10 million. In December, the Management Board of ESTAVIS AG resolved with the approval of the Supervisory Board to increase the company's share capital by 10 % from authorised capital within the framework of the cash capital increase. Within the context of the capital increase, around 1.8 million shares were placed at a price of EUR 2.00 per share while excluding the shareholders' subscription rights; the entire capital increase was subscribed by Wecken & Cie. KG. The company collected approx. EUR 3.6 million in issuing proceeds from the placement.

The trends both in revenues and in operating income have begun to clearly reflect the stable, positive performance of the company's strategic core business areas of privatisation and portfolio management. Compared to the first semester of the prior year, ESTAVIS achieved a significantly 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. The Management Board considers the performance of the first six months a sound starting basis for the 2013/14 financial year as a whole, and assumes that the year will conclude with a positive result.

1.2 Earnings position

The revenues of ESTAVIS Group during the first quarter of the 2013/14 financial year came to EUR 16.1 million, after EUR 18.0 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 11.1 million (prior-year period: EUR 13.9 million)

  thereof

  Privatisation: EUR 9.1 million (prior-year period: EUR 9.1 million)

  Other trade: EUR 2.0 million (prior-year period: EUR 4.8 million)
- Portfolio: EUR 5.0 million (prior-year period: EUR 4.1 million)

The decline in revenue in the **Trade segment** is essentially attributable to the cessation of activities in the project development and listed properties sectors ("Other Trade"). By contrast, the revenue in the privatisation segment showed a stable performance. The proceeds from apartment sales and brokerage perked up slightly year on year, rising by 1.6 % and 2.1 %, respectively. Rent revenues in the privatisation segment declined by 17.9 % in proportion to the retailed apartments from the privatisation stock.

All in, the operating income (EBIT) in the Trade segment of the first financial semester 2013/14 came to EUR 1.6 million, which meant a substantial improvement by EUR 0.095 million year over year. The fact reflects in particular the elimination of encumbrances for the trading business in general that had been generated by winding up the discontinued activities.

The increase in revenues in the **Portfolio segment** is primarily attributable to the expansion of the proprietary portfolio according to plan and the associated surge in rental income. The latter more than doubled as they rose from EUR 2.4 million to EUR 5.0 million year on year. Having posted EUR –0.078 million for the same period the previous year, ESTAVIS achieved a positive operating income of EUR 2.2 million in the Portfolio segment during H1 2013/14.

The capital growth of the investment property, which was not itemised during the same period last year, totalled EUR 0.5 million during the first semester of the 2013/14 financial year.

The other operating income amounted to EUR 0.5 million (H1 2012/13: EUR 0.7 million). This sum includes a positive contribution to operating income over EUR 0.2 million in the context of the acquisition of the company J2P Real Estate.

The Group's gross margin for continued operations (revenues plus changes in inventories minus cost of materials/revenues) increased to 43.1 % (prior year period: 28.6 %), which is essentially attributable to the wind-up of the discontinued activities and the absence of the encumbrances associated therewith.

Year on year, the total operating performance during the first six months of the financial year dropped from EUR 19.9 million to EUR 17.1 million.

The cost of materials declined from EUR 14.0 million to EUR 9.1 million year on year. Changes in portfolio amounted to EUR –0.07 million, after EUR 1.2 million at the end of the first semester of the previous year. The balance between the cost of materials and portfolio changes decreased from EUR 12.9 million to EUR 9.2 million year on year.

Staff expenses during the period under review added up to EUR 1.4 million after EUR 1.1 million in the same period of the previous year, the increase being mainly explained both by the staff takeover in conjunction with the portfolio acquisition in Berlin-Hohenschönhausen, and by the acquisition of the companies J2p Real Estate AG and J2P Service GmbH, and thus by the resulting increase in manpower from 28 to 36 staff.

At EUR 2.7 million, the other operating expenses remained below the figure of the first semester of the prior year (EUR 4.7 million). The sum includes, among other things, the settlement of encumbrances from discontinued activities and the consistent focusing and streamlining of structures inside ESTAVIS Group.

Earnings before interest and taxes (EBIT) during H1 2013/14 amounted to EUR 3.8 million (prior-year period: EUR 0.02 million).

The financial result in the period under review came to EUR –3.2 million, after EUR –2.6 million in the same period of the previous year, with encumbrances from the portfolio expansion making an impact.

With income taxes in the amount of EUR 0.5 million taken into account, the consolidated net profit equalled EUR 0.1 million (prior-year period: EUR –2.7 million). This equals a semester result of EUR 0.01 in earnings per share (previous year: EUR –0.18).

1.3 Financial and assets position

The total assets of ESTAVIS Group amounted to EUR 212.4 million by 31 December 2013, and were therefore EUR 9.7 million or 4.77 % higher 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 146.2 million, reflecting particularly the acquisition of the residential portfolio in Chemnitz in September 2013. Non-current assets increased by EUR 8.6 million or 5.5 % overall. Current assets increased by EUR 1.0 million or 2.3 %. In this context, an increase in trade receivables from EUR 4.2 million to EUR 7.4 million, as well as an increase in other receivables and other assets from EUR 10.6 million to EUR 17.0 million were matched by a decrease in inventories from EUR 20.9 million to EUR 15.0 million, as well as by a drop in liquid assets from EUR 9.3 million to EUR 6.7 million.

Financial liabilities, which mainly relate to liabilities to banks, increased – apace with the property acquisitions during the reporting period – by a total of EUR 8.0 million to EUR 122.9 million (30 June 2013: EUR 115.0 million).

At EUR 67.5 million, the company equity exceeded the level as of the balance sheet date of the previous financial year by 1.3 % (30 June 2013: EUR 66.6 million).

The equity ratio of ESTAVIS Group declined slightly from 32.9 % as of 30 June 2013 to 31.8 % as of 31 December 2013.

The gearing ratio (debt/total capital) increased inversely from 67.1 % to 68.2 % during the year under review. 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 12.3 % as of 31 December 2013 (30 June 2013: 19.4 %).

During the reporting period, net cash from operating activities amounted to EUR 0.5 million (previous year: EUR –5.2 million).

The cash flow from investment activities amounted to EUR –2.9 million during the period under review (previous year: EUR –6.2 million).

During the first semester of the 2013/14 financial year, the cash flow from financing activities amounted to EUR –0.2 million (previous year: EUR 3.8 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 for the time being. However, in the wake of the corporate merger of Deutsche Wohnen AG and GSW AG, the service agreement between Accentro GmbH and GSW AG was renegotiated and adjusted as of March 2014. The contractual changes have resulted in a reduced contract volume. Also, the previously limited contract was converted into an open-ended contract, and the remuneration model was slightly adjusted.

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.

Based on the company's current performance the Management Board expects to end the 2013/14 financial year with a positive consolidated income.

4 Supplementary Report

As a result of the cash capital increase by 10 % to EUR 20,038,831 by taking advantage of the authorised capital and under exclusion of subscription rights as resolved by the Management Board and approved by the Supervisory Board, the company's share capital increased as of its registration on 8 January 2014.

Certain personnel changes in the Supervisory Board of ESTAVIS AG occurred after the end of the reporting period. With the incumbent Supervisory Board members Dr. Karl-Josef Stöhr (Chairman), Rolf Elgeti and Dr. Philipp K. Wagner having notified the company of their intention to resign their offices as Chairman of the Supervisory Board, Deputy Chairman of the Supervisory Board, and Member of the Supervisory Board, respectively, as of the next annual general meeting of ESTAVIS AG and to leave the company's Supervisory Board at the same time, the annual general meeting elected Thomas Bergander, André Pernhold, and Alexandra Timoschenko as new members of the Supervisory Board on 10 January 2014. In the subsequent constitutive meeting of the newly elected Supervisory Board that same day, Thomas Bergander was elected as Chairman of the Supervisory Board.

On 10 February 2014, ADLER Real Estate AG announced its decision to submit a takeover bid to the shareholders of ESTAVIS AG to acquire their no-par-value bearer shares in ESTAVIS AG in the form of an exchange offer. In return for the submitted ESTAVIS shares, ADLER Real Estate AG intends to issue new no-par-value bearer shares in ADLER Real Estate AG to the shareholders as quid pro quo and will commission an exchange trustee to handle the necessary increase in kind. The concrete exchange ratio will be defined in the offer document yet to be published.

In the wake of the corporate merger of Deutsche Wohnen AG and GSW AG, the service agreement between Accentro GmbH and GSW was renegotiated and adjusted to the new parameters in regard to sales volume and the achievable remuneration, with the revised version to become effective as of March 2014.

Consolidated Balance Sheet

ESTAVIS AG	31 Dec. 2013	30 June 2013
Assets	**TEUR**	**TEUR**
Non-current assets		
Goodwill	17,776	17,776
Other intangible assets	64	76
Property, plant and equipment	217	195
Investment property	146,198	137,328
Equity interests accounted for using the equity method	910	831
Other non-current financial assets	29	29
Deferred income tax receivables	1,048	1,377
Total	**166,241**	**157,612**
Current assets		
Inventories	14,989	20,867
Trade receivables	7,358	4,232
Other receivables and assets	17,043	10,547
Current income tax receivables	51	177
Cash and cash equivalents	6,674	9,258
Total	**46,115**	**45,080**
Total assets	**212,356**	**202,692**

Consolidated Balance Sheet

ESTAVIS AG	31 Dec. 2013	30 June 2013
Equity	TEUR	TEUR
Issued capital	18,233	18,059
Capital reserves	44,489	44,308
Retained earnings	4,395	4,265
Attributable to parent company stockholders	67,117	66,632
Attributable to minority interests	368	–
Total equity	**67,485**	**66,632**

Liabilities		
Non-current liabilities		
Provisions	74	106
Financial liabilities	87,967	86,118
Deferred income tax liabilities	2,569	2,098
Total non-current liabilities	**90,610**	**88,321**
Current liabilities		
Provisions	538	2,901
Financial liabilities	34,969	28,842
Advance payments received	9,911	6,422
Current income tax liabilities	2,297	2,196
Trade payables	6,304	3,318
Other liabilities	243	4,059
Total current liabilities	**54,261**	**47,739**
Total equity and liabilities	**212,356**	**202,692**

Consolidated Income Statement

ESTAVIS AG	2nd Quarter 13/14 1 Oct. 2013 – 31 Dec. 2013	2nd Quarter 12/13 1 Oct. 2012 – 31 Dec. 2012	1st half-year 13/14 1 July 2013 – 31 Dec. 2013	1st half-year 12/13 1 July 2012 – 31 Dec. 2012
	TEUR	TEUR	TEUR	TEUR
Revenues	8,356	9,711	16,135	18,040
Change in value of investment property	217	0	501	0
Other operating income	138	436	494	669
Changes in inventories	–67	–671	–67	1,161
Total operating performance	**8,643**	**9,476**	**17,062**	**19,870**
Cost of materials	4,410	6,606	9,116	14,041
Staff costs	699	570	1,393	1,103
Depreciation and amortisation	27	29	50	59
Other operating expenses	1,554	2,305	2,705	4,652
Operating result	**1,954**	**–35**	**3,797**	**17**
Net income from associates	**28**	**0**	**63**	**0**
Interest income	7	34	9	68
Interest expenses	1,641	875	3,210	2,698
Financial result	**–1,634**	**–841**	**–3,202**	**–2,630**
Net profit before income taxes	**348**	**–876**	**659**	**–2,614**
Income taxes	334	–33	542	57
Net profit	**14**	**–842**	**116**	**–2,670**
Attributable to minority interests	–14	0	–14	0
Attributable to parent company stockholders	28	–842	130	–2,670
Earnings per share (EUR)	**0.00**	**–0.06**	**0.01**	**–0.18**

Consolidated Statement of Comprehensive Income

ESTAVIS AG	2nd Quarter 13/14 1 Oct. 2013 – 31 Dec. 2013	2nd Quarter 12/13 1 Oct. 2012 – 31 Dec. 2012	1st half-year 13/14 1 July 2013 – 31 Dec. 2013	1st half-year 12/13 1 July 2012 – 31 Dec. 2012
	TEUR	TEUR	TEUR	TEUR
Net profit	**14**	**–842**	**116**	**–2,670**
Available-for-sale financial assets	–	–	–	–
Changes in fair value	–	–	–	–
Reclassification recognised in profit or loss	–	–	–	–
Income taxes	–	–	–	–
Other comprehensive income	**–**	**–**	**–**	**–**
Total comprehensive income	**14**	**–842**	**116**	**–2,670**

Consolidated Cash Flow Statement

ESTAVIS AG		1st half-year 13/14 1 July 2013 – 31 Dec. 2013	1st half-year 12/13 1 July 2012 – 31 Dec. 2012
		TEUR	TEUR
	Net profit	116	–2,670
+	Depreciation/amortisation of non-current assets	50	59
+/–	Increase/decrease in provisions	–2,396	–450
+/–	Change in value of investment property	–501	0
+/–	Other non-cash expenses/income	–134	1
–/+	Increase/decrease in inventories, trade receivables and other assets that are not attributable to investing or financing activities	2,059	11,820
+/–	Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	1,346	–13,985
=	**Cash flow from current operating activities**	**541**	**–5,227**
+	Payments received from the disposal of investment property	0	3,850
+	Payments received for the acquisition of fully consolidated companies	29	0
–	Payments for investments in intangible assets	–1	–12
–	Payments for investments in property, plant and equipment	–48	–14
–	Payments for investment property	–1,880	–10,000
–	Payments for investments in non-current financial assets	–13	0
–	Payments for the acquisition of fully consolidated companies	–1,015	0
=	**Cash flow from investing activities**	**–2,929**	**–6,176**
–	Payments to shareholders	0	–437
+	Payments from issuing bonds and raising (financial) loans	1,830	8,042
–	Repayment of bonds and (financial) loans	–2,026	–3,759
=	**Cash flow from financing activities**	**–196**	**3,847**
	Net change in cash and cash equivalents	–2,584	–7,556
+	Cash and cash equivalents at the beginning of the period	9,258	10,915
=	**Cash and cash equivalents at the end of the period**	**6,674**	**3,359**

Consolidated Statement of Changes in Equity

for the financial year from 1 July 2013 to 31 December 2013

ESTAVIS AG	Issued capital	Capital reserves	Retained earnings	Minority interests	Total
	TEUR	TEUR	TEUR	TEUR	TEUR
As of 1 July 2013	**18,059**	**44,308**	**4,265**	**–**	**66,632**
Net profit	–	–	130	–14	116
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	130	–14	116
Acquisition	174	181	–	382	737
As of 31 December 2013	**18,233**	**44,489**	**4,395**	**368**	**67,485**

Consolidated Statement of Changes in Equity

for the financial year from 1 July 2012 to 31 December 2012

ESTAVIS AG	Issued capital	Capital reserves*	Retained earnings	Minority interests	Total
	TEUR	TEUR	TEUR	TEUR	TEUR
As of 1 July 2012	**14,319**	**41,963**	**2,766**	**–**	**59,048**
Net profit	–	–	–1,828	–	–1,828
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–1,828	–	–1,828
Non-cash contribution made	440	–440	–	–	–
Repurchase of company shares	–235	–	–201	–	–437
As of 31 December 2012	**14,524**	**41,523**	**736**	**–**	**56,783**

* 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 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 31 December 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 February 2014. 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 semester of the 2013/14 financial year, which ended on 31 December 2013, were prepared in accordance with the provisions of IAS 34 "Interim Financial Reporting" as adopted by the EU in the form of an 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 31 December 2013, the condensed interim consolidated financial statements of ESTAVIS AG included 42 subsidiaries, two joint ventures, and one associate. The consolidated group as of 30 June 2013 expanded during the first semester of the ongoing financial year via the acquisition of two property vehicles along with the acquisition of a majority interest in J2P Real Estate AG and its service subsidiary.

The 80 % interest in J2P Real Estate AG and its subsidiary J2P Service GmbH acquired last year were posted for the first time as minority stakes under shareholder capital and result in the consolidated financial statement of ESTAVIS AG.

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

4.1 Segment information

Quarter on quarter, the segment results for the second quarter of the 2013/14 financial year present themselves as shown below:themselves as 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)	5,734	7,456	5,552	5,117	182	2,339	2,622	2,255	8,356	9,711
thereof										
Letting	202	378	193	232	9	146	2,622	1,140	2,825	1,518
Sales	3,407	5,375	3,234	3,181	173	2,194	–	1,115	3,407	6,490
Brokerage	2,124	1,703	2,124	1,703	–	–	–	–	2,124	1,703
Revenues (internal)	–	–	–	–	–	–	–	–	–	–
Operating result	**901**	**138**	**1,024**	**1,102**	**–123**	**–964**	**1,053**	**–172**	**1,954**	**–35**
Result from the equity interests accounted for using the equity method	28	–	28	–	–	–	0	0	28	0
Financial result	–398	–473	–272	–177	–126	–295	–1,236	–396	–1,634	–841
Net profit before income taxes	**531**	**–335**	**780**	**925**	**–249**	**–1,259**	**–182**	**–541**	**348**	**–876**

Year on year, the segment results for the first semester of the 2013/14 financial year present themselves as 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)	11,089	13,894	9,137	9,073	1,952	4,821	5,046	4,147	16,135	18,040
thereof										
Letting	431	820	408	497	23	323	5,046	2,371	5,478	3,191
Sales	7,147	9,636	5,218	5,138	1,929	4,498	–	1,776	7,147	11,412
Brokerage	3,510	3,438	3,510	3,438	–	–	–	–	3,510	3,438
Revenues (internal)	–	–	–	–	–	–	–	–	–	–
Operating result	**1,618**	**95**	**1,830**	**2,183**	**–211**	**–2,088**	**2,178**	**–78**	**3,797**	**17**
Result from the equity interests accounted for using the equity method	63	–	63	–	–	–	0	0	63	0
Financial result	–864	–1,692	–506	–441	–358	–1,251	–2,338	–939	–3,202	–2,630
Net profit before income taxes	**818**	**–1,597**	**1,387**	**1,742**	**–569**	**–3,339**	**–159**	**–1,017**	**659**	**–2,614**

The change in value of investment property in the amount of TEUR 501 that was posted for the first semester is listed among the operating results of the Portfolio segment. Out of this amount, Q2 accounts for TEUR 217.

The positive contribution to operating income in the amount of TEUR 180 that was posted for Q2 and that results from the acquisition of an 80 % interest in J2P Real Estate AG and its subsidiary are entirely allocated to the Portfolio segment.

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 87,967, whereas their fair value is TEUR 88,574.

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 36 staff by the end of the semester. During the same semester last year, the number of employees was 28. On average, 33 staff were on the Group’s payroll during the past financial year. The change in human resources is explained by the acquisition of J2P Real Estate AG and J2P Service GmbH.

4.5 Disclosures on the corporate merger

Capital assets

	TEUR
Real assets	6,403
Property, plant and equipment	30
Accounts receivable and other assets	80
Cash and cash equivalents	29
Sum total of assets	**6,542**

Liabilities

	TEUR
Financial liabilities	–4,014
Trade payables and other liabilities	–298
Deferred tax assets	–292
Total liabilities	**–4,604**

Net assets	1,938
Pro rata net assets 80 %	**1,550**
Cash purchase price	1,015
174,000 shares at EUR 2.04 each	355
Total purchase price	**1,370**
Negative goodwill	**180**

The market values of assets and liabilities identified are provisional.

On 16 September 2013, ESTAVIS AG signed a contract effective 1 October 2013 concerning the acquisition of 80 % of the shares of J2P Real Estate AG in Chemnitz and its subsidiary J2P Service GmbH. The acquisition was transacted against a combination of cash payment (TEUR 1,015) and increase in kind (174,000 shares). The equity investment serves as basis for the planned portfolio expansion of ESTAVIS AG in Saxony. The subsidiary J2P Service GmbH that was acquired along with J2P Real Estate AG has proprietary as well as third-party housing portfolios under management. Together, the two companies are part of an historically evolved network on the Saxon housing market.

For the Group's statement of other comprehensive income, the corporate acquisition results in a provisional positive contribution to operating income among the other operating income in an amount of TEUR 180. The fact that the takeover effect fell short of the ramifications predicted last quarter is essentially explained by tax effects.

4.6 Events after the reporting date

As a result of the cash capital increase by 10 % to EUR 20,038,831 by taking advantage of the authorised capital and under exclusion of subscription rights as resolved by the Management Board and approved by the Supervisory Board, the company's share capital changed as of its registration on 8 January 2014.

On occasion of the shareholder meeting, the incumbent Supervisory Board members Dr. Karl-Josef Stöhr (Chairman), Rolf Elgeti and Dr. Philipp K. Wagner resigned from their posts as expected after a previous announcement. The shareholder meeting resolved with a large majority to appoint Alexandra Timoschenko, André Pernhold and Thomas Bergander to the supervisory body. Thomas Bergander serves as next Chairman of the Supervisory Board of ESTAVIS AG.

On 10 February 2014, ADLER Real Estate AG published its decision to submit a takeover bid to the shareholders of ESTAVIS AG to acquire their no-par-value bearer shares in ESTAVIS AG in the form of an exchange offer. In exchange for the returned ESTAVIS shares, ADLER Real Estate AG will issue new no-par-value bearer shares in ADLER Real Estate AG to the shareholders as quid pro quo. ADLER Real Estate AG will commission an exchange trustee to handle the necessary increase in kind. The concrete exchange ratio will be defined in the offer document yet to be published.

In the wake of the corporate merger of Deutsche Wohnen AG and GSW AG, the service agreement between Accentro GmbH and GSW was renegotiated and revised to reflect the new parameters in regard to lifetime, sales volume and remuneration model, with the revised version to become effective as of March 2014.

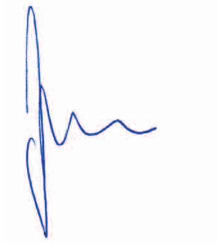
Responsibility Statement

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.

I state to the best of my 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, 21 February 2014

Torsten Cejka
Management Board



Jacopo Mingazzini
Management Board

Financial Calendar 2014

2014

19 May 2014	Quarterly report – 3rd quarter / Nine months 2013/14
22 September 2014	Annual Report 2013/14

All dates are provisional. Please check our website 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.

Credits

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REAL ESTATE PERFORMANCE

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