FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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SUNVESTA, INC.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **September 30, 2011**.

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________ to ________.

Commission file number: **000-28731**

SUNVESTA, INC.

(Exact name of registrant as specified in its charter)

Florida	**98-0211356**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Seestrasse 97, Oberrieden, Switzerland CH-8942
(Address of principal executive offices) (Zip Code)

011 41 43 388 40 60
(Registrant' s telephone number, including area code)

n/a
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☑

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer' s classes of common stock, as of the latest practicable date. The number of shares outstanding of the issuer' s common stock, $0.01 par value (the only class of voting stock), at January 10, 2013, was 54,092,186.

TABLE OF CONTENTS

PART 1- FINANCIAL INFORMATION

PART II-OTHER INFORMATION

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

As used herein, the terms "SunVesta," "we," "our," and "us" refer to SunVesta, Inc., a Florida corporation, and its predecessors and subsidiaries, unless otherwise indicated. In the opinion of management, the accompanying unaudited, consolidated financial statements included in this Form 10-Q reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

SUNVESTA, INC.

(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS

Assets		September 30, 2011 (Unaudited)	December 31, 2010
Current assets			
Cash and cash equivalents	$	513,841	44,018
Other assets		8,019	9,421
Receivables from related parties		1,232,233	-
Total current assets		**1,754,093**	**53,439**
Non-current assets			
Property and equipment - net		10,905,000	9,321,976
Debt issuance cost - net		1,096,587	291,288
Down payment for property & equipment		735,032	-
Total non-current assets		**12,736,619**	**9,613,264**
Total assets	**$**	**14,490,712**	**9,666,703**
Liabilities and stockholders' equity			
Current liabilities			
Accounts payable	$	710,339	914,420
Accrued expenses		795,534	65,824
Notes payable to third parties		-	551,155
Notes payable to related parties		308,031	811,246
Total current liabilities		**1,813,904**	**2,342,645**
Non-current liabilities			
EUR-Bond		8,638,615	265,273
CHF-Bond		101,394	-
Notes payable to related parties		1,099,969	-
Pension liabilities		40,755	-
Total non-current liabilities		**9,880,733**	**265,273**
Total liabilities	**$**	**11,694,637**	**2,607,918**
Stockholders' equity			
Preferred stock, $0.01 par value; 50,000,000 share authorized no shares issued and outstanding		-	-
Common stock, $0.01 par value; 200,000,000 shares authorized; 54,092,186 shares issued and outstanding		540,922	540,922
Additional paid-in capital		18,728,391	18,728,391
Accumulated other comprehensive loss		(285,534)	(59,452)
Retained earnings prior to development stage		1,602	1,602
Deficit accumulated during the development stage		(16,165,551)	(12,128,923)
Treasury stock, 157,220 and 157,220 shares		(23,755)	(23,755)
Total stockholders' equity		**2,796,075**	**7,058,785**
Total liabilities and stockholders' equity	**$**	**14,490,712**	**9,666,703**

The accompanying notes are an integral part of these consolidated financial statements.

SUNVESTA, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

		Three months ended September 30, 2011 (Unaudited)	Three months ended September 30, 2010 (Unaudited)	Nine months ended September 30, 2011 (Unaudited)	Nine months ended September 30, 2010 (Unaudited)	Cumulative* Amounts (Unaudited)
Revenues						
Revenues, net	$	-	-	-	-	-
Cost of revenues		-	-	-	-	-
Gross profit		**-**	**-**	**-**	**-**	**-**
Operating expenses						
General and administrative expenses		1,063,241	307,650	3,424,541	705,510	11,904,243
Marketing		16,148	1,405	133,602	14,660	465,812
Total operating expenses		**1,079,389**	**309,055**	**3,558,143**	**720,170**	**12,370,055**
Loss from operations		**(1,079,389)**	**(309,055)**	**(3,558,143)**	**(720,170)**	**(12,370,055)**
Other income / - expenses						
Loss on disposals of assets		-	-	-	-	(3,258)
Loss on sale of investments		-	-	-	-	(1,137,158)
Loss on extinguishment of debt		-	-	-	(258,882)	(1,806,758)
Interest income		1,326	-	1,326	-	68,207
Interest expense		(115,677)	(8,406)	(200,243)	(27,725)	(716,495)
Amortization of debt issuance cost and commissions		(94,402)	-	(214,974)	-	(214,974)
Exchange differences		200,477	-	(64,594)	-	(64,594)
Other income / - expenses		-	-	-	-	79,534
Total other income / - expenses		**(8,276)**	**(8,406)**	**(478,485)**	**(286,607)**	**(3,795,496)**
Loss before income taxes		**(1,087,665)**	**(317,461)**	**(4,036,628)**	**(1,006,777)**	**(16,165,551)**
Income taxes		-	-	-	-	-
Net loss	**$**	**(1,087,665)**	**(317,461)**	**(4,036,628)**	**(1,006,777)**	**(16,165,551)**
Comprehensive loss:						
Foreign currency translation		(455,282)	(128,267)	(226,082)	(56,619)	(264,534)
Comprehensive loss	**$**	**(1,542,947)**	**(445,728)**	**(4,262,710)**	**(1,063,396)**	**(16,430,085)**
Loss per common share						
Basic and diluted	**$**	**(0.02)**	**(0.01)**	**(0.07)**	**(0.02)**	
Weighted average common shares						
Basic and diluted		**54,092,186**	**54,092,186**	**54,092,186**	**54,092,186**	

* Cumulative: January 1, 2005 (date of inception) to September 30, 2011

The accompanying notes are an integral part of these consolidated financial statements.

SUNVESTA, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

		January 1 to September 30, 2011 (Unaudited)	January 1 to September 30, 2010 (Unaudited)	Cumulative * Amounts (Unaudited)
Cash flows from operating activities				
Net loss	$	(4,036,628)	(1,006,777)	(16,165,551)
Adjustments to reconcile net loss to net cash				
Depreciation and amortization		16,749	753	289,494
Amortization of debt issuance cost and commissions		214,974	-	222,673
Unrealized exchange differences		64,594	-	64,594
Stock compensation expense		-	-	107,269
Loss on securities acquired as deposit on stock		-	-	1,008,324
Loss on disposal of assets		-	-	3,258
Loss on extinguishment of debt		-	258,882	1,806,758
Increase in pension fund commitments		40,755	-	40,755
- Increase / decrease in:				
Other current assets		1,402	(7,502)	(8,848)
Accounts payable		(204,081)	74,244	1,246,155
Accrued expenses		729,710	85,183	1,115,264
Net cash used in operating activities		**(3,172,525)**	**(595,217)**	**(10,269,855)**
Cash flows from investing activities				
Proceeds from securities available-for-sale		-	-	1,740,381
Increase in receivables from related parties		(1,232,233)		(1,232,233)
Purchase of property and equipment		(1,657,319)	(14,032)	(11,462,805)
Down payments on purchase of investment		(684,118)	-	(684,118)
Other non-current assets		(50,914)	1,863	(50,914)
Net cash used in investing activities		**(3,624,584)**	**(12,169)**	**(11,689,689)**
Cash flows from financing activities				
Net proceeds from deposit on stock		-	-	3,664,417
Proceeds from stock issuance		-	-	300,000
Proceeds from notes payable related parties		1,374,997	651,927	12,353,129
Repayment of notes payable related parties		(778,243)		(778,243)
Advances from third parties		-	-	700,000
Decrease in note payable		(551,155)	-	(714,819)
Proceeds from bond issuance, net of commissions		8,458,959	-	8,724,232
Payment for debt issuance costs		(1,019,273)	-	(1,040,943)
Purchase of treasury stock		-	(11,555)	(23,755)
Net cash provided by financing activities		**7,485,285**	**640,372**	**23,184,018**
Effect of exchange rate changes		(218,353)	(93,973)	(711,188)
Net increase / - decrease in cash		**469,823**	**(60,987)**	**513,286**
Cash, beginning of period		44,018	73,945	555
Cash, end of period	$	**513,841**	**12,958**	**513,841**
Additional information				
Interest paid		84,000	-	

Income taxes paid	-	-

*Cumulative amounts: From January 1, 2005 (inception date) to September 30, 2011

The accompanying notes are an integral part of these consolidated financial statements.

SUNVESTA, INC.
(A Development Stage Company)
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

1. CORPORATE INFORMATION

On August 27, 2007, SunVesta, Inc. (SunVesta) acquired SunVesta Holding AG (SunVesta AG) (collectively the Company). SunVesta AG has three wholly-owned subsidiaries: SunVesta Projects and Management AG, a Swiss company; Rich Land Investments Limitada, a Costa Rican company (Rich Land); and SunVesta Costa Rica Limitada, a Costa Rican company.

In January 2005 (date of inception of development stage), the Company changed its business focus to the development of private equity financial products, whose funds will be invested primarily in the hospitality and related industry. The Company has not materialized any revenues yet and is therefore a "development stage company".

These consolidated financial statements are prepared in US Dollars ($) on the basis of generally accepted accounting principles in the United States of America (US GAAP).

The accompanying unaudited consolidated financial statements have been prepared by management in accordance with the instructions in Form 10-Q and, therefore, do not include all information and footnotes required by generally accepted accounting principles and should, therefore, be read in conjunction with the Company' s Form 10-K, for the year ended December 31, 2010, filed with the Securities and Exchange Commission. These statements do include all normal recurring adjustments which the Company believes necessary for a fair presentation of the statements. The interim results of operations are not necessarily indicative of the results to be expected for the full year ended December 31, 2011.

Except as indicated in the notes below, there have been no other material changes in the information disclosed in the notes to the financial statements included in the Company' s Form 10-K for the year ended December 31, 2010, filed with the Securities and Exchange Commission. Therefore, those footnotes are included herein by reference.

2. SIGNIFICANT ACCOUNTING POLICIES

Interest capitalization

Interest expense is capitalized on the carrying value of the construction in progress during the construction period, in accordance with ASC 835-20 ("capitalization and interest"). With respect to the construction in progress the Company capitalized $51,000 and $0 of interest expense during the nine months period ended September 30, 2011 and September 30, 2010.

EUR and CHF bonds

Non-current liabilities comprise of bonds payable in EUR ( ) and CHF, which bear fixed interest rates. The EUR bonds and CHF bonds are carried at nominal value.

Issuance costs and placement provisions are capitalized and amortized over the term of the bond, based on the "effective interest method".

The amortization expense is reflected in amortization of debt issuance cost

Pension Plan

The Company maintains a pension plan covering all employees in Switzerland; it is considered a defined benefit plan and accounted in accordance with ASC 715 ("compensation - retirement benefits"). This model allocates pension costs over the service period of employees in the plan. The underlying principle is that employees render services rateably over this period, and therefore, the income statement effects of pensions should follow a similar pattern. ASC 715 requires recognition of the funded status, or difference between the fair value of plan assets and the projected benefit obligations of the pension plan on the balance sheet, with a corresponding adjustment to accumulate other comprehensive income. If the projected benefit obligation exceeds the fair value of plan assets, then that difference or unfunded status represents the pension liability.

The Company records a net periodic pension cost in the statement of operations. The liabilities and annual income or expense of the pension plan is determined using methodologies that involve several actuarial assumptions, the most significant of which are the discount rate and the long-term rate of asset return (based on the market-related value of assets). The fair values of plan assets are determined based on prevailing market prices.

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value of Financial Instruments

The Company' s financial instruments consist of cash and cash equivalents, receivables from related parties, accounts payable, note payables and bonds. The fair value of these financial instruments approximate their carrying value due to the short maturities of these instruments, unless otherwise noted.

ASC 820 (Fair Value Measurements) establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

New accounting standards

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, which results in a consistent definition of fair value and common requirements for measurement of and disclosure about fair value between accounting principles generally accepted in the United States and IFRS. ASU 2011-04 is effective for interim and annual periods beginning after December 15, 2011. The Company expects the adoption of this standard will have no significant impact on the Company's consolidated financial statements and related disclosures.

In June 2011, the FASB issued amendments to Topic 220, Comprehensive Income, in this Update, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This Update eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments in this Update do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. Effective for annual periods beginning after December 15, 2011. The Company expects the adoption of this standard will have no significant impact on the Company's consolidated financial statements and related disclosures.

3. GOING CONCERN

The Company is currently working on building a hotel in the Papagayo Gulf Tourism Project area of Guanacaste, Costa Rica.

The project is expected to open in the fourth quarter of 2014. Until the completion of the project, the following expenditures are estimated to be incurred:

		$1,000
a.	Gross project cost	195,000
b.	Less: Proceeds from sale of villas	-24,000
c.	Net project cost	171,000
d.	Overhead expenses	21,000
e.	Less: Recuperated in gross project cost	-12,000
f	Total, excluding other potential projects	180,000

Sixty percent (60%) of "Net project cost" is expected to be financed by traditional mortgage loans, for which negotiations have been initiated. The remaining forty percent (40%) of "Net project cost", as well as "non-recuperated overhead expenses" and the cost of prospective "other projects" are expected to be financed by four of the Company' s principal shareholders or principal lenders to the project, i.e.:

a. Zypam Ltd., shareholder
b. Mr. Hans Rigendinger, shareholder and board member of SunVesta AG
c. Mr. Max Rössler, majority shareholder of Aires International Investment, Inc. (also refer to Note 16)
d. Mr. Josef Mettler, shareholder, director and chief executive officer

Subsequent to September 30, 2011, those individuals detailed above signed a Guaranty Agreement. (Refer to Note 16.) Management therefore believes that available funds are sufficient to finance cash flows for the twelve months subsequent to September 30, 2011 and the filing date though future anticipated cash outflows for investing activities will continue to depend on the availability of financing and can be adjusted as necessary.

SUNVESTA, INC.
(A Development Stage Company)
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

4. PROPERTY & EQUIPMENT

	September 30, 2011 Unaudited	December 31, 2010 Audited
Land	7,000,000	7,000,000
IT equipment	185,846	185,846
Other equipment and furniture	29,979	29,979
Leasehold improvements	66,617	66,617
Construction in progress	3,905,000	2,311,276
Gross	**11,187,442**	**9,593,718**
Less: Accumulated depreciation	(282,442)	(271,742)
Net	**10,905,000**	**9,321,976**

5. CONSTRUCTION IN PROCESS

The Company possesses a concession for a piece of land (~84' 000 m2), i.e. a right to build a hotel and apartments in the "Papagayo Gulf Tourism Project", Guanacaste, Costa Rica, which was acquired for $7 million and recorded as land in property and equipment.

The concession is a right to use the property for a specific purpose over a term of 20 years, which term thereafter can be renewed at no further cost, if the Company is up to date with its obligations as stipulated by the Cota Rican government and if no significant change in government policies takes place. The current concession expires in June 2022.

The construction in process amount that was spent as of September 30, 2011 is attributed primarily to architectural work related to the hotel and apartments.

6. NOTE PAYABLE TO THIRD PARTIES

The Company' s note payable was to Bruesa Construccione S.A. (Bruesa), a Spanish construction contractor. The note was repayable in Euros and was collateralized by a 10% interest in Rich Land and bore interest at 6%. The note payable balance sheet amounts of $551,155 for December 31, 2010 included related accrued interest of approximately $59,000. As of June 17, 2011 the amount due was paid in full and Bruesa' s interest in Rich Land was returned to the Company.

7. RECEIVABLES FROM AND NOTES PAYABLE TO RELATED PARTIES

		Receivables		**Payables**	
		September 30, 2011	December 31, 2010	September 30, 2011	December 31 2010
01	Hans Rigendinger	-	-	275,028	-
02	Adrian Oehler	-	-	39,409	31,887
03	Zypam Ltd	1,232,233	-	-	685,621
04	Sportiva	-	-	-	83,000
05	Aires International	-	-	1,099,969	0
	Total excluding interest	**1,232,233**	**-**	**1,408,000**	**800,508**
	Accrued interest	-	-	-	10,738
	Total	**1,232,233**	**-**	**1,408,000**	**811,246**
	of which non-current	-	-	1,099,969	-

	Related party	**Capacity**	**Interest Rate**	**Repayment Terms**	**Security**
01	Hans Rigendinger	Shareholder	NA	Dec 30, 2011	None
02	Adrian Oehler	Shareholder	3.00%	None	None
03	Zypam Ltd	Shareholder	None	N/A	None
04	Sportiva	An entity owned by a Company board member	3.00%	None	None
05	Aires International	See below			

7. RECEIVABLES FROM AND NOTES PAYABLE TO RELATED PARTIES - CONTINUED

Line of Credit agreement with Aires International Investments, Inc.

On July 27, 2011, SunVesta signed a loan agreement with Aires International Investments Inc., a company owned by a board member of SunVesta AG, which includes the following major conditions:

- The lender grants SunVesta a terminable, interest bearing and non-secured loan in the maximum amount of CHF 6 million.
- The loan is to be paid out in various portions between September 23, 2011, and December 9, 2011, optionally not later than February 29, 2012 with the option to exercise a conversion option.
- In principle, the loan will become due on September 30, 2015. This is also the latest point in time, when the lender can exercise his conversion option.
- The interest rate is 7.25 % and interest is due on September 30 each year.

Provided that the entire amount of CHF 6 Million is paid in, the lender has the right to convert this amount into 10% of the shares of Rich Land Investments Ltda. This conversion option is valid until 30 September 2015.

As the conversion option is contingent upon payment of the entire amount of CHF 6 million and this contingency was not resolved as of September 30, 2011, the loan was valued at fair value, which equals face value.

The loan agreement was amended subsequent to year end. Refer to Note 16.

The fair values of the notes payable to Aires International Investments, Inc. is classified as level 3 fair value. The fair values of the note were determined by discounting cash flow projections discounted at the respective interest rates of 7.25%. Hence, the carrying value approximates fair value.

SUNVESTA, INC.
(A Development Stage Company)
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

8. RELATED PARTY TRANSACTIONS

Debt Settlement Agreements

During the year ending December 31, 2010 the Company concluded certain debt settlement agreements. The issuances of shares of the Company were recorded at fair value in the year ended December 31, 2010 and the difference between the carrying value of the payables and the fair value was recorded as loss on extinguishment of debt in the statement of operations for the year ended December 31, 2010.The details are as follows:

a. A “Debt Settlement Agreement”, whereby a payable by SunVesta AG to Zypam Ltd. in the amount of $900,000 has been settled by the issuance of 13,846,154 shares of the Company.

b. A “Debt Settlement Agreement”, whereby a payable by SunVesta AG to H. Rigendinger in the amount of $49,990 has been settled by the issuance of 769,076 shares of the Company.

9. NON-CURRENT LIABILITIES

SunVesta AG has a bond outstanding with the following major conditions.

Description	**EUR ( ) bond**	**CHF bond**
Issuer:	SunVesta AG	SunVesta AG
Type of securities:	Bond in accordance with Swiss law	Bond in accordance with Swiss law
Approval by SunVesta AG BOD	May 12, 2010	June 3, 2011
Volume:	Up to 25,000,000	Up to CHF 15,000,000
Units:	1 ‘000	CHF 50,000
Offering period:	11/10/2010 - 04/30/2011	09/01/2011 - 02/28/2012
Due date:	November 30, 2013	August 31, 2015
Issuance price:	100 %	100%
Issuance day::	December 1, 2010	September 1, 2011

Interest rate:	8.25% p.a.	7.25% p.a.
Interest due dates:	November 30 of each year, the first time 30 November 2011	August 31 of each year, the first time August 31, 2012
Applicable law:	Swiss	Swiss

9. NON-CURRENT LIABILITIES - CONTINUED

The nominal amounts have changed as follows:

	EUR-Bond 2011 $	CHF Bond 2011 $	EUR-Bond 2010 $	CHF Bond 2010 $
Balances January 1	**265,273**	**-**	**-**	**-**
Cash inflows	8,606,797	108,870	265,273	-
Foreign currency adjustments	(18,813)	1,030	-	-
Sub-total (Fair value)	**8,853,257**	**109,900**	**265,273**	**-**
Commissions paid to bondholders	(248,196)	(8,512)	-	-
Amortization of such commissions	33,554	6	-	-
Balance September 30, 2011 (Carrying value)	**8,638,615**	**101,394**	**265,273**	**-**

The fair values of the bonds payable are classified as level 3 fair value. The fair values of the bonds have been determined by discounting cash flow projections discounted at the respective interest rates of 8.25% for EUR bonds and 7.25% for CHF bonds. Hence, the carrying values approximate fair value.

10. PENSION PLAN

The Company maintains a pension plan covering all employees in Switzerland; it is considered a defined benefit plan and accounted in accordance with ASC 715 ("compensation - retirement benefits"). This model allocates pension costs over the service period of employees in the plan. The underlying principle is that employees render services rateably over this period, and therefore, the income statement effects of pensions should follow a similar pattern. ASC 715 requires recognition of the funded status, or difference between the fair value of plan assets and the projected benefit obligations of the pension plan on the balance sheet, with a corresponding adjustment to accumulated other comprehensive income. If the projected benefit obligation exceeds the fair value of plan assets, then that difference or unfunded status represents the pension liability.

The Company records a net periodic pension cost in the statement of operations. The liabilities and annual income or expense of the pension plan is determined using methodologies that involve several actuarial assumptions, the most significant of which are the discount rate and the long-term rate of asset return (based on the market-related value of assets). The fair values of plan assets are determined based on prevailing market prices.

Actuarial valuation

The actuarial valuation was carried out the first time as of December 31, 2011 and simultaneously as of September 30, 2011. No previous valuations were done because management concluded that the failure did not materially impact the financial statements as of December 31, 2010.

10. PENSION PLAN - CONTINUED

Net periodic pension cost has been included in the Company' s results as follows:

	Nine months ended September 30, 2011 $ (unaudited)	Nine months ended September 30, 2010 $ (unaudited)
Pension Expense		
Current service cost	76,150	-
Past service cost	-	-
Interest cost	(2,315)	-
Expected return on assets	(2,075)	-
Employee contributions	(30,492)	-
Net periodic pension cost	41,268	

During the periods ended September 30, 2011 and September 30, 2010 the Company made cash contributions of $30,000 and $0, respectively, to its defined benefit pension plan.

The expected future cash flows to be paid by the Company in respect of employer contributions to the pension plan for the year ended December 31, 2011 are $0.

11. AGREEMENT TO PURCHASE NEIGHBORING PIECE OF LAND

In 2010 SunVesta AG concluded a sale and purchase agreement with a company called DIA S.A. ("DIA"), being domiciled in San José, Costa Rica. The purpose of the agreement is to acquire a contigious parcel of land consisting of approximately 120,000 square meters with direct beachaccess by purchasing 100% of the shares of Altos del Risco S.A. from DIA. The total purchase consideration is $12.5 million. Upon payment of the entire amount, ownership of Altos del Risco S.A. will be transferred to SunVesta AG. As at September 30, 2011 and December 31, 2010, $0.735 million and $0 has been paid, respectively.

The sixth addendum dated November 12, 2012, stipulates that:

$8.5 million has already been paid
$4.0 million has still to be paid

The current contractual situation does not call for any penalties. The purchase of the neighbouring piece of land is expected to be completed during the 1st quarter of 2013.

12. FUTURE LEASE COMMITMENTS

Since January 1, 2010 the Company has had a sub-rental agreement for its Swiss office with a related party called "Sportiva". The annual sub-rental expense is approx. $80,000. The sub-rental agreement is concluded for an undetermined period of time, however, there is a verbal agreement to maintain the agreement at least until December 31, 2013.

13. RELATIONSHIP WITH WIMBERLY ALLISON TONG & GOO ("WTAG")

Legal proceedings were initiated by Wimberley Allison Tong & Goo (WATG) against SunVesta Projects and Management AG on November 6, 2008 in the Superior Court of the State of California, County of Orange. The claim was based on an alleged failure to satisfy the terms of a promissory note executed in exchange for certain design services rendered in connection with the El Cielo Hideaway Eco Resort and Spa. The claim sought approximately $355,000 plus accrued interest in addition to legal fees incurred in prosecuting the suit. The Company engaged legal counsel and paid $100,000 in 2009 to Wimberley Allison Tong & Goo against the amount due.

In 2010, WATG engaged a debt collector for the remaining amount of approximately $255,000 plus accrued interest and legal fees. The Company returned to settlement negotiations and agreed to settle the outstanding amount, without interest or legal fees, in equal instalments due on April 30, May 31, June 30, and July 31, 2010. This agreement was then extended to August 31, 2010. As of March 31, 2011, the Company has paid approximately $195,000, leaving a remaining balance due of approximately $60,000 as of that date. As of May 26, 2011, the Company finalized the settlement and paid the remaining balance due.

14. WING FIELD CORPORATION INC.

On August 31, 2009 the Company concluded a development agreement with WingField Corporation Inc. ("WingField"), which included various services to be provided by WingField. A major item was the procurement of a management contract for the management of the planned resort in Guanacaste, Costa Rica. (Refer to Note 16.)

15. MANGEMENT AGREEMENT WITH MELIÁ HOTELS & RESORTS

In March 2011 the Company concluded a management agreement with Sol Meliá, S.A. for the management of the planned resort in Guanacaste, Costa Rica. This agreement includes clause that provides that if the Company is unable to conclude the purchase of the property described in Note 11 by November 30, 2011, a penalty of $1,000,000 would become due to Sol Meliá, S.A. In 2012, the maturity date of this penalty has been extended to June 30, 2012.

The Company is yet to conclude the purchase of the property described in Note 11 and is presently negotiating with Sol Meliá, S.A. to include an addendum to the management agreement that would circumvent this penalty.

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16. SUBSEQUENT EVENTS

Management has evaluated subsequent events after the balance sheet date, through the issuance of the financial statements, for appropriate accounting and disclosure. The Company has determined that there were no such events that warrant disclosure or recognition in the financial statements, except for the below:

EUR Bond Offering

The Company initiated a EUR bond offering on December 1, 2010 of up to 25,000,000 in units of 1,000 that bear 8.25 % interest per annum payable each November 30 over the term of the bonds due November 30, 2013.

A cumulative amount of 10.9 million ($13,900,000) has been realized by the Company from the initial date up to the date of this filing.

CHF Bond Offering

The Company initiated a CHF bond offering on September 1, 2011 of up to CHF 15,000,000 in units of CHF 50,000 that bear 7.25 % interest per annum payable each August 31 over the term of the bonds due August 31, 2015.

A cumulative amount of CHF 5.5 million ($5,800,000) has been realized by the Company from the initial date up to the date of this filing.

WingField Corporation

The development agreement with WingField included a detail of certain services to be provided by WingField one of which was to procure a management contract for the operation of the planned resort. The management agreement with Sol Meliá, S.A. in the first quarter of 2011 satisfied this item. The Company has since decided to build up its own internal project organisation and consequently reached an agreement with Wingfield in October 2011 to terminate the development agreement by paying a flat remuneration of $2,500,000, including a "finders fee".

16. SUBSEQUENT EVENTS - CONTINUED

Intention to purchase two additional concession properties in Polo Papagayo, Guanacaste

On April 20, 2012, the Company entered into an agreement to purchase two additional concession properties located at Polo Papagayo, Guanacaste, with a total surface of approximately 230,000 square meters for a price of $22,895,806, whereof fifty percent is to be paid in cash and the other fifty percent in ten percent equity of La Punta (the concession properties in Polo Papagayo) and five percent in equity of Paradisus (the hotel currently under construction), both located in Costa Rica. The payment schedule is as follows:

$0.5 million is required as a cash payment by May 16, 2012
$5.0 million is required as a cash payment by August 31, 2012
$5.698 million is required as a cash payment by January 31, 2013
Equity is required to be transferred upon final payment

If the Company elects not to proceed with the purchase, the purchaser is in default and will lose its funds on deposit.

On November 13, 2012 the above agreement was amended as follows:

The total purchase price was changed to $17.2 million with no equity payment. The terms and conditions of the cash payment are yet to be defined. Furthermore, all payments by the Company to date and in the future are refundable.

Subsequent to signing the agreements, the Company paid down-payments on the purchase of the properties of approximately $1,400,000.

16. SUBSEQUENT EVENTS - CONTINUED

Advisory Services Agreements

In order to raise the necessary funds for the completion of the project, various advisory service agreements have been concluded, both in Europe as well as Central America. In addition, a European rating agency has been engaged in order to receive a rating. While the basic cost for the advisory services are not significant, the actual funding will be accompanied by costs (finders' fees), which are in the area of 3% in the best case and 12% in the worst case.

Amendments to Line of Credit Agreement with Aires International Investment, Inc.

An addendum to the existing line of credit agreement with Aires as described in note 7 was signed on May 11, 2012 that includes the following clauses:

- The line of credit amount was increased by CHF 4,000,000 to a total amount of CHF 10,000,000. The additional CHF 4,000,000 to be paid in installments through the end of July 2012.
- Should the entire amount of CHF 10,000,000 be drawn down, Aires will have the right to convert the entire line of credit of CHF 10,000,000 into a 20% holding of the capital of the Company.
- The conversion right granted in the original contract to convert the balance of the line of credit into a 10% ownership interest in Rich Land was cancelled.
- The entire amount of CHF 10,000,000 is subordinated in favor of other creditors.

A letter agreement signed by Aires on June 21, 2012, agreed to increase the line of credit by CHF 2,000,000 to a total amount of CHF 12,000,000.

The Company and Aires are currently negotiating a revised conversion option to replace the one stated above. The major contemplated change is that Aires International will convert its receivable at the time of conversion of into 20% of the preferred shares of shares of the Company, at a price and with preferential rights yet to be determined.

As of November 15, 2012 the Company has borrowed CHF11.8 million ($12,500,000) from the Aires line of credit.

Tax Liability Contingency

During April 2012, the Company was advised by the Internal Revenue Service (IRS) of aggregate penalties amounting to $140,000 in connection with its failure to file certain tax returns for the years ended 2008, 2009 and 2010. The Company is in correspondence with the IRS in order to seek an abatement of the penalties.

16. SUBSEQUENT EVENTS – CONTINUED

Guaranty Agreement

On July 16, 2012, certain principal shareholders of the Company or principal lenders to the project entered into a guaranty agreement in favour of SunVesta AG. The purpose of the guarantee is to ensure that until such time as financing is secured for the entire project that they will act as a guarantor to creditors to the extent of the project' s ongoing capital requirements. The guaranty agreement requires that within 30 days of receiving a demand notice, the guarantors are required to pay to SunVesta AG that amount required for ongoing capital requirements, until such time as financing of the project is secured. The guaranty may not be terminated until such time as SunVesta AG has secured financing for the completion of the project.

Hotel Project Atlanta

During the third quarter 2012 the Company entered into an agreement to purchase a hotel and entertainment complex in Atlanta, Georgia (United States of America).

The entire purchase amount of $26 million for the assets has no firm financing commitment. Additionally, approximately an additional $18 million for renovations would need to be invested in the hotel and entertainment complex. The Company is in negotiations with various parties to finalize a financing package for this project and is confident that it will be able to procure such financing.

Nonwithstanding all other factors, the Company may terminate this agreement, within a due dilligence period, if it is not satisfied with the property after an examination of the assets.

The agreement includes a non-refundable deposit of $250,000.

SUNVESTA, INC.
(A Development Stage Company)
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

17. RESTATEMENT

During the three month period ended September 30, 2011 the Company reversed previous interest expense of $217,750 relating to the fact that the Company initially intended to pay interest starting from the EUR bond offering date (Dec 1, 2010) as opposed to the bond issuance dates. However, during the three month period ended September 30, 2011, the Company's board of directors changed the policy and hence reversed the interest accrued for the period from bond offering date to the respective bond issuance dates.

The Company decided to record for this retrospectively an error since there was no contractual obligation to pay interest from the bond issuance date to begin with. There is no effect on the nine month period ended September 30, 2011. However, the individual three months period ended June 30, 2011 is impacted as follows:

	Three months period ended June 30, 2011	Three months period ended June 30, 2011	Three months period ended June 30, 2011
	As previously reported	Adjustment	As restated
Interest expense	$ (268,690)	$ 217,750	$ (50,940)
Net loss	$ (2,689,085)	$ 217,750	$ (2,471,335)
Basic and diluted loss per share	$ (0.05)	$ (0.01)	$ (0.04)

The Company determined that the effect is immaterial to the three months period ended June 30, 2011 and hence decided not to file an amendment of the form 10-Q for the respective period as filed on December 18, 2012.

ITEM 2. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This *Management' s Discussion and Analysis of Financial Condition and Results of Operations* and other parts of this quarterly report contain forward-looking statements that involve risks and uncertainties. Forward-looking statements can be identified by words such as "anticipates," "expects," "believes," "plans," "predicts," and similar terms. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include but are not limited to those discussed in the subsection entitled *Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition* below. The following discussion should be read in conjunction with our financial statements and notes hereto included in this report. All information presented herein is based on our three and nine month periods ended September 30, 2011. Our fiscal year end is December 31.

Discussion and Analysis

Business Overview

SunVesta is in the process of developing high-end luxury hotels and resorts in emerging tourist destinations. We are initially concentrating on offering luxury hotel products located in attractive, top-class coastal vacation destinations in countries such as Costa Rica, Vietnam, and Turkey that are fast emerging as popular tourist destinations. Our initial real estate development, to be constructed on 20.5 hectares of prime land located in Guanacaste Province, Costa Rica is the Paradisus Papagayo Bay, a five star luxury hotel scheduled to open in November 2014 subject to requisite financing.

We have entered into a management agreement, through our wholly owned subsidiary Rich Land Investments, Limitada ("Rich Land") with Sol Meliá, S.A. ("Sol Meliá") to assist us in the planning, design, construction, furnishing and management of the Paradisus Papagayo Bay. "Paradisus" is Sol Meliá' s five star all-inclusive luxury hotel brand represented in the Dominican Republic and Mexico.

Paradisus Papagayo Bay' s initial specifications are to be as follows:

- Eco-luxury all-inclusive resort;
- 381-keys;
- Direct beach access;
- Five restaurants and five bars;
- Yhi Spa and Health Club;
- Paradisus' adults-only "Royal Service" level of accommodations;
- Paradisus' "Family Concierge" program; and
- 19,000 square feet of meeting facilities with the business traveler in mind.

Our Paradisus Papagayo Bay development is intended to replace Paradisus Resorts' former Paradisus Playa Conchal in Guanacaste, Costa Rica which property was operated by Sol Meliá until April 30, 2011. Our project is part of Sol Meliá master expansion plan, which includes the opening of two resorts in Playa del Carmen, Mexico in November of 2011. Sol Meliá aims to solidify Paradisus Resorts as a leader in the luxury all-inclusive market segment with the new properties in Playa del Carman and our own Paradisus Papagayo Bay project.

Our plan of operation over the next thirty three months is to complete the Paradisus Payagyo Bay project which will require a total investment of approximately $180 million. We expect to realize a minimum of $20,000,000 in new funding over the next twelve months, though our actual financing requirements may be adjusted to suit that amount realized, and an additional $140,000,000 in funding by the time the development is completed. New funding over the next twelve months is expected to be raised from debt financing through bonds and a fixed line of credit.

SunVesta Holding AG ("SunVesta AG"), our wholly owned subsidiary, is in the process of issuing fixed-income Euro denominated bonds up to an aggregate amount of   25,000,000 and fixed income CHF denominated bonds up to an aggregate amount of CHF 15,000,000 to fund the initial development of the Paradisus Payagyo Bay project. The Euro bonds are unsecured, have a three year term, bear interest at 8.25% per annum payable each November 30 over the term due November 30, 2013. SunVesta AG raised, net of commissions paid, $8,358,601 in the nine months ended September 30, 2011, for a total of approximately $13,900,000 as of the date of this filing, in connection with the Euro bond offering. The CHF bonds, first offered on September 1, 2011, are unsecured, have a three year term, bear interest at 7.25% per annum payable each August 31 over the term due August 31, 2015. SunVesta AG raised, net of commissions paid, $100,358 in the nine months ended September 30, 2011, for a total of approximately $5,800,000 as of the date of this filing in connection with the CHF bond offering.

SunVesta AG entered into a line of credit agreement with Aires International Investment, Inc. ("Aires") on July 27, 2011 allowing it to borrow up to CHF 6,000,000 by February 29, 2012. The line of credit bears interest at 7.25% and was secured by 10% of the stock of Rich Land. Interest payments are due September 30 of each year with the line of credit maturing on September 30, 2015. Prior to maturity, if the maximum credit limit was borrowed, Aires had the option to convert the balance of the line of credit into a 10% ownership interest in Rich Land.

Subsequent to the period of this report, on May 11, 2012, the parties to the Aires line of credit agreement executed an addendum to the existing line of credit agreement that includes the following clauses:

- The line of credit amount was increased by CHF 4,000,000 to a total amount of CHF 10,000,000.
- The additional CHF 4,000,000 to be paid in installments through the end of July 2012.
- Should the entire amount of CHF 10,000,000 be drawn down, Aires will have the right to convert the entire line of credit of CHF 10,000,000 into a 20% holding of the capital of SunVesta.
- The conversion right granted in the original contract to convert the balance of the line of credit into a 10% ownership interest in Rich Land was cancelled.
- The entire amount of CHF 10,000,000 is subordinated in favor of other creditors.

Subsequent to the period of this report, on June 21, 2012, pursuant to a letter agreement, Aires agreed to increase the line of credit by CHF 2,000,000 to a total amount of CHF 12,000,000.

SunVesta AG and Aires are currently in the process of negotiating a revised conversion option to replace the existing option to convert CHF 10,000,000 into a 20% holding in the capital of SunVesta. The major contemplated change is that Aires will convert its receivable at the time of conversion into 20% of the preferred shares of SunVesta, at a price and with preferential rights yet to be determined.

As of the date of this filing SunVesta AG had borrowed CHF11.8 million ($12,500,000) from the Aires line of credit.

The remaining amounts required to develop the Paradisus Papagayo Bay to completion is anticipated to be in the form of a traditional construction loan and equity.

Subsequent to the period of this report, on April 20, 2012, SunVesta AG entered into an agreement to purchase two additional concession properties located at Polo Papagayo, Guanacaste, with a total surface of approximately 230,000 square meters for a price of $22,895,806, whereof fifty percent was to be paid in cash and the other fifty percent in ten percent equity of La Punta (the concession properties in Polo Papagayo on which the project will be located) and five percent in equity of Paradisus Payagyo Bay. The payment schedule was as follows:

$0.5 million is required as a cash payment by May 16, 2012
$5.0 million is required as a cash payment by August 31, 2012
$5.698 million is required as a cash payment by January 31, 2013
Equity is required to be transferred upon final payment

Should SunVesta AG elect not to proceed with the purchases, such election would constitute a default which would cause it to lose its funds on deposit.

Subsequent to the period of this report, on November 13, 2012, the purchase agreement for additional concession properties in Polo Papagayo was amended to decrease the total cash purchase price to $17.2 million and delete the equity component for both the concession properties and the hotel and resort property. The terms and conditions of the cash payment are yet to be defined. Furthermore, all payments by SunVesta AG to date and in the future are refundable. SunVesta AG has paid down-payments on the purchase of the properties of approximately $1,400,000 as of the date of this report.

Subsequent to the period of this report, during the third quarter 2012, SunVesta entered into an agreement to purchase a hotel and entertainment complex in Atlanta, Georgia, U.S.A. The entire purchase amount of $26 million for the assets has no firm financing commitment. Additionally, approximately an additional $18 million for renovations would need to be invested in the hotel and entertainment complex. SunVesta is in negotiations with various parties to finalize a financing package for this project and is confident that it will be able to procure such financing. Nonwithstanding all other factors, SunVesta may terminate this agreement, within a due dilligence period, if it is not satisfied with the property after an examination of the assets. The agreement includes a non-refundable deposit of $250,000.

Timeline

Our expected timeline for developing the Paradisus Papagayo Bay is as follows:

- Complete revisions of architectural plans which will incorporate Sol Meliá requirements in the 4th quarter of 2012;
- Receive traditional construction loan in the 1st quarter of 2013;
- Receive final building permits in 1st quarter of 2013;
- Begin construction in the 1st quarter of 2013; and
- Complete construction work in the 4th quarter of 2014.

Results of Operations

During the nine month period ended September 30, 2011, our operations were focused on (i) entering into agreements with Sol Meliá to assist us in the planning, design, construction, furnishing and management of the Paradisus Papagayo Bay; (ii) revision of architectural plans to incorporate Sol Meliá requirements for the development; (iii) arranging a line of credit with Aires; and (iv) pursuing SunVesta AG' s bond offerings in Europe.

SunVesta has been funded since inception from equity placements, debt financing and by shareholders or partners in the form of loans. Substantially, all of the capital raised to date has been allocated to the development of our property the Paradisus Papagayo Bay in Costa Rica as a five star destination resort including the purchase of the land and general and administrative costs.

Comprehensive Losses

For the period from the date of inception of development stage on January 1, 2005, until September 30, 2011, SunVesta has incurred comprehensive losses of $16,430,085.

Comprehensive losses for the three months ended September 30, 2011 were $1,542,947 as compared to $445,728 for the three months ended September 30, 2010. The increase in comprehensive losses over the comparative three month periods can be primarily attributed to the increase in general and administration expenses to $1,063,241 in the three month period ended September 30, 2011, from $307,650 in the three month period ended September 30, 2010, of which a significant component were finder' s fees associated with the management contract with Sol Melià. Other contributing factors to the increase in comprehensive losses include the increase in marketing costs to $16,148 in the three month period ended September 30, 2011, from $1,405 in the three month period ended September 30, 2010, which expense is associated with the Paradisus Papagayo Bay development, the increase in interest expenses on outstanding debt to $115,677 in the three month period ended September 30, 2011, from $8,406 in the three month period ended September 30, 2010, which expense can be primarily attributed to debt associated with the bond offerings , the non-cash amortization of debt issuance costs to $94,402 in the three months ended September 30, 2011, from $0 in the three month period ended September 30, 2010, which expense is connected to the bond offerings, and the increase in loss on foreign currency translation to $455,282 in the three month period ended September 30, 2011, from $128,267 in the three month period ended September 30, 2010 relating to the volatility between Swiss Francs and US Dollars The increases in losses over the comparative nine month periods were offset by the gain on exchange differences of $200,477 in the three month period ended September 30, 2011, from $0 in the three month period ended September 30, 2010, which gain can be attributed to volatility in the respective values of Swiss Francs and Euros and interest income of $1,326 in the three month period ended September 30, 2011, from $0 in the three month period ended September 30, 2010, which gain is from funds held as deposits.

Comprehensive losses for the nine months ended September 30, 2011 were $4,262,710 as compared to $1,063,396 for the nine months ended September 30, 2010. The increase in comprehensive losses over the comparative periods can primarily be attributed to the increase in general and administrative expenses to $3,424,541 in the nine month period ended September 30, 2011, from $705,510 in the nine month period ended September 30, 2010, of which significant components were finders' fees and advisory services. Other contributing factors to the increase in comprehensive losses include the increase in marketing costs to $133,602 in the nine month period ended September 30, 2011, from $14,660 in the nine month period ended September 30, 2010, which expense is associated with the Paradisus Papagayo Bay development, the increase in interest expenses on outstanding debt to $200,243 in the nine month period ended September 30, 2011 from $27,725 in the nine month period ended September 30, 2010, which expense can be primarily attributed to debt associated with the bond offerings, the non-cash amortization of debt to $214,974 in the nine month period ended September 30, 2011, from $0 in the nine month period ended September 30, 2010, which expense is connected to the bond offerings, the increase in the loss on exchange differences to $64,594 in the nine month period ended September 30, 2011, from $0 in the nine month period ended September 30, 2010, which expense can be attributed to volatility in the respective values of Swiss Francs and Euros, and the increase in loss on foreign currency translation to $226,082 in the nine month period ended September 30, 2011, from $56,619 in the nine month period ended September 30, 2010 relating to the volatility between Swiss Francs and US Dollars The increases in losses over the comparative nine month periods were offset by interest income of $1,326 in the nine month period ended September 30, 2011, from $0 in the nine month period ended September 30, 2010, which gain is from funds held as deposits. We did not generate revenue during this period and expect to continue to incur losses through the year ended December 31, 2011.

Income Tax Expense (Benefit)

SunVesta has a prospective income tax benefit resulting from a net operating loss carry-forward and start up costs that will offset future operating profits.

Capital Expenditures

SunVesta expended a significant amount on capital expenditures for the period from January 1, 2005 to September 30, 2011, in connection with the purchase of land that includes a hotel concession in Costa Rica and expects to incur future cash outflows on capital expenditure as discussed in the "Liquidity and Capital Resources" and the "Going Concern" paragraphs below.

Liquidity and Capital Resources

SunVesta has been in the development stage since inception and has experienced significant changes in liquidity, capital resources, and stockholders' equity.

As of September 30, 2011, we had a working capital deficit of $59,811. We had current assets of $1,754,093 and total assets of $14,490,712. Our current assets consisted of $513,841 in cash, $1,232,233 in receivables from related parties and $8,019 in other assets. Our total assets consisted of current assets, property and equipment of $10,905,000, net debt issuance costs of $1,096,587, and down payments for property and equipment of $735,032. We had current liabilities of $1,813,903 and total liabilities of $11,694,637. Our current liabilities consisted of $710,339 in accounts payable, $795,534 in accrued expenses, and $308,031 in related party payables. Our total liabilities consisted of current liabilities and long term debt of $8,740,000 associated with SunVesta AG' s bond offerings, $1,099,969 in notes payable to related parties and $40,755 in pension liabilities. Total stockholders' equity in SunVesta was $2,796,075 at September 30, 2011.

For the period from January 1, 2005 to September 30, 2011, our net cash used in development stage activities was $10,269,855. Net cash used in development stage activities for the nine months ended September 30, 2011, was $3,172,525 as compared to $595,217 for the nine months ended September 30, 2010. Net cash used in development stage activities in the current nine month period ended September 30, 2011, includes a number of items that are book expense items which do not affect the total amount relative to actual cash used including pension fund commitments, depreciation, amortization of debt issuance cost and unrealized exchange difference. Actual cash items used, that are not income statement related items such as general and administrative expenses, include accrued expenses offset by other current assets and accounts payable. Net cash used in development stage activities for the prior nine month period ended September 30, 2010, also includes a number of items that are book expense items which do not affect the total amount relative to actual cash used including depreciation and loss on extinguishment of debt. Actual items used that are not income statement related items include accrued expenses and other assets offset by accounts payable. We expect to continue to generate negative cash flow in development stage activities until such time as net losses transition to net income which transition is not anticipated until we complete the Paradisus Papagayo Bay project.

For the period from January 1, 2005 to September 30, 2011, our net cash used in investing activities was $11,689,689. Net cash used in investing activities for the nine month period ended September 30, 2011, was $3,624,584as compared to $12,169 for the nine month period ended September 30, 2010. Net cash used in investing activities in the current nine month period ended September 30, 2011, can be attributed to the increase in receivables from related parties the purchase of property and equipment, down payments against the purchase of properties and the procurement of other non-current assets. Net cash used in investing activities in the prior nine month period ended September 30, 2010, can be attributed to the purchase of property and equipment offset by net cash provided by the disposition of other non-current assets. We expect to continue to generate negative cash flow in investing activities in future periods while we develop the Paradisus Papagayo Bay and look to other investment opportunities.

For the period January 1, 2005 to September 30, 2011 our net cash provided by financing activities was $23,184,018. Net cash provided by financing activities for the nine month period ended September 30, 2011, was $7,485,285 as compared to $640,372 for the nine month period ended September 30, 2010. Net cash provided by financing activities in the current period ended September 30, 2011, can be attributed to proceeds from SunVesta AG' s bond issuance and notes payable related parties, offset by net cash used in financing activities forproceeds paid on a note payable to both related and third parties and debt issuance costs. Net cash provided by financing activities in the prior nine month period ended September 30, 2010, can be attributed to proceeds from notes payable to related parties offset by net cash used in financing activities for the purchase of treasury stock. We expect to continue to generate net cash flow provided by financing activities in future periods from SunVesta AG' s bond offering and the credit line with Aires.

Management believes that our current assets in addition to the equity financing efforts and a line of credit are sufficient for us to conduct operations over the next twelve months. Current debt financing efforts consist of bond offerings in progress and a credit line commitment agreed with Aires that permits us to draw capital as necessary to meet ongoing operational requirements. SunVesta has, as of the date of this filing, realized $19,700,000 through its Euro and CHF bond offerings and drawn down $12,500,000 against the line of credit with Aires. However, such amounts are not sufficient to ensure the completion of the Paradisus Papagayo Bay project which completion will require a total investment of approximately $180 million. Net costs associated with completing the project are projected to be approximately $171,000,000. Management expects that sixty percent (60%) of the net project cost will be financed by traditional mortgage loans, for which negotiations have been initiated. The remaining forty percent (40%) of net project costs, as well as non-recuperated overhead expenses are expected to be financed by four of our principal shareholders or principal lenders to the project. Subsequent to period end, these individuals entered into a guaranty agreement with SunVesta AG by which they agreed to guarantee the availability of capital to develop the project until such time as financing for the completion of the Paradisus Papagayo Bay project is secured, which objective is yet to be accomplished. Management believes that debt or equity placements, lines of credit, traditional construction loans and the guaranty in place will provide the financing requisite to completing the project. Despite these measures, no commitments outside of the guaranty are in place to secure the requisite financing. Should sufficient financing efforts fail to materialize, SunVesta will be unable to complete the Paradisus Papagayo Bay project.

We have a line of credit in place with Aires against which SunVesta AG has borrowed CHF 1,099,969 as of September 30, 2011, and CHF 11,000,000 as of the date of this filing and may borrow up to an additional CHF 200,000. Otherwise, we had no lines of credit or other bank financing arrangements as of September 30, 2011.

We have commitments to DIA, S.A and other third parties as of September 30, 2011, in connection with the purchase of property parcels made part of the development amounting to $11.8 million and certain commitments to the Costa Rican government for water and development rights as well as certain commitments for the planning and construction of the resort project.

We maintain a defined benefit plan that covers all of our Swiss employees though we have no contractual commitment with our sole officer and director.

We have no current plans for significant purchases or sales of plant or equipment, except in connection with the planned construction of the Paradisus Papagayo Bay.

We have no current plans to make any changes in the number of our employees.

Future Financings

We will continue to rely on debt or equity sales of our shares of common stock to fund our business operations. Unfortunately, there is no assurance that we will be able to secure the financing requisite to fund our business.

Off-Balance Sheet Arrangements

As of September 30, 2011, we had no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material to stockholders.

Going Concern

SunVesta intends to build a hotel in the Papagayo Gulf Tourism Project area of Guanacaste, Costa Rica. The total net investment is estimated to be approximately $180 million.

The project is expected to open in the fourth quarter of 2014. Until the completion of the project, the following expenditures are estimated to be incurred:

		USD $1,000
a.	Gross project cost	195,000
b.	Less: Proceeds from sale of villas	-24,000
c.	Net project cost	171,000
d.	Overhead expenses	21,000
e.	Less: Recuperated in gross project cost	-12,000
f	Total, excluding other potential projects	180,000

Sixty percent (60%) of net project cost is expected to be financed by traditional mortgage loans, for which negotiations have been initiated. The remaining forty percent (40%) of net project cost, as well as non-recuperated overhead expenses and the cost of prospective "other projects" are expected to be financed by the primary promoters of the project, i.e.:

a. Zypam Ltd.
b. Mr. Hans Rigendinger
c. Mr. Max Rössler
d. Mr. Josef Mettler

Management therefore believes that available funds are sufficient to finance cash flows for the next twelve months though future anticipated cash outflows for investing activities will continue to depend on the availability of financing and can be adjusted as necessary.

Subsequent to period end, certain principal shareholders of SunVesta or principal lenders to the project entered into a guaranty agreement in favour of SunVesta AG. The purpose of the guarantee is to ensure that until such time as financing is secured for the entire project that they will act as a guarantor to creditors to the extent of the project' s ongoing capital requirements. The guaranty agreement requires that within 30 days of receiving a demand notice, the guarantors are required to pay to SunVesta AG that amount required for ongoing capital requirements, until such time as financing of the project is secured. The guaranty may not be terminated until such time as SunVesta AG has secured financing for the completion of the project.

Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition

The statements contained in the section titled *Management' s Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in this current report, with the exception of historical facts, are forward-looking statements. We are ineligible to rely on the safe-harbor provision of the Private Litigation Reform Act of 1995 for forward-looking statements made in this current report. Forward-looking statements reflect our current expectations and beliefs regarding our future results of operations, performance, and achievements. These statements are subject to risks and uncertainties and are based upon assumptions and beliefs that may or may not materialize. These statements include, but are not limited to, statements concerning:

- our anticipated financial performance and business plan;
- the sufficiency of existing capital resources;
- our ability to raise additional capital to fund cash requirements for future operations;
- uncertainties related to our future business prospects;
- our ability to generate revenues to fund future operations;
- the volatility of the stock market; and
- general economic conditions.

We wish to caution readers that our operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated including the factors set forth in the section entitled *Risk Factors* included elsewhere in this report. We also wish to advise readers not to place any undue reliance on the forward-looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward-looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, other than as required by law.

Recent Accounting Pronouncements

Please see Note 2 to the accompanying consolidated financial statements for recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this quarterly report, an evaluation was carried out by SunVesta' s management, with the participation of the chief executive officer and chief financial officer, of the effectiveness of SunVesta' s disclosure controls and procedures (as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934 ("Exchange Act")). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission' s rules and forms, and that such information is accumulated and communicated to management, including the chief executive officer and chief financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, SunVesta' s management concluded, as of the end of the period covered by this report, that due to a lack of resources and US GAAP knowledge, SunVesta' s disclosure controls and procedures were ineffective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission' s rules and forms, and such information was not accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

During the period ended September 30, 2011, there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

Not required of smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4. REMOVED AND RESERVED

(Removed and reserved.)

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the *Index to Exhibits* on page 35 of this Form 10-Q, and are incorporated herein by this reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SunVesta, Inc.	*Date*
/s/ Josef Mettler Josef Mettler Chief Executive Officer, Chief Financial Officer Principal Accounting Officer and Director	January 10, 2013

INDEX TO EXHIBITS

Exhibit	*Description*
3.1.1*	Articles of Incorporation (incorporated by reference from the Form 10-SB filed with the Commission on December 31, 1999).
3.1.2*	Amended Articles of Incorporation (incorporated by reference from the Form 10-KSB filed with the Commission on April 9, 2003).
3.1.3*	Amended Articles of Incorporation (incorporated by reference from the Form 10-QSB filed with the Commission on November 17, 2003).
3.1.4*	Amended Articles of Incorporation (incorporated by reference from the Form 8-K filed with the Commission on September 27, 2007).
3.2.1*	Bylaws (incorporated by reference from the Form 10-SB filed with the Commission on December 31, 1999).
3.2.2*	Amended Bylaws (incorporated by reference from the Form 10-QSB filed with the Commission on November 17, 2003).
10.1*	Securities Exchange Agreement and Plan of Exchange dated June 18, 2007 between SunVesta and SunVesta AG (formerly ZAG Holdings AG) (incorporated by reference from the Form 8-K filed with the Commission on June 21, 2007).
10.2*	Purchase and Sale Agreement between ZAG Holding AG and Trust Rich Land Investments, Mauricio Rivera Lang dated May 1, 2006 for the acquisition of Rich Land Investments Limitada.
10.3*	Debt Settlement Agreement dated September 29, 2008 with Zypam Ltd. (incorporated by reference from the Form 10-Q filed with the Commission on November 13, 2008).
10.4*	Debt Settlement Agreement dated April 21, 2009 between SunVesta and Zypam, Ltd. (incorporated by reference from the Form 8-K filed with the Commission on April 30, 2009).
10.5*	Debt Settlement Agreement dated March 1, 2010 between SunVesta and Zypam, Ltd. (incorporated by reference from the Form 8-K filed with the Commission on March 10, 2010).
10.6*	Debt Settlement Agreement dated March 1, 2010 between SunVesta and Hans Rigendinger (incorporated by reference from the Form 8-K filed with the Commission on March 10, 2010).
14*	Code of Ethics adopted March 1, 2004 (incorporated by reference from the 10-KSB filed with the Commission on April 14, 2004).
21*	Subsidiaries of SunVesta (incorporated by reference from the 10-K filed with the Commission on May 12, 2010).
31	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101. INS	XBRL Instance Document†
101. PRE	XBRL Taxonomy Extension Presentation Linkbase†
101. LAB	XBRL Taxonomy Extension Label Linkbase†
101. DEF	XBRL Taxonomy Extension Label Linkbase†
101. CAL	XBRL Taxonomy Extension Label Linkbase†
101. SCH	XBRL Taxonomy Extension Schema†

* Incorporated by reference to previous filings of SunVesta.

† Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed “furnished” and not “filed” or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, or deemed “furnished” and not “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise is not subject to liability under these sections.

EXHIBIT 31

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Josef Mettler, certify that:

1. I have reviewed this report on Form 10-Q of SunVesta, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and

5. The registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
b) Any fraud, whether or not material, that involves management or other employees who have a

significant role in the registrant's internal controls over financial reporting.

Date: January 10, 2013

/s/ Josef Mettler
Josef Mettler
Chief Executive Officer and Chief Financial Officer

EXHIBIT 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the report on Form 10-Q of SunVesta, Inc., for the quarterly period ended September 30, 2011, as filed with the Securities and Exchange Commission on the date hereof, I, Josef Mettler, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) This report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in this report fairly presents, in all material respects, the financial condition of the registrant at the end of the period covered by this report and results of operations of the registrant for the period covered by this report.

Date: January 10, 2013

/s/ Josef Mettler
Josef Mettler
Chief Executive Officer and Chief Financial Officer

This certification accompanies this report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the registrant for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by §906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

Note 4: Property & Equipment	**9 Months Ended Sep. 30, 2011**

Notes

Note 4: Property & Equipment NOTE 4: PROPERTY & EQUIPMENT

	September 30, 2011 Unaudited	December 31, 2010 Audited
Land	7,000,000	7,000,000
IT equipment	185,846	185,846
Other equipment and furniture	29,979	29,979
Leasehold improvements	66,617	66,617
Construction in progress	3,905,000	2,311,276
Gross	**11,187,442**	**9,593,718**
Less: Accumulated depreciation	(282,442)	(271,742)
Net	**10,905,000**	**9,321,976**

Note 3: Going Concern

9 Months Ended
Sep. 30, 2011

Notes

Note 3: Going Concern

NOTE 3: GOING CONCERN

The Company is currently working on building a hotel in the Papagayo Gulf Tourism Project area of Guanacaste, Costa Rica.

The project is expected to open in the fourth quarter of 2014. Until the completion of the project, the following expenditures are estimated to be incurred:

		$1,000
a.	Gross project cost	195,000
b.	Less: Proceeds from sale of villas	-24,000
c.	Net project cost	171,000
d.	Overhead expenses	21,000
e.	Less: Recuperated in gross project cost	-12,000
f	Total, excluding other potential projects	180,000

Sixty percent (60%) of “Net project cost” is expected to be financed by traditional mortgage loans, for which negotiations have been initiated. The remaining forty percent (40%) of “Net project cost”, as well as “non-recuperated overhead expenses” and the cost of prospective “other projects” are expected to be financed by four of the Company’ s principal shareholders or principal lenders to the project, i.e.:

a. Zypam Ltd., shareholder
b. Mr. Hans Rigendinger, shareholder and board member of SunVesta AG
c. Mr. Max Rössler, majority shareholder of Aires International Investment, Inc. (also refer to Note 16)
d. Mr. Josef Mettler, shareholder, director and chief executive officer

Subsequent to September 30, 2011, those individuals detailed above signed a Guaranty Agreement. (Refer to Note 16.) Management therefore believes that available funds are sufficient to finance cash flows for the twelve months subsequent to September 30, 2011 and the filing date though future anticipated cash outflows for investing activities will continue to depend on the availability of financing and can be adjusted as necessary.

SUNVESTA, INC. CONSOLIDATED BALANCE SHEETS PERIOD ENDED SEPTEMBER 30, 2011 AND DECEMBER 31, 2010 (USD $)	Sep. 30, 2011	Dec. 31, 2010
Assets, Current		
Cash and Cash Equivalents, at Carrying Value	$ 513,841	$ 44,018
Other Assets, Current	8,019	9,421
Accounts Receivable, Net, Current	1,232,233	
Assets, Current	1,754,093	53,439
Assets, Noncurrent		
Property, Plant and Equipment, Net	10,905,000	9,321,976
Debt Issuance Cost- Net	1,096,587	291,288
Property, Plant and Equipment, Down Payments	735,032	
Assets, Noncurrent	12,736,619	9,613,264
Assets	14,490,712	9,666,703
Liabilities, Current		
Accounts Payable, Current	710,339	914,420
Accrued Expenses, Current	795,534	65,824
Due to Related Parties, current	308,031	811,246
Notes Payable, Current		511,155
Liabilities, Current	1,813,904	2,342,645
Liabilities, Noncurrent		
EUR Bond	8,638,615	265,273
CHF Bond	101,394	
Pension and Other Postretirement Defined Benefit Plans, Liabilities, Noncurrent	40,755	
Due to Related Parties, Noncurrent	1,099,969	
Liabilities, Noncurrent	9,880,733	265,273
Liabilities	11,694,637	2,607,918
Stockholders' Equity, Including Portion Attributable to Noncontrolling Interest		
Additional Paid in Capital, Common Stock	18,728,391	18,728,391
Retained earnings prior to development stage	1,602	1,602
Deficit accumulated during the development stage	(16,165,551)	(12,128,923)
Accumulated Other Comprehensive Income (Loss), Net of Tax	(285,534)	(59,452)
Treasury Stock, Shares	(23,755)	(23,755)
Total stockholders' deficiency	2,796,075	7,058,785
Liabilities and Equity	$ 14,490,712	$ 9,666,703

Note 1: Corporate Information	9 Months Ended Sep. 30, 2011
Notes	
Note 1: Corporate Information	NOTE 1: CORPORATE INFORMATION On August 27, 2007, SunVesta, Inc. (SunVesta) acquired SunVesta Holding AG (SunVesta AG) (collectively the Company). SunVesta AG has three wholly-owned subsidiaries: SunVesta Projects and Management AG, a Swiss company; Rich Land Investments Limitada, a Costa Rican company (Rich Land); and SunVesta Costa Rica Limitada, a Costa Rican company. In January 2005 (date of inception of development stage), the Company changed its business focus to the development of private equity financial products, whose funds will be invested primarily in the hospitality and related industry. The Company has not materialized any revenues yet and is therefore a "development stage company". These consolidated financial statements are prepared in US Dollars ($) on the basis of generally accepted accounting principles in the United States of America (US GAAP). The accompanying unaudited consolidated financial statements have been prepared by management in accordance with the instructions in Form 10-Q and, therefore, do not include all information and footnotes required by generally accepted accounting principles and should, therefore, be read in conjunction with the Company' s Form 10-K, for the year ended December 31, 2010, filed with the Securities and Exchange Commission. These statements do include all normal recurring adjustments which the Company believes necessary for a fair presentation of the statements. The interim results of operations are not necessarily indicative of the results to be expected for the full year ended December 31, 2011. Except as indicated in the notes below, there have been no other material changes in the information disclosed in the notes to the financial statements included in the Company' s Form 10-K for the year ended December 31, 2010, filed with the Securities and Exchange Commission. Therefore, those footnotes are included herein by reference.

Note 17: Restatement

9 Months Ended Sep. 30, 2011

Notes

Note 17: Restatement

NOTE 17: RESTATEMENT

During the three month period ended September 30, 2011 the Company reversed previous interest expense of $217,750 relating to the fact that the Company initially intended to pay interest starting from the EUR bond offering date (Dec 1, 2010) as opposed to the bond issuance dates. However, during the three month period ended September 30, 2011, the Company's board of directors changed the policy and hence reversed the interest accrued for the period from bond offering date to the respective bond issuance dates.

The Company decided to record for this retrospectively an error since there was no contractual obligation to pay interest from the bond issuance date to begin with. There is no effect on the nine month period ended September 30, 2011. However, the individual three months period ended June 30, 2011 is impacted as follows:

	Three months period ended June 30, 2011	Three months period ended June 30, 2011	Three months period ended June 30, 2011
	As previously reported	Adjustment	As restated
Interest expense	$ (268,690)	$ 217,750	$ (50,940)
Net loss	$ (2,689,085)	$ 217,750	$ (2,471,335)
Basic and diluted loss per share	$ (0.05)	$ (0.01)	$ (0.04)

The Company determined that the effect is immaterial to the three months period ended June 30, 2011 and hence decided not to file an amendment of the form 10-Q for the respective period as filed on December 18, 2012.

Note 2: Significant Accounting Policies

9 Months Ended Sep. 30, 2011

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Interest capitalization

Interest expense is capitalized on the carrying value of the construction in progress during the construction period, in accordance with ASC 835-20 ("capitalization and interest"). With respect to the construction in progress the Company capitalized $51,000 and $0 of interest expense during the nine months period ended September 30, 2011 and September 30, 2010.

EUR and CHF bonds

Non-current liabilities comprise of bonds payable in EUR ( ) and CHF, which bear fixed interest rates. The EUR bonds and CHF bonds are carried at nominal value.

Issuance costs and placement provisions are capitalized and amortized over the term of the bond, based on the "effective interest method".

The amortization expense is reflected in amortization of debt issuance cost

Pension Plan

The Company maintains a pension plan covering all employees in Switzerland; it is considered a defined benefit plan and accounted in accordance with ASC 715 ("compensation - retirement benefits"). This model allocates pension costs over the service period of employees in the plan. The underlying principle is that employees render services rateably over this period, and therefore, the income statement effects of pensions should follow a similar pattern. ASC 715 requires recognition of the funded status, or difference between the fair value of plan assets and the projected benefit obligations of the pension plan on the balance sheet, with a corresponding adjustment to accumulate other comprehensive income. If the projected benefit obligation exceeds the fair value of plan assets, then that difference or unfunded status represents the pension liability.

The Company records a net periodic pension cost in the statement of operations. The liabilities and annual income or expense of the pension plan is determined using methodologies that involve several actuarial assumptions, the most significant of which are the discount rate and the long-term rate of asset return (based on the market-related value of assets). The fair values of plan assets are determined based on prevailing market prices.

Fair Value of Financial Instruments

The Company' s financial instruments consist of cash and cash equivalents, receivables from related parties, accounts payable, note payables and bonds. The fair value of these financial instruments approximate their carrying value due to the short maturities of these instruments, unless otherwise noted.

ASC 820 (Fair Value Measurements) establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

New accounting standards

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, which results in a consistent definition of fair value and common requirements for measurement of and disclosure about fair value between accounting principles generally accepted in the United States and IFRS. ASU 2011-04 is effective for interim and annual periods beginning after December 15, 2011. The Company expects the adoption of this standard will have no significant impact on the Company's consolidated financial statements and related disclosures.

In June 2011, the FASB issued amendments to Topic 220, Comprehensive Income, in this Update, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This Update eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments in this Update do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. Effective for annual periods beginning after December 15, 2011. The Company expects the adoption of this standard will have no significant impact on the Company's consolidated financial statements and related disclosures.

Statement of Financial Position - Parenthetical Sunvesta, Inc. September 30, 2011 and December 31, 2010 (USD $)	Sep. 30, 2011	Dec. 31, 2010
Preferred Stock, Par Value	$ 0.01	$ 0.01
Preferred Stock, Shares Authorized	50,000,000	50,000,000
Common Stock, Par Value	$ 0.01	$ 0.01
Common Stock, Shares Authorized	200,000,000	200,000,000
Common Stock, Shares Issued	54,092,186	54,092,186
Common Stock, Shares Outstanding	54,092,186	54,092,186
Common Stock, Value, Outstanding	$ 540,922	$ 540,922

Note 12: Future Lease Commitments	9 Months Ended Sep. 30, 2011
Notes	
Note 12: Future Lease Commitments	NOTE 12: FUTURE LEASE COMMITMENTS Since January 1, 2010 the Company has had a sub-rental agreement for its Swiss office with a related party called "Sportiva". The annual sub-rental expense is approx. $80,000. The sub-rental agreement is concluded for an undetermined period of time, however, there is a verbal agreement to maintain the agreement at least until December 31, 2013.

Document and Entity Information (USD $)	9 Months Ended Sep. 30, 2011	Jan. 10, 2013
Document and Entity Information:		
Entity Registrant Name	SUNVESTA, INC.	
Document Type	10-Q	
Document Period End Date	Sep. 30, 2011	
Amendment Flag	false	
Entity Central Index Key	0001060409	
Current Fiscal Year End Date	--12-31	
Entity Common Stock, Shares Outstanding		54,092,186
Entity Public Float		$ 0
Entity Filer Category	Smaller Reporting Company	
Entity Current Reporting Status	Yes	
Entity Voluntary Filers	No	
Entity Well-known Seasoned Issuer	No	
Document Fiscal Year Focus	2011	
Document Fiscal Period Focus	Q3	

Note 13: Relationship With Wimberly Allison Tong & Goo ("wtag")	9 Months Ended Sep. 30, 2011
Notes	
Note 13: Relationship With Wimberly Allison Tong & Goo ("wtag")	NOTE 13: RELATIONSHIP WITH WIMBERLY ALLISON TONG & GOO ("WTAG") Legal proceedings were initiated by Wimberley Allison Tong & Goo (WATG) against SunVesta Projects and Management AG on November 6, 2008 in the Superior Court of the State of California, County of Orange. The claim was based on an alleged failure to satisfy the terms of a promissory note executed in exchange for certain design services rendered in connection with the El Cielo Hideaway Eco Resort and Spa. The claim sought approximately $355,000 plus accrued interest in addition to legal fees incurred in prosecuting the suit. The Company engaged legal counsel and paid $100,000 in 2009 to Wimberley Allison Tong & Goo against the amount due. In 2010, WATG engaged a debt collector for the remaining amount of approximately $255,000 plus accrued interest and legal fees. The Company returned to settlement negotiations and agreed to settle the outstanding amount, without interest or legal fees, in equal instalments due on April 30, May 31, June 30, and July 31, 2010. This agreement was then extended to August 31, 2010. As of March 31, 2011, the Company has paid approximately $195,000, leaving a remaining balance due of approximately $60,000 as of that date. As of May 26, 2011, the Company finalized the settlement and paid the remaining balance due.

SUNVESTA, INC. CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2011 AND 2010 AND CUMULATIVE AMOUNTS (USD $)	3 Months Ended		9 Months Ended		81 Months Ended
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011
Operating Expenses					
General and Administrative Expense	$ 1,063,241	$ 307,650	$ 3,424,541	$ 705,510	$ 11,904,243
Marketing Expense	16,148	1,405	133,602	14,660	465,812
Operating Expenses	1,079,389	309,055	3,558,143	720,170	12,370,055
Operating Income (Loss)	(1,079,389)	(309,055)	(3,558,143)	(720,170)	(12,370,055)
Amortization of Deferred Charges					
Gains (Losses) on Sales of Assets					(3,258)
Loss on sale of investments					(1,137,158)
Gains (Losses) on Extinguishment of Debt				(258,882)	(1,806,758)
Interest Income	1,326		1,326		68,207
Interest Expense	(115,677)	(8,406)	(200,243)	(27,725)	(716,495)
Amortization of Debt Discount Premium	(94,402)		(214,974)		(214,974)
Investment Income, Nonoperating					
Exchange Differences	200,477		(64,594)		(64,594)
Other Nonoperating Income (Expense)					79,534
Nonoperating Income (Expense)	(8,276)	(8,406)	(478,485)	(286,607)	(3,795,496)
Income (Loss) from Continuing Operations before Income Taxes, Extraordinary Items, Noncontrolling Interest	(1,087,665)	(317,461)	(4,036,628)	(1,006,777)	(16,165,551)
Comprehensive Income (Loss), Net of Tax, Including Foreign Currency Translation	(455,282)	(128,267)	(226,082)	(56,619)	(264,534)
Comprehensive Income (Loss), Net of Tax	(1,542,947)	(445,728)	(4,262,710)	(1,063,396)	(16,430,085)
Net Income (Loss) Attributable to Parent	$ (1,087,665)	$ (317,461)	$ (4,036,628)	$ (1,006,777)	$ (16,165,551)
Earnings Per Share					
Earnings Per Share, Basic and Diluted	$ (0.02)	$ (0.01)	$ (0.07)	$ (0.02)	
Weighted Average Number of Shares Outstanding, Basic	54,092,186	54,092,186	54,092,186	54,092,186	

Note 7: Receivables From and Notes Payable To Related Parties | **9 Months Ended Sep. 30, 2011**

Notes

Note 7: Receivables From and Notes Payable To Related Parties

NOTE 7: RECEIVABLES FROM AND NOTES PAYABLE TO RELATED PARTIES

		Receivables		Payables	
		September 30, 2011	December 31, 2010	September 30, 2011	December 31 2010
01	Hans Rigendinger	-	-	275,028	-
02	Adrian Oehler	-	-	39,409	31,887
03	Zypam Ltd	1,232,233	-	-	685,621
04	Sportiva	-	-	-	83,000
05	Aires International	-	-	1,099,969	0
	Total excluding interest	**1,232,233**	**-**	**1,408,000**	**800,508**
	Accrued interest	-	-	-	10,738
	Total	**1,232,233**	**-**	**1,408,000**	**811,246**
	of which non-current	-	-	1,099,969	-

	Related party	Capacity	Interest Rate	Repayment Terms	Security
01	Hans Rigendinger	Shareholder	NA	Dec 30, 2011	None
02	Adrian Oehler	Shareholder	3.00%	None	None
03	Zypam Ltd	Shareholder	None	N/A	None
04	Sportiva	An entity owned by a Company board member	3.00%	None	None
05	Aires International	See below			

Line of Credit agreement with Aires International Investments, Inc.

On July 27, 2011, SunVesta signed a loan agreement with Aires International Investments Inc., a company owned by a board member of SunVesta AG, which includes the following major conditions:

- The lender grants SunVesta a terminable, interest bearing and non-secured loan in the maximum amount of CHF 6 million.
- The loan is to be paid out in various portions between September 23, 2011, and December 9, 2011, optionally not later than February 29, 2012 with the option to exercise a conversion option.
- In principle, the loan will become due on September 30, 2015. This is also the latest point in time, when the lender can exercise his conversion option.
- The interest rate is 7.25 % and interest is due on September 30 each year.

Provided that the entire amount of CHF 6 Million is paid in, the lender has the right to convert this amount into 10% of the shares of Rich Land Investments Ltda. This conversion option is valid until 30 September 2015.

As the conversion option is contingent upon payment of the entire amount of CHF 6 million and this contingency was not resolved as of September 30, 2011, the loan was valued at fair value, which equals face value.

The loan agreement was amended subsequent to year end. Refer to Note 16.

The fair values of the notes payable to Aires International Investments, Inc. is classified as level 3 fair value. The fair values of the note were determined by discounting cash flow projections discounted at the respective interest rates of 7.25%. Hence, the carrying value approximates fair value.

Note 6: Note Payable To Third Parties	9 Months Ended Sep. 30, 2011
Notes	
Note 6: Note Payable To Third Parties	NOTE 6: NOTE PAYABLE TO THIRD PARTIES The Company' s note payable was to Bruesa Construccione S.A. (Bruesa), a Spanish construction contractor. The note was repayable in Euros and was collateralized by a 10% interest in Rich Land and bore interest at 6%. The note payable balance sheet amounts of $551,155 for December 31, 2010 included related accrued interest of approximately $59,000. As of June 17, 2011 the amount due was paid in full and Bruesa' s interest in Rich Land was returned to the Company.

Note 14: Wing Field Corporation Inc.	9 Months Ended Sep. 30, 2011
Notes	
Note 14: Wing Field Corporation Inc.	NOTE 14: WING FIELD CORPORATION INC. On August 31, 2009 the Company concluded a development agreement with WingField Corporation Inc. (“WingField”), which included various services to be provided by WingField. A major item was the procurement of a management contract for the management of the planned resort in Guanacaste, Costa Rica. (Refer to Note 16.)

Note 10: Pension Plan	9 Months Ended Sep. 30, 2011
Notes	
Note 10: Pension Plan	NOTE 10: PENSION PLAN

The Company maintains a pension plan covering all employees in Switzerland; it is considered a defined benefit plan and accounted in accordance with ASC 715 ("compensation - retirement benefits"). This model allocates pension costs over the service period of employees in the plan. The underlying principle is that employees render services rateably over this period, and therefore, the income statement effects of pensions should follow a similar pattern. ASC 715 requires recognition of the funded status, or difference between the fair value of plan assets and the projected benefit obligations of the pension plan on the balance sheet, with a corresponding adjustment to accumulated other comprehensive income. If the projected benefit obligation exceeds the fair value of plan assets, then that difference or unfunded status represents the pension liability.

The Company records a net periodic pension cost in the statement of operations. The liabilities and annual income or expense of the pension plan is determined using methodologies that involve several actuarial assumptions, the most significant of which are the discount rate and the long- term rate of asset return (based on the market-related value of assets). The fair values of plan assets are determined based on prevailing market prices.

Actuarial valuation

The actuarial valuation was carried out the first time as of December 31, 2011 and simultaneously as of September 30, 2011. No previous valuations were done because management concluded that the failure did not materially impact the financial statements as of December 31, 2010.

Net periodic pension cost has been included in the Company' s results as follows:

	Nine months ended September 30, 2011 $ (unaudited)	Nine months ended September 30, 2010 $ (unaudited)
Pension Expense		
Current service cost	76,150	-
Past service cost	-	-
Interest cost	(2,315)	-
Expected return on assets	(2,075)	-

Employee contributions	(30,492)	-
Net periodic pension cost	41,268	

During the periods ended September 30, 2011 and September 30, 2010 the Company made cash contributions of $30,000 and $0, respectively, to its defined benefit pension plan.

The expected future cash flows to be paid by the Company in respect of employer contributions to the pension plan for the year ended December 31, 2011 are $0.

Note 8: Related Party Transactions	9 Months Ended Sep. 30, 2011
Notes	
Note 8: Related Party Transactions	NOTE 8: RELATED PARTY TRANSACTIONS

Debt Settlement Agreements

During the year ending December 31, 2010 the Company concluded certain debt settlement agreements. The issuances of shares of the Company were recorded at fair value in the year ended December 31, 2010 and the difference between the carrying value of the payables and the fair value was recorded as loss on extinguishment of debt in the statement of operations for the year ended December 31, 2010.The details are as follows:

a. A "Debt Settlement Agreement", whereby a payable by SunVesta AG to Zypam Ltd. in the amount of $900,000 has been settled by the issuance of 13,846,154 shares of the Company.

b. A "Debt Settlement Agreement", whereby a payable by SunVesta AG to H. Rigendinger in the amount of $49,990 has been settled by the issuance of 769,076 shares of the Company.

Note 9: Non-current Liabilities	9 Months Ended Sep. 30, 2011

Notes

Note 9: Non-current Liabilities NOTE 9: NON-CURRENT LIABILITIES

SunVesta AG has a bond outstanding with the following major conditions.

Description	**EUR ( ) bond**	**CHF bond**
Issuer:	SunVesta AG	SunVesta AG
Type of securities:	Bond in accordance with Swiss law	Bond in accordance with Swiss law
Approval by SunVesta AG BOD	May 12, 2010	June 3, 2011
Volume:	Up to 25,000,000	Up to CHF 15,000,000
Units:	1 '000	CHF 50,000
Offering period:	11/10/2010 - 04/30/2011	09/01/2011 - 02/28/2012
Due date:	November 30, 2013	August 31, 2015
Issuance price:	100 %	100%
Issuance day::	December 1, 2010	September 1, 2011
Interest rate:	8.25% p.a.	7.25% p.a.
Interest due dates:	November 30 of each year, the first time 30 November 2011	August 31 of each year, the first time August 31, 2012
Applicable law:	Swiss	Swiss

The nominal amounts have changed as follows:

	EUR-Bond 2011 $	CHF Bond 2011 $	EUR-Bond 2010 $	CHF Bond 2010 $
Balances January 1	**265,273**	**-**	**-**	**-**
Cash inflows	8,606,797	108,870	265,273	-
Foreign currency adjustments	(18,813)	1,030	-	-
Sub-total (Fair value)	**8,853,257**	**109,900**	**265,273**	**-**
Commissions paid to bondholders	(248,196)	(8,512)	-	-
Amortization of such commissions	33,554	6	-	-
Balance September 30, 2011 (Carrying value)	**8,638,615**	**101,394**	**265,273**	**-**

The fair values of the bonds payable are classified as level 3 fair value. The fair values of the bonds have been determined by discounting cash flow projections discounted at the respective interest rates of 8.25% for EUR bonds and 7.25% for CHF bonds. Hence, the carrying values approximate fair value.

Note 11: Agreement To Purchase Neighboring Piece of Land	9 Months Ended Sep. 30, 2011
Notes	
Note 11: Agreement To Purchase Neighboring Piece of Land	NOTE 11: AGREEMENT TO PURCHASE NEIGHBORING PIECE OF LAND In 2010 SunVesta AG concluded a sale and purchase agreement with a company called DIA S.A. ("DIA"), being domiciled in San José, Costa Rica. The purpose of the agreement is to acquire a contigious parcel of land consisting of approximately 120,000 square meters with direct beachaccess by purchasing 100% of the shares of Altos del Risco S.A. from DIA. The total purchase consideration is $12.5 million. Upon payment of the entire amount, ownership of Altos del Risco S.A. will be transferred to SunVesta AG. As at September 30, 2011 and December 31, 2010, $0.735 million and $0 has been paid, respectively. The sixth addendum dated November 12, 2012, stipulates that: $8.5 million has already been paid $4.0 million has still to be paid The current contractual situation does not call for any penalties. The purchase of the neighbouring piece of land is expected to be completed during the 1st quarter of 2013.

Note 16: Subsequent Events	9 Months Ended Sep. 30, 2011

Notes

Note 16: Subsequent Events

NOTE 16: SUBSEQUENT EVENTS

Management has evaluated subsequent events after the balance sheet date, through the issuance of the financial statements, for appropriate accounting and disclosure. The Company has determined that there were no such events that warrant disclosure or recognition in the financial statements, except for the below:

EUR Bond Offering

The Company initiated a EUR bond offering on December 1, 2010 of up to 25,000,000 in units of 1,000 that bear 8.25 % interest per annum payable each November 30 over the term of the bonds due November 30, 2013.

A cumulative amount of 10.9 million ($13,900,000) has been realized by the Company from the initial date up to the date of this filing.

CHF Bond Offering

The Company initiated a CHF bond offering on September 1, 2011 of up to CHF 15,000,000 in units of CHF 50,000 that bear 7.25 % interest per annum payable each August 31 over the term of the bonds due August 31, 2015.

A cumulative amount of CHF 5.5 million ($5,800,000) has been realized by the Company from the initial date up to the date of this filing.

WingField Corporation

The development agreement with WingField included a detail of certain services to be provided by WingField one of which was to procure a management contract for the operation of the planned resort. The management agreement with Sol Meliá, S.A. in the first quarter of 2011 satisfied this item. The Company has since decided to build up its own internal project organisation and consequently reached an agreement with Wingfield in October 2011 to terminate the development agreement by paying a flat remuneration of $2,500,000, including a “finders fee”.

Intention to purchase two additional concession properties in Polo Papagayo, Guanacaste

On April 20, 2012, the Company entered into an agreement to purchase two additional concession properties located at Polo Papagayo, Guanacaste, with a total surface of approximately 230,000 square meters for a price of $22,895,806, whereof fifty percent is to be paid in cash and the other fifty percent in ten percent equity of La Punta (the concession properties in Polo Papagayo) and five percent in equity of Paradisus (the hotel currently under construction), both located in Costa Rica. The payment schedule is as follows:

$0.5 million is required as a cash payment by May 16, 2012
$5.0 million is required as a cash payment by August 31, 2012
$5.698 million is required as a cash payment by January 31, 2013
Equity is required to be transferred upon final payment

If the Company elects not to proceed with the purchase, the purchaser is in default and will lose its funds on deposit.

On November 13, 2012 the above agreement was amended as follows:

The total purchase price was changed to $17.2 million with no equity payment. The terms and conditions of the cash payment are yet to be defined. Furthermore, all payments by the Company to date and in the future are refundable.

Subsequent to signing the agreements, the Company paid down-payments on the purchase of the properties of approximately $1,400,000.

Advisory Services Agreements

In order to raise the necessary funds for the completion of the project, various advisory service agreements have been concluded, both in Europe as well as Central America. In addition, a European rating agency has been engaged in order to receive a rating. While the basic cost for the advisory services are not significant, the actual funding will be accompanied by costs (finders' fees), which are in the area of 3% in the best case and 12% in the worst case.

Amendments to Line of Credit Agreement with Aires International Investment, Inc.

An addendum to the existing line of credit agreement with Aires as described in note 7 was signed on May 11, 2012 that includes the following clauses:

- The line of credit amount was increased by CHF 4,000,000 to a total amount of CHF 10,000,000. The additional CHF 4,000,000 to be paid in installments through the end of July 2012.
- Should the entire amount of CHF 10,000,000 be drawn down, Aires will have the right to convert the entire line of credit of CHF 10,000,000 into a 20% holding of the capital of the Company.

- The conversion right granted in the original contract to convert the balance of the line of credit into a 10% ownership interest in Rich Land was cancelled.
- The entire amount of CHF 10,000,000 is subordinated in favor of other creditors.

A letter agreement signed by Aires on June 21, 2012, agreed to increase the line of credit by CHF 2,000,000 to a total amount of CHF 12,000,000.

The Company and Aires are currently negotiating a revised conversion option to replace the one stated above. The major contemplated change is that Aires International will convert its receivable at the time of conversion of into 20% of the preferred shares of shares of the Company, at a price and with preferential rights yet to be determined.

As of November 15, 2012 the Company has borrowed CHF11.8 million ($12,500,000) from the Aires line of credit.

Tax Liability Contingency

During April 2012, the Company was advised by the Internal Revenue Service (IRS) of aggregate penalties amounting to $140,000 in connection with its failure to file certain tax returns for the years ended 2008, 2009 and 2010. The Company is in correspondence with the IRS in order to seek an abatement of the penalties.

Guaranty Agreement

On July 16, 2012, certain principal shareholders of the Company or principal lenders to the project entered into a guaranty agreement in favour of SunVesta AG. The purpose of the guarantee is to ensure that until such time as financing is secured for the entire project that they will act as a guarantor to creditors to the extent of the project' s ongoing capital requirements. The guaranty agreement requires that within 30 days of receiving a demand notice, the guarantors are required to pay to SunVesta AG that amount required for ongoing capital requirements, until such time as financing of the project is secured. The guaranty may not be terminated until such time as SunVesta AG has secured financing for the completion of the project.

Hotel Project Atlanta

During the third quarter 2012 the Company entered into an agreement to purchase a hotel and entertainment complex in Atlanta, Georgia (United States of America).

The entire purchase amount of $26 million for the assets has no firm financing commitment. Additionally, approximately an additional $18 million for renovations would need to be invested in the hotel and entertainment complex. The Company is in negotiations with various parties to finalize a financing package for this project and is confident that it will be able to procure such financing.

Nonwithstanding all other factors, the Company may terminate this agreement, within a due dilligence period, if it is not satisfied with the property after an examination of the assets.

The agreement includes a non-refundable deposit of $250,000.

SUNVESTA, INC. CONSOLIDATED STATEMENTS OF CASHFLOWS NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 AND CUMULATIVE AMOUNTS (USD $)	9 Months Ended		81 Months Ended
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011
Net Cash Provided by (Used in) Operating Activities			
Net Income (Loss), Including Portion Attributable to Noncontrolling Interest	$ (4,036,628)	$ (1,006,777)	$ (16,165,551)
Adjustments, Noncash Items, to Reconcile Net Income (Loss) to Cash Provided by (Used in) Operating Activities			
Depreciation and Amortization	16,749	753	289,494
Amortization of debt issuance cost and commissions	214,974		222,673
Exchange Differences Unrealized	64,594		64,594
Stock Compensation Expense			107,269
Loss on securities acquired as deposit on stock			1,008,324
Gain (Loss) on Sales of assets			3,258
Gains (Losses) on Extinguishment of Debt		258,882	1,806,758
Increase in pension fund commitments	40,755		40,755
Increase (Decrease) in Operating Capital			
Increase Decrease in Other Current Assets	1,402	(7,502)	(8,848)
Increase (Decrease) in Operating Liabilities			
Increase (Decrease) in Accounts Payable	(204,081)	74,244	1,246,155
Increase (Decrease) in Accrued expenses	729,710	85,183	1,115,264
Net Cash Provided by (Used in) Operating Activities	(3,172,525)	(595,217)	(10,269,855)
Net Cash Provided by (Used in) Investing Activities			
Proceeds from Sale and Maturity of Marketable Securities			1,740,381
Increase (Decrease) in Receivables from related parties	(1,232,233)		(1,232,233)
Payments to Acquire Property, Plant, and Equipment	(1,657,319)	(14,032)	(11,462,805)
Down payments on purchase of Investment	(684,118)		(684,118)
Payments for (Proceeds from) Other non-current assets	(50,914)	1,863	(50,914)
Net Cash Provided by (Used in) Investing Activities	(3,624,584)	(12,169)	(11,689,689)
Net Cash Provided by (Used in) Financing Activities			
Payments for (Proceeds from) Deposit on Stock			3,664,417
Proceeds from Issuance of Common Stock			300,000
Proceeds from (Repayments of) Notes Payable related parties net	1,374,997	651,927	12,353,129
Proceeds Advances from Third Parties			700,000
Proceeds from (Repayments of) Notes Payable	(778,243)		(778,243)
Increase (Decrease) in Note Payable	(551,155)		(714,819)
Proceeds from bond Issuance, Net	8,458,959		8,724,232
Payments of Debt Issuance Costs	(1,019,273)		(1,040,943)
Purchase of Treasury Stock		(11,555)	(23,755)

Net Cash Provided by (Used in) Financing Activities	7,485,285	640,372	23,184,018
Effect of Exchange Rate Changes	(218,353)	(93,973)	(711,188)
Cash and Cash Equivalents, Period Increase (Decrease)	469,823	(60,987)	513,286
Cash Beginning of period	44,018	73,945	555
Cash End of Period	513,841	12,958	513,841
Supplementary information			
Cash paid for interest	$ 84,000		

Note 5: Construction in Process	9 Months Ended Sep. 30, 2011
Notes	
Note 5: Construction in Process	NOTE 5: CONSTRUCTION IN PROCESS The Company possesses a concession for a piece of land (~84’ 000 m2), i.e. a right to build a hotel and apartments in the “Papagayo Gulf Tourism Project”, Guanacaste, Costa Rica, which was acquired for $7 million and recorded as land in property and equipment. The concession is a right to use the property for a specific purpose over a term of 20 years, which term thereafter can be renewed at no further cost, if the Company is up to date with its obligations as stipulated by the Cota Rican government and if no significant change in government policies takes place. The current concession expires in June 2022. The construction in process amount that was spent as of September 30, 2011 is attributed primarily to architectural work related to the hotel and apartments.

Note 15: Mangement Agreement With Meliá Hotels & Resorts	**9 Months Ended**
	Sep. 30, 2011
Notes	
Note 15: Mangement Agreement With Meliá Hotels & Resorts	NOTE 15: MANGEMENT AGREEMENT WITH MELIÁ HOTELS & RESORTS In March 2011 the Company concluded a management agreement with Sol Meliá, S.A. for the management of the planned resort in Guanacaste, Costa Rica. This agreement includes clause that provides that if the Company is unable to conclude the purchase of the property described in Note 11 by November 30, 2011, a penalty of $1,000,000 would become due to Sol Meliá, S.A. In 2012, the maturity date of this penalty has been extended to June 30, 2012. The Company is yet to conclude the purchase of the property described in Note 11 and is presently negotiating with Sol Meliá, S.A. to include an addendum to the management agreement that would circumvent this penalty.