

9M 2016 Results Conference Call

Karim Bohn, CFO
8 November 2016



2016 guidance increased...

FINANCIAL RESULTS 9M 2016:

Operating income of EUR 252.5m

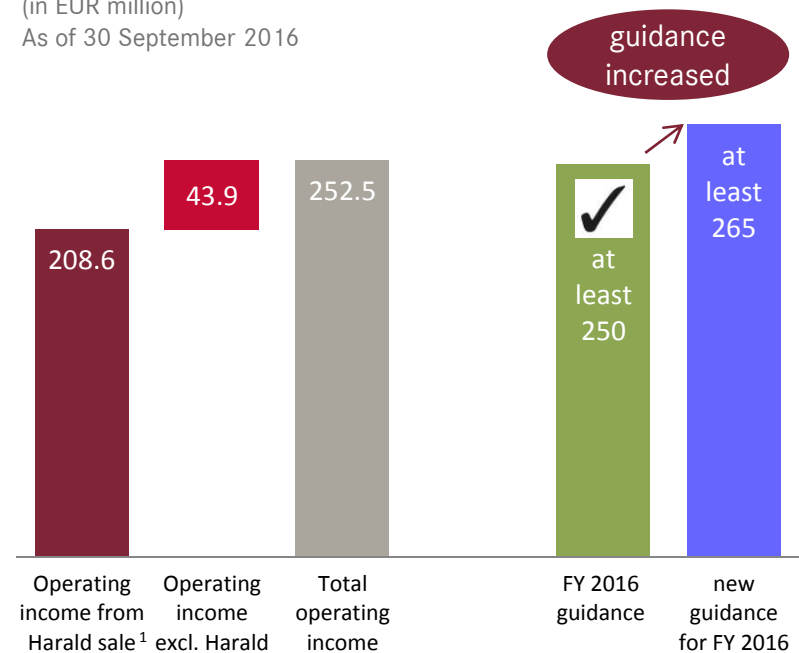
- ◆ Operating income ex Harald: EUR 43.9m
- ◆ Operating income Harald: EUR 208.6m¹
- ✓ Guidance of at least EUR 250m achieved already
- ✓ Increasing guidance to at least **EUR 265m** for 2016

9M-HIGHLIGHTS:

- ◆ **Assets under Management:** EUR 17.7bn
- ◆ **Transaction volume:** EUR 3.6bn
- ◆ **Signed acquisitions:** EUR 2.1bn
 - ◆ EUR 1.1bn to be completed by year end 2016
- ◆ **Institutional funds raised:** EUR 1.5bn
- ◆ **Operational efficiency:**
 - ◆ Sale of property management to Deutsche Immobilien Management Group (DIM)
 - ◆ Headcount reductions of c. 200 employees

OPERATING INCOME 9M 2016

(in EUR million)
As of 30 September 2016



¹ excluding transaction-related taxes and minorities

...due to positive earnings contribution across all businesses

| MANAGEMENT | TRANSACTIONS | INVESTORS ACCESS | EQUITY INVEST |
|--|--|--|--|
| <ul style="list-style-type: none">◆ AuM: EUR 17.7bn thereof international: EUR 6.0bn national: EUR 11.7bn◆ Third party management: 47 residential and commercial vehicles◆ Asset and portfolio management | <ul style="list-style-type: none">◆ EUR 3.6bn transactions◆ EUR 1.5bn sales◆ EUR 2.1bn acquisitions◆ EUR 1.1bn of signed acquisitions to be completed by year end 2016 | <ul style="list-style-type: none">◆ EUR 1.5bn funds raised in 9M 2016◆ Diversified client base: more than 200 institutional clients globally more than 50% have multiple investments◆ Strong development of retail funds business | <ul style="list-style-type: none">◆ EUR 364m invested capital◆ EUR 174m invested in co-investments alongside our clients◆ Principal investments of EUR 190m offer attractive returns to PATRIZIA shareholders |

as of 30 September 2016

Growing Assets under Management increase base fees

2016 AUM NET GROWTH TARGET OF EUR 2.0BN

9M 2016 overview

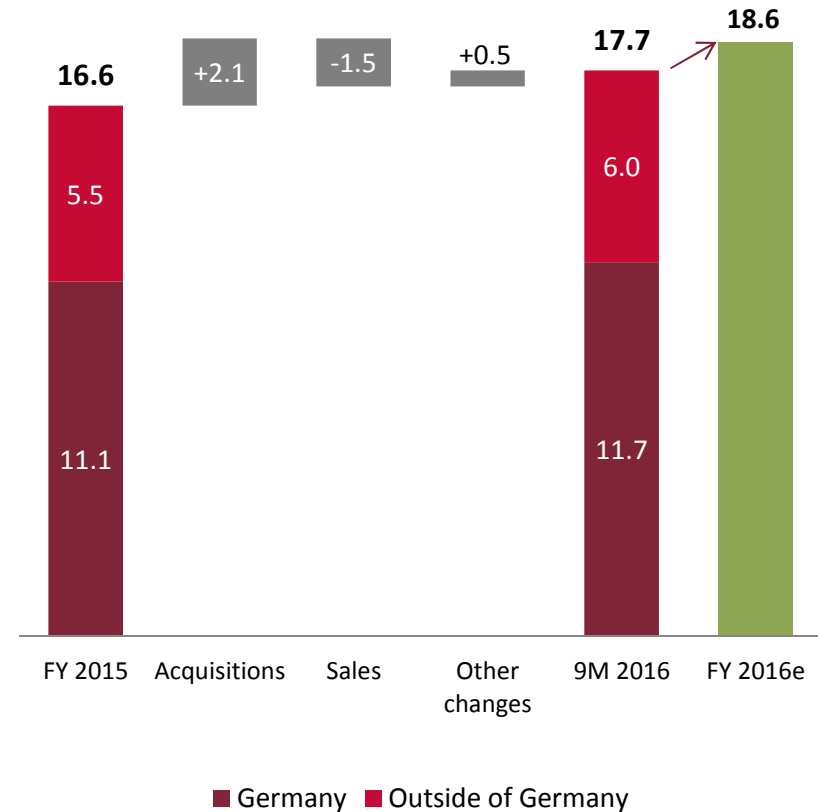
- ◆ EUR 3.6bn total transactions completed
- ◆ EUR 2.1bn acquisitions
- ◆ EUR 1.5bn sales
(of which EUR 1.1bn sale of Harald incl. profit)
- ◆ Other changes:
 - ◆ c. EUR 270m of Harald profit
 - ◆ c. EUR 250m of valuation changes

Very robust pipeline ahead

- ◆ Signed acquisitions of EUR 2.1bn
- ◆ EUR 1.1bn to be completed by year end 2016

ASSETS UNDER MANAGEMENT

(in EUR billion)
As of 30 September 2016



Strong fee income shows PATRIZIA's operating progress...

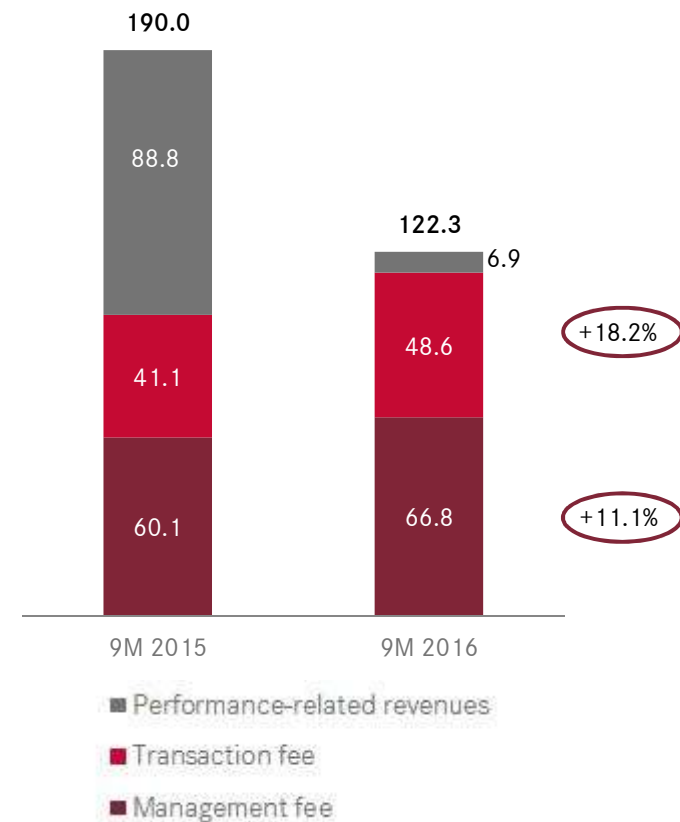
STRONG DEVELOPMENT OF FEE INCOME IN 9M 2016

- ◆ Total fee income: EUR 122.3m
- ◆ Increase of 14.0% to EUR 115.4m excluding performance fees
 - ◆ +11.1% management fee
 - ◆ +18.2% transaction fee
- ◆ Acquisitions signed and closed in 9M 2016 will improve management fees from Q4 2016 onwards
- ◆ Future top line growth driven by:
 - ◆ already signed deals
 - ◆ further European expansion of platform
 - ◆ Broadening of international investor base

FEE INCOME

(in EUR million)

As of 30 September 2016



...with transaction fees as a sustainable part of total income

TRANSACTION VOLUME AT EUR 3.6BN

Strong transaction volume in 9M 2016:

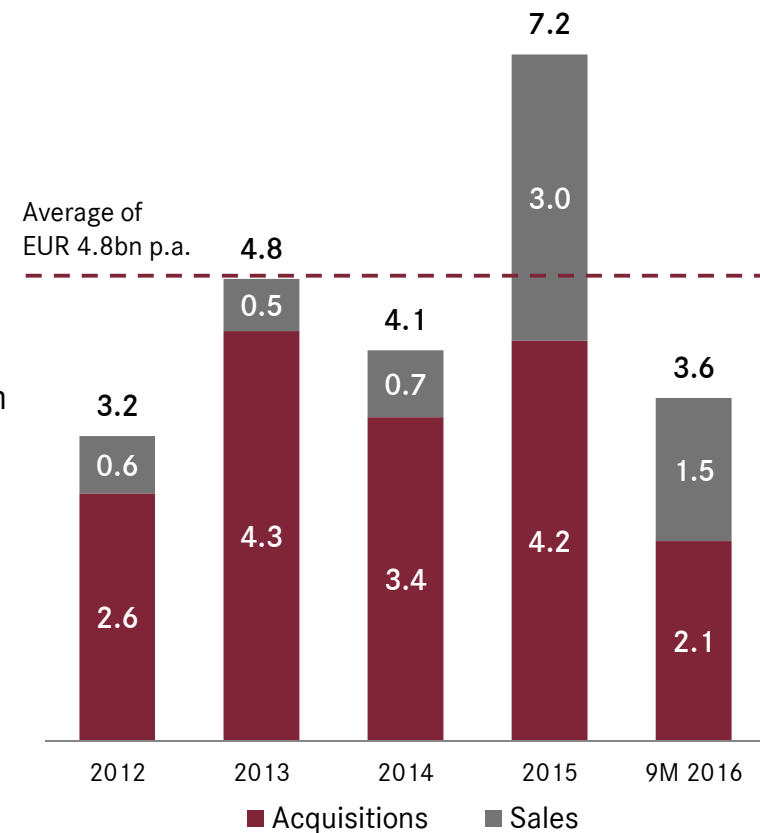
- ◆ EUR 3.6bn vs. EUR 5.2bn in 9M 2015 closed
- ◆ 2015 includes sale of SÜDEWO (EUR 1.9bn) and acquisition of Harald (EUR 0.9bn)
- ◆ In addition: signed acquisitions of EUR 2.1bn
- ◆ EUR 1.1bn to be completed by year end 2016

Landmark transactions in 9M 2016 include:

- ◆ Acquisition of three retail portfolios in Germany: EUR 775m
- ◆ Acquisition of the Astro Tower in Belgium: EUR 171m
- ◆ Acquisition of logistic assets in DE, F and NL: EUR 65m
- ◆ Acquisition of Oval Office in Dublin: EUR 146m
- ◆ Disposal of Harald: EUR 1.1bn
- ◆ ...and a strongly filled deal pipeline ahead

TRANSACTION VOLUME

(in EUR billion)
As of 30 September 2016



Investment income reveals PATRIZIA's outstanding investment competence

INVESTMENT INCOME

Income from Principal- and Co-Investments

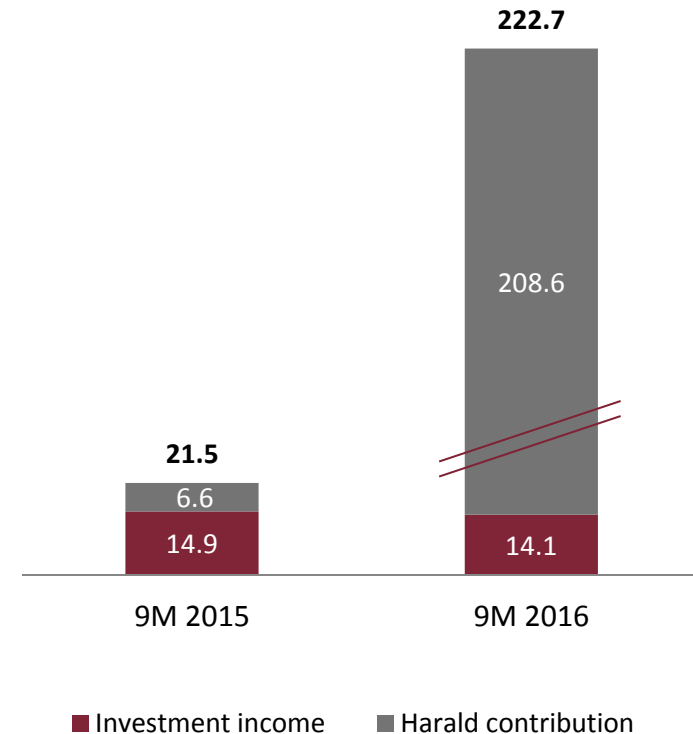
Investment discipline pays off:

- ◆ Investment income increased to EUR 222.7m (9M 2015: EUR 21.5m)
- ◆ Excluding Harald, investment income amounted to EUR 14.1m after EUR 14.9m in 9M 2015
- ◆ Harvesting of Harald powered investment income
- ◆ Growth underlines strong performance and solid profitability of equity investments

INVESTMENT INCOME

(in EUR million)

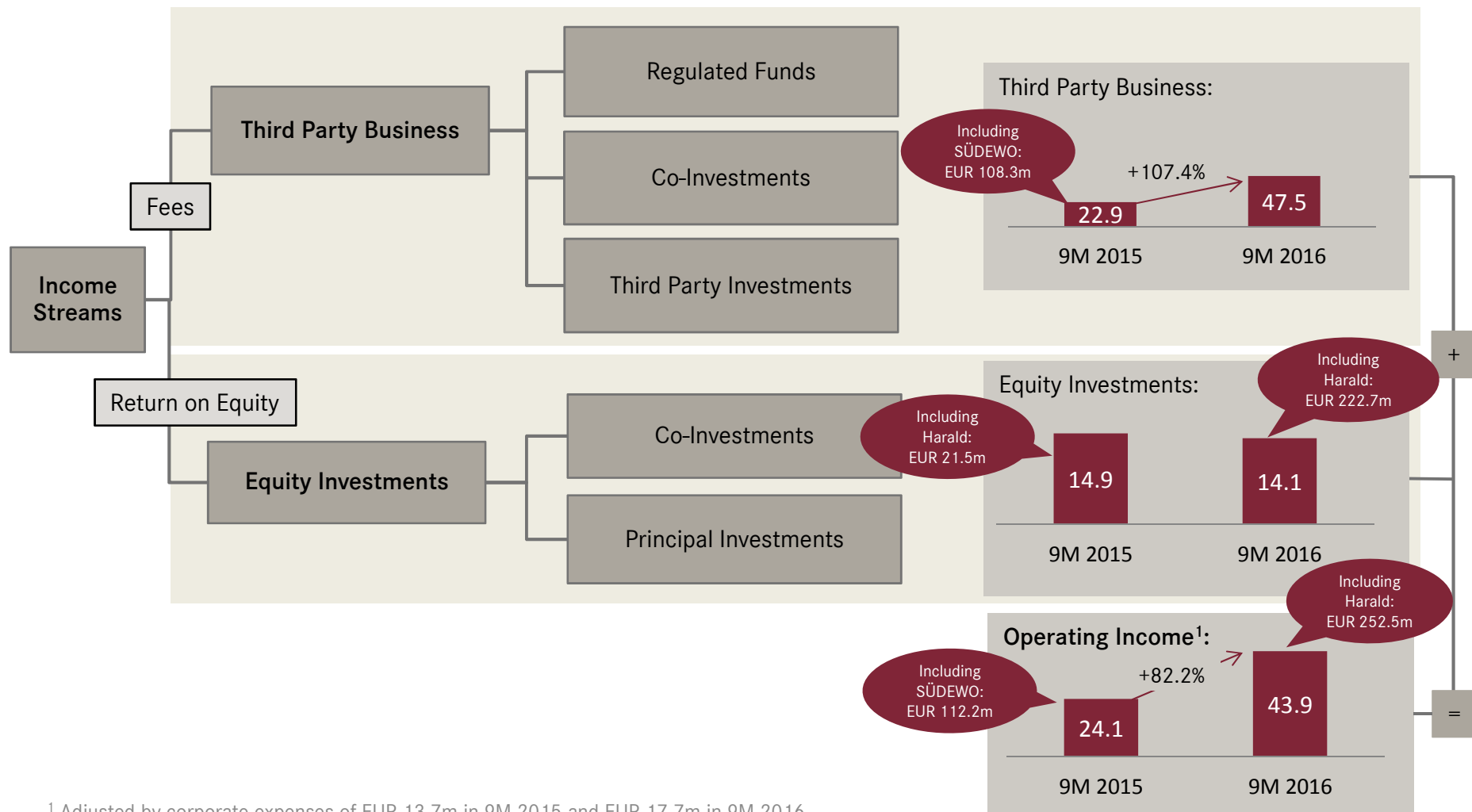
As of 30 September 2016



Investment income and operating income are adjusted for gains/losses from unrealised currency translations. 9M 2016 investment income adjusted for EUR 8.1m of non-realised currency losses.

Strong operational 9M 2016 reflected in financial results

Operating Income 9M 2016 - EUR m



¹ Adjusted by corporate expenses of EUR 13.7m in 9M 2015 and EUR 17.7m in 9M 2016

Development of operating income

RECONCILIATION TO OPERATING INCOME

| in EUR '000 | without SÜDEWO, Harald | | Change | COMMENTS |
|--|---|---|--------------|---|
| | 9 months 2016 01.01.- 30.09.2016 | 9 months 2015 01.01.- 30.09.2015 | | |
| EBITDA | 34,047 | 24,620 | 38.3% | Increase driven by rise in fee income and negatively impacted by reorganisation expenses |
| Amortisation of fund management contracts, depreciation of software and fixed assets | -4,799 | -5,360 | -10.5% | |
| EBIT | 29,248 | 19,260 | 51.9% | Realised currency gains of EUR 1.4m as well as EUR 8.1m non-realised/non-cash effective currency losses |
| Financial result (interest result) | -3,225 | -3,748 | -14.0% | |
| Gains/losses from currency translation | -6,721 | 1,041 | - | Reorganisation expenses include mainly severance payments |
| EBT | 19,302 | 16,553 | 16.6% | |
| Change in value derivatives | 0 | 0 | - | EUR 8.1m non-realised/non-cash effective currency losses |
| + Amortisation of fund management contracts ¹ | 1,476 | 1,476 | - | |
| Harald - transaction-related taxes and minorities | 0 | 0 | - | |
| Net realised valuation gains from the sale of investment property | 1,315 | 6,058 | -78.3% | |
| Reorganisation expenses | 13,732 | 0 | - | |
| Gains/losses from unrealised currency translation | 8,088 | -23 | - | |
| Operating income | 43,913 | 24,064 | 82.5% | |

Strong balance sheet and significant liquidity enables future growth

- ◆ Significant cash position of EUR 434.6m with EUR 353.0 freely available
- ◆ Unlevered real estate assets provide additional liquidity reserve of approx. EUR120m
- ◆ Well positioned for further growth:
 - ◆ Continue European expansion
 - ◆ Consider corporate M&A opportunities – carefully
 - ◆ Take advantage from investment opportunities, if they arise – both as Principal Investment or Co-Investment

Strong Balance Sheet

| IN EUR MILLION | 30.09.2016 |
|------------------------------------|---------------|
| Total Assets | 1,053.6 |
| Equity (excl. minorities) | 732.0 |
| Equity ratio | 69.5% |
| Bank Loans | 21.2 |
| Bonded Loans | 27.0 |
| - Cash and cash equivalents | 434.6 |
| = Net cash (-)/net debt (+) | -386.4 |
| Net Equity Ratio | 72.8% |

Significant Liquidity

| IN EUR MILLION | 30.09.2016 |
|--|--------------|
| Bank balances and cash | 434.6 |
| - Transaction-based liabilities Harald | 41.5 |
| - Harald minorities | 30.9 |
| - Regulatory reserve investment companies (KVGs) | 9.2 |
| = Available cash | 353.0 |

Outlook: Well on track for successful 2016 and beyond

POSITIVE MOMENTUM CONTINUED IN 9M 2016

Guidance increased:

- ◆ Operating income of EUR 252.5m
- ✓ Guidance of at least EUR 250m achieved already
- ✓ Increasing guidance to at least **EUR 265m** for 2016

- ◆ Assets under Management to grow to EUR 18.6bn
- ◆ Strongly filled transaction pipeline ahead
- ✓ Signed acquisitions of EUR 2.1bn
- ✓ EUR 1.1bn to be completed by year end 2016

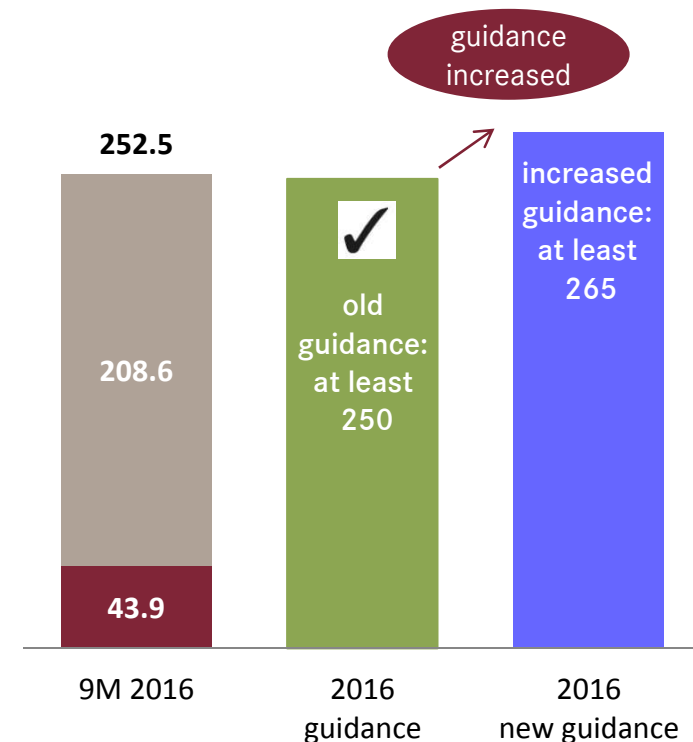
Well positioned for further profitable growth

- ◆ Strong fund raising momentum – globally
- ◆ Excellent track record in sought after European property investment market
- ◆ Growing AuM provide growing and sustainable contractual fee income
- ◆ Attractive earnings potential through performance fees and return on equity

OPERATING INCOME GUIDANCE

(in EUR million)

As of 30 September 2016



2017 outlook promising

Operating income guidance 2016 increased to at least EUR 265m

- ◆ Operating income Harald: c. EUR 210m¹
- ◆ Operating income base level: c. EUR 55m

2017 GUIDANCE

- ◆ Operating income at base level of at least EUR 55m

Assumptions:

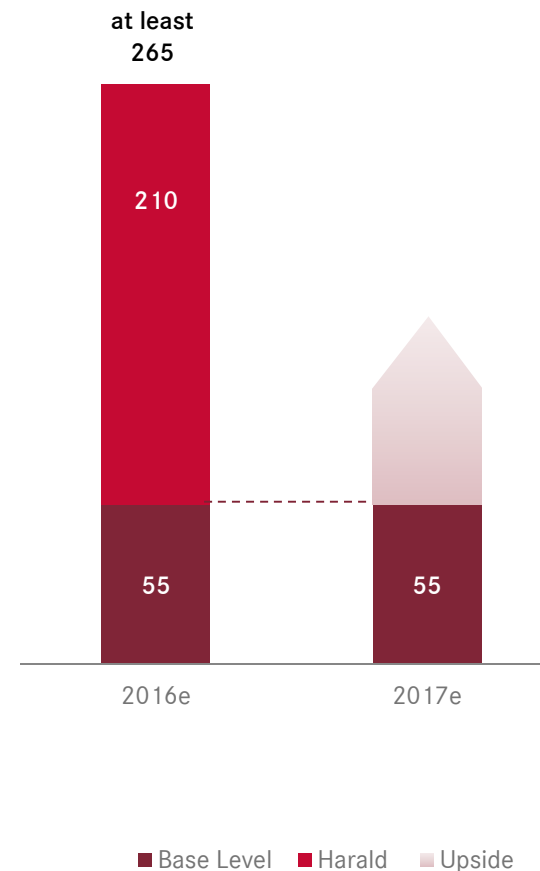
- ◆ Includes up to EUR 7m expenses for global fund raising and marketing efforts
- ◆ Transaction volume of c. EUR 4bn
- ◆ AUM net growth of EUR 2bn
- ◆ Return on cash balance not included

Upside:

- ◆ Larger transaction volume
- ◆ Performance fees
- ◆ Return on equity
- ◆ Inorganic growth

OPERATING INCOME GUIDANCE

(in EUR million)



¹ excluding transaction-related taxes and minorities

APPENDIX

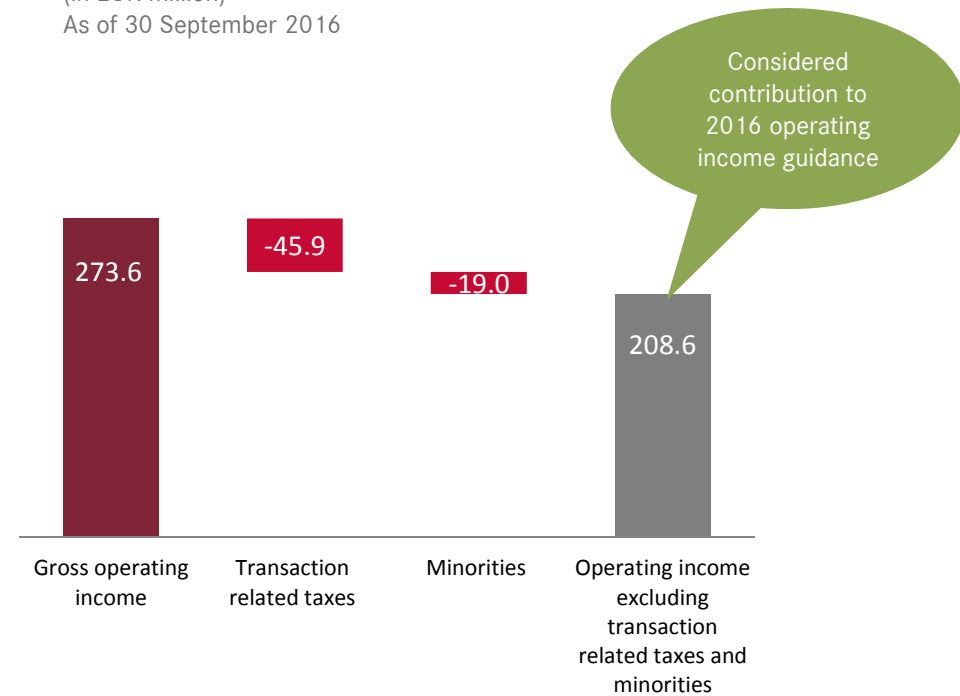
Sale of Harald completed

HARALD EARNINGS CONTRIBUTION

- ◆ Operating income of EUR 208.6m excluding transaction related taxes and minorities
- ◆ PATRIZIA will remain shareholder with a 5.1% stake and receive an annual dividend of EUR 0.8m
- ◆ KPIs:
 - IRR: 372%
 - RoE: > 170%
 - EM: > 2.8x
- ◆ How is Harald treated in the P&L?
 - Asset deals:
shown as turnover and as changes in inventories in the income statement
 - Share deals:
shown as income from the deconsolidation of subsidiaries

HARALD EARNINGS BRIDGE

(in EUR million)
As of 30 September 2016



Harald contribution to 9M 2016 results

| in EUR '000 | Harald only | | Comments |
|---|----------------|-----------------------|--|
| | 9M 2016 | 01.01.- 30.09.2016 | |
| Revenues | 492,424 | | Asset deals booked as - revenues and - change in inventories Revenues include rental income |
| Income from the sale of investment property | 0 | | |
| Changes in inventories | -386,885 | | |
| Other operating income | 4,117 | | Share deals booked as income from the deconsolidation of subsidiaries |
| Income from the deconsolidation of subsidiaries | 193,239 | | |
| Total operating performance | 302,895 | | |
| Cost of materials | -4,743 | | |
| Cost of purchased services | 0 | | |
| Staff costs | -14,008 | | |
| Results from fair value adjustments to investment property | 0 | | |
| Other operating expenses | -9,901 | | |
| Income from participations | 645 | | |
| Earnings from companies accounted for using the equity method | 0 | | |
| EBITDAR | 274,888 | | |
| Reorganisation costs | 0 | | |
| EBITDA | 274,888 | | |
| Amortisation of fund management contracts, depreciation of software and fixed assets | 0 | | |
| Earnings before finance income and income taxes (EBIT) | 274,888 | | |
| Finance income | 494 | | |
| Finance costs | -2,162 | | |
| Gains/losses from currency translation | 887 | | |
| Earnings before income taxes (EBT) | 274,107 | | |
| Income tax | -45,938 | | Transaction related taxes |
| Net profit for the period | 228,169 | | |
| Non-controlling shareholders | 19,019 | | |
| Profit attributable to shareholders of PATRIZIA | 209,150 | | |

P&L 9M 2016 excluding Harald, SÜDEWO

| in EUR '000 | adjusted 9M 2016 01.01. - 30.09.2016 | adjusted 9M 2015 01.01. - 30.09.2015 | Comments |
|--|--|--|--|
| Revenues | 163,935 | 210,702 | Revenues decrease due to lower sales proceeds from principal investments |
| Income from the sale of investment property | 1,153 | 4,051 | |
| Changes in inventories | -20,617 | -93,042 | |
| Other operating income | 6,330 | 8,754 | |
| Income from the deconsolidation of subsidiaries | 3,691 | 0 | Reflects disposal of Plot 5 in Manchester |
| Total operating performance | 154,492 | 130,465 | Deconsolidation of assets temporarily held for retail funds business |
| Cost of materials | -15,737 | -22,336 | |
| Cost of purchased services | -10,762 | -11,287 | |
| Staff costs | -62,642 | -63,903 | |
| Results from fair value adjustments to investment property | 0 | 0 | |
| Other operating expenses | -31,764 | -36,956 | |
| Income from participations | 10,256 | 24,407 | Down due to completed developments |
| Earnings from companies accounted for using the equity method | 3,936 | 4,230 | |
| EBITDAR | 47,779 | 24,620 | |
| Reorganisation costs | -13,732 | 0 | |
| EBITDA | 34,047 | 24,620 | |
| Amortisation of fund management contracts, depreciation of software and fixed assets | -4,799 | -5,360 | |
| Earnings before finance income and income taxes (EBIT) | 29,248 | 19,260 | |
| Finance income | 1,458 | 669 | |
| Finance costs | -4,683 | -4,417 | |
| Gains/losses from currency translation | -6,721 | 1,041 | Due to depreciation of GBP |
| Earnings before income taxes (EBT) | 19,302 | 16,553 | |
| Income tax | -8,467 | -2,748 | Includes taxes for prior years |
| Net profit for the period | 10,835 | 13,805 | |

Balance sheet – assets

| ASSETS | | | |
|--|------------------|------------------|--|
| EUR'000 | 30.09.2016 | 31.12.2015 | Comments |
| A. Non-current assets | | | |
| Goodwill | 610 | 610 | |
| Other intangible assets | 35,914 | 37,417 | Includes mainly fund management contracts of PATRIZIA GewerbeInvest |
| Software | 10,203 | 9,225 | |
| Investment property | 13,722 | 20,802 | Principal Investments at fair value |
| Equipment | 4,154 | 5,015 | |
| Participations in associated companies | 80,189 | 88,179 | |
| Participations | 101,471 | 81,406 | Participations increased as a minority stake of Harald remains with PATRIZIA |
| Loans | 5,808 | 5,498 | |
| Long-term tax assets | 35 | 78 | |
| Deferred Taxes | 445 | 7,013 | Decreased with sale of Harald |
| Total non-current assets | 252,551 | 255,243 | |
| B. Current assets | | | |
| Inventories | 253,450 | 1,057,942 | Included Harald end 2015 |
| Securities | 44 | 54 | |
| Short-term tax assets | 13,401 | 8,280 | |
| Current receivables and other current assets | 99,507 | 131,171 | |
| Bank balances and cash | 434,620 | 179,141 | Reflects cash proceeds from Harald sale |
| Total current assets | 801,022 | 1,376,588 | |
| Total assets | 1,053,573 | 1,631,831 | |

Balance sheet – equity/liabilities

| EQUITY AND LIABILITIES | | | | |
|-------------------------------|---|------------------|------------------|---|
| EUR'000 | | 30.09.2016 | 31.12.2015 | Comments |
| A. | Equity | | | |
| | Share capital | 83,956 | 76,324 | |
| | Capital reserve | 184,005 | 191,637 | |
| | Retained earnings | | | |
| | Legal reserves | 505 | 505 | |
| | Non-controlling shareholders | 37,209 | 18,190 | Increase due to Harald transaction, to be paid out later |
| | Valuation results from cash flow hedges | 0 | 0 | |
| | Currency translation difference | -9,526 | -869 | |
| | Consolidated unappropriated profit | 473,043 | 254,004 | Increase mainly from Harald profit |
| | Total equity | 769,192 | 539,791 | |
| B. | Liabilities | | | |
| | Non-current liabilities | | | |
| | Deferred tax liabilities | 35,059 | 63,253 | Decrease after completion of Harald disposal |
| | Long-term financial derivatives | 0 | 0 | |
| | Retirement benefit obligations | 687 | 687 | |
| | Bonded loan | 27,000 | 32,000 | Early redemption of EUR 5m in January 2016 |
| | Non-current liabilities | 4,916 | 9,262 | |
| | Total non-current liabilities | 67,662 | 105,202 | |
| | Current liabilities | | | |
| | Short-term bank loans | 21,175 | 821,828 | Loans for Harald redeemed at completion and almost all bank loans paid back due to strong cash position |
| | Bonded loan | 0 | 35,000 | |
| | Short-term financial derivatives | 0 | 3,677 | |
| | Other accruals | 14,830 | 6,740 | |
| | Current liabilities | 143,312 | 95,288 | |
| | Tax liabilities | 37,402 | 24,305 | |
| | Total current liabilities | 216,719 | 986,838 | |
| | Total equity and liabilities | 1,053,573 | 1,631,831 | |

Development of fee income streams

| Fee structure | Fee description | 9M 2016 | 9M 2015 | Change |
|---|---|-------------------|-------------------|---------------|
| Asset, Fund and Portfolio Management Fee ¹ | Fixed percentage of investment volume (gross asset value) | EUR 56.2m | EUR 49.8m | 12.9% |
| Performance Fee | Fixed percentage of earnings above a defined target yield according to the underlying business plan of investment | EUR 6.9m | EUR 88.8 | -92.2% |
| Acquisition Fee | Fixed percentage of the purchase price of single assets or portfolios at acquisition | EUR 33.8m | EUR 22.2m | 52.3% |
| Sales Fee | Fixed percentage of the proceeds/sales price at disposal | EUR 14.8m | EUR 18.9m | -21.7% |
| RE Development | Fixed percentage of sales price | EUR 2.6m | EUR 2.7m | -3.7% |
| Property Management | Fixed Euro amount per residential unit; fixed percentage of net annual rental income for commercial assets | EUR 8.0m | EUR 7.6m | 5.5% |
| TOTAL FEES | | EUR 122.3m | EUR 190.0m | -35.6% |

All amounts in EUR million, unless stated otherwise

This table may be subject to discrepancies due to rounding differences

¹ Includes the advance profit distribution from GBW, shown in income from participations

Financial calendar

2017

March 14 ➤ **Financial Statements 2016**

May 10 ➤ **Interim report for the first quarter of 2017**

June 22 ➤ **Annual General Meeting, Augsburg**

August 4 ➤ **Interim report for the first half of 2017**

November 7 ➤ **Interim report for the first nine months of 2017**

Conference calls about financial reports are usually held at 3 pm CET.
Invitations and dial-in numbers are provided in advance.

To stay informed, visit www.patrizia.ag

Contact details

KARIM BOHN
CFO



PATRIZIA Immobilien AG
PATRIZIA Bürohaus
Fuggerstrasse 26
86150 Augsburg

MICHAEL TEGEDER
HEAD OF IR



PATRIZIA Immobilien AG
PATRIZIA Bürohaus
Fuggerstrasse 26
86150 Augsburg

T +49 821 50910-401
F +49 821 50910-399
M +49 151 54147720
michael.tegeder@patrizia.ag
www.patrizia.ag

**VERENA SCHOPP DE
ALVARENGA**
MANAGER IR



PATRIZIA Immobilien AG
PATRIZIA Bürohaus
Fuggerstrasse 26
86150 Augsburg

T +49 821 50910-351
F +49 821 50910-399
M +49 151 65279782
verena.schoppdealvarenga@patrizia.ag
www.patrizia.ag

Disclaimer

This document does not constitute an offer or invitation to purchase or subscribe for any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon.

This document contains specific forward-looking statements that relate in particular to the business development of PATRIZIA and the general economic and regulatory environment and other factors to which PATRIZIA is exposed. These forward-looking statements are based on current estimates and assumptions by the Company made in good faith, and are subject to various risks and uncertainties that could render a forward-looking estimate or statement inaccurate or cause actual results to differ from the results currently expected. PATRIZIA does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this publication.