

Excellent operating income in the first six months of the 2016 financial year

PATRIZIA reports successful first half across its European real estate business

- ♦ Operating income up 90% compared to the first half of 2015
- ♦ Significant growth of income from management services
- ♦ Real estate assets under management increased to EUR 17.2 billion
- ♦ Guidance for 2016 confirmed

Augsburg, 8 August 2016. PATRIZIA Immobilien AG had a very successful first half of 2016 across its European real estate business. Europe-wide, PATRIZIA was involved in approximately EUR 2.8 billion of real estate transactions. The company acquired EUR 1.5 billion of real estate and sold EUR 1.3 billion, including the ‘Harald’ portfolio comprising approximately 13,500 residential units for EUR 1.0 billion. “Due to the increasingly complex characteristics driving profitable real estate investments, the requirement for an internationally experienced manager across all property types, who is able to professionally identify and manage real estate, is more important than ever before,” said Wolfgang Egger, CEO of PATRIZIA Immobilien AG. The company raised over EUR 900 million of equity from institutional and private clients during the first half of 2016, which is more than twice as much as the first half of 2015.

Operating income increased significantly over the first six months of 2016 to EUR 231.8 million. The sale of the ‘Harald’ portfolio, which is now recognised in the income statement, boosted this result. Even with the ‘Harald’ sale stripped out, the underlying figure increased by 90% to EUR 23.8 million compared to EUR 12.5 million in the first half of 2015. A particularly positive development during the period was the increase of income from services relating to the management of real estate investments. Compared to the first half of 2015, these increased by over 34% to EUR 73.1 million, which is due to higher transaction volumes as well as growth in the assets under management, which increased from EUR 16.6 billion by the end of 2015 to EUR 17.2 billion at 30 June 2016.

Expansion of the international business was a key focus in the first half of the year. PATRIZIA negotiated the development of an office building in Manchester with the largest local authority Pension Fund in England. In March, the acquisition of the well-known Astro Tower in Brussels was closed on behalf of a Korean consortium. Also in March, a property portfolio with 1,275 residential units was purchased in the Netherlands on behalf of one of Germany’s largest institutional investors. In June, a development project was purchased for the creation of approximately 200 new residential units in London. In addition, PATRIZIA executed real estate acquisitions in Denmark, Ireland and Spain.

In view of the strong development of the operating income in the first half of the year, PATRIZIA confirms its guidance for the full year. Managed real estate assets under management are expected to increase by EUR 2.0 billion to EUR 18.6 billion and operating income is expected to be at least EUR 250 million, following EUR 155 million in the 2015 financial year while European growth activities will continue further.

Press release

PATRIZIA Immobilien AG:

PATRIZIA Immobilien AG has been active as an investment manager on the real estate market in 15 European countries for more than 30 years. PATRIZIA's range includes the acquisition, management, value increase and sale of residential and commercial real estate over own licensed investment platforms. As one of the leading real estate investment companies in Europe, PATRIZIA operates as a respected business partner of large institutional clients and retail clients in all major European countries. Currently, the Company manages real estate assets worth around EUR 17 billion, primarily as a co-investor and portfolio manager for insurance companies, pension fund institutions, sovereign funds, savings and cooperative banks. For further information, please visit: www.patrizia.ag.

The Managing Board
Augsburg, 8 August 2016

The report for the first half is available here:

www.patrizia.ag/en/investor-relations/financial-reports/quarterly-reports/

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