

Continued development into a global provider of European real estate investments

PATRIZIA delivers growth in 2016 across its European real estate investment management business

- Total operating income of €283 million exceeding forecast of €265 million
- Real Estate assets under management grew by €2.0 billion to €18.6 billion
- Key appointments to support continued expansion of business in anticipation of a strong 2017
- Issuance of stock dividend planned in a ratio of 10:1
- Operating income guidance for 2017 increased to € 60 -75 million

Augsburg, 14 March 2017. PATRIZIA Immobilien AG is pleased to announce strong 2016 results which saw it deliver growth across all its key metrics following another successful year as one of the leading property investment managers in Europe.

Europe-wide, PATRIZIA grew its assets under management (AUM) by €2.0 billion to €18.6 billion, while total operating income of €283 million exceeded the forecast of €265 million. “In 2016, we successfully identified and delivered on a broad range of growth opportunities across the European real estate market,” says Wolfgang Egger, CEO of PATRIZIA Immobilien AG. “This has further consolidated PATRIZIA’s position as one of the leading European real estate investment houses and enhancing our expertise so that we remain well positioned to guide our clients through any future challenges.”

With the sale of the Harald portfolio 2016 was another year characterised by a highly profitable transaction for PATRIZIA, following on from the sale of Südewo in 2015. However, even with these highly profitable transactions excluded, 2016 was still a year of significant operating income growth, with adjusted income at €72.2 million, an increase of 69 per cent from €42.7 million in 2015. A key reason for this growth was the increase in fee income for the management of property assets for PATRIZIA customers. Total management fees increased by 14 per cent to €189 million in 2016 from €165 million in 2015, excluding performance fees for the sale of Südewo.

PATRIZIA’s AUM growth to €18.6 billion was driven by the acquisition of a number of high-profile assets, such as the Astro Tower in Brussels and the Commerzbank Tower in Frankfurt for Asian investors, as well as the purchase of a 3,500-unit German residential portfolio in an off-market transaction from a Dutch private investor fund. PATRIZIA was also successful in investing half of its €500 million target for its pan-European fund for logistics properties which was launched in 2015. In 2016, transactions totalling €7.2 billion were signed. Of these, €5.1 billion were closed in the same year with the remaining €2.1 billion to be closed during 2017.

PATRIZIA continues to experience growing global demand for investments in European real estate markets and, as a result of this, will continue the growth of its network of local experts and global fundraising team, already operational in Germany, the UK, France, Australia and North America. A strong endorsement of these growth ambitions is the recent appointment of Anne Kavanagh to the management board. Kavanagh, who brings more than 25 years’ experience in the real estate sector, most recently at AXA IM - Real Assets, will take the new position of Chief Investment Officer in April 2017.

Building upon the strong growth across PATRIZIA’s business in 2016, the Company expects further sustainable growth in most of its key financial metrics in 2017. With an adjusted operating income of €72.2 million in 2016, total operating income in 2017 is prudently expected to be between €60 million and €75 million, despite € 7million additional expenses for international fund raising activities. Assets under management are anticipated to grow by around €2.0 billion to €20.6 billion.

“Looking forward to 2017 and the years ahead, we will continue to develop PATRIZIA from its foundations as one of Europe’s leading real estate investment houses into a global provider of European real estate investments,” says Wolfgang Egger.

Press release

The Managing Board and the Supervisory Board of PATRIZIA proposed to the Annual General Meeting to fully carry forward the unappropriated profit to the new account. These funds will be used to invest into PATRIZIA's continued, sustainable growth. As in previous years and in order to further increase the liquidity of the Company's shares, new shares in a ratio of 10:1 shall be issued by means of a capital increase from Company funds.

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, repositioning 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 almost EUR 19 billion, primarily as a portfolio manager and co-investor for insurance companies, pension fund institutions, sovereign funds, savings and cooperative banks. For further information, please visit: www.patrizia.ag.

Contact:

Andreas Menke
Group Head of Corporate Communications
Phone: +49 (0) 821 5 09 10-6 55
andreas.menke@patrizia.ag