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Q2

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REPORT FOR THE FIRST HALF OF 2013



# Key Figures

## REVENUES AND EARNINGS

EUR '000	2 <sup>nd</sup> quarter 2013	2 <sup>nd</sup> quarter 2012	1 <sup>st</sup> half of 2013	1 <sup>st</sup> half of 2012
	01.04. – 30.06.2013	01.04. – 30.06.2012	01.01. – 30.06.2013	01.01. – 30.06.2012
Revenues	47,660	43,639	89,761	103,374
Total operating performance	50,730	40,472	89,791	88,722
EBITDA	6,706	6,426	10,530	20,144
EBIT	5,326	5,379	7,835	18,157
EBT	11,557	4,680	17,787	9,027
Operating result <sup>1</sup>	10,487	5,783	18,139	13,520
Net profit	12,550	2,113	17,746	5,310

## STRUCTURE OF ASSETS AND CAPITAL

EUR '000	30.06.2013	31.12.2012
Non-current assets	472,598	463,423
Current assets	497,690	488,130
Equity	354,346	336,387
Equity ratio (in %)	36.5	35.4
Non-current liabilities	103,434	345,414
Current liabilities	512,508	269,752
Total assets	970,288	951,553

## SHARE

ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	P1Z
Share capital at 30 June 2013	EUR 57,343,000
No. of shares in issue at 30 June 2013	57,343,000
Second quarter 2013/First half 2013 high <sup>2</sup>	EUR 9.75/EUR 9.75
Second quarter 2013/First half 2013 low <sup>2</sup>	EUR 7.13/EUR 6.05
Closing price 2012 <sup>2</sup>	EUR 6.46
Closing price at 30 June 2013 <sup>2</sup>	EUR 7.72
Share price performance	19.5%
Market capitalisation at 30 June 2013	EUR 442.7 million
Average trading volume per day (first 6 months of 2013) <sup>3</sup>	146,000 shares
Indices	SDAX, EPRA, GEX, DIMAX

<sup>1</sup> Without amortisation of other intangible assets (fund management contracts), adjusted for profit/loss from interest rate hedges without cash effect. Realised changes in the value of investment property included.

<sup>2</sup> Closing price Xetra-trading

<sup>3</sup> All German stock exchanges

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### Financial Calendar and Contact Details

*Dear Shareholders,  
Dear ladies and gentlemen,*

The interim results for the first six months of the current fiscal year are something we can be proud of. This applies in particular to the transactions we have concluded. In addition to a consortium led by PATRIZIA winning the bidding process for GBW AG, which we explained at length in our report for the first quarter, we have made good progress in recent weeks and months in the area of commercial real estate, acquiring mandates worth over EUR 1 billion. The acquisition of Tamar Capital Group, which we purchased in December 2012, was also concluded at the end of April.

We were able to report the conclusion of our first co-investment in the United Kingdom back in May. Together with Oaktree Capital Management we are acquiring commercial properties with high added value potential with a target volume of up to GBP 100 million. PATRIZIA itself is taking a 10% share and is assuming responsibility for investment and asset management via its subsidiary PATRIZIA UK, the former Tamar Capital Group. We have entered into a further co-investment with Oaktree with the acquisition of the British business park IQ Winnersh for EUR 285 million. We are taking a 5% stake in this project.

The team from the former Tamar Capital Group also played a significant role in the acquisition of a portfolio of 86 German retail properties for EUR 178 million. The portfolio was acquired for institutional investors in a co-investment structure. These acquisitions show that PATRIZIA's business model is not restricted to the residential sector but now also covers various commercial fields, not just with regard to different types of use such as office and retail properties but also different styles of investment such as core and value-add. For us this means systematically implementing our strategy and being able to now offer investments to opportunistically oriented investors on our path to growth. Here our experience in asset management enables us to achieve long-term increased value.

Furthermore, PATRIZIA has been awarded a commercial mandate by two separate occupational pension funds worth a total of EUR 750 million. In addition to the mandate focusing on German "value-add" real estate, the emphasis for the second mandate will be on European "core" objects.

Nevertheless, achieving our operating result target will not be straightforward. We are fairly confident of meeting the targets we have set ourselves with regard to sales and how they will continue to develop. We have reduced our bank loans by 16% since the beginning of the year and will achieve somewhere in the order of EUR 350 million by the end of the year. The restructuring of the Group to comply with the requirements of the AIFM Directive is causing considerable one-off costs, affecting both the German and the international organisations since investment vehicles for institutional investors are set up and marketed there, too. Furthermore, the integration of foreign subsidiaries whose contribution to results will only be seen in the coming years is also tying up resources. Finally, it is becoming increasingly challenging to acquire individual properties for such a diverse range of special fund products with adequate returns in a very dynamic market environment. Failures by the acquisition fee in this field can only be partially compensated by portfolio purchases.

The PATRIZIA Managing Board



**Wolfgang Egger**  
CEO



**Arwed Fischer**  
CFO



**Klaus Schmitt**  
COO

# Consolidated Interim Management Report

FOR THE FIRST SIX MONTHS OF 2013

## 1 GENERAL ECONOMIC CONDITIONS

### RESIDENTIAL REAL ESTATE MARKET IN GERMANY AND EUROPE

The German economy as a whole has seen stable growth over the current year, with a stable labour market. This is the basis for expectations of a positive development up to the end of the year. The reduction in the key interest rate by the ECB to 0.5% supports price movements in the residential real estate market and investments in the commercial property market. In recent years German cities with a high level of employment and an influx of migrants have recorded continuously rising rents and constant building activity. The residential property market, with high price increases of up to 5% p.a., will lose momentum over the long term and the major cities will see prices rising at a slower rate.

European residential property markets, in particular London, closed the first quarter on the whole with increasing capital values.

### COMMERCIAL REAL ESTATE MARKET IN GERMANY AND EUROPE

The volume of transactions on the German office property market in the top seven cities rose compared with the previous year, benefiting from the positive conditions on the labour market. In contrast, retail properties recorded weak price growth. However, the stable general macro-economic conditions are expected to carry over by the end of the year.

Higher investments than in the previous year were observed in Scandinavia in the area of shopping centres. Economic development in the peripheral states of the eurozone will remain weak or decline through to the end of the year. The real estate market achieved comparatively stable performance, which should continue.

## 2 PATRIZIA ON THE CAPITAL MARKET

The PATRIZIA share closed the second quarter at EUR 7.72. This corresponds to an increase of 19.5% since the beginning of the year. The highs and lows (closing prices) varied between EUR 7.13 and EUR 9.75. With an average of 146,000 shares per day, the trading volume for the first half of 2013 continued at the high levels of the last few months (2012: 89,200 shares/day).

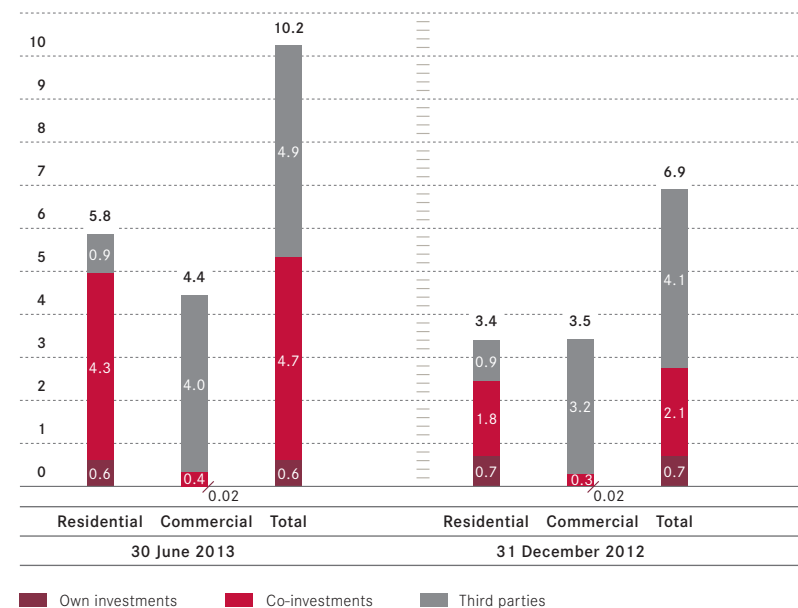
The Annual General Meeting on 12 June 2013, agreed on a capital increase from retained earnings in order to issue bonus shares in a ratio of 10:1. The capital increase was entered into the Commercial Register on 8 July. The new shares were added after the close of markets on 24 July, resulting in an increase in shares issued by 10% to 63,077,300. Share capital now totals EUR 63,077,300, representing an increase of EUR 5,734,300.

## 3 OUR EMPLOYEES

At 30 June 2013, PATRIZIA had 636 permanent employees (31 March 2013: 607 employees, +4.8%), 18 employees transferred to the Group as a result of the acquisition of Tamar Capital Group. 29 employees now work at PATRIZIA's foreign branches, a further 32 were employed as vocational trainees and students of Duale Hochschule Stuttgart majoring in real estate, and there were 59 part-time employees. In terms of full-time equivalents, the number of staff totalled 585 people (31 March 2013: 556 employees). We expect the number of employees to increase in the current year owing to the expansion of our co-investment and foreign activities.

## 4 THE COURSE OF BUSINESS IN THE FIRST HALF OF 2013

### ASSETS UNDER MANAGEMENT (IN EURO BILLION)



## SUMMARY OF COMPLETED SALES, AVERAGE PRICES AND RENTS

	2 <sup>nd</sup> quarter 2013		2 <sup>nd</sup> quarter 2012		1 <sup>st</sup> half of 2013		1 <sup>st</sup> half of 2012		2012
	01.04. – 30.06.2013	01.04. – 30.06.2012	01.04. – 30.06.2012	01.01. – 30.06.2013	01.01. – 30.06.2012	01.01. – 30.06.2013	01.01. – 30.06.2012	01.01. – 31.12.2012	
<b>Own stock<sup>1</sup></b>	<b>182</b>	<b>168</b>		<b>442</b>		<b>428</b>		<b>1,709</b>	
Residential property resale	152	168		384		396		924	
Average sales price	EUR 2,547 sqm	EUR 2,363 sqm		EUR 2,626 sqm		EUR 2,316 sqm		EUR 2,513 sqm	
Block sales	30	0		58		32		785	
Average sales price	EUR 2,534 sqm	–		EUR 1,931 sqm		EUR 1,869 sqm		EUR 1,667 sqm	
Average rental income	EUR 7.62 sqm	EUR 7.58 sqm		EUR 7.64 sqm		EUR 7.59 sqm		EUR 7.60 sqm	
<b>Co-investments<sup>2</sup></b>	<b>176</b>	<b>67</b>		<b>482</b>		<b>153</b>		<b>559</b>	
Residential property resale <sup>3</sup>	176	67		311		144		482	
Block sales	0	0		171		9		77	
<b>Services<sup>2</sup></b>	<b>65</b>	<b>6</b>		<b>183</b>		<b>57</b>		<b>428</b>	
Residential property resale	2	6		2		10		20	
Block sales	63	0		181		47		408	
<b>TOTAL</b>	<b>423</b>	<b>241</b>		<b>1,107</b>		<b>638</b>		<b>2,696</b>	

<sup>1</sup> Transfer of ownership, usage and encumbrances (purchase price payments become due at the time of the commercial changeover and are thus recognised in profit or loss)

<sup>2</sup> Notarial deeds (sales commission becomes payable at the time of the notarial deed and is therefore recognised in profit or loss)

<sup>3</sup> Including new-build sales from project developments

## OWN INVESTMENTS GERMANY

## Residential property resale and block sales

The regional breakdown for the property resale and block sales in the second quarter of 2013 is as follows:

## RESIDENTIAL PROPERTY RESALE AND BLOCK SALES IN THE SECOND QUARTER OF 2013

Region/city	Number of units sold				Area sold in sqm			
	Residential property resale	Block sales	Total	Share in %	Residential property resale	Block sales	Total	Share in %
Munich	104	21	125	68.7	7,864	1,615	9,479	69.7
Berlin	25	9	34	18.7	1,779	704	2,483	18.2
Cologne/Düsseldorf	18	–	18	9.9	1,318	–	1,318	9.7
Hamburg	5	–	5	2.7	326	–	326	2.4
<b>TOTAL</b>	<b>152<sup>1</sup></b>	<b>30<sup>2</sup></b>	<b>182</b>	<b>100</b>	<b>11,287</b>	<b>2,319</b>	<b>13,606</b>	<b>100</b>

<sup>1</sup> Of these, 78 apartments were reported under investment property.

<sup>2</sup> All 30 apartments were reported under investment property.

The area of **residential property resale** sold a total of 152 units from own stocks in the second quarter of 2013, 9.5% fewer than in the same period of the previous year (168 units). 81% of the properties were purchased by private investors. Owner-occupiers and tenants accounted for significantly lower shares with 11% and 8% respectively.

Only three minor transactions with a total of 30 units were reported in income in the area of **block sales**. Two notarised block sale transactions with 550 units totalling EUR 37.8 million, for which we expected to receive the purchase price in the second quarter, will be delayed until the next quarter.

The following is a summary of our portfolio after taking into account the **sales** completed in the second quarter of 2013 of 182 units, redensification measures and consolidations.

## PATRIZIA PORTFOLIO – BREAKDOWN BY REGION AS AT 30 JUNE 2013

Region/city	Number of units				Area in sqm			
	Residential property resale	Asset repositioning	Total	Share in %	Residential property resale	Asset repositioning	Total	Share in %
Cologne/Düsseldorf	473	739	1,212	22.7	40,786	67,978	108,764	28.6
Munich	755	268	1,023	19.1	61,092	20,481	81,573	21.5
Leipzig	0	888	888	16.6	0	52,979	52,979	13.9
Frankfurt/Main	5	721	726	13.6	303	45,664	45,967	12.1
Hamburg	60	562	622	11.6	4,733	35,661	40,394	10.6
Berlin	49	437	486	9.1	4,195	19,418	23,613	6.2
Hanover	0	235	235	4.4	0	16,215	16,215	4.3
Dresden	0	152	152	2.8	0	10,284	10,284	2.7
<b>TOTAL</b>	<b>1,342</b>	<b>4,002</b>	<b>5,344</b>	<b>100</b>	<b>111,109</b>	<b>268,680</b>	<b>379,789</b>	<b>100</b>

## CO-INVESTMENTS GERMANY

The revenue basis for service fees has been noticeably extended through new co-investments. No significant changes occurred in the two co-investments Südewo and WohnModul I in the second quarter of 2013. Both investments are progressing according to plan.

### PATRIZIA wins the bidding process for GBW AG

At the start of April the investment consortium led by PATRIZIA won the bidding process for BayernLB's 91.36% stake in GBW AG. Together with two other share packages, the consortium secured 96.5% of the shares. The gross purchase price (corporate value for 100% of the shares) was EUR 2.453 billion. The contract was finalised on 27 May 2013. A so-called squeeze-out process – the transfer of shares held by minority shareholders against payment of a cash settlement – has now been initiated.

The consortium consists of 27 investors from German-speaking countries with a long-term focus, including 9 of the 13 investors from Süddeutsche Wohnen (Südewo). PATRIZIA acts as investment and asset manager and is also participating as a co-investor with EUR 58 million, or 5.1%. For implementing the transaction, PATRIZIA is receiving a acquisition fee which is customary for a transaction of this magnitude and complexity; the first tranche of the fee was received in the second quarter of 2013. It will also receive annual asset management revenues. In addition to the return on invested equity, PATRIZIA will receive an additional bonus if specified targets for returns are exceeded.

## CO-INVESTMENTS ABROAD

### PATRIZIA concludes first co-investment in the United Kingdom

PATRIZIA has concluded its first co-investment in the United Kingdom, "Plymouth Sound LP" via its London-based subsidiary PATRIZIA UK (formerly Tamar Capital Group), for which it has already acquired three office properties. PATRIZIA's partner is Oaktree Capital Management. PATRIZIA has a 10% stake and is acting as investment and asset manager. There are currently good opportunities in regional markets in the United Kingdom to acquire attractive commercial real estate at the low point of the market cycle and to increase their value through active asset management.

## EXTERNAL THIRD PARTIES GERMANY

### PATRIZIA WohnInvest KAG

Two new buildings in Düsseldorf and Berlin have been acquired at a cost of EUR 53.5 million for PATRIZIA WohnInvest KAG funds. The residential and business buildings will be completed in 2014 and 2015 respectively. Properties with a market value of EUR 5.1 million were transferred to the special fund in the second quarter, while the sale of two properties for EUR 16.1 million were notarised.

### PATRIZIA GewerbeInvest KAG

Commercial properties worth EUR 107.2 million were transferred to the fund in the second quarter of 2013. Agreements made by savings banks to provide capital have increased further.

### PATRIZIA SPECIAL REAL-ESTATE FUNDS AS AT 30 JUNE 2013

in EUR million	Planned target volume	Committed equity	Assets under management	Number of funds
PATRIZIA WohnInvest KAG mbH <sup>1</sup>	2,026	964	860 <sup>2</sup>	7
PATRIZIA GewerbeInvest KAG mbH	6,392	2,857	3,154	13
Modular funds	3,500	1,362	1,413	7
Individual funds	892	421	410	4
Label funds	2,000	1,074	1,332	2
<b>TOTAL PATRIZIA</b>	<b>8,418</b>	<b>3,821</b>	<b>4,014</b>	<b>20</b>

<sup>1</sup> Primarily individual funds, three of the funds have between two and eight investors

<sup>2</sup> Excludes real estate developments secured under purchase contracts

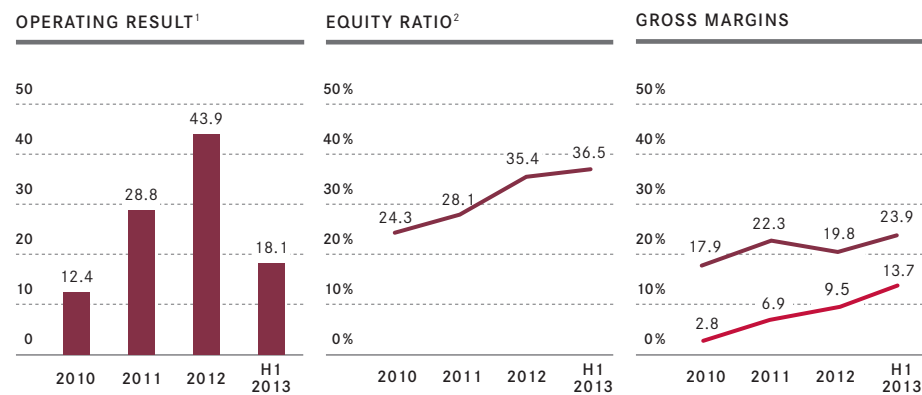
## EXTERNAL THIRD PARTIES ABROAD

### Tamar Capital Group

Tamar Capital Group Ltd has been a 100% subsidiary of PATRIZIA Group since 22 April 2013. Tamar will be integrated into PATRIZIA UK and will in future conduct business under this name. The company looks after EUR 536 million in assets under management.

## 5 NET ASSET, FINANCIAL AND EARNINGS SITUATION

### FINANCIAL PERFORMANCE INDICATORS



<sup>1</sup> Operating result in EUR million

<sup>2</sup> Equity ratio as at 31.12.

■ Inventories

■ Investment Property

## EARNINGS SITUATION OF THE PATRIZIA GROUP

### CONSOLIDATED REVENUES

	2 <sup>nd</sup> quarter 2013	2 <sup>nd</sup> quarter 2012	1 <sup>st</sup> half of 2013	1 <sup>st</sup> half of 2012
	01.04. – 30.06.2013 EUR '000	01.04. – 30.06.2012 EUR '000	01.01. – 30.06.2013 EUR '000	01.01. – 30.06.2012 EUR '000
Revenues from residential property resale <sup>1</sup>	11,768	17,304	30,375	41,756
Revenues from block sales <sup>1</sup>	200	0	200	1,290
Rental revenues	8,083	11,027	16,587	22,411
Revenues from co-investments	14,784	3,481	17,681	16,004
Revenues from third parties	10,238	7,389	19,115	13,317
Other <sup>2</sup>	2,587	4,439	5,803	8,596
<b>TOTAL</b>	<b>47,660</b>	<b>43,639</b>	<b>89,761</b>	<b>103,374</b>

<sup>1</sup> Purchase price receipts from investment property are not included in revenues.

<sup>2</sup> The item "Other" primarily includes rental ancillary costs.

In the first half of 2013, **consolidated revenues** decreased by 13.2% to EUR 89.8 million. A major reason for the fall was that the sale of an increasing volume of real estate which is then reported as non-current assets and not included in revenues. We had expected the sale of around 400 residential units as block sales from inventory assets for EUR 21 million and had already announced their notarisation. Receipt of the purchase price has been delayed to the current quarter.

**Revenues from management services** amounted to EUR 36.8 million, representing 41.0% of total revenues (first half of 2012: EUR 29.3 million, or 28.4%). Higher service revenues in the first six months result in part from the asset management companies, that accounted for revenues of EUR 15.0 million (first half of 2012: EUR 11.2 million). Also the acquisition fee received for the GBW transaction was higher than that for LBBW Immobilien GmbH in the previous year.

However, sales revenues have only limited significance for PATRIZIA since – as already indicated – the selling prices of properties reported in non-current assets are not reflected in sales revenues. In this case, the gross income is reported under the item "**Loss from/gain on the disposal of investment property**". After deducting carrying amounts of EUR 50.7 million, purchase price receipts between January and June of EUR 58.7 million resulted in a profit of EUR 8.1 million (gross margin: 13.7%). The gross margin for the second quarter was 15.7%. In terms of reductions in carrying value, an amount of EUR 9.0 million (first six months of 2013), or EUR 3.2 million (second quarter of 2013) are to be classified as realised changes. A total of 264 residential units reported as investment property were sold, of which 108 in the second quarter. The sale of 152 units in Dresden for EUR 16.7 million planned for the quarter under review will not be reported in income until the third quarter.

### PURCHASE PRICE REVENUES FROM REAL ESTATE SOLD

	2 <sup>nd</sup> quarter 2013	2 <sup>nd</sup> quarter 2012	1 <sup>st</sup> half of 2013	1 <sup>st</sup> half of 2012
	01.04. – 30.06.2013 EUR '000	01.04. – 30.06.2012 EUR '000	01.01. – 30.06.2013 EUR '000	01.01. – 30.06.2012 EUR '000
<b>Sales revenues from inventories</b>	<b>11,968</b>	<b>17,304</b>	<b>30,575</b>	<b>43,046</b>
Residential property resale	11,768	17,304	30,375	41,756
Block sales	200	0	200	1,290
<b>Sales revenues from investment property<sup>1</sup></b>	<b>24,017</b>	<b>13,326</b>	<b>58,746</b>	<b>31,070</b>
Residential property resale	18,140	13,326	48,519	28,080
Block sales	5,877	0	10,227	2,990
<b>TOTAL</b>	<b>35,985</b>	<b>30,630</b>	<b>89,321</b>	<b>74,116</b>

<sup>1</sup> Purchase price receipts from investment property are not included in revenues. Instead, the income statement reports the gross profit.

**Changes in inventories** between January and June comprise the reductions in carrying value of the real estate reported under inventories (EUR –23.3 million) and capitalisation (EUR 11.4 million primarily caused by real estate developments) and amounted to EUR –11.8 million (first half of 2012: EUR –24.1 million). The reductions in carrying value are set against purchase price receipts of EUR 30.6 million, corresponding to a gross margin of 23.9%. If the second quarter is viewed on its own, the gross margin was 29.3%.

At EUR 23.8 million, the **cost of materials** remained 8.2% below the previous year's figure (first half of 2012: EUR 25.9 million), with the majority, EUR 8.5 million, being accounted for by new construction projects. A further EUR 7.0 million is attributable to renovation and maintenance measures, while the remaining amount of EUR 8.3 million resulted from ancillary costs.

**Staff costs** increased significantly by 37.8% to EUR 29.7 million (first half of 2012: EUR 21.6 million). This was firstly because the increase in staff numbers over the course of 2012 affected the entire six months (585 vs. 512 full-time equivalents), and secondly because the higher share price compared with the previous year necessitated higher provisions for long-term variable compensation of the first and second management tiers. These were adjusted once more in the second quarter of 2013.

**Other operating expenses** totalling EUR 25.7 million (first half of 2012: EUR 21.1 million, +22.1%) mainly comprise selling expenses of EUR 8.5 million as well as administrative expenses (EUR 6.8 million), operating expenses (EUR 5.5 million) and other expenses (EUR 5.0 million).

**Earnings before interest and tax (EBIT)** for the first six months of 2013 amounted to EUR 7.8 million (first half of 2012: EUR 18.2 million, –56.8%). The fact that EBIT deteriorated compared with

the same period in the previous year was, among other things, due to the income from asset management of co-investments being shown in the result from participations, which is assigned to the financial result. EBT is therefore the relevant financial indicator to be considered for PATRIZIA.

In accordance with IFRS, market value changes arising from interest hedging transactions are reported in the Consolidated Income Statement. The market valuation is recognised in the **financial result** as income or expense depending on changes in the interest rate level, causing the results to fluctuate substantially. However, this has no influence on PATRIZIA's liquidity. Most of these **interest hedging transactions**, which guarantee us a fixed average interest rate of 3.98% p.a., were concluded at the end of 2006/beginning of 2007 in connection with the financing of major real estate portfolios; the majority of them will expire by 31 January 2014, or by 30 June 2014, at the latest.

#### MARKET VALUATION OF INTEREST RATE HEDGES

	2 <sup>nd</sup> quarter 2013	2 <sup>nd</sup> quarter 2012	1 <sup>st</sup> half of 2013	1 <sup>st</sup> half of 2012	2012
	01.04. – 30.06.2013 EUR '000	01.04. – 30.06.2012 EUR '000	01.01. – 30.06.2013 EUR '000	01.01. – 30.06.2012 EUR '000	01.01. – 31.12.2012 EUR '000
Market valuation of interest hedging transactions	4,874	2,122	9,768	2,857	11,028

The **cash-related financial result** was EUR –15.6 million in the first six months. Financing costs (interest rate plus margin) in the first half averaged 6.28% (first half of 2012: 4.94%, 2012: 5.29%). Further information on the financial result is available in Section 11 of the Notes to the Consolidated Interim Financial Statements.

At EUR 15.8 million, **income from participations** had a significant influence on the consolidated result. Whereas in the previous year only the pro-rata annual service fee of EUR 5.4 million from the Südewo co-investment was reported under this item, the first pro-rata payment for asset management for GBW AG could be posted here in addition to the annual fee for asset management and an initial performance fee from the Südewo investment.

After deducting the financial result and adding the result from participations, **earnings before tax (EBT)** amounted to EUR 17.8 million (first half of 2012: EUR 9.0 million, +97.0%), thus almost doubling the result for the same period of the previous year. The second quarter accounted for EUR 11.6 million (second quarter 2012: EUR 4.7 million, +146.9%).

The reconciliation of EBT in accordance with IFRS to the operating result is effected via an adjustment to non-cash-related components of the results and by taking realised value adjustments to investment property into account. In the financial result, the changes in market values of interest hedges are eliminated and amortisation on fund management contracts is not included. There were no unrealised value changes to investment property in the first half of 2013 or in the corresponding period of the previous year. This approach gives an **operating result** of EUR 18.1 million (first half of 2012: EUR 13.5 million) and EUR 10.5 million for the second quarter. 72% of the result for the first six months was generated by the segment Management Services. This value matches our estimate for the whole of 2013, where we expect a share of at least two-thirds.

#### DERIVATION OF THE ADJUSTED FIGURES

	2 <sup>nd</sup> quarter 2013	2 <sup>nd</sup> quarter 2012	1 <sup>st</sup> half of 2013	1 <sup>st</sup> half of 2012	2012
	01.04. – 30.06.2013 EUR '000	01.04. – 30.06.2012 EUR '000	01.01. – 30.06.2013 EUR '000	01.01. – 30.06.2012 EUR '000	01.01. – 31.12.2012 EUR '000
<b>EBIT</b>	<b>5,326</b>	<b>5,379</b>	<b>7,835</b>	<b>18,157</b>	<b>44,739</b>
Amortisation of intangible assets that resulted from the acquisition of PATRIZIA Ge- werbInvest KAG and Tamar Capital Group Ltd	650	492	1,142	984	1,968
Unrealised change in the value of investment property	0	0	0	0	-18
Realised change in the value of investment property	3,154	2,733	8,978	6,366	23,568
<b>EBIT adjusted</b>	<b>9,130</b>	<b>8,604</b>	<b>17,955</b>	<b>25,507</b>	<b>70,257</b>
Income from participations	9,305	5,438	15,833	5,438	6,557
Income from participations valued at equity	0	0	0	0	455
Financial result	-3,074	-6,137	-5,881	-14,568	-23,130
Change in the value of derivatives	-4,874	-2,122	-9,768	-2,857	-11,028
Release of other result from cash flow hedging	0	0	0	0	781
<b>OPERATING RESULT</b>	<b>10,487</b>	<b>5,783</b>	<b>18,139</b>	<b>13,520</b>	<b>43,892</b>



In the first half of 2013 the profit for the period after deduction of taxes rose by EUR 12.4 million to EUR 17.7 million (first half of 2012: EUR 5.3 million). The low tax quota resulted from a tax refund in the second quarter. We expect the tax quota to remain between 10% and 20% in the medium term. The writeback of deferred taxes as a result of the disposal of investment property is a contributory factor here.

Earnings per share for the first half of 2013 amount to EUR 0.31 (first half of 2012: EUR 0.09). Of this, EUR 0.22 is attributable to the second quarter (second quarter 2012: EUR 0.04).

#### SUMMARY OF THE KEY ITEMS IN THE INCOME STATEMENT

	2 <sup>nd</sup> quarter 2013	2 <sup>nd</sup> quarter 2012	1 <sup>st</sup> half of 2013	1 <sup>st</sup> half of 2012	2012
	01.04. – 30.06.2013 EUR '000	01.04. – 30.06.2012 EUR '000	01.01. – 30.06.2013 EUR '000	01.01. – 30.06.2012 EUR '000	01.01. – 31.12.2012 EUR '000
Revenues	47,660	43,639	89,761	103,374	229,238
Total operating performance	50,730	40,472	89,791	88,722	196,111
EBITDA	6,706	6,426	10,530	20,144	49,280
EBIT	5,326	5,379	7,835	18,157	44,739
EBT	11,557	4,680	17,787	9,027	28,621
Operating result <sup>1</sup>	10,487	5,783	18,139	13,520	43,892
Profit for the period	12,550	2,113	17,746	5,310	25,455

<sup>1</sup> Adjusted for amortisation on other intangible assets (fund management contracts), unrealised (affects only 2012) and realised value adjustments to investment property and non-cash effects from interest hedging transactions

#### NET ASSET AND FINANCIAL SITUATION OF THE PATRIZIA GROUP

##### PATRIZIA NET ASSET AND FINANCIAL KEY FIGURES

	30.06.2013 EUR '000	31.12.2012 EUR '000	Change in %
Total assets	970,288	951,553	2.0
Equity (including non-controlling partners)	354,346	336,387	5.3
Equity ratio	36.5%	35.4%	1.1 PP
Bank loans	435,518	521,054	-16.4
Cash and cash equivalents	111,568	38,135	> 100
Net financial debt	323,950	482,919	-32.9
Real estate <sup>1</sup>	660,658	720,024	-8.2
Loan to value <sup>2</sup>	65.9%	72.4%	-6.5 PP
Net gearing <sup>3</sup>	91.8%	144.2%	-52.4 PP
Operating return on equity	10.5% <sup>4</sup>	13.6%	-3.1 PP <sup>5</sup>

<sup>1</sup> Real estate assets comprise investment property valued at fair value and real estate held in inventories valued at amortised cost.

<sup>2</sup> Proportion of the volume of loans to real estate assets. Only investment property is calculated at fair value. Inventories are stated at amortised cost.

<sup>3</sup> Ratio of net financial debt to equity adjusted for minority interests

<sup>4</sup> Based on the operating result and the average equity capital for the first six months, projected for the full year

<sup>5</sup> In relation to the comparable figure for the first half of 2012 of 8.6% there was an improvement of 1.9 PP.

PP = percentage points

For the first time in several quarters **total assets** increased once more and totalled EUR 970.3 million (31 December 2012: EUR 951.6 million). A major influence here was the uptake of bonded loans.

**Inventories** relate to those properties that are offered for sale as part of ordinary business operations. Since the 2012 balance sheet date, inventories have fallen from EUR 345.9 million to EUR 334.1 million. **Investment property** fell by 12.7% to EUR 326.6 million as a result of the sales effected in the period. The carrying value of real estate assets at 30 June 2013, was EUR 660.7 million (31 December 2012: EUR 720.0 million) and results from adding inventories and investment property.

Since the end of 2012, **bank loans** have fallen by 16.4% to EUR 435.5 million as a result of sales and at 30 June 2013, are reported entirely as current liabilities (31 December 2012: EUR 521.0 million). A schedule of maturities for our loans is listed in Section 9 of the Notes to the Consolidated Interim Financial Statements of this report. In the course of the first six months, two bonded loans totalling EUR 77 million were taken out with one of PATRIZIA's institutional investors. The loans have a term of 3 and 3.5 years respectively, are subject to interest at 4.5% and 4.65% and may be repaid by us prematurely. They are reported under balance sheet item **non-current liabilities**. **Cash and cash equivalents** almost tripled, improving

to EUR 111.6 million (31 December 2012: EUR 38.1 million). In the second quarter, the first tranche of EUR 51 million was invested for the 5.1% holding in GBW AG. The Group's **equity ratio** improved further to 36.5% (31 December 2012: 35.4%). Our target is to increase this to 45% by the end of the year.

#### PATRIZIA'S GROUP EQUITY IS INVESTED AS FOLLOWS

	Assets under management in EUR million	Tied investment capital in EUR million	Share in investment in %
<b>Own investments</b>			
Investment property and inventories <sup>1</sup>	661	196.7	100
PATRIZIA operational companies <sup>2</sup>	299	12.0	100
PATRIZIA GewerbeInvest KAG	3,154	28.2	94.9
PATRIZIA WohnInvest KAG	860	0.5	100
Tamar Capital Group Ltd	536	1.6	100
Bank balances and cash	-	91.6	100
<b>Co-Investments</b>			
<b>Residential Germany</b>			
GBW AG	2,494	50.6	5.1
Süddeutsche Wohnen GmbH	1,393	15.0	2.5
WohnModul I SICAV-FIS	326	15.8	9.09
Other	45	1.4	10
<b>Commercial Germany</b>			
PATROffice	329	7.8	6.25
sono west	58	7.0	30
<b>Commercial abroad</b>			
Plymouth Sound LP (UK)	32	3.3	10
<b>Bonded loan</b>	-	-77.0	100
<b>TOTAL</b>	<b>10,187</b>	<b>354.4</b>	-

<sup>1</sup> Including real estate developments

<sup>2</sup> Without PATRIZIA GewerbeInvest KAG, PATRIZIA WohnInvest KAG and Tamar Capital Group Ltd, which are listed separately

#### Net Asset Value (NAV)

At PATRIZIA, some real estate is valued at the market value (fair value, applies to investment property), and some at amortised cost (inventories). In the first half of 2013 sales resulted in gross margins of 13.7% and 23.9% above the carrying value, thus testifying to the value retention of our properties. **The Management Services** division, which contributed 72% of the operating result in the first half and which is to account for at least two thirds of the result over the year as a whole, is not included when calculating net asset value. Since the NAV represents only part of PATRIZIA, we do not consider it appropriate to value the Group on the basis of this indicator.

#### CALCULATION OF NAV

	30.06.2013 EUR '000	31.12.2012 EUR '000
Investment property <sup>1</sup>	326,572	374,104
Participations in associated companies	15,810	15,810
Participations	74,392	18,407
Inventories <sup>2</sup>	334,086	345,920
Current receivables and other current assets	42,649	92,013 <sup>3,4</sup>
Bank balances and cash	111,568	50,330 <sup>3</sup>
Less non-current liabilities <sup>4</sup>	-77,000	0
Less current liabilities	-47,298	-25,876 <sup>3,4</sup>
Less bank loans	-435,518	-521,054
<b>NAV</b>	<b>345,261</b>	<b>349,654</b>
No. of shares	57,343,000	57,343,000
<b>NAV/SHARE (EUR)</b>	<b>6.02</b>	<b>6.10</b>

<sup>1</sup> Fair market valuation; (gross) sales margin of the first half year: 13.7%

<sup>2</sup> Valuation at amortised cost; (gross) sales margin of the first half year: 23.9%

<sup>3</sup> Figures excluding PATRIZIA GewerbeInvest KAG mbH, cash and cash equivalents increased by outflow of equity

<sup>4</sup> Adjusted for non-property-specific items

The **segment Investments** is still responsible for 28% of the result for the first half of 2013.

## 6 OPPORTUNITY AND RISK REPORT

In the course of its business activities, PATRIZIA Immobilien AG is confronted with both opportunities and risks. The necessary measures have been taken and processes put in place in the group to identify negative trends and risks in good time and to counteract them. Since the annual accounts for the fiscal year 2012 there have been no significant changes related to the opportunity and risk profile to indicate any new risks or opportunities for the group. The assessment of probabilities and potential extent of damage has also not led to any significant changes in the interim risk audit.

The statements in the risk report of the Annual Report 2012 still apply. Please therefore refer to the risk report on pages 74 ff. of the Annual Report 2012 of PATRIZIA Immobilien AG for a detailed description of the opportunities and risks for the group. No other risks are currently known to the Managing Board of PATRIZIA Immobilien AG.

## 7 SUPPLEMENTARY REPORT

### OWN INVESTMENTS

#### **Block sales**

A total of EUR 45 million notarised block sales are still outstanding for the current fiscal year, of which EUR 19 million are accounted for by investment property. This relates to 600 units and one building plot.

### CO-INVESTMENTS

#### **Deikon portfolio**

PATRIZIA acquired a portfolio of 86 retail properties for institutional investors in a co-investment structure in mid July. The real estate purchase price was approximately EUR 178 million. PATRIZIA itself is seeking to take an equity stake of up to 10% in the final structure.

The specialist stores and supermarkets with around 133,000 sqm of area to rent generate basic net rent of approximately EUR 16 million. The properties were acquired from the insolvency estate of DEIKON GmbH i.l. as part of a structured bidding process, from which PATRIZIA emerged successfully. Most of the properties are situated in the particularly economically attractive federal states of Baden-Württemberg, Bavaria, Hesse, Lower Saxony and North Rhine-Westphalia. The vacancy rate is below 1%. The rental agreements have an average residual term of 7.4 years; contract extensions with the major tenants are at an advanced stage. The five largest tenants (as at 31 December 2012) are Netto (approximately 30% of the rent), REWE (14%), EDEKA (10%), PENNY (7%) and Lidl (7%).

## **Winnersh Holdings LP**

Together with its joint venture partner Oaktree Capital Management, L.P., PATRIZIA UK acquired the IQ Winnersh business park located near London for a price of around EUR 285 million (GBP 245 million) at the end of July. The 118,200 sqm commercial estate comprises offices, warehouses, data centres as well as industrial and retail sites. A vacancy rate of 9.7%, an average residual rental term of 8.3 years and low average rents points towards considerable value enhancement potential, particularly via new lets and rent increases. The purchase also includes four hectares of building land, so that added value can be generated in the long term and the range of tenants extended through the development of a new site. PATRIZIA's stake amounts to 5%, or just over EUR 3.5 million.

### EXTERNAL THIRD PARTIES

PATRIZIA has been awarded a commercial mandate by two separate occupational pension funds in the commercial field. The investment amounts to a total of EUR 750 million, with equity commitments of EUR 300 million and EUR 100 million respectively. While one mandate is focused on German "value-add" real estate, the emphasis for the second mandate is on European "core" objects. The initial purchase amounting to EUR 6 million has already been performed for the individual fund with the "value-add Germany" focus, so that the fund has been established. The aim is to invest in properties in prime locations but which may for example have a high level of vacancies or where modernisation requirements have been deliberately accepted.

## 8 REPORT ON EXPECTED DEVELOPMENTS

We maintain our earnings target for the current fiscal year. It is intended that the segment Management Services will generate at least two-thirds of this.

We expect an increase in buying and selling activities in the second half of the year. This applies primarily to funds which have to transform existing capital commitments into investments and to the area of block sales. The second tranche of the purchasing fee for the GBW transaction is also due in the third quarter.

We should reduce our bank liabilities including the two bonded loans that we have taken out to EUR 350 million by the end of the year and continue to aim for an equity ratio of 45%.

This report 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.

# Consolidated Balance Sheet

AS OF 30 JUNE 2013

## ASSETS

EUR'000	30.06.2013	31.12.2012
<b>A. Non-current assets</b>		
Goodwill	610	610
Other intangible assets	43,331	43,259
Software	7,590	7,553
Investment property	326,572	374,104
Equipment	4,092	3,479
Participations in associated companies	15,810	15,810
Participations	74,392	18,407
Long-term tax assets	201	201
<b>Total non-current assets</b>	<b>472,598</b>	<b>463,423</b>
<b>B. Current assets</b>		
Inventories	334,086	345,920
Securities	89	60
Short-term tax assets	9,298	5,380
Current receivables and other current assets	42,649	98,635
Bank balances and cash	111,568	38,135
<b>Total current assets</b>	<b>497,690</b>	<b>488,130</b>
<b>TOTAL ASSETS</b>	<b>970,288</b>	<b>951,553</b>

## EQUITY AND LIABILITIES

EUR '000	30.06.2013	31.12.2012
<b>A. Equity</b>		
Share capital	57,343	57,343
Capital reserve	210,644	210,644
Retained earnings		
Legal reserves	505	505
Non-controlling shareholders	1,488	1,556
Valuation results from cash flow hedges	-257	-469
Consolidated net profit	84,623	66,808
<b>Total equity</b>	<b>354,346</b>	<b>336,387</b>
<b>B. Liabilities</b>		
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	23,578	23,242
Long-term financial derivatives	0	16,363
Retirement benefit obligations	388	388
Long-term bank loans	0	302,004
Non-current liabilities	79,468	3,417
<b>Total non-current liabilities</b>	<b>103,434</b>	<b>345,414</b>
<b>CURRENT LIABILITIES</b>		
Short-term bank loans	435,518	219,050
Short-term financial derivatives	12,412	6,069
Other provisions	1,209	1,479
Current liabilities	47,298	28,750
Tax liabilities	16,071	14,404
<b>Total current liabilities</b>	<b>512,508</b>	<b>269,752</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>970,288</b>	<b>951,553</b>

## Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013

EUR '000	2 <sup>nd</sup> quarter 2013	2 <sup>nd</sup> quarter 2012	1 <sup>st</sup> half of 2013	1 <sup>st</sup> half of 2012
	01.04. – 30.06.2013	01.04. – 30.06.2012	01.01. – 30.06.2013	01.01. – 30.06.2012
Revenues	47,660	43,639	89,761	103,374
Income from the sale of investment property	3,782	1,456	8,060	3,133
Changes in inventories	-2,432	-6,139	-11,834	-24,066
Other operating income	1,720	1,516	3,804	6,281
<b>Total operating performance</b>	<b>50,730</b>	<b>40,472</b>	<b>89,791</b>	<b>88,722</b>
Cost of materials	-12,892	-14,684	-23,801	-25,931
Staff costs	-15,157	-10,959	-29,742	-21,586
Other operating expenses	-15,975	-8,403	-25,718	-21,061
<b>EBITDA</b>	<b>6,706</b>	<b>6,426</b>	<b>10,530</b>	<b>20,144</b>
Amortisation of intangible assets and depreciation on property, plant and equipment	-1,380	-1,047	-2,695	-1,987
<b>Earnings before interest and income taxes (EBIT)</b>	<b>5,326</b>	<b>5,379</b>	<b>7,835</b>	<b>18,157</b>
Income from participations	9,305	5,438	15,833	5,438
Finance income	5,122	2,273	10,095	3,202
Finance cost	-8,196	-8,410	-15,976	-17,770
<b>Earnings before income taxes (EBT)</b>	<b>11,557</b>	<b>4,680</b>	<b>17,787</b>	<b>9,027</b>
Income tax	993	-2,567	-41	-3,717
<b>Net profit</b>	<b>12,550</b>	<b>2,113</b>	<b>17,746</b>	<b>5,310</b>
Profit carried forward	72,004	44,420	66,808	41,223
<b>CONSOLIDATED NET PROFIT</b>	<b>84,554</b>	<b>46,533</b>	<b>84,554</b>	<b>46,533</b>
Earnings per share (undiluted) in EUR	0.22	0.04	0.31	0.09
<b>The net profit for the period is allocated to:</b>				
Shareholders of the parent company	12,578	2,143	17,815	5,364
Non-controlling shareholders	-28	-30	-69	-54
	<b>12,550</b>	<b>2,113</b>	<b>17,746</b>	<b>5,310</b>

## Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013

EUR '000	2 <sup>nd</sup> quarter 2013	2 <sup>nd</sup> quarter 2012	1 <sup>st</sup> half of 2013	1 <sup>st</sup> half of 2012
	01.04. – 30.06.2013	01.04. – 30.06.2012	01.01. – 30.06.2013	01.01. – 30.06.2012
<b>Consolidated net profit</b>	<b>12,550</b>	<b>2,113</b>	<b>17,746</b>	<b>5,310</b>
<b>Other result</b>				
Cash flow hedges				
Amounts recorded during the reporting period	121	204	212	236
Reclassification of amounts that were recorded	0	0	0	0
<b>Total result for the reporting period</b>	<b>12,671</b>	<b>2,317</b>	<b>17,958</b>	<b>5,546</b>
The total result is allocated to:				
Shareholders of the parent company	12,699	2,347	18,027	5,600
Non-controlling shareholders	-28	-30	-69	-54
	<b>12,671</b>	<b>2,317</b>	<b>17,958</b>	<b>5,546</b>

## Consolidated Cash Flow Statement

FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013

EUR '000	01.01. – 30.06.2013	01.01. – 30.06.2012
Consolidated net profit	17,746	5,310
Actual income taxes recognised through profit or loss	41	3,717
Financing costs recognised through profit or loss	15,976	17,770
Income from financial investments recognised through profit or loss	-369	-245
Amortisation of intangible assets and depreciation on property, plant and equipment	2,695	1,987
Gain on disposal of investment properties	-8,060	-3,133
Change in deferred taxes	336	-449
Ineffectiveness of cash flow hedges	-9,808	-2,857
Changes in inventories, receivables and other assets that are not attributable to investing activities	63,873	45,631
Changes in liabilities that are not attributable to financing activities	97,803	-884
Interest paid	-15,342	-16,789
Interest received	256	134
Income tax payments	-2,368	-4,436
<b>Cash inflow from operating activities</b>	<b>162,779</b>	<b>45,756</b>
Capital investments in intangible assets and property, plant and equipment	-3,417	-1,876
Cash receipts from disposal of investment property	58,746	31,046
Payments for development or acquisition of investment property	-3,154	-345
Payments for the acquisition of shareholdings	-55,985	-15,279
<b>Cash inflow/outflow from investing activities</b>	<b>-3,810</b>	<b>13,546</b>
Borrowing of loans	77,000	5,940
Repayment of loans	-162,536	-67,677
Payment for the issuance of bonus shares	0	-5
<b>Cash outflow from financing activities</b>	<b>-85,536</b>	<b>-61,742</b>
<b>Changes in cash</b>	<b>73,433</b>	<b>-2,440</b>
Cash 1 January	38,135	31,828
Cash 30 June	111,568	29,388

## Consolidated Statement of Changes in Equity

FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013

EUR '000	Share capital	Capital reserve	Valuation result from cash flow hedges	Retained earnings (legal reserve)	Consolidated net profit	Thereof attributable to the shareholders of the parent company	Thereof attributable to non-controlling shareholders	Total
<b>Balance 1 January 2012</b>	<b>52,130</b>	<b>215,862</b>	<b>-1,331</b>	<b>505</b>	<b>41,346</b>	<b>308,512</b>	<b>1,563</b>	<b>310,075</b>
Net amount recognised directly in equity, where applicable less income taxes			236			236		236
Expenses incurred in issuing bonus shares		-5				-5		-5
Net profit/loss for the period					5,364	5,364	-54	5,310
Full overall result for the period			236			5,600	-54	5,546
<b>Balance 30 June 2012</b>	<b>52,130</b>	<b>215,857</b>	<b>-1,095</b>	<b>505</b>	<b>46,710</b>	<b>314,107</b>	<b>1,509</b>	<b>315,616</b>
<b>Balance 1 January 2013</b>	<b>57,343</b>	<b>210,644</b>	<b>-469</b>	<b>505</b>	<b>66,808</b>	<b>334,831</b>	<b>1,556</b>	<b>336,387</b>
Non-controlling interests arising from the inclusion of new companies							1	1
Net amount recognised directly in equity, where applicable less income taxes			212			212		212
Net profit/loss for the period					17,815	17,815	-69	17,746
Full overall result for the period			212			18,027	-69	17,958
<b>BALANCE 30 JUNE 2013</b>	<b>57,343</b>	<b>210,644</b>	<b>-257</b>	<b>505</b>	<b>84,623</b>	<b>352,858</b>	<b>1,488</b>	<b>354,346</b>

# Notes to the Consolidated Interim Financial Statements

TO 30 JUNE 2013 (FIRST HALF OF 2013)

## 1 GENERAL DISCLOSURES

PATRIZIA Immobilien AG is a listed German stock corporation. The Company's headquarters are located at Fuggerstrasse 26, 86150 Augsburg. PATRIZIA Immobilien AG has been active on the real estate market as both an investor and service provider for nearly 30 years, today in over ten countries. PATRIZIA's range includes the purchase, management, value increase and sale of residential and commercial real estate. As a recognised business partner of large institutional investors, the Company operates in Germany and other countries and covers the entire value chain in the real estate industry. At present, the Company manages real estate assets worth EUR 10.2 billion, primarily as co-investor and portfolio manager for insurance companies, pension fund institutions, sovereign wealth funds and savings banks.

## 2 PRINCIPLES APPLIED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated interim financial statements of PATRIZIA Immobilien AG for the first six months of 2013 (1 January through 30 June 2013) were prepared in accordance with Article 37 (3) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with Article 37w (2) WpHG in line with the IFRS and in compliance with the provisions of German commercial law additionally applicable as per Article 315a (1) of the German Commercial Code [HGB]. All compulsory official announcements of the International Accounting Standards Board (IASB) that have been adopted by the EU in the context of the endorsement process (i. e. published in the Official Journal of the EU) have been applied.

From the perspective of the Company's management, the present unaudited consolidated interim financial statements for the period ended 30 June 2013, contain all of the information necessary to provide a true and fair view of the course of business and the earnings situation in the period under review. The earnings generated in the first six months of 2013 are not necessarily an indication of future earnings or of the expected total earnings for fiscal year 2013.

When preparing the consolidated financial statements for the interim report in line with IAS 34 "Interim Financial Reporting", the Managing Board of PATRIZIA Immobilien AG must make assessments and estimates as well as assumptions that affect the application of accounting standards in the Group and the reporting of assets and liabilities as well as income and expenses. Actual amounts may differ from these estimates.

These consolidated interim financial statements have been prepared in accordance with the same accounting policies as the last consolidated financial statements for fiscal year 2012. A detailed description of the principles applied in preparing the consolidated financial statements and the accounting methods used can be found in the notes to the IFRS consolidated financial statements for the year ended 31 December 2012, which are contained in the Company's 2012 Annual Report.

The unaudited interim financial statements were prepared in euro. The amounts, including the previous year's figures, are stated in EUR thousand (TEUR).

## 3 SCOPE OF CONSOLIDATION

All of the Company's subsidiaries are included in the consolidated financial statements of PATRIZIA Immobilien AG. The Group includes all companies controlled by PATRIZIA Immobilien AG. In addition to the parent company, the scope of consolidation comprises 68 subsidiaries. They are included in the consolidated financial statements in line with the rules of full consolidation. In addition, one participating interest in a SICAV is accounted for at equity in the consolidated financial statements. The SICAV is a stock corporation with variable equity in accordance with the laws of Luxembourg. In addition, 28.3% of the limited liability capital is held in one real estate development company (in the form of a GmbH & Co. KG), while 30% is held in the associated general partner. A significant influence does not apply here because provisions in the partnership agreement mean that management cannot be exercised, that a significant influence cannot be exerted on the management and that there is no entitlement to appoint members of the governing organs. The shares in the project development company are accounted for at purchase cost.

Associated companies are companies in which PATRIZIA has a holding and significant influence but no supervision or joint management. The shares are accordingly valued at their fair value and changes to the fair value are reported in the net result.

## COMPANY ACQUISITIONS

### Purchase of Tamar Capital Group Ltd

As at 22 April 2013, PATRIZIA Immobilien AG purchased 100% of Tamar Capital Group Ltd's shares with voting rights.

Tamar Capital Group Ltd is a London-based real estate investment and asset management company. In addition to its home market, Tamar Capital Group Ltd is also currently active on the German, French, Scandinavian and Belgian markets and places special emphasis on light industrial, retail and office properties. Tamar European Industrial Fund belongs to the group and is listed on the London Stock Exchange.

In acquiring Tamar Capital Group Ltd, PATRIZIA Immobilien AG is pursuing its strategic goal of expanding its business activities in other European countries and of establishing itself as the leading, fully integrated real-estate investment company in Europe. Acquiring Tamar Capital Group Ltd thus offers PATRIZIA Immobilien AG the opportunity to strengthen its presence in various core European markets, especially in the United Kingdom and France, thereby expanding its service offering, investor commitment and consequently the volume of managed investments in the area of commercial real estate throughout Europe. Moreover, besides the strategic aspects of market positioning, the integration of the Tamar Group into the PATRIZIA group of companies is also expected to create considerable synergy effects in the areas of real-estate expertise, knowledge of the European market and service.

### Assets acquired and liabilities assumed

At the time of acquisition, the fair values of the identified assets and liabilities of Tamar Capital Group Ltd were as follows:

	Fair value at the time of acquisition EUR '000
<b>Assets</b>	
Licenses	121
Customer contracts (asset management)	1,105
Receivables from joint venture under mezzanine loan	331
Property, plant and equipment	53
Trade receivables	522
Cash and cash equivalents	626
Other assets	524
	<b>3,282</b>
<b>Liabilities</b>	
Trade payables	65
Other liabilities	1,102
Provisions	219
Deferred tax liabilities	368
	<b>1,754</b>
<b>Total identifiable net assets at fair value</b>	<b>1,528</b>
Difference from the company acquisition	-933
<b>TOTAL COUNTERPERFORMANCE</b>	<b>595</b>

This represents a provisional purchase price allocation and may be subject to adjustments within the measurement period of twelve months.

The new fair values to be defined will be determined autonomously pursuant to IFRS 3, i. e. without any links to existing fair values, in accordance with local accounting rules and regulations.

Hidden reserves were identified in a receivable from a joint venture under a mezzanine loan and in the acquired asset management contracts and licenses. No other tangible or intangible assets that should be shown separately in expectation of a future economic benefit were identified.



The fair value and gross amount of trade receivables is TEUR 522. None of the trade receivables were impaired at the time of acquisition and it is expected that it will be possible to collect all the contractual amounts.

### Counterperformance

The counterperformance (excluding transaction costs) for the assets acquired and liabilities assumed by PATRIZIA Immobilien AG are comprised as follows:

	EUR '000
Cash payment	264
Liability from conditional counterperformance	331
<b>TOTAL COUNTERPERFORMANCE</b>	<b>595</b>

A conditional counterperformance was agreed as part of the purchase agreement with the former owners of Tamar Capital Group Ltd. Under this agreement, PATRIZIA Immobilien AG undertakes to make additional payments to the former owners if a joint venture (including its subsidiaries) whose shares that were held by Tamar Capital Group Ltd are being taken over by PATRIZIA Immobilien AG is wound up or liquidated. The winding up/liquidation is expected approximately 24 months after the date of acquisition. In such case, payments will be made to the former owners in the amount of the pro-rata proceeds from property sales after deduction of liabilities and taxes. At the time of acquisition, the fair value of the conditional counterperformance was estimated at TEUR 331.

The transaction costs of TEUR 326 were posted as an expense and reported under other operating expenses. We also expect additional costs will still be incurred as processing of the transaction continues.

### Additional information on the company acquisition

With the acquisition of the Tamar Capital Group Limited, London, the following companies were added to the scope of consolidation of PATRIZIA Immobilien AG:

- | Tamar Capital Partners Limited, Swindon
- | Tamar Capital Partners GmbH, Berlin
- | Tamar Capital France Limited, Edinburgh
- | Tamar Capital Partners SAS, Paris
- | Tamar Financial Services Limited, Edinburgh
- | Tamar Asset Management Limited, Edinburgh

### Further new companies founded

On 14 March 2013, PATRIZIA Immobilien AG founded Pearl AcquiCo Zwei GmbH und Co. KG, Frankfurt. The company's limited liability capital was initially TEUR 1. The fixed capital was increased to EUR 1 million on 22 May 2013. The purpose of the company is the founding, purchase of and direct and/or indirect participation in companies whose sole purpose is the construction and management of real estate.

On 2 April 2013, PATRIZIA Immobilien AG founded PATRIZIA Real Estate Investment Management S.à r.l., Munich. The company's share capital is TEUR 125. The purpose of the company is the founding and management of one or more Luxembourg-based specialist investment funds.

On 12 March 2013, PATRIZIA Luxembourg S.à r.l., part of the scope of consolidation of PATRIZIA Immobilien AG, founded PATRIZIA Investment Management COOP S.A., Luxembourg. The company's share capital is EUR 100. The purpose of the company is the purchase and holding of all forms of participations and of all types of certificates, holding these as investments and trading in them in any possible manner.

On 12 March 2013, PATRIZIA Luxembourg S.à r.l., part of the scope of consolidation of PATRIZIA Immobilien AG, founded PATRIZIA Investment Management SCS, Luxembourg. The company's share capital is GBP 638.95. The purpose of the company is investment in unlisted companies and all types of certificates as well as the management, monitoring and development of such investments with the principal purpose of indirect investment in real estate and its management.

#### **4 INVESTMENT PROPERTY**

Qualifying real estate as an investment is based on a corresponding management decision to use the real estate in question to generate rental income and thus liquidity, while realising higher rent potential over a long period and accordingly, an increase in value. The share of owner-occupier use does not exceed 10% of the rental space. Investment property is measured at fair value, with changes in value recognised through profit or loss.

Investment property is measured at market values. In principle, investment property is measured on the basis of external appraisals carried out by independent experts using current market prices or using customary valuation methods and consideration of the current and long-term rental situation. The residential property resales process was launched for individual investment properties. Valuation of these properties is based on current comparative values.

The market value is equivalent to the fair value. The valuation method used to determine fair value pursuant to IAS 40.38 et seq. is based on a hypothetical transaction price, the most likely amount at which the asset could be exchanged between knowledgeable, willing parties in an arms-length transaction. Investment property is reported at this fictitious market value without any deduction of transaction costs.

The properties that are earmarked for resale are not valued by independent experts but are instead valued by PATRIZIA using detailed project accounting. This project accounting is based on comparative values ascertained in the direct surroundings of the properties. Both offer prices and also selling prices were used for this, but only of comparable properties.

All investment property held by the Group is leased. The resultant rental income and the expenses directly associated with it are recognised in the consolidated income statement.

#### **5 PARTICIPATIONS IN ASSOCIATED COMPANIES**

The item includes the 9.09% (31 December 2012: 9.09%) share in PATRIZIA WohnModul I SICAV-FIS and the 51% share in Kenmore French Office Investments S.à r.l. resulting from the acquisition of the Tamar Capital Group Limited.

#### **6 PARTICIPATIONS**

The item "Participations" includes the 6.25% (31 December 2012: 6.25%) share in PATRoffice Real Estate GmbH & Co. KG, the 12.5% (31 December 2012: 12.5%) share in CARL A-Immo GmbH & Co. KG (formerly Blitz 12-544 GmbH & Co. KG), the 7.5% (31 December 2012: 7.5%) share in CARL HR GmbH & Co. KG (formerly Blitz 12-546 GmbH & Co. KG), the 28.3% (31 December 2012: 28.3%) participation in Projekt Feuerbachstrasse GmbH & Co. KG, the 10% (31 December 2012: 10%) share in PATRIZIA Projekt 150 GmbH, and the 30% (31 December 2012: 30%) participation in Projekt Feuerbachstrasse Verwaltung GmbH and the 3.61% share in Carl HR GmbH & Co. KG.

#### **7 INVENTORIES**

The Inventories item contains real estate that is intended for sale in the context of ordinary activities or that is intended for such sale in the context of the construction or development process; in particular, it includes real estate that has been acquired solely for the purpose of resale in the near future or for development and resale. Development also covers straightforward modernisation and renovation activities. Assessment and qualification as an inventory is undertaken within the context of the purchasing decision and implemented in the balance sheet as at the date of addition.

PATRIZIA has defined the operating business cycle as three years, because based on experience the majority of the units to be sold are sold and recognised during this time period. However, inventories are still intended for direct sale even if they are not recognised within three years.

Inventories are carried at cost. Acquisition costs comprise the directly attributable purchase and commitment costs; production costs comprise the costs directly attributable to the real estate development process.

## 8 EQUITY

The share capital of PATRIZIA Immobilien AG at the reporting date totaled TEUR 57,343 (31 December 2012: TEUR 57,343) and is divided into 57,343,000 no-par value shares. For the development of equity, please see the consolidated statement of changes in equity. As of 30 June 2013, equity improved to EUR 354.3 million (31 December 2012: EUR 336.4 million, 31 March 2013: EUR 341.7 million).

## 9 BANK LOANS

Bank loans are measured at amortised cost. They have variable interest rates. In this respect, the Group is exposed to an interest rate risk in terms of the cash flows. To limit the risk, the Group has concluded interest hedging transactions for the majority of the loans.

All loans are in euro. Where real estate is sold, financial liabilities are in principle redeemed through repayment of a specific share of the sale proceeds.

In the table below, bank loans with a residual term of up to one year include loans whose terms end within the 12 months following the reporting date. Irrespective of the terms presented in the table below, loans which serve to finance inventories are in principle reported as current loans in the balance sheet.

The residual terms of the bank loans are as follows:

### BANK LOANS

EUR '000	30.06.2013	31.03.2013	31.12.2012
Up to 1 year	372,603	63,199	52,683
More than 1 to 2 years	24,216	374,146	430,281
More than 2 to 5 years	38,699	38,572	38,090
More than 5 years	0	40,000	0
<b>TOTAL</b>	<b>435,518</b>	<b>515,917</b>	<b>521,054</b>

### MATURITY OF LOANS BY FISCAL YEAR (1 JANUARY TO 31 DECEMBER)

Year	Amount of loans due as at					
	30.06.2013		31.03.2013		31.12.2012	
	EUR '000	in %	EUR '000	in %	EUR '000	in %
2013	26,136	6.0	63,199	12.2	52,683	10.1
2014	370,683	85.1	374,146	72.5	430,281	82.6
2015	38,699	8.9	38,572	7.5	38,090	7.3
2016	0	0.0	40,000	7.8	0	0.0
<b>TOTAL</b>	<b>435,518</b>	<b>100</b>	<b>515,917</b>	<b>100</b>	<b>521,054</b>	<b>100</b>

### MATURITY OF LOANS BY QUARTER

Year	Quarter	Amount of loans due as at 30.06.2013	
		EUR '000	in %
2013	Q3	19,832	4.5
	Q4	6,304	1.4
2014	Q2	346,467	79.6
	Q4	24,216	5.6
2015	Q4	38,699	8.9
<b>TOTAL</b>		<b>435,518</b>	<b>100</b>

## 10 REVENUES

Revenues comprise purchase price receipts from the sale of real estate held in inventories, on-going rental revenues, revenues from services and other revenues. Please refer to the statements on segment reporting.

## 11 FINANCIAL RESULT

EUR '000	2 <sup>nd</sup> quarter 2013	2 <sup>nd</sup> quarter 2012	1 <sup>st</sup> half of 2013	1 <sup>st</sup> half of 2012	2012
	01.04. – 30.06.2013	01.04. – 30.06.2012	01.01. – 30.06.2013	01.01. – 30.06.2012	01.01. – 31.12.2012
Interest on bank deposits	171	43	247	85	168
Change in the value of derivatives	4,874	2,122	9,768	2,857	11,028
Other interest	77	108	80	260	531
<b>Financial income</b>	<b>5,122</b>	<b>2,273</b>	<b>10,095</b>	<b>3,202</b>	<b>11,727</b>
Interest on revolving lines of credit and loans	-2,158	-3,121	-4,484	-7,458	-13,101
Interest-rate hedging expense	-4,979	-4,658	-9,997	-9,331	-18,798
Change in the value of derivatives	0	0	0	0	0
Release of other result from cash flow hedging	0	0	0	0	-781
Other finance costs	-1,059	-631	-1,495	-981	-2,177
<b>Financial expenses</b>	<b>-8,196</b>	<b>-8,410</b>	<b>-15,976</b>	<b>-17,770</b>	<b>-34,857</b>
<b>FINANCIAL RESULT</b>	<b>-3,074</b>	<b>-6,137</b>	<b>-5,881</b>	<b>-14,568</b>	<b>-23,130</b>
<b>Financial result adjusted for valuation effects</b>	<b>-7,948</b>	<b>-8,259</b>	<b>-15,649</b>	<b>-17,425</b>	<b>-33,377</b>

## 12 EARNINGS PER SHARE

	2 <sup>nd</sup> quarter 2013	2 <sup>nd</sup> quarter 2012	1 <sup>st</sup> half of 2013	1 <sup>st</sup> half of 2012	2012
	01.04. – 30.06.2013	01.04. – 30.06.2012	01.01. – 30.06.2013	01.01. – 30.06.2012	01.01. – 31.12.2012
Net profit for the period (in EUR '000)	12,550	2,113	17,746	5,310	25,461
Number of shares issued	57,343,000	52,130,000	57,343,000	52,130,000	57,343,000
Weighted number of shares	57,343,000	57,343,000	57,343,000	57,343,000	57,343,000
<b>EARNINGS PER SHARE (IN EURO)</b>	<b>0.22</b>	<b>0.04</b>	<b>0.31</b>	<b>0.09</b>	<b>0.44</b>

In application of IAS 33.64, the weighted number of shares for the previous year (52,130,000) was adjusted. In doing so, it was assumed that the weighted number of shares during the period of 2012 corresponds to that for 2013.

The Managing Board was authorised, by resolution of the Annual General Meeting on 20 June 2012, to increase the share capital on one or more occasions with the consent of the Supervisory Board by up to a total of EUR 14,335,750 in exchange for cash contributions and/or contributions in kind by issuing new, registered no-par value shares (Authorised Capital 2012) by 19 June 2017.

## 13 SEGMENT REPORTING

With the exception of the two asset management companies and PATRIZIA Alternative Investment GmbH, the operating subsidiaries headquartered in Germany were merged into PATRIZIA Deutschland GmbH as of 1 July 2013. Foreign subsidiaries will continue to be run as independent entities. Functions within the new organisational structure will be bundled at national level and managed transnationally. The realignment ensures that PATRIZIA is prepared for further international growth.

From now on the business segments will no longer be categorised according to type of use into residential and commercial but according to whether PATRIZIA is acting as investor or service provider. In line with the Group's reporting for management purposes and in accordance with the definition contained in IFRS 8 "Operating segments", two segments have been identified based on functional criteria: Investments and Management Services. Besides functional criteria, the two operating segments will also be delimited by geographical criteria. Country assignment will be effected according to the place of the real estate asset being supported. Foreign subsidiaries will continue to be reported in total for the time being owing to the still low contribution made by national companies to revenues and results.

In addition, PATRIZIA Immobilien AG (corporate administration) together with the management of foreign subsidiaries will be reported under Corporate. Corporate does not constitute an operating segment with an obligation to report but is presented separately owing to its activity as an internal service provider and its transnational function.

The elimination of intercompany revenues, interim results and the reversal of intercompany interest charges will be performed via the Consolidation column. The "Group" column thus consolidates all internal services between the segments Investments and Management Services and the holding company within a country; it represents the external service provided by the Group in the region concerned. Transnational consolidation is performed in the Corporate row.

The **segment Investments** bundles primarily portfolio management and the sale of own investments. As of the reporting date, the segment had a portfolio of around 5,350 residential units (31 December 2012: around 6,000) as well as project developments that are reported as investment property and inventories. Clients include private and institutional investors that invest either in individual residential units or in real estate portfolios. It is planned to sell off the entire stock of own property as far as possible by the end of 2015.

Furthermore, the results of all participating interests from co-investments (without interim profits) are also reported in this segment.

The **segment Management Services** covers a wide spectrum of real estate services, in particular analysis and advice when purchasing individual residential and commercial properties or portfolios (Acquisition and Sales), the management of real estate (Property Management), value-oriented management of real estate portfolios (Asset Management) as well as strategic consulting with regard to investment strategy, portfolio planning and allocation (Portfolio Management) and the execution of non-standard investments (Alternative Investments). Special funds will also be established and managed via the Group's two own asset management companies at a client's individual request. Commission revenues generated by services, from co-investments and from business with external third parties, will be reported in the segment Management Services. These also include income from participating interests that are granted as interim profits for Asset Management of the two co-investments Südewo and GBW.

The range of services provided by the segment Management Services will be increasingly used by external third parties as assets under management grow and PATRIZIA sells off more and more of its own portfolio.

The PATRIZIA Group's internal control and reporting measures are primarily based on the principles of accounting under IFRS. The Group measures the success of its segments using segment earnings, which for the purposes of internal control and reporting are referred to as EBT and operating EBT (operating result).

EBT, the measure of segment earnings, comprises the total of revenues, income from the sale of investment property, changes in inventories, cost of materials and staff costs, amortisation and depreciation, other operating income and expenses as well as income from participations (including investments valued at equity) and the financial result.

Certain adjustments are made in the course of determining operating EBT (operating result). First, these involve non-cash effects such as amortisation on other intangible assets (fund management contracts) transferred in the course of the acquisition of PATRIZIA GewerbeInvest Kapitalanlagegesellschaft mbH and Tamar Capital Group Ltd, unrealised changes in the value of investment property and the results of the market valuation of the interest-rate hedging instruments. Second, income-related realised changes in the value of investment property are then added to this.

Revenues arise between reportable segments. These intercompany services are invoiced at market prices.

Due to the capital intensity of the segment, the assets and liabilities in the Investments segment account for well over 90% of the Group's total assets and liabilities. For this reason, there is no breakdown of assets and liabilities by individual segment.

The individual segment figures are set out below. The reporting of amounts in EUR thousands can result in rounding differences. The calculation of individual financial figures is carried out on the basis of non-rounded figures. Figures from the previous year have been adapted to the new structure.

## SECOND QUARTER 2013 (1 APRIL –30 JUNE 2013)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
<b>Germany</b>					
External revenues	22,637	24,173	0	0	46,809
Purchase price revenues from single unit sales	11,768	0			11,768
Purchase price revenues from bloc sales	200	0			200
Rental revenues	8,082	0			8,082
Revenues from services	0	24,172			24,172
Co-investments		14,762			14,762
Third parties		9,411			9,411
Other revenues	2,587	0			2,587
Intercompany revenues	57	6,753	0	-6,810	0
<b>Abroad<sup>1</sup></b>					
External revenues	0	827	0	0	827
Revenues from services		827			827
Third parties		827			827
Intercompany revenues	0	512	0	0	512
<b>Corporate</b>					
External revenues	0	0	23	0	23
Intercompany revenues	0	0	3,321	-3,321	0
<b>Consolidation</b>					
External revenues	0	0	0	0	0
Intercompany revenues	0	-512	-3,321	3,321	-512
<b>Group</b>					
External revenues	22,637	25,000	23	0	47,660
Purchase price revenues from single unit sales	11,768	0	0		11,768
Purchase price revenues from bloc sales	200	0	0		200
Rental revenues	8,083	0	0		8,083
Revenues from services	0	25,000	22		25,022
Co-investments		14,762	22		14,784
Third parties		10,238	0		10,238
Other revenues	2,587	0	0		2,587
Intercompany revenues	57	6,753	0	-6,810	0
<b>Financial Result</b>	<b>-3,553</b>	<b>-240</b>	<b>738</b>	<b>-19</b>	<b>-3,074</b>
<b>Financial income</b>					
Germany	5,748	341	0	0	6,089
Abroad	2,860	0	0	0	2,860
Corporate	0	0	1,729	0	1,729
Consolidation	0	0	0	-5,556	-5,556
<b>Group</b>	<b>8,608</b>	<b>341</b>	<b>1,729</b>	<b>-5,556</b>	<b>5,122</b>
<b>Financial expenses</b>					
Germany	-10,487	-576	0	0	-11,063
Abroad	-1,674	-5	0	0	-1,679
Corporate	0	0	-992	0	-992
Consolidation	0	0	0	5,537	5,537
<b>Group</b>	<b>-12,160</b>	<b>-581</b>	<b>-992</b>	<b>5,537</b>	<b>-8,196</b>

<sup>1</sup> France, Great Britain, Luxembourg, Nordics

## PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
<b>EBT (IFRS)</b>					
Germany	-404	17,384	0	-43	16,937
Abroad	1,186	-945	0	0	240
Corporate	0	0	-5,600	0	-5,600
Consolidation	0	0	0	-20	-20
<b>Group</b>	<b>782</b>	<b>16,438</b>	<b>-5,600</b>	<b>-63</b>	<b>11,557</b>
<b>Adjustments</b>					
Germany	-1,720	523	0	0	-1,196
Significant non-operating earnings	4,874	-523	0	0	4,350
Market valuation income derivatives	4,874	0			4,874
Valuation of fund shares	0	-523			-523
Realised fair value	3,154	0	0	0	3,154
Abroad	0	126	0	0	126
Significant non-operating earnings		-126			-126
Valuation of fund shares		-126			-126
<b>Group</b>	<b>-1,720</b>	<b>650</b>	<b>0</b>	<b>0</b>	<b>-1,070</b>
<b>Operating result (EBT)</b>					
Germany	-2,123	17,907	0	-43	15,741
Abroad	1,186	-819	0	0	367
Corporate	0	0	-5,600	0	-5,600
Consolidation	0	0	0	-20	-20
<b>Group</b>	<b>-937</b>	<b>17,088</b>	<b>-5,600</b>	<b>-63</b>	<b>10,487</b>



## SECOND QUARTER 2012 (1 APRIL –30 JUNE 2012)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
<b>Germany</b>					
External revenues	32,770	10,693	0	0	43,463
Purchase price revenues from single unit sales	17,304	0			17,304
Purchase price revenues from bloc sales	0	0			0
Rental revenues	11,026	0			11,026
Revenues from services	4	10,693			10,698
Co-investments	0	3,378			3,378
Third parties	4	7,315			7,319
Other revenues	4,436	0			4,436
Intercompany revenues	70	6,349	0	-6,418	0
<b>Abroad<sup>1</sup></b>					
External revenues	0	70	0	0	70
Revenues from services		70			70
Third parties		70			70
Intercompany revenues	0	0	0	0	0
<b>Corporate</b>					
External revenues	0	0	106	0	106
Intercompany revenues	0	0	1,829	-1,829	0
<b>Consolidation</b>					
External revenues	0	0	0	0	0
Intercompany revenues	0	0	-1,829	1,829	0
<b>Group</b>					
External revenues	32,770	10,763	106	0	43,639
Purchase price revenues from single unit sales	17,304	0	0		17,304
Purchase price revenues from bloc sales	0	0	0		0
Rental revenues	11,027	0	0		11,027
Revenues from services	4	10,763	102		10,869
Co-investments	0	3,378	102		3,481
Third parties	4	7,384	0		7,389
Other revenues	4,436	0	3		4,439
Intercompany revenues	70	6,349	0	-6,418	0
<b>Financial Result</b>	<b>-7,367</b>	<b>-319</b>	<b>1,549</b>	<b>0</b>	<b>-6,136</b>
<b>Financial income</b>					
Germany	3,533	444	0	0	3,977
Abroad	3,777	0	0	0	3,777
Corporate	0	0	2,226	0	2,226
Consolidation	0	0	0	-7,707	-7,707
<b>Group</b>	<b>7,310</b>	<b>444</b>	<b>2,226</b>	<b>-7,707</b>	<b>2,273</b>
<b>Financial expenses</b>					
Germany	-12,184	-763	0	0	-12,947
Abroad	-2,493	0	0	0	-2,493
Corporate	0	0	-677	0	-677
Consolidation	0	0	0	7,707	7,707
<b>Group</b>	<b>-14,677</b>	<b>-763</b>	<b>-677</b>	<b>7,707</b>	<b>-8,410</b>

<sup>1</sup> France, Great Britain, Luxembourg, Nordics

## PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
<b>EBT (IFRS)</b>					
Germany	474	5,343	0	265	6,082
Abroad	1,284	-69	0	0	1,215
Corporate	0	0	-2,617	0	-2,617
Consolidation	0	0	0	0	0
<b>Group</b>	<b>1,759</b>	<b>5,274</b>	<b>-2,617</b>	<b>265</b>	<b>4,680</b>
<b>Adjustments</b>					
Germany	611	492	0	0	1,103
Significant non-operating earnings	2,122	-492	0	0	1,630
Market valuation income derivatives	2,122	0			2,122
Valuation of fund shares	0	-492			-492
Realised fair value	2,733	0	0	0	2,733
<b>Group</b>	<b>611</b>	<b>492</b>	<b>0</b>	<b>0</b>	<b>1,103</b>
<b>Operating result (EBT)</b>					
Germany	1,086	5,835	0	265	7,186
Abroad	1,284	-69	0	0	1,215
Corporate	0	0	-2,617	0	-2,617
Consolidation	0	0	0	0	0
<b>Group</b>	<b>2,370</b>	<b>5,766</b>	<b>-2,617</b>	<b>265</b>	<b>5,783</b>



## FIRST HALF OF 2013 (1 JANUARY - 30 JUNE 2013)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
<b>Germany</b>					
External revenues	52,964	35,734	0	0	88,698
Purchase price revenues from single unit sales	30,375	0			30,375
Purchase price revenues from bloc sales	200	0			200
Rental revenues	16,586	0			16,586
Revenues from services	0	35,733			35,733
Co-investments		17,657			17,657
Third parties		18,076			18,076
Other revenues	5,803	0			5,803
Intercompany revenues	144	11,466	0	-11,610	0
<b>Abroad<sup>1</sup></b>					
External revenues	0	1,039	0	0	1,039
Revenues from services		1,039			1,039
Third parties		1,039			1,039
Intercompany revenues	0	512	0	0	512
<b>Corporate</b>					
External revenues	0	0	24	0	24
Intercompany revenues	0	0	6,168	-6,168	0
<b>Consolidation</b>					
External revenues	0	0	0	0	0
Intercompany revenues	0	-512	-6,168	6,168	-512
<b>Group</b>					
External revenues	52,964	36,773	24	0	89,761
Purchase price revenues from single unit sales	30,375	0	0		30,375
Purchase price revenues from bloc sales	200	0	0		200
Rental revenues	16,586	0	1		16,587
Revenues from services	0	36,772	23		36,796
Co-investments	0	17,657	23		17,681
Third parties	0	19,115	0		19,115
Other revenues	5,803	0	0		5,803
Intercompany revenues	144	11,466	0	-11,610	0
<b>Financial Result</b>	<b>-7,385</b>	<b>-552</b>	<b>2,076</b>	<b>-20</b>	<b>-5,881</b>
<b>Financial income</b>					
Germany	12,284	505	0	0	12,789
Abroad	5,956	0	0	0	5,956
Corporate	0	0	3,451	0	3,451
Consolidation	0	0	0	-12,101	-12,101
<b>Group</b>	<b>18,240</b>	<b>505</b>	<b>3,451</b>	<b>-12,101</b>	<b>10,095</b>
<b>Financial expenses</b>					
Germany	-22,110	-1,052	0	0	-23,161
Abroad	-3,516	-5	0	0	-3,520
Corporate	0	0	-1,375	0	-1,375
Consolidation	0	0	0	12,081	12,081
<b>Group</b>	<b>-25,625</b>	<b>-1,056</b>	<b>-1,375</b>	<b>12,081</b>	<b>-15,976</b>

<sup>1</sup> France, Great Britain, Luxembourg, Nordics

## PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
<b>EBT (IFRS)</b>					
Germany	6,041	19,921	0	184	26,146
Abroad	2,440	-1,239	0	0	1,201
Corporate	0	0	-9,539	0	-9,539
Consolidation	0	0	0	-20	-20
<b>Group</b>	<b>8,481</b>	<b>18,682</b>	<b>-9,539</b>	<b>164</b>	<b>17,787</b>
<b>Adjustments</b>					
Germany	-790	1,015	0	0	225
Significant non-operating earnings	9,768	-1,015	0	0	8,752
Market valuation income derivatives	9,768	0			9,768
Valuation of fund shares	0	-1,015			-1,015
Realised fair value	8,978	0	0	0	8,978
Abroad	0	126	0	0	126
Significant non-operating earnings		-126			-126
Valuation of fund shares		-126			-126
<b>Group</b>	<b>-790</b>	<b>1,142</b>	<b>0</b>	<b>0</b>	<b>352</b>
<b>Operating result (EBT)</b>					
Germany	5,251	20,936	0	184	26,371
Abroad	2,440	-1,113	0	0	1,327
Corporate	0	0	-9,539	0	-9,539
Consolidation	0	0	0	-20	-20
<b>Group</b>	<b>7,691</b>	<b>19,823</b>	<b>-9,539</b>	<b>164</b>	<b>18,139</b>





## FIRST HALF OF 2012 (1 JANUARY - 30 JUNE 2012)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
<b>Germany</b>					
External revenues	74,052	29,142	0	0	103,194
Purchase price revenues from single unit sales	41,756	0			41,756
Purchase price revenues from bloc sales	1,290	0			1,290
Rental revenues	22,410	0			22,410
Revenues from services	4	29,142			29,146
Co-investments	0	15,899			15,899
Third parties	4	13,243			13,247
Other revenues	8,593	0			8,593
Intercompany revenues	130	9,418	0	-9,548	0
<b>Abroad<sup>1</sup></b>					
External revenues	0	70	0	0	70
Revenues from services		70			70
Third parties		70			70
Intercompany revenues	0	0	0	0	0
<b>Corporate</b>					
External revenues	0	0	110	0	110
Intercompany revenues	0	0	3,272	-3,272	0
<b>Consolidation</b>					
External revenues	0	0	0	0	0
Intercompany revenues	0	0	-3,272	3,272	0
<b>Group</b>					
External revenues	74,052	29,212	110	0	103,374
Purchase price revenues from single unit sales	41,756	0	0		41,756
Purchase price revenues from bloc sales	1,290	0	0		1,290
Rental revenues	22,410	0	1		22,411
Revenues from services	4	29,212	106		29,321
Co-investments	0	15,899	106		16,004
Third parties	4	13,313	0		13,317
Other revenues	8,593	0	3		8,596
Intercompany revenues	130	9,418	0	-9,548	0
<b>Financial Result</b>	<b>-16,821</b>	<b>-785</b>	<b>3,038</b>	<b>-14</b>	<b>-14,568</b>
<b>Financial income</b>					
Germany	5,618	742	0	0	6,360
Abroad	7,666	0	0	0	7,666
Corporate	0	0	4,196	0	4,196
Consolidation	0	0	0	-15,021	-15,021
<b>Group</b>	<b>13,284</b>	<b>742</b>	<b>4,196</b>	<b>-15,021</b>	<b>3,202</b>
<b>Financial expenses</b>					
Germany	-24,999	-1,527	0	0	-26,526
Abroad	-5,106	0	0	0	-5,106
Corporate	0	0	-1,159	0	-1,159
Consolidation	0	0	0	15,021	15,021
<b>Group</b>	<b>-30,105</b>	<b>-1,527</b>	<b>-1,159</b>	<b>15,021</b>	<b>-17,770</b>

<sup>1</sup> France, Great Britain, Luxembourg, Nordics

## PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
<b>EBT (IFRS)</b>					
Germany	35	11,512	0	533	12,080
Abroad	2,560	-270	0	0	2,291
Corporate	0	0	-5,344	0	-5,344
Consolidation	0	0	0	0	0
<b>Group</b>	<b>2,595</b>	<b>11,242</b>	<b>-5,344</b>	<b>533</b>	<b>9,027</b>
<b>Adjustments</b>					
Germany	3,509	984	0	0	4,493
Significant non-operating earnings	2,857	-984	0	0	1,873
Market valuation income derivatives	2,857	0			2,857
Valuation of fund shares	0	-984			-984
Realised fair value	6,367	0	0	0	6,367
<b>Group</b>	<b>3,509</b>	<b>984</b>	<b>0</b>	<b>0</b>	<b>4,493</b>
<b>Operating result (EBT)</b>					
Germany	3,544	12,496	0	533	16,573
Abroad	2,560	-270	0	0	2,290
Corporate	0	0	-5,344	0	-5,344
Consolidation	0	0	0	0	0
<b>Group</b>	<b>6,104</b>	<b>12,226</b>	<b>-5,344</b>	<b>533</b>	<b>13,520</b>



#### 14 TRANSACTIONS WITH RELATED COMPANIES AND INDIVIDUALS

At the reporting date, the Managing Board of PATRIZIA Immobilien AG was not aware of any dealings, contracts or legal transactions with associated or related parties and/or companies for which the Company does not receive appropriate consideration at arm's length conditions. All such transactions are conducted at arm's length and do not differ substantially from transactions with other parties for the provision of goods and services.

The disclosures on related party transactions contained in section 9.3 of the notes to the consolidated financial statements in the 2012 Annual Report remain valid.

#### 15 DECLARATION OF THE LEGAL REPRESENTATIVES OF PATRIZIA IMMOBILIEN AG IN LINE WITH ARTICLE 37Y OF THE WERT-PAPIERHANDELSGESETZ (WPHG – GERMAN SECURITIES ACT) IN CONJUNCTION WITH ARTICLE 37W (2) NO. 3 OF THE WPHG

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, we declare that the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and that the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.



**Wolfgang Egger**  
CEO



**Arwed Fischer**  
CFO



**Klaus Schmitt**  
COO

## Financial Calendar and Contact Details

#### FINANCIAL CALENDAR 2013

7 August 2013	Interim report for the first half of 2013
7 November 2013	Interim report for the first nine months of 2013

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This interim report was published on 7 August 2013. This is a translation of the German interim report. In case of divergence from the German version, the German version shall prevail.

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