
Declaration of Conformity with the German Corporate Governance Code for Fiscal 2007 by the Managing Board and Supervisory Board of PATRIZIA Immobilien AG pursuant to Section 161 of the German Stock Corporation Law

Pursuant to Section 161 of the German Stock Corporation Law (AktG), the Managing Board and the Supervisory Board of PATRIZIA Immobilien AG hereby submit the following declaration of conformity:

In fiscal 2006, PATRIZIA Immobilien AG complied with the recommendations of the current valid version of the German Corporate Governance Code (GCGC) with those exceptions listed in this declaration in accordance with Section 161 AktG.

As of fiscal 2007, PATRIZIA Immobilien AG complies with the recommendations of the German Corporate Governance Code in the version dated June 12, 2006, with the following exceptions:

No deductibles for D&O insurance (Section 3.8 Paragraph 2 GCGC)

In accordance with Section 3.8 GCGC, a suitable deductible is to be agreed if the company takes out a D&O insurance policy for the Managing Board and Supervisory Board. However, no deductibles have been agreed in the D&O policy that the company has taken out for its Managing Board and Supervisory Board. In the view of the Managing Board and the Supervisory Board, a deductible has no influence on the loyalty and sense of responsibility with which the members of either body discharge the duties entrusted to them. Accordingly, deductibles are not necessary.

No long-term incentives containing risk elements in the compensation of the Managing Board (Section 4.2.3 GCGC)

Section 4.2.3 Paragraph 2 GCGC states that compensation of the Managing Board should also include long-term incentives that contain risk elements. In particular, Section 4.2.3 Paragraph 3 states that company stocks with a multi-year blocking period, stock options or comparable instruments (such as phantom stocks) should serve as variable compensation components with a long-term incentive effect and risk elements. At the present time, the Managing Board's total compensation package does contain fixed and variable elements. However, it does not yet include long-term incentives which contain risk elements. The corresponding recommendations of the Corporate Governance Code are therefore irrelevant to the company. The company nevertheless intends to propose to the General Meeting on June 13, 2007 a concept for the development of a stock option programme which would comply with the requirements of Section 4.2.3 GCGC.

No committees formed within the Supervisory Board (Section 5.2 Paragraph 2 GCGC)

Section 5.2 Paragraph 2 GCGC states that the Chairman of the Supervisory Board is also to chair committees formed by the Supervisory Board (with the exception of the Audit Committee). The Supervisory Board of PATRIZIA Immobilien AG consists of three members. In light of this small number, the formation of committees does not make sense (cf. the declaration regarding Section 5.3 GCGC). This recommendation is therefore irrelevant to the company.

No committees formed within the Supervisory Board (Section 5.3 Paragraph 1 GCGC)

Section 5.3 Paragraph 1 GCGC states that the Supervisory Board should, depending on the specifics of the company and the number of its members, form committees with the appropriate expertise. The Supervisory Board of PATRIZIA Immobilien AG consists of three members. In light of this small number, the formation of committees does not make sense.

No committees formed within the Supervisory Board (Section 5.3 Paragraph 2 GCGC)

Section 5.3 Paragraph 2 GCGC states that the Supervisory Board should set up an Audit Committee. The Supervisory Board of PATRIZIA Immobilien AG consists of three members. In light of this small number, the formation of committees does not make sense.

No performance-related compensation for the Supervisory Board (Section 5.4.7 Paragraph 2 GCGC)

Section 5.4.7 Paragraph 2 GCGC states that members of the Supervisory Board should receive both fixed and performance-related compensation. At present, the members of the Supervisory Board receive no performance-related compensation. In response to the increasing demands placed on the Supervisory Board, however, the company intends to propose to the General Meeting on June 13, 2007 a change in the compensation provided to the Supervisory Board (in the form of an amendment to the Articles of Association on which the meeting must resolve). This proposal envisages a performance-related compensation component in addition to a fixed component.

Augsburg, February 23, 2007

On behalf of the Managing Board:

Wolfgang Egger
Alfred Hoschek
Klaus Schmitt
Dr. Georg Erdmann

On behalf of the Supervisory Board:

Dr. Theodor Seitz
Chairman of the Supervisory Board