

Conference Call on 9M 2014

Business Development, Financials & Outlook 2014

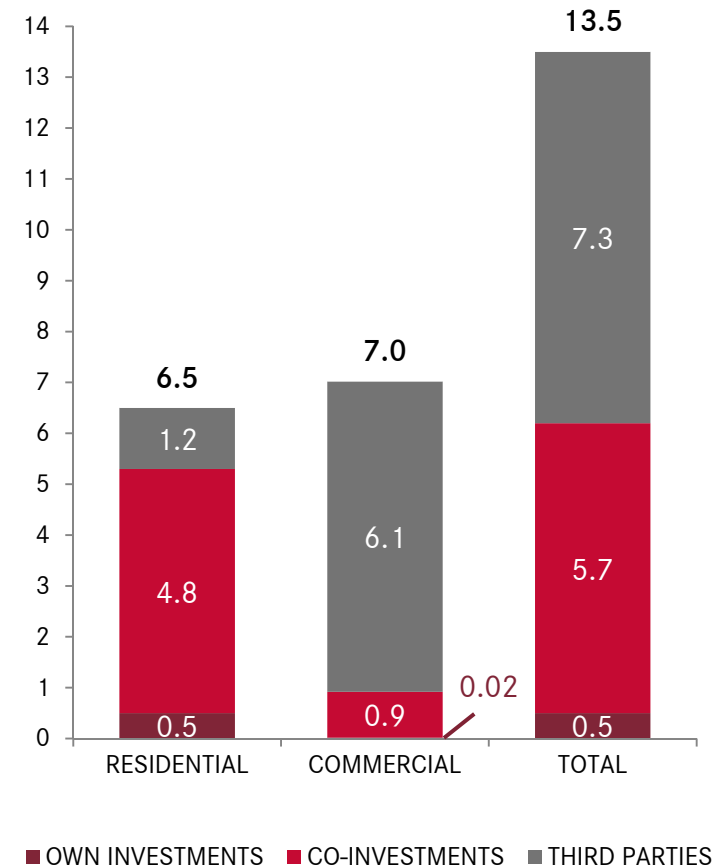
11 November 2014



Financial Figures 9M 2014 at a Glance

- **Assets under management** rose by 14% to EUR 13.5bn (FY 2013: EUR 11.8bn)
 - ◆ Around 96% managed on behalf of third parties and co-investments
 - ◆ 19% or EUR 2.6bn outside Germany
- **Operating result** of EUR 26.3m (9M 2013: EUR 18.7m; +41%)
EBT (IFRS) of EUR 15.5m (9M 2013: EUR 20.0m; -23%)
Net profit/loss for the period (IFRS) of EUR 14.9m (9M 2013: EUR 19.7m; -24%)
- **Cash and cash equivalents** of EUR 123.3m show the stable basis of the PATRIZIA Group and potential for further growth (31 Dec 2013: EUR 105.5m, +17%)
- **Indebtedness** as of 30 Sept 2014: EUR 215m bank loans and EUR 77m bonded loans (FY 2013: EUR 399m, -27%)
- **Equity ratio** rose by 6.4 percentage points to 48.3%
- **Number of staff** in the Group 735 FTE (31 Dec 2013: 688, +6.8%)

ASSETS UNDER MANAGEMENT (IN EUR BILLION)



Highlights in Operating Business Q3 2014

PURCHASE AGREEMENT FOR A RESIDENTIAL PORTFOLIO IN THE NETHERLANDS

- ◆ Acquired for the co-investment WohnModul I
- ◆ Biggest transaction that the Dutch market has ever seen in the housing sector: purchase price EUR 578m
- ◆ Portfolio comprises approx. 5,500 residential units in the Netherlands
- ◆ PATRIZIA is taking over the fund and asset management
- ◆ Closing expected by mid of December 2014 – acquisition still subject to the approval of various bodies on the seller side

ACQUISITION OF THREE BUSINESS PARKS IN UK (“AVIEMORE JV”)

- ◆ Acquired for another co-investment with Oaktree Capital Management
- ◆ Purchase price approximately GBP 430m (EUR 538m)
- ◆ More than 500 companies with 13,000 employees are based in the business parks
 - Hillington Park in Glasgow (Scotland’s largest business park)
 - Chineham Park in Basingstoke (close to Heathrow Airport)
 - Birchwood Park in Warrington (close to Manchester)
- ◆ Closing of the deal took place in October 2014

FUND BUSINESS & WOHNMODUL

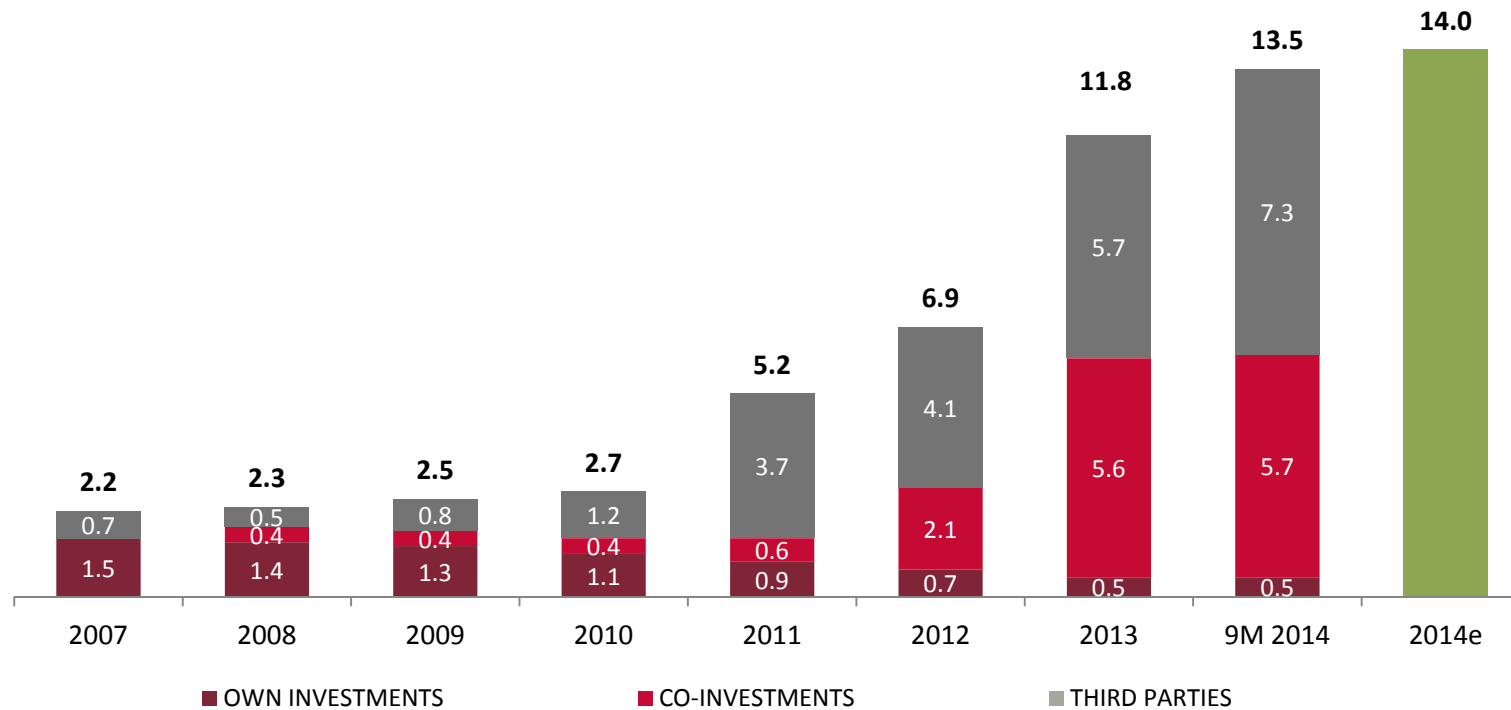
- ◆ Growth in AuM by EUR 1bn in 2014 already fulfilled

Assets under Management

AUM AS AT 30 SEPTEMBER 2014 STOOD AT EUR 13.5BN

TARGET FOR 2014 GROWTH IN AUM OF EUR 2BN WILL BE EXCEEDED

- ◆ Strong increase in co-investments till year-end:
Closing of the Netherland portfolio (EUR 578m) and the “Aviemore JV” (UK business parks, EUR 538m) in Q4



¹ As of 30 September 2014. Data from various sources, where book value is not available, investment volumes have been considered, without calculation of potential changes in value.

Further Reduction of Own Portfolio

SALE TO BE FINISHED AT YEAR-END 2015¹

- ◆ Sale of 592 units in the first nine months of 2014 (426 individual sales, 166 en bloc)
- ◆ Stable sales prices of EUR 2,720/sqm in residential property resale vs. EUR 1,712/sqm in block sales
- ◆ Average monthly rent of EUR 7.44/sqm in the first nine months of 2014
- ◆ Visibility of upcoming transactions / cash inflow due to number of notarisations



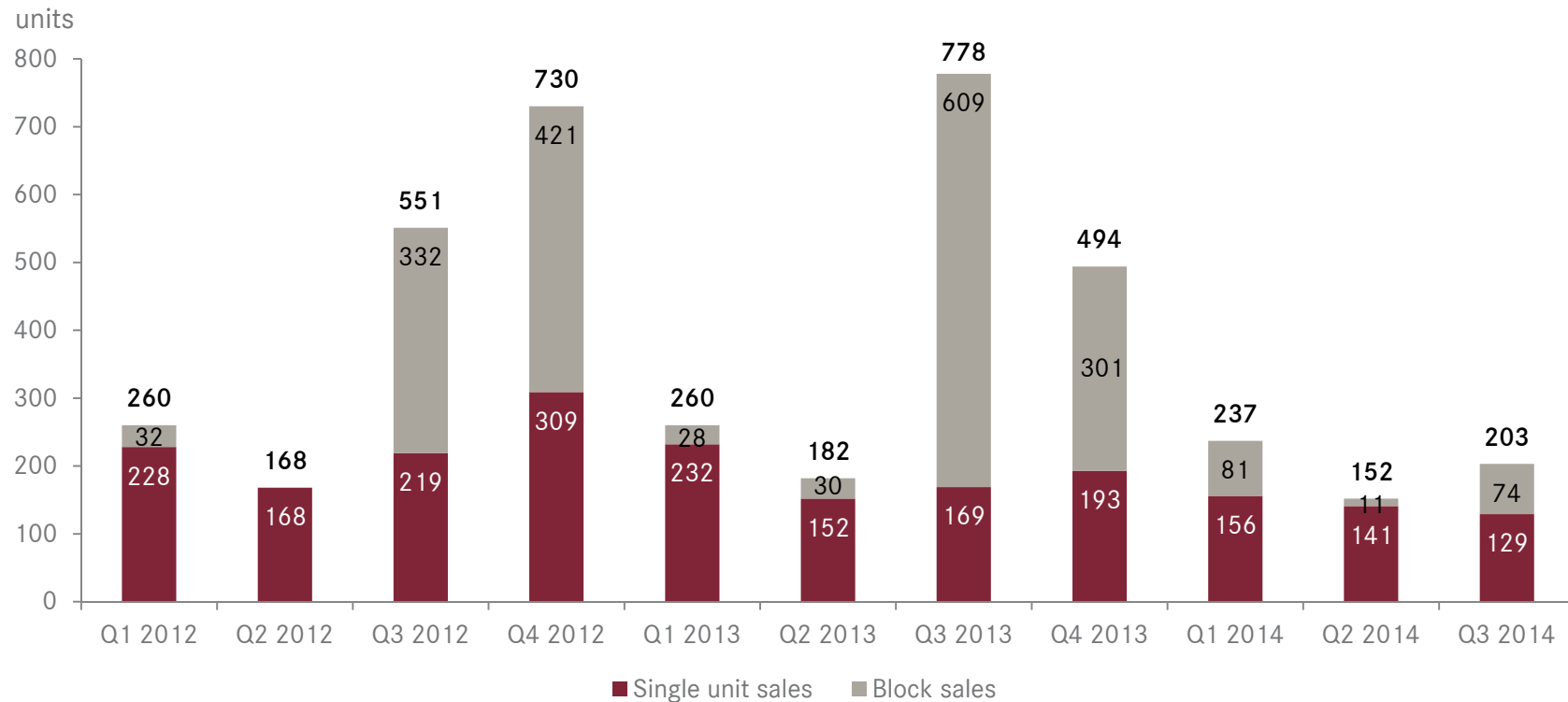
REGION/ CITY	UNITS 30.09.14	SHARE	AREA (SQM)	UNITS 31.12.07	SHARE	OUTLOOK
Cologne/Düsseldorf	988	28.4%	92,909	1,627	12.4%	
Leipzig	828	23.8%	47,874	981	7.5%	Sale of the whole Leipzig portfolio already notarised, P&L effective in Q4 (inventories)
Frankfurt/Main	726	20.9%	45,967	951	7.2%	Pure privatisation portfolio after the portfolio-deal in November, all bloc sale objects with 580 units sold in Q4
Hamburg	540	15.5%	34,740	1,418	10.8%	
Munich	281	8.1%	24,245	5,652	43.1%	Pure privatisation portfolio, last block sale object with 10 units sold in Q3
Hanover	106	3.1%	7,604	444	3.4%	Sale of the whole Hanover portfolio already notarised, P&L effective in Q4 (investment property)
Berlin	6	0.2%	594	903	6.9%	Last units left for privatisation, last block sale object with 40 units sold in Q3
Dresden	0	0%	0	561	4.3%	
Regensburg	0	0%	0	473	3.6%	
Friedrichshafen	0	0%	0	117	0.9%	
TOTAL¹	3,475	100%	253,933	13,127	100%	Approx. 1,000 units left at year's end

¹ Assets balanced as inventories and investment property, all designated for sale; without real estate developments.

Own Portfolio – Single Unit and Block Sales by Quarter

SALES HAVE ALWAYS PRESENTED THEMSELVES AS VOLATILE WITHIN A YEAR WITH HIGHEST NUMBERS IN H2

- ◆ 203 units sold in Q3 2014, 592 units in 9 months
- ◆ In addition, 44 new constructed units from real estate developments were sold in Q3 (Cologne)

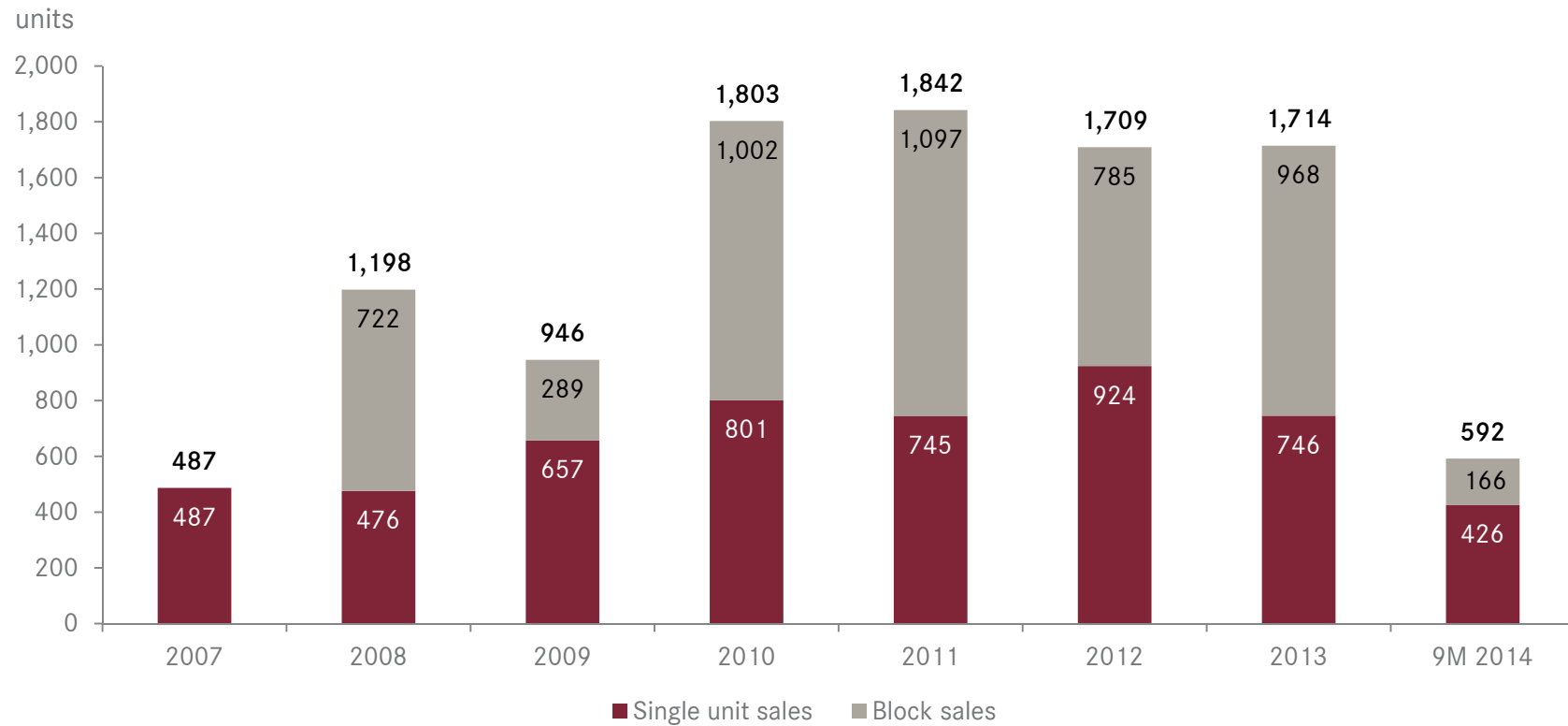


As of 30 September 2014 (transfer of ownership, usage and encumbrances)

Own Portfolio – Single Unit and Block Sales by FY

STABLE SALE FIGURES SINCE 2010

- ◆ Further 2,200 units notarised as block sales in Q4
- ◆ Target 2014: sale of 1,800 units will be exceeded



As of 30 September 2014, (transfer of ownership, usage and encumbrances)

Overview – Co-Investments

INCOME FROM CO-INVESTMENTS / PARTICIPATIONS

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BASICS

- ◆ The **acquisition and sales fee** are accounted in the P&L in the “revenues” item
- ◆ **Regular co-investment business (service fees)** is accounted in the P&L item “revenues”, too
- ◆ **Südewo** and **GBW** are accounted in the P&L item “income from participations”
- ◆ **WohnModul I** is accounted in the P&L item “earnings from companies accounted for using the equity method”

FINANCIAL FIGURES Q3 (9 MONTHS 2014)

Income from participations: EUR 4.2m (EUR 12.5m)

- ◆ **Südewo**
 - ◆ Asset management fee: EUR 1.8m (EUR 5.4m)
 - ◆ Performance fee and dividend on the invested equity will be collected in Q4 2014
- ◆ **GBW**
 - ◆ Asset management fee: EUR 2.4m (EUR 7.1m)
 - ◆ Performance fee and dividend on the invested equity will be collected in Q4 2014

Earnings from companies accounted for using the equity method: EUR 0.7m (EUR 2.3m)

Third Party Business – German "Spezialfonds"

**TARGET 2014: GROWTH OF 1BN IN AUM (FUNDS & WOHNMODUL I)
ALREADY ACHIEVED WITH EUR 1.5BN**

INSTITUTIONAL INVESTORS

Residential: PATRIZIA WohnInvest KAG

- ◆ Growth in AuM in Q3 by EUR 35m, in 9 months by EUR 52m

Commercial: PATRIZIA GewerbeInvest KAG

- ◆ Growth in AuM in Q3 by EUR 167m, in 9 months by EUR 1.5bn

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PRIVATE INVESTORS

New founded PATRIZIA GrundInvest GmbH will offer closed-ended real estate investment funds for private investors from 2015 onwards. AIFMD licence expected for Q2.

EUR MILLION	TARGET VOLUME	COMMITTED EQUITY	ASSETS UNDER MANAGEMENT	NUMBER OF FUNDS
RESIDENTIAL	2,026	1,102	981¹	7
COMMERCIAL	8.744	4.353	5.585	17
Pool Funds ²	5.273	2.463	3.442	9
Individual Funds ³	1.471	789	561	6
Label Funds ⁴	2.000	1.101	1.582	2
TOTAL	10,770	5,455	6,566	24

¹ Excludes real estate developments secured under purchase contracts

² The POOL FUNDS pool several investors for the purpose of collective investment.

³ The INDIVIDUAL FUNDS are funds where investors participate on an individual basis.

⁴ For the LABEL FUNDS, PATRIZIA merely represents the investment management company platform and is responsible for administration.

PATRIZIA Capital Allocation

AS OF 30 SEPTEMBER 2014	ASSETS UNDER MANAGEMENT IN EUR MILLION	INVESTMENT CAPITAL IN EUR MILLION	PARTICIPATION IN %
OPERATING COMPANIES¹	-	39.6	100
OWN INVESTMENTS²	465	225.7	100
CO-INVESTMENTS	5,740	128.0	
RESIDENTIAL	4,787	98.1	
GBW AG	2,726	54.7	5.1
Süddeutsche Wohnen GmbH	1,523	14.9	2.5
WohnModul I SICAV-FIS	495	26.3	9.1
Others	43	2.2	10.0
COMMERCIAL GERMANY	570	17.9	
PATROffice	326	7.0	6.3
sono west	58	5.8	30.0
DEIKON	186	5.1	5.1
COMMERCIAL INTERNATIONAL	383	12.0	
Plymouth Sound Holdings LP (UK)	65	2.1	10.0
Winnersh Holdings LP (UK)	318	9.9	5.0
THIRD PARTIES	7,279	-	0
TIED INVESTMENT CAPITAL	13,484	393.3	
Bank balances and cash	-	73.6	-
TOTAL INVESTMENT CAPITAL	13,484	466.9	
thereof borrowed capital (bonded loans)	-	77.0	-
thereof PATRIZIA equity	-	389.9	-

¹ Tied investment capital relating to the acquisition of PATRIZIA GewerbeInvest KAG and PATRIZIA UK and the development of the new companies PATRIZIA WohnInvest KAG, PATRIZIA France, PATRIZIA Netherlands, PATRIZIA Nordics, PATRIZIA UK

² Investment property and inventories including real estate developments

Income Structure – Service Business

STABLE BUSINESS MODEL DELIVERS GROWING REVENUES

- ◆ Increasing assets under management will generate higher service fees and increase earnings visibility



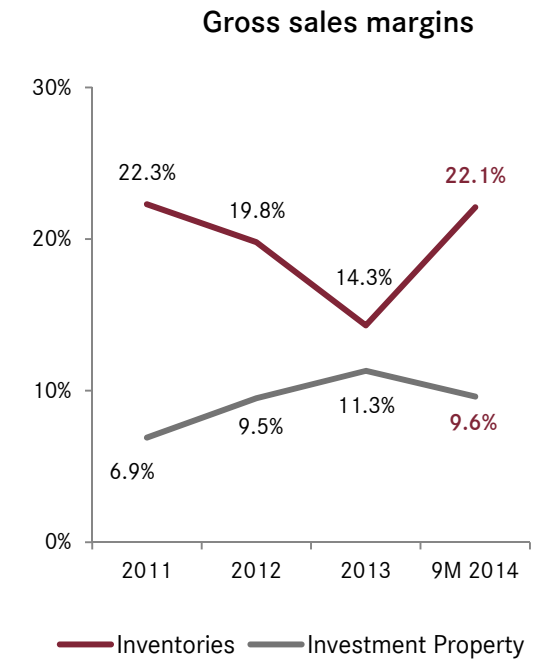
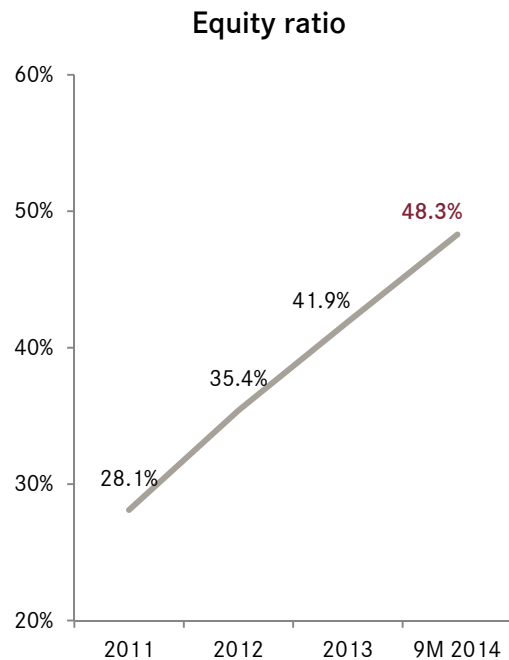
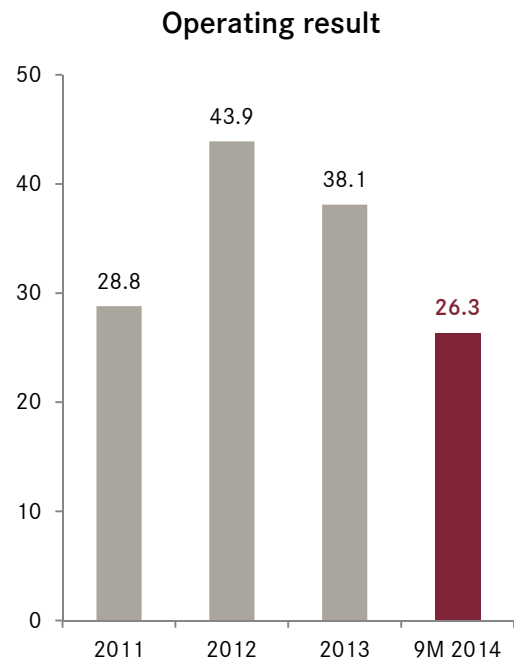
SPLIT OF REVENUES OUT OF THE SERVICE BUSINESS

	9M 2014	SHARE	9M 2013	SHARE	CHANGE
Split by fee structure	70,747	100%	55,501	100%	16.3%
Recurrent management fees	37,616	53%	27,073	49%	38.9%
Acquisition/sale and performance fees	33,131	47%	28,428	51%	16.5%
Split by level of participation	70,747	100%	55,501	100%	16.3%
Co-Investments	18,811	27%	26,724	48%	-29.6%
Third parties	51,936	73%	28,777	52%	80.5%

Key Performance Indicators

WHAT WE HAVE REACHED SO FAR

- ◆ Operating result 9M 2014: EUR 26.3m
- ◆ Equity ratio as of 30 September 2014: 48.3%
- ◆ Gross sales margin 9M 2014: 9.6% investment property, 22.1% inventories



As of 30 September 2014 in EUR million

Financials 9 Months 2014

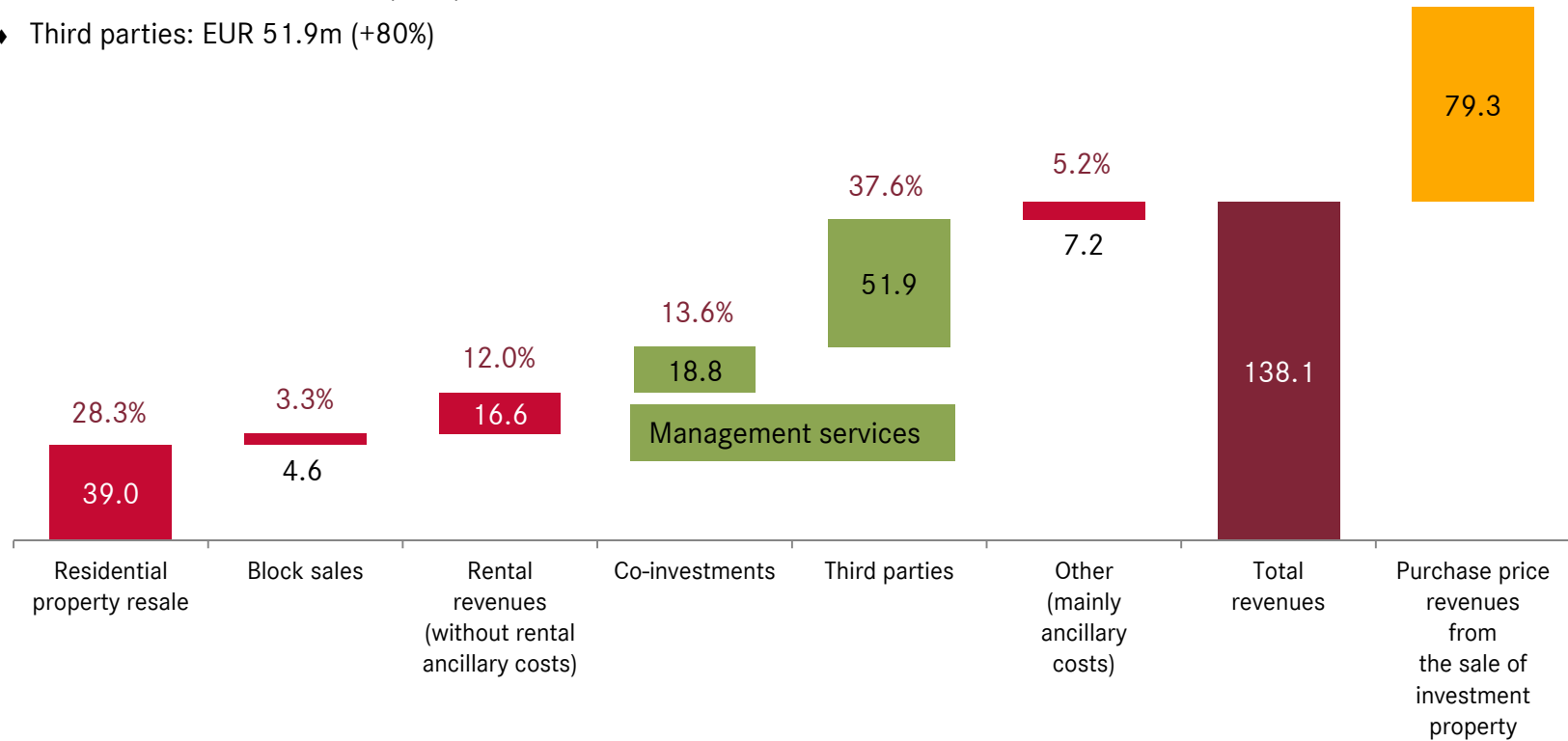
HIGHER OPERATING INCOME DRIVEN BY REALISED CHANGES IN THE VALUE OF INVESTMENT PROPERTY

SELECTED P&L ITEMS

EUR'000	9 MONTHS 2014	9 MONTHS 2013	CHANGE
Revenues			
Sales revenues	43,597	67,353	-35.3%
Single unit sales	38,997	41,862	-6.8%
Block sales	4,600	25,491	-82.0%
Rental revenues	16,574	24,009	-31.0%
Revenues service business	70,747	55,501	27.5%
Co-investments	18,811	26,724	-29.6%
Third parties	51,936	28,777	80.5%
Other revenues	7,012	8,540	-17.9%
Total revenues	131,745	155,403	-15.2%
Income from the sale of investment property	7,596	12,478	-39.1%
Cost of materials	-42,305	-39,058	8.3%
Staff cost	-53,436	-44,349	20.5%
Income from participations (incl. at equity)	14,789	16,479	-10.3%
Financial result incl. currency result	-5,694	-9,003	36.8%
EBT	15,487	19,985	-22.5%
Operating result	26,333	18,660	41.1%
Consolidated net profit	14,890	19,685	-24.4%

Split of Revenues – 9M 2014

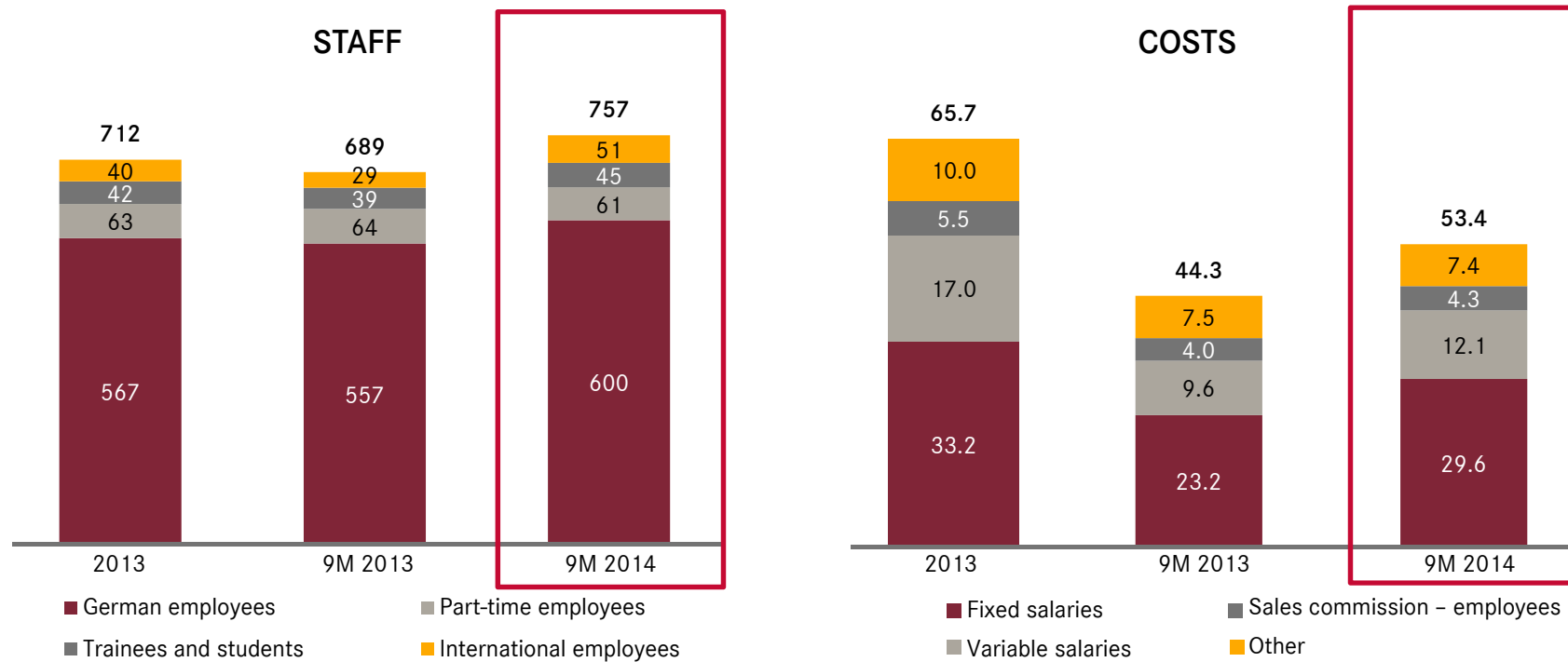
- ◆ The purchase price revenues from investment property exceed those from inventories (EUR 79.3m vs. EUR 43.6m)
- ◆ Sale of 44 new-built units from own real estate developments generated revenues of EUR 13.4m
- ◆ The revenues from **management services** rose by 27% to EUR 70.7m (9M 2013: 55.5m)
 - ◆ Co-investments: EUR 18.8m (-30%)
 - ◆ Third parties: EUR 51.9m (+80%)



Staff Costs

DEVELOPMENT OF STAFF COSTS

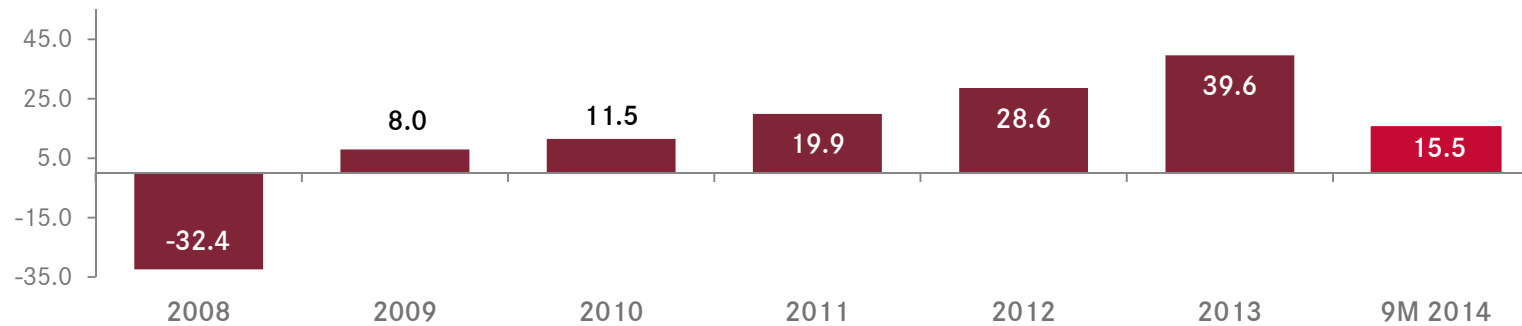
- ◆ Staff costs increased by 20.5% to EUR 53.4m (9M 2013: EUR 44.3m)
 - ◆ Driven by new appointments and salary adjustments in line with market trends
 - ◆ Staff 9M 2014/9M 2013 in comparison: 757 vs. 689 (+10%), FTE: 735 vs. 628 (+17%)



Development of IFRS Figures

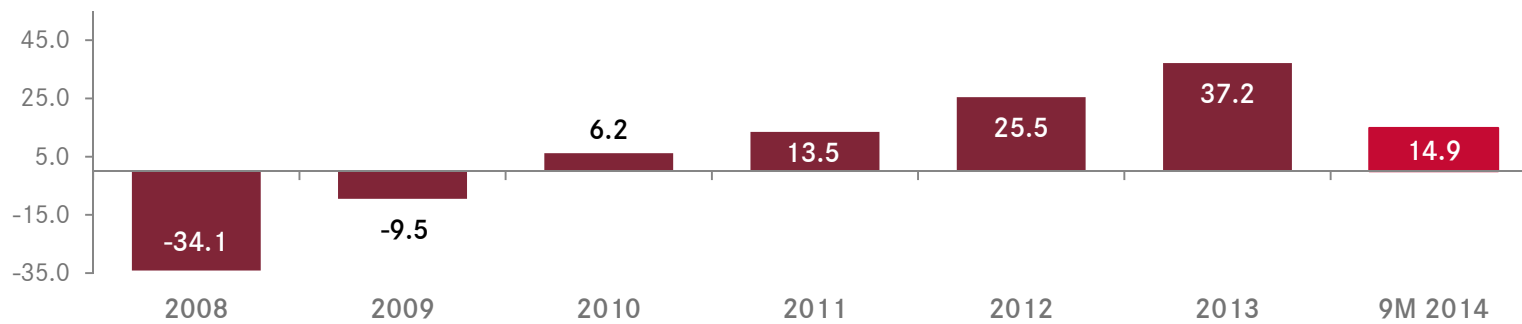
EBT

- ◆ Decrease by 22.5% compared with 9 months 2013



CONSOLIDATED NET PROFIT/LOSS

- ◆ Decrease by 24.4% compared with 9 months 2013

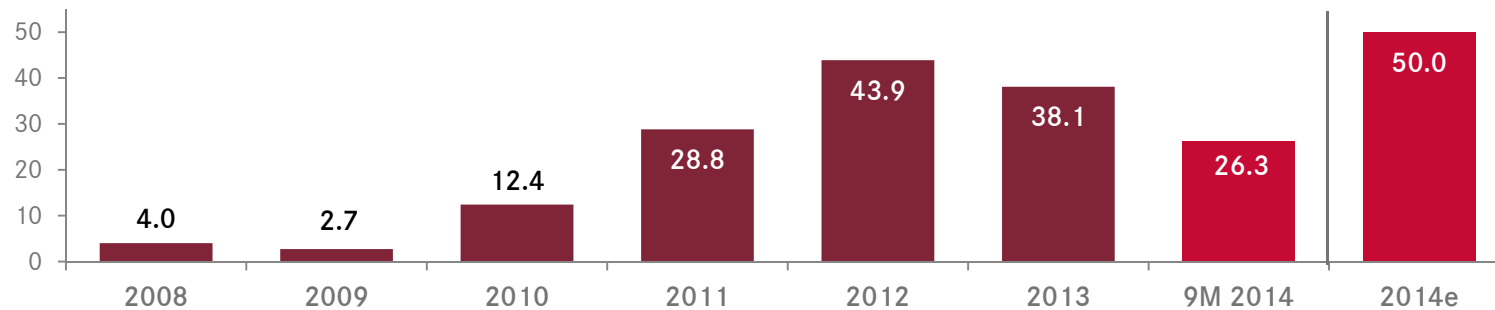


As of 30 September 2014 in EUR million

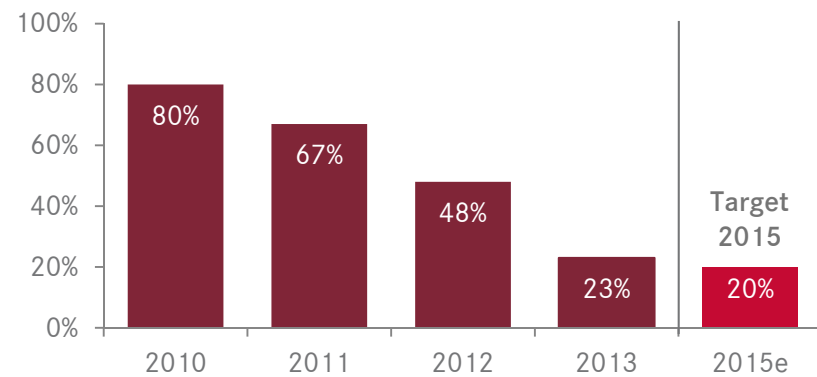
Development of the Operating Result

OPERATING RESULT IMPROVED BY 41% COMPARED WITH 9 MONTHS 2013

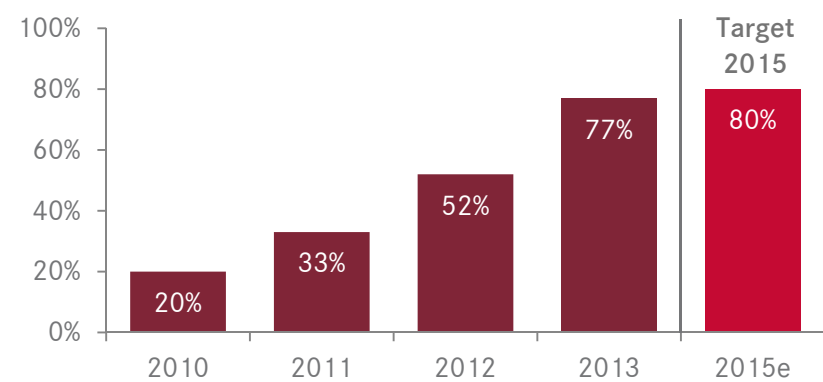
- ◆ Split: 45% investments, 55% management services



INVESTMENTS



MANAGEMENT SERVICES



As of 30 September 2014

Reconciliation of the Operating Result

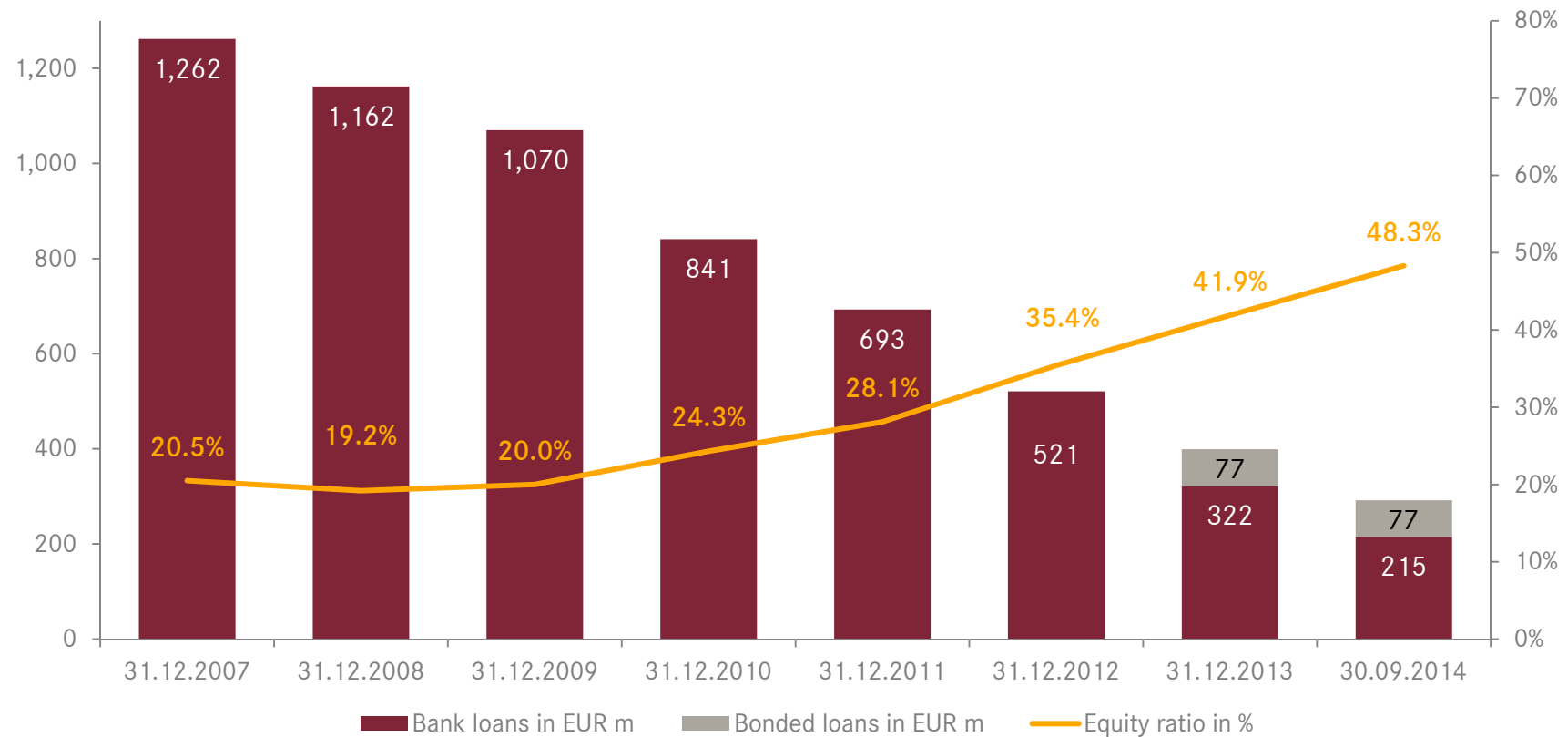
NO CHANGE IN THE VALUE OF DERIVATIVES ANY MORE

EUR'000	Q3 2014	Q3 2013	9M 2014	9M 2013	FY 2013
EBT	297	2,198	15,487	19,985	39,599
+ Amortisation of fund management contracts	622	649	1.863	1.791	2.566
- Unrealised changes in the value of investment property	0	0	0	0	-17
+ Realised change in the value of investment property	3.964	2.340	11.771	11.318	15.063
+/- Change in the value of derivatives	0	-4.666	-2.819	-14.434	-19.525
+/- Release of other result from cash flow hedging	0	0	31	0	433
Operating result	4,883	521	26,333	18,660	38,119

Positive Development of the Financial Situation

BANK LOANS VS. EQUITY RATIO

- ◆ Bank loans excluded bonded loans have been reduced by 33.2% to EUR 215m (31 Dec 2013: EUR 322m)
- ◆ 2014 target for indebtedness:
 - ◆ Reduction of bank loans to EUR 100m, bonded loans stable at EUR 77m



Net Asset Value

NAV / INVESTMENTS SEGMENT REPRESENTS 45% OF THE OPERATING RESULT FOR 9M 2014

- ◆ **Investment property** and **inventories** were sold in 9M 2014 at a profit with a gross margin of **9.6%** and **22.1%** respectively, thus confirming the value retention of the properties
- ◆ The whole service business that generated 55% of the operating result in 9M 2014 is not reflected in the NAV calculation
- ◆ NAV can only serve as a component for determining corporate value in conjunction with the value of the services business

EUR'000	31.12.2011	31.12.2012	31.12.2013	30.09.2014
Investment property (fair value) ¹	532,321	374,104	229,717	160,554
Investments in joint ventures	18	0	0	0
Participations in associated companies	6,809	15,810	18,295	26,344
Participations	3,134	18,407	80,074	83,748
Inventories (at cost) ²	407,529	345,920	309,203	304,354
Current receivables and other current assets	48,735	92,013	82,262	44,776
Bank balances and cash	43,690	50,330	105,536	123,339
Less bonded loans	0	0	-77,000	-77,000
Less current liabilities	-16,354	-25,876	-75,759	-87,054
Less bank loans	-673,752	-521,054	-321,634	-214,896
Net Asset Value (NAV)	352,130	349,654	350,694	364,165
Number of shares	52,130,000	57,343,000	63,077,300	69,385,030
NAV per share	EUR 6.75	EUR 6.10	EUR 5.56	EUR 5.25
Share price at the end of the year/first half	EUR 3.43	EUR 6.46	EUR 7.67	EUR 10.62

¹ Fair market valuation; (gross) sales margin of the first three quarters of 2014: 9.6%, third quarter 2014: 8.3 %

² Valuation at amortised cost; (gross) sales margin of the first nine months of 2014: 22.1%, third quarter 2014: 22.2%

Outlook 2014 – Outlook confirmed

- ◆ **Operating result** for 2014 of at least EUR 50m confirmed, thereof at least 80% out of services
- ◆ Further deleveraging :
 - ◆ Reduction of bank liabilities below EUR 100m, plus EUR 77m for two bonded loans
 - ◆ Almost debt free until December 2015
 - ◆ Equity ratio of 48.3% should increase further to 80-90% by the end of 2015
- ◆ **Growth in assets under management** by at least EUR 2bn
 - ◆ Increase of EUR 1.7bn already realised after 9 months (as balance of purchases and sales)
 - ◆ Target volume will be exceeded
- ◆ **Own investments**
 - ◆ Sale of approx. 1,800 units p.a. will be outperformed due to the portfolio deal (sale of 592 units so far, another 2,200 units notarised as bloc sales)
 - ◆ Selling off the entire stock of own property as far as possible by the end of 2015
- ◆ **AIFMD**
 - ◆ New licence for PATRIZIA Luxembourg has been issued in October

Financial Calendar, Conferences and Roadshows

2014

November	11	➤ Interim report for the first nine months of 2014
	12	➤ Roadshow with Berenberg Bank, London
	13	➤ Commerzbank German Commercial Property Forum, London
	18	➤ Roadshow with Baader Bank, Paris
	25	➤ 4th Annual Berenberg 1on1 Symposium @ the German Equity Forum, Frankfurt/Main
	26	➤ German Equity Forum, Frankfurt/Main
	27 - 28	➤ Roadshow with Close Brothers Seydler Bank, Brussels and Amsterdam
December	10	➤ Close Brothers Seydler Bank AG - Mid Cap Conference, Geneva
	11	➤ Roadshow with Bankhaus Lampe, Frankfurt/Main

2015

March	25	➤ Financial statement 2014
May	7	➤ Interim report for the first quarter of 2015
June	25	➤ Annual General Meeting, Augsburg
August	6	➤ Interim report for the first half of 2015
November	12	➤ Interim report for the first nine months of 2015

The conference calls about the financial reports will usually be held at 3 pm CET. Invitations and dial-in numbers will be provided in advance.
To stay informed, take a look at our website www.patrizia.ag

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