

PATRIZIA increases operating income and confirms its forecast for 2014

- ◆ Operating result increases to EUR 26.3 million (+41.1%)
- ◆ Rise in assets under management to EUR 13.5 billion
- ◆ 2014 forecast confirmed: operating result of at least EUR 50 million

Augsburg, 11 November 2014. PATRIZIA Immobilien AG (ISIN DE000PAT1AG3) ended the first three quarters with an operating result of EUR 26.3 million (9 months 2013: EUR 18.7 million, +41.1%). The third quarter contributed EUR 4.9 million. As expected, around 50% of the operating result will not be earned until the fourth quarter. The Managing Board has thus again confirmed its forecast of at least EUR 50 million for the overall year.

Consolidated revenues fell 11.1% in the first nine months of 2014 from EUR 155.4 million in the previous year to EUR 138.1 million. Lower purchase price revenues (EUR 43.6 million, -35.3%) and rental income (EUR 16.6 million, -31.0%) were set against higher management services revenues (EUR 70.7 million, +27.5%). At 51.2% (13.6% from co-investments and 37.6% from third parties), services revenues now contribute the largest share to Group revenues and the trend is growing (9 months 2013: 35.7%).

At EUR 12.5 million, income from participations was down year-on-year (9 months 2013: EUR 15.8 million). This was because since 1 January 2014, advance profit distributions from the two co-investments Südewo (EUR 5.4 million) and GBW (EUR 7.1 million) have been calculated on an exact monthly basis. During the period under review, the co-investment WohnModul I produced earnings from companies accounted for using the equity method of EUR 2.3 million (9 months 2013: EUR 0.6 million).

The key earnings indicators in accordance with IFRS were below those for the previous year: earnings before finance income and taxes (EBIT) for the first nine months of 2014 fell 48.9% to EUR 6.4 million, while earnings before tax (EBT) were down 22.5% at EUR 15.5 million and net profit for the period amounted to EUR 14.9 million (down 24.4%).

PATRIZIA is continuing its debt reduction process: bank loans declined as expected, by 33.2% to EUR 214.9 million (31 December 2013: EUR 321.6 million). The Group's equity ratio improved by a further 6.4 percentage points to 48.3% (31 December 2013: 41.9%).

As at 30 September 2014, PATRIZIA was managing real estate assets of EUR 13.5 billion. During the year assets under management increased by a net EUR 1.7 billion (+14.4%). By the end of December we will exceed our planned increase of EUR 2 billion for 2014.

Outlook for 2014

In addition to the dividends and performance fees usually received in December, the purchasing fee for the Dutch residential portfolio, which is calculated based on the purchase price of around EUR 580 million, will also have a major impact on the net profit for the year. We also expect block sales of more than 2,200 units to contribute to the fourth-quarter result. The funds released by this will be used to conclude new co-investments and to reduce bank liabilities. By the end of the year, loans will total less than EUR 100 million.

The full report for the first three quarters of 2014 can be viewed at
www.patrizia.ag/en/investor-relations/financial-reports/quarterly-reports/

Summary of Key Items in the Consolidated Income Statement:

EUR '000	Q3 2014	Q3 2013	9 months 2014	9 months 2013	9 months change in %
Revenues	53,462	65,642	138,111	155,403	-11.1
Total operating performance	46,485	47,890	145,684	137,681	5.8
EBITDA	-1,302	6,223	11,451	16,753	-31.6
EBT	297	2,198	15,487	19,985	-22.5
Net profit/loss for the period	-421	1,939	14,890	19,685	-24.4
Operating result ¹	4,883	521	26,333	18,660	41.1

¹ Adjusted for amortisation on other intangible assets (fund management contracts) and non-cash effects from interest hedging transactions. Including realised changes in the value of investment property

The Managing Board
 Augsburg, 11 November 2014

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