

PATRIZIA: All targets achieved

- ◆ Assets under management increase by 24% to EUR 14.6 billion
- ◆ Operating result of EUR 50.2 million (up 32%)
- ◆ Bank loans reduced by 62%
- ◆ Equity ratio climbs by 13.4 percentage points to 55.3%
- ◆ Shareholders again share in profits with bonus shares in an allocation ratio of 10:1
- ◆ 2015 forecast: operating result to increase by around 10%

Augsburg, 25 March 2015. In the last fiscal year, PATRIZIA Immobilien AG (ISIN DE000PAT1AG3) increased its real estate assets by EUR 2.8 billion to EUR 14.6 billion (2013: EUR 11.8 billion, +24%), greatly surpassing its target increase of EUR 2.0 billion. With around 3,000 units, the sale of its own portfolio progressed faster than expected. Most of the remaining 1,081 units in the company's own portfolio should be sold by the end of the year. The operating result of EUR 50.2 million was in line with the forecast.

Consolidated revenues increase by 34%

Consolidated revenues, which rose to EUR 291.8 million from EUR 217.4 million in 2013, are firstly mainly due to the fact that 54% of the sold units came from current assets and that their selling prices totalling EUR 129.5 million are reported in revenues (2013: EUR 80.3 million). Secondly, an amount of EUR 25.7 million was generated from real estate developments. In addition, income from service business rose EUR 11.5 million to EUR 106.3 million (2013: EUR 94.8 million, +12.1%). The sale of investment property, which is not reported in sales, totalled EUR 171.8 million and produced income of EUR 17.0 million.

Strong investment result shows the success of co-investments

PATRIZIA generated income from participations of EUR 39.1 million from the SÜDEWO, GBW and Seneca co-investments (2013: EUR 32.1 million, +21.6%). This included the advance profit distribution (EUR 16.8 million), performance-linked bonuses (EUR 17.0 million) and the dividend on invested equity (EUR 5.3 million). The co-investment WohnModul I produced earnings from companies accounted for using the equity method of EUR 3.2 million compared with EUR 0.7 million in the previous year.

Target operating result achieved

As a result of successful co-investments and an improved financial result, EBT in accordance with IFRS rose to EUR 42.0 million (+6%). The consolidated net profit of EUR 35.0 million was EUR 2.1 million less than the previous year and was affected by retrospective tax payments and consequential effects of the tax audit. At EUR 50.2 million, the forecast operating result was achieved and represents an increase of 32% on 2013 (EUR 38.1 million). Around 72% of this result is attributable to the Management Services segment.

Further increase in equity ratio

At the end of 2014, bank loans were reduced by 62% to EUR 122.0 million (2013: EUR 321.6 million). As a result of redemptions following property sales, loans fell to below EUR 60 million; however, increases of around EUR 64.3 million had a contrary effect with liquidity being held available for new investments. Cash and cash equivalents improved to EUR 145.4 million (2013: EUR 105.5 million). PATRIZIA thus has an extremely stable basis for it to engage in further attractive co-investments. The equity ratio rose significantly by 13.4 percentage points to 55.3%, while the return on equity (based on operating result) increased to 13.4% (2013: 11.3%).

Appropriation of profit

The Managing Board and Supervisory Board will submit a proposal to the Annual General Meeting on 25 June 2015 that the unappropriated profit of EUR 111.2 million of PATRIZIA Immobilien AG for 2014 be entirely carried forward to the new account. As in previous years, it is planned to issue new shares under a capital increase from company funds, with shareholders having an entitlement in a ratio of 10 to 1. The new shares will carry dividend rights from the beginning of the 2015 fiscal year.

Outlook for 2015

2015 will be the last year in the transition phase of our development to become a European real estate investment company. For the current year, the Managing Board of PATRIZIA Immobilien AG anticipates an increase of around 10% in the operating result and will provide more precise details towards the middle of the year. Managed real estate assets should again increase by EUR 2.0 billion. Of this, EUR 1.0 billion should be achieved through the balance from regular purchases and sales and EUR 1.0 billion from one to three portfolio transactions with individual volumes of EUR 0.2 to 1 billion. In contrast, own stocks of property should be largely sold off. With the exception of the bonded loans, PATRIZIA should be almost debt-free by the end of the year. As things currently stand, the equity ratio of 80% planned for the end of 2015 remains achievable.

The full annual report for the 2014 fiscal year can be viewed at www.patrizia.ag/en/investor-relations/financial-reports/annual-reports

Overview of key items in the consolidated income statement:

	2014 EUR '000	2013 EUR '000	Change in %
Revenues	291,815	217,398	34.2
Total operating performance	205,468	207,878	-1.2
EBITDA	13,642	24,856	-45.1
EBT	41,998	39,599	6.1
Operating result ¹	50,210	38,119	31.7
Consolidated net profit	35,020	37,168	-5.8

¹ Adjusted for amortisation on other intangible assets (fund management contracts), unrealised value adjustments to investment property and non-cash effects from interest hedging transactions. Realised changes in the value of investment property have been added.

PATRIZIA Immobilien AG

PATRIZIA Immobilien AG has been active as an investor and service provider on the real estate market for over 30 years and has approximately 800 employees in more than ten countries. PATRIZIA covers the spectrum of purchasing, management, appreciation and sale of residential and commercial real estate. As a recognised business partner of large institutional investors, the Company operates nationally and internationally, covering the entire value chain relating to all fields of real estate. Currently the company manages real estate assets with a value of EUR 15 billion, mainly as a co-investor and portfolio manager for insurance companies, pension fund institutions, government funds and savings banks. Further information is available at www.patrizia.ag.

The Managing Board
Augsburg, 25 March 2015

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