

Q2

REPORT FOR THE FIRST HALF
JANUARY TO JUNE 2015



Key Figures

REVENUES AND EARNINGS

EUR '000	2 nd quarter 2015	2 nd quarter 2014	1 st half 2015	1st half 2014
	01.04. – 30.06.2015	01.04. – 30.06.2014	01.01. – 30.06.2015	01.01. – 30.06.2014
Revenues	55,525	37,601	102,807	84,649
Total operating performance	53,590	43,798	95,913	99,199
EBITDA	6,107	586	5,698	12,753
EBIT	4,238	-1,097	2,229	9,486
EBT	8,035	2,019	11,648	15,190
Operating result ¹	9,335	5,458	16,811	21,450
Net profit for the period	7,297	3,271	10,147	15,311

STRUCTURE OF ASSETS AND CAPITAL

EUR '000	30.06.2015	31.12.2014
Non-current assets	287,651	304,247
Current assets	1,352,158	436,929
Equity	458,908	410,048
Equity ratio	28.0%	55.3%
Non-current liabilities	147,389	102,878
Current liabilities	1,033,512	228,250
Total assets	1,639,809	741,176

SHARE

ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	P1Z
Share capital as at 30 June 2015	EUR 69,385,030
No. of shares in issue as at 30 June 2015	69,385,030
Second quarter 2015/First half 2015 high ²	EUR 22.41/EUR 22.41
Second quarter 2015/First half 2015 low ²	EUR 15.83/EUR 12.48
Closing price as at 30 June 2015 ²	EUR 21.94
Share price performance	80.0%
Market capitalisation as at 30 June 2015	EUR 1.5 billion
Average trading volume per day ³ (first 6 months of 2015)	131,600 shares
Indices	SDAX, GEX, DIMAX

¹ 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.

² Closing price Xetra-trading

³ All German stock exchanges

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FINANCIAL CALENDAR AND CONTACT

LETTER TO OUR SHAREHOLDERS

*Dear Shareholders,
Dear ladies and gentlemen,*

While the first quarter of the year could be described as “business as usual”, development really took off in the second quarter. Alongside the acquisition of a Swedish real estate fund with over 14,000 apartments in Germany and Sweden, the sale of the Süddeutsche Wohnen Group for EUR 1.9 billion undoubtedly marked another major milestone for 2015 as a whole. No less successful, although smaller in magnitude, were the purchases of the First Street development scheme in Manchester for the equivalent of around EUR 140 million and of the world-famous London wax museum, Madame Tussauds, for a Taiwanese investor for a sum of EUR 466 million. All the above transactions prove our expertise as an investor, investment manager and real estate services provider. Overall, we remained true to our brand promise “Values matter” and created value for our customers and shareholders which is reflected in our current share price. In particular:

Acquisition of a Swedish real estate fund with over 14,000 apartments

PATRIZIA was sole purchaser of all existing shares in the Swedish real estate fund for EUR 340 million. The process took the form of a voluntary public offer to the 8,400 fund shareholders in Norway and Sweden and required a “go-it-alone” approach. This was the only way to ensure decision-making was not hampered by complex agreements with co-investors and could proceed with the required flexibility and speed. It is important to remember that PATRIZIA had to increase its offer twice after an American competitor joined the bidding process following the

first offer. The acquired apartments have now been recognised in PATRIZIA's own books and are shown as bridge investments in its financial reporting. The portfolio will be sold in several tranches over a period of 12 – 18 months; the apartments will be offered both to existing clients and also to the market, or placed as an initial investment in a major European residential fund. All 630 apartments in Sweden have already been successfully sold to a local investor.

Successful transaction in the UK

A similar approach will be adopted for the second bridge investment in Manchester (First Street). The mix of different asset classes on the site such as office, hotel and car park and also the as yet undeveloped spaces make it necessary to modify the asset in various ways before any re-sale and mean that the asset must undergo consolidation within the Group during the structuring period.

Results forecast significantly raised

When we published our 2014 consolidated financial statements in March, we announced that we planned to increase our 2014 operating result of EUR 50.2 million by 10% in the current fiscal year. In view of our very pleasing business performance in the second quarter and the aforementioned business transactions (some of which were not yet included in our annual planning), we are raising our operating result forecast for 2015 and 2016 to a cumulative sum of at least EUR 200 million. We will provide specific details on which part of this amount will still be realised in 2015 (following the operating result of EUR 16.8 million in the first six months), and which will not be realised until 2016, when we publish our results for the first nine months on 12 November.

Sale of SÜDEWO will be reflected in third-quarter results

It is clear that the one-off effect from the sale of SÜDEWO will already significantly bolster our Q3 result. The first tranche of the performance fee (EUR 85.4 million) was posted in July, with the second tranche of EUR 17.6 million expected in November. If we also take into account the return dividend on the invested equity (EUR 13.3 million), the operating result for the second half of the year will be boosted by a total of EUR 116.3 million from the sale of SÜDEWO. It is also important to consider the loss of regular revenues of around EUR 11.0 million in the second half of the year, because this income will be lost from July onwards following disposal of the co-investment. On the other hand, it is not yet possible to predict which assets from the bridge investments we will be able to sell by the end of the year. It is therefore not yet possible to predict the impact on results for the coming year.

"Leading" project: How can we become the European leader?

PATRIZIA is aware that the real estate business is by no means an immobile, static business, but is instead subject to extremely dynamic changes caused by the interplay between economic activity, interest rate policy, a tighter regulatory environment and increased security requirements. To further increase PATRIZIA's "might", we launched an internal project, entitled "Leading", which focuses on the question: "What and how much of everything that has guided our development to date will make us successful in future?".

We expanded this question by considering what will help make us the European leader in terms of efficiency, quality and productivity compared with the "best in the market". We have heard and continue to hear constructive criticism expressed by both employees and managers from various regions and divisions within our company that we could and should improve our internal structures, processes and procedures. These suggestions should help us analyse how, in the interests of our employees, clients and investors, we can ensure we fulfil our mission of being Europe's leading real estate investment company on a daily basis. We expect decision-ready results from this complex, company-wide project in the spring of 2016.

PATRIZIA is a company with both a tradition and a future. Its business model will prove successful in both the short and long-term, enabling us to prove ourselves as Europe's leading real estate investment company – even if we are no longer able to benefit from the current favourable low interest rates and lack of investment alternatives.

The PATRIZIA Managing Board



Wolfgang Egger
CEO



Arwed Fischer
CFO



Klaus Schmitt
COO

Consolidated Interim Management Report

FOR THE FIRST SIX MONTHS OF 2015

1 PATRIZIA ON THE CAPITAL MARKET

PATRIZIA's share price has risen 80% since the start of the year. As of 30 June 2015, market capitalisation stood at EUR 1.5 billion. The PATRIZIA share closed the first half of the year at EUR 21.94. During this period, the highs and lows (closing prices) varied between EUR 22.41 and EUR 12.48. The average trading volume from January to June was 131,600 shares per day (full year in 2014: 97,900 shares/day).

2 OUR EMPLOYEES

As of 30 June 2015, PATRIZIA had 800 permanent employees (30 June 2014: 727 employees; +10%) including 37 trainees and students of Duale Hochschule Stuttgart majoring in real estate in addition to 70 part-time employees. The number of employees therefore remained constant since the end of March 2015. 83 people are now employed at PATRIZIA's international offices (30 June 2014: 45 employees, +84%). The international offices are located in Denmark, Finland, France, Luxembourg, the Netherlands, Sweden, the United Kingdom and Ireland and (since April of this year) also in Spain. In terms of full-time equivalents, the headcount at the end of the quarter was 777 employees (30 June 2014: 706 employees, 31 December 2014: 770 employees).

3 OTHER EVENTS

Annual General Meeting 2015

The Annual General Meeting on 25 June 2015 approved the management's proposal to carry the entire retained earnings for 2014 to the new account and decided on a capital increase from company funds in order to issue bonus shares in a ratio of 10:1. The capital increase was entered into the Commercial Register on 3 August. Share capital now totals EUR 76,323,533, representing an increase of EUR 6,938,503. The new shares will be issued after the close of trading on 18 August 2015, with the first day of trading on 19 August 2015. All other items on the agenda requiring a resolution were also passed with clear majorities.

Changes on the Supervisory Board of PATRIZIA Immobilien AG

Following the sudden death of long-standing Supervisory Board member Manfred J. Gottschaller, Mr Alfred Hoschek joined the Supervisory Board of PATRIZIA Immobilien AG. Mr Hoschek was elected as substitute member by the 2014 Annual General Meeting. Following the Annual General Meeting, Mr Harald Boberg resigned his position as Supervisory Board member. He is succeeded by Mr Gerhard Steck, who was appointed by the courts. Dr Theodor Seitz, who has led the Supervisory Board since 2003, remains as Chairman.

Managing Board contracts

The Supervisory Board of PATRIZIA Immobilien AG extended COO Klaus Schmitt's Managing Board contract by a further five years until 31 December 2020. CFO Arwed Fischer's contract runs until 29 February 2016, as agreed. The ending of the contractual term will be used for a generation change in the position, allowing it, like the other Managing Board positions, to look ahead to at least the next ten years.

4 ECONOMIC REPORT

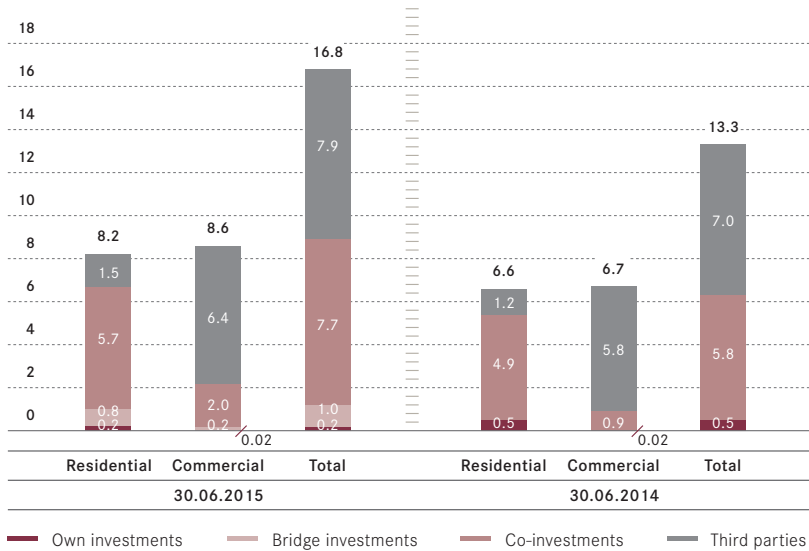
4.1 THE COURSE OF BUSINESS IN THE FIRST HALF OF 2015

Assets under management

At the end of the first half of 2015, PATRIZIA was managing real estate assets of EUR 16.8 billion. Since the end of 2014, assets under management rose by EUR 2.2 billion or 15% (31 December 2014: EUR 14.6 billion). The bridge investments are recognised for the first time in the financial statements to 30 June 2015. These are short-term investments which appear on PATRIZIA's own balance sheet and which will be sold to clients of PATRIZIA and other groups of investors within 12-18 months. 27% of the managed real estate assets are in other countries, and the trend is increasing.

Despite the sale of SÜDEWO, the planned net rise of EUR 2 billion in assets under management for 2015 remains valid. The outflow of EUR 1.6 billion from the sale of SÜDEWO will be offset by acquisitions that have already been made and also by new acquisitions.

ASSETS UNDER MANAGEMENT (IN EUR BILLION)



ASSETS UNDER MANAGEMENT - GERMANY AND INTERNATIONAL

in EUR billion	30.06.2015		31.12.2014		30.06.2014	
	Germany	Inter-national	Germany	Inter-national	Germany	Inter-national
	12.2	4.6	10.7	3.9	10.8	2.5
TOTAL	16.8		14.6		13.3	

THIRD PARTIES

PATRIZIA WohnInvest KVG mbH

Properties with a market value of EUR 105 million were transferred to the fund of PATRIZIA WohnInvest KVG mbH in the second quarter of 2015. No assets were secured under purchase contracts in the quarter under review.

PATRIZIA GewerbeInvest KVG mbH

All purchases and sales in the second quarter of 2015 produced a transaction volume of EUR 124 million: properties with a market value of EUR 90 million were transferred to the funds, while sales of EUR 34 million were transacted. The first purchase (for EUR 24 million) for the newly created individual fund "PATRIZIA Real Invest HP", which specialises in German core assets, was made in the second quarter.

PATRIZIA GrundInvest KVG mbH

In June, PATRIZIA GrundInvest was licensed by the Federal Financial Supervisory Authority (BaFin) as an Investment Management Company (KVG). As a result, real estate funds can now also be offered to private investors. The first assets are due to be purchased in the coming weeks. The first real estate fund for private investors is expected to be placed during the fourth quarter of 2015. Over the coming years, PATRIZIA will establish two to three funds per year, representing a volume of around EUR 300 million.

PATRIZIA FUNDS AS AT 30 JUNE 2015

in EUR million	Planned target volume	Committed equity	Assets under management	Number of funds
PATRIZIA WohnInvest KVG mbH	2,208	1,122	1,104 ¹	7
PATRIZIA GewerbeInvest KVG mbH	8,894	4,652	6,095	19
Pool funds	5,273	2,581	3,658	9
Individual funds	1,621	883	610	8
Label funds	2,000	1,188	1,827	2
PATRIZIA Real Estate Investment Management S.à r.l. (REIM)²	169	85	169	1
TOTAL PATRIZIA	11,271	5,859	7,368	27

¹ Excludes real estate developments secured under purchase contracts

² PATRIZIA Nordic Cities SCS SICAV-FIS

PATRIZIA UK

As investment manager for the Taiwanese insurance group Fubon Life, PATRIZIA acquired London's world-renowned waxworks museum, Madame Tussauds. The building complex was purchased via the British subsidiary, PATRIZIA UK. The equivalent purchase price was around EUR 466 million.

CO-INVESTMENTS

Sale of SÜDEWO

PATRIZIA Immobilien AG sold the Süddeutsche Wohnen Group (SÜDEWO) to Deutsche Annington SE. The transaction was completed in July. The purchase price for SÜDEWO and its portfolio of 19,800 apartments was around EUR 1.9 billion. PATRIZIA had acquired the former LBBW Immobilien GmbH in February 2012 from LBBW for a consortium of investors.

Following an unsolicited offer to take over SÜDEWO, it was PATRIZIA's responsibility, as investment manager, to analyse the offer and submit it to the consortium of investors for a decision. When SÜDEWO was purchased, the consortium of investors was expecting to hold the asset for the long-term, so a sale was not actively pursued. With assets under management of EUR 1.6 billion, SÜDEWO was one of PATRIZIA's largest co-investments. PATRIZIA held a 2.5% stake. Please refer to the supplementary report in section 5 for information on the transaction's impact on results.

There were no major changes in our **other co-investments** in the second quarter of 2015. Please refer to the statements in PATRIZIA's 2014 Annual Report on p. 60 et seq.

BRIDGE INVESTMENTS

Manchester First Street

PATRIZIA acquired the “First Street” site in Manchester, comprising 80,000 sqm, for around GBP 100 million (EUR 140 million) through its subsidiary PATRIZIA UK. Some of the land has already been developed and built on. This includes the recently completed Melia-Inside hotel with 208 beds, nine bars and restaurants and a car park with 700 spaces. The site also has a completed office building known as “First Street No. 1” with a total of around 17,000 sqm. The site also offers potential to add 93,000 sqm of office space and around 500 new apartments. The office and apartment building planned by PATRIZIA will be completed over the next five to seven years. The new apartments will enable PATRIZIA to offer attractive investment opportunities for institutional investors. This project will be the first investment for the planned new fund PATRIZIA UK PRS, which will hold the private rented apartments in its inventory. The existing buildings will be sold soon.

Harald

In the middle of May and as part of a voluntary public offer, PATRIZIA acquired all shares in the Swedish real estate fund Hyresbostäder i Sverige III Gul AB, which itself holds residential real estate portfolios. The fund itself was held via a Swedish and a Norwegian stock corporation. The Norwegian company was acquired by PATRIZIA with a co-investor (5.1%). In addition to Berlin, where there are more than 5,000 apartments, the portfolio of 13,600 units also extends to the metropolises of Munich, Stuttgart, Frankfurt/Main, Cologne, Düsseldorf and Hamburg as well as several conurbations in western Germany. 630 apartments in Umea in Sweden were re-sold to a Swedish investor in June. All of the apartments are in good technical condition and have a very low vacancy rate of less than 4%. Until the properties are re-sold, PATRIZIA will receive the rental income, which depending on the number of apartments sold in the year under review may amount to around EUR 30 million.

The transaction is valued at around EUR 900 million, of which around EUR 340 million relates to the acquisition of all of the outstanding shares. PATRIZIA financed the acquisition of the shares in the fund with equity of EUR 140 million and bank loans of EUR 200 million. The bank loans were concluded for a term of twelve months, at an interest rate of 1.8%, after which it will increase to 2.3%. PATRIZIA will offer the apartments as investments to its clients and to other groups of investors and sell them within the next 12–18 months. The assets are accounted for as a bridge investment under inventories.

OWN INVESTMENTS

RESIDENTIAL PROPERTY RESALE AND BLOCK SALES IN THE SECOND QUARTER OF 2015

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	44	0	44	42.7	3,346	0	3,346	44.2
Cologne/Düsseldorf	31	0	31	30.1	2,415	0	2,415	31.9
Frankfurt/Main	20	0	20	19.4	1,209	0	1,209	16.0
Hamburg	5	0	5	4.9	411	0	411	5.4
Berlin	3	0	3	2.9	191	0	191	2.5
TOTAL	103¹	0	103¹	100	7,571	0	7,571	100

¹ Of these, 61 apartments were reported under investment property.

Residential Property Resale

In the second quarter of 2015, 103 apartments were sold to tenants, owner-occupiers and private investors (second quarter of 2014: 141 units, -27%). Accounting for 81%, private investors were the largest category of purchasers. Owner-occupiers accounted for 15%, and tenants 4% of the individual apartments sold.

Block Sales

No block sales were effected in the second quarter of 2015.

THE PATRIZIA PORTFOLIO AS AT 30 JUNE 2015

Region/city	Number of units sold				Area in sqm			
	Residential property resale	Block sales	Total	Share in %	Residential property resale	Block sales	Total	Share in %
Cologne/Düsseldorf	270	127	397	49.4	25,590	24,374	49,964	62.8
Hamburg	10	183	193	24.0	608	10,618	11,226	14.1
Munich	100	0	100	12.4	10,195	0	10,195	12.8
Frankfurt/Main	112	0	112	13.9	7,789	0	7,789	9.8
Berlin	2	0	2	0.3	343	0	343	0.4
TOTAL	494	310	804	100	44,525	34,992	79,517	100

4.2 ECONOMIC POSITION IN THE FIRST HALF OF 2015

EARNINGS SITUATION OF THE PATRIZIA GROUP

CONSOLIDATED REVENUES

	2 nd quarter 2015	2 nd quarter 2014	1 st half 2015	1 st half 2014
	01.04. – 30.06.2015 EUR '000	01.04. – 30.06.2014 EUR '000	01.01. – 30.06.2015 EUR '000	01.01. – 30.06.2014 EUR '000
Purchase price revenues	20,558	9,854	36,430	18,546
from residential property resales ¹	7,296	8,354	16,718	17,046
from block sales ¹	0	1,500	6,450	1,500
from real estate developments	13,262	0	13,262	0
Rental revenues	7,964	5,572	10,105	11,586
from own investments	1,709	5,572	3,850	11,586
from bridge investments	6,255	0	6,255	0
Revenues from management services	26,092	19,251	54,505	49,031
from co-investments	12,635	6,965	26,223	11,527
from third parties	13,457	12,286	28,282	37,504
Other²	911	2,924	1,767	5,486
TOTAL	55,525	37,601	102,807	84,649

¹ Purchase price receipts from investment property are not included in revenues.

² The item "Other" primarily includes rental ancillary costs.

In the first half of 2015, **consolidated revenues** fell 21.5% year-on-year to EUR 102.8 million (first half of 2014: EUR 84.6 million). **Purchase price revenues from inventories** rose to EUR 36.4 million (first half of 2014: EUR 18.5 million, 96.4%) because the real estate developments VERO/F40 were sold. Revenues from Management Services totalled EUR 54.5 million (first half of 2014: EUR 49.0 million), accounting for 53% of total consolidated revenues. Of the revenues from third parties, a sum of EUR 0.6 million related to performance fees for two funds for the fiscal years 2014/2015. Rental revenues amounted to EUR 10.1 million; this also included rental income from bridge investments for June in an amount of EUR 6.3 million. In the short-term, the reduction in rental income due to the planned sales of own stocks (a reduction to EUR 7 million was planned for 2015 as a whole) will be more than offset by the rental revenues from bridge investments. The achievable revenues will depend on how quickly the bridge investments are re-sold. For example, the Harald portfolio could generate rental revenues of around EUR 30 million in 2015.

However, revenues have only limited significance for PATRIZIA since the selling prices of properties reported in non-current assets are not reflected in revenues. Profits from such sales are reported under the item **“income from the sale of investment property”**. After deduction of the carrying amounts of EUR 26.2 million, purchase price receipts of EUR 29.1 million resulted in a profit of EUR 3.0 million (gross margin: 10.2%, first half of 2014: 10.2%). In the period 2007–2014, real estate accounted for positive prorata value adjustments that are only realised at sale and are reported accordingly in the presentation of the operating result and in the cash flow statement. During the period under review value adjustments amounting to EUR 5.0 million (first half of 2014: EUR 7.8 million) were realised, including EUR 1.6 million in the second quarter. The remaining portfolio includes unrealised value adjustments of EUR 2.6 million. The first sale from bridge investments (630 apartments in Umea, Sweden, as part of the Harald portfolio) will not be shown in revenues, either, as the transaction was implemented as a share deal. **Earnings from the deconsolidation of subsidiaries** amounted to EUR 5.3 million, taking into account the sale of assets and liabilities and of shares of non-controlling partners.

REVENUES FROM SOLD REAL ESTATE

	2 nd quarter 2015	2 nd quarter 2014	1 st half 2015	1 st half 2014
	01.04. – 30.06.2015 EUR '000	01.04. – 30.06.2014 EUR '000	01.01. – 30.06.2015 EUR '000	01.01. – 30.06.2014 EUR '000
Sales revenues from inventories				
Own investments	20,558	9,854	36,430	18,546
Residential property resale	7,296	8,354	16,718	17,046
Block sales	0	1,500	6,450	1,500
Real estate developments	13,262	0	13,262	0
Sales revenues from investment property¹				
Own investments	11,684	21,437	29,133	54,181
Residential property resale	11,684	21,437	29,133	47,181
Block sales	0	0	0	7,000
TOTAL	32,242	31,291	65,563	72,727

¹ Purchase price receipts are not included in revenues. Instead, the income statement reports the gross profit.

Changes in inventories amounted to EUR –22.2 million in the first half of 2015 (first half of 2014: EUR 5.2 million). Inventory outflows from sales of inventories (EUR 33.3 million) exceeded additions to inventories (EUR 11.0 million, mainly from capitalisation of new construction projects). Based on the carrying value, a gross margin of 8.7% was achieved for the sale of inventories (excluding bridge investments) (first half of 2014: 21.8%). The gross margin for the second quarter only was 0.7%.

The **cost of materials** fell compared with the first half of the previous year, to EUR 18.5 million (first half of 2014: EUR 26.4 million). An amount of EUR 9.7 million was attributable to PATRIZIA's own real estate developments. A further amount of EUR 4.7 million was attributable to renovation and maintenance measures, with the remaining cost of materials (EUR 4.1 million) resulting from ancillary costs.

In the same period in the previous year, the item **cost of purchased services** was included in other operating expenses. Reporting this item separately shows the extent to which orders of relevance for revenues have been placed with external companies. For PATRIZIA, this concerns in particular the expenses for the label funds of PATRIZIA GewerbelInvest, for which PATRIZIA acts as a service Investment Management Company. The figures for the previous year have been adjusted accordingly. In the first half of 2015, the cost of purchased services rose to EUR 7.1 million (first half of 2014: EUR 5.7 million, +26.3%).

Staff costs increased in line with expectations by EUR 8.1 million to EUR 43.5 million (first half of 2014: EUR 35.4 million, +22.8%). The increase was primarily due to the new appointments made during the past fiscal year and to salary adjustments in line with market trends. However, the increase in staff costs was also attributable to higher provisions for long-term variable compensation of the first and second management tiers due to the significantly higher share price compared with the previous year (+126% based on the reference date of 30 June 2014).

The **other operating expenses** for the first half of the year totalling EUR 21.1 million (first half of 2014: EUR 19.0 million, +11.3%) include selling expenses (EUR 5.3 million), additional administrative expenses (EUR 5.1 million), operating expenses (EUR 6.5 million) and other expenses (EUR 4.2 million).

Earnings before finance income and taxes (EBIT) for the first six months fell 76.5% to EUR 2.2 million due to higher expense items (first half of 2014: EUR 9.5 million).

Income from participations amounted to EUR 10.0 million in the first half of 2015 (first half of 2014: EUR 8.3 million, +19.5%) and includes the prorata advance profit distributions of the co-investments SÜDEWO (EUR 3.6 million) and GBW (EUR 4.7 million). As the annual guaranteed dividend payable to PATRIZIA from the co-investment GBW of EUR 3.2 million is being treated on an accruals basis from the start of the 2015 financial year, an additional amount of EUR 1.6 million was posted for the half-year. The co-investment WohnModul I almost doubled **earnings from companies accounted for using the equity method**, from EUR 1.6 million in the previous year to EUR 3.0 million.

The **financial result** for the first half of 2015 improved 22.6% to EUR -3.6 million. In the same period in the previous year, the financial result (first half of 2014: EUR -4.6 million) was reduced by the interest hedging expense of EUR 2.8 million, while interest hedge value adjustments had a positive effect of EUR 2.8 million. Changes in the value of derivatives connected with the acquisition of the Harald portfolio amounted to EUR 1.2 million in the period under review. These derivatives were acquired at the time of purchase via the existing financing in the asset-holding companies within the Swedish real estate fund. The cash-related financial result of EUR -4.7 million adjusted for valuation effects rose 36.2% (first half of 2014: EUR -7.4 million). The cash-related expense for currency hedging amounted to EUR 1.4 million. The financial result is explained in further detail in Section 11 of the Notes to the Consolidated Interim Financial Statements. With no interest hedging currently in place for any of its own investments' financing, the Group is able to benefit fully from the continuing low level of interest rates.

The **gains/losses from currency translation** include changes in the market value of derivatives in an amount of EUR -0.4 million, resulting from the existing currency hedging within the Harald portfolio. This item must also be eliminated in the reconciliation statement to calculate the operating result.

In the first six months, **earnings before tax (EBT)** fell by EUR 3.6 million to EUR 11.6 million (first half of 2014: EUR 15.2 million, -23.3%). Of this EUR 6.3 million was generated with bridge investments, although "Manchester" was not purchased until 30 June 2015 and thus had very little impact on the semi-annual financial statements. Furthermore, two negative effects resulting from currency hedging in connection with the Norwegian krone (EUR -1.4 million) and secondly from the F40 real estate development (EUR -2.0 million) had a negative impact. The quarterly loss for the F40 project was caused by significantly higher construction costs and claims for damages due to the construction delays. Further details are provided in the Supplementary Report.

The reconciliation of EBT in accordance with IFRS to the operating result is effected by taking realised value adjustments to investment property into account and by adjusting non-cash related components of the result. 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 2015 or in the corresponding period of 2014. This approach gives an **operating result** of EUR 16.8 million (first half of 2014: EUR 21.5 million). Essential component includes the positive adjusted effect from the sale of the Swedish portfolio (EUR 5.5 million). After six months, the Management Services segment accounted for 36% of the operating result (first half of 2014: 59%; 2014: 72%). In the previous year, the one-off purchase fee received in connection with the Leo-I-portfolio resulted in a significantly higher share.

CALCULATION OF THE ADJUSTED FIGURES

	2 nd quarter 2015	2 nd quarter 2014	1 st half 2015	1 st half 2014	2014
	01.04. – 30.06.2015 EUR '000	01.04. – 30.06.2014 EUR '000	01.01. – 30.06.2015 EUR '000	01.01. – 30.06.2014 EUR '000	01.01. – 31.12.2014 EUR '000
EBIT	4,238	-1,097	2,229	9,486	6,702
Amortisation on fund management contracts ¹	492	621	984	1,241	2,485
Unrealised change in the value of investment property	0	0	0	0	-51
Realised change in the value of investment property	1,594	3,560	4,965	7,807	8,566
EBIT adjusted	6,324	3,084	8,178	18,534	17,702
Income from participations	4,972	4,168	9,963	8,334	39,062
Earnings from companies accounted for using the equity method	2,334	782	3,018	1,566	3,182
Financial result	-2,348	-2,142	-3,555	-4,595	-7,499
Change in the value of derivatives	-786	-742	-786	-2,819	-2,819
Release of other result from cash flow hedging	0	0	0	31	31
Gains/losses from currency translation	-1,161	308	-7	399	551
OPERATING RESULT	9,335	5,458	16,811	21,450	50,210

¹ Other intangible assets that were transferred as part of the acquisition of PATRIZIA GewerbelInvest KVG mbH and PATRIZIA UK Ltd.

CONTRIBUTION OF THE BRIDGE INVESTMENTS “HARALD” TO CONSOLIDATED EBT

EUR '000	“Harald” 2 nd quarter / 1 st half of 2015
Revenues	6,255
Other operating income	368
Income from the deconsolidation of subsidiaries	5,277
Total operating performance	11,900
Cost of material	-2,585
Other operating expenses	-567
Financial result	-1,159
Gains/losses from currency translation	-1,323
EBT	6,266
Market valuation derivatives	-786
OPERATING RESULT	5,480

¹ Sales price achieved for company shares: EUR 20.3 million (purchase price revenues from share deals are not included in revenues), disposal of assets and liabilities and shares of non-controlling shareholders: EUR 15.0 million. Inventories in the amount of EUR 61.2 million were included in assets.

PATRIZIA ended the first half of 2015 with a **profit for the period** in accordance with IFRS of EUR 10.1 million (first half of 2014: EUR 15.3 million, -33.7%). The corresponding **earnings per share** amounted to EUR 0.13 compared with EUR 0.22 in the previous year. Of this, EUR 0.11 is attributable to the second quarter (second quarter of 2014: EUR 0.05).

SUMMARY OF THE KEY ITEMS IN THE INCOME STATEMENT

	2 nd quarter 2015	2 nd quarter 2014	1 st half 2015	1 st half 2014	2014
	01.04. – 30.06.2015 EUR '000	01.04. – 30.06.2014 EUR '000	01.01. – 30.06.2015 EUR '000	01.01. – 30.06.2014 EUR '000	01.01. – 31.12.2014 EUR '000
Revenues	55,525	37,601	102,807	84,649	291,815
Total operating performance	53,590	43,798	95,913	99,199	205,468
EBITDA	6,107	586	5,698	12,753	13,642
EBIT	4,238	-1,097	2,229	9,486	6,702
EBT	8,035	2,019	11,648	15,190	41,998
Operating result ¹	9,335	5,458	16,811	21,450	50,210
Profit for the period	7,297	3,271	10,147	15,311	35,020

¹ Adjusted for amortisation on other intangible assets (fund management contracts), unrealised value adjustments to investment property (affects only the entire year 2014) and non-cash effects from interest hedging transactions. Realised changes in the value of investment property have been added.

NET ASSET AND FINANCIAL SITUATION OF THE PATRIZIA GROUP

PATRIZIA NET ASSET AND FINANCIAL KEY FIGURES

	30.06.2015 EUR '000	31.12.2014 EUR '000	Change in%
Total assets	1,639,809	741,176	121.2
Equity (including non-controlling partners)	458,908	410,048	11.9
Equity ratio	28.0%	55.3%	-27.3 PP
Bank loans	880,188	121,950	621.8
- Cash and cash equivalents	126,477	145,361	-13.0
+ Bonded loans (non-current liabilities)	77,000	77,000	-
= Net financial debt	830,711	53,589	1,450.2
Real estate assets ¹	1,202,618	277,201	333.8
Net gearing ²	197.0%	13.1%	183.9 PP
Operating return on equity ³	8.2%	13.4%	-5.2 PP

¹ Real estate assets comprise investment property measured at fair value and real estate held in inventories measured at amortised cost.

² Ratio of net financial debt to equity adjusted for minority interests

³ Ratio of operating result to equity as of 31 December of the previous year, extrapolated over 12 months

PP = percentage points

Due to the acquisition of the bridge investments, **total assets** grew from EUR 741.2 million to EUR 1.6 billion. On the balance sheet date, these portfolios, which are recognised in **inventories**, amounted to EUR 973.0 million, while own stock totalled only EUR 176.5 million. As a result of sales, **investment property** fell by 32.3% to EUR 53.1 million. Taking inventories and investment property together results in a carrying value of **real estate assets** as of 30 June 2015 of EUR 1.2 billion (31 December 2014: EUR 277.2 million).

Contrary to the trend in recent years, **bank loans** increased greatly to EUR 880.2 million (31 December 2014: EUR 122.0 million). This is attributable to the temporary recognition of the bridge investments in the company's own books and to the associated external financing. The short-term bridge investment "Harald" accounted for bank loans of EUR 686.6 million. Of this, a sum of EUR 200 million was borrowed to finance the friendly takeover. The interest rate is 1.8% for twelve months, and 2.3% thereafter. The remaining portion was assumed as existing asset finance within the acquired portfolio. Bank loans of EUR 109.2 million with a term until June 2016 were taken on at 2.3% to purchase the bridge investment in Manchester.

As a result of the aforementioned purchases, **cash and cash equivalents** fell 13.0% and amounted to EUR 126.5 million at the end of the quarter. In the second quarter, financing from equity resulted in an outflow of a good EUR 160 million. In contrast, the liquidity connected with the Swedish real estate fund amounted to EUR 73.1 million. Our target for the year-end is approximately EUR 250–300 million.

KEY BALANCE SHEET ITEMS OF THE BRIDGE INVESTMENTS

in EUR '000	"Harald" 30.06.2015	"Manchester" 30.06.2015
Current assets		
Inventories	827,279	145,740
Bank balances and cash	73,056	4,562
Current liabilities		
Short-term bank loans	686,604	109,158

Compared with the end of the 2014 fiscal year, the Group's **equity ratio** fell to 28.0% (31 December 2014: 55.3%). The equity ratio will have increased again by the year-end. The recent transactions mean we will not achieve our original planned target of 80% for the end of 2015 until one year later.

PATRIZIA CAPITAL ALLOCATION AS AT 30 JUNE 2015

	Assets under management in EUR million	Investment capital in EUR million	Participation in %
Third parties	7,899	-	-
Co-investments	7,697	190.2	
Residential	5,993	148.1	
GBW GmbH	2,910	55.7	5.1
Süddeutsche Wohnen GmbH	1,610	15.0	2.5
WohnModul I SICAV-FIS	1,429	72.8	10.1
Other	44	4.6	10.0
Commercial Germany	538	18.2	
PATRoffice	294	7.3	6.3
Seneca	186	4.9	5.1
sono west	58	6.0	30.0
Commercial international	1,166	23.9	
Avimore Topco (UK)	616	13.3	10.0
Citruz Holdings LP (UK)	125	3.9	10.0
Plymouth Sound Holdings LP (UK)	72	2.4	10.0
Winnersh Holdings LP (UK)	353	4.3	5.0
Bridge investments	973	318.1	
Harald	827	276.3	89.0
Manchester (UK)	146	41.8	100
Own investments	230	131.8	100
Operating companies¹	-	32.0	100
Tied investment capital	16,799	672.1	-
Bank balances and cash	-	53.8	-
Total investment capital	16,799	725.9	-
of which external capital (bonded loans and bridge financing)	-	267.0	-
of which PATRIZIA equity	-	458.9	-

¹ Tied investment capital relating to the acquisition of companies (mainly the acquisition of PATRIZIA GewerbeInvest KVG) and the capital commitment from the operation of our services business (mainly investments in systems and current receivables)

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). The acquisition of the bridge investments triggered a significant rise in inventories in the second quarter. In the first half of 2015, sales resulted in gross margins of 10.2% and 8.7% above the carrying value, thus testifying to the value retention of our properties. The entire Services division is not included when calculating net asset value; consequently, the NAV does not reflect the Company's value. For comparative purposes, we will continue to disclose a "base NAV" for as long as we have significant real estate assets on the balance sheet.

CALCULATION OF NAV

EUR '000	30.06.2015	31.12.2014
Investment property ¹	53,124	78,507
Participations in associated companies	72,824	68,497
Participations	97,449	96,555
Inventories ²	1,149,494	198,694
Current receivables and other current assets	68,654	84,774
Bank balances and cash	126,477	145,361
Less bonded loans	-77,000	-77,000
Less current liabilities	-137,365	-92,506
Less bank loans	-880,188	-121,950
NAV	473,469	380,932
No. of shares	69,385,030	69,385,030
NAV/SHARE (EUR)	6.82	5.49

¹ Fair market valuation; (gross) sales margin for the first half of 2015: 10.2%; second quarter of 2015: 11.8%

² Valuation at amortised cost; (gross) sales margin for the first half of 2015, excluding bridge investments: 8.7%; second quarter of 2015: 0.7%

5 SUPPLEMENTARY REPORT

OWN INVESTMENTS

VERO/F40

PATRIZIA's last own real estate development is in the final stages of completion. Full completion will take place in the third quarter of 2015, i.e. the last owner-occupied apartments will be transferred to their purchasers by September. The insolvency of the window manufacturer, extremely complex special requests from customers, a lack of qualification and high levels of staff turnover at the external construction management agency led to long construction delays and meant the occupancy-readiness dates promised to purchasers could not be adhered to. When we published the annual financial statements for 2014, our initial forecast for 2015 assumed that this real estate development would contribute a sum of EUR 4-5 million to the result (cf. 2014 Annual Report, p. 96). As a result of the above developments, we no longer expect any contribution to the result.

CO-INVESTMENTS

Süddeutsche Wohnen

Following completion in July 2015, the sale of SÜDEWO will result in an initial performance fee of approximately EUR 85.4 million, with a second tranche of EUR 17.6 million expected in November. In addition, PATRIZIA will receive around EUR 13.3 million as dividend on the invested equity. All contributions to results from SÜDEWO will be shown in the investment result and shown both in EBT in accordance with IFRS and in the operating result. The sale will, however, mean the loss of the regular asset management services income of EUR 1.8 million per quarter, the dividends (EUR 1.7 million in the 2014 fiscal year) and a possible performance fee (EUR 5.6 million in 2014) from the second half of 2015. This means that the planned earnings from investments of around EUR 10.9 million (and around EUR 14.6 million in subsequent years) as included in the original forecast will not apply in the second half of 2015.

6. DEVELOPMENT OF OPPORTUNITIES AND RISKS

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. No significant new opportunities or risks have been identified for the Group since the annual financial statements for the 2014 financial year. 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 2014 Annual Report still apply. Please therefore refer to the risk report on pages 84 et seq. of the 2014 Annual Report 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 REPORT ON EXPECTED DEVELOPMENTS

In view of the recent transactions, PATRIZIA issued an ad-hoc announcement on 14 June 2015 raising the forecast, published in March, for a year-on-year increase of around 10% in the operating result (2014: EUR 50.2 million). The company now forecasts a total operating result of at least EUR 200 million for the 2015 and 2016 fiscal years.

Some of the projects were not foreseeable during the planning process in November/December last year and their expected positive contribution was not included in the first forecast for the 2015 fiscal year. It has, however, now become known that other planned projects will not be implemented, but will be compensated by the recent developments.

The sale of SÜDEWO will have a favourable effect of around EUR 98 million on the operating result for the third quarter of 2015. We expect to receive a further amount of EUR 18 million in the final quarter of 2015. This will be contrasted by a loss of the regular income.

At present, it is not possible to definitively assign the expected contributions to results from the acquisition of the Hyresbostäder i Sverige III Gul AB real estate fund and the planned subsequent sale of the apartments to the 2015 and 2016 fiscal years as it is not yet possible to foresee which properties will actually be sold by the end of 2015. When it publishes its third-quarter figures on 12 November 2015, the Managing Board of PATRIZIA Immobilien AG will provide more precise details on which portion of the expected total operating result for 2015 and 2016 can still be achieved in 2015, and which portion will not be achieved until 2016.

The forecasts for other financial parameters also need to be adjusted following the recent transactions. The bank loans, which we intended to repay in full by the end of the year, will increase again for the first time due to the temporary recognition in our own books of the bridge investments from the purchases in Manchester, Norway and Sweden. Similarly, the equity ratio (for which we had set a target of 80% by the end of the year) will not be achievable in the short term. Both target values should now be achieved one year later (i.e. at the end of 2016, not at the end of 2015).

The aforementioned developments will not affect the sell-off of PATRIZIA's own portfolio, the majority of which will be completed on schedule by the year-end. The equity which is released as a result will continue to be re-invested in profitable co-investments. The planned net increase in assets under management of EUR 2 billion also remains unchanged, although the sale of SÜDEWO in July led to an outflow of EUR 1.6 billion in assets under management. However, new acquisitions will enable us to fully offset this outflow. Some of these purchases have already been reported and the pipeline for further projects is well stocked.

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 2015

ASSETS		
EUR '000	30.06.2015	31.12.2014
A. Non-current assets		
Goodwill	610	610
Other intangible assets	38,417	39,407
Software	10,229	10,795
Investment property	53,124	78,507
Equipment	5,246	4,476
Participations in associated companies	72,824	68,497
Participations	97,449	96,555
Loans	5,843	5,281
Long-term tax assets	3,909	119
Total non-current assets	287,651	304,247
B. Current assets		
Inventories	1,149,494	198,694
thereof own investments	176,475	198,694
thereof bridge investments	973,019	0
Securities	69	86
Short-term tax assets	7,464	8,014
Current receivables and other current assets	68,654	84,774
Bank balances and cash	126,477	145,361
Total current assets	1,352,158	436,929
TOTAL ASSETS	1,639,809	741,176

EQUITY AND LIABILITIES

EUR '000	30.06.2015	31.12.2014
A. Equity		
Share capital	69,385	69,385
Capital reserve	198,576	198,576
Retained earnings		
Legal reserves	505	505
Non-controlling shareholders	37,315	809
Currency translation difference	2,008	1,030
Consolidated net profit	151,119	139,743
Total equity	458,908	410,048
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	63,961	19,704
Retirement benefit obligations	630	630
Non-current liabilities	82,798	82,544
Total non-current liabilities	147,389	102,878
CURRENT LIABILITIES		
Short-term bank loans	880,188	121,950
thereof own investments	84,426	121,950
thereof bridge investments	795,762	0
Short-term financial derivatives	5,780	0
Other provisions	2,195	2,142
Current liabilities	137,365	92,506
Tax liabilities	6,730	11,652
Other current liabilities	1,254	0
Total current liabilities	1,033,512	228,250
TOTAL EQUITY AND LIABILITIES	1,639,809	741,176

Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

EUR '000	2 nd quarter	2 nd quarter	1 st half of	1 st half of
	2015	2014	2015	2014
	01.04. – 30.06.2015	01.04. – 30.06.2014	01.01. – 30.06.2015	01.01. – 30.06.2014
Revenues	55,525	37,601	102,807	84,649
Income from the sale of investment property	1,383	2,067	2,969	5,512
Changes in inventories	-14,540	1,494	-22,219	5,178
Other operating income	5,945	2,636	7,079	3,860
Income from the deconsolidation of subsidiaries	5,277	0	5,277	0
Total operating performance	53,590	43,798	95,913	99,199
Cost of materials	-11,474	-11,625	-18,467	-26,415
Cost of purchased services ¹	-2,295	-3,188	-7,145	-5,656
Staff costs	-21,952	-17,853	-43,480	-35,396
Other operating expenses ¹	-11,762	-10,546	-21,123	-18,979
EBITDA	6,107	586	5,698	12,753
Amortisation of intangible assets and depreciation on property, plant and equipment	-1,869	-1,683	-3,469	-3,267
Earnings before finance income and income taxes (EBIT)	4,238	-1,097	2,229	9,486
Income from participations	4,972	4,168	9,963	8,334
Earnings from companies accounted for using the equity method	2,334	782	3,018	1,566
Finance income	1,355	996	1,630	3,418
Finance cost	-3,703	-3,138	-5,185	-8,013
Gains/losses from currency translation	-1,161	308	-7	399
Earnings before income taxes (EBT)	8,035	2,019	11,648	15,190
Income tax	-738	1,252	-1,501	121
Net profit for the period	7,297	3,271	10,147	15,311
Earnings per share (undiluted) in EUR	0.11	0.05	0.13	0.22
The net profit for the period is allocated to:				
Shareholders of the parent company	5,833	3,344	8,683	15,454
Non-controlling shareholders	1,464	-73	1,464	-143
	7,297	3,271	10,147	15,311

¹ Cost of purchased services were previously reported under other operating expenses. Last year's figures have been adjusted accordingly.

Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

EUR '000	2 nd quarter	2 nd quarter	1 st half of	1 st half of
	2015	2014	2015	2014
	01.04. – 30.06.2015	01.04. – 30.06.2014	01.01. – 30.06.2015	01.01. – 30.06.2014
Net profit for the period	7,297	3,271	10,147	15,311
Items of other comprehensive income with reclassification to net profit/loss for the period				
Profit/loss from the translation of financial statements of international business units	473	271	978	306
Cash flow hedges				
Amounts recorded during the reporting period	0	0	0	0
Reclassification of amounts that were recorded	0	0	0	31
Total result for the reporting period	7,770	3,542	11,125	15,648
The total result is allocated to:				
Shareholders of the parent company	6,306	3,615	9,661	15,791
Non-controlling shareholders	1,464	-73	1,464	-143
	7,770	3,542	11,125	15,648

Consolidated Cash Flow Statement

FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

EUR '000	01.01. – 30.06.2015	01.01. – 30.06.2014
Net profit for the period	10,147	15,311
Income taxes recognised through profit or loss	1,501	-121
Financial expenses through profit or loss	5,185	8,013
Financial income through profit or loss	-1,630	-3,419
Amortisation of intangible assets and depreciation on property, plant and equipment	3,469	3,267
Gain on disposal of investment properties	-2,969	-5,512
Income from the deconsolidation of subsidiaries	-5,277	0
Other non-cash items	-7,395	-3,469
Changes in inventories, receivables and other assets that are not attributable to investing activities	-10,021	34,720
Changes in liabilities that are not attributable to financing activities	10,491	7,589
Interest paid	-3,266	-7,392
Interest received	241	310
Income tax payments	-1,714	-1,476
Cash outflow/inflow from operating activities	-1,238	47,821
Capital investments in intangible assets and property, plant and equipment	-2,680	-2,205
Cash receipts from disposal of investment property	29,133	54,181
Payments for development or acquisition of investment property	-781	-1,461
Payments for the acquisition of shareholdings	0	-199
Income from the equity reduction of shareholdings	770	0
Payment for investments in companies accounted for using the equity method	-1,309	-545
Cash outflows for loans to companies in which participations are held	-60	-436
Payments for the acquisition of consolidated companies and other business units	-256,310	0
Cash outflow/inflow from investing activities	-231,237	49,335
Borrowing of loans	279,312	132,865
Repayment of loans	-65,721	-215,965
Payment for the issue of bonus shares	0	-3
Cash inflow/outflow from financing activities	213,591	-83,103
Changes in cash	-18,884	14,053
Cash 01.01.	145,361	105,536
Cash 30.06.	126,477	119,589

Consolidated Statement of Changes in Equity

FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

EUR '000	Share capital	Capital reserve	Valuation result from cash flow hedges	Retained earnings (legal reserve)	Currency translation difference	Consolidated net profit	Thereof attributable to the shareholders of the parent company	Thereof attributable to non-controlling shareholders	Total
Balance 1 January 2014	63,077	204,897	-31	505	500	104,135	373,083	1,398	374,481
Net amount recognised directly in equity, where applicable less income taxes			31		306		337		337
Expense incurred in issuing bonus shares		-3					-3		-3
Net profit/loss for the period						15,454	15,454	-143	15,311
Full overall result for the period			31				15,791	-143	15,648
Balance 30 June 2014	63,077	204,894	0	505	806	119,589	388,871	1,255	390,126
Balance 1 January 2015	69,385	198,576	0	505	1,030	139,743	409,239	809	410,048
Net amount recognised directly in equity, where applicable less income taxes					978		978		978
Non-controlling interests arising from the inclusion of new companies								101,631	101,631
Share purchases of shares of noncontrolling shareholders						2,147		-64,558	-62,411
Disposal of shares of non-controlling shareholders						546		-2,031	-1,485
Net profit/loss for the period						8,683	8,683	1,464	10,147
Full overall result for the period							9,661	1,464	11,125
BALANCE 30 JUNE 2015	69,385	198,576	0	505	2,008	151,119	418,900	37,315	458,908

Notes to the Consolidated Interim Financial Statements

TO 30 JUNE 2015 (FIRST HALF OF 2015)

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 as an investor and service provider on the real estate market for more than 30 years, and now in over ten countries. PATRIZIA covers the spectrum of purchasing, management, appreciation and sale of residential and commercial real estate. As a recognised business partner of both large institutional investors and private investors, the Company operates in Germany and other countries and covers the entire value chain in the real estate industry. Currently the Company manages real estate assets with a value of EUR 16.8 billion mainly as a co-investor and portfolio manager for insurance companies, pension fund institutions, government funds and savings banks.

2 PRINCIPLES APPLIED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated interim financial statements of PATRIZIA Immobilien AG for the first half of 2015 (1 January to 30 June 2015) 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 IFRS and in compliance with the provisions of German commercial law additionally applicable as per Article 315a (1) of the Handelsgesetzbuch (HGB – German Commercial Code). All compulsory official announcements of the International Accounting Standards Board (IASB) have been applied, i.e. those adopted up to the balance sheet date by the EU in the context of the endorsement process and published in the Official Journal of the EU.

From the perspective of the Company's management, the present unaudited consolidated interim financial statements for the period ended 30 June 2015 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 2015 are not necessarily an indication of future earnings or of the expected total earnings for fiscal year 2015.

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 2014. 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 ending 31 December 2014, which are contained in the Company’s 2014 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 109 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 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 this real estate development company are accounted for at purchase cost.

One company had been established in June 2015 but was not included in the scope of consolidation because it had not commenced business operations and was therefore of minor significance for the consolidated financial statements.

COMPANY ACQUISITIONS

ACQUISITION OF THE FIRST STREET PORTFOLIO ("MANCHESTER BRIDGE INVESTMENT")

PATRIZIA Immobilien AG acquired the First Street site in Manchester, which extends over 80,000 sqm, on 30 June 2015. In addition to four plots of land, the site includes the recently completed Melia Ininside hotel, nine bar and restaurant businesses and the First Street No. 1 office building (17,000 sqm).

The hotel and bar and restaurant businesses were acquired indirectly by purchasing all of the shares with voting rights in Southside Real Estate Ltd. and Southside Regeneration Ltd., while the office building was acquired directly through First Street PropCo Ltd.

In the present consolidated financial statements, the acquisition of Southside Real Estate Ltd. and Southside Regeneration Ltd. is shown as an acquisition of assets as no business operation within the meaning of a business pursuant to IFRS 3.3 was acquired. Instead, the transaction focused exclusively on the acquisition of the real estate held by the companies. The purchase prices for the companies were allocated to the individual identifiable assets and liabilities at the time of acquisition, based on their fair values.

ACQUISITION OF BOLIGUTLEIE HOLDING III AS AND HYRESFASTIGHETER HOLDING III GUL AB ("HARALD BRIDGE INVESTMENT")

1. SUBSIDIARIES ACQUIRED

In May 2015, PATRIZIA Immobilien AG acquired the majority of the shares in Boligutleie Holding III AS (BUH III) and also the majority of the shares in Hyresfastigheter Holding III Gul AB (HFH III) as part of an off-market transaction. As a result of acquiring these shares, the company now holds a majority interest in the Scandinavian fund Hyresbostäder i Sverige III Gul AB (HBS III), which at the time of the acquisition was managing eight real estate portfolios. Additional shares were acquired in BUH III and HFH III in June 2015. The portfolios comprise various structured investment and special purpose vehicles. At the date of acquisition, the overall portfolio that was acquired included more than 14,000 apartments in attractive locations in Germany and Sweden. Notwithstanding the fact that the transaction was effected as part of a share deal, the acquired assets almost exclusively comprise real estate. Apart from the real estate, the companies do not have any other significant assets.

Following full takeover of the fund and its settlement, PATRIZIA plans to make the acquired apartments available as potential investments to its clients and to third parties. The portfolio containing the apartments in Sweden was re-sold in June 2015.

Company	Principal activity	Acquisition date	Shares acquired as at the date of initial consolidation	Shares acquired as at 30 June 2015
Boligutleie Holding III AS	Feeder company	19.05.2015	75.5%	89.3%
Hyresfastigheter Holding III Gul AB	Feeder company	21.05.2015	59.7%	88.3%

For reasons of simplicity and expedience, initial consolidation was performed as at 31 May 2015. No major transactions took place between the actual dates of acquisition and the date of initial consolidation.

a) Assets acquired and liabilities assumed

As at 31 May 2015 the fair values of the identified assets and liabilities recognised at the time of acquisition were as follows:

EUR '000	31.05.2015
Acquired assets	
Real estate inventories	888,483
Cash and cash equivalents	74,704
Other assets	4,222
	967,409
Liabilities assumed	
Financial liabilities	536,597
Derivatives	6,917
Deferred tax liabilities	51,839
Current liabilities	25,422
Other current liabilities	3,220
	623,995
Total identifiable net assets at fair value	343,414
Shares of non-controlling shareholders in the net assets	101,659
	241,755
TOTAL COUNTERPERFORMANCE PAID	241,755

This represents a provisional purchase price allocation and may be subject to adjustments within the measurement period of twelve months. The provisional character refers firstly to the determined fair values of the acquired real estate because current real estate valuations had not yet been finalised when these consolidated financial statements were prepared. Secondly, the underlying tax values of the assets and liabilities must be considered as provisional because no tax balance sheets are prepared during the course of a year.

No goodwill is created as a result of the transaction. The counterperformance paid reflects the fair value of the real estate, taking into account the liabilities assumed.

b) Counterperformance transferred and transaction costs

The counterperformance transferred (excluding transaction costs) consisted exclusively of cash and cash equivalents and amounted to TEUR 241,755 at the time of the acquisition.

The transaction costs already incurred were posted as an expense and reported under other operating expenses.

c) Net cash outflow as a result of the acquisition

EUR '000	31.05.2015
Counterperformance (cash)	-241,755
Cash and cash equivalents acquired	74,704
Net cash outflow (-)/inflow (+)	-167,051

d) Shares of non-controlling shareholders

At the time of the acquisition, the shares of non-controlling shareholders were considered with their share of the fair value of the net assets and were measured at TEUR 101,659. As at 30 June 2015, the non-controlling shareholders were allocated a share in the result amounting to TEUR 1,464.

e) Effects of the acquisition on the consolidated result for the period

Of the profit for the period as at 30 June 2015, an amount of TEUR 7,754 is attributable to the acquired companies. This amount contains a profit on deconsolidation from the sale of the Swedish portfolio in an amount of TEUR 5,277 (cf. "Sale of subsidiaries"). Of the revenues as at 30 June 2015, an amount of TEUR 6,255 results from the business activities of the acquired companies.

If the acquisition had taken place as at 1 January 2015, the consolidated revenues as at 30 June 2015 would have been around EUR 138 million and the profit for the period around EUR 19 million.

f) Changes in the shareholding of the acquired subsidiaries as at 30 June 2015

PATRIZIA acquired additional shares in BUH III and HFH III in June 2015. The acquisition costs of TEUR 62,411 were paid in the form of cash. The shares of the non-controlling shareholders reduced by TEUR 62,411. The transferred hidden reserves were recognised, without affecting profit/loss, in the consolidated unappropriated profit in an amount of TEUR 2,147.

2. SALE OF SUBSIDIARIES

At the end of June 2015, the Group sold its shares in III Gul bostäder i Umea AB which it held via the fund Hyresbostäder i Sverige III Gul AB. In effecting this sale, the Group re-sold the Swedish residential units it had acquired in May 2015 as part of the purchase of the shares in Boligutleie Holding III AS and Hyresfastigheter Holding III Gul AB (cf. "Subsidiaries acquired"). Deconsolidation took place as at 30 June 2015. A purchase price of TEUR 20,294 was agreed as counter-performance for the sold shares.

a) Assets and liabilities disposed of due to the loss of control

EUR '000	30.06.2015
Assets	
Real estate inventories	61,204
Cash and cash equivalents	1,585
Other assets	253
	63,042
Liabilities	
Financial liabilities	39,444
Deferred tax liabilities	6,881
Current liabilities	215
	46,540
NET ASSETS SOLD	16,502

b) Gain on disposal from the disposal of subsidiaries

EUR '000	30.06.2015
Agreed counterperformance	20,294
Net assets relinquished	- 16,502
Shares of non-controlling shareholders	1,485
Gain on disposal	5,277

The gain on disposal is recognised in income from the deconsolidation of subsidiaries and also includes the deferred tax liabilities disposed of.

c) Net payment from the sale of subsidiaries

EUR '000	30.06.2015
Cash and cash equivalents received	-
Less cash and cash equivalents paid out in connection with the sale	- 1,585
Net cash outflow (-)/inflow (+)	- 1,585

The agreed purchase price had already been received at the time the report was prepared.

FURTHER NEW COMPANIES FOUNDED

PATRIZIA Immobilien AG acquired Grinan Invest SL, Madrid, on 25 March 2015. The company was renamed PATRIZIA Activos Inmobiliarios España S.L.U. on 30 March 2015. The company's share capital is EUR 3,006.00. The object of the company is the provision of property-related services in Spain.

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. Measurement is at fair value taking into account the current usage that corresponds to the highest and best usage. Changes in value are recognised through profit or loss.

A detailed description of the accounting methods used can be found in the notes to the IFRS consolidated financial statements for the year ending 31 December 2014, which are contained in the Company's 2014 Annual Report.

5 PARTICIPATIONS IN ASSOCIATED COMPANIES

The item "Participations in associated companies" includes the 10.1% (previous year: 9.09%) share in PATRIZIA WohnModul I SICAV-FIS.

The share in the consolidated net profit of PATRIZIA WohnModul I SICAV-FIS for the first half of 2015 was TEUR 3,018 (first half of 2014: TEUR 1,566).

6 PARTICIPATIONS

The item "Participations" includes the following main holdings:

- | PATRoffice Real Estate GmbH & Co. KG 6.25% (31 December 2014: 6.25%)
- | CARL A-Immo GmbH & Co. KG 12.5% (31 December 2014: 12.5%)
- | sono west Projektentwicklung GmbH & Co. KG 28.3% (31 December 2014: 28.3%)
- | Projekt Feuerbachstrasse Verwaltung GmbH 30% (31 December 2014: 30%)
- | PATRIZIA Projekt 150 GmbH 10% (31 December 2014: 10%)
- | Plymouth Sound Holdings LP 10% (31 December 2014: 10%)
- | Winnersh Holdings LP 5% (31 December 2014: 5%)
- | Seneca Holdco S.à r.l. 5.1% (31 December 2014: 5.1%)
- | GBW GmbH 5.1% (31 December 2014: 5.1%)
- | Avimore Topco 10% (31 December 2014: 10%)
- | Citruz Holdings LP 10% (31 December 2014: 10%)

The investment result in the first half of 2015 was TEUR 9,963 (first half of 2014: TEUR 8,334).

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 classed as intended for direct sale even if the sale is not recognised within three years.

Inventories are generally 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.

With regard to the valuation of the new bridge investments, please refer to the statements on company acquisitions.

8 EQUITY

As at the reporting date, the share capital of PATRIZIA Immobilien AG amounted to EUR 69,385,030 (31 December 2014: EUR 69,385,030) and is divided into 69,385,030 no-par value shares. The development of equity is shown in the consolidated statement of changes in equity. As at 30 June 2015, equity improved to EUR 458,9 million (31 December 2014: EUR 410.0 million).

9 LIABILITIES

9.1 LIABILITIES TO BANKS

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. The loans are in euro and GBP. For bank loans which serve to finance own investments, the financial liabilities are repaid when real estate is sold by repaying a certain portion of the sales proceeds. Loans to finance the bridge investments will be reduced when future deconsolidations take place.

In the table below, loans whose terms end within the 12 months following the reporting date and also revolving lines of credit used are posted as bank loans with a residual term of less than one year. Regardless of the terms shown below, loans which serve to finance inventories are in principle reported in the balance sheet as short-term bank loans.

The residual terms of the bank loans are as follows:

BANK LOANS

EUR '000	30.06.2015	31.03.2015	31.12.2014
Up to 1 year	266,036	26,748	33,699
More than 1 year to 2 years	614,152	61,463	88,251
TOTAL	880,188	88,211	121,950

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

Year	Amount of loans due as at					
	30.06.2015		31.03.2015		31.12.2014	
	EUR '000	in %	EUR '000	in %	EUR '000	in %
2015	92,333	10.5	26,748	30.3	33,699	27.6
2016	173,703	19.7	61,463	69.7	88,251	72.4
2017	189,988	21.6	0	0	0	0
2018	77,200	8.8	0	0	0	0
2020	109,174	12.4	0	0	0	0
2021	237,791	27.0	0	0	0	0
TOTAL	880,188	100	88,211	100	121,950	100

9.2 LIABILITIES TO OTHER LENDERS

As at 30 June 2015, the non-current liabilities included bonded loans in an amount of TEUR 77,000.

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 nd quarter	2 nd quarter	1 st half	1 st half	2014
	2015	2014	2015	2014	
	01.04. – 30.06.2015	01.04. – 30.06.2014	01.01. – 30.06.2015	01.01. – 30.06.2014	01.01. – 31.12.2014
Interest on bank deposits	28	37	111	222	459
Changes in the value of derivatives	1,152	741	1,152	2,819	2,819
Other interest	175	218	367	377	1,135
Financial income	1,355	996	1,630	3,418	4,413
Interest on revolving lines of credit and bank loans	-934	-1,291	-1,413	-2,729	-4,459
Interest-rate hedging expense	0	-736	0	-2,822	-2,822
Currency hedging expense	-1,406	0	-1,406	0	0
Release of other result from cash flow hedging	0	0	0	-31	-31
Other finance costs	-1,363	-1,111	-2,366	-2,431	-4,600
Financial expenses	-3,703	-3,138	-5,185	-8,013	-11,912
FINANCIAL RESULT	-2,348	-2,142	-3,555	-4,595	-7,499
Financial result adjusted for valuation effects	-3,500	-2,883	-4,707	-7,383	-10,318

12 EARNINGS PER SHARE

	2 nd quarter 2015	2 nd quarter 2014	1 st half 2015	1 st half 2014	2014
	01.04. – 30.06.2015	01.04. – 30.06.2014	01.01. – 30.06.2015	01.01. – 30.06.2014	01.01. – 31.12.2014
Net profit for the period (in EUR '000)	7,297	3,271	10,147	15,311	35,608
Number of shares issued	69,385,030	63,077,300	69,385,030	63,077,300	69,385,030
Weighted number of shares	69,385,030	69,385,030	69,385,030	69,385,030	69,385,030
EARNINGS PER SHARE (IN EURO)	0.11	0.05	0.13	0.22	0.51

In application of IAS 33.64, the weighted number of shares for the same quarter in the previous year (63,077,300) was adjusted. In doing so, it was assumed that the weighted number of shares throughout the year for 2014 corresponds to that for 2015.

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 by 19 June 2017 (Authorised Capital 2012).

13 SEGMENT REPORTING

Segment reporting categorises the business segments according to whether PATRIZIA acts 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 operating segments will also be delimited by geographical criteria. Country assignment will be effected according to the location of the real estate asset being managed. International subsidiaries will continue to be reported as a total for the time being owing to the still low contribution made by the individual national companies to revenues and results.

In addition, PATRIZIA Immobilien AG (corporate administration) together with the management of international 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 intracompany revenues, interim results and the reversal of intracompany interest charges will be performed via the Consolidation column. The “Corporate” column thus consolidates all internal services between the Investments and Management Services segments and the Group within a country; it represents the external service provided by the Group in the region concerned. Transnational consolidation is performed in the Consolidation row.

The **Investments segment** primarily bundles portfolio management, the sale of own investments and bridge investments 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. The Bridge Investments are intended to be sold until the end of 2016.

The results of all participating interests (excluding interim profits) from co-investments are also reported in this segment.

The **Management Services segment** covers a broad spectrum of real estate services, in particular analysis and consultancy during the purchase and sale of 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 complex, non-standard investments (Alternative Investments). Special funds are also established and managed – including at a client’s individual request – via the Group’s own investment management companies. Commission revenues generated by services, both from co-investments and from business with third parties, are reported in the Management Services segment. 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 Management Services segment is being increasingly used by 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 parameters, 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, income from the deconsolidation of subsidiaries, changes in inventories, cost of materials and staff costs, cost of purchased services, other operating income and expenses, changes in the value of investment property, amortisation, as well as earnings from participations (including participations valued at equity) and the financial result and gains/losses from currency translation.

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 Kapitalverwaltungsgesellschaft mbH and PATRIZIA UK 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 intracompany services are invoiced at market prices.

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

The individual segment figures are set out below. The reporting of amounts in EUR thousands can result in rounding differences. However, individual items are calculated on the basis of non-rounded figures.

SECOND QUARTER 2015 (1 APRIL – 30 JUNE 2015)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
Germany					
External revenues	28,947	19,904	0	0	48,851
Revenues from single unit sales ¹	20,558	0			20,558
Revenues from block sales	0	0			0
Rental revenues from own investments	1,709	0			1,709
Rental revenues from bridge investments	5,861	0			5,861
Revenues from services	0	19,904			19,904
Co-investments		7,242			7,242
Third parties		12,662			12,662
Other	820	0			820
Intercompany revenues	46	3,000	0	-1,431	1,615
International²					
External revenues	394	6,216	0	0	6,610
Rental revenues from bridge investments	394	0			394
Revenues from services	0	6,135			6,135
Co-investments		5,455			5,455
Third parties		679			679
Other	0	82			82
Intercompany revenues	0	2,777	0	0	2,777
Corporate					
External revenues	0	0	64	0	64
Intercompany revenues	0	0	5,796	0	5,796
Consolidation					
External revenues	0	0	0	0	0
Intercompany revenues	0	-4,378	0	-5,810	-10,188
Group					
External revenues	29,341	26,120	64	0	55,525
Revenues from single unit sales ¹	20,558	0	0		20,558
Revenues from block sales	0	0	0		0
Rental revenues from own investments	1,709	0	0		1,709
Rental revenues from bridge investments	6,255	0	0		6,255
Revenues from services	0	26,038	54		26,092
Co-investments		12,697	-62		12,635
Third parties		13,341	116		13,457
Other	820	82	10		911
Intercompany revenues	46	1,399	5,796	-7,241	0
Financial Result	-2,688	-306	646	0	-2,348
Financial income					
Germany	1,559	296	0	-170	1,685
International ²	1,125	36	0	0	1,161
Corporate	0	0	1,881	0	1,881
Consolidation	-1,093	0	0	-2,278	-3,371
Group	1,590	332	1,881	-2,448	1,355
Financial expenses					
Germany	-5,764	-559	0	170	-6,154
International ²	393	-78	0	0	314
Corporate	0	0	-1,234	0	-1,234
Consolidation	1,093	0	0	2,278	3,371
Group	-4,278	-638	-1,234	2,448	-3,703

¹ Including new-build sales from real estate developments² France, Great Britain, Luxembourg, Netherlands, Nordics, Spain

PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
EBT (IFRS)					
Germany	379	2,754	0	159	3,293
International ²	7,617	2,131	0	0	9,748
Corporate	0	0	-4,951	0	-4,951
Consolidation	-50	0	0	-6	-55
Group	7,947	4,886	-4,951	153	8,035
Adjustments					
Germany	807	492	0	0	1,299
Significant non-operating earnings	786	-492	0	0	294
Market valuation income derivatives	801	0			801
Market valuation expenditures derivatives	-15	0			-15
Fund agreement amortisation	0	-492			-492
Realised fair value	1,593	0	0	0	1,593
International²	0	0	0	0	0
Group	807	492	0	0	1,299
Operating result (adjusted EBT)					
Germany	1,187	3,246	0	159	4,592
International ²	7,617	2,131	0	0	9,748
Corporate	0	0	-4,951	0	-4,951
Consolidation	-50	0	0	-6	-55
Group	8,754	5,378	-4,951	153	9,335

² France, Great Britain, Luxembourg, Netherlands, Nordics, Spain

SECOND QUARTER 2014 (1 APRIL – 30 JUNE 2014)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
Germany					
External revenues	18,348	16,558	0	0	34,906
Revenues from single unit sales	8,354	0			8,354
Revenues from block sales	1,500	0			1,500
Rental revenues	5,572	0			5,572
Revenues from services	0	16,558			16,558
Co-investments		4,634			4,634
Third parties		11,924			11,924
Other revenues	2,922	0			2,922
Intercompany revenues	27	3,169	0	-2,841	355
International¹					
External revenues	0	2,582	0	0	2,582
Revenues from services		2,582			2,582
Co-investments		2,314			2,314
Third parties		268			268
Intercompany revenues	0	660	0	0	660
Corporate					
External revenues	0	0	113	0	113
Intercompany revenues	0	0	5,080	0	5,080
Consolidation					
External revenues	0	0	0	0	0
Intercompany revenues	0	-809	0	-5,286	-6,095
Group					
External revenues	18,348	19,140	113	0	37,601
Revenues from single unit sales	8,354	0	0		8,354
Revenues from block sales	1,500	0	0		1,500
Rental revenues	5,572	0	0		5,572
Revenues from services	0	19,140	111		19,251
Co-investments		6,948	17		6,965
Third parties		12,192	94		12,286
Other revenues	2,922	0	2		2,924
Intercompany revenues	27	3,020	5,080	-8,127	0
Financial Result					
	-2,614	-197	670	0	-2,142
Financial income					
Germany	1,180	270	0	-159	1,290
International ¹	1,280	41	0	0	1,321
Corporate	0	0	1,966	0	1,966
Consolidation	-1,214	-5	0	-2,362	-3,581
Group	1,246	306	1,965	-2,521	996
Financial expenses					
Germany	-4,912	-467	0	159	-5,220
International ¹	-162	-40	0	0	-202
Corporate	0	0	-1,296	0	-1,296
Consolidation	1,214	5	0	2,362	3,580
Group	-3,861	-503	-1,296	2,521	-3,138

¹ France, Great Britain, Luxembourg, Netherlands, Nordics

PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
EBT (IFRS)					
Germany	3,302	2,841	0	-150	5,993
International ¹	990	-488	0	0	502
Corporate	0	0	-4,497	0	-4,497
Consolidation	0	0	0	21	21
Group	4,292	2,352	-4,496	-129	2,019
Adjustments					
Germany	2,818	492	0	0	3,310
Significant non-operating earnings	742	-492	0	0	250
Market valuation income derivatives	742	0			742
Fund agreement amortisation	0	-492			-492
Realised fair value	3,560	0	0	0	3,560
International¹	0	129	0	0	129
Significant non-operating earnings		-129			-129
Fund agreement amortisation		-129			-129
Group	2,818	621	0	0	3,439
Operating result (adjusted EBT)					
Germany		3,333	0	-150	9,303
International ¹	990	-359	0	0	630
Corporate	0	0	-4,497	0	-4,497
Consolidation	0	0	0	21	21
Group	7,110	2,974	-4,496	-129	5,458

¹ France, Great Britain, Luxembourg, Netherlands, Nordics

FIRST HALF OF 2015 (1 JANUARY – 30 JUNE 2015)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
Germany					
External revenues	47,776	40,085	0	0	87,861
Revenues from single unit sales ¹	29,980	0			29,980
Revenues from block sales	6,450	0			6,450
Rental revenues from own investments	3,849	0			3,849
Rental revenues from bridge investments	5,861	0			5,861
Revenues from services	0	40,085			40,085
Co-investments		13,148			13,148
Third parties		26,936			26,936
Other	1,636	0			1,636
Intercompany revenues	93	7,684	0	-2,653	5,123
International²					
External revenues	394	14,419	0	0	14,813
Rental revenues from bridge investments	394	0			394
Revenues from services	0	14,307			14,307
Co-investments		13,064			13,064
Third parties		1,243			1,243
Other	0	112			112
Intercompany revenues	0	4,204	0	0	4,204
Corporate					
External revenues	0	0	133	0	133
Intercompany revenues	0	0	11,289	0	11,289
Consolidation					
External revenues	0	0	0	0	0
Intercompany revenues	0	-9,267	0	-11,349	-20,616
Group					
External revenues	48,170	54,503	133	0	102,807
Revenues from single unit sales ¹	29,980	0	0		29,980
Revenues from block sales	6,450	0	0		6,450
Rental revenues from own investments	3,850	0	0		3,850
Rental revenues from bridge investments	6,255	0	0		6,255
Revenues from services	0	54,392	113		54,505
Co-investments		26,212	11		26,223
Third parties		28,180	102		28,282
Other	1,636	112	19		1,767
Intercompany revenues	93	2,620	11,289	-14,002	0
Financial Result					
	-4,284	-823	1,552	0	-3,555
Financial income					
Germany	2,015	522	0	-340	2,197
International ²	2,233	72	0	0	2,305
Corporate	0	0	4,265	0	4,265
Consolidation	-2,171	0	0	-4,966	-7,137
Group	2,077	594	4,265	-5,306	1,630
Financial expenses					
Germany	-8,769	-1,257	0	340	-9,686
International ²	237	-161	0	0	76
Corporate	0	0	-2,713	0	-2,713
Consolidation	2,171	0	0	4,966	7,137
Group	-6,361	-1,417	-2,713	5,306	-5,185

¹ Including new-build sales from real estate developments² France, Great Britain, Luxembourg, Netherlands, Nordics, Spain

PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
EBT (IFRS)					
Germany	3,504	5,189	0	367	9,060
International ²	8,241	2,820	0	0	11,061
Corporate	0	0	-8,418	0	-8,418
Consolidation	-50	0	0	-6	-55
Group	11,695	8,009	-8,418	361	11,648
Adjustments					
Germany	4,179	984	0	0	5,163
Significant non-operating earnings	786	-984	0	0	-198
Market valuation income derivatives	801	0			801
Market valuation expenditures derivatives	-15	0			-15
Fund agreement amortisation	0	-984			-984
Realised fair value	4,965	0	0	0	4,965
International ²	0	0	0	0	0
Group	4,179	984	0	0	5,163
Operating result (adjusted EBT)					
Germany	7,683	6,173	0	367	14,223
International ²	8,241	2,820	0	0	11,061
Corporate	0	0	-8,418	0	-8,418
Consolidation	-50	0	0	-6	-55
Group	15,874	8,993	-8,418	361	16,811

² France, Great Britain, Luxembourg, Netherlands, Nordics, Spain

FIRST HALF OF 2014 (1 JANUARY – 30 JUNE 2014)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
Germany					
External revenues	35,591	45,214	0	0	80,805
Revenues from single unit sales	17,046	0			17,046
Revenues from block sales	1,500	0			1,500
Rental revenues	11,586	0			11,586
Revenues from services	0	45,214			45,214
Co-investments		9,150			9,150
Third parties		36,064			36,064
Other revenues	5,459	0			5,459
Intercompany revenues	121	6,339	0	-5,441	1,019
International¹					
External revenues	0	3,640	0	0	3,640
Revenues from services		3,640			3,640
Co-investments		2,340			2,340
Third parties		1,300			1,300
Intercompany revenues	0	1,422	0	0	1,422
Corporate					
External revenues	0	0	204	0	204
Intercompany revenues	0	0	10,420	0	10,420
Consolidation					
External revenues	0	0	0	0	0
Intercompany revenues	0	-1,745	0	-11,116	-12,861
Group					
External revenues	35,591	48,854	204	0	84,649
Revenues from single unit sales	17,046	0	0		17,046
Revenues from block sales	1,500	0	0		1,500
Rental revenues	11,586	0	0		11,586
Revenues from services	0	48,854	177		49,031
Co-investments		11,490	37		11,527
Third parties		37,364	140		37,504
Other revenues	5,459	0	27		5,486
Intercompany revenues	121	6,016	10,420	-16,557	0
Financial Result					
	-5,349	-521	1,275	0	-4,595
Financial income					
Germany	3,953	411	0	-320	4,043
International ¹	2,698	82	0	0	2,780
Corporate	0	0	4,244	0	4,244
Consolidation	-2,590	-10	0	-5,048	-7,648
Group	4,061	482	4,244	-5,368	3,418
Financial expenses					
Germany	-11,575	-945	0	320	-12,200
International ¹	-425	-67	0	0	-492
Corporate	0	0	-2,969	0	-2,969
Consolidation	2,591	10	0	5,047	7,648
Group	-9,410	-1,003	-2,969	5,368	-8,013

¹ France, Great Britain, Luxembourg, Nordics, Netherlands

PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
EBT (IFRS)					
Germany	6,163	16,300	0	134	22,597
International ¹	1,702	-1,490	0	0	212
Corporate	0	0	-7,201	0	-7,201
Consolidation	0	0	0	-418	-418
Group	7,864	14,810	-7,201	-284	15,190
Adjustments					
Germany	5,019	984	0	0	6,003
Significant non-operating earnings	2,788	-984	0	0	1,804
Market valuation income derivatives	2,819	0			2,819
Market valuation expenditures derivatives	-31	0			-31
Fund agreement amortisation	0	-984			-984
Realised fair value	7,807	0	0	0	7,807
International¹	0	257	0	0	257
Significant non-operating earnings		-257			-257
Fund agreement amortisation		-257			-257
Group	5,019	1,241	0	0	6,260
Operating result (adjusted EBT)					
Germany	11,182	17,284	0	134	28,600
International ¹	1,702	-1,233	0	0	468
Corporate	0	0	-7,201	0	-7,201
Consolidation	0	0	0	-418	-418
Group	12,884	16,051	-7,201	-284	21,450

¹ France, Great Britain, Luxembourg, Nordics, Netherlands

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 2014 Annual Report remain valid.

15 RESPONSIBILITY STATEMENT BY THE LEGAL REPRESENTATIVES OF PATRIZIA IMMOBILIEN AG PURSUANT TO ARTICLE 37Y OF THE WERTPAPIERHANDELSGESETZ (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, 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 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 2015

6 August 2015	Interim report for the first half of 2015
12 November 2015	Interim report for the first nine months of 2015

FINANCIAL CALENDAR 2016

17 March 2016	Financial statements 2015
10 May 2016	Interim report for the first quarter of 2016
16 June 2016	Annual General Meeting, Augsburg
9 August 2016	Interim report for the first half of 2016
8 November 2016	Interim report for the first nine months of 2016

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This interim report was published on 6 August 2015. This is a translation of the German interim report. In case of doubt, the German version shall apply. Both versions are available on our website:

www.patrizia.ag/investor-relations/finanzberichte/quartalsberichte
www.patrizia.ag/en/investor-relations/financial-reports/quarterly-reports

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