

FY 2015 Results Conference Call

Karim Bohn, CFO

17 March 2016



2015 results confirm PATRIZIA's successful strategy...

Upper end of upward revised guidance achieved

- ◆ EUR 155m operating income, tripled from EUR 50m in 2014
- ◆ EUR 2.0bn growth of Assets under Management to EUR 16.6bn
- ◆ EUR 269m fee income, up 92% from EUR 140m in 2014

Strong operational year

- ◆ EUR 1.5bn additional equity raised, up 25% from EUR 1.2bn in 2014
- ◆ Placement of German retail fund started, broadening investor base
- ◆ EUR 7.2bn transaction volume, +76% from EUR 4.1bn in 2014
- ◆ 103 major transactions executed, plus 345 condo privatisations

European expansion on track

- ◆ 41% increase of Assets under Management outside of Germany from EUR 3.9bn end of 2014 to EUR 5.5bn end of 2015
- ◆ Several investments in UK, acquisitions in Spain, Nordics, France, etc.
- ◆ Operating basis extended to 15 countries throughout Europe

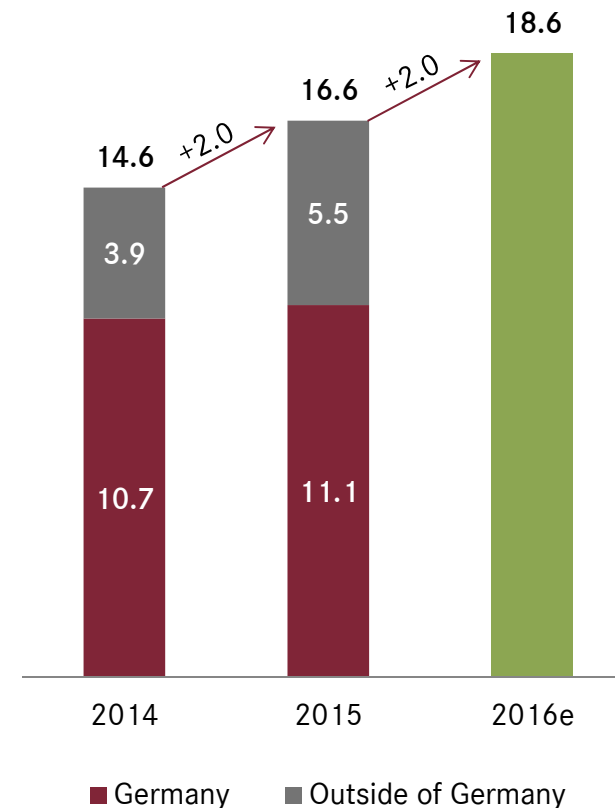
2016 guidance confirmed

- ◆ EUR 2.0bn growth of Assets under Management
- ◆ Operating income of at least EUR 250m
- ◆ Sale of Harald portfolio to be closed in H1 2016

ASSETS UNDER MANAGEMENT

(in EUR billion)

As of 31 December 2015



...with a positive earnings contribution across all businesses

MANAGEMENT	TRANSACTIONS	INVESTORS ACCESS	EQUITY INVEST
<ul style="list-style-type: none">◆ EUR 16.6bn AuM, up by EUR 2.0bn◆ Fund management: 37 residential and commercial funds set up◆ Asset and portfolio management◆ Property management	<ul style="list-style-type: none">◆ Unique access to deal flow◆ EUR 7.2bn fee generating transactions◆ EUR 4.2bn acquisitions◆ EUR 3.0bn sales◆ 448 single transactions, incl. 345 condo sales	<ul style="list-style-type: none">◆ EUR 1.5bn additional equity raised in 2015◆ Diversified client base: about 200 national and international investors around 50% have multiple investments◆ German retail investors to further broaden investors base 2016	<ul style="list-style-type: none">◆ EUR 588m invested capital◆ EUR 168m invested in co-investments alongside our partners◆ Principal investments of EUR 419m offer attractive returns to PATRIZIA shareholders

as of 31 December 2015

Growing Assets under Management especially outside of Germany...

EUR 2.0bn AuM growth delivered 2015

- ◆ 2016 target of further EUR 2.0bn AuM growth

Net growth of EUR 2.0bn 2015 by

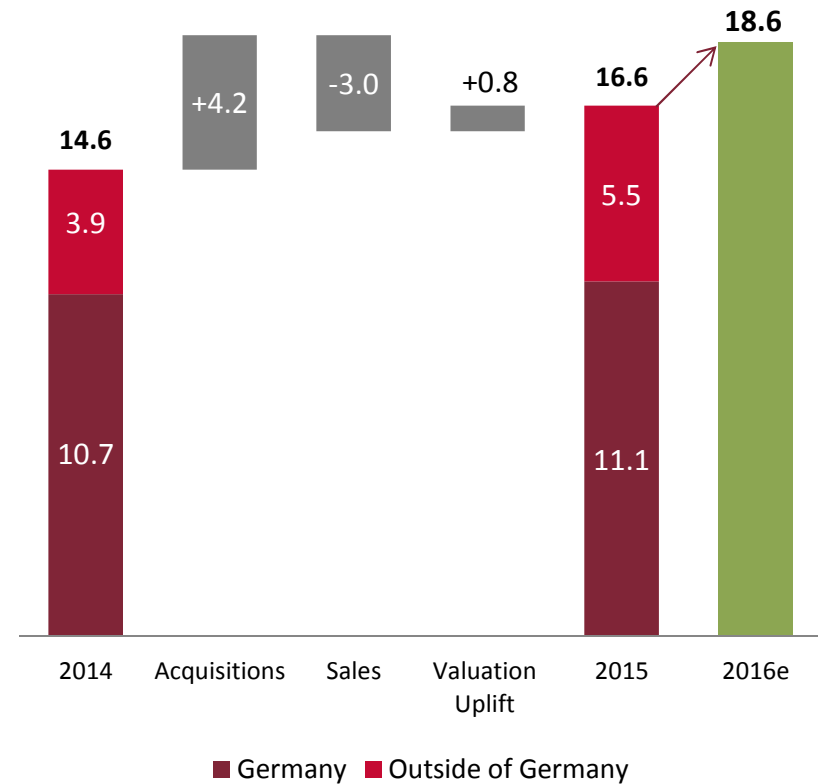
- ◆ EUR 7.2bn fee generating transactions
- ◆ EUR 4.2bn acquisitions
- ◆ EUR 3.0bn sales
- ◆ plus EUR 0.8bn valuation uplift of existing portfolio

Solid AuM distribution

- ◆ 2015 Growth target achieved
- ◆ 33.1% or EUR 5.5bn of AuM outside Germany
- ◆ about 200 institutional investors

ASSETS UNDER MANAGEMENT

(in EUR billion)
As of 31 December 2015



...deliver stable and growing 3rd party fee income...

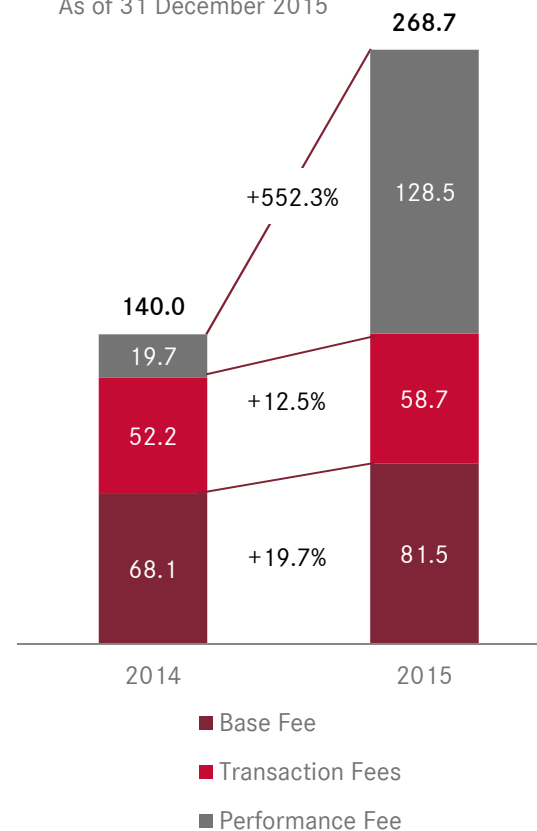
TOP LINE GROWTH DRIVEN BY INCREASE IN ALL FEE SEGMENTS

Strong development of fee income in 2015:

- ◆ Solid fee growth with outstanding progress of performance fee
- ◆ Total fee income of EUR 268.7m in 2015 vs. EUR 140.0m in 2014
- ◆ Future top line growth driven by
 - ◆ further European expansion of platform
 - ◆ international broadening of investors base and
 - ◆ additional Principal Investments

FEE INCOME

(in EUR million)
As of 31 December 2015



...with transaction fees becoming a sustainable part of total income

TRANSACTION VOLUME OF EUR 7.2BN

Strong transaction volume in 2015:

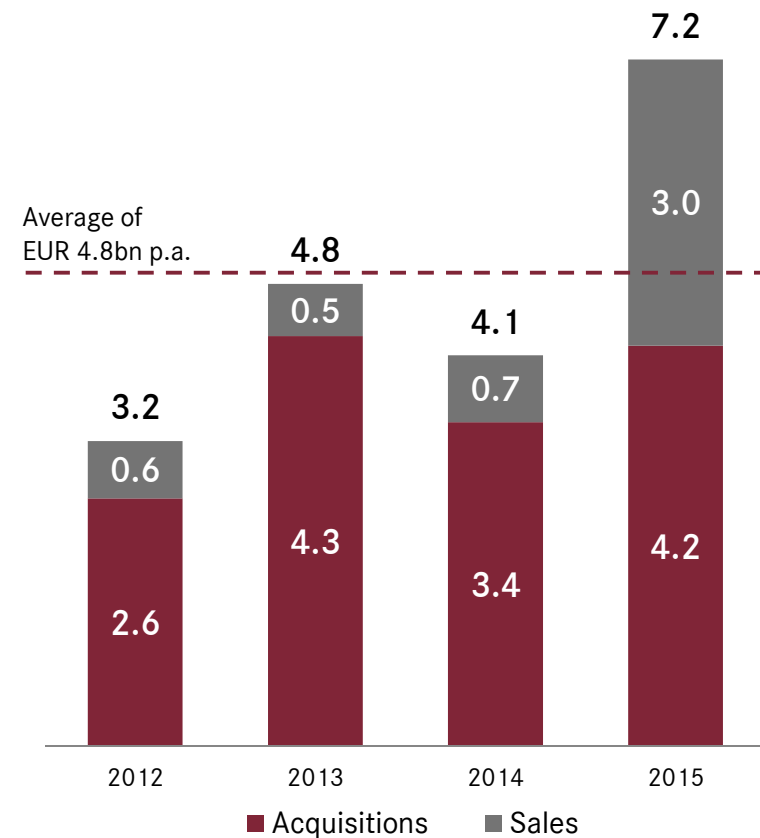
- ◆ Increase to EUR 7.2bn vs. EUR 4.1bn in 2014
- ◆ Acquisitions of EUR 4.2bn, up from EUR 3.4bn in 2014
- ◆ Disposals of EUR 3.0bn, up from EUR 0.7bn in 2014

Landmark transactions in 2015 include:

- ◆ Acquisition of 13.500 residential units in Germany: EUR 834m
- ◆ Acquisition of Madame Tussauds in London: EUR 453m
- ◆ Acquisition of a highstreet retail portfolio in the Netherlands: EUR 342m
- ◆ Acquisition of a residential portfolio in France with approx. 1.000 residential units: EUR 185m
- ◆ Several investments in UK: EUR 128m
- ◆ Acquisition of Galleri K in Copenhagen: EUR 209m
- ◆ Disposal of SÜDEWO: EUR 1.900m

TRANSACTION VOLUME

(in EUR billion)
As of 31 December 2015

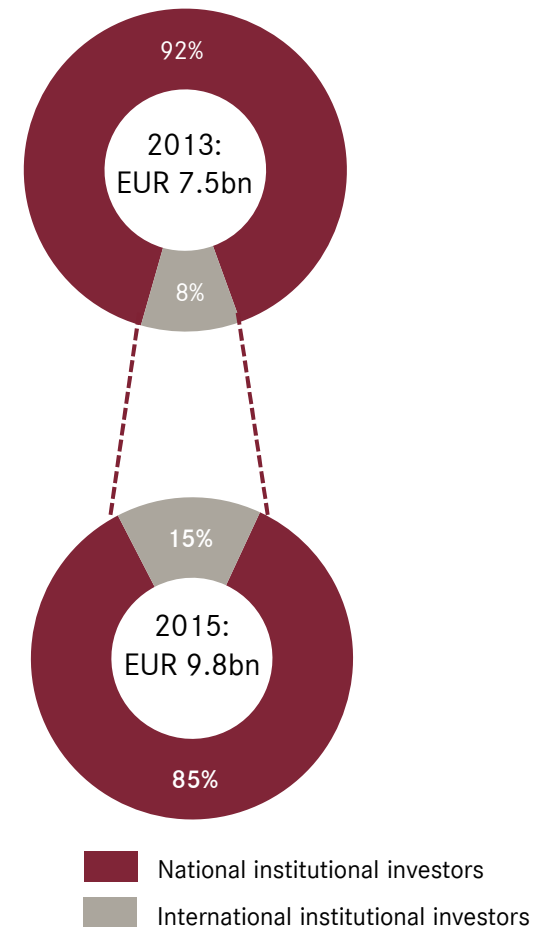


Investor base is becoming increasingly more international...

EQUITY COMMITMENT OF INTERNATIONAL INVESTORS ACCELERATED

- ◆ Equity Commitment up to EUR 9.8bn from EUR 7.5bn end of 2013
- ◆ More than 200 institutional investors are invested
- ◆ Commitment of international investors doubled to EUR 1.5bn end of 2015 from EUR 0.6bn end of 2013, or to 15% from 8% of total committed equity.
- ◆ Asian Investors have broadened investor base: at Madame Tussauds in London (2015) and Astro-Tower in Brussels (2016)
- ◆ BaFin-licence to start global fund raising activities expected 2016

INVESTOR DOMICILE BY EQUITY COMMITMENT¹



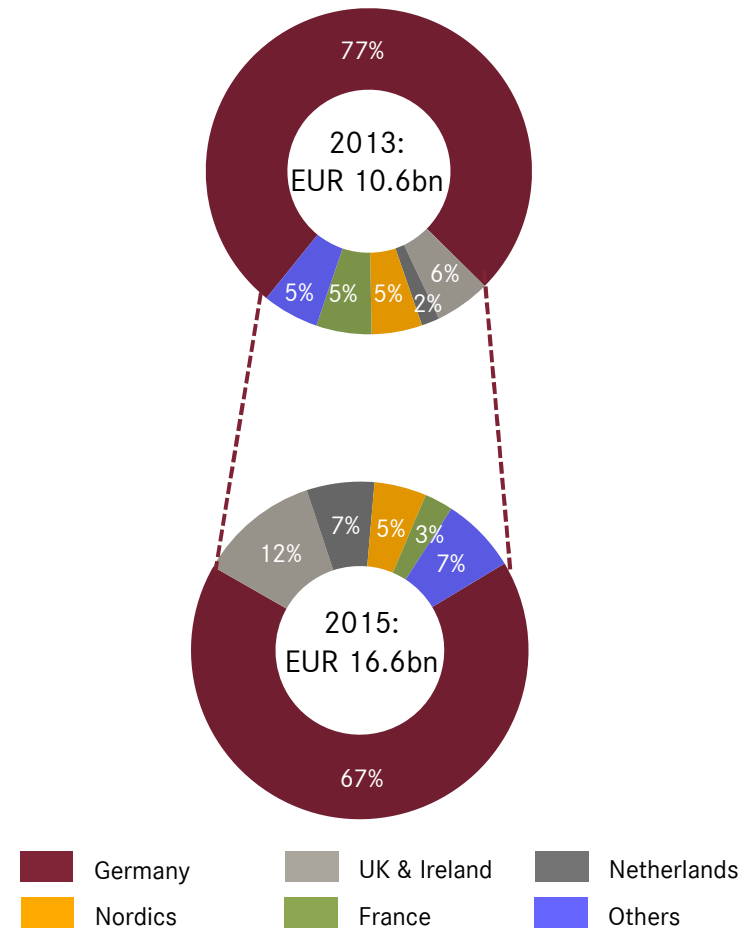
¹As of 31 December 2015

...and asset base follows along

FOOTPRINT OF ASSETS WELL INTERNATIONAL DIVERSIFIED

- ◆ AuM up to EUR 16.6bn from EUR 10.6bn end of 2013
- ◆ Presence in 15 European markets, office to serve the Iberian Peninsula has been opened 2015
- ◆ AuM outside of Germany more than doubled to EUR 5.5bn from EUR 2.4bn end of 2013, totalling 33% of AuM in 2015
- ◆ Increase widely spread all over Europe confirming European expansion strategy
- ◆ **Highlights 2015 include:**
 - ◆ first acquisitions in Spain
 - ◆ very active in the UK: acquisition of significant Manchester site in 2015, with first part already sold and JV for development agreed
 - ◆ Acquisition of Galleri K, a EUR 209m high-street asset in Copenhagen

GEOGRAPHICAL FOOTPRINT OF ASSETS¹



Shareholders benefit from attractive real estate investments

INVESTMENT INCOME STRONGLY UP

- ◆ Invested equity in Principal Investments and in Co-Investments

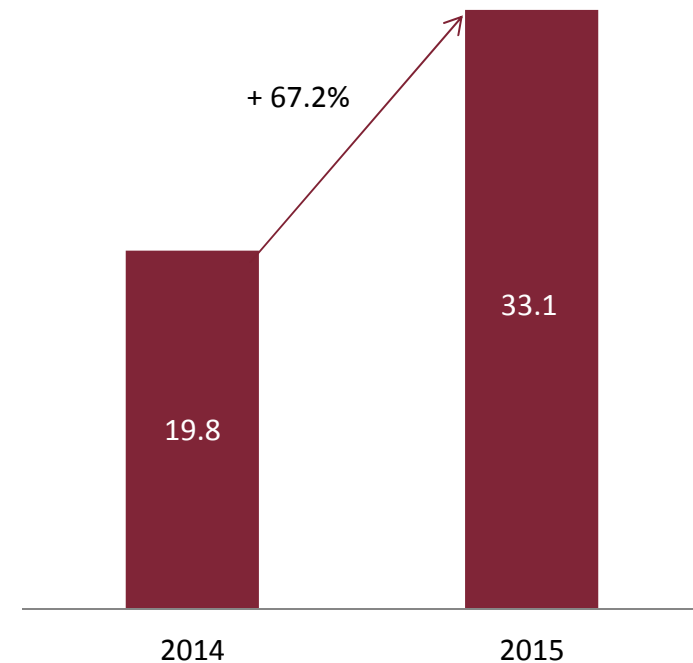
INVESTMENT DISCIPLINE PAYS OFF:

- ◆ Growth underlines strong performance and solid profitability of equity investments
- ◆ Increase of investment income to EUR 33.1mn, up 67.2% from 19.8mn in 2014
- ◆ Major drivers are:
 - ◆ EUR 13.4m RoE on EUR 15.0m investment at SÜDEWO
 - ◆ GBW dividend of EUR 3.2m
 - ◆ WohnModul up 33.0% to EUR 4.2m, after EUR 3.2m in 2014
 - ◆ Proceeds from UK investments of EUR 6.4m, including profits from the sale of a Hotel in Manchester
- ◆ Another strong increase of investment income expected for 2016, as Harald is delivering a triple-digit RoE

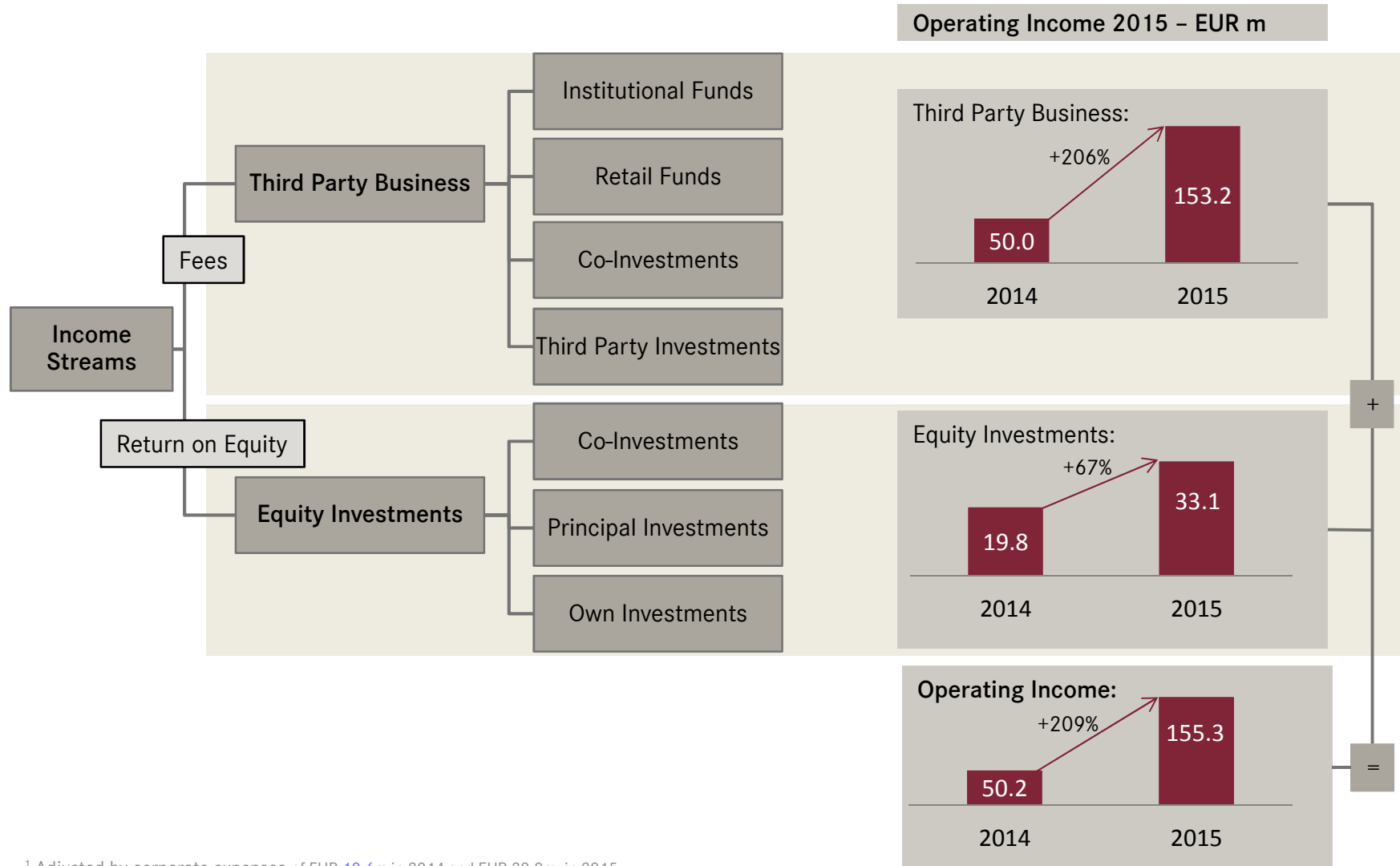
INVESTMENT INCOME

(in EUR million)

As of 31 December 2015



Operational success of PATRIZIA reflected in 2015 results



¹ Adjusted by corporate expenses of EUR 19.6m in 2014 and EUR 30.9m in 2015

Development of operating income

RECONCILIATION TO OPERATING INCOME

in TEUR	2015	2014	Change in %	COMMENTS
EBITDA	175,077	55,886	213.3	Increase driven by income from participations (dividends and performance fee, especially from SÜDEWO-sale)
Amortisation of management contracts and tangible assets and equipment	-7,059	-6,940	1.7	
EBIT	168,018	48,946	243.3	Financing costs up in line with increased leverage due to acquisition of Harald-Portfolio
Financial result (interest result)	-16,505	-7,499	120.1	
Currency result	-618	551	-	Currency exposure to GBP in UK as well as Kronas (Norway and Sweden) related to Harald
EBT (IFRS)	150,895	41,998	259.3	
Change in the value of derivatives	-2,888	-2,788	3.6	Realised valuation changes of investment properties
+ Amortisation on fund management contracts	1,968	2,485	20.8	
Realised change in value of investment property (NET)	5,296	8,515	-37.4	
Operating Income	155,271	50,210	209.2	

Conservative balance sheet paves ground for future growth...

IN EUR MILLION	31.12.2015	31.12.2015 pro forma ²	31.12.2014	COMMENTS
Total assets	1,631.8	690.8	741.2	
Equity (incl. non-controlling partners)	539.8	522.4	410.0	
Equity ratio	33.1 %	75.6%	55.3 %	Harald effect: Balance Sheet and Bank Loans, Net Financial Debt as well as Real Estate Assets up, Equity Ratio down
Bank loans	821.8	129.6	122.0	
- cash and cash equivalents	179.1	112.8	145.4	
+ Bonded loans (Schuldscheindarlehen)	67.0	57.0	77.0	
= Net financial debt	709.7	73.8	53.6	EUR 10m of the bonded loans has been redeemed in 2015, another EUR 10m redemption was made in January 2016
Real estate assets¹	1,078.7	244.9	277.2	

- ◆ Harald is delivering a triple-digit RoE and about EUR 200m earnings contribution
- ◆ Balance sheet structure very conservative post Harald closing
- ◆ Excellent basis for further growth in 2016 and beyond:
 - ◆ Continue European expansion
 - ◆ Take advantage from investment opportunities, if they arise

¹ Real estate assets comprise investments property valued at fair value and real estate held in inventories valued at amortised costs

² Excluding debt relating to Harald and the redemption of EUR 5m on each of the two bonded Loans (Schuldscheindarlehen) in Jan 2016

...facilitated by a solid capital structure

SALE OF HARALD-PORTFOLIO WILL SIGNIFICANTLY DE-LEVER PATRIZIA

- ◆ As of 31 December 2015, EUR 692.2mn of EUR 888.8mn total debt relates to Harald. As of closing, these liabilities will vanish from PATRIZIA 's balance sheet.
- ◆ Harald will contribute significantly to the 2016 operating income, guided at at least EUR 250m.
- ◆ This, together with PATRIZIA's current cash balance, is a very decent basis for further growth.
- ◆ For PATRIZIA's day-to-day operational business, no debt is considered necessary.

CAPITAL STRUCTURE END 2015

IN EUR MILLION	2015	2015 pro forma ¹
Bonded loans – long-term	32.0	27.0
Bonded loans – short-term	35.0	30.0
Mortgage debt	623.6	129.2
Bank debt	198.2	0.4
Total debt	888.8	186.6
Cash balance	179.1	112.8
Net debt	709.7	73.8

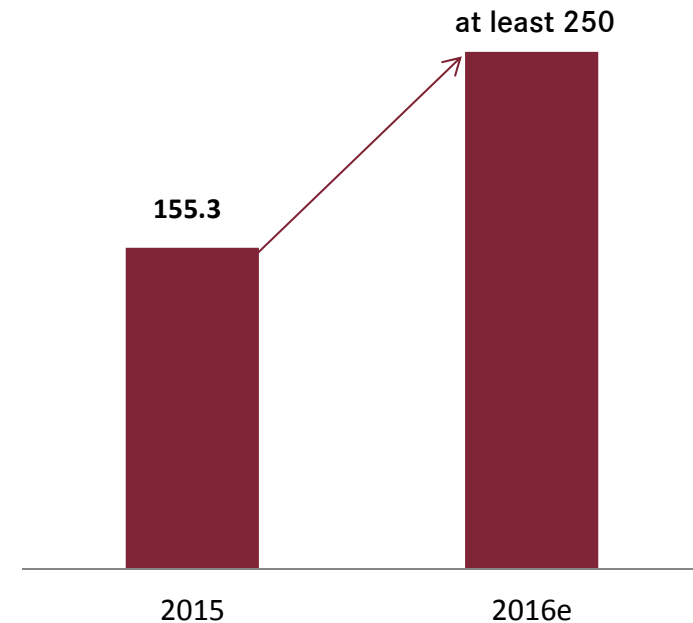
¹ Excluding debt relating to Harald and the redemption of EUR 5m of each of the two bonded loans (Schuldscheindarlehen) in Jan 2016.

Outlook: expanding our reach

- ◆ Positive momentum continues in 2016
- ◆ Strong 2015 results confirm European expansion strategy
- ◆ Further optimisation of platform:
 - ◆ Further improvement at all important KPIs in 2016, with a guidance of
 - Operating income to reach at least EUR 250mn
 - Assets under Management to grow by EUR 2bn
 - ◆ Internationalisation of operations by further extending European platform
- ◆ Broadening investors base by
 - ◆ Approaching investors outside Europe, i.e. Asia, Australia, Americas
 - ◆ Placement of first German retail fund

OPERATING INCOME GUIDANCE

(in EUR million)
As of 31 December 2015



APPENDIX

P&L

EUR'000	2015	2014	COMMENTS
Revenues	384,858	291,815	Revenues include income from management services, revenues from sale of PATRIZIA´s Principal investments recognised as inventories and rental income. All three positions have increased in 2015.
Income from the sale of investment property	10,075	17,019	
Changes in inventories	-166,980	-110,509	
Other operating income	16,189	7,143	Other operating income increase driven by reversal of accruals mainly from Harald and Manchester acquisitions as well as earnings from services charged to 3 rd parties
Income from the deconsolidation of subsidiaries	5,277	0	Profit from the sale of the Swedish assets of the Harald portfolio
Total operating performance	249,419	205,468	
Cost of materials	-52,438	-54,455	
Cost of purchased services	-14,787	-9,990	
Staff costs	-93,519	-77,239	Personnel costs up due to increased in staff in line with European expansion and non-cash valuation effect of long-term incentive scheme
Results from fair value adjustments to investment property	462	51	
Other operating expenses	-69,973	-50,193	
Income from participations	151,681	39,062	Income from participations increased driven by higher dividends and performance fees, especially for SÜDEWO-exit
Earnings from companies accounted for using the equity method	4,232	3,182	
EBITDA	175,077	55,886	
Amortisation of intangible assets and depreciation on property, plant and equipment	-7,059	-6,940	
Earnings before finance income and income taxes (EBIT)	168,018	48,946	Financing costs up due to increased leverage i.e. for the Harald portfolio and Manchester
Finance income	6,666	4,413	
Finance cost	-23,171	-11,912	Increased currency exposure to GBP in UK as well as Kronas (Norway and Sweden) related to Harald
Gains/losses from currency translation	-618	551	
Earnings before income taxes (EBT)	150,895	41,998	
Income tax	-16,433	-6,978	Tax rate down to 10.9% from 16.6%
Net profit	134,462	35,020	

How our major income streams are reflected in our P&L

EUR m	FY 2015	FY 2014	EUR m	FY 2015	FY 2014	EUR m	FY 2015	FY 2014
Revenues	384.9	291.8	Revenues	384.9	291.8	Third Party Business	273.3	141.3
Income from the sale of investment property ¹⁾	10.1	17.0	Rent	42.8	21.2	Equity investments	337.3	364.6
Changes in inventories	-167.0	-110.5	Sales of principal investments (inventories)	189.0	155.2	Dividends	21.5	8.4
Other operating income	16.2	7.1	other Real Estate related revenues	14.2	7.9	Sales of principal investments (inventories)	189.0	155.2
Income from the deconsolidation of subsidiaries	5.3	0.0	Revenues from third party business	134.3	105.3	Sales of principal investments (investment property)	69.8	171.8
Total operating performance	249.4	205.5	other Service Revenue	4.6	2.2	Rent/other Reals Estate related revenues	57.0	29.1
Cost of materials	-52.4	-54.5	Earnings from Sales of principal investments (Investment Property)	69.8	171.8	Total	610.6	505.9
Cost of purchased services	-14.8	-10.0	Income from participations	151.7	39.1			
Staff costs	-93.5	-77.2	Dividends	17.3	5.2			
Results from fair value adjustments to investment property	0.5	0.1	Management Fees	13.1	16.7			
Other operating expenses	-70.0	-50.2	Performance Fees	121.3	17.1			
Income from participations	151.7	39.1	Earnings from companies accounted for using the equity method	4.2	3.2			
Earnings from companies accounted for using the equity method	4.2	3.2	Dividends	4.2	3.2			
EBITDA	175.1	55.9	Total	610.6	505.9			
Amortisation of intangible assets and depreciation on property, plant and equipment	-7.1	-6.9						
Earnings before finance income and income taxes (EBIT)	168.0	48.9						
Finance income	6.7	4.4						
Finance cost	-23.2	-11.9						
Gains/losses from currency translation	-0.6	0.6						
Earnings before income taxes (EBT)	150.9	42.0						
Income tax	-16.4	-7.0						
Net profit for the period	134.5	35.0						

1) "Income from the sale of investment property" reflects the gross profit from the sale of real estate assets accounted for as investment property.

Balance sheet - assets

ASSETS

EUR'000	31.12.2015	31.12.2014
A. Non-current assets		
Goodwill	610	610
Fund management contracts	37,417	39,407
Software	9,225	10,795
Investment property	20,802	78,507
Equipment	5,015	4,476
Participations in associated companies	88,179	68,497
Participations	81,406	96,555
Loans	5,498	5,281
Long-term tax assets	78	119
Deferred Taxes	7,013	0
Total non-current assets	255,243	304,247
B. Current assets		
Inventories	1,057,942	198,694
Securities	54	86
Short-term tax assets	8,280	8,014
Current receivables and other current assets	131,171	84,774
Bank balances and cash	179,141	145,361
Total current assets	1,376,588	436,929
Total assets	1,631,831	741,176

COMMENTS

Fund management contracts of PATRIZIA GewerbeInvest and PATRIZIA UK

Principal Investments at fair value

Co-Investment Wohnmodul I, equity method

Includes other Co-Investments: PATROffice, Seneca, GBW, and JV with Oaktree in UK. Decrease due to the exit of SÜDEWO

Principal Investments at amortised acquisition costs. Increase driven by acquisition of Harald, Manchester and Sudermann.

Increase due to higher receivables from sales of Principal Investments

Balance sheet – equity/liabilities

EQUITY AND LIABILITIES

EUR'000	31.12.2015	31.12.2014
A. Equity		
Share capital	76,324	69,385
Capital reserve	191,637	198,576
Retained earnings		
Legal reserves	505	505
Non-controlling shareholders	18,190	809
Currency translation difference	-869	1,030
Consolidated unappropriated profit	254,004	139,743
Total equity	539,791	410,048
B. Liabilities		
Non-current liabilities		
Deferred tax liabilities	63,253	19,704
Long-term financial derivatives	0	0
Retirement benefit obligations	687	630
Bonded loan	32,000	77,000
Non-current liabilities	9,262	5,544
Total non-current liabilities	105,202	102,878
Current liabilities		
Short-term bank loans	821,828	121,950
Bonded loan	35,000	0
Short-term financial derivatives	3,677	0
Other provisions	6,740	2,142
Current liabilities	95,288	92,506
Tax liabilities	24,305	11,652
Total current liabilities	986,838	986,838
Total equity and liabilities	1,631,831	741,176

COMMENTS

Increase due to Harald transaction ('RETT blocker')

Increase mainly driven by Harald

One of the two bonded loans reclassified as current liability

Loans to acquire inventories are in principle short-term bank loans.
2015 increase due to acquisition of Principal Investments Manchester, Sudermann and Harald

Financial calendar

2016

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

The conference calls about the financial reports will usually be held at 3 pm CET. Invitations and dial-in numbers will be provided in advance.

To stay informed, visit www.patrizia.ag

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