

First quarter results building on 2016's positive momentum

## **PATRIZIA reports strong start to 2017**

- ♦ Real estate assets under management increased to EUR 19.1 billion
- ♦ Robust transaction pipeline in place
- ♦ Issuance of a EUR 300m bonded loan increases options for strategic growth
- ♦ Guidance for 2017 confirmed

**Augsburg, 9 May 2017.** PATRIZIA Immobilien AG has had a successful first quarter in 2017 across its European real estate business, building on the strong close to the 2016 financial year. Europe-wide, PATRIZIA was involved in approximately EUR 0.9 billion of real estate transactions, reflecting acquisitions of EUR 0.7 billion and sales of EUR 0.2 billion. Acquisitions included the purchase of nearly 400 residential units in Copenhagen and Aarhus across two separate transactions, supporting growth in AUM to EUR 19.1 billion, an increase of EUR 0.5 billion from EUR 18.6 billion at the end of 2016.

PATRIZIA has also built a robust pipeline of acquisitions with around EUR 1.4 billion of future purchases already notarised as well as a pipeline of disposals totalling EUR 0.1 billion. “We have seen a strong start to the year, building on the positive momentum achieved in 2016, as we continue the evolution of the Company from a leading European real estate investment house to a global provider of real estate investments in Europe,” said Wolfgang Egger, CEO of PATRIZIA Immobilien AG. “Following these results we are pleased to confirm our forecasts for the rest of 2017, and look forward to announcing the completion of our pipeline transactions over the coming months.”

In the first three months of 2017, management fees rose by 9.7% to EUR 22.9 million, in line with the rise in the property portfolio under management. Total fee income was EUR 31.0 million, compared with EUR 37.7 million in the first three months of 2016. The decline is attributable to lower transaction fees of EUR 8.1 million and compares to a period of high transaction activity for the corresponding period in 2016. Further to this, earnings figures, whilst lower, have remained in line with expectations, and operating income was EUR 9.3 million, compared to the adjusted prior-year result of EUR 12.3 million.

In addition, PATRIZIA has issued a bonded loan, the issuance of which was very well-received by the market and was oversubscribed several times. At today's pricing day, investors' subscription offers were allocated at EUR 300 million. This bonded loan is structured in three tranches of five, seven and ten years and with an average coupon of 1.50%, which is partly fixed and partly floating. Closing is expected to be on 22 May 2017. “The additional liquidity from the bonded loan increases our already strong financial flexibility for further growth. The European market currently offers numerous attractive growth opportunities for PATRIZIA. The volume and the very attractive terms confirm the strong cash flow profile and robust capital structure of PATRIZIA. The increase in shareholder value as well as a high degree of financial discipline remain a priority in all investment decisions,” comments Karim Bohn, CFO of PATRIZIA. The cash available for further growth, including the funds from the bonded loan, now amounts to approximately EUR 700 million.

In view of these results for the first quarter, PATRIZIA confirms its guidance for the full year. Managed real estate assets under management are expected to increase by EUR 2.0 billion to EUR 20.6 billion and operating profit is expected to be between EUR 60 million and EUR 75 million by the end of 2017. However, a higher operating figure may result from a higher transaction volume, a higher performance-related remuneration and the investment of the current cash position of EUR 700 million.

The report for the first quarter 2017 is now available on [PATRIZIA's website](#).

**PATRIZIA Immobilien AG:**

PATRIZIA Immobilien AG has been active as an investment manager in the real estate market across 15 European countries for more than 30 years. PATRIZIA's activities include the acquisition, management, repositioning and sale of residential and commercial real estate through its own licensed investment platforms. As one of the leading real estate investment companies in Europe, PATRIZIA operates as a respected business partner of large institutional investors and retail investors in all major European countries. Currently, the Company manages real estate assets worth more than EUR 19 billion, primarily as a portfolio manager and co-investor for insurance companies, pension fund institutions, sovereign funds, savings and cooperative banks. For further information, please visit: [www.patrizia.ag](http://www.patrizia.ag).

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