PATRIZIA
WERTE ENTSCHEIDEN

Q1

REPORT ON THE FIRST QUARTER OF 2012

Creating value
with values

Key Figures

REVENUES AND EARNINGS

EUR '000	1st quarter 2012 01/01/–03/31/2012	1st quarter 2011 01/01/–03/31/2011
Revenues	59,735	50,595
Total operating performance	48,250	45,128
EBITDA	13,718	12,447
EBIT	12,778	11,722
EBIT adjusted[1]	13,270	12,214
EBT	4,347	12,150
EBT adjusted[1,2]	4,104	590
Net profit/loss	3,197	9,801

STRUCTURE OF ASSETS AND CAPITAL

EUR '000	03/31/2012	12/31/2011
Non-current assets	598,001	597,007
Current assets	477,304	505,277
Equity	313,309	310,075
Equity ratio (in %)	29.1	28.1
Non-current liabilities	464,141	480,250
Current liabilities	297,855	311,959
Total assets	1,075,305	1,102,284

SHARE

ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	P1Z
Share capital at March 31, 2012	EUR 52,130,000
No. of shares in issue at March 31, 2012	52,130,000
First quarter 2012 high[3]	EUR 5.00
First quarter 2012 low[3]	EUR 3.32
Closing price at December 31, 2011[3]	EUR 3.43
Closing price at March 31, 2012[3]	EUR 4.99
Share price performance	45.7%
Market capitalization at March 31, 2012	EUR 260.1 million
Average trading volume per day (first 3 months of 2012)[4]	126,634 shares
Indices	SDAX, EPRA, GEX, DIMAX

[1] Without amortization of other intangible assets (fund management contracts)
[2] In addition adjusetd for profit/loss from interest rate hedges without cash effect
[3] Closing price at Frankfurt Stock Exchange Xetra trading
[4] All German stock exchanges

Contents

Letter to Our Shareholders

Dear shareholders,
Dear ladies and gentlemen,

The first quarter of the 2012 fiscal year represents an important milestone in PATRIZIA Immobilien AG's corporate history. In the middle of February we were able to inform our shareholders that the Managing Board and Supervisory Board of Landesbank Baden-Württemberg (LBBW) had decided that the consortium led by our subsidiary PATRIZIA Alternative Investments GmbH had won the competitive bidding process for LBBW Immobilien GmbH. At the end of 2011 the company had around 21,000 apartments and 17,000 owner-occupied units. The deal was closed a few weeks later on March 28, 2012. This enabled us to significantly expand both the residential real estate portfolio we manage and thus also our income base. At the same time, however, it gave an important signal to the market in two respects. Firstly, LBBW's decision proves that in recent years, PATRIZIA Immobilien AG has successfully positioned and established itself on the market as a residential real estate specialist. Secondly, the transaction documents the functional capacity of Germany's residential real estate market since major transactions have now become possible again following the financial crisis. According to market experts, the sale of LBBW Immobilien GmbH's apartments represents the largest real estate transaction in Germany since the collapse of the transaction market around three and a half years ago as a result of the financial crisis.

In addition to this significant event, PATRIZIA Immobilien AG continued to show sound operational development during the quarter under review. The sale of 260 units from our own stock in this segment meant our business volume increased by 33.3% on the same quarter in the previous year. Additionally further 29 units from the co-investment WohnModul I were sold. A major contributory factor here was the continuing strong interest in investments in physical assets that is currently shaping the investment decisions of many private and institutional investors. The trend in our notarized sales volume fills us with optimism that our residential property resale revenues will also show pleasing development in the coming months.

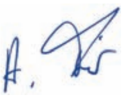
In the first three months of the year, the entire consolidated operating result was provided by services. Overall, our first-quarter sales revenues of EUR 59.7 million were around 18.1% up on the same quarter of 2011. EBT adjusted of EUR 4.1 million was almost six times that achieved in the first quarter of 2011. EBITDA increased by 10.2% to EUR 13.7 million; EBIT grew by 9.0% to EUR 12.8 million. At EUR 3.2 million, the consolidated result pursuant to IFRS for the first quarter of 2012 was significantly below the previous year's figure of EUR 9.8 million and was in particular attributable to the marked reduction in financial income compared with the corresponding prior-year period. This itself was largely due to the market evaluation of financial derivatives, which revealed higher valuation gains for the first quarter of 2011.

We see the first-quarter figures confirm PATRIZIA's chosen strategy, which we will continue to pursue in future. It firstly involves focusing on the German residential real estate market and on residential property resales, but secondly also the fields of block sales and the initiation and management of residential and commercial property investments in Germany and Europe. Here, we also act as co-investor and contribute our equity alongside institutional investors in profitable real estate investments. Against this backdrop and as already announced, we plan to submit a proposal to the forthcoming Annual General Meeting to carry the entire retained earnings for 2011 to the new account and to decide on a capital increase from company funds through the issue of bonus shares. We believe that as well as enabling a further improvement in the liquidity of the PATRIZIA share, this also represents a key prerequisite for ensuring we are well equipped for investment opportunities that present themselves in the coming months and can give our shareholders the opportunity to participate in these investments.

We have set ourselves ambitious targets for 2012 as a whole. For example, we aim to sell a total of around 1,800 residential units and increase our EBT adjusted by around 20%. Our development in the first few months of the 2012 fiscal year allows us to confirm this forecast and we are optimistic we will be able to achieve the targets we have set ourselves for the year as a whole.

The Managing Board

Wolfgang Egger
Chairman of the Board



Arwed Fischer
Member of the Board

Klaus Schmitt
Member of the Board

Consolidated Interim Management Report

FOR THE FIRST QUARTER OF 2012

1 GENERAL ECONOMIC CONDITIONS

Economic data currently reveal an improved image compared with the end of last year. The mood among German companies has brightened considerably since last autumn and the crippling uncertainty prompted by the sovereign debt crisis has receded. However, there is still no sign of a sustained turnaround within German industry. There is therefore strong reason to assume that the decline in economic performance in the last quarter of 2011 was only a momentary slip. Against this backdrop, growth of around 0.5% within German industry would appear realistic for the current year.

GERMAN RESIDENTIAL REAL ESTATE MARKET

Since 2010 the figures for completions and permits in housing construction seem to have bucked the negative trend of the previous years, even if the level of permits and completions for new residential buildings continue to lag significantly behind demand. On the supply side, this can among other things be seen in rents and purchase prices for new-build apartments, both of which are developing a very positive momentum, albeit to differing degrees in individual locations. Among the top markets in Germany, Munich continues to be the most expensive by some margin, followed by Hamburg. The residential property market in Berlin was largely able to maintain the trend of the previous year, even though the price level in Berlin remains relatively moderate.

Against the backdrop of the evolving price trend in German cities, discussions among the public have recently increasingly focused on the risk of a property price bubble on the German residential real estate market. An analysis of the 23 most important locations in Germany in terms of price trends for new apartments over the last 5 years reveals an average price increase of 9.6%. This price increase contrasts with an average rent increase of 11.5% in this segment. Compared with the trend in rents, it is certainly not possible to speak of a major, excessive price increase in these cities. Given the average annual inflation rate of around 1.6% over this period, the actual price trend was only just in positive figures. Consequently, it is not possible to speak of a sustained price increase that is removed from fundamental factors. In addition, the completions (multi-family dwellings and single-family/two-family dwellings) in these locations in recent years at most accounted for between 0.5 and 1% of the stock per year. Since single-family and two-family dwellings still account for a considerable proportion of completions in the cities in the analysis, the price trend that is the subject of so much discussion only relates to around 5%

of the stock of residential real estate in each respective city. However, this price trend does not apply to the majority (i. e. around 95%) of the stock. Consequently, one cannot speak of a general risk of a price bubble or of an impending price bubble. The most recent developments on the German residential real estate market make sense. This market is not being driven by irrational elements, but by fundamental and structural changes, especially an absence of (a quality) supply compared with demand.

2 PATRIZIA ON THE CAPITAL MARKET

The PATRIZIA share closed the first quarter of 2012 at EUR 4.99. The share made gains at the start of the year and thus ended the quarter 45.7% up on the closing price for 2011 of EUR 3.43. The highest closing price of the first quarter was EUR 5.00 on March 28, 2012, while the lowest closing price was EUR 3.32 on January 9, 2012.

3 OUR EMPLOYEES

As of March 31, 2012, PATRIZIA employed 494 permanent staff, of whom 24 are trainees, 48 part-time staff and 18 employees on parental leave. Compared with December 31, 2011 (498 employees), the number of staff has fallen by 4 employees or –0.8%. In terms of full-time equivalents, PATRIZIA had 473 permanent employees at the end of the first quarter. PATRIZIA will continue to grow in 2012 and will appoint new qualified employees where required.

4 THE COURSE OF BUSINESS IN THE FIRST QUARTER OF 2012

Business Development in the Residential Segment

Own investments

Residential property resale

Individual sales in the first quarter of 2012 by region were as follows:

INDIVIDUAL SALES IN THE FIRST QUARTER OF 2012

Region/city	Number of units sold in Q1/2012	As a % of sales	Area sold in sqm	Average size per unit in sqm
Munich	149	65.4	10,367	70
Cologne/Düsseldorf	35	15.4	2,808	80
Berlin	26	11.4	2,056	79
Hanover	6	2.6	395	66
Hamburg	5	2.2	355	71
Friedrichshafen	3	1.3	171	57
Frankfurt/Main	2	0.9	169	85
Regensburg	2	0.9	182	91
TOTAL	**228**	**100**	**16,504**	**72**

In the first quarter of 2012, a total of 228 units were sold in the field of residential property resale. This corresponds to an increase of 72.7% on the corresponding quarter in the previous year (132 units). With a share of 73.7%, private investors were by far the most predominant category of purchasers in the period under review. By comparison, the other categories of purchasers accounted for significantly smaller shares. 15.8% of purchasers bought apartments for own use, while 10.5% of apartments were purchased by tenants.

Asset repositioning

A summary of block sales in the first quarter of 2012:

BLOCK SALES IN THE FIRST QUARTER OF 2012

Region/city	Number of transactions	Number of units sold	Area sold in sqm	Average size per unit in sqm
Munich	1	15	1,068	71
Dresden	1	17	1,222	72
TOTAL	2	32	2,290	143

The following is a summary of our portfolio after taking into account the sales completed in the first quarter of 2012 of 260 units, redensification measures and consolidations.

PATRIZIA PORTFOLIO – BREAKDOWN BY REGION AS OF MARCH 31, 2012

Region/city	Number of units				Area in sqm			
	Residential property resale	Asset repositioning	Total	Share in %	Residential property resale	Asset repositioning	Total	Share in %
Munich	781	1,247	2,028	28.3	62,728	93,100	155,828	30.4
Cologne/ Düsseldorf	644	626	1,270	17.7	54,165	58,431	112,596	22.0
Leipzig	0	975	975	13.6	0	58,113	58,113	11.3
Frankfurt/Main	9	776	785	11.0	626	49,309	49,935	9.7
Berlin	154	506	660	9.2	11,361	26,578	37,939	7.4
Hamburg	137	518	655	9.1	9,772	32,567	42,339	8.3
Hanover	1	386	387	5.4	78	27,047	27,125	5.3
Regensburg	0	247	247	3.4	0	17,680	17,680	3.5
Dresden	0	152	152	2.1	0	10,284	10,284	2.0
Friedrichshafen	8	0	8	0.1	472	0	472	0.1
TOTAL	1,734	5,433	7,167	100	139,202	373,108	512,309	100

Co-investments

In the quarter under review notarial deeds were signed in respect of purchases for WohnModul I in Hamburg-Ohlsdorf and Düsseldorf-Gerresheim. The planned total volume of EUR 250 million has thus now been invested in full. Residential property resale business started well in the first three months, with 29 units from WohnModul I marking the first residential property resales from a co-investment. The sales launch for further residential property resale projects is planned for April and May.

Funds

PATRIZIA WohnInvest KAG mbH
In the first quarter of 2012, PATRIZIA WohnInvest KAG mbH signed notarial deeds for properties with a market value volume of EUR 67.1 million. Among these, the "F 40" (Feuerbachstrasse 40) project development was notarized for a real estate fund; this is a high-quality residential complex in Frankfurt/Main with a market value of EUR 36.2 million. The project developer is PATRIZIA Projektentwicklung GmbH. In addition, PATRIZIA WohnInvest KAG mbH further increased its commitment in terms of PATRIZIA Euro City Residential Fund I in Copenhagen through a further residential investment with a market value volume of DKK 229.9 million (EUR 30.9 million). Ownership, usage and charges for the property were transferred at the end of April 2012.

Business Development in the Commercial Segment

Funds

PATRIZIA GewerbeInvest KAG mbH
In the quarter under review, our investment company specializing in commercial real estate celebrated the tenth anniversary of the launch of its first modular fund; these funds enable institutional investors to flexibly structure a portfolio of investments in real estate special funds that is diversified according to type of use. In recent years, this product series, which has been successfully established on the market since 2002, has been augmented to include further new funds. PATRIZIA GewerbeInvest KAG mbH now manages 13 special funds with a gross funds volume of around EUR 2.5 billion. An historical analysis has revealed that these products outperformed the performance benchmark of the SFIX by more than double. Since their inception, our modular funds have averaged a BVI yield of more than 6%, with the best fund even achieving 7.7%. A current study by PATRIZIA revealed that real estate special funds can significantly increase performance in a mixed investment portfolio because they have very little correlation with other investment classes. They proved superior to both open real estate funds and also direct investments in German real estate and were only surpassed by corporate bonds.

Business Development in the Special Real Estate Solutions Segment

Co-investments

Acquisition of LBBW Immobilien GmbH

In February, a consortium led by PATRIZIA Alternative Investments GmbH, a wholly-owned subsidiary of PATRIZIA Immobilien AG, won the competitive bidding process for the acquisition of LBBW Immobilien GmbH, which maintains an overall portfolio of around 21,000 apartments and 17,000 owner-occupied units. This transaction was closed at the end of March. The consortium of investors includes several newly acquired investors with a long-term focus from Germany and other countries. As equity investor, PATRIZIA Immobilien AG invested a volume of EUR 15 million (2.5%). This marked PATRIZIA's second co-investment in the residential segment and in addition to equity investment the company is also providing management services and real estate related services.

5 NET ASSETS, FINANCIAL AND EARNINGS SITUATION

EARNINGS SITUATION OF THE PATRIZIA GROUP

CONSOLIDATED REVENUES

	1st quarter 2012	1st quarter 2011		2011
	01/01 – 03/31/2012 EUR '000	01/01 – 03/31/2011 EUR '000	Change in %	01/01 – 12/31/2011 EUR '000
Revenues from residential property resale	24,452	20,650	18.4	95,895
Revenues from asset repositioning[1]	1,290	5,500	–76.5	63,033
Rental revenues	11,385	14,362	–20.5	55,323
Revenues from fund transactions	5,033	4,069	23.7	26,144
Revenues from other services	13,419	1,359	> 100	10,485
Other[2]	4,157	4,656	–10.7	18,127
TOTAL	**59,735**	**50,595**	**18.1**	**269,007**

[1] Purchase price receipts from investment property are not included in revenues.
[2] The item "Other" primarily includes rental ancillary costs.

In the first quarter 2012, **revenues** in residential property resale rose by 18.4% to EUR 24.5 million. This was mainly due to the marked increase in apartment sales compared with the same quarter in the previous year. The average price increased slightly to EUR 2,287/sqm (first quarter of 2011: EUR 2,260/sqm). Due to the disposal of properties and the consequently reduced area available to rent, rental revenues decreased to EUR 11.4 million (–20.5%). Rent increases are moving in the opposite direction. At the end of the quarter, the average monthly rent per square meter fell to EUR 7.60 due to the above-average sales in metropolitan areas (March 31, 2011: EUR 7.99/sqm). At 30.9% (EUR 18.5 million), the services sector again contributed an increased share to group revenues. Of this, EUR 5.0 million came from the two asset management companies, which continue to show pleasing development of business. The marked rise in revenues from additional services, which increased by more than 100% to EUR 13.4 million, is primarily due to the LBBW transaction.

At EUR 59.7 million, **group revenues** for the first quarter 2012 were 18.1% up on the previous year (EUR 50.6 million). However, as already indicated, sales revenues have only limited significance for PATRIZIA since the selling prices of properties reported in non-current assets are not reflected in sales revenues. Profits from sales are reported under item “Loss from/gain on the disposal of investment property”. After deducting carrying amounts of EUR 16.0 million, purchase price receipts between January and March of EUR 17.7 million resulted in a profit of EUR 1.7 million. These disposals included block sales of 15 units and individual sales of 71 units.

PURCHASE PRICE REVENUES FROM REAL ESTATE SOLD IN THE FIRST QUARTER

	1st quarter 2012	1st quarter 2011		2011
	01/01 – 03/31/2012 EUR ’000	01/01 – 03/31/2011 EUR ’000	Change in %	01/01 – 12/31/2011 EUR ’000
Sales revenues from inventories	**25,742**	**26,150**	**–1.6**	**158,928**
Residential property resales	24,452	20,650	18.4	95,895
Block sales	1,290	5,500	–76.5	63,033
Sales revenues from investment property[1]	**17,744**	**1,600**	**> 100**	**90,068**
Residential property resales	14,754	0	–	42,913
Block sales	2,990	1,600	86.9	47,155
TOTAL	**43,486**	**27,750**	**56.7**	**248,996**

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

PORTFOLIO FIGURES BY QUARTER

	1st quarter 2012	1st quarter 2011		2011
	01/01 – 03/31/2012	01/01 – 03/31/2011	Change in %	01/01 – 12/31/2011
Own stock				
Individual sales	228	132	72.7	745
Average selling price via residential property resale	EUR 2,287 per sqm	EUR 2,260 per sqm	1.2	EUR 2,360 per sqm
Units via block sales	32	63	–49.2	1,097
Average selling price via asset repositioning	EUR 1,869 per sqm	EUR 1,597 per sqm	17.0	EUR 1,679 per sqm
Average monthly rent[1]	EUR 7.60 per sqm	EUR 7.99 per sqm	–4.9	EUR 7.60 per sqm
Co-investments	**29**	**0**	–	**20**
Residential property resale	29	0	–	0
Block sales	0	0	–	20
Service business	**14**	**28**	**–50,0**	**468**
Residential property resale	5	28	–82.1	62
Block sales	9	0	–	406

[1] In the portfolio at the end of the quarter. The figure for Q1 relates to March 31.

Residential property resales from co-investments were recorded for the first time in the quarter under review. A total of 29 units were sold from WohnModul I. In addition, a total of 14 units were sold from the services business, 5 units in residential property resale and 9 units in block sales.

Changes in inventory in the first quarter of 2012 amounted to EUR –17.9 million. Decreases in the carrying value of real estate sold from inventory assets reduced inventory by EUR 21.7 million while capitalizations of EUR 3.8 million increased inventory.

At EUR 11.2 million, the **cost of materials** in the first three months was less than the previous year (EUR 18.9 million). This is largely due to the reduced production costs in the project development companies (around EUR 7 million). The cost of materials in the first quarter of 2012 included EUR 0.6 million for current maintenance costs (which cannot be capitalized, corresponds to EUR 1.24/sqm) and EUR 4.4 million for renovation and reconstruction costs (corresponds to EUR 8.47/sqm).

Staff costs were EUR 10.6 million. The increase on the same quarter in the previous year (EUR 7.8 million) was firstly due to the growth in staff levels compared with the first quarter of 2011. Secondly, the staff costs include an increased provision resulting from the performing share units for the Managing Board and the management and which, among other things, takes the rise in the share price into account. The result for the first quarter is reduced by EUR 1.0 million in this respect.

The **other operating expenses** of EUR 12.7 million for the first three months of 2012 include operating expenses of EUR 2.0 million, administrative expenses of EUR 2.5 million, selling expenses of EUR 5.8 million and other expenses of EUR 2.4 million. This item is particularly characterized by expenses relating to the conclusion of the LBBW transaction and mainly comprises consultancy services.

Earnings before interest and tax (EBIT) in the first three months of 2012 amounted to EUR 12.8 million, 9.0% up on the corresponding figure for the previous year (EUR 11.7 million). EBIT adjusted is determined by adjusting the non-cash effect from amortization on other intangible assets (fund management contracts). The fund management contracts were transferred in the course of the acquisition of PATRIZIA GewerbeInvest KAG mbH (formerly LB Immo Invest GmbH). In the first three months of 2012, ongoing amortizations of EUR 0.5 million were carried out, resulting in an adjusted EBIT of EUR 13.3 million. Further information is available under segment reporting in Section 12 of the Notes to the Consolidated Financial Statements.

In accordance with IFRS, market value changes arising from interest hedging transactions are reported in the Consolidated Income Statement. The market valuation is recognized in the **financial result** as income or expense depending on changes in the interest rate level, causing the results to fluctuate substantially. However, this has no influence on PATRIZIA's liquidity. Most of these **interest hedging transactions,** which guarantee us a fixed average interest rate of 4.0%, were concluded at the end of 2006/beginning of 2007 in connection with the financing of major real estate portfolios and will expire by mid-2014 at the latest. 88.4% of our loan obligations is currently secured using interest hedging instruments. The change in their fair value for the first three months of 2012 amounted to EUR 0.7 million.

MARKET VALUATION OF INTEREST RATE HEDGES

	1st quarter 2012	1st quarter 2011		2011
	01/01 – 03/31/2012 EUR '000	01/01 – 03/31/2011 EUR '000	Change in %	01/01 – 12/31/2011 EUR '000
Market valuation of interest hedging transactions	735	12,052	–93.9	5,138

Cash-related changes in interest expenses for bank liabilities plus expenses for interest hedging amounted to EUR 9.0 million in the first quarter 2012. In the first three months, financing costs (interest rate plus margin) averaged 4.84% (first quarter of 2011: 4.95%).

In order to judge the productive efficiency of the portfolio and the cash inflow from the properties during the holding period it is important to determine to what degree rental income covers the financing costs. Rental revenues between January and March 2012 (EUR 11.4 million) exceed the final result adjusted for income and expenses from interest rate hedging (EUR 9.2 million) by 23.9%. Further information on the financial result is available in Section 10 of the Notes to the Consolidated Financial Statements.

After deduction of the financial result, **earnings before tax (EBT)** amounted to EUR 4.3 million. As explained with reference to the financial result, differences are mainly due to the counteractive valuation effects arising from interest hedging transactions. We therefore report the adjusted pre-tax result – so-called EBT adjusted – in order to enable a comparison of the group's operating earning power. The reconciliation of EBT in accordance with IFRS to EBT adjusted is effected by making an adjustment to the financial result, which only includes cash-related financial income and expenses. After adjustment for the effects of changes in the market value of interest hedging transactions and amortization on fund management contracts are explained below. With reference to EBIT adjusted there was an EBT adjusted of EUR 4.1 million for the period between January and March 2012. This was considerably higher than the quarterly result of the previous year (EUR 0.6 million) due to the LBBW transaction and higher sales figures from own stock.

DERIVATION OF THE ADJUSTED FIGURES

	1st quarter 2012	1st quarter 2011		2011
	01/01 – 03/31/2012 EUR '000	01/01 – 03/31/2011 EUR '000	Change in %	01/01 – 12/31/2011 EUR '000
EBT posted in accordance with IFRS	**12,778**	**11,722**	**9.0**	**54,631**
Amortization of intangible assets that resulted from the acquisition of PATRIZIA GewerbeInvest KAG	492	492	0	1,968
Change in value of investment property	0	0	0	–3
EBIT adjusted[1]	**13,270**	**12,214**	**8.6**	**56,596**
Financial result	–8,431	428	< –100	–34,725
Change in the value of derivatives	–735	–12,052	< –100	–5,138
Change in value of fund shares	0	0	–	–21
EBT ADJUSTED[1,2]	**4,104**	**590**	**> 100**	**16,712**

[1] Adjusted for amortization on other intangible assets (fund management contracts) and change in the value of investment property.
[2] Additionally adjusted for non-cash-related results from interest hedging transactions and change in the value of fund shares.

The **consolidated result after deduction of taxes** amounted to EUR 3.2 million in the first quarter of 2012. The tax expense of the first quarter was mainly attributable to tax provisions.

This produced earnings per share for the first quarter 2012 of EUR 0.06 (Q1 2011: EUR 0.19).

The table below provides a summary of the key items in the consolidated income statement according to IFRS:

SUMMARY OF THE KEY ITEMS IN THE CONSOLIDATED INCOME STATEMENT

	1st quarter 2012	1st quarter 2011		2011
	01/01 – 03/31/2012 EUR '000	01/01 – 03/31/2011 EUR '000	Change in %	01/01 – 12/31/2011 EUR '000
Revenues	59,735	50,595	18.1	269,007
Total operating performance	48,250	45,128	6.9	180,527
EBITDA	13,718	12,447	10.2	58,125
EBIT	12,778	11,722	9.0	54,631
EBIT adjusted [1]	13,270	12,214	8.6	56,596
EBT	4,347	12,150	–64.2	19,906
EBT adjusted [1,2]	4,104	590	> 100	16,712
Consolidated annual profit	3,197	9,801	–67.4	13,493

1 Adjusted for amortization on other intangible assets (fund management contracts) and change in the value of investment property

2 Additionally adjusted for non-cash-related results from interest hedging transactions and change in the value of fund shares

NET ASSET AND FINANCIAL SITUATION OF THE PATRIZIA GROUP

PATRIZIA NET ASSET AND FINANCIAL KEY FIGURES

	03/31/2012 EUR '000	12/31/2011 EUR '000	Change in %
Total assets	1,075,305	1,102,284	–2.4
Equity (including non-controlling partners)	313,309	310,075	1.0
Equity ratio	29.1%	28.1%	1.0 % points
Bank loans	658,289	693,352	–5.1
Cash and cash equivalents	37,160	31,828	16.8
Net financial debt	621,129	661,524	–6.1
Real estate[1]	905,960	939,850	–3.6
Loan to value[2]	72.7%	71.7%	1.0 % points
Net gearing[3]	199.2%	214.4%	–7.1

[1] Real estate assets comprise investment property valued at fair value and real estate held in inventories valued at amortized cost
[2] Proportion of the volume of loans to real estate assets. Only investment property is calculated at fair value. Inventories are stated at amortized cost. Loans were adjusted for the financing of PATRIZIA GewerbeInvest KAG mbH.
[3] The net gearing corresponds to the ratio between net financial debt and equity adjusted for minority interests.

As of March 31, 2012, **total assets** amounted to EUR 1,075.3 million. This represents a fall of EUR –2.4% compared with the figure on the 2011 balance sheet date and is primarily due to the sales of real estate and the associated repayment of debts.

Inventories relate to those properties that are offered for sale as part of ordinary business operations. Since the 2011 balance sheet date, inventories fell by EUR 407.5 million to EUR 389.6 million, largely due to disposals.

Sales of **investment property** caused this item to decrease by EUR 16.0 million to EUR 516.4 million. Taking inventories and investment property together results in a carrying value of real estate assets on the balance sheet date of EUR 906.0 million (December 31, 2011: EUR 939.9 million).

PATRIZIA's **financing structure** has continued to improve since the end of 2011. **Bank loans** decreased by a further EUR 35.1 million to EUR 658.3 million (–5.1%). Sales enabled loan repayments in a volume of EUR 36.8 million. In addition, an amount of EUR 4.0 million was repaid in respect of purchase loans of PATRIZIA GewerbeInvest. New loans, in contrast, totaled EUR 5.7 million. A schedule of maturities for our loans is listed in Section 8 of the Notes to the Consolidated Financial Statements of this interim report. **Cash and cash equivalents** rose by

16.8% to EUR 37.2 million (December 31, 2011: EUR 31.8 million). This resulted in net financial debt of EUR 621.1 million. The group's equity ratio improved to 29.1% (December 31, 2011: 28.1%). It therefore remains in the upper reaches of our target range of 25-30%.

CALCULATION OF NAV

	03/31/2012 EUR '000	12/31/2011 EUR '000
Investment property[1]	516,356	532,321
Participations in joint ventures	18	18
Participations in associated companies	6,809	6,809
Participations	20,558	3,134
Inventories[2]	389,604	407,529
Current receivables and other current assets[3]	35,431	48,735
Bank balances and cash[3]	48,858	43,690
Less bank loans[3]	-642,532	-673,752
NAV	**375,102**	**368,484**
No. of shares	52,130,000	52,130,000
NAV/SHARE (EUR)	**7.20**	**7.07**

[1] Fair market valuation
[2] Valuation at amortized cost
[3] Figures excluding PATRIZIA GewerbeInvest KAG mbH, purchase loans eliminated and cash and cash equivalents increased by outflow of equity

At this point it is important to mention that service business is not mapped in the calculation of NAV and that inventory assets are accounted for at purchase cost.

6 OPPORTUNITY AND RISK REPORT

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. Since the annual accounts for the fiscal year 2011 there have been no significant changes related to the opportunity and risk profile to indicate any new risks or opportunities for the group. The assessment of probabilities and potential extent of damage has led to no significant changes in the interim risk audit.

From the current perspective, all risks are limited and do not pose a threat to PATRIZIA's continued existence. The statements in the risk report of the Annual Report 2011 still apply. Please refer to the risk report on pages 73 ff. of the Annual Report 2011 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 SUPPLEMENTARY REPORT

In April 2012, i. e. after the end of the period under review, PATRIZIA concluded a joint venture with CA Immo Deutschland, a company belonging to the Austrian CA Immo Group, for Wohn-Modul I. The object of the joint venture, in which both partners each have a 50% stake, is realization of the development of the area known as “Baumkirchen Mitte” in Munich, which over the next few years will see the creation of an area of around 45,500 sqm for apartments and an area of around 18,500 sqm for offices on a total site area of 29,000 sqm.

8 FORECAST REPORT

The field of residential property resale will see the inclusion of additional properties in the sales portfolio in the second quarter of 2012 and we expect the first effects in profit/loss to materialize in the third and fourth quarters.

We will continue expansion of the service segment over the coming months. Even in 2012, we are expecting this segment‘s share of the consolidated result to increase to around 50%.

The Managing Board of PATRIZIA Immobilien AG expects to increase EBT adjusted by around 20% in the 2012 fiscal year compared with 2011. Based on development in the first quarter, this target would appear achievable.

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 MARCH 31, 2012

ASSETS

EUR '000	03/31/2012	12/31/2011
A. Non-current assets		
Goodwill	610	610
Other intangible assets	44,748	45,227
Software	5,144	5,280
Investment property	516,356	532,321
Equipment	2,998	2,762
Investments in joint ventures	18	18
Participations in associated companies	6,809	6,809
Participations	20,558	3,134
Long-term tax assets	760	846
Total non-current assets	**598,001**	**597,007**
B. Current assets		
Inventories	389,604	407,529
Securities	1,093	1,634
Short-term tax assets	5,582	4,279
Current receivables and other current assets	43,865	60,007
Bank balances and cash	37,160	31,828
Total current assets	**477,304**	**505,277**
TOTAL ASSETS	**1,075,305**	**1,102,284**

EQUITY AND LIABILITIES

EUR '000	03/31/2012	12/31/2011
A. Equity		
Share capital	52,130	52,130
Capital reserves	215,857	215,862
Retained earnings		
Legal reserves	505	505
Non-controlling shareholders	1,539	1,563
Valuation results from cash flow hedges	–1,299	–1,331
Consolidated net profit	44,577	41,346
Total equity	**313,309**	**310,075**
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	25,712	26,314
Long-term financial derivatives	32,839	33,470
Retirement benefit obligations	371	371
Long-term bank loans	401,975	417,685
Non-current liabilities	3,244	2,410
Total non-current liabilities	**464,141**	**480,250**
CURRENT LIABILITIES		
Short-term bank loans	256,314	275,667
Short-term financial derivatives	91	233
Other provisions	773	1,092
Current liabilities	24,682	22,644
Tax liabilities	15,995	12,323
Total current liabilities	**297,855**	**311,959**
TOTAL EQUITY AND LIABILITIES	**1,075,305**	**1,102,284**

Consolidated Income Statement

FOR THE PERIOD FROM JANUARY 1, 2012 TO MARCH 31, 2012

EUR '000	01/01-03/31/2012	01/01-03/31/2011
Revenues	59,735	50,595
Income from the sale of investment property	1,677	126
Changes in inventories	-17,927	-11,747
Other operating income	4,765	6,154
Total operating performance	**48,250**	**45,128**
Cost of materials	-11,247	-18,947
Staff costs	-10,627	-7,805
Results from fair value adjustments to investment property	0	0
Other operating expenses	-12,658	-5,929
EBITDA	**13,718**	**12,447**
Amortization of software and depreciation on equipment	-940	-725
Profit/loss before interest and income taxes (EBIT)	**12,778**	**11,722**
Earnings from companies accounted for using the equity method	**0**	**0**
Finance income	929	13,191
Finance cost	-9.360	-12,763
Profit/loss before income taxes (EBT)	**4,347**	**12,150**
Income tax	-1,150	-2,349
Net profit/loss	**3,197**	**9,801**
Profit carried forward	41,223	27,730
CONSOLIDATED NET PROFIT	**44,420**	**37,531**
Earnings per share (undiluted), in EUR	0.06	0.19
The net profit/loss for the period is allocated to:		
Shareholders of the parent company	3,221	9,808
Non-controlling shareholders	-24	-7
	3,197	**9,801**

Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM JANUARY 1, 2012 TO MARCH 31, 2012

EUR ’000	01/01–03/31/2012	01/01–03/31/2011
Consolidated net profit	**3,197**	**9,801**
Other result		
Cash flow hedges		
Amounts recorded during the reporting period	32	961
Reclassification of amounts that were recorded	0	749
Total result for the reporting period	**3,229**	**11,511**
The total result is allocated to:		
Shareholders of the parent company	3,253	11,518
Non-controlling shareholders	–24	–7
	3,229	**11,511**

Consolidated Cash Flow Statement

FÜR DIE ZEIT VOM 1. JANUAR 2012 BIS 31. MÄRZ 2012

EUR '000	01/01–03/31/2012	01/01–03/31/2011
Consolidated net profit/loss	3,197	9,801
Actual income taxes recognized through profit or loss	1,150	755
Financing costs recognized through profit or loss	9,360	11,550
Income from financial investments recognized through profit or loss	44	–214
Amortization of intangible assets and depreciation on property, plant and equipment	940	725
Loss from/gain on disposal of investment properties	–1,677	–126
Change in deferred taxes	-522	1,917
Ineffectiveness of cash flow hedges	–735	–12,373
Changes in inventories, receivables and other assets that are not attributable to investing activities	33,258	10,231
Changes in liabilities that are not attributable to financing activities	5,868	–3,159
Interest paid	–9,101	–11,565
Interest received	98	43
Income tax payments/refunds	–1,150	–2,547
Cash inflow from operating activities	**40,730**	**5,038**
Capital investments in intangible assets and property, plant and equipment	–548	–1,363
Cash receipts from disposal of investment property	17,735	1,600
Payment for acquisition of a subsidary company	0	–28,626
Payments for development or acquisition of investment property	–93	0
Payments for the acquisition of shareholdings	–17,424	0
Cash outflow from investing activities	**–330**	**–28,389**
Borrowing of loans	5,668	24,805
Repayment of loans	–40,731	–29.781
Payment for the issuance of shares	–5	0
Cash outflow from financing activities	**–35,068**	**–4,976**
Changes in cash	**5,332**	**–28,327**
Cash January 1	31,828	70,537
Cash March 31	37,160	42,210

Consolidated Statement of Changes in Equity

FOR THE PERIOD FROM JANUARY 1, 2012 TO MARCH 31, 2012

EUR '000	Share capital	Capital reserve	Valuation result from Cash Flow Hedges	Retained earnings (legal reserve)	Consolidated net profit/loss	Shareholders of the parent company	Non-controlling shareholders	Total
Balance January 1, 2011	**52,130**	**215,862**	**–2,372**	**505**	**27,775**	**293,900**	**832**	**294,732**
Net amount recognized directly in equity, where applicable less income taxes			1,710			1,710		1,710
Additional non-controlling shareholders which originated in the course of the PATRIZIA GewerbeInvest KAG mbH acquisition							1,889	1,889
Net profit/loss for the period					9,808	9,808	–7	9,801
Full overall result for the fiscal year			1,710		9,808	11,518	–7	11,511
BALANCE MARCH 31, 2011	**52,130**	**215,862**	**–662**	**505**	**37,583**	**305,418**	**2,714**	**308,132**
Balance January 1, 2012	**52,130**	**215,862**	**–1,331**	**505**	**41,346**	**308,512**	**1,563**	**310,075**
Net amount recognized directly in equity, where applicable less income taxes			32			32		32
Expense for the issuance of shares		–5				–5		–5
Deconsolidations					10	10		10
Net profit/loss for the period					3,221	3,221	–24	3,197
Full overall result for the fiscal year			32			3,253	–24	3,229
BALANCE MARCH 31, 2012	**52,130**	**215,857**	**–1,299**	**505**	**44,577**	**311,770**	**1,539**	**313,309**

Notes to the Consolidated Interim Financial Statements

TO MARCH 31, 2012 (FIRST QUARTER OF 2012)

1 GENERAL DISCLOSURES

PATRIZIA Immobilien AG is a listed German stock corporation based in Augsburg. The Company's headquarters are located at Fuggerstrasse 26, 86150 Augsburg. The Company operates on the national and international real estate market. Together with its subsidiaries, PATRIZIA Immobilien AG is a fully integrated real estate investment company. It specializes in buying high-quality residential and commercial real estate at commercially attractive locations in Germany with the aim of increasing their value and subsequently reselling the real estate. The PATRIZIA Group performs all services along the value-added chain in the real estate sector. The Company also launches special real estate funds in accordance with investment law via its subsidiaries PATRIZIA WohnInvest KAG mbH and PATRIZIA GewerbeInvest KAG mbH.

2 PRINCIPLES APPLIED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

These unaudited consolidated interim financial statements of PATRIZIA Immobilien AG for the first quarter of 2012 (January 1 through March 31, 2012) 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 German Commercial Code [HGB]. All compulsory official announcements of the International Accounting Standards Board (IASB) that have been adopted by the EU in the context of the endorsement process (i. e. published in the Official Journal of the EU) have been applied.

From the perspective of the Company's management, the present unaudited consolidated interim financial statements for the period ended March 31, 2012 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 three months of 2012 are not necessarily an indication of future earnings or of the expected total earnings for fiscal year 2012.

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 2011. 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 ended December 31, 2011, which are contained in the Company's 2011 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 55 subsidiaries. They are included in the consolidated financial statements in line with the rules of full consolidation. In addition, one joint venture company and one participating interest in a SICAV are 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, 30% of the limited liability capital is held in one project development company (in the form of a GmbH & Co. KG). A significant influence does not apply here 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 the project development company are administered as an associated company and are accounted for at purchase cost.

Joint ventures are companies that do not meet the criteria to be classified as subsidiaries since with regard to influencing their business and financial policies, two or more partner companies are bound to common management under a contractual agreement.

Associated companies are companies in which PATRIZIA has a holding and significant influence but no supervision or joint management. The shares are accordingly valued at their fair value and changes to the fair value are reported in the net result.

COMPANY ACQUISITIONS

Under a notarial purchase agreement dated February 2, 2012, PATRIZIA Immobilien AG acquired Blitz 12-541 GmbH, Munich. The company's share capital is EUR 25,000. The Company is general partner of a limited partnership, which provides management services for a real estate portfolio.

Under a notarial purchase agreement dated February 2, 2012, PATRIZIA Immobilien AG acquired Blitz 12-543 GmbH, Munich. The company's share capital is EUR 25,000. The Company is general partner of a limited partnership, which provides management services for a real estate portfolio.

Under a notarial purchase agreement dated February 2, 2012, PATRIZIA Immobilien AG acquired Blitz 12-545 GmbH, Munich. The company's share capital is EUR 25,000. The Company is general partner of a limited partnership, which provides management services for a real estate portfolio.

Under a notarial purchase agreement dated February 2, 2012, PATRIZIA Immobilien AG acquired Blitz 12-549 GmbH, Munich. The company's share capital is EUR 25,000. The Company is general partner of a limited partnership, which provides management services for a real estate portfolio.

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 realizing 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. In contrast to the real estate posted under inventories, investment property is not intended for sale in the ordinary course of business within the framework of the construction or development process. Investment property is measured at fair value, with changes in value recognized through profit or loss.

Investment property is measured at market values. In principle, investment property is measured on the basis of external appraisals carried out by independent experts using current market prices or using customary valuation methods and consideration of the current and long-term rental situation. The residential property resales process was launched in 2010 for individual investment properties. Valuation of these properties is based on current comparative values.

The market value is equivalent to the fair value. According to IAS 40, this is defined as the value reasonably obtainable on the market based on a hypothetical buyer/purchaser situation. Investment property is reported at this fictitious market value without any deduction of transaction costs.

In contrast to the previous year when they were valued by independent experts, the properties that are now earmarked for resale were valued by PATRIZIA using detailed project accounting. This project accounting is based on comparative values ascertained in the direct surroundings of the properties. Both offer prices and also selling prices were used for this, but only of comparable properties.

All investment property held by the Group is leased. The resultant rental income and the expenses directly associated with it are recognized in the consolidated income statement.

5 PARTICIPATIONS

The item “Participations” includes the 5.2% (previous year: 5.2%) share in Hyrebostädter i Norra Tyskland Verwaltungs GmbH, the 6.25% (previous year: 6.25%) share in PATRoffice Real Estate GmbH & Co. KG, the 9.09% (previous year: 9.09%) share in PATRIZIA WohnModul I SICAV-FIS, the 5.1% (previous year: 5.1%) participations in PATRIZIA Projekt 430 GmbH, the PATRIZIA Projekt 440 GmbH and the PATRIZIA Real Estate 30 S.à r.l., as well as the 30% (previous year: 30%) share in Projekt Feuerbachstrasse GmbH & Co. KG. This item also includes, for the first time, the 10% share in PATRIZIA Projekt 150 GmbH and also the 14.1% share in Blitz 12-544 GmbH.

6 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 pure modernization 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 recognized during this time period. However, inventories are still intended for direct sale even if they are not recognized within three years.

Inventories are 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.

7 EQUITY

As at the reporting date, the share capital of PATRIZIA Immobilien AG remained at TEUR 52,130 and was divided into 52,130,000 no-par value shares. For the development of equity, please see the consolidated statement of changes in equity. As of March 31, 2012, equity improved to EUR 313.3 million (December 31, 2011: EUR 310.10 million).

8 BANK LOANS

The bank loans are measured at amortized cost. They have variable interest rates. In this respect, the Group is exposed to an interest rate risk in terms of the cash flows. To limit the risk, the Group has concluded interest hedging transactions for the majority of the loans.

All loans are in euro. Where real estate is sold, financial liabilities are in principle redeemed through repayment of a specific share of the sale proceeds.

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

The residual terms of the bank loans are as follows:

BANK LOANS

EUR '000	03/31/2012	12/31/2011
Less than 1 year	82,869	90,044
1 to 2 years	72,808	81,095
More than 2 to 5 years	502,612	522,213
More than 5 years	0	0
TOTAL	**658,289**	**693,352**

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

Year of maturity	Amount of loans due as at			
	03/31/2012		12/31/2011	
	EUR '000	in %	EUR '000	in %
2012	82,869	12.6	90,044	13.0
2013	60,808	9.2	81,095	11.7
2014	503,476	76.5	514,613	74.2
2015	11,136	1.7	7,600	1.1
TOTAL	**658,289**	**100**	**693,352**	**100**

MATURITY OF LOANS BY QUARTER

Year	Quarter	Amount of loans due as at 03/31/2012 EUR '000	in %
2012	Q3	41,636	6.3
	Q4	41,233	6.3
2013	Q2	26,915	4.1
	Q3	14,228	2.2
	Q4	19,665	3.0
2014	Q1	12,000	1.8
	Q2	489,208	74.3
	Q4	2,268	0.3
2015	Q1	11,136	1.7
TOTAL		**658,289**	**100**

9 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.

10 FINANCIAL RESULT

EUR '000	1st quarter 2012 01/01–03/31/2012	1st quarter 2011 01/01–03/31/2011	2011 01/01–12/31/2011
Interest on bank deposits	42	158	1,722
Income from securities	0	36	96
Change in the value of derivatives	735	12,941	6,028
Other interest	152	56	1,142
	929	**13,191**	**8,988**
Interest on revolving lines of credit and loans	–4,337	–5,283	–23,564
Interest-rate hedging expense	–4,673	–4,634	–16,851
Change in the value of derivatives	0	–889	–889
Other finance costs	–350	–1,957	–2,414
	–9,360	–12,763	–43,718
FINANCIAL RESULT	**–8,431**	**428**	**–34,730**
Financial result adjusted for valuation effects	**–9,166**	**–11,623**	**–39,869**

11 EARNINGS PER SHARE

	1st quarter 2012	1st quarter 2011	2011
	01/01 – 03/31/2012	01/01 – 03/31/2011	01/01 – 12/31/2011
Net profit/loss for the period (in EUR '000)	3,197	9,801	13,493
Number of shares issued	52,130,000	52,130,000	52,130,000
Weighted number of shares	52,130,000	52,130,000	52,130,000
EARNINGS PER SHARE (IN EURO)	**0.06**	**0.19**	**0.26**

There were no diluted earnings per share in the reporting period or in the same quarter of the previous year. As at March 31, 2012, there was authorized capital of TEUR 26,065.

12 SEGMENT REPORTING

The corporate divisions are segmented as follows:

The Residential segment bundles all activities relating to own investment, services, funds and also the co-investment WohnModul I in the field of residential estate. The commission revenues from the co-investment are included in the portfolio management services revenues. Clients include private and institutional investors that invest either in individual residential units or in real estate portfolios. As of the balance sheet date, the segment had a portfolio of 7,167 residential units (March 31, 2011: 9,084) that are listed as investment property and inventories. PATRIZIA WohnInvest KAG mbH is also part of this segment. The segment currently manages around EUR 3.5 billion in assets under management.

The Commercial segment combines the same portfolio of services for commercial real estate. It also covers the special fund provider for real estate PATRIZIA GewerbeInvest KAG mbH and the co-investment PATRoffice Real Estate GmbH & Co. KG. The only proprietary investment of PATRIZA is currently a commercial property with 25 units or 12,182 sqm. The segment manages assets of around EUR 3 billion.

PATRIZIA Projektentwicklung GmbH, PATRIZIA Immobilienmanagement GmbH, PATRIZIA Alternative Investments GmbH and the PATRIZIA Sales GmbH, which serve all as the residential and commercial real estate sectors, form the segment “Special Real Estate Solutions”. This includes services for group companies, the co-investments WohnModul I and LBBW Immobilien GmbH and also third parties. The commission revenues from the co-investment are included in the portfolio management services revenues.

The internal corporate, cross-company services provided by the holding company remain in the Corporate segment. All consolidating entries are also processed via the Corporate segment. All internal output is thus consolidated in the column Group, which represents the external output of the Group.

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, which for the purposes of internal control and reporting are referred to as “EBIT”, “EBT”, “EBIT adjusted” and “EBT adjusted”.

EBT comprises the total of revenues, income from the sale of investment property, changes in inventories, cost of materials and staff costs, amortization and depreciation, other operating income and expenses as well as earnings from investments valued at equity and the financial result. EBT denotes EBIT minus the financial result. To determine the adjusted EBIT, allowances are made for the non-liquidity-related effect of amortizations of other intangible assets (fund management contracts) created in the course of the acquisition of PATRIZIA GewerbeInvest KAG mbH (formerly LB Immo Invest GmbH). Further adjustments are also made to account for the results of the market valuation of the interest-rate hedging instruments.

The PATRIZIA Group’s intercompany sales indicate the amount of revenues between the segments. Intercompany services are invoiced at market prices.

The individual segment figures are set out below. Since amounts are reported in TEUR this can result in rounding differences; however, individual items are calculated on the basis of non-rounded figures.

FIRST QUARTER 2012 (JANUARY 1 – MARCH 31, 2012)

EUR '000	Residential	Commercial	Special Real Estate Solutions	Corporate/ Consolidation	Total
Portfolio-Management					
Third-party revenues	1,323	137	11,956	4	13,419
Rental revenues	0	0	0	0	1
Revenues from services	1,323	137	11,956	3	13,419
Intercompany revenues	2,016	156	898	-3,070	0
Own Investments					
Residential Property Resale					
Third-party revenues	28,864	–	0	–	28,864
Rental revenues	3,173	–	0	–	3,173
Purchase price revenues from single unit sales	24,452	–	0	–	24,452
Purchase price revenues from bloc sales	0	–	0	–	0
Other revenues	1,239	–	0	–	1,239
Intercompany revenues	30	–	0	-30	0
Asset Repositioning					
Third-party revenues	11,899	519	–	–	12,419
Rental revenues	7,877	335	–	–	8,211
Purchase price revenues from bloc sales	1,290	0	–	–	1,290
Other revenues	2,733	185	–	–	2,918
Intercompany revenues	15	15	–	-30	0
Funds					
Third-party revenues	1,472	3,561	–	–	5,033
Revenues from services	1,472	3,561	–	–	5,033
Intercompany revenues	0	0	–	–	0
Total Group Revenues					
Third-party revenues	43,558	4,217	11,956	4	59,735
Rental revenues	11,049	335	0	0	11,385
Revenues from services	2,795	3,698	11,956	3	18,452
Purchase price revenues from single unit sales	24,452	0	0	0	24,452
Purchase price revenues from bloc sales	1,290	0	0	0	1,290
Other revenues	3,972	185	0	0	4,157
Intercompany revenues	2,061	171	898	-3,130	0
Finance income	1,228	179	324	-803	929
Finance cost	-11,158	-865	-836	3,499	-9,360
Significant non-cash earnings					
Market valuation income derivatives	735	0	0	0	735
Market valuation expenditures derivatives	0	0	0	0	0
Results from fair value adjustments to investment property	0	0	0	0	0
Amortization of other intangible assets	0	-492	0	0	-492
Valuation of fund shares	0	0	0	0	0
Segment result EBIT	10,751	366	6,054	-4,394	12,778
Segment result EBT	821	-320	5,544	-1,698	4,347
Segment result EBIT adjusted	10,751	858	6,054	-4,394	13,270
Segment result EBT adjusted	86	172	5,544	-1,698	4,104
Of which result from financial investments valued at equity	-	-	-	0	0
Segment assets	840,197	75,705	57,425	101,976	1,075,303
of which shareholding carrying amounts of financial investments valued at equity	0	0	0	6,827	6,827
Additions to non-current assets	93	0	17,424	548	18,065
Segment liabilities	-658,901	-50,203	-37,727	-15,163	-761,994

FIRST QUARTER 2011 (JANUARY 1 – MARCH 31, 2011)

EUR '000	Residential	Commercial	Special Real Estate Solutions	Corporate/ Consolida-tion	Total
Portfolio-Management					
Third-party revenues	200	429	802	1	1,432
Rental revenues	0	0	0	0	0
Revenues from services	0	0	0	0	0
Intercompany revenues	2,681	857	1,717	–5,355	–100
Own Investments					
Residential Property Resale					
Third-party revenues	32,602	–	220	–	32,821
Rental revenues	4,888	–	213	–	5,100
Purchase price revenues from single unit sales	20,650	–	0	–	20,650
Purchase price revenues from bloc sales	5,500	–	0	–	5,500
Other revenues	1,564	–	8	–	1,572
Intercompany revenues	68	–	0	–	68
Asset Repositioning					
Third-party revenues	11,727	546	–	–	12,273
Rental revenues	8,838	351	–	–	9,189
Purchase price revenues from bloc sales	0	0	–	–	0
Other revenues	2,889	195	–	–	3,084
Intercompany revenues	14	18	–	–	32
Funds					
Third-party revenues	787	3,282	–	–	4,069
Revenues from services	0	0	–	–	0
Intercompany revenues	0	0	–	–	0
Total Group Revenues					
Third-party revenues	45,316	4,257	1,021	1	50,595
Rental revenues	13,725	389	246	1	14,362
Revenues from services	0	0	0	0	0
Purchase price revenues from single unit sales	20,650	0	0	0	20,650
Purchase price revenues from bloc sales	5,500	0	0	0	5,500
Other revenues	5,440	3,868	776	0	10,084
Intercompany revenues	2,764	875	1,717	–5,355	0
Finance income	13,198	88	209	–304	13,191
Finance cost	–14,115	–872	–563	2,787	–12,763
Significant non-cash earnings					
Market valuation income derivatives	12,941	0	0	0	12,941
Market valuation expenditures derivatives	–889	0	0	0	–889
Results from fair value adjustments to investment property	0	0	0	0	0
Amortization of other intangible assets	0	0	0	–492	–492
Valuation of fund shares	0	0	0	0	0
Segment result EBIT	12,715	1,102	787	–2,881	11,722
Segment result EBT	11,798	318	433	–398	12,150
Segment result EBIT adjusted	12,715	1,102	787	–2,389	12,214
Segment result EBT adjusted	–253	318	433	94	590
Of which result from financial investments valued at equity	–	–	–	0	0
Segment assets	840,197	75,705	57,425	101,976	1,075,303
of which shareholding carrying amounts of financial investments valued at equity	0	0	0	6,827	6,827
Additions to non-current assets	93	0	17,424	548	18,065
Segment liabilities	–658,901	–50,203	–37,727	–15,163	–761,994

13 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 for which the Company does not receive appropriate consideration at arm's length conditions. All business relations are conducted at arm's length and do not differ substantially from transactions with other parties involving 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 2011 Annual Report remain valid.

14 DECLARATION 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, we declare that 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 that 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	**Arwed Fischer**	**Klaus Schmitt**
Chairman of the Board	Member of the Board	Member of the Board

Financial Calendar and Contacts

FINANCIAL CALENDAR 2012

May 10, 2012	Interim report for the first quarter of 2012
June 20, 2012	Annual General Meeting, Augsburg
August 9, 2012	Interim report for the first half of 2012
September 5, 2012	12th Real Estate Share Initiative Conference, Berlin
November 8, 2012	Interim report for the first nine months of 2012

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This interim report was published on May 10, 2012, and is also available in German.
The German text will be the definitive version in cases of doubt.

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