

Europe: We call it home

Q1

REPORT ON THE FIRST QUARTER OF 2013



Key Figures

REVENUES AND EARNINGS

EUR '000	1 st quarter 2013		1 st quarter 2012	
	01/01/ - 03/31/2013		01/01/ - 03/31/2012	
Revenues	42,101		59,735	
Total operating performance	39,061		48,250	
EBITDA	3,824		13,718	
EBIT	2,509		12,778	
EBT	6,230		4,347	
Operating result ¹	7,652		7,737	
Net profit	5,196		3,197	

STRUCTURE OF ASSETS AND CAPITAL

EUR '000	03/31/2013	12/31/2012
Non-current assets	433,876	463,423
Current assets	512,907	488,130
Equity	341,674	336,387
Equity ratio (in %)	36.1	35.4
Non-current liabilities	291,974	345,414
Current liabilities	313,135	269,752
Total assets	946,783	951,553

SHARE

ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	P1Z
Share capital as of March 31, 2013	EUR 57,343,000
No. of shares in issue as of March 31, 2013	57,343,000
First quarter 2013 high ²	EUR 7.67
First quarter 2013 low ²	EUR 6.05
Closing price 2012 ²	EUR 6.46
Closing price as of March 31, 2013 ²	EUR 7.25
Share price performance	12.2%
Market capitalization as of March 31, 2013	EUR 415.7 million
Average trading volume per day (first 3 months of 2013) ³	113,750 shares
Indices	SDAX, EPRA, GEX, DIMAX

¹ Without amortization of other intangible assets (fund management contracts), adjusted for profit/loss from interest rate hedges without cash effect. Realized changes in the value of investment property included.

² Closing price at Frankfurt Stock Exchange Xetra trading

³ All German stock exchanges

Contents

Letter to Our Shareholders

Consolidated Interim Management Report

04	General Economic Conditions
05	PATRIZIA on the Capital Market
05	Our Employees
06	The Course of Business in the First Quarter of 2013
11	Net Asset, Financial and Earnings Situation
19	Opportunity and Risk Report
20	Supplementary Report
21	Report on Expected Developments

Consolidated Interim Financial Statements

22	Consolidated Balance Sheet
24	Consolidated Income Statement
25	Consolidated Statement of Comprehensive Income
26	Consolidated Cash Flow Statement
27	Consolidated Statement of Changes in Equity

Notes to the Consolidated Interim Financial Statements

28	General Disclosures
28	Principles Applied in Preparing the Consolidated Financial Statements
29	Scope of Consolidation
33	Investment Property
34	Participations in Associated Companies
34	Participations
34	Inventories
35	Equity
35	Bank Loans
36	Revenues
37	Financial Result
37	Earnings per Share
38	Segment Reporting
42	Transactions with Related Companies and Individuals
42	Declaration by the Legal Representatives of PATRIZIA Immobilien AG

Financial Calendar and Contact Details

*Dear Shareholders,
Dear ladies and gentlemen,*

PATRIZIA has started the current fiscal year with great promise. Without doubt, the defining event of recent months was the success of the PATRIZIA-led consortium in the bidding process for BayernLB's shares in GBW AG with its stock of 32,000 apartments. Once again, hard work by many people and the fact that PATRIZIA covers all stages of the real estate value chain helped us assert ourselves in the face of strong competition. In securing the two largest real estate transactions of the past two years (i. e. both GBW and also the sale of LBBW Immobilien) we again emphasized PATRIZIA's position as Germany's leading real estate specialist.

We were especially pleased to secure existing investors for a further co-investment project: Significantly more than half the investors who were already involved with us in the acquisition of LBBW Immobilien GmbH in 2012 also joined the consortium to acquire the shares in GBW. This underscores not only the high esteem in which PATRIZIA is held by its partners but also the excellent services we offer to our investors. And since PATRIZIA itself has a 5.1% stake (amounting to EUR 58 million) in GBW, both we and our partners are pursuing a like-minded objective.

The GBW transaction marks a further important milestone in our growth strategy and our vision of becoming Europe's leading, fully integrated real estate company. In securing the bid for the shares we have already achieved our aim of administering at least EUR 10 billion in assets under management by 2015. Over the coming weeks we will set a new target for this parameter. But we are interested in more than just volume alone. Rapid growth is not necessarily good growth. We pursue only sustainable investments that are compatible with our strategy and organizational structure. The marked growth in the real estate assets we manage has also led to a significant extension in our income basis for service fees. In addition to the annual asset management fee, winning the bid for GBW will also lead to a notable rise in earnings due to the purchase fee expected for the second quarter of 2013.

As already mentioned in the supplementary report for the 2012 fiscal year, our foreign location in Copenhagen has also enjoyed success: Since the start of the year, PATRIZIA Nordics has been managing ten commercial properties in Sweden, Finland and Denmark. The shopping centers and large retail units have a market value of around EUR 175 million.

Progress has also been made in the acquisition process for the Tamar Capital Group: The contract was finalized on April 22, 2013, meaning that, from a legal perspective, the UK-based asset and investment management company has been formally owned by us since the end of April.

Even the result for the first three months, which was still unaffected by the GBW decision, is gratifying: Although our operating result of EUR 7.7 million was “only” on a par with the previous year, it is important to remember that the previous year’s figure was favorably affected by the purchasing fee for the LBBW transaction. In the first quarter of 2013 we posted the same result purely from normal business activities and without any one-time special effects; this is testimony that our operating performance is developing solidly.

Now that we are able to quantify the financial consequences of the GBW transaction and other projects for the current fiscal year, we are today in a position to announce our forecast for 2013: For the full twelve months, we are predicting an operating result of between EUR 47 and 49 million, corresponding to a growth rate of 7 - 12% on 2012. As is customary for PATRIZIA, the results should increase from quarter to quarter.

As you can see, these are all positive signals which will at the same time establish important foundations for operating success over the coming years.

The PATRIZIA Managing Board



Wolfgang Egger
CEO



Arwed Fischer
CFO



Klaus Schmitt
COO

Consolidated Interim Management Report

FOR THE FIRST QUARTER OF 2013

1 GENERAL ECONOMIC CONDITIONS

Within the euro zone, the growing uncertainties within the financial market system and surrounding the future of the common currency have continued into the current fiscal year and represent both the major risks and also the principal challenges for the member states. In direct consequence of this, the number of people out of work rose and almost all member states reported weak domestic demand despite moderate inflation rates. The various reforms by the European Commission to regulate the banking structure, fiscal policy and the institutional environment prevented further shrinkage of the macro economy in 2012 and an increase in economic performance is expected during the current year, especially in those countries that are presently experiencing stagnation. Despite the recession within Europe, the forecasts for Germany reveal low growth for the German economy and an unemployment rate of less than around 8%.

Denmark and Finland recorded lower levels of growth in 2012. Attention in both countries is currently focusing on the high price trends, which could (further) slow domestic demand. By contrast, Sweden and Norway reported steady growth of more than 1%, despite a slight rise in unemployment. In general, the various reforms to stabilize the European financial system are expected to bear fruit in 2013 and enable the European economies to post positive performance.

RESIDENTIAL REAL ESTATE MARKET IN GERMANY AND EUROPE

Against this backdrop, rents and purchase prices for residential real estate in Germany rose due to the increased demand and despite a rise in the number of construction permits and completions. Last year, Great Britain, Finland and Denmark also revealed a positive shift in terms of supply with associated rising prices on the residential real estate market. By contrast, France revealed falling rents and purchase prices in this segment, notably due to the weak economic performance in 2012.

COMMERCIAL REAL ESTATE MARKET IN GERMANY AND EUROPE

Thanks to its sound fundamental data, the commercial real estate sector in Germany proved attractive for investments by domestic and especially international investors, most of whom invested in good to very good locations. In Great Britain, the transaction volume and also prime yields for retail investments fell for the third time in succession in 2012, with revenues in the major cities higher than in small metropolitan areas. The economic regulatory measures within the EU are expected to increase domestic demand and thus impact favorably on the development and attractiveness of the commercial real estate market.

2 PATRIZIA ON THE CAPITAL MARKET

The PATRIZIA share started the new year at a price of EUR 6.46, rising 12.2% by the end of the first quarter. At the end of March 2013 it closed at EUR 7.25, having achieved, at the start of March, a closing price of over EUR 7 for the first time since 2007. The highest price of EUR 7.67 was recorded on March 14. With an average of 113,750 shares per day, the trading volume for the first quarter continued the high levels of the last few months of 2012 (overall year in 2012: 89,200 shares/day).

3 OUR EMPLOYEES

As at March 31, 2013, the number of permanent employees rose to 607, representing a rise of 21 employees or 3.6% (December 31, 2012: 586 employees). Of these, eleven employees work at the foreign locations, a further 32 were employed as trainees and students of Duale Hochschule Stuttgart majoring in real estate, and there were 56 part-time employees. In terms of full-time equivalents, PATRIZIA had 556 employees at the end of the quarter (December 31, 2012: 532 employees). For the current year, we are expecting a further demand-led growth in staff numbers, mainly within the Services division due to the expansion in co-investments.

4 THE COURSE OF BUSINESS IN THE FIRST QUARTER OF 2013

SUMMARY OF COMPLETED SALES, AVERAGE PRICES AND RENTS IN THE FIRST QUARTER OF 2013

	1 st quarter 2013	1 st quarter 2012	2012	
	01/01 – 03/31/2013 EUR '000	01/01 – 03/31/2012 EUR '000	Change in %	01/01 – 12/31/2012 EUR '000
Own stock¹	260	260	0	1,709
Residential property resale	232	228	1.8	924
Average sales price	EUR 2,676 per sqm	EUR 2,287 per sqm	17.0	EUR 2,513 per sqm
Block sales	28	32	-12.5	785
Average sales price	EUR 1,462 per sqm	EUR 1,869 per sqm	-21.8	EUR 1,667 per sqm
Average rental income	EUR 7.67 per sqm	EUR 7.60 per sqm	0.9	EUR 7.60 per sqm
Co-investments²	306	86	> 100	559
Residential property resale ³	135	77	75.3	482
Block sales	171	9	> 100	77
Services²	118	51	> 100	428
Residential property resale	0	4	-100	20
Block sales	118	47	151.1	408
TOTAL	684	397	72.3	2,696

¹ Transfer of ownership, usage and encumbrances (purchase price payments become due at the time of the commercial changeover and are thus recognized in profit or loss)

² Notarial deeds (sales commission becomes payable at the time of the notarial deed and is therefore recognized in profit or loss)

³ Including new-build sales from project developments

OWN INVESTMENTS

Residential Property Resale

In the first quarter of 2013, the regional breakdown for the property resale of 232 apartments was as follows:

RESIDENTIAL PROPERTY REALES IN THE FIRST QUARTER OF 2013

Region/city	Number of units sold	As a % of sales	Area sold in sqm	Average size per unit in sqm
Munich	183	78.9	14,005	77
Berlin	25	10.8	1,841	74
Cologne/Düsseldorf	20	8.6	1,409	70
Hamburg	4	1.7	304	76
TOTAL¹	232	100	17,559	76

¹ Of these, 128 apartments were reported under investment property

In total, 232 units were sold within the framework of residential property resales in the first quarter of 2013 – an increase of 1.8% on the same quarter in the previous year (228 units). With a share of 73%, private investors were again by far the most predominant category of purchasers in the period under review. In comparison, the other categories of purchasers accounted for significantly smaller shares: 19% of purchasers bought apartments for own use, while 8% of apartments were purchased by tenants.

Block sales

A summary of block sales in the first quarter of 2013:

BLOCK SALES IN THE FIRST QUARTER OF 2013

Region/city	Number of transactions	Number of units sold	Area sold in sqm	Average size per unit in sqm
Berlin	1	28	2,976	106
TOTAL¹	1	28	2,976	106

¹ All 28 apartments were reported under investment property

The following is a summary of our portfolio after taking into account the sales completed in the first quarter of 2013 of 260 units, redensification measures and consolidations.

PATRIZIA PORTFOLIO – BREAKDOWN BY REGION AS OF MARCH 31, 2013

Region/city	Number of units				Area in sqm			
	Residential property resale	Asset repositioning	Total	Share in %	Residential property resale	Asset repositioning	Total	Share in %
Cologne/ Düsseldorf	569	661	1,230	22.2	48,572	61,510	110,082	28.0
Munich	859	289	1,148	20.8	69,064	22,096	91,160	23.1
Leipzig	0	901	901	16.3	0	53,924	53,924	13.7
Frankfurt/Main	5	721	726	13.1	303	45,664	45,967	11.7
Hamburg	109	518	627	11.3	8,153	32,567	40,720	10.3
Berlin	74	437	511	9.2	6,053	19,418	25,471	6.5
Hanover	0	235	235	4.2	0	16,215	16,215	4.1
Dresden	0	152	152	2.7	0	10,284	10,284	2.6
TOTAL	1,616	3,914	5,530	100	132,145	261,677	393,823	100

CO-INVESTMENTS

For details on our co-investments, please refer to the statements in the 2012 Annual Report, p. 45 ff. The co-investment SÜDEWO, which acts as property asset holder, revealed no major changes compared with the end of 2012. At the end of the quarter, the portfolio contained 20,345 units.

No further investments were made for WohnModul I in the first quarter of 2013. By contrast, 91 apartments were re-sold, representing 8% of this co-investment's entire resale portfolio. WohnModul's project developments are progressing in line with plans: The architecture for the first construction area containing around 170 residential units for the development of the "Baumkirchen Mitte" quarter in Munich was decided on. The land for the development of the quarter in the Berg am Laim district encompasses a total of around 130,000 square meters, of which only around 50% will be used for building purposes. The focus of the planned area of 52,000 square meters will be on residential properties, with approximately 41,000 square meters allocated for around 500 rental apartments and condominiums. Of this, around 30% will be implemented as social housing.

EXTERNAL THIRD PARTIES

PATRIZIA WohnInvest KAG

Properties with a market value volume of EUR 50.9 million were transferred to the fund in the first quarter of 2013. No additional properties were secured by purchase agreement.

PATRIZIA GewerbeInvest KAG

At the end of the quarter and following the transfer of the property in Hamburg Bergedorf to PATRIZIA Gewerbe-Immobilien Deutschland I, the special fund provider managed 14 funds with a real estate value of EUR 3.2 billion. Commercial properties with a total value of EUR 113.1 million were transferred to the fund in the first quarter of 2013. Cooperation with the savings banks and the individual funds was further intensified.

PATRIZIA SPECIAL REAL-ESTATE FUNDS AS AT MARCH 31, 2013

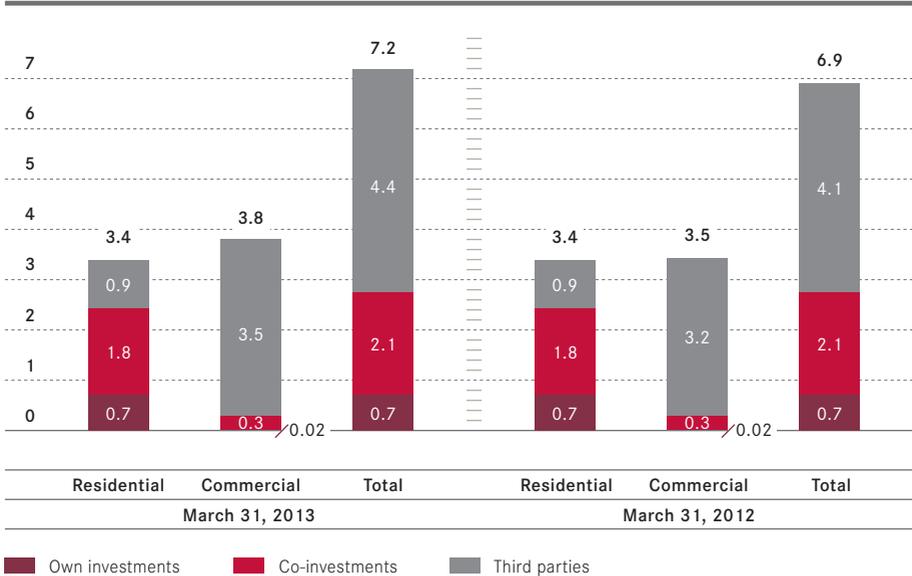
in EUR million	Planned target volume	Committed equity	Assets under management	Number of funds
PATRIZIA WohnInvest KAG mbH				
	2,026	964	864 ¹	7
Individual funds	2,026	964	864	7
PATRIZIA GewerbeInvest KAG mbH				
	6,392	2,758	3,179	14
Modular funds	3,500	1,299	1,420	8
Individual funds	892	421	409	4
Label funds	2,000	1,038	1,350	2
TOTAL PATRIZIA	8,418	3,722	4,043	21

¹ Excludes project developments secured under purchase contracts

Asset Management

PATRIZIA Nordics has been awarded an asset management contract totaling EUR 175 million with effect from January 1, 2013. The contract covers ten commercial properties in Sweden, Finland and Denmark. The client is the commercial property fund “European Retail”, which is listed on the Copenhagen stock exchange. The fund was launched by the Ei Group, which acts as the majority shareholder of Danish pension and life insurance funds. In the first year, we expect an ongoing fee of EUR 0.8 million from the asset management contract.

ASSETS UNDER MANAGEMENT (IN EUR BILLION)



5 NET ASSET, FINANCIAL AND EARNINGS SITUATION

EARNINGS SITUATION OF THE PATRIZIA GROUP

CONSOLIDATED REVENUES

	1 st quarter 2013	1 st quarter 2012	Change in %	2012
	01/01 – 03/31/2013 EUR '000	01/01 – 03/31/2012 EUR '000		01/01 – 12/31/2012 EUR '000
Purchase price revenues from residential property resale ¹	18,607	24,452	-23.9	83,772
Purchase price revenues from block sales ¹	0	1,290	-100	22,462
Rental revenues	8,504	11,385	-25.3	42,744
Revenues from fund business	6,748	5,033	34.1	30,425
Revenues from co-investments	2,669	12,150	-78.0	28,871
Revenues from other services	2,357	1,268	85.9	8,031
Others ²	3,216	4,157	-22.6	12,933
TOTAL	42,101	59,735	-29.5	229,238

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

² The Others item primarily includes rental ancillary costs

At EUR 42.1 million, **group revenues** for the first quarter were almost 30% down on the same quarter in the previous year (EUR 59.7 million). This is attributable to a shift in sales revenues from real estate held in inventories in favor of sales of investment property, sales of which are not reported under revenues. Although the number of units sold was on a par with the previous year, the proceeds that can be recorded under revenues fell by 23.9%. Total sales revenues were EUR 53.3 million, representing an increase of 22.7% (see table below). Purchase price revenues still accounted for 44% of consolidated revenues; together with rental income, the majority of revenues are still accounted for by investments at 64%. In the first three months of 2013, the average monthly rent per square meter remained constant (fourth quarter of 2012: EUR 7.67).

Sales revenues for the services sector amounted to EUR 11.8 million, representing 28% of total revenues (first quarter of 2012: EUR 18.5 million). The lower service revenues compared with the first quarter of the previous year are due to the fact that the purchasing fee for the LBBW transaction was received in March 2012. The biggest contribution in the first quarter of 2013 was made by the two asset management companies with a total of EUR 6.7 million (first quarter of 2012: EUR 5.0 million).

However, as already indicated, sales revenues have only limited significance for PATRIZIA since – as already indicated – the selling prices of properties reported in non-current assets are not reflected in sales revenues. In this case, the gross income is reported under the item “Loss from/gain on the disposal of investment property”. After deducting carrying amounts of EUR 30.4 million, purchase price receipts between January and March of EUR 34.7 million resulted in a profit of EUR 4.3 million (gross margin: 12.3%). In terms of reductions in carrying value, an amount of EUR 5.8 million is to be classified as realized changes in value. A total of 156 apartments classified as investment property were sold.

PURCHASE PRICE REVENUES FROM REAL ESTATE SOLD IN THE FIRST QUARTER OF 2013

	1 st quarter 2013	1 st quarter 2012		2012
	01/01 – 03/31/2013 EUR '000	01/01 – 03/31/2012 EUR '000	Change in %	01/01 – 12/31/2012 EUR '000
Sales revenues from inventories	18,607	25,742	-27.7	106,234
Residential property resales	18,607	24,452	-23.9	83,772
Block sales	0	1,290	-100	22,462
Sales revenues from investment property¹	34,729	17,744	95.7	178,325
Residential property resales	30,379	14,754	> 100	96,525
Block sales	4,350	2,990	45.5	81,800
TOTAL	53,336	43,486	22.7	284,559

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

Changes in inventories comprise the reductions in carrying value of the real estate reported under inventories (EUR -14.8 million) and capitalization (EUR 5.4 million) and amounted to EUR -9.4 million (first quarter of 2012: EUR -17.9 million). The reductions in carrying value are set against purchase price receipts of EUR 18.6 million, corresponding to a gross margin of 20.5%.

At EUR 10.9 million, the **cost of materials** was slightly lower than the previous year's figure (first quarter of 2012: EUR 11.2 million, -3.0%); the majority of this was accounted for by project developments (EUR 4.5 million). A further amount of EUR 2.4 million is attributable to renovation and maintenance measures, with the remaining cost of materials (EUR 4 million) resulting from ancillary costs.

Staff costs increased significantly by 37.2% to EUR 14.6 million (first quarter of 2012: EUR 10.6 million). This was firstly because the increase in staff numbers over the course of 2012 affected the entire quarter, and secondly because the higher share price compared with the previous year necessitated higher provisions for long-term variable compensation of the first and second management tiers.

The **other operating expenses** in a total amount of EUR 9.7 million (first quarter of 2012: EUR 12.7 million, -23.0%) mainly comprise selling expenses of EUR 2.9 million, and also administrative expenses (EUR 1.7 million), operating expenses (EUR 2.5 million) and other expenses (EUR 2.6 million).

The **earnings before interest and tax (EBIT)** for the first three months of 2013 were EUR 2.5 million (first quarter of 2012: EUR 12.8 million, -80.4%). The fact that there was no improvement in EBIT compared with the same quarter in the previous year was, among other things, due to the incomes from asset management of co-investments being shown in the investment result, which is shown under the financial result. The success of the co-investments is therefore only seen in EBT.

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 3.99% p.a., were concluded at the end of 2006/beginning of 2007 in connection with the financing of major real estate portfolios; the majority of them will expire by January 31, 2014, or by June 30, 2014, at the latest.

MARKET VALUATION OF INTEREST RATE HEDGES

	1 st quarter 2013	1 st quarter 2012	Change in %	2012
	01/01 – 03/31/2013 EUR '000	01/01 – 03/31/2012 EUR '000		01/01 – 12/31/2012 EUR '000
Market valuation of interest hedging transactions	4,894	735	> 100	11,028

Cash-related interest expenses for bank liabilities plus expenses for interest hedging amounted to EUR 7.8 million in the first three months. Financing costs (interest rate plus margin) in the first quarter averaged 5.83% (first quarter of 2012: 4.84%, 2012: 5.29%). Further information on the financial result is available in Section 11 of the Notes to the Consolidated Interim Financial Statements.

Income from investments amounted to EUR 6.5 million. This item was not applicable in the same quarter in the previous year as the LBBW transaction was concluded on March 28, 2012 and the pro-rata annual service fee was only received in the second quarter of 2012. After deducting the financial result and adding income from investments, earnings before tax (EBT) amount to EUR 6.2 million (first quarter of 2012: EUR 4.3 million, +43.3%). The improved EBT clearly reflects the success of the co-investments.

The reconciliation of EBT in accordance with IFRS to the operating result is effected via an adjustment to non-cash-related components of the results and by taking realized value adjustments to investment property into account. In the financial result, the changes in market values of interest hedges are eliminated and amortization on fund management contracts is not included. There were no unrealized value adjustments to investment property in the first quarter of 2012 or 2013. This approach gives an **operating result** of EUR 7.7 million, which is on a par with the previous year (first quarter of 2012: EUR 7.7 million). In terms of the quality of the result, it should be noted that the one-time purchasing fee for the LBBW transaction was received in the first quarter of the previous year. In the current year, the same result was posted purely from normal business activities and without major one-time effects. 30% of the result was attributable to services.

DERIVATION OF THE ADJUSTED FIGURES

	1 st quarter 2013	1 st quarter 2012		2012
	01/01 – 03/31/2013 EUR '000	01/01 – 03/31/2012 EUR '000	Change in %	01/01 – 12/31/2012 EUR '000
EBIT	2,509	12,778	-80.4	44,739
Amortization of intangible assets that resulted from the acquisition of PATRIZIA Gewerbelinvest KAG	492	492	0	1,968
Unrealized changes in the value of investment property	0	0	-	-18
Realized change in the value of investment property	5,824	3,633	60.3	23,568
EBIT adjusted	8,825	16,903	-47.8	70,257
Income from participations	6,528	0	-	6,557
Income from participations valued at equity	0	0	-	455
Financial result	-2,807	-8,431	66.7	-23,130
Change in the value of derivatives	-4,894	-735	> -100	-11,028
Release of other result from cash flow hedging	0	0	-	781
OPERATING RESULT	7,652	7,737	- 1.1	43,892

In the first quarter of 2013, the profit for the period after deduction of tax rose by EUR 2.0 million to EUR 5.2 million (first quarter of 2012: EUR 3.2 million). We expect the current tax quota of 17% to remain under 20%. One reason for this is the writeback of deferred taxes within the context of the sale of investment property.

Earnings per share for the first quarter of 2013 amount to EUR 0.09 (first quarter of 2012: EUR 0.06).

The table below provides a summary of the key items in the income statement:

SUMMARY OF THE KEY ITEMS IN THE INCOME STATEMENT

	1 st quarter 2013	1 st quarter 2012	Change in %	2012
	01/01 – 03/31/2013 EUR '000	01/01 – 03/31/2012 EUR '000		01/01 – 12/31/2012 EUR '000
Revenues	42,101	59,735	-29.5	229,238
Total operating performance	39,061	48,250	-19.0	196,111
EBITDA	3,824	13,718	-72.1	49,280
EBIT	2,509	12,778	-80.4	44,739
EBT	6,230	4,347	43.3	28,621
Operating result ¹	7,652	7,737	-1.1	43,892
Profit for the period	5,196	3,197	62.5	25,455

¹ Adjusted for amortization on other intangible assets (fund management contracts), unrealized (affects only 2012) and realized value adjustments to investment property and non-cash effects from interest hedging transactions

NET ASSET AND FINANCIAL SITUATION OF THE PATRIZIA GROUP

PATRIZIA NET ASSET AND FINANCIAL KEY FIGURES

	03/31/2013 EUR '000	12/31/2012 EUR '000	Change in %
Total assets	946,783	951,553	-0.5
Equity (including non-controlling partners)	341,674	336,387	1.6
Equity ratio	36.1%	35.4%	0.7 PP
Bank loans	515,917	521,054	-1.0
Cash and cash equivalents	119,054	38,135	> 100
Net financial debt	396,863	482,919	-17.8
Real estate ¹	680,741	720,024	-5.5
Loan to value ²	75.8%	72.4%	3.4 PP
Net gearing ³	116.7%	144.2%	-27.5 PP
Operating return on equity ⁴	9.0%	9.9%	-0.9 PP

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

³ Ratio of net financial debt to equity adjusted for minority interests

⁴ Based on the operating result and the average equity capital, projected for the full year

PP = percentage points

Total assets fell again to EUR 946.8 million (December 31, 2012: EUR 951.6 million).

Inventories relate to those properties that are offered for sale as part of ordinary business operations. Since the 2012 balance sheet date, inventories fell by EUR 345.9 million to EUR 336.5 million, largely due to disposals. As a result of sales, **investment property** fell by 8.0% to EUR 344.2 million. The carrying value of real estate assets as at March 31, 2013 of EUR 680.7 million (December 31, 2012: EUR 720.0 million) is calculated by adding inventories and investment property.

Since the end of 2012, **bank loans** have fallen by EUR 5.1 million or 1.0% as a result of sales. As at March 31, 2013, bank liabilities still amounted to EUR 515.9 million (December 31, 2012: EUR 521.0 million). A schedule of maturities for our loans is listed in Section 9 of the Notes to the Consolidated Interim Financial Statements of this report. **Cash and cash equivalents** more than tripled to EUR 119.1 million (December 31, 2012: EUR 38.1 million). This was largely due to sales achieved, which meant that current receivables and other assets fell by 48% from EUR 98.6 million at the end of the fiscal year to EUR 51.8 million. In the second quarter, an amount of EUR 58 million will be invested for the 5.1% holding in GBW AG. The group's **equity ratio** improved further to 36.1% (December 31, 2012: 35.4%). Our target is to increase this to 45% by the end of the year.

PATRIZIA'S GROUP EQUITY IS INVESTED AS FOLLOWS

	PATRIZIA share in investment	
	in EUR million	in %
Own investments	290.5	
Investment property and inventories ¹	133	100
PATRIZIA GewerbeInvest KAG	36	94.9
PATRIZIA WohnInvest KAG	2.5	100
Bank balances and cash	119	100
Co-investments	51	
Residential		
WohnModul I SICAV-FIS	15	9.09
Süddeutsche Wohnen GmbH	15	2.5
Other	18	10-30
Commercial		
PATROffice	3	6.25
TOTAL	342	-

¹ Including project developments

Net Asset Value (NAV)

At PATRIZIA, some real estate is valued at the market value (fair value, applies to investment property), and some at amortized cost (inventories). In the first quarter of 2013 sales resulted in gross margins of 20.5% and 12.3% above the carrying value, thus testifying to the value retention of our properties. The entire Services division, which accounted for 30% of the operating result for the first three months, is not included when calculating the net asset value. Since the NAV represents only part of PATRIZIA, we do not consider it appropriate to value the group on the basis of this indicator.

CALCULATION OF NAV

	03/31/2013 EUR '000	12/31/2012 EUR '000
Investment property ¹	344,223	374,104
Participations in associated companies	15,810	15,810
Participations	18,629	18,407
Inventories ²	336,518	345,920
Current receivables and other current assets	51,799	92,013
Bank balances and cash	119,054	50,330
Less currents liabilities	-31,869	-25,876
Less bank loans	-515,917	-521,054
NAV	338,247	349,654
No. of shares	57,343,000	57,343,000
NAV/SHARE (EUR)	5.90	6.10

¹ Fair market valuation

² Valuation at amortized cost

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 2012 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 also not led to any significant changes in the interim risk audit.

The statements in the risk report of the Annual Report 2012 still apply. Please therefore refer to the risk report on pages 74 ff. of the Annual Report 2012 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

PATRIZIA Wins Bidding Process for GBW AG

At the start of April the investment consortium led by PATRIZIA won the bidding process for BayernLB's 91.36% stake in GBW AG. Together with two other share packages, the consortium secured 96.5% of the shares. The gross purchase price (corporate value for 100% of the shares) was EUR 2.453 billion, representing a price of EUR 17.58 per GBW share held by BayernLB. The purchase price is being paid entirely from equity capital. The existing loan liabilities of GBW AG are being assumed and will be repaid on a pro-rata basis over the medium term.

The consortium comprises a group of renowned insurance companies, pension funds, provident pension, retirement funds and savings banks from German-speaking countries. For the 27 investors with a long-term focus – including 9 of the 13 investors from the LBBW Immobilien transaction (now Süddeutsche Wohnen GmbH) – PATRIZIA is acting as investment and asset manager and is itself also a co-investor with an investment of EUR 58 million. PATRIZIA's mandate is to retain and increase the value of the apartments (numbering approximately 32,000) in GBW AG's portfolio.

For implementing the transaction, PATRIZIA is receiving a purchasing fee which is customary for a transaction of this magnitude and complexity; it will also receive annual asset management revenues. In addition to the return on the invested equity, PATRIZIA will receive an additional bonus if specified targets for returns are exceeded.

Block Sales

Two major block sales were completed in Berlin and Dresden at the end of April. The two combined transactions comprise a total of around 550 units and an area of almost 27,000 sqm. We expect to receive the sales revenues of EUR 37.8 million in the second quarter of 2013.

A total of EUR 75.8 million in block sales that have already been notarized is outstanding for the current year. This relates to 675 units and one building plot.

8 REPORT ON EXPECTED DEVELOPMENTS

As already announced on March 21, 2013 in the Consolidated Financial Statements, the operating result of EUR 43.9 million for the previous fiscal year represents the lower limit of our target for the current fiscal year. Since the start of the year we have taken decisions on several acquisition projects, meaning we are now in a position to specify our target more precisely. The biggest influencing factor here was winning the bid for GBW AG. For the current fiscal year, we expect an operating result of between EUR 47 and 49 million. As already explained in March, at least two-thirds of this result should come from the services segment.

In the second quarter we expect a notable rise in our result. Firstly, because we will be able to post the purchasing fee for the GBW transaction after closing at the end of May, and secondly because we expect the transfer of ownership, usage and encumbrances for notarized block sales of EUR 72 million by June 30, 2013.

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, 2013

ASSETS		
EUR'000	03/31/2013	12/31/2012
A. Non-current assets		
Goodwill	610	610
Other intangible assets	42,767	43,259
Software	7,611	7,553
Investment property	344,223	374,104
Equipment	4,025	3,479
Participations in associated companies	15,810	15,810
Participations	18,629	18,407
Long-term tax assets	201	201
Total non-current assets	433,876	463,423
B. Current assets		
Inventories	336,518	345,920
Securities	60	60
Short-term tax assets	5,476	5,380
Current receivables and other current assets	51,799	98,635
Bank balances and cash	119,054	38,135
Total current assets	512,907	488,130
TOTAL ASSETS	946,783	951,553

EQUITY AND LIABILITIES

EUR '000	03/31/2013	12/31/2012
A. Equity		
Share capital	57,343	57,343
Capital reserves	210,644	210,644
Retained earnings		
Legal reserves	505	505
Non-controlling shareholders	1,515	1,556
Valuation results from cash flow hedges	-378	-469
Consolidated net profit	72,045	66,808
Total equity	341,674	336,387
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	22,830	23,242
Long-term financial derivatives	12,580	16,363
Retirement benefit obligations	388	388
Long-term bank loans	254,172	302,004
Non-current liabilities	2,004	3,417
Total non-current liabilities	291,974	345,414
CURRENT LIABILITIES		
Short-term bank loans	261,745	219,050
Short-term financial derivatives	4,850	6,069
Other provisions	1,433	1,479
Current liabilities	31,869	28,750
Tax liabilities	13,238	14,404
Total current liabilities	313,135	269,752
TOTAL EQUITY AND LIABILITIES	946,783	951,553

Consolidated Income Statement

FOR THE PERIOD FROM JANUARY 1, 2013 TO MARCH 31, 2013

EUR '000	01/01-03/31/2013	01/01-03/31/2012
Revenues	42,101	59,735
Income from the sale of investment property	4,278	1,677
Changes in inventories	-9,402	-17,927
Other operating income	2,084	4,765
Total operating performance	39,061	48,250
Cost of materials	-10,909	-11,247
Staff costs	-14,585	-10,627
Other operating expenses	-9,743	-12,658
EBITDA	3,824	13,718
Amortization of intangible assets and depreciation on property, plant and equipment	-1,315	-940
Earnings before interest and income taxes (EBIT)	2,509	12,778
Income from participations	6,528	0
Finance income	4,973	929
Finance cost	-7,780	-9,360
Earnings before income taxes (EBT)	6,230	4,347
Income tax	-1,034	-1,150
Net profit	5,196	3,197
Profit carried forward	66,808	41,223
CONSOLIDATED NET PROFIT	72,004	44,420
Earnings per share (undiluted) in EUR	0.09	0.06
The net profit for the period is allocated to:		
Shareholders of the parent company	5,237	3,221
Non-controlling shareholders	-41	-24
	5,196	3,197

Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM JANUARY 1, 2013 TO MARCH 31, 2013

EUR '000	01/01-03/31/2013	01/01-03/31/2012
Consolidated net profit	5,196	3,197
Other result		
Cash flow hedges		
Amounts recorded during the reporting period	91	32
Reclassification of amounts that were recorded	0	0
Total result for the reporting period	5,287	3,229
The total result is allocated to:		
Shareholders of the parent company	5,328	3,253
Non-controlling shareholders	-41	-24
	5,287	3,229

Consolidated Cash Flow Statement

FOR THE PERIOD FROM JANUARY 1, 2013 TO MARCH 31, 2013

EUR '000	01/01 – 03/31/2013	01/01 – 03/31/2012
Consolidated net profit	5,196	3,197
Actual income taxes recognized through profit or loss	1,034	1,150
Financing costs recognized through profit or loss	7,780	9,360
Income from financial investments recognized through profit or loss	-136	44
Amortization of intangible assets and depreciation on property, plant and equipment	1,315	940
Loss from/gain on disposal of investment properties	-4,278	-1,677
Change in deferred taxes	-412	-522
Ineffectiveness of cash flow hedges	-4,911	-735
Changes in inventories, receivables and other assets that are not attributable to investing activities	56,142	33,258
Changes in liabilities that are not attributable to financing activities	1,590	5,868
Interest paid	-7,558	-9,101
Interest received	80	98
Income tax payments	-2,296	-1,150
Cash inflow from operating activities	53,546	40,730
Capital investments in intangible assets and property, plant and equipment	-1,427	-548
Cash receipts from disposal of investment property	34,729	17,744
Payments for development or acquisition of investment property	-570	-102
Payments for the acquisition of shareholdings	-222	-17,424
Cash inflow/outflow from investing activities	32,510	-330
Borrowing of loans	25,940	5,668
Repayment of loans	-31,077	-40,731
Payment for the issuance of bonus shares	0	-5
Cash outflow from financing activities	-5,137	-35,068
Changes in cash	80,919	5,332
Cash January 1	38,135	31,828
Cash March 31	119,054	-37,160

Consolidated Statement of Changes in Equity

FOR THE PERIOD FROM JANUARY 1, 2013 TO MARCH 31, 2013

EUR '000	Share capital	Capital reserve	Valuation result from Cash Flow Hedges	Retained earnings (legal reserve)	Consolidated net profit/loss	Thereof attributable to the shareholders of the parent company	Thereof attributable to non-controlling shareholders	Total
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
Expenses incurred in issuing bonus 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 period			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
Balance January 1, 2013	57,343	210,644	-469	505	66,808	334,831	1,556	336,387
Net amount recognized directly in equity, where applicable less income taxes			91			91		91
Net profit/loss for the period					5,237	5,237	-41	5,196
Full overall result for the period			91			5,328	-41	5,287
BALANCE MARCH 31, 2013	57,343	210,644	-378	505	72,045	340,159	1,515	341,674

Notes to the Consolidated Interim Financial Statements

TO MARCH 31, 2013 (FIRST THREE MONTHS OF 2013)

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 German and European real estate market. PATRIZIA Immobilien AG, along with its subsidiaries, is a fully integrated real estate investment company. PATRIZIA's range includes the purchase, management, value increase and sale of residential and commercial 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 consolidated interim financial statements of PATRIZIA Immobilien AG for the first three months of 2013 (January 1 through March 31, 2013) 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 the 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, 2013, 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 2013 are not necessarily an indication of future earnings or of the expected total earnings for fiscal year 2013.

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 2012. 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, 2012, which are contained in the Company's 2012 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 58 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 project 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 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 accounted for at purchase cost.

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

Purchase of Tamar Capital Group Ltd

As at April 22, 2013, PATRIZIA Immobilien AG purchased 100% of Tamar Capital Group Ltd's shares with voting rights. The purchase was thus made after the closing date of March 31, 2013 but before the interim financial statements had been approved for publication.

Tamar Capital Group Ltd is a London-based real estate investment and asset management company. In addition to its home market, Tamar Capital Group Ltd is also currently active on the German, French, Scandinavian and Belgian markets and places special emphasis on light industrial, retail and office properties. Tamar European Industrial Fund belongs to the group and is listed on the London Stock Exchange.

In acquiring Tamar Capital Group Ltd, PATRIZIA Immobilien AG is pursuing its strategic goal of expanding its business activities in other European countries and of establishing itself as the leading, fully integrated real-estate investment company in Europe. Acquiring Tamar Capital Group Ltd thus offers PATRIZIA Immobilien AG the opportunity to strengthen its presence in various core European markets, especially in the United Kingdom and France, thereby expanding its service offering, investor commitment and consequently the volume of managed investments in the area of commercial real estate throughout Europe. Moreover, besides the strategic aspects of market positioning, the integration of the Tamar Group into the PATRIZIA group of companies is also expected to create considerable synergy effects in the areas of real-estate expertise, knowledge of the European market and service.

Assets acquired and liabilities assumed

At the time of acquisition, the fair values of the identified assets and liabilities of Tamar Capital Group Ltd were as follows:

	Fair value at the time of acquisition EUR '000
Assets	
Licenses	121
Customer contracts (asset management)	1,105
Receivables from joint venture under mezzanine loan	331
Property, plant and equipment	53
Trade receivables	522
Cash and cash equivalents	626
Other assets	524
	3,282
Liabilities	
Trade payables	65
Other liabilities	1,102
Provisions	219
Deferred tax liabilities	368
	1,754
Total indentifiable net assets at fair value	1,528
Difference from the company acquisition	-933
TOTAL COUNTERPERFORMANCE	595

This represents a provisional purchase price allocation and may be subject to adjustments within the measurement period of twelve months.

The new fair values to be determined will be determined autonomously pursuant to IFRS 3, i.e. without any links to existing fair values, in accordance with local accounting rules and regulations.

Hidden reserves were identified in a receivable from a joint venture under a mezzanine loan and in the acquired asset management contracts and licenses. No other tangible or intangible assets that should be shown separately in expectation of a future economic benefit were identified.

The fair value and gross amount of trade receivables is TEUR 522. None of the trade receivables were impaired at the time of acquisition and it is expected that it will be possible to collect all the contractual amounts.

Counterperformance

The counterperformance (excluding transaction costs) for the assets acquired and liabilities assumed by PATRIZIA Immobilien AG are comprised as follows:

	EUR '000
Cash payment	264
Liability from conditional counterperformance	331
TOTAL COUNTERPERFORMANCE	595

A conditional counterperformance was agreed as part of the purchase agreement with the former owner of Tamar Capital Group Ltd. Under this agreement, PATRIZIA Immobilien AG undertakes to make additional payments to the former owners if a joint venture (including its subsidiaries) whose shares that were held by Tamar Capital Group Ltd are being taken over by PATRIZIA Immobilien AG is wound up or liquidated. The winding up/liquidation is expected approximately 24 months after the date of acquisition. In such case, payments will be made to the former owners in the amount of the pro-rata proceeds from property sales after deduction of liabilities and taxes. At the time of acquisition, the fair value of the conditional counterperformance was estimated at TEUR 331.

The transaction costs of TEUR 326 were posted as an expense and reported under other operating expenses. We also expect additional costs will still be incurred as processing of the transaction continues.

Additional information on the company acquisition

Since, for accounting purposes, the acquisition does not have to be considered until April 1, 2013, the statement of comprehensive income for the period under review does not include any amounts relating to the acquired company. Consequently, it is not possible to make any statements concerning the impact of the company acquisition on sales revenues or the result of the PATRIZIA group in respect of the scenario that the business combination took place at the start of the period under review.

Since initial accounting of the business combination had not been completed by the time the interim financial statements were approved for publication, it is possible that the final calculation of the fair values of the acquired assets and assumed liabilities, of the total counterperformance and of the ascertained negative difference may result in changes.

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. 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 for individual investment properties. Valuation of these properties is based on current comparative values.

The market value is equivalent to the fair value. The valuation method used to determine fair value pursuant to IAS 40.38 et seq. is based on a hypothetical transaction price, the most likely amount at which the asset could be exchanged between knowledgeable, willing parties in an arms-length transaction. Investment property is reported at this fictitious market value without any deduction of transaction costs.

The properties that are earmarked for resale are not valued by independent experts but are instead 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 IN ASSOCIATED COMPANIES

The item includes the 9.09% (December 31, 2012: 9.09%) share in PATRIZIA WohnModul I SICAV-FIS.

6 PARTICIPATIONS

The item "Participations" includes the 6.25% (December 31, 2012: 6.25%) share in PATRoffice Real Estate GmbH & Co. KG, the 12.5% (December 31, 2012: 12.5%) share in CARL A-Immo GmbH & Co KG (formerly Blitz 12-544 GmbH & Co. KG), the 7.5% (December 31, 2012: 7.5%) share in CARL HR GmbH & Co KG (formerly Blitz 12-546 GmbH & Co. KG), the 28.3% (December 31, 2012: 28.3%) participation in Projekt Feuerbachstrasse GmbH & Co. KG, the 10% (December 31, 2012: 10%) share in PATRIZIA Projekt 150 GmbH, and the 30% (December 31, 2012: 30%) participation in Projekt Feuerbachstrasse Verwaltung GmbH.

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 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.

8 EQUITY

The share capital of PATRIZIA Immobilien AG at the reporting date totaled TEUR 57,343 (December 31, 2012: TEUR 57,343) and is divided into 57,343,000 no-par value shares. For the development of equity, please see the consolidated statement of changes in equity. As of March 31, 2013, equity improved to EUR 341.7 million (December 31, 2012: EUR 336.4 million).

9 BANK LOANS

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. 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	03/31/2013	12/31/2012
Less than 1 year	63,199	52,683
1 to 2 years	374,146	430,281
More than 2 to 5 years	38,572	38,090
More than 5 years	40,000	0
TOTAL	515,917	521,054

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

Year	Amount of loans due as at			
	03/31/2013		12/31/2012	
	EUR '000	in %	EUR '000	in %
2013	63,199	12.2	52,683	10.1
2014	374,146	72.5	430,281	82.6
2015	38,572	7.5	38,090	7.3
2016	40,000	7.8	0	0.0
TOTAL	515,917	100	521,054	100

MATURITY OF LOANS BY QUARTER

Year	Quarter	Amount of loans due as at 03/31/2013	
		EUR '000	in %
2013	Q2	19,508	3.8
	Q3	13,696	2.7
	Q4	29,994	5.8
2014	Q2	371,146	71.9
	Q4	3,000	0.6
2015	Q4	38,572	7.5
2016	Q4	440,000	7.8
TOTAL		515,917	100

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	1 st quarter 2013	1 st quarter 2012	2012
	01/01–03/31/2013	01/01–03/31/2012	01/01–12/31/2012
Interest on bank deposits	76	42	168
Change in the value of derivatives	4,894	735	11,028
Other interest	3	152	531
Financial income	4,973	929	11,727
Interest on revolving lines of credit and loans	-2,326	-4,337	-13,101
Interest-rate hedging expense	-5,018	-4,673	-18,798
Change in the value of derivatives	0	0	0
Release of other result from cash flow hedging	0	0	-781
Other finance costs	-436	-350	-2,177
Financial expenses	-7,780	-9,360	-34,857
FINANCIAL RESULT	-2,807	-8,431	-23,130
Financial result adjusted for valuation effects	-7,701	-9,166	-33,377

12 EARNINGS PER SHARE

	1 st quarter 2013	1 st quarter 2012	2012
	01/01–03/31/2013	01/01–03/31/2012	01/01–12/31/2012
Net profit for the period (in EUR '000)	5,196	3,197	25,461
Number of shares issued	57,343,000	57,343,000	57,343,000
Weighted number of shares	57,343,000	57,343,000	57,343,000
EARNINGS PER SHARE (IN EURO)	0.09	0.06	0.44

The Managing Board was authorized, by resolution of the Annual General Meeting on June 20, 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 (Authorized Capital 2012) by June 19, 2017.

13 SEGMENT REPORTING

In the PATRIZIA Group, the use of real estate as residential or commercial property determines and segments the associated activities. In line with the Group's reporting for management purposes and in accordance with the definition contained in IFRS 8 "Operating segments", three segments are identified based on functional criteria: Residential, Commercial and Special Real Estate Solutions.

The **Residential segment** bundles all activities relating to own investments, co-investments, funds and other services in the field of residential real estate. It comprises PATRIZIA Acquisition & Consulting GmbH, PATRIZIA Wohnen GmbH and PATRIZIA WohnInvest Kapitalanlagegesellschaft mbH. The real estate portfolio for residential property resale and asset repositioning is held as own investments. 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 around 5,500 residential units (December 31, 2011: around 6,000) that are listed as investment property and inventories. The commission revenues from the co-investment WohnModul I (for example for residential property resale or for the purchase of residential real estate) are included in the portfolio management service revenues.

The **Commercial segment** combines the same portfolio of services for commercial real estate. Besides PATRIZIA Investmentmanagement GmbH this also covers the special fund provider for real estate PATRIZIA GewerbeInvest Kapitalanlagegesellschaft mbH and the co-investment PATRoffice Real Estate GmbH & Co. KG. The only proprietary investment of PATRIZIA is currently a commercial property in Cologne with 25 units or 12,200 sqm.

The subsidiaries that serve both the residential and commercial sectors make up the **Special Real Estate Solutions segment**. These include PATRIZIA Alternative Investments GmbH, PATRIZIA Immobilienmanagement GmbH, PATRIZIA Projektentwicklung GmbH and PATRIZIA Sales GmbH. In particular, this segment bundles services for group companies, for the co-investments WohnModul I and Süddeutsche Wohnen GmbH and also for third parties. The commission revenues from the co-investments (e.g. for property management, for block sales or the management of new construction projects) are included in the portfolio management service revenues. PATRIZIA's own project developments are also shown under this segment.

The internal corporate, cross-company services provided by the holding company and all consolidating entries are shown in the segment Corporate/Consolidation, as are the activities of corporate divisions that are not shown separately. These mainly include PATRIZIA's foreign companies. Thus, all internal output is 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 are listed in the internal control and reporting as EBIT, operating EBIT, EBT and operating EBT.

The segment earnings parameter EBIT comprises a total of revenues, income from the sale of investment property, changes in inventories, cost of materials and staff costs, other operating income and expenses, changes in the value of investment property and also amortization and depreciation. To determine operating EBIT, allowances are made for non-liquidity-related effects. This firstly involves amortization of other intangible assets (fund management contracts) transferred in the course of the acquisition of PATRIZIA GewerbeInvest Kapitalanlagegesellschaft mbH and secondly unrealized changes in the value of investment property. Realized changes in the value of investment property are added.

EBT comprises EBIT plus earnings from investments (including investments valued at equity) and the financial result. Operating EBT includes further adjustments to account for the results of the market valuation of the interest-rate hedging instruments.

Revenues arise between reportable segments. These intercompany services are invoiced at market prices.

Although PATRIZIA has now extended its operating activities to selected European regions, the majority of revenues are still generated within Germany. For this reason, PATRIZIA still refrains from applying geographical segmentation.

The individual segment figures are set out below. The reporting of amounts in EUR thousands can result in rounding differences. The calculation of individual financial figures is carried out on the basis of non-rounded figures.

FIRST QUARTER 2013 (JANUARY 1 - MARCH 31, 2013)

EUR '000	Residential	Commercial	Special Real Estate Solutions	Corporate/Consolidation	Total
Portfolio-Management					
Third-party revenues	2,046	1,318	1,448	213	5,025
Rental revenues	0	0	0	0	0
Revenues from services	2,046	1,318	1,448	213	5,025
Intercompany revenues	2,975	238	1,474	-4,687	0
Own investments					
Residential Property Resale					
Third-party revenues	20,818	0	0	0	20,818
Rental revenues	1,589	0	0	0	1,589
Purchase price revenues from single unit sale	18,607	0	0	0	18,607
Purchase price revenues from bloc sales	0	0	0	0	0
Other revenues	622	0	0	0	622
Intercompany revenues	32	0	0	-32	0
Asset Repositioning					
Third-party revenues	8,868	641	0	0	9,509
Rental revenues	6,571	344	0	0	6,914
Purchase price revenues from bloc sales	0	0	0	0	0
Other revenues	2,297	297	0	0	2,594
Intercompany revenues	36	18	0	-54	0
Funds					
Third-party revenues	2,042	4,706	0	0	6,748
Revenues from services	2,042	4,706	0	0	6,748
Intercompany revenues	26	0	0	-26	0
Total Group Revenues					
Third-party revenues	33,775	6,665	1,448	213	42,101
Rental revenues	8,160	344	0	0	8,504
Revenues from services	4,088	6,024	1,448	213	11,774
Purchase price revenues from single unit sale	18,607	0	0	0	18,607
Purchase price revenues from bloc sales	0	0	0	0	0
Other revenues	2,919	297	0	0	3,216
Intercompany revenues	3,069	257	1,474	-4,800	0
Finance income	5,754	-31	677	-1,427	4,973
Finance cost	-9,670	-550	-1,509	3,949	-7,780
Significant non-cash earnings					
Market valuation income derivatives	4,894	0	0	0	4,894
Amortization of other intangible assets	0	-492	0	0	-492
Segment result EBIT	11,365	881	-4,165	-5,573	2,509
Segment result EBT	7,449	300	1,531	-3,051	6,230
Segment result operating EBIT	17,189	1,373	-4,165	-5,574	8,824
Segment result operating EBT	8,379	792	1,531	-3,051	7,652
Thereof result from participating interests¹	0	0	6,528	0	6,528
Segment assets	656,693	97,080	72,412	120,598	946,783
of which shareholding carrying amounts of financial investments valued at equity	0	0	0	15,810	15,810
Additions to non-current assets	918	6	222	1,333	2,479
Segment liabilities	-604,253	-56,994	-48,628	104,766	-605,109

¹ Including investments valued at equity

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

EUR '000	Residential	Commercial	Special Real Estate Solutions	Corporate/ Consolida- tion	Total
Portfolio-Management					
Third-party revenues	1,323	137	11,956	4	13,419
Rental revenues	0	0	0	0	0
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	0	0	28,864
Rental revenues	3,173	0	0	0	3,173
Purchase price revenues from single unit sale	24,452	0	0	0	24,452
Purchase price revenues from bloc sales	0	0	0	0	0
Other revenues	1,239	0	0	0	1,239
Intercompany revenues	30	0	0	-30	0
Asset Repositioning					
Third-party revenues	11,899	519	0	0	12,419
Rental revenues	7,877	335	0	0	8,211
Purchase price revenues from bloc sales	1,290	0	0	0	1,290
Other revenues	2,733	185	0	0	2,918
Intercompany revenues	15	15	0	-30	0
Funds					
Third-party revenues	1,472	3,561	0	0	5,033
Revenues from services	1,472	3,561	0	0	5,033
Intercompany revenues	0	0	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 sale	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
Amortization of other intangible assets	0	-492	0	0	-492
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 operating EBIT	14,385	858	6,054	-4,394	16,903
Segment result operating EBT	3,719	172	5,544	-1,698	7,737
Thereof result from participating interests¹	0	0	0	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

¹ Including investments valued at equity

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 2012 Annual Report remain valid.

15 DECLARATION OF THE LEGAL REPRESENTATIVES OF PATRIZIA IMMOBILIEN AG IN LINE WITH ARTICLE 37Y OF THE WERT-PAPIERHANDELSGESETZ (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
CEO



Arwed Fischer
CFO



Klaus Schmitt
COO

Financial Calendar and Contact Details

FINANCIAL CALENDAR 2013

May 7, 2013	Interim report for the first quarter of 2013
June 12, 2013	Annual General Meeting, Augsburg
August 7, 2013	Interim report for the first half of 2013
November 7, 2013	Interim report for the first nine months of 2013

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