PATRIZIA
WERTE ENTSCHEIDEN

Q1

INTERIM REPORT
JANUARY TO MARCH 2015

Key Figures

REVENUES AND EARNINGS

EUR '000	1st quarter 2015 01.01.–31.03.2015	1st quarter 2014 01.01.–31.03.2014
Revenues	47,282	47,048
Total operating performance	42,323	55,401
EBITDA	–409	12,167
EBIT	–2,009	10,583
EBT	3,613	13,171
Operating result[1]	7,476	15,992
Net profit for the period	2,850	12,040

STRUCTURE OF ASSETS AND CAPITAL

EUR '000	31.03.2015	31.12.2014
Non-current assets	291,335	304,247
Current assets	423,787	436,929
Equity	413,403	410,048
Equity ratio	57.8%	55.3%
Non-current liabilities	100,756	102,878
Current liabilities	200,963	228,250
Total assets	715,122	741,176

SHARE

ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	P1Z
Share capital as at 31 March 2015	EUR 69,385,030
No. of shares in issue as at 31 March 2015	69,385,030
First quarter 2015 high[2]	EUR 17.50
First quarter 2015 low[2]	EUR 12.48
Closing price as at 31 March 2015[2]	EUR 16.69
Share price performance	36.9%
Market capitalisation as at 31 March 2015	EUR 1.2 billion
Average trading volume per day[3] (first quarter 2015)	141,300 shares
Indices	SDAX, GEX, DIMAX

[1] Without amortisation of other intangible assets (fund management contracts), adjusted for profit/loss from interest rate hedges without cash effect (only 2014). Realised changes in the value of investment property have been added.
[2] Closing price Xetra-trading
[3] All German stock exchanges

Contents

LETTER TO OUR SHAREHOLDERS

Dear shareholders,
Dear ladies and gentlemen,

The first quarter was "business as usual" for PATRIZIA. We had a successful start to the year, although our operating result of EUR 7.5 million was significantly down on the previous year. This is because the result for the same period in the previous year was influenced by a major transaction, the acquisition of the Leo I portfolio for around one billion euros. We have not yet reached this figure in the current year. The highlight of the first three months of 2015 was the acquisition of a supermarket portfolio with 107 retail properties for EUR 286 million. We do believe, however, that business is picking up speed. In April, for example, PATRIZIA acquired an inner-city residential building in Dublin with 62 apartments, marking our first investment in Ireland. PATRIZIA also secured further equity of EUR 300 million from German investors for a new fund "PATRIZIA Gewerbeimmobilien Deutschland II", for which initial properties are already being inspected. The target volume is EUR 600 million.

Large numbers of investors are currently entrusting us with their money, asking us to show them attractive opportunities and specifying the corresponding risk framework. Decisions are now also being made faster, and we therefore continue to maintain high levels of liquidity. This is the only way we can respond quickly and flexibly to market opportunities as they arise in the field of co-investments. We are currently preparing further transactions.

PATRIZIA continuously monitors the European real estate markets for investment opportunities in order to benefit from different market phases. After Scandinavia, France, Great Britain and the Netherlands, PATRIZIA is now also planning to set up in Madrid and tap the Iberian real estate market. Our purchasing teams check opportunities for growth investments wherever they arise.

For the current year and beyond, we still view the future with extreme optimism. While interest rates remain at a historical low (a situation which we do not believe will change over the medium term), real estate will remain an asset class of choice. With the restriction, however, that real estate prices are unlikely to fall in the next few years. But even without the tailwind of lower interest rates, real estate remains a key element for asset allocation by institutional investors. In the right location and with the right partner, real estate represents a sustainable investment which holds its value even in times of crisis.

When we published the 2014 consolidated financial statements in March, we forecast that this year's operating result would surpass last year's figure of EUR 50.2 million by around 10%. Based on our sound start to the year and the prospects for the coming months, we can reaffirm this forecast since we know that our business is not driven by quarterly figures.

We look forward to your continued support.

The PATRIZIA Managing Board

Wolfgang Egger
CEO

Arwed Fischer
CFO

Klaus Schmitt
COO

Consolidated Interim Management Report

FOR THE FIRST QUARTER OF 2015

1 PATRIZIA ON THE CAPITAL MARKET

The PATRIZIA share started the new year very successfully, rising 37% since the end of 2014. As at 31 March 2015, the share price stood at EUR 16.69, with market capitalisation at EUR 1.2 billion. The highs and lows (closing prices) for the first three months varied between EUR 12.48 and EUR 17.50. The average trading volume for the first quarter of 2015 was 141,300 shares per day (full year in 2014: 97,900 shares/day).

On 23 March 2015 the Supervisory Board and the Managing Board of PATRIZIA Immobilien AG decided to submit a proposal to the Annual General Meeting on 25 June 2015 that the unappropriated profit of EUR 111.2 million should be fully carried forward to the new account and that a decision should be adopted to implement another capital increase from company funds in order to issue bonus shares. This will increase equity capital by converting capital reserves. In the course of this measure, each PATRIZIA shareholder will receive one additional new share (bonus share) for every ten existing shares. The shareholders will not be required to make any contribution. If the proposal is approved by the Annual General Meeting of PATRIZIA Immobilien AG, the current share capital of EUR 69,385,030 will increase to EUR 76,323,533, divided into 76,323,533 no-par value shares.

2 OUR EMPLOYEES

As at 31 March 2015, PATRIZIA had 801 permanent employees, i.e. nine more than at the end of 2014 (+1.1%). These included 38 trainees and students of Duale Hochschule Stuttgart majoring in real estate, plus 76 part-time employees. Seven new employees took up posts with PATRIZIA GrundInvest GmbH, which was established in September 2014 and has now completed its recruitment process for the time being. 76 people are employed at PATRIZIA's international offices in Denmark, Finland, France, Great Britain and Ireland, Luxembourg, the Netherlands and Sweden (31 December 2014: 72; +5.6%). In terms of full-time equivalents, the headcount at the end of the quarter was 775 employees (31 December 2014: 770 employees, +0.6%; 31 March 2014: 699 employees, +10.9%).

3 ECONOMIC REPORT

3.1 ECONOMIC ENVIRONMENT

Combined with the drop in oil prices and the decline in the value of the Euro, the ECB's monetary measures to boost the economy in the Eurozone had a positive effect on economic performance. The growth is in particular attributable to the rise in available income, which affects production indirectly via private consumption. The labour markets have also shown a noticeable recovery, especially in the countries of southern Europe whose labour markets were badly affected by the debt crisis. However, the ECB's policy has triggered a sharp fall in yields from government bonds and in deposit rates.

Residential real estate market in Germany and Europe

The continuing high demand for housing in German cities combined with a shortage in supply is pushing up rents in many locations. Demand for German residential real estate remains very strong among investors. 2014 as a whole saw the second highest volume of transactions since 2009, and the first three months of 2015 also revealed strong momentum in the top German markets. National and international investors are increasingly attracted to “B” locations, with signs of a moderate increase in purchase prices already apparent. In Great Britain, the low levels of construction activity in recent years has prompted a sharp rise in rents and prices, and this has become a key issue for the forthcoming parliamentary elections. House prices in the Netherlands, Sweden, Denmark and Norway continued their positive trend in 2014.

Commercial real estate market in Germany and Europe

As one of Europe's most sought after markets in 2014, the German real estate market recorded its highest volume of transactions since 2009 with a simultaneous steady decline in prime yields in the principal markets. The Nordic countries, Ireland and Spain also saw increased investment activity. Generally, the European commercial real estate markets responded positively to the ECB's decision to purchase government bonds. With the difference in yields between government bonds and commercial real estate in most European markets remaining at a current high, prime yields are likely to fall over the coming months.

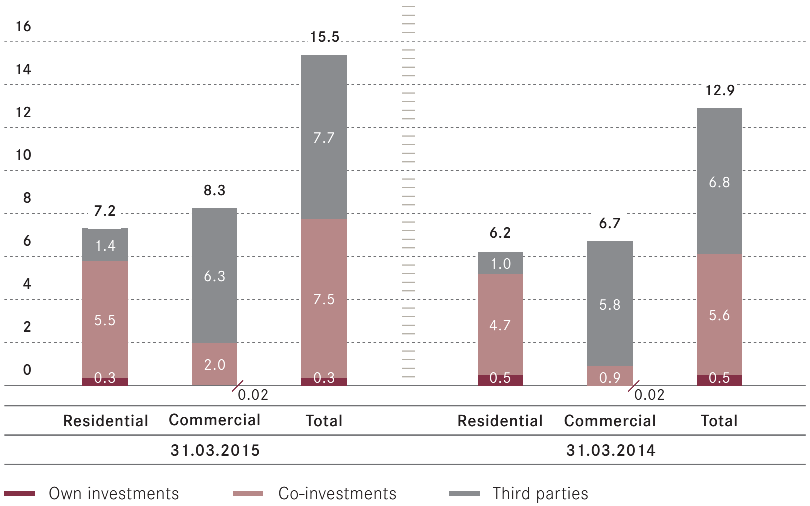
3.2 THE COURSE OF BUSINESS

Assets under management

As at 31 March 2015, PATRIZIA was managing real estate assets of EUR 15.5 billion. This equates to a rise of EUR 0.9 billion during the first quarter. Almost all assets under management are assigned to co-investments and third parties with own stock accounting for less than 2%. 28% of the managed real estate is located outside Germany.

For 2015 we again expect a net growth in assets under management of EUR 2 billion. The balance from regular purchases and sales and one to three portfolio transactions with individual volumes of EUR 0.2 billion to EUR 1 billion should each account for EUR 1 billion of this growth.

ASSETS UNDER MANAGEMENT (IN EUR BILLION)



ASSETS UNDER MANAGEMENT IN GERMANY AND ABROAD

in EUR billion	31.03.2015		31.12.2014		31.03.2014	
	Germany	International	Germany	International	Germany	International
	11.2	4.3	10.7	3.9	11.2	1.7
TOTAL	15.5		14.6		12.9	

The table below shows the course of business based on the categories own investments, co-investments and third parties.

SUMMARY OF COMPLETED SALES, AVERAGE PRICES AND RENTS

	1st quarter 2015 01.01.–31.03.2015	1st quarter 2014 01.01.–31.03.2014	Change in %	2014 01.01.–31.12.2014
Units from own investments[1]	**169**	**237**	**–28.7**	**2,985**
Units from residential property resale	125	156	–19.9	521
Average weighted sales price in EUR/sqm	2,598	2,828	–8.1	2,684
Units from block sales	44	81	–45.7	2,464
Average weighted sales price in EUR/sqm	2,084	1,303	59.9	1,189
Average rental income in EUR/sqm	8.35	7.53	10.9	7.56
Co-investments[2]	**463**	**196**	**136.2**	**1,112**
Units from residential property resale[3]	221	196	12.8	1,008
Units from block sales	242	0	–	104
Services[2]	**43**	**39**	**10.3**	**541**
Units from residential property resale	0	1	–100	9
Units from block sales	43	38	13.2	532
TOTAL	675	472	43.0	4,638

[1] Transfer of ownership, usage and encumbrances (purchase price payments become due at the time of the commercial change-over and are thus recognised in profit or loss)
[2] Notarial deeds (sales commission becomes payable at the time of the notarial deed and is therefore recognised in profit or loss)
[3] Including new-build sales from real estate developments (Q1 2015: 92 units)

OWN INVESTMENTS

PATRIZIA plans to sell most of its entire own stock before the end of the year and is focussing on establishing new co-investments and real estate funds.

Residential property resales

In the first quarter of 2015, 125 apartments were sold to tenants, owner-occupiers and private investors (first quarter 2014: 156 apartments, –19.9%). Accounting for 70%, private investors were again the most predominant category of purchasers. Owner-occupiers accounted for 22% of all individual apartments sold and tenants 8%.

Block sales

In the first quarter of 2015, 44 apartments were sold in one transaction involving block sales (first quarter 2014: 81 units, –45.7%).

RESIDENTIAL PROPERTY RESALES AND BLOCK SALES IN THE FIRST QUARTER OF 2015

Region/city	Number of units sold				Area sold in sqm			
	Residential property resale	Block sales	Total	Share in %	Residential property resale	Block sales	Total	Share in %
Munich	68	0	68	40.2	5,340	0	5,340	42.2
Hamburg	10	44	54	32.0	898	3,095	3,993	31.6
Cologne/Düsseldorf	32	0	32	18.9	2,252	0	2,252	17.8
Frankfurt/Main	14	0	14	8.3	1,010	0	1,010	7.9
Berlin	1	0	1	0.6	60	0	60	0.5
TOTAL	125[1]	44	169[1]	100	9,560	3,095	12,655	100

[1] Of these, 75 apartments were reported under investment property.

Taking into account sales completed and redensification measures, our portfolio at the end of the first quarter of 2015 comprised 908 units with an area of around 87,100 sqm. We anticipate that around 65% of the units will be realised through residential property resale and the remaining 35% through block sales.

THE PATRIZIA PORTFOLIO AS AT 31 MARCH 2015 – BREAKDOWN BY REGION, EXCLUDING REAL ESTATE DEVELOPMENTS

Region/city	Number of units				Area in sqm			
	Residential property resale	Block sales	Total	Share in %	Residential property resale	Block sales	Total	Share in %
Cologne/Düsseldorf	301	127	428	47.1	28,005	24,374	52,379	60.1
Hamburg	15	184	199	21.9	1,019	10,675	11,694	13.4
Munich	144	0	144	15.9	13,541	0	13,541	15.5
Frankfurt/Main	132	0	132	14.5	8,998	0	8,998	10.4
Berlin	5	0	5	0.6	534	0	534	0.6
TOTAL	597	311	908	100	52,097	35,050	87,147	100

CO-INVESTMENTS

At the beginning of March, we completed the closing for a portfolio of 107 retail properties for the co-investment **WohnModul I**. With a purchase price of EUR 286 million, the portfolio comprises mainly supermarkets, discount stores and specialist shopping centres in economically robust regions throughout Germany, the majority of which are leased to the well-known brands within the food retailing sector. With most of the retail properties in the portfolio located in the western federal states, the total rental space is around 229,000 sqm. The occupancy rate is around 95%. In conjunction with the principal tenants, PATRIZIA plans to invest in the portfolio in the short term in order to upgrade, modernise and extend a number of locations. This acquisition boosts the retail real estate managed by PATRIZIA to around EUR 1.6 billion and makes us one of the largest lessors in this segment in Germany.

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

THIRD PARTIES

PATRIZIA WohnInvest KVG mbH

Properties with a market value of EUR 54.1 million were transferred to the fund in the first quarter of 2015. In addition, properties with a market value of EUR 17.0 million were secured by purchase agreement.

PATRIZIA GewerbeInvest KVG mbH

The total transaction volume for all purchases and sales effected in the first quarter of 2015 was EUR 315 million. Real estate with a market value of EUR 305.7 million was transferred to the funds. This included real estate acquired in Germany for EUR 87.1 million and purchases of EUR 218.6 million in the USA for the label funds. Sales were EUR 9.2 million.

PATRIZIA Real Estate Investment Management S.à r.l. (REIM)

PATRIZIA Nordic Cities was established for two investors from Germany. Ten office and commercial properties in Denmark were acquired in December 2014 as an initial investment.

PATRIZIA FUNDS AS AT 31 MARCH 2015

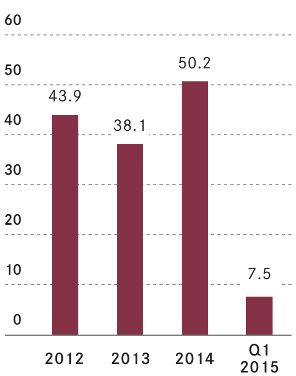
in EUR million	Planned target volume	Committed equity	Assets under management	Number of funds
PATRIZIA WohnInvest KVG mbH	2,026	1,102	1,028[1]	7
PATRIZIA GewerbeInvest KVG mbH	8,844	4,593	6,046	18
Pool funds	5,273	2,571	3,574	9
Individual funds	1,571	900	586	7
Label funds	2,000	1,122	1,886	2
PATRIZIA Real Estate Investment Management S.á.r.l. (REIM)[2]	169	85	169	1
TOTAL PATRIZIA	11,039	5,780	7,243	26

1 Excludes real estate developments secured under purchase contracts
2 PATRIZIA Nordic Cities SCS SICAV-FIS

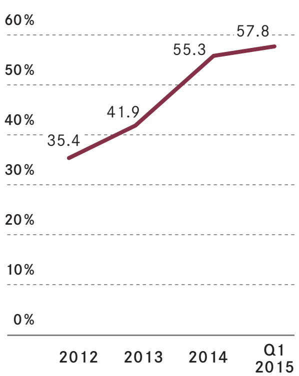
3.3 ECONOMIC POSITION

FINANCIAL PERFORMANCE INDICATORS

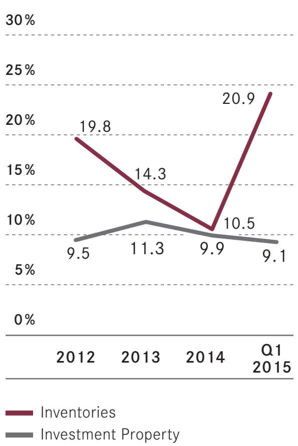
OPERATING RESULT[1]



EQUITY RATIO[2]



SALES MARGINS (GROSS)



1 Operating result in EUR million
2 Equity ratio for 2012–2014 as at 31 December of each year; for 2015 as at 31 March

EARNINGS SITUATION OF THE PATRIZIA GROUP

CONSOLIDATED REVENUES

	1st quarter 2015	1st quarter 2014		2014
	01.01.–31.03.2015 EUR '000	01.01.–31.03.2014 EUR '000	Change in %	01.01.–31.12.2014 EUR '000
Revenues from residential property resale[1]	9,422	8,692	8.4	33,267
Revenues from block sales[1]	6,450	0	–	96,248
Revenues from real estate developments	0	0	–	25,674
Rental revenues	2,141	6,014	–64.4	21,187
Revenues from co-investments	13,588	4,562	197.9	38,467
Revenues from third parties	14,825	25,218	–41.2	67,818
Other[2]	855	2,562	–66.6	9,154
TOTAL	47,282	47,048	0.5	291,815

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

At EUR 47.3 million, **consolidated revenues** for the first three months of 2015 were slightly up year-on-year (first quarter 2014: EUR 47.0 million). **Sales revenues from inventories** rose significantly because no block sales were effected in the same quarter of the previous year. Purchase price revenues rose 82.6% to EUR 15.9 million, including one block sale for EUR 6.5 million. **Rental revenues** reduced as expected, by 64.4% to EUR 2.1 million, and will continue to decline. We expect them to total less than EUR 7 million for the year as a whole. At EUR 28.4 million, **revenues from management services** for co-investments, funds and other third parties were slightly down on the previous year (first quarter 2014: EUR 29.8 million). The **revenues from co-investments** include the purchase fee for the supermarket portfolio acquired in February. Overall, the positive one-off effect posted in the first quarter of 2014 from the purchasing fee for the Leo I portfolio (reported under revenues from third parties) was compensated by other income on the revenues side, albeit with lower margins.

However, revenues have only limited significance for PATRIZIA since the selling prices of properties reported in non-current assets are not reflected in revenues. Profits from such sales are reported under the item **"income from the sale of investment property"**. Purchase price receipts of EUR 17.4 million (first quarter 2014: EUR 32.7 million) resulted in a profit of EUR 1.6 million after deduction of carrying amounts of EUR 15.9 million (gross margin: 9.1%). In the period 2007–2014, real estate accounted for positive prorata value adjustments that are only realised at sale and are reported accordingly in the presentation of the operating result and in the cash flow statement. During the period under review value adjustments amounting to EUR 3.4 million (first quarter 2014: EUR 4.2 million) were realised.

REVENUES FROM SOLD REAL ESTATE

	1st quarter 2015	1st quarter 2014		2014
	01.01.–31.03.2015 EUR '000	01.01.–31.03.2014 EUR '000	Change in %	01.01.–31.12.2014 EUR '000
Sales revenues from inventories	**15,872**	**8,692**	**82.6**	**155,189**
Residential property resale	9,422	8,692	8.4	33,267
Block sales	6,450	0	–	96,248
Real estate developments	0	0	–	25,674
Sales revenues from investment property[1]	**17,449**	**32,744**	**–46.7**	**171,818**
Residential property resale	17,449	25,744	–32.2	76,827
Block sales	0	7,000	–100	94,991
TOTAL	**33,321**	**41,436**	**–19.6**	**327,007**

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

Changes in inventories were negative at EUR 7.7 million (first quarter 2014: EUR 3.7 million). In contrast to the same quarter in the previous year, inventory outflows from sales of inventories (EUR –12.6 million) exceeded additions to inventories from capitalisation (EUR 4.9 million). The latter reflected construction progress for our real estate developments, most of which are now completed. With regard to purchase price revenues for the first three months, the sale of inventories led to a gross margin of 20.9%.

The **cost of materials** was less than half that for the first quarter of the previous year. The decline to EUR 7.0 million was largely due to the fact that investments in the almost completed new-builds fell by more than EUR 4 million, amounting to EUR 4.4 million in the first three months. A further EUR 1.2 million was accounted for by regular expenses for maintenance and renovation, while the remaining cost of materials (EUR 1.4 million) mainly included ancillary costs.

In the same quarter in the previous year, the item **cost of purchased services** was included in other operating expenses. Reporting this item separately shows the extent to which orders of relevance for revenues have been placed with external companies. For PATRIZIA, this concerns in particular the expenses for the label funds of PATRIZIA GewerbeInvest, for which PATRIZIA acts as a service investment management company. The figures for the previous year have been adjusted accordingly. In the first quarter of 2015, the cost of purchased services almost doubled to EUR 4.9 million (first quarter 2014: EUR 2.5 million).

As expected, **staff costs** showed a significant increase. Due to the increased headcount (+10.9% based on full-time equivalents for an annual comparison as at 31 March in each case) and to salary adjustments in line with market trends, staff costs climbed 22.7% to EUR 21.5 million. Of this, EUR 12.2 million was accounted for by wages and salaries, EUR 6.9 million by variable compensation and EUR 2.4 million by social insurance contributions.

Other operating expenses also rose, by 11.0% to EUR 9.4 million (first quarter 2014: EUR 8.4 million). This included operating expenses of EUR 3.2 million, administrative expenses of EUR 2.4 million, selling expenses of EUR 2.5 million and other expenses of EUR 1.3 million.

As a result of the developments outlined, **earnings before finance income and taxes (EBIT)** of EUR –2.0 million were EUR 12.6 million lower than in the first quarter of 2014. This was principally due to the absence of a purchase fee comparable to that for the Leo I transaction, which could not be compensated by revenues with lower margins. With overall expenses remaining stable, other contributory factors included lower income from the disposal of investment property and significantly higher inventory outflows due to a lack of capitalisations from real estate developments.

Income from participations amounted to EUR 5.0 million in the first quarter of 2015 (first quarter 2014: EUR 4.2 million) and includes the quarterly prorata advance profit distributions of the co-investments SÜDEWO (EUR 1.8 million) and GBW (EUR 2.4 million). As the annual guaranteed dividend payable to PATRIZIA from the co-investment GBW of EUR 3.2 million will be treated on an accruals basis from the start of the 2015 financial year, an additional amount of EUR 0.8 million will be posted each quarter. Any performance-linked remuneration for asset management and the dividend payment from SÜDEWO are generally not posted until the final quarter of a financial year. From January to March, the co-investment WohnModul I produced

earnings from companies accounted for using the equity method of EUR 0.7 million (first quarter 2014: EUR 0.8 million). It should be noted that in addition to residential property resale, own construction projects are also important here, some of which will still be in the development phase until 2019.

The **financial result** for the first quarter of 2015 improved 50.8% to EUR –1.2 million (first quarter 2014: EUR –2.5 million). In the same period in the previous year, the financial result was reduced by the interest hedging expense of EUR 2.1 million, while interest hedge value adjustments had a positive effect of EUR 2.1 million. The cash-related financial result adjusted for valuation effects thus rose 73.2% (first quarter 2014: EUR –4.5 million). The financial result is explained in further detail in Section 11 of the Notes to the Consolidated Interim Financial Statements. The financing costs (interest rate plus margin) fell further in the period under review and averaged 2.14% (first quarter of 2014: 4.58%, overall year in 2014: 3.37%). With no interest hedging currently in place for any of its financing, the Group is able to benefit fully from the continuing low level of interest rates.

In the first quarter of 2015, **earnings before tax (EBT)** dropped 72.6% to EUR 3.6 million (first quarter 2014: EUR 13.2 million). In EBT, the improved financial result and higher income from participations were unable to offset the aforementioned decline in EBIT by some considerable margin.

The reconciliation of EBT in accordance with IFRS to the **operating result** is effected by taking realised value adjustments to investment property into account and by adjusting non-cash related components of the result. Depreciation on fund management contracts is eliminated. In the previous year, changes in market values of interest hedges affected the financial result, but these were not considered either. There were no unrealised value adjustments to investment property in the first quarter of 2015 or 2014. Using this method, there was an operating result of EUR 7.5 million compared with EUR 16.0 million in the same period in the previous year. Atypically, the Management Services segment accounted for only 34% of the operating result (first quarter of 2014: 74%; 2014: 72%). The absence of a major purchase fee so far in 2015 contributed to a fall in the Group's operating result and in the proportion of the result attributable to the Management Services segment. The same quarter in the previous year benefited from the purchase fee for the Hessen portfolio (purchase price around EUR 1 billion).

CALCULATION OF THE ADJUSTED FIGURES

	1st quarter 2015	1st quarter 2014		2014
	01.01. – 31.03.2015 EUR '000	01.01. – 31.03.2014 EUR '000	Change in %	01.01. – 31.12.2014 EUR '000
EBIT	**–2,009**	**10,583**	**–119.0**	**6,702**
Amortisation on fund management contracts[1]	492	620	–20.6	2,485
Unrealised change in the value of investment property	0	0	0	–51
Realised change in the value of investment property	3,371	4,247	–20.6	8,566
EBIT adjusted	**1,854**	**15,450**	**–88.0**	**17,702**
Income from participations	4,991	4,166	19.8	39,062
Earnings from companies accounted for using the equity method	684	784	–12.8	3,182
Financial result	–1,207	–2,453	–50.8	–7,499
Change in the value of derivatives	0	–2,077	–100	–2,819
Release of other result from cash flow hedging	0	31	–100	31
Gains/losses from currency translation	1,154	91	>1,000	551
OPERATING RESULT	**7,476**	**15,992**	**–53.3**	**50,210**

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

After deduction of income taxes, PATRIZIA achieved a **profit for the period** of EUR 2.9 million (first quarter 2014: EUR 12.0 million, –76.3%). **Earnings per share** for the first quarter of 2015 amounted to EUR 0.04 compared with EUR 0.17 in the previous year.

EXTRACT FROM THE CONSOLIDATED INCOME STATEMENT

	1st quarter 2015	1st quarter 2014		2014
	01.01. – 31.03.2015 EUR '000	01.01. – 31.03.2014 EUR '000	Change in %	01.01. – 31.12.2014 EUR '000
Revenues	47,282	47,048	0.5	291,815
Total operating performance	42,323	55,401	–23.6	205,468
EBITDA	–409	12,167	–103.4	13,642
EBIT	–2,009	10,583	–119.0	6,702
EBT	3,613	13,171	–72.6	41,998
Operating result[1]	7,476	15,992	–53.3	50,210
Profit for the period	2,850	12,040	–76.3	35,020

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

NET ASSET AND FINANCIAL SITUATION OF THE PATRIZIA GROUP

PATRIZIA NET ASSET AND FINANCIAL KEY FIGURES

	31.03.2015 EUR '000	31.12.2014 EUR '000	Change in %
Total assets	715,122	741,176	–3.5
Equity (including non-controlling partners)	413,403	410,048	0.8
Equity ratio	57.8%	55.3%	2.5 PP
Bank loans	88,211	121,950	–27.7
– Cash and cash equivalents	160,806	145,361	10.6
+ Bonded loans (non-current liabilities)	77,000	77,000	–
= Net financial debt	4,405	53,589	–91.8
Real estate assets[1]	254,072	277,201	–8.3
Net gearing[2]	1.1%	13.1%	–12.0 PP
Operating return on equity[3]	7.3%	13.4%	–6.1 PP

[1] Real estate assets comprise investment property valued at fair value and real estate held in inventories valued at amortised cost.
[2] Ratio of net financial debt to equity adjusted for minority interests
[3] Ratio of operating result to equity as of 31 December of the previous year, extrapolated over 12 months

PP = percentage points

Total assets decreased from EUR 741.2 million at the end of 2014 to EUR 715.1 million. Since the start of the year, **investment property** has reduced by EUR 15.5 million or 19.7% to EUR 63.1 million due to sales. Inventories decreased by EUR 7.7 million to EUR 191.0 million. The carrying value of own real estate developments, which are measured at amortised cost, remained unchanged at EUR 107.8 million. Taking inventories and investment property together results in a carrying value for all **real estate assets** as of 31 March 2015 of EUR 254.1 million (31 December 2014: EUR 277.2 million, –8.3%).

The sale of PATRIZIA's own portfolio has had a positive impact on the level of indebtedness: As expected, **bank loans** continued to fall and amounted to EUR 88.2 million as at 31 March 2015 (31 December 2014: EUR 122.0 million, –27.7%). The loan repayments were made from the sales posted to profit or loss in the first quarter of 2015 and from payments received on purchase price receivables with transfer of ownership, usage and encumbrances on 31 December 2014 in an amount of just under EUR 24 million. Current receivables also fell accordingly. Two **bonded loans** for EUR 77 million which are reported as non-current liabilities also have to be considered as debt. The loans have a residual term until 30 June 2016 and 2018 respectively and are subject to interest at 4.5% and 4.65% and may be repaid early. They are reported under the balance sheet item non-current liabilities. A schedule of maturities for our loans is listed in Section 9.1 of the Notes to the Consolidated Interim Financial Statements of this report.

The already high level of **cash and cash equivalents** at the end of 2014 increased further to EUR 160.8 million (31 December 2014: EUR 145.4 million, +10.6%). This solid financial base gives us sufficient scope to make new investments.

Equity remained almost unchanged at EUR 413.4 million. The **equity ratio** improved further to 57.8% (31 December 2014: 55.3%). The planned ratio for the end of 2015 is 80%.

PATRIZIA CAPITAL ALLOCATION AS AT 31 MARCH 2015

	Assets under management in EUR million	Investment capital in EUR million	Participation in %
Operating companies[1]	–	48.9	100
Own investments[2]	254	151.0	100
Co-investments	7,498	186.9	
Residential	5,806	144.3	
GBW GmbH	2,773	54.9	5.1
Süddeutsche Wohnen GmbH	1,610	14.9	2.5
WohnModul I SICAV-FIS	1,379	70.4	10.1
Other	44	4.1	10.0
Commercial Germany	547	18.7	
PATRoffice	303	7.8	6.3
sono west	58	6.0	30.0
Seneca	186	4.9	5.1
Commercial International	1,145	23.9	
Aviemore Topco (UK)	70	13.0	10.0
Citruz Holdings LP (UK)	345	4.3	10.0
Plymouth Sound Holdings LP (UK)	593	2.4	10.0
Winnersh Holdings LP (UK)	137	4.2	5.0
Third parties	7,747	–	0
Tied investment capital	15,499	386.8	–
Bank balances and cash	–	103.6	–
Total investment capital	15,499	490.4	–
thereof borrowed capital (bonded loans)	–	77.0	–
thereof PATRIZIA equity	–	413.4	–

1 Tied investment capital relating to the acquisition of companies (mainly the acquisition of PATRIZIA GewerbeInvest KVG) and the capital commitment from the operation of our services business (mainly investments in systems and current receivables)
2 Investment property and inventories including real estate developments

Net Asset Value (NAV)

At PATRIZIA, some of the remaining own real estate is valued at the market value (fair value, applies to investment property), and some at amortised cost (inventories). In the first quarter of 2015 sales resulted in gross margins of 9.1% and 20.9% above the carrying value, testifying to the value retention of our properties. The entire Services division, which at around 80% for the whole year should account for the majority of the operating result, is not included when calculating net asset value. The NAV can only serve as a component for determining corporate value in conjunction with the value of the services business. Even after we have sold our own stock, we will continue to disclose a “basis NAV” in order to determine the value of our participations and other assets.

CALCULATION OF NAV

	31.03.2015 EUR '000	31.12.2014 EUR '000
Investment property[1]	63,057	78,507
Participations in associated companies	70,448	68,497
Participations	97,569	96,555
Inventories[2]	191,015	198,694
Current receivables and other current assets	64,453	84,774
Bank balances and cash	160,806	145,361
Less bonded loans	–77,000	–77,000
Less currents liabilities	–93,115	–92,506
Less bank loans	–88,211	–121,950
NAV	389,022	380,932
No. of shares	69,385,030	69,385,030
NAV/SHARE (EUR)	5.61	5.49

1 Fair market valuation; (gross) sales margin for the first quarter of 2015: 9.1%
2 Valuation at amortised cost; (gross) sales margin for the first quarter of 2015: 20.9%

4 SUPPLEMENTARY REPORT

CO-INVESTMENTS

WohnModul I

The economic transfer for the second tranche of the Dutch residential portfolio comprising 976 units was effected in April for **WohnModul I**. The prorata purchase fee was received in parallel to the apartments with a volume of around EUR 96 million. Changes on the seller's side meant the original planned volume of 5,500 apartments was reduced to around 5,100 apartments.

An inner-city residential building in Dublin with 62 high-quality apartments and a gross floor space of around 4,700 sqm was also acquired for WohnModul I at a cost of EUR 15.3 million. It is planned to sell the apartments through residential property resale within one to two years. This purchase in Ireland reaffirmed our European investment strategy.

PATRIZIA Spain

PATRIZIA Immobilien AG is continuing its path of systematic European expansion and following on from Scandinavia, France, Great Britain and the Netherlands, it now also plans to tap the Iberian real estate market. After the end of the period under review the Country Head for the real estate markets in Spain and Portugal took up office in Madrid on 1 April. We believe Spain offers excellent business opportunities for portfolio management and the management of rented apartments.

PATRIZIA makes public offer

On 15 April 2015 PATRIZIA Immobilien AG, acting through a corresponding acquisition company, made a voluntary public offer to the respective owners of a Norwegian company and a Swedish company (Boligutleie Holding III AS and Hyresfastigheter III Gul AB) to acquire their shares in the respective companies. With regard to the offer to the shareholders of Boligutleie Holding III AS, PATRIZIA Immobilien AG will act in conjunction with a co-investor. Boligutleie Holding III AS and Hyresfastigheter III Gul AB hold all shares in the real estate fund Hyresbostäder i Sverige III Gul AB, which in turn holds real estate portfolios.

5 DEVELOPMENT OF OPPORTUNITIES AND RISKS

In the course of its business activities, PATRIZIA Immobilien AG is confronted with both opportunities and risks. The necessary measures have been taken and processes put in place in the Group to identify negative trends and risks in good time and to counteract them. No significant new opportunities or risks have been identified for the Group since the annual financial statements for the 2014 financial year. The assessment of probabilities and potential extent of damage has also not led to any significant changes in the interim risk audit.

The statements in the risk report of the 2014 Annual Report still apply. Please therefore refer to the risk report on pages 84 et seq. of the 2014 Annual Report of PATRIZIA Immobilien AG for a detailed description of the opportunities and risks for the Group. No other risks are currently known to the Managing Board of PATRIZIA Immobilien AG.

6 REPORT ON EXPECTED DEVELOPMENTS

As usual, the operating result for the first quarter of 2015 cannot be used as a basis to forecast the overall result for the financial year. For the 2015 financial year, the PATRIZIA Managing Board forecasts an increase of around 10% in the operating result (2014: EUR 50.2 million) and will provide more specific details on this figure towards the middle of the year.

The more detailed outlook will also contain further information on the status regarding the acquisition of the Norwegian and Swedish company under a public offer and its consequences for the operating result in the current financial year. This purchase marks PATRIZIA's first own investment since 2008, with a short holding time on its own books.

In terms of the operating result for 2015, 80% of income should be accounted for by the Management Services segment. Most of PATRIZIA's current own portfolio of around 900 units should be sold by the end of the year.

Further statements can be found in the report on expected developments on pages 93 et seq. of the 2014 Annual Report.

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 31 MARCH 2015

ASSETS

EUR '000	31.03.2015	31.12.2014
A. Non-current assets		
Goodwill	610	610
Other intangible assets	38,915	39,407
Software	10,445	10,795
Investment property	63,057	78,507
Equipment	4,486	4,476
Participations in associated companies	70,448	68,497
Participations	97,569	96,555
Loans	5,686	5,281
Long-term tax assets	119	119
Total non-current assets	**291,335**	**304,247**
B. Current assets		
Inventories	191,015	198,694
Securities	64	86
Short-term tax assets	7,449	8,014
Current receivables and other current assets	64,453	84,774
Bank balances and cash	160,806	145,361
Total current assets	**423,787**	**436,929**
TOTAL ASSETS	715,122	741,176

EQUITY AND LIABILITIES

EUR '000	31.03.2015	31.12.2014
A. Equity		
Share capital	69,385	69,385
Capital reserve	198,576	198,576
Retained earnings		
Legal reserves	505	505
Non-controlling shareholders	809	809
Currency translation difference	1,535	1,030
Consolidated unappropriated profit	142,593	139,743
Total equity	**413,403**	**410,048**
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	18,811	19,704
Retirement benefit obligations	630	630
Non-current liabilities	81,315	82,544
Total non-current liabilities	**100,756**	**102,878**
CURRENT LIABILITIES		
Short-term bank loans	88,211	121,950
Other provisions	2,260	2,142
Current liabilities	93,115	92,506
Tax liabilities	13,211	11,652
Other current liabilities	4,166	0
Total current liabilities	**200,963**	**228,250**
TOTAL EQUITY AND LIABILITIES	715,122	741,176

Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2015

EUR '000	01.01. – 31.03.2015	01.01. – 31.03.2014
Revenues	47,282	47,048
Income from the sale of investment property	1,586	3,445
Changes in inventories	–7,679	3,684
Other operating income	1,134	1,224
Total operating performance	**42,323**	**55,401**
Cost of materials	–6,993	–14,790
Cost of purchased services[1]	–4,850	–2,468
Staff costs	–21,528	–17,543
Other operating expenses[1]	–9,361	–8,433
EBITDA	**–409**	**12,167**
Amortisation of intangible assets and depreciation on property, plant and equipment	–1,600	–1,584
Earnings before finance income and income taxes (EBIT)	**–2,009**	**10,583**
Income from participations	4,991	4,166
Earnings from companies accounted for using the equity method	684	784
Finance income	275	2,422
Finance cost	–1,482	–4,875
Gains from currency translation	1,154	91
Earnings before income taxes (EBT)	**3,613**	**13,171**
Income tax	–763	–1,131
Net profit for the period	**2,850**	**12,040**
Earnings per share (undiluted) in EUR	0.04	0.17
The net profit for the period is allocated to:		
Shareholders of the parent company	2,850	12,110
Non-controlling shareholders	0	–70
	2,850	**12,040**

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

Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2015

EUR '000	01.01. – 31.03.2015	01.01. – 31.03.2014
Net profit for the period	**2,850**	**12,040**
Items of other comprehensive income with reclassification to net profit/loss for the period		
Profit/loss from the translation of financial statements of international business units	505	35
Cash flow hedges		
Amounts recorded during the reporting period	0	0
Reclassification of amounts that were recorded	0	31
Total result for the reporting period	**3,355**	**12,106**
The total result is allocated to:		
Shareholders of the parent company	3,355	12,176
Non-controlling shareholders	0	–70
	3,355	**12,106**

Consolidated Cash Flow Statement

FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2015

EUR '000	01.01.–31.03.2015	01.01.–31.03.2014
Net profit for the period	2,850	12,040
Income taxes recognised through profit or loss	763	1,131
Financial expenses through profit or loss	1,482	4,875
Financial income through profit or loss	–275	–2,422
Amortisation of intangible assets and depreciation on property, plant and equipment	1,600	1,584
Gain on disposal of investment properties	–1,586	–3,445
Other non-cash items	1,447	2,544
Changes in inventories, receivables and other assets that are not attributable to investing activities	28,587	–71,526
Changes in liabilities that are not attributable to financing activities	417	11,324
Interest paid	–1,394	–4,443
Interest received	134	232
Income tax payments	–70	–295
Cash inflow/outflow from operating activities	**33,955**	**–48,401**
Capital investments in intangible assets and property, plant and equipment	–770	–967
Cash receipts from disposal of investment property	17,449	32,744
Payments for development or acquisition of investment property	–413	–969
Income from the equity reduction of shareholdings	259	0
Payment for investments in companies accounted for using the equity method	–1,267	–545
Cash outflows for loans to companies in which participations are held	–29	0
Cash inflow from investing activities	**15,229**	**30,263**
Borrowing of loans	0	64,400
Repayment of loans	–33,739	–60,440
Cash outflow/inflow from financing activities	**–33,739**	**3,960**
Changes in cash	**15,445**	**–14,178**
Cash 01.01.	145,361	105,536
Cash 31.03.	160,806	91,358

Consolidated Statement of Changes in Equity

FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2015

EUR '000	Share capital	Capital reserve	Valuation result from cash flow hedges	Retained earnings (legal reserve)	Currency translation difference	Consolidated unappropriated profit	Thereof attributable to the shareholders of the parent company	Thereof attributable to non-controlling shareholders	Total
Balance 1 January 2014	63,077	204,897	–31	505	500	104,135	373,083	1,398	374,481
Net amount recognised directly in equity, where applicable less income taxes			31		35		66		66
Net profit/loss for the period						12,110	12,110	–70	12,040
Full overall result for the period			31				12,176	–70	12,106
Balance 31 March 2014	63,077	204,897	0	505	535	116,245	385,259	1,328	386,587
Balance 1 January 2015	69,385	198,576	0	505	1,030	139,743	409,239	809	410,048
Net amount recognised directly in equity, where applicable less income taxes			0		505		505		505
Net profit/loss for the period						2,850	2,850	0	2,850
Full overall result for the period			0				3,355	0	3,355
BALANCE 31 MARCH 2015	69,385	198,576	0	505	1,535	142,593	412,594	809	413,403

Notes to the Consolidated Interim Financial Statements

TO 31 MARCH 2015 (FIRST QUARTER OF 2015)

1 GENERAL DISCLOSURES

PATRIZIA Immobilien AG is a listed German stock corporation. The Company's headquarters are located at Fuggerstrasse 26, 86150 Augsburg. PATRIZIA Immobilien AG has been active as an investor and service provider on the real estate market for more than 30 years, and now in over ten countries. PATRIZIA covers the spectrum of purchasing, management, appreciation and sale of residential and commercial real estate. As a recognised business partner of large institutional investors, the Company operates nationally and internationally, covering the entire value chain relating to all fields of real estate. Currently the Company manages real estate assets with a value of EUR 15.5 billion mainly as a co-investor and portfolio manager for insurance companies, pension fund institutions, government funds and savings banks.

2 PRINCIPLES APPLIED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated interim financial statements of PATRIZIA Immobilien AG for the first quarter of 2015 (1 January to 31 March 2015) were prepared in accordance with Article 37 (3) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with Article 37w (2) WpHG in line with IFRS and in compliance with the provisions of German commercial law additionally applicable as per Article 315a (1) of the Handelsgesetzbuch (HGB – German Commercial Code). All compulsory official announcements of the International Accounting Standards Board (IASB) have been applied, i.e. those adopted up to the balance sheet date by the EU in the context of the endorsement process and published in the Official Journal of the EU.

From the perspective of the Company's management, the present unaudited consolidated interim financial statements for the period ended 31 March 2015 contain all of the information necessary to provide a true and fair view of the course of business and the earnings situation in the period under review. The earnings generated in the first three months of 2015 are not necessarily an indication of future earnings or of the expected total earnings for fiscal year 2015.

When preparing the consolidated financial statements for the interim report in line with IAS 34 "Interim Financial Reporting", the Managing Board of PATRIZIA Immobilien AG must make assessments and estimates as well as assumptions that affect the application of accounting standards in the Group and the reporting of assets and liabilities as well as income and expenses. Actual amounts may differ from these estimates.

These consolidated interim financial statements have been prepared in accordance with the same accounting policies as the last consolidated financial statements for fiscal year 2014. A detailed description of the principles applied in preparing the consolidated financial statements and the accounting methods used can be found in the notes to the IFRS consolidated financial statements for the year ending 31 December 2014, which are contained in the Company's 2014 Annual Report.

The unaudited interim financial statements were prepared in euro. The amounts, including the previous year's figures, are stated in EUR thousand (TEUR).

3 SCOPE OF CONSOLIDATION

All of the Company's subsidiaries are included in the consolidated financial statements of PATRIZIA Immobilien AG. The Group includes all companies controlled by PATRIZIA Immobilien AG. In addition to the parent company, the scope of consolidation comprises 71 subsidiaries. They are included in the consolidated financial statements in line with the rules of full consolidation.

In addition, one participating interest in a SICAV is accounted for at equity in the consolidated financial statements. The SICAV is a stock corporation with variable equity in accordance with the laws of Luxembourg. In addition, 28.3% of the limited liability capital is held in one real estate development company (in the form of a GmbH & Co. KG), while 30% is held in the associated general partner. A significant influence does not apply because provisions in the partnership agreement mean that management cannot be exercised, that a significant influence cannot be exerted on the management and that there is no entitlement to appoint members of the governing organs. The shares in this real estate development company are accounted for at purchase cost.

One company had been established by 31 March 2015 but was not included in the scope of consolidation because it had not commenced business operations and was therefore of minor significance for the consolidated financial statements.

Company Acquisitions

PATRIZIA Immobilien AG acquired Grinan Invest SL, Madrid, on 25 March 2015. The company's share capital is EUR 3,006.00. The object of the company is the provision of property-related services in Spain.

4 INVESTMENT PROPERTY

Qualifying real estate as an investment is based on a corresponding management decision to use the real estate in question to generate rental income and thus liquidity, while realising higher rent potential over a long period and, accordingly, an increase in value. The share of owner-occupier use does not exceed 10% of the rental space. Measurement is at fair value taking into account the current usage that corresponds to the highest and best usage. Changes in value are recognised through profit or loss.

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

5 PARTICIPATIONS IN ASSOCIATED COMPANIES

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

The share in the consolidated net profit of PATRIZIA WohnModul I SICAV-FIS for the first quarter of 2015 was TEUR 684 (first quarter of 2014: TEUR 784).

6 PARTICIPATIONS

The item "Participations" includes the following main holdings:

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

The investment result in the first quarter of 2015 was TEUR 4,991 (first quarter of 2014: TEUR 4,166).

7 INVENTORIES

The "Inventories" item contains real estate that is intended for sale in the context of ordinary activities or that is intended for such sale in the context of the construction or development process; in particular, it includes real estate that has been acquired solely for the purpose of resale in the near future or for development and resale. Development also covers straightforward modernisation and renovation activities. Assessment and qualification as an inventory is undertaken within the context of the purchasing decision and implemented in the balance sheet as at the date of addition.

PATRIZIA has defined the operating business cycle as three years, because based on experience the majority of the units to be sold are sold and recognised during this time period. However, inventories are still classed as intended for direct sale even if the sale is not recognised within three years.

Inventories are 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

As at the reporting date, the share capital of PATRIZIA Immobilien AG amounted to EUR 69,385,030 (31 December 2014: EUR 69,385,030) and is divided into 69,385,030 no-par value shares. The development of equity is shown in the consolidated statement of changes in equity. As at 31 March 2015, equity improved to EUR 413.4 million (31 December 2014: EUR 410.0 million).

9 LIABILITIES

9.1 LIABILITIES TO BANKS

Bank loans are measured at amortised cost. They have variable interest rates. In this respect, the Group is exposed to an interest rate risk in terms of the cash flows. 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, loans whose terms end within the 12 months following the reporting date and also revolving lines of credit used are posted as bank loans with a residual term of less than one year. Regardless of the terms shown below, loans which serve to finance inventories are in principle reported in the balance sheet as short-term bank loans.

The residual terms of the bank loans are as follows:

BANK LOANS

EUR '000	31.03.2015	31.12.2014
Up to 1 year	26,748	33,699
More than 1 year to 2 years	61,463	88,251
TOTAL	88,211	121,950

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

Year	Amount of loans due as at			
	31.03.2015		31.12.2014	
	EUR '000	in %	EUR '000	in %
2015	26,748	30.3	33,699	27.6
2016	61,463	69.7	88,251	72.4
TOTAL	88,211	100	121,950	100

MATURITY OF LOANS BY QUARTER

Year	Quarter	Amount of loans due as at 31.03.2015	
		EUR '000	in %
2015	Q2	24,507	27.8
	Q4	2,241	2.5
2016	Q2	39,797	45.1
	Q4	21,666	24.6
TOTAL		88,211	100

9.2 LIABILITIES TO OTHER LENDERS

As at 31 March 2015, the non-current liabilities included bonded loans in an amount of TEUR 77,000.

9.3 OTHER CURRENT LIABILITIES

A corresponding deferred item was formed under other current liabilities in order to periodise the interim profits for the two co-investments SÜDEWO and GBW.

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	1st quarter 2015	1st quarter 2014	2014
	01.01. – 31.03.2015	01.01. – 31.03.2014	01.01. – 31.12.2014
Interest on bank deposits	83	185	459
Changes in the value of derivatives	0	2,077	2,819
Other interest	192	160	1,135
Financial income	**275**	**2,422**	**4,413**
Interest on revolving lines of credit and bank loans	–479	–1,438	–4,459
Interest-rate hedging expense	0	–2,086	–2,822
Release of other result from cash flow hedging	0	–31	–31
Other finance costs	–1,003	–1,320	–4,600
Financial expenses	**–1,482**	**–4,875**	**–11,912**
FINANCIAL RESULT	–1,207	–2,453	–7,499
Financial result adjusted for valuation effects	**–1,207**	**–4,499**	**–10,318**

12 EARNINGS PER SHARE

	1st quarter 2015	1st quarter 2014	2014
	01.01. – 31.03.2015	01.01. – 31.03.2014	01.01. – 31.12.2014
Net profit for the period (in EUR '000)	2,850	12,040	35,608
Number of shares issued	69,385,030	63,077,300	69,385,030
Weighted number of shares	69,385,030	69,385,030	69,385,030
EARNINGS PER SHARE (IN EURO)	0.04	0.17	0.51

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

The Managing Board was authorised, by resolution of the Annual General Meeting on 20 June 2012, to increase the share capital on one or more occasions with the consent of the Supervisory Board by up to a total of EUR 14,335,750 in exchange for cash contributions and/or contributions in kind by issuing new, registered no-par value shares by 19 June 2017 (Authorised Capital 2012).

13 SEGMENT REPORTING

Segment reporting categorises the business segments according to whether PATRIZIA acts as investor or service provider. In line with the Group's reporting for management purposes and in accordance with the definition contained in IFRS 8 "Operating segments", two segments have been identified based on functional criteria: **Investments** and **Management Services**. Besides functional criteria, the operating segments will also be delimited by geographical criteria. Country assignment will be effected according to the location of the real estate asset being managed. International subsidiaries will continue to be reported as a total for the time being owing to the still low contribution made by the individual national companies to revenues and results.

In addition, PATRIZIA Immobilien AG (corporate administration) together with the management of international subsidiaries will be reported under Corporate. Corporate does not constitute an operating segment with an obligation to report but is presented separately owing to its activity as an internal service provider and its transnational function.

The elimination of intracompany revenues, interim results and the reversal of intracompany interest charges will be performed via the "Consolidation" column. The "Corporate" column thus consolidates all internal services between the Investments and Management Services segments and the Group within a country; it represents the external service provided by the Group in the region concerned. Transnational consolidation is performed in the Consolidation row.

The **Investments segment** primarily bundles portfolio management and the sale of own investments. As at the balance sheet date, the segment had a portfolio of around 900 residential units (31 December 2014: around 1,100) as well as two real estate developments that are reported as investment property and inventories. Clients include private and institutional investors that invest either in individual residential units or in real estate portfolios. It is planned to sell off the entire stock of own property as far as possible by the end of 2015.

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

The **Management Services segment** covers a broad spectrum of real estate services, in particular analysis and consultancy during the purchase and sale of individual residential and commercial properties or portfolios (Acquisition and Sales), the management of real estate (Property Management), value-oriented management of real estate portfolios (Asset Management) as well as strategic consulting with regard to investment strategy, portfolio planning and allocation (Portfolio Management) and the execution of complex, non-standard investments (Alternative Investments). Special funds are also established and managed – including at a client's individual request – via the Group's own investment management companies. Commission revenues generated by services, both from co-investments and from business with third parties, are reported in the Management Services segment. These also include income from participating interests that are granted as interim profits for asset management of the two co-investments SÜDEWO and GBW.

The range of services provided by the Management Services segment is being increasingly used by third parties as assets under management grow and PATRIZIA sells off more and more of its own portfolio.

The PATRIZIA Group's internal control and reporting measures are primarily based on the principles of accounting under IFRS. The Group measures the success of its segments using segment earnings parameters, which for the purposes of internal control and reporting are referred to as EBT and operating EBT (operating result).

EBT, the measure of segment earnings, comprises the total of revenues, income from the sale of investment property, changes in inventories, cost of materials and staff costs, cost of purchased services, other operating income and expenses, changes in the value of investment property, amortisation, as well as earnings from participations (including participations valued at equity) and the financial result and gains/losses from currency translation.

Certain adjustments are made in the course of determining operating EBT (operating result). First, these involve non-cash effects such as amortisation on other intangible assets (fund management contracts) transferred in the course of the acquisition of PATRIZIA GewerbeInvest Kapitalverwaltungsgesellschaft mbH and PATRIZIA UK Ltd., unrealised changes in the value of investment property and the results of the market valuation of the interest-rate hedging instruments (affects 2014 only). Second, income-related realised changes in the value of investment property are then added to this.

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

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

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

FIRST QUARTER 2015 (1 JANUARY – 31 MARCH 2015)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
Germany					
External revenues	18,829	20,181	0	0	39,010
Revenues from single unit sales	9,422	0			9,422
Revenues from block sales	6,450	0			6,450
Rental revenues	2,141	0			2,141
Revenues from services	0	20,181			20,181
Co-investments		5,906			5,906
Third parties		14,275			14,275
Other	816	0			816
Intercompany revenues	47	4,684	0	–1,223	3,508
International[1]					
External revenues	0	8,203	0	0	8,203
Revenues from services		8,173			8,173
Co-investments		7,609			7,609
Third parties		564			564
Other		30			30
Intercompany revenues	0	1,427	0	0	1,427
Corporate					
External revenues	0	0	69	0	69
Intercompany revenues	0	0	5,493	0	5,493
Consolidation					
External revenues	0	0	0	0	0
Intercompany revenues	0	–4,890	0	–5,538	–10,428
Group					
External revenues	18,829	28,384	69	0	47,282
Revenues from single unit sales	9,422	0	0		9,422
Revenues from block sales	6,450	0	0		6,450
Rental revenues	2,141	0	0		2,141
Revenues from services	0	28,354	59		28,413
Co-investments		13,515	73		13,588
Third parties		14,839	–13		14,825
Other revenues	816	30	9		855
Intercompany revenues	47	1,221	5,493	–6,761	0
Financial Result	–1,595	–517	905	0	–1,207
Financial income					
Germany	456	226	0	–170	513
International[1]	1,108	36	0	0	1,144
Corporate	0	0	2,384	0	2,384
Consolidation	–1,078	0	0	–2,688	–3,766
Group	487	262	2,384	–2,858	275
Financial expenses					
Germany	–3,005	–697	0	170	–3,532
International[1]	–156	–82	0	0	–238
Corporate	0	0	–1,478	0	–1,478
Consolidation	1,078	0	0	2,688	3,766
Group	–2,082	–779	–1,478	2,858	–1,482

[1] Denmark, Finland, France, Great Britain, Luxembourg, Netherlands, Sweden

PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
EBT (IFRS)					
Germany	3,125	2,435	0	208	5,767
International[1]	624	689	0	0	1,312
Corporate	0	0	–3,467	0	–3,467
Consolidation	0	0	0	0	0
Group	3,749	3,123	–3,467	208	3,613
Adjustments					
Germany	3,371	492	0	0	3,863
Significant non-operating earnings	0	–492			–492
Fund agreement amortisation		–492			–492
Realised fair value	3,371	0			3,371
International[1]	0	0	0	0	0
Group	3,371	492	0	0	3,863
Operating result (adjusted EBT)					
Germany	6,496	2,927	0	208	9,631
International[1]	624	689	0	0	1,312
Corporate	0	0	–3,467	0	–3,467
Consolidation	0	0	0	0	0
Group	7,120	3,615	–3,467	208	7,476

[1] Denmark, Finland, France, Great Britain, Luxembourg, Netherlands, Sweden

FIRST QUARTER 2014 (1 JANUARY – 31 MARCH 2014)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
Germany					
External revenues	17,243	28,656	0	0	45,899
Revenues from single unit sales	8,692	0			8,692
Revenues from block sales	0	0			0
Rental revenues	6,014	0			6,014
Revenues from services	0	28,656			28,656
Co-investments		4,516			4,516
Third parties		24,140			24,140
Other	2,537	0			2,537
Intercompany revenues	94	3,170	0	–2,600	664
International[1]					
External revenues	0	1,058	0	0	1,058
Revenues from services		1,058			1,058
Co-investments		26			26
Third parties		1,032			1,032
Intercompany revenues	0	762	0	0	762
Corporate					
External revenues	0	0	91	0	91
Intercompany revenues	0	0	5,340	0	5,340
Consolidation					
External revenues	0	0	0	0	0
Intercompany revenues	0	–936	0	–5,830	–6,766
Group					
External revenues	17,243	29,714	91	0	47,048
Revenues from single unit sales	8,692	0	0		8,692
Revenues from block sales	0	0	0		0
Rental revenues	6,014	0	0		6,014
Revenues from services	0	29,714	66		29,780
Co-investments		4,542	20		4,562
Third parties		25,172	46		25,218
Other	2,537	0	25		2,562
Intercompany revenues	94	2,996	5,340	–8,430	0
Financial Result	–3,961	900	605	3	–2,453
Financial income					
Germany	2,773	141	0	–161	2,753
International[1]	39	2,892	0	–1,473	1,458
Corporate	0	0	2,278	0	2,278
Consolidation	–1,376	–5	0	–2,686	–4,067
Group	1,436	3,028	2,278	–4,320	2,422
Financial expenses					
Germany	–6,663	–478	0	161	–6,980
International[1]	–111	–1,655	0	1,476	–290
Corporate	0	0	–1,673	0	–1,673
Consolidation	1,376	5	0	2,686	4,068
Group	–5,398	–2,128	–1,673	4,322	–4,875

[1] Denmark, Finland, France, Great Britain, Luxembourg, Netherlands, Sweden

PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
EBT (IFRS)					
Germany	2,861	13,459	0	284	16,604
International[1]	–88	–202	0	0	–290
Corporate	0	0	–2,704	0	–2,704
Consolidation	0	0	0	–439	–439
Group	2,773	13,257	–2,704	–155	13,171
Adjustments					
Germany	2,201	492	0	0	2,693
Significant non-operating earnings	2,046	–492	0	0	1,554
Market valuation income derivatives	2,077	0			2,077
Market valuation expenditures derivatives	–31	0			–31
Fund agreement amortisation		–492			–492
Realised fair value	4,247	0	0	0	4,247
International[1]	0	128	0	0	128
Significant non-operating earnings		–128			–128
Fund agreement amortisation		–128			–128
Group	2,201	620	0	0	2,821
Operating result (adjusted EBT)					
Germany	5,062	13,951	0	284	19,297
International[1]	–88	–74	0	0	–162
Corporate	0	0	–2,704	0	–2,704
Consolidation	0	0	0	–439	–439
Group	4,974	13,877	–2,704	–155	15.992

[1] Denmark, Finland, France, Great Britain, Luxembourg, Netherlands, Sweden

14 TRANSACTIONS WITH RELATED COMPANIES AND INDIVIDUALS

At the reporting date, the Managing Board of PATRIZIA Immobilien AG was not aware of any dealings, contracts or legal transactions with associated or related parties and/or companies for which the Company does not receive appropriate consideration at arm's length conditions. All such transactions are conducted at arm's length and do not differ substantially from transactions with other parties for the provision of goods and services.

The disclosures on related party transactions contained in section 9.3 of the notes to the consolidated financial statements in the 2014 Annual Report remain valid.

15 RESPONSIBILITY STATEMENT BY THE LEGAL REPRESENTATIVES OF PATRIZIA IMMOBILIEN AG PURSUANT TO ARTICLE 37Y OF THE WERTPAPIERHANDELSGESETZ (WPHG – GERMAN SECURITIES ACT) IN CONJUNCTION WITH ARTICLE 37W (2) NO. 3 OF THE WPHG

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Wolfgang Egger	**Arwed Fischer**	**Klaus Schmitt**
CEO	CFO	COO

Financial Calendar and Contact Details

FINANCIAL CALENDAR 2015

7 May 2015	Interim report for the first quarter of 2015
25 June 2015	Annual General Meeting, Augsburg
6 August 2015	Interim report for the first half of 2015
12 November 2015	Interim report for the first nine months of 2015

PATRIZIA Immobilien AG
PATRIZIA Bürohaus
Fuggerstrasse 26
86150 Augsburg
P +49 821 50910-000
F +49 821 50910-999
immobilien@patrizia.ag
www.patrizia.ag

Investor Relations

Margit Miller
P +49 821 50910-369
F +49 821 50910-399
investor.relations@patrizia.ag

Verena Schopp de Alvarenga
P +49 821 50910-351
F +49 821 50910-399
investor.relations@patrizia.ag

Press
Andreas Menke
P +49 821 50910-655
F +49 821 50910-695
presse@patrizia.ag

This interim report was published on 7 May 2015. This is a translation of the German interim report. In case of doubt, the German version shall apply. Both versions are available on our website:

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

PATRIZIA Immobilien AG
PATRIZIA Bürohaus
Fuggerstrasse 26
86150 Augsburg
Germany
P +49 821 50910-000
F +49 821 50910-999
immobilien@patrizia.ag
www.patrizia.ag