PATRIZIA
IMMOBILIEN AG

Q2 FISCAL YEAR 2009

KEY FIGURES

REVENUES AND EARNINGS	2nd quarter 2009 01.04. – 30.06.2009 EUR'000	2nd quarter 2008 01.04. – 30.06.2008 EUR'000	1st half of 2009 01.01. – 30.06.2009 EUR'000	1st half of 2008 01.01. – 30.06.2008 EUR'000
Revenues	47,478	51,711	92,538	98,309
Total operating performance	35,891	42,557	70,881	74,196
EBITDA	10,215	17,487	20,776	24,454
EBITDA (adjusted)	10,215	17,487	20,776	24,929
EBIT	10,010	17,330	20,364	24,118
EBIT (adjusted)	10,010	17,330	20,364	24,593
EBT	485	21,304	–15,543	2,660
EBT (adjusted)	–2,492	207	–7,204	–7,648
Net profit/loss	1,139	19,942	–13,761	1,840

STRUCTURE OF ASSETS AND CAPITAL	30.06.2009 EUR'000	31.12.2008 EUR'000
Non-current assets	684,285	683,180
Current assets	766,272	833,973
Equity	277,480	291,472
Equity ratio (in %)	19.1%	19.2%
Non-current liabilities	35,844	29,685
Current liabilities	1,137,233	1,195,996
Total assets	1,450,557	1,517,153

SHARE	
ISIN	DE000PAT1AG3
SIN (security Identification Number)	PAT1AG
Code	P1Z
Share capital as at June 30, 2009	EUR 52,130,000
No. of shares in issue as at June 30, 2009	52,130,000
Second quarter 2009 high*	EUR 3.19
Second quarter 2009 low*	EUR 1.42
Closing price as at June 30, 2009*	EUR 2.77
Market capitalization as at June 30, 2009	EUR 144.4 million
Indices	SDAX, EPRA, GEX, DIMAX

*Closing price at Frankfurt Stock Exchange Xetra trading

LETTER TO OUR SHAREHOLDERS

Dear Ladies and Gentlemen,
Dear Shareholders and Business Partners,

The valuation of real estate companies' property is currently of major significance for all such companies. Valuing real estate is a key topic of discussion among investors and, in particular, media representatives, including in relation to PATRIZIA's real estate portfolio. In 2008, we were among the few real estate companies that did not have to devalue their portfolios – a clear indicator of the high quality of our portfolio. Independent experts have confirmed to us that our investment property has retained its value. Our business model is based on purchasing real estate, optimizing its value and subsequently selling it. To enhance the value of our real estate and thus also to improve its rentability and salability, we invest in our properties every year in the form of maintenance, renovation or modernization projects. We invested EUR 34.4 million in the 2008 fiscal year alone. The attractive locations of our real estate portfolios are an additional factor. Our real estate portfolios are situated in regions with strong economic potential, increasing population influx and growing demand for living space. As a result, rather than falling, rents and residential real estate prices in these regions are even continuing to rise in some cases. For this reason, in our view and that of our experts, there is no doubt as to the capacity of our real estate to retain its value. The sales prices of EUR 2,355 per sqm that we generated in the second quarter of 2009 confirm our opinion and we are not expecting a value adjustment to be necessary in the foreseeable future either. We will continue to work on our real estate by carrying out construction measures, further reducing vacancy levels and raising rental returns.

The second widely discussed topic is refinancing and accordingly our financing structure – although, as at the beginning of the second half of the year, only around 2 % of our loans have terms of less than one year. In the second quarter of 2009 we again proved that we are true to our word by successfully renewing loans with a volume of EUR 48.5 million that were due on June 30, 2009 for a further 18 months as announced. The respective real estate to be financed serves as collateral for each of our loans. The high quality and attractive locations of these properties were undoubtedly decisive factors and are a sign of the banks' confidence in our real estate's capacity to retain its value and our business model. We also do not see any obstacles with regard to refinancing the loans outstanding in 2009.

Some of you may be wondering why we are so confident in view of the fact that adjusted EBT for the quarter was negative again at EUR –2.5 million.

The real estate asset class is certainly well placed to benefit from current economic developments. Residential real estate of the kind in our portfolio remains the most attractive in terms of price and rent increases. This is reflected both in our higher rental income and in the rising sales figures in Residential Property Resale. In the second quarter, we lifted our sales to 147 units, which corresponds to an increase of 37 apartments sold, or 33.6 %, compared to the first quarter of this year. Private investors, in particular, are showing a growing interest in rented apartments or are deciding in favor of occupying their residential real estate themselves. In the medium term we also anticipate increasing demand on the part of institutional investors from Germany, including pension funds and insurance companies in particular. Banks' readiness to provide financing, the various potential inflation scenarios and expected interest rate trends will also significantly affect developments on the real estate market in the next few months and after the end of 2009. Despite the negative operating results (EBT adjusted) of EUR –7.2 million for the first half of the year, our outlook for the year as a whole has not changed. Considering the increased number of property resales and notarizations in the last few weeks we are maintaining our target of generating a positive operating result in the 2009 fiscal year if market conditions continue on their current course.

The Managing Board

Wolfgang Egger	Arwed Fischer	Klaus Schmitt
Chairman of the Board	Member of the Board	Member of the Board

INTERIM MANAGEMENT REPORT (FIRST HALF OF 2009)

1. BUSINESS DEVELOPMENT AND SIGNIFICANT TRANSACTIONS IN THE SECOND QUARTER OF 2009

KEY EVENTS IN THE INVESTMENTS SEGMENT

Property resale – individual sales of apartments to tenants, owner-occupiers and private investors – picked up slightly in the second quarter of 2009. While 110 residential units were sold in the first quarter, in the second quarter this figure was 147. Thus, taking the first half of 2009 as a whole, 257 apartments were sold despite the difficult market environment. The sales figures for both the second quarter and the first half of the year were above the level of the previous year (second quarter of 2008: 103 units; first half of 2008: 247 units).

In the first quarter, we reported that private investors in particular are once again showing heightened interest in acquiring residential real estate. The residential real estate investment category is increasingly moving into the focus of private investors, especially due to the turbulence on the capital markets and fears of possible inflation. The number of notarizations also rose slightly in the second quarter of 2009, confirming the growing interest in residential real estate. With respect to the purchaser structure for our apartments, we can clearly detect an increase in private investors who wish to secure stable income from an apartment that is already rented. Added to this is the value stability of high-quality real estate in an attractive location. A second group of purchasers, owner-occupiers, are increasingly showing interest in acquiring condominiums. By contrast, the proportion of tenants among the purchasers has decreased in the last few months.

No block sales were concluded in either the first or the second quarter of 2009. This clearly shows that institutional purchasers are still displaying a very cautious attitude toward investments. However, we anticipate that interest in acquiring residential real estate will grow in this area too over the course of the second half of the year.

Residential property resale by quarter:

	1st quarter 2009	2nd quarter 2009	1st half 2009	1st half 2008	Change in %
Privatized units	110	147	257	247	4.0 %
Average sales price	EUR 2,276 per sqm	EUR 2,355 per sqm	EUR 2,319 per sqm	EUR 2,181 per sqm	6.3 %

PATRIZIA successfully extended the terms of the loans of EUR 48.5 million due on June 30, 2009 by a further 18 months in line with its business model. In March, loans with a volume of EUR 530 million were extended for a further 24 months. Both extensions clearly reflect the confidence of the financing banks in the value retention of PATRIZIA's real estate and accordingly also in adherence to underlying business plans.

Overview of PATRIZIA's Premium Portfolio

Region/city	Number of units (June 30, 2009)	in % of the portfolio	Area in sqm (June 30, 2009)	in % of the portfolio
Munich	4,965	42.0 %	342,373	41.5 %
Cologne/Dusseldorf	1,545	13.1 %	134,359	16.3 %
Hamburg	1,325	11.2 %	87,853	10.7 %
Leipzig	981	8.3 %	64,391	7.8 %
Berlin	952	8.1 %	61,268	7.4 %
Frankfurt am Main	937	7.9 %	58,957	7.1 %
Regensburg	439	3.7 %	30,170	3.7 %
Hanover	433	3.7 %	29,900	3.6 %
Dresden	152	1.3 %	10,284	1.3 %
Friedrichshafen	80	0.7 %	5,195	0.6 %
TOTAL	**11,809**	**100 %**	**824,750**	**100 %**

KEY EVENTS IN THE SERVICES SEGMENT

PATRIZIA Kapitalanlagegesellschaft mbH is continuing its investing activities: in the second quarter of 2009 it acquired 519 residential units in Hamburg and Hanover for its two funds, with two-thirds of the apartments acquired for German Residential Funds I and one-third for Euro City Residential Funds I. PATRIZIA Immobilien KAG is thus underlining its options for making use of opportunities arising on the German property market and for continuing to act as purchaser on the market. The purchasing due diligence was carried out by PATRIZIA Acquisition & Consulting GmbH, which clearly demonstrates the effective utilization of synergies and existing expertise within the PATRIZIA Group. In the course of the year PATRIZIA Immobilien KAG further intends to invest. Besides Germany, the focus will be on selected regions in Europe.

OTHER EVENTS

The Management's proposal to carry forward the full amount of retained earnings from 2008, totaling EUR 31,063,611.46, to new account was approved by the Annual General Meeting on June 23, 2009. An additional resolution was passed to authorize the Management Board to acquire and use treasury shares in accordance with legal regulations. The authorization is valid for 18 months until December 23, 2010 and is limited to shares valued at 10 % of share capital. The Annual General Meeting also passed all the other items on the agenda due for resolution with clear majorities.

2. OUR EMPLOYEES

The PATRIZIA Group had 361 permanent employees as of June 30, 2009, including 20 trainees. Over the course of the year, the number of employees decreased by 20, or 5.2 % (December 31, 2008: 381 employees).

3. NET ASSET, FINANCIAL AND EARNINGS SITUATION

Earnings Situation of the PATRIZIA Group

In the first six months of the year, consolidated revenues fell slightly to EUR 92.5 million compared with EUR 98.3 million in the previous year, chiefly due to the fact that no block sales were concluded. Revenues from residential property resale showed pleasing development, climbing by 10.9 % compared to the first half of the previous year to EUR 39.6 million. Revenues from the Services segment also expanded from EUR 2.6 million to EUR 4.7 million (+80.8 %), clearly demonstrating the growing importance of this business segment.
Revenues in the second quarter and first half of 2009 can be broken down as follows:

	2nd quarter 2009 01.04. – 30.06.2009	2nd quarter 2008 01.04. – 30.06.2008	1st half of 2009 01.01. – 30.06.2009	1st half of 2008 01.01. – 30.06.2008
	EUR MILLION	EUR MILLION	EUR MILLION	EUR MILLION
Purchase price revenues from residential property resale	22.4	14.3	39.6	35.7
Purchase price revenues from asset repositioning	0	8.9	0	23.7
Purchase price revenues from project development	0	0	0	0
Rental revenues	17.7	19.2	35.3	38.3
Revenues from the Services segment	1.8	1.5	4.7	2.6
Other	5.6	7.8	12.9	15.0
Adjustments	0	0	0	–17.1
CONSOLIDATED REVENUES	**47.5**	**51.7**	**92.5**	**98.3**

In Residential Property Resale, the sale of 147 residential units in the second quarter led to purchase price revenues of EUR 22.4 million, representing a year-on-year increase of 44 units, or EUR 8.1 million. The change between the first and second quarters of 2009 also shows a positive development from 110 to 147 residential units sold. The average sales price achieved in the second quarter of 2009 of EUR 2,355 per sqm remained at a high level and once again confirms the attractiveness of our real estate (first quarter of 2009: EUR 2,276 per sqm).

No sales proceeds were generated in the areas of Asset Repositioning and Project Development in the first half of 2009. A block sale was concluded in each of the first two quarters of the previous year, leading to total revenues of EUR 23.7 million. Due to the sell-offs and the resulting reduction in the apartment portfolio, rental revenues were 7.8 % below the level of the previous year at EUR 35.3 million. However, the optimization of rents and continued reduction of vacancy had a stabilizing effect here.

Changes in inventories, which chiefly resulted from disposals of book values owing to the sales, weighed in at EUR –23.5 million in the first half of 2009, while the recognition of renovation and modernization expenses had the opposite effect. A comparison of purchase price revenues from the sale of real estate with changes in inventories produces a ratio of around 60 %.

Cost of materials rose slightly in comparison with the first half of the previous year from EUR 30.0 million to EUR 31.0 million, or 3.5 %. A look at the first two quarters of 2009 reveals that cost of materials increased from EUR 14.2 million to EUR 16.9 million. The main reason for the rise in the second quarter of 2009 were expenses for ancillary costs in the amount of EUR 1.9 million that were only recently invoiced by the seller of a previously acquired real estate portfolio following the final calculation of ancillary costs. Despite the slight decline in the number of employees, staff costs remained almost the same as in the first quarter of 2009 at EUR 6.0 million. The initial effects of the reduction in staff will impact staff costs in the next few months. Staff costs were up from EUR 10.7 million in the first half of 2008 to EUR 12.1 million. The reason for this rise is the higher average number of employees in the period of comparison. In the first half of 2009, other operating expenses totaled EUR 7.0 million, a substantial reduction of EUR 2.1 million compared to the first half of the previous year. The significant decrease in other operating expenses from the first to the second quarter of 2009 (first quarter: EUR 4.1 million; second quarter: EUR 2.8 million) is partly attributable to specific operating expenses that typically arise in the first quarter of a fiscal year, including certain consultancy costs and auditing costs for the annual financial statements, as well as contributions and fees.

In the second quarter of 2009, EBIT calculated in accordance with IFRSs amounted to EUR 10.0 million, which represents a slight decline of EUR 0.3 million (3.3 %) quarter-on-quarter. In the reporting period it was not necessary to adjust EBIT in order to calculate adjusted operating EBIT, as no one-time items not impacting liquidity had an effect. As no adjustments were necessary in the first quarter of 2009 either, in the first half of 2009 EBIT calculated in accordance with IFRSs also corresponded to adjusted EBIT. A comparison of the first half of 2008 with that of 2009 shows that EBIT calculated in accordance with IFRSs fell from EUR 24.1 million to EUR 20.4 million. With respect to the adjusted EBIT of the previous year, it should be noted that the elimination of effects from the reversal of a sales transaction presented in the report for the first half of 2008 was almost completely reversed. The residential units concerned were sold again during the course of the 2008 fiscal year. Thus, from the adjustment of EUR –6.1 million reported at that time, a negative effect of EUR 0.5 million remains from the reversal. Accordingly, EBIT calculated in accordance with IFRSs for the first half of 2008 amounted to EUR 24.1 million, while adjusted EBIT totaled EUR 24.6 million.

Financial income climbed from EUR 0.3 million in the first quarter to EUR 6.2 million in the second quarter of 2009. This is chiefly attributable to the positive effect from the market valuation of interest rate hedges in the amount of EUR 3.0 million. A negative effect was posted in the first quarter of 2009 owing to the decreased interest rate. A hypothetical purchaser/seller situation is used to determine the current market value of interest rate hedges. The results of the market valuation do not have a direct influence on PATRIZIA's operations or on the liquidity of the Company.

The financial expenses of EUR 42.4 million in the first half of 2009 were impacted by the results of the market valuation of interest rate hedges in the first quarter of 2009 in the amount of EUR –11.3 million. No losses arose from the market valuation of interest rate hedges in the second quarter of 2009. In fact, as explained above, income not impacting liquidity was generated. At present, around 70 % of our loans payable are hedged by means of interest rate hedging instruments with hedged interest rates averaging 4.15 %.

Pure interest expenses for bank loans plus expenses from interest hedges decreased from EUR 34.4 million in the first half of 2008 to EUR 25.4 million. The termination of interest rate hedges in the first quarter of 2009 is already yielding positive results. As a result, financing costs for the full fiscal year 2009 will be slightly below the level of 2008.

In the first half of 2009, earnings before income taxes (EBT) calculated in accordance with IFRSs deteriorated significantly to EUR –15.5 million. In the first half of 2008, this figure was still positive at EUR 2.7 million. It should be noted here that EBT in the first half of 2008 calculated in accordance with IFRSs was positively affected by the result of the market valuation of interest rate hedges in the amount of EUR 10.8 million. In contrast, the 2009 result was negatively affected by EUR –8.3 million.

However, as the mandatory reporting of changes in the market value of interest rate hedges under IFRSs does not reflect operating reality and does not have any effect on PATRIZIA's operations, we have reported EBT adjusted for effects not impacting liquidity separately. This adjusted EBT amounted to EUR –4.7 million in the first quarter of 2009 and EUR –2.5 million in the second quarter of 2009. Adjusted EBT thus totaled EUR –7.2 million in the first half of 2009. As explained above, the result of the market valuation of interest rate hedges positively impacted EBT by EUR 10.8 million in the first half of the previous year. If this effect is eliminated, adjusted EBT amounted to EUR –7.6 million in the first half of 2008. EBT has thus shown a slightly positive trend both year-on-year and quarter-on-quarter.

After taking taxes into account, this results in a net profit for the period in accordance with IFRSs of EUR 1.1 million in the second quarter of 2009. When added to the loss of the first quarter, this results in a net loss for the period of EUR –13.8 million in the first half of 2009, corresponding to earnings per share of EUR –0.26 (first half of 2008: EUR 0.04 per share).

The following table provides an overview of the key income statement items in accordance with IFRS:

	2nd quarter 2009 01.04. – 30.06.2009	2nd quarter 2008 01.04. – 30.06.2008	1st half of 2009 01.01. – 30.06.2009	1st half of 2008 01.01. – 30.06.2008
	EUR'000	EUR'000	EUR'000	EUR'000
Revenues	47,478	51,711	92,538	98,309
Total operating performance	35,891	42,557	70,881	74,196
EBITDA	10,215	17,487	20,776	24,454
EBIT	10,010	17,330	20,364	24,118
Earnings before income taxes (EBT)	485	21,304	–15,543	2,660
Net profit/loss for the period	1,139	19,942	–13,761	1,840

Taking into account all extraordinary effects and effects not impacting liquidity, the overview of the adjusted income statement items is as follows:

	2nd quarter 2009 01.04. – 30.06.2009	2nd quarter 2008 01.04. – 30.06.2008	1st half of 2009 01.01. – 30.06.2009	1st half of 2008 01.01. – 30.06.2008
	EUR'000	EUR'000	EUR'000	EUR'000
Revenues	47,478	51,711	92,538	98,309
Total operating performance	35,891	42,557	70,881	74,196
EBITDA (adjusted)	10,215	17,487	20,776	24,929
EBIT (adjusted)	10,010	17,330	20,364	24,593
EBT (adjusted)	–2,492	207	–7,204	–7,648

Net Assets and Financial Situation of the PATRIZIA Group

As at June 30, 2009, total assets declined as a result of continued sales activities to EUR 1,450.6 million and were thus 4.4 % below the level of the end of the 2008 fiscal year (December 31, 2008: EUR 1,517.2 million).

The participations of the Company, which chiefly cover the 6.25 % equity interest in the PATRoffice co-investment and our 50 % interest in the Frankfurt Feuerbachstrasse development project, remained virtually at the level of the previous quarter of 2009. The first reason for this is that the first tranche at PATRoffice is fully invested and has not yet been continued. Secondly, the development project in Frankfurt requires more intensive preparations, which will postpone the actual start of construction until 2010. The sale of real estate from inventories caused these to fall slightly from EUR 706.7 million at the end of the first quarter of 2009 to EUR 693.9 million. As at June 30, 2009, PATRIZIA had cash and cash equivalents of EUR 54.2 million. Liquidity was thus EUR 11.8 million lower than the level of March 31, 2009.

On the **liabilities side** of the balance sheet, equity remained almost constant from the first to the second quarter of 2009 at EUR 277.5 million. As at June 30, 2009, equity per share amounted to EUR 5.32.

The equity ratio stabilized at 19.1 %, as it was also possible to cut gearing through further reducing our banks loans by EUR 22.1 million to EUR 1,105.6 million as at June 30, 2009. In particular, in view of the current low interest rates we are benefiting from having terminated interest rate hedging instruments for loans of EUR 90 million in the first quarter of 2009.

As at July 1, 2009 less than 2 % of our bank loans had residual terms of less than one year. Further renewals for loans amounting to EUR 13.3 million are planned for the end of 2009. We will be discussing the possibility of extending the maturities of these loans with the lending banks.

The terms of our bank loans were structured as follows as at June 30, 2009:

Residual term	Total floating-rate financial liabilities as of June 30, 2009		Total floating-rate financial liabilities as of December 31, 2008	
	EUR'000	%	EUR'000	%
Less than 1 year	17,245	1.6 %	597,884	51.5 %
1 to 2 years	663,254	60.0 %	117,673	10.1 %
Over 2, up to 5 years	425,083	38.4 %	269,753	23.2 %
Over 5 years	0	0 %	176,425	15.2 %
TOTAL	**1,105,582**	**100 %**	**1,161,735**	**100 %**

4. OPPORTUNITY AND RISK REPORT

Within the scope of its business activities, PATRIZIA Immobilien AG is exposed to both opportunities and risks. The necessary measures have been taken and processes installed within the Group for detecting risks and negative developments at an early stage and countering them. Since the annual financial statements for 2008, changes have arisen with regard to the opportunity and risk profile, particularly insofar as the financial risk for the Group has decreased considerably. Due to the renewal of the loans that were due for refinancing on March 31, 2009 and June 30, 2009 for a further 24 and 18 months respectively, PATRIZIA decreased its short-term refinancing volume (due within 12 months) from EUR 597.9 million as at December 31, 2008 to EUR 17.2 million as at June 30. This largely concludes the refinancing for 2009, apart from a renewal in respect of EUR 13.3 million that is necessary at the end of 2009.

The remaining statements of the risk report in the 2008 Annual Report maintain their validity. For a detailed presentation of the opportunities and risks for the Group, see the Risk Report in the 2008 Annual Report of PATRIZIA Immobilien AG. The Management Board of PATRIZIA Immobilien AG is not currently aware of any additional risks.

5. SUPPLEMENTARY REPORT

After the end of the reporting period a small block sale of 33 apartments was concluded in Wiesbaden. The sales price will only be recognized as income in the third quarter of 2009.

6. REPORT ON EXPECTED DEVELOPMENTS

At PATRIZIA, notary appointments can serve as a leading indicator of business development. Based on the rise in notarizations in the last few weeks, we are confident that the number of apartments sold in residential property resale will continue to pick up during the second half of the year. The majority of the apartment sales that have already been notarized will only be recognized as income in the third and fourth quarters and thus are not reflected in the figures for the first half of the year. With regard to block sales, we expect transaction business to pick up significantly during the next 12 months, particularly sales to insurance companies and pension funds.

Provided that the trend identified at the end of the first half of the year continues, we expect to generate an operating profit over the 2009 fiscal year as a whole. Despite the negative operating results of the first and second quarters of 2009, we anticipate that the third and fourth quarters will be able to compensate the loss of the first half of the year, as experience shows that turnover is higher in these quarters.

This report contains specific forward-looking statements that relate in particular to the business performance 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 IN ACCORDANCE WITH IFRS AS OF JUNE 30, 2009

ASSETS

	30.06.2009	31.12.2008
A. NON-CURRENT ASSETS	EUR'000	EUR'000
Software	554	579
Investment property	660,000	660,000
Investment property under construction	11,628	11,162
Equipment	1,886	2,005
Investments in joint ventures	6,853	6,033
Participations	3,090	3,090
Long-term financial derivatives	0	0
Long-term tax assets	274	311
Deferred tax assets	0	0
Total non-current assets	**684,285**	**683,180**
B. CURRENT ASSETS		
Inventories	693,904	717,772
Short-term financial derivatives	0	0
Short-term tax assets	1,146	6,685
Current receivables and other current assets	16,997	41,611
Bank balances and cash	54,225	67,905
Total current assets	**766,272**	**833,973**
TOTAL ASSETS	**1,450,557**	**1,517,153**

EQUITY AND LIABILITIES

	30.06.2009	31.12.2008
A. EQUITY	EUR'000	EUR'000
Share capital	52,130	52,130
Capital reserves	215,862	215,862
Retained earnings		
- legal reserves	505	505
Valuation results from cash flow hedges	–8,285	–8,054
Consolidated net profit	17,268	31,029
Total equity	**277,480**	**291,472**
B. LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,581	4,769
Long-term financial derivatives	32,898	24,551
Retirement benefit obligations	365	365
Total non-current liabilities	**35,844**	**29,685**
CURRENT LIABILITIES		
Short-term bank loans	1,105,582	1,161,735
Short-term financial derivatives	10,646	10,238
Other provisions	496	616
Current liabilities	11,582	12,556
Tax liabilities	8,925	9,847
Other current liabilities	2	1,004
Total current liabilities	**1,137,233**	**1,195,996**
TOTAL EQUITY AND LIABILITIES	**1,450,557**	**1,517,153**

CONSOLIDATED PROFIT AND LOSS ACCOUNT IN ACCORDANCE WITH IFRS

for the period from January 1, 2009 to June 30, 2009

		2nd quarter 2009 01.04. – 30.06.2009	2nd quarter 2008 01.04. – 30.06.2008	1st half of 2009 01.01. – 30.06.2009	1st half of 2008 01.01. – 30.06.2008
		EUR'000	EUR'000	EUR'000	EUR'000
1.	Revenues	47,478	51,711	92,538	98,309
2.	Income from the sale of investment property under construction	0	4,083	0	4,083
3.	Changes in inventories	–12,427	–13,780	–23,512	–29,744
4.	Other operating income	840	543	1,855	1,548
5.	**Total operating performance**	**35,891**	**42,557**	**70,881**	**74,196**
6.	Cost of materials	–16,871	–15,692	–31,029	–29,970
7.	Staff costs	–5,980	–5,303	–12,108	–10,747
8.	Amortization of software and depreciation on equipment	–205	–157	–412	–336
9.	Results from fair value adjustments to investment property	0	0	0	0
10.	Other operating expenses	–2,826	–4,076	–6,968	–9,026
11.	Earnings from companies accounted for using the equity method	0	0	0	0
12.	Finance income	6,202	22,728	6,531	25,104
13.	Finance cost	–15,726	–18,753	–42,438	–46,561
14.	Profit / loss before income taxes	**485**	**21,304**	**–15,543**	**2,660**
15.	Income tax	654	–1,362	1,782	–820
16.	Net profit / loss	**1,139**	**19,942**	**–13,761**	**1,840**
17.	Profit carried forward	16,129	47,065	31,029	65,167
18.	**Consolidated net profit**	**17,268**	**67,007**	**17,268**	**67,007**

CONSOLIDATED CASH FLOW STATEMENT
for the period from January 1, 2009 to June 30, 2009

	1st half of 2009 01.01. – 30.06.2009	1st half of 2008 01.01. – 30.06.2008
	EUR'000	EUR'000
Consolidated profit / loss after taxes	–13,761	1,840
Amortization of intangible assets and depreciation on property, plant and equipment	412	336
Results from fair value adjustments to investment property	0	0
Loss from / gain on disposal of fixed assets	–2	0
Change in deferred taxes	–2,187	2,227
Change in retirement benefit obligations	0	0
Non-cash item income and expenses that are not attributable to financing activities	8,525	–11,590
Changes in inventories, receivables and other assets that are not attributable to investing activities	54,057	36,287
Changes in liabilities that are not attributable to financing activities	–54,172	–52,597
Cash outflow from operating activities	**–7,128**	**–23,497**
Capital investments in intangible assets and property, plant and equipment	–268	–514
Cash receipts from disposal of intangible assets and property, plant and equipment	3	0
Cash receipts from disposal of investment property	0	8,656
Payments for development or acquisition of investment property	–466	–428
Investments	–820	–250
Cash receipts from disposal of financial assets	0	0
Cash outflow / inflow from investing activities	**–1,551**	**7,464**
Dividend of PATRIZIA Immobilien AG	0	0
Borrowing of loans	0	0
Repayment of loans	–5,000	0
Other cash inflows or outflows from financing activities	0	0
Cash outflow from financing activities	**–5,000**	**0**
Changes in cash	**–13,680**	**–16,033**
Cash January 1	67,905	54,013
Cash June 30	54,225	37,981

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN ACCORDANCE WITH IFRS
for the period from January 1, 2009 to June 30, 2009

	Share capital	Capital reserves	Retained earnings (legal reserve)	Valuation results from cash flow hedges	Consolidated net profit	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Balance January 1, 2009	**52,130**	**215,862**	**505**	**–8,054**	**31,029**	**291,472**
Results from fair valuation adjustments cash flow hedges				–231		**–231**
Net loss of 1st half of 2009					–13,761	**–13,761**
BALANCE JUNE 30, 2009	**52,130**	**215,862**	**505**	**–8,285**	**17,268**	**277,480**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN ACCORDANCE WITH IFRS
for the period from January 1, 2008 to June 30, 2008

	Share capital	Capital reserves	Retained earnings (legal reserve)	Valuation results from cash flow hedges	Consolidated net profit	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Balance January 1, 2008	**52,130**	**215,862**	**505**	**2,941**	**65,167**	**336,605**
Results from fair valuation adjustments cash flow hedges				4,850		**4,850**
Net profit of 1st half of 2008					1,840	**1,840**
BALANCE JUNE 30, 2008	**52,130**	**215,862**	**505**	**7,791**	**67,007**	**343,295**

INTERIM FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2009

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 real estate market. PATRIZIA Immobilien AG, along with its subsidiaries, is a real estate agent and investment house. It specializes in buying high-quality residential and commercial real estate at commercially attractive locations in Germany with the aim of increasing their value and subsequent reselling of the real estate. Therefore, the PATRIZIA Group performs all services along the value-added chain in the real estate sector.

2. PRINCIPLES APPLIED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

These unaudited consolidated interim financial statements of PATRIZIA Immobilien AG for the first half of 2009 (January 1 through June 30, 2009) were prepared in accordance with Article 37x (3) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with Article 37w (2) WpHG in line with IFRSs and in compliance with the provisions of German commercial law additionally applicable as per Article 315a (1) of the German Commercial Code. All compulsory official announcements of the International Accounting Standards Board (IASB) have been applied, i.e. those adopted 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 June 30, 2009 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. Earnings generated in the first half of 2009 are not necessarily an indication of future earnings or of the expected total earnings for fiscal year 2009.

When preparing the consolidated financial statements for the interim report in line with IAS 34 Interim Financial Reporting, the management 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 2008. 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, 2008, which are contained in the Company's 2008 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 consolidated 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 49 subsidiaries. They are recognized in the consolidated financial statements in line with the rules of full consolidation. In addition, one joint venture is accounted for at equity in the consolidated financial statements.

Joint ventures are companies that do not meet the criteria to be classified as subsidiaries since with regard to their business and financial policies two or more partner companies are bound to common management via contractual agreement. Joint ventures are accounted for at equity within the Group.

4. INVESTMENT PROPERTY

Investment property is property that is held for generating rental income and/or for capital appreciation. The share of owner-occupier use does not exceed 10 % of the rental space. Investment property is carried at fair value, with changes in value recognized in income.

Investment property is measured at fair value on the basis of external appraisals carried out by independent experts using current market prices or customary valuation methods with the aid of the current and long-term rental situation. The fair value is equivalent to the market value. According to IAS 40, this is defined as the value which can be reasonably generated subject to a hypothetical buyer-purchaser situation. It is reported at this fictitious market value without deduction of transaction costs. All investment property held by PATRIZIA is let. As of the reporting date of June 30, 2009, the investment property totaled EUR 660.0 million.

5. INVESTMENT PROPERTY UNDER CONSTRUCTION

Real estate that is being built or developed for future investment use is reported under Investment property under construction and recognized at amortized cost in accordance with IAS 16. This item contains the Munich-Ludwigsfeld asset repositioning project.

6. INVESTMENTS IN JOINT VENTURES

The Group has a 50 % stake in a joint venture, F 40 GmbH, in the form of a jointly managed company. Accordingly, there is a contractual agreement between the partner companies on the joint control over the economic activities of the entity. Our share of the Frankfurt Feuerbachstrasse project development is reported under this item. The Group accounts for its share in the joint venture at equity. The book value of our participation amounted to EUR 6.9 million as of June 30, 2009.

7. PARTICIPATIONS

PATRIZIA Immobilien AG’s interest of 6.25 % in PATRoffice Real Estate GmbH & Co. KG, our co-investment with both pension funds APG and ATP, is also accounted for under this item. Participations amounted to EUR 3.1 million.

8. INVENTORIES

The Inventories item contains real estate that is intended for sale in the context of ordinary activities or is intended for such sale in the context of the construction or development process, especially real estate that has been solely acquired for the purpose of resale in the near future. Development also covers modernization and renovation activities. Inventories are carried at cost. As in the 2008 financial year, no value adjustments were to be carried out on inventories in the reporting period. In comparison to December 31, 2008, inventories decreased from EUR 717.8 million to EUR 693.9 million due to sales by the end of the reporting period.

9. EQUITY

As at the reporting date, the share capital of PATRIZIA Immobilien AG remained at 52,130 TEUR and was divided into 52,130,000 no-par value shares. For the development of equity, please see the statement of changes in equity. Equity remained almost constant and amounted EUR 277.5 million as of June 30, 2009 (March 31, 2009: EUR 275.8 million).

10. BANK LOANS

All loans are in euro. In the event of real estate sales, financial liabilities are redeemed through repayment of a specific share of the sale proceeds.

Such loans are posted as bank loans due in less than one year, whose term ends within the 12 months following the reporting date as well as revolving lines of credit taken out. Regardless of the terms presented in the table below, loans which serve to finance inventories are reported as current bank loans in the balance sheet in accordance with IFRSs.

The residual terms of the bank loans are as follows:

	Bank loans as of June 30, 2009	Bank loans as of Dec. 31, 2008
	EUR'000	EUR'000
Less than 1 year	17,245	597,884
1 to 2 years	663,254	117,673
Over 2, up to 5 years	425,083	269,753
Over 5 years	0	176,425
TOTAL	**1,105,582**	**1,161,735**

11. REVENUES

Revenues comprise purchase price receipts from the sale of real estate held in inventories, ongoing rental revenues and other revenues. Additional revenues are attributable to invoices issued by the Services segment.

12. INCOME FROM THE SALE OF INVESTMENT PROPERTY

Gains on the sale of investment property are determined as the difference between the net sales proceeds and the book value of the asset and are to be reported as income from the sale of investment property during the period of the disposal. No real estate classified as investment property was sold in the first half of 2009.

13. FINANCIAL RESULT

	2nd quarter 2009 01.04. – 30.06.2009	2nd quarter 2008 01.04. – 30.06.2008	1st half of 2009 01.01. – 30.06.2009	1st half of 2008 01.01. – 30.06.2008
	EUR'000	EUR'000	EUR'000	EUR'000
Interest on bank deposits	140	389	401	717
Income from interest hedges	3,002	1,263	3,007	2,996
Changes in value of the derivatives	3,002	21,076	3,002	21,076
Income from securities	0	0	0	0
Other interests	57	0	120	315
	6,202	**22,728**	**6,531**	**25,104**
Interest on revolving lines of credit and loans	–6,890	–16,877	–15,490	–33,961
Expenses from interest hedges	–7,772	–243	–13,791	–393
Changes in value of the derivatives	–26	0	–11,342	–10,313
Other finance cost	–1,038	–1,633	–1,815	–1,894
	–15,726	**–18,753**	**–42,438**	**–46,561**
Financial result	**–9,524**	**3,975**	**–35,907**	**–21,457**

14. SEGMENT REPORTING

REVENUES	2nd quarter 2009 01.04. – 30.06.2009 EUR'000	2nd quarter 2008 01.04. – 30.06.2008 EUR'000	1st half of 2009 01.01. – 30.06.2009 EUR'000	1st half of 2008 01.01. – 30.06.2008 EUR'000
Investments	45,725	50,166	87,845	95,712
Services	1,752	1,542	4,689	2,594
Corporate	1	3	4	3
TOTAL	**47,478**	**51,711**	**92,538**	**98,309**

EBITDA	2nd quarter 2009 01.04. – 30.06.2009 EUR'000	2nd quarter 2008 01.04. – 30.06.2008 EUR'000	1st half of 2009 01.01. – 30.06.2009 EUR'000	1st half of 2008 01.01. – 30.06.2008 EUR'000
Investments	11,924	19,130	24,464	28,227
Services	796	139	1,379	224
Corporate	–2,504	–1,779	–5,067	–3,997
TOTAL	**10,215**	**17,487**	**20,776**	**24,454**

EBIT	2nd quarter 2009 01.04. – 30.06.2009 EUR'000	2nd quarter 2008 01.04. – 30.06.2008 EUR'000	1st half of 2009 01.01. – 30.06.2009 EUR'000	1st half of 2008 01.01. – 30.06.2008 EUR'000
Investments	11,902	19,079	24,421	28,116
Services	796	133	1,379	212
Corporate	–2,688	–1,882	–5,436	–4,210
TOTAL	**10,010**	**17,330**	**20,364**	**24,118**

At EUR 87.8 million, revenues in the Investments segment were down 8.2 % compared to the first half of 2008. Despite increased revenues from Residential Property Resale, it was not possible to compensate fully the decline in revenues due to the lack of block sales in the first half of 2009. In the comparable period of the previous year, EUR 23.7 million in revenues was attributable to block sales. By contrast, the Services segment's contribution to revenues showed pleasing development, amounting to EUR 4.7 million (first half of 2008: EUR 2.6 million). EBIT calculated in accordance with IFRSs followed a similar trend. While EBIT in the Investments segment totaled EUR 28.1 million in the first half of 2008, this key figure decreased to EUR 24.4 million as at June 30, 2009. EBIT in the Services segment climbed from EUR 0.2 million to EUR 1.4 million.

Following elimination of all effects not impacting liquidity, primarily the results of the market valuation of interest rate hedges, adjusted EBT for the Investments segment amounted to EUR –3.3 million in the first half of 2009, for the Services segment EUR 1.3 million.

A breakdown of the two segments' contributions to earnings clearly shows the current shape of our business model: our business activities distinctly focus on purchasing real estate, optimizing it and subsequently selling it. However, the objective is to continue to develop the Services segment's share of earnings in order to generate stable recurrent income for PATRIZIA.

15. EARNINGS PER SHARE

	2nd quarter 2009 01.04. – 30.06.2009	2nd quarter 2008 01.04. – 30.06.2008	1st half of 2009 01.01. – 30.06.2009	1st half of 2008 01.01. – 30.06.2008
EARNINGS PER SHARE				
Net profit/loss for the period (in EUR thousands)	1,139	19,942	–13,761	1,840
Number of shares issued	52,130,000	52,130,000	52,130,000	52,130,000
Weighted number of shares	52,130,000	52,130,000	52,130,000	52,130,000
EARNINGS PER SHARE (IN EURO)	**0.02**	**0.38**	**–0.26**	**0.04**

Earnings per share are calculated by dividing the net profit or loss for the period by the weighted average number of shares. In the second quarter of 2009, earnings per share were EUR 0.02 (second quarter of 2008: EUR 0.38). Earnings per share for the first six months of 2009 amounted to EUR –0.26 (first six months of 2008: EUR 0.04).

16. SIGNIFICANT TRANSACTIONS WITH RELATED COMPANIES AND INDIVIDUALS

At the reporting date, the Management Board of PATRIZIA Immobilien AG was not aware of any dealings, contracts or legal transactions with associated or related parties for which the Company does not receive appropriate consideration at arm's length conditions. All such transactions are conducted at arm's length, and hence 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 2008 Annual Report remain valid.

17. DECLARATION OF THE LEGAL REPRESENTATIVES OF PATRIZIA IMMOBILIEN AG IN LINE WITH ARTICLE 37y OF THE WERTPAPIERHANDELSGESETZ (WPHG – GERMAN SECURITIES ACT) IN CONJUNCTION WITH ARTICLE 37w (2) NO. 3 OF THE WPHG

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

Wolfgang Egger	Arwed Fischer	Klaus Schmitt
Chairman of the Board	Member of the Board	Member of the Board

FINANCIAL CALENDAR

Date	Events
August 11, 2009	Interim Report – 2nd Quarter 2009
September 3–4, 2009	EPRA Annual Conference, Brussels
October 5–7, 2009	EXPO REAL, Munich
October 20, 2009	Real Estate Share Initiative, Frankfurt/Main
November 10, 2009	Interim Report – 3rd Quarter 2009

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