

Q/2



KEY FIGURES

	Quarter ended 01.04. – 30.06.2006	Quarter ended 01.04. – 30.06.2005	Six month ended 01.01. – 30.06.2006	Six month ended 01.01. – 30.06.2005
REVENUES AND EARNINGS	EUR'000	EUR'000	EUR'000	EUR'000
Revenues	98,644	7,965	128,505	21,684
Total operating performance	62,710	10,050	148,605	28,384
EBITDA	17,886	128	25,251	3,238
EBIT	17,733	– 32	24,965	2,955
Net profit	11,659	– 1,277	15,223	460

	30.06.2006	31.12.2005
STRUCTURE OF ASSETS AND CAPITAL	EUR'000	EUR'000
Non-current assets	6,835	5,012
Current assets	335,170	222,388
Equity	175,001	42,104
Equity ratio	51.2 %	18.5 %
Total assets	342,005	227,400

SHARE PERFORMANCE	
ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
No. of shares	47,400,000
Issue date	March 31, 2006
Issue price	18.50 Euro
Second Quarter high*	25.82 Euro
Second Quarter low*	18.50 Euro
Closing price on June 30, 2006	19.14 Euro
Index	SDAX since June 19, 2006

*Closing prices at Frankfurt Stock Exchange Xetra Trading

LETTER TO THE SHAREHOLDERS

Dear Reader,

we are pleased to report that the second quarter of fiscal 2006 was another successful period for PATRIZIA Immobilien AG. Key financial data for the quarter under review clearly shows that PATRIZIA remains well on course for growth.

As in the first quarter of the current fiscal year, the second quarter once again allowed us to boost consolidated revenues year on year. Revenues climbed to EUR 98.6 million, an increase of 230 % compared to the first quarter of 2006. The Investments segment contributed EUR 96.1 million and the Services segment EUR 2.5 million to total revenues.

In the first half of 2006 with EUR 128.5 million we quintupled our consolidated sales compared to the same period a year ago (first half 2005 EUR 21.7 million).

EBITDA and net income likewise jumped in line with our growth prospects. At June 30, 2006, EBITDA surged from EUR 3.2 million a year ago to EUR 25.3 million in the quarter under review. Net income rose from EUR 0.5 million to EUR 15.2 million. Both figures powerfully validate the clear growth targets set by the company. For a detailed account of business development in the period under review, please refer to the section entitled "Notes to the interim report".

PATRIZIA keeps a constant eye on the real estate market. Accordingly, our Acquisition & Consulting line was able to purchase 236 apartments for our own portfolio in the second quarter of 2006. This brought the total volume of property acquired in the first half of the year for our own investment purposes to around 1,400 apartments.

Holding portfolios of real estate is not the cornerstone of our business model, however. In the quarter under review, we therefore also signed and sold approx. 1,640 apart-

ments with total net floor space of round about 105,000 sqm. The proceeds from these transactions will flow into the company in the second and third quarters of 2006.

These successful transactions also enabled PATRIZIA Immobilien AG to underscore its role as a leading privatizer of residential property.

Starting with this interim report, our reports will in future give you a more detailed account of the individual business segments of the PATRIZIA Group. At the same time, this information will spell out what makes our integrated business model so unique. We will begin with our core business: the socially compatible resale of residential property.

As a recently listed company, we must face the fact that, despite our extremely positive business development, PATRIZIA too has been affected by the current general downward trend on the capital market. On June 30, 2006, the PATRIZIA share closed the period under review at a price of EUR 19.14 – still 3.5 % above the offer price. On a brighter note, we are pleased to announce that, only 11 weeks after going public, PATRIZIA Immobilien AG has been admitted to Deutsche Börse's SDAX small cap index.

All in all, we are well satisfied with the progress made by PATRIZIA Immobilien AG in the second quarter of 2006. Our thanks go to all our employees for their dedication and commitment, and to all our shareholders for the trust they have placed in this company.

The Managing Board



Wolfgang Egger

Chairman of the Board



Alfred Hoschek

Member of the Board



Klaus Schmitt

Member of the Board



CONSOLIDATED REVENUES QUINTUPLED
COMPARED TO FIRST HALF OF 2005



ADMISSION TO THE SDAX ON
JUNE 19, 2006.

BUSINESS SEGMENTS

To give our shareholders and the general public a clearer picture of what PATRIZIA Immobilien AG does, each of the next few interim reports will briefly outline one of our business lines. This quarterly report begins with the core business of our Investments segment, namely what we call socially compatible **Residential Property Resale** (Residential Privatisation). PATRIZIA has operated successfully in this line of business for over 20 years.

Every year, the PATRIZIA acquisition team assesses thousands of apartments to determine whether they constitute a viable resale proposition. To this end, PATRIZIA Asset

Management, PATRIZIA Building & Construction and the dedicated sales force at PATRIZIA Residential Property Resale (Residential Privatisation) join forces to investigate a wide range of criteria. They analyse the macro- and microlocations, value and assess the objects themselves, explore the possibilities for value-added modernisation and estimate potential selling prices. The outcome of this exhaustive analysis is that our surveyors know exactly whether a given object meets the strict standards set by PATRIZIA for residential property resale objects. We also know the necessary renovation cost and can pinpoint an object's maximum purchase price.

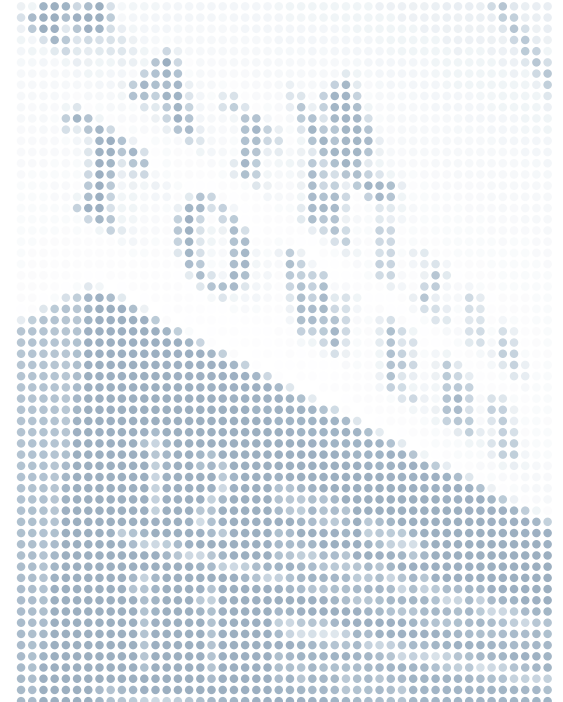


Once a property has been acquired for resale, a number of concurrent processes are set in motion. To prepare for residential property resale, the object is first split into separate units that can then be sold to tenants, owner-occupiers or private investors.

PATRIZIA Building & Construction commissions and closely monitors all structural alterations designed to preserve and add value. Meanwhile, PATRIZIA Project Development shoulders responsibility for any property development that the object may require. New living space may have to be added by developing the top floor,

for example. PATRIZIA Real Estate Management handles all management activities. PATRIZIA Residential Property Resale holds tenants' meetings to inform existing tenants of what lies ahead (e.g. any necessary maintenance or modernisation work).

Once the property has been split into separate units, the distribution team of PATRIZIA Residential Property Resale talk to each tenant individually about the possibility of buying their apartment. During this "tenant phase", tenants are given the right of first refusal on their apartment when the real estate goes on sale. Only after this phase



do we also offer apartments for sale to third parties. Throughout the reselling phase, PATRIZIA staff are available on location – in the housing complex itself – to answer questions raised by tenants or potential buyers.

Depending on the size of the portfolio, every single apartment is resold over a period of two to five years at most. Everything that has to be done to prepare for and complete the residential property resale process is either done or closely monitored by PATRIZIA’s in-house staff.

This personal attention ensures that tenants and owners always receive optimal support and that the best possible use is made of the portfolio.

The table below sketches how PATRIZIA’s socially compatible residential property resale model works in practice.

Our next interim report will introduce you to the activities of our Asset Repositioning line.





The section below summarises significant events at our Investments and Services segments in the second quarter of 2006.

INVESTMENTS



ACQUISITION OF 1,400 APARTMENTS BETWEEN JANUARY AND JUNE 2006

In the second quarter of 2006, 236 apartments in two distinct portfolios were signed for the company's own holdings. 141 of these apartments belong to a portfolio in southern Germany. Average net floor space for these one-to four-room apartments is approx. 61 sqm. This portfolio also includes around 2,500 sqm of commercial (mostly office) space.

The second signed portfolio comprises total net floor space of 7,970 sqm and is situated in a northern German conurbation. Its 95 apartments average around 83 sqm of

floor space and are split across three building units.

All in all, PATRIZIA has thus acquired some 1,400 apartments for its Investments segment between January and June 2006.

In the second quarter of 2006, PATRIZIA also sold a total of 1,487 apartments and 9 commercial units from its own holdings to foreign investors. The objects concerned belong to a variety of portfolios and are located in northern and southern German cities.



Work to convert a historic Hamburg water tower to a luxury hotel reached a significant milestone when shell construction was completed in the second quarter of 2006. Ultimately, the hotel will have 226 rooms on 21 floors. Interior fitting and furnishing work is slated for completion by spring 2007. PATRIZIA **Project Development** is overseeing this conversion project.

SERVICES

Between April and June 2006, our **Sales** line sold a total of 350 residential and 59 commercial units out of third-party portfolios. These objects have 31,500 sqm of net floor space in all and are spread around a number of German cities. The sales volume came to EUR 27.3 million.





NOTES TO THE INTERIM REPORT

ACCOUNTING POLICIES

The interim report for PATRIZIA Immobilien AG and its subsidiaries (collectively referred to as "the PATRIZIA Group") at June 30, 2006 (January 1, 2006, through June 30, 2006) was prepared in accordance with the current valid version of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

The accounting and valuation policies used are identical to those used in the consolidated financial statements for the whole of fiscal 2005.

In fiscal 2005, the company was not required to prepare interim reports. Therefore, to place the quarterly figures for fiscal 2006 in a comparable context, quarterly figures for 2005 have been prepared retroactively. The following simplification options have been applied.

Balance sheet

Interest rate swaps are measured at historic rates of interest at their value dates.

The decline in pension provisions has been split equally across all four quarters.

Profit and loss account

Taxes on income for quarterly earnings are calculated at a standard annual tax rate of 17.1 %.

Segment reporting

Quarterly earnings are split (in percentage terms) between the individual segments based on their performance over the year as a whole.

CONSOLIDATED GROUP

All subsidiaries of PATRIZIA Immobilien AG are subsumed under the consolidated Group, which includes all companies controlled by PATRIZIA Immobilien AG.

At June 30, 2006, the consolidated Group was smaller than in the first quarter of fiscal 2006. This is because two special-purpose companies disposed of in the context of a portfolio sale in May of this year now no longer belong to the Group.

The consolidated Group thus now consists of 27 subsidiaries, all of which are fully consolidated.

A proportion of the real estate in Munich Schwabing and Munich Allach/Untermenzing held by Alte Haide Baugesellschaft mbH does not satisfy the criteria for a business combination defined in IFRS 3. The corresponding figure is thus recognised in assets as a partial acquisition.

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006 IN ACCORDANCE WITH IFRS

ASSETS

	30.06.2006	31.12.2005
A. NON-CURRENT ASSETS	EUR'000	EUR'000
Software	181	234
Investment Property	1,850	1,700
Equipment	1,273	1,271
Securities	0	247
Investments	1	0
Deferred tax assets	3,530	1,560
Total non-current assets	6,835	5,012
B. CURRENT ASSETS		
Inventories	214,641	189,516
Current receivables and other current assets	14,766	16,395
Current asset securities	46,037	0
Interest rate swap (Cash flow hedge)	747	0
Bank balances and cash	58,980	16,477
Total current assets	335,170	222,388
TOTAL ASSETS	342,005	227,400

A reduction in inventories in particular caused consolidated total assets to drop from the figure posted at the end of the previous quarter to EUR 342.0 million at June 30, 2006.

In line with the company's policy of fair value recognition, one item of real estate held for investment was revalued in the IFRS financial statements. This revaluation led to a writeup of EUR 0.15 million to EUR 1.85 million.

Compared with the figure at March 31, 2006, inventories were down 12,8 % to EUR 214.6 million as the volume of real estate sold exceeded the purchased volume in the second quarter of 2006. Compared to the figure at year-end 2005, inventories rose by 13,3 % in the first half of fiscal 2006.

In the interests of transparency, receivables of around EUR 122.5 million arising from the proceeds of the IPO were posted under short-term receivables at March 31, 2006. This receivable was settled on April 4, 2006. Of this cash amount, EUR 46.0 million was invested in highly liquid marketable securities held as current assets, which are stated at fair value. Any changes in the value of these assets are recognised in equity.

EQUITY AND LIABILITIES

	30.06.2006	31.12.2005
A. EQUITY	EUR'000	EUR'000
Share Capital	47,400	5,050
Capital reserves	118,807	573
Retained earnings		
- legal reserves	505	505
- other retained earnings	- 7,454	0
Valuation results from financial instruments	520	0
Consolidated net profit	15,223	35,976
Total equity	175,001	42,104
B. LIABILITIES		
NON-CURRENT LIABILITIES		
Long-term bank loans	2,838	2,858
Interest rate swaps	866	1,541
Retirement benefit obligations	282	285
Total non-current liabilities	3,986	4,684
CURRENT LIABILITIES		
Short-term bank loans	133,382	149,298
Other provisions	1,126	521
Current liabilities	20,653	23,560
Tax liabilities	6,993	6,295
Other current liabilities	864	938
Total current liabilities	163,018	180,612
TOTAL ASSETS	342,005	227,400

On the liabilities side, equity increased to EUR 175.0 million, primarily on account of net income in the period under review, bringing the equity ratio to around 51.2 %.

This high equity ratio is closely linked to a reduction in PATRIZIA's short-term bank loans, which declined by EUR 90.4 million to EUR 133.4 million in the second quarter of 2006. The sale of debt-financed real estate holdings is one reason for this decline in liabilities to banks. At the same time, one short-term revolving credit line was also temporarily scaled back.

CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH IFRS

for the period from 1 January 2006 through 30 June 2006

	Quarter ended 01.04. – 30.06.2006	Quarter ended 01.04. – 30.06.2005	Six month ended 01.01. – 30.06.2006	Six month ended 01.01. – 30.06.2005
	EUR'000	EUR'000	EUR'000	EUR'000
1. Revenues	98,644	7,965	128,505	21,684
2. Changes in inventories	– 36,224	1,162	19,479	5,557
3. Other operating income	291	923	621	1,143
4. Total operating performance	62,710	10,050	148,605	28,384
5. Cost of materials	– 38,854	– 4,626	– 110,240	– 14,775
6. Staff costs	– 2,949	– 2,516	– 6,388	– 4,873
7. Amortisation of software and depreciation on equipment	– 153	– 161	– 287	– 283
8. Results from fair value adjustments to investment property	150	0	150	0
9. Other operating expenses	– 3,021	– 2,779	– 6,726	– 5,498
10. Income/loss from associated companies	0	0	0	0
11. Finance income	663	132	1,154	289
12. Finance cost	– 2,006	– 1,641	– 3,826	– 2,689
13. Profit before income taxes	16,540	– 1,541	22,444	555
14. Income tax	– 4,881	264	– 7,221	– 95
15. Net profit	11,659	– 1,277	15,223	460



SALES IN THE FIRST HALF OF 2006
EUR 128.5 MILLION

Consolidated revenues rose from EUR 29.9 million in the previous quarter by further EUR 98.6 million. First-half sales in 2006 were thus more than five times the figure recorded for the corresponding period a year ago. An above-average increase in revenues from the sale of residential property is the principal reason for this gain, even though only part of the proceeds from the portfolio sold in May of this year was also recognised in the quarter under review. That portion of sales revenues that has not yet been recognised will thus affect revenues and earnings in the third quarter of 2006. All in all, proceeds from the sale of real estate accounted for about 90 % of total revenues in the second quarter of 2006.

In the quarter under review, inventories shrank by around EUR 36.2 million, as more property was sold than bought. The cost of materials came to EUR 38.9 million in the quarter just ended. This figure marks a significant improvement on the second quarter of 2005 (EUR 4.6 million), but falls short of the first quarter of 2006.

Recruitment of new staff drove personnel expenses up 17.2 % from EUR 2.5 million a year ago to EUR 2.9 million in the period under review. Compared to the first quarter of 2006, however, personnel expenses were down by about 14.2 %. Management and other bonus payments had bloated this item in the preceding quarter.



EBIT:
FIRST QUARTER OF 2006
= EURO 7.2 MILLION
SECOND QUARTER OF 2006
= EUR 17.7 MILLION

Other operating expenses likewise grew at a far lower proportional rate than revenues and paint a similar picture to personnel expenses. Here again, a year-on-year increase of around 8.7 % to EUR 3.0 million contrasts with a quarter-on-quarter drop of some EUR 0.7 million. This decrease is essentially attributable to the fact that the extra costs associated with the company's flotation (legal and consulting fees, travelling expenses etc.) have now all been paid.

Compared to the first quarter of 2006, the financial result level off to EUR –1.3 million.



EARNINGS BEFORE TAX ON
JUNE 30, 2006, EUR 22.4 MILLION

EBIT for the first half of 2006 totalled EUR 25.0 million, against around EUR 3.0 million in the same period a year ago. In light of these developments, second-quarter earnings before taxes rose to EUR 16.5 million, up from EUR 5.9 million at the end of the first quarter of 2006. After deducting taxes on income net income at June 30, 2006, was EUR 15.2 million.

CHANGES IN SHAREHOLDERS' EQUITY

After net IPO proceeds of EUR 118.2 million were appropriated to the capital reserve on April 4, 2006, shareholders' equity increased by a further EUR 11.9 million in the second quarter. Net income of EUR 11.7 million in the period under review was the main item in this increase.

The "valuation result from financial instruments" (a separate item under shareholders' equity) comprises net income from the adjusted valuation of interest rate swaps and net income from the revaluation of current financial assets. Interest rate swaps were agreed to hedge interest rates on existing long-term bank loans.

At June 30, 2006, shareholders' equity stood at around EUR 175.0 million.



SHAREHOLDERS' EQUITY
EUR 175.0 MILLION

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN ACCORDANCE WITH IFRS
for the period from 1 January 2006 through 30 June 2006

	Share capital	Capital reserves	Retained earnings (legal reserve)	Retained earnings (other)	Result of valuation financial instruments	Consolidated net profit	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Balance 01 January 2006	5,050	573	505	0	0	35,976	42,104
Annual general meeting of Feb 23, 2006							
Capital Increase out of retained earnings	35,350					– 35,350	0
Dividend						– 8,080	– 8,080
Reposting				– 7,454		7,454	0
Capital increase IPO	7,000	118,234					125,234
Valuation results from financial instruments					520		520
Net profit						15,223	15,223
BALANCE 30 JUNE 2006	47,400	118,807	505	– 7,454	520	15,223	175,001

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN ACCORDANCE WITH IFRS
(REPORTING PERIOD PREVIOUS YEAR)
for the period from 1 January 2005 through 30 June 2005

	Share capital	Capital reserves	Retained earnings (legal reserve)	Retained earnings (other)	Result of valuation financial instruments	Consolidated net profit	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Balance 01 January 2005	5,000	0	500	0	0	19,904	25,404
Capital Increase	50	573					623
Dividend							0
Quarterly net profit						460	460
Reclassification of minority interests							0
BALANCE 30 JUNE 2005	5,050	573	500	0	0	20,364	26,487

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January 2006 through 30 June 2006

	Six month ended 01.01. – 30.06.2006	Six month ended 01.01. – 30.06.2005
	EUR'000	EUR'000
Net profit	15,223	460
Amortisation of intangible assets and depreciation on property, plant and equipment	287	302
Write down of securities	0	0
Results from fair value adjustments to investment property	– 150	0
Loss from / gain on disposal of fixed assets	0	– 32
Non-cash item income and expenses that are not attributable to financing activities	– 28	0
Change in retirement benefit obligation	– 3	– 25
Non-distributed income from associates	0	0
Changes in inventories, receivables and other assets that are not attributable to investing activities	– 23,496	– 6,727
Changes in liabilities that are not attributable to financing activities	– 17,594	9,294
Cash inflow from operating activities	– 25,761	3,272
Capital investments in intangible assets and property, plant and equipment	– 236	– 41
Cash receipts from disposal of intangible assets and property, plant and equipment	0	32
Investments	– 1	0
Cash receipts from disposal of financial assets	247	0
Cash outflow / inflow from investing activities	10	– 9
Dividend of PATRIZIA Immobilien AG	– 8,080	0
Capital increase of PATRIZIA Immobilien AG	129,500	623
Borrowing of long-term loans	0	0
Repayment of long-term loans	– 20	– 26
Other cash inflows or outflows from financing activities	– 7,109	0
Cash inflow from financing activities	114,291	598
Change in operating activities of a cash nature	88,540	3,861
Cash 01 January	16,477	10,002
Cash 30 June	105,017	13,863

SEGMENT REPORTING

	Quarter ended 01.04. – 30.06.2006	Quarter ended 01.04. – 30.06.2005	Six month ended 01.01. – 30.06.2006	Six month ended 01.01. – 30.06.2005
REVENUES	EUR'ooo	EUR'ooo	EUR'ooo	EUR'ooo
Investments	96,093	6,960	123,948	18,947
Services	2,511	1,000	4,513	2,722
Corporate	40	5	44	15
TOTAL	98,644	7,965	128,505	21,684

	Quarter ended 01.04. – 30.06.2006	Quarter ended 01.04. – 30.06.2005	Six month ended 01.01. – 30.06.2006	Six month ended 01.01. – 30.06.2005
EBITDA	EUR'ooo	EUR'ooo	EUR'ooo	EUR'ooo
Investments	17,463	126	25,652	3,171
Services	637	9	694	233
Corporate	– 214	– 7	– 1,095	– 166
TOTAL	17,886	128	25,251	3,238

	Quarter ended 01.04. – 30.06.2006	Quarter ended 01.04. – 30.06.2005	Six month ended 01.01. – 30.06.2006	Six month ended 01.01. – 30.06.2005
EBIT	EUR'ooo	EUR'ooo	EUR'ooo	EUR'ooo
Investments	17,412	– 32	25,600	2,961
Services	613	– 2	664	218
Corporate	– 291	2	– 1,299	– 224
TOTAL	17,733	–32	24,965	2,955



THE INVESTMENT SEGMENT CONTRIBUTED
EUR 123.9 MILLION TO TOTAL REVENUES
IN THE FIRST HALF OF 2006

The Investments segment (comprising the business lines Residential Property Resale, Asset Repositioning and Project Development) contributed EUR 96.1 to total consolidated revenues in the second quarter of 2006. The increase from EUR 27.9 million in the first quarter to EUR 96.1 million in the second quarter is attributable in part to the successful sale of 1,487 apartments in May 2006. A portion of the proceeds from the sale of these portfolios was immediately recognised in revenue and earnings in the second quarter of 2006. The remaining revenue inflow from this sale will not be recognised until the next quarter.

Compared to revenues of EUR 18.9 million posted in first half of 2005, the Investments segment saw its revenues more than sextupled to EUR 123.9 million in the first half of 2006.

In the second quarter of 2006, PATRIZIA's Services segment contributed around EUR 2.5 million to consolidated revenues. Compared to the first six months of 2005, revenues at Services were thus up 65.8 % in the first half of 2006.

For the Group as a whole, EBIT totalled EUR 25.0 million in the first half of 2006 (first half of 2005 EUR 3.0 million).

EMPLOYEES

In the second quarter of 2006, eight new staff were recruited to our operating companies in the Acquisition & Consulting, Asset Management and Residential Property Resale lines and to serve at the parent company. The PATRIZIA Group as a whole therefore now has 242 people on its payroll.



SHARE PRICE ABOVE OFFER PRICE AT END OF QUARTER, DESPITE NEGATIVE CLIMATE ON STOCK MARKETS



PATRIZIA ADMITTED TO SDAX INDEX ON JUNE 19, 2006

THE PATRIZIA SHARE

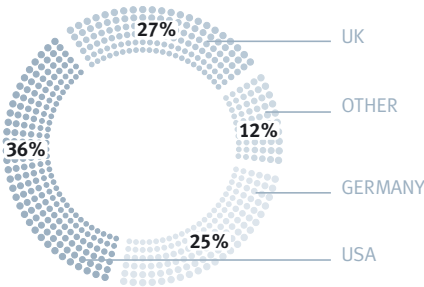
Since mid-May 2006, the capital markets have been noticeably downbeat. Life has been particularly hard for most newly listed companies. Bucking the trend, however, the PATRIZIA share has turned in a solid performance. Although its share price fell in Xetra trading from EUR 22.70 on April 3, 2006, to EUR 19.14 on June 30, 2006, even this lower price still represented a mark-up of 3,5 % on the offer price of EUR 18.50.

It was also very gratifying to have the PATRIZIA share admitted to the SDAX index (Deutsche Börse’s Prime Standard small cap index) with a weighting of 3.4626 % effective June 30, 2006. We are also listed as an ”owner-controlled” SME in Deutsche Börse’s German Entrepreneurial Index (GEX).

At June 30, the proportion of PATRIZIA shares held in free float remained unchanged at 45.93 %. This figure breaks down as follows:

REGIONAL DISTRIBUTION OF SHARES HELD IN FREE FLOAT

(as a percentage of the 21,770,000 shares held in free float)



(Source: Estimation of the company)

Our Investor Relations unit is keeping up the good work that began with our IPO. PATRIZIA Immobilien AG thus had a presence at the German Corporate Conference in Frankfurt in the period under review, and has also attended a series of roadshows in various European countries. Regular talks are also held with analysts, fund managers and private investors.

OUTLOOK AND SIGNIFICANT EVENTS SINCE JUNE 30, 2006

Real estate and capital market experts currently rate the German residential property market in particular as one of the most attractive real estate markets in the world. On the supply side, more and more property owners are now willing to part with their portfolios. Meanwhile, on the demand side, real estate is increasingly being discovered as a class of investment suitable for private retirement provision.

Against this backdrop, we believe that the PATRIZIA Group's current positive business development will be sustained in the quarters ahead. Experience suggests that more apartments tend to be resold in the second half of the calendar year than in the first six months.



PURCHASE OF 471 RESIDENTIAL UNITS IN JULY 2006

By the end of July 2006, PATRIZIA had already cleared the way to further resale activity. Three further portfolios totalling 471 apartments in the states of Bavaria and Baden-Württemberg were signed for resale. Details of these purchases will be presented in our next interim report.

Between January and July 2006, the PATRIZIA Group thus signed a total of around 1,900 apartments for its own holdings.

We expect the Services segment to experience above-average growth in the second half of the year. Its activities will focus on valuing and acquiring real estate and managing assets on behalf of third parties.

FINANCIAL CALENDAR

Date	Event
August 15, 2006	Interim report › second quarter of 2006
November 15, 2006	Interim report › third quarter of 2006
November 15, 2006	Analysts' conference
June 13, 2007	Annual General Meeting

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