PATRIZIA
IMMOBILIEN AG

Q1
2008

KEY FIGURES

	1st quarter 2008 01.01. – 31.03.2008	1st quarter 2007 01.01. – 31.03.2007
REVENUES AND EARNINGS	EUR'000	EUR'000
Revenues	46,598	23,460
Total operating performance	31,639	612,589
EBITDA	6,967	10,098
EBIT	6,788	9,889
EBIT (adjusted)	12,851	6,455
EBT	– 18,644	4,163
EBT (adjusted)	– 2,268	– 802
Net profit	– 18,102	2,717

	31.03.2008	31.12.2007
STRUCTURE OF ASSETS AND CAPITAL	EUR'000	EUR'000
Non-current assets	742,453	750,235
Current assets	863,933	892,957
Equity	315,231	336,605
Equity ratio (in %)	19.6 %	20.5 %
Non-current liabilities	12,133	11,425
Current liabilities	1,279,022	1,295,162
Total assets	1,606,386	1,643,192

SHARE	
ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	P1Z
Share capital as at March 31, 2008	EUR 52,130,000
No. of shares in issue as at March 31, 2008	52,130,000
First quarter 2008 high*	EUR 5.67
First quarter 2008 low*	EUR 2.95
Closing price as at March 31, 2008*	EUR 4.71
Market capitalization as at March 31, 2008	EUR 245.5 million
Indices	SDAX, EPRA, GEX, DIMAX

*Closing price at Frankfurt Stock Exchange Xetra trading

Invest.

Optimize.

Realize.

LETTER TO OUR SHAREHOLDERS

Dear Shareholders and Business partners,
Dear Ladies and Gentlemen,

In view of the sales made in the first quarter, we began the 2008 fiscal year satisfactorily. In the first three months of 2008, we sold a total of 229 units in the form of individual and block sales, an increase of 169 % in comparison with the same period of the previous year. This is a satisfactory result considering the still uncertain market environment in Germany.

Irrespective of external influences, though taking our growth into account, we have begun to adjust the internal structures and processes of PATRIZIA to our new size. Having now become very complex at eight subsidiaries, we are reducing the structure of the PATRIZIA Group by organizationally merging those companies which show numerous overlaps in their operating business. In March 2008, we merged the, previously individual, companies PATRIZIA Wohnungsprivatisierung GmbH, PATRIZIA Bautechnik GmbH and the part of PATRIZIA Asset Management GmbH responsible for our own portfolios into PATRIZIA Wohnen GmbH. We also bundled the present PATRIZIA Advisory & Sales GmbH and the part of PATRIZIA Asset Management GmbH acting as asset manager for third party real estate into PATRIZIA Investmentmanagement GmbH. The aim of merging these legal entities and thus responsibilities is the acceleration of coordination processes and increasing efficiency within the business areas. The reorganization of the Group is explained in detail in the following Interim Management Report.

As already mentioned in the first paragraph, a total of 229 units were sold in the first quarter of 2008. Of these, 144 units were sold individually to tenants, owner-occupiers and private investors. 85 residential and commercial units in Munich were also sold in the form of a block sale. Although the transaction was only notarized in March, the purchase price was already posted in the first quarter. This transaction illustrates clearly our strategy of working more intensively in the area of block sales in addition to the individual sale of residential units in private resale. The Asset Repositioning segment, and thus block sales, represents a sales strategy of equal importance for us, especially since around half our portfolio comprises asset repositioning portfolios. Nevertheless, Residential Property Resale is, and will remain, a business focus for PATRIZIA.

In the first quarter of 2008, we generated revenue of EUR 46.6 million. This was impacted by the extraordinary charges from the reversal of a sale of EUR – 17.1 million already notarized in the 2006 fiscal year. EBIT amounted to EUR 6.8 million and was also charged by the reversal presented in detail in the Interim Management Report. For the first quarter of 2008, adjusted EBIT amounts to EUR 12.9 million following elimination of all extraordinary one-time effects. An important key figure for the Group, EBT amounted to EUR – 18.6 million and was additionally charged by the fair value adjustments arising from the market valuation of interest rate hedge transactions of EUR – 10.3 million as well as by the abovementioned extraordinary effects. EBT adjusted for extraordinary effects thus amounts to EUR – 2.3 million. Following elimination of the fair value adjustment of investment property of EUR 3.2 million and consideration of proportional annual bonuses of EUR 0.3 million, a similarly adjusted EBT of EUR – 0.8 million was generated in the first quarter of the previous year.

Despite satisfactory resales in the first quarter of 2008 and taking into account all extraordinary one-time effects, we cannot be content with the results of the quarter. Exceptionally high start-up costs of the sales preparation and increased staff and financing costs impacted on the result. The resale of units is clearly our focus over the coming nine months. We remain confident of achieving the forecast given for 2008 of earnings before tax of between EUR 25 million and EUR 30 million.

The Management Board

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

INTERIM REPORT – FIRST QUARTER 2008

1. BUSINESS DEVELOPMENT AND SIGNIFICANT TRANSACTIONS IN THE FIRST QUARTER OF 2008

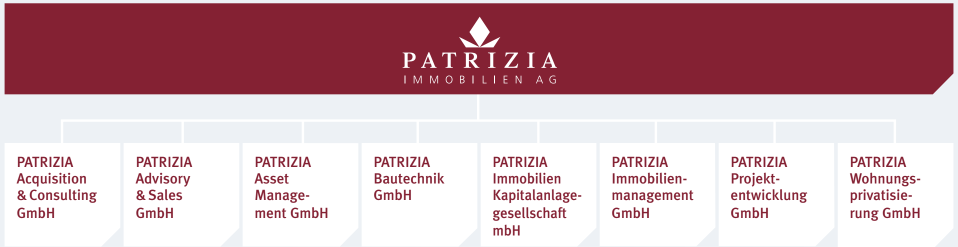
REORGANIZATION OF THE OPERATING COMPANIES

PATRIZIA Immobilen AG succeeded in extending its real estate assets from EUR 228.4 million to EUR 1,525.2 million in the last fiscal year. This is equivalent to around 13,000 individual residential and commercial units which must be administrated and serviced. It is our aim to raise the value of the real estate by implementing value-enhancing measures so that it can subsequently be sold on. All essential activities and measures in this respect can be carried out by our own employees. In the light of the enormous growth in the 2007 fiscal year, we also adjusted our internal structures and processes to these new requirements.

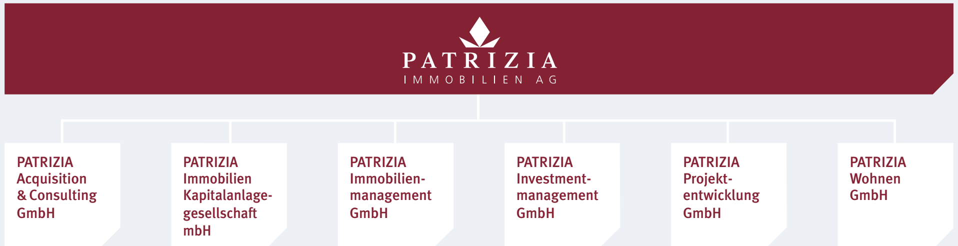
To accelerate and simplify coordination processes, we merged business segments whose responsibilities in operating business show numerous overlaps. In March 2008, we merged the, previously individual, companies PATRIZIA Wohnungsprivatisierung GmbH, PATRIZIA Bautechnik GmbH and the area of PATRIZIA Asset Management GmbH, responsible for our own portfolios, into PATRIZIA Wohnen GmbH. We also bundled today's PATRIZIA Advisory & Sales GmbH and a part of PATRIZIA Asset Management GmbH, acting as asset manager for third party real estate, in PATRIZIA Investmentmanagement GmbH. The merging of the individual, previously independent legal entities into an operating area which belongs together is intended not only to simplify our internal process, but primarily to abbreviate coordination processes and determine precise responsibilities.

The other PATRIZIA companies – PATRIZIA Acquisition & Consulting GmbH, PATRIZIA Immobilienmanagement GmbH, PATRIZIA Immobilien Kapitalanlagegesellschaft mbH and PATRIZIA Projektentwicklung GmbH – remain unchanged. The reorganization of the companies has no influence on business activities, the service package or the segment reporting of the PATRIZIA Group.

Previous Structure of PATRIZIA with Eight Operating Subsidiaries



New Structure of PATRIZIA with Six Operating Subsidiaries



KEY EVENTS IN THE INVESTMENTS SEGMENT

In addition to the optimization of individual properties, the focus in the Investments segment for the 2008 fiscal year is primarily on the resale of residential units – both in individual sales to tenants, owner-occupiers and private investors and as block sales. In the first quarter of 2008, 144 residential units were sold individually. Purchase price revenues of EUR 21.4 million were generated as a result. 76 of the 144 residential units sold were sold in the Greater Munich area.

In March 2008, the sale of 79 residential and 6 commercial units was notarized in Munich. The properties in Thalkirchen built in 1927 and 1947 were sold to a private investor with a factor of around 23 of the net actual rent for EUR 14.85 million. PATRIZIA collected the sales proceeds in the same month.

Overview of PATRIZIA's Premium Portfolio

Region/city	Number of units (March 31, 2008)	in % of the portfolio	Area in sqm (March 31, 2008)	in % of the portfolio
Munich	5,656	43.3 %	385,584	42.1 %
Cologne/Dusseldorf	1,590	12.2 %	137,979	15.1 %
Hamburg	1,392	10.7 %	92,799	10.1 %
Leipzig	981	7.5 %	64,391	7.0 %
Frankfurt	950	7.3 %	59,950	6.5 %
Berlin	901	6.9 %	58,010	6.3 %
Dresden	561	4.3 %	48,190	5.3 %
Regensburg	473	3.6 %	32,387	3.5 %
Hanover	444	3.4 %	30,494	3.3 %
Friedrichshafen	109	0.8 %	6,989	0.8 %
TOTAL	**13,057**	**100 %**	**916,773**	**100 %**

KEY EVENTS IN THE SERVICES SEGMENT

In the Services segment, the area of asset management has been awarded a contract to manage two new portfolios taken over by Carlyle Europe Real Estate as asset and property manager. The residential and commercial real estate comprise a total rental space of around 160,000 sqm. The focus of our activity is in the management of the properties in addition to purely administrative activity, primarily the optimization of the portfolios regarding a sustainable increase in yield. The conclusion of this contract emphases not only the reputation of PATRIZIA in the area of asset management, but also the strategic orientation of PATRIZIA of enhancing its assets under management with the aim of generating stable and recurring income for the Company.

Both of our open real estate funds, which we launched in the 2007 fiscal year for institutional investors, are also developing pleasingly. At the end of March 2008, there were certificates of subscription for more than half of the planned equity for both the German Residential Funds 1 and the Euro City Residential Funds 1. A volume to be invested totaling EUR 800 million arises in the case of a complete subscription of the funds.

OTHER EVENTS

PATRIZIA was awarded the MIPIM Award 2008 at the MIPIM, the largest international real estate fair in Cannes for its project development of the Hamburg

water tower project. The award was given for the conversion of the listed and derelict water tower into a 4-star hotel. PATRIZIA is thus the only German company to have received one of the most prized awards, with which projects around the world are distinguished and presented to a wide audience.

2. OUR EMPLOYEES

As at March 31, 2008, PATRIZIA had 359 employees. In comparison with December 31, 2007, the number of employees has risen by 25, or 7.5 %. First of all the company segments of Asset Management and Project Development contributed on a percentage basis to this.

3. NET ASSET, FINANCIAL AND EARNINGS SITUATION

Earnings Situation of the PATRIZIA Group

In the first three months of 2008, PATRIZIA generated consolidated revenues of EUR 46.6 million (revenue adjusted for one-time effects: EUR 63.7 million). As a result of the extension of our business activity in the course of 2007 and block sale in March 2008, revenues rose in comparison with the previous year's period by 98.6 %, or even 171.4 %, if the adjustment is taken into account. At EUR 19.1 million, rental revenues contributed 41 % to revenues. It must be noted that revenues were impaired extraordinarily by the reverse transaction of a resale of EUR 17.1 million already notarized in 2006. The reverse transaction of the sale of approximately 165 residential units was necessary for PATRIZIA because the financing structures of the former purchasers had significantly worsened due to the current difficult financing environment.

The structure of revenues in the first quarter of 2008 is set out below:

	1st quarter 2008 01.01. – 31.03.2008	1st quarter 2007 01.01. – 31.03.2007	Change	2007 01.01. – 31.12.2007
	EUR MILLION	EUR MILLION	IN %	EUR MILLION
Purchase price revenues from property resale	21.4	10.3	+107.8 %	64.5
Purchase price revenues from asset repositioning	14.8	0	–	0
Purchase price revenues from project development	0	0	–	34.4
Rental revenues	19.1	12.0	+59.2 %	62.5
Revenues from the Services segment	1.1	0.9	+22.2 %	9.0
Other	7.2	0.3	–	22.8
Adjustments	–17.1	0.0	–	0,0
CONSOLIDATED REVENUES	**46.6**	**23.5**	**+98.6 %**	**193.3**

Munich, Guardinistrasse

In Property Resale, the sale of 144 units in the first quarter of 2008 to tenants, owner-occupiers and private investors led to revenues of EUR 21.4 million. As against the previous year's period, we thus posted an increase in the number of property resales of 69.4 %. On average, a purchase price of 148,600 EUR per unit was generated, equivalent to 2,398 EUR/sqm. This stands in contrast to a decrease in inventories of EUR 17.0 million.

The sale of property resale portfolios in Thalkirchen, Munich with 85 units led to revenues of EUR 14.85 million. There was no block sale in the comparable period of the previous year.

In dividing revenues according to origin, the adjustment has been reported separately. These include rent reimbursements of EUR 0.8 million, which the Group received retrospectively due to the abovementioned reversal of a transaction and revenue reversals of EUR – 17.9 million. Since notarization of the sale, the potential purchasers collected the rental income from the properties, which is now payable to PATRIZIA following reversal of the transaction.

The change in inventories amounted to EUR – 16.0 million and includes the decrease in carrying amount of the sales from the inventories made in the first quarter; there are also negative inventory reductions of EUR 11.5 million in connection with the abovementioned reversal of a transaction notarized in the 2006 fiscal year.

Cost of materials amounted to EUR 14.3 million in the first three months of 2008. Since no acquisitions were made in this period, the item primarily comprises renovation and project planning costs as well as rental ancillary costs and has significantly declined in comparison with the previous year. In the pre-

Munich, Stiftsbogen

vious year's period, expenses were included for the purchase of the large portfolios which were transferred to our ownership in February and March 2007.

Staff costs rose as a result of the higher staff numbers by 51.5 % to EUR 5.4 million (Q1 2007: EUR 3.6 million). This is based on an increase in staff numbers of 36.5 % (employees as of March 31, 2008: 359; employees as of March 31, 2007: 263) in comparison with the previous year. EUR 0.6 million proportional annual bonuses, which were reported partial in the fourth quarter of the previous year, were also taken into account in staff costs.

Other operating expenses amounted to EUR 4.9 million, equivalent to a rise of 26.1 % on the comparable previous year's period (Q1 2007: EUR 3.9 million). The reasons for this are the broad extension of our business activity and the associated higher costs for administration and marketing. This item also includes sales commissions.

Our earnings situation deteriorated in comparison with the previous year: In EBITDA, we posted a decrease of 31.0 % to EUR 7.0 million (Q1 2007: EUR 10.1 million). EBIT decreased to EUR 6.8 million and is thus 31.4 % below the previous year's figure (Q1 2007: EUR 9.9 million. It must be taken into account here that the earnings ratios of the previous year were positively impacted by the write-up on our Dresden Altmarktkarree project of EUR 3.2 million. By contrast, the earnings ratios of the first quarter of 2008 of EUR 6.1 million were negatively affected by the reversal of a sales transaction. Following elimination of all extraordinary one-time effects, i.e. the reversal of the abovementioned sales transaction, adjusted EBIT amounts to EUR 12.9 million for the first quarter of 2008. If the first quarter 2007 EBIT is adjusted for the fair value adjustment of the investment property in the amount of EUR 3.2 million and for the proportional annual bonus of EUR 0.3 million, an adjusted EBIT is calculated of EUR 6.5 million.

The earnings situation in the Services segment was still affected in the previous year by start-up losses as a result of the establishment of PATRIZIA Immobilien Kapitalanlagegesellschaft mbH, meaning that the business segment closed the first three months of 2007 with a negative result. With EUR 79 thousand, the Services segment already contributed 1.2 % to consolidated EBIT during the first quarter of 2008.

The financial result deteriorated in the first quarter of 2008 due to the higher borrowing volume to EUR – 25.4 million (Q1 2007: EUR – 5.7 million). Financial income of EUR 2.4 million was recorded in the first quarter of 2008 and financial expenses including fair value adjustments from hedging instruments negatively impacted the financial result with EUR 27.8 million. EUR 17.5 million thereof was attributable to interest expenses for bank loans and EUR 10.3 million to updated market valuations of interest rate hedging transactions. Our planning premise for the first quarter of 2008 has therefore been confirmed that the adjusted rental income of EUR 18.3 million clearly cover the interest expenses of EUR 17.5 million. The profit/loss before tax (EBT) thus amounted to EUR – 18.6 million. This reported loss is primarily due to the negative consequences of the reversal of EUR – 6.1 million presented and the fair value adjustments of the interest rate hedge transactions of EUR – 10.3 million. EBT of EUR – 2.3 million arises, purely from the Company's operating business, following elimination of all extraordinary one-time effects.

Net profit for the period after tax amounts to EUR – 18.1 million. This results in earnings per share (before adjustments for one-time effects) of – 0.35 EUR (Q1 2007: 0.05 EUR).

The following table provides an overview of the key income statement items:

	1st quarter 2008 01.01. – 31.03.2008	1st quarter 2007 01.01. – 31.03.2007	Change	2007 01.01. – 31.12.2007
	EUR MILLION	EUR MILLION	IN %	EUR MILLION
Revenues	46.6	23.5	+ 98.3 %	193.3
Total operating performance	31.6	612.6	– 94.8 %	861.9
EBITDA	7.0	10.1	– 30.7 %	111.8
EBIT	6.8	9.9	– 31.3 %	111.0
Earnings before income taxes	– 18.6	4.2	–	63.2
Net profit for the period	– 18.1	2.7	–	48.0

Taking all extraordinary one-time effects, the overview of the essential adjusted income statement items is as follows:

	1st quarter 2008 01.01. – 31.03.2008	1st quarter 2007 01.01. – 31.03.2007	Change
	EUR MILLION	EUR MILLION	IN %
Revenues	63.7	23.5	+ 171.1 %
Total operating performance	37.2	612.6	– 93.9 %
EBITDA (adjusted)	13.0	6.7	+ 94.0 %
EBIT (adjusted)	12.9	6.5	+ 98.5 %
Earnings before income taxes (adjusted)	– 2.3	– 0.8	– 187.5 %

Net Assets and Financial Situation of the PATRIZIA Group

Total assets as of March 31, 2008 amounted to EUR 1,606.4 million and thus remained in the same order as at the end of the 2007 fiscal year.

Investment property increased in comparison from EUR 643.4 million to EUR 711.8 million. Investment property under construction rose in comparison with the first quarter of 2007 by 121.6 % from EUR 9.2 million to EUR 20.3 million. This is because, in addition to the Dresden Altmarktkarree 2 project development property, the Munich-Ludwigsfeld asset repositioning portfolio acquired in the second quarter of 2007 is reported in this item.

As of the balance sheet date March 31, 2008, the participations of the Company, which cover mainly the 6.25 % equity interest in the PATRoffice co-investment, amounted to EUR 2.0 million. A comparison with the previous year is not applicable because this investment vehicle took up the operating business activity only in the second quarter of 2007. A comparison with the previous year of the investments in joint ventures is also not possible since a joint venture partnership for the Frankfurt Feuerbachstrasse development project reported in this item was first entered into in September 2007. As of the reporting date, our share in the joint venture was reported at EUR 5.3 million (December 31, 2007: EUR 5.1 million).

The PATRIZIA inventories include the real estate intended for resale within the scope of usual business activity. As of March 31, 2008, PATRIZIA had inventories of EUR 778.0 million (March 31, 2007: EUR 749.4 million), equivalent to a reduction of 1.9 % as of December 31, 2007 (December 31, 2007: EUR 793.4 million).

As of March 31, 2008, PATRIZIA had cash and cash equivalents of EUR 54.8 million (December 31, 2007: EUR 54.0 million; March 31, 2007: EUR 35.4 million).

On the liabilities side of the balance sheet, equity decreased from EUR 336.6 million as of December 31, 2007 to EUR 315.2 million. This is primarily due to the loss for the period in the first quarter of 2008. The equity ratio in the Group decreased slightly to 19.6 %. As of December 31, 2007, it was 20.5 %. Our aim is an equity ratio of at least 25-30 % at Group level.

Current bank loans rose in comparison with the first quarter of 2007 from EUR 1,144.0 million by 9.6 % to EUR 1,253.6 million. The previous year's figure already includes financing of both the large portfolios, which were transferred to our ownership in February and March 2007. Against the balance sheet date at the end of the 2007 fiscal year, current bank loans declined slightly by EUR 8.4 million from EUR 1,262.0 million to EUR 1,253.6 million. Repayments of the respective bank loans were made according to the contractual agreements from the sales made in the first quarter of 2008.

The credit extensions upcoming in the first quarter of 2008 were negotiated early and extended in due time. Under observance of our borrowing policy, assets intended for short-notice realization continue to be backed by short loan periods.

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 and installed processes have been taken within the Group for detecting risks and negative developments at an early stage and countering them. Since the annual financial statements for the 2007 fiscal year, no changes have arisen with regard to the opportunity and risk profile of PATRIZIA from which new opportunities or risks can be derived for the Group.

The statements of the risk report in the 2007 Annual Report maintain their validity. For a detailed presentation of the opportunities and risks for the Group, the reader is referred to the Risk Report in the 2007 Annual Report of PATRIZIA Immobilien AG. The Managing Board of PATRIZIA Immobilien AG is not currently aware of additional risks.

5. SUPPLEMENTARY REPORT

No transactions or events occurred after the end of the reporting period with significant consequences for the course of business.

6. REPORT ON EXPECTED DEVELOPMENTS

Despite the negative development of economic growth in the US due limited readiness to invest and weakening private consumption, we anticipate a continued stable economic trend in Germany and Europe. Even if growth will cool off slightly, we expect that both disposable income and private consumption in German will rise as a result of the labor market revival and the current conclusion of collective pay agreements.

We regard the resale of real estate units in the first quarter of 2008 as confirmation of the forecast for 2008 published in the 2007 Annual Report: Given constant market conditions, we anticipate earnings before income tax of EUR 25 million through EUR 30 million. This forecast purely includes the earnings from rental income, the resale of real estate portfolios and service fees from the Services segment; possible effects of the revaluation of the real estate portfolios or from interest rate hedges were not taken into account.

The average sale price of 148,600 EUR per unit in property resale is within the range of the average sale price of 140,000 EUR underlying our forecasts and thus clearly shows the good quality and attractiveness of the locations of our portfolio. Our strategy of generating attractive margins with smaller block sales is emphasized by the resale of 85 apartments in Munich.

Our forecast for the 2008 fiscal year also comprises a 10 % contribution to results from the Services segment. With a revenue contribution of EUR 1.1 million and a share of EBIT of EUR 79 thousand or 1.2 %, we are also on a good course of growth within this segment. Overall, we further anticipate earnings before tax for the 2008 fiscal year of between EUR 25 million and EUR 30 million.

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 IN ACCORDANCE WITH IFRS AS OF MARCH 31, 2008

ASSETS

	31.03.2008	31.12.2007
A. NON-CURRENT ASSETS	EUR'000	EUR'000
Software	420	196
Investment property	711,844	711,558
Investment property under construction	20,347	20,205
Equipment	2,107	2,087
Investments in joint ventures	5,317	5,067
Participations	2,043	2,043
Long-term financial derivatives	0	8,704
Long-term tax assets	375	375
Deferred tax assets	0	0
Total non-current assets	**742,453**	**750,235**
B. CURRENT ASSETS		
Inventories	777,958	793,395
Short-term financial derivatives	696	4,546
Short-term tax assets	12,184	3,144
Current receivables and other current assets	18,298	37,859
Bank balances and cash	54,797	54,013
Total current assets	**863,933**	**892,957**
TOTAL ASSETS	**1,606,386**	**1,643,192**

EQUITY AND LIABILITIES

	31.03.2008	31.12.2007
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	– 331	2,941
Consolidated net profit	47,065	65,167
Total equity	**315,231**	**336,605**
B. LIABILITIES		
NON-CURRENT LIABILITIES		
Long-term tax liabilities	8,769	9,914
Long-term financial derivatives	2,995	1,142
Retirement benefit obligations	369	369
Total non-current liabilities	**12,133**	**11,425**
CURRENT LIABILITIES		
Short-term bank loans	1,253,613	1,261,997
Short-term financial derivatives	133	235
Other provisions	498	594
Current liabilities	24,730	32,171
Tax liabilities	48	165
Other current liabilities	0	0
Total current liabilities	**1,279,022**	**1,295,162**
TOTAL EQUITY AND LIABILITIES	**1,606,386**	**1,643,192**

CONSOLIDATED PROFIT AND LOSS ACCOUNT IN ACCORDANCE WITH IFRS

for the period from January 1, 2008 to March 31, 2008

	1st quarter 2008 01.01. – 31.03.2008	1st quarter 2007 01.01. – 31.03.2007
	EUR'000	EUR'000
1. Revenues	46,598	23,460
2. Changes in inventories	–15,964	588,873
3. Other operating income	1,005	256
4. Total operating performance	**31,639**	**612,589**
5. Cost of materials	–14,278	–598,149
6. Staff costs	–5,444	–3,594
7. Amortization of software and depreciation on equipment	–179	–209
8. Results from fair value adjustments to investment property	0	3,179
9. Other operating expenses	–4,950	–3,926
10. Finance income	2,376	3,040
11. Finance cost	–27,808	–8,766
12. Profit before income taxes	**–18,644**	**4,163**
13. Income tax	542	–1,446
14. Net profit	**–18,102**	**2,717**
15. Profit carried forward	65,167	24,946
16. Allocation to retained earnings		
- legal reserves	0	0
17. Consolidated net profit	**47,065**	**27,663**

CONSOLIDATED CASH FLOW STATEMENT

for the period from January 1, 2008 to March 31, 2008

	1st quarter 2008 01.01. – 31.03.2008	1st quarter 2007 01.01. – 31.03.2007
	EUR'000	EUR'000
Consolidated profit after taxes	–18,102	2,717
Amortization of intangible assets and depreciation on property, plant and equipment	179	209
Results from fair value adjustments to investment property	0	–3,179
Change in deferred taxes	–1,145	2,629
Change in retirement benefit obligations	0	37
Non-cash item income and expenses that are not attributable to financing activities	11,033	–5,042
Changes in inventories, receivables and other assets that are not attributable to investing activities	40,985	–570,221
Changes in liabilities that are not attributable to financing activities	–31,065	533,972
Cash outflow/inflow from operating activities	**1,885**	**–38,877**
Capital investments in intangible assets and property, plant and equipment	–422	–745
Cash receipts from disposal of investment property	0	0
Cash receipts from disposal of intangible assets and property, plant and equipment	–428	0
Payments for development or acquisition of investment property	0	–594,081
Investments	–250	0
Cash receipts from disposal of financial assets	0	0
Cash outflow from investing activities	**–1,100**	**–594,826**
Dividend of PATRIZIA Immobilien AG	0	0
Capital increase of PATRIZIA Immobilien AG	0	104,060
Borrowing of loans	0	515,603
Repayment of loans	0	0
Other cash inflows or outflows from financing activities	0	–1,619
Cash inflow from financing activities	**0**	**618,044**
Change in operating activities of a cash nature	**784**	**–15,660**
Cash January 1	54,013	83,211
Cash March 31	54,797	67,551

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN ACCORDANCE WITH IFRS

for the period from January 1, 2008 to March 31, 2008

	Share capital	Capital reserves	Retained earnings (legal reserve)	Valuation results from cash flow hedges	Valuation results from financial instruments	Consoli-dated net profit	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Balance January 1, 2008	**52,130**	**215,862**	**505**	**2,941**	**0**	**65,167**	**336,605**
Results from fair valuation adjustments cash flow hedges				–3,272			**–3,272**
Net profit / loss of 1st quarter 2008						–18,102	**–18,102**
BALANCE MARCH 31, 2008	**52,130**	**215,862**	**505**	**–331**	**0**	**47,065**	**315,231**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN ACCORDANCE WITH IFRS (REPORTING PERIOD PREVIOUS YEAR)

for the period from January 1, 2007 to March 31, 2007

	Share capital	Capital reserves	Retained earnings (legal reserve)	Valuation results from cash flow hedges	Valuation results from financial instruments	Consoli-dated net profit	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Balance January 1, 2007	**47,400**	**118,398**	**505**	**475**	**0**	**24,946**	**191,724**
Capital increase	4,730	97,711					**102,441**
Results from fair valuation adjustments cash flow hedges				718			**718**
Results from fair valuation ad-justments financial instruments					55		**55**
Net profit of 1st quarter 2007						2,717	**2,717**
BALANCE MARCH 31, 2007	**52,130**	**216,110**	**505**	**1,193**	**55**	**27,663**	**297,656**

INTERIM FINANCIAL STATEMENTS FOR Q1 2008

1. GENERAL DISCLOSURE

PATRIZIA Immobilien AG is a listed German stock corporation based in Augsburg. The Company's business premises are located at Fuggerstrasse 26, 86150 Augsburg, Germany. The Company operates on the German real estate market and performs all services along the value-added chain in the real estate sector.

2. REPORTING PRINCIPLES

These unaudited interim financial statements of PATRIZIA Immobilien AG for the first quarter of 2008 (January 1, 2008 to March 31, 2008) were prepared in line with the latest version of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union. In this respect, the accounting standards applied are those adopted by the EU in the context of the endorsement process, i.e. those published in the Official Journal of the EU.

From the perspective of the Company's management, the present unaudited interim financial statements for the period ended March 31, 2008 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 results generated in the first quarter of 2008 are not necessarily an indication of future results.

When preparing the consolidated financial statements for the interim report on the first quarter of 2008, 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.

The interim financial statements were prepared in accordance with the same accounting principles as the consolidated financial statements for the 2007 financial year as a whole. 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, 2007, which are contained in the Company's 2007 Annual Report.

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

3. SCOPE OF CONSOLIDATION

The consolidated financial statements of PATRIZIA Immobilien AG contain all of the Company's subsidiaries. This includes all companies controlled by PATRIZIA Immobilien AG. In addition to the parent company, the scope of consolidation comprises 73 subsidiaries. They are recognized in the consolidated financial statements in line with the rules of full consolidation. In addition, one joint venture is presented in the consolidated financial statements in accordance with the equity method.

Joint ventures are companies which 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 presented in the Group according to the equity method.

4. INVESTMENT PROPERTY

Investment property is property that is held for generating rental income or for capital appreciation or both. The proportion 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 valued at fair value on the basis of external appraisals of independent experts with reference to current market prices or using customary valuation methods with the aid of current and long-term rental situation. The fair value is equivalent to the fair 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. As of the reporting date of March 31, 2008, the investment property totaled EUR 711.8 million.

5. INVESTMENT PROPERTY UNDER CONSTRUCTION

Real estate that is being built or developed for future investment use is posted as Investment property under construction. These are reported at cost. As of March 31, 2008, real estate recognized as investment property under construction totaled EUR 20.3 million and comprises two properties.

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. The Group accounts for its share in the joint venture using the equity method.

7. PARTICIPATIONS

PATRIZIA Immobilien AG's interest in PATRoffice Real Estate GmbH & Co. KG of 6.25 %, our co-investment with both pension funds ABP and ATP, is also accounted for under this item.

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 or for development and resale. Development also covers modernization and renovation activities. Inventories are valued at acquisition or manufacturing cost. As in the 2007 financial year, no value adjustments were to be carried out on inventories in the reporting period. As of March 31, 2008 inventories totaled EUR 778.0 million.

9. SEGMENT REPORTING

REVENUES	1st quarter 2008 01.01. – 31.03.2008 EUR'000	1st quarter 2007 01.01. – 31.03.2007 EUR'000
Investments	45,545	22,593
Services	1,052	860
Corporate	0	7
TOTAL	**46,598**	**23,460**

EBITDA	1st quarter 2008 01.01. – 31.03.2008 EUR'000	1st quarter 2007 01.01. – 31.03.2007 EUR'000
Investments	9,097	11,747
Services	85	– 682
Corporate	– 2,217	– 967
TOTAL	**6,967**	**10,098**

EBIT	1st quarter 2008 01.01. – 31.03.2008 EUR'000	1st quarter 2007 01.01. – 31.03.2007 EUR'000
Investments	9,037	11,673
Services	79	– 689
Corporate	– 2,329	– 1,095
TOTAL	**6,788**	**9,889**

As of March 31, 2008, revenues in the Investments segment totaled EUR 45.5 million. It must be taken into consideration that the revenues were impaired extraordinarily by the reverse transaction of a resale of EUR – 17.1 million already notarized in 2006. The reverse transaction of the sale of approximately 165 residential units was necessary for PATRIZIA because the financing structure of the former purchaser had significantly worsened due to the current difficult financing environment. At the end of the quarter, the EBIT of the Investment segment amounted to EUR 9.0 million. Without the reverse transaction mentioned, EBIT would have amounted to EUR 15.1 million.

The Services segment developed positively in comparison with the previous year's quarter. Revenues for this area rose from EUR 0.9 million to a current EUR 1.1 million, equivalent to an increase of 22.3 %. The Services segment contributed to EBIT with EUR 79 thousand. The Services segment affected the Group's EBIT negatively in the same period of the previous year.

10. EARNINGS PER SHARE

EARNINGS PER SHARE	1st quarter 2008 01.01. – 31.03.2008	1st quarter 2007 01.01. – 31.03.2007
Net profit for the period (EUR)	– 18,102,488	2,716,933
Number of shares issued	52,130,000	52,130,000
Weighted number of shares	52,130,000	51,551,889
EARNINGS PER SHARE (EUR)	**– 0.35**	**0.05**
EARNINGS PER SHARE, ADJUSTED (EUR)	**– 0.04**	**– 0.02**

Earnings per share are calculated by dividing the net profit for the period by the weighted average number of shares. Earnings per share for the first three months of 2008 (before extraordinary one-time effects) amount to EUR – 0.35 (Q1 2007: EUR 0.05).

11. RELATED PARTY DISCLOSURES

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 2007 Annual Report remain valid.

12. DECLARATION OF THE LEGAL REPRESENTATIVES OF PATRIZIA IMMOBILIEN AG IN LINE WITH SECTION 37y OF THE GERMAN SECURITIES TRADING ACT (WPHG) IN CONJUNCTION WITH SECTION 37w (2) NO. 3 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	Alfred Hoschek	Klaus Schmitt
Chairman of the Board	Member of the Board	Member of the Board	Member of the Board

FINANCIAL CALENDER

Date	Events
May 7, 2008	Quarterly Report › 1st Quarter 2008
June 3, 2008	Annual General Meeting
August 12, 2008	Quarterly Report › 2nd Quarter 2008
October 20 and 21, 2008	Real Estate Share Initiative
November 11, 2008	Quarterly Report › 3rd Quarter 2008

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PATRIZIA
IMMOBILIEN AG

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