

# Q3

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REPORT ON THE THIRD QUARTER OF 2012

*Creating value*  
with values

# Key Figures

## REVENUES AND EARNINGS

EUR '000	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2011	9 months 2012	9 months 2011
	07/01/ – 09/30/2012	07/01/ – 09/30/2011	01/01/ – 09/30/2012	01/01/ – 09/30/2011
Revenues	59,233	54,609	162,607	161,222
Total operating performance	47,499	46,822	136,221	179,363
EBITDA	14,188	14,967	34,332	38,237
EBIT	13,083	14,138	31,240	35,897
EBIT adjusted <sup>1</sup>	13,575	14,630	32,716	37,373
EBT	7,287	-3,631	16,314	7,059
EBT adjusted <sup>1,2</sup>	5,762	4,459	12,916	5,511
Net profit/loss	6,426	-4,788	11,736	3,013

## STRUCTURE OF ASSETS AND CAPITAL

EUR '000	09/30/2012	12/31/2011
Non-current assets	535,663	597,007
Current assets	480,425	505,277
Equity	322,070	310,075
Equity ratio (in %)	31.7	28.1
Non-current liabilities	438,983	480,250
Current liabilities	255,035	311,959
Total assets	1,016,088	1,102,284

## SHARE

ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	P1Z
Share capital at September 30, 2012	EUR 57,343,000
No. of shares in issue at September 30, 2012	57,343,000
Third quarter /9 months 2012 high <sup>3</sup>	EUR 5.02/EUR 5.10
Third quarter /9 months 2012 low <sup>3</sup>	EUR 4.16/EUR 3.32
Closing price at December 31, 2011 <sup>3</sup>	EUR 3.43
Closing price at September 30, 2012 <sup>3</sup>	EUR 4.44
Share price performance	29.6%
Market capitalization at September 30, 2012	EUR 254.6 million
Average trading volume per day (9 months 2012) <sup>4</sup>	72,736 shares
Indices	SDAX, EPRA, GEX, DIMAX

<sup>1</sup> Without amortization of other intangible assets (fund management contracts)

<sup>2</sup> In addition adjusted for profit/loss from interest rate hedges without cash effect

<sup>3</sup> Closing price at Frankfurt Stock Exchange Xetra trading

<sup>4</sup> All German stock exchanges

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# Letter to Our Shareholders

**Dear shareholders,  
Dear ladies and gentlemen,**

In the third quarter of the 2012 financial year we took a number of significant steps towards achieving our strategic goal of becoming a European fully integrated real estate investment company by the year 2015. We thus opened a new office in Copenhagen at the beginning of July 2012, followed shortly – in mid-July – by the opening of our Paris office. This has allowed us to significantly increase our local presence in what we regard as two very important real estate markets in Europe. Our office in Copenhagen is now our second location in Northern Europe after Stockholm. A presence in this region is of great importance for us in view of the volume of investment totaling EUR 300 million that we manage there. However, the Nordic markets are not just attractive for real estate investment but also for gaining new institutional investors. PATRIZIA has now attracted equity there that has been invested in residential and commercial properties in Germany in the order of some EUR 500 million.

Important milestones in the growth of our company were also the capital increase from company funds and the issuance of bonus shares in a ratio of 10:1 that we performed in the course of the third quarter. With regard to current developments on the real estate markets, we are pleased to report that PATRIZIA again and again manages to invest successfully in attractive properties and projects irrespective of the by all means intense competition among purchasers. This is in no small part proof of the excellent market access that we have built up systematically in the course of the past almost 30 years.

In recent weeks we have proven our strength in acquisition through, among other things, three large purchases in Munich and Frankfurt. In total we have invested more than EUR 300 million in the funds that we manage. We assume that interest on the part of institutional investors in well managed real estate investments will continue into the future, too.

A further significant purchase was made for WohnModul I shortly before the end of the reporting period through the acquisition of an approximately 65,000 sqm plot of land in Hofmannstrasse in Munich-Obersendling. The vendor of the property, which so far has been used for commercial purposes, was Siemens Real Estate. The investment volume here amounts to around EUR 300 million. This transaction has given a major boost to our presence on the market in Munich, increasing the currently realized development volume of PATRIZIA in the Bavarian state capital to approximately 100,000 sqm.

Besides investments for our funds, we also made good progress with our other activities in the third quarter. We began residential property resale of our WohnModul I holdings. We have already sold around half of all residential units in the “Belsenpark 1” new development project in Düsseldorf and started construction work on two building sites. Our new development project “Living in Provinopark” in Augsburg, where more than two-thirds of the residential units of the first tranche of sales have already been sold, is also making good progress. Building permission has been given and initial excavations have commenced. We will probably be able to bring forward the start of the second tranche of sales, meaning that it can already begin in the fourth quarter of 2012. The first residential units in this project will be ready for occupancy at the end of 2013.

PATRIZIA Immobilien AG continued the successful operational performance seen in the first six months through the third quarter, too. A total of 219 units were sold individually from our own stock in the area of residential property resale and a further 332 units were sold in six block sales in the area of asset repositioning. Private investors, with a share of 72.5%, again constituted by far the largest group of purchasers for individual sales.

Sales revenues in the period January through September 2012 totaled EUR 162.6 million (previous year: EUR 161.2 million). However, they included only sales from current assets. Sales from non-current assets gained importance in the reporting period but cannot be reported as sales revenues (9 months 2012: EUR 88.4 million; 9 months 2011: EUR 54.0 million). EBT adjusted in the third quarter amounted to EUR 5.8 million and was thus significantly higher than in the third quarter of the previous year (EUR 4.5 million). EBT adjusted of EUR 12.9 million was achieved in the first nine months of 2012, which corresponds to more than twice the figure for the same period last year (EUR 5.5 million). EBT according to IFRS increased by more than 100% and amounted to EUR 16.3 million at September 30, 2012 (September 30, 2011: EUR 7.1 million).

PATRIZIA aims to increase adjusted earnings before taxes (EBT adjusted) for the whole of 2012 by approximately 20% and to sell around 1,800 residential units. The developments over the first nine months make it possible for us to maintain this ambitious goal.

The Managing Board



**Wolfgang Egger**  
Chairman of the Board



**Arwed Fischer**  
Member of the Board



**Klaus Schmitt**  
Member of the Board

# Consolidated Interim Management Report

FOR THE FIRST NINE MONTHS OF 2012

## 1 GENERAL ECONOMIC CONDITIONS

The German economy is currently navigating rough water. While it experienced solid growth of 0.3% in the second quarter of 2012 compared with the first quarter, the details show that economic activity has lost momentum significantly. Industrial production fell for a third quarter in succession. Businesses are increasingly adapting their production to match the volume of orders which are no longer arriving in such great numbers. Domestic orders in particular have fallen over the past few months, while demand from outside Europe has again risen and demand from the euro area does at least appear to have stabilized. Given shrinking order books and falling sentiment indicators, it has to be feared that businesses will continue to cut back production over the coming months. There is therefore even the possibility that the German economy could even shrink slightly in the second half of the year. Growth of around 0.7% is currently expected for 2012, and this is likely to grow to 1.0% in 2013.

## REAL ESTATE MARKET

### **Residential**

The positive development in construction activity in the past 2 years appears to have continued into the current year, too. Permission was granted for the construction of 114,000 residential units in Germany in the first six months of 2012, which represented an increase of almost 5% over the corresponding period last year. However, the continuing momentum in rents and purchase prices for newly built residential property together with increases in rents for existing residential property, above all in economically strong conurbations, show that the growth in supply on the residential property market still continues to lag significantly behind demand. The main driver for this development continues to be sustained migration to the cities and the resultant increase in population, leading to a continuing high demand for housing through the associated growth in the number of households. In addition to this, qualitative aspects such as the level of appointment, location, transport connections or quality of the surroundings are playing an ever greater role in demand from medium- and upper-income households, particularly in the area of new build.

**Commercial**

Compared with the previous year, the first six months of 2012 saw a slight decline in sales by floor space in the top 7 office markets. There was, nevertheless, a significant reduction in the vacancy rate as a result of the low volume of completion for speculative office space and an increased level of conversion of no longer marketable office space for use as hotels or housing. There was an upward trend in rents over the past few months in the top 7 locations, particularly in the high-end segment, not least because of declining vacancies. At the same time, a robust German labor market continued to be a cornerstone of sales growth in the retail trade, which was able to increase by 0.7% in real terms in 2012. As a result, the demand for space from retailers remained at a high level. The high demand for space also resulted in increases in premium once more.

**2 PATRIZIA ON THE CAPITAL MARKET**

The PATRIZIA share closed the third quarter of 2012 at EUR 4.44. In the first nine months, PATRIZIA Immobilien AG saw a further rise in its share price, which is now 29.4% above the closing price of EUR 3.43 at the end of 2011. The highest closing price of the third quarter was EUR 5.02 on August 9, 2012, while the lowest closing price was EUR 4.16 on July 9, 2012.

**3 OUR EMPLOYEES**

The number of permanent employees at PATRIZIA increased to 567 as at September 30, 2012, of whom 33 were trainees and 53 part-time employees. A further 20 employees are currently on parental leave. Compared with December 31, 2011, (498 employees), the number of staff increased by 69, or 13.9%. In terms of full-time equivalents, PATRIZIA had 534 permanent employees at the end of the third quarter. New employees were taken on in the first nine months of the year in order to meet the demand due to the expansion of the service business.

## 4 THE COURSE OF BUSINESS IN THE THIRD QUARTER OF 2012

### Business Development in the Residential Segment

#### Own investments

#### Residential property resale

Individual sales in the third quarter of 2012 by region were as follows:

#### INDIVIDUAL SALES IN THE THIRD QUARTER OF 2012

Region/city	Number of units sold in Q3/2012	As a % of sales	Area sold in sqm	Average size per unit in sqm
Munich	166	75.8	12,954	78
Cologne/Düsseldorf	22	10.0	1,741	79
Berlin	16	7.3	1,201	75
Hamburg	10	4.6	805	81
Friedrichshafen	4	1.8	240	60
Frankfurt/Main	1	0.5	53	53
<b>TOTAL</b>	<b>219</b>	<b>100</b>	<b>16,994</b>	<b>78</b>

Residential property resale sold a total of 219 units in the third quarter of 2012. Individual sales decreased by 4.8% compared with the same quarter of the previous year (230 units). With a share of 72.5%, private investors were again by far the most predominant category of purchasers in the period under review. In comparison, the other categories of purchasers accounted for significantly smaller shares. 20.2% of purchasers bought apartments for own use, while 7.3% of apartments were purchased by tenants.



## Asset repositioning

### BLOCK SALES IN THE THIRD QUARTER OF 2012

Region/city	Number of transactions	Number of units sold	Area sold in sqm	Average size per unit in sqm
Munich	4 <sup>1</sup>	53	2,340	44
Berlin	1	34	3,779	111
Regensburg	1	245	17,680	72
<b>TOTAL</b>	<b>6<sup>1</sup></b>	<b>332</b>	<b>23,799</b>	<b>72</b>

<sup>1</sup> Includes one plot of land sold

Six transactions were concluded with the transfer of ownership, usage and encumbrances as part of block sales in the third quarter of 2012. These had an effect on the consolidated income statement at September 30, 2012.

The following is a summary of our portfolio after taking into account the sales completed in the third quarter of 2012 of 551 units, redensification measures and consolidations.

### PATRIZIA PORTFOLIO – BREAKDOWN BY REGION AS OF SEPTEMBER 30, 2012

Region/city	Number of units				Area in sqm			
	Residential property resale	Asset repositioning	Total	Share in %	Residential property resale	Asset repositioning	Total	Share in %
Munich	1,297	371	1,668	25.5	102,789	27,526	130,315	28.0
Cologne/ Düsseldorf	604	685	1,289	19.7	50,933	62,940	113,873	24.4
Leipzig	0	986	986	15.1	0	58,066	58,066	12.5
Frankfurt/Main	7	776	783	12.0	491	49,309	49,800	10.7
Hamburg	170	467	637	9.7	11,400	29,527	40,927	8.8
Berlin	114	465	579	8.8	8,893	22,394	31,287	6.7
Hanover	0	386	386	5.9	0	27,047	27,047	5.8
Dresden	0	152	152	2.3	0	10,284	10,284	2.2
Regensburg	0	65	65	1.0	0	4,028	4,028	0.9
Friedrichshafen	3	0	3	< 1	182	0	182	< 1
<b>TOTAL</b>	<b>2,195</b>	<b>4,353</b>	<b>6,548</b>	<b>100</b>	<b>174,688</b>	<b>291,121</b>	<b>465,809</b>	<b>100</b>

## Co-investments

## CO-INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2012

	Number of units				Area in sqm			
	Resi- dential property resale	Asset reposi- tioning/ stock	Total	Share in %	Resi- dential property resale	Asset reposi- tioning/ stock	Total	Share in %
WohnModul I <sup>1</sup>	2,057	212	2,269	9.4	130,674	13,517	144,191	9.1
Süddeutsche Wohnen	0	21,142	21,142	87.8	0	1,404,365	1,404,365	88.9
Other	0	679	679	2.8	0	30,538	30,538	1.9
<b>TOTAL</b>	<b>2,057</b>	<b>22,033</b>	<b>24,090</b>	<b>100</b>	<b>130,674</b>	<b>1,448,420</b>	<b>1,579,094</b>	<b>100</b>

<sup>1</sup> Without project developments

The co-investment residential portfolio of PATRIZIA Immobilien AG included 24,090 units with an area of 1,579,094 sqm as of September 30, 2012. This comprises WohnModul I, Süddeutsche Wohnen GmbH and other co-investments.

## Services

## SERVICES PORTFOLIO AS OF SEPTEMBER 30, 2012

	Number of units				Area in sqm			
	Resi- dential property resale	Asset reposi- tioning/ stock	Total	Share in %	Resi- dential property resale	Asset reposi- tioning/ stock	Total	Share in %
<b>TOTAL</b>	<b>29</b>	<b>1,743</b>	<b>1,772</b>	<b>100</b>	<b>2,637</b>	<b>233,526</b>	<b>236,163</b>	<b>100</b>

At the end of the third quarter there were 1,772 units with an area of 236,163 sqm in the services portfolio of PATRIZIA Immobilien AG.

## Funds

### PATRIZIA WohnInvest KAG

PATRIZIA WohnInvest KAG was able to set up its seventh special fund at the end of August. This fund invests regionally, primarily in residential real estate but also in commercial properties. The investor is a savings bank.

Properties with a market value volume in the amount of EUR 113.4 million were transferred to the fund in the third quarter of 2012. Furthermore, additional properties with a market value volume totaling EUR 66.2 million could be secured by purchase agreement.

PATRIZIA Nordics A/S has established an office in Copenhagen, which will strengthen its local presence. With its own property management performed by an affiliated Group company, PATRIZIA EuroCity Residential Fund I in particular will benefit from this.

Number of funds	Target volume in EUR million	Committed equity in EUR million	Gross fund volume in EUR million
7	2,034	972	761

## Business Development in the Commercial Segment

### Co-investments

#### CO-INVESTMENT PATROFFICE AS OF SEPTEMBER 30, 2012

	Number of units				Area in sqm			
	Resi- dential property resale	Asset reposi- tioning/ stock	Total	Share in %	Resi- dential property resale	Asset reposi- tioning/ stock	Total	Share in %
<b>TOTAL</b>	0	1,504	1,504	100	0	195,136	195,136	100

As of the reporting date of September 30, 2012, the co-investment PATROffice included a total of 1,504 units with an area of 195,136 sqm in the commercial field.

## Funds

### PATRIZIA GewerbeInvest KAG

PATRIZIA GewerbeInvest KAG initiated further special fund in the third quarter of 2012. Written undertakings have been received for 90% of the targeted equity commitments for the special fund initiated in the second quarter of 2012 regarding the total volume of EUR 150 million. The first share certificates will be issued in the fourth quarter of 2012. Relationships with the German savings banks, who have invested primarily in the modular funds of PATRIZIA GewerbeInvest KAG, could also be significantly strengthened. In these, the savings banks account for equity capital totaling EUR 960 million. If other companies from the Savings Banks Finance Group such as the federal state banks (Landesbanken) and insurance companies are included, the volume of committed equity totals approximately EUR 1.2 billion. In terms of volume, PATRIZIA GewerbeInvest KAG is one of the strongest partners of the savings banks in the field of special real estate funds. A total of 39 savings banks from all over Germany have currently invested in funds of PATRIZIA GewerbeInvest KAG across different types of use. Further purchases for the modular funds and for the label fund GLL BVK International Immobilien-Spezialfonds were prepared in the third quarter of 2012 which will be transferred to the funds in the fourth quarter of 2012.

Number of funds	Target volume in EUR million	Committed equity in EUR million	Gross fund volume in EUR million
13	5,692	2,314	2,682

## Business Development in the Special Real Estate Solutions Segment

### Co-investments

#### Süddeutsche Wohnen GmbH

Real estate markets in the south of Germany, particularly in Baden-Württemberg, are developing very well, and Süddeutsche Wohnen GmbH and its customers are benefiting from this. Favourable, long-term financing has been successfully concluded and a program of selling and purchasing has been initiated.

The portfolio is also reported in the Residential segment since it essentially involves residential properties. It is managed in the Special Real Estate Solutions segment.

### WohnModul I – Project Development

A 50:50 joint venture was concluded for WohnModul I with CA Immo Deutschland GmbH in the second quarter which will manage the development of the “Baumkirchen Mitte” quarter in Munich. The competition for the pre-selection of the architects for the first stage of construction was completed in September. Two planning concepts are currently in the revision phase. The project volume of the joint venture between CA Immo and PATRIZIA amounts to approximately EUR 238 million. It involves a total area of approximately 29,000 sqm with currently planned floor space of approximately 45,500 sqm for apartments and approximately 18,500 sqm for offices.

A further property in Munich was successfully acquired for WohnModul I in the third quarter. It is a 65,000 sqm development site in Munich-Obersendling. In the past, the site was used mainly for commercial purposes and it is now planned to reclassify it for primarily residential purposes. It has been possible to conclude a lease-back agreement with the vendor, Siemens AG, for at least two years. The planned investment volume amounts to approximately EUR 300 million.

### CO-INVESTMENT PROJECT DEVELOPMENTS

City, projects	Project volume in EUR '000	Marketable residential space in sqm	Property area in sqm	Completion in	PATRIZIA's share in %
				Q2/2012 to Q1/2014	
Augsburg, Provinostrasse	57,440	17,201	27,360	3 CP <sup>1</sup>	13.726
Düsseldorf, Belsenpark	52,055	11,296	7,615	2 CP <sup>1</sup>	13.726
Düsseldorf, Gerresheim	38,440	– <sup>2</sup>	192,893	Q4/2015	13.726
				Q4/2015	
Munich, Baumkirchen Mitte	215,261	55,638	18,245	4 CP <sup>1</sup>	4.545
Munich, Hofmannstrasse	242,676	105,405	63,495	Q4/2019	9.090
<b>GESAMT</b>	<b>605,872</b>	<b>189,541</b>	<b>309,608</b>	–	–

<sup>1</sup> CP = Construction phases

<sup>2</sup> This property development project is currently under development.

## 5 NET ASSETS, FINANCIAL AND EARNINGS SITUATION

### EARNINGS SITUATION OF THE PATRIZIA GROUP

#### CONSOLIDATED REVENUES

	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2011	9 months 2012	9 months 2011
	07/01 – 09/30/2012 EUR '000	07/01 – 09/30/2011 EUR '000	01/01 – 09/30/2012 EUR '000	01/01 – 09/30/2011 EUR '000
Revenues from residential property resale <sup>1</sup>	25,275	24,363	67,031	70,076
Revenues from asset repositioning <sup>1</sup>	2,800	0	4,090	11,733
Rental revenues	10,561	13,878	32,972	42,712
Revenues from fund activities	7,697	10,055	18,935	18,234
Revenues from other services	8,608	1,829	26,691	4,477
Other <sup>2</sup>	4,293	4,479	12,888	13,990
<b>TOTAL</b>	<b>59,233</b>	<b>54,604</b>	<b>162,607</b>	<b>161,222</b>

<sup>1</sup> Purchase price receipts from investment property are not included in revenues.

<sup>2</sup> The item "Other" primarily includes rental ancillary costs.

In the first nine months of 2012, **revenues** in residential property resale decreased by 4.3% to EUR 67.0 million. The main reason for the fall in revenues was the shift in sales from current assets (shown as revenues) to sales from non-current assets (not included in revenues) totalling EUR 88.4 million (first nine months of 2011: EUR 54.0 million). The share of purchase price receipts from non-current assets in the first nine months of 2012 totalled 55.4% (first nine months of 2011: 39.8%). Total sales revenues (inventory and non-current assets) increased in the first half of 2012 by EUR 23.7 million or 17.5%. As a result of increased concentration on the fund business, it was possible to increase revenues from fund activities from EUR 18.2 million to EUR 18.9 million. The expansion of PATRIZIA's service business is reflected in revenues from additional services, which again increased by EUR 22.2 million (first nine months of 2011: EUR 4.5 million). This distinct increase by more than 100% to EUR 26.7 million is primarily accounted for by the LBBW transaction and the purchases for WohnModul I. The service segment contributed 28.1% (EUR 45.6 million) to group revenues.

At EUR 59.2 million, **group revenues** increased in the third quarter of 2012 compared with the previous year (EUR 54.6 million). However, as already indicated, sales revenues have only limited significance for PATRIZIA since the selling prices of properties reported in non-current assets are not reflected in sales revenues. Profits from disposals are reported under item “gain on the disposal of investment property”. After deducting carrying amounts of EUR 84.5 million, purchase price receipts between January and September of EUR 88.4 million resulted in a profit of EUR 3.9 million.

#### PURCHASE PRICE REVENUES FROM SOLD REAL ESTATE

	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2011	9 months 2012	9 months 2011
	07/01 – 09/30/2012 EUR '000	07/01 – 09/30/2011 EUR '000	01/01 – 09/30/2012 EUR '000	01/01 – 09/30/2011 EUR '000
<b>Sales revenues from inventories</b>	<b>28,075</b>	<b>24,363</b>	<b>71,121</b>	<b>81,809</b>
Residential property resales	25,275	24,363	67,031	70,076
Block sales	2,800	0	4,090	11,733
<b>Sales revenues from investment property<sup>1</sup></b>	<b>57,372</b>	<b>49,750</b>	<b>88,442</b>	<b>54,008</b>
Residential property resales	17,662	21,590	45,742	22,123
Block sales	39,710	28,160	42,700	31,885
<b>TOTAL</b>	<b>85,447</b>	<b>74,113</b>	<b>159,563</b>	<b>135,817</b>

<sup>1</sup> Purchase price receipts from investment property are not included in sales revenues.

The average price in the first nine months decreased slightly to EUR 2,384/sqm (first nine months of 2011: EUR 2,392/sqm). Due to the disposal of properties and the consequently reduced area available to rent, rental revenues decreased to EUR 33.0 million (–22.8%). Rent increases are moving in the opposite direction. At the end of the third quarter, the average monthly rent per square meter fell to EUR 7.58 due to the above-average sales in metropolitan areas (first nine months of 2011: EUR 7.83/sqm).

## PORTFOLIO FIGURES BY QUARTER

	1 <sup>st</sup> quarter 2012	2 <sup>nd</sup> quarter 2012	3 <sup>rd</sup> quarter 2012	9 months 2012	9 months 2011	Change in %
	01/01 – 03/31/2012	04/01 – 06/30/2012	07/01 – 09/30/2012	01/01 – 09/30/2012	01/01 – 09/30/2011	
<b>Own stock</b>						
<b>Individual sales</b>	<b>228</b>	<b>168</b>	<b>219</b>	<b>616</b>	<b>523</b>	<b>17.8</b>
Average selling price via residential property resale	EUR 2,287/ per sqm	EUR 2,363/ per sqm	EUR 2,466/ per sqm	EUR 2,384/ per sqm	EUR 2,392/ per sqm	-0.3
<b>Units via block sales</b>	<b>32</b>	<b>0</b>	<b>332</b>	<b>364</b>	<b>261</b>	<b>39.5</b>
Average selling price via asset repositioning	EUR 1,869/ per sqm	-/ per sqm	EUR 1,711/ per sqm	EUR 1,724/ per sqm	EUR 2,129/ per sqm	-19.0
Average monthly rent <sup>1</sup>	EUR 7.60/ per sqm	EUR 7.58/ per sqm	EUR 7.55/ per sqm	EUR 7.58/ per sqm	EUR 7.83/ per sqm	-3.2
<b>Co-investments</b>	<b>38</b>	<b>42</b>	<b>41</b>	<b>121</b>	<b>0</b>	<b>-</b>
Residential property resale	29	42	24	95	0	-
Block sales	9	0	17	26	0	-
<b>Service business</b>	<b>52</b>	<b>3</b>	<b>37</b>	<b>106</b>	<b>128</b>	<b>-17.2</b>
Residential property resale	5	3	5	13	55	-76.4
Block sales	47	0	32	93	73	27.4

<sup>1</sup> In the portfolio at the end of the quarter. The figure for the first nine months relates to September 30.

The positive start to residential property resale for the co-investments in the first quarter of 2012 also continued in the third quarter. A total of 121 residential units were sold from co-investments in the first nine months. Of these, 95 units were accounted for by residential property resale and 26 units by block sales. In addition, a total of 106 units were sold from services, 13 units in residential property resale and 93 units in block sales.

**Changes in inventory** at the end of the third quarter of 2012 amounted to EUR -38.9 million. Decreases in the carrying value of real estate sold from inventory assets reduced stock by EUR 56.6 million, while capitalizations of EUR 17.7 million increased inventory.

At EUR 37.8 million, the **cost of materials** in the first nine months was less than the previous year (EUR 92.5 million). The previous year included purchases (480 units in Munich and a property for project development). These purchases were performed with the firm intention of transferring the properties to WohnModul I. The cost of materials in the first nine months



of 2012 included EUR 1.7 million of ongoing maintenance (which cannot be capitalized) and EUR 9.3 million of renovation and conversion work. A further EUR 13.0 million was accounted for by construction and production costs.

**Staff costs** in the first nine months totaled EUR 33.6 million. The increase over the previous year (EUR 25.2 million) can be explained by the growth in the number of staff. The number of permanent employees amounted to 567 at September 30, 2012, compared with 498 at December 31, 2011. The number of staff increased accordingly by 13.9%. Furthermore, commission payments to the company's own sales staff increased over the previous year owing to the increased number of sales (in both own investments and in co-investments). The number of privatized units over all areas (own investments, co-investments and services) was 25.3% above the previous year.

The **other operating expenses** of EUR 30.5 million for reporting period include primarily operating expenses of EUR 6.5 million, administrative expenses of EUR 7.5 million, selling expenses of EUR 12.8 million and other expenses of EUR 3.7 million. This item mainly comprises expenses for consultancy services relating to the co-investments of PATRIZIA.

**Earnings before interest and tax (EBIT)** in the first nine months of 2012 amounted to EUR 31.2 million, 13.0% below the corresponding figure for the previous year (EUR 35.9 million). EBIT adjusted is determined by adjusting the non-cash effect from amortization on other intangible assets (fund management contracts). The fund management contracts were transferred in the course of the acquisition of PATRIZIA GewerbeInvest KAG. In the first nine months of 2012, ongoing amortizations of EUR 3.1 million were carried out, resulting in an adjusted EBIT of EUR 32.7 million. Further information is available under segment reporting in Section 12 of the Notes to the Consolidated Financial Statements.

In accordance with IFRS, market value changes arising from interest hedging transactions are reported in the Consolidated Income Statement. The market valuation is recognized in the **financial result** as income or expense depending on changes in the interest rate level, causing the results to fluctuate substantially. However, this has no influence on PATRIZIA's liquidity. Most of these **interest hedging transactions**, which guarantee us a fixed average interest rate of 3.99%, were concluded at the end of 2006/beginning of 2007 in connection with the financing of major real estate portfolios and will expire by mid-2014 at the latest. 91.5% of our loan obligations is currently secured using interest hedging instruments. The change in their fair value for the nine months of 2012 amounted to EUR 4.9 million.

## MARKET VALUATION OF INTEREST RATE HEDGES

	1 <sup>st</sup> quarter 2012	2 <sup>nd</sup> quarter 2012	3 <sup>rd</sup> quarter 2012	9 months 2012	9 months 2011
	01/01 – 03/31/2012 EUR '000	04/01 – 06/30/2012 EUR '000	07/01 – 09/30/2012 EUR '000	01/01 – 09/30/2012 EUR '000	01/01 – 09/30/2011 EUR '000
Market valuation of interest hedging transactions	735	2,122	2,017	4,874	3,024

Cash-related changes in interest expenses for bank liabilities plus expenses for interest hedging amounted to EUR 24.2 million after nine months. In the first nine months, financing costs (interest rate plus margin) averaged 5.10% (third quarter of 2011: 4.97%). The main portion of the interest rate hedge will expire at January 30, 2014. PATRIZIA Immobilien AG will then benefit from the low market interest rate.

In order to judge the productive efficiency of the portfolio and the cash inflow from the properties during the holding period it is important to determine to what degree rental income covers the financing costs. Rental revenues between January and September 2012 (EUR 33.0 million) exceed the final result adjusted for income and expenses from interest rate hedging (EUR 25.3 million) by 30.6%. Further information on the financial result is available in Section 10 of the Notes to the Consolidated Financial Statements.

After deduction of the financial result, **earnings before tax (EBT)** amounted to EUR 16.3 million. As explained with reference to the financial result, differences are mainly due to the counteractive valuation effects arising from interest hedging transactions. We therefore report the adjusted pre-tax result – so-called EBT adjusted – in order to enable a comparison of the group's operating earning power. The reconciliation of EBT in accordance with IFRS to EBT adjusted is effected by making an adjustment to the financial result, which only includes cash-related financial income and expenses. After adjustment for the effects of changes in the market value of interest hedging transactions and amortization on fund management contracts already explained with reference to EBIT adjusted, there was an EBT adjusted of EUR 12.9 million for the period between January and September 2012. This significantly exceeded the result of the previous year (EUR 5.5 million). This positive development is mainly due to sales from residential property resale and to the conclusion and continuous provision of services to our co-investments.

## DERIVATION OF THE ADJUSTED FIGURES

	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2011	9 months 2012	9 months 2011
	07/01 – 09/30/2012 EUR '000	07/01 – 09/30/2011 EUR '000	01/01 – 09/30/2012 EUR '000	01/01 – 09/30/2011 EUR '000
<b>EBIT posted in accordance with IFRS</b>	<b>13,083</b>	<b>14,138</b>	<b>31,240</b>	<b>35,897</b>
Amortization of intangible assets that resulted from the acquisition of PATRIZIA GewerbelInvest KAG	492	492	1,476	1,476
Change in value of investment property	0	0	0	0
<b>EBIT adjusted<sup>1</sup></b>	<b>13,575</b>	<b>14,630</b>	<b>32,716</b>	<b>37,373</b>
Income from participations	0	0	5,438	0
Income from participations valued at equity	14	0	14	0
Financial result	-5,810	-17,768	-20,378	-28,837
Change in the value of derivatives	-2,017	7,598	-4,874	-3,024
Change in the value of fund shares	0	0	0	0
<b>EBT ADJUSTED<sup>1,2</sup></b>	<b>5,762</b>	<b>4,459</b>	<b>12,916</b>	<b>5,511</b>

<sup>1</sup> Adjusted for amortization on other intangible assets (fund management contracts) and change in the value of investment property

<sup>2</sup> Additionally adjusted for non-cash-related results from interest hedging transactions and change in the value of fund shares

The **consolidated result after deduction of taxes** amounted to EUR 11.7 million at the end of the first nine months. The tax expense in the third quarter mainly consisted of tax prepayments and contributions to tax provisions.

**Earnings per share** for the first three quarters of 2012 were EUR 0.22 (9 months 2011: EUR 0.06).

The table below provides a summary of the key items in the consolidated income statement according to IFRS:

#### SUMMARY OF THE KEY ITEMS IN THE CONSOLIDATED INCOME STATEMENT

	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2011	9 months 2012	9 months 2011
	07/01 – 09/30/2012 EUR '000	07/01 – 09/30/2011 EUR '000	01/01 – 09/30/2012 EUR '000	01/01 – 09/30/2011 EUR '000
Revenues	59,233	54,609	162,607	161,222
Total operating performance	47,499	46,822	136,221	179,363
EBITDA	14,188	14,967	34,332	38,237
EBIT	13,083	14,138	31,240	35,897
EBIT adjusted <sup>1</sup>	13,575	14,630	32,716	37,373
EBT	7,287	-3,631	16,314	7,059
EBT adjusted <sup>1,2</sup>	5,762	4,459	12,916	5,511
Consolidated annual profit	6,426	-4,788	11,736	3,013

<sup>1</sup> Adjusted for amortization on other intangible assets (fund management contracts) and change in the value of investment property

<sup>2</sup> Additionally adjusted for non-cash-related results from interest hedging transactions and change in the value of fund shares

**NET ASSET AND FINANCIAL SITUATION OF THE PATRIZIA GROUP****PATRIZIA NET ASSET AND FINANCIAL KEY FIGURES**

	09/30/2012 EUR '000	12/31/2011 EUR '000	Change in %
Total assets	1,016,088	1,102,284	-7.8
Equity (including non-controlling partners)	322,070	310,075	3.9
Equity ratio	31.7%	28.1%	3.6% points
Bank loans	602,608	693,352	-13.1
Cash and cash equivalents	68,861	31,828	> 100
of which intended for repayments <sup>1</sup>	39,285	0	> 100
Net financial debt	533,747	661,524	-19.3
Real estate assets <sup>2</sup>	817,035	939,850	-13.1
Loan to value <sup>3</sup>	67.0%	71.7%	4.6% points
Net gearing <sup>4</sup>	166.5%	214.4%	-47.9% points

<sup>1</sup> These are purchase price accounts – allocated to cash and cash equivalents – that serve for the repayment of loans and which only flow out in the following month.

<sup>2</sup> Real estate assets comprise investment property valued at fair value and real estate held in inventories valued at amortized cost.

<sup>3</sup> Proportion of loans less repayment-related liquidity to real estate assets. Only investment property is calculated at fair value. Inventories are stated at amortized cost. Loans were adjusted for the financing of PATRIZIA GewerbeInvest KAG.

<sup>4</sup> The net gearing corresponds to the ratio between net financial debt and equity adjusted for minority interests.

As of September 30, 2012, **total assets** amounted to EUR 1,016.1 million. This represents a fall of EUR 7.8% compared with the figure at the 2011 balance sheet date and is primarily due to the sales of real estate and the associated repayment of debts. In contrast, the increase in co-investments resulted in a rise in participations.

**Inventories** relate to those properties that are offered for sale as part of ordinary business operations. Since the 2011 balance sheet date, inventories fell by EUR 407.5 million to EUR 368.0 million due to disposals made in the first nine months of 2012.

The total value of **investment property** decreased as a result of sales by EUR 88.4 million while refurbishment measures increased the value by EUR 5.2 million to EUR 449.1 million. Taking inventories and investment property together results in a carrying value of real estate assets at the reporting date, September 30, 2012, of EUR 817.0 million (December 31, 2011: EUR 939.9 million).

PATRIZIA's **financing structure** has continued to improve since the end of 2011. **Bank loans** decreased by a further EUR 29.0 million to EUR 602.6 million (-13.1%) in the third quarter of 2012. Sales enabled loan repayments in a volume of EUR 86.7 million in 2012. In addition, an amount of EUR 4.0 million was repaid in respect of purchase loans of PATRIZIA GewerbeInvest. No new financing was taken out for our own book. A schedule of maturities for our loans is listed in Section 8 of the Notes to the Consolidated Financial Statements of this interim report. **Cash and cash equivalents** increased by more than 100.0% to EUR 68.8 million (December 31, 2011: EUR 31.8 million). This resulted in net financial debt of EUR 533.7 million. The group's equity ratio improved to 31.7% (December 31, 2011 28.1%). It is therefore above our target range of 25 – 30%.

In order to underline the significance of the net asset value (NAV) current liabilities will in future also be included.

#### CALCULATION OF NAV

	09/30/2012 EUR '000	12/31/2011 EUR '000
Investment property <sup>1</sup>	449,066	532,321
Participating interests in joint ventures	0	18
Participating interests in associated companies	14,056	6,809
Participations	18,413	3,134
Inventories <sup>2</sup>	367,969	407,529
Current receivables and other current assets <sup>3,4</sup>	28,099	48,735
Bank balances and cash <sup>3</sup>	81,318	43,690
Current liabilities <sup>3,4</sup>	-16,463	-16,354
Less bank loans <sup>3</sup>	-587,008	-673,752
<b>NAV</b>	<b>355,449</b>	<b>352,130</b>
No. of shares	57,343,000	52,130,000
<b>NAV/SHARE (EUR)</b>	<b>6.20</b>	<b>6.75</b>

<sup>1</sup> Fair market valuation

<sup>2</sup> Valuation at amortized cost

<sup>3</sup> Figures excluding PATRIZIA GewerbeInvest KAG mbH, purchase loans eliminated and cash and cash equivalents increased by outflow of equity

<sup>4</sup> Adjusted for non-property-specific items

At this point it is important to mention that service business is not mapped in the calculation of NAV and that inventory assets are accounted for at purchase cost.

## **6 OPPORTUNITY AND RISK REPORT**

In the course of its business activities, PATRIZIA Immobilien AG is confronted with both opportunities and risks. The necessary measures have been taken and processes put in place in the group to identify negative trends and risks in good time and to counteract them. Since the annual accounts for the fiscal year 2011 there have been no significant changes related to the opportunity and risk profile to indicate any new risks or opportunities for the group. The assessment of probabilities and potential extent of damage has led to no significant changes in the interim risk audit.

From the current perspective, all risks are limited and do not pose a threat to PATRIZIA's continued existence. The statements in the risk report of the Annual Report 2011 still apply. Please refer to the risk report on pages 73 ff. of the Annual Report 2011 of PATRIZIA Immobilien AG for a detailed description of the opportunities and risks for the group. No other risks are currently known to the managing board of PATRIZIA Immobilien AG.

## **7 SUPPLEMENTARY REPORT**

After the reporting period, two new construction projects of PATRIZIA, "Belsenpark1" in Düsseldorf and "Wohnen im PROVINOPARK" in Augsburg, were awarded the silver seal in the category "New residential construction" by the German Sustainable Building Council (DGNB). This pre-certification is given to buildings that have been planned to be particularly sustainable. The criteria that are examined for the award of the DGNB seal includes ecology, economy, socio-cultural, functional and technical quality, but also process and location quality.



## **8 FORECAST REPORT**

It was possible to include further new properties for sale in the area of residential property re-sale in the second quarter of 2012. We expect the initial effects of this to be seen in our results in the fourth quarter. We continue to assume that the number of block sales will be at least at the level of the past quarter in the fourth quarter.

PATRIZIA is continuing to expand its service segment. Even in the current year, we are expecting this segment's share of the consolidated result to increase to around 50%.

The Managing Board of PATRIZIA Immobilien AG expects to increase EBT adjusted by around 20% in the 2012 fiscal year compared with 2011. Based on development in the first nine months, this target continues to appear realistic.

This report contains specific forward-looking statements that relate in particular to the business development of PATRIZIA and the general economic and regulatory environment and other factors to which PATRIZIA is exposed. These forward-looking statements are based on current estimates and assumptions by the Company made in good faith, and are subject to various risks and uncertainties that could render a forward-looking estimate or statement inaccurate or cause actual results to differ from the results currently expected.

# Consolidated Balance Sheet

AS OF SEPTEMBER 30, 2012

## ASSETS

EUR '000	09/30/2012	12/31/2011
<b>A. Non-current assets</b>		
Goodwill	610	610
Other intangible assets	43,896	45,227
Software	5,964	5,280
Investment property	449,066	532,321
Equipment	3,459	2,762
Investments in joint ventures	0	18
Participations in associated companies	14,056	6,809
Participations	18,413	3,134
Long-term tax assets	199	846
<b>Total non-current assets</b>	<b>535,663</b>	<b>597,007</b>
<b>B. Current assets</b>		
Inventories	367,969	407,529
Securities	10	1,634
Short-term tax assets	6,159	4,279
Current receivables and other current assets	37,426	60,007
Bank balances and cash	68,861	31,828
<b>Total current assets</b>	<b>480,425</b>	<b>505,277</b>
<b>TOTAL ASSETS</b>	<b>1,016,088</b>	<b>1,102,284</b>

## EQUITY AND LIABILITIES

EUR '000	09/30/2012	12/31/2011
<b>A. Equity</b>		
Share capital	57,343	52,130
Capital reserves	210,644	215,862
Retained earnings		
Legal reserves	505	505
Non-controlling shareholders	1,477	1,563
Valuation results from cash flow hedges	-1,067	-1,331
Consolidated net profit	53,168	41,346
<b>Total equity</b>	<b>322,070</b>	<b>310,075</b>
<b>B. Liabilities</b>		
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	23,890	26,314
Long-term financial derivatives	28,267	33,470
Retirement benefit obligations	371	371
Long-term bank loans	383,884	417,685
Non-current liabilities	2,571	2,410
<b>Total non-current liabilities</b>	<b>438,983</b>	<b>480,250</b>
<b>CURRENT LIABILITIES</b>		
Short-term bank loans	218,724	275,667
Short-term financial derivatives	249	233
Other provisions	640	1,092
Current liabilities	20,541	22,644
Tax liabilities	14,881	12,323
<b>Total current liabilities</b>	<b>255,035</b>	<b>311,959</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,016,088</b>	<b>1,102,284</b>

# Consolidated Income Statement

FOR THE PERIOD FROM JANUARY 1, 2012 TO SEPTEMBER 30, 2012

EUR '000	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2011	9 months 2012	9 months 2011
	07/01/ – 09/30/2012	07/01/ – 09/30/2011	01/01/ – 09/30/2012	01/01/ – 09/30/2011
Revenues	59,233	54,609	162,607	161,222
Income from the sale of investment property	738	3,073	3,871	3,381
Changes in inventories	-14,844	-13,650	-38,910	4,582
Other operating income	2,372	2,790	8,653	10,178
<b>Total operating performance</b>	<b>47,499</b>	<b>46,822</b>	<b>136,221</b>	<b>179,363</b>
Cost of materials	-11,885	-12,457	-37,816	-92,536
Staff costs	-12,007	-8,879	-33,593	-25,200
Other operating expenses	-9,419	-10,519	-30,480	-23,390
<b>EBITDA</b>	<b>14,188</b>	<b>14,967</b>	<b>34,332</b>	<b>38,237</b>
Amortization of software and depreciation on equipment	-1,105	-829	-3,092	-2,340
<b>Profit/loss before interest and income taxes (EBIT)</b>	<b>13,083</b>	<b>14,138</b>	<b>31,240</b>	<b>35,897</b>
Income from participations	0	0	5,438	0
Earnings from companies accounted for using the equity method	14	0	14	0
Finance income	2,182	-7,248	5,384	4,655
Finance cost	-7,992	-10,521	-25,762	-33,493
<b>Profit/loss before income taxes (EBT)</b>	<b>7,287</b>	<b>-3,631</b>	<b>16,314</b>	<b>7,059</b>
Income tax	-861	-1,157	-4,578	-4,046
<b>Net profit/loss</b>	<b>6,426</b>	<b>-4,788</b>	<b>11,736</b>	<b>3,013</b>
Profit carried forward	46,533	37,531	41,223	27,730
<b>CONSOLIDATED NET PROFIT</b>	<b>52,959</b>	<b>32,743</b>	<b>52,959</b>	<b>30,743</b>
Earnings per share (undiluted), in EUR	0.11	-0.09	0.22	0.06
<b>The net profit/loss for the period is allocated to:</b>				
Shareholders of the parent company	6,458	-4,884	11,822	2,943
Non-controlling shareholders	-32	95	-86	70
	<b>6,426</b>	<b>-4,788</b>	<b>11,736</b>	<b>3,013</b>

# Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM JANUARY 1, 2012 TO SEPTEMBER 30, 2012

EUR '000	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2011	9 months 2012	9 months 2011
	07/01/ – 09/30/2012	07/01/ – 09/30/2011	01/01/ – 09/30/2012	01/01/ – 09/30/2011
<b>Consolidated net profit/loss</b>	<b>6,426</b>	<b>-4,788</b>	<b>11,736</b>	<b>3,013</b>
<b>Other result</b>				
Cash flow hedges				
Amounts recorded during the reporting period	28	-483	264	398
Reclassification of amounts that were recorded	0	0	0	749
<b>Total result for the reporting period</b>	<b>6,454</b>	<b>-5,271</b>	<b>12,000</b>	<b>4,160</b>
The total result is allocated to:				
Shareholders of the parent company	6,486	-5,366	12,086	4,090
Non-controlling shareholders	-32	96	-86	70
	<b>6,454</b>	<b>-5,271</b>	<b>12,000</b>	<b>4,160</b>

# Consolidated Cash Flow Statement

FOR THE PERIOD FROM JANUARY 1, 2012 TO SEPTEMBER 30, 2012

EUR '000	01/01 – 09/30/2012	01/01 – 09/30/2011
Consolidated net profit/loss	11,736	3,013
Actual income taxes recognized through profit or loss	4,578	1,931
Financing costs recognized through profit or loss	25,762	31,561
Income from financial investments recognized through profit or loss	-394	-319
Amortization of intangible assets and depreciation on property, plant and equipment	3,092	2,340
Results from fair value adjustments to investment property	0	0
Loss from/gain on disposal of investment properties	-3,871	-3,381
Change in deferred taxes	-6,901	2,705
Change in retirement benefit obligations	0	0
Ineffectiveness of cash flow hedges	200	-3,239
Changes in inventories, receivables and other assets that are not attributable to investing activities	61,677	25,860
Changes in liabilities that are not attributable to financing activities	78	1,261
Interest paid	-24,221	-29,589
Interest received	119	659
Income tax payments/refunds	-5,677	-1,233
<b>Cash inflow from operating activities</b>	<b>66,178</b>	<b>31,569</b>
Capital investments in intangible assets and property, plant and equipment	-2,997	-3,925
Cash receipts from disposal of intangible assets and property, plant and equipment	0	5
Cash receipts from disposal of investment property	87,797	54,008
Payment for acquisition of a subsidiary company	0	0
Payments for development or acquisition of investment property	-671	-2,078
Payments for the acquisition of shareholdings	-22,526	0
Cash receipts from the disposal of consolidated companies and other business units	0	47
Payments for the acquisition of consolidated companies and other business units	0	-30,281
<b>Cash inflow from investing activities</b>	<b>61,603</b>	<b>17,776</b>
Borrowing of loans	5,940	94,113
Repayment of loans	-96,683	-114,050
Payment for the issuance of shares	-5	0
<b>Cash outflow from financing activities</b>	<b>-90,748</b>	<b>-19,938</b>
<b>Changes in cash</b>	<b>37,033</b>	<b>29,407</b>
Changes in cash resulting from changes in the scope of consolidation	0	-36,316
Cash January 1	31,828	70,537
Cash September 30	68,861	63,629

# Consolidated Statement of Changes in Equity

FOR THE PERIOD FROM JANUARY 1, 2012 TO SEPTEMBER 30, 2012

EUR '000	Share capital	Capital reserve	Valuation result from Cash Flow Hedges	Retained earnings (legal reserve)	Consolidated net profit/loss	Shareholders of the parent company	Non-controlling shareholders	Total
<b>Balance January 1, 2011</b>	<b>52,130</b>	<b>215,862</b>	<b>-2,372</b>	<b>505</b>	<b>27,775</b>	<b>293,900</b>	<b>832</b>	<b>294,732</b>
Net amount recognized directly in equity, where applicable less income taxes			1,147			1,147		1,147
Additional non-controlling shareholders which originated in the course of the PATRIZIA GewerbeInvest KAG mbH acquisition							1,889	1,889
Net profit/loss for the period					3,013	2,943	70	3,013
Full overall result for the fiscal year			1,147		3,013	4,090	70	4,160
<b>BALANCE SEPTEMBER 30, 2011</b>	<b>52,130</b>	<b>215,862</b>	<b>-1,225</b>	<b>505</b>	<b>30,788</b>	<b>297,990</b>	<b>2,791</b>	<b>300,781</b>
<b>Balance January 1, 2012</b>	<b>52,130</b>	<b>215,862</b>	<b>-1,331</b>	<b>505</b>	<b>41,346</b>	<b>308,512</b>	<b>1,563</b>	<b>310,075</b>
Net amount recognized directly in equity, where applicable less income taxes			264			264		264
Expenses for the issuance of shares	5,213	-5,213				-5,213		-5,213
Expenses for the issuance of shares		-5				-5		-5
Net profit/loss for the period					11,822	11,822	-86	11,736
Full overall result for the fiscal year			264			12,086	-86	12,000
<b>BALANCE SEPTEMBER 30, 2012</b>	<b>57,343</b>	<b>210,644</b>	<b>-1,067</b>	<b>505</b>	<b>53,168</b>	<b>320,593</b>	<b>1,477</b>	<b>322,070</b>

# Notes to the Consolidated Interim Financial Statements

TO SEPTEMBER 30, 2012 (FIRST NINE MONTHS OF 2012)

## **1 GENERAL DISCLOSURES**

PATRIZIA Immobilien AG is a listed German stock corporation based in Augsburg. The Company's headquarters are located at Fuggerstrasse 26, 86150 Augsburg. The Company operates on the German and European real estate market. PATRIZIA Immobilien AG, along with its subsidiaries, is a fully integrated real estate investment company. It specializes in buying high-quality residential and commercial real estate at commercially attractive locations in Germany and in Europe and in optimizing them with the aim of increasing their value and subsequently reselling the real estate. The PATRIZIA Group performs all services along the value-added chain in the real estate sector. The Company also launches special real estate funds in accordance with investment law via its subsidiaries PATRIZIA WohnInvest KAG mbH and PATRIZIA GewerbeInvest KAG mbH.

## **2 PRINCIPLES APPLIED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated interim financial statements of PATRIZIA Immobilien AG for the first nine months of 2012 (January 1 through September 30, 2012) were prepared in accordance with Article 37 (3) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with Article 37w (2) WpHG in line with the IFRS and in compliance with the provisions of German commercial law additionally applicable as per Article 315a (1) of the German Commercial Code [HGB]. All compulsory official announcements of the International Accounting Standards Board (IASB) that have been adopted by the EU in the context of the endorsement process (i. e. published in the Official Journal of the EU) have been applied.

From the perspective of the Company's management, the present unaudited consolidated interim financial statements for the period ended September 30, 2012, contain all of the information necessary to provide a true and fair view of the course of business and the earnings situation in the period under review. The earnings generated in the first nine months of 2012 are not necessarily an indication of future earnings or of the expected total earnings for fiscal year 2012.

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



These consolidated interim financial statements have been prepared in accordance with the same accounting policies as the last consolidated financial statements for fiscal year 2011. 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, 2011, which are contained in the Company's 2011 Annual Report.

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

### **3 SCOPE OF CONSOLIDATION**

All of the Company's subsidiaries are included in the consolidated financial statements of PATRIZIA Immobilien AG. The Group includes all companies controlled by PATRIZIA Immobilien AG. In addition to the parent company, the scope of consolidation comprises 57 subsidiaries. They are included in the consolidated financial statements in line with the rules of full consolidation. In addition, one participating interest in a SICAV is accounted for at equity in the consolidated financial statements. The SICAV is a stock corporation with variable equity in accordance with the laws of Luxembourg. In addition, 30% of the limited liability capital is held in one project development company (in the form of a GmbH & Co. KG). A significant influence does not apply here because provisions in the partnership agreement mean that management cannot be exercised, that a significant influence cannot be exerted on the management and that there is no entitlement to appoint members of the governing organs. The shares in the project development company are administered as an associated company and are accounted for at purchase cost.

Associated companies are companies in which PATRIZIA has a holding and significant influence but no supervision or joint management. The shares are accordingly valued at their fair value and changes to the fair value are reported in the net result.

### COMPANY ACQUISITIONS

Under a notarial purchase agreement dated April 15, 2012, PATRIZIA Immobilien AG acquired ApS STAKE Nr. 1702, Copenhagen, Denmark; the company name was changed to PATRIZIA Nordics ApS as of April 20, 2012. The company's share capital was initially DKK 80,000. The company name was changed to PATRIZIA Nordics A/S and its share capital was increased to DKK 500,000 on September 24, 2012. The company will provide services in the field of real estate in Denmark.

Under a notarial purchase agreement dated August 31, 2012, PATRIZIA Immobilien AG acquired AM alpha Projekt GmbH, Frankfurt/Main; the company name was changed to PATRIZIA Projekt 700 GmbH as of August 31, 2012. The company's share capital is EUR 25,000. The company will be held as a shelf company within the Group.

Under a notarial purchase agreement dated July 24, 2012, PATRIZIA Immobilien AG acquired a further 50% in meridomus GmbH, Cologne and now holds 100%; the company name was changed to PATRIZIA Projekt 710 GmbH as of September 18, 2012. The company's share capital is EUR 25,000. The company, which serves as a shelf company, is included in the PATRIZIA consolidated financial statements as part of a full consolidation. It is therefore no longer reported under investments in joint ventures.

#### **4 INVESTMENT PROPERTY**

Qualifying real estate as an investment is based on a corresponding management decision to use the real estate in question to generate rental income and thus liquidity, while realizing higher rent potential over a long period and accordingly, an increase in value. The share of owner-occupier use does not exceed 10% of the rental space. Investment property is measured at fair value, with changes in value recognized through profit or loss.

Investment property is measured at market values. In principle, investment property is measured on the basis of external appraisals carried out by independent experts using current market prices or using customary valuation methods and consideration of the current and long-term rental situation. The residential property resales process was launched for individual investment properties. Valuation of these properties is based on current comparative values.

The market value is equivalent to the fair value. According to IAS 40, this is defined as the value reasonably obtainable on the market based on a hypothetical buyer/purchaser situation. Investment property is reported at this fictitious market value without any deduction of transaction costs.

In contrast to the previous year, when they were valued by independent experts, the properties that are now earmarked for resale were valued by PATRIZIA using detailed project accounting. This project accounting is based on comparative values ascertained in the direct surroundings of the properties. Both offer prices and also selling prices were used for this, but only of comparable properties.

All investment property held by the Group is leased. The resultant rental income and the expenses directly associated with it are recognized in the consolidated income statement.

## **5 PARTICIPATIONS**

The item “Participations” is made up of the following categories:

### **Participating interests in associated companies**

The item includes the 9.09% (previous year: 0%) share in PATRIZIA WohnModul I SICAV-FIS.

### **Participations**

The item includes the 5.2% (previous year: 5.2%) share in Hyrebostädter i Norra Tyskland Verwaltungs GmbH, the 6.25% (previous year: 6.25%) share in PATRoffice Real Estate GmbH & Co. KG, the 5.1% (previous year: 5.1%) participations in PATRIZIA Projekt 430 GmbH, PATRIZIA Projekt 440 GmbH, PATRIZIA Real Estate 30 S.à r.l. and in PATRIZIA Projekt 220 GmbH, which was deconsolidated during the reporting period, and the 30% (previous year: 0%) participation in the Projekt Feuerbachstrasse GmbH & Co. KG. Furthermore, this item includes the 10% share in PATRIZIA Projekt 150 GmbH as well as the 14.1% share in CARL A-Immo GmbH & Co KG (formerly Blitz 12-544 GmbH) and the 7.5% share in CARL HR GmbH & Co KG (formerly Blitz 12-546).

## **6 INVENTORIES**

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

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

Inventories are carried at cost. Acquisition costs comprise the directly attributable purchase and commitment costs; production costs comprise the costs directly attributable to the real estate development process.

## 7 EQUITY

After bonus shares were issued, the share capital of PATRIZIA Immobilien AG at the reporting date totaled TEUR 57,343 (December 31, 2011: TEUR 52,130) and is divided into 57,343,000 no-par value shares. For the development of equity, please see the consolidated statement of changes in equity. As of September 30, 2012, equity improved to EUR 322.1 million (December 31, 2011: EUR 310.1 million).

## 8 BANK LOANS

Bank loans are measured at amortized cost. They have variable interest rates. In this respect, the Group is exposed to an interest rate risk in terms of the cash flows. To limit the risk, the Group has concluded interest hedging transactions for the majority of the loans.

All loans are in euro. Where real estate is sold, financial liabilities are in principle redeemed through repayment of a specific share of the sale proceeds.

In the table below, bank loans with a residual term of less than one year include loans whose terms end within the 12 months following the reporting date and also revolving lines of credit used. Irrespective of the terms presented in the table below, loans which serve to finance inventories are in principle reported as current loans in the balance sheet.

The residual terms of the bank loans are as follows:

### **BANK LOANS**

EUR '000	09/30/2012	06/30/2012	03/31/2012	12/31/2011
Less than 1 year	88,257	113,598	82,869	90,044
1 to 2 years	463,855	508,799	72,808	81,095
More than 2 to 5 years	50,478	9,201	502,612	522,213
More than 5 years	18	18	0	0
<b>TOTAL</b>	<b>602,608</b>	<b>631,616</b>	<b>658,289</b>	<b>693,352</b>

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

Year	Amount of loans due as at							
	09/30/2012		06/30/2012		03/31/2012		12/31/2011	
	EUR '000	in %	EUR '000	in %	EUR '000	in %	EUR '000	in %
2012	42,811	7.1	84,598	13.4	82,869	12.6	90,044	13.0
2013	47,449	7.9	55,051	8.7	60,808	9.2	81,095	11.7
2014	463,418	76.9	484,349	76.7	503,476	76.5	514,613	74.2
2015	48,912	8.1	7,600	1.2	11,136	1.7	7,600	1.1
2028	18	0	18	0	0	0	0	0
<b>TOTAL</b>	<b>602,608</b>	<b>100</b>	<b>631,616</b>	<b>100</b>	<b>658,289</b>	<b>100</b>	<b>693,352</b>	<b>100</b>

## MATURITY OF LOANS BY QUARTER

Year	Quarter	Amount of loans due as at 09/30/2012	
		EUR '000	in %
2012	Q4	42,811	7.1
2013	Q2	27,000	4.5
	Q3	18,446	3.1
	Q4	2,003	0.3
2014	Q1	8,000	1.3
	Q2	453,852	75.3
	Q4	1,566	0.3
2015	Q1	7,600	1.3
	Q4	41,312	6.9
2028	Q2	18	0.0
<b>TOTAL</b>		<b>602,608</b>	<b>100</b>

## 9 REVENUES

Revenues comprise purchase price receipts from the sale of real estate held in inventories, on-going rental revenues, revenues from services and other revenues. Please refer to the statements on segment reporting.

## 10 FINANCIAL RESULT

EUR '000	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2011	9 months 2012	9 months 2011	2011
	07/01 – 09/30/2012	07/01 – 09/30/2011	01/01 – 09/30/2012	01/01 – 09/30/2011	01/01 – 09/30/2011
Interest on bank deposits	40	24	125	232	1,722
Income from securities	0	12	0	83	96
Change in the value of derivatives	2,017	-7,598	4,874	3,913	6,028
Other interest	125	314	385	427	1,142
<b>Finance income</b>	<b>2,182</b>	<b>-7,248</b>	<b>5,384</b>	<b>4,655</b>	<b>8,988</b>
Interest on revolving lines of credit and loans	-2,956	-5,369	-10,414	-16,617	-23,564
Interest-rate hedging expense	-4,476	-4,003	-13,807	-12,973	-16,851
Change in the value of derivatives	0	0	0	-889	-889
Other finance costs	-560	-1,149	-1,541	-3,014	-2,414
<b>Financial expenses</b>	<b>-7,992</b>	<b>-10,521</b>	<b>-25,762</b>	<b>-33,493</b>	<b>-43,718</b>
<b>FINANCIAL RESULT</b>	<b>-5,810</b>	<b>-17,768</b>	<b>-20,378</b>	<b>-28,837</b>	<b>-34,730</b>
Financial result adjusted for valuation effects	-7,827	-10,170	-25,252	-31,861	-39,869

## 11 EARNINGS PER SHARE

	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2011	9 months 2012	9 months 2011	2011
	07/01 – 09/30/2012	07/01 – 09/30/2011	01/01 – 09/30/2012	01/01 – 09/30/2011	01/01 – 12/31/2011
Net profit/loss for the period (in EUR '000)	6,426	-4,788	11,736	3,013	13,493
Number of shares issued	57,343,000	52,130,000	57,343,000	52,130,000	52,130,000
Weighted number of shares	56,126,633	52,130,000	53,452,415	52,130,000	52,130,000
<b>EARNINGS PER SHARE (IN EURO)</b>	<b>0.11</b>	<b>-0.09</b>	<b>0.22</b>	<b>0.06</b>	<b>0.26</b>

The Annual General Meeting held on June 20, 2012, agreed to the capital increase from company funds in the amount of TEUR 5,213. The entry in the commercial register was effected on July 12, 2012. As of September 30, 2012, authorized capital amounted to TEUR 26,065.

## 12 SEGMENT REPORTING

The corporate divisions are segmented as follows:

The Residential segment bundles all activities relating to own investment, co-investment, services and funds in the field of residential estate. The commission revenues from the co-investment are included in the portfolio management services revenues. The real estate portfolio for residential property resale and asset repositioning is held as own investments. Clients include private and institutional investors that invest either in individual residential units or in real estate portfolios. As of the balance sheet date, the segment had a portfolio of 6,517 residential units (September 30, 2011: 8,526) that are listed as investment property and inventories. PATRIZIA WohnInvest KAG mbH is also part of this segment. The segment currently manages around EUR 3.4 billion in assets under management.

The Commercial segment combines the same portfolio of services for commercial real estate. This also covers the special fund provider for real estate PATRIZIA GewerbeInvest KAG and the co-investment PATRoffice Real Estate GmbH & Co. KG. The only proprietary investment of PATRIZIA is currently a commercial property with 25 units or 12,182 sqm. The segment manages assets of around EUR 3.4 billion.



PATRIZIA Projektentwicklung GmbH, PATRIZIA Immobilienmanagement GmbH, PATRIZIA Alternative Investments GmbH and PATRIZIA Sales GmbH, which serve both the residential and commercial real estate sectors, form the segment Special Real Estate Solutions. This includes among others services for group companies, the co-investments WohnModul I and Süddeutsche Wohnen GmbH (formerly LBBW Immobilien GmbH) and also third parties. The commission revenues from the co-investment are included in the portfolio management services revenues.

The internal corporate, cross-company services provided by the holding company remain in the Corporate segment. All consolidating entries are also processed via the Corporate segment. All internal output is thus consolidated in the column Group, which represents the external output of the Group.

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

EBT comprises the total of revenues, income from the sale of investment property, changes in inventories, cost of materials and staff costs, amortization and depreciation, other operating income and expenses as well as earnings from investments (including investment property valued at equity) and the financial result. EBIT denotes EBT minus the financial result. To determine the adjusted EBIT, allowances are made for the non-liquidity-related effect of amortizations of other intangible assets (fund management contracts) created in the course of the acquisition of PATRIZIA GewerbeInvest KAG mbH. EBT adjusted includes further corrections to account for the results of the market valuation of the interest-rate hedging instruments.

The PATRIZIA Group's intercompany sales indicate the amount of revenues between the segments. Intercompany services are invoiced at market prices.

PATRIZIA's principal activities extend across Germany. For this reason, no geographical segment is set out. PATRIZIA is currently in the process of expanding its business activities to selected European regions.

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

## THIRD QUARTER 2012 (JULY 1 – SEPTEMBER 30, 2012)

EUR '000	Residential	Commercial	Special Real Estate Solutions	Corporate/ Consolidation	Total
<b>Portfolio-Management</b>					
Third-party revenues	2,949	380	5,154	126	8,608
Rental revenues	0	0	0	0	0
Revenues from services	2,949	380	5,154	125	8,608
Intercompany revenues	6,596	143	1,364	-8,102	0
<b>Own Investments</b>					
<b>Residential Property Resale</b>					
Third-party revenues	29,020	-	1	-	29,021
Rental revenues	2,071	-	0	-	2,071
Purchase price revenues from single unit sales	25,275	-	0	-	25,275
Purchase price revenues from bloc sales	1,000	-	0	-	1,000
Other revenues	674	-	1	-	674
Intercompany revenues	22	-	0	-22	0
<b>Asset Repositioning</b>					
Third-party revenues	13,431	476	-	-	13,907
Rental revenues	8,153	336	-	-	8,489
Purchase price revenues from bloc sales	1,800	0	-	-	1,800
Other revenues	3,478	141	-	-	3,618
Intercompany revenues	39	28	-	-67	0
<b>Funds</b>					
Third-party revenues	3,207	4,490	-	-	7,697
Revenues from services	3,207	4,490	-	-	7,697
Intercompany revenues	101	96	-	-197	0
<b>Total Group Revenues</b>					
Third-party revenues	48,708	5,442	5,155	-71	59,234
Rental revenues	10,225	336	0	0	10,561
Revenues from services	6,156	4,870	5,154	125	16,305
Purchase price revenues from single unit sales	25,275	0	0	0	25,275
Purchase price revenues from bloc sales	2,800	0	0	0	2,800
Other revenues	4,252	236	1	-197	4,293
Intercompany revenues	6,757	266	1,364	-8,387	0
<b>Finance income</b>	3,565	378	1,481	-3,242	2,182
<b>Finance cost</b>	-14,823	-1,718	-2,521	11,071	-7,992
<b>Significant non-cash earnings</b>					
Market valuation income derivatives	2,017	0	0	0	2,017
Market valuation expenditures derivatives	0	0	0	0	0
Results from fair value adjustments to investment property	0	0	0	0	0
Amortization of other intangible assets	0	-492	0	0	-492
Valuation of fund shares	0	0	0	0	0
<b>Segment result EBIT</b>	17,163	900	8,365	-13,345	13,083
<b>Segment result EBT</b>	3,832	201	-1,557	4,812	7,287
<b>Segment result EBIT adjusted</b>	17,163	1,392	8,365	-13,345	13,575
<b>Segment result EBT adjusted</b>	1,815	693	-1,557	4,811	5,762
<b>Thereof result from participating interests (incl. investments valued at equity)</b>					
	0	0	0	0	0
<b>Segment assets</b>	816,678	109,122	64,990	25,298	1,016,088
of which shareholding carrying amounts of financial investments valued at equity	0	0	0	14,056	14,056
<b>Segment liabilities</b>	-766,116	-72,082	-36,914	181,094	-694,018

## THIRD QUARTER 2011 (JULY 1 – SEPTEMBER 30, 2011)

EUR '000	Residential	Commercial	Special Real Estate Solutions	Corporate/ Consolidation	Total
<b>Portfolio-Management</b>					
Third-party revenues	145	521	917	0	1,583
Rental revenues	0	-154	-110	0	-264
Revenues from services	145	668	1,015	0	1,829
Intercompany revenues	3,938	7	1,959	-5,938	-34
<b>Own Investments</b>					
<b>Residential Property Resale</b>					
Third-party revenues	30,677	-	102	-	30,779
Rental revenues	4,911	-	97	-	5,008
Purchase price revenues from single unit sales	24,363	-	0	-	24,363
Purchase price revenues from bloc sales	0	-	0	-	0
Other revenues	1,402	-	4	-	1,406
Intercompany revenues	-4	-	0	-	-4
<b>Asset Repositioning</b>					
Third-party revenues	11,648	543	-	-	12,191
Rental revenues	8,786	348	-	-	9,134
Purchase price revenues from bloc sales	0	0	-	-	0
Other revenues	2,862	195	-	-	3,057
Intercompany revenues	5	33	-	-	38
<b>Funds</b>					
Third-party revenues	2,223	7,833	-	-	10,055
Revenues from services	2,223	7,833	-	-	10,055
Intercompany revenues	0	0	-	-	0
<b>Total Group Revenues</b>					
Third-party revenues	44,693	8,896	1,019	0	54,609
Rental revenues	13,697	194	-13	0	13,878
Revenues from services	2,368	8,501	1,015	0	11,884
Purchase price revenues from single unit sales	24,363	0	0	0	24,363
Purchase price revenues from bloc sales	0	0	0	0	0
Other revenues	4,264	201	17	0	4,483
Intercompany revenues	3,939	40	1,959	-5,938	0
<b>Finance income</b>	-7,318	150	210	-290	-7,248
<b>Finance cost</b>	-10,618	-38	-697	831	-10,521
Significant non-cash earnings					
Market valuation income derivatives	-7,598	0	0	0	-7,598
Market valuation expenditures derivatives	0	0	0	0	0
Results from fair value adjustments to investment property	0	0	0	0	0
Amortization of other intangible assets	0	-492	0	0	-492
Valuation of fund shares	0	0	0	0	0
<b>Segment result EBIT</b>	17,574	1,470	-409	-4,498	14,138
<b>Segment result EBT</b>	-360	859	-896	-3,234	-3,631
<b>Segment result EBIT adjusted</b>	17,574	1,962	-409	-4,498	14,630
<b>Segment result EBT adjusted</b>	7,238	1,351	-896	-3,234	4,459
<b>Thereof result from participating interests (incl. investments valued at equity)</b>	0	0	0	0	0
<b>Segment assets</b>	991,098	115,007	56,225	19,249	1,181,579
of which shareholding carrying amounts of financial investments valued at equity	0	0	0	1,636	1,636
<b>Segment liabilities</b>	-945,520	-76,922	-34,210	175,854	-880,798

## FIRST NINE MONTHS OF 2012 (JANUARY 1 – SEPTEMBER 30, 2012)

EUR '000	Residential	Commercial	Special Real Estate Solutions	Corporate/ Consolida- tion	Total
<b>Portfolio-Management</b>					
Third-party revenues	6,447	947	18,999	300	26,692
Rental revenues	0	0	0	1	2
Revenues from services	6,447	947	18,999	298	26,691
Intercompany revenues	11,954	482	3,643	-16,079	0
<b>Own Investments</b>					
<b>Residential Property Resale</b>					
Third-party revenues	77,577	-	325	-	77,902
Rental revenues	6,821	-	0	-	6,821
Purchase price revenues from single unit sales	67,031	-	0	-	67,031
Purchase price revenues from bloc sales	1,000	-	0	-	1,000
Other revenues	2,725	-	325	-	3,050
Intercompany revenues	70	-	6	-76	0
<b>Asset Repositioning</b>					
Third-party revenues	37,522	1,555	-	-	39,078
Rental revenues	25,115	1,035	-	-	26,149
Purchase price revenues from bloc sales	3,090	0	-	-	3,090
Other revenues	9,317	521	-	-	9,838
Intercompany revenues	91	51	-	-142	0
<b>Funds</b>					
Third-party revenues	6,089	12,846	-	-	18,935
Revenues from services	6,089	12,846	-	-	18,935
Intercompany revenues	101	96	-	-197	0
<b>Total Group Revenues</b>					
Third-party revenues	127,737	15,444	19,324	103	162,608
Rental revenues	31,936	1,035	1	1	32,972
Revenues from services	12,536	13,793	18,999	298	45,626
Purchase price revenues from single unit sales	67,031	0	0	0	67,031
Purchase price revenues from bloc sales	4,090	0	0	0	4,090
Other revenues	12,144	616	325	-197	12,888
Intercompany revenues	12,217	628	3,649	-16,494	0
<b>Finance income</b>	6,462	516	1,490	-3,084	5,384
<b>Finance cost</b>	-31,300	-2,497	-2,927	10,963	-25,762
<b>Significant non-cash earnings</b>					
Market valuation income derivatives	4,874	0	0	0	4,874
Market valuation expenditures derivatives	0	0	0	0	0
Results from fair value adjustments to investment property	0	0	0	0	0
Amortization of other intangible assets	0	-1,476	0	0	-1,476
Valuation of fund shares	0	0	0	0	0
<b>Segment result EBIT</b>	38,732	1,187	1,510	-10,189	31,240
<b>Segment result EBT</b>	13,893	-794	5,510	-2,295	16,314
<b>Segment result EBIT adjusted</b>	38,732	2,663	1,510	-10,189	32,716
<b>Segment result EBT adjusted</b>	9,019	682	5,510	-2,296	12,916
<b>Thereof result from participating interests (incl. investments valued at equity)</b>					
	0	0	5,438	0	5,438
<b>Segment assets</b>	816,678	109,122	64,990	25,298	1,016,088
of which shareholding carrying amounts of financial investments valued at equity	0	0	0	14,056	14,056
<b>Segment liabilities</b>	-766,116	-72,082	-36,914	181,094	-694,018

## FIRST NINE MONTHS OF 2011 (JANUARY 1 – SEPTEMBER 30, 2011)

EUR '000	Residential	Commercial	Special Real Estate Solutions	Corporate/ Consolida- tion	Total
<b>Portfolio-Management</b>					
Third-party revenues	631	1,344	2,570	2	4,546
Rental revenues	0	0	0	2	2
Revenues from services	582	1,337	2,558	0	4,477
Intercompany revenues	9,606	1,857	4,937	-16,607	-207
<b>Own Investments</b>					
<b>Residential Property Resale</b>					
Third-party revenues	101,321	-	322	-	101,644
Rental revenues	14,821	-	310	-	15,131
Purchase price revenues from single unit sales	70,076	-	0	-	70,076
Purchase price revenues from bloc sales	11,733	-	0	-	11,733
Other revenues	4,691	-	12	-	4,703
Intercompany revenues	119	-	0	-	119
<b>Asset Repositioning</b>					
Third-party revenues	35,178	1,621	-	-	36,798
Rental revenues	26,535	1,044	-	-	27,579
Purchase price revenues from bloc sales	0	0	-	-	0
Other revenues	8,643	577	-	-	9,220
Intercompany revenues	36	52	-	-	88
<b>Funds</b>					
Third-party revenues	4,050	14,184	-	-	18,234
Revenues from services	4,050	14,184	-	-	18,234
Intercompany revenues	0	0	-	-	0
<b>Total Group Revenues</b>					
Third-party revenues	141,179	17,148	2,893	2	161,222
Rental revenues	41,355	1,044	310	2	42,712
Revenues from services	4,632	15,521	2,588	0	22,711
Purchase price revenues from single unit sales	70,076	0	0	0	70,076
Purchase price revenues from bloc sales	11,733	0	0	0	11,733
Other revenues	13,383	583	24	0	13,990
Intercompany revenues	9,761	1,909	4,937	-16,607	0
<b>Finance income</b>	4,589	567	662	-1,163	4,655
<b>Finance cost</b>	-37,288	-1,845	-1,982	7,622	-33,493
Significant non-cash earnings					
Market valuation income derivatives	3,770	143	0	0	3,913
Market valuation expenditures derivatives	-889	0	0	0	-889
Results from fair value adjustments to investment property	0	0	0	0	0
Amortization of other intangible assets	0	-1,476	0	0	-1,476
Valuation of fund shares	0	0	0	0	0
<b>Segment result EBIT</b>	44,758	2,686	-997	-10,551	35,897
<b>Segment result EBT</b>	12,060	1,408	-2,317	-4,091	7,059
<b>Segment result EBIT adjusted</b>	44,758	4,162	-997	-10,551	37,373
<b>Segment result EBT adjusted</b>	9,179	2,741	-2,317	-4,091	5,511
<b>Thereof result from participating interests (incl. investments valued at equity)</b>	0	0	0	0	0
<b>Segment assets</b>	991,098	115,007	56,225	19,249	1,181,579
of which shareholding carrying amounts of financial investments valued at equity	0	0	0	1,636	1,636
<b>Segment liabilities</b>	-945,520	-76,922	-34,210	175,854	-880,798

### **13 TRANSACTIONS WITH RELATED COMPANIES AND INDIVIDUALS**

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

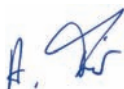
The disclosures on related party transactions contained in section 9.3 of the notes to the consolidated financial statements in the 2011 Annual Report remain valid.

### **14 DECLARATION BY THE LEGAL REPRESENTATIVES OF PATRIZIA IMMOBILIEN AG PURSUANT TO ARTICLE 37Y OF THE WERT-PAPIERHANDELSGESETZ [WPHG – GERMAN SECURITIES ACT] IN CONJUNCTION WITH ARTICLE 37W (2) NO. 3 OF THE WPHG**

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



**Wolfgang Egger**  
Chairman of the Board



**Arwed Fischer**  
Member of the Board



**Klaus Schmitt**  
Member of the Board

# Financial Calendar and Contacts

## FINANCIAL CALENDAR 2012

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November 8, 2012

Interim report for the first three quarters of 2012

December 12, 2012

Close Brothers Conference, Geneva

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This interim report was published on November 8, 2012 and is also available in German.  
The German text will be the definitive version in cases of doubt.

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