Report for the First Three Quarters of 2013

PATRIZIA
WERTE ENTSCHEIDEN

Europe: We call it home

Q3

REPORT FOR THE FIRST THREE QUARTERS OF 2013

Key Figures

REVENUES AND EARNINGS

EUR '000	3rd quarter 2013	3rd quarter 2012	9 months 2013	9 months 2012
	01.07. – 30.09.2013	01.07. – 30.09.2012	01.01. – 30.09.2013	01.01. – 30.09.2012
Revenues	65,642	59,233	155,403	162,607
Total operating performance	47,890	47,499	137,681	136,221
EBITDA	6,223	14,188	16,753	34,332
EBIT	4,674	13,083	12,509	31,240
EBT	2,198	7,287	19,985	16,314
Operating result[1]	521	12,537	18,660	26,057
Net profit	1,939	6,426	19,685	11,736

STRUCTURE OF ASSETS AND CAPITAL

EUR '000	30.09.2013	31.12.2012
Non-current assets	447,761	463,423
Current assets	450,723	488,130
Equity	356,408	336,387
Equity ratio (in %)	39.7	35.4
Non-current liabilities	105,408	345,414
Current liabilities	436,668	269,752
Total assets	898,484	951,553

SHARE

ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	P1Z
Share capital at 30 September 2013	EUR 63,077,300
No. of shares in issue at 30 September 2013	63,077,300
Third quarter 2013/9 months 2013 high[2]	EUR 8.25/EUR 9.75
Third quarter 2013/9 months 2013 low[2]	EUR 6.56/EUR 6.05
Closing price 2012[2]	EUR 6.46
Closing price at 30 September 2013[2]	EUR 7.40
Share price performance	14.6%
Market capitalisation at 30 September 2013	EUR 466.8 million
Average trading volume per day (9 months of 2013)[3]	151,700 shares
Indices	SDAX, GEX, DIMAX

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

Contents

Dear shareholders,
Dear ladies and gentlemen,

In our previous report on the first half of 2013, we announced that achieving the operating result target set for 2013 would not be straightforward. In some instances, this statement led to great uncertainty and was even interpreted as a veiled profit warning. This was by no means the case. We still stand by the operating result target that we set in May – even though our figures after the first three quarters would not appear to favour this and achieving the targets for 2013 remains considerably more challenging than we anticipated at the start of the year.

We can already see that 2013 is/will be an extraordinary year for PATRIZIA in all regards. Following our tremendous growth in 2012, we have again increased significantly in size this year. PATRIZIA is one of the fastest growing investment and asset managers. This is primarily reflected in the rise in assets under management, in our drive towards European expansion and hence in the number of our employees, too.

Now in the final quarter of the year, we are on the way towards reaching our target, well aware that we still have plenty to do. In May, we gave you our assessment of PATRIZIA's earnings situation for 2013 and forecast an operating result of between EUR 47 and 49 million. It is undeniable that since then, we have experienced many deviations from our plans, both positive and negative.

Higher costs incurred in achieving AIFM compliance across Europe for the PATRIZIA Group had a negative impact. We also experienced up-front costs for various transaction projects, including for projects that were ultimately not implemented. The income side reveals budget variances relating to the purchase of residential real estate, because the acquisition fees for individual properties in Germany for the residential funds remain below expectations due to the tight market conditions. Overall, the higher expenses on the one hand and the lack of revenue on the other hand could reduce the result by around EUR 7 to 10 million by the end of the year. Moreover, the delays in our new-build project in Frankfurt could not have been foreseen: the insolvency of a major trade company means that completion of the six VERO town villas, which was planned for the fourth quarter, will now be delayed into the first half of 2014. As with the missing acquisition fees, we will have to compensate elsewhere for the associated expected contribution to results of EUR 5 to 6 million.

During the current year we have, however, experienced many successes that were not part of our plans – for example our two most recent portfolio acquisitions. The acquisition fees secured through the acquisition of the Deikon portfolio (retail properties) and of the Hessen portfolio (office properties) mean we have already largely achieved the necessary level of compensation. Moreover, our acquisition of the Hessen portfolio represents Germany's largest commercial real estate transaction of the year so far. We are currently engaged in promising negotiations to complete a further project of a similar volume by the end of the year. If we succeed in securing this transaction – and the signs are currently very promising – we will achieve our forecast.

Despite the successes, we have to report a weak third quarter in terms of results. Although residential property resale and block sales were very satisfactory, there were no residential purchases during the quarter and hence no associated acquisition fees were received. The acquisition fees from the two aforementioned deals will only be received in the fourth quarter when the deals are closed. In addition, the asset management fees for the second half of 2013 relating to the two co-investments Südewo and GBW were already posted in the second quarter because the contracts stipulate that our performance must be remunerated half-yearly in advance. Against the backdrop of the confirmed forecast, the third quarter has again shown that a quarterly approach is not necessarily appropriate within the real estate sector.

Our other financial targets, which include reducing our debts to EUR 350 million (with around EUR 270 million in bank loans and just under EUR 80 million in two bonded loans), are linked to the achievement of our operating result target. The current equity ratio of 39.7% will also have achieved our target of 45.0% by the end of the year. In our operating business, notarial deeds indicate that we will sell more than our 2013 target of 1,800 residential units.

We still do not see any reason to adjust our results forecast for 2013. We still expect to end the fiscal year with an operating result of at least EUR 47 million.

The PATRIZIA Managing Board

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

Consolidated Interim Management Report

FOR THE FIRST THREE QUARTERS OF 2013

1 GENERAL ECONOMIC CONDITIONS

The core indicators for Germany's economy show stable development, and despite a weak patch in the first quarter of 2013, they reveal a positive trend compared with the previous year. Implementation of the current structural reforms in the European Union will continue to impact favourably on economic fundamentals. The momentum within the British economy has strengthened continuously since the start of the year. The Scandinavian countries are also showing signs of a positive economic outlook, although Finland's contribution to growth is expected to be less.

RESIDENTIAL REAL ESTATE MARKET IN GERMANY AND EUROPE

Although the continuing price rise in real estate in Germany was maintained in the second quarter of 2013, reduced momentum is expected over the long term. The level of transactions for the last six months was significantly up on the previous year and the growing demand from national and international investors will continue the upward trend over the remaining course of the year. Increased interest in residential real estate is apparent within Europe – especially in Great Britain and France. However, Germany remains the dominant institutional residential investment market.

COMMERCIAL REAL ESTATE MARKET IN GERMANY AND EUROPE

In the first half of the year, the German commercial real estate market revealed a transaction volume of over EUR 10 billion. In both the core and value-add segments, high sales levels were particularly noticeable in the Frankfurt am Main area and also in Munich and Cologne/Düsseldorf. Prime yields for office properties remained largely stable in Germany's top 7 cities. A rise in commercial property transactions was apparent at European level, indicating continuing buoyant levels of interest among institutional and private investors.

2 PATRIZIA ON THE CAPITAL MARKET

On 30 September 2013, the PATRIZIA share price was EUR 7.40. The share climbed 14.6% over the start of the year. The highs and lows (closing prices) for the first nine months varied between EUR 6.05 and EUR 9.75. With an average of 151,700 shares per day, the trading volume continued at the high levels of recent months (first half of 2013: 146,000 shares/day, 2012: 89,200 shares/day).

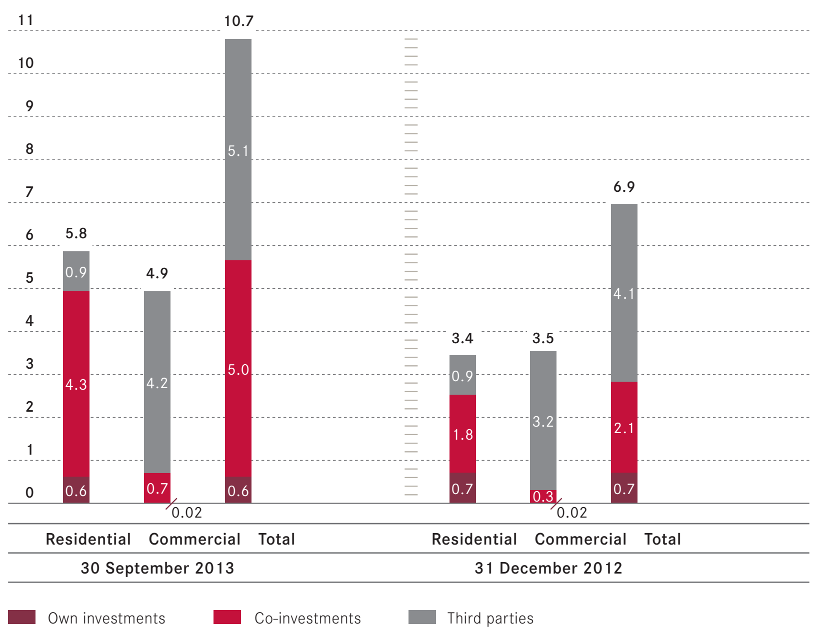
The Annual General Meeting on 12 June 2013 agreed on a capital increase from retained earnings in order to issue bonus shares in a ratio of 10:1. The capital increase was entered into the Commercial Register on 8 July. The new shares were added after the close of markets on 24 July. As a result, the number of shares issued rose by 10% to 63,077,300 in the third quarter. Share capital now totals EUR 63,077,300, representing an increase of EUR 5,734,300.

3 OUR EMPLOYEES

As at 30 September 2013, there was a further increase in the number of permanent employees at PATRIZIA to 689 (30 June 2013: 636 employees, +8.3%; 30 September 2012: 567 employees, +21.5%). Of these, 29 employees worked at PATRIZIA's international branches, a further 64 were employed as part-time staff and 39 as vocational trainees and students of Duale Hochschule Stuttgart majoring in real estate. In terms of full-time equivalents, PATRIZIA had 628 employees at the end of the third quarter (30 June 2013: 585 employees, +7.4%; 30 September 2012: 534 employees, +17.6%). The number of employees will rise further by the end of the year due to the expansion of investment and asset manager activities combined with a rise in assets under management; from 2014, it will then remain largely stable.

4 THE COURSE OF BUSINESS IN THE FIRST THREE QUARTERS OF 2013

ASSETS UNDER MANAGEMENT (IN EURO BILLION)



SUMMARY OF COMPLETED SALES, AVERAGE PRICES AND RENTS

	3rd quarter 2013	3rd quarter 2012	9 months 2013	9 months 2012	2012
	01.07. – 30.09.2013	01.07. – 30.09.2012	01.01. – 30.09.2013	01.01. – 30.09.2012	01.01. – 31.12.2012
Own stock[1]	778	551	1,220	979	1,709
Residential property resale	169	219	553	615	924
Average sales price in EUR/sqm	2,652	2,466	2,633	2,384	2,513
Block sales	609	332	667	364	785
Average sales price in EUR/sqm	1,309	1,711	1,397	1,724	1,667
Average rental income in EUR/sqm	7.71	7.55	7.66	7.58	7.60
Co-investments[2]	264	165	746	318	559
Residential property resale[3]	145	148	456	292	482
Block sales	119	17	290	26	77
Services[2]	51	35	234	92	428
Residential property resale	3	3	5	13	20
Block sales	48	32	229	79	408
TOTAL	1,093	751	2,200	1,389	2,696

1 Transfer of ownership, usage and encumbrances (purchase price payments become due at the time of the commercial changeover and are thus recognised in profit or loss)
2 Notarial deeds (sales commission becomes payable at the time of the notarial deed and is therefore recognised in profit or loss)
3 Including new-build sales from project developments

OWN INVESTMENTS GERMANY

Residential property resales and block sales

The regional breakdown for residential property resales and block sales in the third quarter of 2013 is as follows:

RESIDENTIAL PROPERTY RESALES AND BLOCK SALES IN THE THIRD QUARTER OF 2013

Region/city	Number of units sold				Area sold in sqm			
	Residential property resale	Block sales	Total	Share in %	Residential property resale	Block sales	Total	Share in %
Munich	124	0	124	15.9	9,359	0	9,359	21.0
Berlin	9	397	406	52.2	756	16,698	17,454	39.2
Dresden	0	152	152	19.5	0	10,284	10,284	23.1
Leipzig	0	60	60	7.7	0	5,104	5,104	11.5
Cologne/Düsseldorf	31	0	31	4.0	2,139	0	2,139	4.8
Hamburg	5	0	5	0.6	209	0	209	0.5
TOTAL	169[1]	609[2]	778	100	12,463	32,086	44,549	100

1 Of these, 101 apartments were reported under investment property.
2 Of these, 152 apartments were reported under investment property.

The area of **residential property resale** sold a total of 169 units from own stocks in the third quarter of 2013, 22.8% fewer than in the same period of the previous year (219 units). 69% of the properties were purchased by private investors. Owner-occupiers and tenants accounted for significantly lower shares with 20% and 11% respectively.

Three transactions with a total of 609 units were reported in income in the area of **block sales**. The two block sales in Berlin and Dresden of around 550 units and with a volume of EUR 37.8 million that were originally expected in the second quarter ultimately took place in the third quarter of 2013.

The following is a summary of our portfolio after taking into account the **sales** completed in the third quarter of 2013 of 778 units, redensification measures and consolidations.

PATRIZIA PORTFOLIO – BREAKDOWN BY REGION AS AT 30 SEPTEMBER 2013

Region/city	Number of units				Area in sqm			
	Residential property resale	Asset repositioning	Total	Share in %	Residential property resale	Asset repositioning	Total	Share in %
Cologne/Düsseldorf	442	739	1,181	25.9	38,647	67,978	106,625	31.8
Munich	770	135	905	19.8	60,613	12,342	72,955	21.8
Leipzig	0	828	828	18.1	0	47,874	47,874	14.3
Frankfurt/Main	5	721	726	15.9	303	45,664	45,967	13.7
Hamburg	48	562	610	13.4	3,473	35,661	39,134	11.7
Hanover	0	235	235	5.2	0	16,215	16,215	4.8
Berlin	38	40	78	1.7	3,299	2,720	6,019	1.8
TOTAL	1,303	3,260	4,563	100	106,335	228,454	334,789	100

CO-INVESTMENTS GERMANY

In the third quarter of 2013 there were no major changes in the **Südewo** co-investment. The investment is developing in line with the business plan.

The second tranche of the acquisition fee from the **GBW transaction** was posted to revenues in the third quarter of 2013.

In July 2013 PATRIZIA announced the acquisition of the **Deikon portfolio** for institutional investors. The real estate purchase price for the 86 retail properties with tenants such as Netto, REWE, EDEKA, PENNY and Lidl is around EUR 178 million. Closing of the deal is still scheduled for the middle of November 2013. PATRIZIA will have a 5.1% (EUR 5.3 million) share in the equity of the final co-investment structure.

CO-INVESTMENTS INTERNATIONAL

July 2013 also saw the closing of the deal for the **IQ Winnersh** business park near London for around EUR 285 million (GBP 245 million). PATRIZIA UK acquired the 118,200 sqm commercial estate comprising offices, warehouses, data centres as well as industrial and retail sites together with the joint venture partner Oaktree Capital Management, L.P. The purchase also includes four hectares of adjoining building land, so that added value can be generated in the long term and the range of tenants extended through the development of a new site. After definitive financing, PATRIZIA's share is 5.0% (GBP 3.215 million equates to EUR 3.845 million).

THIRD PARTIES GERMANY

No properties were transferred to the funds of **PATRIZIA WohnInvest KAG mbH** in the third quarter of 2013 and no new properties were secured by purchase agreement.

In the third quarter of 2013, **PATRIZIA GewerbeInvest KAG mbH** saw commercial real estate with a market value of EUR 152.4 million transferred to its funds, including a property in Copenhagen. Agreements made by savings banks to provide capital have increased further. There is also an equity commitment for EUR 300 million for the establishment of an additional special real estate fund, which will invest in core properties throughout Europe.

PATRIZIA SPECIAL REAL-ESTATE FUNDS AS AT 30 SEPTEMBER 2013

in EUR million	Planned target volume	Committed equity	Assets under management	Number of funds
PATRIZIA WohnInvest KAG mbH	**2,226**	**1,011**	850[1]	**7**
PATRIZIA GewerbeInvest KAG mbH	**6,392**	**2,879**	**3,394**	**13**
Modular funds	3,500	1,384	1,447	7
Individual funds	892	421	461	4
Label funds	2,000	1,074	1,486	2
TOTAL PATRIZIA	**8,618**	**3,890**	**4,244**	**20**

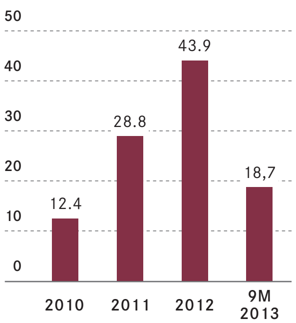
[1] Excludes real estate developments secured under purchase contracts

As part of a commercial mandate from an occupational pension fund, PATRIZIA acquired the first properties for EUR 5.9 million. The fund focusses on German "value-add" real estate. PATRIZIA is responsible for purchasing and asset management, but not for funds management, because the investor uses an external investment platform for the special fund.

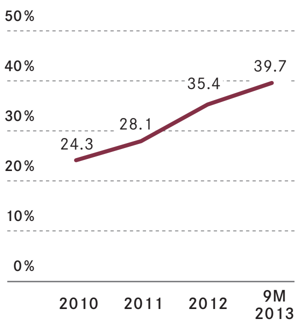
5 NET ASSET, FINANCIAL AND EARNINGS SITUATION

FINANCIAL PERFORMANCE INDICATORS

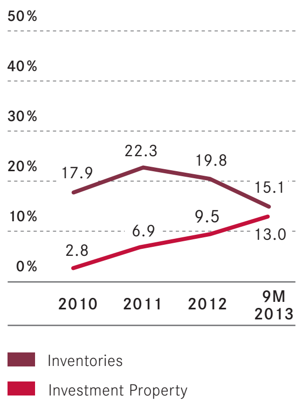
OPERATING RESULT[1]



EQUITY RATIO[2]



GROSS MARGINS



[1] Operating result in EUR million
[2] Equity ratio for 2010-2012 as at 31 December of each year; for 2013 as at 30 September

EARNINGS SITUATION OF THE PATRIZIA GROUP

CONSOLIDATED REVENUES

	3rd quarter 2013	3rd quarter 2012	9 months 2013	9 months 2012
	01.07. – 30.09.2013 EUR '000	01.07. – 30.09.2012 EUR '000	01.01. – 30.09.2013 EUR '000	01.01. – 30.09.2012 EUR '000
Revenues from residential property resale[1]	11,487	25,275	41,862	67,031
Revenues from block sales[1]	25,291	2,800	25,491	4,090
Rental revenues	7,422	10,561	24,009	32,972
Revenues from co-investments	9,043	7,918	26,724	23,923
Revenues from third parties	9,662	8,386	28,777	21,703
Other[2]	2,737	4,293	8,540	12,888
TOTAL	65,642	59,233	155,403	162,607

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

In the first nine months of 2013, **consolidated revenues** decreased slightly by 4.4% to EUR 155.4 million. One reason for the fall was that less real estate reported under inventories and more real estate reported as non-current assets was sold, but the latter are not included in revenues.

Revenues from Management Services (revenues from co-investments and revenues from third parties) amounted to EUR 55.5 million, representing 35.7% of total revenues (9 months of 2012: EUR 45.6 million, 28.1%). The higher service revenues in the first three quarters of 2013 result from higher assets under management as a source of income for general service fees; however, the acquisition fee received for the GBW transaction was also higher than that for LBBW Immobilien GmbH in the previous year.

Sales revenues have only limited comparative significance for PATRIZIA since – as already indicated – the selling prices of properties reported in non-current assets are not reflected in sales revenues. In this case, the gross income is reported under the item **"Loss from/gain on the disposal of investment property"**. After deducting carrying amounts of EUR 83.5 million, purchase price receipts between January and September of EUR 96.0 million resulted in a profit of EUR 12.5 million (gross margin: 13.0%). The gross margin for the third quarter was 11.9%. In terms of reductions in carrying value, an amount of EUR 11.3 million (first nine months of 2013), or EUR 2.3 million (third quarter of 2013) is to be classified as realised value adjustments. A total of 517 residential units reported as investment property were sold, including 253 in the third quarter of 2013. This means that 42.4% of all residential units sold between January and September are not considered in sales revenues (32.5% for the third quarter of 2013).

PURCHASE PRICE REVENUES FROM REAL ESTATE SOLD

	3rd quarter 2013	3rd quarter 2012	9 months 2013	9 months 2012
	01.07. – 30.09.2013 EUR '000	01.07. – 30.09.2012 EUR '000	01.01. – 30.09.2013 EUR '000	01.01. – 30.09.2012 EUR '000
Sales revenues from inventories	**36,778**	**28,075**	**67,353**	**71,121**
Residential property resale	11,487	25,275	41,862	67,031
Block sales	25,291	2,800	25,491	4,090
Sales revenues from investment property[1]	**37,271**	**57,372**	**96,017**	**88,442**
Residential property resale	20,571	17,662	69,090	45,742
Block sales	16,700	39,710	26,927	42,700
TOTAL	74,049	85,447	163,370	159,563

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

Changes in inventories for the first three quarters comprise the reductions in carrying value of the real estate reported under inventories (EUR –57.2 million) and capitalisation (EUR 21.1 million primarily caused by real estate developments) and amounted to EUR –36.1 million (first nine months of 2012: EUR –38.9 million). The reductions in carrying value are set against purchase price receipts of EUR 67.4 million, corresponding to a gross margin of 15.1%. If the third quarter is viewed on its own, the gross margin was 7.9%.

At EUR 39.1 million, the **cost of materials** rose 3.3% on the previous year's figure (first nine months of 2012: EUR 37.8 million), with the majority (EUR 15.8 million) relating to construction measures within the framework of PATRIZIA's own developments. A further amount of EUR 11.9 million was invested in renovation and maintenance, with the remaining EUR 11.4 million mainly relating to ancillary costs.

Staff costs rose by 32.0% to EUR 44.3 million (first nine months of 2012: EUR 33.6 million). Firstly, the increase in staff numbers over the course of 2012 affected the entire nine months, and secondly additional members of staff have been appointed since the start of the year. Higher provisions for long-term variable compensation of the first and second management tiers increased staff costs further. In addition to the higher share price compared with the previous year, these provisions also took the issue of bonus shares into account.

Other operating expenses totalling EUR 37.5 million (first nine months of 2012: EUR 30.5 million, +23.1%) mainly comprise selling expenses of EUR 13.0 million as well as administrative expenses (EUR 10.1 million), operating expenses (EUR 8.1 million) and other expenses (EUR 6.3 million).

Earnings before interest and tax (EBIT) for the first nine months fell by 60.0% to EUR 12.5 million (first nine months of 2012: EUR 31.2 million). The fact that EBIT deteriorated compared with the same period in the previous year was, among other things, due to the income from asset management of co-investments being shown in the investment result, which is assigned to the financial result. EBT is therefore the relevant financial indicator to be considered for PATRIZIA.

In accordance with IFRS, market value changes arising from interest hedging transactions are reported in the Consolidated Income Statement. The market valuation is recognised 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 3.98% p.a., were concluded at the end of 2006/beginning of 2007 in connection with the financing of major real estate portfolios; the majority of them will expire by 31 January 2014, or by 30 June 2014 at the latest. Due to the high volume of secured loans, which is now higher than the lines of credit used, and to further reductions in interest rates, the changes in the value of interest hedging transactions rose to EUR 14.4 million.

MARKET VALUATION OF INTEREST RATE HEDGES

	3rd quarter 2013	3rd quarter 2012	9 months 2013	9 months 2012	2012
	01.07. – 30.09.2013 EUR '000	01.07. – 30.09.2012 EUR '000	01.01. – 30.09.2013 EUR '000	01.01. – 30.09.2012 EUR '000	01.01. – 31.12.2012 EUR '000
Changes in the value of derivatives	4,666	2,017	14,434	4,874	11,028

During this period, the **cash-related financial result** was EUR -23.4 million. Financing costs (interest rate plus margin) averaged 6.68% (first nine months of 2012: 5.10%, overall year in 2012: 5.29%). The further rise in financing costs was due to the higher interest rate hedging costs. Further information on the financial result is available in Section 11 of the Notes to the Consolidated Interim Financial Statements.

After three quarters, the **income from investments** amounted to EUR 15.8 million. This item includes the annual asset management fee and the first performance fee from the Südewo co-investment and also the first pro-rata payment for asset management of GBW AG. Since the asset management fee is invoiced half-yearly in advance, no income was recorded here in the third quarter. WohnModul I produced **a result from participations valued at equity** of EUR 0.6 million.

After deducting the financial result and adding the income from participations and also the result from participations valued at equity, **earnings before tax (EBT)** amounted to EUR 20.0 million (first nine months of 2012: EUR 16.3 million), thus exceeding the result for the same period of the previous year by 22.5%. The third quarter accounted for EUR 2.2 million (third quarter of 2012: EUR 7.3 million, -69.8%) of this amount.

The reconciliation of EBT in accordance with IFRS to the operating result is effected via an adjustment to non-cash-related components of the results and by taking realised value adjustments to investment property into account. In the financial result, the changes in market values of interest hedges are eliminated and amortisation on fund management contracts is not included. There were no unrealised value adjustments to investment property in either the first nine months of 2013 or in the corresponding period of the previous year. This approach gives an **operating result** of EUR 18.7 million (first nine months of 2012: EUR 26.1 million) and of EUR 0.5 million for the third quarter. After three quarters, 71.8% of the result was generated by the segment Management Services. This figure roughly matches our estimate for the whole of 2013, where we expect a share of at least two-thirds.

DERIVATION OF THE ADJUSTED FIGURES

	3rd quarter 2013	3rd quarter 2012	9 months 2013	9 months 2012	2012
	01.07. – 30.09.2013 EUR '000	01.07. – 30.09.2012 EUR '000	01.01. – 30.09.2013 EUR '000	01.01. – 30.09.2012 EUR '000	01.01. – 31.12.2012 EUR '000
EBIT	4,674	13,083	12,509	31,240	44,739
Amortisation of intangible assets that resulted from the acquisition of PATRIZIA GewerbeInvest KAG mbH and Tamar Capital Group Ltd	649	492	1,791	1,476	1,968
Unrealised change in the value of investment property	0	0	0	0	-18
Realised change in the value of investment property	2,340	6,775	11,318	13,141	23,568
EBIT adjusted	**7,663**	**20,350**	**25,618**	**45,857**	**70,257**
Income from participations	0	0	15,833	5,438	6,557
Result from participations valued at equity	646	14	646	14	455
Financial result	-3,107	-5,810	-8,988	-20,378	-23,130
Change in the value of derivatives	-4,666	-2,017	-14,434	-4,874	-11,028
Release of other result from cash flow hedging	0	0	0	0	781
Losses from currency translation	-15	0	-15	0	0
OPERATING RESULT	**521**	**12,537**	**18,660**	**26,057**	**43,892**

In the first nine months, the **profit for the period** after deduction of taxes rose by EUR 8.0 million or 67.7% to EUR 19.7 million (first nine months of 2012: EUR 11.7 million). The low tax quota resulted from a tax refund in the third quarter. We expect the tax quota to remain between 10% and 20% in the medium term. The writeback of deferred taxes as a result of the disposal of investment property is a contributory factor here.

Earnings per share for the first three quarters of 2013 were EUR 0.31 (first 9 months of 2012: EUR 0.19), of which EUR 0.03 is attributable to the third quarter (third quarter of 2012: EUR 0.10).

SUMMARY OF THE KEY ITEMS IN THE INCOME STATEMENT

	3rd quarter 2013	3rd quarter 2012	9 months 2013	9 months 2012	2012
	01.07. – 30.09.2013 EUR '000	01.07. – 30.09.2012 EUR '000	01.01. – 30.09.2013 EUR '000	01.01. – 30.09.2012 EUR '000	01.01. – 31.12.2012 EUR '000
Revenues	65,642	59,233	155,403	162,607	229,238
Total operating performance	47,890	47,499	137,681	136,221	196,111
EBITDA	6,223	14,188	16,753	34,332	49,280
EBIT	4,674	13,083	12,509	31,240	44,739
EBT	2,198	7,287	19,985	16,314	28,621
Operating result[1]	521	12,537	18,660	26,057	43,892
Profit for the period	1,939	6,426	19,685	11,736	25,455

[1] Adjusted for amortisation on other intangible assets (fund management contracts), unrealised value adjustments to investment property (affects only the entire year 2012) and non-cash effects from interest hedging transactions. Realised change in the value of investment property has been added.

NET ASSET AND FINANCIAL SITUATION OF THE PATRIZIA GROUP

PATRIZIA NET ASSET AND FINANCIAL KEY FIGURES

	30.09.2013 EUR '000	31.12.2012 EUR '000	Change in %
Total assets	898,484	951,553	–5.6
Equity (including non-controlling partners)	356,408	336,387	6.0
Equity ratio	39.7%	35.4%	4.3 PP
Bank loans	363,742	521,054	–30.2
– Cash and cash equivalents	79,539	38,135	>100
+ Bonded loans	77,000	0	>100
= Net financial debt	361,203	482,919	–25.2
Real estate assets[1]	604,845	720,024	–16.0
Loan to value[2]	60.1%	72.4%	–12.3 PP
Net gearing[3]	101.8%	144.2%	–42.4 PP
Operating return on equity	7.2%[4]	13.6%	–6.4 PP[5]

[1] Real estate assets comprise investment property valued at fair value and real estate held in inventories valued at amortised cost.
[2] Proportion of bank loans to real estate assets. Only investment property is calculated at fair value. Inventories are stated at amortised cost.
[3] Ratio of net financial debt to equity adjusted for minority interests
[4] Based on the operating result and the average equity capital for the first nine months, projected for the full year
[5] In relation to the comparable figure for the first nine months of 2012 of 11.0%, there was a decline of 3.8 PP.

PP = percentage points

As a result of sales concluded and loans repaid, **total assets** as at 30 September 2013 fell to EUR 898.5 million (31 December 2012: EUR 951.6 million).

Inventories relate to the real estate that is offered for sale as part of ordinary business operations. Since the 2012 balance sheet date, inventories have fallen from EUR 345.9 million to EUR 309.8 million. **Investment property** fell by 21.1% to EUR 295.1 million as a result of the sales effected in the period. The carrying value of real estate assets at 30 September 2013 was EUR 604.8 million (31 December 2012: EUR 720.0 million) and results from adding inventories and investment property.

Since the end of 2012, **bank loans** have fallen by 30.2% to EUR 363.7 million and are now all reported as current liabilities (31 December 2012: EUR 521.1 million). A schedule of maturities for our loans is listed in Section 9 of the Notes to the Consolidated Interim Financial Statements of this report. The two bonded loans taken out in the first half of the year for a total of EUR 77.0 million with a residual term up to 30 June 2016/30 June 2018 help provide PATRIZIA with flexible liquidity because **cash and cash equivalents** have more than doubled compared with the end of 2012 and now stand at EUR 79.5 million (31 December 2012: EUR 38.1 million). The bonded loans are subject to interest at 4.5% and 4.65% and may be repaid by us prematurely. They are reported under the balance sheet item **non-current liabilities**. In the third quarter of 2013, the second tranche of EUR 3.2 million was invested for the 5.1% holding in GBW AG. The Group's **equity ratio** improved further to 39.7% (31 December 2012: 35.4%). Our target is to increase this to 45% by the end of the year.

PATRIZIA'S GROUP EQUITY IS INVESTED AS FOLLOWS

	Assets under management in EUR million	Tied investment capital in EUR million	Share in investment in %
Own investments	**5,678**	**309.4**	**100**
Investment property and inventories[1]	605	209.8	100
PATRIZIA operational companies	5,073	46.8	100
Bank balances and cash	–	52.8	100
Co-investments	**5,009**	**124.0**	**–**
Residential Germany	**4,308**	**86.0**	**–**
GBW AG	2,494	53.8	5.1
Süddeutsche Wohnen GmbH	1,398	15.0	2.5
WohnModul I SICAV-FIS	371	15.8	9.09
Other	45	1.4	10
Commercial Germany	**382**	**19.8**	**–**
PATRoffice	324	7.8	6.25
sono west	58	7.0	30
Deikon[2]	0	5.0	5.1
Commercial International	**319**	**18.2**	**–**
Plymouth Sound Holdings LP (UK)	32	3.4	10
Winnersh Holdings LP (UK)[3]	287	14.8	5
Bonded loan	**–**	**–77.0**	**100**
TOTAL	**10,687**	**356.4**	**–**

[1] Including real estate developments
[2] Closing expected in November 2013, tied investment capital corresponds to the first down payment for the final participation in an expected amount of EUR 5.3 million.
[3] Tied investment capital will decrease to EUR 3.8 million after definitive financing

Net Asset Value (NAV)

At PATRIZIA, some real estate is valued at the market value (fair value, applies to investment property), and some at amortised cost (inventories). In the first three quarters of 2013, sales resulted in gross margins of 13.0% and 15.1% above the carrying value, thus testifying to the value retention of our real estate. The **Management Services** division, which contributed 71.8% of the operating result in the first nine months and which is to account for at least two thirds of the result over the year as a whole, is not included when calculating net asset value. Since the NAV represents only part of PATRIZIA, we do not consider it appropriate to value the Group on the basis of this indicator.

CALCULATION OF NAV

	30.09.2013 EUR '000	31.12.2012 EUR '000
Investment property[1]	295,068	374,104
Participations in associated companies	16,456	15,810
Participations	79,343	18,407
Inventories[2]	309,777	345,920
Current receivables and other current assets	55,879	92,013[3,4]
Bank balances and cash	79,539	50,330[3]
Less non-current liabilities[4]	-77,000	0
Less current liabilities	-53,133	-25,876[3,4]
Less bank loans	-363,742	-521,054
NAV	**342,187**	**349,654**
No. of shares	63,077,300	57,343,000
NAV/SHARE (EUR)	**5.42**	**6.10**

[1] Fair market valuation; (gross) sales margin of the first three quarters of 2013: 13.0%
[2] Valuation at amortised cost; (gross) sales margin of the first three quarters of 2013: 15.1%
[3] Figures excluding PATRIZIA GewerbeInvest KAG mbH, cash and cash equivalents increased by outflow of equity
[4] Adjusted for non-real-estate-specific items

The **segment Investments** is still responsible for 28.2% of the result for the first three quarters of 2013.

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 2012 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 also not led to any significant changes in the interim risk audit.

The statements in the risk report of the Annual Report 2012 still apply. Please therefore refer to the risk report on pages 74 ff. of the Annual Report 2012 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

THIRD PARTIES GERMANY

In September 2013 PATRIZIA signed a declaration of intent concerning the acquisition of an office real estate portfolio ("Hessen portfolio") for a German-speaking consortium of investors; the purchase agreement was signed in October. This represents the largest transaction involving commercial real estate in Germany so far this year. The portfolio, which has been acquired for a special real estate fund, comprises 36 office properties in the federal state of Hessen with leased space of approximately 450,000 sqm. The lease agreement concluded with the federal state of Hessen for all properties still has well over 20 years to run and after the end of the original term, is in each case automatically extended for a further three years. The office properties are in particular located in Wiesbaden, Giessen, Kassel and Marburg. The buildings are predominantly used by ministries, courts, the police and the fiscal authorities. The portfolio has a maximum external financing rate of 50%. The transaction volume is EUR 0.8 billion. The seller is a subsidiary of CA Immobilien Anlagen AG. The transaction is scheduled to be completed in the fourth quarter of 2013.

8 REPORT ON EXPECTED DEVELOPMENTS

The third quarter of 2013 was weak in terms of results and at EUR 0.5 million, its contribution to the operating result did not bring us much closer to our annual forecast. At EUR 18.7 million, after nine months, we have achieved just under 40% of our target operating result for 2013. However, we still believe our forecast is achievable, or at least the lower threshold of EUR 47 million. A major contribution will be made by the acquisition fees for the "Deikon" and "Hessen" portfolios, the deals for which are expected to be closed in November and December. We are conducting promising negotiations on a comparable project aimed at completing the transaction by the end of the year; this would enable us to achieve our forecast with sufficient certainty.

We are also pursuing our other targets on an unchanged basis – namely the reduction in bank liabilities to EUR 270 million (or to EUR 350 million if the bonded loans are included) and an equity ratio of 45% by the end of the year. It is also highly likely that we will have reached our target figure of 1,800 residential unit sales by the end of the year.

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 30 SEPTEMBER 2013

ASSETS

EUR'000	30.09.2013	31.12.2012
A. Non-current assets		
Goodwill	610	610
Other intangible assets	42,685	43,259
Software	8,654	7,553
Investment property	295,068	374,104
Equipment	4,787	3,479
Participations in associated companies	16,456	15,810
Participations	79,343	18,407
Long-term tax assets	158	201
Total non-current assets	**447,761**	**463,423**
B. Current assets		
Inventories	309,777	345,920
Securities	96	60
Short-term tax assets	5,432	5,380
Current receivables and other current assets	55,879	98,635
Bank balances and cash	79,539	38,135
Total current assets	**450,723**	**488,130**
TOTAL ASSETS	898,484	951,553

EQUITY AND LIABILITIES

EUR '000	30.09.2013	31.12.2012
A. Equity		
Share capital	63,077	57,343
Capital reserve	204,897	210,644
Retained earnings		
Legal reserves	505	505
Non-controlling shareholders	1,433	1,556
Valuation results from cash flow hedges	–129	–469
Currency translation difference	8	0
Consolidated net profit	86,617	66,808
Total equity	**356,408**	**336,387**
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	25,250	23,242
Long-term financial derivatives	0	16,363
Retirement benefit obligations	388	388
Long-term bank loans	0	302,004
Non-current liabilities	79,770	3,417
Total non-current liabilities	**105,408**	**345,414**
CURRENT LIABILITIES		
Short-term bank loans	363,742	219,050
Short-term financial derivatives	7,595	6,069
Other provisions	1,215	1,479
Current liabilities	53,133	28,750
Tax liabilities	10,983	14,404
Total current liabilities	**436,668**	**269,752**
TOTAL EQUITY AND LIABILITIES	898,484	951,553

Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 SEPTEMBER 2013

EUR '000	3rd quarter 2013	3rd quarter 2012	9 months 2013	9 months 2012
	01.07. – 30.09.2013	01.07. – 30.09.2012	01.01. – 30.09.2013	01.01. – 30.09.2012
Revenues	65,642	59,233	155,403	162,607
Income from the sale of investment property	4,418	738	12,478	3,871
Changes in inventories	–24,309	–14,844	–36,143	–38,910
Other operating income	2,139	2,372	5,943	8,653
Total operating performance	**47,890**	**47,499**	**137,681**	**136,221**
Cost of materials	–15,257	–11,885	–39,058	–37,816
Staff costs	–14,607	–12,007	–44,349	–33,593
Other operating expenses	–11,803	–9,419	–37,521	–30,480
EBITDA	**6,223**	**14,188**	**16,753**	**34,332**
Amortisation of intangible assets and depreciation on property, plant and equipment	–1,549	–1,105	–4,244	–3,092
Earnings before interest and income taxes (EBIT)	**4,674**	**13,083**	**12,509**	**31,240**
Income from participations	0	0	15,833	5,438
Result from participations valued at equity	646	14	646	14
Finance income	4,975	2,182	15,070	5,384
Finance cost	–8,082	–7,992	–24,058	–25,762
Losses from currency translation	–15	0	–15	0
Earnings before income taxes (EBT)	**2,198**	**7,287**	**19,985**	**16,314**
Income tax	–259	–861	–300	–4,578
Net profit	**1,939**	**6,426**	**19,685**	**11,736**
Profit carried forward	84,554	46,533	66,808	41,223
CONSOLIDATED NET PROFIT	**86,493**	**52,959**	**86,493**	**52,959**
Earnings per share (undiluted) in EUR	0.03	0.10	0.31	0.19
The net profit for the period is allocated to:				
Shareholders of the parent company	1,994	6,458	19,809	11,822
Non-controlling shareholders	–55	–32	–124	–86
	1,939	**6,426**	**19,685**	**11,736**

Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 SEPTEMBER 2013

EUR '000	3rd quarter 2013	3rd quarter 2012	9 months 2013	9 months 2012
	01.07. – 30.09.2013	01.07. – 30.09.2012	01.01. – 30.09.2013	01.01. – 30.09.2012
Consolidated net profit	**1,939**	**6,426**	**19,685**	**11,736**
Other result				
Differences arising from translation of foreign operations	8	0	8	0
Cash flow hedges				
Amounts recorded during the reporting period	128	28	340	264
Reclassification of amounts that were recorded	0	0	0	0
Total result for the reporting period	**2,075**	**6,454**	**20,033**	**12,000**
The total result is allocated to:				
Shareholders of the parent company	2,130	6,486	20,157	12,086
Non-controlling shareholders	–55	–32	–124	–86
	2,075	**6,454**	**20,033**	**12,000**

Consolidated Cash Flow Statement

FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 SEPTEMBER 2013

EUR '000	01.01. – 30.09.2013	01.01. – 30.09.2012
Consolidated net profit	19,685	11,736
Actual income taxes recognised through profit or loss	300	4,578
Financing costs recognised through profit or loss	24,058	25,762
Income from financial investments recognised through profit or loss	–1,251	–394
Amortisation of intangible assets and depreciation on property, plant and equipment	4,244	3,092
Gain on disposal of investment properties	–12,478	–3,871
Change in deferred taxes	2,072	–6,901
Ineffectiveness of cash flow hedges	–14,561	200
Changes in inventories, receivables and other assets that are not attributable to investing activities	78,853	61,677
Changes in liabilities that are not attributable to financing activities	98,132	78
Interest paid	–23,156	–24,221
Interest received	382	119
Income tax payments	–2,059	–5,677
Cash inflow from operating activities	**174,221**	**66,178**
Capital investments in intangible assets and property, plant and equipment	–6,070	–2,997
Cash receipts from disposal of investment property	96,017	88,442
Payments for development or acquisition of investment property	–4,503	–1,316
Payments for the acquisition of shareholdings	–60,936	–22,526
Cash inflow from investing activities	**24,508**	**61,603**
Borrowing of loans	88,833	5,940
Repayment of loans	–246,145	–96,683
Payment for the issuance of bonus shares	–13	–5
Cash outflow from financing activities	**–157,325**	**–90,748**
Changes in cash	**41,404**	**37,033**
Cash 1 January	38,135	31,828
Cash 30 September	79,539	68,861

Consolidated Statement of Changes in Equity

FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 SEPTEMBER 2013

EUR '000	Share capital	Capital reserve	Valuation result from cash flow hedges	Retained earnings (legal reserve)	Currency translation	Consolidated net profit	Thereof attributable to the shareholders of the parent company	Thereof attributable to non-controlling shareholders	Total
Balance 1 January 2012	**52,130**	**215,862**	**–1,331**	**505**	**0**	**41,346**	**308,512**	**1,563**	**310,075**
Net amount recognised directly in equity, where applicable less income taxes			264				264		264
Issuance of bonus shares	5,213	–5,213					–5,213		–5,213
Expenses incurred in issuing bonus shares		–5					–5		–5
Net profit/loss for the period						11,822	11,822	–86	11,736
Full overall result for the first 9 months			264			0	12,086	–86	12,000
Balance 30 September 2012	**57,343**	**210,644**	**–1,067**	**505**	**0**	**53,168**	**320,593**	**1,477**	**322,070**
Balance 1 January 2013	**57,343**	**210,644**	**–469**	**505**	**0**	**66,808**	**334,831**	**1,556**	**336,387**
Net amount recognised directly in equity, where applicable less income taxes			340		8		348		348
Issuance of bonus shares	5,734	–5,734					–5,734		–5,734
Expenses incurred in issuing bonus shares		–13					–13		–13
Non-controlling interests arising from the inclusion of new companies								1	1
Net profit/loss for the period						19,809	19,809	–124	19,685
Full overall result for the first 9 months			340				20,157	–124	20,033
BALANCE 30 SEPTEMBER 2013	**63,077**	**204,897**	**–129**	**505**	**8**	**86,617**	**354,975**	**1,433**	**356,408**

Notes to the Consolidated Interim Financial Statements

TO 30 SEPTEMBER 2013 (FIRST NINE MONTHS OF 2013)

1 GENERAL DISCLOSURES

PATRIZIA Immobilien AG is a listed German stock corporation. The Company's headquarters are located at Fuggerstrasse 26, 86150 Augsburg. PATRIZIA Immobilien AG has been active as an investor and service provider on the real estate market for almost 30 years, and now in over ten countries. PATRIZIA covers the spectrum of purchasing, management, appreciation and the sale of residential and commercial real estate. As a recognised business partner of large institutional investors, the Company operates nationally and internationally, covering the entire value chain in the real estate industry. Currently the Company manages real estate assets with a value of EUR 10.7 billion mainly as a co-investor and portfolio manager for insurance companies, pension fund institutions, sovereign wealth funds and savings banks.

2 PRINCIPLES APPLIED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated interim financial statements of PATRIZIA Immobilien AG for the first three quarters of 2013 (1 January to 30 September 2013) 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 30 September 2013, 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 2013 are not necessarily an indication of future earnings or of the expected total earnings for fiscal year 2013.

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 2012. 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 31 December 2012, which are contained in the Company's 2012 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 64 subsidiaries. They are included in the consolidated financial statements in line with the rules of full consolidation. Moreover, two participations are accounted for at equity in the consolidated financial statements. In addition, 28.3% of the limited liability capital is held in one real estate development company (in the form of a GmbH & Co. KG), while 30% is held in the associated general partner. A significant influence does not apply 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 real estate development company 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

Purchase of Tamar Capital Group Ltd
As at 22 April 2013, PATRIZIA Immobilien AG purchased 100% of Tamar Capital Group Ltd's shares with voting rights.

Tamar Capital Group Ltd is a London-based real estate investment and asset management company. In addition to its home market, Tamar Capital Group Ltd is also currently active on the German, French, Scandinavian and Belgian markets and places special emphasis on light industrial, retail and office properties. Tamar European Industrial Fund belongs to the group and is listed on the London Stock Exchange.

In acquiring Tamar Capital Group Ltd, PATRIZIA Immobilien AG is pursuing its strategic goal of expanding its business activities in other European countries and of establishing itself as the leading, fully integrated real-estate investment company in Europe. Acquiring Tamar Capital Group Ltd thus offers PATRIZIA Immobilien AG the opportunity to strengthen its presence in various core European markets, especially in the United Kingdom and France, thereby expanding its service offering, investor commitment and consequently the volume of managed investments in the area of commercial real estate throughout Europe. Moreover, besides the strategic aspects of market positioning, the integration of the Tamar Group into the PATRIZIA group of companies is also expected to create considerable synergy effects in the areas of real-estate expertise, knowledge of the European market and service.

Assets acquired and liabilities assumed
At the time of acquisition, the fair values of the identified assets and liabilities of Tamar Capital Group Ltd were as follows:

	Fair value at the time of acquisition EUR '000
Assets	
Licences	121
Client contracts (asset management)	1,105
Receivables from joint venture under mezzanine loan	331
Property, plant and equipment	53
Trade receivables	522
Cash and cash equivalents	626
Other assets	524
	3,282
Liabilities	
Trade payables	65
Other liabilities	1,102
Provisions	219
Deferred tax liabilities	368
	1,754
Total of identifiable net assets at fair value	1,528
Difference from the company acquisition	–933
TOTAL COUNTERPERFORMANCE	**595**

This represents a provisional purchase price allocation and may be subject to adjustments within the measurement period of twelve months.

The new fair values to be defined will be determined autonomously pursuant to IFRS 3, i. e. without any links to existing fair values, in accordance with local accounting rules and regulations.

Hidden reserves were identified in a receivable from a joint venture under a mezzanine loan and in the acquired asset management contracts and licenses. No other tangible or intangible assets that should be shown separately in expectation of a future economic benefit were identified.

The fair value and gross amount of trade receivables is TEUR 522. None of the trade receivables were impaired at the time of acquisition and it is expected that it will be possible to collect all the contractual amounts.

Counterperformance

The counterperformance (excluding transaction costs) for the assets acquired and liabilities assumed by PATRIZIA Immobilien AG is comprised as follows:

	EUR '000
Cash payment	264
Liability from conditional counterperformance	331
TOTAL COUNTERPERFORMANCE	595

A conditional counterperformance was agreed as part of the purchase agreement with the former owners of Tamar Capital Group Ltd. Under this agreement, PATRIZIA Immobilien AG undertakes to make additional payments to the former owners if a joint venture (including its subsidiaries) whose shares that were held by Tamar Capital Group Ltd are being taken over by PATRIZIA Immobilien AG is wound up or liquidated. The winding up/liquidation is expected approximately 24 months after the date of acquisition. In such case, payments will be made to the former owners in the amount of the pro-rata proceeds from property sales after deduction of liabilities and taxes. At the time of acquisition, the fair value of the conditional counterperformance was estimated at TEUR 331.

The transaction costs of TEUR 326 were posted as an expense and reported under other operating expenses. We also expect additional costs will still be incurred as processing of the transaction continues.

Additional information on the company acquisition

With the acquisition of the Tamar Capital Group Limited, London, the following companies were added to the scope of consolidation of PATRIZIA Immobilien AG:

- Tamar Capital Partners Limited, Swindon
- Tamar Capital Partners GmbH, Berlin
- Tamar Capital France Limited, Edinburgh
- Tamar Capital Partners SAS, Paris
- Tamar Financial Services Limited, Edinburgh
- Tamar Asset Management Limited, Edinburgh

Further new companies founded

PATRIZIA Luxembourg S.à r.l., part of the scope of consolidation of PATRIZIA Immobilien AG, founded PATRIZIA Investment Management COOP S.A., Luxembourg, on 12 March 2013. The company's share capital is EUR 100. The purpose of the company is the purchase and holding of all forms of participations and of all types of certificates, holding these as investments and trading in them in any possible manner.

PATRIZIA Luxembourg S.à r.l., part of the scope of consolidation of PATRIZIA Immobilien AG, founded PATRIZIA Investment Management SCS, Luxembourg, on 12 March 2013. The company's share capital is GBP 638.95. The purpose of the company is investment in unlisted companies and all types of certificates as well as the management, monitoring and development of such investments with the principal purpose of indirect investment in real estate and its management.

PATRIZIA Immobilien AG founded Pearl AcquiCo Zwei GmbH and Co. KG, Frankfurt, on 14 March 2013. The company's limited liability capital was initially TEUR 1. The fixed capital was increased to EUR 1 million on 22 May 2013. The purpose of the company is the founding, purchase of and direct and/or indirect participation in companies whose sole purpose is the construction and management of real estate.

PATRIZIA Immobilien AG founded PATRIZIA Real Estate Investment Management S.à r.l., Munich, on 2 April 2013. The company's share capital is TEUR 125. The purpose of the company is the founding and management of one or more Luxembourg-based specialist investment funds.

PATRIZIA Luxembourg S.à r.l., part of the scope of consolidation of PATRIZIA Immobilien AG, founded SENECA TopCo S.à r.l., Luxembourg, on 10 July 2013. The company's share capital is TEUR 20. The purpose of the company is the purchase and holding of shares in one or several real estate companies, the granting of finance to property companies as well as the purchase and development of real estate.

On 17 September 2013 PATRIZIA Immobilien AG established PATRIZIA Ireland Ltd, Dublin. The company's share capital is GBP 8,360.50. The purpose of the company is the provision of real estate-related services in Ireland.

4 INVESTMENT PROPERTY

Qualifying real estate as an investment is based on a corresponding management decision to use the real estate in question to generate rental income and thus liquidity, while realising higher rent potential over a long period and, accordingly, an increase in value. The share of owner-occupier use does not exceed 10% of the rental space. Investment property is measured at fair value, with changes in value recognised 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 it was valued by independent experts, the real estate that is now earmarked for residential property resale was 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 recognised in the consolidated income statement.

5 PARTICIPATIONS IN ASSOCIATED COMPANIES

The item mainly includes the 9.09% (31 December 2012: 9.09%) share in PATRIZIA WohnModul I SICAV-FIS and the 51% share in Kenmore French Office Investments S.à r.l. resulting from the acquisition of the Tamar Capital Group Limited.

6 PARTICIPATIONS

The item “Participations” mainly includes the 6.25% (31 December 2012: 6.25%) share in PATRoffice Real Estate GmbH & Co. KG, the 12.5% (31 December 2012: 12.5%) share in Carl A-Immo GmbH & Co. KG (formerly Blitz 12-544 GmbH & Co. KG), the 28.3% (31 December 2012: 28.3%) participation in Projekt Feuerbachstrasse GmbH & Co. KG, the 10% (31 December 2012: 10%) share in PATRIZIA Projekt 150 GmbH, the 30% (31 December 2012: 30%) participation in Projekt Feuerbachstrasse Verwaltung GmbH, the 3.61% share in Carl HR GmbH & Co. KG (31 December 2012: 0%; formely Blitz 12-546 GmbH & Co. KG), the 10% share in Plymouth Sound Holdings LP (31 December 2012: 0%), the 4.9% share in Winnersh Holdings LP (31 December 2012: 0%) as well as the 0.01% share in Pearl AcquiCo Eins GmbH & Co. KG (31 December 2012: 0%).

7 INVENTORIES

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

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

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

8 EQUITY

Following the issue of bonus shares, the share capital of PATRIZIA Immobilien AG at the reporting date totalled EUR 63,077,300 (31 December 2012: EUR 57,343,000) and is divided into 63,077,300 no-par value shares (shares with no nominal value). For the development of equity, please see the consolidated statement of changes in equity. As of 30 September 2013, equity improved to EUR 356.4 million (31 December 2012: EUR 336.4 million).

9 BANK LOANS

Bank loans are measured at amortised cost. They have variable interest rates. In this respect, the Group is exposed to an interest rate risk in terms of the cash flows. 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 up to 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	30.09.2013	30.06.2013	31.03.2013	31.12.2012
Up to 1 year	318,955	372,603	63,199	52,683
More than 1 to 2 years	10,110	24,216	374,146	430,281
More than 2 to 5 years	34,677	38,699	38,572	38,090
More than 5 years	0	0	40,000	0
TOTAL	363,742	435,518	515,917	521,054

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

Year	Amount of loans due as at							
	30.09.2013		30.06.2013		31.03.2013		31.12.2012	
	EUR '000	in %	EUR '000	in %	EUR '000	in %	EUR '000	in %
2013	21,817	6.0	26,136	6.0	63,199	12.2	52,683	10.1
2014	305,007	83.9	370,683	85.1	374,146	72.5	430,281	82.6
2015	36,918	10.1	38,699	8.9	38,572	7.5	38,090	7.3
2016	0	0	0	0	40,000	7.8	0	0
TOTAL	363,742	100	435,518	100	515,917	100	521,054	100

MATURITY OF LOANS BY QUARTER

Year	Quarter	Amount of loans due as at 30.09.2013	
		EUR '000	in %
2013	Q4	21,817	6.0
2014	Q2	297,138	81.7
	Q4	7,869	2.2
2015	Q3	2,241	0.6
	Q4	34,677	9.5
TOTAL		363,742	100

10 REVENUES

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

11 FINANCIAL RESULT

EUR '000	3rd quarter 2013	3rd quarter 2012	9 months 2013	9 months 2012	2012
	01.07. – 30.09.2013	01.07. – 30.09.2012	01.01. – 30.09.2013	01.01. – 30.09.2012	01.01. – 31.12.2012
Interest on bank deposits	31	40	278	125	168
Changes in the value of derivatives	4,666	2,017	14,434	4,874	11,028
Other interest	278	125	358	385	531
Financial income	**4,975**	**2,182**	**15,070**	**5,384**	**11,727**
Interest on revolving lines of credit and bank loans	–1,974	–2,956	–6,458	–10,414	–13,101
Interest-rate hedging expense	–4,957	–4,476	–14,954	–13,807	–18,798
Changes in the value of derivatives	0	0	0	0	0
Release of other result from cash flow hedging	0	0	0	0	–781
Other finance costs	–1,151	–560	–2,646	–1,541	–2,177
Financial expenses	**–8,082**	**–7,992**	**–24,058**	**–25,762**	**–34,857**
FINANCIAL RESULT	–3,107	–5,810	–8,988	–20,378	–23,130
Financial result adjusted for valuation effects	**–7,773**	**–7,827**	**–23,422**	**–25,252**	**–33,377**

12 EARNINGS PER SHARE

	3rd quarter 2013	3rd quarter 2012	9 months 2013	9 months 2012	2012
	01.07. – 30.09.2013	01.07. – 30.09.2012	01.01. – 30.09.2013	01.01. – 30.09.2012	01.01. – 31.12.2012
Net profit for the period (EUR'000)	1,939	6,426	19,685	11,736	25,461
Number of shares issued	63,077,300	57,343,000	63,077,300	57,343,000	57,343,000
Weighted number of shares	63,077,300	63,077,300	63,077,300	63,077,300	63,077,300
EARNINGS PER SHARE (IN EURO)	0.03	0.10	0.31	0.19	0.44

In application of IAS 33.64, the weighted number of shares for the previous year (57,343,000) was adjusted. In doing so, it was assumed that the weighted number of shares for 2012 corresponds to that for 2013.

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

13 SEGMENT REPORTING

With the exception of the two asset management companies and PATRIZIA Alternative Investment GmbH, the operating subsidiaries headquartered in Germany were merged into PATRIZIA Deutschland GmbH as of 1 July 2013. International subsidiaries will continue to be run as independent entities. Functions within the new organisational structure will be bundled at national level and managed transnationally. The realignment ensures that PATRIZIA is prepared for further international growth.

From now on the business segments will no longer be categorised according to type of use into residential and commercial but according to whether PATRIZIA is acting as investor or service provider. In line with the Group's reporting for management purposes and in accordance with the definition contained in IFRS 8 "Operating segments", two segments have been identified based on functional criteria: **Investments** and **Management Services**. Besides functional criteria, the two operating segments will also be delimited by geographical criteria. Country assignment will be effected according to the place of the real estate asset being supported. International subsidiaries will continue to be reported in total for the time being owing to the still low contribution made by national companies to revenues and results.

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

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

The **segment Investments** primarily bundles portfolio management and the sale of own investments. As of the reporting date, the segment had a portfolio of around 4,600 residential units (31 December 2012: around 6,000) as well as three real estate developments that are reported as investment property and inventories. Clients include private and institutional investors that invest either in individual residential units or in real estate portfolios. It is planned to sell off the entire stock of own property as far as possible by the end of 2015.

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

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

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

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

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

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

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

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

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. Figures from the previous year have been adapted to the new structure.

THIRD QUARTER 2013 (1 JULY – 30 SEPTEMBER 2013)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
Germany					
External revenues	46,844	17,379	0	0	64,223
Purchase price revenues from single unit sales	11,487	0			11,487
Purchase price revenues from block sales	25,291	0			25,291
Rental revenues	7,415	7			7,421
Revenues from services	0	17,372			17,372
Co-investments		8,697			8,697
Third parties		8,676			8,676
Other revenues	2,651	0			2,651
Intercompany revenues	–17	12,163	0	–12,146	0
International[1]					
External revenues	0	1,318	0	0	1,318
Revenues from services		1,318			1,318
Third parties		986			986
Intercompany revenues	0	923	0	0	923
Corporate					
External revenues	0	0	100	0	100
Intercompany revenues	0	0	3,437	–3,437	0
Consolidation					
External revenues	0	0	0	0	0
Intercompany revenues	0	–923	–3,437	3,437	–923
Group					
External revenues	46,844	18,697	100	0	65,642
Purchase price revenues from single unit sales	11,487	0	0		11,487
Purchase price revenues from block sales	25,291	0	0		25,291
Rental revenues	7,415	7	0		7,422
Revenues from services	0	18,691	14		18,705
Co-investments		9,029	14		9,043
Third parties		9,662	0		9,662
Other revenues	2,651	0	86		2,737
Intercompany revenues	–17	12,163	0	–12,146	0
Financial Result	–3,777	24	626	20	–3,107
Financial income					
Germany	6,036	462	0	0	6,497
International	3,059	74	0	0	3,133
Corporate	0	0	2,078	0	2,078
Consolidation	0	0	0	–6,733	–6,733
Group	9,095	535	2,078	–6,733	4,975
Financial expenses					
Germany	–10,880	–458	0	0	–11,338
International	–1,992	–52	0	0	–2,045
Corporate	0	0	–1,452	0	–1,452
Consolidation	0	0	0	6,753	6,753
Group	–12,872	–511	–1,452	6,753	–8,082

[1] France, Great Britain, Luxembourg, Nordics

PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
EBT (IFRS)					
Germany	2,857	3,280	0	348	6,484
International	974	–319	0	0	655
Corporate	0	0	–4,962	0	–4,962
Consolidation	0	0	0	20	20
Group	3,831	2,961	–4,962	368	2,197
Adjustments					
Germany	–2,326	523	0	0	–1,803
Significant non-operating earnings	4,666	–523	0	0	4,143
Market valuation income derivatives	4,666	0			4,666
Valuation of fund shares	0	–523			–523
Realised fair value	2,340	0	0	0	2,340
International	0	126	0	0	126
Significant non-operating earnings		–126			–126
Valuation of fund shares		–126			–126
Group	–2,326	649	0	0	–1,677
Operating result (EBT)					
Germany	531	3,803	0	348	4,682
International	974	–193	0	0	781
Corporate	0	0	–4,962	0	–4,962
Consolidation	0	0	0	20	20
Group	1,505	3,610	–4,962	368	521

THIRD QUARTER 2012 (1 JULY – 30 SEPTEMBER 2012)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
Germany					
External revenues	**42,927**	**16,210**	**0**	**0**	**59,137**
Purchase price revenues from single unit sales	25,275	0			25,275
Purchase price revenues from block sales	2,800	0			2,800
Rental revenues	10,561	0			10,561
Revenues from services	0	16,210			16,210
Co-investments		7,877			7,877
Third parties		8,333			8,333
Other revenues	4,292	0			4,292
Intercompany revenues	**88**	**6,873**	**0**	**–6,961**	**0**
International[1]					
External revenues	**0**	**53**	**0**	**0**	**53**
Revenues from services		53			53
Third parties		53			53
Intercompany revenues	**0**	**809**	**0**	**0**	**809**
Corporate					
External revenues	**0**	**0**	**42**	**0**	**42**
Intercompany revenues	**0**	**0**	**2,448**	**–2,448**	**0**
Consolidation					
External revenues	**0**	**0**	**0**	**0**	**0**
Intercompany revenues	**0**	**–809**	**–2,448**	**2,448**	**–809**
Group					
External revenues	**42,928**	**16,263**	**42**	**0**	**59,233**
Purchase price revenues from single unit sales	25,275	0	0		25,275
Purchase price revenues from block sales	2,800	0	0		2,800
Rental revenues	10,561	0	0		10,561
Revenues from services	0	16,263	42		16,305
Co-investments		7,877	42		7,918
Third parties		8,386	0		8,386
Other revenues	4,293	0	0		4,293
Intercompany revenues	**88**	**6,873**	**0**	**–6,961**	**0**
Financial Result	**–7,087**	**–182**	**1,561**	**–102**	**–5,810**
Financial income					
Germany	3,535	519	0	0	4,054
International	3,695	0	0	0	3,695
Corporate	0	0	2,342	0	2,342
Consolidation	0	0	0	–7,909	–7,909
Group	**7,230**	**519**	**2,342**	**–7,909**	**2,182**
Financial expenses					
Germany	–11,826	–701	0	0	–12,527
International	–2,491	0	0	0	–2,491
Corporate	0	0	–781	0	–781
Consolidation	0	0	0	7,807	7,807
Group	**–14,317**	**–701**	**–781**	**7,807**	**–7,992**

[1] France, Great Britain, Luxembourg, Nordics

PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
EBT (IFRS)					
Germany	3,381	7,061	0	–179	10,263
International	1,219	288	0	0	1,507
Corporate	0	0	–4,396	0	–4,396
Consolidation	0	0	0	–87	–87
Group	**4,601**	**7,349**	**–4,396**	**–266**	**7,288**
Adjustments					
Germany	4,758	492	0	0	5,250
Significant non-operating earnings	2,017	–492	0	0	1,525
Market valuation income derivatives	2,017	0			2,017
Valuation of fund shares	0	–492			–492
Realised fair value	6,775	0	0	0	6,775
International	0	0	0	0	0
Group	**4,758**	**492**	**0**	**0**	**5,250**
Operating result (EBT)					
Germany	8,139	7,553	0	–179	15,513
International	1,219	288	0	0	1,507
Corporate	0	0	–4,396	0	–4,396
Consolidation	0	0	0	–87	–87
Group	**9,359**	**7,841**	**–4,396**	**–266**	**12,538**

FIRST NINE MONTHS 2013 (1 JANUARY – 30 SEPTEMBER 2013)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
Germany					
External revenues	**99,808**	**53,113**	**0**	**0**	**152,920**
Purchase price revenues from single unit sales	41,862	0			41,862
Purchase price revenues from block sales	25,491	0			25,491
Rental revenues	24,000	7			24,007
Revenues from services	0	53,106			53,106
Co-investments		26,354			26,354
Third parties		26,751			26,751
Other revenues	8,454	0			8,454
Intercompany revenues	**126**	**23,630**	**0**	**–23,756**	**0**
International[1]					
External revenues	**0**	**2,357**	**0**	**0**	**2,357**
Revenues from services		2,357			2,357
Third parties		2,025			2,025
Intercompany revenues	**0**	**1,435**	**0**	**0**	**1,435**
Corporate					
External revenues	**0**	**0**	**125**	**0**	**125**
Intercompany revenues	**0**	**0**	**9,606**	**–9,606**	**0**
Consolidation					
External revenues	**0**	**0**	**0**	**0**	**0**
Intercompany revenues	**0**	**–1,435**	**–9,606**	**9,606**	**–1,435**
Group					
External revenues	**99,808**	**55,470**	**125**	**0**	**155,403**
Purchase price revenues from single unit sales	41,862	0	0		41,862
Purchase price revenues from block sales	25,491	0	0		25,491
Rental revenues	24,000	7	1		24,009
Revenues from services	0	55,463	38		55,501
Co-investments		26,686	38		26,724
Third parties		28,777	0		28,777
Other revenues	8,454	0	86		8,540
Intercompany revenues	**126**	**23,630**	**0**	**–23,756**	**0**
Financial Result	**–11,162**	**–527**	**2,702**	**0**	**–8,988**
Financial income					
Germany	18,320	966	0	0	19,286
International	9,015	74	0	0	9,089
Corporate	0	0	5,529	0	5,529
Consolidation	0	0	0	–18,834	–18,834
Group	**27,335**	**1,040**	**5,529**	**–18,834**	**15,070**
Financial expenses					
Germany	–32,989	–1,510	0	0	–34,499
International	–5,508	–57	0	0	–5,565
Corporate	0	0	–2,827	0	–2,827
Consolidation	0	0	0	18,834	18,834
Group	**–38,497**	**–1,567**	**–2,827**	**18,834**	**–24,058**

[1] France, Great Britain, Luxembourg, Nordics

PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
EBT (IFRS)					
Germany	8,897	23,201	0	532	32,630
International	3,414	–1,558	0	0	1,856
Corporate	0	0	–14,501	0	–14,501
Consolidation	0	0	0	0	0
Group	**12,312**	**21,642**	**–14,501**	**532**	**19,985**
Adjustments					
Germany	–3,116	1,538	0	0	–1,578
Significant non-operating earnings	14,434	–1,538	0	0	12,896
Market valuation income derivatives	14,434	0			14,434
Valuation of fund shares	0	–1,538			–1,538
Realised fair value	11,318	0	0	0	11,318
International	0	252	0	0	252
Significant non-operating earnings		–252			–252
Valuation of fund shares		–252			–252
Group	**–3,116**	**1,791**	**0**	**0**	**–1,325**
Operating result (EBT)					
Germany	5,781	24,739	0	532	31,052
International	3,414	–1,306	0	0	2,108
Corporate	0	0	–14,501	0	–14,501
Consolidation	0	0	0	0	0
Group	**9,195**	**23,433**	**–14,501**	**532**	**18,660**

FIRST NINE MONTHS 2012 (1 JANUARY – 30 SEPTEMBER 2012)

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
Germany					
External revenues	**116,980**	**45,352**	**0**	**0**	**162,332**
Purchase price revenues from single unit sales	67,031	0			67,031
Purchase price revenues from block sales	4,090	0			4,090
Rental revenues	32,971	0			32,971
Revenues from services	4	45,351			45,356
Co-investments	0	23,776			23,776
Third parties	4	21,576			21,580
Other revenues	12,884	0			12,884
Intercompany revenues	**218**	**16,292**	**0**	**–16,510**	**0**
International[1]					
External revenues	**0**	**123**	**0**	**0**	**123**
Revenues from services		123			123
Third parties		123			123
Intercompany revenues	**0**	**809**	**0**	**0**	**809**
Corporate					
External revenues	**0**	**0**	**152**	**0**	**152**
Intercompany revenues	**0**	**0**	**5,720**	**–5,720**	**0**
Consolidation					
External revenues	**0**	**0**	**0**	**0**	**0**
Intercompany revenues	**0**	**–809**	**–5,720**	**5,720**	**–809**
Group					
External revenues	**116,980**	**45,475**	**152**	**0**	**162,607**
Purchase price revenues from single unit sales	67,031	0	0		67,031
Purchase price revenues from block sales	4,090	0	0		4,090
Rental revenues	32,971	0	1		32,972
Revenues from services	4	45,474	147		45,626
Co-investments	0	23,776	147		23,923
Third parties	4	21,699	0		21,703
Other revenues	12,884	0	3		12,888
Intercompany revenues	**218**	**16,292**	0	**–16,510**	**0**
Financial Result	**–23,908**	**–967**	**4,598**	**–102**	**–20,378**
Financial income					
Germany	9,153	1,261	0	0	10,415
International	11,361	0	0	0	11,361
Corporate	0	0	6,538	0	6,538
Consolidation	0	0	0	–22,930	–22,930
Group	**20,514**	**1,261**	**6,538**	**–22,930**	**5,384**
Financial expenses					
Germany	–36,825	–2,228	0	0	–39,053
International	–7,597	0	0	0	–7,597
Corporate	0	0	–1,940	0	–1,940
Consolidation	0	0	0	22,828	22,828
Group	**–44,422**	**–2,228**	**–1,940**	**22,828**	**–25,762**

[1] France, Great Britain, Luxembourg, Nordics

PROSECUTION

EUR '000	Investments	Management Services	Corporate	Consolidation	Group
EBT (IFRS)					
Germany	3,416	18,573	0	354	22,343
International	3,780	18	0	0	3,797
Corporate	0	0	–9,739	0	–9,739
Consolidation	0	0	0	–87	–87
Group	**7,196**	**18,591**	**–9,739**	**267**	**16,314**
Adjustments					
Germany	8,268	1,476	0	0	9,744
Significant non-operating earnings	4,874	–1,476	0	0	3,398
Market valuation income derivatives	4,874	0			4,874
Valuation of fund shares	0	–1,476			–1,476
Realised fair value	13,141	0	0	0	13,141
International	0	0	0	0	0
Group	**8,268**	**1,476**	**0**	**0**	**9,744**
Operating result (EBT)					
Germany	11,684	20,049	0	354	32,087
International	3,780	18	0	0	3,797
Corporate	0	0	–9,739	0	–9,739
Consolidation	0	0	0	–87	–87
Group	**15,463**	**20,067**	**–9,739**	**267**	**26,058**

14 TRANSACTIONS WITH RELATED COMPANIES AND INDIVIDUALS

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

The disclosures on related party transactions contained in section 9.3 of the notes to the consolidated financial statements in the 2012 Annual Report remain valid.

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

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, we declare that the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and 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
CEO

Arwed Fischer
CFO

Klaus Schmitt
COO

Financial Calendar and Contact Details

FINANCIAL CALENDAR 2013

7 November 2013	Interim report for the first nine months of 2013

FINANCIAL CALENDAR 2014

27 March 2014	Financial statements 2013
8 May 2014	Interim report for the first quarter of 2014
27 June 2014	Annual General Meeting, Augsburg
6 August 2014	Interim report for the first half of 2014
6 November 2014	Interim report for the first nine months of 2014

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This interim report was published on 7 November 2013. This is a translation of the German interim report. In case of divergence from the German version, the German version shall prevail.

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