

TAG 

TAG Immobilien AG



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Q1 - 2012





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Highlights Q1 2012 figures

- Rental income of EUR 34.4m
- Rental profit of EUR 26.1m
- EBT of EUR 93.4m
- FFO of EUR 5.6m
- Net gains from first time consolidation DKBI EUR 83.1m
- NAV of EUR 9.39 per share
- Real estate volume more than doubled to EUR 3.062m
- LTV of 62.7%

New Guidance in 2012

- 
- EBT raised to EUR 140m from EUR 75m
- 
- FFO raised to EUR 40m from EUR 27m
- Target EPRA NAV of EUR 9.75 per share
 - Dividend payment for 2011 EUR 0.20 increasing in 2012



FFO Q1 - 2012

EBT	93,417
Adjustment for non-cash items	
Valuation result	-6,798
Gains from first-time consolidation of DKBI	-83,120
Depreciation	376
Impairment losses on receivables and inventories	1,266
Non-cash expenses	459
	<hr/>
	-87,817
FFO	5,600
Plus liquidity from sales	12,835
FFO incl. gains from sales	18,435



TAG investment case after the DKBI acquisition

I. Solid financing structure

- **Loan to Value 63%** (former 59%), **average loan maturity of 7.3 years (5.4)**
- **10 year DKB financing of EUR 680m plus EUR 120m other debt**

II. Team with high expertise; low-cost internal administration

III. Flexible corporate structures, able to swiftly adjust to market changes and act on opportunities

- Grow profitably

VI. Considerable potential for increasing values

- Rental growth
- Further vacancy reduction
- Sales above book value
- Decreasing minorities before book value

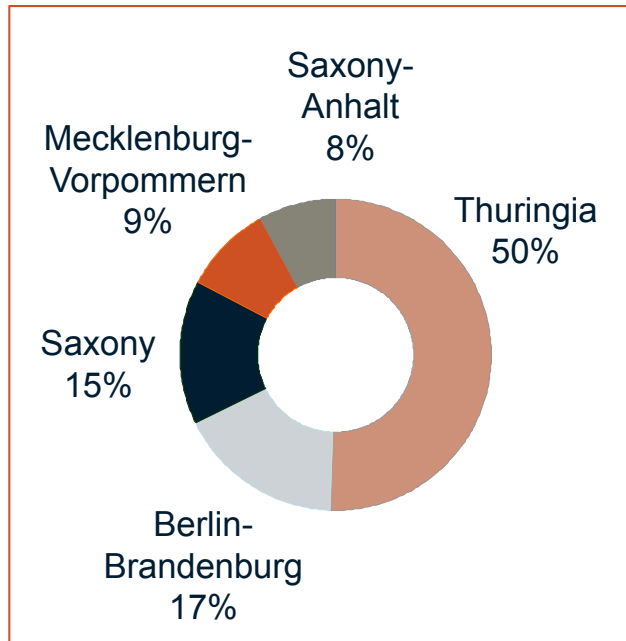
VII. Integration and Synergies

- EUR 12m visible from 2013 onwards

Acquisition 2012 – DKBI Portfolio

History of the portfolio

1995 DKB Immobilien was founded
 2007 DKB and GBW legally separated



85% refurbished
 9% newly built
 6% unrefurbished
 15% conventional buildings
 50% pre fabricated units
 35% settlement buildings

19% rental upside to local market

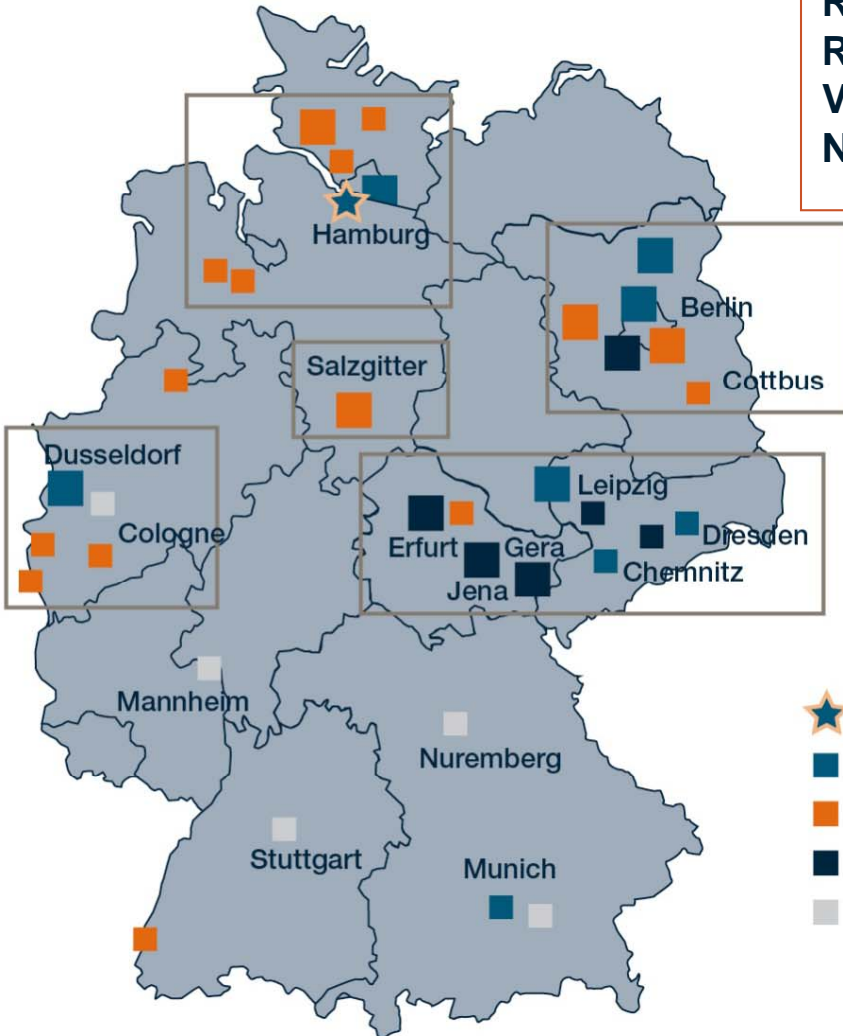
Capex was EUR 18/sqm

Covenant in the legal documents for Capex agreed EUR 7/sqm

Portfolio combined Q1-2012

	TAG	DKBI	Combined
Units	32,179	25,100	57,279
Floor Area sqm	2,338,540	1,490,000	3,828,540
Real Estate Volume TEUR	2,008,880	1,052,000	3,060,880
Rental income in TEUR*	137.770	73,000	210,770
Vacancy %	10.9	11.3	11.0
Net Actual Rent EUR/sqm	5.39	4.60	5.15

*annualised/ estimate



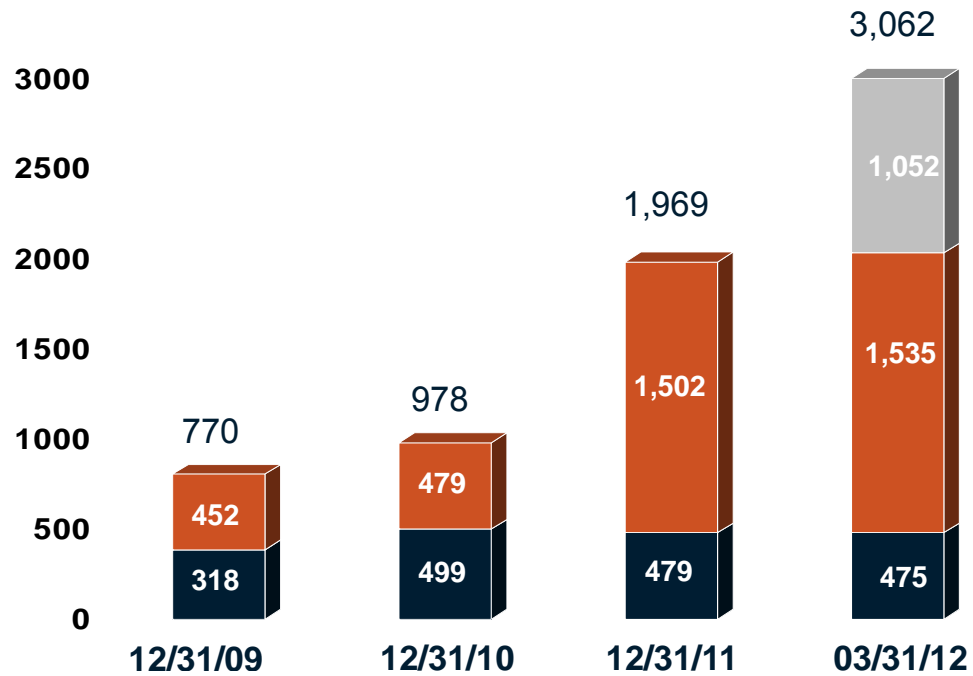
- ★ TAG headquarter and portfolio
- TAG real estate - residential
- Colonia real estate - residential
- DKBI real estate - residential
- TAG real estate - commercial

- Metropolitan regions of Berlin, Hamburg, Thuringia- Saxony, Düsseldorf and Salzgitter
- Strategic rationale to grow in order to benefit from operational leverage
- Most of DKBI portfolio is in proximity of existing TAG offices in Berlin and Eastern Germany

Portfolio combined Q1-2012

Real estate volume

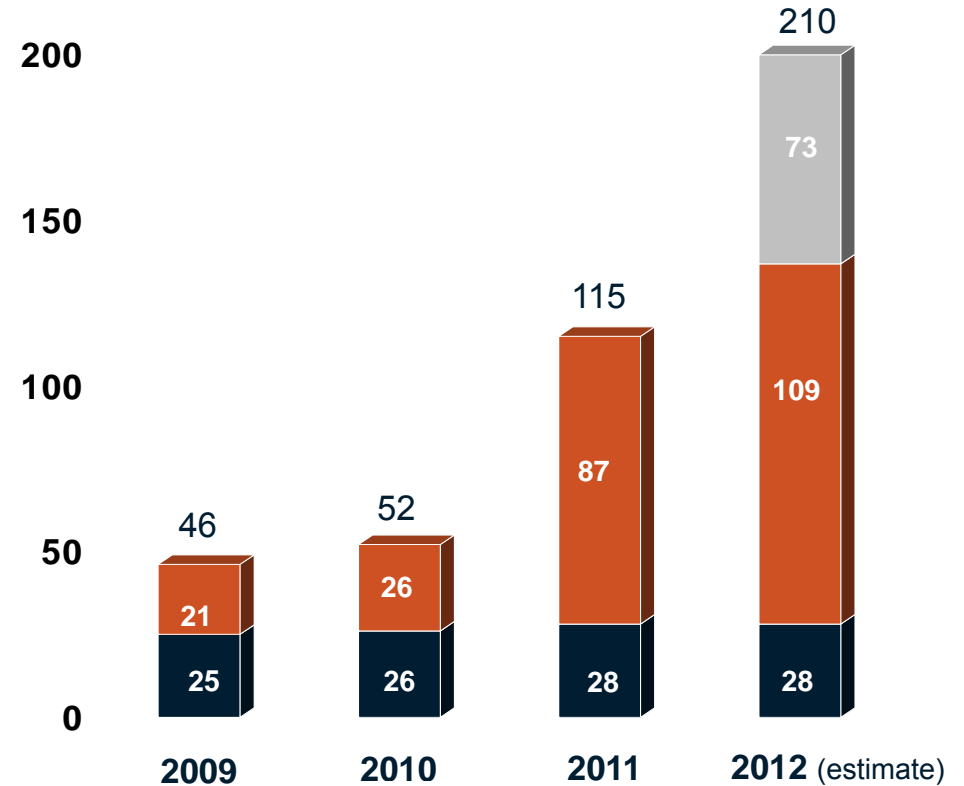
Volumen in EUR million



- TAG Portfolio of residential real estate
- TAG Portfolio of commercial real estate
- DKBI in total

Rental income per segment

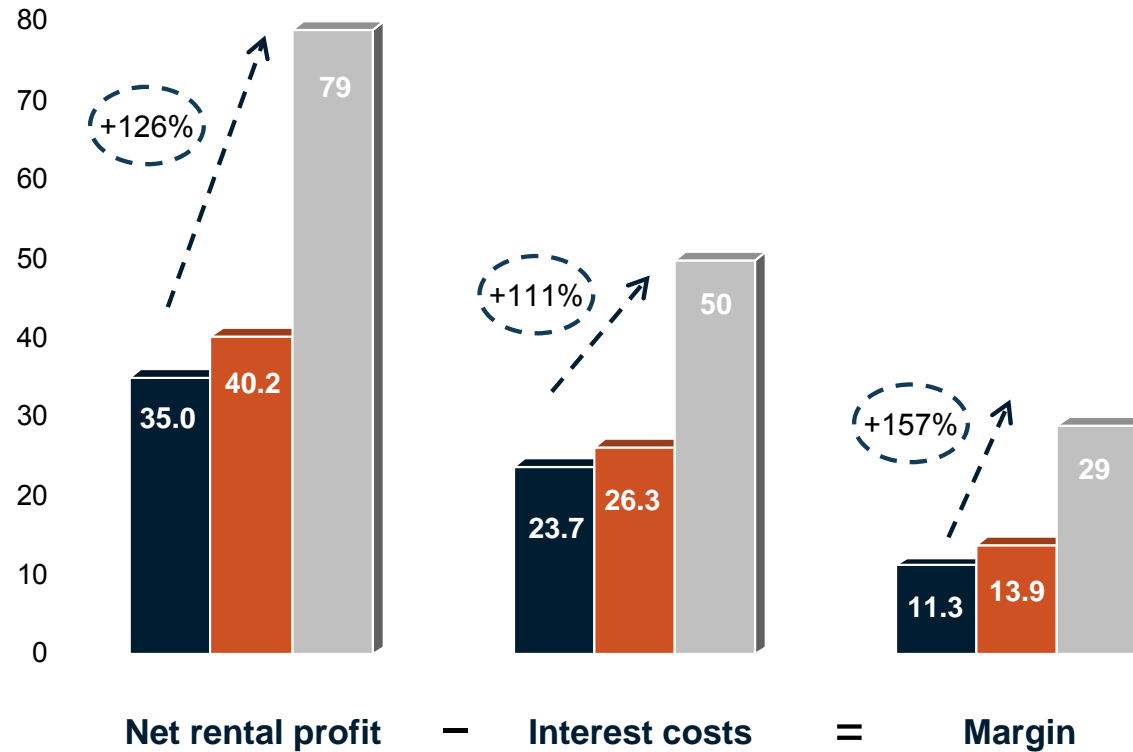
in EUR million



- TAG Residential real estate
- TAG Commercial real estate
- DKBI in total

Why we have grown: Net rental profit outpacing interest costs also resulting in higher margins

in EUR million



■ 2009 ■ 2010 ■ 2011

- Cash flow from EUR -36m 2009:
 - TAG EUR -17m
 - Colonia EUR -15m
 - Francono EUR -4m
 in positive territory in 2011: EUR +4m
- Portfolio growth from 2009: 4,000 units to 2011: 32,000 units
- Personnel Cost efficiency/ scale effects from 2009: EUR 10m to 2011: EUR 10.5m

- Vacancy reduction
- Better cost structure
- Carry after interest shows that growth is profitable

Portfolio TAG residential as of 12/31/2011

Region	Units	Floor area sqm	Vacancy sqm	Vacancy %	Annualised net actual rental TEUR	Net actual EUR/sqm	Target rent TEUR p.a.	Book value TEUR	Maintenance costs EUR/sqm p.a.	Management costs EUR/sqm p.a.	Return on target rent p.a. at IFRS book value %
Overall portfolio	30,697	1,898,890	220,624	11.6	101,488	5.04	113,121	1,449,428	10.41	9.15	7.8
Hamburg	6,326	389,637	35,866	9.2	21,828	5.14	23,554	312,225	10.84	8.96	7.5
Berlin	8,255	495,905	25,893	5.2	27,118	4.81	28,238	399,553	9.39	5.11	7.1
Leipzig/Dresden	2,497	158,394	15,831	10.0	7,647	4.47	8,321	108,904	12.86	5.17	7.6
Munich	133	9,183	999	10.9	909	9.25	986	20,377	26.59	9.96	4.8
NRW	3,158	202,279	13,386	6.6	12,173	5.37	13,228	179,041	7.78	6.83	7.39
Salzgitter/Wolfsburg/Magdeburg	9,603	586,277	127,364	21.7	27,983	5.08	34,879	375,030	10.37	13.22	9.3
Others	725	57,214	1,284	2.2	3,830	5.71	3,915	54,298	7.35	10.46	7.2

Portfolio residential by region - Hamburg



- Strong need for new residential units
- Increase of single tenant and elderly people households
- Homeownership 22%
- Strong spillover effects into periphery / commuter towns.

- Biggest vacancy upside in commuter town north of Hamburg (Elmshorn)
 - From Colonia portfolio
 - One entirely empty block, plan was to tear it down but we will revitalize the building

- Average asset rent: EUR 5.14
- Number of accommodation units: 6,326
- 22% of the residential portfolio (by book value)
- Vacancy 9.2%



as of 12/31/2011

Portfolio residential by region - Berlin



- Average asset rent: EUR 4.81
- Number of accommodation units: 8,255
- 28% of the residential portfolio (by book value)
- Vacancy 5.2%



- Increasing lack of new residential units
- Average letting size 54 sqm
- Strong like-for-like rental growth.

- 11% homeowner ship in Berlin
- Berlin is growing and increasingly attracting people
- Building substance not good as in the rest of Germany
 - This often implies that capex can yield much higher returns and rents can be increased faster
- Last acquisition 1070 units in Eberswalde (north of Berlin)

as of 12/31/2011

TAG Portfolio residential - Berlin



- TAG is in Berlin regions where demographics show a growing population
- TAG is happy to buy in the centre as well in the outskirts as long as the relative value is right
- In 2011 TAG bought for over 9% gross yield in Berlin

12,000 units as of March 2012

- Existing TAG Portfolio
- New Acquisitions in 2011/2012
- DKBI Portfolio

Portfolio residential by region – Saxony/Leipzig



- Average asset rent: EUR 4.47
- Number of accommodation units: 2,497
- 8% of the residential portfolio (by book value)
- Vacancy 10.0%

- Very attractive concentration of B cities between Leipzig and Dresden.
- Good infrastructure, good demographics (again) and strong economic growth.
- A very exciting regional cluster for TAG as the region is likely to grow in strategic importance in the real estate market

as of 12/31/2011

Portfolio residential by region - Salzburg



- Average asset rent: EUR 4.76
- Number of accommodation units: 8,741
- 22% of the residential portfolio (by book value)
- Vacancy 21.7%

Vacancy reduction

- Overall vacancy in Salzburg: 10%
- Vacancy in our portfolio 21.7% (from 24.4%)
- We are in above-average location
- 2,000 units market demand for elderly tenants
- Chances/angles for marketing:
 - having a decent product
 - take tenants from neighbouring parts

Cost efficiency/Scale effects

Cash Flow positive during half a year TAG management

Rent increases in 2011

- from 4.41 EUR/sqm to EUR 4.91 EUR/sqm
- The rent can be hiked in Lebenstedt
- Generally in studios and 1 bedroom apartments

as of 12/31/2011

Portfolio residential by region – North Rhine Westphalia



- Agglomeration of at least 30 cities
(29 of 80 metropolises in Germany)
- 22% of the German GDP (BIP)
- Centres of economic growth
- Homeownership 39%

Portfolio of TAG in

- Düsseldorf, Leverkusen
- Dortmund, Köln
- Siegburg, Moers

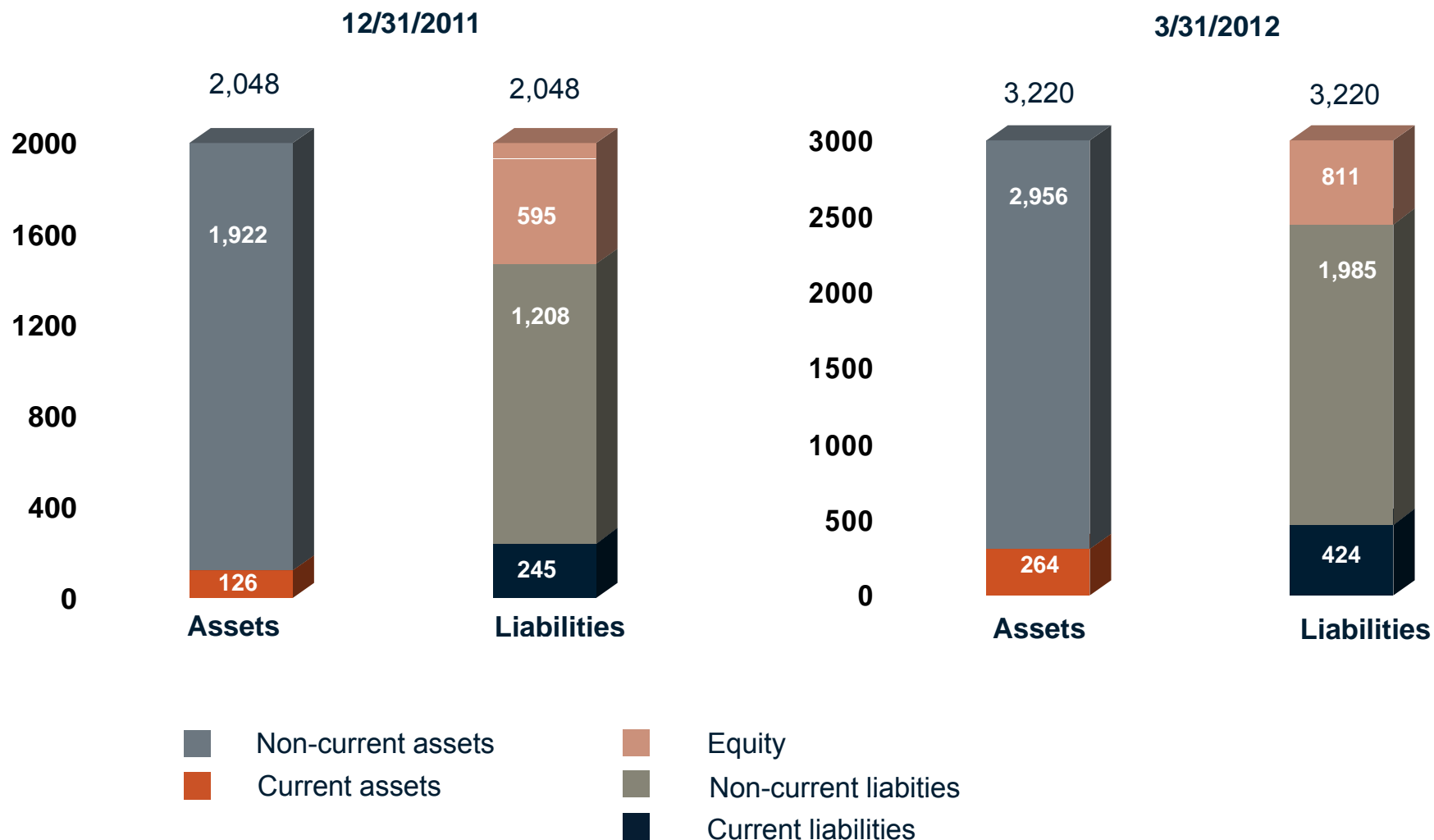
- Average asset rent: EUR 5.37
- Number of accommodation units: 3,158
- 12% of the residential portfolio (by book value)
- Vacancy 6.6%



as of 12/31/2011

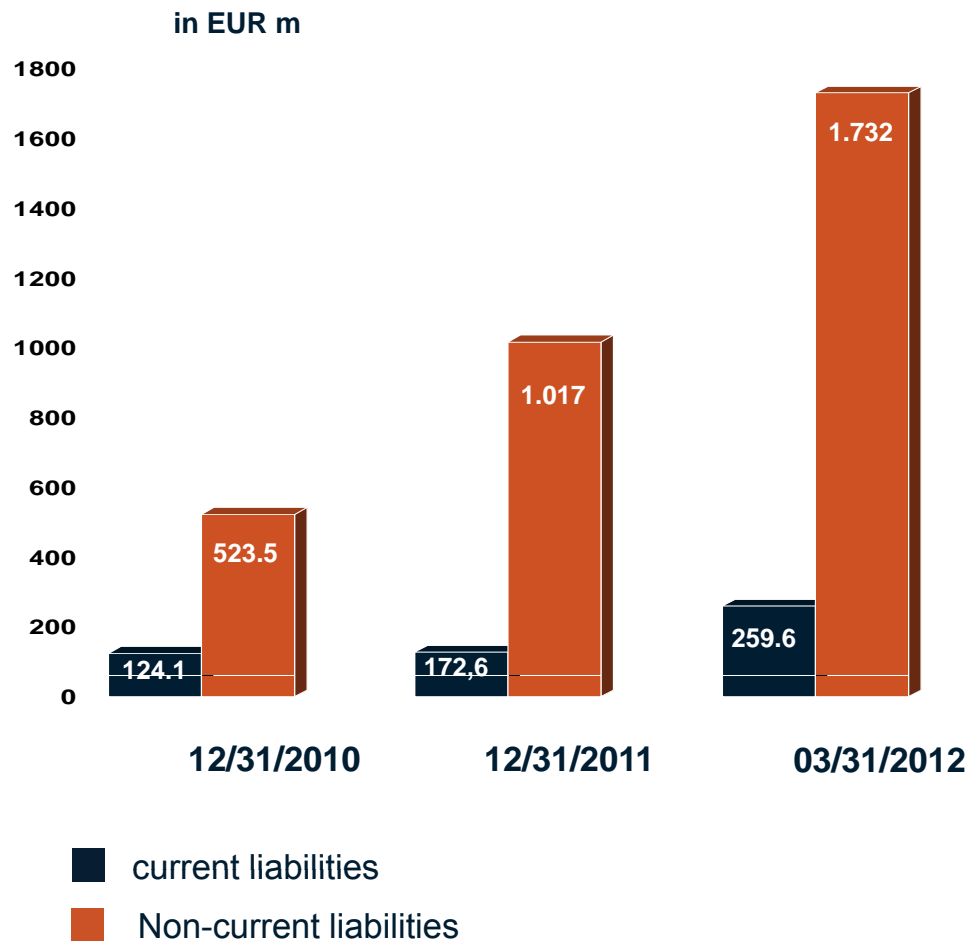
Group financials (IFRS)

Consolidated balance sheet (in EUR m)

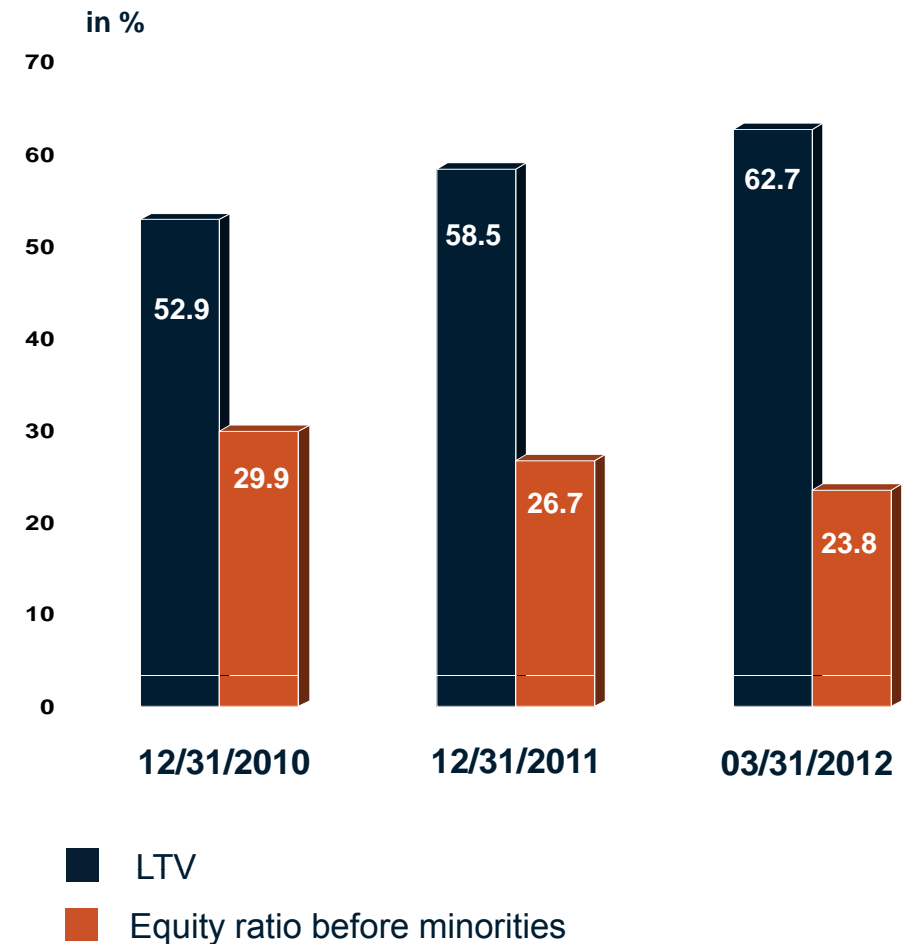


Financial structure

Bank borrowings

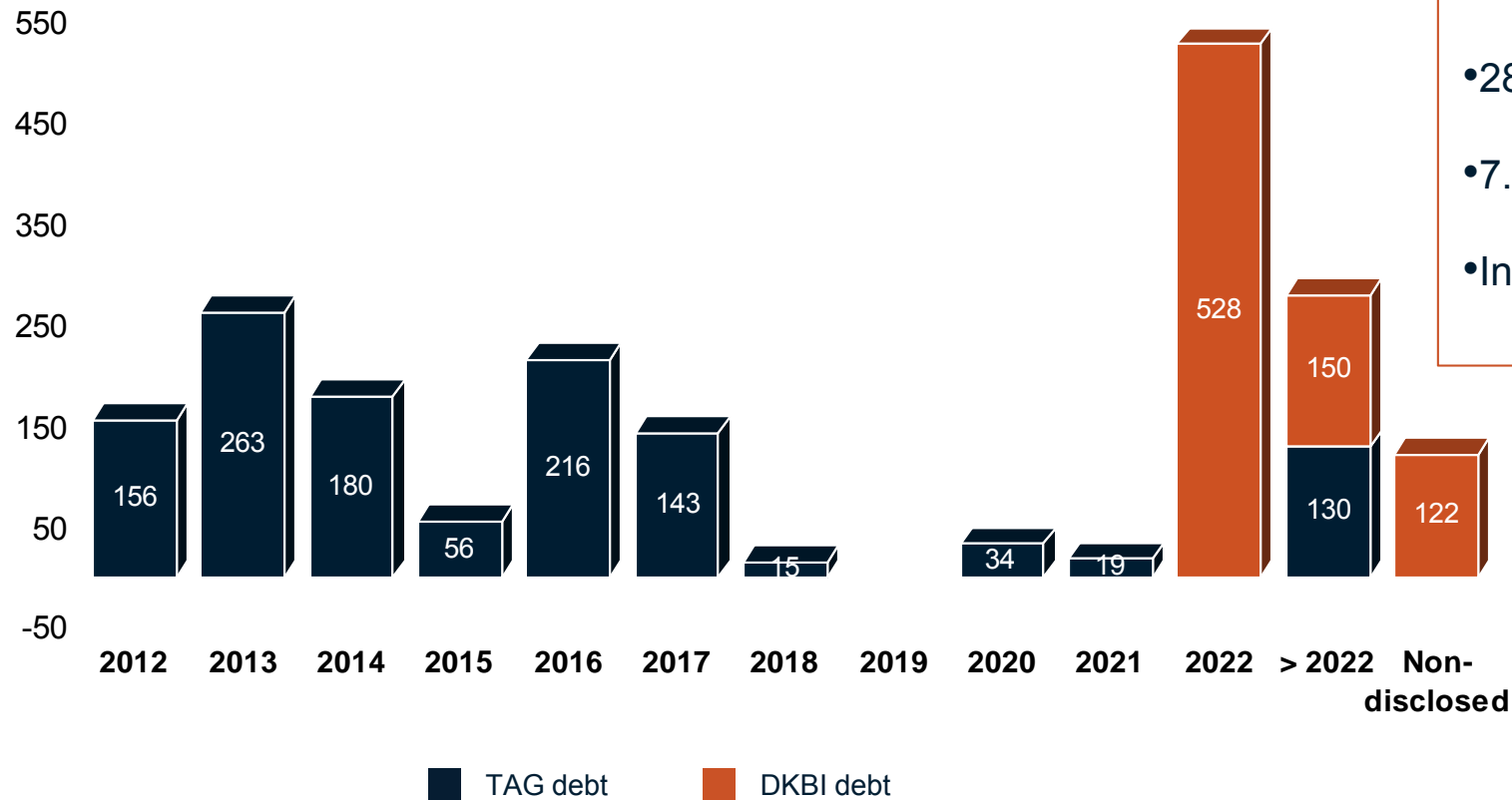


Loan to Value / Equity ratio



Financial structure - debt maturity improved

in EUR million



Debt structure at Q1 2012

- EUR 2,006m
- 28 German Banks
- 7.3 years \emptyset maturity
- Interest costs of 4.0%

Stock market data TAG as of Q1/2012

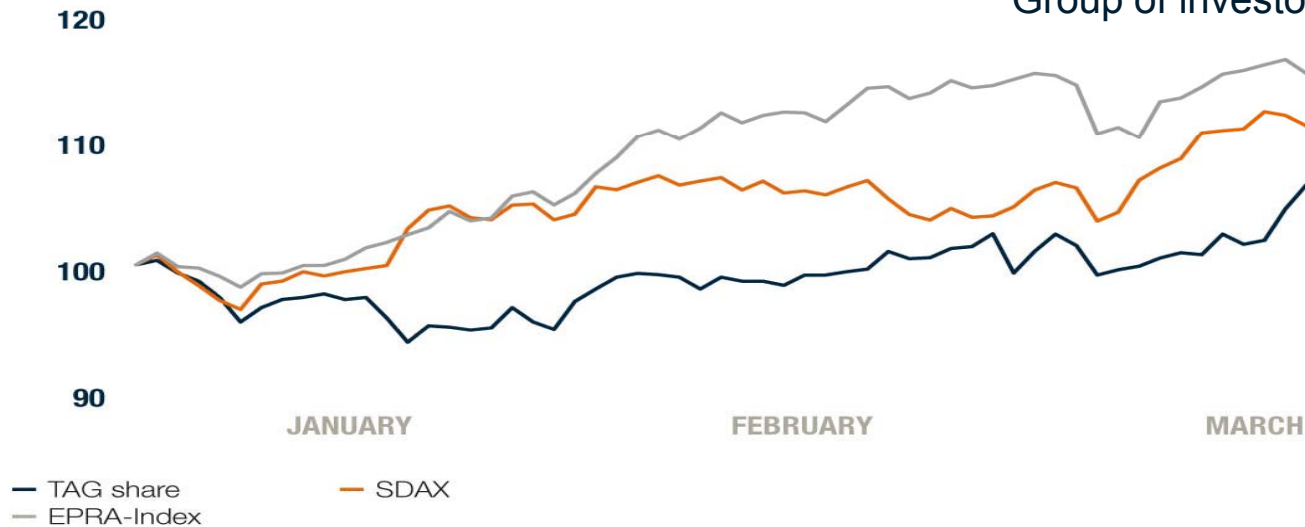
High/Low (Q1 2012)	EUR 6.99/EUR 5.77
Number of shares	96.428m
Market capitalisation	EUR 666m
Stock exchange	SDAX/EPRA
Free Float *	97%

* Deutsche Börse definition including institutional investors

Shareholder structure

Ruffer LLP, UK*	18%
IP Concept, Flossbach von Storch SICAV, L*	10%
Taube Hodson Stonex, UK*	5%
Threadneedle, UK*	5%
DWS Fund, D*	5%
Scottish Value Management, UK*	3%
Scottish Widows Group Ltd., UK*	3%
Skagen AS, N*	3%
Group of investors Dr. Ristow, D	3%

in %





Acquisition 2011-2012

Portfolio	Closing when	Number of Units	Purchase price incl. ancillary costs	sqm	Price per sqm	Annualised net actual rental	Initial yield (gross on pp incl. ac)	NCR Multiplier	Impact on NAV per share (in Cent)
Colonia	15.02.2011	18.888	716.670.000	1.162.749	616	56.988.000	8,0%	12.6x	81
Marzahn	01.06.2011	612	25.240.000	43.600	579	2.296.608	9,1%	11.0x	5
Hellersdorf	30.09.2011	461	18.656.000	26.900	694	1.740.077	9,3%	10.7x	6
Dresden	30.09.2011	156	7.700.000	11.400	675	610.047	7,9%	12.6x	2
Norther Germany, Saxony	01.11.2011	3.343	151.110.000	208.300	725	13.709.337	9,1%	11.0x	17
Chemnitz	31.01.2012	429	23.750.000	32.200	738	1.794.000	7,6%	13.2x	2
Eberswalde	01.01.2012	1.057	30.300.000	59.911	506	2.866.000	9,5%	10.6x	8
Total		24.946	973.426.000	1.545.060	630	80.004.069	8,2%	12.2x	120

Acquisition 2011-2012

Marzahn/DOM Portfolio

Units	612
Floor area in sqm	43,591
Net rental EUR/sqm	4.29
Vacancy	1.47%
Purchase price EUR/m	25.2



Colonia Real Estate AG

Units residential	18,888
Floor area in sqm	1,162,749
Net rental EUR/sqm	4.85
Vacancy	15.7%
Purchase price EUR/m	716.7

Hellersdorf/Marzahn

Units	461
Floor area in sqm	26,921
Net rental EUR/sqm	5.20
Vacancy	6%
Purchase price EUR/m	17.6



Chemnitz

Units residential	420
Floor area in sqm	32,000
Net rental EUR/sqm	5.55
Vacancy	4.0%
Purchase price EUR/m	23.75

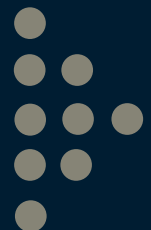
North Germany/Saxony

Units residential	3,267
Units commercial	76
Floor area in sqm	208,757
Net rental EUR/sqm	5.44
Vacancy	6.2%
Purchase price EUR/m	150



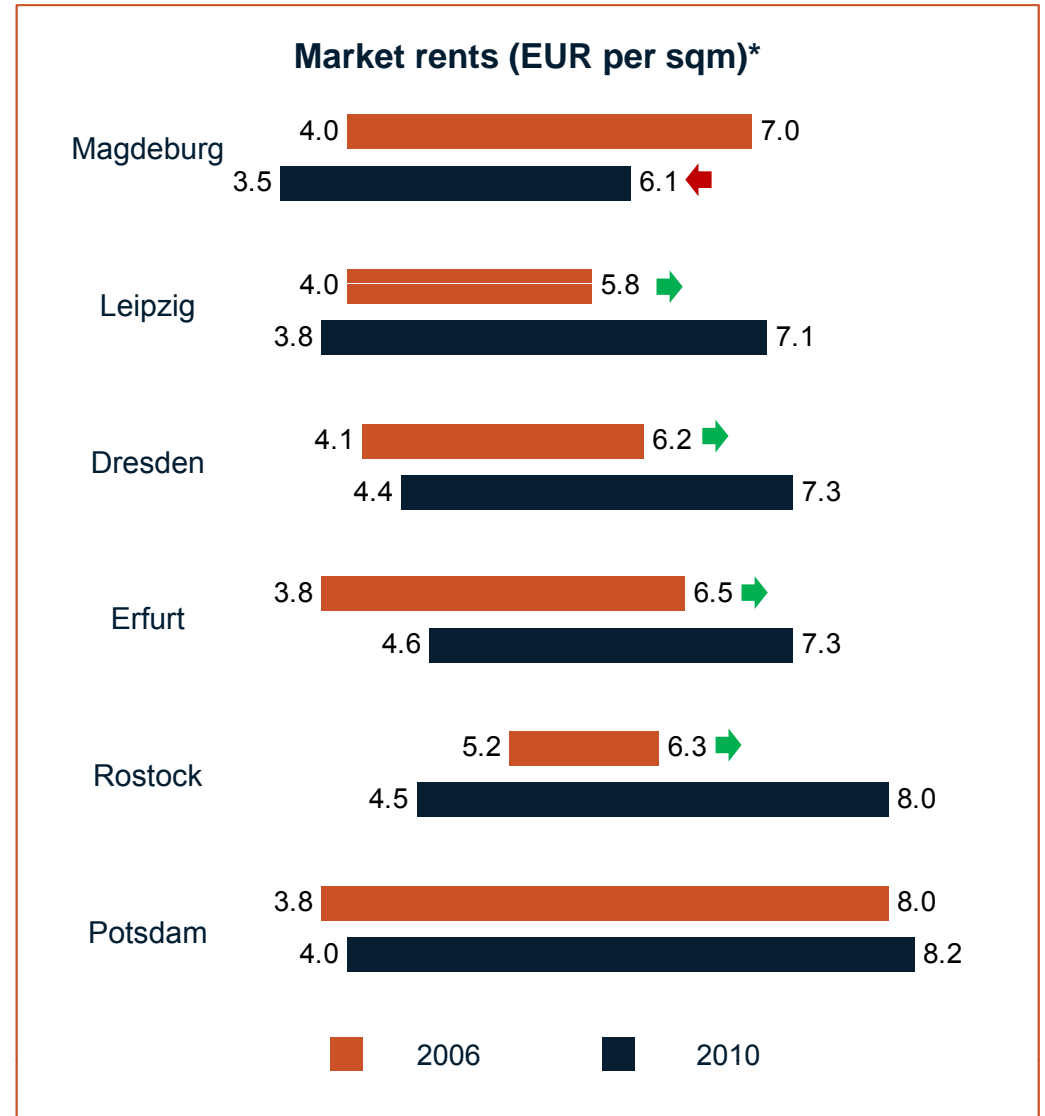
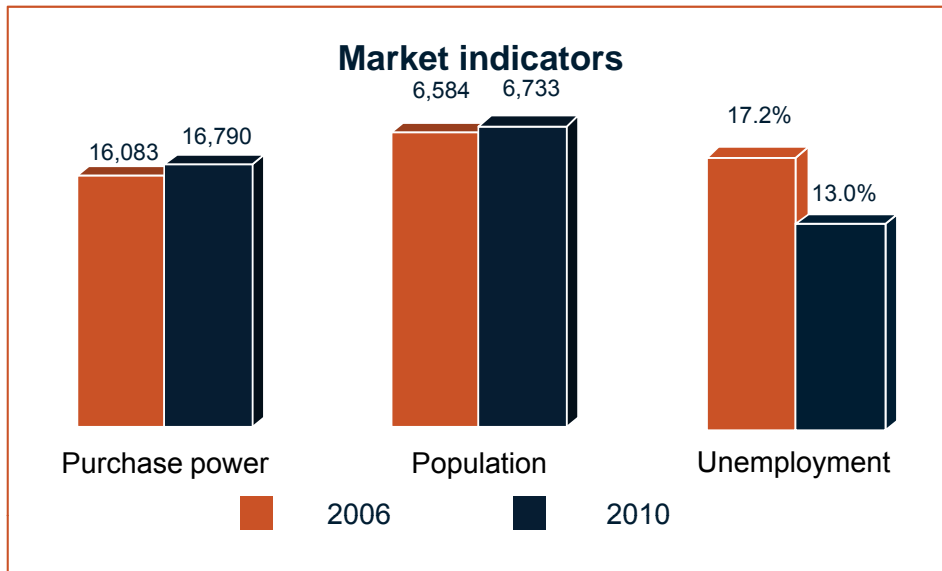
Eberswalde/ Berlin

Units residential	1,057
Floor area in sqm	59,911
Net rental EUR/sqm	4.04
Vacancy	7.0%
Purchase price EUR/m	30.3



Markets in key Eastern German cities have improved

- Purchase power, population and employment have improved since 2006
- Average population growth of 4.2% expected for Dresden, Erfurt, Jena, Leipzig, Potsdam and Weimar until 2025
- Market rents have improved since 2006



Source: TLG

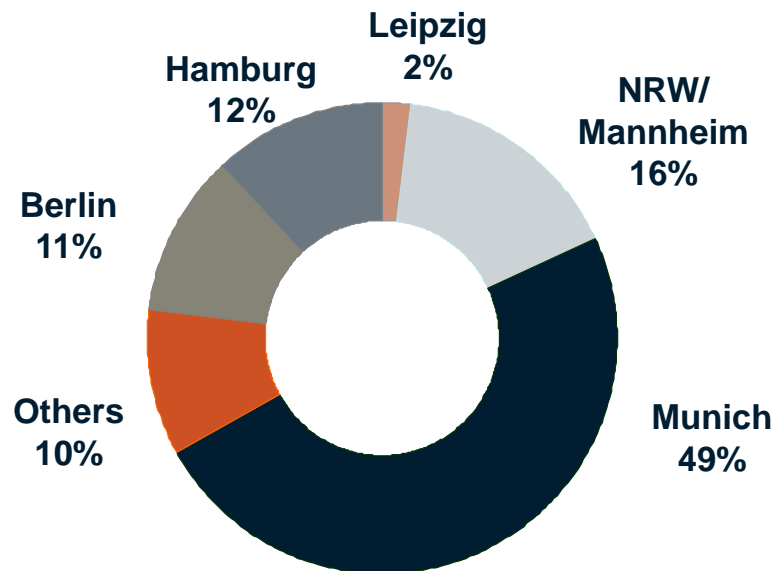
* for refurbished conventional buildings

Portfolio commercial

- sqm total
- sqm rental
- current rental p.a. net of charged costs (EUR m)
- current rental net of charged costs (EUR/sqm)
- vacancy

	12/31/2009	12/31/2010	12/31/2011
sqm total	342,911 sqm	335,686 sqm	348,403 sqm
sqm rental	324,971 sqm	323,063 sqm	319,940 sqm
current rental p.a. net of charged costs (EUR m)	26.6	26,0	28.8
current rental net of charged costs (EUR/sqm)	6.81	6.70	7.51
vacancy	5.2%	3.8%	8.2%

Real estate portfolio by region*



*as of 12/31/2011 by book value



Siemensdamm, Berlin



Management Board

Rolf Elgeti, CEO

- Colonia Real Estate AG, Management Board since February 2011
- TAG Immobilien AG, Management Board (since July 2009), Supervisory Board from 2008 onwards
- Bau-Verein zu Hamburg AG, Management Board (since July 2009)
- Founder of Elgeti Ashdown Advisors Ltd. (2007)
- Setting up and management of various German real estate investment funds (since 2003)
- UBS Warburg, Commerzbank, ABN Amro: (chief) equity strategist, London (1999 – 2007)

Hans-Ulrich Sutter, CFO until 6/30/2012

- Colonia Real Estate AG, Management Board since February 2011
- TAG Immobilien AG, Management Board (since April 2008)
- Bau-Verein zu Hamburg AG, Management Board (since October 2008)
- Deutsche Real Estate AG, CFO until 09/2007
- GSW Gemeinnützige Siedlungs- und Wohnungsbaugesellschaft, responsible for financial matters until 03/2006
- CFO in a DAX 30 Company (Fresenius Medical Care, 1998) as well as in large Multinationals (Coca Cola Germany, Procter & Gamble Germany)

Dr. Harboe Vaagt, Board Member

- Management Board since April 2011 in TAG Immobilien AG, Bau-Verein zu Hamburg AG
- Head of Legal Department of TAG for over 12 years

Georg Griesemann, CFO from June 2012 onwards

- TAG Immobilien AG, Management Board from 6/2012 on
- Colonia Real Estate AG, Bau-Verein zu Hamburg AG: Management Board (since May 2012)
- DKB Immobilien AG, Management Board (since March 2012)
- TAG Immobilien AG responsible for financial matters (since 06/2011)
- 10 years successive positions at KPMG

Claudia Hoyer, COO from July 2012 onwards

- DKBI Management Board (since July 2010)
- 10 years in successive positions at Deutsche Kreditbank AG

Supervisory Board

Dr. Lutz R. Ristow, Chairman of the Supervisory Board TAG (since 2007), Colonia (since 4/2011)

Prof. Dr. Ronald Frohne (since 2001), Rolf Hauschildt (since 2001), Andrés Cramer (since 2009)

Employee representative: Wencke Röckendorf (since 2010), Andrea Mäckler (since 2010)



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