



2014

# Growing Assets

H1 - 2014 Figures

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# TAG Highlights H1 2014

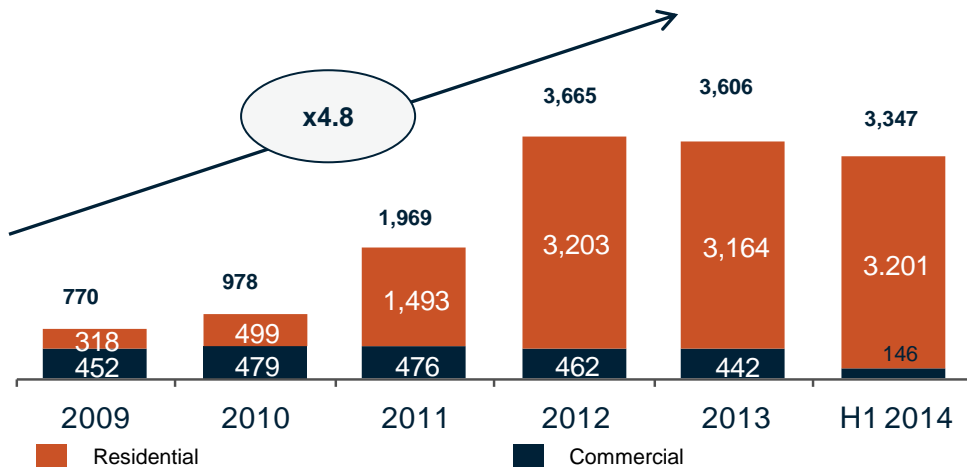
- **Rental income** (including commercial)
  - **EUR 130.5m** (125.6m in H1 2013)
- **Rental profit** (including commercial)
  - **EUR 107.3m** (99.4m in H1 2013)
- **FFO I of EUR 41.7m**
- **FFO I per share of EUR 0.32**
- **Vacancy** (excl. properties for sale):
  - residential portfolio: 8.7% (8.8% end of 2013)
  - Salzgitter region: 17.3% (18.6% end of 2013)
- **EPRA NAV of EUR 9.17 per share, fully diluted 9.02 per share**
- **LTV of 61.5%** (64.8% including convertibles)
- **Dividend per share of EUR 0.35 for 2013**

- **Achievements 2014**
  - Increase of existing EUR 200m CB by another EUR 110m
  - Purchase of new portfolio in Thuringia/ Saxony with 4,000 units / EUR 78.2m, NRI yield ca. 10.4%
  - Disposal of approx. EUR 300m commercial real estate portfolio to Apollo Global Management affiliate via share deal – TAG still holds a 20% stake
  - Issuing a Bond of EUR 125m, coupon 3.75%, 6 year term
- **Achievements 2013**
  - Purchase of 3,000 units in Eastern Germany, NRI yield ca. 12.2%
  - Acquisition Chemnitz: 219 Residential Units / EUR 7.7m
  - Disposal of single commercial units in Hamburg, Hanover, Nuremberg, Ahrensburg, Munich, Cologne
  - Repurchase/ Cancellation of convertibles in the nominal amount of EUR 72m
  - Issuing a Bond of EUR 200m, coupon 5.125%, 5 year term
  - Refinancing of approx. EUR 600m

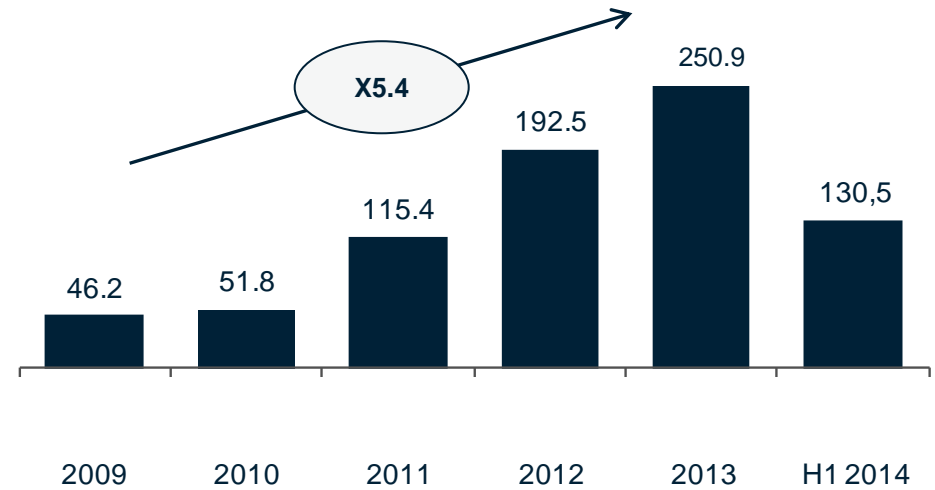


# TAG Growth Strategy 2009- H1 2014

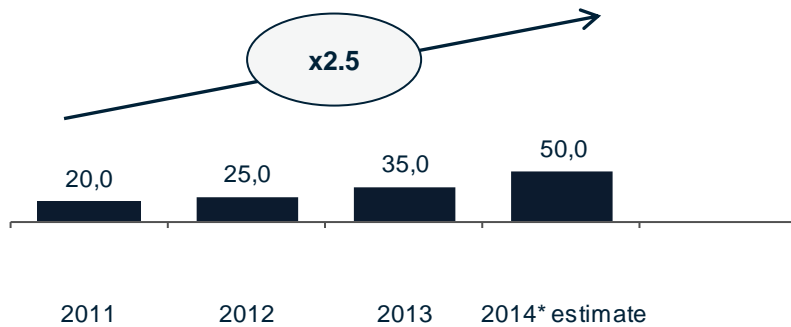
Real estate volume (EURm)



Rental revenues (EURm)



Dividend (EUR Cent)

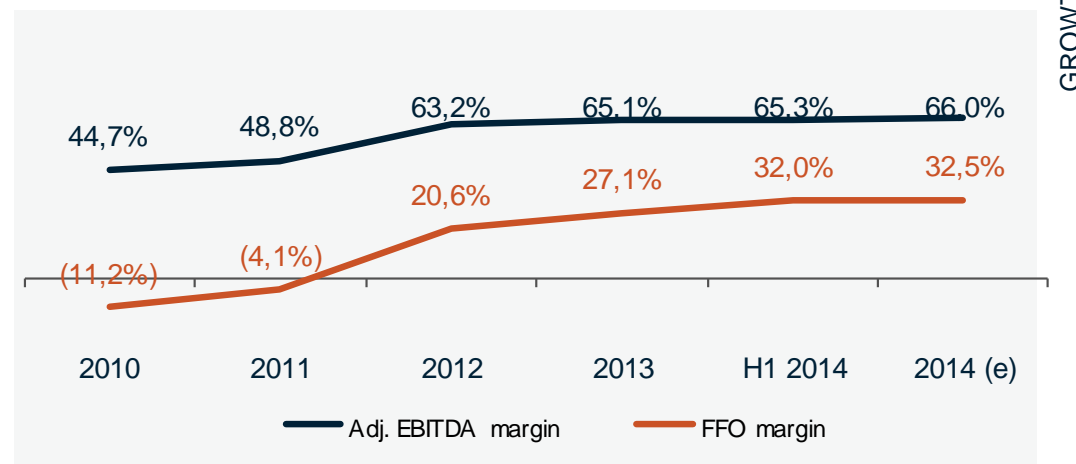


- TAG has followed an accelerated growth path over the past four years
  - Successful fourfold increase in company size
- TAG is now positioned among the leading players in the German listed residential sector
- Over the same period, TAG significantly improved its operating profitability

# TAG Efficiency 2009-H1 2014

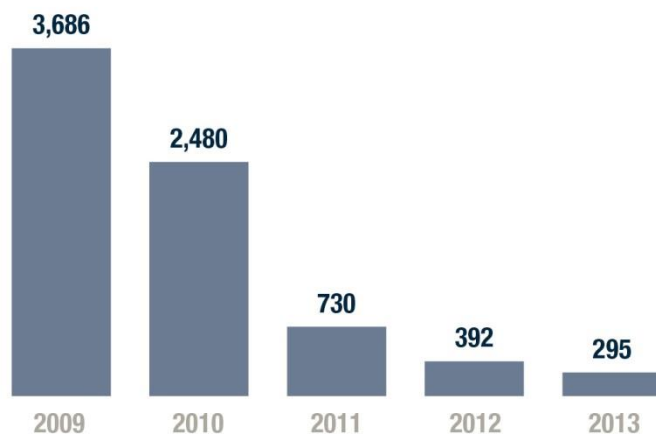
- Growth has been a strategic imperative for TAG in order to
  - achieve economies of scale
  - benefit from effects of step-fixed costs relating to administration and overhead expenses
  - become a best in class landlord
  - reduce variable costs
- In parallel TAG has successfully restructured the business over the last 4 years
- These effects do not yet account for synergies and efficiency gains from the TLG Wohnen acquisition planned to fully kick in from 2014 onwards

**Adj. EBITDA and FFO margin** (including commercial)

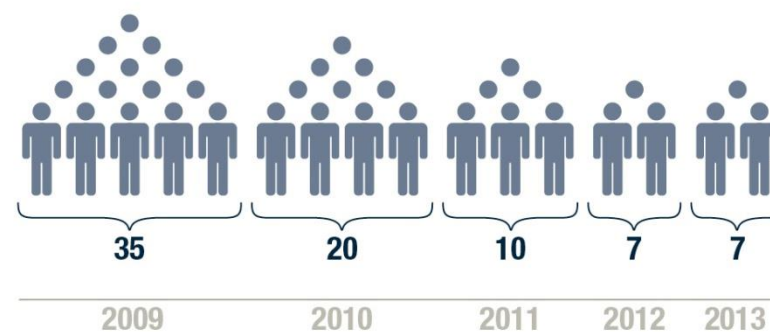


GROWTH

**SG&A in EUR per unit (p.a.)**



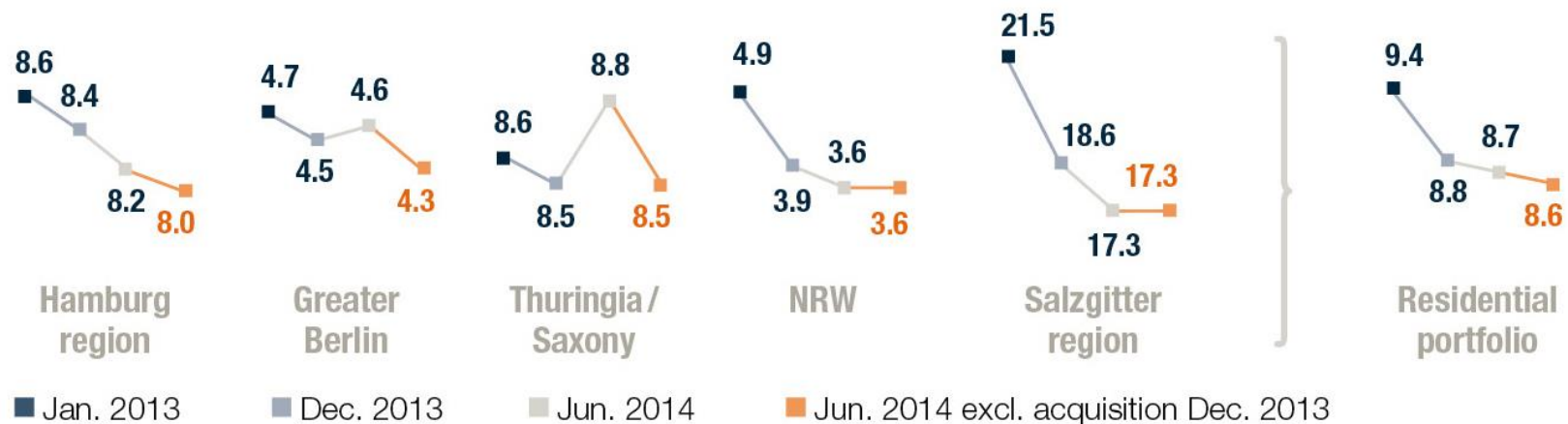
**Employees per 1,000 units**



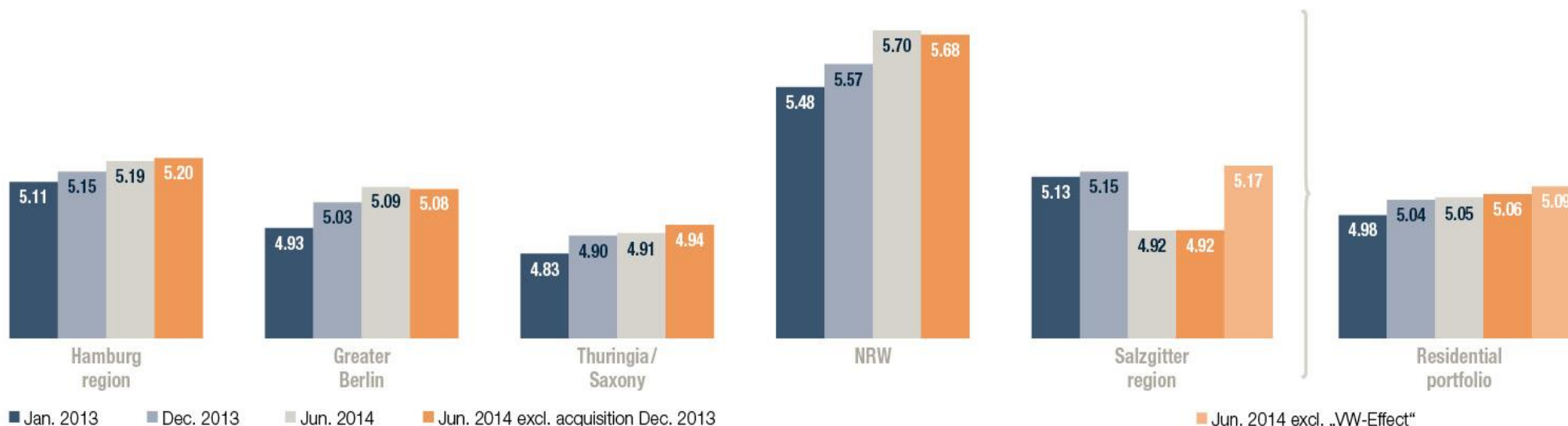
**TAG has arrived at a sustainable profitability level but still has plenty of potential to improve further**

# TAG Achievements 2013 – H1 2014

Vacancy reduction per region (in%)\*



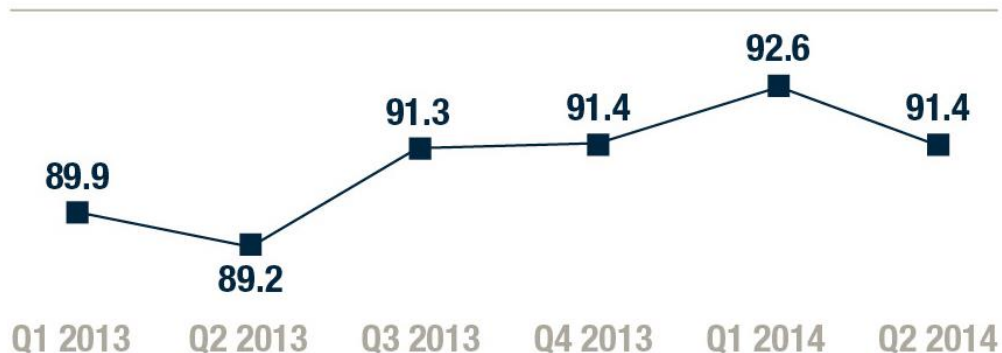
Net actual rent per region (in EUR/ sqm)\*



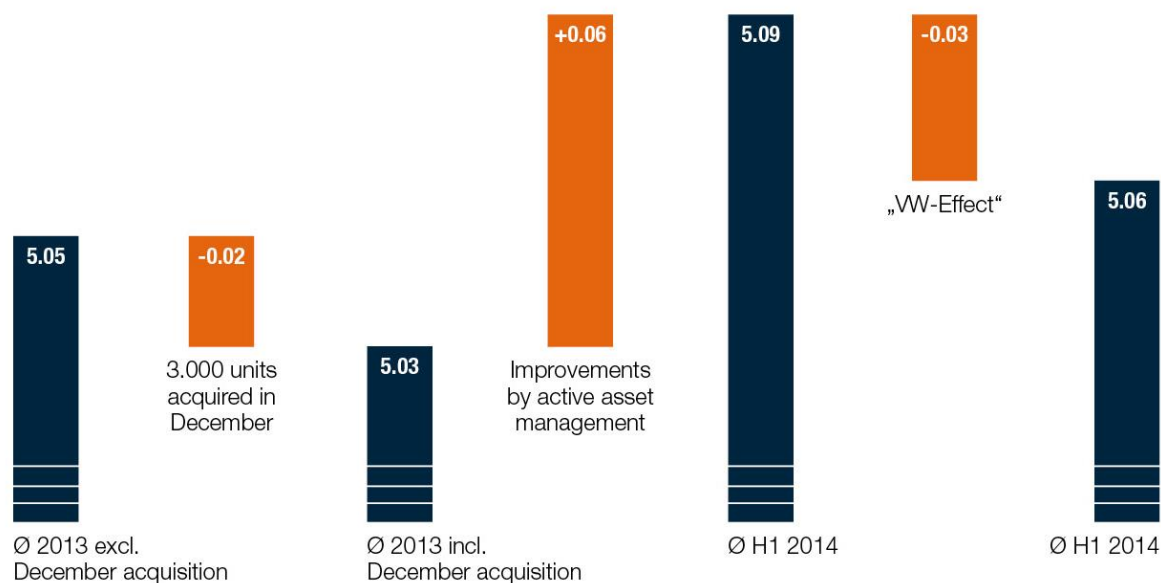
\*excluding properties for sale

# TAG Achievements H1 2014

## Rental margin pre maintenance (in%) (including commercial)



## Net actual rent in the residential portfolio (in EUR/ sqm)\*



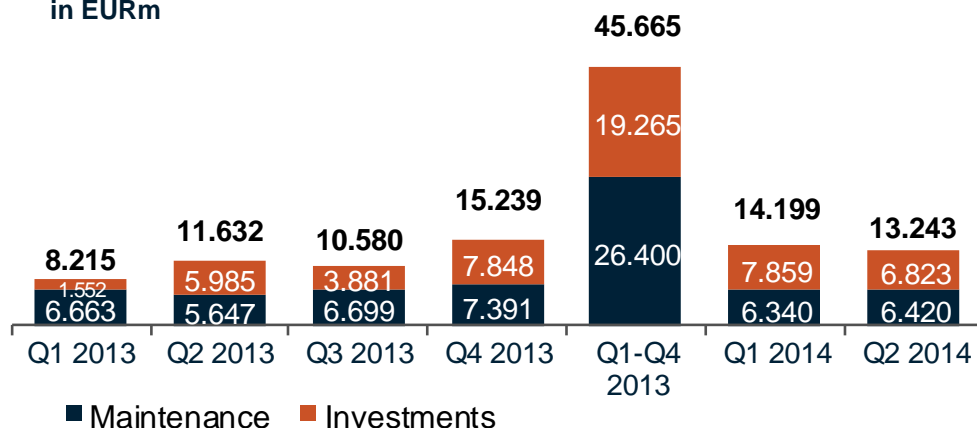
\*excluding properties for sale

- TAG's operational platform has become more efficient and more effective over the course of 2013
- Operational improvements beyond pure corporate cost efficiencies due to growth strategy:
  - Service charge leakage constantly reduced q-o-q due to vacancy reduction and better service charge management post TAG taking over new portfolios.
  - Central purchasing established.
- Important side effect: savings for TAG's tenants which allows stronger rental growth
  - Non recoverable costs reduced due to similar effects.
- More to come in the course of 2014
- Rental margin improving steadily as a result
- This rental achievements correspond to about 1% organic growth through the first half 2014 – or 2% on an annualized basis

# TAG Investments H1 2014

## Portfolio residential

in EURm



## Overall investments in H1 2014:

- Modernisation/ investments (capitalized): 14.7m
- Maintenance/ repair (charged to P&L): 12.8m
- **TOTAL EUR:** **27.4m**

## Regional Split

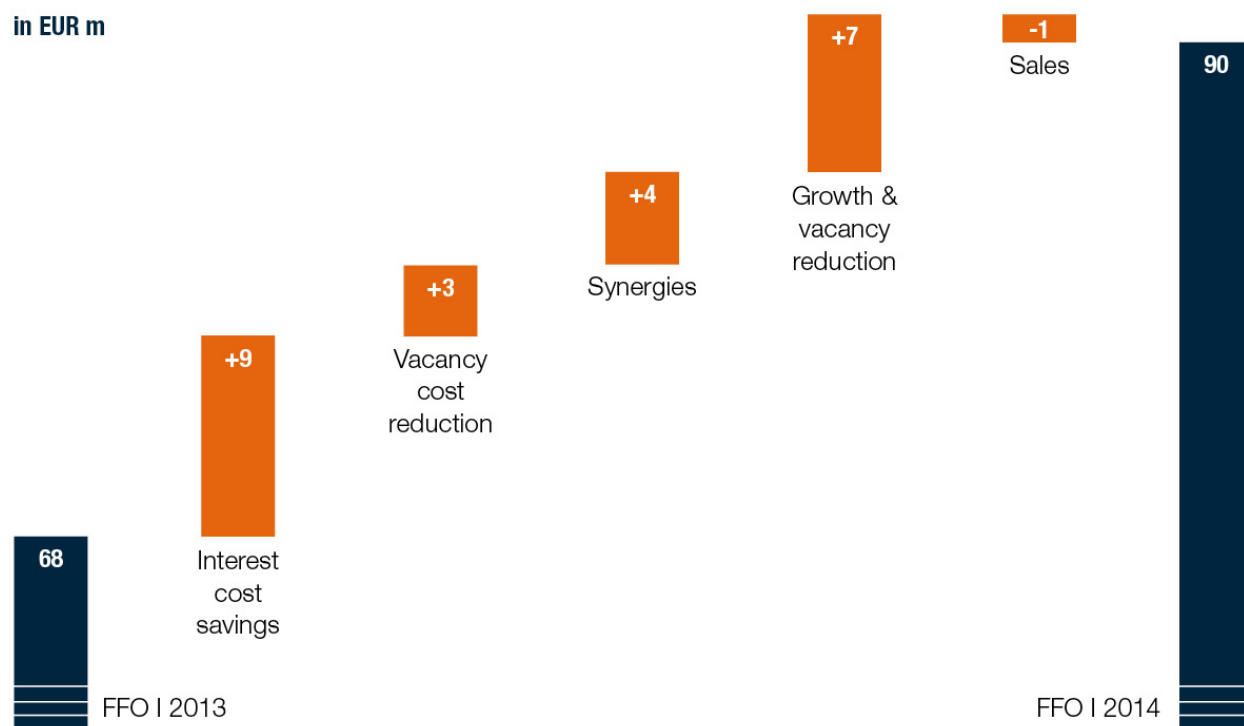
EUR / sqm	2013			Q1 2014			Q2 2014			H1 2014		
	opex	capex	Total	opex	capex	Total	opex	capex	Total	opex	capex	Total
Berlin	6.89	4.75	11.64	1.60	2.19	3.79	0.57	1.60	2.17	2.17	3.79	5.96
Hamburg	6.90	1.98	8.88	1.42	1.61	3.04	1.39	3.01	4.39	2.81	4.62	7.43
NRW	10.61	2.06	12.67	3.12	0.49	3.58	1.72	0.69	2.45	4.84	1.18	6.03
Salzgitter	8.24	9.13	17.37	1.87	2.44	4.31	3.01	1.99	5.01	4.88	4.43	9.32
Saxony/Thuringia	4.81	4.62	9.43	0.84	1.75	2.59	1.19	0.93	2.13	2.03	2.68	4.72
<b>Residential</b>	<b>6.39</b>	<b>4.67</b>	<b>11.06</b>	<b>1.36</b>	<b>1.83</b>	<b>3.19</b>	<b>1.37</b>	<b>1.52</b>	<b>2.90</b>	<b>2.73</b>	<b>3.35</b>	<b>6.09</b>
<b>Commercial</b>	<b>4.97</b>	<b>2.14</b>	<b>7.11</b>	<b>1.88</b>	<b>0.41</b>	<b>2.29</b>	<b>1.45</b>	<b>0.27</b>	<b>1.72</b>	<b>3.33</b>	<b>0.68</b>	<b>4.01</b>
<b>TAG in TOTAL</b>	<b>6.25</b>	<b>4.48</b>	<b>10.72</b>	<b>1.40</b>	<b>1.73</b>	<b>3.13</b>	<b>1.41</b>	<b>1.50</b>	<b>2.90</b>	<b>2.81</b>	<b>3.23</b>	<b>6.03</b>



# TAG FFO FY 2013- H1 2014 (including commercial)

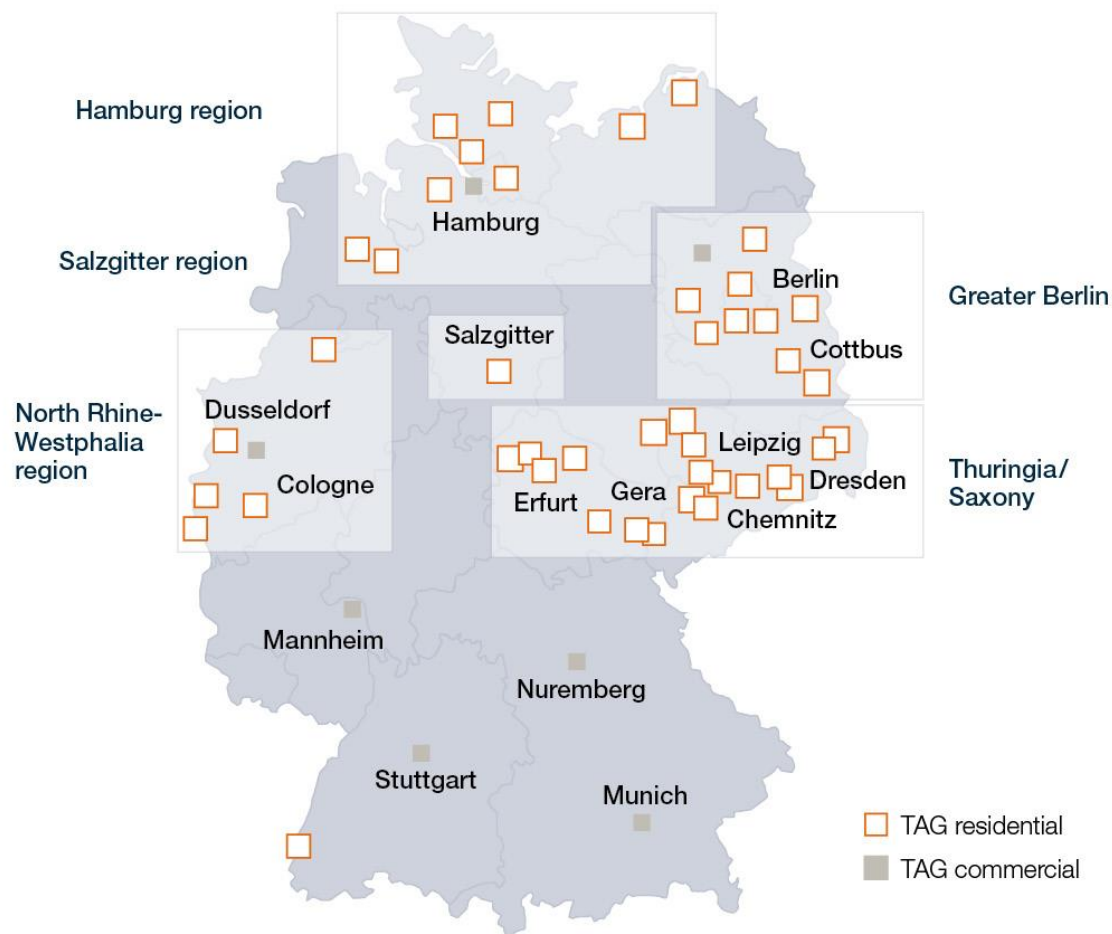
in EUR m	H1 2013	2013 Total	Q1 2014	Q2 2014	H1 2014
<b>EBT (incl. discontinued operations)</b>	<b>25.0</b>	<b>23.1</b>	<b>9.7</b>	<b>13.8</b>	<b>23.5</b>
Adjustments					
valuation result	0.4	15.9	-2.0	-4.9	-6.9
deconsolidation commercial portfolio	-	-	-	-1.0	-1.0
depreciation	1.0	2.3	0.6	0.6	1.3
impairment losses on receivables and inventories	3.1	17.4	7.4	1.9	9.3
non-cash financial expenses/one off's refinancing	1.6	9.2	3.5	8.1	11.6
one off's personnel-costs and project costs	-	-	1.0	2.1	3.1
sales result	0.4	0.2	0.4	0.4	0.8
<b>FFO I</b>	<b>31.5</b>	<b>68.1</b>	<b>20.7</b>	<b>21.0</b>	<b>41.7</b>
excl. CAPEX	-7.6	-20.0	-7.9	-6.8	-14.7
<b>AFFO</b>	<b>23.9</b>	<b>48.1</b>	<b>12.8</b>	<b>14.2</b>	<b>27.0</b>
FFO I plus liquidity from sales	47.6	52.9	3.6	4.0	7.6
<b>FFO II</b>	<b>79.1</b>	<b>121.0</b>	<b>24.3</b>	<b>25.0</b>	<b>49.3</b>
<b>FFO I per share in EUR</b>	<b>0.24</b>	<b>0.52</b>	<b>0.16</b>	<b>0.16</b>	<b>0.32</b>
<b>AFFO per share in EUR</b>	<b>0.18</b>	<b>0.37</b>	<b>0.10</b>	<b>0.11</b>	<b>0.21</b>
<b>FFO II per share in EUR</b>	<b>0.61</b>	<b>0.92</b>	<b>0.18</b>	<b>0.19</b>	<b>0.38</b>

# TAG FFO Guidance 2014



- The interest cost savings stem from refinancing that have already been effected in 2013.
- The synergies are basically the management contract fees for TAG Wohnen which TAG had to pay in 2013, this contract has been cancelled with effect of year-end 2013. Furthermore we expect savings of EUR 1m through centralized purchasing.
- Vacancy cost reductions result from various service charge reductions that TAG has achieved in general for its tenants. However, regarding vacant space, TAG itself benefits from these measures.
- The rental growth and vacancy reduction levels assumed for this forecast are less than the current run rate for both.

# TAG Portfolio in total H1 2014



- TAG has its focus on 5 regions in Germany
- Most of the portfolio is in good urban locations and growth regions, promising continued stable rental income and value creation
- TAG offers attractive housing at affordable prices
- The commercial portfolio sold via share deal in March 2014

Portfolio at 06/30/2014	Total (Residential and Commercial)
Units	70,556
Rentable area in sqm	4,337,236
Real estate volume in TEUR	3,347,502
Net actual rent in EUR/m <sup>2</sup>	5.16
Vacancy in %	9.40

# TAG Portfolio residential - Top 20 cities H1 2014

City	Region	Units	IFRS book value TEUR	Book value EUR/sqm	Recent lettings lowest – highest rent EUR/sqm	Ø net actual rent EUR/sqm
Salzgitter	Salzgitter	8,741	315,703	591	2.20 ■ — ■ 6.40	4.82
Gera	Thuringia/Saxony	7,117	275,145	644	4.05 ■ — ■ 6.57	4.47
Erfurt	Thuringia/Saxony	5,553	264,808	818	2.45 ■ — ■ 7.81	5.15
Berlin (City)	Greater Berlin	5,401	311,595	927	4.48 ■ — ■ 9.10	5.43
Dresden	Thuringia/Saxony	3,077	217,748	1,060	5.00 ■ — ■ 7.80	5.85
Döbeln	Thuringia/Saxony	2,250	63,844	505	3.88 ■ — ■ 6.83	4.29
Nauen	Greater Berlin	1,752	83,333	780	3.64 ■ — ■ 6.73	4.90
Chemnitz	Thuringia/Saxony	1,627	67,958	689	3.06 ■ — ■ 6.11	4.93
Merseburg	Thuringia/Saxony	1,439	56,240	692	4.20 ■ — ■ 7.50	5.03
Rostock	Hamburg region	1,390	67,455	792	4.50 ■ — ■ 8.50	5.43
Leipzig	Thuringia/Saxony	1,225	77,373	962	3.63 ■ — ■ 8.01	5.48
Strausberg	Greater Berlin	1,192	55,569	791	4.75 ■ — ■ 7.21	5.11
Bestensee	Greater Berlin	1,151	52,943	743	4.68 ■ — ■ 7.22	4.94
Elmshorn	Hamburg region	1,096	60,772	887	4.95 ■ — ■ 9.20	5.62
Eberswalde	Greater Berlin	1,068	38,437	642	3.38 ■ — ■ 7.22	4.39
Stralsund	Hamburg region	932	50,740	904	4.50 ■ — ■ 6.50	5.12
Delmenhorst	Hamburg region	903	32,876	681	5.50 ■ — ■ 5.90	4.99
Schwerin	Hamburg region	794	34,290	692	3.68 ■ — ■ 6.99	4.71
Hamburg	Hamburg region	719	60,637	1,411	5.98 ■ — ■ 11.02	7.67
Dessau	Thuringia/Saxony	712	21,194	531	3.99 ■ — ■ 5.20	4.71

# TAG Portfolio residential - H1 2014 by region

Region	Units	Floor area sqm	Vacancy %	Vacancy excluding properties for sale %	Net actual TEUR p.a.	Net actual EUR / sqm	In place / target rent TEUR p.a.	Book value TEUR	Maintenance costs EUR / sqm	thereof „Capex“ EUR / sqm	Return on target rent p.a. at IFRS book value %
Residential portfolio*	70,065	4,273,899	9.25	8.74	235,357	5.06	255,608	3,180,634	6.09	3.35	8.0
Thuringia/Saxony	32,053	1,932,412	9.93	8.80	102,621	4.91	111,745	1,376,259	4.72	2.68	8.1
Greater Berlin	13,545	828,965	4.82	4.58	48,553	5.13	50,597	672,248	5.96	3.79	7.5
Hamburg region	11,389	689,215	8.15	8.18	39,638	5.22	42,709	540,491	7.43	4.62	7.9
Salzgitter region	9,200	564,557	17.28	17.28	27,574	4.92	32,891	362,510	9.32	4.43	9.1
NRW	3,878	258,751	3.79	3.64	16,971	5.68	17,665	229,127	6.03	1.18	7.7

\*As of 30 June 2014 according to book value



# TAG Acquisitions 2013

## Chemnitz

■ Units	219	■ Closing Q3 2014
■ Floor area in sqm	13,271	
■ Net rental EUR/sqm	4.60	
■ Vacancy	6.9%	
■ Purchase price EURm (net)	7.7	
■ Multiple	9.6x	
■ NRI yield	10.4%	

## Eastern Germany

■ Units (thereof for sale)	2,860 (~340)	■ Closing
■ Floor area in sqm	170,000	— Q4 2013 (EUR 54m)
■ Net rental EUR/sqm	5.24	— Q1 2014 (EUR 16.5m)

■ Vacancy	12.6%
■ Purchase price EURm (net)	70.5
■ Net actual rent p.a. EUR m	8.6
■ Asset Deal/ Seller	Diverse
■ Multiple	8.1
■ NRI yield	12.2%

### TOP FIVE by units

■ Chemnitz	634
■ Bad Kösen	427
■ Cottbus	412
■ Sangerhausen	410
■ Rostock	162

■ Sum	2,045
■ % of total	72%



Dresden



Chemnitz



Bad Kösen

# TAG Acquisition 2014

## Thuringia/ Saxony

■ Units (thereof for sale)	3,985 (~340)
■ Floor area in sqm	236,000
■ Net rental EUR/sqm	5.24
■ Vacancy	10.7%
■ Purchase price EURm (net)	120.5
■ Net actual rent p.a. EUR m	12.4

## ■ Closing

- H1 2014 (4%)
- Q3 2014 (96%)

## Quality

- |       |                         |                                   |
|-------|-------------------------|-----------------------------------|
| ■ 80% | Prefabricated buildings | ■ Refurbished in total: 2000      |
| ■ 20% | Settlement buildings    | ■ Year of construction: 1970/1980 |

## TOP FIVE by units

■ Hermsdorf	1,483
■ Jena	525
■ Weimar	436
■ Erfurt	314
■ Chemnitz	233
<hr/>	
■ Sum	2,991
■ % of total	75%
<hr/>	
■ Multiple	9.6
■ NRI yield	10.4%



Erfurt



Weimar



Weimar

# TAG Sales 2014

## ■ Disposal of TAG Gewerbeimmobilien GmbH end of March 2014

- Share deal, Closing H1 2014, TAG keeps 20% stake
- Approx. 270,000 sqm of the TAG commercial portfolio
- Deconsolidation of approx. EUR 297m real estate volume and EUR 167m loans
- net target rent of EUR 20m p.a.
- LTV deleverage impact on TAG side approx. -1.5%
- FFO reduction EUR approx. 8m p.a.

## ■ Value optimizing strategy

- Improve operating profitability
- Improve the FFO yield
- Reinvestments in portfolio with higher initial returns
- Allocation of capital under careful consideration of risk and opportunity

## ■ TAG disposal targets

- Portfolio in non focused regions
- Opportunistic sales at high prices – mainly responding to unsolicited bids

## ■ Commercial Units

- Closing 2014/ 2015/ 2016
- Cologne, Oldenburg, Cloister
- Munich, Hofmannstraße, St.- Martin- Straße

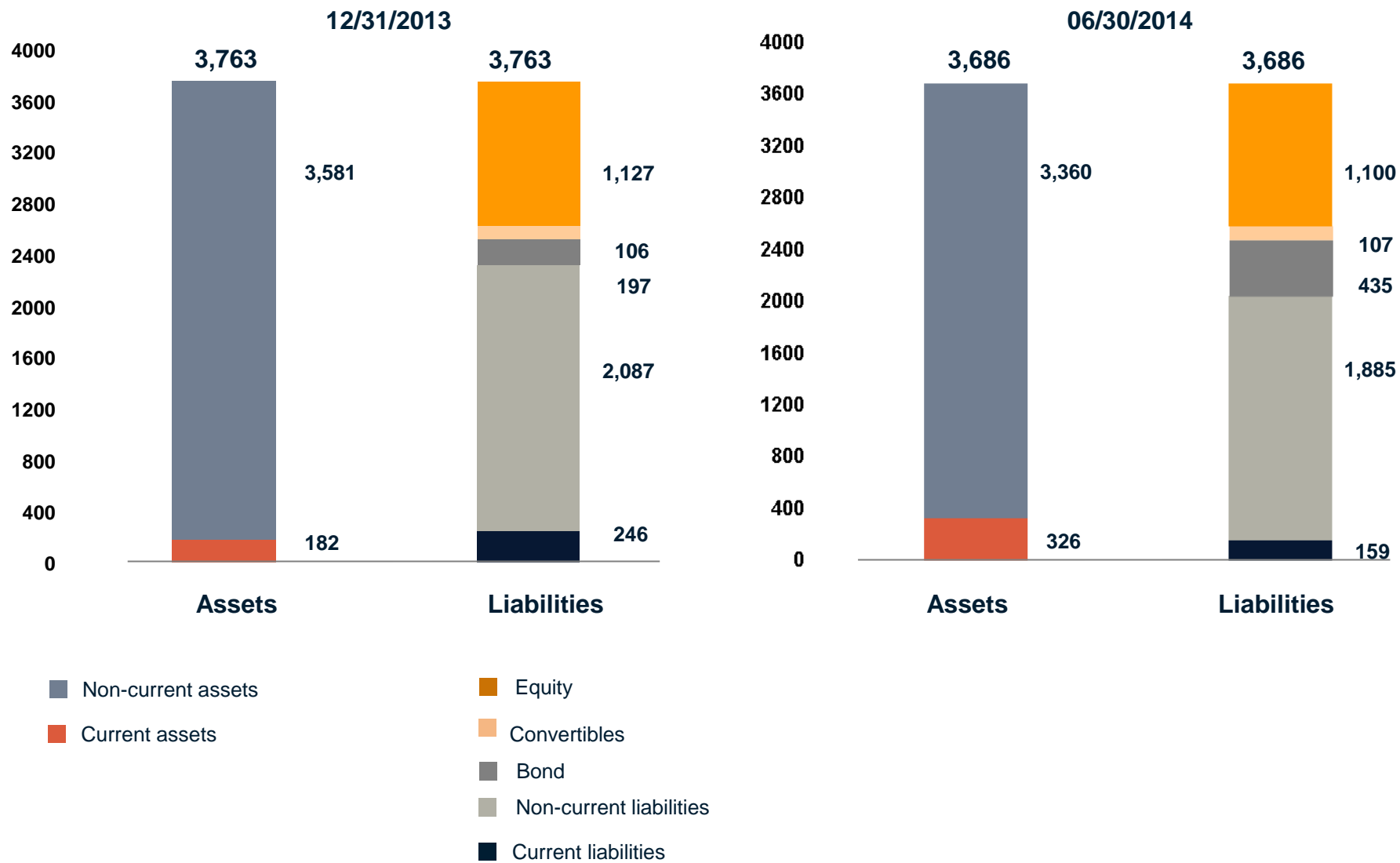
## ■ Residential Units per region:

- Berlin: 65
- Thuringia/ Saxony: 48
- Hamburg: 8



# TAG Group financials (IFRS)

## Consolidated balance sheet (in EURm)



# TAG Group financials (IFRS)

## Profit & loss (in EUR m) including commercial

in TEUR	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Total 2013	Q1 2014	Q2 2014	Change Q1/14–Q2/14
Rental income	63.2	62.4	62.5	63.0	251.0	65.1	65.3	0.2
Expenses for the provision of property management	-13.6	-12.6	-12.4	-13.4	-51.9	-11.2	12.0	-0.8
Net rental income	49.6	49.8	50.1	49.6	199.1	54.0	53.3	-0.6
Margin	78.5	79.9	80.1	78.8	79.3	82.9	81.6	-1.2
Net revenues from sales	0.5	-0.9	0.2	0.0	-0.2	-0.4	-0.4	0.0
Net income from the provisions of property management	0.6	0.9	0.3	0.5	2.3	0.4	0.8	0.4
Other operating income	1.9	1.7	3.0	4.9	11.5	1.8	3.5	1.7
Net fair value gains and losses	-0.1	-0.3	4.2	-19.7	-15.9	2.0	4.9	2.8
<b>Gross profit</b>	<b>52.4</b>	<b>51.3</b>	<b>57.8</b>	<b>35.4</b>	<b>196.8</b>	<b>57.7</b>	<b>62.1</b>	<b>4.4</b>
Personnel expenses	-7.2	-7.6	-7.6	-7.1	-29.5	-8.0	-8.5	-0.4
Depreciation	-0.5	-0.6	-0.6	-0.6	-2.2	-0.6	-0.6	0.0
Impairment losses on receivables and inventories	-1.2	-1.9	-5.3	-9.0	-17.4	-7.4	-1.9	5.5
Other operating expenses	-4.4	-4.5	-5.3	-5.9	-20.1	-5.3	-5.9	-0.6
<b>EBIT</b>	<b>39.0</b>	<b>36.8</b>	<b>39.0</b>	<b>12.8</b>	<b>127.6</b>	<b>36.4</b>	<b>45.2</b>	<b>8.9</b>
Net financial result	-25.7	-25.1	-25.5	-28.3	-104.5	-26.6	31.4	-4.8
<b>EBT</b>	<b>13.3</b>	<b>11.7</b>	<b>13.5</b>	<b>-15.5</b>	<b>23.1</b>	<b>9.7</b>	<b>13.8</b>	<b>4.1</b>
<b>FFO</b>	<b>15.1</b>	<b>16.4</b>	<b>17.1</b>	<b>19.6</b>	<b>68.1</b>	<b>20.7</b>	<b>21.0</b>	<b>0.3</b>

Increase despite sale of commercial portfolio end of may

Higher costs of maintenance/repair as well as higher non recoverable costs

EUR 1 m income from deconsolidation of commercial portfolio in Q2

Fair value gains solely from Eastern Germany portfolio (Dec. acquisition)

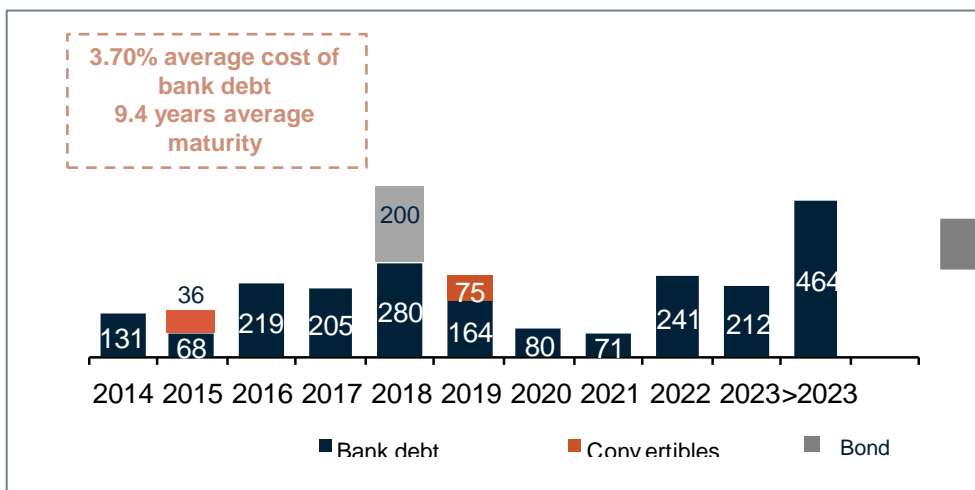
EUR 5.7 m depreciation Polares MBO in Q1

Declining financial result because of non-cash one-off expenses from derivatives

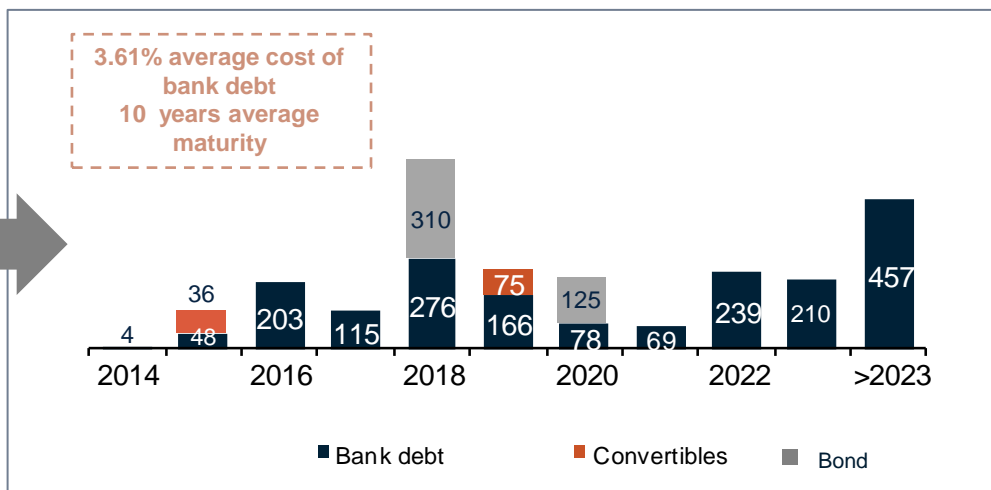
# TAG Financial structure

TAG has a solid financing structure and its growing scale decrease financing costs even further

Debt maturity profile as of 12/31/2013



Debt maturity profile as of 06/30/2014\*



\* including commercial

## Optimization potential

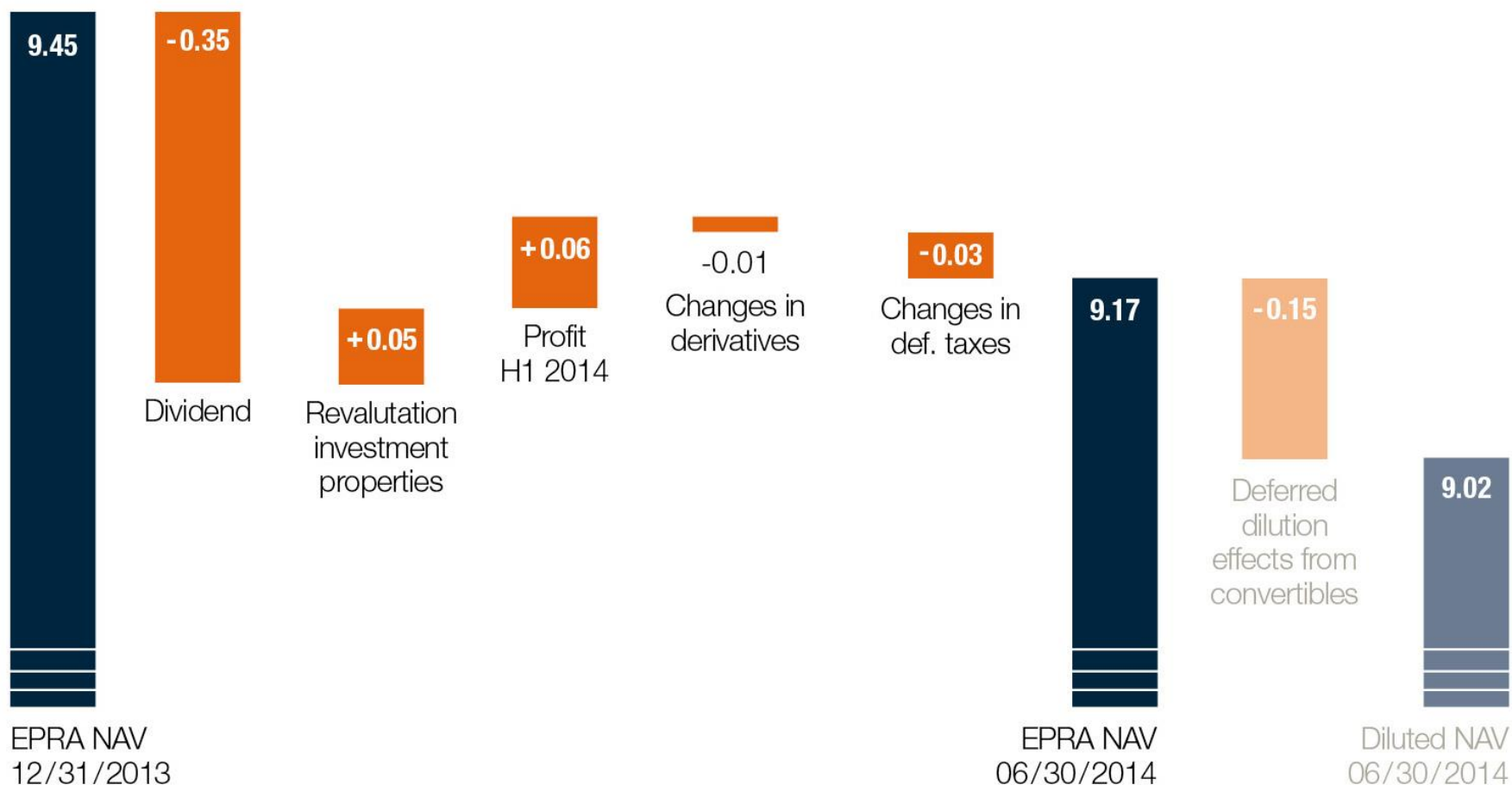
- Diversified pool of 39 lending banks including several smaller banks and insurance companies securing TAG's long-term credit profile
- Successful refinancing of more than EUR 600m in 2013 resulting within two quarters in a decrease of 41bps to 3.70% interest rate for bank debt and further improved maturity profile by 1 year to nearly 10 years average maturity
- At TAG Wohnen we have refinanced EUR 290m in 2013 and further rolled over debt of EUR 51m leading to an overall debt value of EUR 341m at average 2.45%.

# TAG Valuation – NAV

- EPRA NAV - Diluted NAV

in EUR/share

in EUR /share



## Dilution effects:

- The repurchase of convertible bonds decreased the potential dilution by approx. EUR 12.3m TAG shares
- From 2013 on the dilution effect has been reduced from EUR 0.47 to EUR 0.15 in H1 2014

# TAG Valuation by CBRE 2013

## Portfolio residential

	2012	2013
<b>Fair Value per sqm</b>	<b>EUR 760</b>	<b>EUR 740</b>
<b>Multiple (current rent)</b>	<b>14.2x</b>	<b>13.5x</b>

<b>Assumptions/drivers</b>	<b>2012</b>	<b>2013</b>
Cap rate (%)	5.48	5.52
Discount rate (%)	6.18	6.16
Administrative costs (EUR/unit)	201	205
Current maintenance (EUR/sqm)	7.9	7.7
Reletting costs (EUR/sqm)	38	39
Structural vacancy (%)	4.61	3.79

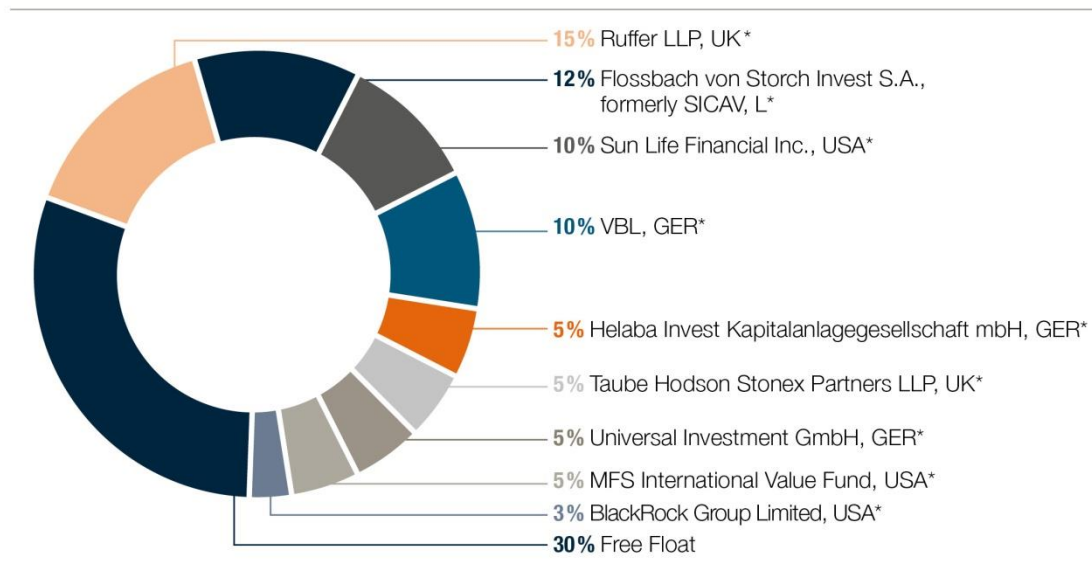
- The complete residential portfolio is appraised by CBRE using the DCF-method (Discounted Cash Flow Method).
- Re-valuation for IFRS-purposes is generally performed annually at September 30<sup>th</sup>.
- The Fair Value (according to the Net-Valuation principle) is determined after deducting 7-8% transaction costs including real estate transfer tax of a hypothetical buyer from CBRE's Gross Capital Value – this is applied for:
  - For the complete commercial portfolio
  - Residential assets, which are held for sale or as inventories under the criteria “asset deal” market
- For the remaining residential portfolio, for which TAG has a long-lasting hold-strategy and which are categorized as “share deal” market still 0.2% transaction costs are deducted.

# TAG Stock market data H1 2014

- High/Low (Jan/June 2014)                    EUR 9.65/ EUR 8.52
- Number of shares                                    131.312m
- Market capitalisation                            EUR 1.169.992
- Stock indices                                        MDAX/EPRA
- Free Float \*                                        100%

\* Deutsche Börse definition including institutional investors

## Shareholderstructure as of 06/30/2014



SHAREHOLDER VALUE

## Share/m



— TAG share    — MDAX  
 — EPRA/NAREIT Europe Index

# TAG Outlook - Value enhancing asset management

## Focus on residential property segment

- Dispose of the entirely commercial properties in March 2014 – TAG still owns a 20% stake
- Focused and disciplined acquisition strategy of residential portfolios leveraging the key strengths of TAG

## Continuously work the existing portfolio

- Increase rents – rental growth 1% in H1 2014
  - Reversionary rent potential vs. in-place rent/sqm
- Reducing rental expenses by active costs management
  - energy costs, waste disposal and janatory services
- Decrease vacancy
  - Normalisation process in areas of high vacancy, i.e. SZ region: from 21.5% in January 2013 to 17.3% in June 2014



## Address demand of underserved tenants

- Young families
  - Merge smaller units to create larger ones
- Elderly living
  - Comprehensive concept offering benefits and additional comfort to senior people

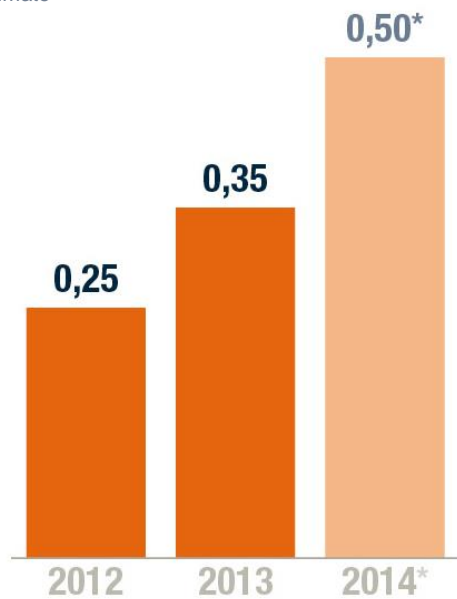
## Capitalize on market arbitrage

- Capture market windows to sell mature properties at premium prices, e.g. Central Berlin
- Redeploy capital to acquire portfolios with significantly stronger cash flow profile
  - Berlin yielding 5.5% vs. e.g. Erfurt yielding 9.0%
  - Generate more distributable cash

# TAG Outlook – Guidance 2014 - 2015

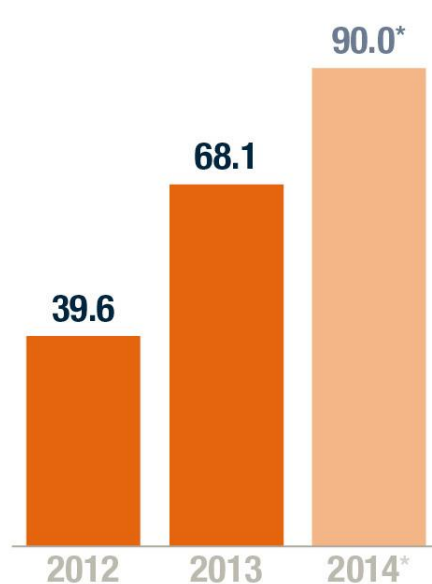
## Dividend (EUR)

\*estimate



## FFO I (EURm)

\*estimate





Growing Assets

# TAG Management Board

## Rolf Elgeti, CEO

- TAG Immobilien AG, Management Board (since July 2009), Supervisory Board from 2008
- Setting up and management of various German real estate investment funds (since 2003)
- UBS Warburg, Commerzbank, ABN Amro: (chief) equity strategist, London (1999 – 2007)

## Martin Thiel, CFO from April 2014 onwards

- Public auditor, tax advisor, CPA, CVA
- >10 years in successive positions in auditing and advisory services for listed real estate companies

## Supervisory Board

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- Lothar Lanz, Chairman of the Supervisory Board (since 2013),
- Dr. Philipp Wagner (since 2013)
- Dr. Hans- Jürgen Ahlbrecht (since 2014)
- Dr. Ingo- Hans Holz (since 2014)

## Claudia Hoyer, COO from July 2012 onwards

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

## Dr. Harboe Vaagt, CLO

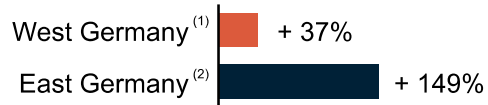
- Management Board since April 2011 in TAG Immobilien AG
- Head of Legal Department of TAG for over 12 years

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

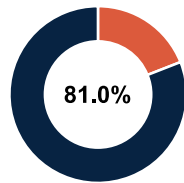
# East Germany is catching up...

## ...making it an attractive investment region for TAG

### GDP growth per employee (1991-2009)



Convergence ratio 2009<sup>(3)</sup>

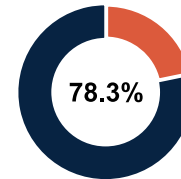


Source: Federal statistical office.

### Disposable income growth per household (1991-2008)

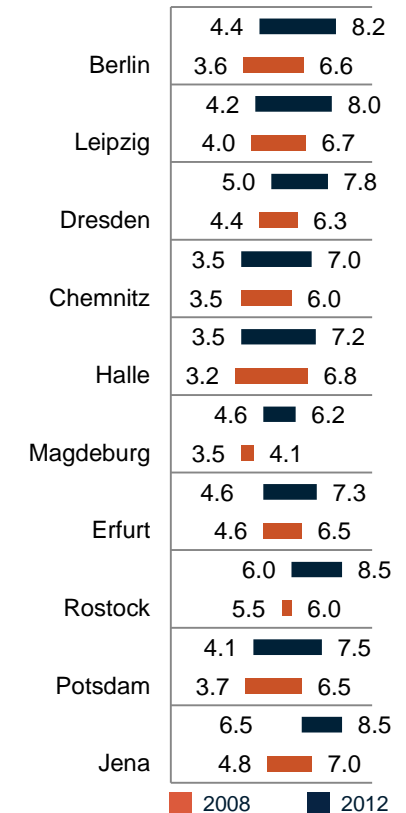


Convergence ratio 2008<sup>(3)</sup>



Source: Federal statistical office.

### Residential market rents (€ per sqm per month)



Source: IVD Wohnpreisspiegel 2008/2009 and 2012/2013. TLG Immobilienmarkt Ostdeutschland 2012 and 2010.

### Momentum of Top 10 cities in East Germany<sup>(4)</sup>

Rank	City	Population (2011)	Change (2011 vs. 2009)	Unemployment rate 2011	Relative change (2011 vs. 2008)	TAG	
						exposure in units <sup>(5)</sup>	Units in % of total <sup>(5)</sup>
1	Berlin	3,501,872	+ 2.0% ↗	13.3%	- 5.2% ↘	5,403	7.7%
2	Leipzig	531,809	+ 3.2% ↗	13.0%	- 18.5% ↓	1,226	1.8%
3	Dresden	529,781	+ 4.0% ↗	10.0%	- 13.0% ↓	2,964	4.3%
4	Chemnitz	243,173	+ 1.1% →	11.5%	- 14.8% ↓	1,532	2.2%
5	Halle	233,705	+ 0.9% →	12.1%	- 23.1% ↓	310	0.4%
6	Magdeburg	232,364	+ 1.2% →	11.6%	- 16.4% ↓	469	0.7%
7	Erfurt	206,384	+ 1.7% →	10.2%	- 18.6% ↓	5,555	7.9%
8	Rostock	204,260	+ 2.4% ↗	13.1%	- 4.6% ↘	1,390	1.9%
9	Potsdam	158,902	+ 3.7% ↗	7.9%	- 6.3% ↘	189	0.3%
10	Jena	105,463	+ 2.0% ↗	7.1%	- 21.1% ↓	-	-

Source: Destatis; TLG Immobilienmarkt Ostdeutschland 2012 and 2010.

- (1) Excluding Berlin.
- (2) Including Berlin.
- (3) Convergence ratio calculated as East Germany indicator level divided by West Germany indicator level; expressed in %.
- (4) By size of population.
- (5) TAG portfolio residential as of December 2013.

# TAG Acquisitions 2011 – 2014

Portfolio	Acquisition date	Number of Units	Purchase price incl. ancillary costs in EUR m	sqm	Price per sqm	Annualised net actual rent in EUR m	Initial yield (gross on pp incl. ac)	Multiple	Appraised value in EUR m	Budgeted rental income per 1,000 EUR of appraised value	Impact on NAV per share in Cent
Colonia	15-Feb-2011	18,888	716.7	1,162,749	616	57.0	8.0%	12.6	789.4	50	81
Marzahn	1-Jun-2011	612	25.2	43,591	579	2.3	9.1%	11.0	29.0	59	5
Hellersdorf	30-Sep-2011	461	18.7	26,921	693	1.7	9.3%	10.7	22.7	56	6
Dresden	30-Sep-2011	156	7.7	11,427	674	0.6	7.9%	12.6	8.8	54	2
Norther Germany, Saxony	1-Nov-2011	3,343	151.1	208,287	725	13.7	9.1%	11.0	163.0	61	17
Eberswalde	1-Jan-2012	1,068	30.3	59,911	506	2.9	9.5%	10.6	38.1	60	8
Chemnitz	31-Jan-2012	429	23.8	32,217	737	1.8	7.6%	13.2	24.8	66	2
TAG Potsdam	31-Mar-2012	25,023	960.0	1,484,000	647	72.9	7.6%	13.2	1,054.0	56	97
Erfurt	31-Dec-2012	360	29.0	35,986	806	2.8	9.5%	10.5	32.8	72	3
TAG Wohnen	31-Dec-2012	11,350	471.1	711,561	662	42.6	9.1%	11.0	570.9	60	76
Chemnitz-Helbersdorf	31-Aug-2013	224	8.1	13,274	613	0.7	8.8%	11.4	8.6	66	0.4
Eastern Germany	19-Dec-2013	2,923	75.2	171,730	438	8.7	11.5%	8.7	92.4	74	13
Thuringia/ Saxony	4-Feb-2014	4,011	128.1	236,262	542	12.6	9.8%	10.2	147.4	69	15
<b>Total</b>		<b>68,848</b>	<b>2,645</b>	<b>4,197,916</b>	<b>630</b>	<b>220.3</b>	<b>8.3%</b>	<b>12.0</b>	<b>2,981.7</b>	<b>57</b>	<b>325</b>



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Growing Assets

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