



2014

# Growing Assets

Q1 2014 Figures

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# TAG Highlights Q1 2014

## ■ Rental income (including commercial)

- **EUR 65.1m** (63.2m in Q1 2013)

## ■ Rental profit (including commercial)

- **EUR 54.0m** (49.6m in Q1 2013)

## ■ FFO I of EUR 20.7m

## ■ FFO I per share of EUR 0.16

## ■ Vacancy (excl. properties for sale):

- residential portfolio: 8.9% (8.8% end of 2013)
- Salzgitter region: 18.0% (18.6% end of 2013)

## ■ EPRA NAV of EUR 9.55 per share, fully diluted 9.41 per share

## ■ LTV of 62.2% (65.2% including convertibles)

## ■ Dividend per share of EUR 0.35 for 2013

## ■ Achievements 2013

- 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
- Purchase of 3,000 units in Eastern Germany, NRI yield ca. 12.2%

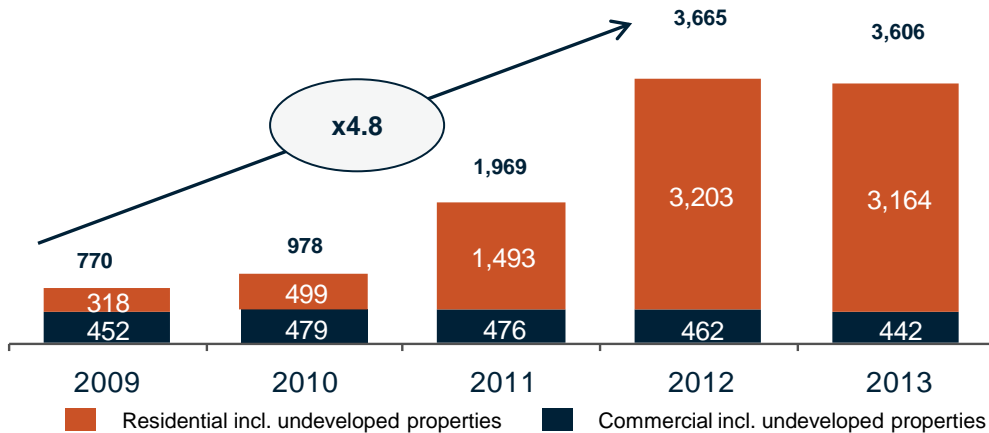
## ■ Achievements 2014

- Increase of 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

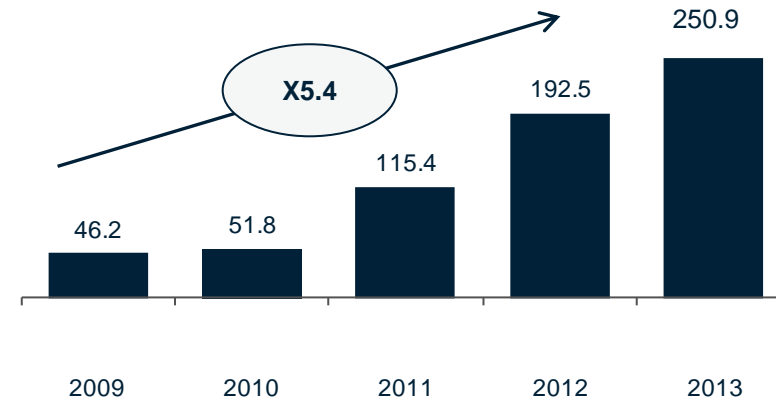


# TAG Growth Strategy 2009-2013

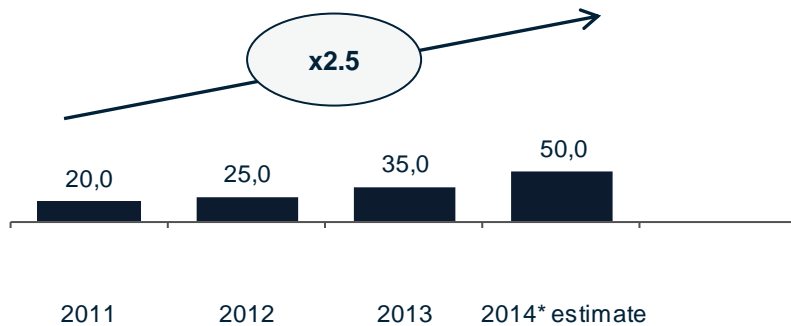
Real estate volume (EURm)



Rental revenues (EURm)



Dividend (EUR Cent)

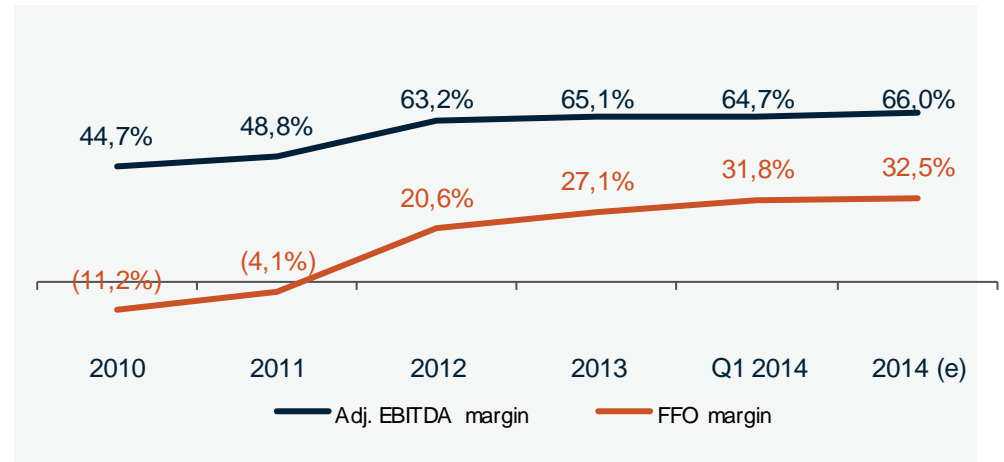


- TAG has followed an accelerated growth path over the past four years
  - Successful fourfold increase in company size
- TAG is now positioned among the leading players in the German listed residential sector
- Over the same period, TAG significantly improved its operating profitability

# TAG Efficiency 2009-Q1 2014

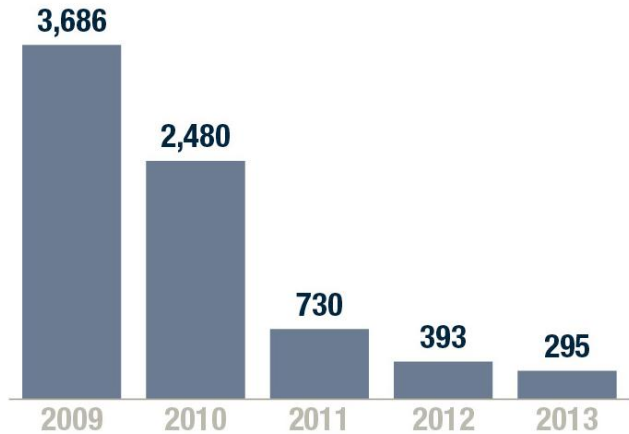
- Growth has been a strategic imperative for TAG in order to
  - achieve economies of scale
  - benefit from effects of step-fixed costs relating to administration and overhead expenses
  - become a best in class landlord
  - reduce variable costs
- In parallel TAG has successfully restructured the business 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)

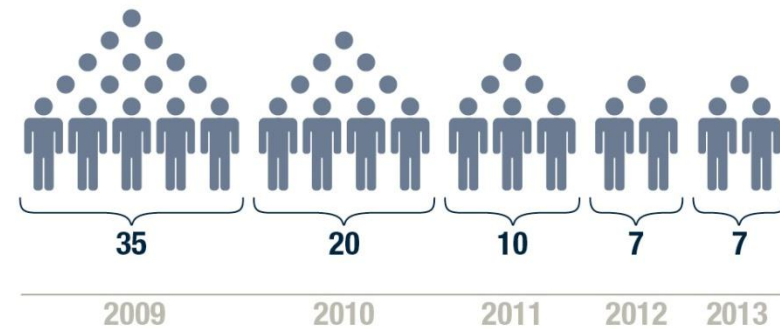


GROWTH

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



**Employees per 1,000 units**



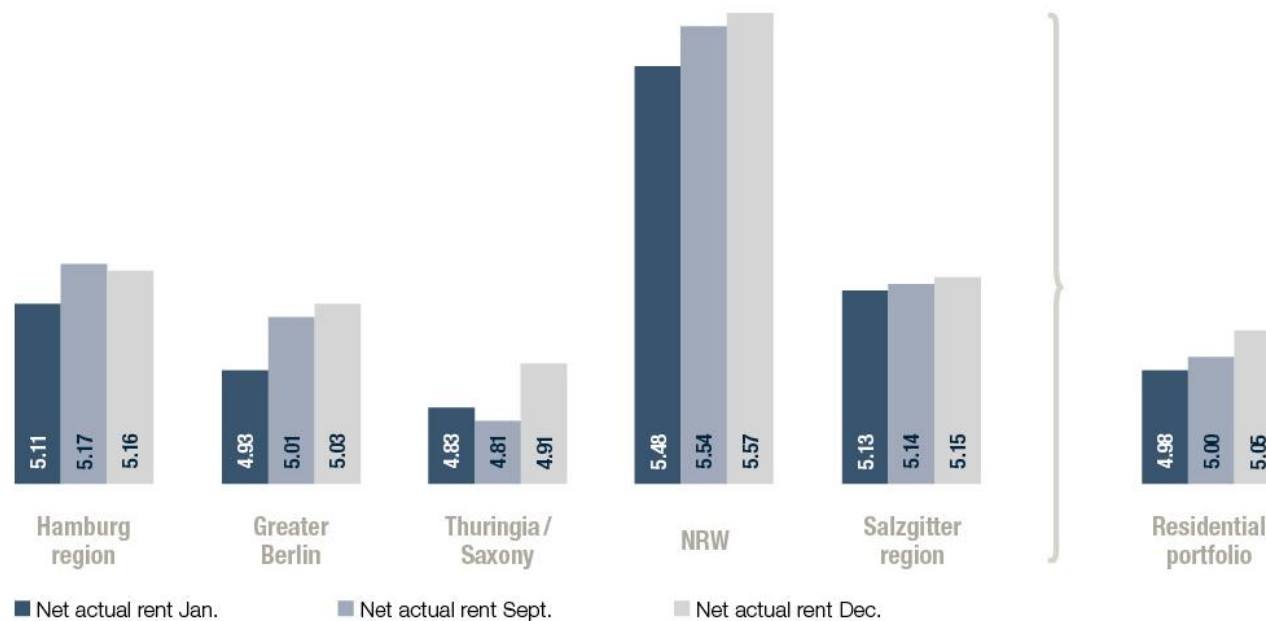
TAG has arrived at a sustainable profitability level but still has plenty of potential to improve further

# TAG Achievements 2013

## Vacancy reduction per region (in%)\*



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



\*excluding properties for sale and the acquisition in Eastern Germany end of Dec. 2013

# TAG Achievements Q1 2014

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



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



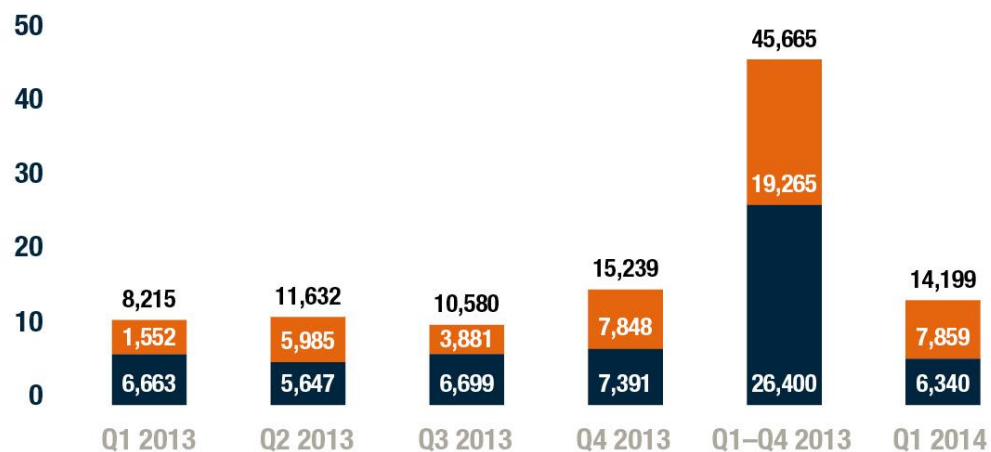
\*excluding properties for sale, including commercial

- 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 2014.
- Rental margin improving steadily as a result.
- This rental achievements correspond to about 0.5% organic growth through the first quarter 2014 – or 2% on an annualized basis

# TAG Investments Q1 2014

## Portfolio residential

in EURm



■ Investments  
■ Maintenance costs

## Overall investments in Q1 2014:

- Modernisation/ investments (capitalized): 7.9m
- Maintenance/ repair (charged to P&L): 6.3m
- **TOTAL EUR:** **14.2m**

## Regional Split

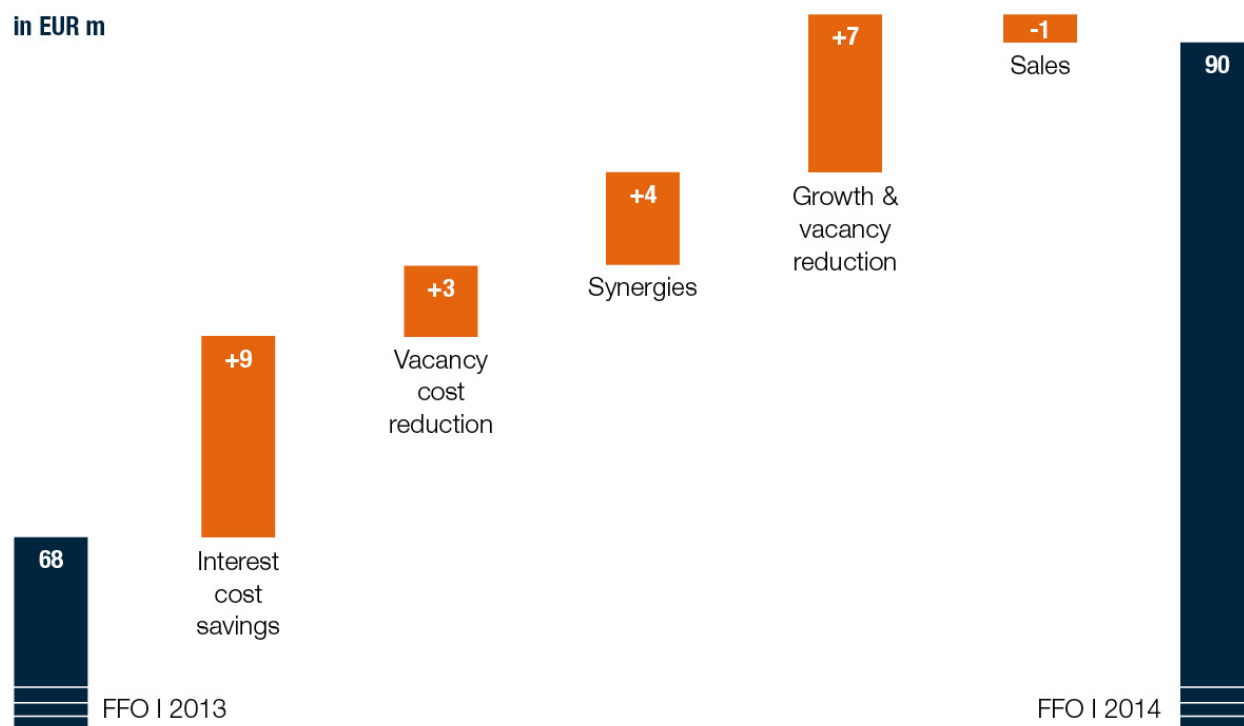
EUR / sqm	Q2 2013			Q3 2013			Q4 2013			Q1-Q4 2013			Q1 2014		
	opex	capex	Total	opex	capex	Total	opex	capex	Total	opex	capex	Total	opex	capex	Total
Berlin	0.87	1.82	2.69	2.52	0.57	3.09	1.54	1.91	3.45	6.89	4.75	11.64	1.60	2.19	3.79
Hamburg	1.75	0.51	2.26	1.32	0.32	1.64	2.69	0.96	3.65	6.90	1.98	8.88	1.42	1.61	3.04
NRW	1.88	0.75	2.63	3.19	1.10	4.29	3.12	0.21	3.33	10.61	2.06	12.67	3.12	0.46	3.58
Salzgitter	1.21	3.82	5.03	2.03	2.30	4.33	2.30	3.01	5.31	8.24	9.13	17.37	1.87	2.44	4.30
Saxony/Thuringia	4.43	1.01	5.44	1.00	0.90	1.90	1.22	2.15	3.37	4.81	4.62	9.43	0.85	1.75	2.59
<b>Residential</b>	<b>1.37</b>	<b>1.45</b>	<b>2.82</b>	<b>1.63</b>	<b>0.94</b>	<b>2.57</b>	<b>1.79</b>	<b>1.90</b>	<b>3.69</b>	<b>6.39</b>	<b>4.67</b>	<b>11.06</b>	<b>1.36</b>	<b>1.83</b>	<b>3.18</b>
<b>Commercial</b>	<b>1.96</b>	<b>0.22</b>	<b>2.18</b>	<b>-0.30</b>	<b>1.45</b>	<b>1.16</b>	<b>1.83</b>	<b>0.49</b>	<b>2.33</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>TAG in TOTAL</b>	<b>1.30</b>	<b>1.36</b>	<b>2.65</b>	<b>1.57</b>	<b>0.98</b>	<b>2.55</b>	<b>1.79</b>	<b>1.80</b>	<b>3.59</b>	<b>6.25</b>	<b>4.48</b>	<b>10.72</b>	<b>1.40</b>	<b>1.73</b>	<b>3.12</b>



# TAG FFO FY 2013- Q1 2014 (including commercial)

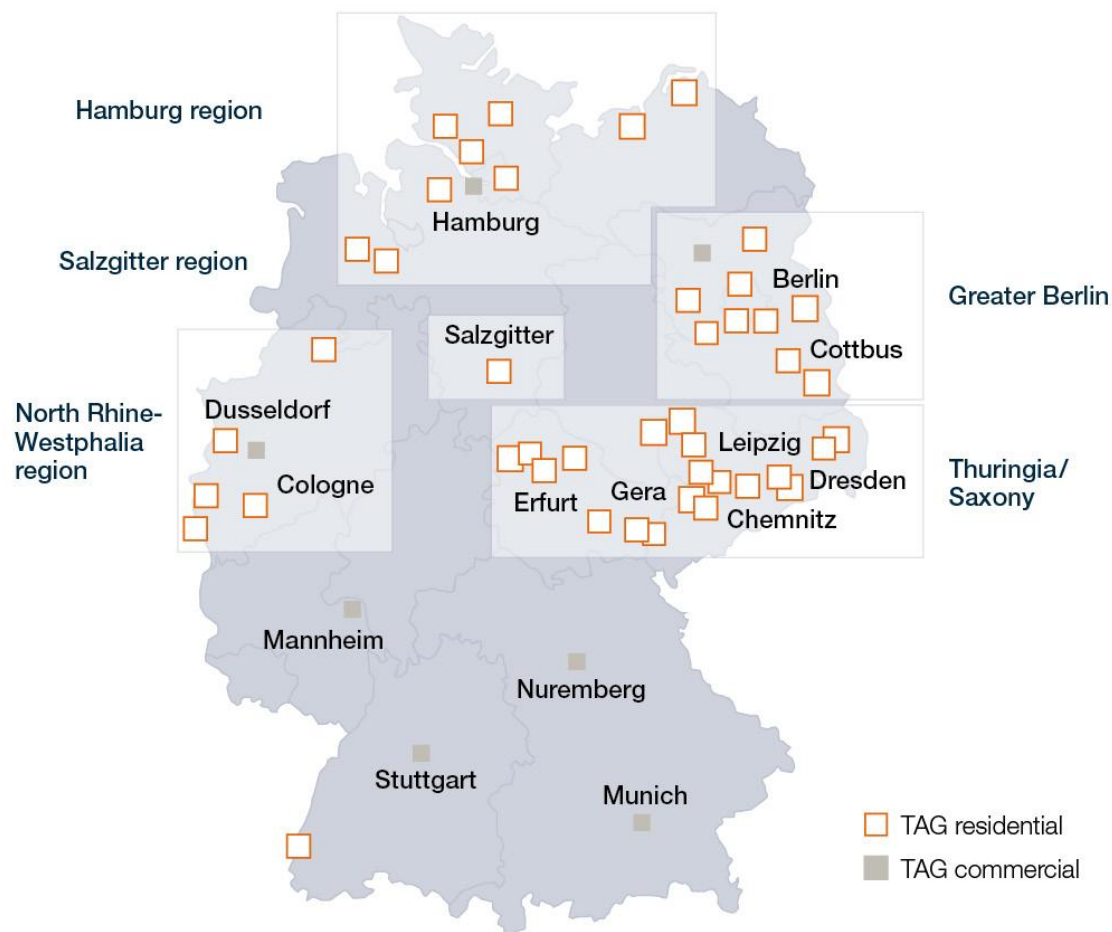
in EUR m	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013 Total	Q1 2014
<b>EBT</b>	<b>13.3</b>	<b>11.7</b>	<b>13.5</b>	<b>-15.5</b>	<b>23.1</b>	<b>9.7</b>
Adjustments						
valuation result	0.1	0.3	-4.2	19.7	15.9	-2.0
depreciation	0.5	0.6	0.6	0.6	2.2	0.6
impairment losses on receivables and inventories	1.2	1.9	5.3	9.0	17.4	7.4
impairment of financial assets	-	-	-	0.2	0.2	-
non-cash financial expenses / income / one off's refinancing	0.4	1.1	2.1	5.6	9.2	3.6
one off's personnel-costs and additional project costs	-	-	-	-	-	1.0
sales result	-0.5	0.9	-0.2	-0.1	0.2	0.4
<b>FFO I</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>
excl. CAPEX	-1.6	-6.1	-4.4	-8.0	-20.0	-7.9
<b>AFFO</b>	<b>13.6</b>	<b>10.3</b>	<b>12.7</b>	<b>11.6</b>	<b>48.1</b>	<b>12.8</b>
FFO I plus liquidity from sales	44.9	2.7	4.5	0.8	52.9	3.6
<b>FFO II</b>	<b>60.1</b>	<b>19.0</b>	<b>21.6</b>	<b>20.4</b>	<b>121.0</b>	<b>24.3</b>
<b>FFO I per share in EUR</b>	<b>0.12</b>	<b>0.13</b>	<b>0.13</b>	<b>0.15</b>	<b>0.52</b>	<b>0.16</b>
<b>AFFO per share in EUR</b>	<b>0.10</b>	<b>0.08</b>	<b>0.10</b>	<b>0.09</b>	<b>0.37</b>	<b>0.10</b>
<b>FFO II per share in EUR</b>	<b>0.46</b>	<b>0.15</b>	<b>0.17</b>	<b>0.15</b>	<b>0.92</b>	<b>0.18</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 Q1 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 as of 03/31/2014	Total
Units	70,645
Rentable area in sqm	4,582,808
Real estate volume in TEUR	3,614,840

# TAG Portfolio - Top 20 cities Q1 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	314,114	588	4.39 ■ — ■ 6.26	4.79
Gera	Thuringia/Saxony	7,197	272,321	631	2.99 ■ — ■ 6.24	4.47
Erfurt	Thuringia/Saxony	5,553	262,654	811	4.83 ■ — ■ 7.16	5.07
Berlin (City)	Greater Berlin	5,384	303,215	915	4.37 ■ — ■ 9.00	5.36
Dresden	Thuringia/Saxony	3,069	217,016	1,060	4.79 ■ — ■ 7.70	5.84
Döbeln	Thuringia/Saxony	2,250	63,213	499	3.88 ■ — ■ 5.66	4.25
Nauen	Greater Berlin	1,728	83,041	777	4.01 ■ — ■ 6.15	4.91
Chemnitz	Thuringia/Saxony	1,533	64,498	698	4.10 ■ — ■ 7.50	4.94
Merseburg	Thuringia/Saxony	1,439	56,078	690	4.40 ■ — ■ 8.61	5.04
Rostock	Hamburg region	1,390	67,354	791	3.86 ■ — ■ 7.19	5.42
Bestensee	Greater Berlin	1,235	55,651	730	4.60 ■ — ■ 6.90	4.90
Leipzig	Thuringia/Saxony	1,226	76,659	970	4.83 ■ — ■ 6.30	5.46
Strausberg	Greater Berlin	1,192	55,486	790	4.94 ■ — ■ 8.60	5.10
Elmshorn	Hamburg region	1,094	60,160	880	4.38 ■ — ■ 6.93	5.62
Eberswalde	Greater Berlin	1,067	38,323	640	4.10 ■ — ■ 5.90	4.36
Stralsund	Hamburg region	932	50,910	907	4.50 ■ — ■ 6.96	5.12
Delmenhorst	Hamburg region	903	32,826	679	4.26 ■ — ■ 6.09	4.92
Schwerin	Hamburg region	794	33,850	683	3.90 ■ — ■ 8.32	4.70
Hamburg	Hamburg region	720	60,742	1,411	5.91 ■ — ■ 11.49	7.62
Dessau	Thuringia/Saxony	712	21,169	530	3.99 ■ — ■ 9.74	4.72

# TAG Portfolio Q1 2014 by region

Region	Units	Floor area sqm	Vacancy %	Vacancy exclu- ding pro- perties for sale %	Net actual TEUR p. a.	Net actual EUR / sqm	Target rent TEUR p. a.	Book value TEUR	Main- tenance costs EUR / sqm p. a.	thereof „Capex“ EUR / sqm p. a.	Return on target rent p. a. at IFRS book value %
Residential portfolio*	69,864	4,260,910	9.53	8.91	233,938	5.06	254,423	3,146,520	3.18	1.82	8.1
Thuringia/ Saxony	31,948	1,926,927	10.13	8.73	101,660	4.89	110,589	1,360,936	2.59	1.75	8.1
Greater Berlin	13,503	824,324	4.92	4.54	47,847	5.09	49,918	661,170	3.79	2.19	7.5
Hamburg region	11,388	689,106	8.44	8.58	39,344	5.20	42,495	538,649	3.04	1.61	7.9
Salzgitter region	9,200	564,581	18.00	18.00	28,633	5.15	34,192	360,920	4.31	2.44	9.5
NRW	3,825	255,971	4.21	4.17	16,453	5.59	17,230	224,844	3.58	0.46	7.7

\*as of 3/31/2014 by 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	2,860	■ 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	3,985
■ 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

## 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 2013/ 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
- Purchase price/ Value: approx. EUR 297 Mio. including EUR 167m loans
- EUR 78m cash at closing, remaining balance at a later date
- 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 Q2 / Q3 2013
  - Hanover, Nuremberg, Hamburg, Ahrensburg
- Closing 2014/ 2015/ 2016
  - Cologne, Oldenburg, Cloister
  - Munich, Hofmannstraße, St.- Martin- Straße

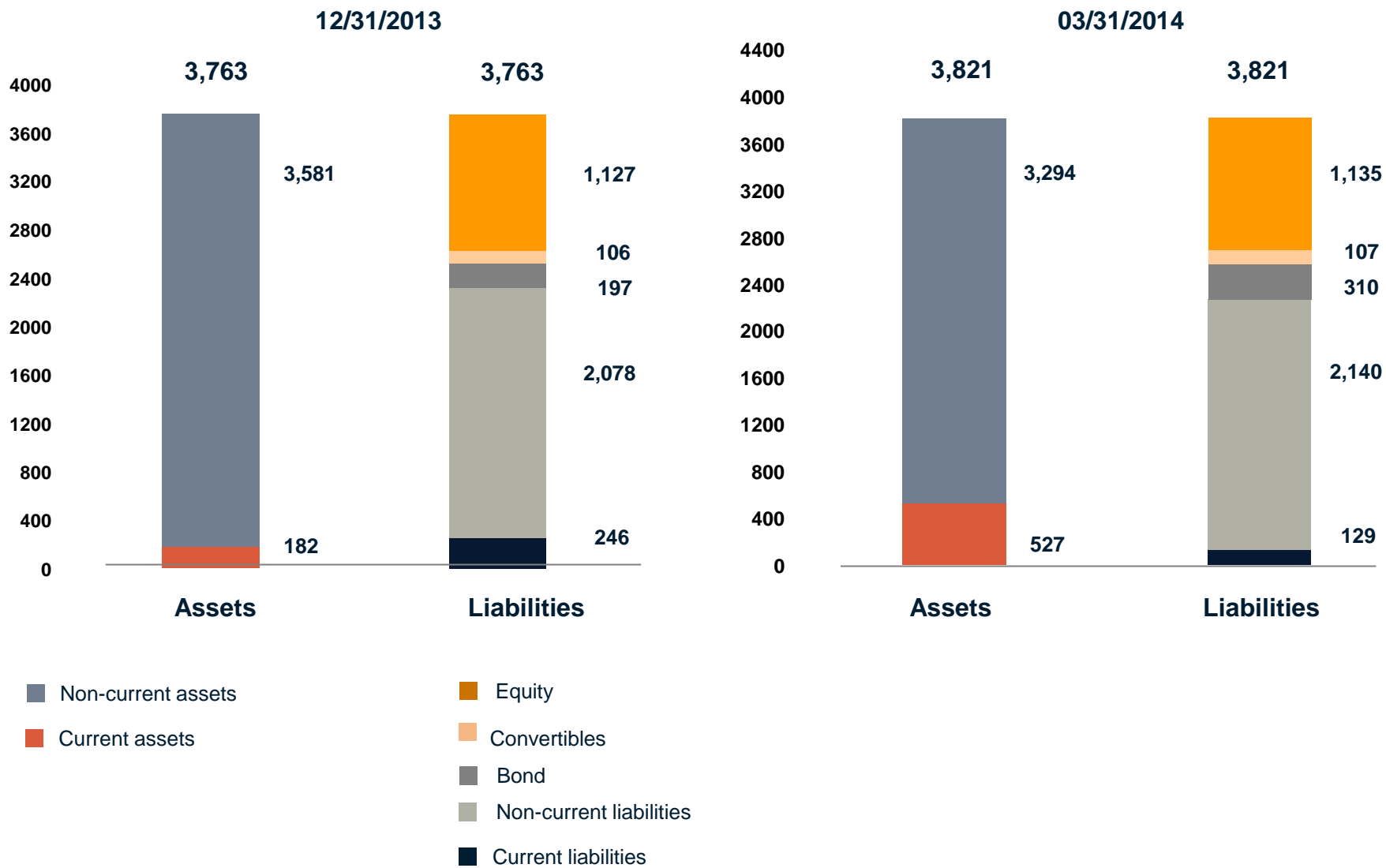
## ■ Residential Units per region:

- Berlin: 1,556
- Thuringia/ Saxony: 69
- NRW: 37
- Hamburg: 23



# 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	Change Q4/13–Q1/14
Rental income	63.2	62.4	62.5	63.0	251.0	65.1	2.1
Expenses for the provision of property management	-13.6	-12.6	-12.4	-13.4	-51.9	-11.2	2.2
Net rental income	49.6	49.8	50.1	49.6	199.1	54.0	4.3
Margin	78.5	79.9	80.1	78.8	79.3	82.9	4.0
Net revenues	0.5	-0.9	0.2	0.0	-0.2	-0.4	-0.4
Net income from the provisions of property management	0.6	0.9	0.3	0.5	2.3	0.4	-0.1
Other operating income	1.9	1.7	3.0	4.9	11.5	1.8	-3.1
Net fair value gains and losses	-0.1	-0.3	4.2	-19.7	-15.9	2.0	21.7
<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>22.4</b>
Personnel expenses	-7.2	-7.6	-7.6	-7.1	-29.5	-8.0	-0.9
Depreciation	-0.5	-0.6	-0.6	-0.6	-2.2	-0.6	0.0
Impairment losses on receivables and inventories	-1.2	-1.9	-5.3	-9.0	-17.4	-7.4	1.6
Other operating expenses	-4.4	-4.5	-5.3	-5.9	-20.1	-5.3	0.5
<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>23.5</b>
Net financial result	-25.7	-25.1	-25.5	-28.3	-104.5	-26.6	1.7
<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>25.2</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>1.1</b>

0.7 m rental increase, 1.4 m December acquisition

Opex residential portfolio in Q1 was 1.36 EUR/sqm after 1.79 EUR/sqm in Q4

2.0 m fair value gains from second tranche December acquisition

Q1 includes one-offs management board

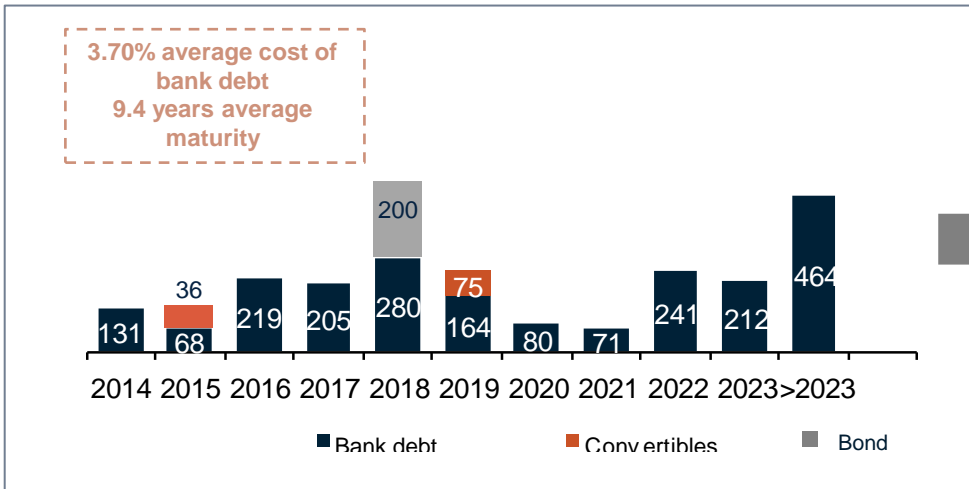
Q1 includes -5.7 m impairments Polares MBO

Improved net interest income despite 0.6 m higher interest expenses on corporate bond.

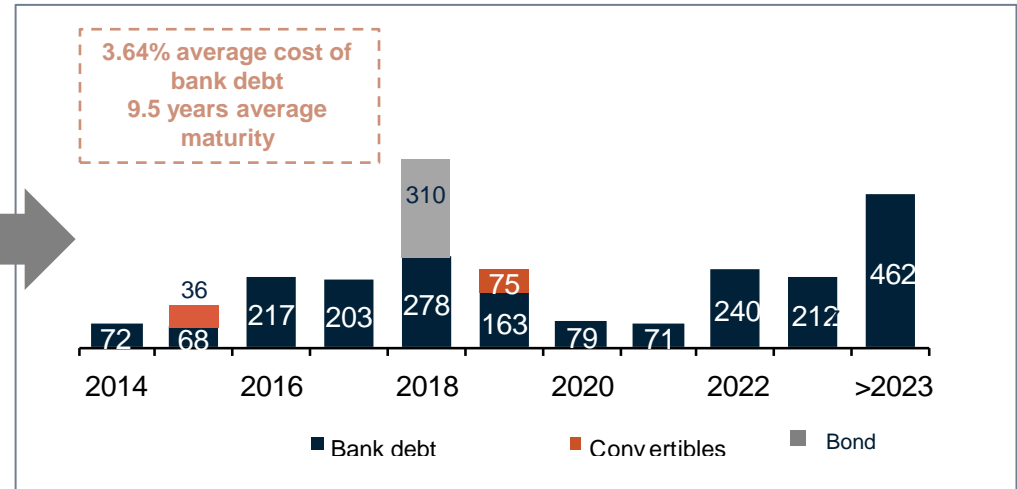
# TAG Financial structure

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 03/31/2014\*



\* including commercial

## Optimization potential

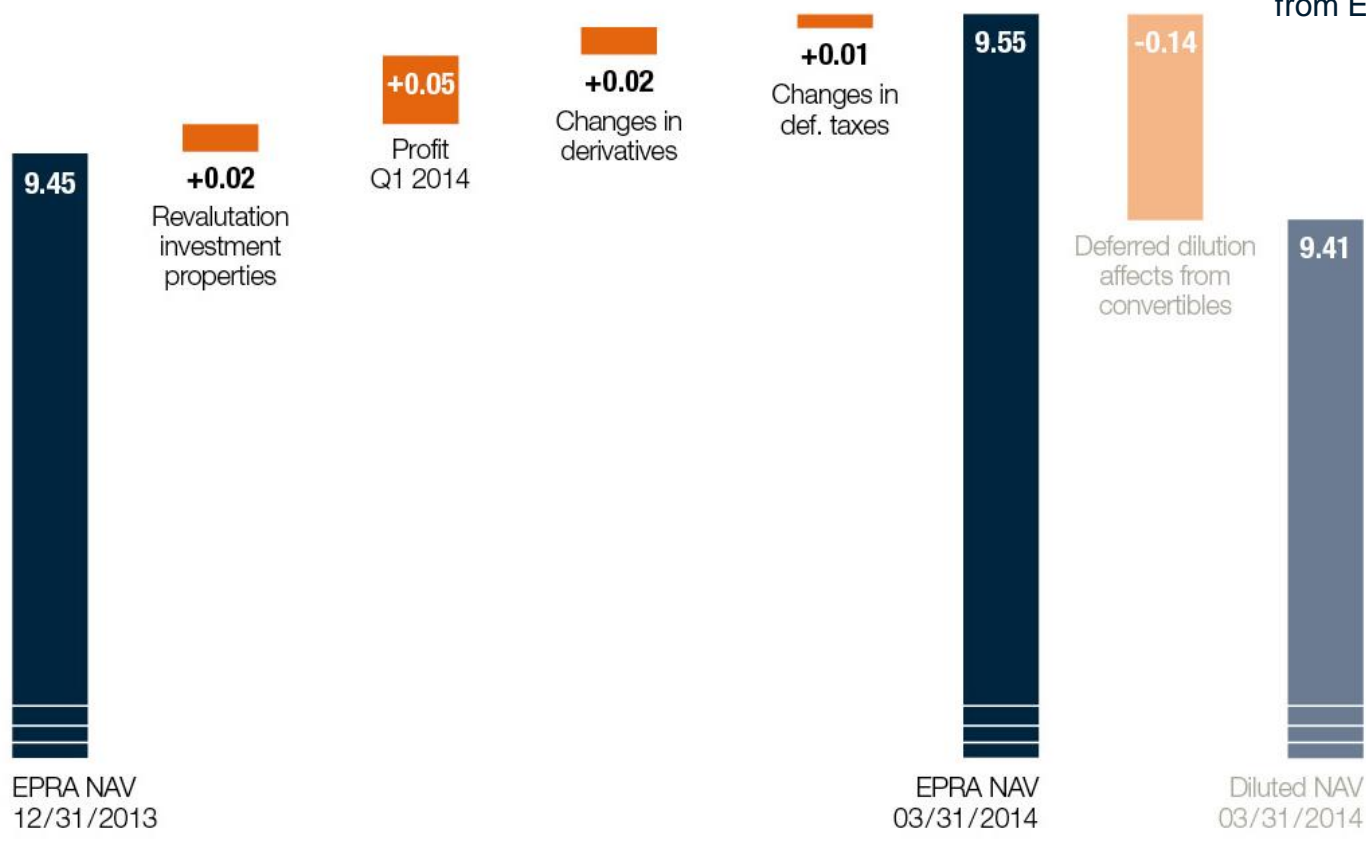
- Diversified pool of 41 lending banks including several smaller banks and insurance companies securing TAG's long-term credit profile
- Successful refinancing of more than EUR 600m in 2013 resulting within two quarters in a decrease of 41bps to 3.70% interest rate for bank debt and further improved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

### 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 0.14 in Q1 2014



# TAG Valuation by CBRE 2013

## Portfolio residential

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

Assumptions/drivers	2012	2013
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

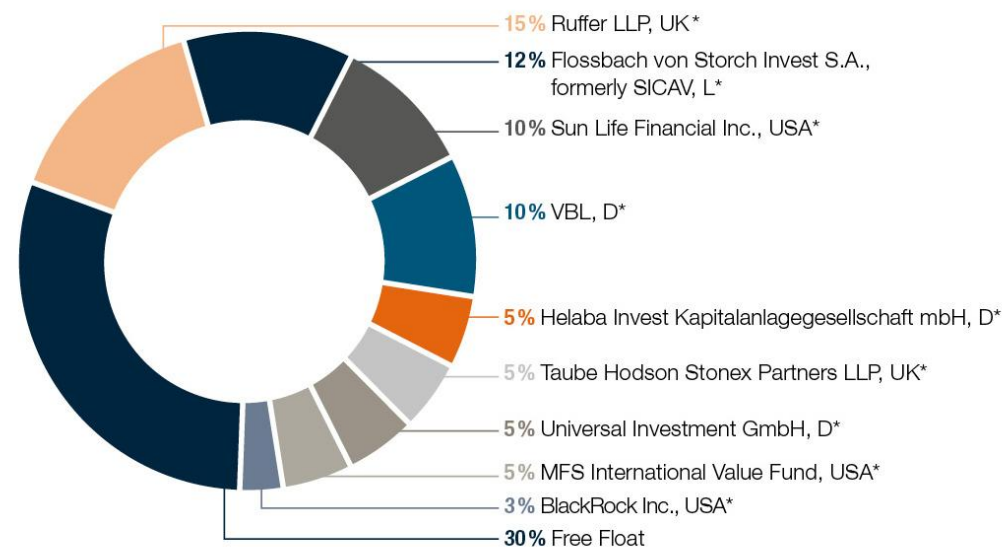
- The complete residential portfolio is appraised by CBRE in 2012 and 2013 using the DCF-method (Discounted Cash Flow Method).
- Re-valuation for IFRS-purposes is generally performed annually at September 30<sup>th</sup>.
- The Fair Value (according to the Net-Valuation principle) is determined after 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 Q1 2014

- High/Low (Jan/March 2014)                    EUR 9.65/ EUR 8.52
- Number of shares                                    131.298m
- Market capitalisation                            1,118,662 EUR
- Stock indices                                        MDAX/EPRA
- Free Float \*                                         100%

\* Deutsche Börse definition including institutional investors

## Shareholderstructure as of 03/31/2014



## Focus on residential property segment

- Dispose of commercial properties in value maximizing manner over time
- Focused and disciplined acquisition strategy of residential portfolios leveraging the key strengths of TAG

## Continuously work the existing portfolio

- Increase rents – rental growth 0.5% in Q1 2014
  - Reversionary rent potential vs. in-place rent/sqm
- Decrease vacancy
  - Normalisation process in areas of high vacancy, i.e. Salzgitter region
  - From 21.5% in January to 18.0% in March 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

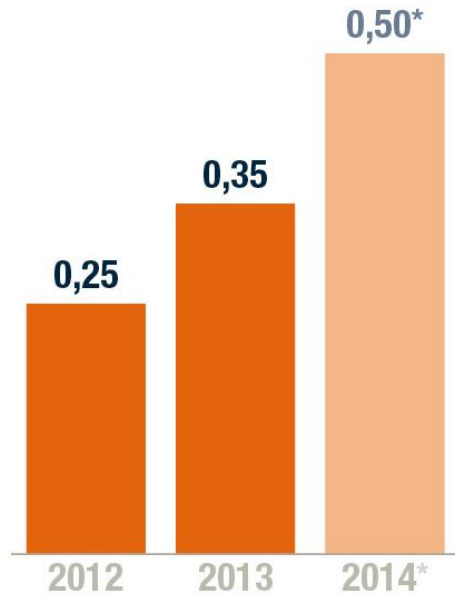
## Capitalize on market arbitrage

- 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

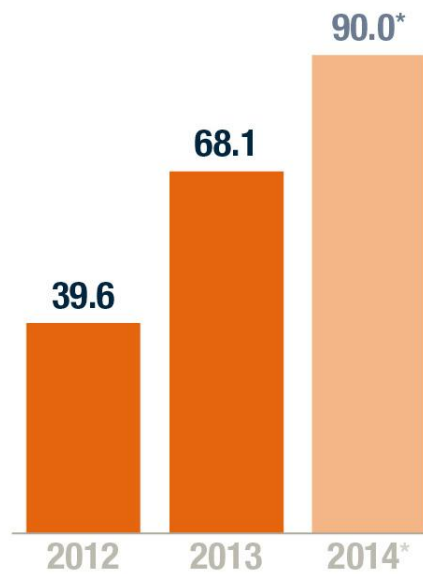
## Dividend (EUR)

\*estimate



## FFO I (EURm)

\*estimate





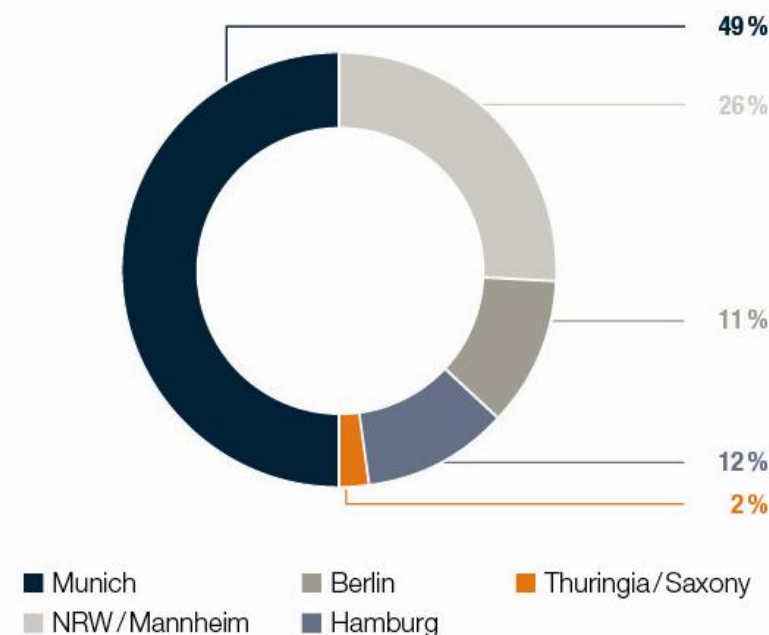
Growing Assets

# TAG Portfolio commercial FY 2013

Portfolio	12/31/2009	12/31/2010	12/31/2011	12/31/2012	06/30/2013	12/31/2013
sqm total	342,911	335,686	348,403	348,560	343,060	318,414
sqm rental	324,971	323,063	319,940	295,820	287,663	285,351
current rental income p.a. net of charged costs in EUR m	26.6	26.0	28.8	26.9	26.6	25.8
current rent net of charged costs in EUR/sqm	6.81	6.70	7.51	7.58	7.70	7.52
vacancy in %	5.2	3.8	8.2	15.1	16.1	10.4

## 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
- Purchase price/ Value: approx. EUR 297 Mio. including EUR 167m loans
- EUR 78m cash at closing, remaining balance at a later date
- net target rent of EUR 20m p.a.
- LTV deleverage impact on TAG side approx. – 1.5%
- FFO reduction approx. EUR 8m p.a.



\* as of 12/31/2013 by balance sheet value

# 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

## 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

## Supervisory Board

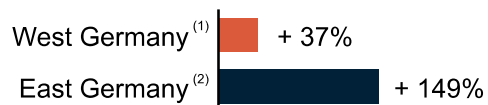
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- Dr. Lutz R. Ristow, Chairman of the Supervisory Board (since 2001)
  - Prof. Dr. Ronald Frohne (since 2001),
  - Lothar Lanz (since 2013),
  - Dr. Philipp Wagner (since 2013)
  - Employee representative:
    - Wencke Röckendorf (since 2010),
    - Andrea Mäckler (since 2010)
-

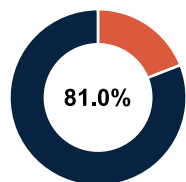
# East Germany is catching up...

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

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



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

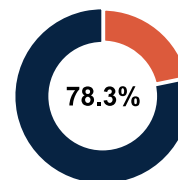


Source: Federal statistical office.

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

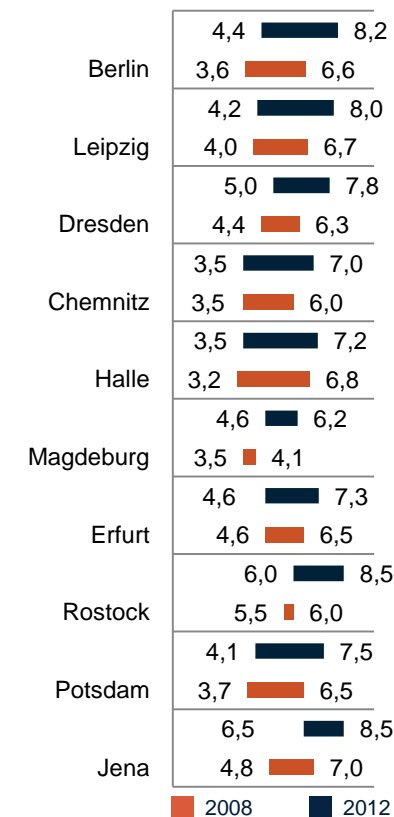


Convergence ratio 2008<sup>(3)</sup>



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 Acquisition 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>



# NOTES

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# TAG Contacts

**Rolf Elgeti**  
**CEO**

Fon: +49 40 380 32-307

Fax: +49 40 380 32-388

[ir@tag-ag.com](mailto:ir@tag-ag.com)

**Dominique Mann**  
**Head of Investor & Public Relations**

Fon: +49 40 380 32-305

Fax: +49 40 380 32-388

[ir@tag-ag.com](mailto:ir@tag-ag.com)

**TAG Immobilien AG**

Steckelhörn 5  
20457 Hamburg

Fon: +49 40 380 32-0

Fax: +49 40 380 32-388

[www.tag-ag.com](http://www.tag-ag.com)

[info@tag-ag.com](mailto:info@tag-ag.com)

Growing Assets

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