



9M 2014 Figures

TAG
Immobilien AG

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Highlights 9M 2014

TAG Highlights 9M 2014

■ Overview of financial metrics (9M 2014)

- **Rental income** (total): **EUR 192.9m**
(EUR 188.0m in 9M 2013)
- **Net rental income** (total): **EUR 158.1m**
(EUR 149.5m in 9M 2013)
- **FFO I/s** (as previously reported): **EUR 0.51**
- **FFO I/s** (re-defined): **EUR 0.48**
- **EPRA NAV/s** (as previously reported): **EUR 9.66**,
fully diluted EUR 9.44
- **EPRA NAV/s** (re-defined): **EUR 10.16**,
fully diluted EUR 9.89
- **Vacancy:**
 - residential units: **8.6%** (8.9% end of 2013)
 - Salzgitter region: **16.6%** (18.6% end of 2013)
- **LTV of 61.6%** (64.7% incl. convertible bonds)

■ Results from share repurchase tender

- Share buy-back of 13,127,178 shares was completed on 14-Oct-2014 for an average price of EUR 9.30 per share
- TAG will retain the shares and keep them as treasury shares or use them for existing convertibles

■ Sale of properties in Berlin (Marzahn) in Nov. 2014

- **Purchase price: EUR 170.4m, book profit** (IFRS, after annual revaluation): approx. **EUR 35m**
- **NAV impact in Q4 2014** (before breakage fees from related financing) approx. **EUR 0.30/s**
- **Net cash proceeds** of approx. **EUR 72m**
- Proof of TAG's successful capital recycling and asset management in the past years

■ Re-definition of key metrics

- FFO definition and FFO/s (adjusted for cash taxes and impairment losses on rent receivables)
- NAV definition and NAV/s (adjusted for deferred taxes and presented alternatively including standardized transaction costs)

■ Outlook

- 2014 FFO/s: EUR 0.69 (as previously reported) and EUR 0.64 (re-defined)
- 2015 FFO/s: EUR 0.71-0.73 (as previously reported) and EUR 0.67-0.69 (re-defined)
- Dividend per share: EUR 0.50 (2014) and EUR 0.55 (2015)



Financials

TAG Income Statement (IFRS)

Including commercial

(in EUR millions)	9M 2014	9M 2013	FY 2013	Q3 2014	Q3 2013
Rental income	① 192.9	① 188.0	251.0	① 62.4	62.5
Expenses from property management	-34.8	-38.6	-51.9	-11.6	-12.4
Net rental income	158.1	149.5	199.1	50.8	50.1
<i>Margin</i>	② 82.0%	② 79.5%	79.3%	② 81.4%	② 80.1%
Net revenue from sales	-0.6	-0.2	-0.2	0.3	0.2
Net income from property management	1.2	1.8	2.3	0.0	0.4
Other operating income	③ 9.0	③ 6.6	11.5	③ 3.7	③ 3.0
Net fair value gains and losses	④ 51.5	④ 3.8	-15.9	④ 44.6	④ 4.2
Gross profit	219.2	161.5	196.9	99.3	57.8
Personnel expenses	⑤ -24.5	⑤ -22.4	-29.5	⑤ -8.0	⑤ -7.6
Depreciation	-1.9	-1.6	-2.3	-0.7	-0.6
Impairment losses on receivables and inventories	⑥ -11.1	⑥ -8.4	-17.4	-1.8	-5.3
Other operating expenses	-15.7	-14.2	-20.1	-4.9	-5.3
EBIT	165.9	114.8	127.6	83.9	39.0
Net interest result	⑦ -83.3	⑦ -76.4	-105.1	-24.6	-25.5
EBT	82.9	38.6	23.1	59.4	13.6
Income tax	⑧ -19.2	⑧ -0.5	3.9	⑧ -10.1	⑧ -1.7
Net income	63.5	38.2	27.0	49.3	11.8

① **Disposal of commercial portfolio** in May 2014; closing of 3,000 unit acquisition during H1, closing of 4,000 unit acquisition in August 2014

② Increased margin due to **more efficient platform**

③ Mainly refers to income from reversal of provisions, deconsolidation gain commercial portfolio and de-recognition of liabilities from prior periods

④ **Annual revaluation by CBRE** in Q3; revaluation gain of EUR 27.9m; EUR 16.7m gain from **first time fair value valuation** of new acquisitions

⑤ Increased costs due to **higher number of people employed** (new ERP-Team, increased number of people working in TAG's own property management due to insourcing activities)

⑥ Includes **write-off of receivable for purchase price sale of Polares GmbH** in Q1 (EUR 5.7m)

⑦ Includes one-offs from derivatives in 2014 (EUR 9.8m)

⑧ Tax expense mainly refers to **deferred taxes** from revaluation gains

TAG FFO Calculation (Re-defined)

(in EUR millions)	9M 2014	9M 2013	FY 2013	Q3 2014	Q3 2013
Net income	63.5	38.2	27.0	49.3	11.8
+ Taxes	19.4	0.4	-3.9	10.1	1.8
+ Net financial result	83.0	76.2	104.5	24.5	25.4
EBIT	165.9	114.8	127.6	83.9	39.0
- Net financial result (cash)	-70.3	-72.7	-97.7	-23.0	-23.4
- Cash taxes	0.8	-0.8	-1.1	-0.3	0.1
+ Net profit from investments/associates	0.2	0.2	0.7	0.1	0.1
+ Adjustments					
Valuation result	-51.5	-3.8	15.9	-44.6	-4.2
Revaluation of real estate inventory	-0.8	0.0	0.0	-0.8	0.0
Deconsolidation commercial portfolio	-1.0	0.0	0.0	0.0	0.0
Depreciation	1.9	1.6	2.2	0.6	0.6
Impairment losses on receivables and inventories	11.1	8.3	17.4	1.8	5.2
One off's refinancing	0.3	0.0	1.8	0.3	0.0
One off's personnel-costs and project costs	4.1	0.0	0.0	1.0	0.0
Results from sales	0.6	0.2	0.2	-0.3	-0.2
- Impairment losses on rent receivables	-5.2	-4.4	-5.3	-1.6	-1.6
= FFO I (re-defined)	56.2	43.4	61.7	17.1	15.6
FFO I (as previously reported)	60.6	48.6	68.1	19.0	17.1
- CAPEX	-21.7	-12.0	-20.0	-7.0	-4.4
= AFFO	34.5	31.4	41.7	10.1	11.2
FFO I + results from sales	-0.6	-0.2	-0.2	0.3	0.2
= FFO II	55.6	43.2	61.5	17.4	15.8
<i>Number of shares (outstanding) (in '000)</i>	<i>118,185</i>	<i>130,765</i>	<i>131,298</i>	<i>118,185</i>	<i>130,765</i>
FFO I per share (EUR) (re-defined)	0.48	0.33	0.47	0.14	0.12
<i>FFO I per share (EUR) (as previously reported)</i>	<i>0.51</i>	<i>0.37</i>	<i>0.52</i>	<i>0.16</i>	<i>0.13</i>
AFFO per share (EUR) (re-defined)	0.29	0.24	0.32	0.09	0.09
<i>Number of shares, fully diluted (in '000)</i>	<i>132,523</i>	<i>145,856</i>	<i>145,110</i>	<i>132,523</i>	<i>145,856</i>
FFO I per share (EUR) (re-defined), fully diluted	0.46	0.35	0.49	0.14	0.12
AFFO per share (EUR) (re-defined), fully diluted	0.30	0.27	0.35	0.09	0.09

TAG Balance Sheet (IFRS)

(in EUR millions)	30-Sep-2014	30-Jun-2014	31-Dec-2013
Non-current assets	3,560.4	3,359.5	3,581.2
Investment property	① 3,493.7	3,293.4	3,544.1
Other financial assets	47.9	47.5	18.2
Other non-current assets	18.8	18.6	18.9
Current assets	162.2	325.2	176.2
Real estate inventory	25.3	42.9	46.9
Cash and cash equivalents	② 102.8	237.7	85.3
Other current assets	34.1	44.6	44.0
Non-current assets available-for-sale	1.7	1.3	5.9
TOTAL ASSETS	3,724.2	3,686.0	3,763.3
Equity (including minority interest)	③ 1,027.9	1,079.7	1,127.4
Minority interest	20.1	20.7	20.1
Non-current liabilities	2,433.1	2,426.3	2,390.3
Financial debt	2,294.4	2,296.7	2,250.1
Deferred tax liabilities	126.3	116.5	120.7
Other non-current liabilities	12.4	13.1	19.5
Current liabilities	263.2	159.3	245.6
Financial debt	91.9	108.6	183.8
Other current liabilities	④ 171.3	50.7	61.8
TOTAL EQUITY AND LIABILITIES	3,724.2	3,686.0	3,763.3
LTV (excl. convertible bond)	61.6 %	61.5 %	62.1 %
LTV	64.7 %	64.8 %	65.0 %

① Increase in Q3 due to **closing of 4,000 unit acquisition** in August and annual revaluation

② Does not include bank loans (already available but not yet called) and further credit lines of EUR 146.1m; hence, **available cash at about EUR 250m**

③ **Share repurchase** of EUR 122.1m already shown in Q3 2014; net income of EUR 63.5m as of 30-Sep-2014

④ **Share repurchase** of EUR 122.1m already shown in Q3 2014

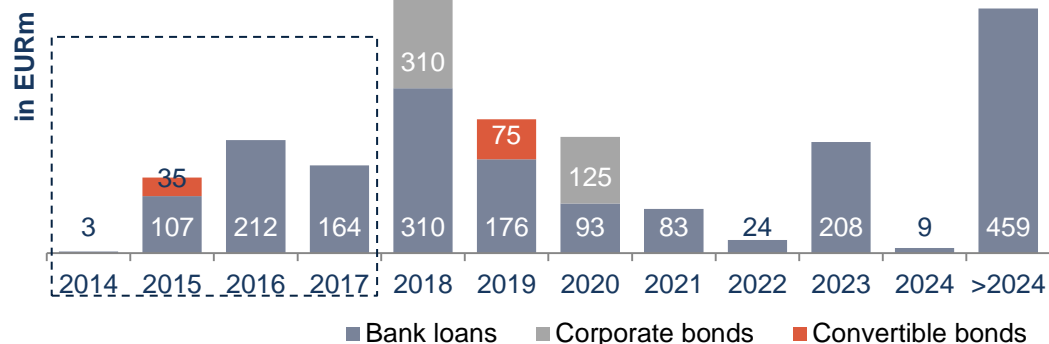
TAG Valuation – NAV (Re-defined)

(in EUR millions)	30-Sep-2014	30-Jun-2014	31-Dec-2013
Equity (without minorities)	1,007.8	1,079.7	1,107.3
+ Deferred taxes	126.2	116.5	120.1
+ Fair value of financial derivatives	8.0	8.0	13.8
= EPRA NAV (as previously reported)	1,142.0	1,204.0	1,241.2
+ Deferred taxes (except on investment properties and financial derivatives)	58.7	63.1	66.2
= EPRA NAV (re-defined, pre-transaction costs)	1,200.7	1,267.3	1,307.4
- Standardized transaction costs	-181.6	-159.3	-159.0
= EPRA NAV (re-defined, post-transaction costs)	1,019.1	1,108.0	1,148.4
<i>Number of shares (outstanding) (in '000)</i>	<i>118,185*</i>	<i>131,312</i>	<i>131,298</i>
EPRA NAV per share (EUR) (re-defined, pre-transaction costs)	10.16	9.65	9.96
EPRA NAV per share (EUR) (re-defined, post-transaction costs)	8.62	8.44	8.75
<i>EPRA NAV per share (EUR) (as previously reported)</i>	<i>9.66</i>	<i>9.17</i>	<i>9.45</i>
<i>Number of shares, fully diluted (in '000)</i>	<i>132,523</i>	<i>145,650</i>	<i>145,110</i>
EPRA NAV per share (EUR) (re-defined, pre-transaction costs), fully diluted	9.89	9.45	9.76

* Completion of share repurchase

TAG Debt financing structure

Debt maturity profile as of 30-Sep-2014



Interest rates and maturities

(in EUR millions)	Current amount	Average interest rate	Maturing in the next 3 years	Average interest rate (maturing in the next 3 years)
Bonds	435	4.52%	-	-
Convertibles	110	5.82%	35	6.50%
Bank loans	1,838	3.58%	483	4.05%
Total	2,383	3.88%	518	4.21%

Upcoming refinancing in the short- to medium-term

- TAG targets the early refinancing of upcoming debt maturities
- Recently, TAG financed EUR 80m at 1.78% for a 7 year term
- Within the next 3 years, EUR 483m of financial debt will mature
- Convertible expiring in December 2015 (EUR 35m) in the money, conversion price of EUR 6.67

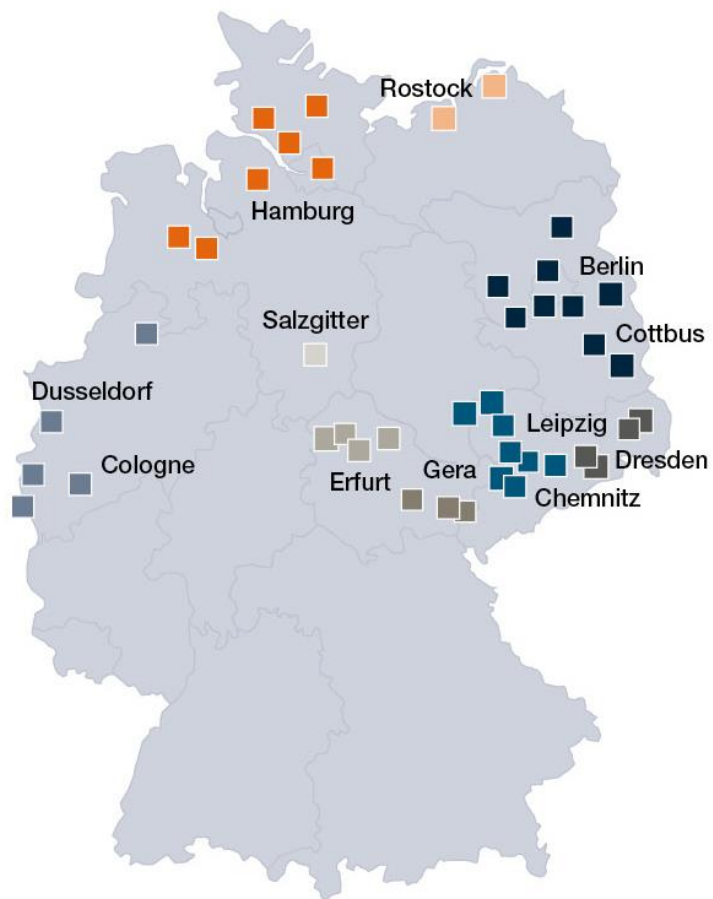
(in EUR millions)	9M 2014	H1 2014	FY 2013
+ Interest income	3.0	2.0	10.5
- Interest expenses	-86.0	-60.1	-115.0
= Net financial result	-83.0	-58.1	-104.5
thereof non-cash financial result related to convertible bonds	-1.4	-0.9	-7.4
thereof non-cash financial result related to corporate bonds	-0.5	-0.3	-0.2
thereof non-cash related to derivatives	-9.8	-9.5	4.4
thereof other non-cash financial result and one off's ⁽¹⁾	-1.0	-0.9	-3.6
= Net financial result (cash)	-70.3	-46.5	-97.7

(1) Includes other non cash financial income, other expenses and one off's from refinancing



Portfolio and Platform

TAG Portfolio in total 9M 2014



- **Hamburg region (9%)**
Segment: Hamburg; LIM: Hamburg
- **Rostock region (7%)**
Segment: Hamburg; LIM: Mecklenburg-Vorpommern
- **Berlin region (20%)**
Segment: Berlin; LIM: Berlin
- **Salzgitter region (13%)**
Segment: Salzgitter; LIM: Salzgitter
- **Dresden region (13%)**
Segment: Thuringia/Saxony;
LIM: Dresden, Doebeln/Chemnitz
- **Leipzig region (11%)**
Segment: Thuringia/Saxony; LIM: Leipzig
- **Gera region (11%)**
Segment: Thuringia/Saxony; LIM: Gera
- **Erfurt region (10%)**
Segment: Thuringia/Saxony; LIM: Erfurt
- **Rhine-Ruhr region (6%)**
Segment: NRW; LIM: Dusseldorf

- Growth in recent years and disposal of commercial portfolio has triggered the need for an update of geographic portfolio regions
- Renewed definitions of geographic regions in accordance with decentralized management clusters and strategic relevance
- Improved geographic allocation and increased level of transparency

Portfolio as of 30-Sep-2014	Total
Units	74,318
Rentable area in sqm	4,545,045
Real estate volume in TEUR	3,530,459
Net actual rent in EUR/ sqm/month	5.17
Vacancy in %	9.3

TAG Portfolio – 9M 2014 by region

Region	Units #	IFRS BV TEUR	In-place yield %	Vacancy %	Net in- place rent EUR / sqm	Re- letting rent EUR / sqm	L-f-l rental growth y-o-y %	Mainte- nance EUR / sqm	Capex EUR / sqm	Comments
Berlin	13,241	683,550	6.7%	4.7%	5.09	5.75	2.2%	3.33	5.44	Consider opportunistic disposals at premium to IFRS BV
Dresden	9,028	445,740	6.9%	9.1%	5.12	5.40	2.4%	1.80	3.86	
Erfurt	6,968	322,490	6.5%	8.3%	4.87	5.17	2.2%	3.07	4.68	
Gera	7,563	296,840	7.0%	12.4%	4.49	4.66	0.7%	4.38	7.35	Continue to increase occupancy through targeted investments, Vacancy in October 2014 at 11.6%
Hamburg	6,353	317,200	7.0%	7.5%	5.21	5.58	1.3%	4.92	3.88	
Leipzig	7,214	315,250	7.2%	7.1%	4.82	4.87	1.4%	3.07	2.66	
Rhine-Ruhr	3,685	228,510	6.6%	2.6%	5.42	5.74	1.2%	8.66	1.70	
Rostock	4,897	223,540	7.3%	7.8%	5.06	5.32	1.4%	3.27	4.55	
Salzgitter	9,173	358,630	7.6%	16.6%	4.83	5.07	1.1%	7.55	8.40	Without "VW effect" (otherwise L-f-l- rental growth of -3.7%); Vacancy in October 2014 at 16.2%
Total residential units	68,122	3,191,750	7.0%	8.6%	4.98	5.31	1.7%	4.21	5.05	Without "VW effect" (otherwise L-f-l- rental growth of 1.0%); Vacancy in October 2014 at 8.3%
Acquisitions	4,376	168,190	7.9%	11.8%	4.96	-	-	1.16	0.07	Continue to increase occupancy through targeted investments
Commercial units (within residential portfolio)	1,333	-	-	17.8%	7.87	-	-	-	-	
Total residential portfolio	73,831	3,359,940	7.4%	9.1%	5.07	-	1.7%	3.89	4.59	
Other	487	171,000	4.6%	18.6%	12.72	-	-	18.56	7.28	Commercial properties and serviced apartments
Grand total	74,318	3,530,940	7.2%	9.3%	5.17	-	1.7%	4.10	4.63	

TAG Annual portfolio valuation by CBRE

Region (in EUR millions)	2014 Fair Value (IFRS)	2014 Fair Value / sqm	2014 Implied multiple	Revaluation gain / loss	Capex	Net acquisitions and other movements	2013 Fair Value (IFRS)	2013 Fair Value / sqm	2013 Implied multiple
Berlin	674.2	867,53	14.90	21,19	4.62	-0.32	648.8	834.41	14.54
Dresden	445.7	808,33	14.46	-0.49	2.23	0.10	443.9	806.25	14.41
Erfurt	322.5	828,56	15.46	5.00	1.82	0.20	315.5	811.89	15.28
Gera	296.8	675,99	14.32	-2.99	3.33	-0.20	296.7	669.51	14.22
Hamburg	317.2	823,45	14.23	3.11	1.50	0.45	312.1	810.22	14.26
Leipzig	311.9	737,04	13.72	2.57	1.15	11.47	296.7	702.12	13.18
Rhine-Ruhr	228.5	958,34	15.13	3.26	0.40	0.12	224.7	942.59	15.08
Rostock	222.5	769,57	13.73	-2.54	1.37	4.76	218.9	757.20	13.68
Salzgitter	358.6	637,18	13.18	-5.64	4.82	-0.09	359.5	638.39	13.01
Acquisitions	166.5	677,82	12.62	23.53	0.02	136.59	6.4	965.70	19.62
Total residential portfolio	3,344.5	748,54	14.36	46.98	21.26	153.08	3,123.2	738.13	13.70
Other*	158.9	3,013.10	20.87	4.49	0.46	297.48	451.5	1,336.79	18.43
Grand total**	3,503.4	774.96	13.77	51.47	21.72	144.41	3,574.7	782.38	14.15

* Includes six commercial properties and three serviced apartments

** Includes reclassifications (IAS 40/IAS 2 properties)

TAG Property Platform

TAG runs the most efficient Property and Asset Management platform

Property and Asset Management

- Up to 10 LIMs (“Leiter Immobilien-Management”/ Head of Real Estate Management) to oversee and manage TAG’s regional sub-platforms

De-centralized organization

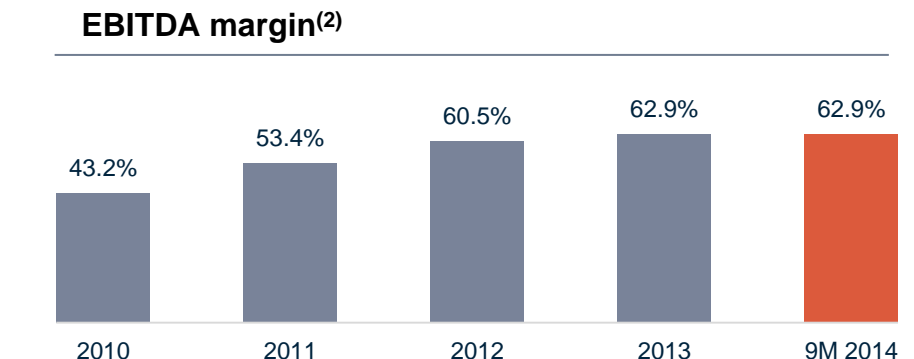
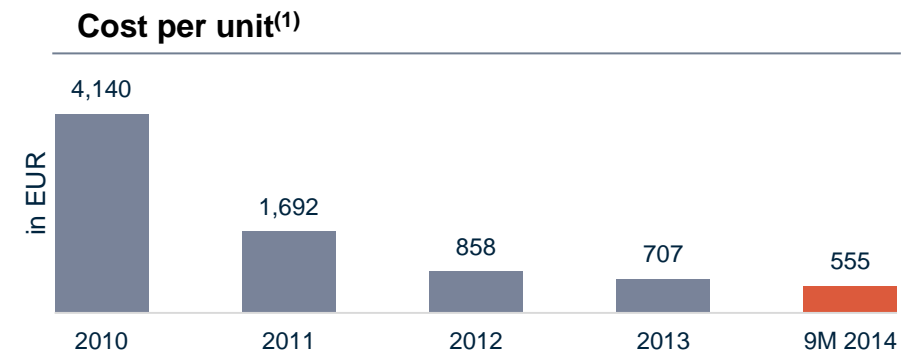
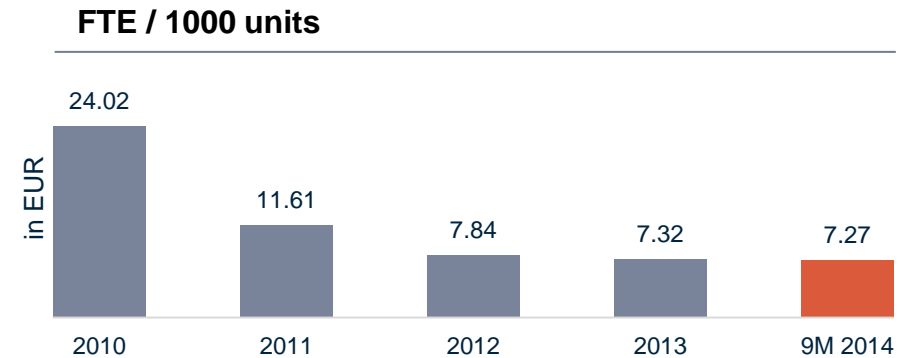
- Many decisions can be taken at LIM level
- LIMs are responsible for maintenance budgets, rental activities, etc.

Lean administrative structure

- 534 FTE manage a platform of 74,318 units

Adjusted size of Management Board

- Efficient board size with three members and revised allocation of key responsibilities



(1) - includes personnel expenses (EUR 24.5m for 9M 2014) and (EUR 15.7m for 9M 2014) other operating expenses
 (2) - includes impairment losses on rent receivables



Acquisitions and Disposals

TAG Acquisitions 2014

	Erfurt	Leipzig	Dresden
Units	3,985	270	1,503
Floor area in sqm	236,000	17,703	85,452
Net rental EUR/sqm/month	5.24	5.00	4.20
Vacancy	10.7%	0.4%	12.9%
Purchase price EURm	120.5	11.3	37.8
Net actual rent p.a. EURm	12.4	1.05	3.75
Location	Hermsdorf, Jena, Weimar, Erfurt, Chemnitz, etc.	Dessau	Freiberg, Chemnitz
Closing	Aug. 2014	Sept. 2014	Oct. 2014
Comments	<ul style="list-style-type: none"> ▪ Signing: Feb. 2014 ▪ Multiple: 9.6x ▪ Refurbished in 2000 	<ul style="list-style-type: none"> ▪ Signing: Aug. 2014 ▪ Multiple: 10.7x ▪ Refurbished in 2001 	<ul style="list-style-type: none"> ▪ Signing: Sept. 2014 ▪ Multiple: 10.1x ▪ Year of construction: 1970s/1980s



Erfurt



Dessau



Freiberg

TAG Disposals 2014

	Berlin (Marzahn)	Commercial portfolio
Units	2,600	21
Floor area in sqm	162,656	270,000
Net rental EUR/sqm/month	4.89	7.50
Vacancy	1.2%	10%
Book profit (IFRS) EURm	approx. 35	1.0
Selling price / net cash proceeds EURm	170.4 / approx. 72	approx. 300 / 70.3
Net actual rent p.a. EURm	9.5	20.0
Location	Berlin (Marzahn)	Cologne, Munich, Berlin, Hamburg
Closing	Dec. 2014	May 2014
Comments	<ul style="list-style-type: none"> ▪ Signing: Nov. 2014 ▪ Asset deal ▪ FFO reduction approx. EUR 4.7m p.a. 	<ul style="list-style-type: none"> ▪ Signing: March 2014 ▪ Share deal ▪ Deconsolidation of around EUR167m of loans ▪ TAG keeps 20% stake ▪ FFO reduction approx. EUR 8m p.a.



Commercial, Planckstraße, Hamburg



Residential, Berlin (Marzahn)



Commercial, Siemensdamm, Berlin

14

TAG
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TAG share

TAG Share repurchase

■ Rationale

- Successful disposals with high cash inflows
- Excess cash on balance sheet given currently limited opportunities for accretive property investments
- Proof of TAG's capital discipline and total return per share strategy

■ Outlook on further steps

- EGM on 28-Nov-2014 to authorize new share repurchase scheme
- Currently no intention by management to launch an additional share buy back program, but new authorization shall ensure maximum strategic flexibility going forward

■ Details

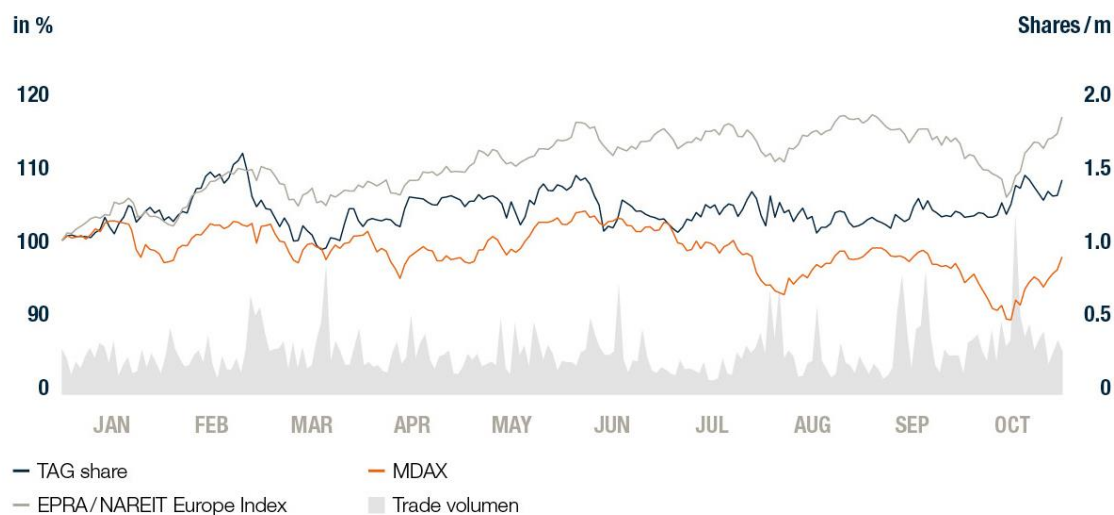
- Tender period between 15-Sep-2014 and 14-Oct-2014 at a range of EUR 8.35 to EUR 9.35 per share
- 18,608,551 shares were tendered
- 13,127,178 shares repurchased at EUR 9.30 per share
- Share repurchase already shown in balance sheet as of 30-Sep-2014 (equity reduction and short-term liability of EUR 122.1m)

TAG Capital markets heads-up

- High/Low (Jan/Oct 2014) EUR 8.52/EUR 9.65
- Number of shares (issued) 131.3m
- Number of shares (outstanding) 118.2m
- Market capitalisation as of 31-Oct-2014 EUR 1,225m
- Stock indices MDAX/EPRA
- Free Float * 90%

* Deutsche Börse definition including institutional investors, repurchased TAG own shares not included

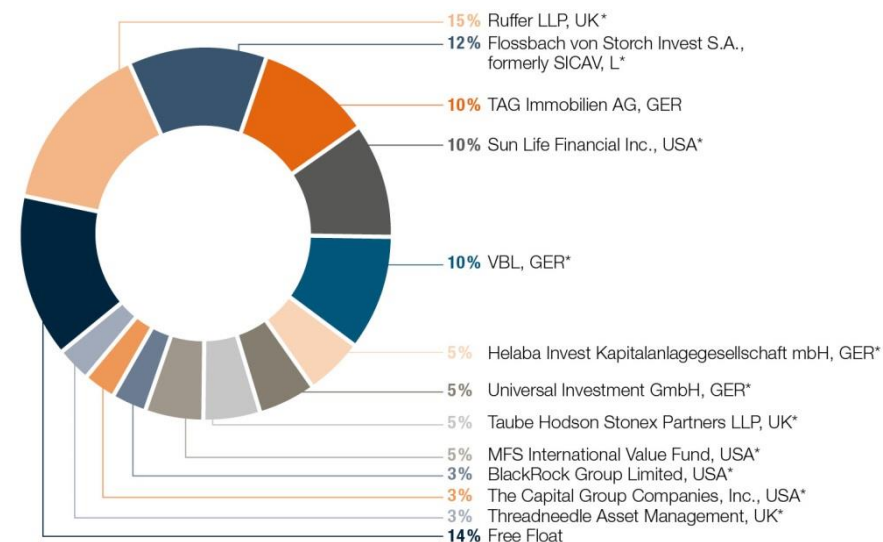
■ Share price development



■ Broker recommendations update

Institution	Broker	Recommendation	Target price	Date
Lampe	Georg Kanders	Buy	10.5	03-Nov-14
HSBC	Thomas Martin	Neutral	10.1	03-Nov-14
Morgan Stanley	Bianca Riemer	Underweight	6.4	21-Oct-14
Berenberg	Kai Klose	Buy	10.0	20-Oct-14
Baader Bank	Andre Remke	Buy	10.4	19-Sep-14
M.M. Warburg	Torsten Klingner	Hold	8.8	15-Sep-14
Close Brothers	Manuel Martin	Buy	10.5	15-Sep-14
Commerzbank	Thomas Rothaeusler	Hold	9.0	12-Sep-14
Median			10.0	

■ Shareholder structure as of 31-Oct-2014





TAG Management Team

TAG Management Board



Claudia Hoyer
COO

- Key responsibilities: Property and Asset Management, Acquisitions and Disposals, Shared Service Center
-
- Age 42
 - Joined TAG as a member of the management board in July 2012
 - Business degree, member of the board of DKB Immobilien AG from 2010 to 2012, 15 years of experience in residential real estate and property management



Martin Thiel
CFO

- Key responsibilities: Controlling, Accounting, Financing, Taxes, Corporate Finance and Investor Relations
-
- Age 42
 - Joined TAG as CFO in April 2014
 - Business degree, CPA, CVA, over 15 years of experience as Auditor and Tax consultant with real estate clients



Dr. Harboe Vaagt
CLO

- Key responsibilities: Legal, Human Resources and Transactions
-
- Age 58
 - With TAG for 15 years, has been a member of the management board since April 2011
 - Law degree, over 25 years of experience in real estate legal affairs

TAG Supervisory Board

■ Current composition of the TAG Supervisory Board

- **Lothar Lanz (Chairman)** - since 2013, prior CFO of Axel Springer AG from 2009 to 2014, member of various supervisory boards (e.g. Axel Springer AG, Zalando SE)
- **Dr. Philipp Wagner** - since 2013
- **Dr. Hans-Jürgen Ahlbrecht** - since 2014
- **Dr. Ingo-Hans Holz** - since 2014 (to resign in November 2014)
- **Andrea Mäckler** - since 2010, employees' representative
- **Wencke Röckendorf** - since 2010, employees' representative

■ Appointment process of Rolf Elgeti to the Supervisory Board

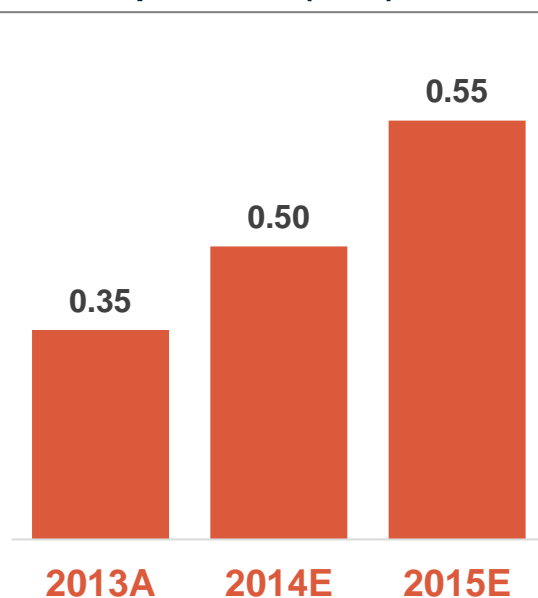
- Dr. Ingo-Hans Holz to resign from the Supervisory Board
- Rolf Elgeti has been nominated for election to the Supervisory Board by the EGM
 - Given his function as previous CEO of TAG, a formal quorum of 25% of the voting rights is required to resolve the two year grace period in accordance with the German Stock Corporation Act
 - A sufficient formal quorum suggests the nomination, supported by more than 25% of the TAG shareholders
- The Supervisory Board, in its current composition, is expecting to elect, in case of a positive vote by the EGM, Rolf Elgeti as Chairman and Lothar Lanz as Deputy Chairman and Chairman of the audit committee



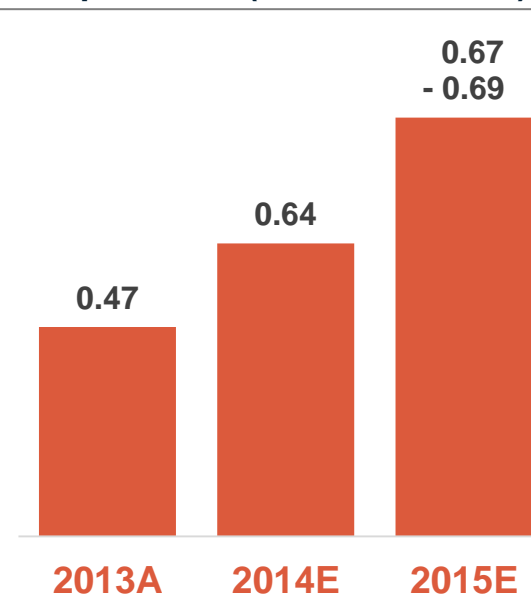
Outlook / Guidance

(in EUR)	2014E	2015E
FFO per share (re-defined)	0.64	0.67 - 0.69
FFO per share (as previously reported)	0.69	0.71 - 0.73
Dividend per share	0.50	0.55

Dividend per share (EUR)



FFO I per share (EUR, re-defined)





Strategy Update

TAG Strategy update

The three pillar TAG investment case and strategy framework

■ “High Yield” investment profile

- Highest FFO and dividend yield profile amongst peer group
- Total return focus on distributions to shareholders rather than un-crystallized NAV growth
- Anti-cyclical investment strategy: “buy early”, “de-risk timely”
- Clear distinction of investment strategy vis-a-vis peer group

■ Capital discipline and efficiency

- Most efficient capital structure amongst peer group
- Disciplined allocation of capital including seamless acquisitions and disposals
- Current portfolio size provides for sufficient critical mass to retain cost leadership
- Continuous optimization of use of capital across the balance sheet

■ Segment leadership

- Leading market player with strong presence in defined regions
- TAG has been the first to implement the “ABBA”* approach in the listed German residential sector
- Permanent innovations in tenant offerings and services
- Affordable housing with geographic focus in North and East Germany

* “ABBA”: A locations in B cities, B locations in A cities



Appendix

TAG Capex and Maintenance

in EUR millions		2014				2013				
		Q1	Q2	Q3	Total	Q1	Q2	Q3	Q4	Total
Maintenance	Residential	5.75	5.89	6.05	17.69	6.66	5.64	6.69	7.39	26.40
	Commercial	0.59	0.53	0.06	1.18	0.53	0.13	0.29	0.54	1.50
Capex	Residential	7.73	6.55	6.98	21.26	1.55	5.98	3.88	7.84	19.26
	Commercial	0.13	0.28	0.06	0.47	0.00	0.07	0.48	0.15	0.71

TAG P&L positions (residential/commercial)

	Residential 9M 2014	Commercial properties and serviced apartments 9M 2014	Continuing operations 9M 2014	Discontinued operation (sold commercial portfolio) 9M 2014	Total 9M 2014		Residential Q3 2014	Commercial properties and serviced apartments Q3 2014	Continuing operations Q3 2014	Discontinue d operation (sold commercial portfolio) Q3 2014	Total Q3 2014
(in EUR millions)											
Rental income	178.88	5.52	184.40	8.49	192.89		60.50	1.91	62.41	-	62.41
Expenses from property management	-31.84	-1.31	-33.15	-1.64	-34.79		-11.14	-0.47	-11.61	-	-11.61
Net rental income	147.04	4.21	151.25	6.85	158.10		49.36	1.44	50.80	-	50.80
Net revenue from sales	-0.05	0.07	0.02	-0.6	-0.6		0.21	0.05	0.26	-	0.26
Net fair value gains and losses	51.47	-	51.47	-	51.46		44.59	0.00	44.59	-	44.59
Net financial result	-72.34	-1.84	-74.19	-9.08	-83.27		-23.95	-0.68	-24.64	-	-24.64

TAG Annual Valuation by CBRE 2014

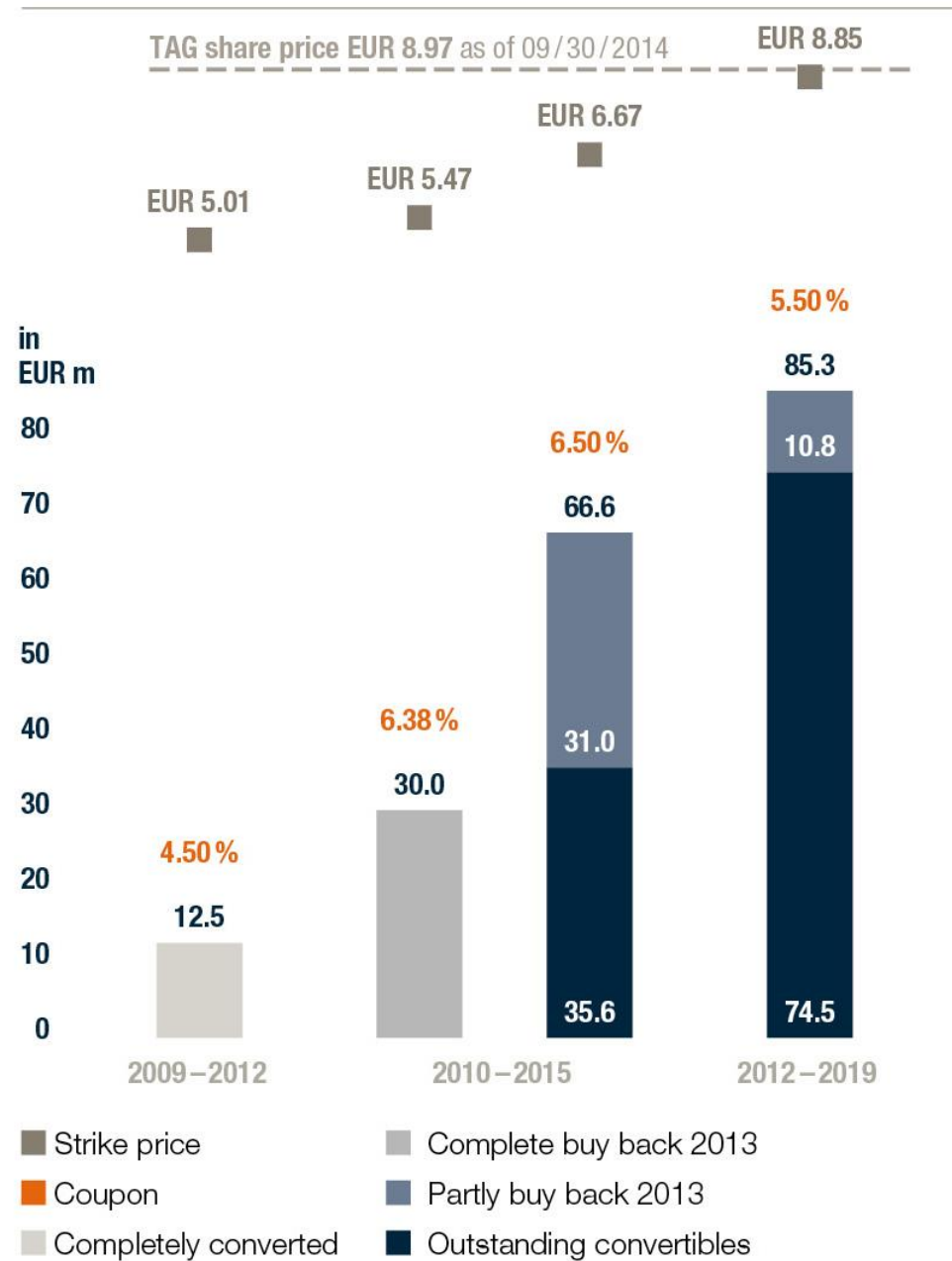
■ Details on asset vs. share deals

- For valuation purposes TAG divides its regions in two markets: assets deal markets and share deal markets, determined on public available information (e.g. data bases from valuation experts)
- Classification irrespective of TAG's intentions but based on objective market data
- So defined share deal markets: Lower Saxony and Eastern Germany (except Berlin)
- Based on this classification, transaction costs are deducted as follows:
 - Assets deal markets: 7-8% ("standardized")
 - Share deal markets: 0.2% (TAG's historical transaction costs)

Assumptions / drivers	2014	2013
Cap rate (%)	5.56	5.52
Discount rate (%)	6.21	6.16
Administrative costs (EUR/unit)	226	205
Current maintenance (EUR/sqm)	7.8	7.7
Reletting costs (EUR/sqm)	42	39
Structural vacancy (%)	3.80	3.79

TAG Convertible Bonds

- All Convertibles trade in the money
- The first has been converted in July 2012 ahead of maturity
- Partly buy back in 2013 to reduce dilution effect on NAV
- Convertibles have enabled TAG to grow in a capital efficient and NAV accretive manner



TAG Notes

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