





Content



I.	Highlights H1-2012/ Guidance 2012	page	3-5
II.	TAG Growth and profitability	page	6-9
III.	TAG Portfolio H1-2012	page	10-20
IV.	TAG Financials H1-2012	page	21-23
V.	TAG Share H1-2012	page	24
VI.	TAG Acquisition 2012 – DKBI	page	25
VII.	Appendix	page	26-31



Highlights H1 2012 figures

- **Rental income of EUR 87.4m**
- **Rental profit of EUR 67.3m**
- **EBT of EUR 120.6m**
- **FFO of EUR 16.4m**
- **Net gains from first time consolidation DKBI EUR 99.2m**
- **NAV of EUR 9.37 per share**
(post EUR 0.20 dividend)
- **Real estate volume more than doubled to EUR 3.064m**
- **LTV of 62.5%** (ex convertibles)

Guidance for 2012

- 
- **EBT of EUR 140m** (raised from EUR 75m post DKBI acquisition)
- 
- **FFO of EUR 40m** (raised from EUR 27m post DKBI acquisition)
 - **Target EPRA NAV of EUR 9.75 per share**
 - **Dividend set to rise in 2012**
(was EUR 0.20 for 2011)



FFO H1-2012

in EUR m	Q1 2012	Q2 2012	H1 2012
EBT	93.4	27.2	120.6
<u>Adjustment for non-cash items</u>			
valuation result	-6.8	-3.7	-10.5
gains from first-time consolidation of DKBI	-83.1	-16.0	-99.1
depreciation	0.4	0.4	0.8
impairment losses on receivables and inventories	1.3	2.0	3.3
non-cash financial expenses/income	0.4	0.9	1.3
	-87.8	-16.4	-104.2
FFO	5.6	10.8	16.4
plus liquidity from sales	12.8	4.3	17.1
FFO II	18.4	15.1	35.5

- TAG well on track for target FFO of EUR 40m for 2012
- Run rate in Q2 already above EUR 40m p.a.
(this is pre synergies from DKBI acquisition)



TAG investment case

I. Focus on growth and profitability

- Strategy: grow to become more efficient
- TAG has grown considerably over the last 3 years – while protecting and increasing the NAV per share
- Interest, Costs and Vacancy have been reduced at the same time
- Efficiency and sustainability: high quality, high yield, actively managed real estate

II. Integration and Synergies: a proven track record

- Colonia acquisition brought savings of EUR 35m
- DKBI acquisition EUR 12m visible from 2013 onwards

III. Solid and stable financing structure

- Loan to Value 62%, average loan maturity of 7.3 years
- 10 year DKB financing of EUR 800m
- Three of four Convertible Bonds in the money

IV. Considerable potential

- Strong like-for-like rental growth (currently approx. 2.8%)
- Further potential to reduce vacancies in acquired portfolios
- FFO profitability rising strongly
- Interest costs set to fall further



TAG Growth and profitability

- **Growth has been a strategic imperative for us in order**
 - achieve economies of scale
 - benefit from effects of step-fixed costs
 - become a better quality landlord
 - reduce variable costs on top
- **In parallel we have restructured the business over the last 3 years**
- **On following pages we highlight the effects on profitability so far**
(note: these effects are all pre the synergies and efficiency gains from the DKBI acquisition)

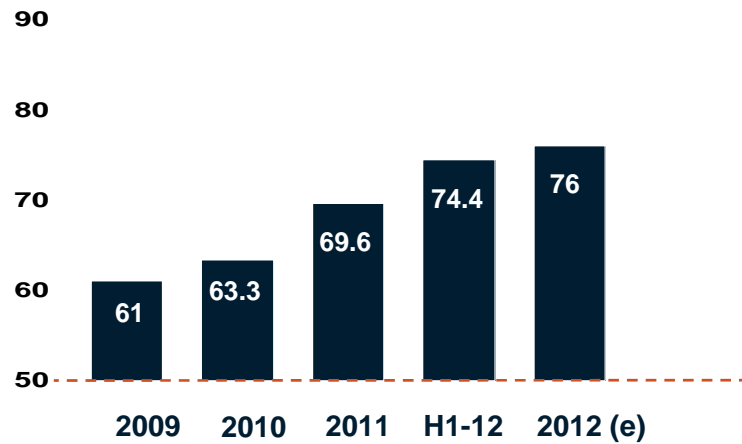


Conclusion: TAG has arrived at a sensible profitability level but still has plenty of potential to improve further

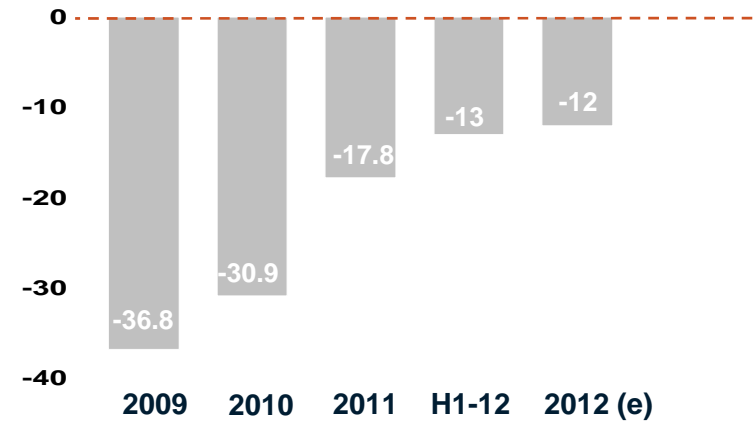


Growth results in higher margins

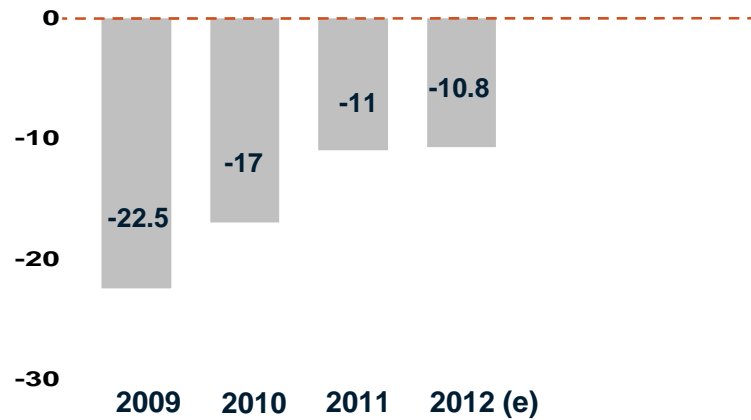
Rental profit (in % of rental income)



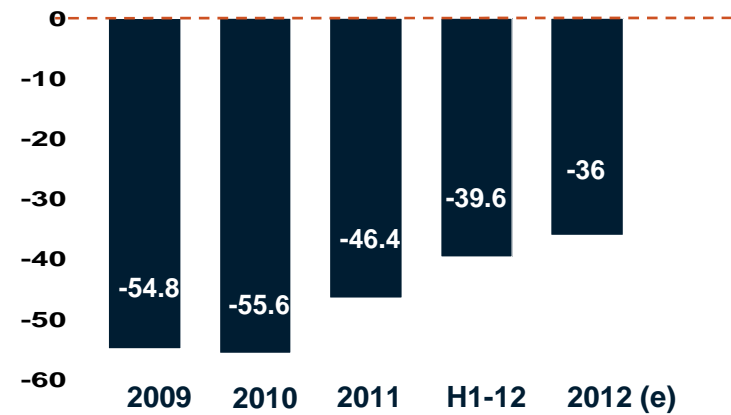
Operating expenses (in % of rental income)



Personnel expenses (in % of rental income)



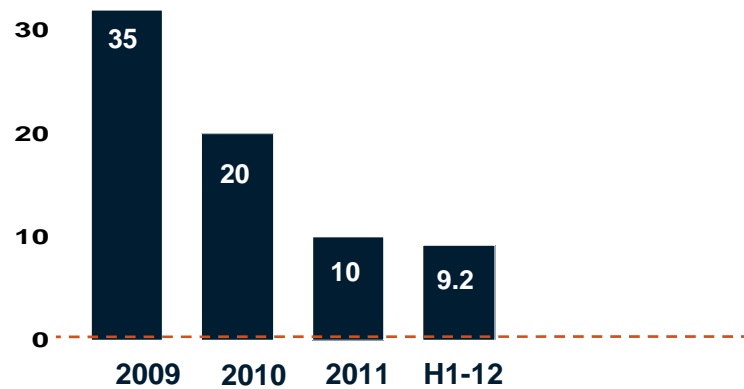
Interest costs (in % of rental income)



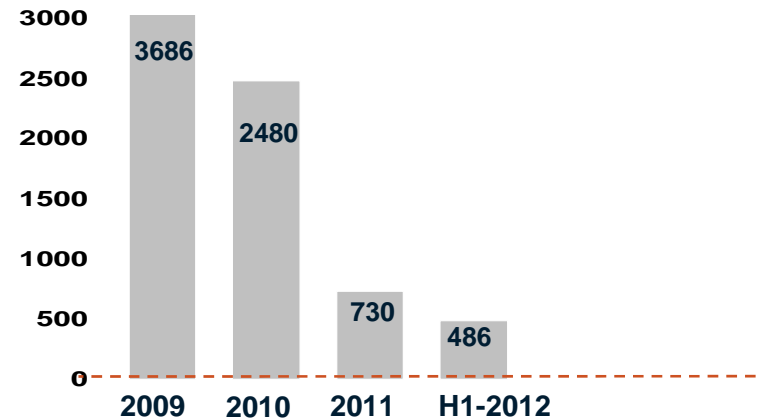


Growth results in higher margins (ctd.)

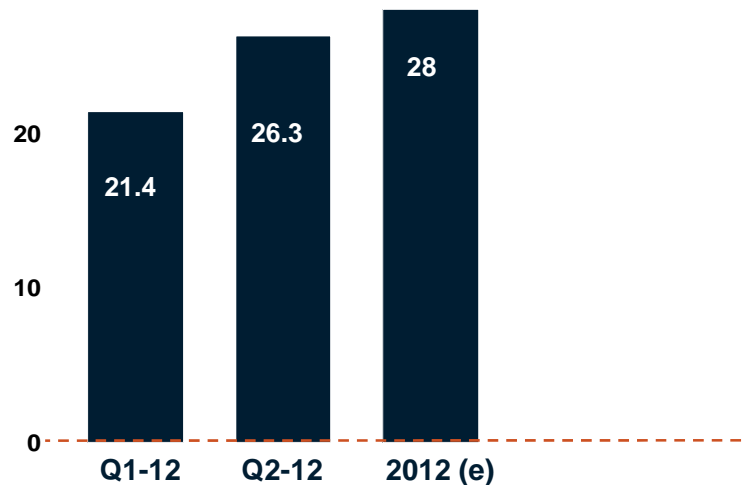
Employees per 1000 units



Other operating expenses EUR per unit (p.a.)



FFO (in % of rental profit)



- TAG has come a long way as far as operating efficiency is concerned
- Current efficiency levels allow to generate a sensible return on capital and equity
- but: there is still plenty of upside potential



TAG future potential once fully stabilised

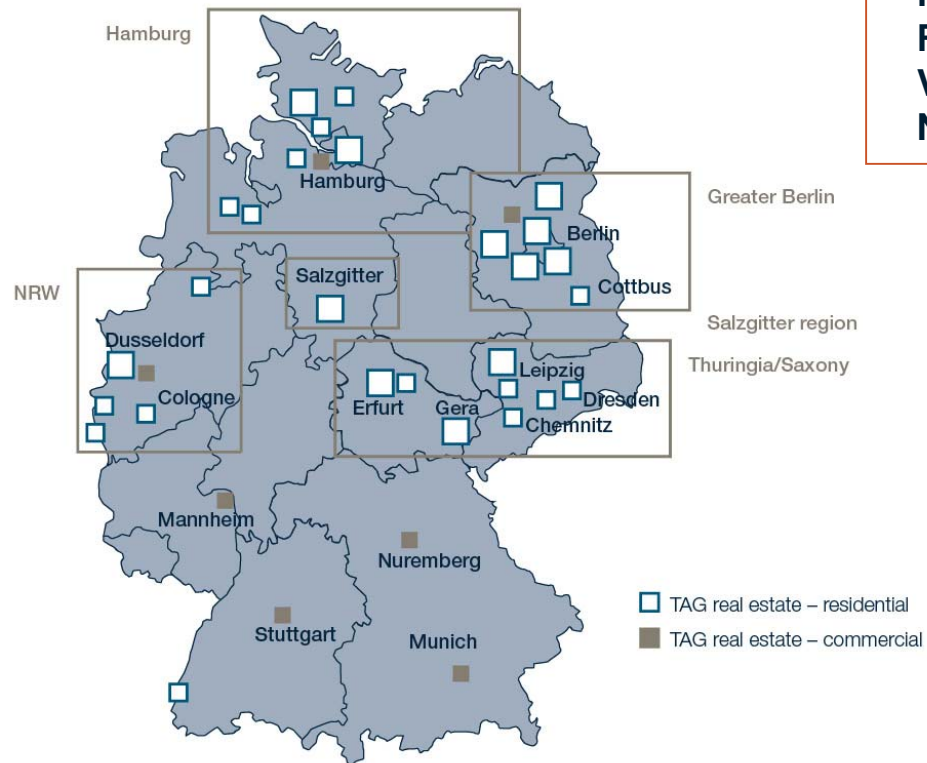
in EUR m	TAG Group target
Net rental	242
Rental profit	199
Corporate Overhead	-45
Interest costs	-88
FFO target p.a.	66
FFO Q2/2012	10.8

- After the growth of the latest 3 years TAG has the portfolio and the structure to earn a meaningful FFO in the medium term
- Further efficiency gains should allow to generate an FFO of EUR 66m on a sustainable basis with the existing portfolio
- This would equate to a cash return on equity of ca. 8%

TAG Portfolio H1-2012

Units	57,325
Floor Area sqm	3,828,303
Real Estate Volume TEUR	3,063,695
Rental income in TEUR*	192,000
Vacancy %	11.1
Net Actual Rent EUR/sqm	5.15

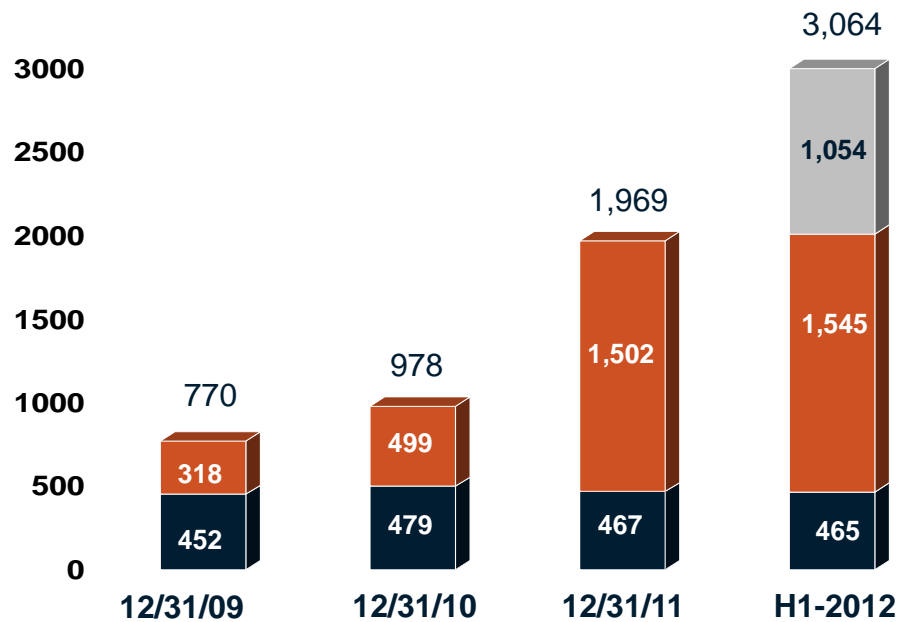
*2012 (e)



TAG Portfolio H1-2012

Real estate volume

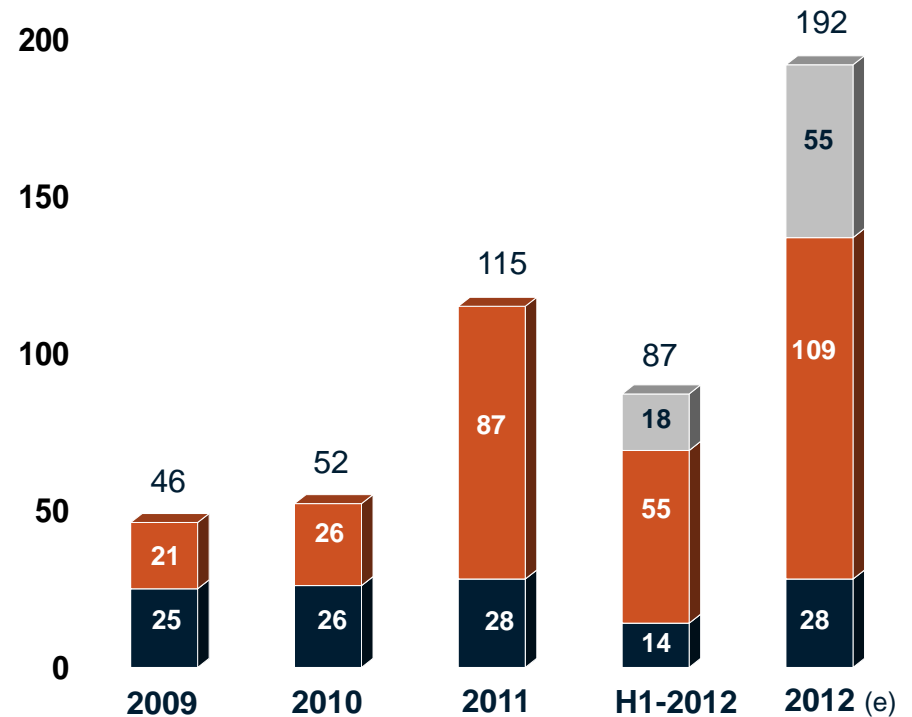
Volumen in EUR million



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

Rental income per segment

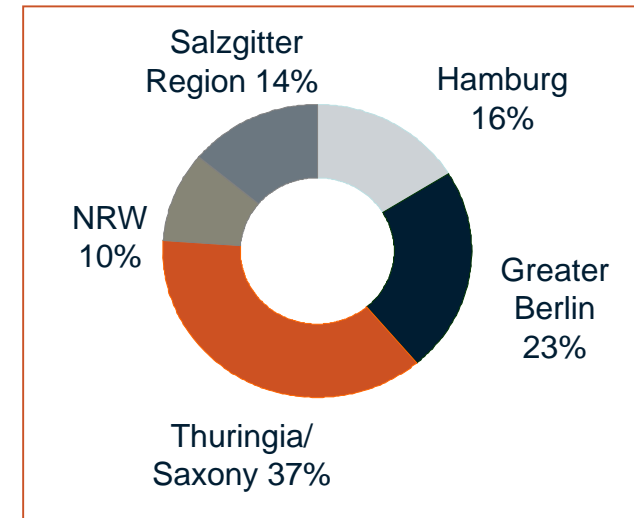
in EUR million



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

••• TAG Portfolio residential by region

Region	Units	Floor area sqm	Vacancy		Net actual		Target rent	Book value
			Floor area sqm	in %	EUR/sqm	TEUR p.a.	TEUR p.a.	value
Overall portfolio*	57,188	3,471,719	394,371	11.4 %	4.85	179,145	198,144	2,569,516
Hamburg	8,848	537,655	48,106	8.9%	5.04	29,624	32,153	419,841
Greater Berlin	12,675	771,026	45,786	5.9%	4.81	41,830	43,773	590,772
Thuringia/Saxony	22,461	1,330,563	158,909	11.9%	4.54	63,868	70,411	946,383
NRW	4,001	267,532	14,589	5.5%	5.57	16,907	18,026	251,825
Salzgitter region	9,203	564,943	126,981	22.5%	5.12	26,916	33,781	360,695



*as of 6/30/12 by book value



••• TAG Portfolio residential - 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 5.04
- Number of accommodation units: 8,848
- 16% of the residential portfolio (by book value)
- Vacancy 8.9%



as of 6/30/2012

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

12,675 units as of June 2012

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

••• TAG Portfolio residential - Berlin



- Average asset rent: EUR 4.81
- Number of accommodation units: 12,675
- 23% of the residential portfolio (by book value)
- Vacancy 5.9%

as of 6/30/2012



- 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 1,070 units in Eberswalde (north of Berlin)

Berlin examples

Steglitz

Units	286
Floor area in sqm	19,839
Net rental EUR/sqm	5.58
Vacancy	4.4%



Zehlendorf

Units	229
Floor area in sqm	10,645
Net rental EUR/sqm	5.74
Vacancy	2.2%



Lankwitz

Units residential	229
Floor area in sqm	12,976
Net rental EUR/sqm	6.09
Vacancy	3.7%



Greater Berlin example Bestensee

Bestensee

Units inventory	1,100
Units for sale/ investment	135
Floor area in sqm	76,156
Actual net rental EUR/sqm	4.66
New letting EUR/sqm	3,70-6,50
Vacancy	8.7%
Vacancy inventory*	2.1%

5% of the residential portfolio (by book value)

*not including properties for sale/ investment

- strong potential for value- and rent enhancing capex



••• TAG Portfolio residential – Thuringia/ Saxony



- Average asset rent: EUR 4.54
- Number of accommodation units: 22,461
- 37% of the residential portfolio (by book value)
- Vacancy 11.9%

- Very attractive concentration of cities like Leipzig, Dresden, Erfurt, Weimar and Gera
- Good infrastructure, good demographics and partly 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 6/30/2012

••• TAG Portfolio residential – Salzburg region



- Average asset rent: EUR 5.12
- Number of accommodation units: 9,203
- 14% of the residential portfolio (by book value)
- Vacancy 22.5%

Vacancy reduction

- Overall vacancy in Salzburg: 10%
- Vacancy in our portfolio 22.5% (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 2011/2012

- from 4.41 EUR/sqm to EUR 4.93 EUR/sqm
- The rent can be hiked in Lebenstedt
- Generally in studios and 1 bedroom apartments

as of 6/30/2012

••• TAG Portfolio residential – 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 in

- Dusseldorf, Leverkusen
- Dortmund, Cologne
- Siegburg, Moers

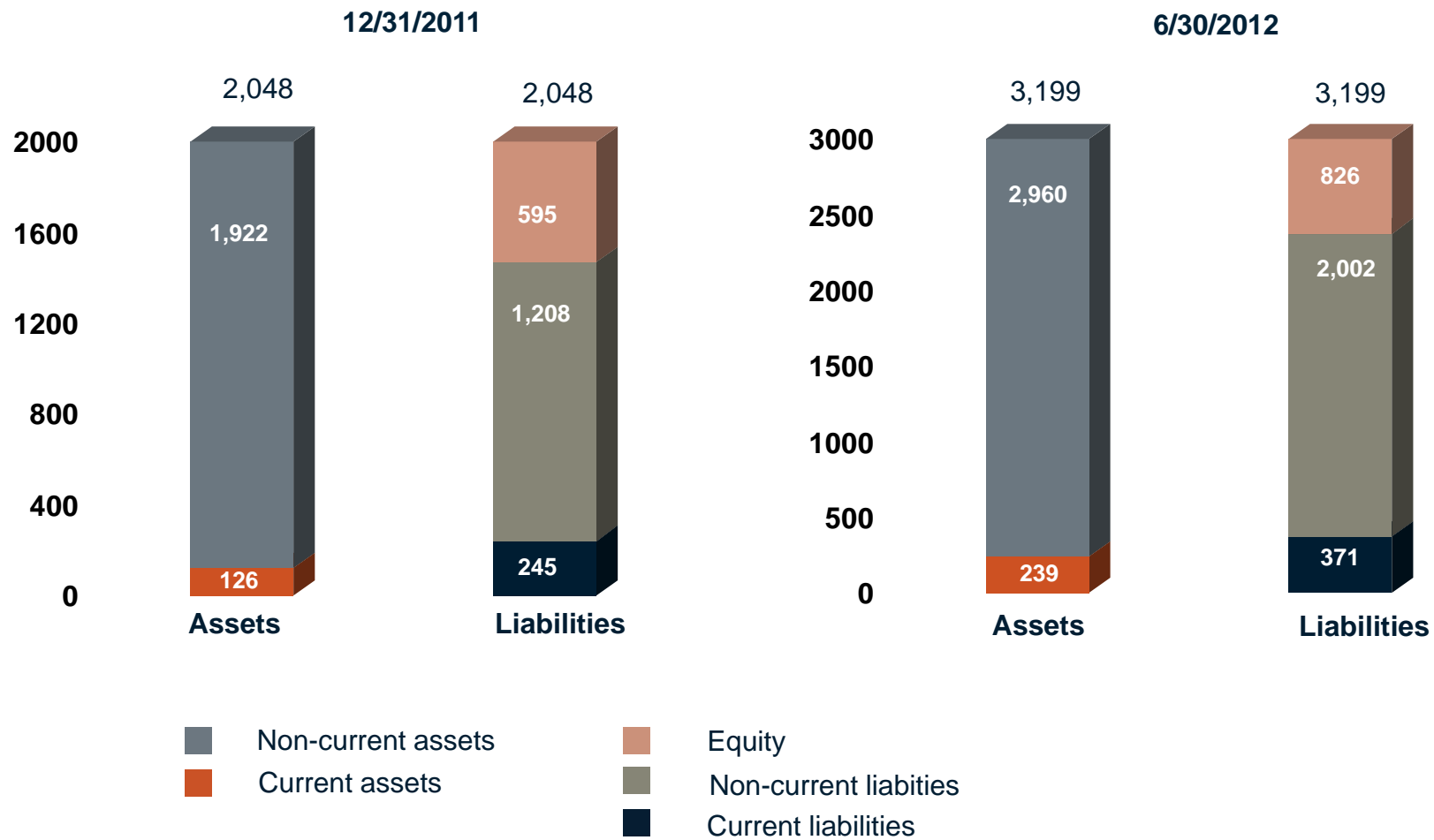
- Average asset rent: EUR 5.57
- Number of accommodation units: 4,001
- 10% of the residential portfolio (by book value)
- Vacancy 5.5%



as of 6/30/2012

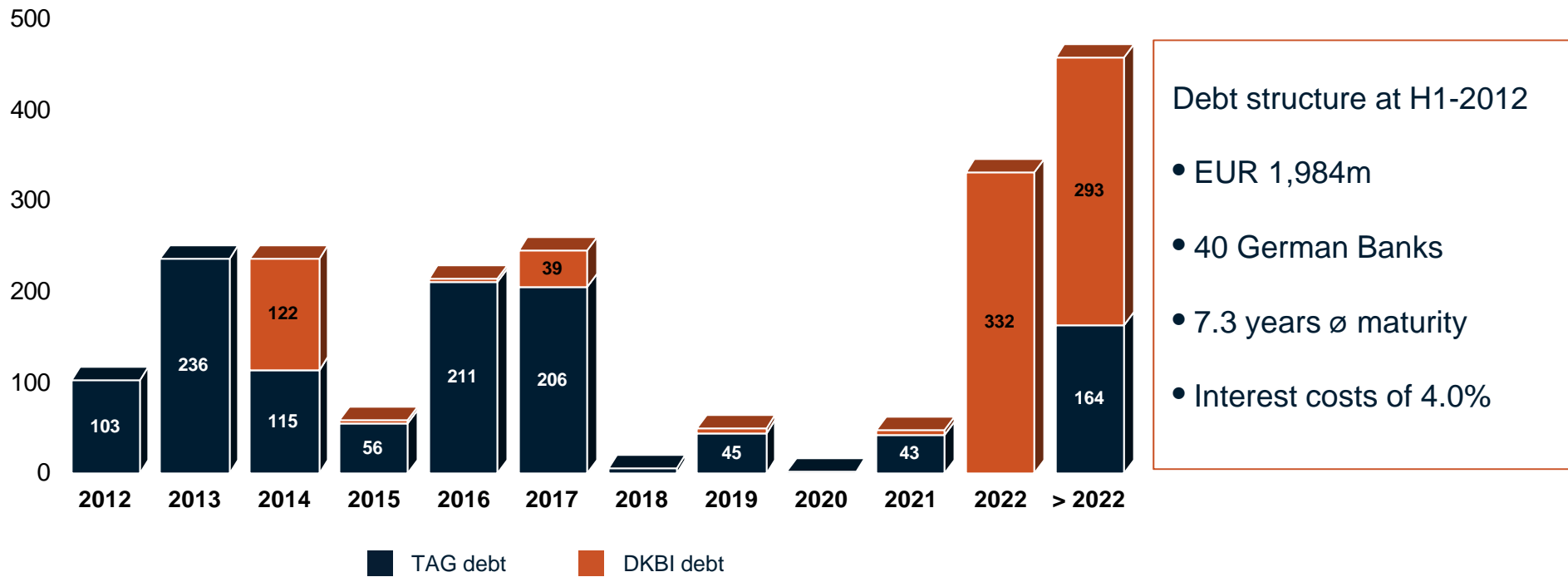
TAG Group financials (IFRS)

Consolidated balance sheet (in EUR m)



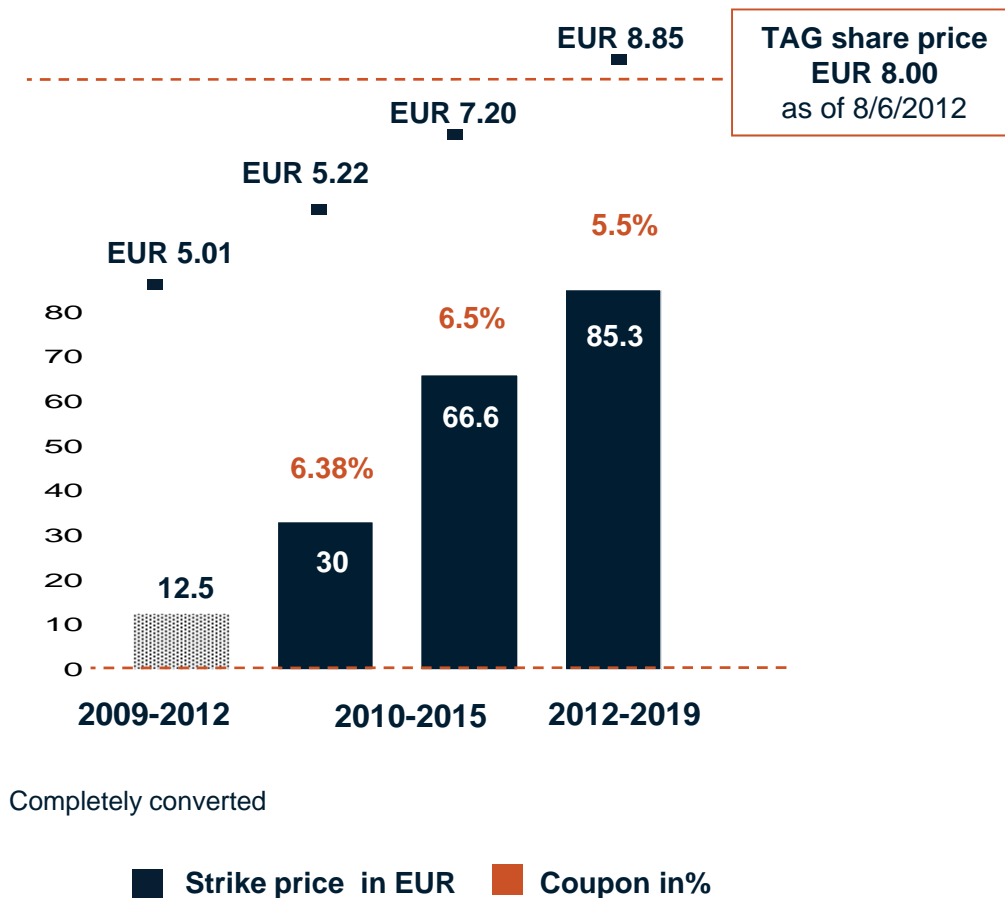
Financial structure - debt maturity improved

in EUR million



Financial structure – Convertible Bonds

in EUR million



TAG share price
EUR 8.00
as of 8/6/2012

- 3 of 4 Convertibles are in the money
- the first has been prematurely converted in July this year
- Convertibles seem a sensible part of our capital structure:
 - NAV/share protective to shareholders
 - low risk and high visibility on rental cash flows

Stock market data TAG as of H1-2012

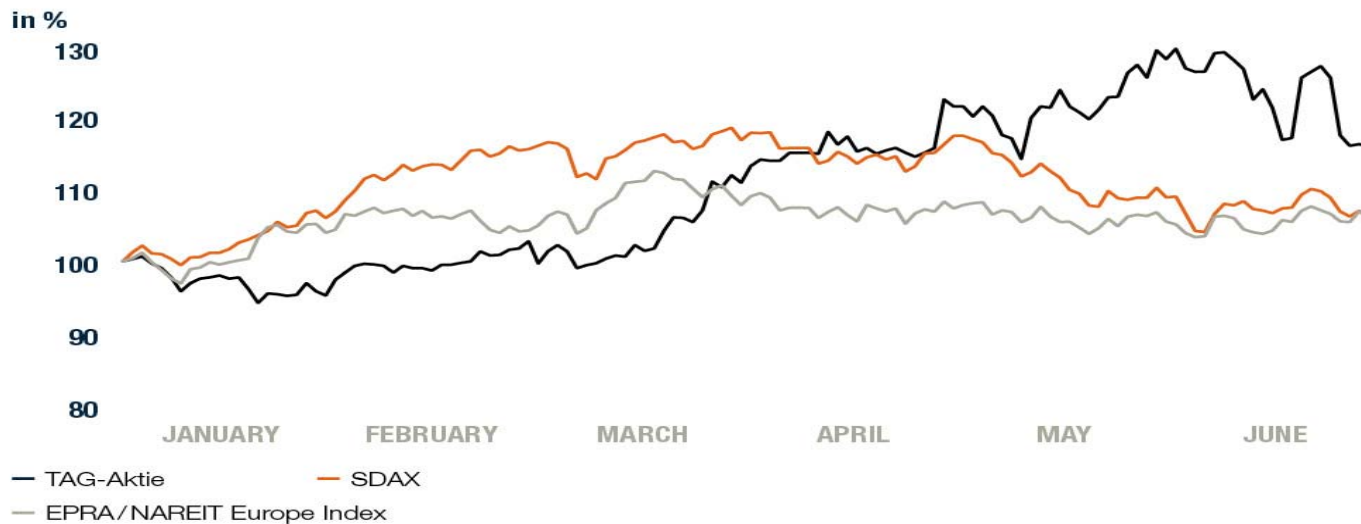
High/Low (H1 2012)	EUR 8.00/EUR 5.77
Number of shares	96.731m
Market capitalisation	717,741EUR m
Stock exchange	SDAX/EPRA
Free Float *	97%

* 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%
DWS Fund, D *	5%
Threadneedle, UK *	3%
MFS Group, USA*	3%
Scottish Widows Group Ltd., UK*	3%
Skagen AS, N*	3%
Group of investors Dr. Ristow, D	3%

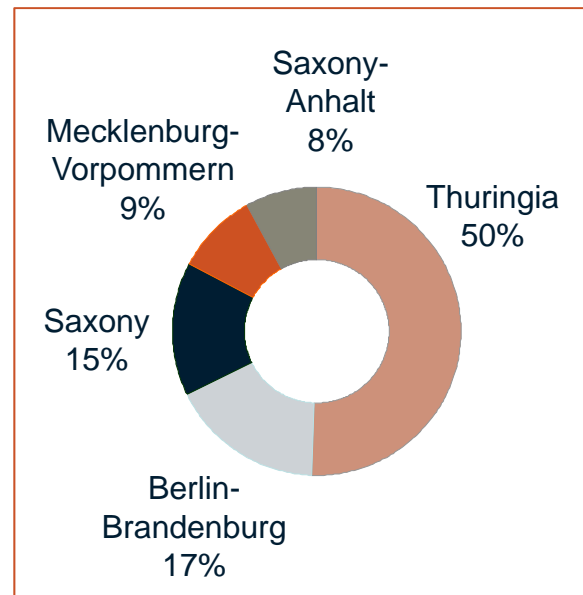
Share



••• TAG Acquisition 2012 – DKBI

History of the portfolio

1995 DKB Immobilien was founded
 2007 DKB Immobilien 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



TAG Immobilien AG

Appendix

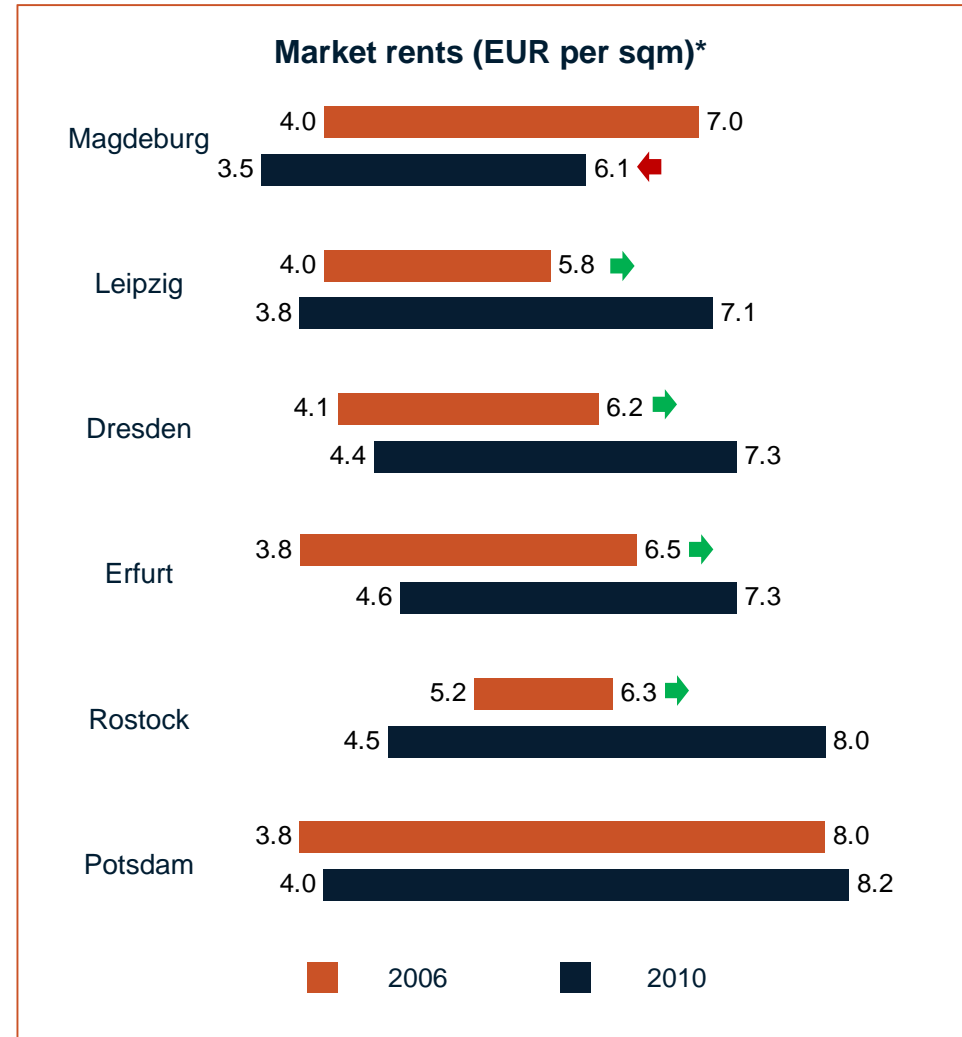
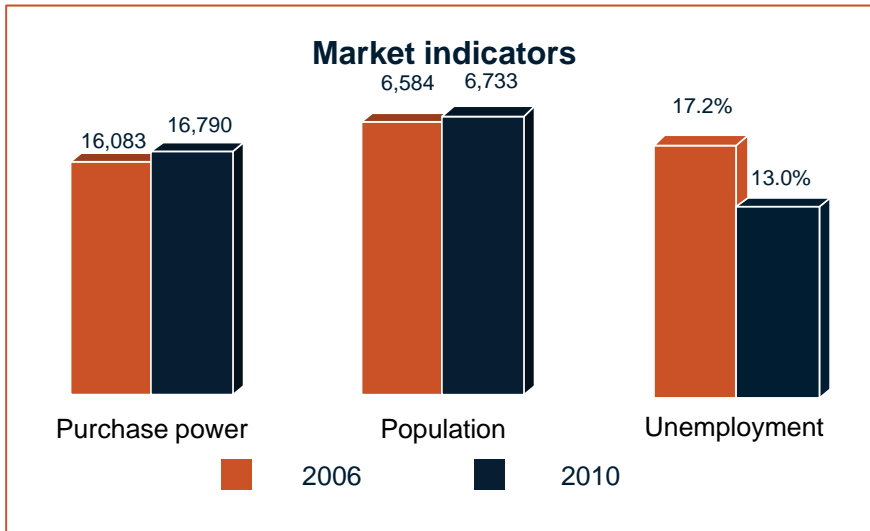
Markets, Commercial





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

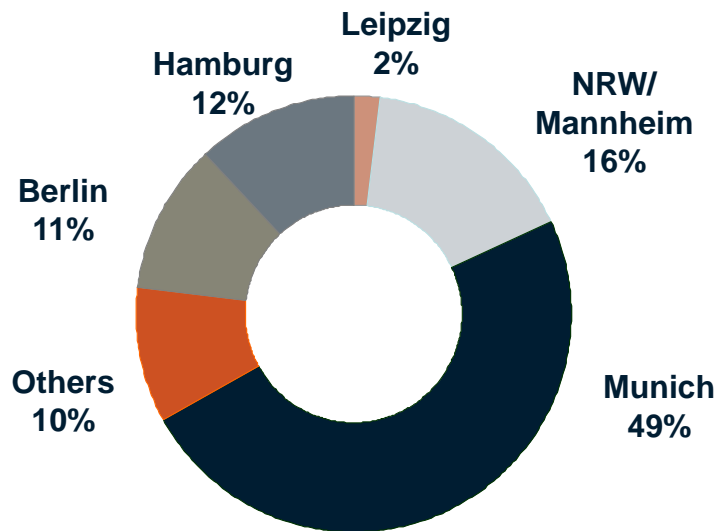


Portfolio commercial

- 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

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

Georg Griesemann, CFO from June 2012 onwards

- TAG Immobilien AG responsible for finance (since June 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

Dr. Harboe Vaagt, Board Member

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

Supervisory Board

Dr. Lutz R. Ristow, Chairman of the Supervisory Board TAG (since 2007), Colonia (since 2011)
Prof. Dr. Ronald Frohne (since 2001), Andrés Cramer (since 2009), Bettina Stark (since 2012)
Employee representative: Wencke Röckendorf (since 2010), Andrea Mäckler (since 2010)



Contacts

TAG Immobilien AG

Steckelhörn 5
20457 Hamburg

Telefon: +49 40 380 32-0
Telefax: +49 40 380 32-388

www.tag-ag.com
info@tag-ag.com

Rolf Elgeti CEO

Telefon: +49 40 380 32-307
Telefax: +49 40 380 32-388
ir@tag-ag.com

Britta Wöhner/ Dominique Mann Investor & Public Relations

Telefon: +49 40 380 32-386 / -305
Telefax: +49 40 380 32-388
ir@tag-ag.com



Disclaimer

Disclaimer and Copyright

This document (presentation) does not constitute an offer or invitation or form part of an offer or invitation to subscribe for or purchase any securities and, neither this document or anything contained herein shall form the basis of any contract of commitment whatsoever.

We make every effort to keep the information in this document (presentation) current, but accept no liability whatsoever for the content provided.

The content and works provided in this document (presentation) are governed by the copyright laws of Germany. Duplication, processing, distribution or any form of commercialization of the material beyond the scope of the copyright law shall require our prior written consent.