



TAG Immobilien AG

Q1 – Q4 2012

PRELIMINARY FIGURES





# Content

I.	TAG Highlights FY 2012	page	3
<hr/>			
II.	TAG Overview FY 2012: FFO, Margins, Vacancy	page	4
<hr/>			
III.	TAG Portfolio including TLG Wohnen acquisition	page	8
<hr/>			
IV.	TAG Financials FY 2012	page	11
<hr/>			
V.	TAG Share	page	15
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VI.	Outlook	page	17
<hr/>			
VII.	Appendix, Disclaimer	page	19

# ••• TAG Highlights FY 2012

- **Rental income of EUR 192.5m**
- **Rental profit of EUR 144.5m**
- **EBT of EUR 202.6m**
- **FFO of EUR 39.6m** (EUR 12.0m in Q4)
- **FFO per share of EUR 0.42**
- **Vacancy**
  - residential portfolio 9.9%
  - Salzgitter 21.3%
- **NAV of EUR 9.96 per share**
- **LTV of 58.9%** (ex convertibles) down from 62.2% in Q3



# ••••• TAG Strategic achievements Q4 2012

- Acquisitions

- TLG EUR 471m (11.1 multiple)
- Erfurt EUR 29m (11.2 multiple)

- Disposals

- Berlin asset EUR 87m
- Munich/ Ottobrunn EUR 11m
- Tegernsee railway

- Capital measures

- Capital increase of 30m shares at EUR 9.00 (highest end of bookbuilding and considerably oversubscribed)
- Contribution in kind of 3.1m Colonia shares (against 1.8m TAG shares, TAG now approx. 80% shareholder of Colonia)

- Improved company structure

- Bau-Verein Squeeze Out
- POLARES GmbH Management Buy Out
- Closing of headquarter DKBI, merger of the offices in Berlin







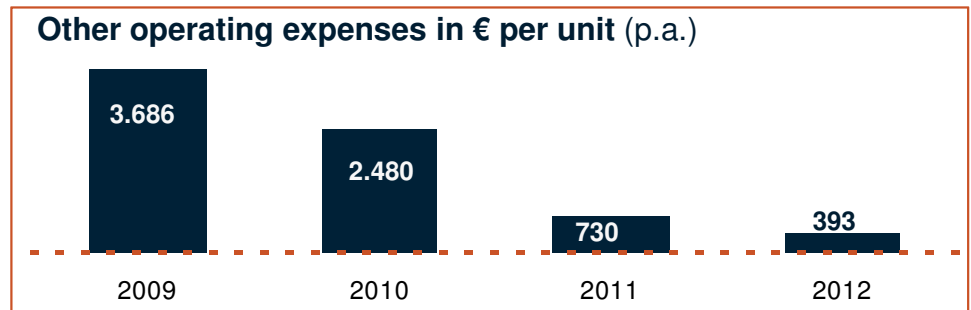
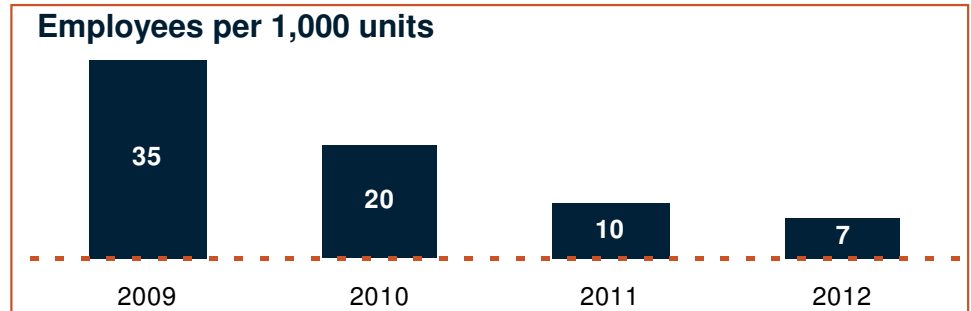
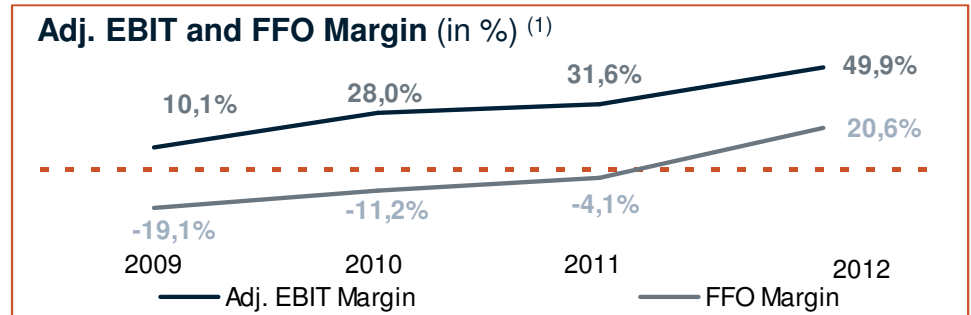
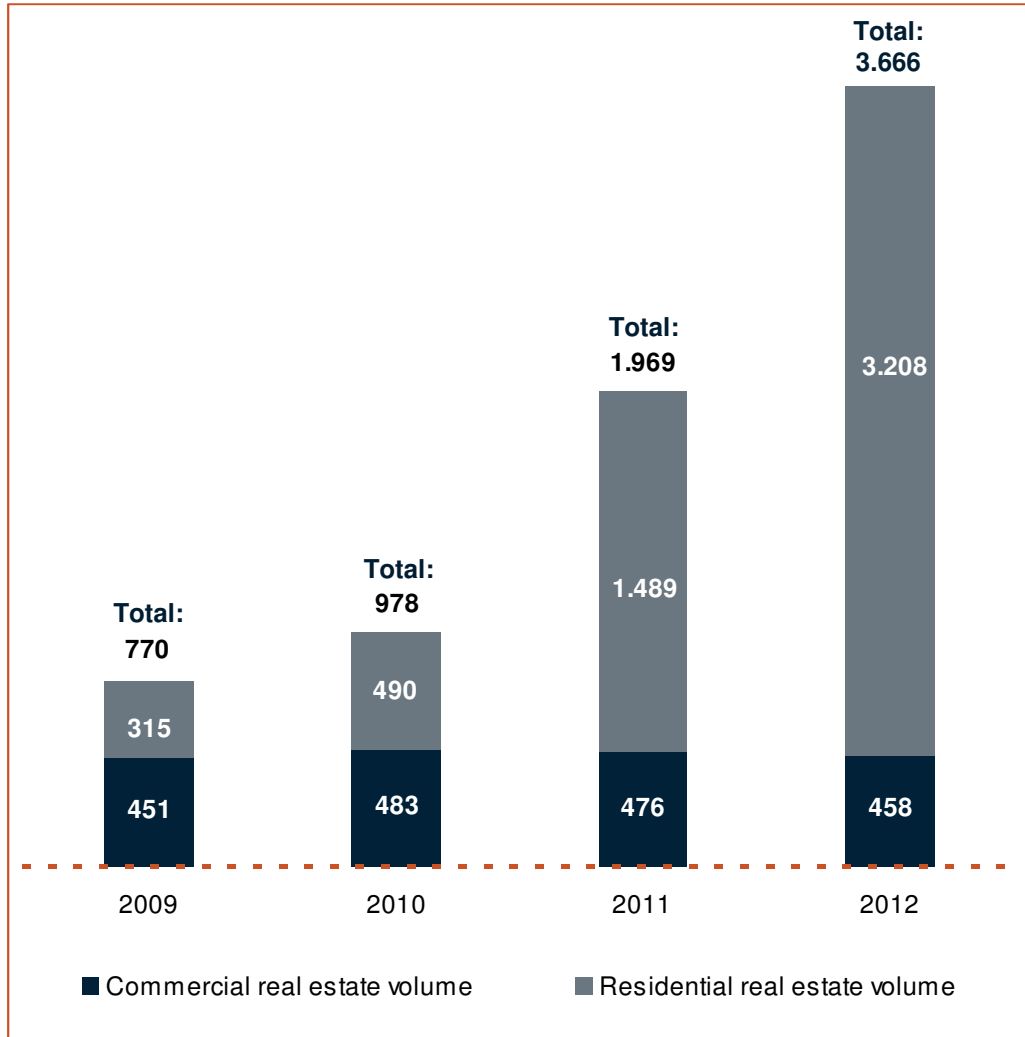
# TAG FFO FY 2012

in EUR m	Q1 <u>2012</u>	Q2 <u>2012</u>	Q3 <u>2012</u>	Q4 <u>2012</u>	Total <u>2012</u>
<b>EBT</b>	93.4	27.2	19.2	62.7	202.6
<u>Adjustment for non-cash items</u>					
valuation result	-6.8	-3.7	-11.9	-7.0	-29.4
gains from first-time consolidation of DKBI	-83.1	-16.0	0	0	-99.1
deconsolidation of POLARES	0	0	-5.4	0	-5.4
gains from first-time consolidation of TLG	0	0	0	-49.0	-49.0
depreciation	0.4	0.4	0.4	0.6	1.7
impairment losses on receivables and inventories	1.3	2.0	7.7	2.5	13.6
non-cash financial expenses/ income	0.4	0.9	1.2	1.9	4.6
sales result	0.0	0.0	-0.1	0.2	0.1
	-87.8	-16.4	-8.0	-50.7	-163
<b>FFO</b>	<b>5.6</b>	<b>10.8</b>	<b>11.2</b>	<b>12.0</b>	<b>39.6</b>
plus liquidity from sales	12.8	4.3	4.2	8.6	29.9
<b>FFO II</b>	<b>18.4</b>	<b>15.1</b>	<b>15.4</b>	<b>20.6</b>	<b>69.5</b>
<b>FFO per share in cent</b>					<b>0.42</b>

# TAG Track record of growth and value creation 2012

... proven by a more than quadrupled portfolio size (€m) ...

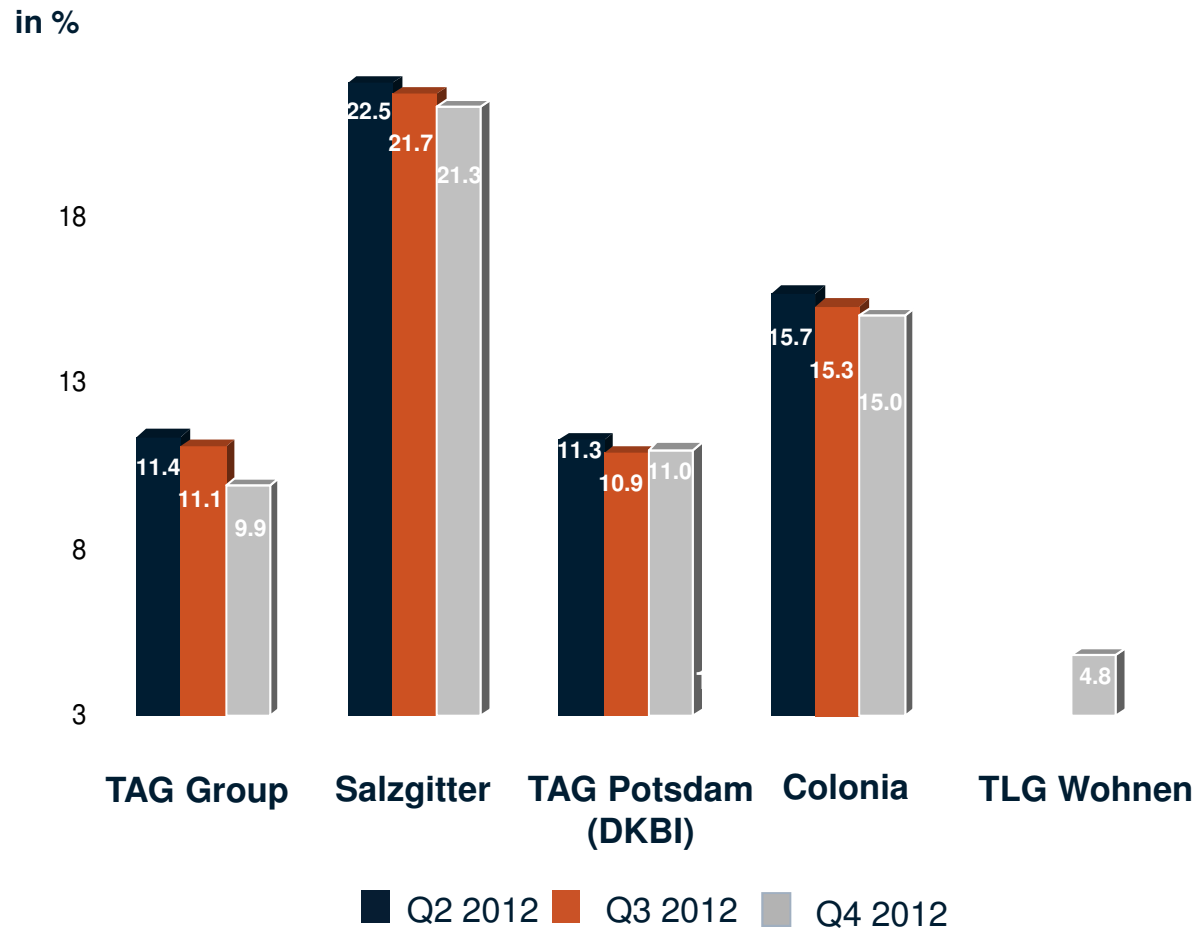
...and improved operational profitability



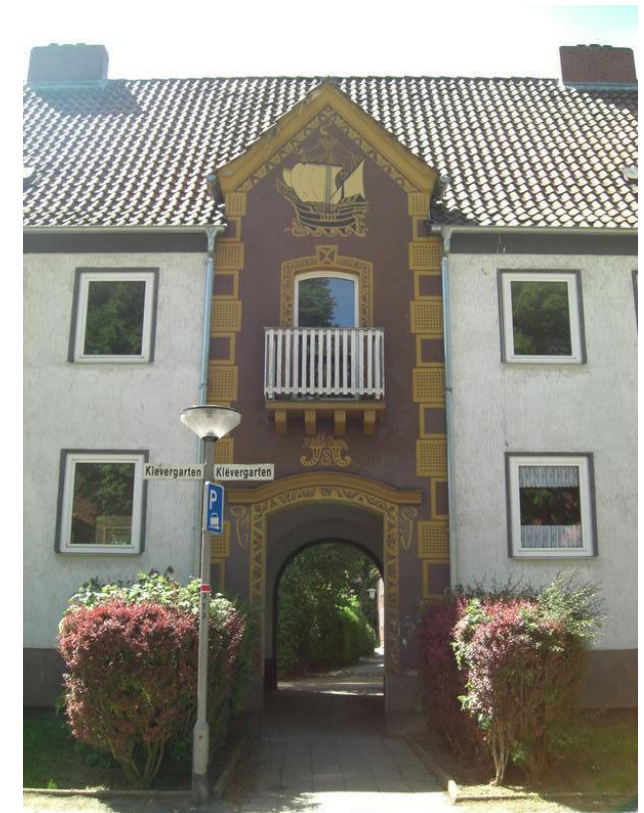
Source: Company information.

(1) Adj. EBIT as % of total revenues and FFO as % of rental revenue.

# TAG Vacancy Q2-Q4 2012 residential portfolio

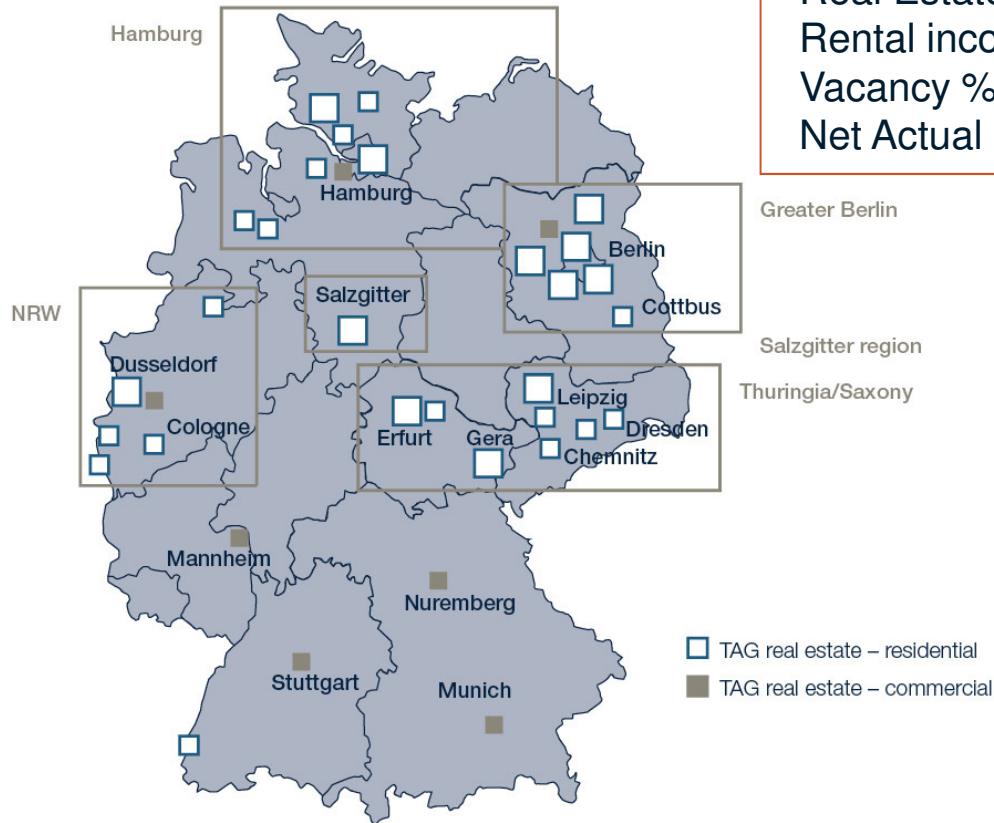


- Proven track record of reducing vacancies rapidly and steadily in new acquisitions



# TAG Portfolio end of 2012

	TAG	TLG	TOTAL
Units	58,160	11,500	<b>69,660</b>
Floor Area sqm	3,848,000	712,000	<b>4,560,000</b>
Real Estate Volume in m	3,095	571	<b>3,666</b>
Rental income in m (annualised)	213,6	42,4	<b>256,0</b>
Vacancy %	11.3	4.8	<b>10.3</b>
Net Actual Rent EUR/sqm	5.21	5.24	<b>5.22</b>

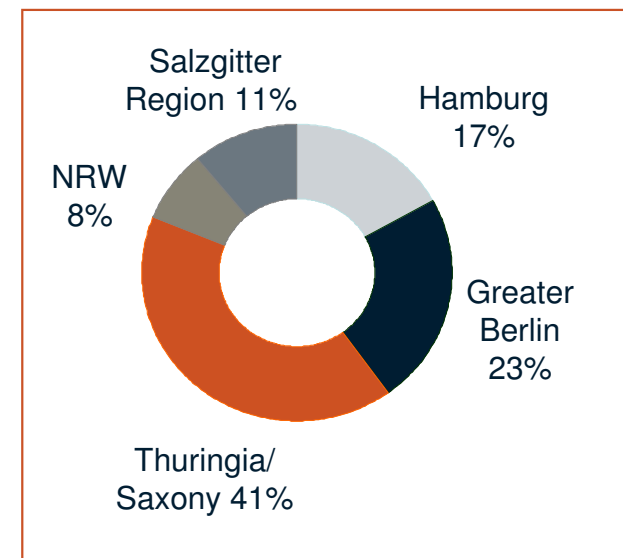




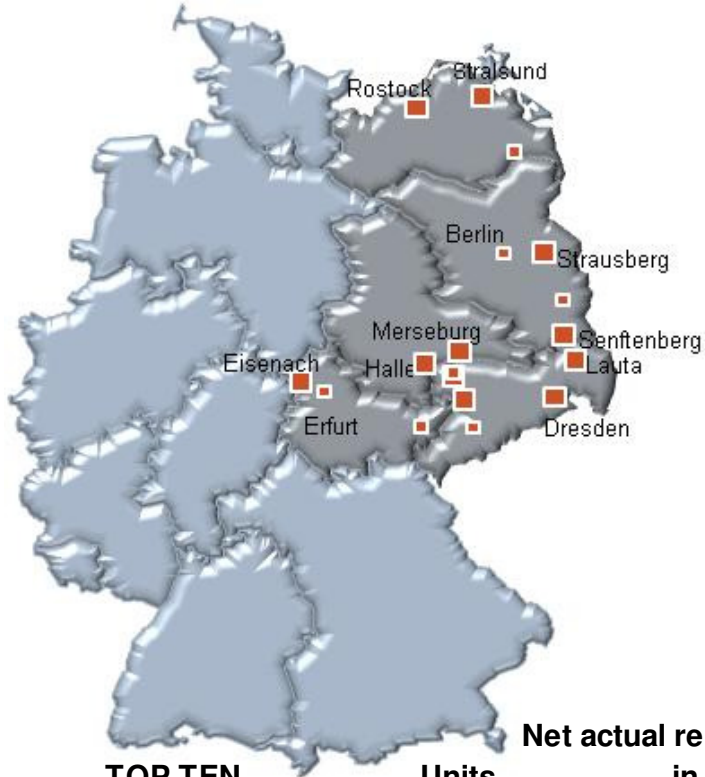
# TAG Portfolio residential by region

Region	Units	Floor area sqm	Vacancy sqm	Vacancy %	Net actual TEUR p.a.	Net actual EUR/sqm	Target rent TEUR p.a.	Book value TEUR
Overall portfolio	68,816	4,203,419	416,369	9.9	226,069	4.97	247,031	3,169,989
Hamburg region	11,240	681,246	56,826	8.3	38,331	5.12	41,369	542,734
Greater Berlin	14,758	894,731	45,896	5.1	50,368	4.94	52,491	743,235
Thuringia/ Saxony	29,692	1,800,435	180,285	10.0	93,584	4.81	101,911	1,283,562
NRW	3,923	262,066	13,008	5.0	16,466	5.51	17,422	247,041
Salzgitter region	9,203	564,942	120,354	21.3	27,322	5.12	33,838	353,417

\*as of 12/31/12 by book value



# TLG Wohnen acquisition and integration



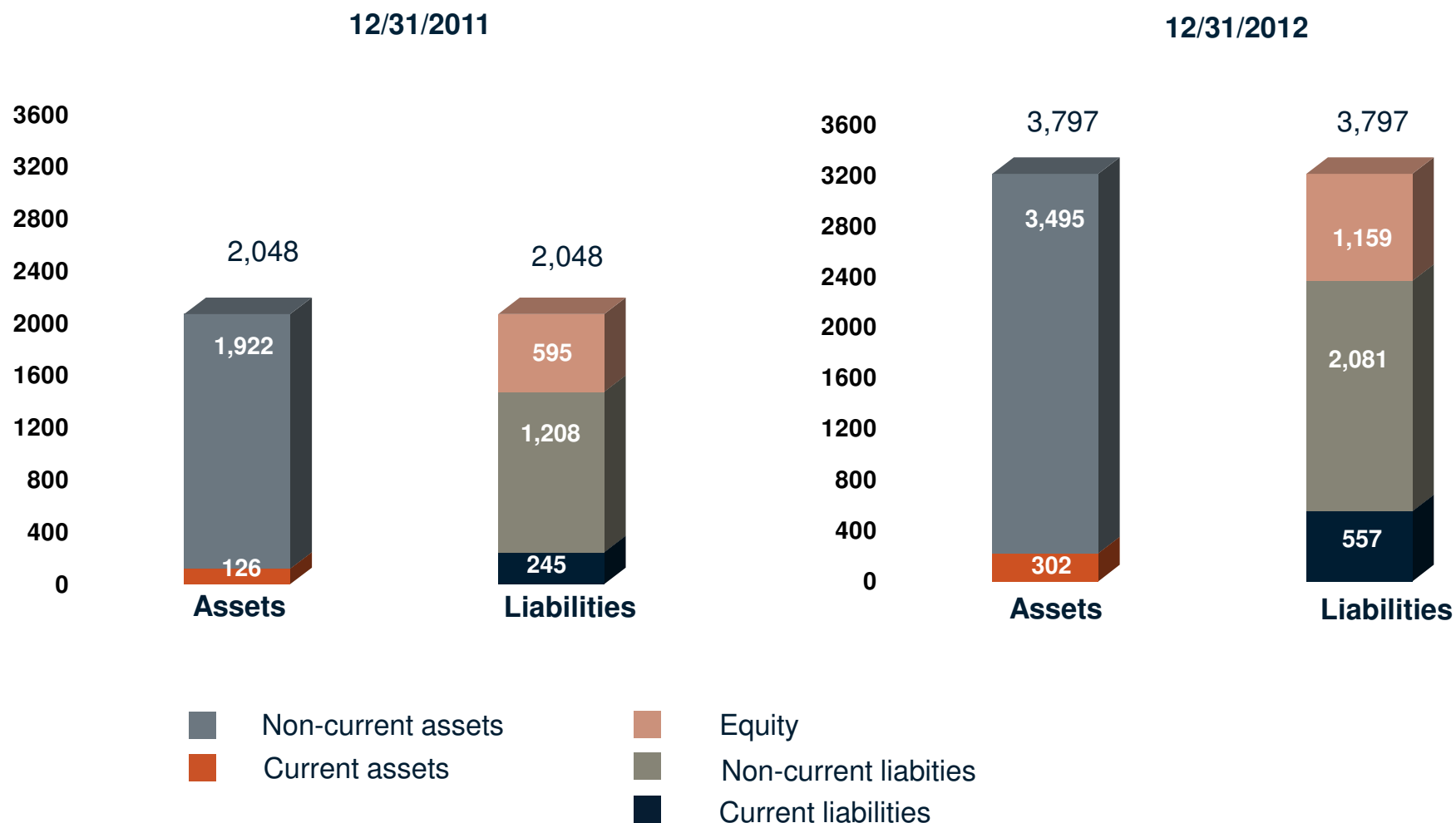
- Closing December 2012
- Purchase price EUR 471m
- Multiple 11.1
- Number of units: 11,500
- Vacancy 4.8%
- Rental income EUR 42m p.a.
- Gains from first time consolidation EUR 49m
- Integration of central functions expected until March 2013
- Refinancing of debt EUR 256m (4.4%) finalised until Q2 2013
- New debt financing of EUR 320-340m < 3.0% rate to be closed

TOP TEN	Units	Net actual rent p.a. in TEUR
Dresden	2.299	10.218
Rostock	1.216	4.648
Merseburg	1.426	4.358
Strausberg	977	3.488
Senftenberg	660	2.604
Lauterbach	413	1.489
Stralsund	437	1.396
Eisenach	492	1.366
Halle	233	1.037
Neubrandenburg	276	933
<b>Sum</b>	<b>8.429</b>	<b>31.536</b>
<b>% of total</b>	<b>74,2%</b>	<b>74,4%</b>



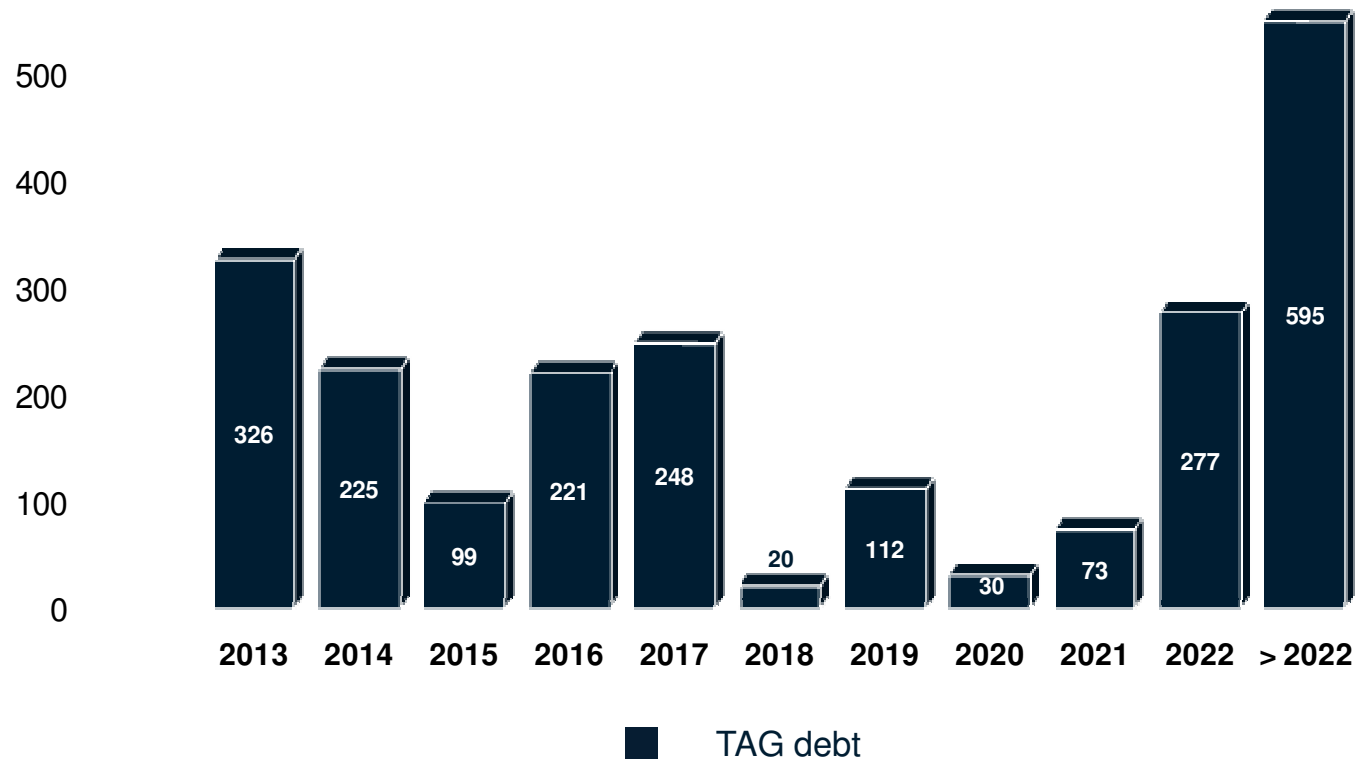
# TAG Group financials (IFRS)

## Consolidated balance sheet (in EUR m)



# TAG debt structure

in EUR million

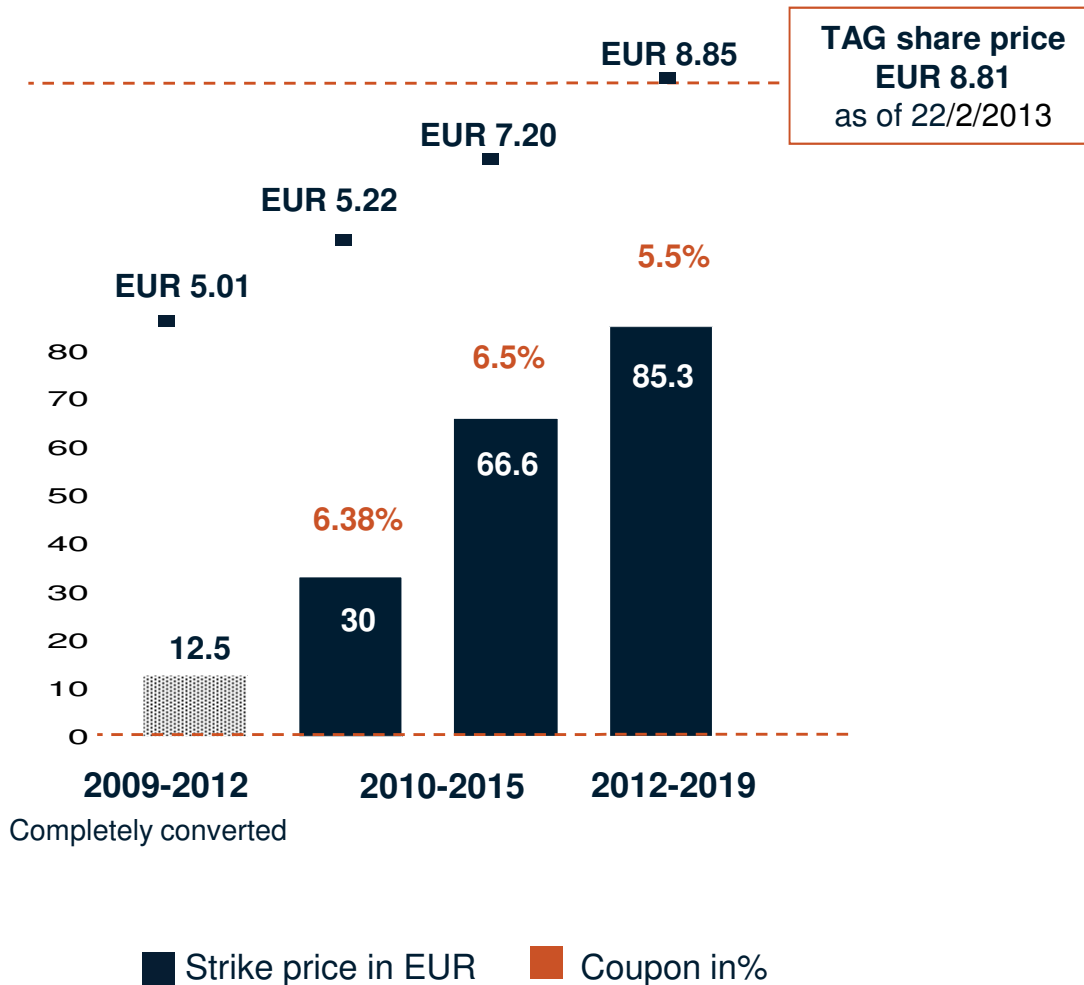


Debt structure at Q4 2012  
including TLG

- EUR 2,227m
- 47 German Banks
- 9.2 years  $\emptyset$  maturity
- Interest costs of 4.2%

# TAG Financial structure – Convertible Bonds

in EUR million



TAG share price  
EUR 8.81  
as of 22/2/2013

- all 4 Convertibles are trading in or close to the money
- the first has been converted in July 2012 ahead of maturity
- Convertibles have enabled TAG to grow in a capital efficient and NAV accretive manner





# LTV – Loan to Value in 2012

in EUR m	<u>12/31/2011</u>	<u>3/31/2012</u>	<u>6/30/2012</u>	<u>9/30/2012</u>	<u>12/31/2012</u>
<b>Loans</b>	1,189	1,992	1,984	1,979	2,215
<b>Cash</b>	-32	-69	-70	-71	-56
<b>Net debt without convertible bonds</b>	<b>1,158</b>	<b>1,923</b>	<b>1,914</b>	<b>1,908</b>	<b>2,159</b>
Convertible bonds	108	110	185	178	175
Net debt with convertible bonds	1,265	2,033	2,100	2,085	2,333
<b>Assets</b>	<b>1,969</b>	<b>3,062</b>	<b>3,064</b>	<b>3,068</b>	<b>3,666</b>
Investment properties	1,890	2,880	2,927	2,948	3,456
Real estate in property, plant and equipment	3	32	11	11	11
Land with unfinished and finished buildings	37	139	121	96	90
Non- current available- for- sale assets	38	12	5	13	110
<b>LTV without convertible bonds</b>	<b>58.9%</b>	<b>62.8%</b>	<b>62.5%</b>	<b>62.2%</b>	<b>58.9%</b>
LTV with convertible bonds	64.3%	66.4%	68.5%	68.0%	63.6%

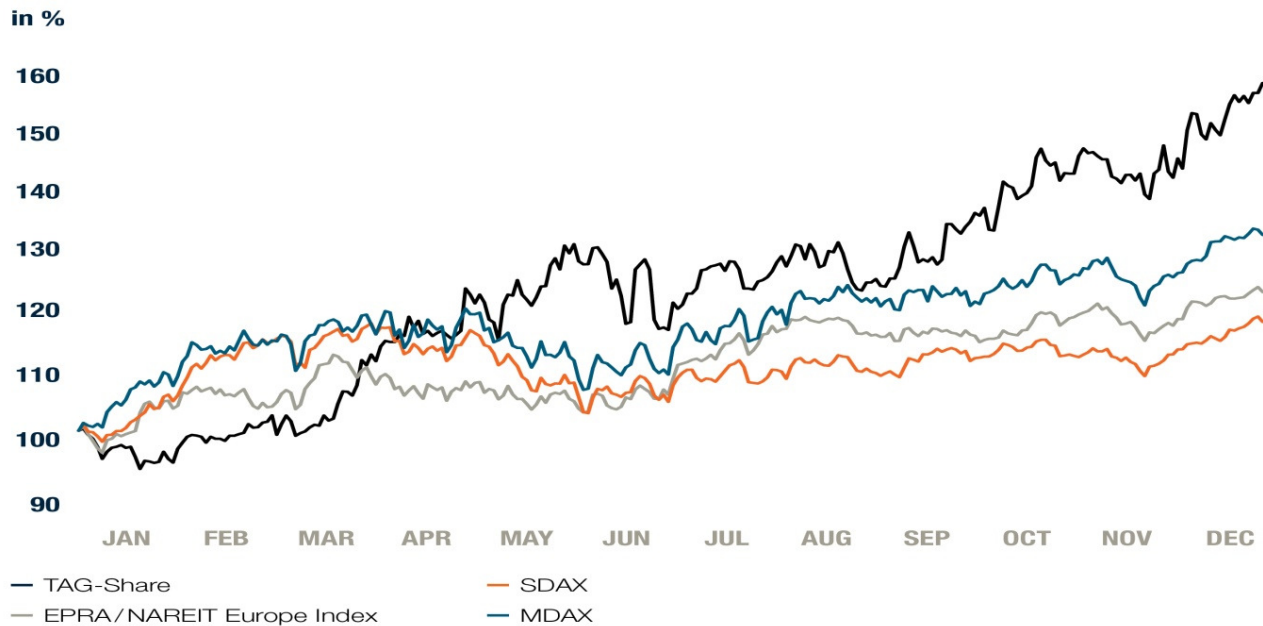
# TAG Stock market data Q4 2012

<b>High/Low (Q4 2012)</b>	EUR 9.59/EUR 5.77
<b>Number of shares</b>	130.738m
<b>Market capitalisation</b>	1,240,703 EUR
<b>Stock indices</b>	MDAX/EPRA
<b>Free Float *</b>	98%

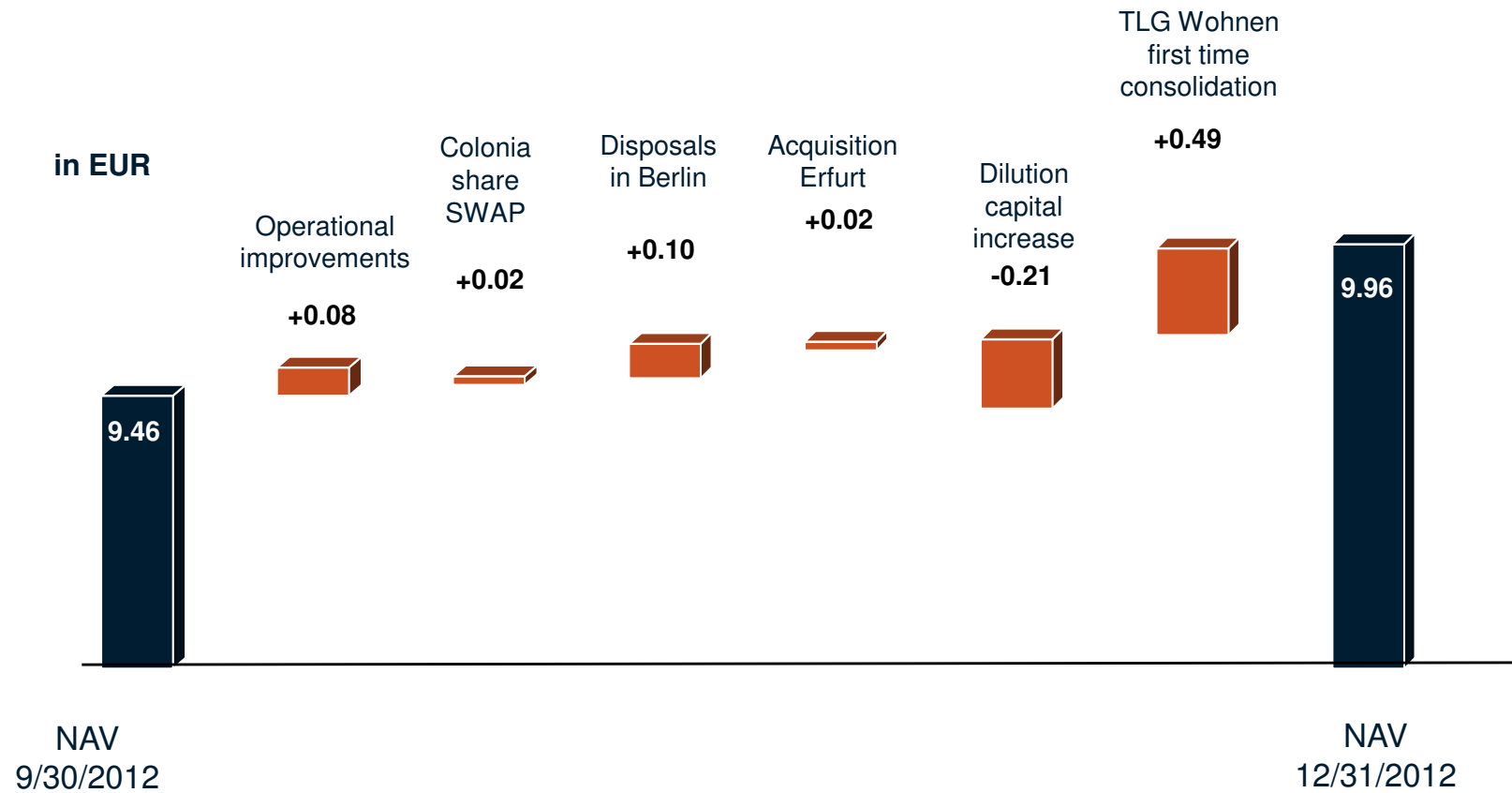
\* Deutsche Börse definition including institutional investors

## Shareholder structure acc. to the notifications to the company

Ruffer LLP, UK*	15%
IP Concept, Flossbach von Storch SICAV, L*	12%
Taube Hodson Stonex LLP, UK*	5%
DWS Investment GmbH, D *	5%
Blackrock, USA *	5%
Sun Life Financial, MFS Group, Canada/USA*	3%
Threadneedle, UK *	3%
Skagen AS Stavanger, N*	3%
Group of investors Dr. Ristow, D	2%

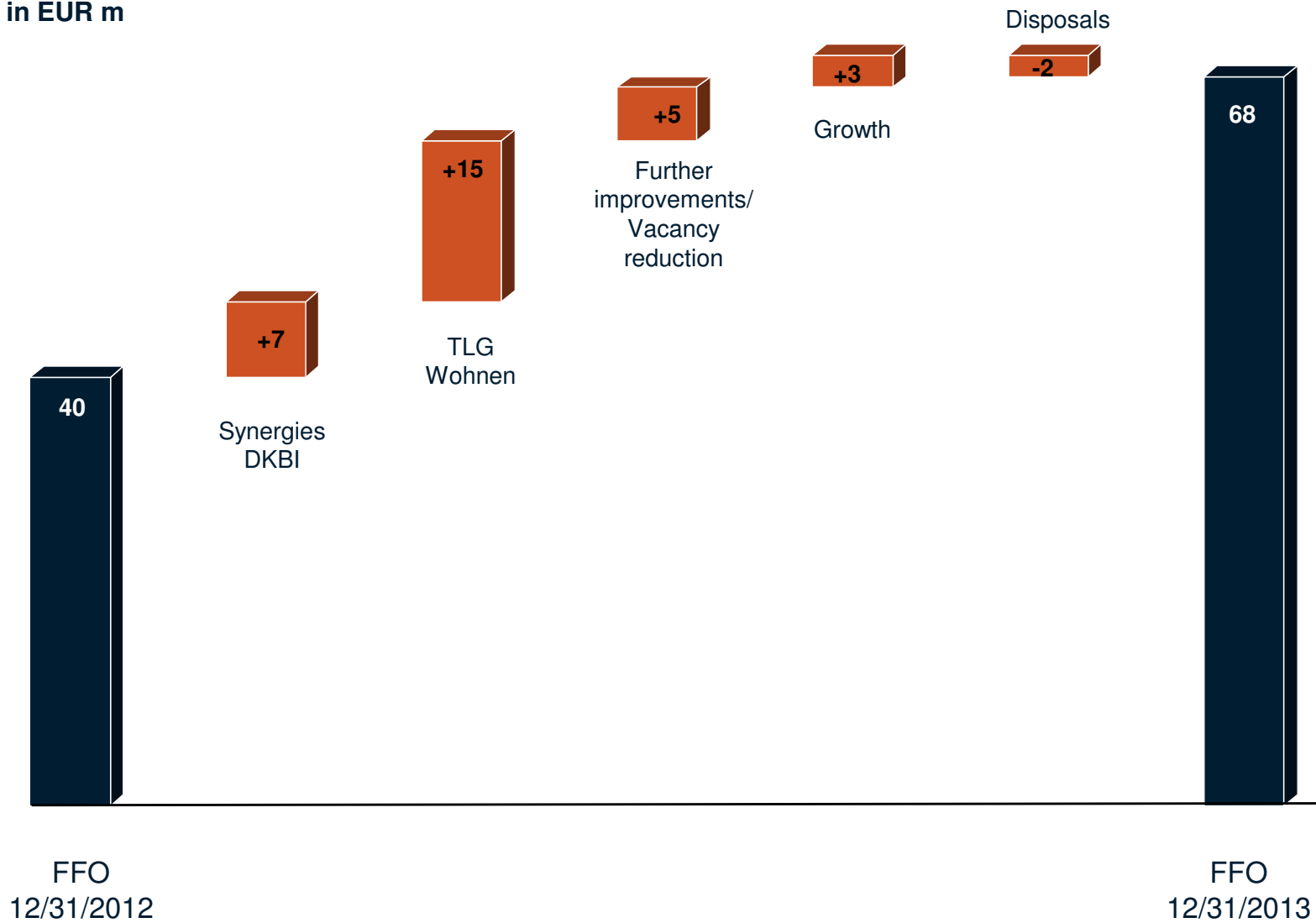


# NAV-Bridge Q3 – Q4 2012



# FFO Guidance 2013

in EUR m



# ••• TAG- The way forward: value enhancing asset management

## 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
  - Reversionary rent potential vs. in-place rent/sqm
- Decrease vacancy
  - Normalisation process in areas of high vacancy, i.e. Salzgitter region
  - From 22.5% in Q2 to 21.3% in Q4 2012

## 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

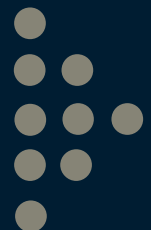


## Capitalize on market arbitrage

- 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. Jena yielding 7.5%
  - Generate more distributable cash

Source: Pictures: TAG, copyright by Dirk Michael Deckbar.

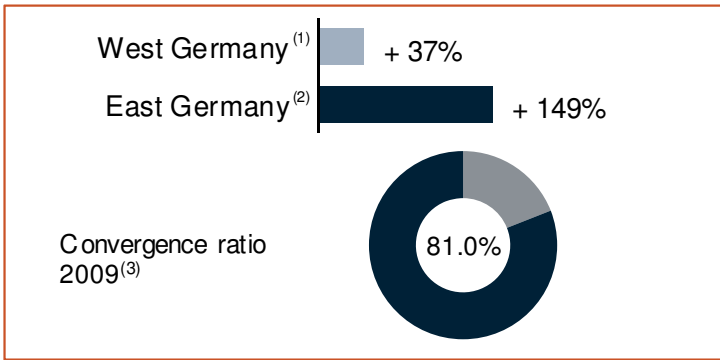




# East Germany is catching up...

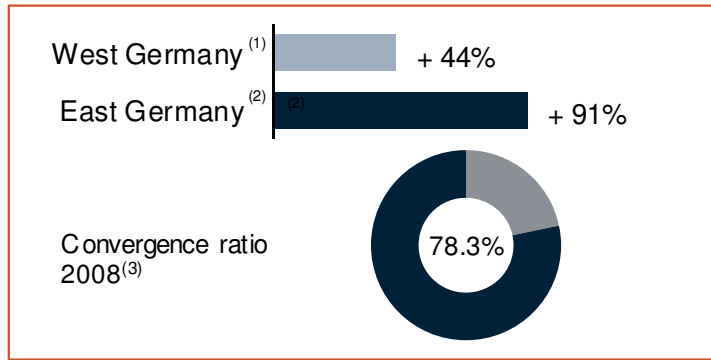
...making it an attractive investment region for TAG

## GDP growth per employee (1991-2009)



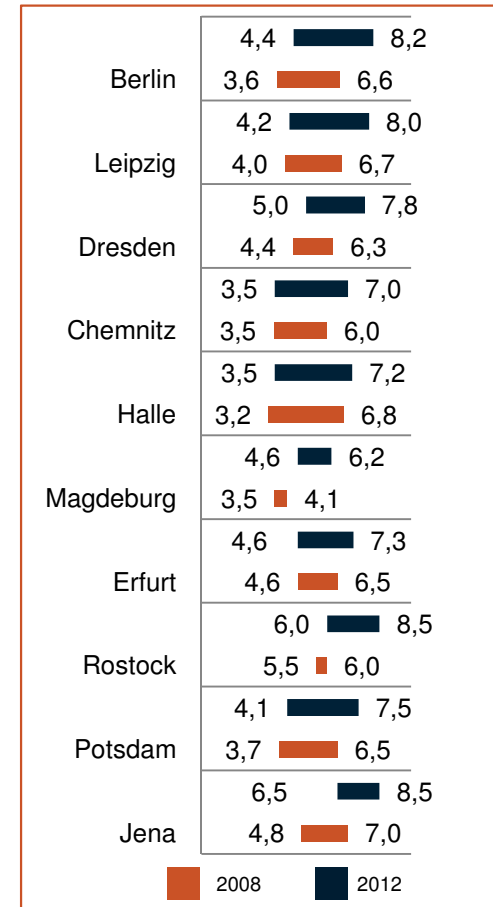
Source: Federal statistical office.

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



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% ↘	6,913	12.1%
2	Leipzig	531,809	+ 3.2% ↗	13.0%	- 18.5% ↓	1,227	2.1%
3	Dresden	529,781	+ 4.0% ↗	10.0%	- 13.0% ↓	2,939	5.1%
4	Chemnitz	243,173	+ 1.1% →	11.5%	- 14.8% ↓	533	0.9%
5	Halle	233,705	+ 0.9% →	12.1%	- 23.1% ↓	309	0.5%
6	Magdeburg	232,364	+ 1.2% →	11.6%	- 16.4% ↓	443	0.8%
7	Erfurt	206,384	+ 1.7% →	10.2%	- 18.6% ↓	5,105	8.9%
8	Rostock	204,260	+ 2.4% ↗	13.1%	- 4.6% ↘	1,216	2.1%
9	Potsdam	158,902	+ 3.7% ↗	7.9%	- 6.3% ↘	194	0.3%
10	Jena	105,463	+ 2.0% ↗	7.1%	- 21.1% ↓	-	-

Source: Federal statistical office; TLG Immobilienmarkt Ostdeutschland 2012 and 2010.

(1) Excl. Berlin.

(2) Incl. Berlin.

(3) Convergence ratio calculated as East Germany indicator level divided by West Germany indicator level; expressed in %.

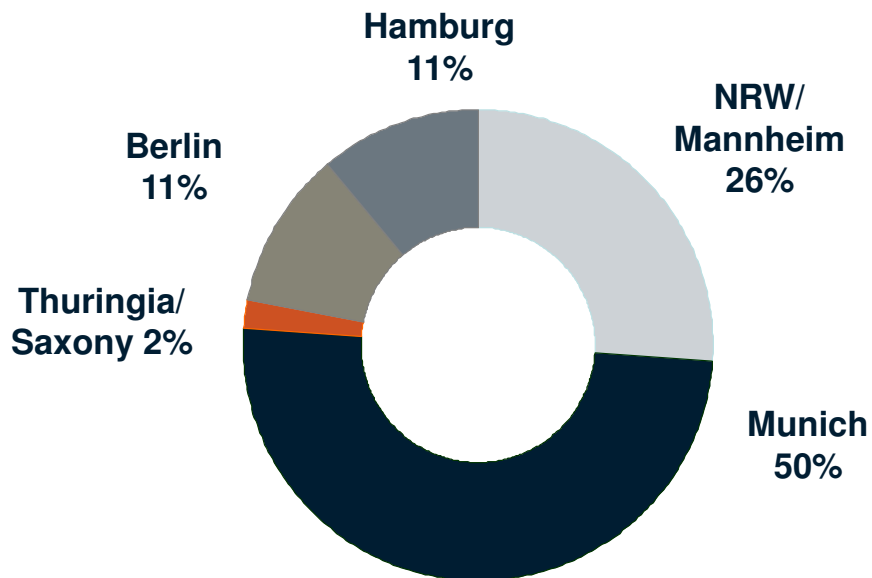
(4) By size of population.

(5) Incl. TLG Wohnen; residential units only.

# **TAG Portfolio commercial**

	12/31/2009	12/31/2010	12/31/2011	12/31/2012
• sqm total	342,911 sqm	335,686 sqm	348,403 sqm	348,560 sqm
• sqm rental	324,971 sqm	323,063 sqm	319,940 sqm	295,820 sqm
• current rental income p.a. net of charged costs (EUR m)	26.6	26.0	28.8	26.9
• current rent net of charged costs (EUR/sqm)	6.81	6.70	7.51	7.58
• vacancy	5.2%	3.8%	8.2%	15.1%

## Real estate portfolio by region\*



\*as of 12/31/2012 by book value



Siemensdamm, Berlin



# TAG 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, CCO/CIO

- 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)



# **TAG Contacts**

## **TAG Immobilien AG**

Steckelhörn 5  
20457 Hamburg

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

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

## **Rolf Elgeti CEO**

Telefon: +49 40 380 32-307  
Telefax: +49 40 380 32-388  
[ir@tag-ag.com](mailto:ir@tag-ag.com)

## **Dominique Mann/ Britta Wöhner Investor & Public Relations**

Telefon: +49 40 380 32-305 / -386  
Telefax: +49 40 380 32-388  
[ir@tag-ag.com](mailto:ir@tag-ag.com)





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