



TAG

Conference call presentation Q1 2016

GROWING CASHFLOWS

TAG
Immobilien AG

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TAG 2016

TAG highlights Q1 2016

TAG highlights Q1 2016

Operational performance

	Q1 2016	Q4 2015	Q1 2015
▪ Vacancy (residential units)	7.5%	7.5%/7.7%*	8.9%
▪ L-f-L rental growth Y-o-Y	1.9%	1.6%	1.0%
▪ L-f-L rental growth Y-o-Y incl. vacancy reduction	3.8%	3.3%	2.5%
▪ Net in-place rents (EUR/sqm)	5.02	5.04/ 5.00*	4.98
▪ FFO I (EUR/m)	21.6	20.7	18.1
▪ FFO I (EUR/share)	0.17	0.16	0.15

* : incl. acquisitions and disposals 2015

NAV and LTV

	31 Mar-2016	31 Dec-2015	31 Mar-2015
▪ EPRA NAV (EUR/share)	10.76	10.64	10.24
▪ LTV	59.0%	60.7%	62.4%
▪ LTV (incl. convertibles)	61.0%	62.7%	65.2%

Acquisitions and disposals

- **Acquisitions** Closing of acquisition signed in Dec-2015 in Saxony (972 residential units) at 31 Jan-2016. EUR 39.5m purchase price (equals 11.8x actual net cold rent of EUR 3.36m p.a.). Vacancy at 3.8%.
- **Disposals** 118 residential units signed in Q1 2016. Total selling price of EUR 6.5m. Book profit of EUR 0.7m in Q1 2016. Net cash proceeds of approx. EUR 5.5m.

TAG highlights Q1 2016

Share placement

- **Private placement of 5m TAG treasury shares in March 2016**
 - ABB transaction in March 2016 (after buyback in Sep/Oct 2014 at EUR 9.30 per share)
 - Placement price: EUR 11.65 (6.1% premium to three months VWAP/ 9.5% premium to EPRA NAV per share)
 - Gross proceeds of EUR 58.3m for new acquisitions as well as optimising the capital structure

Group structure

- **Increase in stake of Colonia Real Estate AG in March 2016 / planned delisting of this company**
 - Share increase to 93.9% through share swap TAG shares / Colonia shares (2.03m TAG treasury shares in exchange for 2.95m Colonia shares)
 - Domination and profit and loss transfer agreement planned (agenda point at Colonia's AGM on 29 Aug-2016); ensures tax efficient structure in FY 2017ff. for TAG Group
 - Delisting of Colonia scheduled for end of FY 2016

Management compensation in shares

- **Change in management board compensation**
 - New: 50% of management's bonus paid in shares (treasury shares), 50% in cash (currently 100% cash)
 - Shares restricted for 3 years; cash component paid in 2 annual instalments (currently cash bonus paid in 3 annual instalments)
 - Unchanged: cap of EUR 250,000 per board member; bonus based in full on per share data (i.e. annual increase in share price, FFO/s, NAV/s, EBT/s without valuation result)
 - Subject to approval of TAG's AGM on 17 Jun-2016, requires renewed authorization for treasury shares

TAG 2016

TAG financials Q1 2016

TAG income statement (IFRS)

(in EUR millions)	Q1 2016	Q4 2015	FY 2015
Rental revenues	67.7	65.9	259.3
Expenses from property management	-14.6	-12.4	-54.0
Net rental income	53.1	53.5	205.3
<i>Margin</i>	78.5%	81.2%	79.2%
Net revenues from sales	0.7	8.0	20.1
Other operating income	1.4	3.3	7.6
Net fair value gains and losses	0.8	4.8	98.9
Gross profit	56.0	69.6	331.9
Personnel expenses	-9.3	-9.2	-35.2
Depreciation	-0.7	-0.7	-3.1
Other operating expenses	-4.4	-6.8	-22.5
EBIT	41.6	52.9	271.1
Net financial result	-21.9	-21.6	-96.0
EBT	19.7	31.3	175.1
Income tax	-1.7	0.8	-27.8
Net income	18.0	32.1	147.3

- Increased rental revenues due to closing of acquisitions end of Dec-2015/Jan-2016 and through rental growth and vacancy reduction

- Higher maintenance costs in Q1 2016 compared to Q4 2015

- Net revenues from sales in Q1 2016 due to single unit sales; Q4 2015 mainly relating to sale of commercial object in Stuttgart

- Valuation gains primarily result of first-time valuation of newly acquired portfolios

- Lower other operating expenses in Q1 2016; Q4 2015 affected by one-off transaction costs from property sales and acquisitions

- Lower net financial result in Q1 2016 due to non-cash impairment of derivatives (EUR 0.9m)

- Income taxes relate to deferred taxes; current cash tax income for Q1 2016 of EUR 0.1m

TAG FFO calculation

(in EUR millions)	Q1 2016	Q4 2015	FY 2015
Net income	18.0	32.1	147.3
+ Taxes	1.7	-0.8	27.8
+ Net financial result	21.9	21.6	96.0
EBIT	41.6	52.9	271.1
- Net financial result (cash, after one off's)	-20.1	-20.2	-84.0
- Cash taxes	0.1	-0.3	-0.4
+ Adjustments			
Valuation result	-0.8	-4.8	-98.9
Depreciation	0.7	0.7	3.1
Impairment losses on receivables (excl. rent receivables) and on real estate inventory	0.0	0.1	0.2
One off's personnel-costs and project costs	0.8	0.3	5.3
Net revenue from sales	-0.7	-8.0	-20.1
= FFO I	21.6	20.7	76.3
CAPEX	-9.6	-9.6	-40.1
= AFFO	12.0	11.1	36.2
Net revenue from sales	0.7	8.0	20.1
= FFO II (FFO I + net revenue from sales)	22.3	28.7	96.4
<i>Weighted average number of shares outstanding (in '000)</i>	<i>126,834</i>	<i>125,469</i>	<i>123,118</i>
FFO I per share (EUR)	0.17	0.16	0.62
AFFO per share (EUR)	0.09	0.09	0.29
<i>Weighted average number of shares, fully diluted (in '000)</i>	<i>136,351</i>	<i>134,986</i>	<i>134,531</i>
FFO I per share (EUR), fully diluted	0.17	0.16	0.60
AFFO per share (EUR), fully diluted	0.10	0.09	0.29

- FFO I increased by EUR 0.9m in comparison to previous quarter and by EUR 3.5m compared to Q1 2015

- Number of shares outstanding increased in March 2016 by 7.0m from 125.5m to 132.5m: placement of treasury shares (5.0m) and use of treasury shares (2.0m) in exchange for Colonia shares; 4.1m treasury shares remaining from share buyback in Sep/Oct-.2014
- Weighted average number of shares outstanding in Q1 2016 at 126.8m

TAG balance sheet (IFRS)

(in EUR millions)	31 Mar-2016	31 Dec-2015
Non-current assets	3,647.6	3,605.4
Investment property	3,573.8	3,531.1
Deferred tax assets	43.3	43.6
Other non-current assets	30.5	30.7
Current assets	157.9	165.1
Real estate inventory	11.9	12.8
Cash and cash equivalents	110.4	103.8
Other current assets	35.6	48.5
Non-current assets held-for-sale	6.8	23.7
TOTAL ASSETS	3,812.3	3,794.2
Equity (including minority interest)	1,197.6	1,120.6
Minority interest	21.3	35.4
Non-current liabilities	2,343.0	2,379.0
Financial debt	2,099.4	2,136.7
Deferred tax liabilities	233.3	231.6
Other non-current liabilities	10.3	10.7
Current liabilities	271.7	295.1
Financial debt	207.6	212.9
Other current liabilities	64.1	82.2
TOTAL EQUITY AND LIABILITIES	3,812.3	3,794.2
LTV (excl. convertible bonds)	59.0%	60.7 %
LTV	61.0%	62.7 %

- Cash inflows from refinancing of latest acquisitions (bank loans of approx. EUR 85m) not included

- Increase in stake of Colonia to 93.9% (87.2% at 31 Dec-2015)

- Reduction by 170bps in Q1 2016 due to placement of treasury shares and operational improvements

TAG NAV calculation

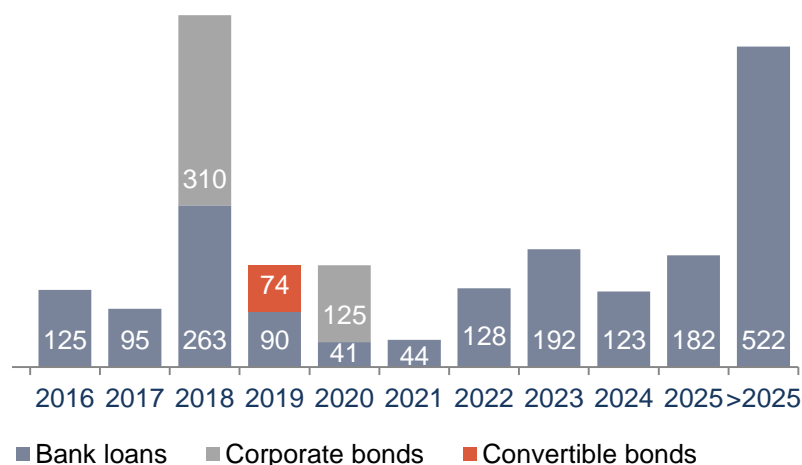
(in EUR millions)	31 Mar-2016	31 Dec-2015
Equity (without minorities)	1,176.3	1,085.1
+ Deferred taxes on investment properties and financial derivatives	244.9	245.1
+ Fair value of financial derivatives	4.6	5.4
= EPRA NAV	1,425.8	1,335.6
- Standardized transaction costs	-210.3	-207.6
= EPRA NAV (incl. standardized transaction costs)	1,215.5	1,128.0
<i>Number of shares (outstanding) (in '000)</i>	<i>132,501</i>	<i>125,469</i>
EPRA NAV per share (EUR)	10.76	10.64
EPRA NAV per share (EUR) (incl. standardized transaction costs)	9.17	8.99
<i>Number of shares, fully diluted (in '000)</i>	<i>142,018</i>	<i>134,986</i>
EPRA NAV per share (EUR) fully diluted	10.56	10.45
EPRA NAV per share (EUR) fully diluted (incl. standardized transaction costs)	9.08	8.91

NAV per share development 31 Mar-2016 compared to 31 Dec-2015:

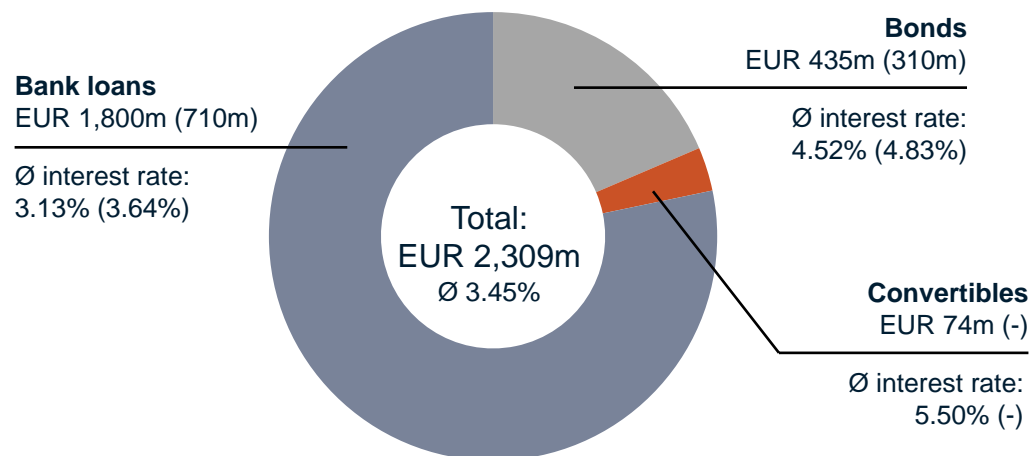
- Approx. EUR 0.08 per share increase due to net income in Q1 2016
- Approx. EUR 0.04 per share increase due to placement of 5m treasury shares
- Total change in NAV of EUR of 0.12 per share in Q1 2016

TAG debt financing structure

Debt maturity profile as of 31 Mar-2016 in EUR millions



Interest rates and maturities ⁽¹⁾



Upcoming refinancing in the short- to medium-term

- TAG is currently financing new mortgage bank loans at all-in interest cost at approx. 1.5% p.a. for a 10 year term
- Until 31 Dec-2018, a total of EUR 710m of bank loans will mature or can be refinanced at no breakage fees at expiration, average duration of bank loans at 10.2 years

Cost of debt and LTV development

- Total cost of debt in Mar-2016 at 3.45% (3.45% in Dec-2015 and 3.70% in Mar-2015)
- LTV (incl. convertible bonds) reduced to 61.0% (62.7% in Dec-2015 and 65.2% in Mar-2014); LTV target (incl. convertible bonds) at 60%

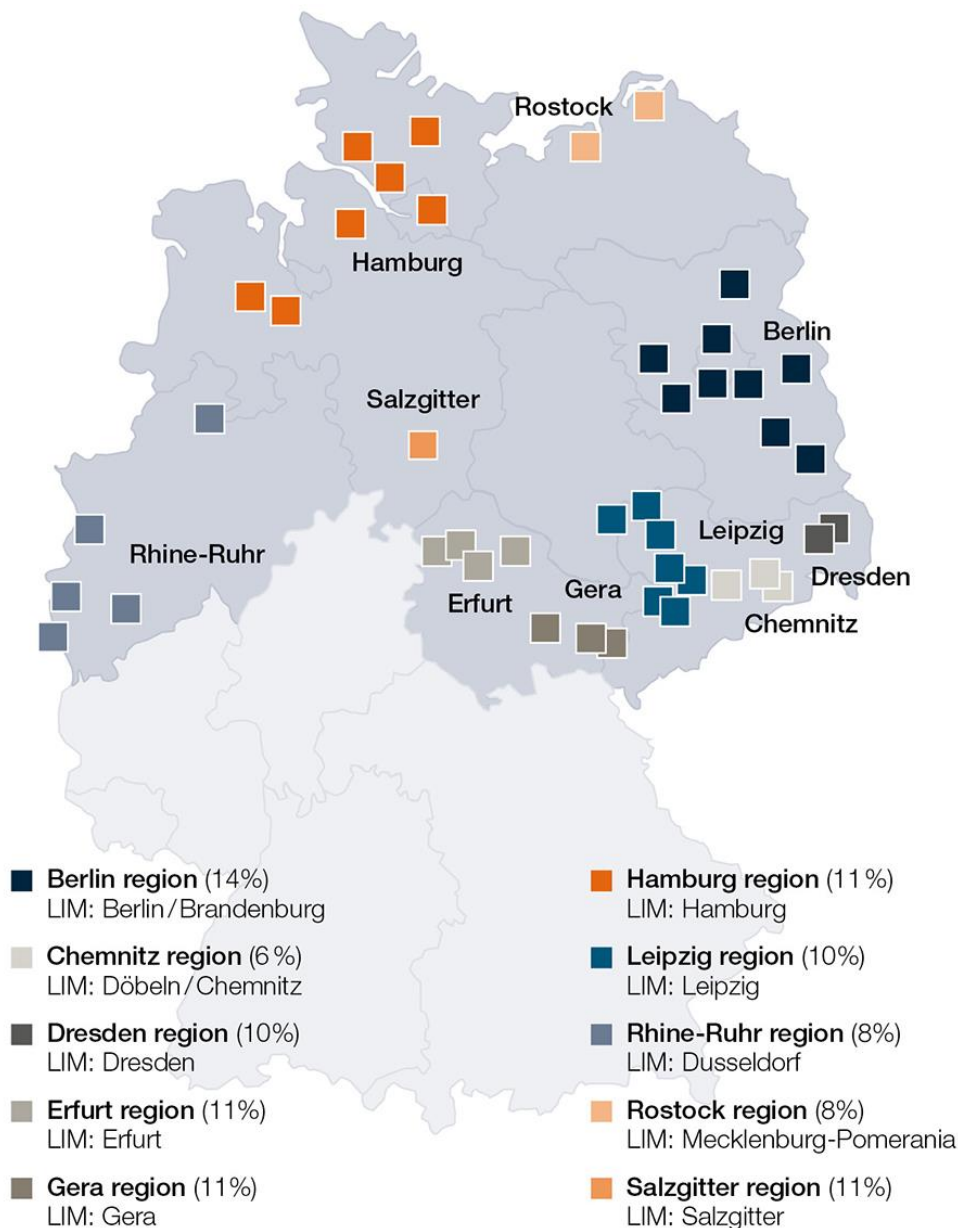
(in EUR millions)	Q1 2016	Q4 2015	FY 2015
+ Interest income	0.8	0.6	3.6
- Interest expenses	-22.8	-21.8	-99.4
+ net profit from investments/ associates	0.1	-0.4	-0.2
= Net financial result	-21.9	-21.6	-96.0
thereof non-cash financial result related to convertible bonds	-0.3	-0.2	-1.6
thereof non-cash financial result related to corporate bonds	-0.2	-0.2	-0.7
thereof non-cash related to derivatives	-0.7	0.2	-2.5
thereof other non-cash financial result and one-offs ⁽²⁾	-0.6	-1.2	-7.2
= Net financial result (cash, after one-offs)	-20.1	-20.2	-84.0

(1) Numbers in brackets show refinancing volumes and interest rates within the next three years
 (2) Includes other non cash financial income, other expenses and one-offs from refinancing

TAG 2016

TAG portfolio Q1 2016

TAG portfolio in total as of 31 Mar-2016



% acc. IFRS book value

- Geographic regions in accordance with decentralized management clusters and strategic relevance
- Change in 2016: split of region “Dresden” into two regions (“Dresden” and “Chemnitz”) in accordance with new internal management and reporting structure

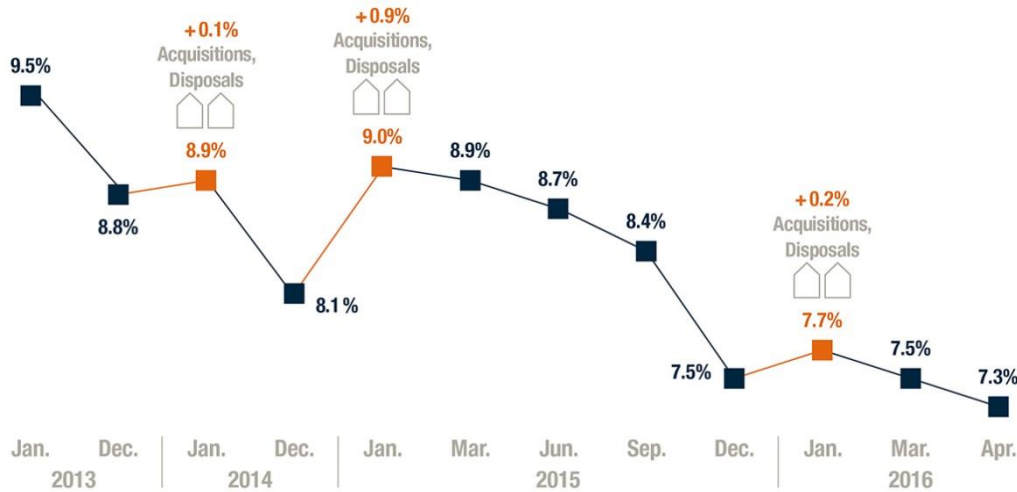
Portfolio as of	31 Mar-2016	31 Dec-2015
Units	78,617	78,015
Rentable area in sqm	4,806,365	4,765,897
Real estate volume in TEUR	3,602,663	3,577,899
Actual net cold rent in EUR/ sqm/month (total)	5.13	5.19
Actual net cold rent in EUR/ sqm/month (residential units)	5.02	5.04
Annualized actual net cold rent in TEUR (total)	272,688	269,722
Vacancy in % (total)	7.9	8.2
Vacancy in % (residential units)	7.5	7.5

TAG portfolio in total – Q1 2016 by region

Region	Units #	Rentable area sqm	IFRS BV TEUR	In-place yield %	Vacancy March 2016 %	Vacancy Dec. 2015 %	Actual net cold rent EUR/sqm	Re-letting rent EUR/sqm	L-f-I rental growth y-o-y %	L-f-I rental growth y-o-y incl. vacancy reduction %	Maintenance EUR/sqm	Capex EUR/sqm	Comments
Berlin	9,923	573,444	491,161	6.7%	6.7%	5.1%	5.15	5.72	2.7%	3.1%	1.30	3.24	Increase in vacancy due to acquisitions
Chemnitz	6,567	376,119	219,616	8.2%	14.3%	15.8%	4.66	4.83	2.1%	5.2%	1.14	3.23	Split of "Dresden" region into "Chemnitz" and "Dresden" in 2016
Dresden	6,210	403,151	348,607	7.1%	4.8%	2.7%	5.36	5.55	2.6%	3.9%	1.22	1.07	Increase in vacancy due to acquisitions
Erfurt	8,326	469,547	385,165	7.0%	4.2%	4.3%	4.99	5.46	2.3%	5.1%	0.92	3.09	Higher investments to reduce vacancy
Gera	9,636	562,019	373,422	7.5%	10.9%	11.1%	4.69	4.89	1.5%	2.8%	1.33	1.52	
Hamburg	7,282	444,900	369,185	7.2%	4.9%	5.5%	5.24	5.67	0.7%	2.6%	1.98	2.41	
Leipzig	8,608	510,931	363,376	7.8%	6.0%	5.6%	4.89	4.96	0.9%	2.2%	1.30	0.89	
Rhine-Ruhr	4,938	325,239	281,802	6.8%	4.4%	2.2%	5.14	5.72	0.6%	0.4%	2.49	1.29	Increase in vacancy due to acquisitions
Rostock	5,474	325,253	260,950	7.4%	5.6%	5.2%	5.22	5.51	2.9%	4.6%	1.13	2.36	Higher investments to reduce vacancy
Salzgitter	9,175	563,074	376,329	7.9%	11.5%	12.1%	4.97	5.26	2.6%	6.8%	1.67	1.92	Further reduction of vacancy to 10.8% in Apr-2016
Total residential units	76,139	4,553,676	3,469,612	7.3%	7.5%	7.5%	5.02	5.32	1.9%	3.8%	1.43	2.11	<i>Further reduction of vacancy to 7.3% in Apr-2016 from 7.7% (including acquisitions 2015) in Jan-2016</i>
Acquisitions 2016	952	55,445	42,014	7.6%	5.5%	10.6%	5.05				0.81	---	
Commercial units within resi. portfolio	1,288	165,187			17.2%	17.7%	7.32				---	---	
Total residential portfolio	78,379	4,774,308	3,511,625	7.7%	7.8%	8.1%	5.09				1.37	2.01	
Other	238	32,057	91,038	4.1%	19.3%	12.3%	11.95				2.06	1.04	Comprises commercial objects and serviced apartments
Grand total	78,617	4,806,365	3,602,663	7.6%	7.9%	8.2%	5.13				1.38	2.00	<i>Vacancy total portfolio in Apr-2016 at 7.6% (8.2% in Jan-2016)</i>

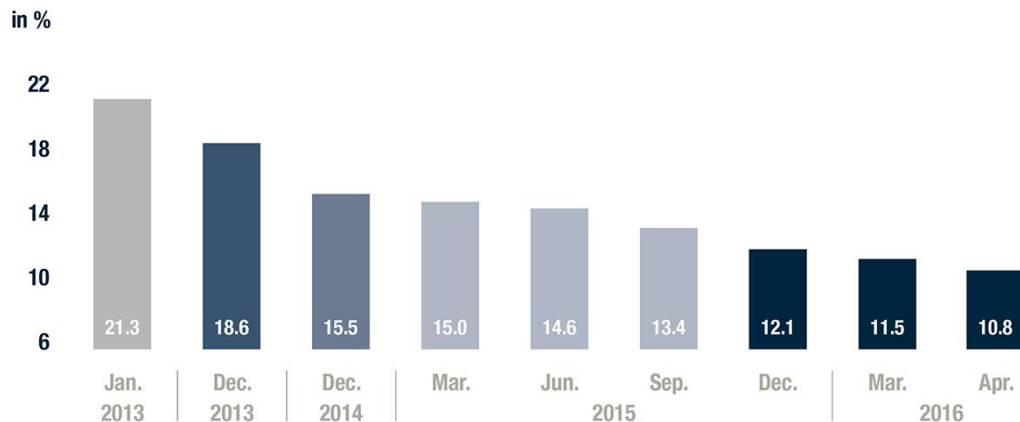
TAG vacancy reduction development

Residential units 2013 - 2016



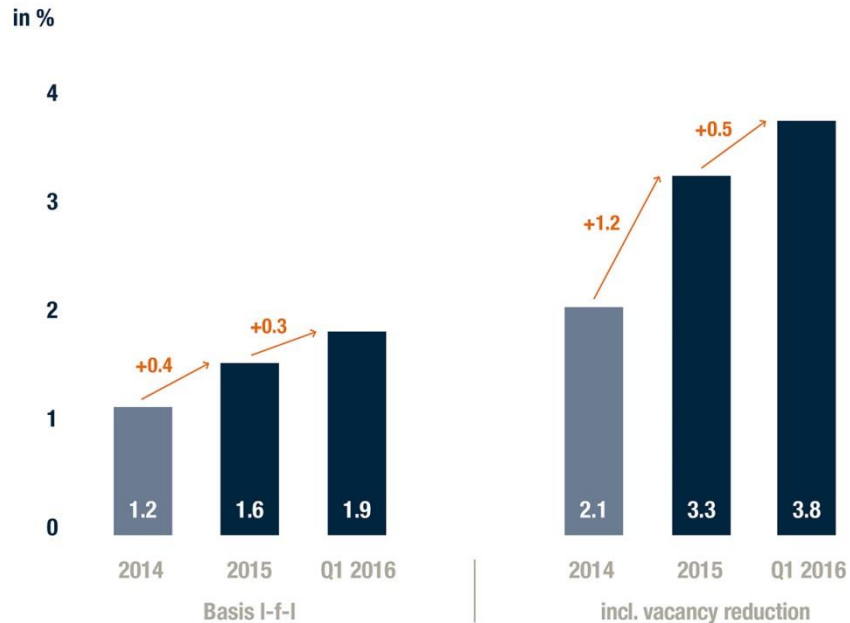
- Realisation of development potential from newly acquired portfolios
- Proof of successful asset and property management over the last three years
- Increases in vacancy due to new acquisitions with higher vacancy and sales with lower vacancy (e.g. Berlin)

Salzgitter region 2013 - 2016



- Continued strong vacancy reduction in the Salzgitter region with currently c.300bps per annum
- Adjust residential units to the market requirements (for students, singles, families, elderly people)
- Targeted modernisation programs i.e. for elderly people, bathroom conversions etc.
- Reduction of service charges; better quality of service for tenants

TAG rental growth development



- **Rental growth and vacancy reduction are the two main drivers to further improve the rental income profile of TAG**

- TAG invests in regions with rather stable rent profile and is able to acquire properties with above average vacancy level
- By way of targeted modernizations and smart property management, TAG is able to reduce these vacancy levels over time
- Vacancy reduction and rental growth have to be considered as two sides of the same medal



Salzgitter

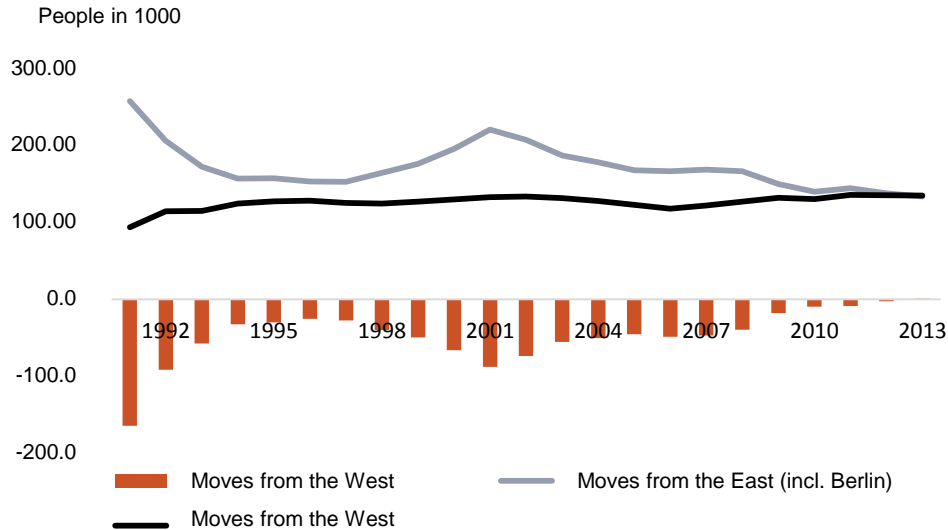


TAG 2016

TAG East German real estate market

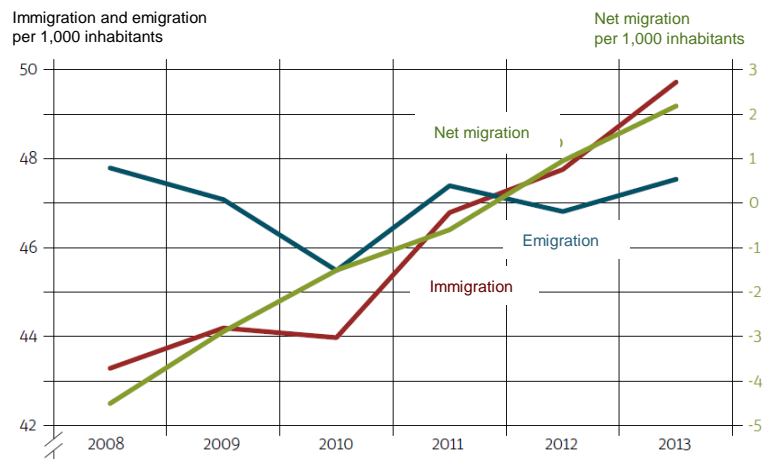
TAG East German real estate market Demographics

Migration between eastern and western Germany ¹⁾



- Since the fall of the Berlin Wall, about 1.8 million people from Eastern Germany have moved to the West – mostly young people between 18 and 30 years old²⁾
- This development has come to an end, that is, the population figures are stabilizing. In 2013, for the first time, more people immigrated to the five eastern German states than emigrated from them³⁾

Immigration and emigration in Eastern Germany 2008–2013⁴⁾



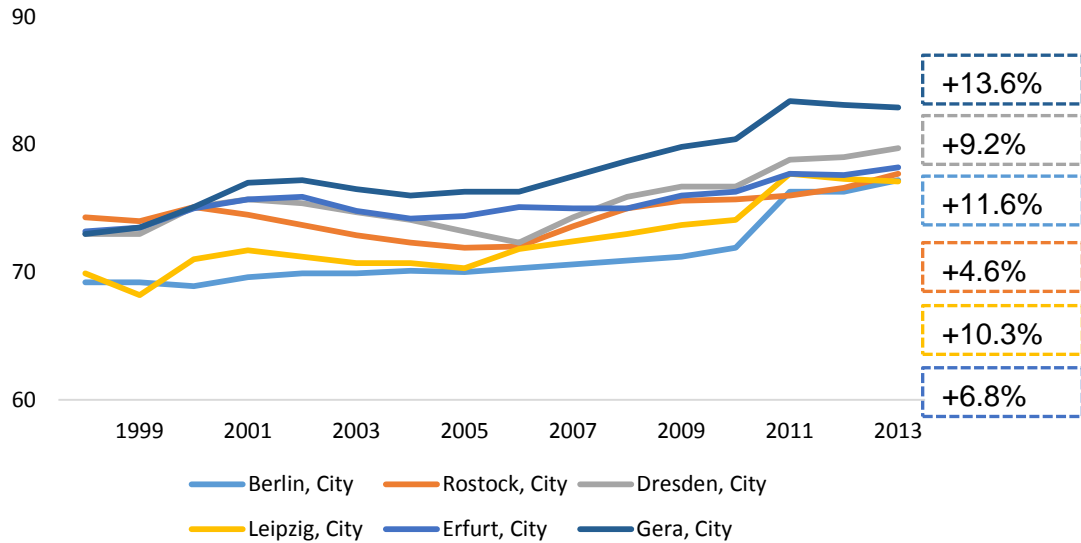
- In the period from 2008 to 2013, the total net migration to the former East Germany improved steadily, and was positive for the first time in 2012. This turnaround is attributable especially to the growing number of people migrating to these states

Sources:

1) & 3) Federal Institute for Population Research "Migration between East and West Germany", 1991 to 2013
 2) & 4) Federal Statistical Office, Study: "Migration Patterns in the East"

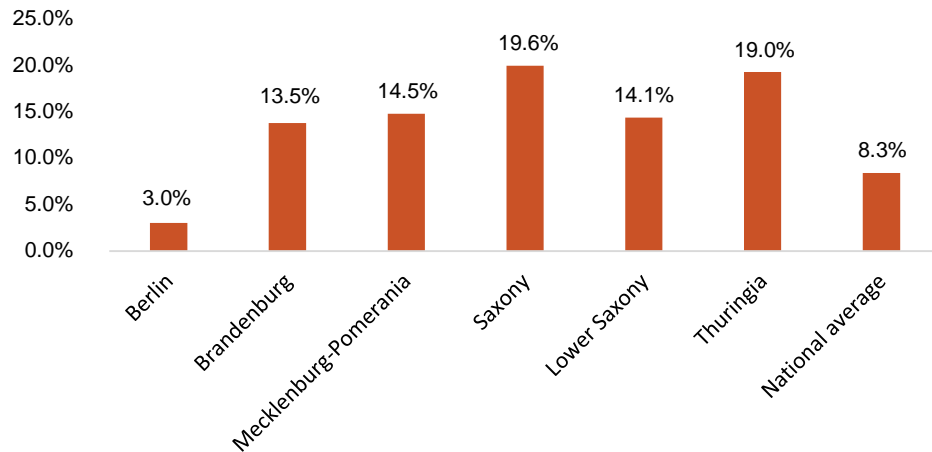
TAG East German real estate market **Economic data**

Change in employment rates 1998-2013¹⁾



- In the regions that are part of the TAG portfolio, employment has increased significantly
- By the same token, there has been a decline in the unemployment rate
- Average employment increased by approximately 9.0% from 1998 to 2013

Growth in GDP per person employed 2000-2014²⁾



- The highest growth in GDP per person employed in the period from 2000 to 2014 was recorded in Saxony: 19.6%
- This was followed by Thüringen with a 19.0% increase in GDP per person employed
- The national average growth in GDP per person employed was only 8.3%

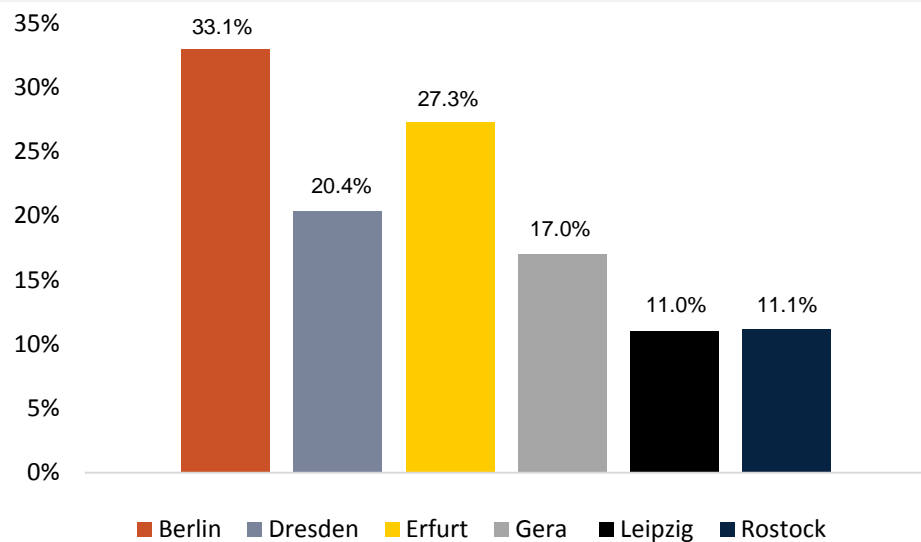
Sources:

1) inkar.de, 1998 - 2013, Labour force per 100 inhabitants of working age, change in %, by city

2) statistik-portal.de, gross domestic product (price-adjusted, chained) per employed person, 2000 - 2014, by federal state

TAG East German real estate market Rent over time

Change in rents – Net rent (without service charges)
2008-2015¹⁾



- In the period from 2008 to 2015, the eastern German cities shown that are also part of the TAG portfolio demonstrated a positive change in rents over time, without exception
- The change in rents was highest in Berlin at 33.1%, followed by Erfurt (27.3%) and Dresden (20.4%)

Source: 1) HSBC Global Research, March 2016

TAG 2016

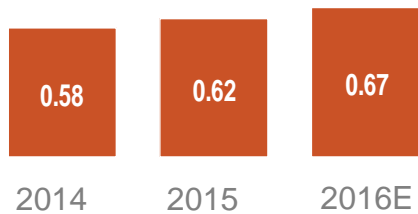
TAG outlook

TAG outlook

Guidance
FY 2016
(unchanged)

- **FFO** EUR 84m – EUR 85m (EUR 76.3 in FY 2015)
- **FFO/share** EUR 0.67 (EUR 0.62 in FY 2015) based on current weighted average NOSH
- **Dividend** EUR 0.57 per share (EUR 0.55 for FY 2015)

FFO per share in EUR



Dividend per share in EUR



Gera



Stralsund



Chemnitz

TAAG 2016

APPENDIX

TAG acquisitions 2015

Signing	Saxony/Saxony-Anhalt May-2015	Brandenburg Jun-2015	Rügen Jul-2015	Brandenburg Nov-2015	NRW/ Lower Saxony Nov-2015	Saxony Dec-2015	Saxony-Anhalt Dec-2015	Total FY2015
Units	860	134	180	1,776	1,304	972	96	5,322
Rentable area in sqm	49,900	11,400	11,500	97,200	84,600	57,059	8,365	320,024
Actual net cold rent EUR/sqm/month	4.64	5.49	5.37	4.30	4.42	5.05	5.08	4.68
Vacancy	14.8%	1.3%	6.2%	18.6%	11.3%	3.8%	6.3%	12.1%
Purchase price EURm	18.6	8.8	8.2	41.5	36.8	39.5	5.3	158.7
Actual net cold rent EURm p.a.	2.4	0.7	0.7	4.1	4.0	3.4	0.5	15.8
Location	Leipzig, Dresden, Magdeburg, etc.	Brandenburg	Rügen	Brandenburg	Bochum, Eschweiler, Goslar, etc.	Chemnitz, Riesa, etc.	Bitterfeld	
Closing	Aug-2015	Aug-2015	Aug-2015	Dec-2015	Dec-2015	Jan-2016	Dec-2015	
Multiples	7.9x	11.1x	11.9x	10.1x	9.2x	11.8x	10.6x	10.0x
								

approx. 5,300 units acquired in 2015; EUR 158.7m purchase price and EUR 15.8m rent p.a. leads to average buying multiple of 10.0x or 10.0% gross yield (based on actual net cold rent)

TAG disposals 2015

Signing	Berlin (Marzahn/ Hellersdorf) Apr-2015	Stuttgart (Commercial) Oct-2015	Hamburg (Wedel) Dec-2015	Privatisation and ongoing disposals 2015	Total FY 2015
Units	972	182	100	679	1,933
Actual net cold rent EUR/sqm/month	5.26	13.64	6.60	---	
Actual net cold rent p.a. EURm	3.5	4.1	0.4	3.4	11.4
Vacancy	1.7%	0.6%	5.0%	---	
Selling price EURm	59.8	87.5	9.0	64.6	220.9
Net cash proceeds EURm	34.6	40.3	6.3	35.3	116.5
Book profit (IFRS) EURm after revaluation	10.7	7.3	1.8	3.9	23.7
Location	Berlin (Marzahn, Hellersdorf)	Stuttgart	Wedel	Various locations (e.g. Berlin, Dresden, Leipzig, Erfurt, Frankfurt)	
Closing	Jun-2015	Dec-2015	Dec-2015	2015	
Multiples	17.0x	21.3x	22.0x	19.0x	19.4x

approx. 1,900 units sold in 2015; EUR 220.9m selling price and EUR 11.4m rent p.a. leads to average selling multiple of 19.4x or 5.2% gross yield (based on actual net cold rent)



Berlin



Stuttgart



Wedel

TAG portfolio valuation FY 2015

Region (in EUR millions)	2015 Fair Value (IFRS)	2015 Fair Value (EUR/sqm)	2015 Implied multiple	Revaluation gain / loss	Capex	Net acquisitions and other movements	2014 Fair Value (IFRS)	2014 Fair Value (EUR/sqm)	2014 Implied multiple
Berlin	441.1	884.5	14.95	19.9	3.90	-47.6	464.9	819.1	14.23
Chemnitz	214.5	581.2	12.41	-5.9	5.19	57.9	157.3	618.7	13.26
Dresden	300.9	978.7	14.91	3.2	1.12	9.6	287.0	973.4	15.23
Erfurt	360.2	838.3	14.61	8.7	6.25	22.8	322.4	831.5	15.39
Gera	372.0	662.1	13.27	-3.0	5.45	72.5	297.1	685.4	14.12
Hamburg	308.5	828.9	14.01	7.3	1.97	-16.4	315.5	818.8	14.09
Leipzig	331.1	712.5	12.87	1.9	2.12	27.8	299.4	710.5	13.12
Rhine-Ruhr	241.8	999.0	15.49	7.5	1.13	4.3	228.9	959.8	15.09
Rostock	250.5	797.8	13.52	5.3	4.47	17.5	223.2	769.9	13.57
Salzgitter	375.2	666.4	12.91	7.0	7.39	-0.1	360.9	641.2	13.07
Total residential units	3,195.8	775.2	13.86	51.9	38.99	148.4	2,956.5	770.8	14.09
Acquisitions	279.8	639.9	12.26	37.9	0.60	12.2	229.1	609.9	12.12
Total residential portfolio	3,475.6	735.0	13.08	89.8	39.59	160.6	3,185.6	728.2	13.02
Other	79.2	2,130.6	19.74	9.1	0.50	-76.4	146.0	2,345.4	19.28
Grand total*	3,554.8	745.9	13.18	98.9	40.09	84.2	3,331.6	750.9	13.21

* Real estate inventory and real estate within property, plant and equipment not included in valuation

TAG capex and maintenance

in EUR millions		2015				Total	2016
		Q1	Q2	Q3	Q4		Q1
Maintenance	Residential	6.45	7.09	5.38	5.77	24.69	6.60
	Commercial	0.11	0.00	0.22	0.19	0.52	0.02
Capex	Residential	6.80	9.88	13.56	9.35	39.59	9.60
	Commercial	0.00	0.04	0.18	0.28	0.50	0.03
Total		13.39	16.98	19.34	15.59	65.30	16.25

TAG return on capex

Modernization is key element of TAG's strategy

- TAG spends approx. €40m p.a. on capex measures; these can be broken down into
 - Modernization during re-letting (tenant turnover)
 - Modernization of vacant flats (longer term vacancy)
 - Large modernization measures (comprehensive building-related measures)
- Using modernization as a means to upgrade the rental profile and constitution of its portfolio is a valid part of TAG's strategy
- It is in TAG's very own interest to track the success of these measures, which TAG wants also disclose to its shareholders
- In most cases large modernization measures are financed via bank loans and equity, all other modernization measures are equity-financed

Methodology

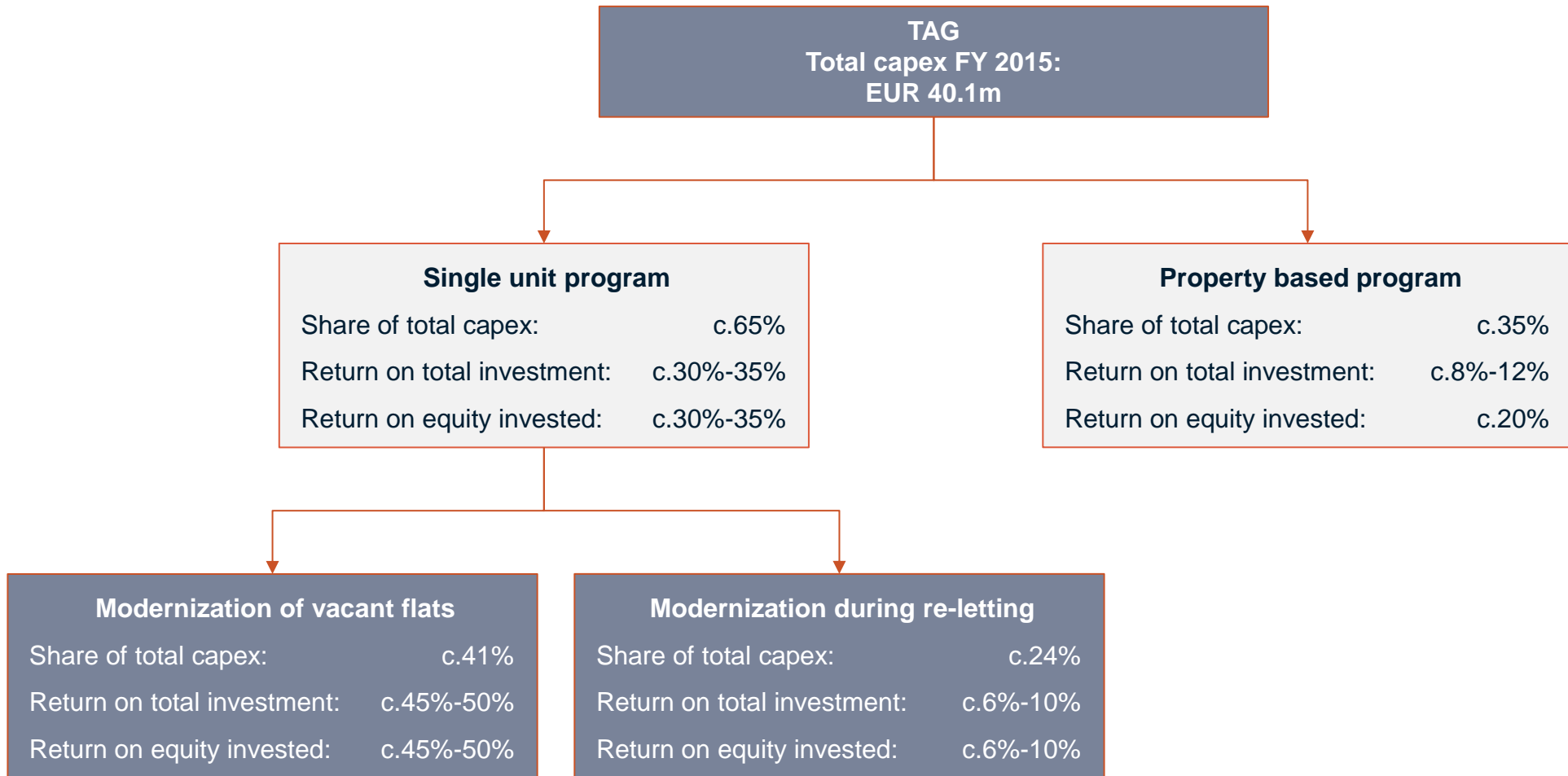
$$\frac{1 \text{ Incremental revenues}}{\text{Total investment}} = \text{Return on investment}$$

$$\frac{2 \text{ Incremental revenues} - \text{financing costs}}{\text{Equity invested}} = \text{Return on equity invested}$$

	Modernization during re-letting	Modernization of vacant flats	Large modernization measures
Incremental revenues from modernization surcharge	(✓)*	x	(✓)*
+ Incremental revenues from new lettings	✓	✓	✓
+ Saved maintenance costs	x	x	(✓)*
+ Saved ancillary costs from vacancy reduction	x	✓	(✓)*
= Incremental revenues			

* Subject to scope of measures

TAG return on capex - overview

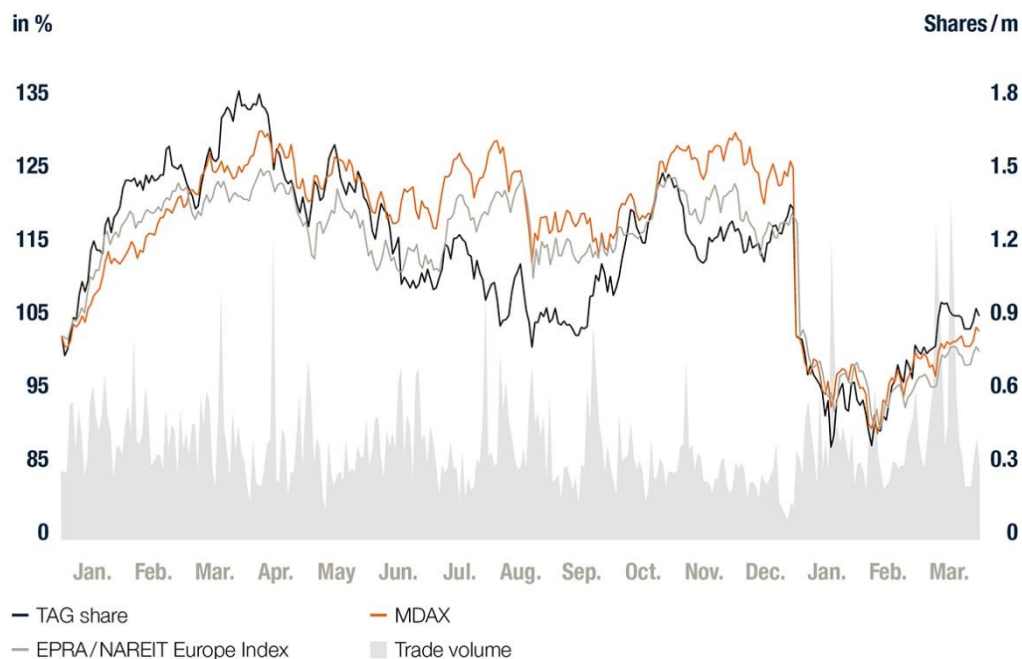


TAG capital markets heads-up

- High/Low (Q1 2016) EUR 12.09/EUR 9.85
- Number of shares (issued) 136.6m
- Number of shares (outstanding) 132.5m
- Market capitalisation (31 Dec-2015) EUR 1,624m
- Stock indices MDAX/EPRA
- Free Float * 97%

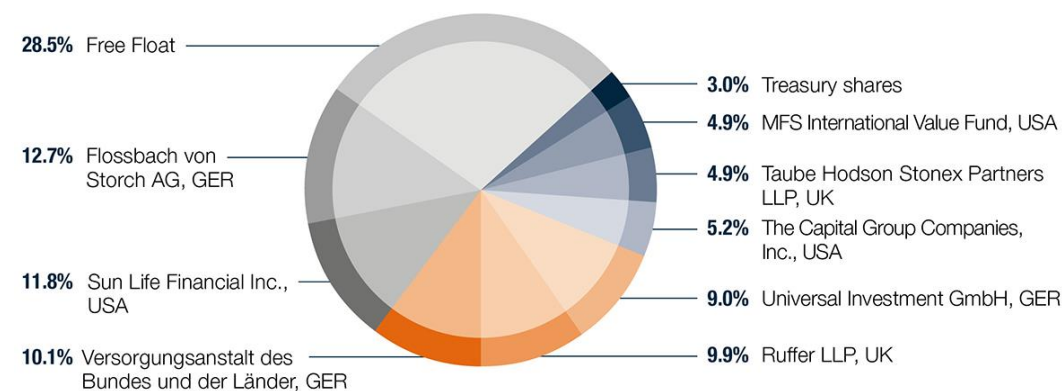
* Deutsche Börse definition including institutional investors, repurchased TAG own shares not included

■ Share price development 2015-2016



Institution	Analyst	Recommendation	Target price in EUR	Date
Berenberg	Kai Klose	Buy	14.00	09-May-16
Bankhaus Lampe	Georg Kanders	Buy	13.00	06-May-16
Commerzbank	Thomas Rothaeusler	Hold	11.80	04-May-16
VictoriaPartners	Bernd Janssen	N/A	11.00-12.50	28-Apr-16
Kempen&Co.	Bernd Stahl	Sell	11.20	11-Apr-16
Morgan Stanley	Bianca Riemer	Underweight	9.20	04-April-16
Nord/LB	Michael Seufert	Hold	11.00	17-Mar-16
Merrill Lynch	Mike Bessell	Underperform	10.40	03-Mar-16
MM Warburg	Moritz Rieser	Hold	10.40	01-Mar-16
Kepler Cheuvreux	Thomas Neuhold	Buy	13.00	26-Feb-16
HSBC	Thomas Martin	Buy	13.30	25-Feb-16
Baader Bank	André Remke	Hold	10.00	25-Feb-16
Oddo Seydler	Manuel Martin	Buy	12.50	24-Feb-16
Barclays	David Prescott	Underweight	9.80	20-Jan-16
S&P Capital IQ	William Howlett	Buy	13.00	06-Nov-15
Citigroup	Aaron Guy	Neutral	12.20	21-Jul-15
Median			11.20	

■ Shareholder structure as of 31 Mar 2016



TAG bonds and convertibles

- Two corporate bonds outstanding (issued in 2013 and 2014)
- One convertible remaining after conversions/clean up call in 2012 and 2015 and (partly) buy back of convertibles in 2013, convertible trades in the money
- Clean up call of 6.5% convertible bond 2010/2015 in Jul/Aug-2015 (outstanding principle amount less than 20% of total principle amount)

Corporate Bonds

WKN A1TNFU	WKN A12T10
Volume: EUR 310m	Volume: EUR 125 m
Division into shares: EUR 1,000.00 per share	Division into shares: EUR 1,000.00 per share
Nominal value per bond: EUR 1,000.00	Nominal value per bond: EUR 1,000.00
Maturity: 5 years until 08/07/2018	Maturity: 6 years until 06/25/2020
Interest rate (effective): 5.125% (200m)/4.3% (110m)	Interest rate: 3.75%
Issue price: at par (200m)/to 103% (110m)	Issue price: at par

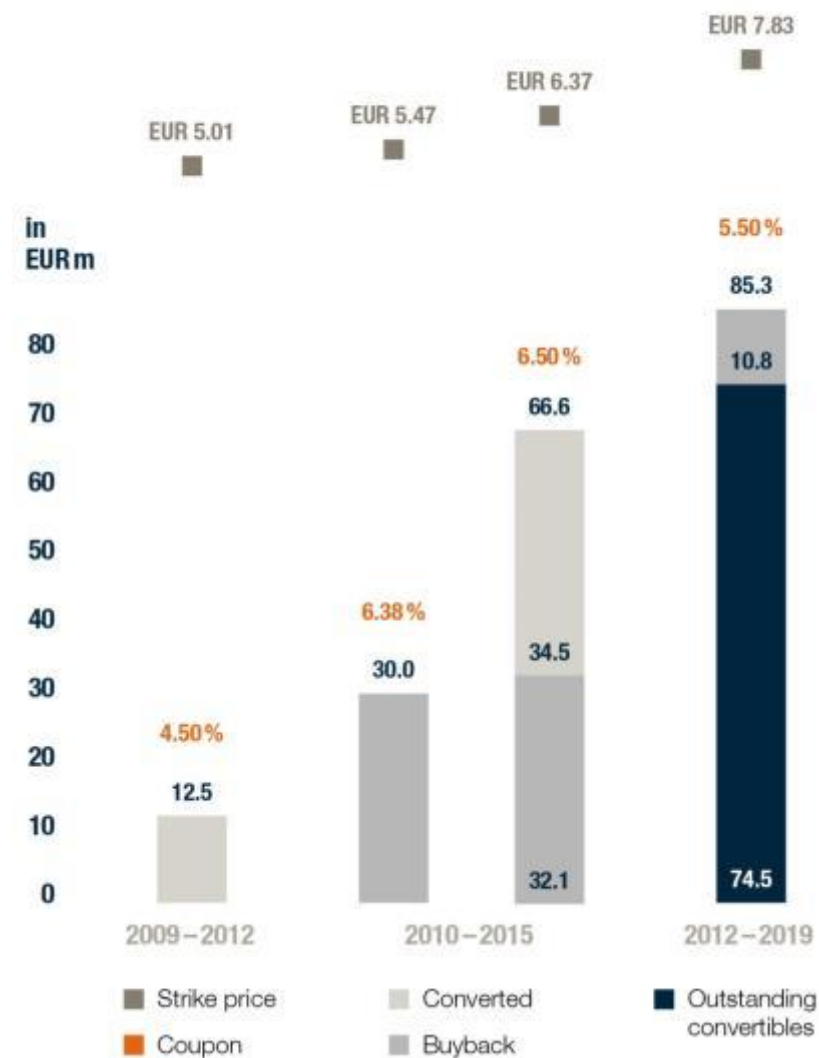
Convertible Bond

June 2012-2019

WKN A1PGZM3

Issued volume: EUR 85.3m
Outstanding volume: EUR 74.5m
Number of shares: 853
Nominal value per bond: EUR 100,000.00
Maturity: 06/25/2019
Interest rate: 5.5%
Conversion price: EUR 7.83

TAG share price EUR 11.89 as of 31 Mar-2016



TAG management board



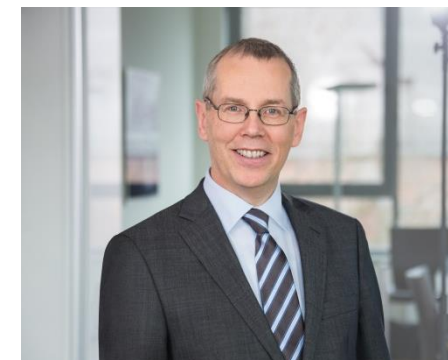
Claudia Hoyer
COO

- Key responsibilities: Property and Asset Management, Acquisitions and Disposals, Shared Service Center
-
- Age 44
 - 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, more than 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 43
 - 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 59
 - With TAG for more than 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 Contacts

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