



Conference call presentation Q2 2017

GROWING CASHFLOWS

TAG
Immobilien AG

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TAG 2017

TAG highlights Q2 2017

TAG highlights Q2 2017

Operational performance		Q2 2017	Q1 2017	FY 2016	Q2 2016
	▪ Vacancy (residential units)	5.5%	5.9%	6.1%	7.1%
	▪ L-f-L rental growth Y-o-Y	2.0%	1.9%	2.0%	1.9%
	▪ L-f-L rental growth Y-o-Y incl. vacancy reduction	3.3%	3.4%	3.7%	3.9%
	▪ FFO I (EUR m)	30.9	28.5	97.0	23.3
	▪ FFO I (EUR/share)	0.21	0.20	0.72	0.18
EPRA NAV and LTV		30 Jun-2017	31 Mar-2017	31 Dec-2016	30 Jun-2016
	▪ EPRA NAV (EUR/share)	11.65	11.73	11.53	10.40
	▪ LTV	57.5%	55.8%	57.1%	60.4%
Acquisitions Q2 2017	▪ Acquisitions	1,445 residential units signed and closed in Jun-2017. Purchase price of EUR 63.0m and current net cold rent of EUR 5.34m p.a. leads to acquisition multiple of 11.8x. Current vacancy rate at 6.3%. Main locations in Saxony-Anhalt (e.g. Halle an der Saale), Lower Saxony (e.g. Goslar) and Thuringia (e.g. Meiningen). In total 4,138 units acquired in H1 2017 for EUR 147.8m at 8.3% gross yield.			
Disposals Q2 2017	▪ Portfolio sale	Sale of 457 residential units in Freiburg signed in Jun-2017. Closing expected in Oct-2017. Selling price of EUR 59.0m, current net cold rent at EUR 2.67m p.a., selling multiple of 22.1x. Book profit, before revaluation to purchase price as of 30 Jun-2017, of EUR 13.5m. Net cash proceeds of c. EUR 41.2m.			
	▪ Ongoing disposals	72 units signed in Q2 2017 (Q1 2017: 149 units). Total selling price of EUR 3.1m (Q1 2017: EUR 5.8m). Book profit of EUR 0.6m (Q1 2017: EUR 0.5m). Net cash proceeds of EUR 2.5m (Q1 2017: EUR 5.0m). Closing expected in the the course of 2017.			

TAG highlights Q2 2017

Portfolio valuation as of 30 Jun-2017

- Portfolio valuation carried out by CBRE as of 30 Jun-2017 (last valuation as of 30 Sep-2016): first half year valuation to reflect current market dynamics, thereby increasing transparency for investors.
- Alignment in treatment of transaction cost with peer group due to increased uncertainty of future treatment of share deals with respect to real estate transfer tax: full deduction of potential transaction costs for the full portfolio as of Q2 2017.
- Valuation gain of EUR 296.2m before this accounting change, net valuation gain of EUR 39.5m (EUR -256.7m effect from accounting change).
- Valuation remains at conservative levels with c. EUR 800/sqm and 7.4% gross yield.

Early refinancing of bank loans in June to August 2017

- Early refinancing of bank loans of EUR 416.9m (maturities/interest terms ending in 2017 and 2018) leads to future interest cost savings of c. EUR 7.4m p.a. on a like-for-like basis.
- New loan amounts of EUR 560.7m provide incremental liquidity of c. EUR 136.3m (after breakage fees of c. EUR 7.5m, EUR 5.4m in Q2 2017 and c. EUR 2.1m in Q3/Q4 2017) to be used for new acquisitions or repayments of existing debt with higher interest rates. Contracts signed and interest rates fixed, closing of bank loans of EUR 205.0m at 30 Jun-2017, EUR 355.7m in Q3/Q4 2017.
- Average interest rate of refinancings 1.7% (from 3.5%), average maturity and interest terms of refinancings at 9.1 years (from maturities/interest terms of 0.9 years).

Investment grade rating by Moody's

- Baa3 long-term issuer rating obtained (outlook: stable).
- Investment grade rating underpins strong operational performance and stable financing structure of TAG.
- Increases flexibility and supports TAG's strategy of continuous optimization of its financing structure going forward.

FFO Guidance 2017 increased

- FFO Guidance 2017 increased to EUR 119m-121m (before: EUR 110m-112m) or EUR 0.82/s (before: EUR 0.77/s) mainly driven by new acquisitions (less disposals) and strong operational performance in H1 2017.
- Main effects from early refinancings of bank loans will kick in from FY 2018 onwards.

TAG 2017

TAG financials Q2 2017

TAG income statement (IFRS)

(in EUR millions)	Q2 2017	Q1 2017	H1 2017	H1 2016	FY 2016
Rental income	1 71.8	71.5	143.3	136.0	275.2
Expenses from property management	-10.7	-12.5	-23.2	-27.6	-50.5
Net rental income	2 61.1	59.0	120.1	108.4	224.7
Net revenue from sales	0.5	0.1	0.6	1.7	1.8
Other operating income	3 3.0	2.2	5.2	3.1	6.4
Valuation result	4 39.8	-0.3	39.5	4.4	163.1
Personnel expenses	5 -10.3	-9.8	-20.1	-18.7	-38.1
Depreciation	-0.9	-0.9	-1.8	-1.4	-3.0
Other operating expenses	-3.8	-4.5	-8.3	-8.8	-18.7
EBIT	89.4	45.8	135.2	88.7	336.2
Net financial result	6 -23.7	-17.9	-41.6	-43.3	-89.5
EBT	65.7	27.9	93.6	45.4	246.7
Income tax	-13.8	-5.8	-19.6	-5.3	-46.0
Net income	51.9	22.1	74.0	40.1	200.7

1 Rents slightly increased in Q2 2017 compared to Q1 2017 due to lfl-rental growth, no effects from acquisitions in H1 2017.

2 Strong increase in net rental income in Q2 2017 (reduced operational costs and steadily increasing number of units being serviced by own caretakers leading to reduced external costs).

3 Other operating income mainly contains revenues from services provided to tenants (heating, cable tv, etc.) and income from prior periods.

4 Valuation gain in Q2 2017 due to complete portfolio valuation carried out by CBRE as of 30 Jun-2017.

5 Personnel expenses increased due to higher number of own caretakers.

6 Net financial result includes breakage fees of EUR 5.4m for early refinancing of bank loans in Q2 2017.

TAG EBITDA, FFO and AFFO calculation

(in EUR millions)	Q2 2017	Q1 2017	H1 2017	H1 2016	FY 2016
Net income	51.9	22.1	74.0	40.1	200.7
+ Income tax	13.8	5.8	19.6	5.3	46.0
+ Net financial result	23.7	17.9	41.6	43.3	89.5
EBIT	89.4	45.8	135.2	88.7	336.2
+ Adjustments					
Net revenue from sales	-0.5	-0.1	-0.6	-1.7	-1.8
Valuation result	-39.8	0.3	-39.5	-4.4	-163.1
Depreciation	0.9	0.9	1.8	1.4	3.0
One-offs (project costs and personnel costs)	0.0	0.0	0.0	0.8	0.9
EBITDA (adjusted)	1 50.0	46.9	96.9	84.9	175.2
<i>EBITDA (adjusted) margin</i>	69.6%	65.6%	67.6%	62.4%	63.7%
- Net financial result (cash, after one-offs)	-17.5	-17.5	-35.0	-39.8	-75.8
- Cash taxes	-1.4	-0.7	-2.1	-0.2	-1.7
- Cash dividend payments to minorities	-0.2	-0.2	-0.4	0.0	-0.7
FFO I	2 30.9	28.5	59.4	44.9	97.0
- Capitalised maintenance	-1.1	-2.5	-3.6	-4.3	-9.2
AFFO before modernisation capex	29.8	26.0	55.8	40.6	87.8
- Modernisation capex	-8.8	-5.4	-14.2	-17.0	-37.3
AFFO	3 21.0	20.6	41.6	23.6	50.5
Net revenue from sales	0.5	0.1	0.6	1.7	1.8
FFO II (FFO I + net revenue from sales)	31.4	28.6	60.0	46.6	98.8
<i>Weighted average number of shares outstanding (in '000)</i>	4 146,439	143,481	144,968	129,668	135,666
FFO I per share (EUR)	0.21	0.20	0.41	0.35	0.72
AFFO per share (EUR)	0.14	0.14	0.28	0.18	0.37

1 EBITDA (adjusted) increased by EUR 3.1m to EUR 50.0m in Q2 2017 mainly due to higher net rental income and income from services to tenants.

2 FFO I in Q2 2017 at EUR 30.9m (EUR 28.5m in Q1 2017) after EUR 23.3m in Q2 2016.

3 AFFO increased in Q2 2017 to EUR 21.0m (EUR 20.6m in Q1 2017) after EUR 11.6m in Q2 2016.

4 Number of shares outstanding increased by 4.1m to 146.4m due to placement of treasury shares in Mar-2017.

60,000 treasury shares remaining to cover management incentive program.

TAG balance sheet (IFRS)

(in EUR millions)	30 Jun-2017	31 Dec-2016
Non-current assets	3,983.5	3,843.6
Investment property	① 3,915.1	3,777.8
Deferred tax assets	36.9	38.8
Other non-current assets	31.5	27.0
Current assets	130.0	156.2
Real estate inventory	48.1	51.7
Cash and cash equivalents	② 50.7	74.5
Other current assets	31.2	30.0
Non-current assets held-for-sale	63.5	17.0
TOTAL ASSETS	4,177.0	4,016.8
Equity	1,407.1	1,365.6
Equity (without minorities)	1,390.6	1,350.9
Minority interest	16.5	14.7
Non-current liabilities	2,485.3	2,399.6
Financial debt	2,180.9	2,110.8
Deferred tax liabilities	288.0	272.3
Other non-current liabilities	16.4	16.5
Current liabilities	284.6	251.6
Financial debt	196.4	159.4
Other current liabilities	88.2	92.2
TOTAL EQUITY AND LIABILITIES	4,177.0	4,016.8
Net financial debt	2,326.6	2,195.7
LTV	③ 57.5%	57.1%

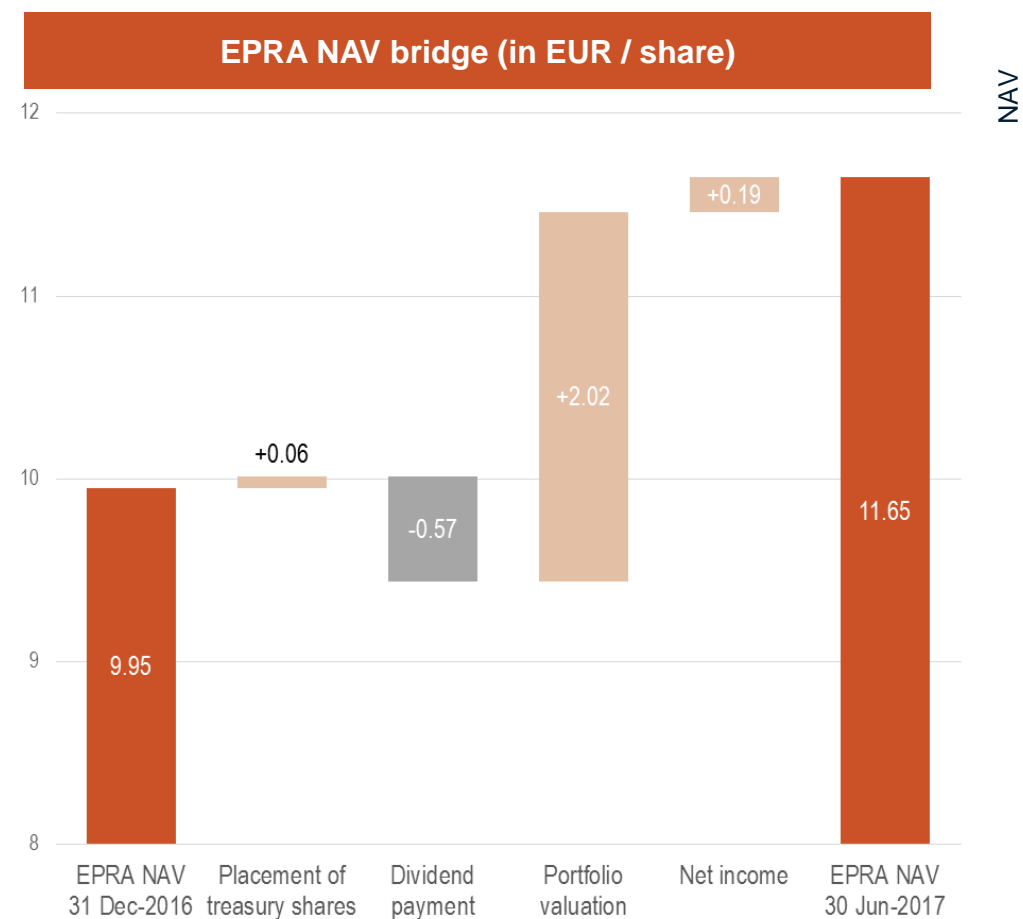
① Increase in book value of investment properties mainly due to closing of acquisitions signed in H1 2017 as of 30 Jun-2017.

② Cash position at EUR 50.7m as of 30 Jun-2017 after purchase price payments for new acquisitions amounting to EUR 147.8m in H1 2017. Increased liquidity of EUR 136.3m from early refinancings of bank loans available after balance sheet date.

③ LTV slightly increased to 57.5% after 57.1% as of 31 Dec-2016 and 55.8% at 31 Mar-2017 due to dividend payment of EUR 83.5m in May-2017.

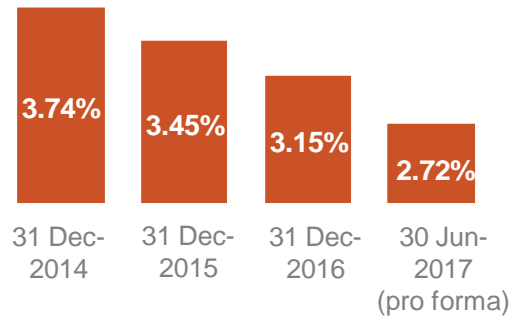
TAG EPRA NAV calculation

(in EUR millions)	30 Jun-2017	31 Dec-2016
Equity (without minorities)	1,390.6	1,350.9
+ Deferred taxes on investment properties and financial derivatives	300.0	287.1
+ Fair value of financial derivatives	3.2	4.0
+ Difference between fair value and book value for properties valued at cost	12.0	0.0
= EPRA NAV	1,705.8	1,642.0
- Standardized transaction costs	0.0	-225.4
= EPRA NAV (incl. standardized transaction costs)	1,705.8	1,416.6
<i>Number of shares outstanding (in '000)</i>	<i>146,439</i>	<i>142,344</i>
EPRA NAV per share (EUR)	11.65	11.53
EPRA NAV per share (EUR) (incl. standardized transaction costs)	11.65	9.95



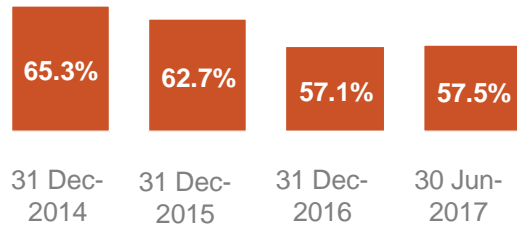
TAG cost of debt and LTV

Cost of debt Ø



- Continuous reduction of average cost of debt from FY 2014 onwards.
- Average cost of debt as of 30-Jun 2017 already takes into account early refinancing of bank loans in July and August 2017 on a pro forma basis.

LTV



- LTV slightly increased in Q2 2017 (55.8% in Q1 2017) due to dividend payment in May-2017.
- LTV target of c. 55% (before effects from any further future valuation gains, 50-55% when including such uplifts) is expected to be reached by the end of FY 2017 driven by cash generation from rental business/ongoing amortisation of bank loans and by disposals.
- Current LTV target ensures efficient use of capital as well as stable and conservative financing structure given TAG's current moderate portfolio valuation level (Fair Value per sqm of c. EUR 800 and LTV of c. 55% leads to average financial debt per sqm of c. EUR 440).



Dessau



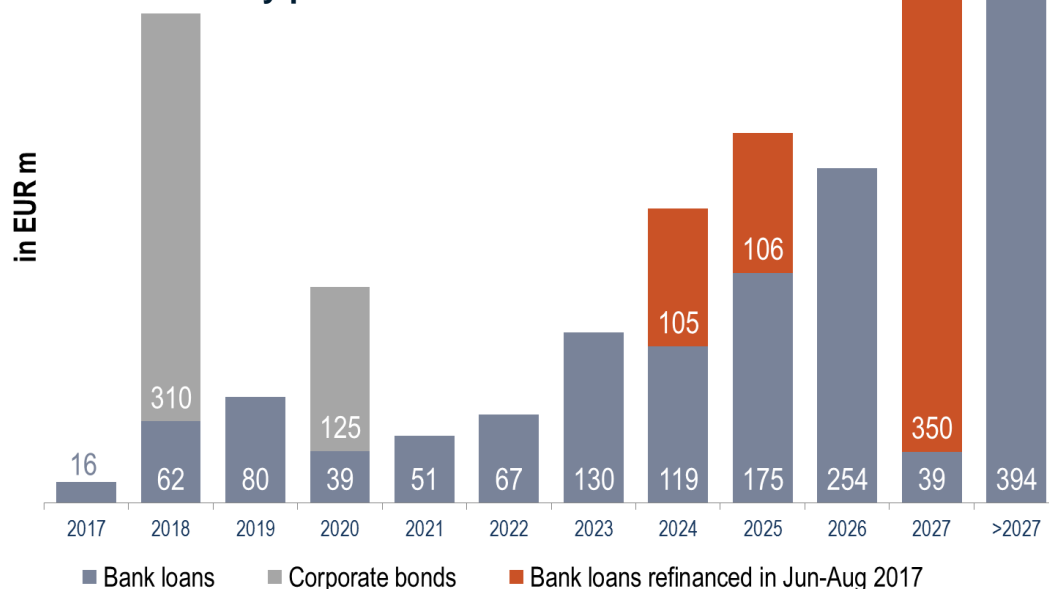
Bergen/Rügen



Erfurt

TAG debt financing structure

Debt maturity profile as of 30 Jun-2017⁽¹⁾



Average maturities as of 30 Jun-2017⁽¹⁾

- Bank loans: 10.0 years (31 Dec-2016: 9.7 years)
- Total financial debt: 8.5 years (31 Dec-2016: 8.3 years)

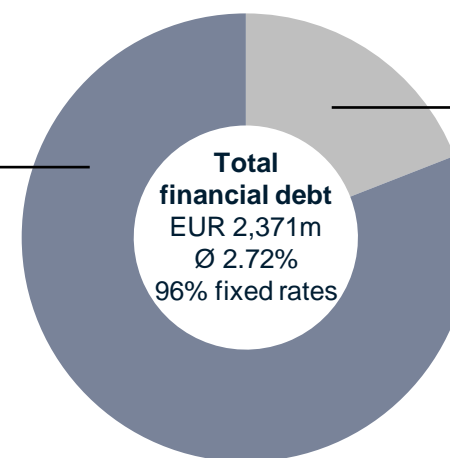
Early refinancing of bank loans in June to August 2017

- Early refinancing of bank loans of EUR 416.9m (maturities/interest terms ending in 2017 and 2018) leads to future interest cost savings of EUR 7.4m p.a. on a like-for-like basis. Average interest rate of refinancings 1.7% (from 3.5%), average maturity and interest terms of refinancings at 9.1 years (from interest terms of 0.9 years).
- New bank loans of EUR 560.7m provide incremental liquidity (after breakage fees of EUR 7.5m) of EUR 136.3m to be used for new acquisitions or repayments of existing debt with higher interest rates.
- Refinancing of corporate bond (volume: EUR 310m, effective coupon of 4.83%) maturing in Aug-2018 and remaining bank loans of EUR 138m maturing or with interest terms ending in 2017/2018 (average interest rate of 3.3%) likely to lead to further interest cost savings.

Interest rates

Bank loans
EUR 1,936m (82%)

Ø interest rate:
2.31% ⁽¹⁾
95% fixed rates



Corporate bonds
EUR 435m (18%)

Ø interest rate:
4.52%
100% fixed rates

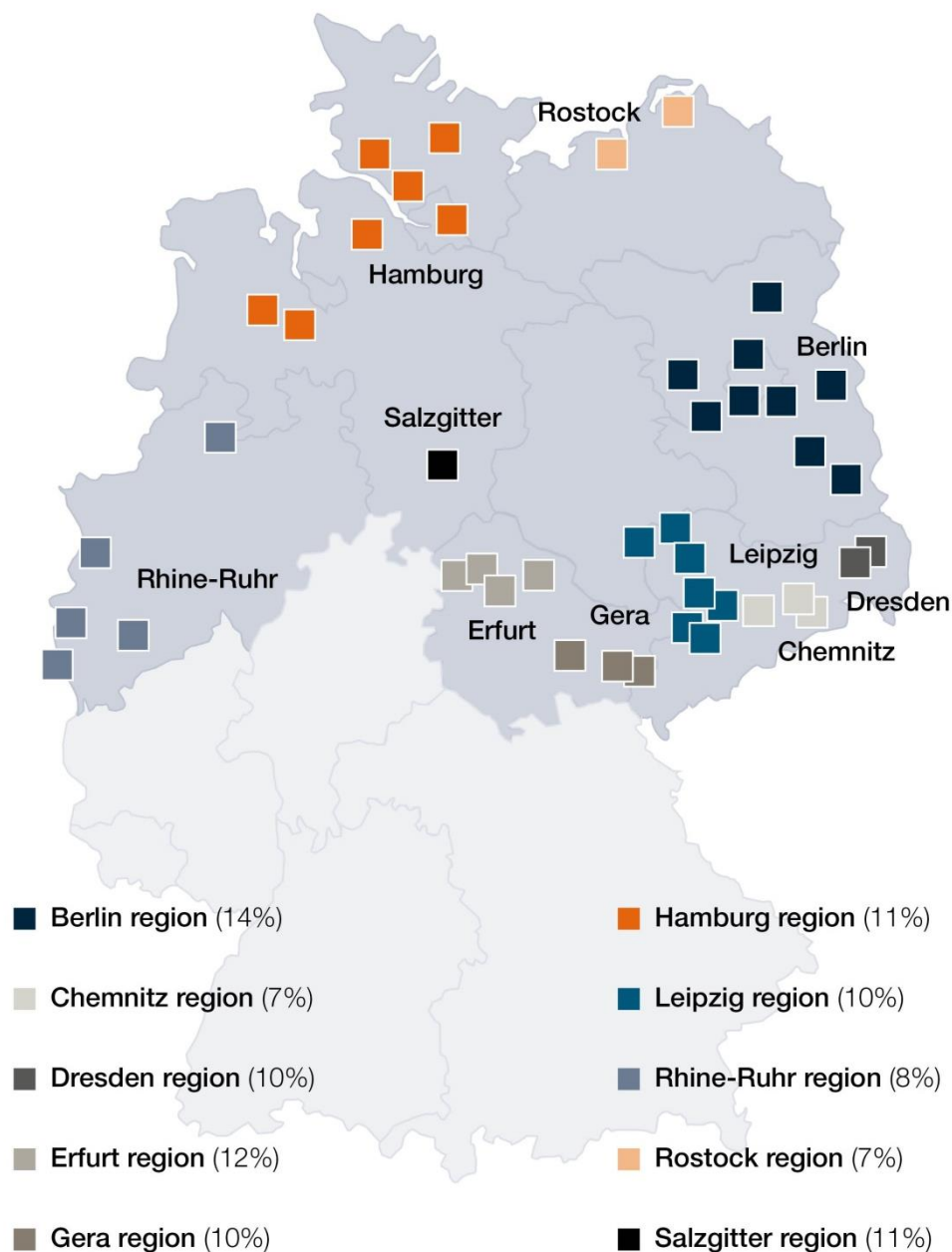
(in EUR millions)	Q2 2017	Q1 2017	FY 2016
+ Interest income	0.6	0.6	2.8
- Interest expenses	-24.0	-18.5	-92.6
+ Net profit from investments	-0.3	0.0	0.3
= Net financial result	-23.7	-17.9	-89.5
thereof non-cash financial result from convertible/corporate bonds	0.2	0.2	1.4
thereof non-cash financial result related to derivatives	-0.1	-0.1	0.3
thereof breakage fees and other non-cash financial result	6.1	0.3	12.0
= Net financial result (cash, after one-offs)	-17.5	-17.5	-75.8
ICR (EBITDA adjusted/net financial result cash, after one-offs)	2.8x	2.7x	2.3x
Net financial debt/EBITDA adjusted	11.6x	11.6x	12.5x

⁽¹⁾ already taking into account refinancing of bank loans in June to August 2017 (pro forma)

TAG 2017

TAG portfolio Q2 2017

TAG portfolio in total as of 30 Jun-2017



- TAG is a leader in affordable housing in Northern and Eastern Germany.
- The portfolio is structured in ten defined regions in large and mid-sized cities.
- The management of these regions is conducted in a decentralized fashion.
- TAG's local presence ensures high operational efficiency and strengthens local sourcing and asset management capabilities.

Portfolio as of	30 Jun-2017	31 Dec-2016
Units	82,943	79,754
Rentable area in sqm	5,051,257	4,878,022
Real estate volume in EURm	4,036.7	3,856.6
Annualised current net cold rent in EURm (total portfolio)	298.7	286.4
Current net cold rent in EUR/sqm / month (total portfolio)	5.25	5.23
Current net cold rent in EUR/sqm month (residential units)	5.15	5.11
Vacancy in % (total portfolio)	6.2	6.5
Vacancy in % (residential units)	5.5	6.1
L-f-I rental growth in % (Y-o-Y)	2.0	2.0
L-f-I rental growth in % (including vacancy reduction, Y-o-Y)	3.3	3.7

TAG strategy and strengths

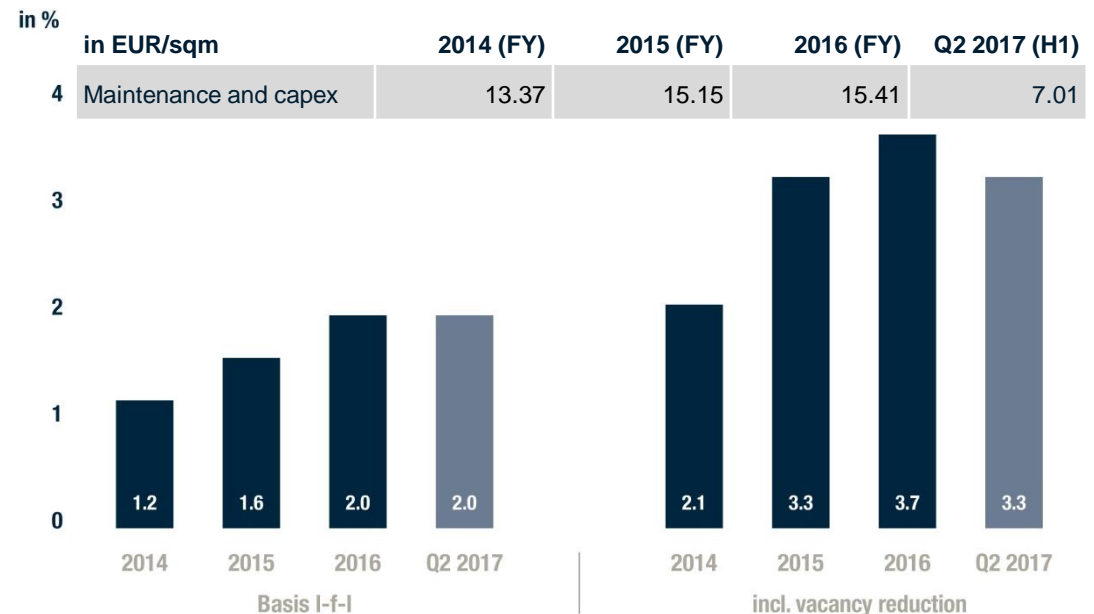
Unparalleled competence in sourcing and asset management

- TAG is an **expert in sourcing, acquiring and managing** residential properties with a focus on **Eastern and Northern Germany**.
- TAG exhibits **strong local presence in its core regions** which allows for **excellent market knowledge** and **efficient operation** of properties.
- **Excellent sourcing capabilities due to local networks** allows for sourcing of assets with value add potential and attractive risk / return profile.
- Levering on its strong local network TAG explicitly aims to **acquire smaller and / or geographically diversified portfolios** for which competition is relatively low.
- TAG explicitly aims to **acquire assets with higher vacancy rates** and / or rental upside potential which is then **lifted by TAG's asset management** by selective investment of capex and refurbishment measures.
- **Vacancy reduction** of newly acquired properties **provides an additional source of rental income and value growth**. This is underpinned by recent results with one third of (gross) revaluation result stemming from operational measures rather than from yield compression.

Vacancy reduction as a source of value creation



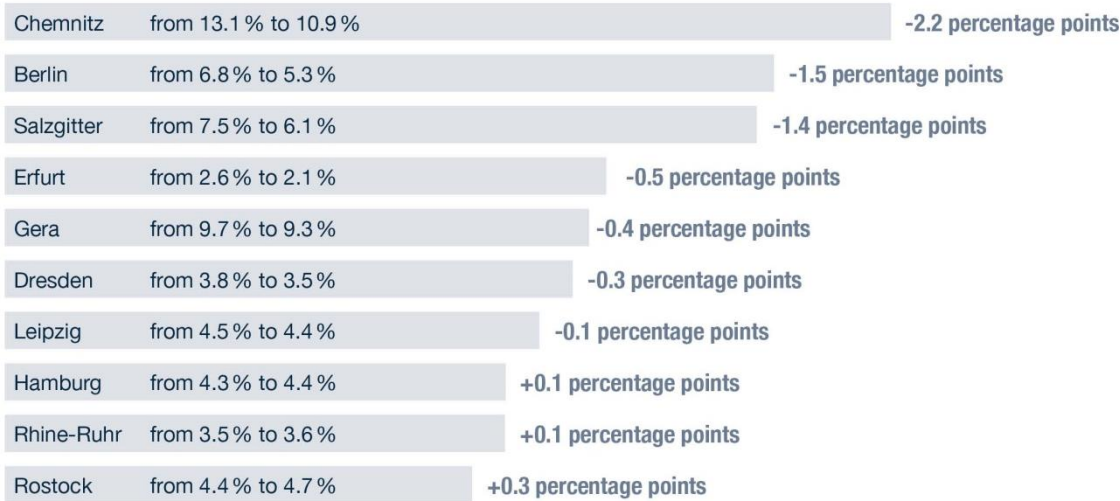
Rental growth achieved with moderate capex investments



TAG vacancy reduction and rental growth

Vacancy development per region

H1 2017

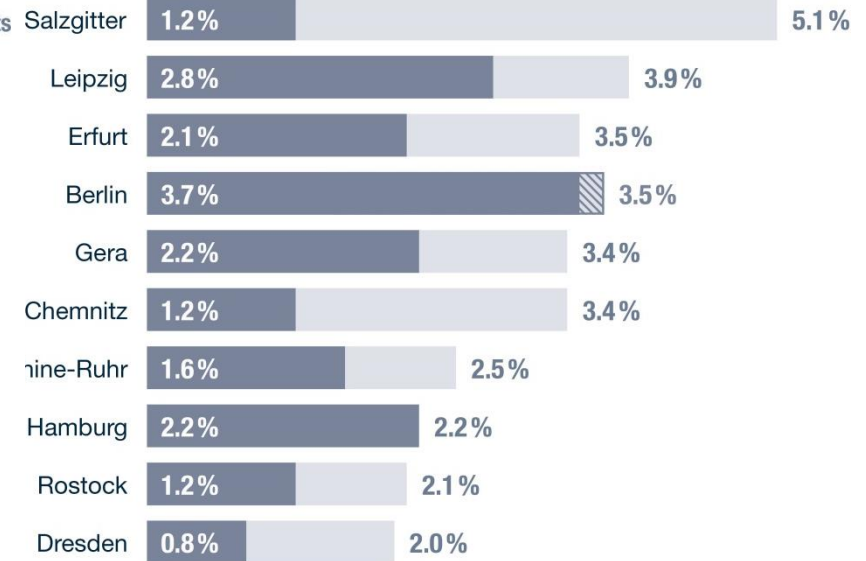


2016

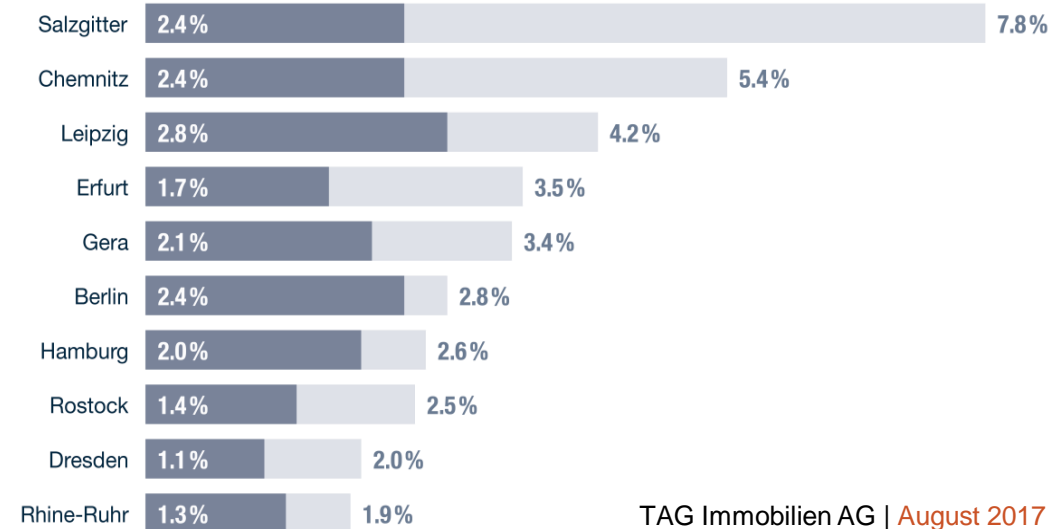


L-f-I rental growth per region (Y-o-Y)

Q2 2017



2016



■ Basis I-f-I ■ Including vacancy reduction

TAG 2017

TAG valuation H1 2017

TAG H1 2017 valuation by CBRE

Main results of H1 2017 valuation carried out as of 30 Jun-2017

- Alignment in treatment of transaction cost with peer group due to increased uncertainty of future treatment of share deals with respect to real estate transfer tax: full deduction of potential transaction costs for the full portfolio as of Q2 2017.
- Valuation gain of EUR 296.2m (last valuation as of 30 Sep-2016: EUR 163.8m) before change in treatment of transaction costs (c. 7% valuation uplift within 9 month period since last valuation) with
 - EUR 209.8m gain from yield compression (30 Sep-2016: EUR 70.5m of c. 50 bps (30 Sep-2016: c. 20 bps)
 - EUR 86.4m gain from stronger rental growth and vacancy reduction (30 Sep-2016: EUR 93.3m)
- Net valuation gain of EUR 39.5m (EUR -256.7m effect from this change).
- Until further notice and depending on the market and price dynamics in the regions operated by TAG, portfolio will be revaluated semi-annually, next valuation as at 31 December 2017.

Key metrics

	Jun-2017	Sep-2016 (as reported)	Sep-2016 (adjusted for transaction costs)
Value EUR / sqm	c. 800	c. 785	c. 740
Gross yield	7.4%	7.4%	7.9%
Implied multiple	13.5x	13.5x	12.7x

VALUATION

Valuation remains at conservative levels with c. EUR 800 / sqm and 7.4% gross yield



Dresden



Wittenberg

TAG portfolio valuation details H1 2017

Region (in EUR millions)	Jun-2017 Fair value (IFRS)	Jun-2017 Fair value (EUR/sqm)	Jun-2017 Implied multiple	H1 2017 Revaluation gain / loss	Share of yield compression	Share of operational performance/ other market developments	Change in treatment of transaction costs	H1 2017 Net revaluation gain/loss	Dec-2016 Fair value (IFRS)	Dec-2016 Fair value (EUR/sqm)	Dec-2016 Implied multiple
Berlin	518.8	915.1	14.7x	51.4	36.0	15.4	-42.1	9.3	522.0	864.5	14.6x
Chemnitz	266.2	605.0	11.9x	13.6	10.8	2.8	-17.5	-3.9	226.5	585.6	12.0x
Dresden	393.5	948.3	15.0x	44.2	38.9	5.3	-26.5	17.7	374.8	902.9	14.4x
Erfurt	456.9	829.6	13.7x	44.0	30.9	13.1	-41.5	2.5	407.7	830.4	13.8x
Gera	383.9	649.8	12.5x	33.5	21.4	12.1	-36.0	-2.5	382.8	651.5	12.7x
Hamburg	397.5	883.9	14.0x	17.9	13.5	4.4	-7.7	10.1	387.5	860.4	13.8x
Leipzig	384.8	715.1	12.2x	23.3	10.8	12.5	-28.1	-4.8	372.9	725.0	12.4x
Rhine-Ruhr	316.9	941.3	14.8x	28.4	19.2	9.2	-2.7	25.7	288.0	860.6	13.7x
Rostock	268.5	814.2	13.3x	16.3	12.0	4.3	-21.7	-5.3	272.8	827.4	13.6x
Salzgitter	410.6	727.3	12.6x	30.3	16.7	13.6	-31.7	-1.4	407.6	722.0	12.7x
Total residential units	3,797.6	794.1	13.5x	302.9	210.3	92.6	-255.5	47.4	3,642.6	778.7	13.4x
Acquisitions	146.4	638.3	12.5x	-6.2	0.0	-6.2	0.0	-6.2	111.8	722.4	13.0x
Total residential portfolio	3,944.0	787.0	13.4x	296.7	210.3	86.4	-255.5	41.2	3,754.4	776.9	13.4x
Other	92.7	2,343.5	17.9x	-0.5	-0.5	0.0	-1.2	-1.7	102.2	2,251.9	17.3x
Grand total*	4,036.7	799.1	13.5x	296.2	209.8	86.4	-256.7	39.5	3,856.6	790.6	13.5x

* Real estate inventory (IAS 2) and real estate within property, plant and equipment (IAS 16) valued at historical/amortized cost under IFRS.

TAG 2017

TAG acquisitions and disposals H1 2017

TAG acquisitions H1 2017

Signing	Brandenburg Feb-2017	Saxony-Anhalt Mar-2017	Saxony-Anhalt, Lower Saxony, Thuringia Jun-2017	Total H1 2017
Units	1,441	1,252	1,445	4,138
Current net cold rent EUR/sqm/month	4.77	4.82	4.78	4.79
Vacancy	19.3%	7.2%	6.3%	11.1%
Purchase price in EURm	41.9	42.9	63.0	147.8
Current net cold rent in EURm p.a.	3.42	3.47	5.34	12.23
Location	Brandenburg an der Havel	Halle an der Saale	Various (e.g. Halle an der Saale, Goslar, Meiningen)	---
Closing	Jun-2017	Jun-2017	Jun-2017 (mainly)	---
Multiples	12.3x	12.4x	11.8x	12.1x

c. 4,100 units acquired in H1 2017 at an average acquisition multiple of 12.1x (8.3% gross yield)



Brandenburg



Halle



Goslar

TAG disposals H1 2017

Signing	Brandenburg Feb-2017	Freiburg Jun-2017	Ongoing disposals H1 2017	Total H1 2017
Units	535	457	221	1,213
Current net cold rent EUR/sqm/month	3.61	6.21	---	---
Vacancy	33.4%	0.0%	---	---
Selling price in EURm	5.5	59.0	8.9	73.4
Current net cold rent in EURm p.a.	0.96	2.67	0.59	4.22
Net cash proceeds EURm	0.0	c. 41.2	7.5	c. 48.7
Book profit in EURm	0.1	13.5 (before revaluation to selling price at 30 Jun-2017)	1.1	14.7
Location	Brandenburg an der Havel	Freiburg	Various (e.g. Berlin, Hamburg, Gera)	---
Closing	Jun-2017	Oct-2017 (expected)	2017	---
Multiples	5.7x	22.1x	15.0x	17.4x
Comments	Disposal of assets with lower quality	Disposal in high-priced and non-strategic market	Also includes sales of non-core assets	---



Brandenburg



Freiburg

c. 1,200 units sold in H1 2017 at an average multiple of 17.4x (5.7% gross yield)

TAG 2017

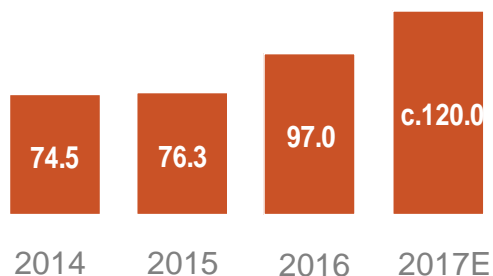
TAG revised guidance FY 2017

TAG revised guidance FY 2017

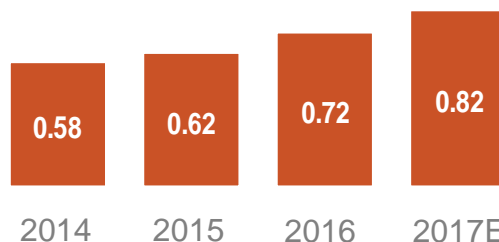
**FFO
Guidance
FY 2017
increased**

- **FFO** EUR 119m-121m after EUR 110m-112m (FY 2016: EUR 97m) mainly driven by new acquisitions (less disposals) and strong operational performance in H1 2017, main effects from refinancings will kick in from FY 2018 onwards.
- **FFO/s** EUR 0.82 after EUR 0.77 (FY 2016: EUR 0.72)
- **Dividend/s** EUR 0.62 after EUR 0.60 (FY 2016: EUR 0.57)

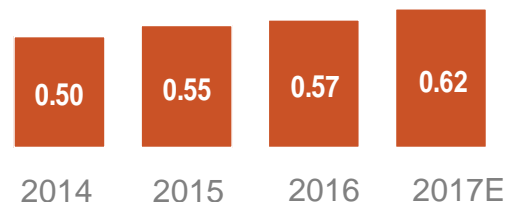
FFO in EURm



FFO per share in EUR



Dividend per share in EUR



Salzgitter



Chemnitz



Bestensee

TAAG 2017

APPENDIX

TAG portfolio details by region Q2 2017

Region	Units #	Rentable area sqm	IFRS BV EURm	In-place yield	Vacancy Jun-2017	Vacancy Dec-2016	Current 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
Berlin	9,279	534,118	518.8	6.4%	5.3%	6.8%	5.44	6.08	3.7%	3.5%	2.92	2.81
Chemnitz	7,338	423,411	266.2	8.2%	10.9%	13.1%	4.79	4.83	1.2%	3.4%	5.01	7.47
Dresden	6,190	402,016	393.5	6.4%	3.5%	3.8%	5.41	5.56	0.8%	2.0%	2.29	2.33
Erfurt	9,359	527,626	456.9	6.9%	2.1%	2.6%	5.07	5.53	2.1%	3.5%	2.12	3.37
Gera	9,672	562,907	383.9	7.7%	9.3%	9.7%	4.80	5.14	2.2%	3.4%	2.59	4.20
Hamburg	7,208	441,174	397.5	6.9%	4.4%	4.3%	5.38	5.71	2.2%	2.2%	3.37	1.52
Leipzig	8,875	525,752	384.8	7.9%	4.4%	4.5%	5.04	5.22	2.8%	3.9%	2.08	2.21
Rhine-Ruhr	4,972	323,893	316.9	6.3%	3.6%	3.5%	5.35	5.67	1.6%	2.5%	4.93	2.40
Rostock	5,469	325,096	268.5	7.4%	4.7%	4.4%	5.31	5.57	1.2%	2.1%	3.25	3.02
Salzgitter	9,176	563,023	410.6	7.8%	6.1%	7.5%	5.04	5.29	1.2%	5.1%	4.00	7.90
Total residential units	77,538	4,629,016	3,797.6	7.1%	5.5%	6.1%	5.15	5.43	2.0%	3.3%	3.17	3.84
Acquisitions	3,984	227,042	146.4	7.9%	11.7%	4.2%	4.79	---	---	---	0.00	0.00
Commercial units within resi. portfolio	1,229	155,649	---	---	16.9%	17.5%	7.66	---	---	---	--	--
Total residential portfolio	82,751	5,011,707	3,944.0	7.4%	6.2%	6.5%	5.20	---	---	---	2.93	3.55
Other	192	39,549	92.7	5.6%	9.9%	11.6%	12.09	---	---	---	4.65	0.53
Grand total	82,943	5,051,257	4,036.7	7.4%	6.2%	6.5%	5.25	---	---	---	2.94	3.52

TAG EPRA Earnings

(in EUR millions)	Q2 2017	Q1 2017	Q4 2016	FY 2016
Net income	51.9	22.1	26.6	200.7
Valuation result	-39.8	0.3	0.6	-163.1
Deferred income taxes on valuation result	9.1	3.7	-0.2	43.6
Net revenues from sales	-0.5	-0.1	0.0	-1.8
Cash taxes on net revenues from sales	0.0	0.0	0.2	0.7
Fair value valuation of derivative financial instruments	0.1	-0.1	-0.1	0.3
Breakage fees bank loans and payments for early conversion of convertible bond	5.4	0.0	0.1	10.5
Cash dividend payments to minorities	-0.2	-0.2	-0.7	-0.7
EPRA Earnings	25.8	25.7	26.5	90.2
Deferred income taxes (other than on valuation result)	3.3	1.3	-0.9	0.7
Other non cash financial result	0.9	0.6	0.8	2.9
One off's personnel costs and project costs	0.0	0.0	0.0	0.9
Depreciation	0.9	0.9	0.9	3.0
Cash taxes on net revenues from sales	0.0	0.0	-0.2	-0.7
FFO I	30.9	28.5	27.1	97.0
Weighted average number of shares (outstanding)	146,439	143,481	142,344	135,666
EPRA Earnings per share (in EUR)	0.17	0.18	0.19	0.66
FFO I per share (in EUR)	0.21	0.20	0.19	0.72

TAG LTV calculation

(in EUR millions)	30 Jun-2017	31 Dec-2016
Non-current and current liabilities to banks	1,935.9	1,826.5
Non-current and current liabilities from corporate bonds	441.4	443.7
Cash and cash equivalents	-50.7	-74.5
Net financial debt	2,326.6	2,195.7
Book value of investment properties	3,915.1	3,777.8
Book value of property reported under property, plant and equipment	10.0	10.1
Book value of property held as inventory	48.1	51.7
Book value of property reported under non-current assets held-for-sale	63.5	17.0
Real estate volume	4,036.7	3,856.6
Book value of property for which purchase prices have already been paid (or received) in advance	-2.9	-9.0
Difference between fair value and book value for properties valued at cost	12.0	0.0
Relevant real estate volume for LTV calculation	4,045.8	3,847.6
LTV	57.5%	57.1%

TAG capex and maintenance

in EUR millions	2016					2017		
	Total portfolio	Q1	Q2	Q3	Q4	Total FY	Q1	Q2
Maintenance	6.6	6.6	5.8	6.0	25.0	7.3	6.9	14.2
Capex	9.6	11.7	13.6	11.6	46.5	7.9	9.9	17.8
Total	16.2	18.3	19.4	17.6	71.5	15.2	16.8	32.0

in EUR/sqm	2016					2017		
	Residential units	Q1	Q2	Q3	Q4	Total FY	Q1	Q2
Maintenance	1.43	1.44	1.26	1.28	5.41	1.55	1.62	3.17
Capex	2.11	2.57	2.97	2.35	10.00	1.66	2.18	3.84
Total	3.54	4.01	4.23	3.63	15.41	3.21	3.80	7.01

TAG return on capex

Modernization is key element of TAG's strategy

Capex measures 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

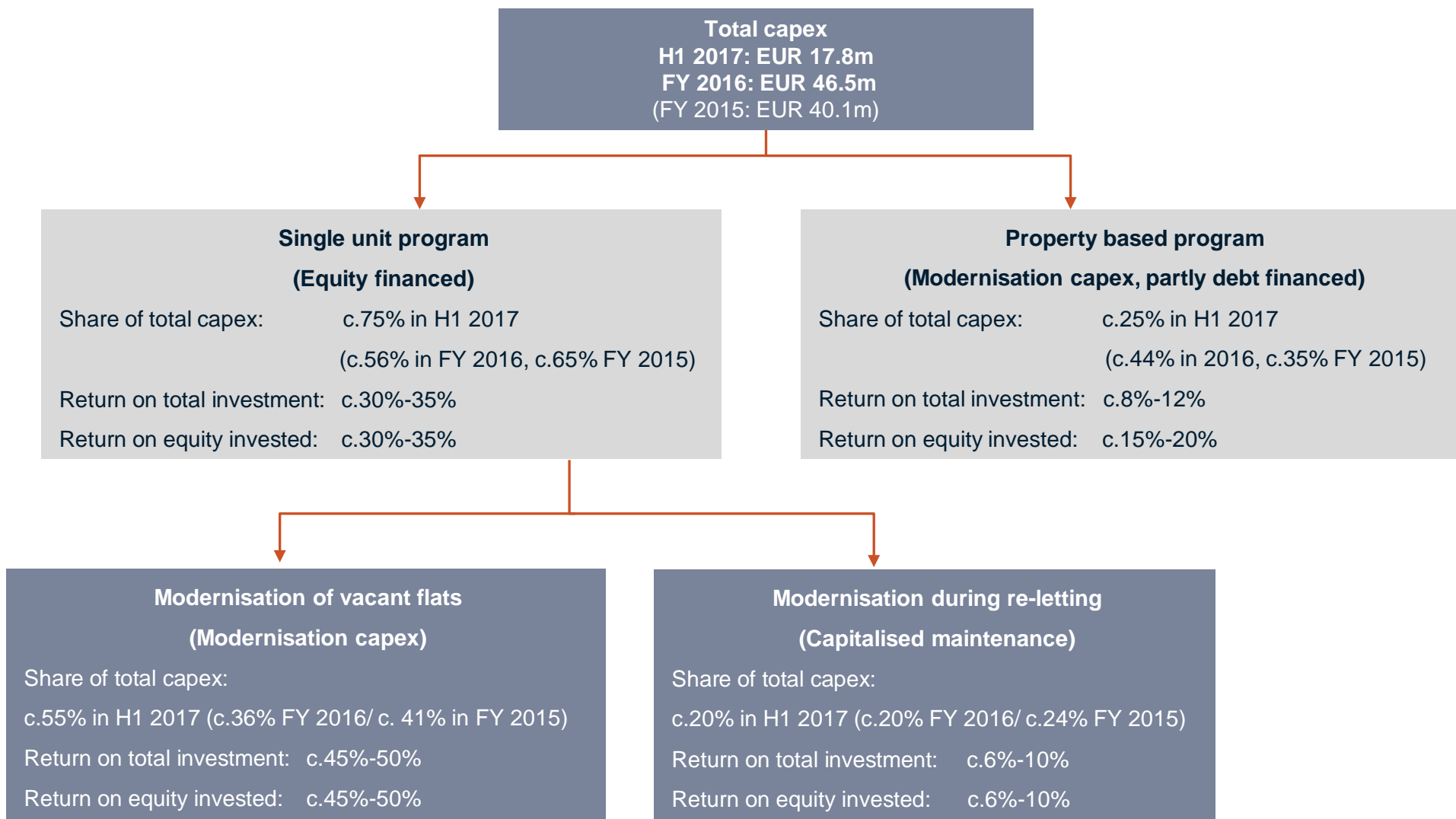
1
$$\frac{\text{Incremental revenues}}{\text{Total investment}} = \text{Return on investment}$$

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

	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			

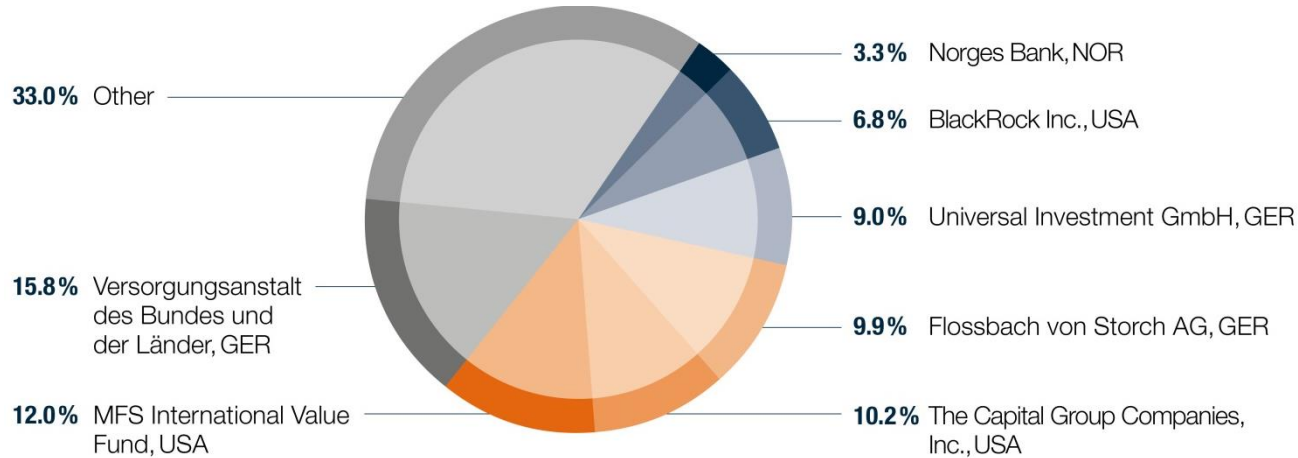
* Subject to scope of measures

TAG return on capex



TAG shareholder structure

Shareholder structure as of 30 Jun-2017



- Number of shares (issued) 146.5m
- Market capitalisation (30 Jun-2017) EUR 2.0bn
- Stock indices MDAX/EPRA
- Free Float * 100%
- National and international investors with long term investment strategy represent the majority of shareholders

* Deutsche Börse definition including institutional investors



Riesa



Wittenberg



Frödenberg

TAG management board



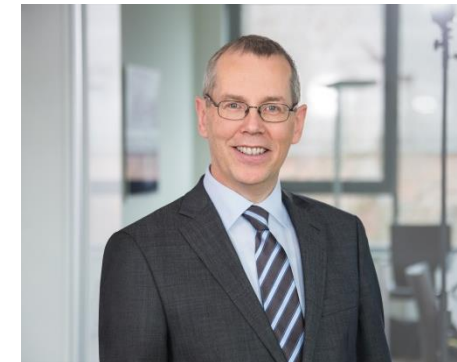
Claudia Hoyer
COO

- Key responsibilities: Property and Asset Management, Acquisitions and Disposals, Shared Service Center
-
- Age 45
 - 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 45
 - 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 61
 - 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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CFO

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