



2015

Company presentation  
Q1 2015 Figures

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**TAG**  
Immobilien AG

TAG highlights Q1 2015

# TAG highlights Q1 2015

## ■ Overview of financial metrics

- **Rental income:** **EUR 64.1m** (EUR 64.5m in Q4 2014)
- **Net rental income:** **EUR 52.7m** (EUR 51.4m in Q4 2014)
- **FFO I:** **EUR 18.1m** (EUR 18.2m in Q4 2014)
- **FFO I/s:** **EUR 0.15** (EUR 0.15 in Q4 2014)
- **NAV/s :** **EUR 10.24** (EUR 10.10 as of 12/31/2014)
- **LTV:** **62.4%** (65.2% incl. convertible bonds)
- **Vacancy** (residential units): **8.9%** (8.1% end of 2014, 9.0% on like-for-like basis)
- **Net in-place rents** (residential units): **4.98 EUR/sqm** (5.00 EUR/sqm end of 2014, 4.97 EUR/sqm on like-for-like basis)

## ■ Outlook 2015

- 2015 FFO/s: EUR 0.67-0.69 (based on outstanding shares as of 12/31/2014, i.e. without conversions; unchanged)
- 2014 Dividend per share (subject to approval of the AGM in June 2015): EUR 0.50 (unchanged)
- 2015 Dividend per share proposal: EUR 0.55 (unchanged)

## ■ Sales residential (Berlin signed April 2015)

- Units: approx. 970
- Sales price: EUR 59.8m
- Net cash proceeds: approx. EUR 34.2m
- Book profit: approx. EUR 10.7m
- Multiple: 17.0x

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**TAG**  
Immobilien AG

TAG financials Q1 2015

# TAG income statement (IFRS)

(in EUR millions)	Q1 2015	Q4 2014	FY 2014
<b>Rental income</b>	① 64.1	64.5	257.4
Expenses from property management	-11.4	-13.1	-47.9
<b>Net rental income</b>	② 52.7	51.4	209.5
<i>Margin</i>	82.2%	79.7%	81.4%
Net revenue from sales	-0.2	40.9	40.3
Net income from property management	0.2	0.3	1.5
Other operating income	0.6	2.9	12.0
Net fair value gains and losses	③ 21.5	-4.7	46.8
<b>Gross profit</b>	<b>74.8</b>	<b>90.9</b>	<b>310.1</b>
Personnel expenses	-8.1	-9.2	-33.7
Depreciation	-0.9	-1.4	-3.4
Impairment losses on receivables and inventories	-1.8	-37.9	-49.0
Other operating expenses	④ -5.0	-7.2	-22.9
<b>EBIT</b>	<b>59.0</b>	<b>35.2</b>	<b>201.1</b>
Net financial result	⑤ -24.7	-34.9	-118.0
<b>EBT</b>	<b>34.3</b>	<b>0.2</b>	<b>83.1</b>
Income tax	⑥ -6.3	-34.7	-54.1
<b>Net income</b>	<b>28.0</b>	<b>-34.5</b>	<b>29.0</b>

① Rental income slightly decreased due to portfolio sales closed in Dec. 2014. New acquisitions (2,850 units) only effective as of Feb. 2015

② Rise in net rental income Q1 2015 relates to one-off adjustments of ancillary expenses in Q4 2014

③ Fair value gains Q1 2015 from first-time consolidation of newly acquired portfolios

④ Q1 2015 includes EUR 1.5m one-off's (mainly relating to ERP software (SAP) project) after EUR 2.9m in Q4 2014

⑤ Includes EUR 1.3m breakage fees in Q1 2015 linked to portfolio sales after EUR 10.4m in Q4 2014; net financial result (cash, after one offs) improved by EUR 1.0 compared to Q4 2014

⑥ Income tax in Q1 2015 completely relates to deferred taxes (mainly due to fair value gains); in Q4 2014 EUR -34.5m one-off adjustments of deferred taxes

# TAG FFO calculation

(in EUR millions)	Q1 2015	Q4 2014	FY 2014
<b>Net income</b>	<b>28.0</b>	<b>-34.5</b>	<b>29.0</b>
+ Taxes	6.3	34.7	54.1
+ Net financial result	24.7	34.9	118.0
<b>EBIT</b>	<b>59.0</b>	<b>35.2</b>	<b>201.1</b>
- Net financial result (cash, after one off's)	-22.2	-23.2	-92.9
- Cash taxes	0.0	-0.1	0.7
+ Adjustments			
Valuation result	-21.5	4.7	-46.8
Revaluation of real estate inventory	0.0	-1.3	-2.1
Deconsolidation commercial portfolio	0.0	0.0	-1.0
Depreciation	0.9	1.4	3.4
Impairment losses on receivables (excl. rent receivables) and inventories	0.0	36.8	42.7
One off's personnel-costs, ancillary expenses and project costs	1.7	5.6	9.7
Net revenue from sales	0.2	-40.9	-40.3
<b>= FFO I</b>	<b>18.1</b>	<b>18.2</b>	<b>74.5</b>
- CAPEX	-6.8	-9.9	-31.6
<b>= AFFO</b>	<b>11.3</b>	<b>8.3</b>	<b>42.9</b>
FFO I + net revenue from sales	-0.2	40.9	40.3
<b>= FFO II</b>	<b>17.9</b>	<b>59.1</b>	<b>114.8</b>
<i>Number of shares (outstanding) (in '000)</i>	<i>122,141</i>	<i>118,586</i>	<i>118,586</i>
<b>FFO I per share (EUR)</b>	<b>0.15</b>	<b>0.15</b>	<b>0.63</b>
<b>AFFO per share (EUR)</b>	<b>0.09</b>	<b>0.07</b>	<b>0.36</b>
<i>Number of shares, fully diluted (in '000)</i>	<i>134,523</i>	<i>132,523</i>	<i>132,523</i>
<b>FFO I per share (EUR), fully diluted</b>	<b>0.14</b>	<b>0.15</b>	<b>0.61</b>
<b>AFFO per share (EUR), fully diluted</b>	<b>0.09</b>	<b>0.07</b>	<b>0.37</b>

FFO development Q1 2015 compared to Q4 2014:

- FFO I nearly unchanged in comparison to previous quarter
- But: closing of two acquisitions (2,850 units) in Feb. 2015, whereas Berlin sales became effective as of 31-Dec-2014; leads to FFO-Reduction in Q1 2015 of approx. EUR 0.7m (FFO of these acquisitions for Jan. 2015)
- Strong AFFO increase to EUR 11.3 (EUR 8.3m in Q4 2014)

# TAG balance sheet (IFRS)

(in EUR millions)	31-March-2015	31-Dec-2014
<b>Non-current assets</b>	<b>3,558.3</b>	<b>3,421.6</b>
Investment property	① 3,471.3	① 3,331.6
Other financial assets	12.7	12.7
Other non-current assets	74.3	77.4
<b>Current assets</b>	<b>143.4</b>	<b>303.1</b>
Real estate inventory	17.2	19.3
Cash and cash equivalents	② 85.3	② 196.6
Other current assets	③ 40.9	③ 87.1
<b>Non-current assets available-for-sale</b>	<b>7.8</b>	<b>9.5</b>
<b>TOTAL ASSETS</b>	<b>3,709.5</b>	<b>3,734.2</b>
<b>Equity (including minority interest)</b>	<b>1,046.3</b>	<b>1,005.1</b>
Minority interest	19.9	25.5
<b>Non-current liabilities</b>	<b>2,491.8</b>	<b>2,529.0</b>
Financial debt	2,266.8	2,302.6
Deferred tax liabilities	214.1	211.1
Other non-current liabilities	10.9	15.2
<b>Current liabilities</b>	<b>171.4</b>	<b>200.2</b>
Financial debt	111.4	150.3
Other current liabilities	60.0	50.0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,709.5</b>	<b>3,734.2</b>
LTV (excl. convertible bonds)	62.4 %	62.2 %
LTV	65.2 %	65.3 %

① Change Q1 2015 vs. Q4 2014 refers to acquisitions (EUR 137.4m), Capex (EUR 6.8m) and sales (EUR -6.1m)

② EUR 115.9m purchase price payments made in Q1 2015 for acquisitions signed in Q4 2014

③ Includes EUR 7.2m receivables from property sales held in trust accounts as of 31 March 2015 (EUR 54.5m as of 31 Dec 2014, included as cash in LTV calculation)



# TAG NAV calculation

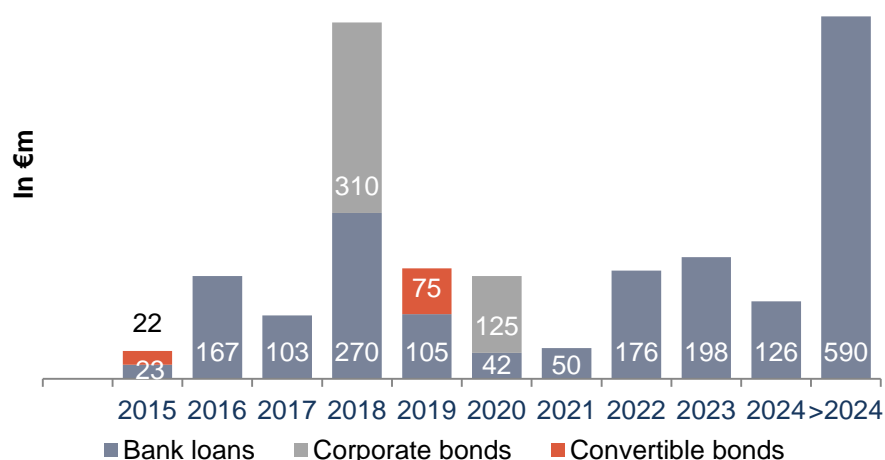
(in EUR millions)	31- March- 2015	31-Dec- 2014
<b>Equity (without minorities)</b>	<b>1,026.4</b>	<b>979.5</b>
+ Deferred taxes on investment properties and financial derivatives	217.2	211.3
+ Fair value of financial derivatives	6.8	7.4
<b>= EPRA NAV</b>	<b>1,250.4</b>	<b>1,198.2</b>
- Standardized transaction costs	-189.7	-185.1
<b>= EPRA NAV (incl. standardized transaction costs)</b>	<b>1,060.7</b>	<b>1,013.1</b>
<i>Number of shares (outstanding) (in '000)</i>	122,141	118,586
<b>EPRA NAV per share (EUR)</b>	<b>10.24</b>	<b>10.10</b>
<b>EPRA NAV per share (EUR) (incl. standardized transaction costs)</b>	<b>8.68</b>	<b>8.54</b>
<i>Number of shares, fully diluted (in '000)</i>	134,523	132,523
<b>EPRA NAV per share (EUR) fully diluted</b>	<b>10.01</b>	<b>9.85</b>

NAV per share development Q1 2015 compared to Q4 2014:

- Approx. EUR 0.23 increase due to net income of EUR 28.0m in Q1 2015
- Approx. EUR 0.09 reduction because of conversions of convertible bonds and changes in deferred taxed in Q1 2015

# TAG debt financing structure

Debt maturity profile as of 31-March-2015 in EUR millions



## Upcoming refinancing in the short- to medium-term

- TAG is currently financing new mortgage bank loans at all-in interest cost below 1.8% p.a. for a 10 year term
- Within the next 3 years, a total of EUR 384m of bank loans will mature and may thus be refinanced at no breakage fees
- Average duration of bank loans at 11.0 years
- Convertible expiring in December 2015 (EUR 22m, EUR 32m as of 31-Dec-2014) in the money, conversion price of EUR 6.67

## Interest rates and maturities

(in EUR millions)	Current amount	Average interest rate	Maturity/ Refinancing in the next 3 years	Average interest rate (refinancing in the next 3 years)
<b>Bonds</b>	435	4.52%	-	-
<b>Convertibles</b>	97	5.73%	22	6.50%
<b>Bank loans</b>	1,840	3.40%	384	4.00%
<b>Total</b>	2,372	3.70%	406	4.13%

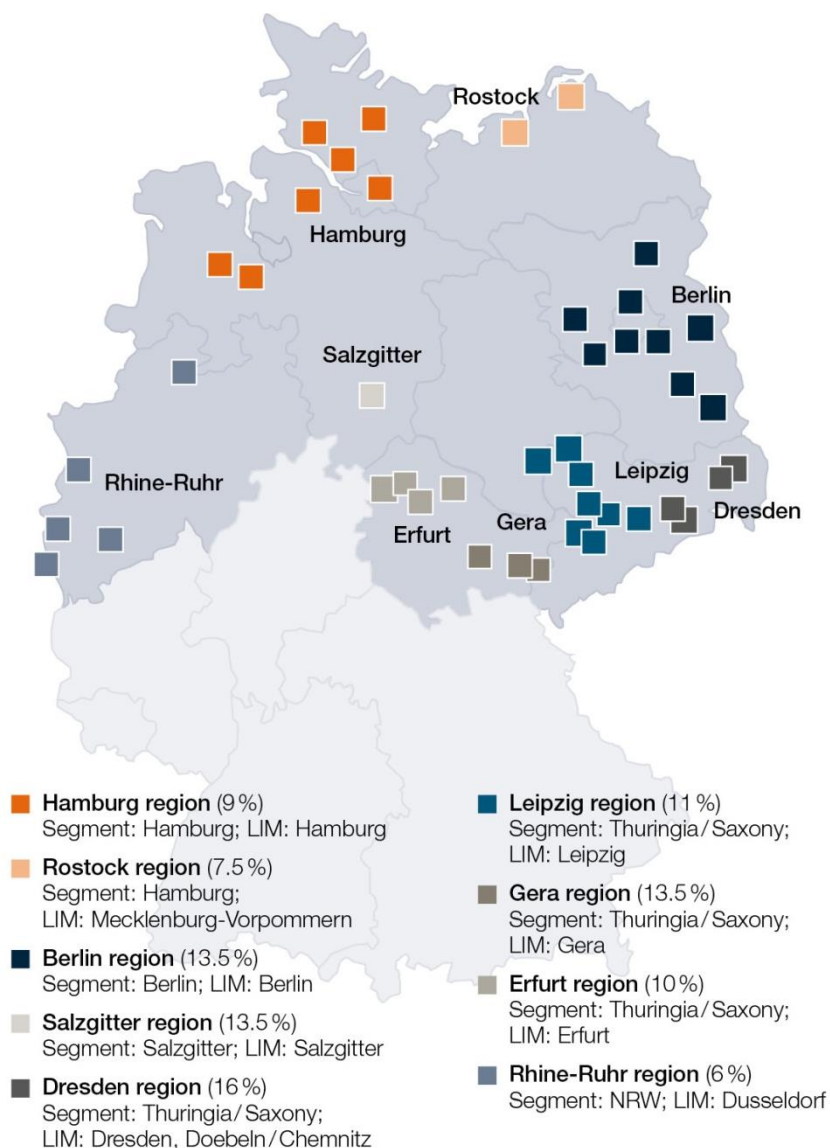
(in EUR millions)	Q1 2015	Q4 2014	FY 2014
<b>+ Interest income</b>	0.8	1.1	4.1
<b>- Interest expenses</b>	-25.6	-36.5	-122.8
<b>+ net profit from investments/ associates</b>	0.1	0.5	0.7
<b>= Net financial result</b>	-24.7	-34.9	-118.0
thereof non-cash financial result related to convertible bonds	-0.6	-0.6	-2.0
thereof non-cash financial result related to corporate bonds	-0.2	-0.2	-1.1
thereof non-cash related to derivatives	-0.1	-0.4	-10.2
thereof other non-cash financial result and one-offs <sup>(1)</sup>	-1.6	-10.7	-11.8
<b>= Net financial result (cash, after one-offs)</b>	-22.2	-23.2	-92.9

(1) Includes other non cash financial income, other expenses and one-offs from refinancing

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TAG portfolio and platform

# TAG portfolio in total as of 31-March-2015



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

Portfolio as of	31-Mar.- 2015	31-Dec.- 2014
Units	<b>75,223</b>	72,530
Rentable area in sqm	<b>4,615,148</b>	4,436,670
Real estate volume in TEUR	<b>3,507,110</b>	3,371,269
Net actual rent in EUR/ sqm/month (total)	<b>5.13</b>	5.16
Net actual rent in EUR/ sqm/month (residential units)	<b>4.98</b>	5.00
Annualized net actual rent in TEUR (total)	<b>258,399</b>	252,287
Vacancy in % (total)	<b>9.1</b>	9.0
Vacancy in % (residential units)	<b>8.9</b>	8.1

# TAG platform efficiency

TAG runs the most efficient Property and Asset Management platform in the sector, which still offers capacity for future acquisitions

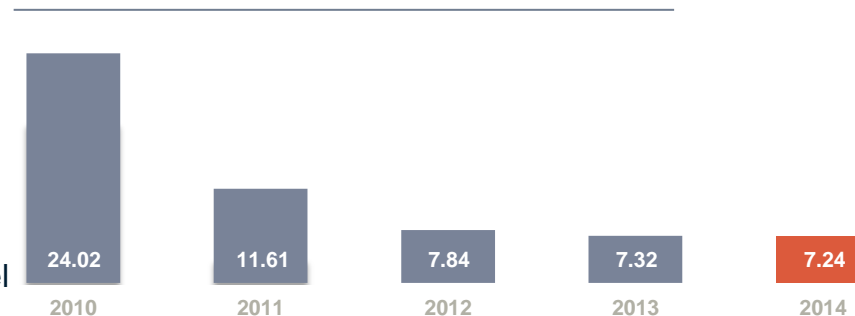
## De-centralized organization

- Currently, LIMs (“Leiter Immobilien-Management”/Head of Real Estate Management) in 9 regions run TAG’s regional sub-platforms
- Many asset and property management decisions can be taken at LIM level
- LIMs key responsibilities: maintenance budgets, rental activities, customer services etc.
- Centralized support provided by the headquarter for each LIM to manage the portfolio:
  - New ERP system implemented in 2014 (SAP)
  - All operational processes re-defined and standardised in 2013 and 2014
  - Centralised purchase concept for maintenance and other suppliers in place since beginning of 2015

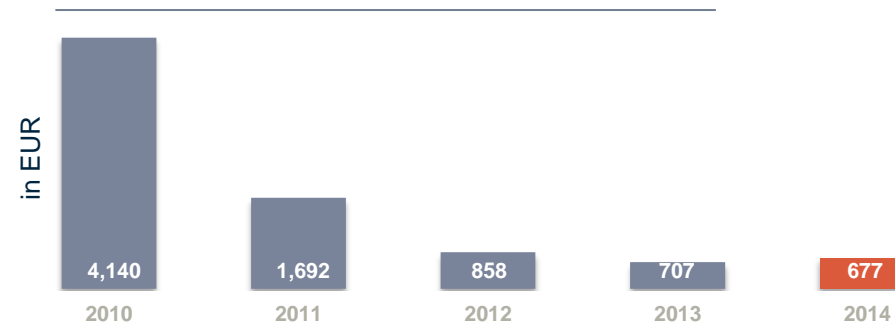
## Lean administrative structure

- Currently 545 FTEs manage a platform of approx. 75,000 units
- Improved EBITDA margin shows steady progress in TAG’s efficiency

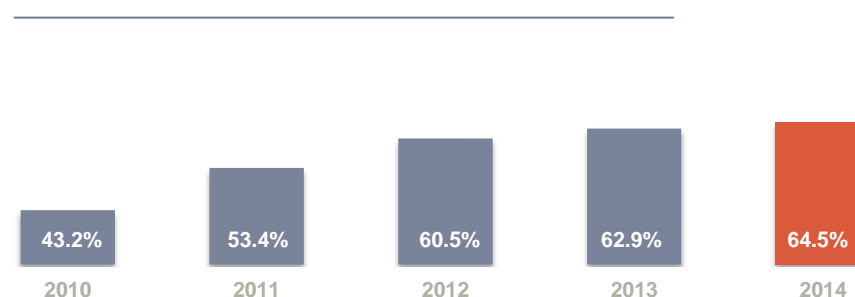
FTE / 1,000 units



SG&A per unit<sup>(1)</sup>



EBITDA margin<sup>(2)</sup>



(1) - includes personnel expenses and other operating expenses; excludes one-offs personnel and project expenses  
 (2) - EBITDA margin has continuously been improved since 2010, highlighting the steady progress in TAG’s efficiency, excludes one-offs personnel and project expenses and net revenues from sales

# TAG de-centralized management structure

centralized functions

**Strategic Portfolio Management / Marketing**

**Acquisitions / Sales**

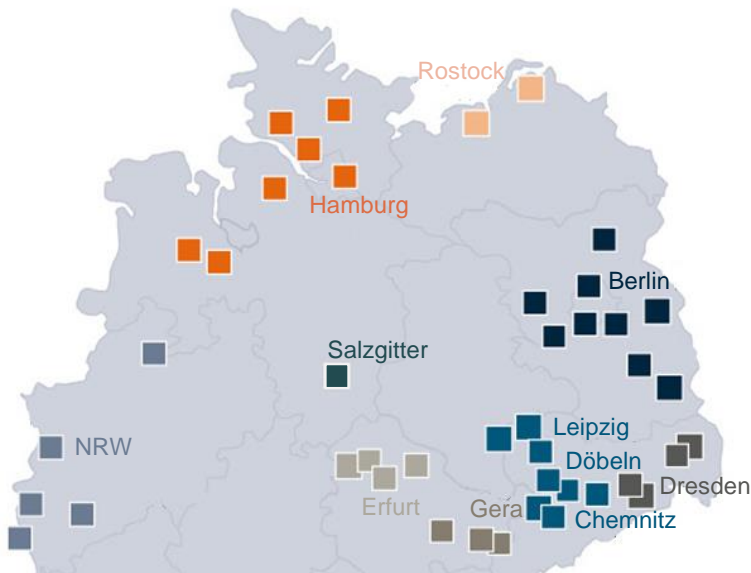
**FM Services**

**Central Procurement**

**Shared Service Center**

- Definition of portfolio, location and property management concepts and standards
- Support of LIMs on a project-by-project basis as well as by centralized headquarter functions
- Fully integrated accounting and controlling platform based on "TAG 2.0" (ERP)

de-centralized functions



## LIMs in 9 regions (Heads of Real Estate Management)

### Customer service

- Property management
- Enhance high tenant satisfaction and tenant loyalty
- Social projects

### Renting activities

- Re-letting
- Vacancy reduction
- Monitor and optimize tenant structure

### Technical customer service

- Modernisation for re-letting
- Ongoing maintenance measures

### Receivables management

- Minimize outstanding receivables
- Payment reminder and legal action

- **de-centralized approach ensures individual concepts for each regional market**
- **regional LIMs are incentivized by performance of their respective region "entrepreneur within the enterprise"**

# TAG portfolio in total – Q1 2015 by region

Region	Units #	IFRS BV TEUR	In-place yield %	Vacancy Q1 2015 %	Vacancy 2014 incl. Acqui- sitions	Vacancy 2014 %	Net in- place rent EUR / sqm Q1 2015	Net in- place rent 2014 incl. Acqui- sitions	Net in- place rent 2014	Re- letting rent EUR / sqm	L-f-I rental growth y-o-y %	Mainte- nance EUR / sqm	Capex EUR / sqm	Comments
Berlin	9,595	482,126	6.8%	5.2%	5.3%	4.4%	5.10	5.07	5.12	5.65	1.8%	1.43	1.38	Increase in vacancy due to portfolio sales in Berlin in Dec. 2014
Dresden	11,243	516,691	7.1%	10.9%	10.3%	9.2%	5.01	5.01	5.13	5.19	0.6%	1.67	1.80	Tenant structure in newly acquired portfolios in Chemnitz und Freiberg being upgraded
Erfurt	7,799	360,471	6.6%	7.1%	7.6%	8.0%	4.92	4.91	4.89	5.27	1.9%	0.93	2.34	
Gera	9,630	372,090	7.4%	12.1%	12.1%	10.7%	4.62	4.61	4.53	4.85	1.3%	0.72	2.57	Higher investments to reduce vacancies
Hamburg	6,356	317,185	7.1%	7.1%	7.2%	7.2%	5.22	5.22	5.22	5.56	0.8%	1.89	0.39	
Leipzig	7,871	330,785	7.6%	6.7%	6.8%	6.7%	4.85	4.84	4.84	5.07	0.6%	1.15	1.05	
Rhine-Ruhr	3,736	233,296	6.6%	2.4%	2.6%	2.6%	5.47	5.46	5.44	5.62	0.9%	2.40	1.01	Higher maintenance costs due to smaller portfolio sizes
Rostock	5,207	235,887	7.4%	6.9%	7.3%	7.3%	5.08	5.07	5.10	5.43	1.4%	0.90	1.76	
Salzgitter	9,171	361,804	7.7%	15.0%	15.5%	15.5%	4.84	4.84	4.84	5.17	0.9%	2.46	1.58	Further reduction of vacancy in Salzgitter by another 50 bps; 14.7% as of April 2015
<b>Total residential units</b>	<b>70,608</b>	<b>3,210,336</b>	<b>7.1%</b>	<b>8.9%</b>	<b>9.0%</b>	<b>8.1%</b>	<b>4.98</b>	<b>4.97</b>	<b>5.00</b>	<b>5.27</b>	<b>1.0%</b>	<b>1.49</b>	<b>1.61</b>	<b>Vacancy on like-for-like basis slightly reduced by 10 bps; Vacancy in April 2015 at 8.8%</b>
Acquisitions 2015	2,848	137,363	7.6%	5.2%		12.4%	5.07		4.79					Acquisitions signed in Nov. 2014, closing in Feb. 2015
Commercial units (within residential portfolio)	1,287			17.0%		17.3%	7.48		7.55					
<b>Total residential portfolio</b>	<b>74,743</b>	<b>3,347,699</b>	<b>7.5%</b>	<b>9.0%</b>	<b>9.2%</b>	<b>8.9%</b>	<b>5.06</b>	<b>5.06</b>	<b>5.07</b>	<b>5.26</b>		<b>1.41</b>	<b>1.49</b>	
Other	480	159,411	4.3%	16.4%	17.2%	17.2%	10.36	12.25	12.25	5.37		2.46	0.36	Comprises 6 commercial objects and 3 serviced apartments
<b>Grand total</b>	<b>75,223</b>	<b>3,507,110</b>	<b>7.4%</b>	<b>9.1%</b>	<b>9.4%</b>	<b>9.0%</b>	<b>5.13</b>	<b>5.15</b>	<b>5.16</b>	<b>5.26</b>		<b>1.43</b>	<b>1.47</b>	

# 15

## TAG acquisitions and disposals



# TAG acquisitions 2014

Signing	Thuringia Feb. 2014	Saxony Sep. 2014	North/East Germany Nov. 2014	Others Aug./Nov. 2014	Total 2014
Units	4,000	1,500	2,300	1,100	8,900
Floor area in sqm	236,000	85,400	150,200	68,500	540,100
Net rental EUR/sqm/month	5.24	5.20	5.22	---	---
Vacancy	10.7%	12.9%	3.7%	---	---
Purchase price EURm	120.5	37.8	103.0	32.8	294.1
Net actual rent p.a. EURm	12.4	3.8	9.8	3.4	29.4
Location	Hermisdorf, Jena, Weimar, Erfurt, Chemnitz, etc.	Freiberg, Chemnitz, Dresden	Nordhausen, Stadtilm, Kiel, Itzehoe	Dessau, Görlitz, Schwerin	various locations
Closing	Aug. 2014	Oct. 2014	Feb. 2015	Sep. 2014/ Feb. 2015	---
Multiples	9.7x	10.1x	10.5x	9.6x	10.0x
Comment	portfolio with interesting potential can be managed entirely using TAG's existing TAG's existing team	portfolio can be developed efficiently by TAG's local infrastructure	regional distribution of portfolio perfectly fits with existing TAG structure	highly profitable portfolio in fast developing regions	

**8,900 units acquired in 2014: EUR 294.1m purchase price and EUR 29.4m rent p.a. leading to an average rent multiple of 10.0x or 10.0% gross yield (based on actual net cold rent); further acquisitions in 2015 in TAG's core regions to come**



Thuringia, Erfurt



Saxony, Freiberg



Saxony Anhalt, Dessau

# TAG disposals 2014/2015

	Berlin (Marzahn) Nov. 2014	Berlin (Staaken et al.) Dec. 2014	Others 2014	Total 2014	Berlin Apr. 2015
Units	2,600	900	600	4,100	970
Net rental EUR/sqm/month	4.89	4.97-7.53	---	---	5.26
Net actual rent p.a. EURm	9.4	4.1	0.9	14.4	3.5
Vacancy	1.2%	1.8% - 5.3%	---	---	1.7%
Selling price EURm	170.4	76.0	24.4	270.8	59.8
Net cash proceeds EURm	85.5	29.3	9.8	124.6	34.2
Book profit (IFRS) EURm	36.7	6.4	0.0	43.1	10.7
Location	Berlin (Marzahn)	Berlin (Staaken Lankwitz, Charlottenburg, Neukölln)	Various locations	---	Berlin (Hellersdorf, Marzahn)
Closing	Dec. 2014	Dec. 2014	2014	---	Jun./ Jul. 2015
Multiples	18.1x	18.5x	27.1x	18.8x	17.0x

**5,070 residential units sold in the last 15 months:  
EUR 330.6m selling price and EUR 17.9m rent p.a. leads to average selling multiple of  
18.5x or 5.4% gross yield (based on actual net cold rent)**



Berlin (Staaken)



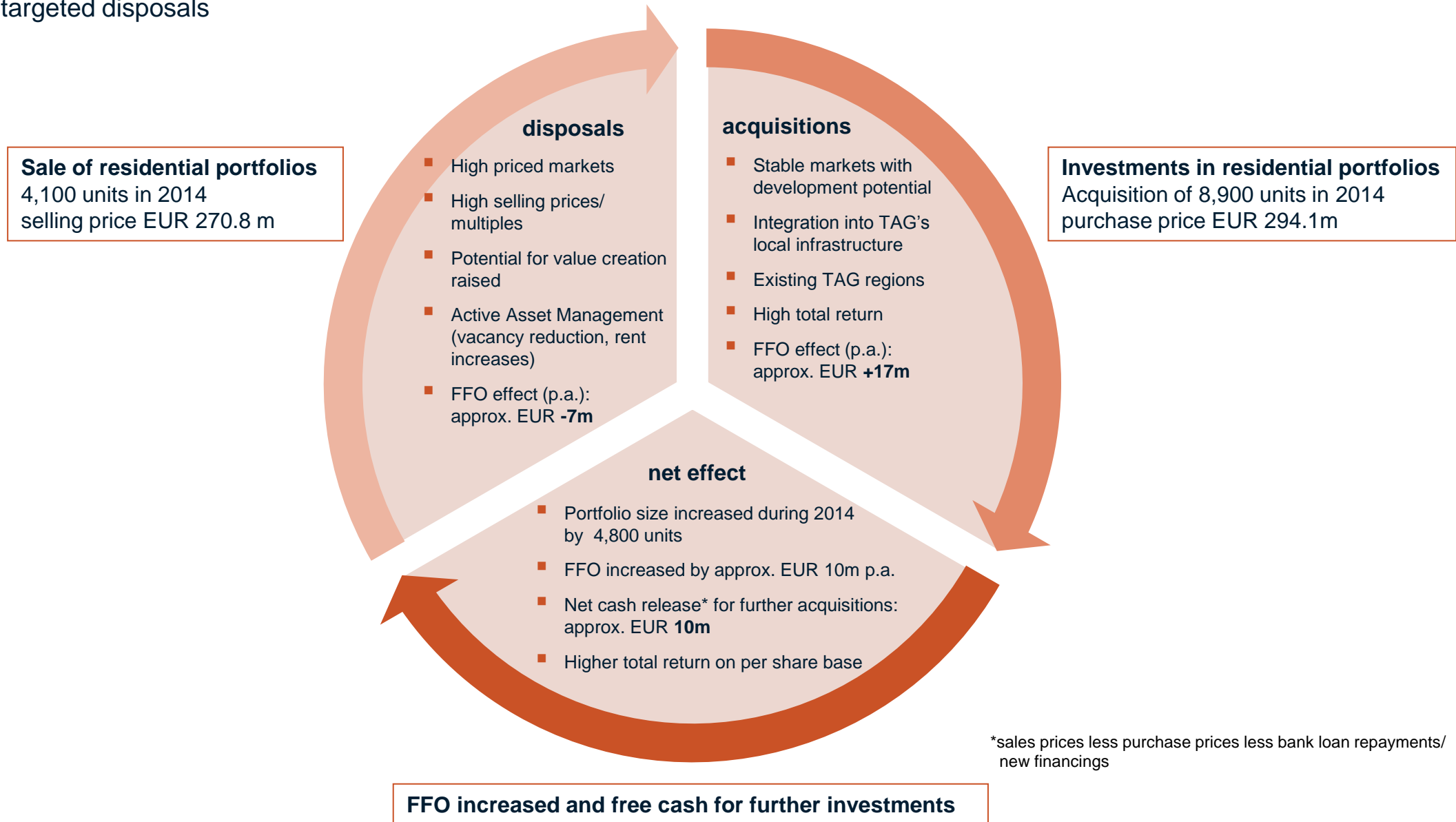
Berlin (Lankwitz)



Berlin (Neukölln)

# TAG capital recycling in 2014

TAG constantly analyzes regional markets and its portfolio to determine the best point in time to realize highest value by targeted disposals



# 15

## TAG strategy and outlook

## 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 as well as in relation to the capital structure**

### ■ Segment leadership

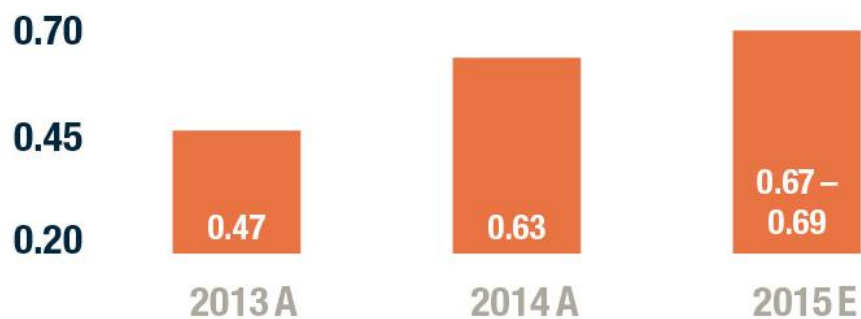
- Leading market player with strong presence in defined regions
- TAG has been the first to implement the ‘ABBA’\* approach in the listed German residential sector
- Permanent innovations in tenant offerings and smart services/ concepts
- **Affordable housing with geographic focus in North and East Germany**

\* ‘ABBA’: A locations in B cities, B locations in A cities

# TAG outlook

(in EUR)	2014	2015E
<b>FFO I per share</b> (based on outstanding shares as of 12/31/2014, i.e. without conversions)	0.63	0.67 - 0.69
<b>Dividend per share</b>	0.50	0.55

FFO I per share in EUR



Dividend per share in EUR



# 15

# TAG capex and maintenance

in EUR millions		2014					2015
		Q1	Q2	Q3	Q4	Total	Q1
<b>Maintenance</b>	Residential	5.75	5.89	6.05	6.23	<b>23.92</b>	6.45
	Commercial	0.59	0.53	0.06	0.15	<b>1.33</b>	0.14
<b>Capex</b>	Residential	7.73	6.55	6.98	9.83	<b>31.09</b>	6.80
	Commercial	0.13	0.28	0.06	0.10	<b>0.56</b>	0.00



# TAG portfolio valuation 30-Sep./ 31-Dec-2014

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	464.9	819,1	14.23	20.4	6.8	-14.1	451.8	790.1	14.02
Dresden	444.2	809,0	14.47	1.8	3.0	0.6	438.7	800.3	14.28
Erfurt	322.4	831,5	15.39	5.3	3.0	3.2	310.9	803.3	15.12
Gera	297.1	685,4	14.12	-3.4	4.7	5.2	290.6	659.3	13.95
Hamburg	315.5	818,8	14.09	2.8	1.6	3.7	307.4	797.9	14.05
Leipzig	301.5	715,5	13.21	5.5	1.5	-0.1	294.6	699.9	13.08
Rhine-Ruhr	228.9	959,8	15.09	3.9	0.9	-0.6	224.7	942.3	15.08
Rostock	223.2	769,9	13.57	-2.4	2.2	4.6	218.7	752.6	13.59
Salzgitter	360.9	641,2	13.07	-5.6	7.0	0.0	359.5	638.4	13.01
Acquisitions	229.1	609.9	12.12	27.6	0.2	3.2	198.1	845.1	14.42
<b>Total residential portfolio</b>	<b>3,187.6</b>	<b>728.7</b>	<b>13.03</b>	<b>55.8</b>	<b>31.1</b>	<b>5.7</b>	<b>3,095.0</b>	<b>728.6</b>	<b>13.52</b>
Other*	140.0	2,312.8	19.01	-9.0	0.6	-296.6	449.0	1,329.6	18.33
<b>Grand total**</b>	<b>3,331.6</b>	<b>750.9</b>	<b>13.21</b>	<b>46.8</b>	<b>31.6</b>	<b>-290.9</b>	<b>3,544.1</b>	<b>772.9</b>	<b>13.98</b>

\* Includes commercial properties and serviced apartments

\*\* Includes reclassification (IAS 40/IAS2 properties) after valuation

# TAG annual valuation by CBRE 30-Sept-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)

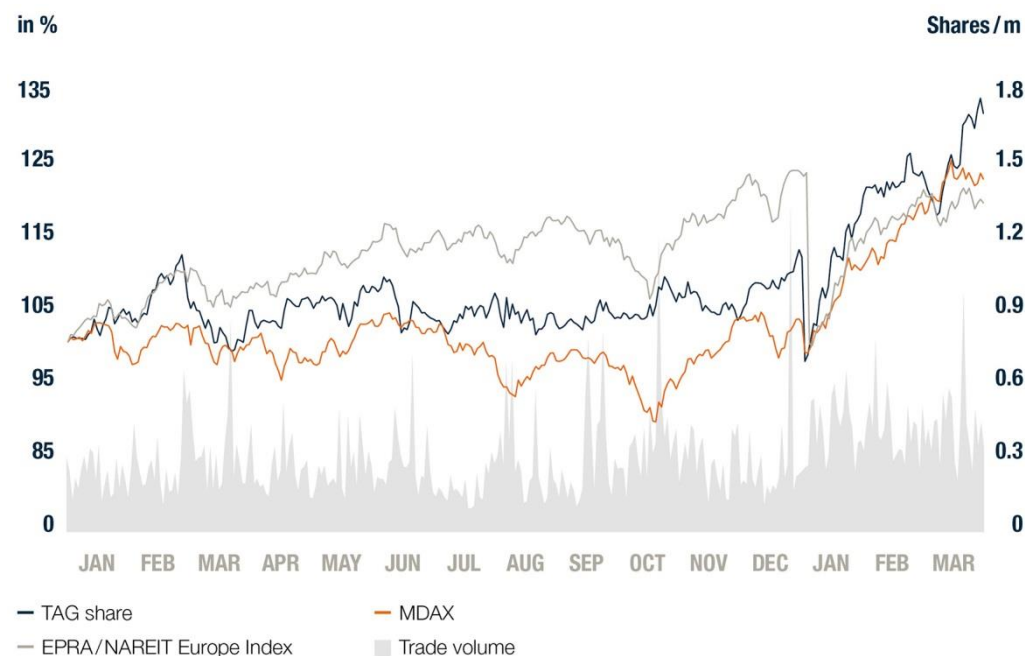
<b>Assumptions / drivers</b>	<b>30- Sep. 2014</b>	<b>30- Sep. 2013</b>
Cap rate (%)	5.56	5.52
Discount rate (%)	6.21	6.16
Administrative costs (EUR/unit)	226	205
Current maintenance (EUR/sqm)	7.8	7.7
Reletting costs (EUR/sqm)	42	39
Structural vacancy (%)	3.80	3.79

# TAG capital markets heads-up

- High/Low (Q1 2015) EUR 13.05 /EUR 9.65
- Number of shares (issued) 133.3m
- Number of shares (outstanding) 122.1m
- Market capitalisation as of 31-March-2015 EUR 1,712m
- Stock indices MDAX/EPRA
- Free Float \* 92%

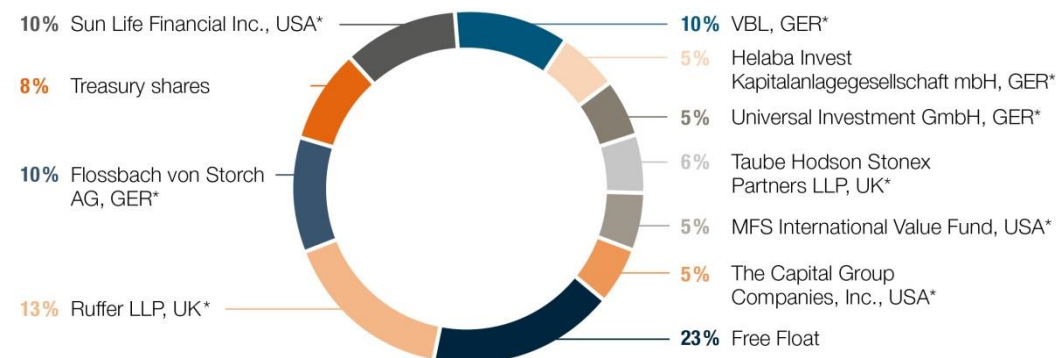
\* Deutsche Börse definition including institutional investors, repurchased TAG own shares not included

## Share price development



Institution	Analyst	Recommendation	Target price in EUR	Date
Kempen	Bernd Stahl	Underweight	10.0	05-May-15
Berenberg	Kai Klose	Buy	13.0	04-May-15
Barclays	David Prescott	Hold	12.84	22-April-15
HSBC	Thomas Martin	Hold	13.0	08-April-15
Morgan Stanley	Bianca Riemer	Underweight	7.80	26-March-15
Oddo Seydler	Manuel Martin	Buy	13.70	18-March-15
S&P Capital IQ	William Howlett	Hold	12.25	2-March-15
Kepler Cheuvreux	Thomas Neuhold	Buy	13.5	27-Feb-15
Commerzbank	Thomas Rothaeusler	Hold	12.5	26-Feb-15
Baader Bank	André Remke	Hold	12.8	26-Feb-15
Victoriapartners	Bernd Janssen	N/A	10.0-11.5	18-Feb-15
Bankhaus Lampe	Georg Kanders	Buy	13.5	06-Feb-15
<b>Median</b>			<b>12.5</b>	

## Shareholder structure as of 31-Mar.-2015



# TAG bonds and convertibles

- Two corporate bonds outstanding (issued in 2013 and 2014)
- Two convertibles remaining after conversions in 2012 and (partly) buy back of convertibles in 2013, both convertibles trade in the money

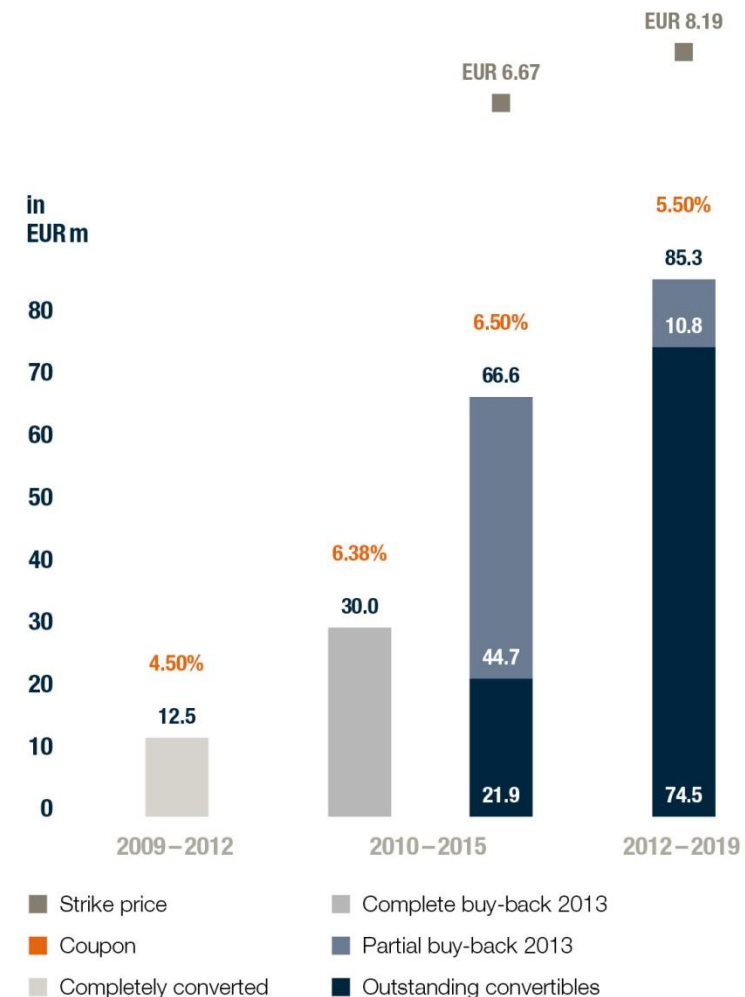
## Bonds

WKN A1TNFU	WKN A12T10
Volume: EUR 310m	Volume: EUR 125m
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

## Convertibles

WKN A1E 89W7	WKN A1PGZM3
Issued volume: EUR 66.6m	Issued volume: EUR 85.3m
Outstanding volume: EUR 21.9m	Outstanding volume: EUR 74.5m
Division into shares: EUR 9.000.000 per share	Number of shares: 853
Nominal value per bond: EUR 7.40	Nominal value per bond: EUR 100,000.00
Maturity: 5 years until 12/10/2015	Maturity: 7 years until 06/28/2019
Interest rate: 6.5%	Interest rate: 5.5%
Conversion price: EUR 6.6677	Conversion price: EUR 8.1923

TAG share price EUR 12.85 as of 03/31/2015



# TAG Management Board



**Claudia Hoyer**  
**COO**

- Key responsibilities: Property and Asset Management, Acquisitions and Disposals, Shared Service Center
- 
- Age 43
  - 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 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 Notes

# TAG Notes

# TAG Contacts

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**CFO**

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