



Conference call presentation Q3 2018

GROWING CASHFLOWS

TAG
Immobilien AG

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- Maintenance and capex
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TAG 2018

TAG highlights Q3 2018

TAG highlights Q3 2018

Operational performance

	Q3 2018	Q2 2018	FY 2017	Q3 2017
▪ Vacancy (residential units)	5.2%	5.5%	4.8%	5.3%
▪ Vacancy (total portfolio)	5.6%	5.8%	5.8%	6.0%
▪ L-f-L rental growth y-o-y	2.4%	1.9%	2.0%	1.9%
▪ L-f-L rental growth y-o-y incl. vacancy reduction	2.8%	2.5%	3.1%	3.0%
▪ FFO I (EUR m)	37.5	36.1	127.4	33.9
▪ FFO I (EUR/share)	0.26	0.25	0.87	0.23

EPRA NAV and LTV

	30 Sep-2018	30 Jun-2018	31 Dec-2017	30 Sep-2017
▪ EPRA NAV (EUR/share)	15.36	15.15	13.80	11.85
▪ LTV	49.4%	50.2%	52.3%	57.0%

FFO and dividend guidance 2019

FFO	EUR 154m-156m (2018 EUR 141m-143m), 9% increase y-o-y
FFO/s	EUR 1.06 (2018 EUR 0.97), 9% increase y-o-y
Dividend/s	EUR 0.80 (2018 EUR 0.73), 9% increase y-o-y, equals 75% of FFO

TAG 2018

TAG financials Q3 2018

TAG income statement (IFRS)

(in EURm)		Q3 2018	Q2 2018	9M 2018	9M 2017 (adjusted)	FY 2017
Net rent*	1	75.4	75.1	226.1	218.0	293.0
Expenses from property management*		-13.9	-13.8	-43.5	-41.2	-57.1
Net rental income	2	61.5	61.3	182.6	176.8	235.9
Net income from services	3	4.7	4.0	13.1	10.2	15.3
Net income from sales		0.1	0.6	0.3	0.9	0.0
Other operating income		1.3	1.7	4.6	4.4	5.7
Valuation result	4	-0.2	230.5	229.8	39.3	293.0
Personnel expenses	5	-11.0	-10.8	-32.5	-30.6	-41.4
Depreciation		-1.1	-1.0	-3.1	-2.7	-3.9
Other operating expenses	6	-4.2	-4.7	-12.5	-12.7	-25.8
EBIT		51.1	281.6	382.3	185.6	478.9
Net financial result	7	-13.6	-46.0	-75.3	-67.9	-82.4
EBT		37.5	235.6	307.0	117.7	396.5
Income tax	8	-7.3	-44.0	-58.4	-24.1	-82.8
Net income		30.2	191.6	248.6	93.6	313.7

*w/o IFRS 15 effects; for further details see Interim Report Q3 2018

1 Net rent increased by EUR 0.3m q-o-q as a result of ongoing l-f-l-rent growth.

2 Increase in net rental income of EUR 0.2m q-o-q-mainly driven by higher net rent and stable expenses from property management. Higher maintenance expenses q-o-q of EUR 0.6m offset by lower operating costs of vacant real estate.

3 Seasonal effects and business expansion in multimedia and energy services lead to an increase of net income from services of EUR 0.7m q-o-q; increase y-o-y of EUR 2.9m due to further roll-out of service businesses.

4 No material valuation result in Q3 2018; EUR 230.5m valuation gain in Q2 2018 due to full portfolio valuation.

5 Increased personnel expenses on a y-o-y basis (+EUR 1.9m) mainly driven by growing internal caretaker and craftsmen services.

6 Other operating expenses decreased by EUR 0.5m q-o-q. Lower legal and consulting costs as main factor, broadly stable on a y-o-y basis.

7 Increased net financial result of EUR 32.4m q-o-q as a result of one-off effects in Q2 2018 (fair valuation of financial derivatives and repurchased corporate bond). Net financial result (cash, after one-offs) improved by EUR 1.4m q-o-q. Positive development mainly driven by repayment of corporate bond 2013/2018 of EUR 191m (5.125% coupon) in Aug-2018.

8 Income tax mainly contains deferred taxes; decrease due to valuation effects in Q2 2018; cash tax expenses in Q3 2018 at EUR 1.6m (EUR 0.8m in Q2 2018).

TAG EBITDA, FFO and AFFO calculation

(in EURm)	Q3 2018	Q2 2018	9M 2018	9M 2017	FY 2017
Net income	30.2	191.6	248.6	93.6	313.7
+ Income tax	7.3	44.0	58.4	24.1	82.8
+ Net financial result	13.6	46.0	75.3	67.9	82.4
EBIT	51.1	281.6	382.3	185.6	478.9
+ Adjustments					
Net income from sales	-0.1	-0.6	-0.3	-0.9	0.0
Valuation result	0.2	-230.5	-229.8	-39.3	-293.0
Depreciation	1.1	1.0	3.1	2.7	3.9
One-offs (2017: provision for real estate transfer tax risks)	0.0	0.0	0.0	0.0	8.5
EBITDA (adjusted)	1 52.3	51.5	155.3	148.1	198.3
<i>EBITDA (adjusted) margin</i>	69.4%	68.6%	68.7%	67.9%	67.7%
- Net financial result (cash, after one-offs)	-13.0	-14.4	-42.4	-51.5	-67.0
- Cash taxes	-1.6	-0.8	-3.6	-2.8	-3.1
- Cash dividend payments to minorities	-0.2	-0.2	-0.6	-0.6	-0.8
FFO I	2 37.5	36.1	108.7	93.2	127.4
- Capitalised maintenance	-5.3	-3.0	-9.9	-9.2	-12.0
AFFO before modernisation capex	32.2	33.1	98.8	84.0	115.4
- Modernisation capex	-9.5	-11.6	-32.5	-20.4	-30.8
AFFO	3 22.7	21.5	66.3	63.6	84.6
Net income from sales	0.1	0.6	0.3	0.9	0.0
FFO II (FFO I + net income from sales)	37.6	36.7	109.0	94.1	127.4
Weighted average number of shares outstanding (in '000)	146,322	146,310	146,347	145,464	145,709
FFO I per share (EUR)	0.26	0.25	0.74	0.64	0.87
AFFO per share (EUR)	0.16	0.15	0.45	0.43	0.58
<i>Weighted average number of shares, fully diluted (in '000)</i>	160,998*	160,948*	160,989*	---	---
<i>FFO I per share (EUR), fully diluted</i>	0.24	0.23	0.68	---	---
<i>AFFO per share (EUR), fully diluted</i>	0.14	0.14	0.42	---	---

1 Improved EBITDA of EUR 7.2m y-o-y mainly as a result of higher net rental income (+EUR 5.8m) and higher net income from services (+EUR 2.9m). EBITDA margin in 9M 2018 improved to 68.7% (67.9% in 9M 2017).

2 FFO I increased by EUR 1.4m q-o-q driven by higher EBITDA (+EUR 0.8m), reduced net financial result (cash, after one-offs; +EUR 1.4m) and higher cash taxes (-EUR 0.8m) as an opposing effect.

Increased net financial result (cash, after one-offs +EUR 9.1m) and higher EBITDA (+EUR 7.2m) lead to strong FFO I growth y-o-y of EUR 15.5m (+17%).

3 AFFO increased q-o-q by EUR 1.2m due to higher FFO I of EUR 1.4m and higher capex of EUR of EUR 0.2m.

In 9M 2018 AFFO increased to EUR 66.3m (+EUR 2.7m y-o-y); increased capex of EUR 12.8m more than offset by higher FFO I of EUR 15.5m.

*incl. potential shares from convertible bond 2017/2022 (trading „in the money“ at reporting date)

TAG balance sheet (IFRS)

(in EURm)	30 Sep-2018	31 Dec-2017
Non-current assets	4,410.2	4,243.8
Investment property	1 4,333.8	4,166.0
Deferred tax assets	43.2	45.4
Other non-current assets	33.2	32.4
Current assets	220.8	339.2
Real estate inventory	48.4	48.1
Cash and cash equivalents	2 147.3	263.7
Other current assets	25.1	27.4
Non-current assets held-for-sale	91.6	51.5
TOTAL ASSETS	4,722.6	4,634.5
Equity	1,799.2	1,646.6
Equity (without minorities)	3 1,773.6	1,625.9
Minority interest	25.6	20.7
Non-current liabilities	2,774.1	2,618.1
Financial debt	2,320.3	2,238.6
Deferred tax liabilities	411.7	358.9
Other non-current liabilities	42.1	20.6
Current liabilities	149.3	369.8
Financial debt	57.8	275.2
Other current liabilities	91.5	94.6
TOTAL EQUITY AND LIABILITIES	4,722.6	4,634.5
LTV*	4 49.4%	52.3%

*For further details on LTV calculation see Appendix

1 Book value of investment property increased by EUR 167.8m. Portfolio valuation (+EUR 230.0), disposals (-EUR 79.2), capex (+EUR 42.4m) and reallocation to non-current assets held for sale (-EUR 40.1m) as main effects.

2 Reduced cash position in Q3 2018 as a result of repayment of EUR 191m corporate bond 2013/2018 in Aug-2018 and portfolio transactions: net cash proceeds from disposals of EUR 13.0m (NRW/Lower Saxony portfolio) and purchase price payments for acquisitions in Mecklenburg-Western Pomerania and Thuringia of EUR 5.5m.

3 Increase of equity (+EUR 147.7m w/o minorities) mainly driven by portfolio valuation (+EUR 230.0m) and dividend payment (-95.1m).

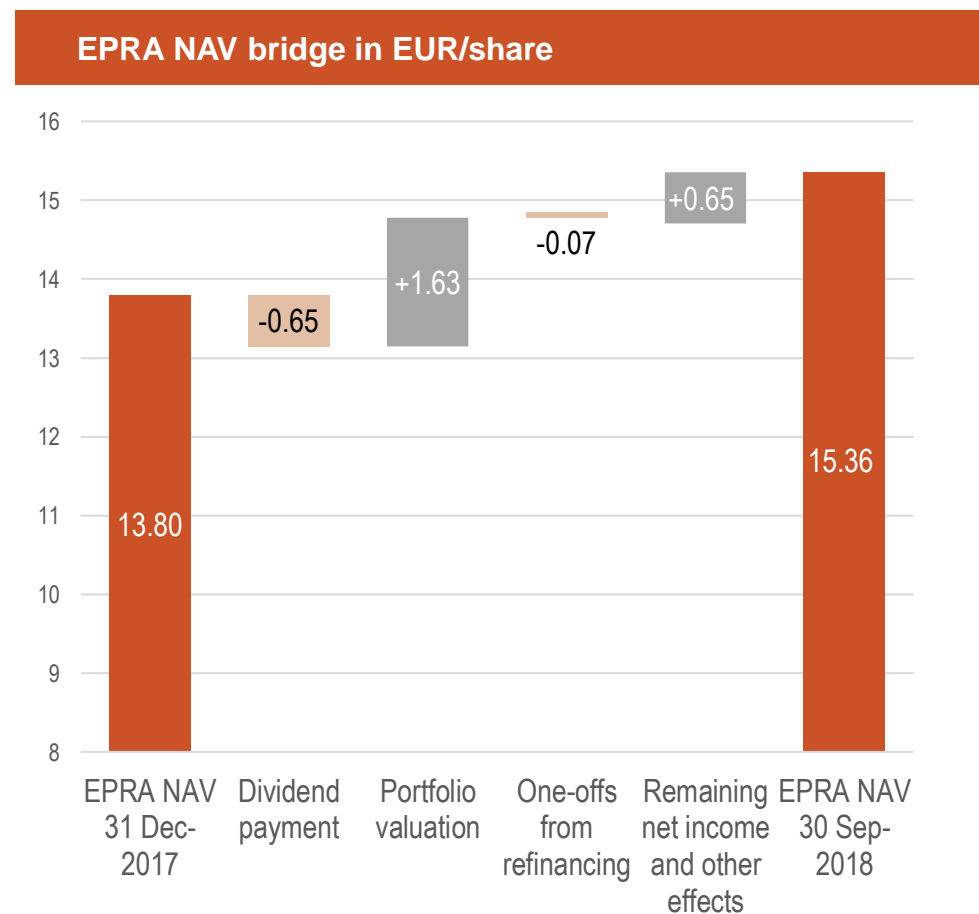
4 Change in LTV (-290 bps) due to

- Portfolio valuation: c. -300 bps
- Dividend payment: c. +220 bps
- Others (mainly disposals, no net LTV effect and ongoing results): c. -210 bps

TAG EPRA NAV calculation

(in EURm)	30 Sep-2018	31 Dec-2017
Equity (without minorities)	1,773.6	1,625.9
+ Deferred taxes on investment properties and financial derivatives	411.3	362.3
+ Fair value of financial derivatives	29.6	8.4
+ Difference between fair value and book value for properties valued at cost	32.6	24.8
= EPRA NAV	2,247.1	2,021.4
Number of shares outstanding (in '000)	146,322	146,439
EPRA NAV per share (EUR)	15.36	13.80
<i>Number of shares, fully diluted (in '000)</i>	<i>160,998*</i>	<i>---</i>
EPRA NAV per share (EUR), fully diluted	15.72	---

*incl. potential shares from convertible bond 2017/2022 (trading in the money at reporting date)



TAG cost of debt and LTV

Cost of debt Ø



- Continuous reduction of average cost of debt from FY 2015 onwards.
- Further upside potential from maturing bank loans 2018-2020.

LTV*



- LTV target of c. 50% already achieved due to strong portfolio valuation development.
- Current LTV target ensures efficient use of capital as well as stable and conservative financing structure given TAG's moderate portfolio valuation level.

*For further details on LTV calculation see Appendix



Salzgitter



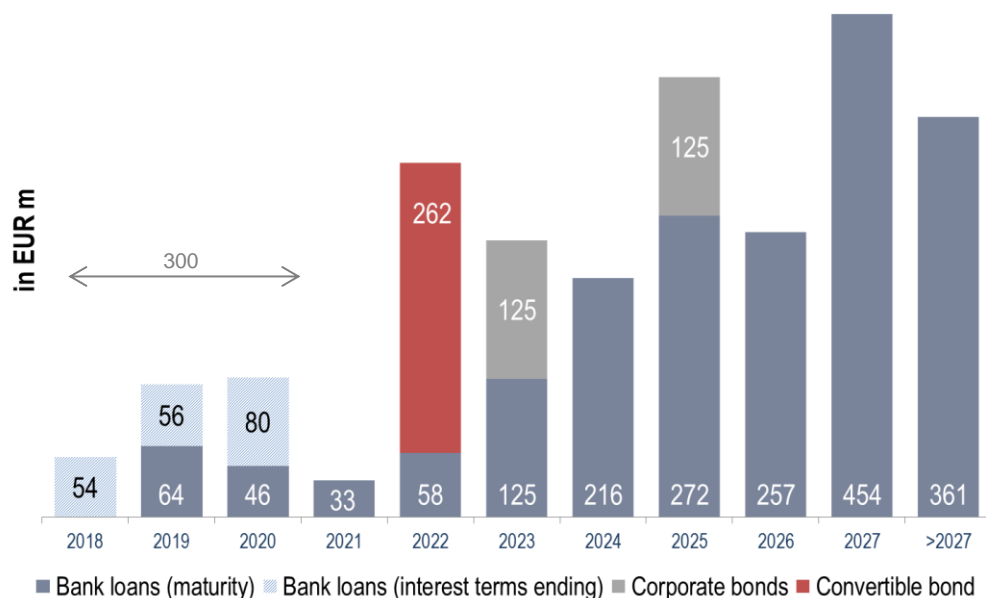
Brandenburg, Havel



Freiberg

TAG debt financing structure

Debt maturity profile as of 30 Sep-2018



Average maturities as of 30 Sep-2018

- Bank loans: 9.5 years (31 Dec-2017: 10.3 years)
- Total financial debt: 8.5 years (31 Dec-2017: 8.6 years)

Further refinancing potential 2018-2020

- EUR 300m of bank loans maturing or with interest terms ending in 2018-2020 with average coupons of 1.8%-3.6% p.a.

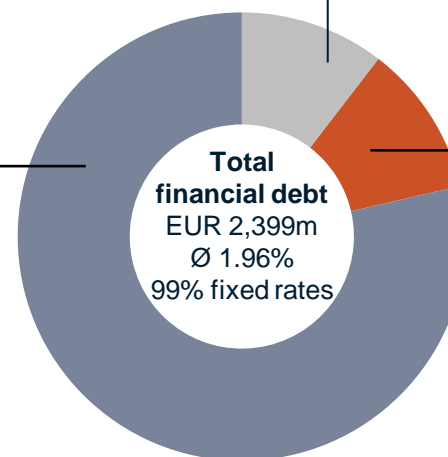
Investment Grade rating

- Moody's: Baa3 (outlook stable) long term rating / Prime P-3 short term rating

Debt structure as of 30 Sep-2018

Bank loans
EUR 1,887m (79%)

Ø interest rate:
2.20%
99% fixed rates



Corporate bonds
EUR 250m (10%)

Ø interest rate:
1.5%
100% fixed rates

Convertible bond
EUR 262m (11%)

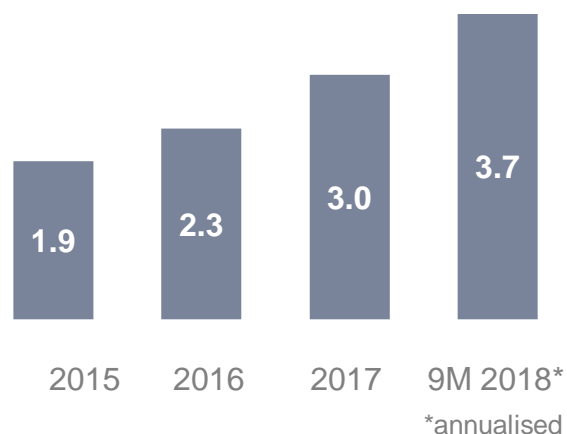
Ø interest rate:
0.625%
100% fixed rates

(in EURm)	Q3 2018	Q2 2018	FY 2017
+ Interest income	0.2	0.4	3.0
- Interest expenses	-13.9	-46.7	-88.0
+ Net profit from investments	0.1	0.3	2.6
= Net financial result	-13.6	-46.0	-82.4
thereof non-cash financial result from convertible/corporate bonds	0.4	0.4	1.1
thereof breakage fees bank loans and early repayment of bonds	0.3	9.5	14.4
thereof other non-cash financial result (e.g. from derivatives)	-0.1	21.7	-0.1
= Net financial result (cash, after one-offs)	-13.0	-14.4	-67.0
ICR (EBITDA adjusted/net financial result cash, after one-offs)	3.7 x*	3.5 x*	3.0x
Net financial debt/EBITDA adjusted	10.8x*	11.0x*	11.3x

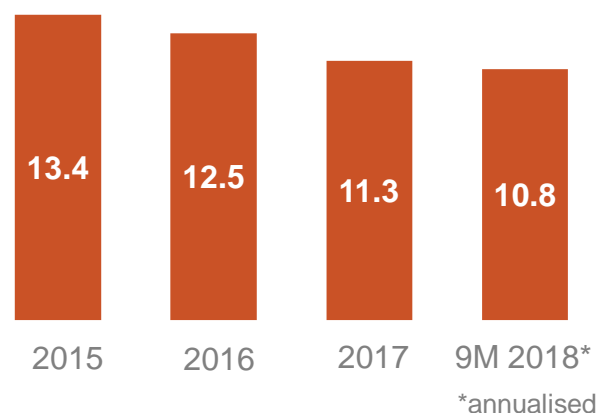
*annualised

TAG strong development of financing metrics

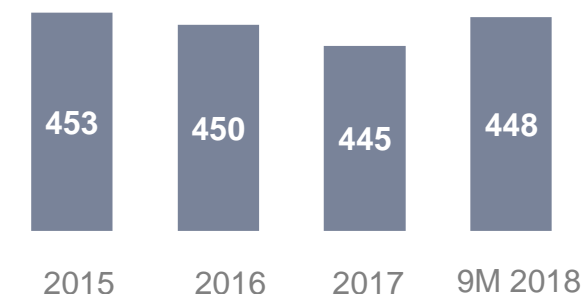
ICR



Net financial debt/ EBITDA adjusted



Net financial debt in EUR/ sqm



- ICR strongly improved from 1.9x in 2015 to 3.7x in 9M 2018 driven by ongoing interest cost savings due to refinancing activities and positive business development.
- Further improvement in ICR from Q3 2018 onwards as a result of repayment of EUR 191m corporate bond 2013/2018 (5.125% coupon) in Aug-2018.

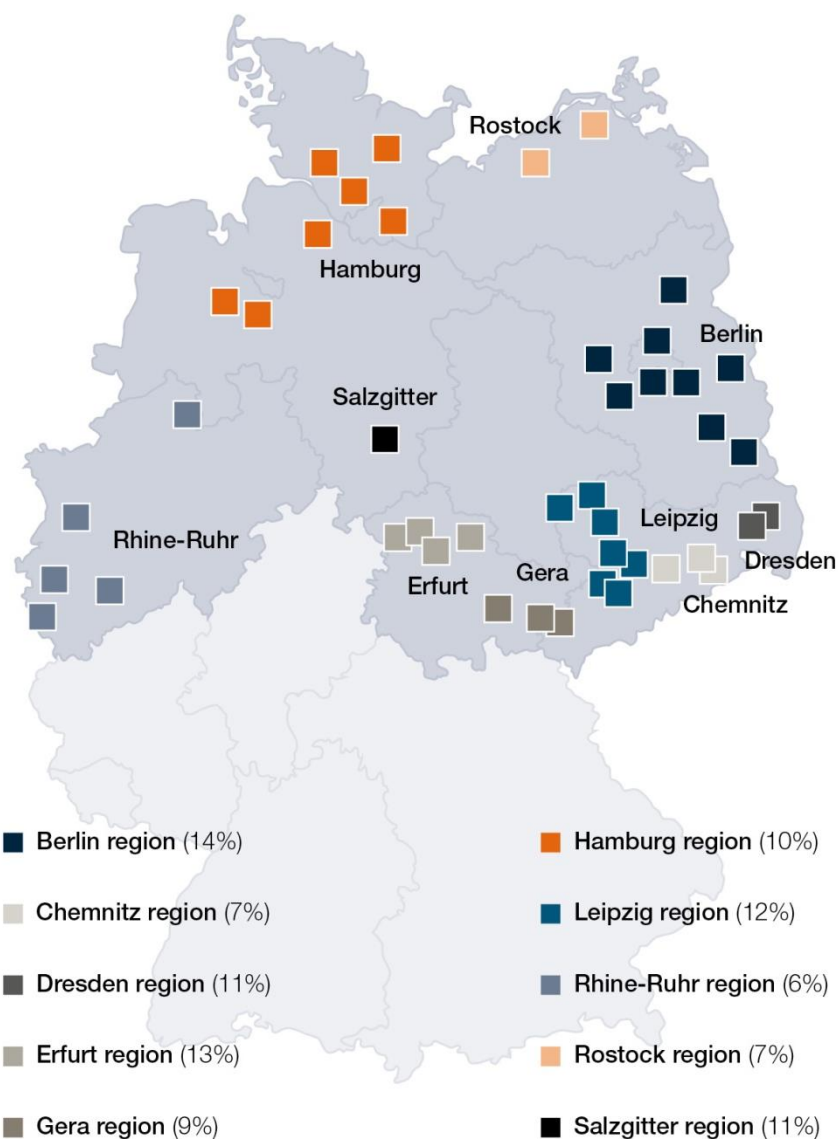
- Decline in net debt/EBITDA mainly driven by EBITDA growth (net financial debt broadly stable).
- Significant EBITDA growth reflects the ongoing positive development of TAG's portfolio/acquisitions.

- TAG's portfolio growth solidly financed with stable net financial debt per sqm since 2015.

TAG 2018

TAG portfolio Q3 2018

TAG portfolio in total as of 30 Sep-2018



% acc.: proportional IFRS book value real estate volume

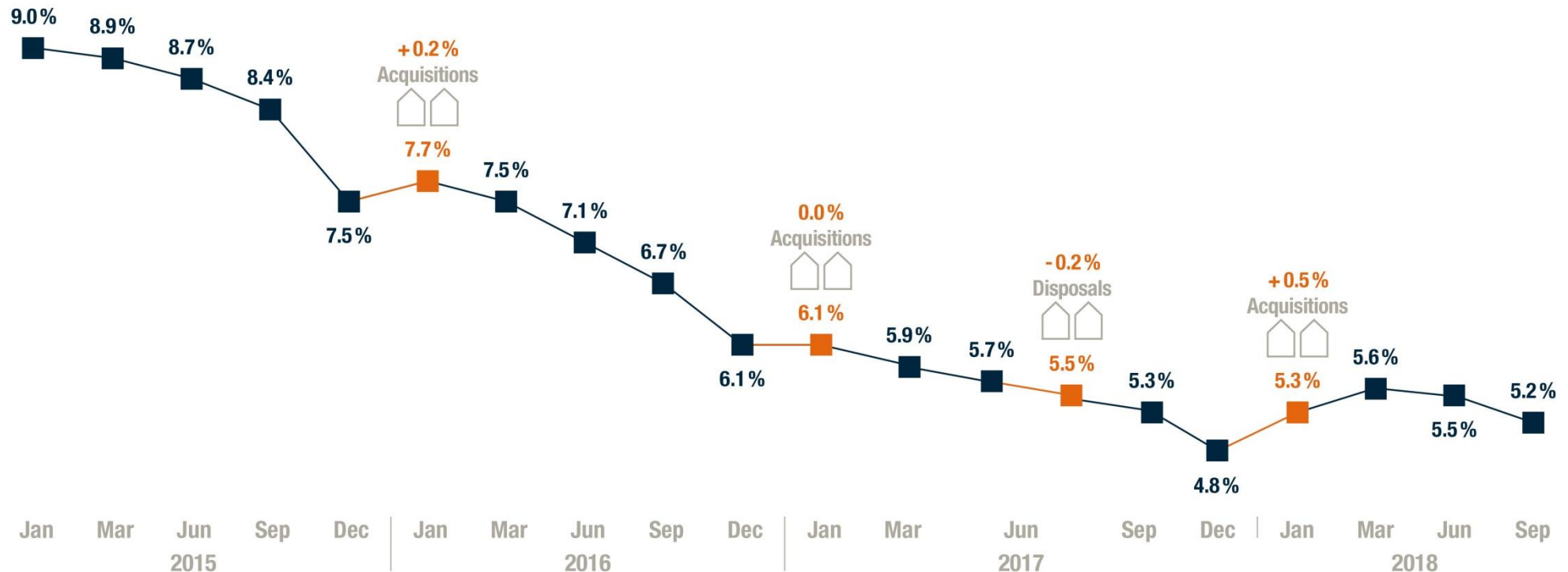
- TAG is a leader in affordable housing in Northern and Eastern Germany.
- The portfolio is structured in ten defined regions in and around large and mid-sized cities.
- The management of these regions is conducted in a decentralized fashion.
- TAG's local presence ensures high operational efficiency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

Portfolio as of	30 Sep-2018	31 Dec-2017
Units	81,915	83,140
Rentable area in sqm	4,980,997	5,054,778
Real estate volume in EURm	4,483.3	4,275.4
Annualised current net rent in EURm (total portfolio)	303.0	303.3
Current net rent in EUR/sqm/month (residential units)	5.26	5.20
Current net rent in EUR/sqm/month (total portfolio)	5.38	5.31
Vacancy in % (residential units)	5.2	4.8
Vacancy in % (total portfolio)	5.6	5.8
L-f-I rental growth in % (y-o-y)	2.4	2.0
L-f-I rental growth in % (including vacancy reduction, y-o-y)	2.8	3.1

TAG vacancy reduction residential units

Strong track record of vacancy reduction

- TAG exhibits strong local presence in its core regions which allows for excellent market knowledge and efficient operation of properties.
- 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 active 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 in Q2 2018 with a material part of revaluation result stemming from operational measures rather than from yield compression.

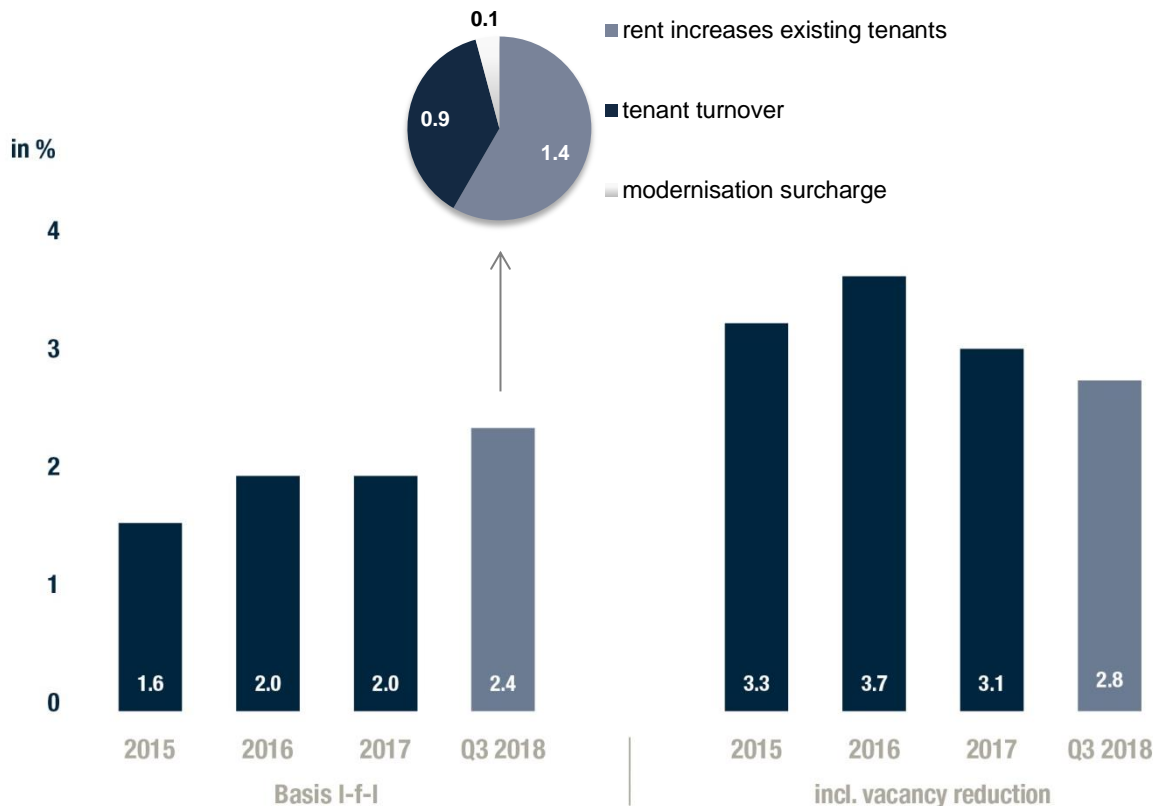


TAG rental growth residential units

Rental growth achieved with moderate investments

- TAG creates attractive rental growth from
 - regular rent increases and tenant turnover (“basis I-f-I rental growth”)
 - vacancy reduction (leading to “total I-f-I rental growth”).
- Targeted and efficient capex strategy: investments in vacancy reduction result in highly attractive returns: c. 6%-10% return on capex in the property based program and c. 45%-50% in the single unit program regarding modernisation of vacant flats*.
- Basis I-f-I rental growth is achieved without large modernisation programs for existing tenants or in the re-letting process. This shows strong underlying fundamentals in TAG’s markets.

*For further details on return on capex see Appendix



in EUR/sqm	2015 (FY)	2016 (FY)	2017 (FY)	Q3 2018 (9M)
Maintenance and capex	15.15	15.41	15.12	13.96

TAG 2018

TAG acquisitions and disposals FY 2018

TAG acquisitions FY 2018

Signing	Mecklenburg- Western Pomerania	Thuringia	Saxony	Mecklenburg- Western Pomerania/ Brandenburg	Total
	Jun-2018	Jul-2018	Sep-2018	Sep-2018	2018
Units	117	80	73	1,266	1,536
Current net rent EUR/sqm/month	4.66	4.71	4.44	4.94	4.89
Vacancy	1.8%	22.3%	8.0%	6.5%	7.0%
Purchase price in EURm	4.0	1.5	3.2	confidential	---
Current net rent in EURm p.a.	0.33	0.18	0.23	4.24	4.98
Location	Neubrandenburg	Stadtilm	Riesa	Schwerin, Angermünde, et. al	---
Closing	Sep-2018	Sep-2018	Dec-2018e	Dec-2018e	---
Multiples (in place rent)	12.2x	8.3x	13.9x	confidential	---



Riesa



Neubrandenburg



Schwerin

c. 1,500 units acquired in 9M 2018

TAG disposals FY 2018

Signing	NRW/ Lower Saxony	Ongoing disposals	Total
	Jun-2018	2018	2018
Units	461	355	816
Current net rent EUR/sqm/month	5.08	---	---
Vacancy	13.2%	---	---
Selling price in EURm	confidential	14.1	---
Current net rent in EURm p.a.	1.42	0.97	2.39
Net cash proceeds EURm	13.0	13.7	26.7
Book profit in EURm	0.0	0.8	0.8
Location	Various	Various	---
Closing	Sep-/Oct-2018	2018/2019	---
Multiples (in place rent)	confidential	14.5x	---
Comments	Portfolio optimization	Also includes sales of non-core assets	---



Bad Grund



Bochum



Helmstedt

c. 800 units sold in 9M 2018

TAG 2018

TAG guidance FY 2019

TAG guidance FY 2019

FY 2018
(unchanged)

- **FFO** EUR 141m-143m (FY 2017: EUR 127m)
- **FFO/s** EUR 0.97 (FY 2017: EUR 0.87)
- **Dividend/s** EUR 0.73 (FY 2017: EUR 0.65)

FY 2019
(new)

- **FFO** EUR 154m-156m (9% increase y-o-y, including disposals of c. 2,100 units)

EUR 13m increase in FFO y-o-y mainly driven by higher rental income (+c.EUR 9m), higher maintenance expenses (-c.EUR 2m), reduced financing costs (+c.EUR 9m) and higher cash taxes (-c.EUR 3m). Guidance assumes sales of c.500 units from ongoing disposals and of c.1,600 non-core assets in the course of 2019 leading to a total FFO reduction in 2019 of c.EUR 3m; no further acquisitions included.
- **FFO/s** EUR 1.06 (9% increase y-o-y, based on 146.3m outstanding shares)
- **Dividend/s** EUR 0.80 (9% increase y-o-y, equals 75% of FFO)



Senftenberg

FFO in EURm



FFO per share in EUR



Dividend per share in EUR



TAG 2018

APPENDIX

TAG portfolio details by region

Region	Units #	Rentable area sqm	IFRS BV EURm Sep-2018	In-place yield	Vacancy Sep-2018	Vacancy Dec-2017	Current net 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	9,910	565,577	604.2	6.0%	4.9%	4.9%*	5.59	6.13	3.5%	5.4%	4.95	9.21
Chemnitz	7,617	442,265	313.0	7.4%	10.2%	9.7%*	4.84	4.84	0.7%	2.1%	5.06	22.55
Dresden	6,336	411,431	462.9	5.8%	3.2%	3.1%*	5.60	5.86	2.2%	2.6%	3.19	3.87
Erfurt	10,522	592,333	563.5	6.2%	3.3%	1.7%*	5.10	5.60	1.4%	1.2%	3.69	6.31
Gera	9,747	567,396	405.4	7.5%	9.2%	8.6%*	4.94	5.42	1.8%	1.7%	3.96	12.98
Hamburg	7,078	435,255	457.7	6.2%	3.9%	4.0%*	5.63	5.88	3.8%	3.5%	9.44	4.05
Leipzig	10,222	607,980	507.5	7.0%	4.9%	3.6%*	5.13	5.48	2.7%	2.0%	3.95	4.00
Rhine-Ruhr	4,222	269,780	279.7	6.0%	2.4%	2.9%*	5.34	5.47	1.1%	1.3%	10.35	5.81
Rostock	5,616	336,283	314.8	6.6%	3.8%	3.2%*	5.38	5.71	1.5%	2.8%	3.92	10.85
Salzgitter	9,178	563,159	477.3	7.0%	4.9%	5.2%*	5.22	5.42	3.5%	4.2%	5.51	8.98
Total residential units	80,448	4,791,461	4,386.0	6.5%	5.2%	4.8%*	5.26	5.57	2.4%	2.8%	5.12	8.84
Acquisitions	115	5,990	6.0	5.0%	6.8%	14.4%	4.50					
Commercial units within resi. portfolio	1,185	151,368	---	---	17.0%	17.6%	7.62	---	---	---	--	--
Total residential portfolio	81,748	4,948,819	4,392.0	6.8%	5.6%	5.7%	5.33	---	---	---	---	---
Other	167	32,178	91,3	4.9%	5.6%	9.9%	12.23	---	---	---	---	---
Grand total	81,915	4,980,997	4,483.3	6.8%	5.6%	5.8%	5.38	---	---	---	---	---

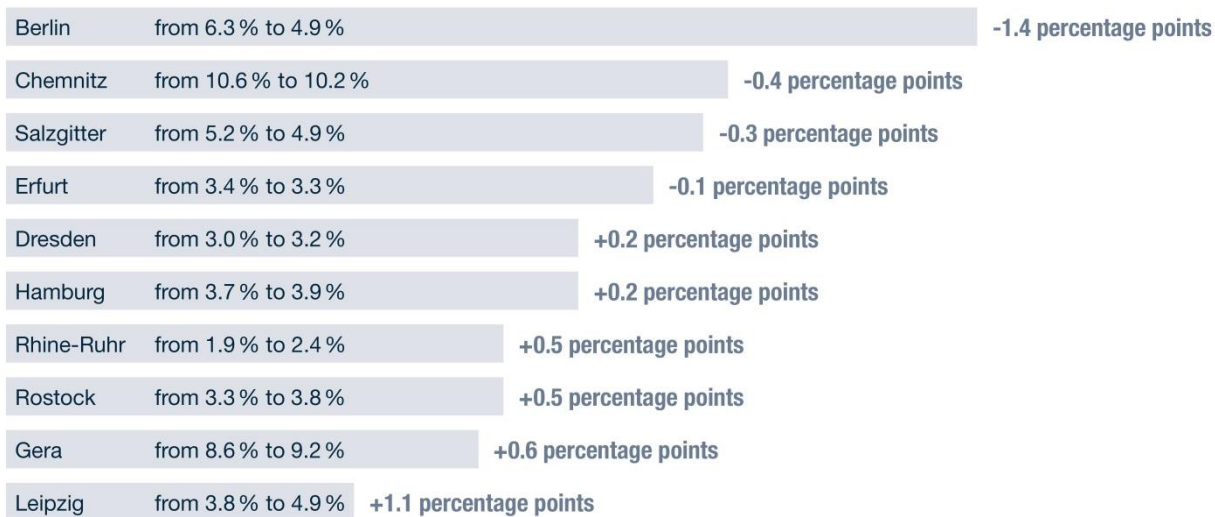
APPENDIX

* excl. acquisitions 2017

TAG vacancy reduction and rental growth

Vacancy development per region incl. acquisitions/disposals

Q3 2018

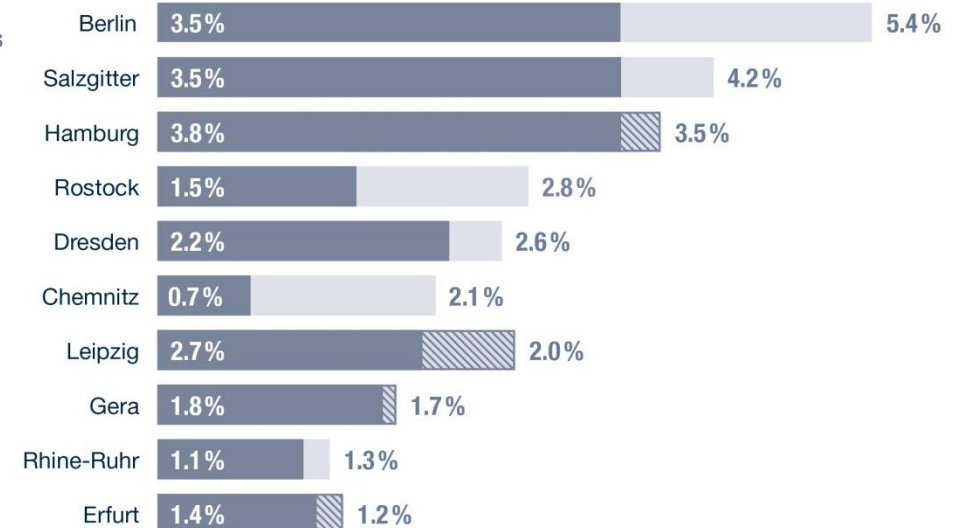


2017

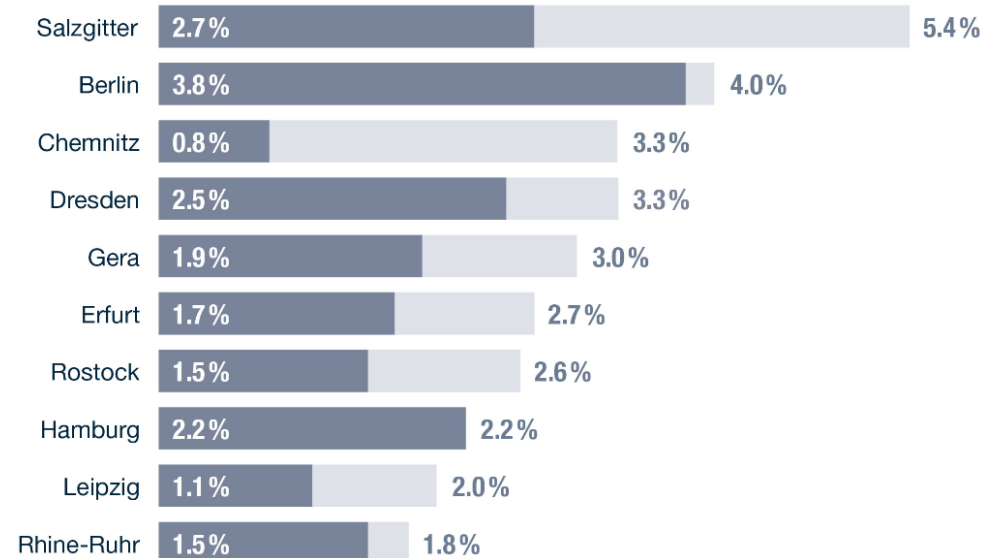


L-f-I rental growth per region (y-o-y)

Q3 2018



2017



APPENDIX

TAG portfolio valuation overview

- Total valuation gain in last portfolio valuation at 30 Jun-2018 of EUR 230.0m equals 5.4% annual valuation uplift and c. 40 bps gross yield reduction:
 - EUR 194.8m gain from yield compression (85%)
 - EUR 35.2m gain from stronger rental growth and vacancy reduction (15%)
- Half year interval between valuations covers the price dynamics in German residential markets and offers transparency.
- Next portfolio valuation at 31 Dec-2018.

Key metrics

	Sep-2018	Dec-2017	Jun-2017	Dec-2016
Book value (EUR/sqm)	c.900	c. 845	c. 800	c.740
Gross yield	6.8%	7.1%	7.4%	7.9%
Implied multiple	14.8x	14.1x	13.5x	12.7x

Valuation remains at conservative levels with c. EUR 900/sqm and 6.8% gross yield



Lauta



Riesa



Dresden

TAG portfolio valuation details

Region (in EURm)	Sep-2018 Fair value (IFRS)	Sep-2018 Fair value (EUR/sqm)	Sep-2018 Implied multiple	9M 2018 Valuation result	Share of operational performance/ other market developments	Share of yield compression	Dec-2017 Fair value (IFRS)	Dec-2017 Fair value (EUR/sqm)	Dec-2017 Implied multiple
Berlin	604.2	1,012.0	15.8x	37.4	9.5	27.9	566.2	1,002.4	15.8x
Chemnitz	313.0	683.2	13.2x	13.2	1.2	12.0	278.4	606.7	11.9x
Dresden	462.9	1,091.9	16.7x	23.5	3.5	19.9	431.0	1,038.3	16.1x
Erfurt	563.5	915.4	15.2x	26.9	4.4	22.5	498.1	862.6	14.1x
Gera	405.4	680.6	12.8x	4.4	1.5	2.9	390.0	660.7	12.5x
Hamburg	457.7	1,029.1	15.6x	30.6	4.7	25.9	421.1	950.0	14.9x
Leipzig	507.5	817.3	13.8x	34.4	2.2	32.2	409.5	763.1	12.8x
Rhine-Ruhr	279.7	993.7	15.6x	13.3	0.9	12.4	271.5	917.3	14.5x
Rostock	314.8	924.1	14.7x	19.6	5.1	14.5	283.7	860.9	13.8x
Salzgitter	477.3	845.3	13.9x	23.0	3.0	20.1	449.2	795.6	13.4x
Total residential units	4,386.0	887.3	14.7x	226.2	35.9	190.3	3,998.8	837.2	14.0x
Acquisitions 2018	6.0	995.2	19.5x	0.1	0.0	0.1	182.0	761.4	15.0x
Total residential portfolio	4,392.0	887.5	14.7x	226.3	35.9	190.4	4,180.8	833.6	14.0x
Other	91.3	2,838.1	20.5x	3.5	-0.7	4.1	94.7	2,415.6	17.5x
Grand total*	4,483.3	900.1	14.8x	229.8	35.2	194.6	4,275.4	845.8	14.1x

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

TAG EPRA Earnings

(in EURm)	Q3 2018	Q2 2018	9M 2018	9M 2017	FY 2017
Net income	30.2	191.7	248.6	93.6	313.7
Valuation result	0.2	-230.5	-229.8	-39.3	-293.0
Deferred income taxes on valuation result	3.7	48.7	56.0	12.8	76.9
Net income from sales	-0.1	-0.6	-0.3	-0.9	0.0
Fair value valuation of derivative financial instruments	0.0	21.6	21.6	0.2	1.2
Deferred income taxes on valuation of derivative financial instruments	0.0	-6.8	-6.8	0.0	0.0
Breakage fees bank loans and early repayment of bonds	0.3	9.5	9.8	13.3	14.4
Cash dividend payments to minorities	-0.2	-0.2	-0.6	-0.6	-0,8
EPRA Earnings	34.1	33.4	98.5	79.1	112.4
Deferred income taxes (other than on valuation result)	2.1	1.3	5.7	8.7	2.8
Other non cash financial result	0.3	0.5	1.4	2.7	-0.2
One off's (in 2017: provision for real estate transfer tax risks)	0.0	0.0	0.0	0.0	8.5
Depreciation	1.1	0.9	3.1	2.7	3.9
Adjusted EPRA Earnings (FFO I)	37.6	36.1	108.7	93.2	127.4
Weighted average number of shares outstanding (in '000)	146,322	146,310	146,347	144,968	145,709
EPRA Earnings per share (in EUR)	0.23	0.27	0.67	0.55	0.77
Adjusted EPRA Earnings (FFO I) per share (in EUR)	0.26	0.25	0.74	0.64	0.87
<i>Weighted average number of shares, fully diluted (in '000)</i>	<i>160,998*</i>	<i>160,948*</i>	<i>160,989*</i>	---	---
<i>EPRA Earnings per share (in EUR), fully diluted</i>	<i>0.21</i>	<i>0.25</i>	<i>0.61</i>	---	---
<i>Adjusted EPRA Earnings (FFO I) per share (in EUR), fully diluted</i>	<i>0.24</i>	<i>0.23</i>	<i>0.68</i>	---	---

*incl. potential shares from convertible bond 2017/2022 (trading „in the money“ at reporting date)

TAG LTV calculation

(in EURm)	30 Sep-2018	31 Dec-2017
Non-current and current liabilities to banks	1,871.5	1,935.4
Non-current and current liabilities from corporate bonds	249.8	322.2
Non-current and current liabilities from convertible bonds	256.8	256.2
Cash and cash equivalents	-147.3	-263.7
Net financial debt	2,230.8	2,250.1
Book value of investment properties	4,333.8	4,166.0
Book value of property reported under property, plant and equipment (valued at cost)	9.5	9.8
Book value of property held as inventory (valued at cost)	48.4	48.1
Book value of property reported under non-current assets held-for-sale	91.6	51.5
Real estate volume	4,483.3	4,275.4
Book value of property for which purchase prices have already been paid (or received) in advance	-0.5	-0.3
Difference between fair value and book value for properties valued at cost	32.6	24.8
Relevant real estate volume for LTV calculation	4,515.4	4,299.9
LTV	49.4%	52.3%

TAG maintenance and capex

in EURm	2017					2018			
	Total portfolio	Q1	Q2	Q3	Q4	Total FY	Q1	Q2	Q3
Maintenance	7.3	6.9	7.5	7.4	29.1	8.6	7.7	8.5	24.8
Capex	7.9	9.9	11.8	13.2	42.8	13.0	14.6	14.8	42.4*
Total	15.2	16.8	19.3	20.6	71.9	21.6	22.3	23.3	67.2

*excl. capex for project developments of EUR 5.7m

in EUR/sqm	2017					2018			
	Residential units	Q1	Q2	Q3	Q4	Total FY	Q1	Q2	Q3
Maintenance	1.55	1.62	1.58	1.49	6.24	1.77	1.59	1.76	5.12
Capex	1.66	2.18	2.43	2.61	8.88	2.67	3.05	3.12	8.84
Total	3.21	3.80	4.01	4.10	15.12	4.44	4.64	4.88	13.96



Chemnitz



TAG return on capex

Modernisation is key element of TAG's strategy

- Capex measures can be broken down into
 - Modernisation of vacant flats (longer term vacancy)
 - Modernisation of flats during re-letting (tenant turnover)
 - Large modernisation measures (comprehensive building-related measures)

- Using modernisation 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 modernisation measures are financed via bank loans and equity, all other modernisation measures are equity-financed

Methodology

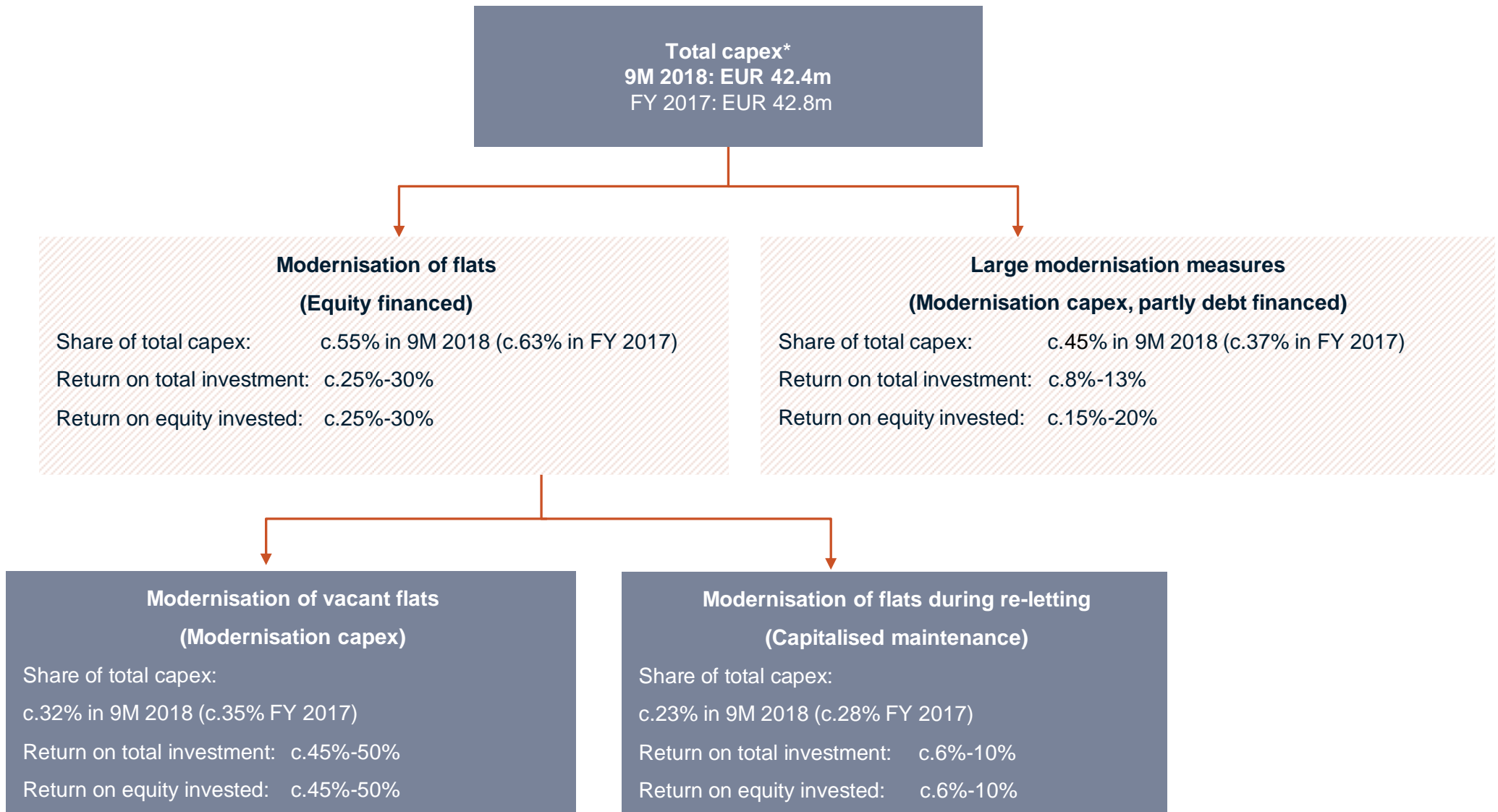
$$1 \quad \frac{\text{Incremental revenues}}{\text{Total investment}} = \text{Return on investment}$$

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

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

* Subject to scope of measures

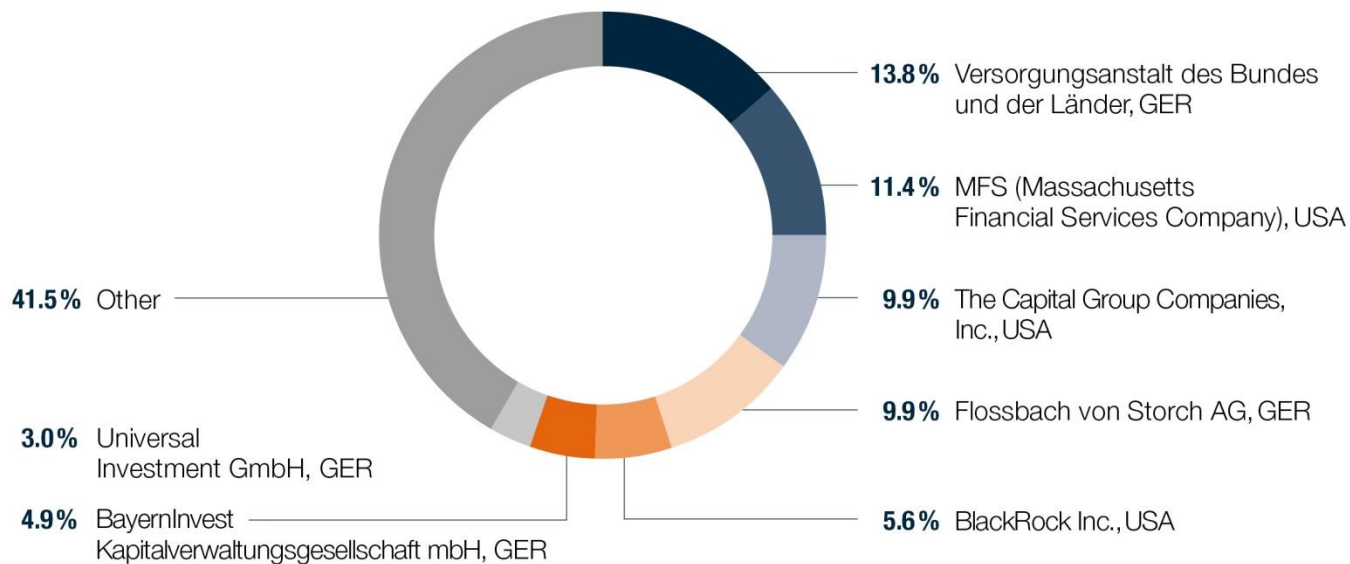
TAG return on capex



*excl. capex for project developments of EUR 5.7m

TAG shareholder structure

Shareholder structure as of 30 Sep-2018



- Number of shares (issued) 146.5m
- Market capitalisation (30 Sep-2018) EUR 3.0bn
- Stock indices MDAX/EPRA
- Free Float * 99.88%
- Treasury shares for management- and employee-compensation 0.12% (177,115 shares)

* Deutsche Börse definition including institutional investors



Bestensee



Rostock



Jänschwalde

TAG contacts

Martin Thiel
CFO

Phone: +49 40 380 32-0
Fax: +49 40 380 32-388

ir@tag-ag.com

Dominique Mann
Head of Investor & Public Relations

Phone: +49 40 380 32-305
Fax: +49 40 380 32-388

ir@tag-ag.com

TAG Immobilien AG

Steckelhörn 5
20457 Hamburg
Phone: +49 40 380 32-0
Fax: +49 40 380 32-388
www.tag-ag.com