



# TAG

Conference call presentation **Q2 2016**

GROWING CASHFLOWS

**TAG**  
Immobilien AG

# Content

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<b>I.</b>	<b>TAG highlights Q2 2016</b>	<b>3</b>
<b>II.</b>	<b>TAG financials Q2 2016</b>	<b>6</b>
<b>III.</b>	<b>TAG portfolio Q2 2016</b>	<b>12</b>
<b>IV.</b>	<b>TAG revised guidance 2016</b>	<b>17</b>
<b>V.</b>	<b>Appendix</b>	<b>19</b>

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- Acquisitions and disposals 2015
- Portfolio valuation 2015
- Capex and maintenance
- Capital markets heads-up
- Bonds and convertibles
- Management Board

# TAG 2016

TAG highlights Q2 2016

# TAG highlights Q2 2016

## Operational performance

	Q2 2016	Q1 2016	FY 2015	Q2 2015
▪ <b>Vacancy</b> (residential units)	7.1%	7.5%	7.5%/7.7%*	8.7%
▪ <b>L-f-L rental growth Y-o-Y</b>	1.9%	1.9%	1.6%	1.3%
▪ <b>L-f-L rental growth Y-o-Y</b> incl. vacancy reduction	3.9%	3.8%	3.3%	2.3%
▪ <b>Net in-place rents</b> (EUR/sqm)	5.05	5.02	5.04/ 5.00*	5.00
▪ <b>FFO I</b> (EUR/m)	23.3	21.6	76.3	18.6
▪ <b>FFO I</b> (EUR/share)	0.18	0.17	0.62	0.15

\* : incl. acquisitions and disposals 2015

## NAV and LTV

	30 Jun-2016	31 Mar-2016	31 Dec-2015	30 Jun-2015
▪ <b>EPRA NAV</b> (EUR/share)	10.40	10.76	10.64	9.78
▪ <b>LTV</b>	60.4%	59.0%	60.7%	63.2%
▪ <b>LTV</b> (incl. convertibles)	62.4%	61.0%	62.7%	65.7%

## 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** 330 residential units signed in H1 2016 (Q2: 212 units). Total selling price of EUR 16.5m (Q2: EUR 10m). Book profit of EUR 1.8m (Q2: EUR 1.1m). Net cash proceeds of approx. EUR 7.2m (Q2: EUR 1.7m).

# TAG highlights Q2 2016 – early conversion

## ■ Facts regarding the subject convertible bond

<b>Convertible bond 2019</b>	ISIN DE000A1PGZM3
Outstanding volume (EURm)	<b>74.5</b>
Maturity	<b>28 Jun 2019</b>
Interest rate	<b>5.5%</b>
Current conversion price (EUR / share)	<b>7.4729</b>
Underlying shares (#m)	<b>9.97</b>

## ■ Facts regarding the offer

<b>Convertible bond 2019</b>	ISIN DE000A1PGZM3
Cash premium offered	<b>12.75%</b>
Implicit premium (beginning of the offer)	<b>c. 2.5%</b>
Total cash expenditure (EURm)	<b>8.9</b>
Interest savings p.a. pre tax (EURm)	<b>4.1</b>
LTV pre transaction (30 Jun-2016)	<b>62.4%</b>
LTV post transaction (pro forma)	<b>60.7%</b>

## ■ Transaction rationale

- Share price performance in recent years has made the convertible bond 2019 trade up deep into the money, which enables TAG to propose an incentivized conversion to the benefit of all stakeholders: bondholders, existing shareholders as well as the company
- In line with its strategy on the asset side, TAG is committed to continuously optimize its liabilities, i.e. its capital and financing structure
- The transaction will result in a reduction of LTV from 62.4% to 60.7% (pro forma calculation based on the IFRS consolidated financial statements as of 30 June 2016)
- Given the high coupon of the convertible bond 2019, the transaction will strengthen total FFO and will result in a nearly neutral impact on FFO per share
- Cash premium offered is lower than the present value of the scheduled coupon payments until conversion at maturity
- Acceptance quota 94% (volume of EUR 70.1m), total cash payments amounts to EUR 8.9m
- Transaction completed in July 2016; Clean up call for the remaining convertibles (volume of EUR 4.4m) in August 2016
- Innovative transaction, never successfully completed in German capital markets before

# TAG 2016

TAG financials Q2 2016

# TAG income statement (IFRS)

(in EUR millions)	Q2 2016	Q1 2016	H1 2016	H1 2015	FY 2015
<b>Rental revenues</b>	<b>68.3</b>	<b>67.7</b>	<b>136.0</b>	<b>128.9</b>	<b>259.3</b>
Expenses from property management	-13.0	-14.6	-27.6	-27.8	-54.0
<b>Net rental income</b>	<b>55.3</b>	<b>53.1</b>	<b>108.4</b>	<b>101.1</b>	<b>205.3</b>
<i>Margin</i>	80.9%	78.5%	79.7%	78.5%	79.2%
Net revenues from sales	1.0	0.7	1.7	11.3	20.1
Other operating income	1.7	1.4	3.1	2.8	7.6
Net fair value gains and losses	3.6	0.8	4.4	20.8	98.9
Personnel expenses	-9.4	-9.3	-18.7	-17.3	-35.2
Depreciation	-0.7	-0.7	-1.4	-1.6	-3.1
Other operating expenses	-4.4	-4.4	-8.8	-10.3	-22.5
<b>EBIT</b>	<b>47.1</b>	<b>41.6</b>	<b>88.7</b>	<b>106.8</b>	<b>271.1</b>
Net financial result	-21.4	-21.9	-43.3	-48.5	-96.0
<b>EBT</b>	<b>25.7</b>	<b>19.7</b>	<b>45.4</b>	<b>58.3</b>	<b>175.1</b>
Income tax	-3.6	-1.7	-5.3	-10.1	-27.8
<b>Net income</b>	<b>22.1</b>	<b>18.0</b>	<b>40.1</b>	<b>48.3</b>	<b>147.3</b>

- Rental revenues in Q2 increased due to portfolio acquisitions effective as of Feb. 2016 and through rental growth and vacancy reduction

- Lower property management costs in Q2 2016 compared to Q1 2016 (increased level in Q1 because of higher impairments on rent receivables and higher non recoverable service charges)

- Net revenues from sales in H1 2016 due to single unit sales; in H1 2015 portfolio sale in Berlin

- Valuation gain in Q2 2016 result of revaluation of parts of the commercial objects; annual portfolio valuation (residential portfolio) will follow in Q3 2016

- Lower other operating expenses in H1 2016; H1 2015 affected by one-off transaction costs from ERP software project

- Improved net financial result in Q2 2016 due to reduced interest expenses on bank loans; net financial result (cash, after one-offs) reduced by EUR 3.5m in H1 2016 compared to H1 2015

- Income taxes nearly completely relate to deferred taxes; current cash taxes in H1 2016 of EUR 0.2m (EUR 0.1m in H1 2015)

# TAG FFO calculation

(in EUR millions)	Q2 2016	Q1 2016	H1 2016	H1 2015	FY 2015
<b>Net income</b>	<b>22.1</b>	<b>18.0</b>	<b>40.1</b>	<b>48.3</b>	<b>147.3</b>
+ Taxes	3.6	1.7	5.3	10.1	27.8
+ Net financial result	21.4	21.9	43.3	48.5	96.0
<b>EBIT</b>	<b>47.1</b>	<b>41.6</b>	<b>88.7</b>	<b>106.9</b>	<b>271.1</b>
- Net financial result (cash, after one off's)	-19.7	-20.1	-39.8	-43.7	-84.0
- Cash taxes	-0.3	0.1	-0.2	-0.1	-0.4
+ Adjustments					
Valuation result	-3.6	-0.8	-4.4	-20.8	-98.9
Depreciation	0.7	0.7	1.4	1.7	3.1
Impairment losses on real estate inventory	0.1	0.0	0.1	0.0	0.2
One off's personnel-costs and project costs	0.0	0.8	0.8	4.0	5.3
Net revenue from sales	-1.0	-0.7	-1.7	-11.3	-20.1
<b>= FFO I</b>	<b>23.3</b>	<b>21.6</b>	<b>44.9</b>	<b>36.7</b>	<b>76.3</b>
CAPEX	-11.7	-9.6	-21.3	-16.7	-40.1
<b>= AFFO</b>	<b>11.6</b>	<b>12.0</b>	<b>23.6</b>	<b>20.0</b>	<b>36.2</b>
Net revenue from sales	1.0	0.7	1.7	11.3	20.1
<b>= FFO II (FFO I + net revenue from sales)</b>	<b>24.3</b>	<b>22.3</b>	<b>46.6</b>	<b>48.0</b>	<b>96.4</b>
<i>Weighted average number of shares outstanding (in '000)</i>					
	132,501	126,834	129,668	121,046	123,118
<b>FFO I per share (EUR)</b>	<b>0.18</b>	<b>0.17</b>	<b>0.35</b>	<b>0.30</b>	<b>0.62</b>
<b>AFFO per share (EUR)</b>	<b>0.09</b>	<b>0.09</b>	<b>0.18</b>	<b>0.16</b>	<b>0.29</b>
<i>Weighted average number of shares, fully diluted (in '000)</i>					
	142,072	136,351	139,212	132,278	134,531
<b>FFO I per share (EUR), fully diluted</b>	<b>0.17</b>	<b>0.17</b>	<b>0.34</b>	<b>0.29</b>	<b>0.60</b>
<b>AFFO per share (EUR), fully diluted</b>	<b>0.09</b>	<b>0.10</b>	<b>0.19</b>	<b>0.16</b>	<b>0.29</b>

- FFO I increased by EUR 1.7m in comparison to previous quarter and by EUR 8.3m in H1 2016 compared to H1 2015

- Number of shares outstanding increased in Q1 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
- Further increase in number of shares from 132.5m by 9.4m to 141.9m in July-2016 due to early conversion offer for convertible bonds; total number of shares after clean-up call in Aug-2016 at (estimated) 142.5m
- 4.1m treasury shares remaining from share buyback in Sep/Oct-2014



# TAG balance sheet (IFRS)

(in EUR millions)	30 Jun-2016	31 Dec-2015
<b>Non-current assets</b>	<b>3,659.3</b>	<b>3,605.4</b>
Investment property	3,586.6	3,531.1
Deferred tax assets	42.6	43.6
Other non-current assets	30.1	30.7
<b>Current assets</b>	<b>146.3</b>	<b>165.1</b>
Real estate inventory	11.1	12.8
Cash and cash equivalents	101.7	103.8
Other current assets	33.5	48.5
<b>Non-current assets held-for-sale</b>	<b>1.9</b>	<b>23.7</b>
<b>TOTAL ASSETS</b>	<b>3,807.5</b>	<b>3,794.2</b>
<b>Equity (including minority interest)</b>	<b>1,147.9</b>	<b>1,120.6</b>
Minority interest	21.5	35.4
<b>Non-current liabilities</b>	<b>2,467.0</b>	<b>2,379.0</b>
Financial debt	2,220.6	2,136.7
Deferred tax liabilities	236.3	231.6
Other non-current liabilities	10.1	10.7
<b>Current liabilities</b>	<b>192.6</b>	<b>294.6</b>
Financial debt	132.8	212.9
Other current liabilities	59.8	81.7
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,807.5</b>	<b>3,794.2</b>
LTV (excl. convertible bonds)	60.4%	60.7 %
LTV	62.4%	62.7 %

- Cash inflows from refinancing of latest acquisitions (bank loans of approx. EUR 25m) not included

- Increase in stake of Colonia to 93.9% at 30 Jun-2016 (87.2% at 31 Dec-2015)

- Long-term refinancing of bank loans of EUR 100m in June 2016 leads to increased non-current financial debt (while reducing current financial debt)

- LTV reduction by 30 bps even after dividend payment of EUR 72.9m in June 2016 (leading to increase in LTV of 200 bps)

# TAG NAV calculation

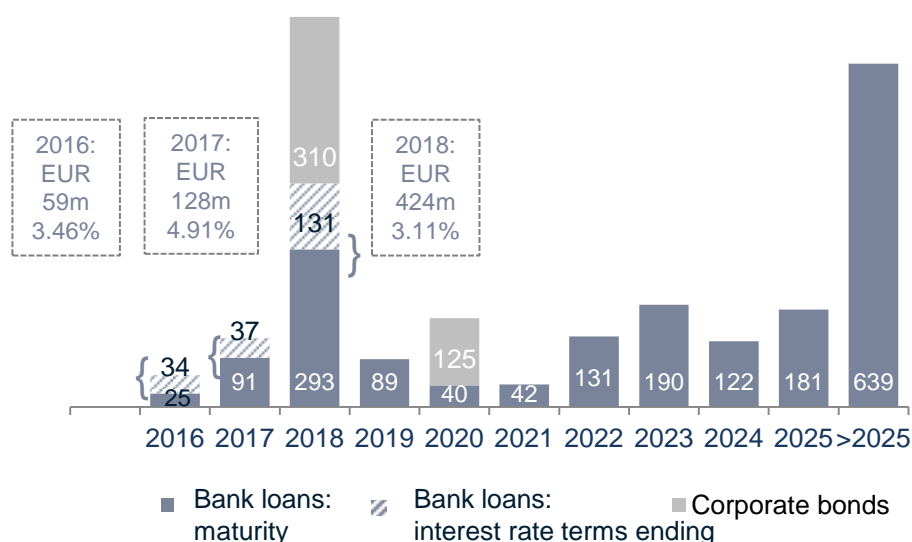
(in EUR millions)	30 Jun-2016	31 Dec-2015
<b>Equity (without minorities)</b>	<b>1,126.4</b>	<b>1,085.1</b>
+ Deferred taxes on investment properties and financial derivatives	249.7	245.1
+ Fair value of financial derivatives	2.5	5.4
<b>= EPRA NAV</b>	<b>1,378.6</b>	<b>1,335.6</b>
- Standardized transaction costs	-210.3	-207.6
<b>= EPRA NAV (incl. standardized transaction costs)</b>	<b>1,168.3</b>	<b>1,128.0</b>
<i>Number of shares (outstanding) (in '000)</i>	<i>132,501</i>	<i>125,469</i>
<b>EPRA NAV per share (EUR)</b>	<b>10.40</b>	<b>10.64</b>
<b>EPRA NAV per share (EUR) (incl. standardized transaction costs)</b>	<b>8.82</b>	<b>8.99</b>
<i>Number of shares, fully diluted (in '000)</i>	<i>142,470</i>	<i>134,986</i>
<b>EPRA NAV per share (EUR) fully diluted</b>	<b>10.20</b>	<b>10.45</b>
<b>EPRA NAV per share (EUR) fully diluted (incl. standardized transaction costs)</b>	<b>8.72</b>	<b>8.91</b>

NAV per share development 30 Jun-2016 compared to 31 Dec-2015:

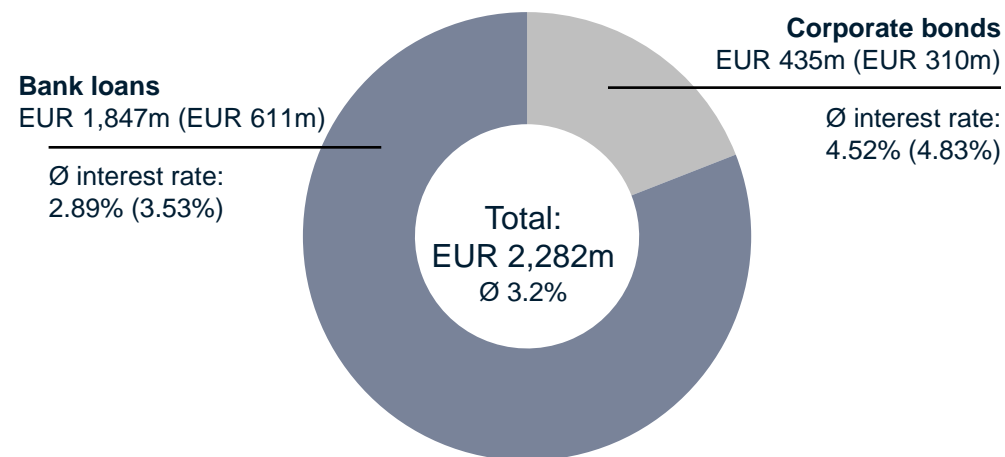
- NAV reduction of EUR 0.55 due to dividend payment in June 2016
- EUR 0.27 increase due to net income in H1 2016
- EUR 0.04 increase due to placement of 5m treasury shares in March 2016
- Total change in NAV ex dividend payment of EUR of 0.31 in H1 2016 and before annual portfolio valuation in Q3 2016

# TAG debt financing structure

Debt maturity profile as of 30 Jun-2016 in EUR millions



Interest rates and maturities <sup>(1)</sup>



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

- TAG is currently financing new mortgage bank loans at all-in interest cost at approx. 1.3%-1.4% p.a. for a 10 year term
- Until 31 Dec-2018, a total of EUR 611m of bank loans (2016: EUR 59m; 2017: EUR 128m; 2018: EUR 424m) will mature or can be refinanced at no breakage fees at expiration; interest rates of these bank loans on average at 3.53% p.a.

## Cost of debt and LTV development

- Total cost of debt in Jun-2016 (pro forma after early conversion of convertible bond) at 3.2% (3.45% in Dec-2015 and 3.6% in Jun-2015)
- LTV in Jun-2016 (pro forma after early conversion of convertible bond) at 60.7% (62.7% in Dec-2015 and 65.7% in Jun-2014)

(in EUR millions)	Q2 2016	Q1 2016	FY 2015
<b>+ Interest income</b>	0.7	0.8	3.6
<b>- Interest expenses</b>	-22.2	-22.8	-99.4
<b>+ net profit from investments/ associates</b>	0.1	0.1	-0.2
<b>= Net financial result</b>	-21.4	-21.9	-96.0
thereof non-cash financial result related to convertible bonds	-0.3	-0.3	-1.6
thereof non-cash financial result related to corporate bonds	-0.2	-0.2	-0.7
thereof non-cash related to derivatives	0.2	-0.7	-2.5
thereof other non-cash financial result and one-offs <sup>(2)</sup>	-1.4	-0.6	-7.2
<b>= Net financial result (cash, after one-offs)</b>	-19.7	-20.1	-84.0

(1) Pro forma after early conversion of convertible bond; numbers in brackets show refinancing volumes and interest rates until 31 Dec-2018

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

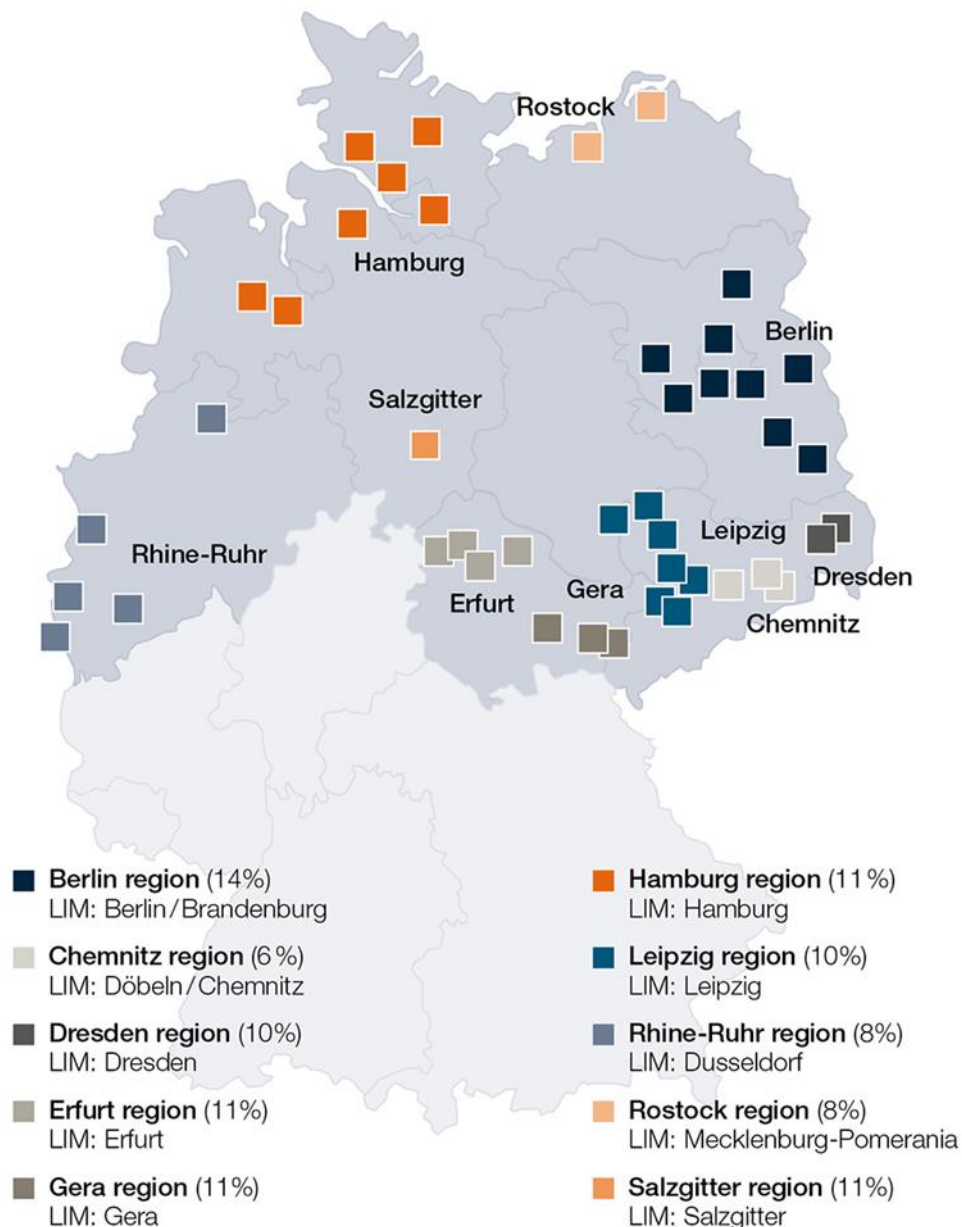
# TAG 2016

TAG portfolio Q2 2016

# TAG portfolio in total as of 30 Jun-2016

- 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	30 Jun-2016	31 Dec-2015
Units	78,377	78,015
Rentable area in sqm	4,796,999	4,765,897
Real estate volume in TEUR	3,609,833	3,577,899
Actual net cold rent in EUR/ sqm/month (total)	5.18	5.19
Actual net cold rent in EUR/ sqm/month (residential units)	5.05	5.04
Annualized actual net cold rent in TEUR (total)	276,228	269,722
Vacancy in % (total)	7.4	8.2
Vacancy in % (residential units)	7.1	7.5



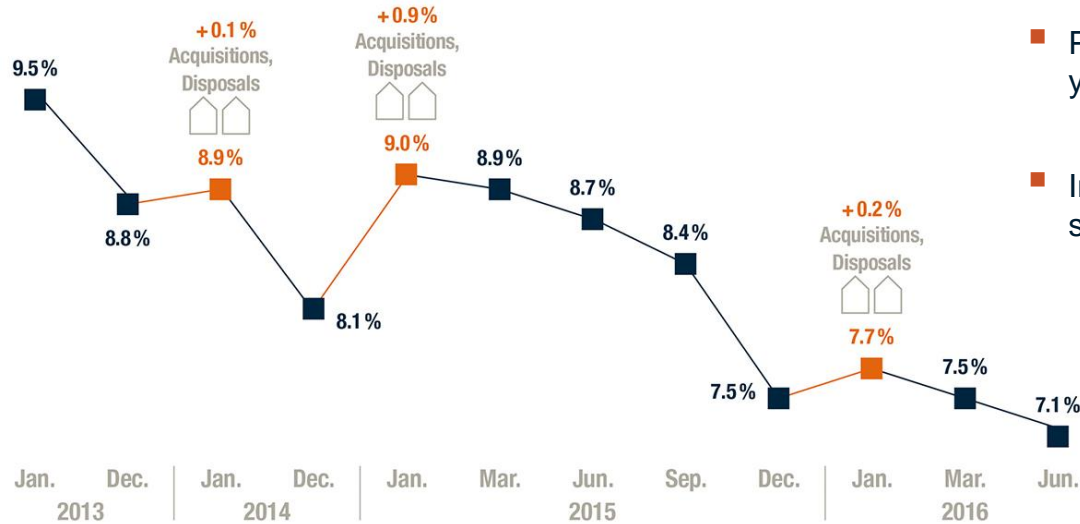
% acc. IFRS book value

# TAG portfolio in total – H1 2016 by region

Region	Units #	Rentable area sqm	IFRS BV TEUR	In-place yield %	Vacancy June 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	9,906	572,404	491,118	6.8%	6.7%	5.1%	5.18	5.88	2.6%	3.1%	2.56	5.88	Increase in vacancy due to acquisitions
Chemnitz	6,537	374,596	221,259	8.2%	13.9%	15.8%	4.70	4.95	2.5%	5.8%	1.58	9.22	Split of "Dresden" region into "Chemnitz" and "Dresden" in 2016
Dresden	6,192	402,091	347,819	7.1%	4.7%	2.7%	5.37	5.71	2.5%	3.3%	1.96	2.42	Increase in vacancy due to acquisitions
Erfurt	8,320	469,009	385,596	7.0%	3.5%	4.3%	5.01	5.42	1.6%	4.0%	1.51	5.10	Higher investments to reduce vacancy
Gera	9,624	561,318	374,194	7.6%	10.8%	11.1%	4.70	5.03	1.6%	3.0%	2.48	2.94	
Hamburg	7,277	444,443	370,048	7.3%	4.4%	5.5%	5.29	5.64	1.1%	3.3%	3.90	5.88	
Leipzig	8,503	504,088	360,432	7.8%	5.5%	5.6%	4.91	5.21	0.9%	2.6%	2.41	2.21	
Rhine-Ruhr	4,931	318,859	282,028	6.8%	4.6%	2.2%	5.29	5.48	0.7%	1.0%	5.65	2.43	Increase in vacancy due to acquisitions
Rostock	5,471	325,096	262,094	7.4%	5.6%	5.2%	5.25	5.58	2.4%	3.8%	2.10	5.80	Higher investments to reduce vacancy
Salzgitter	9,174	562,945	378,245	8.0%	9.6%	12.1%	4.98	5.24	2.7%	8.7%	4.70	5.33	
<b>Total residential units</b>	<b>75,935</b>	<b>4,534,849</b>	<b>3,472,835</b>	<b>7.4%</b>	<b>7.1%</b>	<b>7.5%</b>	<b>5.05</b>	<b>5.40</b>	<b>1.9%</b>	<b>3.9%</b>	<b>2.87</b>	<b>4.68</b>	Further reduction of vacancy to 7.0% in July-2016 from 7.7% (including acquisitions 2015) in Jan-2016
Acquisitions 2016	953	55,445	42,050	7.7%	3.8%	10.6%	5.03	5.03	---	---	2.10	0.66	
Commercial units within resi. portfolio	1,256	160,978	---	---	17.1%	17.7%	7.48	---	---	---	---	---	
<b>Total residential portfolio</b>	<b>78,144</b>	<b>4,751,272</b>	<b>3,514,885</b>	<b>7.7%</b>	<b>7.4%</b>	<b>8.1%</b>	<b>5.13</b>	<b>5.39</b>	<b>---</b>	<b>---</b>	<b>2.76</b>	<b>4.47</b>	
Other	233	45,727	94,948	5.7%	13.2%	12.3%	11.41	0.00	---	---	2.61	1.67	Comprises commercial objects and serviced apartments
<b>Grand total</b>	<b>78,377</b>	<b>4,796,999</b>	<b>3,609,833</b>	<b>7.7%</b>	<b>7.4%</b>	<b>8.2%</b>	<b>5.18</b>	<b>5.39</b>	<b>---</b>	<b>---</b>	<b>2.76</b>	<b>4.45</b>	Vacancy total portfolio in July-2016 at 7.4% (8.2% in Jan-2016)

# 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)

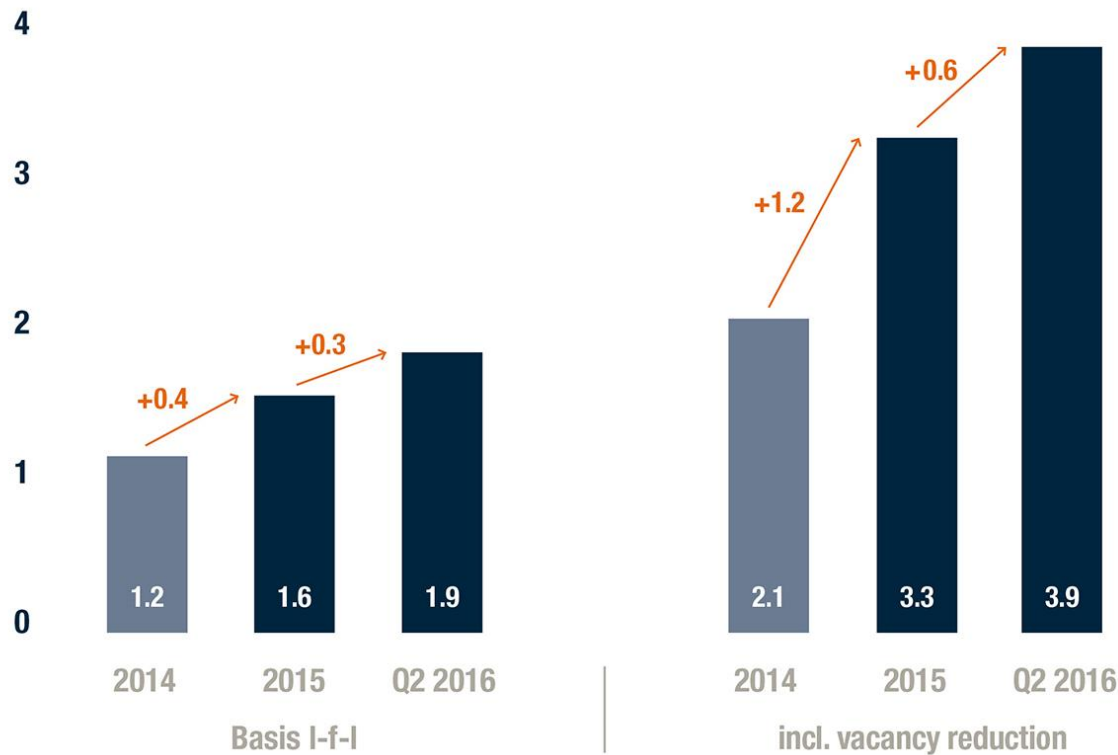
## Salzgitter region 2013 - 2016



- 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

in %



- **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

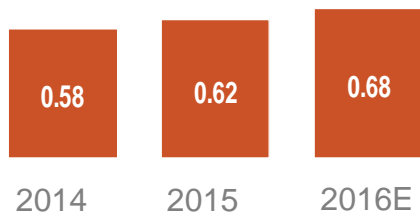
TAG revised guidance 2016

# TAG revised guidance 2016

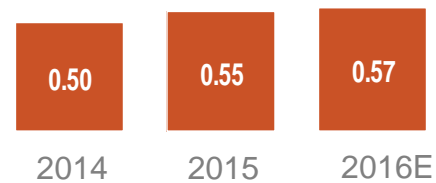
Increased  
FFO  
Guidance  
FY 2016

- **FFO** EUR 92-93m after EUR 84-85m (EUR 76.3 in FY 2015)
- **FFO/share** EUR 0.68 after EUR 0.67 (EUR 0.62 in FY 2015) based on current weighted average NOSH
- **Dividend** EUR 0.57 per share (unchanged; EUR 0.55 for FY 2015)

## FFO per share in EUR



## Dividend per share in EUR



Gera



Stralsund



Chemnitz

# TAG 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
<b>Units</b>	860	134	180	1,776	1,304	972	96	5,322
<b>Rentable area in sqm</b>	49,900	11,400	11,500	97,200	84,600	57,059	8,365	320,024
<b>Actual net cold rent EUR/sqm/month</b>	4.64	5.49	5.37	4.30	4.42	5.05	5.08	4.68
<b>Vacancy</b>	14.8%	1.3%	6.2%	18.6%	11.3%	3.8%	6.3%	12.1%
<b>Purchase price EURm</b>	18.6	8.8	8.2	41.5	36.8	39.5	5.3	158.7
<b>Actual net cold rent EURm p.a.</b>	2.4	0.7	0.7	4.1	4.0	3.4	0.5	15.8
<b>Location</b>	Leipzig, Dresden, Magdeburg, etc.	Brandenburg	Rügen	Brandenburg	Bochum, Eschweiler, Goslar, etc.	Chemnitz, Riesa, etc.	Bitterfeld	
<b>Closing</b>	Aug-2015	Aug-2015	Aug-2015	Dec-2015	Dec-2015	Jan-2016	Dec-2015	
<b>Multiples</b>	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 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
<b>Berlin</b>	441.1	884.5	14.95	19.9	3.90	-47.6	464.9	819.1	14.23
<b>Chemnitz</b>	214.5	581.2	12.41	-5.9	5.19	57.9	157.3	618.7	13.26
<b>Dresden</b>	300.9	978.7	14.91	3.2	1.12	9.6	287.0	973.4	15.23
<b>Erfurt</b>	360.2	838.3	14.61	8.7	6.25	22.8	322.4	831.5	15.39
<b>Gera</b>	372.0	662.1	13.27	-3.0	5.45	72.5	297.1	685.4	14.12
<b>Hamburg</b>	308.5	828.9	14.01	7.3	1.97	-16.4	315.5	818.8	14.09
<b>Leipzig</b>	331.1	712.5	12.87	1.9	2.12	27.8	299.4	710.5	13.12
<b>Rhine-Ruhr</b>	241.8	999.0	15.49	7.5	1.13	4.3	228.9	959.8	15.09
<b>Rostock</b>	250.5	797.8	13.52	5.3	4.47	17.5	223.2	769.9	13.57
<b>Salzgitter</b>	375.2	666.4	12.91	7.0	7.39	-0.1	360.9	641.2	13.07
<b>Total residential units</b>	<b>3,195.8</b>	<b>775.2</b>	<b>13.86</b>	<b>51.9</b>	<b>38.99</b>	<b>148.4</b>	<b>2,956.5</b>	<b>770.8</b>	<b>14.09</b>
Acquisitions	279.8	639.9	12.26	37.9	0.60	12.2	229.1	609.9	12.12
<b>Total residential portfolio</b>	<b>3,475.6</b>	<b>735.0</b>	<b>13.08</b>	<b>89.8</b>	<b>39.59</b>	<b>160.6</b>	<b>3,185.6</b>	<b>728.2</b>	<b>13.02</b>
Other	79.2	2,130.6	19.74	9.1	0.50	-76.4	146.0	2,345.4	19.28
<b>Grand total*</b>	<b>3,554.8</b>	<b>745.9</b>	<b>13.18</b>	<b>98.9</b>	<b>40.09</b>	<b>84.2</b>	<b>3,331.6</b>	<b>750.9</b>	<b>13.21</b>

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

# TAG capex and maintenance

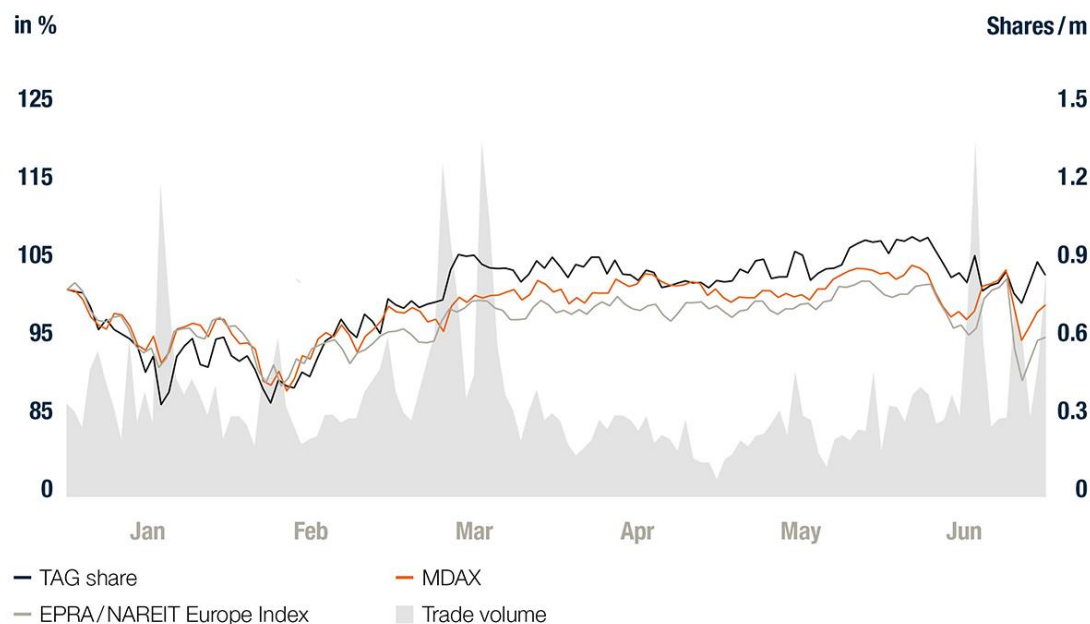
in EUR millions		2015					2016		
		Q1	Q2	Q3	Q4	Total FY	Q1	Q2	Total H1
<b>Maintenance</b>	Residential	6.45	7.09	5.38	5.77	<b>24.69</b>	6.60	6.54	<b>13.14</b>
	Commercial	0.11	0.00	0.22	0.19	<b>0.52</b>	0.02	0.10	<b>0.12</b>
<b>Capex</b>	Residential	6.80	9.88	13.56	9.35	<b>39.59</b>	9.60	11.66	<b>21.26</b>
	Commercial	0.00	0.04	0.18	0.28	<b>0.50</b>	0.03	0.04	<b>0.07</b>
<b>Total</b>		13.39	16.98	19.34	15.59	<b>65.30</b>	16.25	18.34	<b>34.59</b>

# TAG capital markets heads-up

- High/Low (H1 2016) EUR 12.36/EUR 9.85
- Number of shares (issued) 136.6m
- Number of shares (outstanding) 132.5m
- Market capitalisation (30 Jun-2016) EUR 1,610m
- Stock indices MDAX/EPRA
- Free Float \* 97%

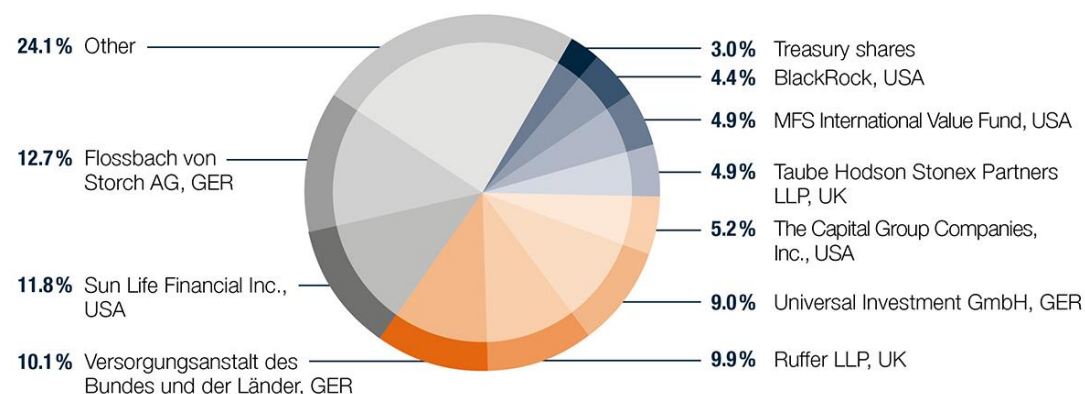
\* Deutsche Börse definition including institutional investors, repurchased TAG own shares not included

## ■ Share price development 2015 and 2016 YTD



Institution	Analyst	Recommendation	Price Target in EUR	Date
Deutsche Bank	Markus Scheufler	Hold	12.00	08-Aug-16
Bankhaus Lampe	Georg Kanders	Buy	13.00	05-Aug-16
MM Warburg	Moritz Rieser	Hold	12.10	4-Aug-16
Nord/LB	Michael Seufert	Hold	11.50	25-Jul-16
VICTORIAPARTNERS	Bernd Janssen	N/A	11.60-13.00	21-Jul-16
Berenberg	Kai Klose	Buy	15.00	18-Jul-16
HSBC	Thomas Martin	Buy	20.70	15-Jul-16
Oddo Seydler	Manuel Martin	Neutral	12.50	30-Jun-16
Commerzbank	Thomas Rothaeusler	Hold	11.80	29-Jun-16
Kepler Cheuvreux	Thomas Neuhold	Buy	14.00	22-Jun-16
Baader Bank	André Remke	Hold	12.40	25-May-16
Kempen&Co.	Bernd Stahli	Sell	11.20	10-May-16
Morgan Stanley	Bianca Riemer	Underweight	9.20	04-Apr-16
Merrill Lynch	Mike Bessell	Underperform	10.40	03-Mar-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
<b>Median</b>			<b>12.20</b>	

## ■ Shareholder structure as of 30 Jun-2016





# TAG bonds

- Two corporate bonds outstanding until 2018/ 2020 (issued in 2013 and 2014)
- Bonds are included in the Open Market, Entry Standard of the Frankfurt Stock Exchange with participation in the Prime Standard for corporate bonds

- **Aug 2013/Feb-2014 – Aug-2018**

- **Jun-2014 – Jun-2020**

<b>WKN A1TNFU</b>	<b>WKN A12T10</b>
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 in Aug-2013)/ to 103 % (110m in Feb-2014)	Issue price: at par



Erfurt



Freiberg



Dessau

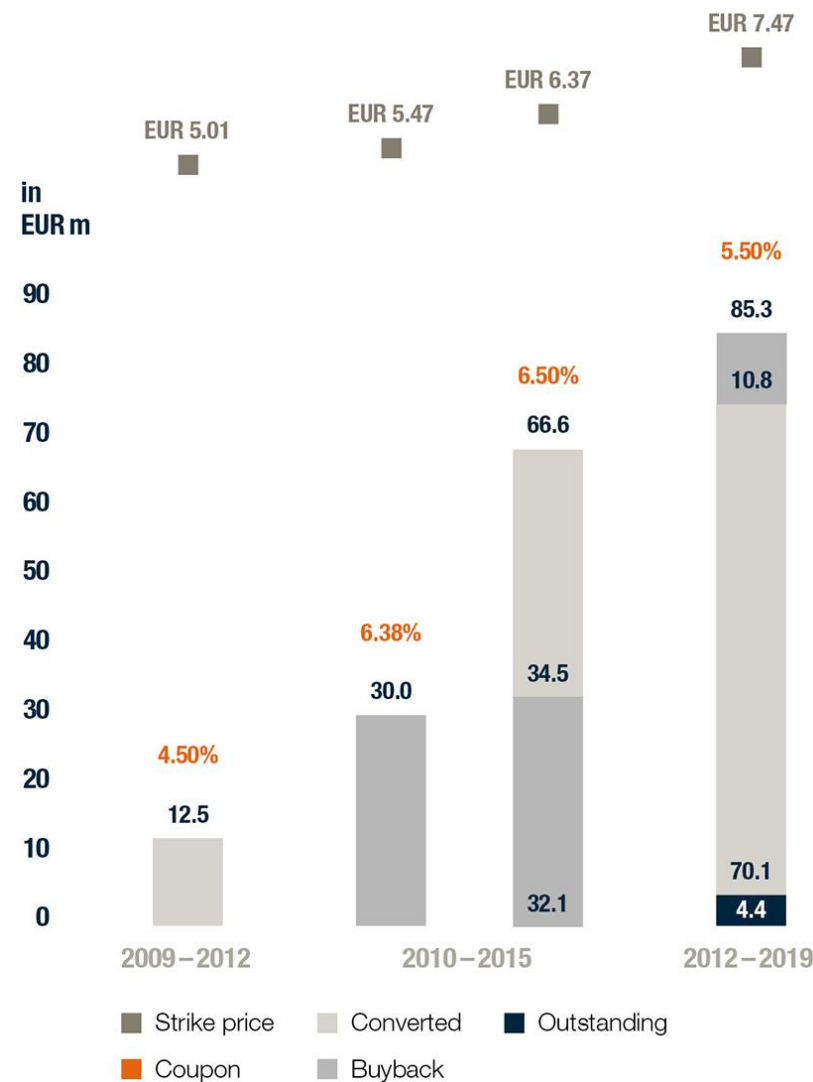
# TAG convertibles

- Incentivized conversion in July 2016 for 5.5% convertible bond 2012/2019
  - Acceptance quota 94%, equals nominal value of EUR 70.1m
  - Clean up call in August 2016 for remaining nominal value of EUR 4.4m
  
- 5.5% convertible bond 2012/2019

TAG share price EUR 11.79 as of 06/30/2016

## WKN A1PGZM3

Issued volume: EUR 85.3 m
Outstanding volume: EUR 4.4 m
Number of shares: 853
Nominal value per bond: EUR 100,000.00
Maturity: 06/25/2019
Interest rate: 5.5 %
Conversion price: EUR 7.47



# TAG management board



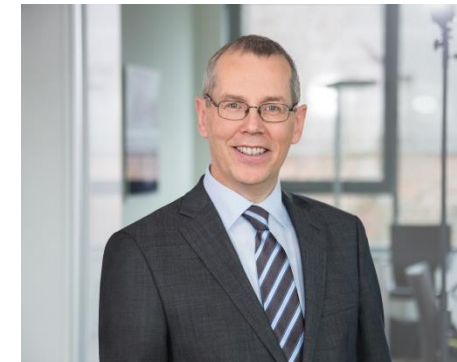
**Claudia Hoyer**  
**COO**

- 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 44
  - 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 60
  - 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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