



Growing Assets

Interim Report on the 1st quarter of 2011

Group Financials (IFRS)

in TEUR	01/01 - 03/31/2011	01/01 - 03/31/2010 <small>(adjusted)</small>
A. Income statement key figures		
Revenues	36,018	21,101
a) Property sales	9,831	8,864
b) Rental income	24,366	11,957
c) Property management and other services	1,821	280
EBITDA before revaluation	26,900	11,024
EBIT	26,245	10,819
EBT	12,001	4,139
Consolidated net profit/loss before minorities	11,121	4,289
Consolidated net profit/loss after minorities	10,623	4,336
Earnings per share in EUR	0.18	0.13
B. Balance sheet key figures		
	03/31/2011	12/31/2010
Total assets	1,930,841	1,190,507
Equity before minorities	372,910	356,461
Equity ratio in %	19.3	29.9
Bank loans	1,140,454	634,002
Of which non-current	1,028,551	523,512
Real estate volume	1,792,617	978,007
C. Employees of TAG		
	03/31/2011	03/31/2010
Number of employees	162	105
Further figures on 31 March 2011		
Market capitalisation in TEUR	402,937	
Subscribed capital in EUR	58,566,364.00	
WKN/ISIN	830350/DE0008303504	
Number of shares	58,566,364	
Free Float in %	95	
Stock exchange	SDAX/EPRA	

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Preface

Dear shareholders, Ladies and gentlemen,

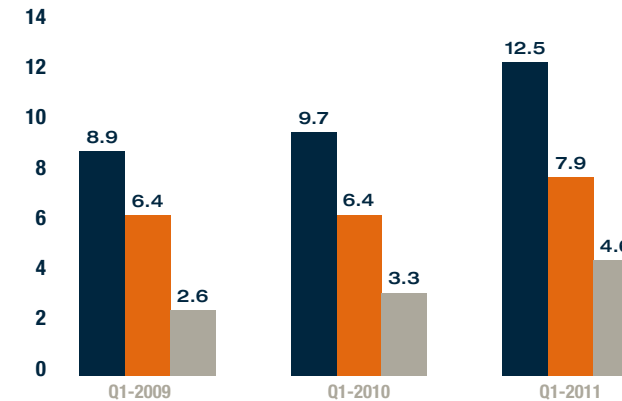
The first quarter of 2011 revolved around the acquisition and first-time consolidation of Colonia Real Estate AG and resulted in an entirely new balance sheet for TAG Immobilien AG ('TAG' in the following) at the reporting date. The acquisition and integration of Colonia Real Estate AG ('Colonia' in the following) has taken TAG to a new dimension, both in terms of size and market importance. The first-quarter figures of 2011 reflect the success of our expansion strategy:

- Total revenue increased from EUR 21.1 million in Q1/2010 to EUR 36.0 million in the first three months of 2011. First-quarter rental revenues rose from von EUR 12.0 million in Q1/2010 to EUR 24.4 million in 2011, leading to rental income of EUR 19.1 million.
- TAG alone was able to improve its first-quarter net rental profit by nearly 30 percent to EUR 12.5 million (Q1 2010: EUR 9.7 million) thanks to successful vacancy reduction.
- The Group's Earnings before taxes (EBT) including Colonia came to EUR 12.0 million at the end of the first quarter 2011. The biggest contributor, to the tune of EUR 12.4 million, was the first-time consolidation of Colonia.
- The acquisition of Colonia increased total assets from EUR 1.2 billion to EUR 1.9 billion. The equity ratio before minorities is 19.3 percent and the LTV (Loan to Value) ratio is around 60 percent.

TAG's net rental profit after interest paid on property financing came to EUR 4.6 million in Q1/2011, after EUR 3.3 million for the comparable period in 2010.

TAG rental and financial result (without Colonia)

in EUR m



■ Net rental profit
■ Interest on property financing
■ Net rental profit after interest

Following the acquisition of Colonia Real Estate AG, TAG manages a total of 26,517 residential units at the reporting date. The gratifying development in the company's share price over the past few weeks confirms the market's confidence in the expansionist course chosen and TAG's focus on residential real estate. The capital increase against cash of around 5.8 million new shares adopted at an extraordinary General Meeting on 7 April 2011 was several times oversubscribed and was fully placed at the beginning of May 2011.

The months ahead will be fraught with great challenges arising from the ongoing integration of Colonia in the TAG Group, which is proceeding at full throttle, as well as the restructuring measures required at Colonia itself. At the same time we

plan to continue expanding our portfolio, using our newly attained position as the basis for further growth.

We hope that the figures and measures described in this report will show that we are on the right path to create additional value for you and that you will continue to accompany us on our auspicious growth path.

Yours sincerely,

Rolf Elgeti Hans-Ulrich Sutter Dr. Harboe Vaagt

Portfolio

Acquisition of Colonia Real Estate AG and integration in the TAG Group

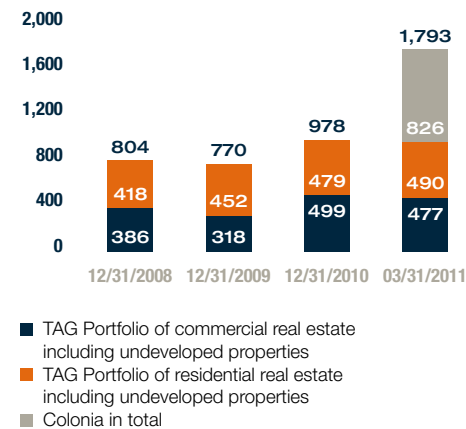
In February 2011, after concluding the voluntary takeover offer extended to Colonia Real Estate AG shareholders in December 2010 and other purchases made via the stock exchange, TAG acquired the majority of voting rights in Colonia on 15 February 2011. In this connection, the Supervisory Board of Colonia appointed Mr Hans-Ulrich Sutter and Mr Rolf Elgeti to Colonia's Management Board, in order to initiate the restructuring process that was clearly needed at Colonia with the direct support of its new majority shareholder, and prepare its integration into the TAG Group. The former Colonia Board Members Messrs Stephan Rind and Volker Lemke resigned from the Management Board; Mr Elgeti will now serve as CEO and Mr Sutter as CFO in addition to their roles on the TAG Management Board.

The restructuring and integration measures identified up until the reporting date, some of which have already been initiated, are:

- Merge the Asset Management business; at Colonia, this is handled by Colonia Real Estate Solutions GmbH, at TAG by LARUS Asset Management GmbH. This leads to an asset and property management division of a relevant size for the German real estate market, with a real estate volume of over EUR 4.3 billion in 'Assets under Management'. The planned merger of the subsidiaries LARUS Asset Management GmbH and Colonia Real Estate Solutions GmbH will substantially strengthen the Services segment in the TAG Group;
- Sell Colonia's housing privatisation business, which is not part of the Group's core business;
- Review outsourced services with the aim of having companies in the Group taking them over. This applies in particular for the management of the residential real-estate holdings contained in various portfolios,

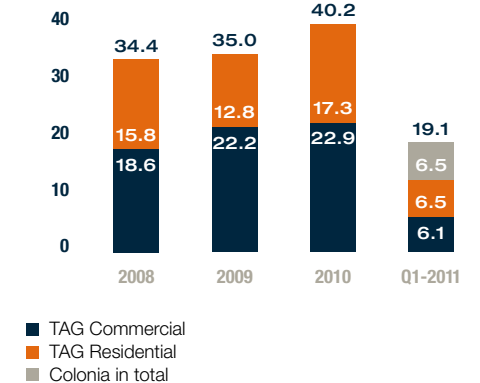
Real estate volume

in EUR m



Net rental profit per segment

in EUR m



as well as for accounting and administrative departments/tasks;

- Merge the administrative departments and central tasks, which will be carried out from within the TAG Group in future, and leveraging synergy effects;
- Continue and broaden the steps initiated by Colonia in 2010 to reduce vacancy in the residential inventories;

- Approve a loan of up to EUR 75.0 million to cover the refinancing requirement Colonia was expected to incur in the wake of its acquisition by TAG, due to early cancellations by owners of the convertible bonds issued by Colonia.

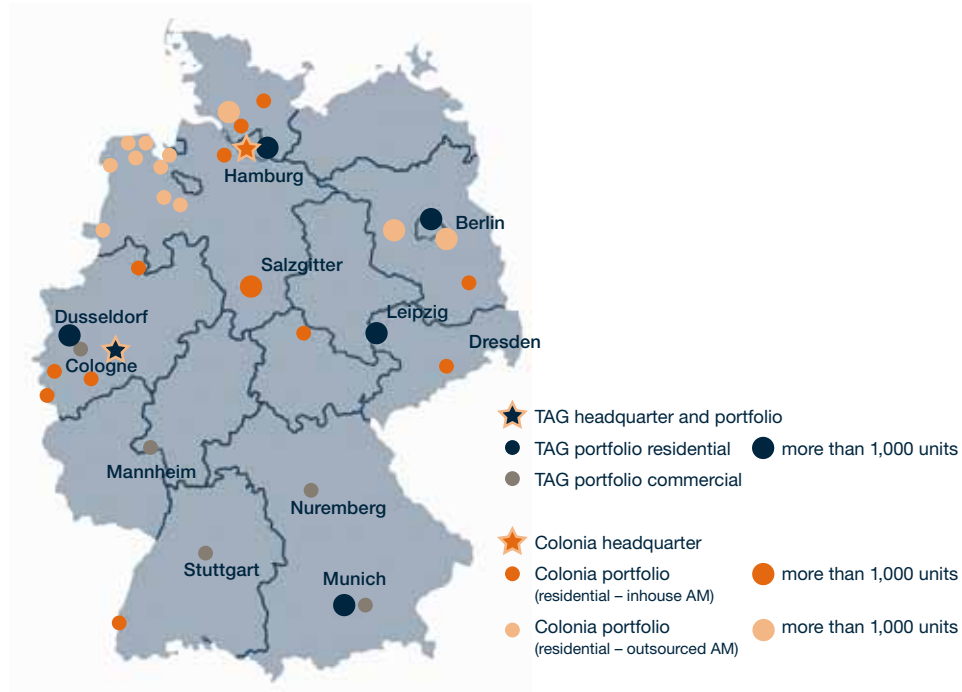
These measures are to be largely completed by the end of the year. They create the conditions needed to exploit, within the year, potential synergies arising from the acquisition, especially at the operations level.

Portfolio expansion

The volume of residential real estate held by the TAG Group has increased considerably with the acquisition of Colonia. The two companies have residential real estate in the same regions, with very few exceptions. All of the properties - except the Salzgitter portfolio - are located in Germany's metropolitan regions, with an emphasis on Berlin, Hamburg/ northern Germany and North Rhine-Westphalia. The locations have growth potential and are summed up in the following:



Salzgitter - Lebenstedt



Portfolio - Residential - TAG and Colonia

	Total	TAG	Colonia
Units	26,517	7,508	19,009
Floor space in sqm	1,629,491	463,593	1,165,898
Real estate volume in TEUR	1,263,095	458,049	805,046
Vacancy in %	13.3	6.3	16.0
Actual net rent in EUR/sqm per month	4.98	5.56	4.72

Colonia's largest portfolio, with approx. 8,700 residential units on 532,480 sqm, is located in Salzgitter, in southern Lower Saxony near Hanover and Braunschweig. It is distributed to the city districts Lebenstedt (6,267 units), Fredenberg (2,082 units) and Hallendorf (365 units). The portfolio represents nearly 20 percent of the city of Salzgitter's total residential real estate inventory, and also accounts for almost 50 percent of Colonia's total assets. Roughly 70 percent of Colonia's vacancy is in Salzgitter alone. If one takes a look at the portfolio on a regional level, the vacancy rate is at 24 percent,

reflecting 2,000 unrented units, while average vacancy in Salzgitter is 10 percent. Accordingly, vacancy reduction in the Salzgitter portfolio is one of the most urgent but also clearly doable tasks, especially considering that much of the portfolio is located in Lebenstedt, which can be considered a good location.

However, initial successes from the vacancy reduction in the Salzgitter portfolio are not expected before the end of the year, when they are expected to have a positive effect on the income statement.

TAG share

The price of TAG shares, which are listed on the SDAX, showed a positive development in Q1/2011: from EUR 6.36 at year-end 2010, the TAG share improved by 8 percent during the first quarter, closing at EUR 6.88 on 31 March 2011.

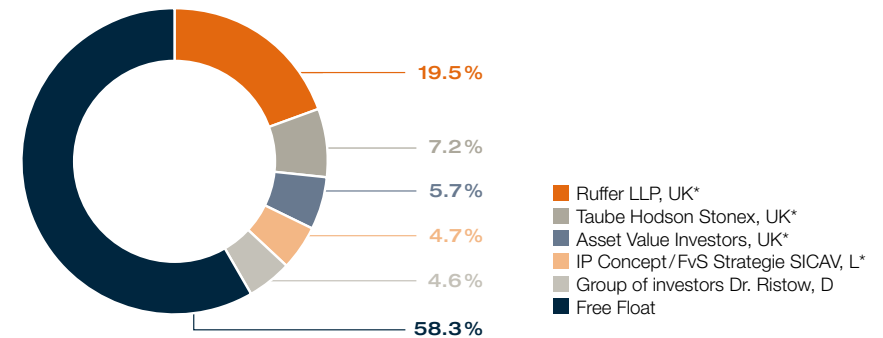
The number of shares remained unchanged during the first quarter, at 58,566,364 no-par value shares. Free Float is at 95 percent. Based on the closing price of EUR 6.88 on 31 March 2011, TAG's market capitalisation amounts to EUR 403 million.

TAG held an extraordinary General Meeting on 7 April 2011, at which a capital increase against cash contributions through the issuance of as many as 5,856,636 new no-par value shares,

taking into account the subscription rights of existing shareholders; and the creation of additional authorised capital of up to EUR 25,000,000 were resolved. The shareholders approved these two agenda items by a large majority. The capital increase by 5,856,636 new no-par value shares has since been fully placed - as of 4 May 2011 - and was several times oversubscribed.

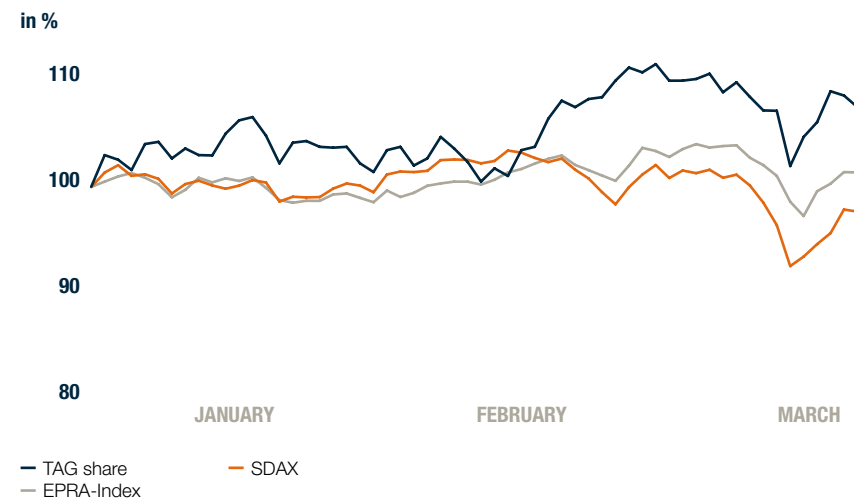
The majority of TAG's shareholders are German and international investors, mostly with a long-view investment strategy.

Shareholder structure on March 31, 2011



* part of Free Float according to the Deutsche Börse definition

Share price 2011



Group management report for the first quarter of 2011

Economic conditions

Despite the recent natural disaster in Japan, the political crises in North Africa and the euro-debt crisis, the German economy was able to continue the positive development of the previous year in the first quarter. Continued economic growth is forecast for 2011.

The German residential real estate market also benefited from the positive overall economic development. Trading in residential complexes and entire portfolios has picked up considerably, and reached a volume of approx. EUR 1.45 billion. This is more than twice the trading volume seen in Q1/2010 (EUR 580 million). The number of transactions during the first quarter nearly tripled year-on-year to 55 (Q1 2010: 19).

In geographical terms, the focus of investments in Q1/2011 - 12 transactions with a total volume of EUR 239 million - was in North Rhine-Westphalia, Germany's most densely populated state. Of these, five transactions totalling EUR 40 million were in Dusseldorf. In Berlin, residential real estate worth EUR 108 million was traded in

11 transactions. In Bavaria, there were nine transactions involving a real estate volume of around EUR 100 million, EUR 70 million alone in the state capital, Munich.

The German residential real estate market continues to be seen as stable and will contain opportunities in 2011, even if price increases are being seen again in some locations.

The transaction volume in the German commercial real estate market showed a similar development in Q1/2011. In the first three months of the year, its volume totalled EUR 5.5 billion, an 18 percent year-on-year increase.

TAG's focus is on residential real estate, and further growth is planned in this sector, at locations where TAG already owns property. Commercial real estate acquisitions are not a priority at the moment.

TAG Group net assets, financial position and results of operations

The first-quarter result of 2011 was dominated by the first-time consolidation of Colonia, which was included in the TAG Group consolidated financial statement as of 1 February 2011. This pushed the Group's first-quarter revenues up by 70 percent to EUR 36.0 million in Q1/2011, after EUR 21.1 million in Q1/2010. Colonia's contribution to revenues came to EUR 10.8 million. TAG's first-quarter rental income more than doubled year on year, to EUR 24.4 million (previous year: EUR 12.0 million). Revenues from sales and services rose to EUR 11.7 million after EUR 9.1 million in Q1/2010. The Group's first-quarter net rental profit nearly doubled to EUR 19.1 million in 2011 after EUR 9.7 million in 2010.

The TAG portfolio, not including Colonia's inventory, showed a 30 percent improvement in net rental profit, to EUR 12.5 million in Q1/2011. The increase was mainly achieved through a significant reduction of vacancy in the residential portfolio, from 9.2 percent at the end of March 2010, 6.3 percent at the end of March 2011. This already includes the portfolios acquired in 2009 and 2010.

Personnel expenditure in Q1/2011 came to EUR 2.8 million (previous year: EUR 1.8 million), of which Colonia accounted for EUR 0.8 million. Other operating expenses increased to EUR 5.2 million in Q1/2011 after EUR 2.2 million in 2010.

The increase is mainly due to ongoing expenditure by Colonia (EUR 1.2 million) - this will be reduced considerably as the company is integrated in the TAG Group - and non-recurring expenses (EUR 1.6 million) due to TAG's acquisition of Colonia.

The Colonia acquisition resulted in gains from first-time consolidation in the amount of EUR 12.4 million. Colonia's equity was adjusted to reflect differences between current value and book value of bank loans, and restructuring expenditure. The adjusted Colonia equity corresponding to TAG's shareholding was then offset against the - lower - acquisition costs expended by TAG to acquire the majority of shares, which resulted in a positive difference of EUR 12.4 million. This amount is included in the TAG Group's EBIT and was, alongside the improvement in net rental profit, the reason behind the increase in EBIT to EUR 26.2 million in Q1/2011 after EUR 10.8 million in 2010.

Net interest income in Q1/2011 dropped to EUR -14.2 million after EUR -6.7 million in the first quarter of 2010. This was due to interest expenses at Colonia, interest paid on TAG convertible bonds and higher interest paid on property financing as the result of acquisitions.

The TAG Group's pre-tax earnings (EBT) rose to EUR 12.0 million in Q1/2011 after EUR 4.1 million the previous year. Earnings after taxes increased from EUR 4.3 million to EUR 10.6 million.

Segment reporting

Total assets increased from EUR 1,191 million at the end of 2010 to EUR 1,931 million at the end of March 2011. Real estate assets at 31 March 2011 were EUR 1.793 million, up from EUR 978 million at the end of 2010. Liabilities to banks totalled EUR 1,140 million at 31 March 2011 after EUR 634 million at 31 December 2010. This increase is also the result of the Colonia acquisition.

Cash and cash equivalents were down to EUR 77.5 million at the end of Q1 2011 as planned, due to the acquisition of the majority of shares in Colonia and after EUR 129.4 million at the end of 2010.

The acquisition of Colonia reduced the equity ratio before minorities to 19.3 percent after 29.9 percent at year-end 2010.

In residential real estate, the acquisition of an attractive residential real estate portfolio in Berlin comprising more than 600 units was prepared and negotiated during the first quarter. The contract was notarised in early April 2011. The residential complex with total floorspace of around 44,000 sqm is nearly fully rented. The purchase expands TAG's Berlin portfolio by some 30 percent; integration can be achieved at marginal cost. This acquisition was financed from the approved capital increase against cash.

In commercial real estate, Siemens AG has moved out of the building on Tübinger Strasse as planned, to clear the way for the property's conversion and development. The TAG plans to establish further construction rights and subsequently sell this property in order to realise potential increases in its value.

Furthermore, Siemens AG is no longer the tenant of the "Kustermannpark" property in Munich; the rental relationship was continued directly with the actual users and former subtenants of Siemens AG. The terms were renegotiated with the new tenants and improved in TAG's favour.

As a result of these changes in TAG's commercial portfolio, Siemens AG no longer accounts for 50 percent, but only for 45 percent of total commercial real estate revenues, although it is still one of the Top 5 tenants.

Risks and outlook

TAG is exposed to various operational and economic risks in its business. Please refer to the corresponding section in the Annual Report 2010 (Group Management Report, p.47 ff) for details. No risks that would result in a different assessment have arisen or become discernible since 1 January 2011.

In our Annual Report 2010, we forecast pre-tax earnings (EBT) of at least EUR 50 million to EUR 60 million and a Net Asset Value (NAV) of EUR 8.00 per share at year-end 2011. Based on the positive performance of the first quarter of 2011, we stick by this forecast, irrespective of the challenges associated with the integration of Colonia and the price increase observed in trading transactions involving residential portfolios.

Hamburg, the 18 May 2011

The Management Board

Consolidated balance sheet

Assets in TEUR	03/31/2011	12/31/2010
Non-current assets		
Investment properties	1,653,143	837,204
Intangible assets	10,828	4,911
Property, plant and equipment	12,621	11,990
Investments in associates	9,961	59,379
Other financial assets	6,763	335
Deferred taxes	8,283	3,996
	1,701,599	917,815
Current assets		
Land with unfinished and finished buildings	119,605	113,973
Other inventories	299	1,102
Trade receivables	16,037	6,654
Income tax refund claims	1,600	1,324
Other current assets	4,855	4,022
Cash and cash equivalents	77,546	129,417
	219,942	256,492
Non-current available-for-sale assets	9,300	16,200
	1,930,841	1,190,507

Equity and liabilities in TEUR	03/31/2011	12/31/2010
Equity		
Subscribed capital	58,566	58,566
Share premium	249,380	248,568
Other reserves	-4,495	-9,507
Unappropriated surplus/accumulated loss	69,459	58,834
Attributable to the equity-holders of the parent company	372,910	356,461
Non-controlling interests	106,875	8,849
	479,785	365,310
Non-current liabilities		
Bank borrowings	1,028,551	523,512
Retirement benefit provisions	1,838	1,801
Other non-current liabilities	125,229	120,086
Deferred taxes	55,804	12,894
	1,211,422	658,293
Current liabilities		
Other provisions	13,884	15,537
Income tax liabilities	1,629	1,664
Bank borrowings	111,903	110,490
Trade payables	20,139	7,762
Other current liabilities	83,636	17,798
	231,191	153,251
Liabilities in connection with the non-current available-for-sale assets	8,443	13,653
	1,930,841	1,190,507

Consolidated income statement

in TEUR	01/01/ - 03/31/2011	(adjusted) 01/01/ - 03/31/2010
Total revenues	36,018	21,101
Rental revenues	24,366	11,957
Rental expenses	-5,315	-2,281
Net rental income	19,051	9,676
Revenues from the sale of inventory real estate	1,726	6,245
Expenses on the sale of inventory real estate	-1,638	-6,234
Net revenues from sale of inventory real estate	88	11
Revenues from the sale of investment properties	8,105	2,619
Expenses on the sale of investment properties	-8,069	-2,350
Net revenues from sale of investment properties	36	269
Revenues/net revenues from property management	1,821	280
Expenses for the provision of property management	-1,760	-98
Net income from the provisions of property management	61	182
Other operating income	15,625	4,878
Gross profit	34,861	15,016
Personnel expenses	-2,806	-1,802
Depreciation/amortisation	-334	-161
Impairment losses on receivables and inventories	-321	-44
Other operating expenses	-5,155	-2,190
EBIT	26,245	10,819
Share of profit of associates	-31	15
Interest income	2,080	605
Borrowing costs	-16,293	-7,300
EBT	12,001	4,139
Income taxes	-750	158
Other taxes	-130	-8
Consolidated net profit/loss	11,121	4,289
of which attributable non-controlling interests	498	-47
of which attributable to the Parent Company's equityholders	10,623	4,336
Earnings per share (EUR), basic		
Basic loss per share	0.18	0.13
Diluted loss per share	0.16	0.13

Consolidated statement of comprehensive income

in TEUR	01/01/ - 03/31/2011	01/01/ - 03/31/2010
Net loss as shown in the income statement	11,121	4,289
Unrealised gains and losses from hedge accounting	7,403	-4,002
Deferred taxes on unrealised gains and losses	-2,331	1,292
Other comprehensive income after taxes	5,072	-2,710
Total comprehensive income	16,193	1,579
of which attributable non-controlling interests	583	-98
of which attributable to the Parent Company's equityholders	15,610	1,677

Consolidated cash flow statement

in TEUR	01/01/ - 03/31/2011	(adjusted) 01/01/ - 03/31/2010
Consolidated net profit/loss (attributable to the Parent Company's equityholders)	10,623	4,336
Depreciation/amortisation	334	161
Share of profits/losses of associates	31	-15
Gains from business combinations	-12,407	0
Gains on disposal of jointly held companies	-93	0
Losses on disposal of jointly held companies	25	0
Gains/losses from the disposal of investment properties	-36	-269
Impairments on receivables and inventories	321	44
Changes in deferred income taxes	3,336	949
Changes in provisions	-2,127	-3,480
Changes in receivables and other assets	8,688	-2,305
Changes in payables and other liabilities	-19,397	9,723
Cash flow from operating activities	-10,702	9,144
Payments made for investments in investment properties	0	-47,547
Payments received from the disposal of investment properties	8,105	2,619
Payments made for investments in intangible assets and property, plant and equipment	-364	-147
Payments made for acquisition of consolidated companies net of cash disposed of	-25,554	0
Payments received from the disposal of joint ventures net of cash disposed of	-58	0
Payments made for investments in associates and other financial assets	-31	0
Cash flow from investing activities	-17,902	-45,075
Payments received from cash equity issues	0	10,882
Payments received from bank borrowings	10,727	33,552
Payments made for repaying bank borrowings	-32,327	-9,622
Payments made for business combinations without change of status	-614	-555
Cash flow from financing activities	-22,214	34,257
Net change in cash and cash equivalents	-50,818	-1,674
Cash and cash equivalents at the beginning of the period	121,776	-595
Cash and cash equivalents at the end of the period	70,958	-2,269
Cash and cash equivalents according to balance sheet	77,546	7,430
Current account liabilities to banks	-6,588	-9,699
Total	70,958	-2,269

Statement of changes in consolidated equity

in TEUR	Equity holders of the parent company								
	Sub-scribed capital	Share premium	Other reserves		Currency translation	Unappropriated surplus /accumulated loss	Total	Minority interests	Total equity
			Retained earnings	Hedge accounting reserve					
01/01/2010	32,566	170,307	527	-12,393	0	5,391	196,398	8,083	204,481
Consolidated net profit	0	0	0	2,359	0	18,501	20,860	811	21,671
Business combination Francono West	0	0	0	0	0	0	0	889	889
Business combination without change of status	0	30	0	0	0	0	30	-925	-895
Buy back of convertible bond	0	-334	0	0	0	0	-334	0	-334
Issue of convertible bond	0	3,525	0	0	0	0	3,525	0	3,525
Capital increase against contribution in kind	10,343	40,168	0	0	0	0	50,511	0	50,511
Cash equity issue	15,657	71,765	0	0	0	0	87,422	0	87,422
Cost of issuing equity (after income taxes)	0	-1,951	0	0	0	0	-1,951	0	-1,951
Amounts withdrawn from share premium	0	-34,942	0	0	0	34,942	0	0	0
Other changes in non-controlling interests	0	0	0	0	0	0	0	-9	-9
12/31/2010	58,566	248,568	527	-10,034	0	58,834	356,461	8,849	365,310
Consolidated net profit	0	0	0	4,985	0	10,625	15,610	583	16,193
Business combination Colonia	0	0	0	0	0	0	0	100,507	100,507
Business combination without change of status	0	787	0	0	0	0	787	-3,087	-2,291
Cost of issuing equity (after income taxes)	0	25	0	0	0	0	25	0	25
Currency translation	0	0	0	0	27	0	27	0	27
Other changes in non-controlling interests	0	0	0	0	0	0	0	14	14
03/31/2011	58,566	249,380	527	-5,049	27	69,459	372,910	106,875	479,785

Consolidated segment report

in TEUR	Residential real estate							Commer- cial real estate	Services	Other aciti- vites	Conso- lidation	Group
	Hamburg	Berlin	Munich	NRW	Others	Colonia	Total					
Total revenues	1,972	4,974	1,326	2,039	241	9,459	20,010	14,080	2,129	346	-548	36,018
Previous year	4,394	7,843	365	534	936	0	14,072	6,619	339	332	-261	21,101
■ Of which exter- nal revenues	1,972	4,949	1,282	2,039	241	9,459	19,942	13,909	1,820	346	0	36,018
Previous year	4,394	7,819	322	534	936	0	14,004	6,506	280	332	-22	21,101
■ Of which inter- nal revenues	0	25	43	0	0	0	69	170	309	0	-548	0
Previous year	0	24	43	0	0	0	67	113	59	0	-239	0
Segment profit/ loss	1,367	2,738	249	1,709	204	6,278	12,544	6,336	381	333	-357	19,236
Previous year	900	1,850	250	411	180	0	3,591	5,864	241	343	99	10,137
■ Non-allocated other operating income												15,625
Previous year												4,879
Gross profit												34,862
Previous year												15,016
■ Miscellaneous non-allocated income and expenses												-22,860
Previous year												-10,877
EBT												12,001
Previous year												4,139
Segment assets	108,682	211,866	31,658	120,175	12,980	814,468	1,299,829	488,608	0	4,180	0	1,792,616
Previous year	108,876	213,043	32,608	120,175	15,761	0	490,464	483,363	0	4,180	0	978,007
■ Non-allocated assets												138,225
Previous year												212,500
Total assets												1,930,841
Previous year												1,190,507

Notes on the interim financial statements for the first quarter of 2011

General information

The interim consolidated financial statements of TAG Immobilien AG (hereinafter referred to as the "Company" or "TAG") have been prepared in accordance with the provisions contained in Section 37x (3) of the German Securities Trading Act pertaining to interim financial reporting. The period under review covers the first three months of 2011. The comparison figures refer to 31 December 2010 with respect to the consolidated balance sheet and otherwise to the first three months of 2010.

The interim financial report has been prepared on a consolidated basis in accordance with the International Financial Reporting Standards (IFRS) endorsed by the EU concerning interim reporting (IAS 34 - Interim Reporting). In addition, allowance has been made for the provisions contained in German Accounting Standard No. 16 (DRS 16 - Interim Reporting).

The recognition and measurement principles as well as the notes and explanations on the interim consolidated financial statements are fundamentally based on the recognition and measurement principles applied to the consolidated financial statements for the year ending 31 December 2010.

For more details concerning the recognition and measurement principles applied, please refer to the consolidated financial statements for the year ending 31 December 2010 compiled pursuant to IFRS, which in accordance with IAS 34 form the material basis for these interim financial statements.

Consolidated companies and acquisitions in the period under review

The consolidation group as of 31 March 2011 includes TAG and, as a matter of principle, all companies in which TAG directly or indirectly holds a majority of the voting capital. If shares in subsidiaries are considered to be of subordinate significance from the Group's perspective, they are recognised as available-for-sale financial assets in accordance with IAS 39.

Effective 1 January 2011, the two companies "An den Obstgärten GmbH & Co. KG" and "An den Obstgärten Verwaltungs GmbH", which had been consolidated on a proportionate basis up until that date, were sold. In addition, Bau-Verein zu Hamburg Bauregie GmbH was amalgamated into Bau-Verein zu Hamburg Eigenheim-Immobilien GmbH effective 1 January 2011.

In the first three months of 2011, a further 0.65 percent of the shares in Bau-Verein zu Hamburg Aktien-Gesellschaft, Hamburg, were acquired for TEUR 610. This transaction was recorded within equity as a business combination without any change of status.

On 15 February 2011, TAG exceeded the 50 percent threshold with its investment in Colonia Real Estate AG and thus assumed control over this company. Following the acquisition of further shares, TAG held roughly 54 percent of the capital of Colonia Real Estate AG as of the end of the period under review. Colonia Real Estate AG was consolidated by TAG for the first time effective 31 January 2011. As not all of the information required to account for this business combination was available as of the date on which these financial statements were prepared, the disclosed profit is provisional only. Accordingly, changes may arise pending the publication of the consolidated financial statements as of 31 December 2011.

Other material transactions

In the first quarter of 2011, investment properties of TEUR 8,105 and inventory real estate of TEUR 1,726 were sold.

The first-time consolidation of Colonia Real Estate AG resulted in profit of around TEUR 12,400, which is reported within other operating income.

Material events after the end of the period covered by this interim report

On 26 April 2011, TAG acquired a residential package comprising 612 units in Berlin-Marzahn via a share deal. The acquisition was financed using the proceeds from the cash equity issue, which had been approved by a large majority of TAG's shareholders at an extraordinary shareholder meeting held on 7 April 2011.

Other disclosures

There has been no material change in the Group's contingent liabilities since 31 December 2010.

On 31 March 2011, the TAG Group had 162 employees, compared with 105 as of 31 March 2010.

Hamburg, 17 May 2011

The Management Board



Bärenparksiedlung, Berlin

Basis of reporting

The preparation of the interim consolidated financial statements pursuant to IFRS requires the Management Boards and management staff of the consolidated companies to make assumptions and estimates influencing the assets and liabilities carried on the balance sheet, the disclosure of contingent liabilities on the balance-sheet date and the expenses and income reported during the periods under review. The actual amounts arising in future periods may differ from these estimates. Moreover, this interim report includes statements which do not entail reported financial data or any other type of historical information. These forward-looking statements are subject to risk and uncertainty as a result of which the actual figures may deviate substantially

from those stated in such forward-looking statements. Many of these risks and uncertainties are related to factors which TAG can neither control, influence nor precisely estimate. This concerns, for example, future market and economic conditions, other market participants' behaviour, the ability to successfully integrate companies after acquisition and tap expected synergistic benefits as well as changes to tax legislation. Readers are reminded not to place any undue confidence in these forward-looking statements, which apply only on the date on which they are given. TAG is under no obligation whatsoever to update such forward-looking statements to allow for any events or circumstances arising after the date of this material.

TAG's Financial calendar

18. August	Publication of the half-year financial report 2011
26. August	2011 Annual General Meeting in Hamburg
09. November	Publication of the interim report: Q3 2011

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This interim report is also published in German. In cases of doubt, the German version takes precedence.



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