QUARTERLY FINANCIAL REPORT

AS AT 30 SEPTEMBER 2015

TLG IMMOBILIEN

KEY FIGURES

KEY GROUP FIGURES ACCORDING TO IFRS

	Unit	01/01/2015–30/09/2015	01/01/2014–30/09/2014	Change in %
Results of operations				
Rental income	in EUR k	93,812	85,356	9.9
Net operating income from letting activities	in EUR k	82,448	75,978	8.5
Disposal profits	in EUR k	5,093	8,169	-37.7
Net income for the period	in EUR k	100,391	68,477	46.6
FFO	in EUR k	47,781	40,355	18.4
FFO per share [1]	in EUR	0.78	0.78	0.0

	Unit	30/09/2015	31/12/2014	Change in %
Balance sheet metrics				
Investment property	in EUR k	1,755,039	1,489,597	17.8
Cash and cash equivalents	in EUR k	48,550	152,599	-68.2
Balance sheet total	in EUR k	1,847,068	1,738,000	6.3
Equity	in EUR k	835,794	747,964	11.7
Equity ratio	in %	45.2	43.0	2.2 pp
Liabilities to financial institutions	in EUR k	775,304	770,447	0.6
Net debt	in EUR k	726,754	617,848	17.6
Net LTV [2]	in %	41.1	40.3	0.8 pp
EPRA NAV	in EUR k	1,036,146	914,008	13.4
EPRA NAV per share	in EUR	16.90	14.91	13.4

[1] Before the company became an Aktiengesellschaft (stock corporation) on 5 September 2014, it was a limited liability company (GmbH). Therefore, for the purposes of comparison, the value of the issued shares is the value that would have existed if the company had always been an Aktiengesellschaft with the same number of shares. Total number of shares as at 31 December 2014 and 30 September 2015: 61.3 million; as at 30 September 2014: 52 million.

[2] Calculation: Net debt divided by property value; for the composition see page 21.

Cover
Geschäftshaus Mitte
Am Schiesshaus 1–3, 01067 Dresden, Germany,
acquired in the fourth quarter of 2015

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MANAGEMENT BOARD

Peter Finkbeiner (left),
Niclas Karoff (right)

DEAR SHAREHOLDERS,
DEAR SIR OR MADAM,

We are pleased to report that the business performance of TLG IMMOBILIEN AG remained positive in the third quarter of 2015 with this interim report, which is the first to be released within the publication deadline set out by the German Corporate Governance Code. We are constantly working to improve the quality of our reports for interested readers. In September, we were awarded with the EPRA BPR Gold award for our first annual report as a listed stock corporation for 2014, demonstrating that this work is paying off.

The latest edition of our annual market report “Property Market in Berlin and eastern Germany 2015” was also published at the end of the third quarter. The report is available on our website www.tlg.eu.

The reporting period was also characterised by the transition of the four previously acquired special retail centres and neighbourhood shopping centres into our portfolio. In particular, our work was focused on integrating them into our platform. In the third quarter, we were also able to announce two larger leases, each concerning more than 1,000 sqm. Likewise, we worked intensely to examine further possible acquisitions so as to continuously pursue our growth strategy.

Notably, our operating results have been positively influenced by the expansion of our real estate portfolio through acquisitions. Moreover, in the first nine months we were able to improve our key performance indicators further. Net operating income from letting activities increased by 9% compared to the same period in 2014, reaching EUR 82 m. We were also able to improve our funds from operations (FFO). Compared to 30 September 2014, our FFO increased by 18% to EUR 48 m.

After the reporting date, in November 2015 TLG IMMOBILIEN AG concluded a purchase agreement for a portfolio consisting of seven office properties and one hotel property at various locations in Germany, including in Berlin, Dresden and Leipzig. The investment volume was EUR 84.6 m.

We believe that we are on course to achieve the FFO of approx. EUR 63 m forecast in the half-year financial report for 2015.

Berlin, 13 November 2015

Peter Finkbeiner
Member of the Management Board

Niclas Karoff
Member of the Management Board

TLG IMMOBILIEN SHARES

The capital market environment was negative in the third quarter of 2015 and led to significant losses. Whereas the developments were positive in the first quarter, the DAX showed a mixed development in the second and third quarter and closed at the end of the third quarter with a negative quarterly result.

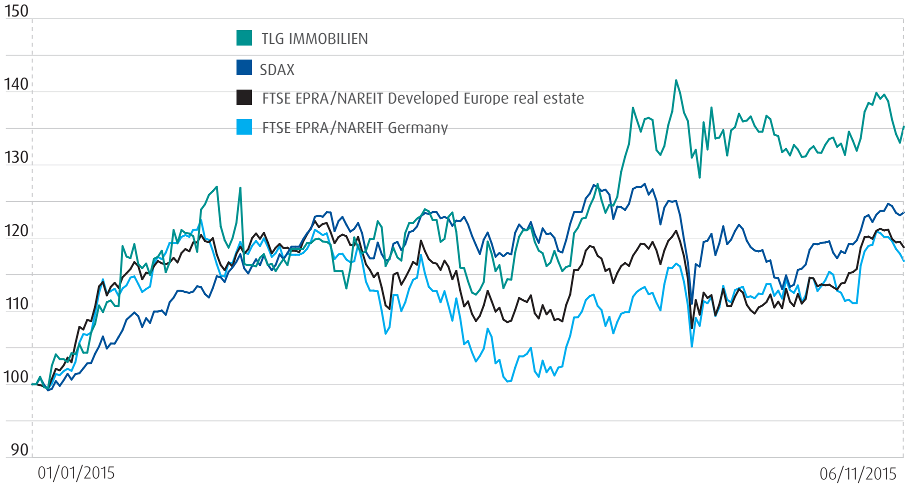
The German stock market performed well in the first quarter, primarily due to the announcement and launch of the European Central Bank's bond purchasing scheme, and the DAX reached an all-time high of 12,390.80 points in the second quarter. After this time, events such as the crisis in Greece and the slowed growth and instability on the Chinese market influenced the further development into the third quarter. The market recovered from the Greek crisis in July, yet from mid August the publication of poor Chinese economic data triggered a negative turn and the DAX fell below 10,000 points. Other negative factors included the unexpected devaluation of the Chinese yuan, the uncertainty surrounding future US Federal Reserve policies, the ongoing devaluation of the currencies of individual emerging markets, falling commodity prices and the VW emissions scandal.

At the end of trading on 30 September 2015, the DAX closed at 9,660.44 points, which is 12.6% below the opening price at the start of the quarter. Over the course of the first nine months, by 30 September 2015 the DAX had declined by 2.1% compared to its opening price on 2 January 2015. Unlike the DAX, the SDAX did not decline as sharply in the third quarter, falling by 3.6% between the beginning of June 2015 and the end of September 2015. As a result, the performance of the SDAX was an increase of 15.4% since the start of the year.

In contrast, real estate share prices experienced positive growth. The FTSE EPRA/NAREIT Germany Index increased by 10% in the third quarter, with a total performance of 12.6% in the first nine months of the year. The FTSE EPRA/NAREIT Developed Europe Index increased by just 1.4% in the third quarter and, at 12.5%, ended the first nine months with an almost identical performance to that of the FTSE EPRA/NAREIT Germany Index.

PERFORMANCE OF THE SHARES BY INDEX

in %



The shares of TLG IMMOBILIEN enjoyed a good start to 2015 and reached a peak of EUR 17.59 on XETRA on 19 August 2015 for the first nine months of the year. The shares closed the reporting period on 30 September 2015 with a price of EUR 16.20 which, compared to the opening price of EUR 12.68 at the start of the year, represents a performance of 27.8% in the first nine months of the year; consequently, it significantly exceeded the performance of the DAX and SDAX as well as the FTSE EPRA/NAREIT Germany and FTSE EPRA/NAREIT Developed Europe Indices.

TLG IMMOBILIEN share data

ISIN/WKN	DE000A12B8Z4/A12B8Z
Ticker symbol	TLG
Share capital in EUR	61,302,326.00
Number of shares (no-par-value bearer shares)	61,302,326
Indices (selection)	SDAX, EPRA/NAREIT Global Index, EPRA/NAREIT Developed Europe Index, EPRA/NAREIT Germany Index
Sector/sub-sector	Real estate
Market segment	Regulated market (Prime Standard)
Designated sponsors	Commerzbank AG, HSBC Trinkaus & Burkhardt AG, J.P. Morgan Securities plc
Closing price on 30/09/2015 (XETRA) in EUR	16.20
Market capitalisation in EUR m	993.1

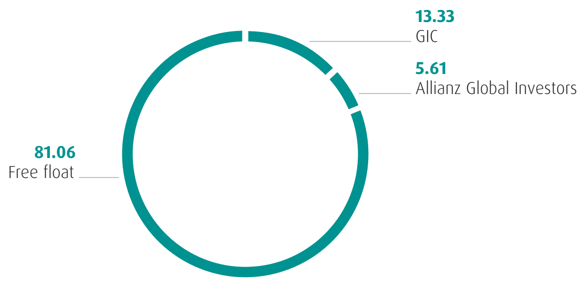
ADMISSION TO THE SDAX

On 19 February 2015, Deutsche Börse unexpectedly decided to admit TLG IMMOBILIEN AG to the SDAX as at 24 February 2015. This admission to the index signals that TLG IMMOBILIEN not only fulfils the high transparency requirements of the Prime Standard, but that the company's market capitalisation and liquidity fulfil institutional investors' criteria for larger equity investments.

SHAREHOLDER STRUCTURE

Shareholder structure as at 30 September 2015

in %



Data based on the latest voting rights notifications as at the reporting date. Free float as defined by Deutsche Börse.

The shareholder structure changed in the first nine months. In March 2015, LSREF II East AcquiCo S.à r.l. (Lone Star) sold a portion of its shares, thereby reducing its shareholding to 18.48%. LSREF II East AcquiCo S.à r.l. (Lone Star) sold its entire shareholding in July 2015. In the same month, GIC Private Limited announced that it held 13.33% of the shares in TLG IMMOBILIEN AG.

ANNUAL GENERAL MEETING

At the first annual general meeting of TLG IMMOBILIEN AG since the IPO, held in Berlin on 25 June 2015, the proposals of the management regarding all items on the agenda were passed by a large majority. A dividend of EUR 0.25 per share was distributed immediately on the following day (26/06/2015).

COVERAGE BY ANALYSTS

Bank	Target price in EUR	Rating	Analyst	Date
Bankhaus Lampe	21.00	Buy	Georg Kanders	10/11/2015
Commerzbank	18.50	Buy	Thomas Rothäusler	10/11/2015
UBS	17.50	Buy	Osmaan Malik	24/09/2015
VICTORIAPARTNERS	16.30–18.20	n/a	Bernd Janssen	24/09/2015
J.P. Morgan	18.00	Neutral	Tim Leckie	15/09/2015
Kempen & Co.	17.00	Neutral	Remco Simon	04/09/2015
HSBC	18.80	Buy	Thomas Martin	05/08/2015

Source: Bloomberg (as at 10/11/2015) and broker research

INVESTOR RELATIONS ACTIVITIES

TLG IMMOBILIEN AG attended the following national and international broker conferences in the first nine months of 2015:

- J.P. Morgan – European Real Estate CEO Conference, London
- UniCredit Kepler Cheuvreux – German Corporate Conference 2015, Frankfurt am Main
- Kempen & Co – European Property Seminar, New York
- HSBC Real Estate Conference 2015, Frankfurt am Main
- Kempen & Co – European Property Seminar, Amsterdam
- Morgan Stanley – Europe & EEMEA Property Conference, London
- EPRA Annual Conference, Berlin
- Bank of America Merrill Lynch – 2015 Global Real Estate Conference, New York
- Berenberg and Goldman Sachs Fourth German Corporate Conference, Munich
- Baader Investment Conference, Munich

In addition, two roadshows were held in London, as well as one in Vienna and one in Frankfurt. The Management Board presented the company at all the events and outlined the company's strategy and potential for future development during in-depth discussions with current shareholders and potential investors.

The preliminary figures for 2014 were published on 2 March 2015, the final financial figures for 2014 on 30 April 2015, the report on the first quarter of 2015 on 1 June 2015 and the report on the second quarter of 2015 on 27 August, and explained to investors and analysts as part of teleconferences. Recordings of the teleconferences are available in the Investor Relations section of our website, www.tlg.eu.

EPRA KEY FIGURES

The European Public Real Estate Association (EPRA) is a not-for-profit association based in Brussels. It represents the interests of listed real estate companies in Europe and is committed to consistent, transparent financial reporting.

TLG IMMOBILIEN AG has been a member of EPRA since November 2014 and, as a company listed on the stock exchange, publishes the key figures in line with the Best Practices Recommendations of EPRA for the sake of transparency and comparability.

Overview of key EPRA figures

in EUR k	30/09/2015	31/12/2014	Change	Change in %
EPRA NAV	1,036,146	914,008	122,138	13.4
EPRA NNNAV	804,370	699,941	104,429	14.9
EPRA Net Initial Yield (NIY) in %	6.3	6.6	-0.3 pp	
EPRA "topped-up" Net Initial Yield in %	6.3	6.6	-0.3 pp	
EPRA Vacancy Rate in %	4.2	3.9	0.3 pp	

in EUR k	01/01/2015–30/09/2015	01/01/2014–30/09/2014	Change	Change in %
EPRA Earnings	48,655	40,289	8,366	20.8
EPRA Cost Ratio (including direct vacancy costs) in %	26.0	28.9	-2.9 pp	
EPRA Cost Ratio (excluding direct vacancy costs) in %	24.5	27.4	-2.9 pp	

EPRA EARNINGS

EPRA Earnings is an indicator of the sustainable performance of a real estate platform and is therefore basically similar to the FFO calculation. EPRA Earnings does not factor in revenue components which have no influence on the long-term performance of a real estate platform. This includes, for example, remeasurement effects and the result from the disposal of properties.

Unlike the FFO calculation carried out by TLG IMMOBILIEN, EPRA Earnings does not exclude other non-cash or non-recurring effects.

EPRA Earnings

in EUR k	01/01/2015–30/09/2015	01/01/2014–30/09/2014	Change	Change in %
Net income from the period	100,391	68,477	31,914	46.6
Result from the remeasurement of investment property	-74,287	-47,189	-27,098	57.4
Result from the disposal of investment property	-4,498	-2,230	-2,268	101.7
Result from the disposal of real estate inventory	-595	-5,939	5,344	-90.0
Taxes on profits or losses on disposals/aperiodic tax	-6,641	0	-6,641	n/a
Gain/loss from the remeasurement of financial instruments	179	2,068	-1,889	-91.3
Acquisition costs of share deals	0	200	-200	-100.0
Deferred and actual taxes in respect of EPRA adjustments	34,278	24,902	9,376	37.7
Non-controlling interests	-172	0	-172	n/a
EPRA Earnings	**48,655**	**40,289**	**8,366**	**20.8**
Number of shares (in thousand) [1]	61,302	52,000		
EPRA Earnings per share (in EUR)	0.79	0.77		

[1] Before the company became an Aktiengesellschaft (stock corporation) on 5 September 2014, it was a limited liability company (GmbH). Therefore, for the purposes of comparison, the value of the issued shares is the value that would have existed if the company had always been an Aktiengesellschaft with the same number of shares.

EPRA NET ASSET VALUE (EPRA NAV)

The EPRA NAV calculation discloses a net asset value on a consistent, comparable basis. The EPRA NAV is a key performance indicator for TLG IMMOBILIEN.

The EPRA NAV increased by EUR k 122,138 to EUR k 1,036,146 compared to 31 December 2014, which corresponds to an EPRA NAV per share of EUR 16.90.

The increase was essentially due to the increase in equity, which in turn was primarily the result of the net income for the period of EUR k 100,391 – after deducting the dividend payment of EUR k 15,326 – and the EUR k 34,767 increase in deferred tax liabilities. The net income for the period of EUR k 74,287 was mainly influenced by the positive development of the value of the property portfolio.

EPRA Net Asset Value (EPRA NAV)

in EUR k	30/09/2015	31/12/2014	Change	Change in %
Equity [1]	833,055	745,395	87,660	11.8
Fair value adjustment of other fixed assets (IAS 16)	5,554	3,918	1,636	41.8
Fair value adjustment of real estate inventory (IAS 2)	430	588	-158	-26.9
Fair value of financial instruments	15,917	17,814	-1,897	-10.6
Deferred tax assets	-2,876	-3,006	130	-4.3
Deferred tax liabilities	185,230	150,463	34,767	23.1
Goodwill	-1,164	-1,164	0	0.0
EPRA Net Asset Value (EPRA NAV)	**1,036,146**	**914,008**	**122,138**	**13.4**
Number of shares (in thousand)	61,302	61,302		
EPRA NAV per share (in EUR)	16.90	14.91		

[1] Adjusted for non-controlling interests

EPRA TRIPLE NET ASSET VALUE (EPRA NNNAV)

EPRA recommends the calculation of an EPRA Triple Net Asset Value (EPRA NNNAV) which, in addition to the EPRA NAV, corresponds to the fair value of the company without the going-concern principle. The EPRA NAV excludes hidden liabilities and hidden reserves resulting from market valuations of liabilities, as well as deferred taxes.

As at 30 September 2015, the EPRA Triple Net Asset Value was EUR k 804,370 compared to EUR k 699,941 in the previous year. The difference of EUR k 104,429 was caused primarily by the development of equity, which was driven by the higher net income for the period.

EPRA Triple Net Asset Value (EPRA NNNAV)

in EUR k	30/09/2015	31/12/2014	Change	Change in %
EPRA Net Asset Value (EPRA NAV)	**1,036,146**	**914,008**	**122,138**	**13.4**
Fair value of financial instruments	-15,917	-17,814	1,897	-10.6
Fair value adjustment of liabilities to financial institutions	-33,505	-48,796	15,291	-31.3
Deferred tax assets	2,876	3,006	-130	-4.3
Deferred tax liabilities	-185,230	-150,463	-34,767	23.1
EPRA Triple Net Asset Value (EPRA NNNAV)	**804,370**	**699,941**	**104,429**	**14.9**

EPRA NET INITIAL YIELD (EPRA NIY) AND EPRA "TOPPED-UP" NIY

The EPRA Net Initial Yield (EPRA NIY) is a figure which reflects the yield of the real estate portfolio. It is calculated as the ratio between rental income as at the balance sheet date less non-recoverable operating costs and the gross market value of the real estate portfolio.

Rent-free periods are adjusted in the rent calculation for the EPRA "topped-up" NIY.

EPRA Net Initial Yield (EPRA NIY) and EPRA "topped-up" NIY

in EUR k	30/09/2015	31/12/2014	Change	Change in %
Investment property	1,755,039	1,489,597	265,442	17.8
Real estate inventory	1,104	1,477	-373	-25.3
Properties classified as held for sale	1,494	21,991	-20,497	-93.2
Property portfolio (net)	1,757,637	1,513,065	244,572	16.2
Estimated transaction costs	124,515	103,466	21,049	20.3
Property portfolio (gross)	1,882,152	1,616,531	265,621	16.4
Annualised cash passing rental income	133,411	118,832	14,579	12.3
Property outgoings	-15,121	-12,818	-2,303	18.0
Annualised net rents	118,290	106,014	12,276	11.6
Notional rent for ongoing rent-free periods	120	25	95	380.0
Annualised "topped-up" net rent	118,410	106,039	12,371	11.7
EPRA Net Initial Yield (EPRA NIY) in %	**6.3**	**6.6**	**-0.3 pp**	
EPRA "topped-up" NIY in %	**6.3**	**6.6**	**-0.3 pp**	

EPRA VACANCY RATE

The EPRA Vacancy Rate is the ratio between the market rent for vacant properties and the market rent for the overall portfolio on the balance sheet date. The market rents used in this calculation were calculated by Savills Advisory Services Germany GmbH & Co. KG as part of the measurement of the real estate portfolio's fair value. The increase in the EPRA Vacancy Rate for the entire portfolio, from 3.9% in the previous year to 4.2% in the third quarter of 2015, was caused by the termination of rental agreements which had come into effect and which could not be fully balanced out by new rental agreements.

EPRA Vacancy Rate

in EUR k	30/09/2015	31/12/2014	Change	Change in %
Market rent for vacant properties	5,642	4,579	1,063	23.2
Total market rent	133,233	117,618	15,615	13.3
EPRA Vacancy Rate	**4.2**	**3.9**	**0.3 pp**	

EPRA COST RATIO

The EPRA Cost Ratio is the ratio between the total operative and administrative expenses and rental income, in order that the expenditure of the overall real estate platform as a percentage of rental income can be compared between various real estate companies. The relevant operative and administrative costs reported in the EPRA Cost Ratio include all expenses resulting from the operational management of the real estate portfolio that cannot be recovered or passed on, excluding changes in the fair value of real estate properties or financial instruments, borrowing costs and tax expenditure. It includes one-off effects and non-recurring costs.

In the first nine months of the 2015 financial year, the increase in rental income combined with the reduction in costs, including through the reduction of personnel expenses due to the restructuring of the company, caused the EPRA Cost Ratio to improve.

EPRA Cost Ratio

in EUR k	01/01/2015–30/09/2015	01/01/2014–30/09/2014	Change	Change in %
Income statement costs under IFRS				
Expenses related to letting activities	25,965	25,515	450	1.8
Personnel expenses	9,197	11,901	-2,704	-22.7
Depreciation	629	998	-369	-37.0
Other operating expenses	4,938	7,422	-2,484	-33.5
Income from recharged utilities and other operating costs	-14,279	-14,841	562	-3.8
Income from other reimbursements	-375	-1,226	851	-69.4
Other operating income from reimbursements	-1,682	-5,103	3,421	-67.0
Ground rent	-5	-26	21	-80.8
EPRA costs (including direct vacancy costs)	**24,388**	**24,640**	**-252**	**-1.0**
Direct vacancy costs	-1,415	-1,232	-183	14.9
EPRA costs (excluding direct vacancy costs)	**22,973**	**23,408**	**-435**	**-1.9**
Cash passing rent	93,812	85,356	8,456	9.9
EPRA Cost Ratio (including direct vacancy costs) in %	**26.0**	**28.9**	**-2.9 pp**	
EPRA Cost Ratio (excluding direct vacancy costs) in %	**24.5**	**27.4**	**-2.9 pp**	

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INTERIM GROUP MANAGEMENT REPORT

1. COMPANY FUNDAMENTALS

1.1 BUSINESS MODEL OF THE GROUP

1.1.1 Organisational structure

With two effective branches in Berlin and Dresden, as well as various regional offices, TLG IMMOBILIEN AG has access to well-developed and established local networks in the growth regions of eastern Germany.

The organisation of TLG IMMOBILIEN is based on the following principles:

- Strategic portfolio management
  Shaped by a deep understanding of local markets and real estate, significant services such as strategic portfolio management and monitoring, valuation and portfolio planning are rendered centrally.

- Acquisitions and sales
  With its many years of extraordinary local expertise, TLG IMMOBILIEN is exceptionally well connected in its core markets. This generates attractive opportunities for the company to grow and chances to sell properties that do not belong to the core portfolio for the best possible prices.

  By focusing on the office and retail property asset classes and making investments ranging from core to value-added, the company has unlocked a wide range of investment opportunities.

- Asset and property management
  TLG IMMOBILIEN covers all of the most important links in the real estate value chain internally. Its various branches bear a decentralised responsibility for commercial property management and tenant relations.

2. ECONOMIC REPORT

2.1 GENERAL ECONOMIC CONDITIONS AND REAL ESTATE MARKETS

2.1.1 General economic conditions

Despite the global economic risks, the German economy continued to grow in the third quarter. In the third quarter of 2015, the German Institute for Economic Research (DIW Berlin) expects the German GDP to grow by 0.5% compared to the previous quarter. This is a higher increase than in the first two quarters of the year (0.3% and 0.4%, respectively).

The Halle Institute for Economic Research (IWH), which compiles the economic barometer for eastern Germany, is also pointing out the economic balance between eastern and western Germany. At 0.4% (Q1) and 0.5% (Q2), the growth rates in eastern Germany differ only slightly from the overall data for Germany published by the German Federal Statistical Office. In its forecast for the third quarter, the IWH expects the eastern German GDP to grow by 0.5%, a figure which matches its expectations for Germany as a whole.

Private consumption is an important growth driver and is continuing to accelerate in light of higher employment rates and noticeable wage increases. The growing number of refugees will also strengthen consumer demand. Production and service locations in eastern Germany will also benefit from this. Likewise, the German job market is still experiencing positive developments. According to the German Federal Employment Agency, from August to September unemployment fell by 0.2 percentage points to 6.2%. Based on the preliminary calculations of the German Federal Statistical Office, in August 2015 the number of employed people increased by 0.5% compared to the previous year. The financial markets are also providing positive stimuli for the German economy as interest rates have remained at their historic lows.

2.1.2 Economic situation in the sectors

Low interest rates are continuing to boost the volume of transactions. According to Colliers International, the volume of transactions on the commercial investment market in Germany reached EUR 38.2 bn in the first three quarters, almost already matching the volume of transactions for all of 2014 (EUR 39.8 bn). The transaction volume was EUR 25.5 bn in the first three quarters of 2014. In Berlin, a transaction volume of more than EUR 1.8 bn was reached in the third quarter alone and, at EUR 4.5 bn, the result of the first three quarters was 81% higher than in the same period in the previous year.

2.1.3 Development of the office property market

On the investment market, office properties remain the predominant commercial real estate asset class in Germany. According to CBRE, the transaction volume in the office segment reached EUR 16.5 bn by the end of the third quarter of 2015, which represents an increase of 27% compared to the same period in the previous year. The growing interest has caused the top yields to decrease. Of the top seven cities in Germany, Berlin experienced the most significant decrease from quarter to quarter. In the third quarter of 2015, top yields in the most popular locations in central Berlin decreased by 0.4 percentage points to 4% compared to the previous quarter, and as a result yields were lower than in other major office locations such as Hamburg and Frankfurt.

According to preliminary information from Colliers International, letting turnover on the seven largest German office property markets increased by 15% in the first three quarters of 2015 compared to the previous year. The volume of turnover reached 2,358,400 sqm in total, which represents its highest result since 2011. Berlin showed the highest letting turnover of all German cities, with 527,000 sqm, which is an increase of 23% compared to the previous year. This result is due primarily to the high level of activity of companies in the TMT sector which, in 2015, concluded several major letting agreements as well as transactions in the small and medium-sized letting segments.

According to Colliers, vacancy rates continued to decrease. In the top seven cities, the vacancy rate fell from 7% at the end of the third quarter of 2014 to 5.7% in September 2015. At 4%, the vacancy rate in Berlin at the end of the third quarter of 2015 was below this average and, after Stuttgart and Munich, was one of the lowest vacancy rates of all the top seven cities.

The growing demand for office properties as a result of the increasing employment rate in Germany is having a direct effect on the development of rents. Although the top rents only fluctuated slightly in the third quarter of 2015, JLL expects them to increase by 1.5% in the top seven cities by the end of December. The top rents in Berlin were 23 EUR/sqm in the third quarter of 2015, which represents an increase of 4.5% compared to the same quarter in the previous year.

2.1.4 Development of the retail property market

When compared against historical data, the GfK indicator for consumer confidence in Germany shows that confidence is high overall. Specifically, the indicator has descended slightly from its 13-year peak of 10.2 points since June 2015, reaching 9.9 points at the end of September. In October, GfK expects the total indicator to decrease further to 9.6 points. Nevertheless, the current consumer climate can be interpreted as a sign of more positive developments in retail and the economy in 2015.

The income prospects and economic expectations of German people significantly decreased in September 2015. Consumers expect the unemployment rate to rise as a result of the large influx of refugees. The GfK economic indicator therefore registered a major decrease from 16.6 points in August 2015 to 6.4 points in September. In the same period, the GfK indicator for income expectations fell by 5.8 points and is currently at 47.7 points.

In contrast, the business climate for eastern German states was considerably positive. Compared to the previous month, the Ifo Business Climate Index for eastern Germany increased by a dramatic 1.1 points to 108.7 points in September. With a significant increase of 3.8 points in August to 11.1 points in September, eastern German retail received a particularly positive evaluation. The results of the Ifo economic analysis show that the eastern German businesses which participated in the survey are noticeably happier with their current business positions and outlooks.

The turnover of German retail companies was higher in August 2015 than at the start of the year. Compared to January, in August the seasonally and calendar-adjusted real turnover was 0.3% higher and nominal turnover was 1.2% higher. At the same time, in August 2015 German retail recorded 2.5% higher turnover, both real and nominal, than in the same month in the previous year.

On the investment market, the volume of transactions reached with retail properties in the first three quarters of 2015 due to major individual transactions, the sale of packages and corporate acquisitions increased by 124% to EUR 14 bn compared to the previous year.

2.1.5 Development of the hotel property market

Germany is attracting more tourists again. According to the German Federal Statistical Office, 54.3 million overnight stays were registered throughout the country in August 2015. This corresponds to an increase of 2% compared to August in the previous year. The 5% increase in overnight stays by international guests to 9.8 million compared to the previous year was particularly significant, whilst the number of overnight stays by German guests increased by 1% to 44.5 million. At 298.4 million from January to August 2015, the number of overnight stays was 3% higher than in the same period in the previous year. Of this, the number of overnight stays by international guests increased by 5% whilst overnight stays by German guests increased by 3%.

According to the German Hotel and Restaurant Association (DEHOGA), in the first half of 2015 the hotel industry achieved a real increase in turnover of 2.4% compared to the same period in the previous year. This was due to high consumer confidence and the growing number of overnight stays, especially by international tourists. The growth of this industry is also reflected in the number of employed people subject to social insurance contributions. According to the calculations of the German Hotel Association (IHA) based on information provided by the German Federal Employment Agency, 32,757 additional jobs subject to social insurance contributions were created in the hospitality industry between December 2009 and December 2014, which represents an increase of 13.5%. In the same period, the number of employed people subject to social insurance contributions in the economy as a whole increased by 9.5%.

These positive figures are having a direct effect on the hotel property investment market. The hotel asset class is currently still high in demand. According to CBRE, the German hotel investment market achieved a transaction volume of EUR 2.8 bn in the first three quarters of 2015, which represents a significant increase of 42%.

2.2 POSITION OF THE COMPANY

2.2.1 Course of business

Overall, the performance of TLG IMMOBILIEN in the reporting period was positive. New properties were acquired in the core regions.

Key portfolio figures under IFRS

Key figures	**Total**	**Core portfolio**	Office properties	Retail properties	Hotel properties	Non-core portfolio
Property value (EUR k)	**1,766,981**	**1,675,507**	604,798	864,083	206,626	91,474
Annualised in-place rent (EUR k)	**133,412**	**122,532**	41,789	68,127	12,617	10,880
In-place rental yield (%)	**7.5**	**7.3**	7.0	7.9	5.9	11.9
EPRA Vacancy Rate (%)	**4.2**	**3.3**	6.3	1.8	1.1	14.7
WALT (years)	**6.7**	**6.7**	5.2	6.0	15.4	5.9
Properties (number)	**447**	**332**	49	278	5	115
Lettable area (sqm)	**1,395,730**	**1,078,758**	399,974	602,931	75,852	316,973

As at 30 September 2015, the real estate portfolio of TLG IMMOBILIEN comprised a total of 447 properties (31/12/2014: 460) with a value (IFRS) of approx. EUR 1.767 bn (31/12/2014: approx. EUR 1.526 bn). Therefore, the value of the portfolio increased by 15.8% in the reporting period. Due primarily to strategic acquisitions and favourable market conditions, the core portfolio increased in value by 18.5% to approx. EUR 1.676 bn (31/12/2014: approx. EUR 1.414 bn). In contrast, the value of the non-core portfolio declined by 18.5% to EUR k 91,474 (31/12/2014: EUR k 112,259) due to the disposal of further properties that did not fit in with the portfolio strategy of TLG IMMOBILIEN.

2.2.2 Results of operations

As expected, the results of operations of TLG IMMOBILIEN for the first nine months of the 2015 financial year were good. Positive net income according to IFRS of EUR k 100,391 was generated for the period. Compared to the same period in the previous year, the net income was EUR k 31,914 higher; the increase was primarily the result of the remeasurement of investment property. The table below presents the results of operations:

in EUR k	01/01/2015–30/09/2015	01/01/2014–30/09/2014	Change	Change in %
Net operating income from letting activities	**82,448**	**75,978**	**6,470**	**8.5**
Result from the remeasurement of investment property	74,287	47,189	27,098	57.4
Result from the disposal of investment property	4,498	2,230	2,268	101.7
Result from the disposal of real estate inventory	595	5,939	-5,344	-90.0
Other operating income	4,609	8,901	-4,292	-48.2
Personnel expenses	9,197	11,901	-2,704	-22.7
Depreciation	629	998	-369	-37.0
Other operating expenses	4,938	7,422	-2,484	-33.5
Earnings before interest and taxes (EBIT)	**151,673**	**119,916**	**31,757**	**26.5**
Financial income	337	472	-135	-28.6
Financial expenses	17,598	18,380	-782	-4.3
Gain (-)/loss from the remeasurement of financial instruments	179	2,068	-1,889	-91.3
Earnings before taxes	**134,233**	**99,939**	**34,294**	**34.3**
Income taxes	33,843	31,462	2,381	7.6
Net income for the period	**100,391**	**68,477**	**31,914**	**46.6**
Other comprehensive income (OCI)	1,279	-8,484	9,763	n/a
Total comprehensive income	**101,670**	**59,993**	**41,677**	**69.5**

The net operating income from letting activities was EUR k 82,448. This has increased by EUR k 6,470 compared to the same period in the previous year, due especially to the fact that recently acquired properties were put into operational management and thus now affect net profit. The disappearance of rental income resulting from the sale of non-strategic properties led to the opposite effect.

At EUR k 74,287, the result from the remeasurement of investment property was positive in the reporting period. The growth was EUR k 27,098 higher than in the same period in 2014, due essentially to the favourable market conditions. The persistently low EPRA Vacancy Rate and long WALT had a stabilising effect.

Earnings of EUR k 5,093 were generated from the disposal of properties – which represents a total decrease of EUR k 3,076 compared to the same period in the previous year – due primarily to profitable sales in the third quarter of 2014.

The other operating income amounted to EUR k 4,609 and mainly comprises insurance compensation, contractual penalties received, income and receivables from previous administrators and income from the reversal of bad debt allowances. Compared to the same period in the previous year, other operating income decreased by EUR k 4,292, due primarily to the proportional expenses of EUR 2,952 in connection with the IPO that were assumed by the shareholder in the third quarter of 2014.

Compared to the same period in the previous year, personnel expenses decreased by EUR k 2,704 to EUR k 9,197 in the first three quarters. This is due mainly to the restructuring of the company in 2013 and 2014, as well as the reduction of the number of staff in connection therewith.

Other operating expenses decreased by EUR k 2,484 to EUR k 4,938 compared to the same period in the previous year. Compared to the same period in the previous year, payments for consultant services and expenses in connection with valuation allowances decreased in particular.

In the first nine months of the 2015 financial year, interest expenses were reduced compared to the same period in the previous year through the refinancing of loans and the restructuring of interest hedges in 2014. In spite of the increase in liabilities to financial institutions overall, interest expenses declined by EUR k 782 to EUR 17,598 compared to the previous period.

In the same period in 2014, expenses of EUR k 1,965 were recognised due to the fair value adjustment of derivatives as a result of partially ineffective hedging relationships. In contrast, all hedging relationships were effective in the first nine months of the 2015 financial year, following the restructuring of the interest hedges in 2014.

The tax expenses in the reporting period comprise current income taxes of EUR k 6,206, aperiodic income from income taxes of EUR k -6,641 – most of which is the result of the reversal of tax liabilities for risks from audit of the years 2007 to 2011 – and deferred taxes of EUR k 34,278.

FFO development

in EUR k	01/01/2015–30/09/2015	01/01/2014–30/09/2014	Change	Change in %
Net income for the period	**100,391**	**68,477**	**31,914**	**46.6**
Income taxes	33,843	31,462	2,381	7.6
EBT	**134,233**	**99,939**	**34,294**	**34.3**
Result from the disposal of investment property	-4,498	-2,230	-2,268	101.7
Result from the disposal of real estate inventory	-595	-5,939	5,344	-90.0
Result from the remeasurement of investment property	-74,287	-47,189	-27,098	57.4
Gain (-)/loss from the remeasurement of financial instruments	179	2,068	-1,889	-91.3
Other effects [1]	-1,045	266	-1,311	n/a
FFO before taxes	**53,987**	**46,915**	**7,072**	**15.1**
Income taxes	-33,843	-31,462	-2,381	7.6
Deferred taxes	34,278	11,058	23,220	210.0
Correction of current taxes due to a lump-sum calculation for interim periods	0	4,419	-4,419	-100.0
Correction of tax effects from the disposal of property, the rescheduling of interest rate hedge transactions and from aperiodic effects	-6,641	9,425	-16,066	n/a
FFO after taxes	**47,781**	**40,355**	**7,426**	**18.4**
Number of shares (in thousand) [2]	61,302	52,000		
FFO per share in EUR	**0.78**	**0.78**	**0.00**	**0.0**

[1] The other effects include
a) the depreciation of IAS 16 property (owner-occupied property) (EUR k 143, previous year EUR k 215)
b) income from the service contract with TAG WOHNEN which expired in 2014 (EUR k 30, previous year EUR k 480)
c) personnel restructuring expenses (EUR k 148, previous year EUR k 321)
d) share-based payments to the Management Board (EUR k 957, previous year EUR k 1,872)
e) income from insurance compensation and the payment of damages to the notary; previous year: reversal of provisions for reclaimed subsidies (EUR k 2,263, previous year EUR k 2,285)
f) IPO and transaction costs (EUR k 0; previous year EUR k 623)

[2] Before the company became an Aktiengesellschaft (stock corporation) on 5 September 2014, it was a limited liability company (GmbH). Therefore, for the purposes of comparison, the value of the issued shares is the value that would have existed if the company had always been an Aktiengesellschaft with the same number of shares.

The funds from operations (FFO) are a key performance indicator for the TLG IMMOBILIEN Group. The FFO in the reporting period, adjusted for significant non-recurring and non-cash effects, was EUR k 47,781. The FFO per share was EUR 0.78, remaining at the same level as the same period in the previous year in spite of the capital increase which took place in October 2014.

The considerable increase in the FFO by 18.4% or EUR k 7,426 compared to the same period in the previous year is due predominantly to the higher net operating income from letting activities and the cost-cutting measures in connection with expenses and personnel. Funds from operations are an important indicator for the performance of the company going forward.

EBITDA calculation

in EUR k	01/01/2015–30/09/2015	01/01/2014–30/09/2014	Change	Change in %
Net income for the period	**100,391**	**68,477**	**31,914**	**46.6**
Income taxes	33,843	31,462	2,381	7.6
EBT	**134,233**	**99,939**	**34,294**	**34.3**
Net interest	17,261	17,908	-647	-3.6
Gain (-)/loss from the remeasurement of financial instruments	179	2,068	-1,889	-91.3
EBIT	**151,673**	**119,916**	**31,757**	**26.5**
Depreciation	629	998	-369	-37.0
Result from the remeasurement of investment property	-74,287	-47,189	-27,098	57.4
EBITDA	**78,015**	**73,725**	**4,290**	**5.8**

TLG IMMOBILIEN generated EBITDA of EUR k 78,015 in the first nine months of the 2015 financial year. This represents an increase of EUR k 4,290 over the same period in 2014, due essentially to the higher net operating income from letting activities.

2.2.3 Financial position

The following cash flow statement was generated using the indirect method under IAS 7. Cash flows led to a decrease in cash and cash equivalents in the first nine months of the 2015 financial year, due primarily to the acquisition of properties and the payment of dividends in June.

in EUR k	01/01/2015–30/09/2015	01/01/2014–30/09/2014	Change	Change in %
1. Cash flow from operating activities	64,233	20,812	43,421	208.6
2. Cash flow from investing activities	-160,069	-3,749	-156,320	n/a
3. Cash flow from financing activities	-8,213	-99,008	90,795	-91.7
Net change in cash funds	**-104,049**	**-81,945**	**-22,104**	**27.0**
Cash and cash equivalents at beginning of period	152,599	138,930	13,669	9.8
Cash and cash equivalents at end of period	**48,550**	**56,985**	**-8,435**	**-14.8**

The EUR k 43,421 increase in the cash flow from operating activities in the reporting period compared to the same period in the previous year was mainly the result of the EUR k 22,101 decrease in interest paid. The payment of the SWAP settlement in the amount of EUR k 20,574 had an effect in the previous year. In 2015, the cash flow from operating activities was also affected by the decrease in trade receivables and other assets.

The negative cash flow from investing activities of EUR k 160,069 essentially reflects the higher disbursements for the acquisition of properties. These include the retail centre on Adlergestell in Berlin, the office building on Doberaner Strasse in Rostock, the office and commercial building on Ferdinandplatz in Dresden, the special retail centres in Bernau and Strausberg, the Südstadt Center neighbourhood shopping centre in Rostock and the Burgwall neighbourhood shopping centre in Wismar.

Furthermore, the cash received from the disposal of properties was EUR k 37,089 lower than in the same period in the previous year.

Amongst other factors, the higher cash flow from financing activities was the result of EUR k 101,784 lower disbursements for the repayment of loans in the first nine months of the 2015 financial year, especially following the full repayment of the loan taken out by the then principal shareholders in the same period in the previous year. Disbursements of EUR k 233,000 to the shareholders and the borrowing of EUR k 250,229 also had an effect in 2014. A dividend of EUR k 15,326 was paid to the shareholders in 2015.

In total, the cash and cash equivalents summed up to EUR k 48,550 on 30 September 2015. The cash and cash equivalents consist entirely of liquid funds.

2.2.4 Net asset position

The following table represents the condensed assets and capital structure. Liabilities and receivables due in more than one year have all been categorised as long term.

in EUR k	30/09/2015	31/12/2014	Change	Change in %
Investment property/prepayments	1,756,534	1,495,509	261,025	17.5
Deferred tax assets	2,876	3,006	-130	-4.3
Other non-current assets	21,264	24,256	-2,992	-12.3
Non-current financial assets	2,519	2,475	44	1.8
Cash and cash equivalents	48,550	152,599	-104,049	-68.2
Other current assets	15,326	60,155	-44,829	-74.5
Total assets	**1,847,068**	**1,738,000**	**109,068**	**6.3**
Equity	835,794	747,964	87,830	11.7
Non-current liabilities	765,840	758,669	7,171	0.9
Deferred tax liabilities	185,230	150,463	34,767	23.1
Current liabilities	60,204	80,904	-20,700	-25.6
Total equity and liabilities	**1,847,068**	**1,738,000**	**109,068**	**6.3**

The asset side is dominated by investment property including prepayments. Compared to 31 December 2014, the proportion of investment property in the total assets increased from 86% to 95%, due primarily to the increase in real estate assets through acquisitions and fair value adjustments.

In the first nine months of the 2015 financial year, investment property including prepayments increased by EUR k 269,859 to EUR k 1,756,534, due primarily to acquisitions (EUR k 193,054) and adjustments to fair value (EUR k 74,287).

Other factors included the capitalisation of construction measures (EUR k 4,440), reclassifications to assets classified as held for sale (EUR k 8,416), the receipt of investment subsidies (EUR k 1,429) and reclassifications from property, plant and equipment (EUR k 3,506), as the proportion of area used by TLG IMMOBILIEN in its own properties was reduced.

The equity of the Group is EUR k 835,794 and increased by EUR k 87,830 due to the net income of EUR k 100,391 generated for the period. The distribution of the dividend of EUR k 15,326 had a decreasing effect. Of the equity, EUR k 2,739 represents non-controlling interests.

As at 30 September 2015, the balance sheet total increased by EUR k 109,068 to EUR k 1,847,068.

Net Loan to Value (Net LTV)

in EUR k	30/09/2015	31/12/2014	Change	Change in %
Investment property (IAS 40)	1,755,039	1,489,597	265,442	17.8
Advance payments on investment property (IAS 40)	1,495	5,912	-4,417	-74.7
Owner-occupied property (IAS 16)	9,345	12,921	-3,576	-27.7
Non-current assets classified as held for sale (IFRS 5)	1,494	21,991	-20,498	-93.2
Real estate inventory (IAS 2)	1,104	1,477	-373	-25.2
Real estate	**1,768,476**	**1,531,898**	**236,579**	**15.4**
Liabilities to financial institutions	775,304	770,447	4,857	0.6
Cash and cash equivalents	48,550	152,599	-104,049	-68.2
Net debt	**726,754**	**617,848**	**108,906**	**17.6**
Net Loan to Value (Net LTV) in %	**41.1**	**40.3**	**0.8 pp**	

As a ratio between net debt and real estate assets, the Net LTV is a key performance indicator for the company. It was 41.1% in the Group as at the reporting date. This represents an increase of 0.8 percentage points from 31 December 2014, due essentially to the increase in net debt caused by the reduction in cash combined with the simultaneous increase in real estate assets through new acquisitions. Some of the loans negotiated for the acquisitions will come into effect at a later date.

In the current financial year, the Group aims to continue securing access to outside capital at attractive financing rates, whilst not exceeding a reasonable proportion of debt.

Equity ratio

in EUR k	30/09/2015	31/12/2014	Change	Change in %
Equity	835,794	747,964	87,830	11.7
Total equity and liabilities	1,847,068	1,738,000	109,068	6.3
Equity ratio in %	**45.2**	**43.0**	**2.2 pp**	

Compared to 31 December 2014, the equity ratio increased by 2.2 percentage points to 45.2%, due essentially to the increase in equity.

EPRA Net Asset Value (EPRA NAV)

in EUR k	30/09/2015	31/12/2014	Change	Change in %
Equity [1]	833,055	745,395	87,660	11.8
Fair value adjustment of fixed assets (IAS 16)	5,554	3,918	1,636	41.8
Fair value adjustment of real estate inventory (IAS 2)	430	588	-158	-26.9
Fair value of financial instruments	15,917	17,814	-1,897	-10.6
Deferred tax assets	-2,876	-3,006	130	-4.3
Deferred tax liabilities	185,230	150,463	34,767	23.1
Goodwill	-1,164	-1,164	0	0.0
EPRA Net Asset Value (NAV)	**1,036,146**	**914,008**	**122,138**	**13.4**
EPRA NAV per share (in EUR)	16.90	14.91		

[1] Adjusted for non-controlling interests

The EPRA Net Asset Value (EPRA NAV) is another key performance indicator of TLG IMMOBILIEN. It was EUR k 1,036,146 as at 30 September 2015. Compared to 31 December 2014, the EPRA NAV increased by EUR k 122,138 due mainly to the change in equity caused by the net income generated for the period of EUR k 100,391 less the dividend of EUR k 15,326 paid to the shareholders, and the increase in deferred tax liabilities by EUR k 34,767.

This corresponds to an EPRA NAV per share of EUR 16.90, compared to EUR 14.91 on 31 December 2014.

3. FORECAST, RISK AND OPPORTUNITY REPORT

3.1 FORECAST REPORT

The expected development of TLG IMMOBILIEN in 2015 was described in detail in the 2014 Group management report.

The company was able to expand its property portfolio through acquisitions more quickly than anticipated at the start of the financial year. In the context of the acquisitions and the resulting increase in rental income, TLG IMMOBILIEN expects its funds from operations (FFO) to increase to around EUR 63 m (previous year EUR 52.4 m).

The stated target for the Net LTV remains between 45 and 50%.

TLG IMMOBILIEN expects the development of the EPRA NAV to be slightly positive by the end of the financial year, excluding gains and losses from the remeasurement of investment property. The development of the fair value of the investment property will also be additionally reflected in the EPRA NAV.

3.2 RISK REPORT

The business activities of TLG IMMOBILIEN are exposed to general economic risks as well as specific inherent risks which can considerably affect its assets, financial and earnings position. These risks are described in detail in the 2014 Group annual report.

Significant changes compared to 31 December 2014 resulted from the sales, impairment and financing risks.

Higher turnover than expected was generated through the sale of a property in the first quarter of 2015. With regard to the sales risk, the probability of the company failing to generate the expected level of turnover for 2015 is now considered low instead of medium.

The growth of the property portfolio, especially through new acquisitions in the second and third quarters of 2015, resulted in an increase in the potential loss from the remeasurement of property. The probability of occurrence is still considered medium.

TLG IMMOBILIEN observed a slight increase in the interest rates for long-term loan financing in the first three quarters of 2015, even if interest rates are remaining at an all-time low. Considering the future, the probability that interest rates will increase is estimated to be slightly higher, as is the potential loss due to financial expenses; this might also increase slightly due to the volume of liabilities to financial institutions which will increase in the coming months due to the financing of the new acquisitions.

During the reporting period, none of the other risks changed significantly in terms of their parameters since 31 December 2014.

The existence of the company is currently not considered to be at risk.

3.3 OPPORTUNITY REPORT

The opportunities to which TLG IMMOBILIEN has access did not change significantly by the third quarter of 2015. Therefore, please refer to the disclosures in the opportunity report in the 2014 Group annual report.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS INDEX

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 September 2015

in EUR k	01/07/2015 – 30/09/2015	01/07/2014– 30/09/2014	01/01/2015– 30/09/2015	01/01/2014– 30/09/2014
Net operating income from letting activities	**28,505**	**25,957**	**82,448**	**75,978**
Income from letting activities	36,926	34,590	108,413	101,493
a) Rental income	32,752	28,359	93,812	85,356
b) Income from recharged utilities and other operating costs	4,138	5,788	14,279	14,841
c) Income from other goods and services	36	443	322	1,296
Expenses related to letting activities	8,421	8,633	25,965	25,515
d) Utilities and other operating costs	6,373	6,407	20,538	19,097
e) Maintenance expenses	1,205	984	3,400	2,887
f) Other expenses	843	1,242	2,027	3,531
Result from the remeasurement of investment property	**16,550**	**-4,141**	**74,287**	**47,189**
Result from the disposal of investment property	**-82**	**1,772**	**4,498**	**2,230**
Result from the disposal of real estate inventory	**484**	**3,650**	**595**	**5,939**
a) Proceeds from the disposal of real estate inventory	800	20,172	847	26,073
b) Book value of real estate inventory disposed	316	16,522	252	20,134
Other operating income	**1,283**	**5,268**	**4,609**	**8,901**
Personnel expenses	**2,953**	**4,243**	**9,197**	**11,901**
Depreciation	**201**	**297**	**629**	**998**
Other operating expenses	**1,003**	**4,999**	**4,938**	**7,422**
Earnings before interest and taxes (EBIT)	**42,583**	**22,967**	**151,673**	**119,916**
Financial income	**56**	**93**	**337**	**472**
Financial expenses	**5,868**	**6,286**	**17,598**	**18,380**
Gain (-)/loss from the remeasurement of financial instruments	**60**	**57**	**179**	**2,068**
Earnings before taxes	**36,711**	**16,717**	**134,233**	**99,939**
Income taxes	**11,209**	**5,645**	**33,843**	**31,462**
Net income	**25,505**	**11,072**	**100,391**	**68,477**
Other comprehensive income:				
thereof non-recycling				
Actuarial gains and losses	0	0	0	0
thereof recycling				
Change in fair value of derivatives in hedge accounting, after taxes	-2,100	-3,757	1,279	-8,484
Total comprehensive income for the year	**23,405**	**7,315**	**101,670**	**59,993**
Of the consolidated net income for the period, the following is attributable to:				
Non-controlling interests	59	0	172	0
Shareholders of the parent company	25,446	11,072	100,219	68,477
Earnings per share				
undiluted in EUR	0.41	0.22	1.63	1.32
diluted in EUR	0.41	0.22	1.63	1.32
Of the total net income, the following is attributable to:				
Non-controlling interests	59	0	172	0
Shareholders of the parent company	23,346	7,315	101,498	59,993

CONSOLIDATED BALANCE SHEET

as at 30 September 2015

Assets

in EUR k	30/09/2015	31/12/2014
A) Non-current assets	**1,783,193**	**1,525,246**
Investment property	1,755,039	1,489,597
Advance payments on investment property	1,495	5,912
Property, plant and equipment	10,435	14,140
Intangible assets	1,636	1,684
Other non-current financial assets	2,519	2,475
Other assets	9,193	8,432
Deferred tax assets	2,876	3,006
B) Current assets	**63,876**	**212,754**
Real estate inventory	1,104	1,477
Trade receivables	4,860	12,552
Receivables from income taxes	833	9,808
Other current financial assets	936	981
Other receivables and assets	6,099	13,346
Cash and cash equivalents	48,550	152,599
Non-current assets classified as held for sale	1,494	21,991
Total assets	**1,847,068**	**1,738,000**

Equity and liabilities

in EUR k	30/09/2015	31/12/2014
A) Equity	**835,794**	**747,964**
Subscribed capital	61,302	61,302
Capital reserves	344,491	343,003
Retained earnings	438,968	354,074
Other comprehensive income	-11,706	-12,984
Equity attributable to the shareholders of the parent company	833,055	745,395
Non-controlling interests	2,739	2,569
B) Liabilities	**1,011,274**	**990,036**
I.) Non-current liabilities	**951,070**	**909,132**
Non-current liabilities to financial institutions	740,459	731,102
Pension obligations	8,159	8,241
Non-current financial instruments	15,917	17,814
Other non-current liabilities	1,305	1,512
Deferred tax liabilities	185,230	150,463
II.) Current liabilities	**60,204**	**80,904**
Current liabilities to financial institutions	34,845	39,345
Trade payables	14,606	13,876
Other current provisions	2,742	5,691
Tax liabilities	2,714	9,607
Other current liabilities	5,297	12,384
Total equity and liabilities	**1,847,068**	**1,738,000**

CASH FLOW STATEMENT

for the first to third quarters of 2014 and 2015

in EUR k	01/01/2015–30/09/2015	01/01/2014–30/09/2014
1. Cash flow from operating activities		
Net income for the period before taxes	134,233	99,939
Depreciation of property, plant and equipment and amortisation of intangible assets	629	999
Result from fair value adjustments of investment property	-74,287	-47,189
Result from the remeasurement of financial instruments	-179	2,068
Increase/decrease (-) in provisions	-3,141	-3,031
Other non-cash income and expenses	1,488	1,856
Gain (-)/loss from the disposal of property, plant and equipment and intangible assets	-4,477	-2,478
Increase (-)/decrease in real estate inventory	373	11,872
Financial income	-337	-472
Financial expenses	17,598	18,380
Increase (-)/decrease in trade receivables and other assets	15,960	-3,670
Increase/decrease (-) in trade payables and other liabilities	-6,538	-9,288
Cash flow from operating activities	81,322	68,987
Interest received	337	498
Interest paid	-19,774	-41,875
Income tax paid(-)/income tax received	2,348	-6,798
Net cash flow from operating activities	64,233	20,812
2. Cash flow from investing activities		
Proceeds from disposal of investment property	33,411	70,500
Disbursements for investments in investment property	-193,077	-28,019
Disbursements for investments in property, plant and equipment	-207	-373
Disbursements for investments in intangible assets	-196	-181
Disbursements for the acquisition of consolidated companies and other business units	0	-45,676
Cash flow from investing activities	-160,069	-3,749
3. Cash flow from financing activities		
Cash distributions to shareholders	-15,326	-233,000
Cash received from bank loans	21,567	250,229
Repayments of bank loans	-14,454	-116,238
Cash flow from financing activities	-8,213	-99,008
4. Cash and cash equivalents at end of period		
Change in cash and cash equivalents (subtotal of 1 to 3)	-104,049	-81,945
Cash and cash equivalents at beginning of period	152,599	138,930
Cash and cash equivalents at end of period	48,550	56,985
5. Composition of cash and cash equivalents		
Cash	48,550	56,985
Cash and cash equivalents at end of period	48,550	56,985

CHANGES IN GROUP EQUITY

for the first to third quarters of 2014 and 2015

in EUR k	Subscribed capital	Capital reserves	Retained earnings	Other comprehensive income		Non-controlling interests	Equity
				Reserve hedge accounting	Actuarial gains and losses		
01/01/2014	**52,000**	**410,249**	**339,939**	**-124**	**-1,028**	**0**	**801,036**
Net income for the period	0	0	68,477	0	0	0	68,477
Other comprehensive income	0	0	0	-8,484	0	0	-8,484
Total comprehensive income	**0**	**0**	**68,477**	**-8,484**	**0**	**0**	**59,992**
Adjustments for minority interests	0	0	0	0	0	805	805
Withdrawals from the capital reserve	0	-158,547	158,547	0	0	0	0
Distributions to shareholders	0	0	-233,000	0	0	0	-233,000
Capital contribution in connection with share-based payments	0	1,872	0	0	0	0	1,872
30/09/2014	**52,000**	**253,574**	**333,963**	**-8,609**	**-1,028**	**805**	**630,705**
01/01/2015	**61,302**	**343,003**	**354,074**	**-11,050**	**-1,934**	**2,569**	**747,963**
Net income for the period	0	0	100,219	0	0	172	100,391
Other changes	0	0	0	1,279	0	0	1,279
Total comprehensive income	**0**	**0**	**100,219**	**1,279**	**0**	**172**	**101,670**
Adjustments for minority interests	0	0	0	0	0	-3	-3
Dividend payments	0	0	-15,326	0	0	0	-15,326
Capital contribution in connection with share-based payments	0	1,488	0	0	0	0	1,488
30/09/2015	**61,302**	**344,491**	**438,968**	**-9,772**	**-1,934**	**2,739**	**835,794**

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

as at 30 September 2015

A. GENERAL DISCLOSURES ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF TLG IMMOBILIEN AG

A.1 ABOUT THE COMPANY

TLG IMMOBILIEN AG, Berlin, (TLG IMMOBILIEN or the Parent Company) a German Aktiengesellschaft (stock corporation) based at Hausvogteiplatz 12, 10117 Berlin, Germany, registered in the Berlin commercial register under number HRB 161314 B, is, together with its subsidiaries (the TLG IMMOBILIEN Group), among the largest real estate companies in Berlin and eastern Germany.

The main activities of the Group are the operation of real estate transactions and any type of related business, especially the operational management, letting, construction, conversion, acquisition and sale of commercial real estate in the broader sense, especially office, retail and hotel properties, the development of real estate projects and the provision of services in connection with these corporate activities, either itself or through companies in which the company holds a stake.

The main activities of the TLG IMMOBILIEN Group are essentially free from seasonal influences. However, the sale and acquisition of commercial real estate are subject to economic influences.

A.2 BASES OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The consolidated interim financial statements of the TLG IMMOBILIEN Group were prepared in accordance with IAS 34 (Interim Financial Reporting) in condensed form and in accordance with the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB), as adopted by the European Union. The consolidated interim financial statements were prepared in accordance with the provisions of Regulation (EC) No 1606/2002 of the European Parliament and of the European Council of 19 July 2002 concerning the application of international accounting standards in conjunction with § 315a (3) of the German Commercial Code (HGB), taking into account the supplementary commercial regulations. The requirements of IAS 34 (Interim Financial Reporting) have been complied with. Following the option provided by IAS 34.10, the notes were prepared in condensed form. These condensed consolidated interim financial statements have not been audited or subjected to an auditor's review.

The consolidated interim financial statements comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and the notes. Besides the consolidated interim financial statements, the interim report comprises the interim Group management report and the responsibility statement.

The consolidated interim financial statements have been prepared in euros.

Unless otherwise stated, all amounts are rounded to thousands of euros (EUR k). Due to rounding, the figures reported in tables and references may deviate from their exact values as calculated.

B. NEW ACCOUNTING STANDARDS

The TLG IMMOBILIEN Group has fully applied all new mandatory standards and interpretations as at 1 January 2015. In accordance with IFRIC 21, the property tax liabilities for the entire 2015 financial year were recognised as liabilities as at 1 January 2015.

The initial application of IFRIC 21 (Levies) essentially resulted in changes to other receivables and assets, as well as other liabilities. Recoverable property tax of EUR k 738 has been accrued under other receivables and assets as at 30 September 2015. The other liabilities comprise property tax of EUR k 953 which is as yet unpaid in 2015. The non-recoverable property tax of EUR k 214 resulting from the accrual has remained with the owner and is recognised under expenses related to letting activities.

There were no effects on the position of assets, financial position and earnings of TLG IMMOBILIEN at the end of the financial year.

C. CONSOLIDATION

C.1 CHANGES IN THE GROUP

Number of fully consolidated subsidiaries

in EUR k	30/09/2015	31/12/2014
As at 01/01	**5**	**4**
Additions	0	1
Disposals	-1	0
As at the reporting date	**4**	**5**

The changes in the reporting period are due to the liquidation of Verwaltungsgesellschaft an der Frauenkirche mbH i. L. Dresden in July 2015. There was no major impact on the assets, liabilities, financial position and profit or loss of TLG IMMOBILIEN.

There were no other changes to the basis of consolidation after 31 December 2014.

C.2 FINAL PURCHASE PRICE ALLOCATION OF TLG FAB S.À R.L.

In these financial statements, the purchase price of the shares in TLG FAB S.à r.l. (formerly EPISO Berlin Office Immobilien S.à r.l.) acquired under the purchase agreement of 5 September 2014 was allocated within the twelve months required by IFRS 3.

The table below provides an overview of the summarised final purchase price allocations:

Final presentation of the balance sheets of TLG FAB S.à r.l.

in EUR k	Carrying amounts on the date of acquisition	Remeasurement of assets and liabilities	Carrying amounts on the date of initial consolidation
Investment property	50,000	0	50,000
Trade receivables	234	-48	186
Other receivables and assets	44	0	44
Cash and cash equivalents	901	0	901
Deferred tax assets	441	0	441
Total other assets	**51,620**	**-48**	**51,572**
Other non-current liabilities	1,710	0	1,710
Deferred tax liabilities	3,125	0	3,125
Trade payables	253	4	257
Other current liabilities	31,934	0	31,934
Total liabilities	**37,022**	**4**	**37,026**
Net assets acquired	**14,598**	**-52**	**14,546**

Comparative information for the reporting periods before the completion of the initial recognition of the purchase are to be presented with retroactive effect as if the purchase price allocation had already been finalised by the acquisition date.

There were no major changes to purchase price allocations compared to those recognised in the consolidated balance sheet of 31 December 2014.

The effects of the disinvestments on the assets, liabilities, financial position and profit or loss of TLG IMMOBILIEN AG were negligible.

D. EXPLANATION OF ACCOUNTING AND VALUATION METHODS

The accounting and valuation methods applied in these consolidated interim financial statements are virtually identical to the methods outlined in the IFRS consolidated financial statements. Therefore, these consolidated interim financial statements are to be read in conjunction with the consolidated financial statements of TLG IMMOBILIEN of 31 December 2014.

D.1 MAJOR DISCRETIONARY DECISIONS AND ESTIMATES

The application of accounting and valuation methods requires the management to make assumptions and estimates which will influence the carrying amounts of the recognised assets, liabilities, income and expenses, as well as the disclosure of contingent liabilities. However, the inherent uncertainty of these assumptions and estimates could lead to events which will necessitate adjustments to the carrying amounts or disclosure of certain assets and liabilities in the future.

These assumptions and estimates primarily concern the measurement of investment property and the accounting and measurement of assets intended for sale, liabilities, pension provisions, other provisions, financial debt and the recognition of deferred tax assets.

Although the management assumes that the assumptions and estimates used are reasonable, unforeseeable changes to these assumptions could affect the financial position, cash flows and results of operations of the Group.

D.2 DISCLOSURE OF BUSINESS SEGMENTS

There were no changes from the consolidated financial statements of 31 December 2014 when the management report was generated. Consequently, in accordance with IFRS 8, there is a single reportable segment which encompasses all operative activities of the TLG IMMOBILIEN Group and about which the main decision-makers regularly receive reports.

D.3 FAIR VALUE CALCULATION

All assets, equity instruments and liabilities measured at fair value due to the requirements of other standards (with the exception of IAS 17 "Leases" and IFRS 2 "Share-based Payment") have been measured holistically in accordance with IFRS 13. IFRS 13.9 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of the financial instruments are determined on the basis of corresponding market values or valuation methods. For cash and cash equivalents and other current primary financial instruments, the fair values correspond approximately to the carrying amounts on the balance sheet on each key date.

With regard to non-current receivables and other assets and liabilities, the fair value is determined on the basis of the expected cash flows using the applicable reference interest rates on the balance sheet date. The fair values of the derivatives are calculated on the basis of the reference interest rates plus their own risks and the counterparty risk on the accounting date.

For financial instruments to be recognised at their fair value, the fair value is generally calculated using the corresponding market and stock exchange rates. If no market or stock exchange rates are available, the fair value is measured using standard valuation methods with consideration for instrument-specific market parameters. The fair value is calculated using the discounted cash flow method, whereby individual credit ratings and other market conditions are taken into account in the form of conventional liquidity spreads when calculating the present value.

Investment property is measured at its fair value. The fair value calculation of investment property is categorised under Level 3 of the measurement hierarchy of IFRS 13.86 (measurement on the basis of unobservable input factors).

The fair values of the properties held over the long term in order to generate rental income or for the purposes of appreciation were calculated using the discounted cash flow method. Properties with negative deposit surpluses (such as properties vacant in the long term) are measured using the liquidation value method (land value minus removal expenses, plus any remaining net income). The value of undeveloped land is calculated using the comparative value method with consideration for the standard land values of the local committees of experts.

As the measurement of the financial investments has not changed in comparison with the 2014 consolidated financial statements, the detailed information on the fair value calculation in the consolidated financial statements has also not changed.

For the TLG IMMOBILIEN Group, the fair value hierarchy was as follows on 30 September 2015:

in EUR k	Level 2	Level 3
Other non-current financial assets	2,519	—
Investment property	—	1,755,039
Liabilities to financial institutions [1]	775,305	—
Derivatives with negative fair value	15,917	—

[1] The fair value of the liabilities to financial institutions has been calculated exclusively for the purposes of the disclosures in the notes.

By way of comparison, the hierarchy was as follows on 31 December 2014:

in EUR k	Level 2	Level 3
Other non-current financial assets	2,475	—
Investment property	—	1,489,597
Liabilities to financial institutions [1]	770,447	—
Derivatives with negative fair value	17,814	—

[1] The fair value of the liabilities to financial institutions has been calculated exclusively for the purposes of the disclosures in the notes.

There have been no transfers within the fair value hierarchy since 31 December 2014.

E. NOTES ON THE CONSOLIDATED BALANCE SHEET

E.1 INVESTMENT PROPERTY

The carrying amount of the investment property developed as follows in the 2014 financial year and up to the reporting date of the consolidated interim financial statements in 2015:

in EUR k	2015	2014
Carrying amount as at 01/01	**1,489,597**	**1,414,691**
Acquisitions	193,054	43,082
Additions from mergers	0	50,000
Capitalisation of construction activities	4,440	12,320
Receipt of subsidies/grants	-1,429	0
Reclassification as assets held for sale	-8,416	-86,635
Reclassification as property, plant and equipment	0	-25
Reclassification from property, plant and equipment	3,506	3,470
Fair value adjustment	74,287	52,694
Carrying amount as at 30/09/2015 and 31/12/2014	**1,755,039**	**1,489,597**

TLG IMMOBILIEN's portfolio strategy intends for a concentration on the office and retail asset classes, as well as on hotel properties with long-term leases in certain prime inner-city locations, particularly in Berlin and Dresden. While the office portfolio is intended to be largely limited to Berlin, Dresden, Leipzig and Rostock, the retail portfolio – which is dominated by food retail properties in the retail foodstuffs sector – is more broadly distributed. Decisions pertaining to acquisitions and disposals of properties and to necessary investments are subject to the aforementioned principles of the portfolio strategy.

In particular, in the third quarter of 2015 two special retail centres in the surrounding area of Berlin were added to the core portfolio (Bahnhofs-Passage in Bernau and Handelscentrum in Strausberg), as were two neighbourhood shopping centres in Rostock (Südstadt Center) and Wismar (Burgwall-center) with a total investment volume of EUR k 132,069. As a result, the acquisitions made in the third quarter of 2015 correspond to approx. 68% of the purchases totalling EUR k 193,054 realised by 30 September 2015.

In the third quarter of 2015, reclassifications as assets classified as held for sale totalled EUR k 8,416. Following the years 2013 and 2014, which were characterised by the high number of disposals for the purposes of adjusting the portfolio, fewer strategic disposals are expected in 2015.

The EUR k 74,287 adjustment of the fair value in the third quarter of 2015 reflects the persistently good development of the market (previous year EUR k 52,694). In addition to the favourable market conditions, the low EPRA Vacancy Rate of 4.2% and a weighted average lease term (WALT) of 6.7 years caused a stabilizing effect on the fair value.

The fair values of investment property were as follows, broken down by valuation method and by asset class as at 30 September 2015. Prepayments on these properties are not included here; they are recognised separately in the balance sheet.

Portfolio overview by asset class

	Investment properties	Discount rate			Capitalisation rate		
	in EUR k	Min. in %	Max. in %	Average (rated according to gross present value) in %	Min. in %	Max. in %	Average (rated according to net sales price) in %
As at 30/09/2015							
Valuation method = discounted cash flow (DCF)							
Retail properties	858,033	3.50	15.00	5.76	5.25	33.00	7.68
Office properties	595,223	4.00	7.60	4.99	4.00	15.00	6.41
Hotel properties	206,626	4.50	5.00	4.63	6.00	6.25	6.05
Other properties	79,080	3.75	14.00	7.58	4.00	25.00	10.83
Total (DCF)	**1,738,962**	**3.50**	**15.00**	**5.44**	**4.00**	**33.00**	**7.15**
Valuation method = liquidation method (LM)							
Retail properties	5,750	4.50	4.50	4.50			
Office properties	230	7.50	7.50	7.50			
Other properties	10,097	4.75	9.50	5.40			
Total (LM)	**16,077**	**4.50**	**9.50**	**5.11**			
Total	**1,755,039**						
Multiplier net rental	13.16						

The following values were reported as at 31 December 2014:

	Investment properties	Discount rate			Capitalisation rate		
	in EUR k	Min. in %	Max. in %	Average (rated according to gross present value) in %	Min. in %	Max. in %	Average (rated according to net sales price) in %
As at 31/12/2014							
Valuation method = discounted cash flow (DCF)							
Retail properties	663,347	3.75	15.00	6.09	5.50	33.00	8.13
Office properties	547,145	4.00	12.00	5.26	4.00	15.00	6.86
Hotel properties	191,415	4.75	6.00	5.09	6.25	6.50	6.46
Other properties	69,888	3.75	12.00	7.00	4.00	25.00	10.92
Total (DCF)	**1,471,794**	**3.75**	**15.00**	**5.68**	**4.00**	**33.00**	**7.54**
Valuation method = liquidation method (LM)							
Retail properties	5,740	4.75	4.75	4.75			
Office properties	230	7.50	7.50	7.50			
Other properties	11,833	5.00	9.50	5.58			
Total (LM)	**17,803**	**4.75**	**9.50**	**5.34**			
Total	**1,489,597**						
Multiplier net rental	12.58						

E.2 OTHER FINANCIAL ASSETS

The other financial assets included EUR k 530 in restricted cash as at 30 September 2015 (previous year EUR k 2,637).

E.3 EQUITY

The change in the components of Group equity can be found in the consolidated statement of changes in equity.

In the financial year, a total of EUR 15.3 m was distributed to the shareholders, which corresponds to EUR 0.25 per no-par value share entitled to the dividend.

F. NOTES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

F.1 NET OPERATING INCOME FROM LETTING ACTIVITIES

In the first nine months of the 2015 financial year, the income from operational management increased by EUR k 6,920 or 6.8% compared to the same period in the previous year. Smaller properties were disposed of and high-quality individual properties were acquired as part of the portfolio optimisation process in 2014 and 2015. The additions to the portfolio have had a positive effect on net income from operational management in 2015.

As a result, net operating income from letting activities of EUR k 82,448 was generated in the reporting period, which represents an increase of EUR k 6,470 compared to the same period in the previous year.

F.2 RESULT FROM THE REMEASUREMENT OF INVESTMENT PROPERTY

The result from the remeasurement of investment property was essentially positive in the third quarter of 2015, due to the continuously favourable market conditions. In addition to the favourable market conditions, the low EPRA Vacancy Rate of 4.2% and a weighted average lease term (WALT) of 6.7 years in the core portfolio caused a stabilizing effect on the fair value.

F.3 PERSONNEL EXPENSES

Personnel expenses developed as follows:

in EUR k	01/01/2015–30/09/2015	01/01/2014–30/09/2014
Salaries	5,467	7,365
Social security contributions and pension expenses	977	1,465
Bonuses	1,117	877
Severance packages	148	321
Share-based payment components according to IFRS 2	1,488	1,872
Total	**9,197**	**11,901**

The decrease in personnel expenses was attributable primarily to the decline in the employee headcount in connection with the restructuring measures.

Proportional expenses for a share-based payment component for certain employees were recognised for the first time in the first quarter of the 2015 financial year, in line with IFRS 2. The grant date fair value of this scheme, which was introduced in the first quarter of 2015, is EUR k 137.

F.4 NET INTEREST RESULT

The net interest result is broken down as follows:

in EUR k	01/01/2015–30/09/2015	01/01/2014–30/09/2014
Net interest from bank balances	-92	-279
Net interest from default interest and deferrals	-168	-182
Other interest income	-77	-11
Total interest and similar income	**-337**	**-472**
Interest expenses for interest rate derivatives	3,121	3,028
Interest on loans	13,468	13,673
Interest expense from pension provisions	110	0
Other interest expenses	900	1,679
Total interest and similar expenses	**17,598**	**18,380**
Financial result	**17,261**	**17,908**

In spite of a higher overall loan amount, interest expenses decreased slightly. This is essentially the result of the full repayment, in the first half of 2014, of a loan taken out by the shareholder in 2013, as well as refinancing at more favourable rates.

F.5 RESULT FROM THE REMEASUREMENT OF FINANCIAL INSTRUMENTS

As there were no effective hedging relationships in the first nine months of 2014, expenses of EUR k 1,965 were recognised from the fair value adjustment of financial instruments. Nevertheless, there was no ineffectiveness in derivatives in hedge accounting in the first three quarters of 2015 following the restructuring of the interest hedges in 2014.

F.6 INCOME TAXES

The tax expense/income can be broken down as follows:

in EUR k	01/01/2015–30/09/2015	01/01/2014–30/09/2014
Current income taxes	6,206	20,451
Aperiodic current income taxes	-6,641	-47
Deferred taxes	34,278	11,058
Tax expense/income	**33,843**	**31,462**

The aperiodic current income taxes of EUR k -6,641 essentially concern the reversal of tax liabilities formed for audit risks for 2007 to 2011.

F.7 EARNINGS PER SHARE

The earnings per share are calculated by dividing the net income/loss for the period attributable to the shareholders by the weighted average number of ordinary shares in circulation within the reporting period.

	01/01/2015–30/09/2015	01/01/2014–30/09/2014
Net income from the period attributable to the shareholders in EUR k	100,219	68,477
Average weighted number of shares issued, in thousands [1]	61,302	52,000
Undiluted earnings per share in EUR	1.63	1.32
Potential diluting effect of the share-based payment, in thousand shares	42	0
Number of shares with a potential diluting effect, in thousands	61,344	52,000
Diluted earnings per share in EUR	**1.63**	**1.32**

[1] Before the company became an Aktiengesellschaft (stock corporation) on 5 September 2014, it was a limited liability company (GmbH). Therefore, for the purposes of comparison, the value of the issued shares is the value that would have existed if the company had always been an Aktiengesellschaft with the same number of shares.

The share-based payment of the Management Board and some employees has a diluting effect based on the amount of work already rendered. The number of shares on the reporting date was increased by 42,000 shares.

G. OTHER INFORMATION

G.1 DISCLOSURES RELATING TO FINANCIAL INSTRUMENTS

The following table presents the financial assets and liabilities by measurement category and class. Hedge derivatives are also accounted for, although they do not belong to any of the measurement categories of IAS 39. Additionally, with regard to the reconciliation of the balance sheet, the non-financial liabilities are accounted for even though they are not subject to IFRS 7:

in EUR k	Measurement category in accordance with IAS 39	Measured at amortised cost		Measured at fair value	No measurement category in accordance with IAS 39	No financial instruments in accordance with IAS 32	Total
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	**Carrying amount**
30/09/2015							
Other non-current financial assets	LaR	2,519	2,503				**2,519**
Trade receivables	LaR	4,860	4,860				**4,860**
Other current financial assets	LaR	936	936				**936**
Cash and cash equivalents	LaR	48,550	48,550				**48,550**
Total financial assets		**56,865**	**56,849**	**0**	**0**	**0**	**56,865**
Liabilities to financial institutions [1]	FLaC	775,305	808,810				**775,305**
Trade payables	FLaC	14,606	14,606				**14,606**
Financial instruments [2]	FLHfT			0	15,917		**15,917**
Other liabilities	FLaC	6,602	2,096			4,505	**6,602**
Total financial liabilities		**796,512**	**825,512**	**0**	**15,917**	**4,505**	**812,430**
31/12/2014							
Other non-current financial assets	LaR	2,475	2,542				**2,475**
Trade receivables	LaR	12,552	12,552				**12,552**
Other current financial assets	LaR	981	981				**981**
Cash and cash equivalents	LaR	152,599	152,599				**152,599**
Total financial assets		**168,607**	**168,674**	**0**	**0**	**0**	**168,607**
Liabilities to financial institutions [1]	FLaC	770,447	819,243				**770,447**
Trade payables	FLaC	13,876	13,876				**13,876**
Financial instruments [2]	FLHfT			0	17,814		**17,814**
Other liabilities	FLaC	13,896	4,185			9,712	**13,896**
Total financial liabilities		**798,219**	**837,304**	**0**	**17,814**	**9,712**	**816,033**

Categorisation of underlying inputs for fair value measurement in accordance with IFRS 13.93(b) and IFRS 13.97:
[1] Liabilities to financial institutions: Level 2 within the fair value hierarchy (measured on the basis of observable inputs/market data)
[2] Financial instruments: Level 2 within the fair value hierarchy (measured on the basis of observable inputs/market data)

The carrying amounts of cash and cash equivalents, trade receivables, other financial assets, trade payables and other liabilities, for the most part, have short remaining terms and corresponded to the fair values as at the reporting date.

G.2 RELATED COMPANIES AND PARTIES

Related parties and companies are defined as companies and persons which have the ability to control or exercise significant influence over the TLG IMMOBILIEN Group, or over which the TLG IMMOBILIEN Group controls or exercises significant influence.

Accordingly, the members and close relatives of the Management and Supervisory Boards of TLG IMMOBILIEN are considered related parties and companies, as are members of management who exercise key executive functions and the TLG IMMOBILIEN Group's subsidiaries, associates and joint ventures.

G.2.1 Related companies

In the first quarter of 2015, the percentage of voting rights held by LSREF II East AcquiCo S.à r.l., Luxembourg, (East AcquiCo) in TLG IMMOBILIEN decreased to 18.48% according to the voting rights announcements. East AcquiCo sold its entire shareholding in July 2015. As a result, East AcquiCo and its related companies and parties are no longer considered related companies or parties of TLG IMMOBILIEN in the sense of IAS 24.

G.2.2 Related parties

The composition of the Management Board has not changed since 31 December 2014.

However, the composition of the Supervisory Board changed. Mr Axel Salzmann resigned from his position on the Supervisory Board of TLG IMMOBILIEN AG on 25 June 2015. Mr Helmut Ullrich was appointed to the Supervisory Board with effect from 23 July 2015.

With regard to the presentation of the IFRS 2 scheme for the Management Board of TLG IMMOBILIEN, please refer to the IFRS Consolidated Financial Statements of 31 December 2014.

G.3 RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the consolidated interim financial statements of TLG IMMOBILIEN AG of 30 September 2015 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Berlin, 13 November 2015

Peter Finkbeiner
Member of the Management Board

Niclas Karoff
Member of the Management Board

FINANCIAL CALENDAR

30 MARCH 2016
Publication of 2015 annual report

13 MAY 2016
Publication of quarterly financial report Q1/2016

31 MAY 2016
Annual general meeting

10 AUGUST 2016
Publication of quarterly financial report Q2/2016

11 NOVEMBER 2016
Publication of quarterly financial report Q3/2016

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