

We
create
value



Invitation
annual general meeting

Invitation

We hereby invite our shareholders to the 124th annual general meeting taking place at 11:00 AM on 15th June 2007 at Handwerkskammer Hamburg, Holstenwall 12, 20355 Hamburg.

A. Agenda

1. Presentation of the approved financial statements, the approved consolidated financial statements and the management reports for TAG Tegernsee Immobilien- und Beteiligungs-Aktiengesellschaft and the Group and the report of the Supervisory Board for fiscal 2006 and the explanatory report on the disclosures made in accordance with Sections 289 (4) and 315 (4) of the German Commercial Code.

The documents referred to above may be examined on the Internet at www.tag-ag.com and at the Company's offices at Steckelhörn 9, 20457 Hamburg, as well as at Bahnhofplatz 5, 83684 Tegernsee. On request, each shareholder will be sent a copy of the documents referred to above immediately and free of charge.

2. Ratification of the actions of the Management Board for fiscal 2006

The Management Board and the Supervisory Board recommend ratifying the actions of the Management Board.

3. Ratification of the actions of the Supervisory Board for fiscal 2006

The Management Board and the Supervisory Board recommend ratifying the actions of the Supervisory Board.

4. Cancellation of existing authorised capital and creation of new authorisation capital (with authorisation to exclude subscription rights) and a corresponding amendment to the articles of incorporation

The authorisation provided for in Article 4 (5) of the articles of incorporation to increase the Company's share capital is to be cancelled due to the equity issue approved by the shareholders at the annual general meeting held on June 30, 2006 and the resultant increase in the Company's share capital and adjusted to match the current amount of the Company's share capital permitted by law. The Company's share capital currently stands at € 32,566,364 following the last equity issue, which took effect upon being entered in the commercial register on August 8, 2006. Accordingly, there is now authorised capital of € 16,283,182.

So that the Management Board is able to continue using authorised capital to reinforce the Company's equity base or to make use of

opportunities for acquisitions arising in the market in the future and is in a position to choose either a cash or a non-cash equity issue for this purpose, the Management Board and the Supervisory Board recommend that the shareholders pass the following resolution:

- a) The permission granted on June 30, 2006 and not utilised for authorised capital of € 6,278,182 is cancelled and Article 4 (5) of the articles of incorporation cancelled.
- b) New authorised capital of € 16,283,182 will be created including authorisation to exclude subscription rights in the following cases: (i) in the case of fractional amounts, (ii) the partial exclusion of subscription rights in an amount not exceeding more than ten percent of the Company's share capital in the case of a cash equity issue, and (iii) the full exclusion of subscription rights in the case of a non-cash equity issue, in accordance in all cases with the following revised version of Article 4 (5) of the articles of incorporation.
- c) Article 4 (5) of the articles of incorporation will be revised to read as follows:

"5. The Management Board is authorised subject to the Supervisory Board's approval to increase the share capital once or repeatedly on or before

June 14, 2012 by a maximum amount of EUR 16,283,182 by issuing up to 16,283,182 no-par value shares.

As a matter of principle, the new shares shall be offered to the shareholders for subscription; they may also be transferred to a bank subject to the obligation that they be offered to the shareholders for subscription. However, the Management Board is authorised to exclude the shareholders' statutory subscription rights subject to the Supervisory Board's approval in the following cases:

- a) to the extent to which this is necessary to eliminate fractional amounts,
- b) to acquire enterprises, parts of enterprises or interests in enterprises through the provision of shares in suitable individual cases (non-cash equity issue),
- c) to the extent to which the new shares for which subscription rights are excluded do not exceed a total of 10 percent of the Company's share capital, even in the event of several increases, and the issue price of the new shares is not significantly lower than the Company's share price within the meaning of Sections 203 (1) and (2), 186 (3) No. 4 of the German Stock Corporation

Act. The limit of ten percent of the share capital shall also include the prorated amount of the share capital attributable to shares which are held pursuant to authorisation applicable as of the date on which this authorisation takes effect or pursuant to authorisation replacing it and which are sold outside the stock market subject to the exclusion of subscription rights in accordance with Sections 71 (1) Sentence 1, No. 8, Sentence 5 and 186 (3) Sentence 4 of the German Stock Corporation Act. The limit of ten percent of the share capital shall additionally include the prorated amount of the share capital attributable to shares to which the holders of convertible or option bonds issued subject to the exclusion of the shareholders' subscription rights in accordance with Sections 221 (4) Sentence 2 and 186 (3) Sentence 4 of the German Stock Corporation Act are entitled to subscribe.

The Management Board shall decide on the issue of the new shares, the content of the share rights and the terms and conditions of the stock issue, subject to the approval of the Supervisory Board, taking account of the Company's capital requirements and the capital market situation prevailing when the relevant decision is taken.

The Supervisory Board is authorised to adjust the wording of the articles of incorporation to reflect the equity issue executed using authorised capital."

The Management Board is required pursuant to Sections 203 (2) and 186 (4) Sentence 2 of the German Stock Corporation Act to submit a written report explaining the reasons for the exclusion of the subscription rights. The contents of such report are disclosed in Part B of this invitation to the annual general meeting. The report will be made available for inspection by the shareholders at the Company's offices as of the day on which the invitation to the annual general meeting is issued. On request, each shareholder will be sent a copy of the report. The report will also be available for inspection during the annual general meeting.

5. Authorisation to buy back the Company's own stock in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act

The Management Board and Supervisory Board recommend that the shareholders pass the following resolution:

The Company is authorised to buy back its own stock in an amount of up to ten percent of its share capital of EUR 32,566,364, i.e. up to 3,256,636 shares with a notional share of EUR

1.00 each in the share capital, on or before the end of the next annual general meeting, provided that this is no later than December 14, 2008, for the purpose of using such stock as a means for acquiring enterprises or interests in enterprises and for ensuring an optimum shareholder structure.

Such stock may be acquired inside or outside the stock market. The consideration rendered for the acquisition of such stock may not be more than 10% higher or lower than the stock price. For this purpose, the stock price shall be defined as the mean uniform price of the stock on the Frankfurt stock exchange on the five trading days preceding the day on which the stock is acquired. If the stock is acquired outside the stock market, the stock price shall be determined using the same method as of the date on which the Company assumes the obligation to acquire the stock. If it is intended for the stock to be acquired outside the stock market, the Company shall submit to all shares an offer commensurate with the size of their share.

The Management Board is authorised,

- a) with the approval of the Supervisory Board and subject to exclusion of the shareholders' subscription rights in accordance with Sections 71 (1) Sentence 1 to sell the treasury stock acquired in a manner other than via the

stock market or by submitting an offer to all the shareholders if the stock acquired is sold at a price which is not materially less than the stock market price at which the Company's shares of the same type are trading; for this purpose, the stock market price shall be defined at the mean uniform price of the stock on the Frankfurt stock exchange on the five trading days preceding the sale of the shares. The authorisation may be exercised in full or in part. In this case, the portion of the share capital attributable to the shares which are the subject of the sale and for which the subscription rights are excluded may not exceed a total of ten percent of the share capital even in the event of more than one sales transactions. This amount shall also include the prorated amount of the share capital attributable to shares issued using authorised capital in existence as of the date of such issue in the form of an equity issue subject to the exclusion of subscription rights in accordance with Sections 203 (1) and 186 (3) Sentence 4 of the German Stock Corporation Act. The limit of ten percent of the share capital shall additionally include the prorated amount of the share capital attributable to shares to which the holders/creditors of convertible or option bonds issued subject to the exclusion of the shareholders' subscription rights in accordance with Sections 221 (4) Sentence 2 and 186 (3) Sentence 4 of the German Stock Corporation Act are entitled to subscribe.

- b) with the approval of the Supervisory Board and subject to exclusion of the shareholders' subscription rights to sell the stock acquired to third parties in suitable cases provided that this is done for the purpose of acquiring enterprises, parts of enterprises or interests in enterprises.

The Management Board is additionally authorised to cancel all or part of the shares acquired subject to the Supervisory Board's approval. Such cancellation shall result in a corresponding reduction in the Company's capital. Notwithstanding this, the Management Board may determine that the share capital is not to be reduced, in which case the value of the remaining shares in the Company's share capital shall be increased accordingly. The Supervisory Board may adjust the reference in the articles of incorporation to the number of shares accordingly.

Subject to a resolution being passed by the shareholders at this annual general meeting, the authorisation granted on June 30, 2006 permitting the Company to buy back its own shares shall be revoked.

The Management Board is required pursuant to Sections 71 (1) No. 8 and 186 (4) Sentence 2 of the German Stock Corporation Act to submit

a written report explaining the reasons for the exclusion of the subscription rights. The contents of such report are disclosed in Part B of this invitation to the annual general meeting. The report will be made available for inspection by the shareholders at the Company's offices as of the day on which the invitation to the annual general meeting is issued. On request, each shareholder will be sent a copy of the report. The report will also be available for inspection during the annual general meeting.

6. Election of a member of the Supervisory Board

Pursuant to a ruling of the Local Court of Munich dated January 30, 2007, Dr. Lutz R. Ristow was appointed to the Company's Supervisory Board. In accordance with Article 5.4.3 of the German Corporate Governance Code as amended on June 12, 2006 ("GCGC"), a court ruling appointing a person to the Supervisory Board expires on the date of the next annual general meeting. In lieu of the court ruling, the shareholders are now to elect a member of the Supervisory Board.

The Supervisory Board therefore recommends that the shareholders elect the following person to the Supervisory Board to represent the interests of the shareholders for a period ending at the annual general meeting at which a resolution

is passed exonerating the Supervisory Board for the fiscal year ending 31st December 2007:

Dr. Lutz R. Ristow, Hamburg, Business Management Graduate, resident in Hamburg

Disclosure of offices held by Dr. Lutz R. Ristow in similar domestic and foreign corporate bodies in accordance with Section 125 (1) Sentence 3 of the German Stock Corporation Act:

- Bau-Verein zu Hamburg Aktien-Gesellschaft, Hamburg
- EPRA European Public Real Estate Association, Amsterdam, Netherlands

The shareholders are not bound by any election recommendations.

The Supervisory Board in its present composition assumes that following the election of the proposed candidate by the shareholders Dr. Lutz R. Ristow will again be proposed for election as chairman of the Supervisory Board from its number and continue holding office as chairman of the Supervisory Board.

7. Amendment to articles of incorporation relating to representation of the Company

At the moment, the members of the Company's Management Board are simultaneously members of the management board of the Company's

subsidiary Bau-Verein zu Hamburg Aktien-Gesellschaft as well as managing directors of numerous subsidiaries of Bau-Verein zu Hamburg Aktien-Gesellschaft. In order to avoid any breach of the self-contracting restrictions provided for in Section 181 of the German Civil Code particularly in the case of legal transactions conducted within the Group, the articles of incorporation are to be amended such that members of the Management Board may be exempted from the self-contracting provisions provided for in Section 181 (Alternative 2) of the German Civil Code subject to a specific resolution for this purpose being passed by the Supervisory Board.

The Management Board and Supervisory Board recommend that the shareholders pass the following resolution:

Article 6 of the articles of incorporation is extended with the addition of a Number 5 to read as follows:

“Article 6 (5)

The members of the Company's Management Board may be exempted from the restrictions provided for in Section 181 (Alternative 2) of the German Civil Code.”

8. Authorisation for Company to transmit information to shareholders by electronic means

In accordance with Section 30 b (3) of the Securities Trading Act, it is permissible for information

to be transmitted to shareholders by electronic means after 31st December 2007 provided that certain conditions are met, including authorisation to do so granted by the shareholders. The articles of incorporation are therefore to be amended so that we are able to transmit information to shareholders by electronic means if necessary.

The Management Board and Supervisory Board recommend that the shareholders pass the following resolution:

Article 3 of the articles of incorporation is revised to read as follows:

„§ 3

Announcements

1. The Company's announcements shall be published in the electronic Bundesanzeiger (company news) in the absence of any statutory requirements to the contrary.
2. Information for the shareholders may also be transmitted electronically."

9. Election of financial statement auditors for fiscal 2007

The Supervisory Board recommends that the shareholders elect Schröder · Nörenberg GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, as the auditors of the financial statements and consolidated financial statements for the 2007 fiscal year.

B. Report of the Management Board to the shareholders concerning the exclusion of subscription rights

1. Report on item 4 of the agenda – authorised capital

Report by the Management Board on the exclusion of subscription rights in connection with the newly created authorised capital in accordance with Sections 203 (1) and (2), Sentence 2, 186 (4) Sentence 2 and (3) Sentence 4 of the German Stock Corporation Act:

The Management Board and the Supervisory Board recommend adjusting the Company's current authorised capital to match the now higher share capital and to create authorised capital of EUR 16,283,182.

With the new authorised capital in the full amount permitted by the German Stock Corporation Act, the Management Board will receive a flexible

instrument adjusted in the light of the constantly changing demands of the capital market for formulating corporate policy and finance. With the proposed authorised capital, the Management Board will also be able to continue raising the capital required for the Company's further development in the short term by issuing new shares and making swift use of favourable market conditions for covering future financial requirements.

The Management Board is to be authorised to exclude the shareholders' subscription rights for any fractional amounts. In this way, it will be possible to set simple and practicable subscription ratios in connection with future equity issues. Fractional amounts arise when it is not possible to distribute all new shares evenly to shareholders on account of the subscription ratio or the amount of the equity issue. Fractional amounts are of subordinate importance in the light of the total value of the equity issue. Accordingly, the disadvantages for the shareholders as a result of the exclusion of subscription rights for fractional rights are negligible in the light of the procedural advantages for the Company.

In addition, the Management Board is to be authorised to acquire enterprise, parts of enterprises or interests in enterprises from third parties by issuing shares without resorting to the capital mar-

kets. This will heighten the Management Board's flexibility substantially in competition with others as the consideration rendered for the acquisition of enterprises and interests in enterprises is increasingly taking the form of the acquiring party's shares. Given the fact that the enterprises which are the subject of such transactions are increasingly growing in size, it is frequently not possible to render the consideration in cash form without exerting undue pressure on the Company's liquidity or raising unreasonable debt. The use of authorised capital for this purpose is contingent upon the ability to exclude subscription rights. The authorisation being sought here is being requested on a solely precautionary basis. There are currently no specific plans. If any new shares are issued as consideration for the acquisition of an enterprise or an interest in an enterprise, this is only possible if the current shareholders' subscription rights are excluded. In such cases, the Management Board is therefore to be authorised to exclude the subscription rights.

Finally, Sections 203 (2), 186 (3) Sentence 4 of the German Stock Corporation Act permits the exclusion of subscription rights if the new shares for which the subscription rights are to be excluded do not account for more than ten percent of

the Company's share capital and the issue price of the new shares is not materially less than the price at which the Company's shares are trading in the stock market. In this way, the Company's management is able to make use of favourable conditions in the stock market at short notice and thus strengthen the Company's equity base to the greatest possible extent. Experience suggests that by excluding subscription rights it is possible to react substantially more swiftly, something which in turn results in a higher cash inflow than a comparable equity issue with subscription rights. In this connection, it should also be noted that the limit of ten percent also includes any treasury stock sold by the Company in cases in which the subscription rights have also been excluded. It also includes the shares to which the holders/creditors of convertible or option bonds issued subject to the exclusion of the shareholders' subscription rights in accordance with Sections 221 (4) Sentence 2 and 186 (3) Sentence 4 of the German Stock Corporation Act are entitled to subscribe. In this way the dilution effect sustained by the shareholders whose subscription rights are excluded is minimised. Given the limited size of the equity issue, the shareholders concerned can restore their share quotas by buying additional shares in the stock markets.

The report will be made available for inspection by the shareholders at the Company's offices as of the day on which the invitation to the annual general meeting is issued. On request, each shareholder will be sent a copy of the report. The report will also be available for inspection during the annual general meeting.

2. Report on Item 5 of the agenda – authorisation for the Company to acquire its own shares

Report by the Management Board on the exclusion of subscription rights in connection with the authorisation for the Company to acquire its own shares in accordance with Sections 71 (1) Sentence 1 No 8 Sentence 5 and 186 (4) Sentence 2 and (3) Sentence 4 of the German Stock Corporation Act:

With the authorisation provided for in Item 5 of the agenda, the Company will be able to acquire and re-sell up to 10 percent of its share capital at a price which is no more than 10 % higher or lower than the price at which the shares are trading in the stock market for the purpose of using such shares as an acquisition currency for the purpose of acquiring enterprises or interests in enterprises and of achieving an optimum shareholder structure. For this purpose, the price

is defined as the mean uniform price of the stock on the Frankfurt stock exchange on the five trading days preceding the day on which the shares are acquired or sold. The shares thus acquired together with other treasury stock previously acquired and still held by the Company may not exceed 10 percent of the Company's share capital. In this way, the Management Board will have access to what is an internationally standard method of finance in the interests of the Company and its shareholders. The authorisation may be utilised until the end of the next annual general meeting provided that this is no later than December 14, 2008.

Under the authorisation, the shares may be sold via the stock market or cancelled by the Management Board subject to the Supervisory Board's approval. In addition, the shareholders' subscription rights may be excluded when these shares are sold. This is to be possible (a) in accordance with Sections 71 (1) Sentence 1 No. 8 Sentence 5 and 186 (3) Sentence 4 of the German Stock Corporation Act if the shares acquired are sold at a price which is not materially less than the price at which the Company's share in the same category are trading in the stock market and (b) the shares are to be sold to third parties for the purpose of acquiring enterprises or interests in

enterprises. In either case, it is in the interests of the Company for the subscription rights to be excluded.

In case (a), the exclusion of subscription rights ensures, for example, an optimised shareholder structure through the specific sale of shares to institutional investors and new investor groups at home and abroad. In this way, the Company's management is able to make optimum use of the opportunities arising from the prevailing market conditions quickly, flexibly and inexpensively. As a result, the Management Board has an additional finance instrument to strengthen the Company's position in national and international markets. In accordance with the statutory requirements, the total number of shares including existing authorisation entailing the exclusion of subscription rights may not exceed 10 percent of the Company's share capital.

The shareholders' interests are protected in that the Company is obliged to sell the shares at a price which is not materially less than the price at which the Company's shares are trading in the stock market. In addition, the Management Board and the Supervisory Board are obliged to determine the value of the shares solely in the light of the interests of the Company and its shareholders. Shares sold outside the stock market subject to the exclusion of subscription rights may

not exceed ten percent of the Company's share capital. This limit of ten percent also includes shares which have been issued on the basis of authorised capital subject to the exclusion of subscription rights in accordance with Sections 203 (1) and 186 (3) Sentence 4 of the German Stock Corporation Act. It also includes the shares to which the holders of convertible bonds issued subject to the exclusion of the shareholders' subscription rights in accordance with Sections 221 (4) Sentence 2 and 186 (3) Sentence 4 of the German Stock Corporation Act are entitled to subscribe. In this way the dilution effect sustained by the shareholders whose subscription rights are excluded is minimised. Given the limited size involved, the shareholders concerned can restore their share quotas by buying additional shares in the stock markets.

In case (b), the purpose is to allow the Management Board to acquire from third parties enterprises, parts of enterprises and interests in enterprises by transferring the Company's own shares as consideration. This will heighten the Management Board's flexibility substantially in competition with others as the consideration rendered for the acquisition of enterprises and

interests in enterprises is increasingly taking the form of the acquiring party's shares. The utilisation of treasury stock provides a flexible interest for this purpose provided that subscription rights are excluded. The authorisation being sought here is being requested on a solely precautionary basis. There are currently no specific plans to use it. If any new shares are issued as consideration for the acquisition of an enterprise or an interest in an enterprise, this is only possible if the current shareholders' subscription rights are excluded. In such cases, the Management Board is therefore to be authorised to exclude the subscription rights.

The report will be made available for inspection by the shareholders at the Company's offices as of the day on which the invitation to the annual general meeting is issued. On request, each shareholder will be sent a copy of the report. The report will also be available for inspection during the annual general meeting.

C.Participation in the annual general meeting

1. Eligibility to attend

Shareholders who register with the Company at the following address by no later than Friday, 8th June 2007, are eligible to take part in the annual general meeting and exercise their voting rights:

**Norddeutsche Landesbank Girozentrale
Friedrichswall 10
30159 Hannover**

Shareholders registering for the annual general meeting must also provide proof of their eligibility to attend and exercise their voting rights. Such proof must be provided in written form in German or English in the form of a certificate issued by the custodian bank at which the shares in the Company are held as of the 21st day prior to the date of the annual general meeting (“record date”), i.e. May 25, 2007. Proof of shares not held on a collective basis may also be provided in the form of a certificate in German or English issued by the Company, a notary or a bank within the European Union upon the shares being lodged with the Company or such bank or notary.

Registration for attendance does not operate to block the shares; accordingly, the shareholders may continue to freely dispose of their shares after registering.

Shareholders wishing to attend the annual general meeting are asked to notify their custodian bank as quickly as possible. The custodian bank will send the registration and proof of shares in the necessary form to the registration office, which will issue the admission tickets for the annual general meeting.

2. Proxy voting

The shareholders may also vote by proxy at the annual general meeting by authorising an agent such as the custodian bank, a shareholders’ interest association or any other person of their choice to exercise their voting rights on their behalf. The Company offers to nominate proxies, who will exercise voting rights in accordance with shareholders’ specific instructions, prior to the annual general meeting. Shareholders wishing to authorise proxies nominated by the Company to vote on their behalf require an entry ticket to the annual general meeting. Proxies must be issued in writing. The necessary documents and information will be sent to the shareholders together with the admission ticket.

3. Motions

Shareholder motions against a proposal of the Management Board and the Supervisory Board with respect to a specific item of the agenda must be sent solely to the following address in accordance with Sections 126 et seq. of the German Stock Corporation Act:

**TAG Tegnsee Immobilien-
und Beteiligungs-Aktiengesellschaft**
Investor Relations
Steckelhörn 9
20457 Hamburg
Telefax + 49 40 380 32 - 390
info@tag-ag.com

Motions received at this address at least two weeks before the date of the annual general meeting, will be made available to the other shareholders on the Internet at

www.tag-ag.com
**Investor Relations/Annual General
Meeting (Hauptversammlung)**

Motions sent to other addresses or not possessing the requisite form will be ignored.

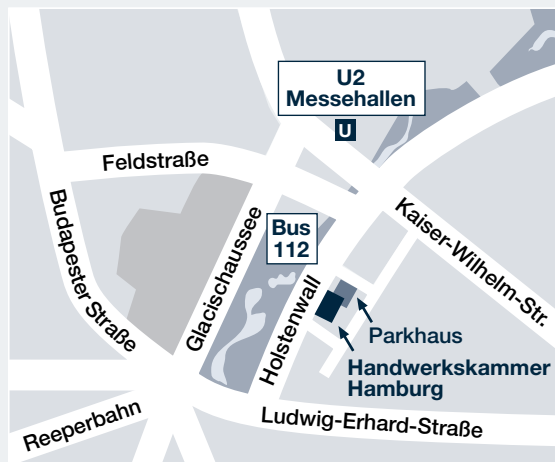
D. Total number of shares and voting rights

In accordance with Section 30 b (1) No. 1 of the Securities Trading Act, we hereby state that the Company has share capital of € 32,566,364, which is divided into 32,566,364 no par value shares with the same number of voting rights. As of the date on which this invitation was issued, the Company did not hold any treasury stock.

Tegnsee, May 2007

TAG Tegnsee Immobilien- und Beteiligungs-
Aktiengesellschaft

The Management Board



How to get to Handwerkskammer Hamburg

Holstenwall 12, 20355 Hamburg (Central Hamburg)

By car:

- A7:** Leave at the Othmarschen, Bahrenfeld or Schnelsen exits. Follow the signs to "Centrum".
- A1:** From Lübeck, leave at the Hamburg-Horn exit. Follow the signs to "Centrum" via Sievekingsallee, Bürgerweide, turn right into Wallstraße and drive until the end of Sechlingspforte. Then veer left. Drive along the Alster (lake) until Ferdinandstor and turn right onto the Lombardsbrücke (bridge). Keep driving straight ahead down Esplanade, Gorch-Fock-Wall until you reach Holstenwall.

By bus:

Station: Take the 112 bus from Hamburg central station or Altona station. The trip takes about 9 minutes. The bus station is called "Handwerkskammer Hamburg" and is located directly in front of the main entry.

Urban or underground rail:

- U2:** Messehallen station
Use the Wallanlagen exit, walk past the court buildings and turn right into Holstenwall. The distance on foot is around 400 m.
- U3:** St. Pauli station
Use the Millerntor exit. From there it is a walk of around 5 minutes to Holstenwall.
- S-Bahn:** Stadthausbrücke station
Line S1 and S3
Use the Michaelisstraße exit. Climb up the hill until Großneumarkt, which you cross and then turn left into Neuer Steinweg and then right into Neanderstraße. On the left you cross Enckeplatz, where you will find Holstenwall on your right.

**TAG Tegernsee Immobilien-
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