

TAG Immobilien AG
Hamburg
ISIN DE 0008303504 – WKN 830350

We hereby invite our shareholders to the 126th annual general meeting taking place at 11:00 AM on 27 August 2009 at Handwerkskammer Hamburg, Holstenwall 12, 20355 Hamburg.

I.
Agenda

- 1. Presentation of the approved financial statements, the approved consolidated financial statements and the management reports for TAG Immobilien AG and the Group, the report of the Supervisory Board for 2008 and the explanatory report on the disclosures made in accordance with Sections 289 (4) and 315 (4) of the German Commercial Code.**

The aforementioned documents will be made available for inspection by the shareholders at the Company's offices in Steckelhorn 5 in 20457 Hamburg as of the day on which the invitation to the annual general meeting is issued. On request, all shareholders will be sent copies of the above documents without delay and free of charge. They may also be examined on the Internet at www.tag-ag.com.

- 2. Allocation of the unappropriated profit for fiscal 2008**

The Management Board and the Supervisory Board propose that the unappropriated profit for fiscal 2008 of EUR 3,895,559.08 be carried forward in full.

- 3. Ratification of the actions of the Management Board for 2008**

The Management Board and the Supervisory Board recommend that the shareholders pass a resolution to ratify the actions taken in 2008 by the persons who were members of the Management Board in 2008.

- 4. Ratification of the actions of the Supervisory Board for 2008**

The Management Board and the Supervisory Board recommend that the shareholders pass a resolution to ratify the actions taken in 2008 by the persons who were members of the Supervisory Board in 2008.

5. Election of auditors for the annual financial statements and consolidated financial statements for fiscal 2009

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 2009 fiscal year.

6. Election of a member of the Supervisory Board

The composition of the Supervisory Board is governed by Sections 96 (1), 101 (1) of the Stock Corporations Act and Section 1 (1) in connection with Section 4 (1) (2) of the Act on the One-Third Inclusion of Employees on the Supervisory Board (formerly the Company Constitution Act of 1952). In accordance with Article 7 (1) of the Articles of Incorporation, the Supervisory Board comprises six members.

In a ruling issued by the Local Court of Hamburg on 17 October 2008, Rolf Elgeti was appointed to the Company's Supervisory Board. Mr. Elgeti stepped down from the Supervisory Board effective 30 May 2009. Accordingly, the shareholders will be required to elect a new member of the Supervisory Board to replace him.

The Supervisory Board recommends that the shareholders elect the following person as a further member of 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 ratifying the actions of the members of the Supervisory Board for the year ending 31 December 2012:

Andrés Cramer, businessman, resident in Hamburg,

Mr. Cramer holds the following offices on other statutory supervisory boards or comparable domestic or foreign corporate governance bodies in accordance with Section 125 (1) Sentence 3 of the German Stock Corporation Act.

The Event People AG, Cologne, Chairman of the Supervisory Board

The shareholders are not bound by any election recommendations.

7. Amendment to Article 22 of the Articles of Incorporation - allocation of the unappropriated surplus

To permit the possibility of passing a resolution to approve a non-cash distribution, the Supervisory Board and the Management Board propose the following resolution:

That the following Sentence 2 be inserted in Article 22 of the Articles of Incorporation:

“The shareholders may pass a resolution approving a non-cash distribution in addition to or in lieu of a cash distribution.”

8. Amendment to Articles 17 and 18 of the Articles of Incorporation - adjustments to allow for ARUG

The Act to Implement The Shareholder Rights Directive (ARUG), which has already been passed by parliament and will have taken effect by the date on which this annual general meeting is held, stipulates that in the case of all periods calculated back from the date of the annual general meeting it is not permissible to state that if such period expires on a Saturday, a Sunday or a public holiday the prior or following work day is to apply. In order to ensure that the Company’s Articles of Incorporation are consistent with the periods stipulated in the Stock Corporation Act, Article 17 (1) Sentence 3 of the Articles of Incorporation is to be deleted. This means that in line with the legal situation created by ARUG shareholders will in the future be able to register before or on the seventh day prior to the date of the annual general meeting notwithstanding the fact that this may be a Saturday, a Sunday or a public holiday.

In addition, ARUG stipulates that it will be sufficient for proxies to be granted in text form. Accordingly, the Articles of Incorporation are to be adjusted to allow for the new legal situation through the deletion of Article 18 Sentence 3.

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

- a) that Article 17 (1) Sentence 3 and Article 18 Sentence 3 be deleted from the Company’s Articles of Incorporation.
- b) The Management Board is instructed to arrange the entry of the aforementioned resolution approving the amendments to Articles 17 and 18 of Articles of Incorporation in the commercial register only after the date on which the corresponding statutory amendments take effect through the passage of the act implementing the Shareholder Rights Directive (ARUG).

9. Resolutions to authorise the issue of convertible bonds and option bonds, to create new Contingent Capital 2009/I and to amend the Articles of Incorporation accordingly

The authorisation granted to the Company’s Management Board at the annual general meeting held on 5 July 2005 to issue convertible bonds and option bonds expires on 30 June 2010. This authorisation, which the Management Board has so far not utilised, is to be revoked and replaced by new authorisation

to grant convertible bonds and option bonds so that the Company remains able in the future to issue convertible bonds and options as a source of finance.

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

- a) That the authorisation granted to the Company's Management Board in accordance with Item 5 of the agenda of the annual general meeting held on 5 July 2005 to issue convertible bonds and option bonds and the contingent capital approved by the shareholders for this purpose be revoked upon the revised version of Article 4 (6) of the Articles of Incorporation being entered in the Commercial Register.
- b) That the Management Board be authorised subject to the Supervisory Board's approval to issue bearer or registered convertible bonds and/or option bonds (collectively also known as the "bonds") for a definite or indefinite period in a total nominal amount of up to EUR 64,000,000.00 once or repeatedly on or before 26 August 2014 and to grant the holders/creditors of the bonds conversion or option rights with respect to the Company's bearer shares accounting for a proportionate amount of up to EUR 8,000,000.00 of the Company's share capital in accordance with conversion and option bond conditions to be determined.

The bonds may be issued in euros or in the corresponding amount in another statutory tender, e.g. the currency of an OECD country. They may also be issued by a directly or indirectly affiliated subsidiary of the Company; in this case, the Management Board is authorised subject to the Supervisory Board's approval to issue guarantees for the bonds on the Company's behalf and to grant the holders/creditors conversion or option rights with respect to new bearer shares to be issued by the Company.

The bond issue will be divided into partial bonds, each of which will have the same rights and obligations.

If option bonds are issued, one or more warrants will be attached to each partial bond authorising the holder/creditor to subscribe to the Company's bearer shares in accordance with terms and conditions of issue to be determined by the Management Board. In the case of options issued by the Company and denominated in euros, the terms and conditions of issue may stipulate that the option price may also be settled through the grant of partial bonds and, where applicable, a cash premium. The subscription ratio may be rounded up to an option ratio in full numbers. Otherwise, it may be determined that fractional amounts will be combined and/or settled in cash. The proportionate amount of the Company's share capital embodied by the Company's shares to be subscribed per partial bond may not exceed the nominal amount of the partial bond. The term of the option may not exceed the term of the option bond.

If convertible bonds are issued, the bearers/creditors of the partial bonds will be entitled to convert their convertible bonds into the Company's bearer shares in accordance with terms and conditions of issue to be determined by the Management Board. The swap ratio is determined by dividing the nominal amount of a partial bond by the fixed conversion price per bearer bond issued by the Company. The swap ratio can also be determined by dividing the issue amount of the partial bond, if it is lower than the nominal amount, by the fixed conversion price per new bearer shares issued by the Company. The swap ratio can be rounded up to a conversion ratio in full figures; in addition, an additional cash payment may also be determined. Otherwise, it may be determined that fractional amounts will be combined and/or settled in cash. The proportionate amount of the Company's share capital embodied by the Company's shares to be issued upon conversion may not exceed the nominal amount of the partial bond.

The swap ratio and variable conversion or option price of the bearer shares issued by the Company is fixed in euros and equals either 130% of the mean price of the Company's stock as determined in the closing auction in XETRA trading (or a corresponding replacement system) at the Frankfurt stock exchange on the ten trading days prior to the day on which the Management Board passes a resolution to issue the convertible or option bonds or - in the event that a subscription right is issued and traded on the Frankfurt stock exchange - 130% of the mean price of the Company's stock as determined in the closing auction in XETRA trading (or a corresponding replacement system) at the Frankfurt stock exchange on the days on which the right to subscribe to the bond is traded on the Frankfurt stock exchange, excluding the final two days of trading on the Frankfurt stock exchange.

Notwithstanding Section 9 (1) of the Stock Corporation Act, the conversion or option price will be reduced through the payment of a corresponding amount in cash upon exercise of the conversion or option right or through a reduction in the additional payment on account of a non-dilution clause after the terms and conditions of the conversion and option bonds have been specified if during the conversion or option period the Company increases its share capital and, in doing so, grants its shareholders subscription rights or issues further bonds or any other options and the holders of the conversion and option rights are not granted any subscription rights in a ratio which they would be entitled to receive after the exercise of their conversion or option rights. In lieu of payment in cash or a reduction in the additional payment, the swap ratio may - as far as possible - also be adjusted by dividing the nominal amount of the partial bond with the lower conversion price. The terms and conditions of the conversion and option bonds may also provide for adjustments to the conversion and option price in the case of capital reductions, splits or bonus dividends and any other measures liable to dilute the value of the conversion and option rights. In any case, the proportionate

amount of the share capital embodied by the shares issued per partial bond may not exceed the nominal value per partial bond.

The terms and conditions of the conversion and option bonds may permit the Company to pay a cash amount in lieu of granting new shares upon conversion. Such cash amount will be determined in accordance with the terms and conditions of the conversion and option bonds and equal the average price of the Company's shares in the closing auction of XETRA trading (or a corresponding replacement system) on the Frankfurt Stock Exchange on no less than two consecutive days during a period of ten trading days after conversion or the exercise of the option, as the case may be. If the Company announces that it will be exercising its right to make a cash payment upon conversion or exercise of the option, as the case may be, the period of ten trading days will commence two trading days after such announcement. The terms and conditions of the bond may also stipulate that the bond will at the Company's discretion be converted into the existing shares already issued by the Company or another listed entity in lieu of the issue of new shares using the Company's contingent capital and that the conversion and option right may be settled through the delivery of such shares.

As a matter of principle, shareholders will have a pre-emptive right of subscription. The bonds may also be underwritten by one or more banks subject to the obligation to offer them to the shareholders for subscription. However, the Management Board will be authorised subject to the Supervisory Board's approval to exclude the shareholders' pre-emptive right of subscription provided that the issue price is not materially less than the theoretical market value of the bonds calculated in accordance with acknowledged principles of financial mathematics.

In cases in which bonds are issued such that subscription rights are excluded in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act, this authorisation to exclude the pre-emptive right of subscription will apply only provided that the proportion attributable to the shares issued to settle the conversion and option rights does not exceed a total of ten percent of the share capital either on the date on which this authorisation takes effect or on the date on which it is exercised. This limit of ten percent of the share capital includes the sale of the Company's treasury stock if and to the extent that such sale occurs during the term of this authorisation pursuant to authorisation granted to sell the Company's treasury stock subject to the exclusion of the shareholders' pre-emptive right of subscription in accordance with Sections 71 (1) No. 8 Sentence 5 and 186 (3) Sentence 4 of the Stock Corporation Act. In addition, this limit of ten percent of the share capital includes the shares which are issued during the term of this authorisation pursuant to authorisation to issue new shares using the Company's authorised capital in accordance with Sections 203 (1) and (2) in connection with 186

(3) Sentence 4 of the Stock Corporation Act subject to the exclusion of the shareholders' pre-emptive right of subscription.

If the Management Board does not utilise the aforementioned authorisation to exclude the shareholders' pre-emptive right of subscription, it will be authorised subject to the Supervisory Board's approval to exclude the shareholders' pre-emptive right of subscription to bonds for fractional amounts and, also subject to the Supervisory Board's approval, to exclude these subscription rights as far as this is necessary to grant the holders of the conversion and option rights subscription rights to the same extent as those to which they are entitled after the exercise of their conversion and option rights.

The Management Board is authorised subject to the Supervisory Board's approval to determine the remaining details and conditions of the bonds including but not limited to the interest rate, the issue price and the term and, where applicable, in consultation with the making bodies of the foreign subsidiaries issuing the bond.

- c) The Company's share capital will be increased by up to EUR 8,000,000.00 through the issue of up to 8,000,000 new bearer shares on a contingent basis (Contingent Capital 2009/I). The new contingent capital will be used to grant shares to the bearers or creditors of convertible and/or option bonds which are issued by the Company or one of its directly or indirectly affiliated subsidiaries on or before 26 August 2014 in accordance with the above authorisation to the extent that they are issued in return for cash payment.

The issue shall be subject to the conversion and option price fixed in accordance with b). The contingent capital will be utilised only to the extent that the conversion and option rights are utilised.

The new shares will be dividend-entitled from the beginning of the year in which they arise as a result of exercise of the conversion and option rights.

The Management Board is authorised to determine the further details of the contingent capital issue.

- d) Article 4 (6) of the Articles of Incorporation is to be reworded as follows:

“The share capital shall be increased by up to EUR 8,000,000.00 through the issue of up to 8,000,000 new bearer shares on a contingent basis (Contingent Capital 2009/I). The contingent capital shall be utilised only to the extent that the holders and creditors of conversion rights or option warrants which are issued by the Company or any of its directly or indirectly affiliated subsidiaries on or before 27 August 2009 in accordance with the authorisation granted on 26 August 2014 in return for cash payment utilise their conversion and option rights. The new shares shall be dividend-entitled from the beginning of

the year in which they arise as a result of exercise of the conversion and option rights. The Management Board is authorised to determine the further details of the contingent capital issue.”

10. Resolutions to cancel the existing Authorised Capital 2006/I, to create new Authorised Capital 2009/I and to amend the Articles of Incorporation accordingly

The authorisation provided for in Article 4 (5) of the Articles of Incorporation to increase the Company’s share capital is limited to an amount of EUR 6,278,182.00. In view of the equity issue approved by the shareholders on 30 June 2006 and the resultant increase in the Company's share capital, Authorised Capital 2006/I is to be cancelled and new Authorised Capital 2009/I of EUR 8,000,000.00, equivalent to just on 25% of the Company's current share capital, is to be created.

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 authorisation granted to the Management Board in accordance with Article 4 (5) of the Company's Articles of Incorporation to increase the Company's share capital by up to EUR 6,278.182.00 on or before 29 June 2011 subject to the Supervisory Board's approval will be deemed to be cancelled upon the entry of the revised version of Article 4 (5) of the Company's Articles of Incorporation in the Commercial Register.
- b) The Management Board is authorised subject to the Supervisory Board’s approval to increase the share capital once or repeatedly on or before 26 August 2014 on a cash and/or non-cash basis by a maximum amount of EUR 8,000,000.00 by issuing up to 8,000,000 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:

- (1) to the extent to which this is necessary to eliminate fractional amounts,

- (2) to acquire real estate, real estate portfolios, enterprises, parts of enterprises or interests in enterprises through the provision of shares in suitable individual cases (non-cash equity issue),
- (3) 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 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 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.

Otherwise, the Management Board acting with the approval of the Supervisory Board shall make decisions on the issue of new shares, the nature of the rights attached therefore and the conditions of such issue.

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

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 26 August 2014 on a cash and/or non-cash basis by a maximum amount of EUR 8,000,000.00 by issuing up to 8,000,000 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:

- (1) to the extent to which this is necessary to eliminate fractional amounts,
- (2) to acquire real estate, real estate portfolios, enterprises, parts of enterprises or interests in enterprises through the provision of shares in suitable individual cases (non-cash equity issue),
- (3) 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 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 include the prorated amount of the share capital attributable to shares 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.

Otherwise, the Management Board acting with the approval of the Supervisory Board shall make decisions on the issue of new shares, the nature of the rights attached to such shares and the conditions of such issue.

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

11. Resolution approving a control and profit transfer contract between TAG Immobilien AG and TAG Gewerbeimmobilien-Aktiengesellschaft

The Company, which holds 94.9 % of the capital in TAG Gewerbeimmobilien-Aktiengesellschaft (hereinafter additionally referred to as the "subsidiary"), entered into a control and profit transfer contract with it on 13 July 2009 in order to reinforce its rights to issue binding instructions for the subsidiary and to create the basis for a tax union. In a declaration dated 10 July 2009, TAG Beteiligungs GmbH & Co. KG, which holds the remaining 5.1% of the subsidiary's

share capital, waived the compensation and settlement to which it is fundamentally entitled as a non-controlling shareholder.

The control and profit transfer contract requires the approval of the shareholders of the Company and the subsidiary. As of the date of this resolution, the subsidiary's shareholders had already approved the contract.

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

that the control and profit transfer contract entered into by and between TAG Immobilien AG and TAG Gewerbeimmobilien-Aktiengesellschaft on 13 July 2009 be approved.

The control and profit transfer contract entered into between the Company and the subsidiary chiefly provides as follows:

- The subsidiary agrees to be managed by the Company. The Company may issue instructions to the subsidiary's management board concerning the management of the subsidiary.
- The subsidiary undertakes to transfer its entire profit calculated in accordance with the provisions of German commercial law to the Company in accordance with Section 301 of the German Stock Corporation Act for the duration of the contract starting with the year in which the contract takes effect.
- The subsidiary may with the Company's approval retain part of its net profit for the year provided that this is permissible under German commercial law and is appropriate in the light of prudent commercial judgement. At the Company's request, any profit retained during the term of the contract shall be released and used to settle any loss or transferred to the Company as profit.
- For the duration of the contract, the Company undertakes to absorb any losses arising in accordance with Section 302 of the German Stock Corporation Act not settled by using past profits retained during the term of the contract.
- Compensation of EUR 0.00 is payable to the non-controlling shareholder in accordance with Section 304 of the German Stock Corporation Act. As a result of the non-controlling shareholder's waiver, the Company is under no obligation in accordance with Section 305 of the German Stock Corporation Act to acquire its shares in the subsidiary in consideration of a settlement at its request.

- The control and profit transfer contract will come into force upon being entered in the commercial register for the subsidiary and - with the exception of the provisions relating to the exercise of control - take retroactive effect as of the beginning of the year in which it comes into force.
- The control and profit transfer contract will be entered into for an indefinite period and may be terminated at the end of any year subject to six months' advance notice, provided that this is no earlier than upon the passage of five full years. The term of the contract will be deemed to commence at the beginning of the financial year in which it takes effect. Moreover, the control and profit transfer contract may be terminated with immediate effect for good cause including but not limited to the conversion of the subsidiary into a real estate investment trust as defined in Section 1 of the German Act on REITs, the actual or threatened failure of the corporate tax and/or trade tax fiscal union to be recognised for tax purposes, the loss of the Company's voting majority with respect to the subsidiary as well as the approval of resolutions relating to the Company or the subsidiary coming within the scope of the Corporate Conversion Act.

The following documents will be made available for inspection by the shareholders at the Company's offices in Steckelhörn 5 in 20457 Hamburg as of the day on which the invitation to the annual general meeting is issued as well as at the annual general meeting:

- The control and profit transfer contract dated 13 July 2009
- The annual financial statements and management reports for TAG Immobilien AG for the past three financial years,
- The annual financial statements and management reports for TAG Gewerbeimmobilien-Aktiengesellschaft for 2007 and 2008 and for its legal successor, Bau-Verein zu Hamburg Gewerbeimmobilien mbH for 2006,
- A joint report by the management board of TAG Immobilien AG and the management board of TAG Gewerbeimmobilien-Aktiengesellschaft,
- The report of the court-appointed auditors ESC Wirtschaftsprüfung GmbH Wirtschaftsprüfungsgesellschaft

On request, all shareholders will be sent copies of the above documents without delay and free of charge. The documents may also be viewed on the Internet at

www.tag-ag.com/investor-relations/hauptversammlung

II.

Report by the Management Board on Item 9 of the Agenda in accordance with Sections 221 (4), Sentence 2 and 186 (4) Sentence 2 of the Stock Corporation Act:

The issue of convertible and/or option bonds (“the bonds”) enables capital to be raised on attractive terms. The authorisation provides the Company with the necessary flexibility to place bonds itself or via directly or indirectly affiliated subsidiaries. Bonds may be denominated in euros or other currencies such as the statutory tender of an OECD country for a definite or indefinite period of time. With a total nominal amount for the bonds of a maximum of EUR 64,000,000.00 and entitlement to subscribe of up to a maximum of 8,000,000 of the Company’s bearer shares the framework is reasonably dimensioned.

As a matter of principle, shareholders have a pre-emptive right of subscription. However, the Management Board is also to be authorised subject to the Supervisory Board’s approval to exclude subscription rights in accordance with Section 186 (3) Sentence 4 of the Stock Corporation Act provided that the shares issued to settle the conversion and option rights do not exceed ten percent of the Company’s share capital. This limit of ten percent of the share capital also includes new shares which are issued in return for cash payment during the term of this authorisation pursuant to authorisation to issue new shares using the Company’s authorised capital in accordance with Section 186 (3) Sentence 4 of the Stock Corporation Act subject to the exclusion of the shareholders’ pre-emptive right of subscription. Similarly, it includes the sale of the Company’s treasury stock if and to the extent that such sale occurs during the term of this authorisation pursuant to authorisation to sell the Company’s treasury stock subject to the exclusion of the shareholders’ pre-emptive right of subscription in accordance with Sections 71 (1) No. 8 Sentence 5 and 186 (3) Sentence 4 of the Stock Corporation Act. This ensures that no bonds can be issued if this results in the shareholders’ subscription rights being excluded for more than ten percent of the Company’s share capital for no particular objective reason in direct or indirect application of Section 186 (3) Sentence 4 of the Stock Corporation Act. With this ability to exclude subscription rights, the Company has the flexibility sufficient to make use of favourable conditions in the capital market at short notice. The reason for this is that, in contrast to the issue of bonds with subscription rights, it is possible to fix the issue price immediately before the placement, thus avoiding the heightened price risk liable to occur during a subscription period.

If subscription rights are excluded, the analogous application of Section 186 (3) Sentence 4 of the Stock Corporation Act gives rise to the requirement that the issue price of the bonds must not be materially less than the market value. This aims to make suitable allowance for the shareholders’ interest in avoiding dilution in the value of their shares. As the authorisation stipulates that the issue price of the bonds must not be materially less than the notional market value, the value of the subscription right would be effectively zero. However, to ensure compliance with this requirement in connection with the

issue of bonds, the issue price must not be materially less than the theoretical market value of the bond calculated in accordance with acknowledged principles of financial mathematics. This protects the shareholders from the risk of dilution. At the same time, the exclusion of subscription rights does not result in any economic disadvantage for them. Shareholders wishing to maintain their percentage share in the Company's share capital or acquire bonds commensurate with the size of their share may do so by buying the necessary quantities in the market.

The Management Board is to be additionally authorised subject to the Supervisory Board's approval to exclude fractional amounts from the subscription rights. Such fractional amounts may arise from the amount of the issue volume and the application of a practicable subscription ratio. The exclusion of the shareholders' pre-emptive right of subscription simplifies this.

In addition, the Management Board is to be given the option of excluding the shareholders' pre-emptive right of subscription subject to the Supervisory Board's approval to grant subscription rights to the holders or creditors of the conversion and option rights to the same extent as the subscription rights to which they are entitled after the exercise of their conversion and option rights. This aims to prevent a situation in which in the event of authorisation being utilised the option price is reduced for the holders of existing conversion and option rights under the option and conversion terms and conditions or the Company is required to provide some other protection from dilution. As this generally permits a greater inflow of proceeds, the exclusion of subscription rights is in the interests of the Company and its shareholders.

Report by the Management Board on Item 10 of the Agenda concerning the exclusion of the shareholders' pre-emptive subscription rights in connection with the utilisation of Authorised Capital 2009/I in accordance with Sections 203 (2), Sentence 2 and 186 (4) Sentence 2 of the Stock Corporation Act:

The Management Board and the Supervisory Board propose that the current authorised capital be cancelled and that new authorised capital of EUR 8,000,000.00 be created.

With this authorisation to create new authorised capital in an amount of just under 25 % of the Company's share capital, the Management Board will obtain a flexible instrument for structuring the Company's funding. 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 use of favourable market conditions for covering future financial requirements without delay.

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 ac-

count 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 real estate, real estate portfolios, enterprises, parts of enterprises or interests in enterprises from third parties by issuing shares without resorting to the capital markets. This will heighten the Management Board's flexibility substantially in competition with others as the consideration rendered for the acquisition of business entities and interests 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. If any new shares are issued as consideration for the acquisition of real estate, 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 authorisation being sought here is being requested on a solely precautionary basis. There are currently no specific plans to use it.

Finally, Sections 203 (1) and (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 addition, access to new shareholder groups can be gained by excluding subscription rights. 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. The cap of ten percent of the share capital will reduce the dilutory effects for the shareholders whose subscription rights have been excluded to the greatest possible effect. 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 reports by the Management Board to the shareholders will be made available for inspection by the shareholders at the Company's offices in Steckelhörn 5 in 20457 Hamburg as of the day on which the invitation to the annual general meeting is issued. On request, all shareholders will be sent copies of the reports without delay and free of charge.

III.

Participation in the annual general meeting

1. Eligibility to attend

Shareholders wishing to attend the annual general meeting or to exercise their voting rights must register and provide proof of their eligibility to attend. The registration form and proof of eligibility to attend must be lodged with the Company by no later than Thursday 20 August 2009 at the following address:

Norddeutsche Landesbank Girozentrale
Friedrichswall 10,
30159 Hannover

Registration and proof of eligibility to attend must be in German or English. Written confirmation by the custodian bank holding the shares issued by the Company is sufficient proof of eligibility. Proof of shares not held on a collective basis may also be provided in the form of a certificate 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. Proof of shares must apply as of 0:00 hours CEST on Thursday, 06 August 2009.

Shareholders wishing to attend the annual general meeting are asked to notify their custodian bank with minimum delay. 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

Shareholders may also exercise their voting rights by proxy. As a matter of principle, proxies must be granted in writing. A form which may be used to grant proxy will be sent to shareholders together with the entry ticket to the annual general meeting

If the proxy is to be granted to a bank, a shareholder association or any other entity deemed to be equivalent to these in accordance with Section 135 of the Stock Corporation Act, the requirement of written proxy is dispensed with in accordance with statutory provisions as well as the Company's articles of incor-

poration in derogation from the above principle. However, it should be noted that in this case such banks, shareholder associations or other entities deemed to be equivalent to these may require that special documentation as evidence of such proxy must be produced in accordance with Section 135 of the Stock Corporation Act. Shareholders wishing to grant a bank, a shareholder association or any other entity deemed to be equivalent to these in accordance with Section 135 of the Stock Corporation Act proxy, should therefore determine whether written proxy is required.

The Company offers to nominate proxies, who will exercise voting rights in accordance with shareholders' specific instructions, prior to the annual general meeting. The voting proxy holders will exercise the voting rights solely in accordance with the instructions issued by the shareholder. The authorisation granted to the voting proxy holders nominated by the Company and the voting instructions must be in writing. On request, a form which may be used to grant proxy will be sent to shareholders immediately and free of charge. Shareholders wishing to authorise proxy holders nominated by the Company to vote on their behalf require an entry ticket to the annual general meeting. The necessary information will be sent to the shareholders together with the entry ticket.

The registration form and proof of eligibility to attend the annual general meeting must also be lodged notwithstanding the grant of a proxy. This does not exclude the possibility of granting a proxy after the registration has been lodged.

3. Motions and nominations

Shareholder motions against a proposal of the Management Board or 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 Stock Corporation Act:

TAG Immobilien AG
Investor Relations
Steckelhörn 5, 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/hauptversammlung

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

IV.

Total number of shares and voting rights

In accordance with Section 30 b (1) Sentence 1 No. 1 of the Securities Trading Act, we hereby state that the Company has share capital of € 32,566,364.00, which is divided into 32,566,364 no par value shares with the same number of voting rights. As of the date of this invitation, the Company did not hold any treasury stock.

Hamburg, July 2009

TAG Immobilien AG

The Management Board