



TAG 
TAG Immobilien AG

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FY 2010 figures





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TAG Investment Case

- I. Focus: High-quality EUR 499m German residential real estate in metropolitan regions such as Hamburg, Berlin, North Rhine Westphalia and Munich**
- II. Plus: Solid EUR 479m German commercial real estate with solvent tenants (52% Siemens) and 96% occupancy**
- III. Solid financing structure (Loan to Value 53,0%), average loan maturity of 5.3 years**
- IV. Team with high expertise; low-cost internal administration**
- V. Flexible corporate structures, able to swiftly adjust to market changes and act on opportunities**
- VI. Considerable potential for increasing book value**
 - Rental growth
 - Further vacancy reduction
 - Exploiting one-off market opportunities

Strategic situation of the Group

I. Consolidation mostly completed

- No more write-downs/depreciation of the properties expected
- No refinancing issues
- Significant reduction in non-property-related costs
- Personnel costs dropped to EUR 8.8 million for the period compared to the previous year (reduction of 19%)
- Reduction of vacancy (and attendant reduction of vacancy costs):
 - Total: 7.4% (45,076m²) 2009/ 5.3% (42,663m²) 2010

II. Portfolio restructuring

- Residential focus on
 - Increase Bau-Verein holding from 71% to 91%
 - Purchase of a portfolio of residential flats in Berlin (paid with own shares at 5.50 EUR/share) as well as in NRW and in Saxony (again financed by issuing new TAG shares)
- Dispose of properties with insufficient yields (ROI)
- Purchase additional properties and portfolios if they have a positive impact on NAV, P&L and cash flow
- Commercial focus on asset management; no major transactions needed or planned
- Purchase of the shareholding of HSH Real Estate of the existing Joint Venture

III. Strategic opportunity

- Increasing the business volume will lead to a higher profitability as the proportion of fixed and step-fixed costs is very high
- Acquisitions and integration of portfolio at existing locations at nearly zero marginal cost
- Improving profitability and cash flow and enhance NAV

IV. Long-term perspective

- Focused, transparent access to an attractive asset class – with the best possible cash flows and yields (returns)



Highlights 2010

- Successful issue of a convertible bond of EUR 30mln on May, 2010 and EUR 66mln on December, 2010 in a difficult market environment
- Acquisitions have expanded the housing stock by more than 77%
- Vacancy down from 7.4% to 5.3% throughout the group even including the new portfolio
- EUR 40.2mln rental profit. Increase of EUR 5.2mln was achieved in the residential sector
- LTV 53.0%
- 30% equity ratio before minorities
- Pre tax profits (EBT) for Q1-Q4 of 2010 EUR 22,2mln
- NAV at EUR 6.09 per share as per 12/31/2010; NAV at EUR 6.69 if CRE stake accounted at CRE NAV
- LARUS fully integrated – synergies of EUR 1.5mln expected
- CRE shareholding > 50% - synergies of EUR 25-30mln expected from 2012 onwards

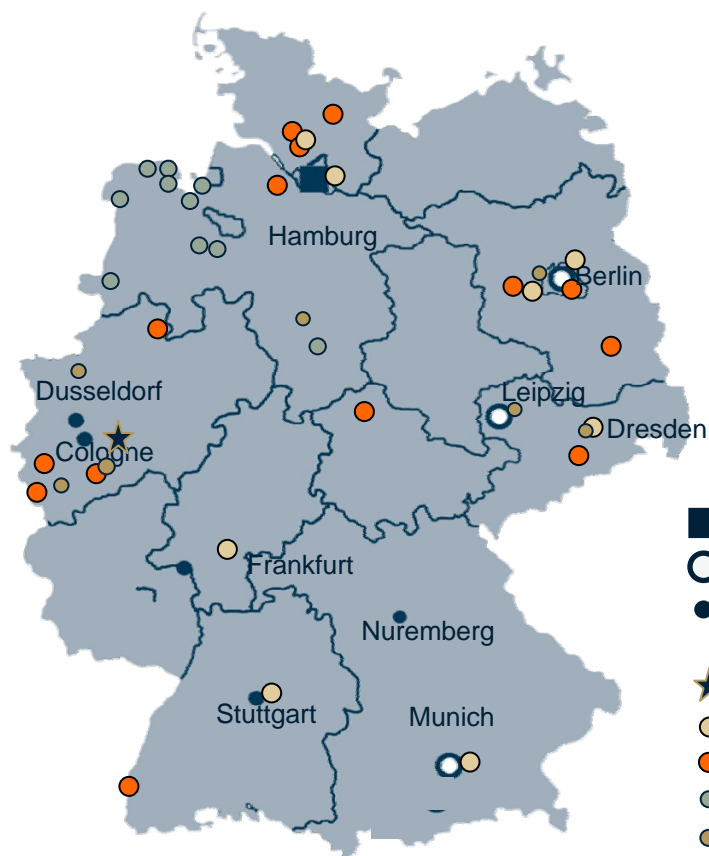


Combined entity TAG – CRE

Strategic rationale – business plan

- **Critical mass**
 - The combined entity becomes a serious player in terms of size, market liquidity, investability etc.
 - Both companies have high fixed costs. Combined entity can improve profitability significantly
- **Strong potential for synergies EUR 25-30 million in total**
 - EUR 4 mln: Operational synergies: moving property management to TAG from current external providers of CRE (cut down VAT etc.)
 - EUR 3 mln: Combination of the LARUS and Resolution teams, thereby realising operational synergies (moving offices together etc.) and creating a serious asset management player
 - EUR 6 mln: General overhead reductions (central units, management board etc.)
 - EUR 3 mln: TAG can help refinance some CRE loans at better conditions (due to better rating etc.)
 - Most of these synergies should be in place no later than in 2012, some already in 2011
- **Better operational performance**
 - Proven value enhancement and cost cutting capabilities of TAG management to be applied to Colonia portfolio
 - EUR 8 mln: Vacancy reduction track record at TAG: this could mean higher rents at CRE and lower service charge leakages and other vacancy costs
- Synergies and improved operational performance could therefore lead significant annual cash and P&L improvements
- This should also lead to higher asset values at the CRE part of the portfolio and better refinancing terms in turn
- We expect the deal to be NAV accretive from day 1

Combined entity TAG – CRE Portfolio



	Total	TAG	CRE
Units	26,813	7,711	19,012
Floor Area sqm	2,014,448	848,498	1,165,950
Vacancy %		5.3	10.9
Net actual EUR/sqm		6.11	4.72

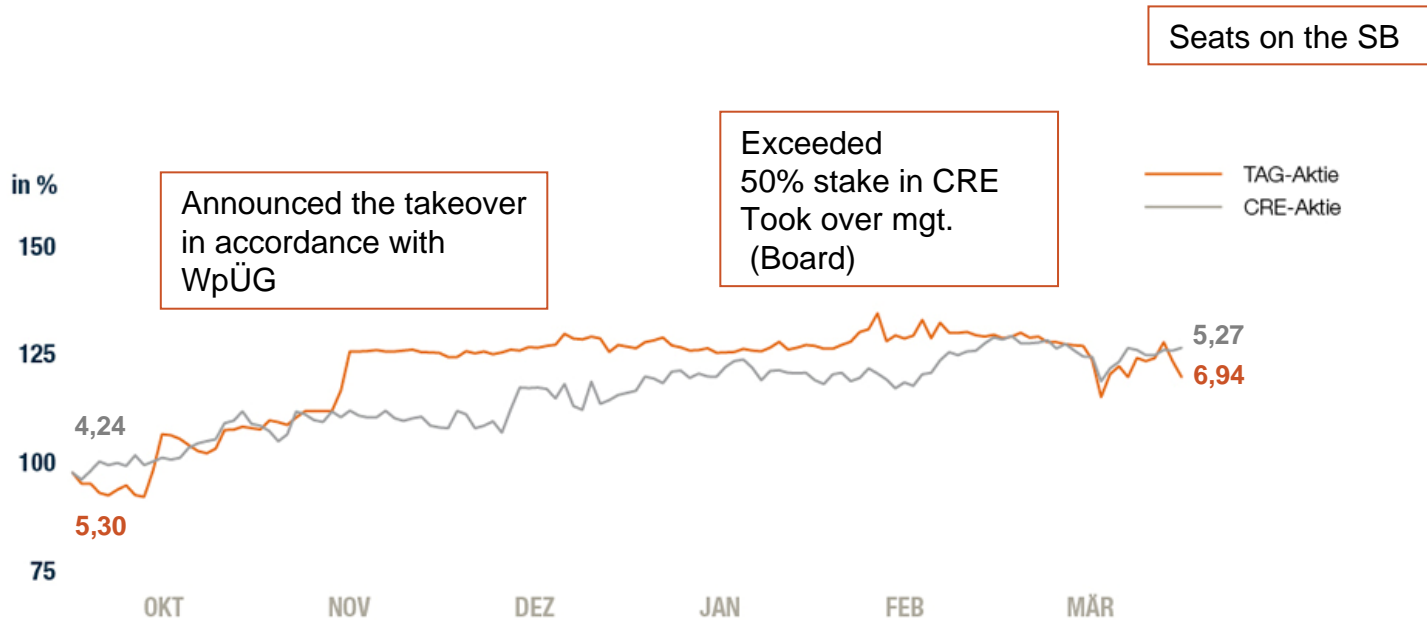
Combined entity TAG - CRE

Synergies, attractive platform and critical mass

Strong potential revenue and cost synergies	<ul style="list-style-type: none"> ▪ General overhead reductions <ul style="list-style-type: none"> ▪ Branches, administration, management, car pool, etc. ▪ Lower vacancies expected at CRE as TAG has proven track record of reducing vacancies rapidly <ul style="list-style-type: none"> ▪ Combination of the LARUS and Resolution teams ▪ Operational synergies <ul style="list-style-type: none"> ▪ Occupancy, direct costs ▪ Reduction of funding costs at CRE level
Creating an attractive platform	<ul style="list-style-type: none"> ▪ Management expertise, know-how concentration on the asset- and property management ▪ One of the larger residential real estate investment companies third party asset managers in Germany
Critical mass	<ul style="list-style-type: none"> ▪ € 4.3 bln third party commercial assets under Management <ul style="list-style-type: none"> ▪ TAG (LARUS) € 2.2 bln ▪ CRE (Resolution) € 2.1 bln ▪ € 1.8 bln German real estate portfolio <ul style="list-style-type: none"> ▪ TAG € 978 mln, 7,700 units ▪ CRE € 814 mln, 19,000 residential units ▪ From German real estate smallcap to European real estate midcap with market capitalization of close to € 500 mln (fully diluted) ▪ More access to international investors



Portfolio – TAG – CRE – What has been achieved to date?

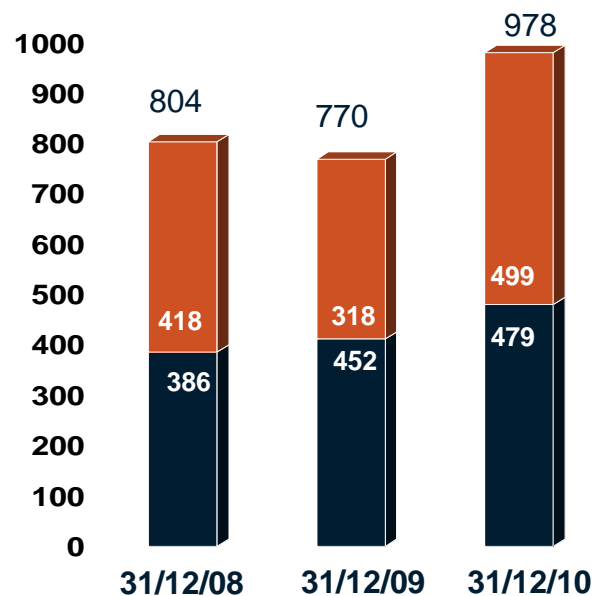


- Took over the management (Board) on the day we exceeded the 50% threshold
- Reduced management by third parties from approx. 87% to approx. 53% - and 0% Asset Management
- Shared administrative functions of CRE taken over by TAG, which has already led to massive savings on personnel and overhead in Cologne



Portfolio Total

Real estate volume

Volumen in EUR million

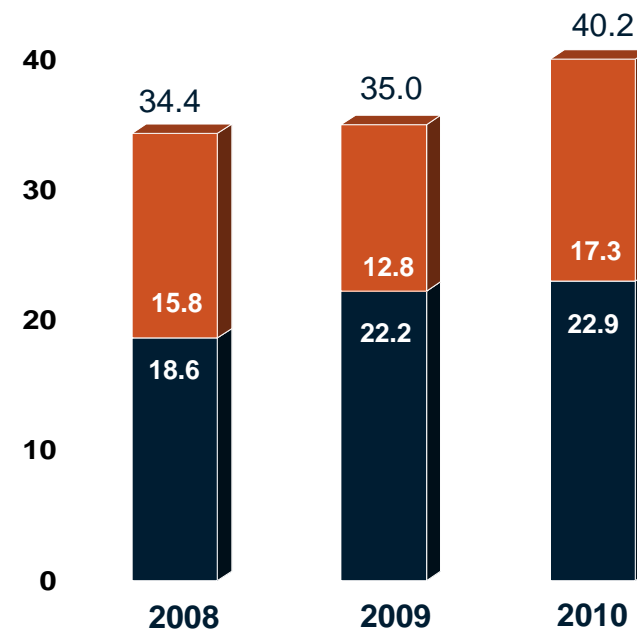




* Stuttgart Südtor included in commercial real estate

 Portfolio of residential real estate
 Portfolio of commercial real estate

Rental profit per segment

in EUR million



 Residential real estate
 Commercial real estate

Portfolio Total*

Portfolio	Numbers of buildings	Units	Floor area sqm	Vacancy sqm	Vacancy %	Annualised net actual rental TEUR	Net actual EUR/sqm	Target rent TEUR p.a.	Book value TEUR	Maintenance costs EUR/sqm p.a.	Management costs EUR/sqm p.a.	Return on target rent p.a. at IFRS book value %
Commercial portfolio												
2010	32	32	335,688	12,625	3.8	25,974	6.70	27,012	404,973	7.26	5.07	6.7
2009	33	33	342,911	17,940	5.2	26,543	6.81	27,744	409,209	5.29	4.41	6.8
Residential portfolio												
2010	293	7,512	465,663	30,038	6.5	29,182	5.58	31,175	460,379	11.54	7.86	6.8
2009	75	4,206	263,331	27,135	10.3	16,616	5.86	19,047	273,952	15.47	14.28	7.0
Subtotal portfolio												
2010	325	7,512	801,351	42,663	5.3	55,157	6.05	58,187	865,344	9.71	6.66	6.7
2009	108	4,239	606,242	45,076	7.4	43,159	6.41	46,791	683,161	9.92	8.88	6.9
Others*												
2010	16	199	44,852			5,081		6,883	113,294			
2009	22		347,355			2,412		2,525	87,067			
Overall portfolio												
2010	341	7,711	846,203			60,238		65,070	978,638			
2009	130	4,239	953,597			45,571		49,316	770,228			

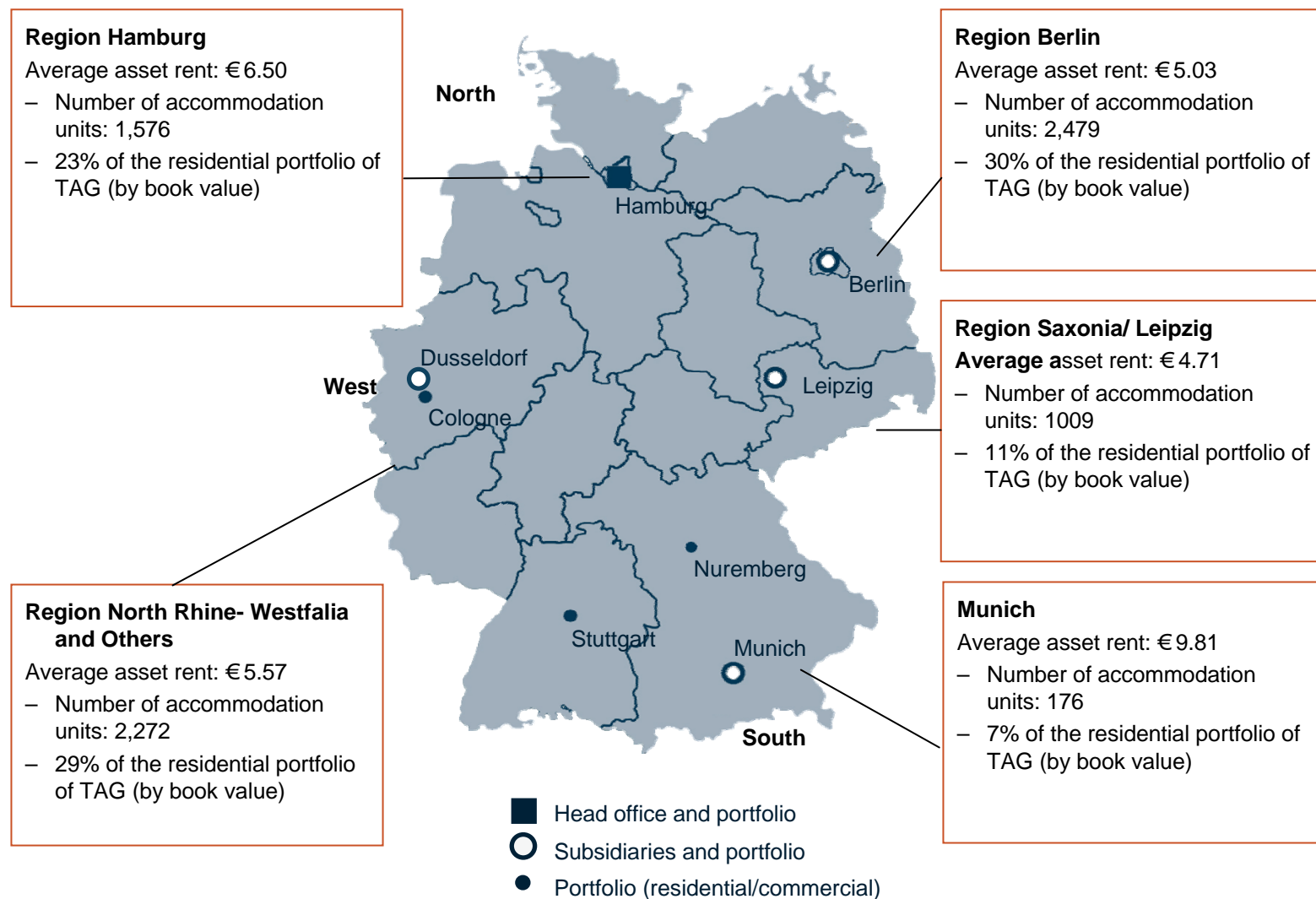
*as of: 12/31/2010 by book value

Portfolio Residential*

Region	Units	Floor area sqm	Va- cancy sqm	Va- cancy %	Annua- lised net actual rental TEUR	Net actual EUR/ sqm	Target rent TEUR p.a.	Book value TEUR	Main- tenance costs EUR/sqm p.a.	Manage- ment costs EUR/sqm p.a.	Return on target rent p.a. at IFRS book value %
Berlin	2,479	145,230	7,487	5.2	8,321	5.03	8,765	142,098	19.28	6.90	6.2
Leipzig	1,009	65,792	6,299	9.6	3,364	4.71	3,687	52,569	4.71	5.67	7.0
Hamburg	1,576	94,948	4,468	4.7	7,057	6.50	7,451	104,666	8.63	7.83	7.1
Munich	176	12,010	1,016	8.5	1,295	9.81	1,362	27,873	12.39	12.52	4.9
NRW/Others	2,272	147,683	10,767	7.3	9,146	5.57	9,910	133,165	7.94	9.15	7.4
Overall portfolio	7,512	465,663	30,038	6.5	29,182	5.58	31,175	460,371	11.54	7.86	6.8

*as of: 12/31/2010 by book value

Portfolio residential



Portfolio residential



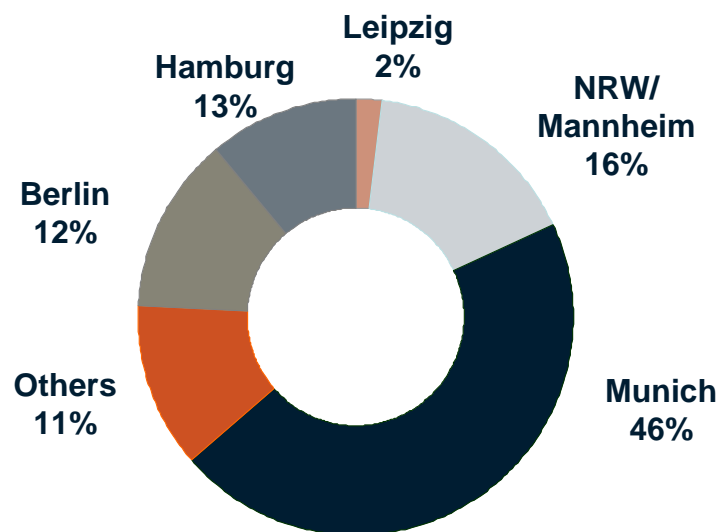
- TAG owns almost 7,500 residential units with 465,663 sqm and a book value of 460,371 TEUR
- Since year end 2009 units and floor area of TAG increased by around 77% - purchase have positive impact on NAV, P&L and cash flow
- Average actual net rents are between €4,71 in Leipzig, €5.03 in Berlin, €5,57 in NRW, €6.50 in Hamburg and €9.81 in Munich
- The overall vacancy rate could be reduced since end of 2009 in the total TAG portfolio including the new acquisitions Francono and TAG Nordimmobilien from 10.3% to actual 6.5% - in the existing inventory portfolio to 5.9%



Portfolio commercial

	12/31/2009	12/31/2010
• sqm total	342,911 sqm	335,686 sqm
• sqm rental	324,971 sqm	323,063 sqm
• current rental p.a. net of charged costs (EUR mln)	26.6	26,0
• current rental net of charged costs (EUR/ sqm)	6.81	6.70
• vacancy	5.2%	3.8%

Real estate portfolio by region*



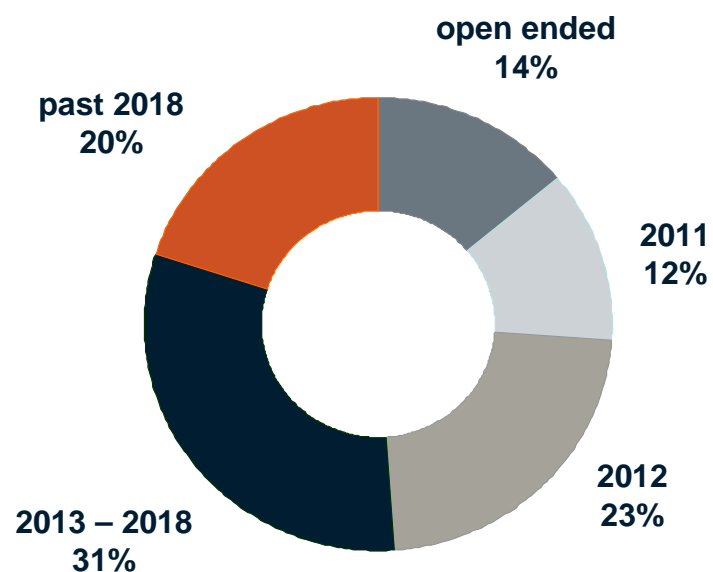
*as of 12/31/2010 by book value



Bartholomäusstraße, Nuremberg

Portfolio commercial

Duration of commercial rental agreements*



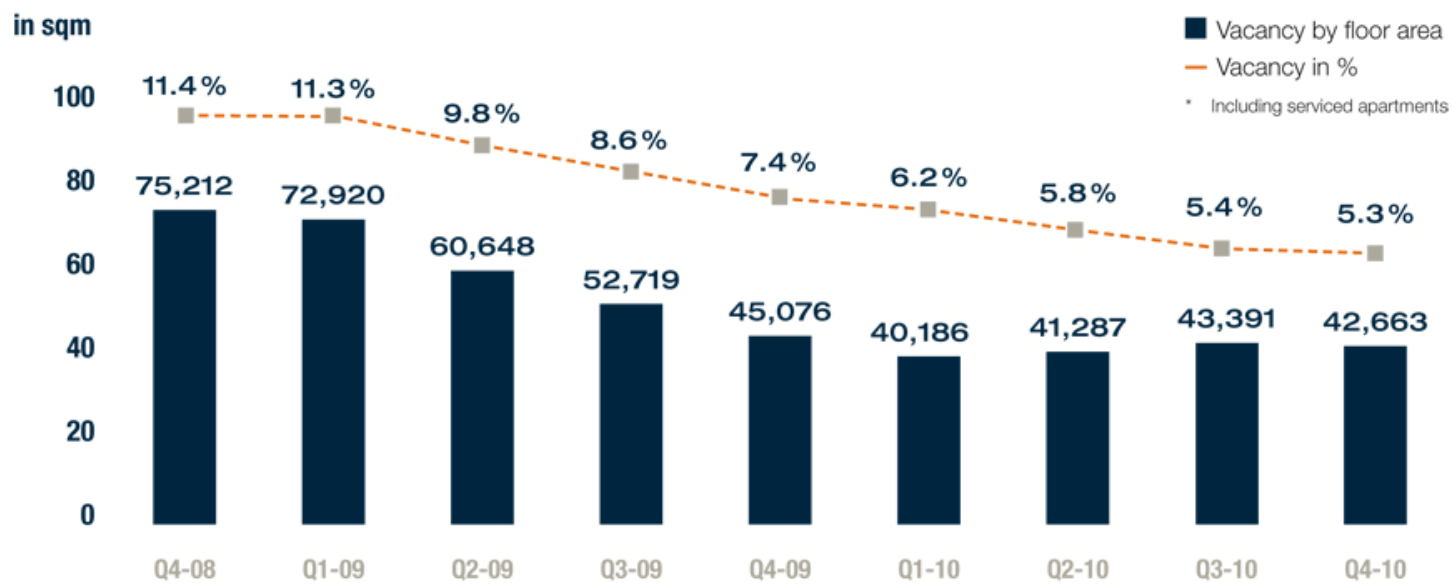
*as of 12/31/2010 by rental income

TOP 5 tenants**

Tenants	Rental p.a. in TEUR	in % of annualised rental 2010
Siemens AG	12,848	50%
State /City authorities	1,854	7%
Federal Employment Office	955	4%
Linde Gas Therapeutics	464	2%
Kratzer Automations AG	458	2%
Total	16,579	65%

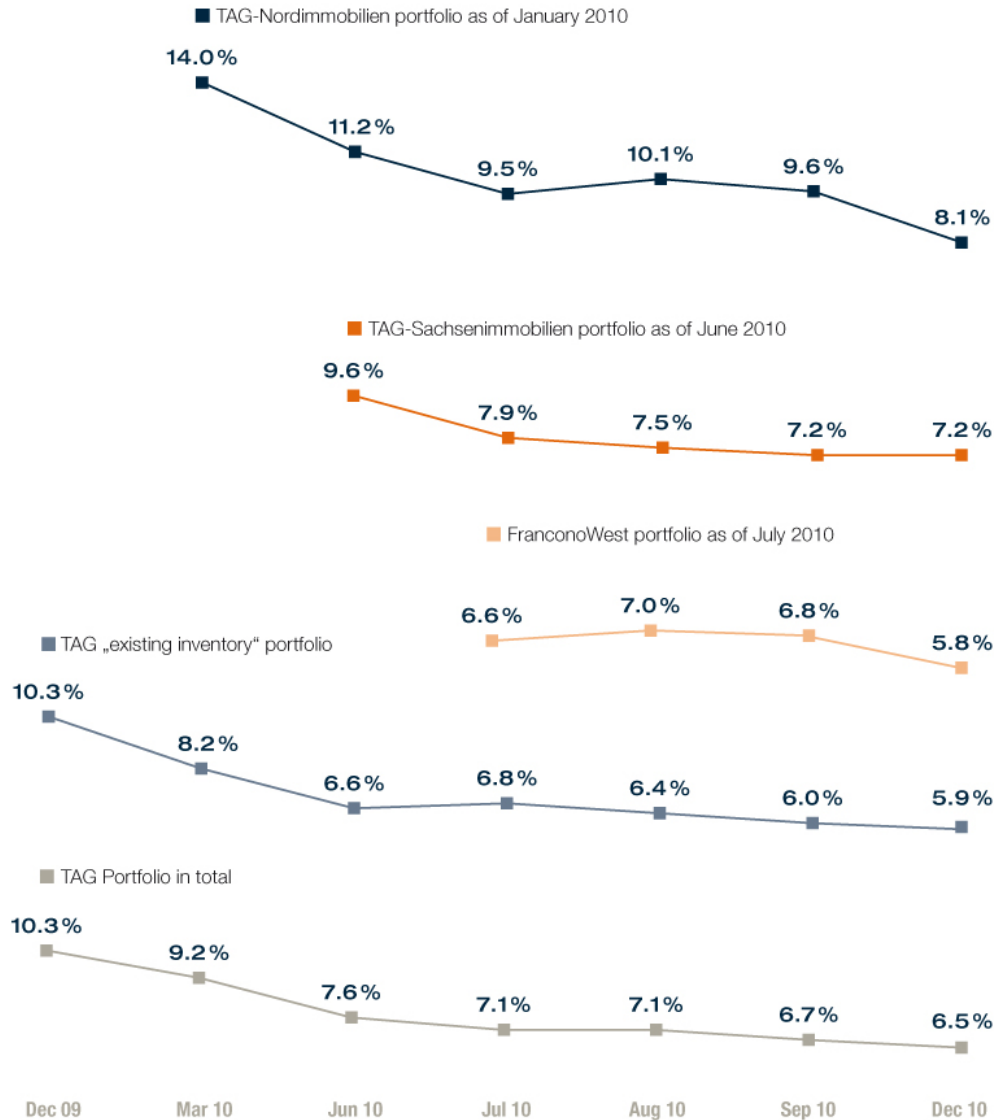
** Commercial real estate – annualised rental 2010 25,974 TEUR

Portfolio – Vacancy rate reduction – Total



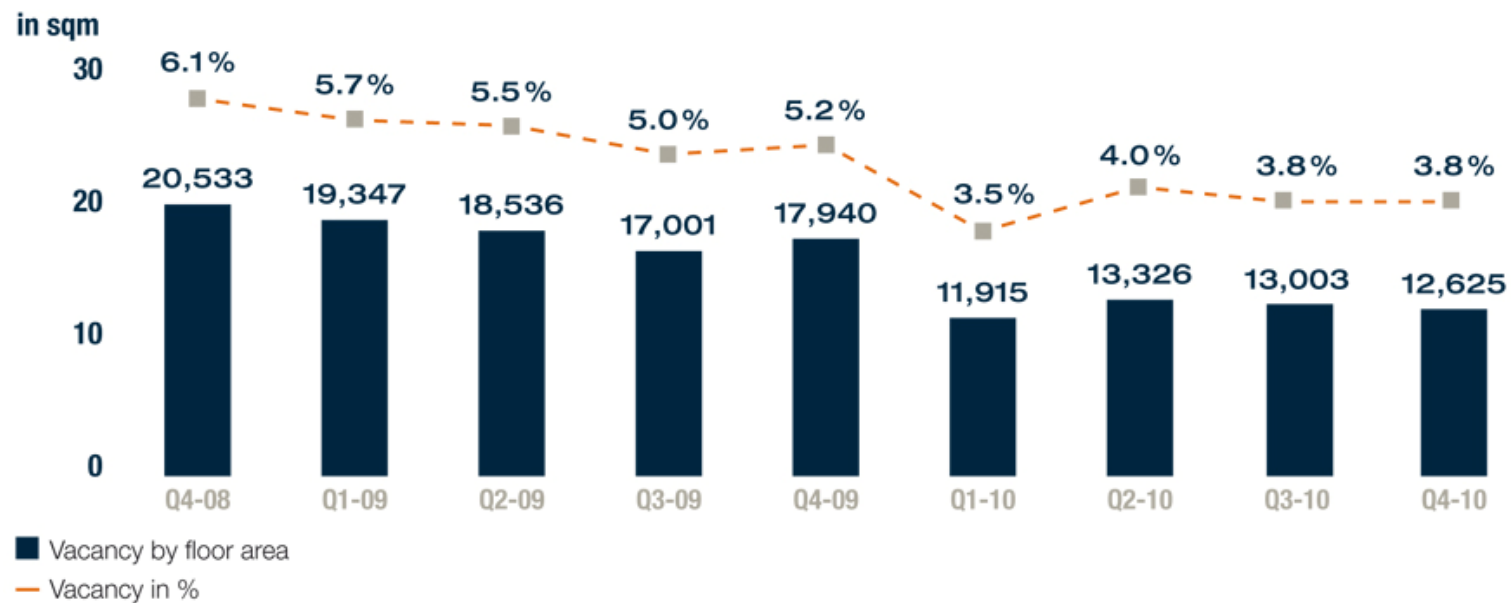


Portfolio – Vacancy rate reduction – Residential



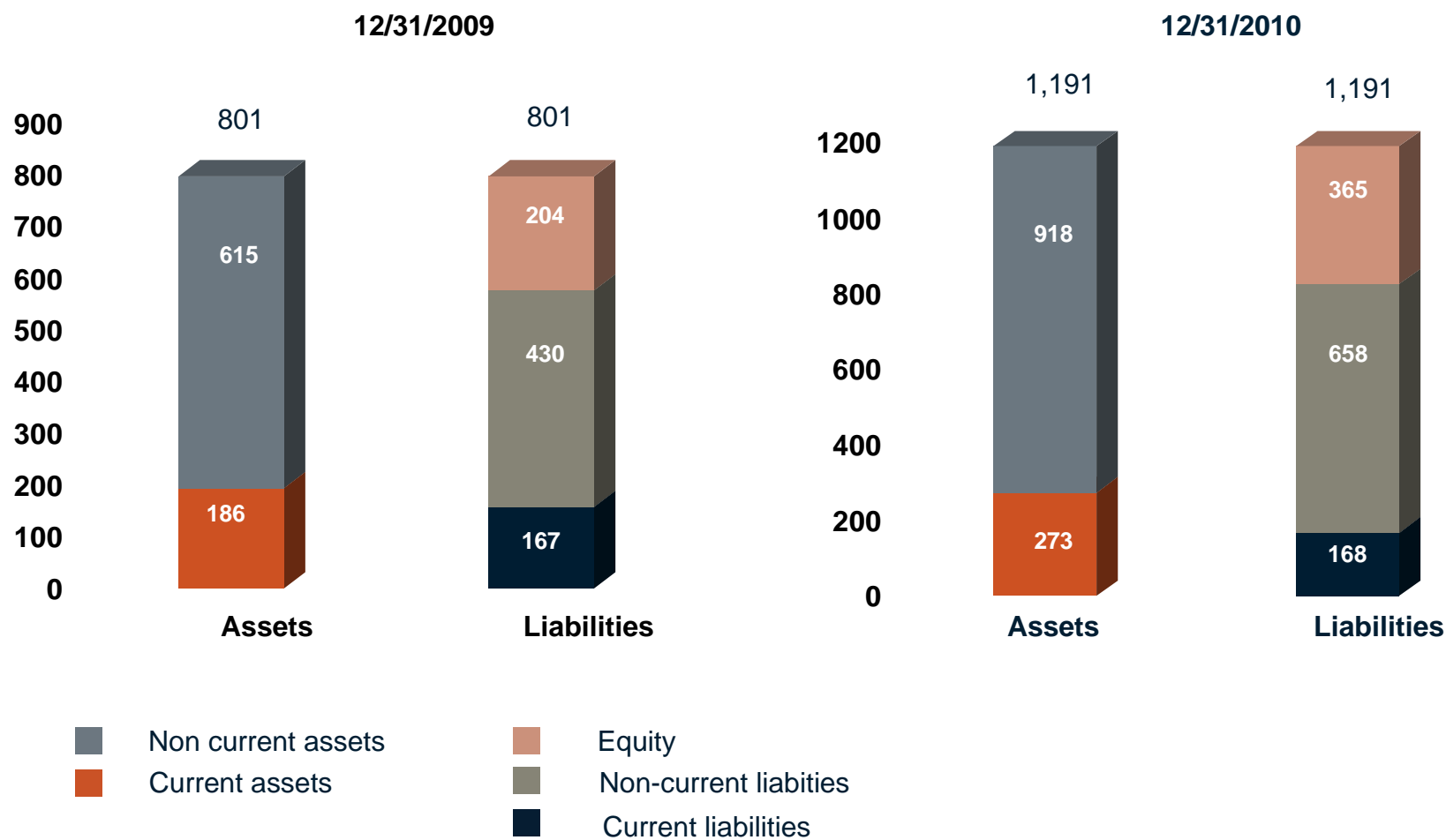
- Proven track record of reducing vacancies rapidly and steadily in new acquisitions

Portfolio – Vacancy rate reduction – Commercial



Group financials (IFRS)

Consolidated balance sheet (in EUR mln)



Financial Structure

Credit periods:

	EUR mln	
2011:	114	17%
2012:	117	18%
2013:	54	8%
2014:	62	10%
2015:	57	9%
2016:	44	7%
2017:	146	23%
2018:	15	2%
2019:	0	0%
2020:	38	6%
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Total	647	100%



Stahlwiete, Hamburg

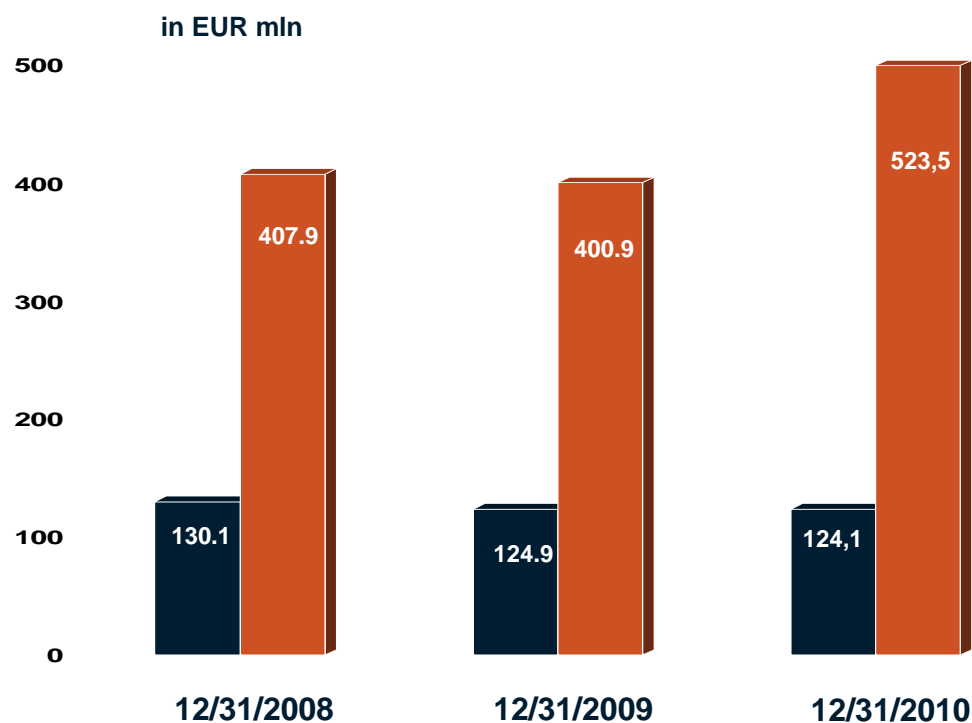




Financial structure

	12/31/2010	12/31/2009	12/31/2008
Bank borrowings in TEUR	647,655	525,856	538,042
non current	523,512	400,939	407,980
current	124,143	124,917	130,062
net borrowing costs	-31,185	-25,329	-27,910
Average interest levels in %	12/31/2010	12/31/2009	12/31/2008
non-current	4.7	4.9	5.6
current	2.3	3.9	5.7
Swaps/Caps to minimise risk of changing interest rates	12/31/2010	12/31/2009	12/31/2008
nominal volume in TEUR	313,343	299,399	316,919
interest rate in %	4.5	4.5	4.4
Ø maturity in years	4.0	4.1	5.5

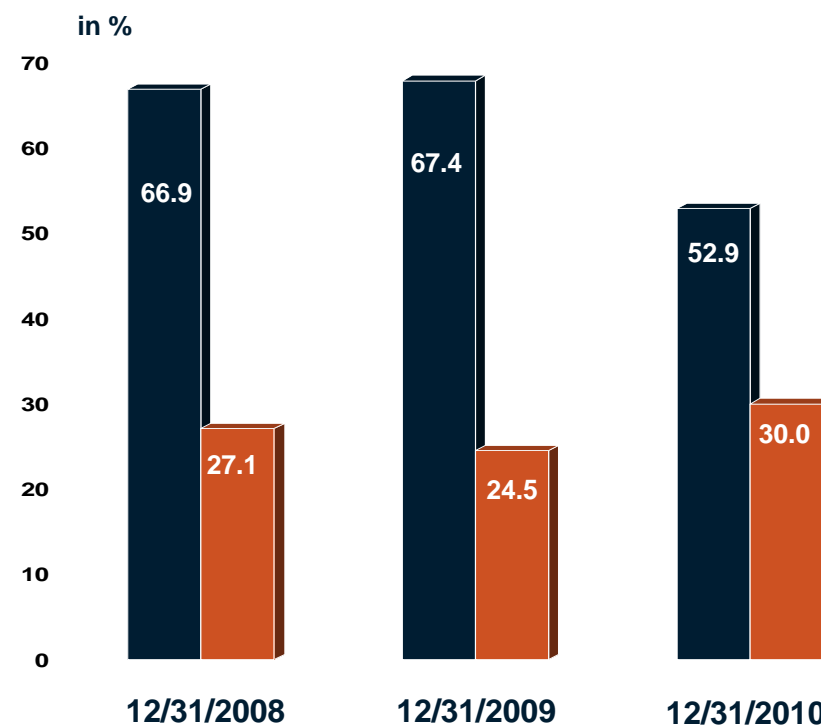
Financial Structure



Bank borrowings



 current liabilities
 non current liabilities

Loan to Value / Equity ratio



 LTV
 Equity ratio before minorities

Stock market data as of 12/31/2010

High/Low (2010) EUR 6.48 / EUR 3.94

Number of shares 58.57 mln

Market capitalisation EUR 372mln

Stock exchange SDAX/ EPRA

Free Float * 95 %

* Deutsche Börse definition including institutional investors

Shareholder structure

Ruffer LLP, UK 20%

Taube Hodson Stonex, UK 7%

Asset Value Investors, UK 6%

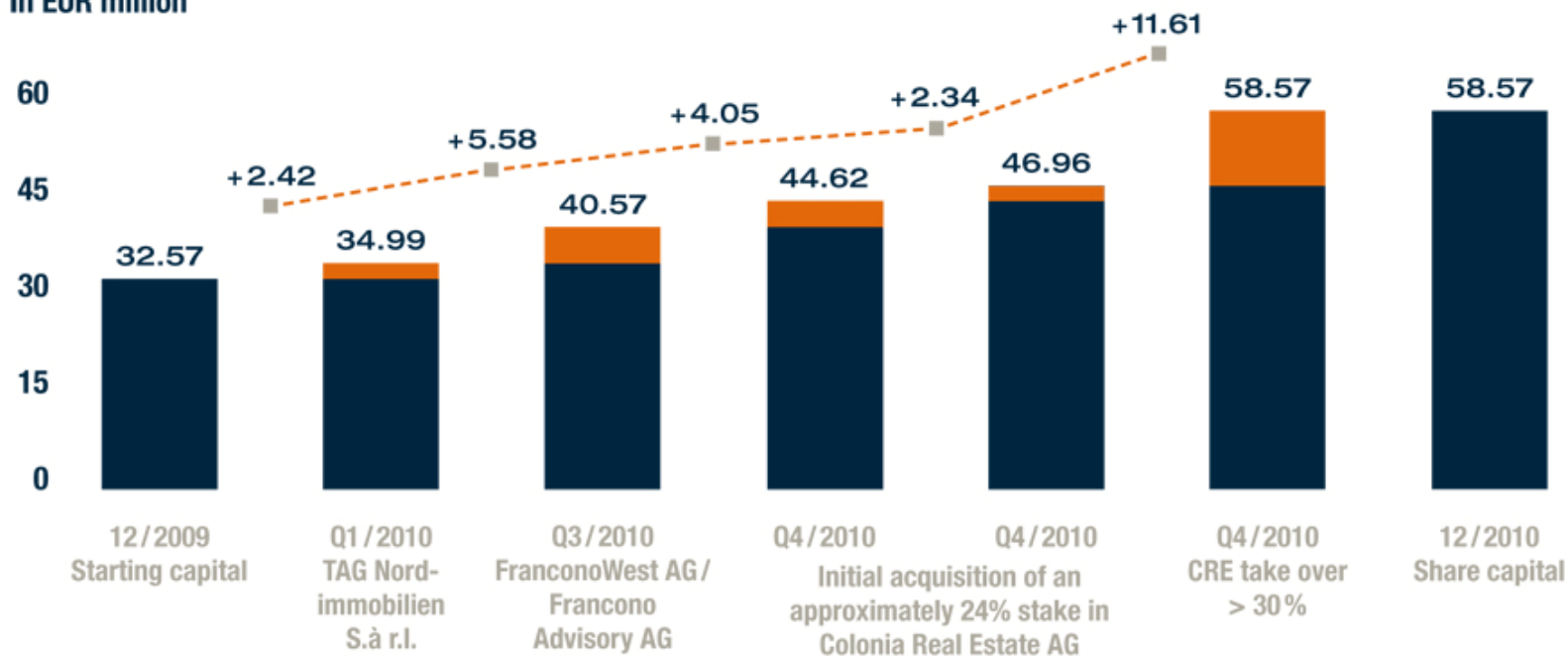
IPConcept/ FvS Strategie SICAV, L 5%

Group of investors Dr. Ristow, D 5%



Capital increases and acquisitions in 2010

Number of no-par value shares
in EUR million



Share

What TAG has planned – further growth

Long-term outlook

- Focused, transparent access to an attractive asset class – to best possible cash flows and yields
- Financial investments in attractive real estate as an option for increasing key values

New acquisitions

- Acquisitions at existing locations at close to zero marginal costs
- This leads to improved profitability and cash flow
- Boost NAV and net income
- With potential for vacancy reduction

Two portfolios collectively worth approx. EUR 130 million are being negotiated

- Both exclusively in BERLIN
- Both can easily be refinanced at ca. 75%
- Can be managed with our existing team
- Initial yield over 9%

Outlook 2011

- Operations successfully strengthened
 - Vacancy reduction further intensified
 - Portfolio optimised and strategically expanded
 - Active asset and property management bears fruit
- Liquidity secured with stable cash flows
- Continued systematic optimisation of cost processes and efficiency as acquisitions are integrated
- No further depreciations and provisions in 2010, instead positive valuation effects
- Attractive market chances and opportunities such as > 50% takeover of CRE AG
- Outlook for 2011: EBT of EUR 50-60 mln
NAV per share of EUR 8.00



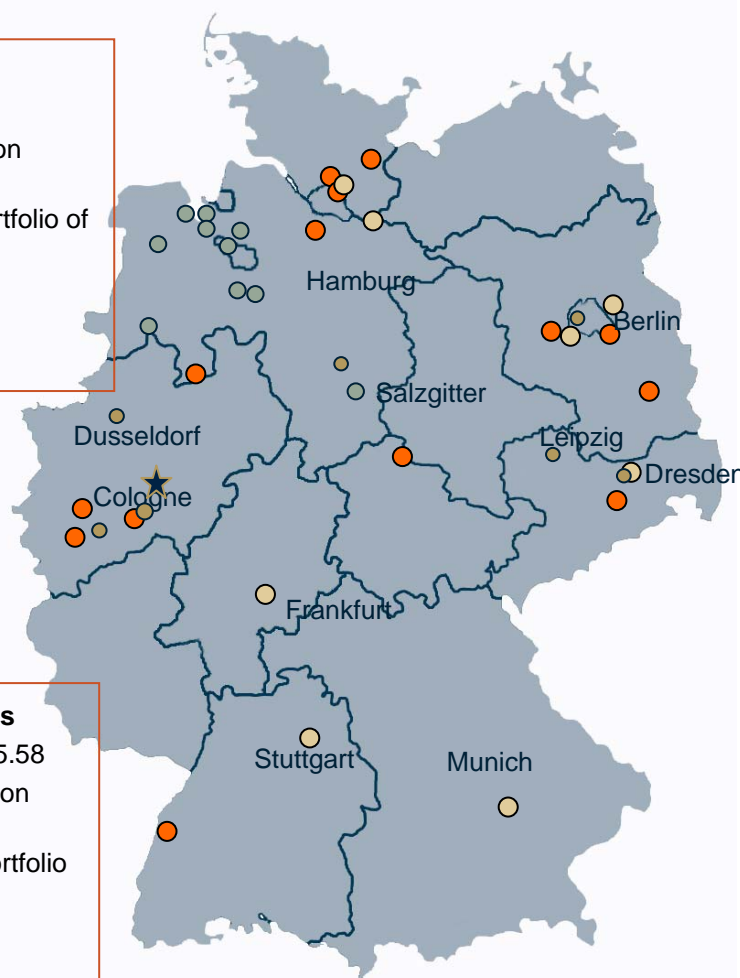


Portfolio residential CRE

Region Hamburg

Average asset rent: €5.21

- Number of accommodation units: 1,541
- 11% of the residential portfolio of CRE (by book value)



Region Berlin

Average asset rent: €4.61/4.79

- Number of accommodation units: 4,626
- 25% of the residential portfolio of CRE (by book value)

Region Salzgitter

Average asset rent: €4.68

- Number of accommodation units: 8,740
- 42% of the residential portfolio of CRE (by book value)

Region Bremen

Average asset rent: €3.68/4.50

- Number of accommodation units: 1,853
- 9% of the residential portfolio of CRE (by book value)

Region Saxony and Others

Average asset rent: €3.96/5.58

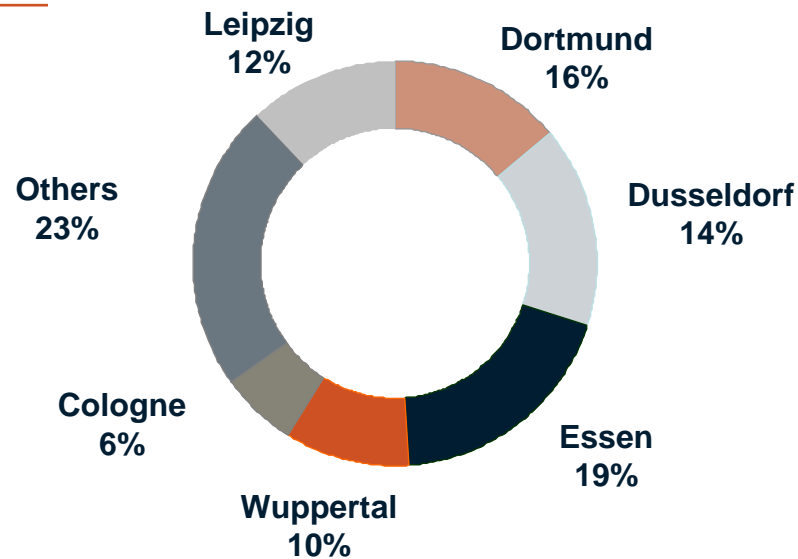
- Number of accommodation units: 1,973
- 13% of the residential portfolio of TAG (by book value)

• Acquisitions 2010

Strategical Goal

- Additional growth makes us more profitable simply through economies of scale
- Strategy to grow in the locations where we already own residential stock means marginal costs
- Enhancement of profitability and cashflow as well as value per share

Portfolio acquisition by region



Acquisition Portfolio Berlin

TAG Nordimmobilien GmbH

Units 787
Floor area in sqm 51.300
Vacandy reduction 14.0% to 8.1%



Regions:

Berlin:
Charlottenburg, Neukölln, Kreuzberg
Flensburg
Zingst

Akquisition FranconoWest and TAG Sachsenimmobilien

FranconoWest AG

Units	1.525
Floor area in sqm	96.895
Vacancy reduction	6,6% to 5,8%
Region	NRW



TAG Sachsenimmobilien GmbH

Units	436
Floor area in sqm	29,104
Vacancy reduction	9.6% to 7.2%
Region	Saxonia



- Acquisition costs EUR 31,3 mln
 - Payment with 5,581,818 shares
 - Cash roughly equivalent to the cash in the target companies
- Cost synergies in the region of EUR 3.5 mln p.a. from 2011 onwards

LARUS Asset Management GmbH

- Strategic and value-oriented management of a real estate portfolio
- Strengthening its service activities with takeover the shareholding of HSH Real Estate of the existing joint venture since the end of September 2010
- 124 properties worth EUR 2.2bln under management



NH Hotel, Berlin



Ollenhauerstraße, Berlin



Franz-Geuer Straße, Cologne



Siemensdamm, Berlin

TAG Gewerbeimmobilien AG

- Pre-REIT status registered in June 2007
- Focus on office real estate in urban locations with growth potential
- Asset volume around EUR 381 mln
- Good portfolio mix
 - investment properties ensure stable cash flows
 - value growth potential tapped by means of selective portfolio development
- our proven strategy allows for increases in rent and square footage of property
- Given the current economic crisis, TAG is not actively taking measures to obtain REIT status for TAG Gewerbe at this time



Hofmannstraße, Munich

Important subsidiaries of TAG

100 % TAG Gewerbeimmobilien AG	<ul style="list-style-type: none"> • Pre-REIT status • EUR 381mln real estate volume
91 % Bauverein zu Hamburg Aktien-Gesellschaft	<ul style="list-style-type: none"> • Founded 1892 • EUR 294m real estate volume • Listed on the General Standard
>50 % Colonia Real Estate AG	<ul style="list-style-type: none"> • EUR 2.1bln assets under management • 19,000 residential Units (Berlin, Düsseldorf, Salzgitter) • Listed company
20 % ESTAVIS AG	<ul style="list-style-type: none"> • EUR 78m real estate volume (of which EUR 58mln are existing inventory and EUR 20mln are properties slated for development) • Listed on the Prime Standard
97 % FranconoWest AG	<ul style="list-style-type: none"> • Residential property volume of around EUR 87mln • 94% of the properties located in North Rhine-Westphalia • Consolidated as of August 2010
100 % TAG Sachsenimmobilien GmbH	<ul style="list-style-type: none"> • 436 Units in Saxony and Thuringia • Commercial and technical services for real estate • Consolidated as of June 2010
100 % TAG Nordimmobilien S.à r.l.	<ul style="list-style-type: none"> • 787 Units predominantly in Berlin • Consolidated as of January 2010
100 % LARUS Asset Management GmbH	<ul style="list-style-type: none"> • Services for commercial real estate • Takeover the shareholding of HSH Real Estate of the existing Joint Venture • EUR ~ 2.2bln assets under management • consolidated as of October 2010



Management

Management Board

Rolf Elgeti, CEO

- TAG Immobilien AG, management board (since July 2009), supervisory board from 2008 onwards
- Bau-Verein zu Hamburg AG, management board (since July 2009)
- Founder of Elgeti Ashdown Advisors Ltd. (2007)
- Setting up and management of various German real estate investment funds (since 2003)
- UBS Warburg, Commerzbank, ABM Amro: (chief) equity strategist, London (1999 – 2007)

Hans-Ulrich Sutter, CFO

- TAG Immobilien AG, management board (since April 2008)
- Bau-Verein zu Hamburg AG, management board (since October 2008)
- Deutsche Real Estate AG, CFO until 09/2007
- GSW Gemeinnützige Siedlungs- und Wohnungsbaugesellschaft, responsible for financial matters until 03/2006
- CFO in DAX 30 Company (Fresenius Medical Care, 1998) as well as in large Multinationals (Coke Germany, Procter & Gamble Germany)

Supervisory Board

Dr. Lutz R. Ristow, Chairman of the Supervisory Board (since 2007)

Prof. Dr. Ronald Frohne (since 2001), **Rolf Hauschildt** (since 2001), **Andrés Cramer** (since 2009)

Employee representative: Wencke Röckendorf (since 2010), **Andrea Mäckler** (since 2010)



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