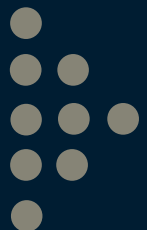




TAG 
TAG Immobilien AG

TAG Immobilien AG

2011 preliminary figures





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TAG investment case

- I. Focus: High-quality EUR 1.5bn German residential real estate in metropolitan regions such as Hamburg, Berlin, North Rhine Westphalia, Salzgitter and Leipzig**
- II. Plus: Solid EUR 470m German commercial real estate with solvent tenants (30% Siemens)**
- III. Solid financing structure (Loan to Value 59%), average loan maturity of 5.4 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**
 - Grow profitably
- VI. Considerable potential for increasing book value**
 - Rental growth
 - Further vacancy reduction
 - Exploiting one-off market opportunities
 - Sales above book value
 - Decreasing minorities before book value



Highlights Q4

- I. Acquisition of 3,228 units in Saxony and Hamburg region completed on 1st November financed by capital increase in kind, issuance of shares at EUR 8.00
 - **NAV & FFO enhance**
- II. Capital increase in kind at Colonia: TAG increases stake in Colonia from ca. 60% to ca. 70% via debt – equity – swap
 - **NAV enhance**
- III. Sale of Munich commercial asset with sales profit of EUR 7.0m over book value
 - **NAV & FFO enhance**
- IV. TAG is working on further opportunistic sales and smaller bolt-on acquisitions

Preliminary figures 2011

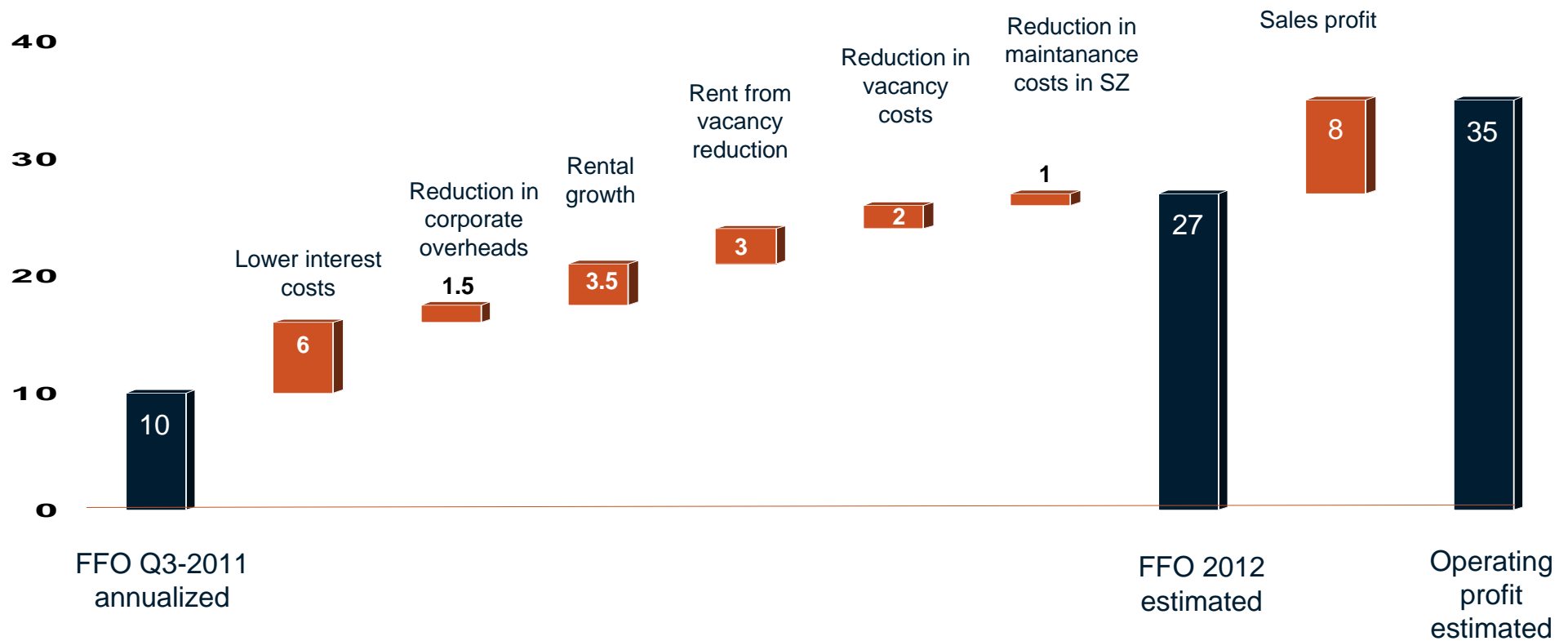
- **EBT EUR 80m**
- **Rental profit EUR 80m**
- **NAV of EUR 8.75 per share**

What to expect in 2012?

- Rental income EUR 144m
- Rental profit EUR 110m
- **EBT** expected to reach EUR 75m
- Estimated operating profit of EUR 35m
- Net profit from sales EUR 8m
- **FFO** of EUR 27m
- Target **EPRA NAV** of EUR 9.75 per share
- **Dividend** payment for 2011 (EUR 0.20), increasing in 2012

FFO guidance 2012

in EUR million





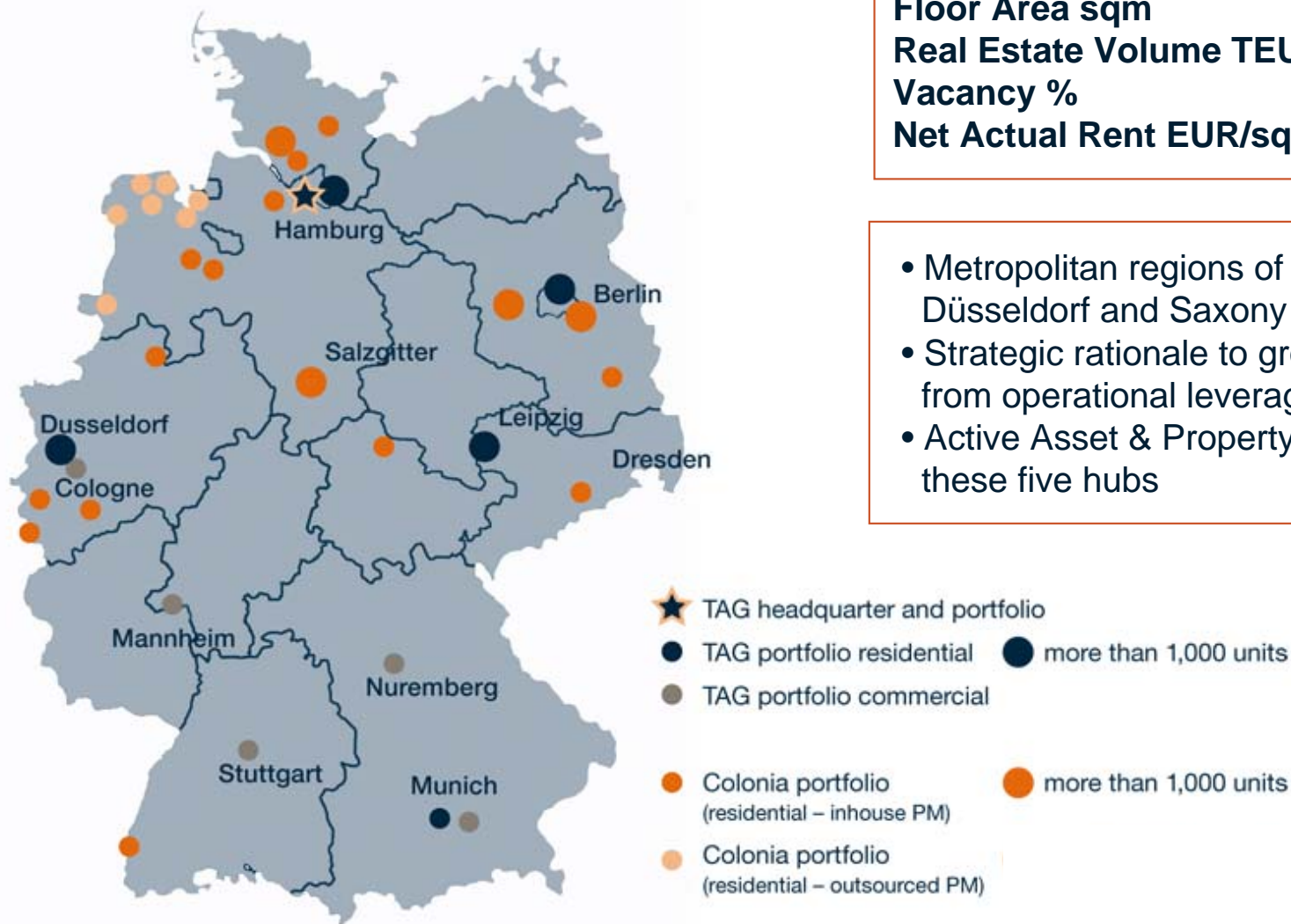
Combined entity TAG - Colonia: Integration and synergies

	Old target	Already achieved	Visible from	New target	Comment
General administrative expenses	EUR 10 million	EUR 11 million	Largely already visible; the rest from Q3 2011	EUR 11 million	EUR 11.2 million per year already achieved
Property management costs	EUR 4 million	EUR 4 million	Q3 2011	EUR 4 million	Transfer of substantial external contracts from 1 st July 2011
Merge external asset management	EUR 3 million	EUR 1 million	2012	EUR 3 million	Merger carried out, restructuring underway
Refinancing costs	EUR 3 million	EUR 2 million	Q3 2011	EUR 3 million	First few expensive loans have been refinanced
Operations (rents and vacancy costs)	EUR 8 million	EUR 2 million	Continuously for about 3 years	EUR 13 million	Initial vacancy reduction and various cost reductions in Salzgitter
Total	EUR 28 million	EUR 20 million		EUR 34 million	

Portfolio in total:

	Total
Units	30,960
Floor Area sqm	2,268,562
Real Estate Volume TEUR	1,971,740
Vacancy %	11.4
Net Actual Rent EUR/sqm	5.57

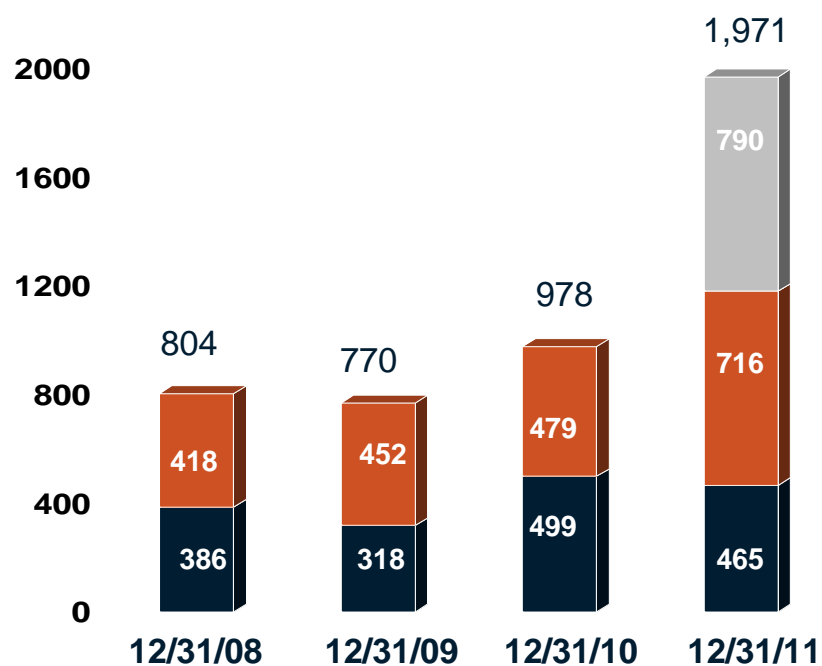
- Metropolitan regions of Berlin, Hamburg, Düsseldorf and Saxony plus Salzgitter
- Strategic rationale to grow in order to benefit from operational leverage
- Active Asset & Property Management out of these five hubs



Portfolio total

Real estate volume

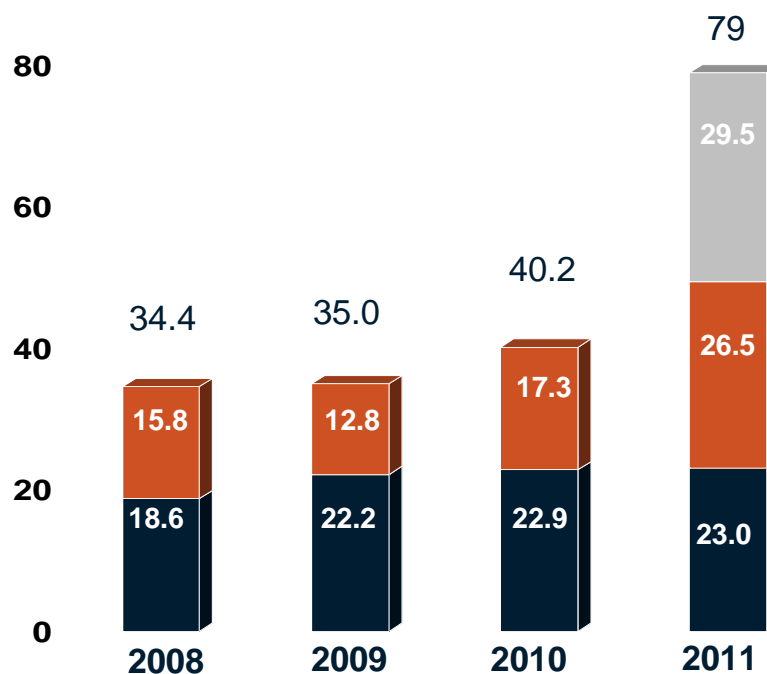
Volumen in EUR million



- Portfolio of residential real estate
- Portfolio of commercial real estate
- Colonia in total

Rental profit per segment

in EUR million



- Residential real estate
- Commercial real estate
- Colonia in total

Portfolio residential by region - Hamburg



- Strong need for new residential units
- Increase of single tenant and elderly people households
- Homeownership 22%
- Strong spillover effects into periphery / commuter towns.

- Biggest vacancy upside in commuter town north of Hamburg (Elmshorn)
 - From Colonia portfolio
 - One entirely empty block, plan was to tear it down...

- Average asset rent: EUR 5.14
- Number of accommodation units: 6,326
- 22% of the residential portfolio (by book value)
- Vacancy 9.2%



Portfolio residential by region - Berlin



- Average asset rent: EUR 4.81
- Number of accommodation units: 8,257
- 28% of the residential portfolio (by book value)
- Vacancy 5.4%



- Increasing lack of new residential units
- Average letting size 54 sqm
- Strong like-for-like rental growth.

- 11% homeowner ship in Berlin
- Berlin is growing and increasingly attracting people
- Building substance not good as in the rest of Germany
 - This often implies that capex can yield much higher returns and rents can be increased faster
- Last acquisition 1070 units in Eberswalde (north of Berlin)

Portfolio residential by region - Berlin

- TAG is in Berlin regions where demographics show a growing population
- TAG is happy to buy in the centre as well in the outskirts as long as the relative value is right.
- In 2011 TAG bought for over 9% gross yield in Berlin



10,000 units as of Jan 2012

- Existing TAG Portfolio
- New Acquisitions in 2011

Portfolio residential by region – Saxony/Leipzig



- Average asset rent: EUR 4.48
- Number of accommodation units: 2,897
- 9% of the residential portfolio (by book value)
- Vacancy 9.7%

- Very attractive concentration of B cities between Leipzig and Dresden.
- Good infrastructure, good demographics (again) and strong economic growth.
- A very exciting regional cluster for TAG as the region is likely to grow in strategic importance in the real estate market

Portfolio residential by region - Salzgitter



- Average asset rent: EUR 4.76
- Number of accommodation units: 8,741
- 22% of the residential portfolio (by book value)
- Vacancy 21.7%

Vacancy reduction

- Overall vacancy in Salzgitter: 10%
- Vacancy in our portfolio 21.7% (from 24.4%)
- We are in above-average location
- 2,000 units are missing for elderly tenants
- Chances/angles for marketing:
 - having a decent product
 - take tenants from neighbouring parts

Cost efficiency/Scale effects

Cash Flow positive during half a year TAG management

Rent increases in 2011

- from 4.40 EUR/sqm to EUR 4.91 EUR/sqm
- The rent can be hiked in Lebenstedt
- Generally in studios and 1 bedroom apartments

Portfolio residential by region – North Rhine Westphalia



- Agglomeration of at least 30 cities
(29 of 80 metropolises in Germany)
- 22% of the German GDP (BIP)
- Centres of economic growth
- Homeownership 39%

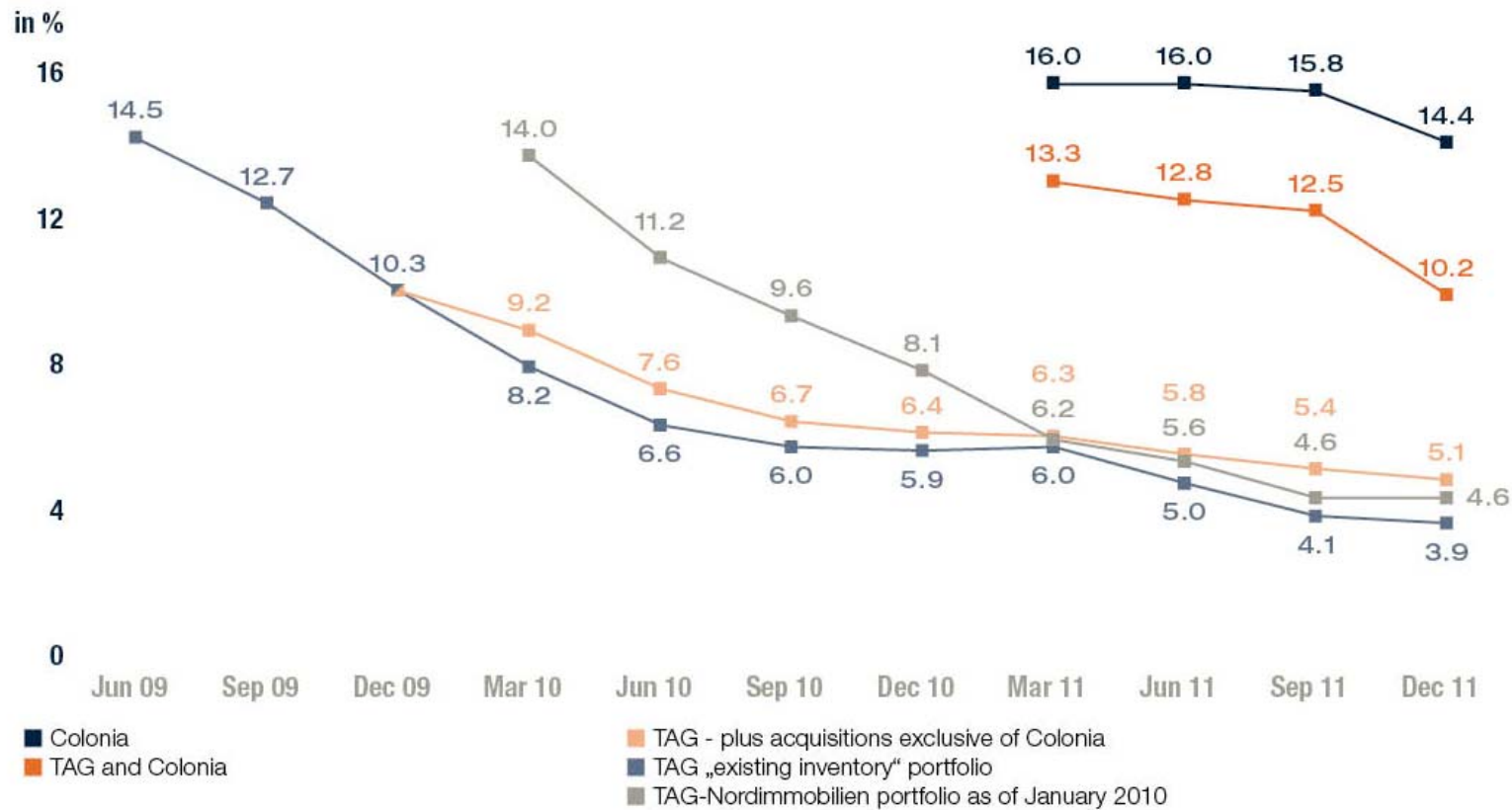
Portfolio of TAG in

- Düsseldorf, Leverkusen
- Dortmund, Köln
- Siegburg, Moers

- Average asset rent: EUR 5.37
- Number of accommodation units: 3,158
- 13% of the residential portfolio (by book value)
- Vacancy 6.6%



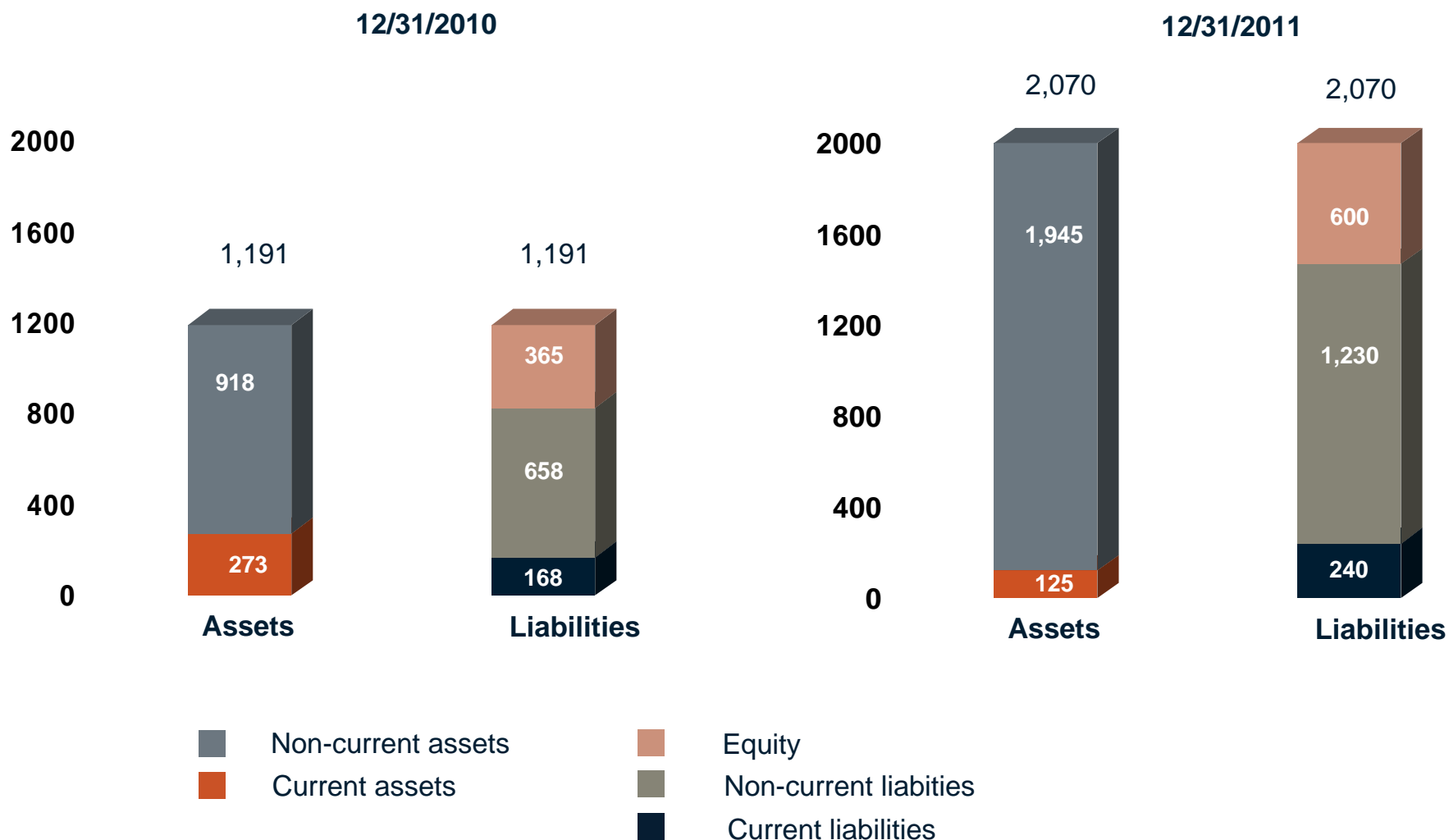
Portfolio – vacancy rate reduction – residential



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

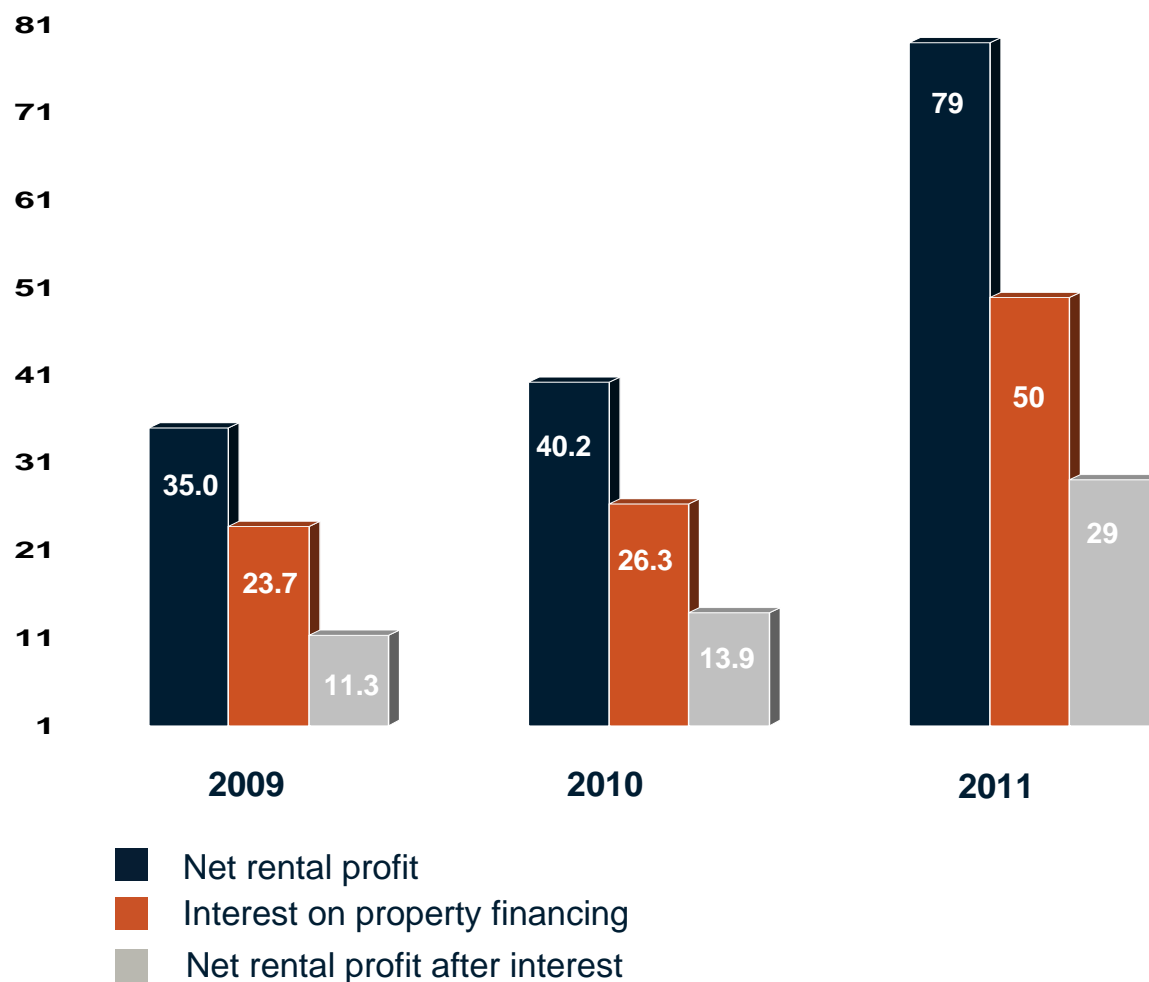
Group financials (IFRS)

Consolidated balance sheet (in EUR m)



Group financials (IFRS)

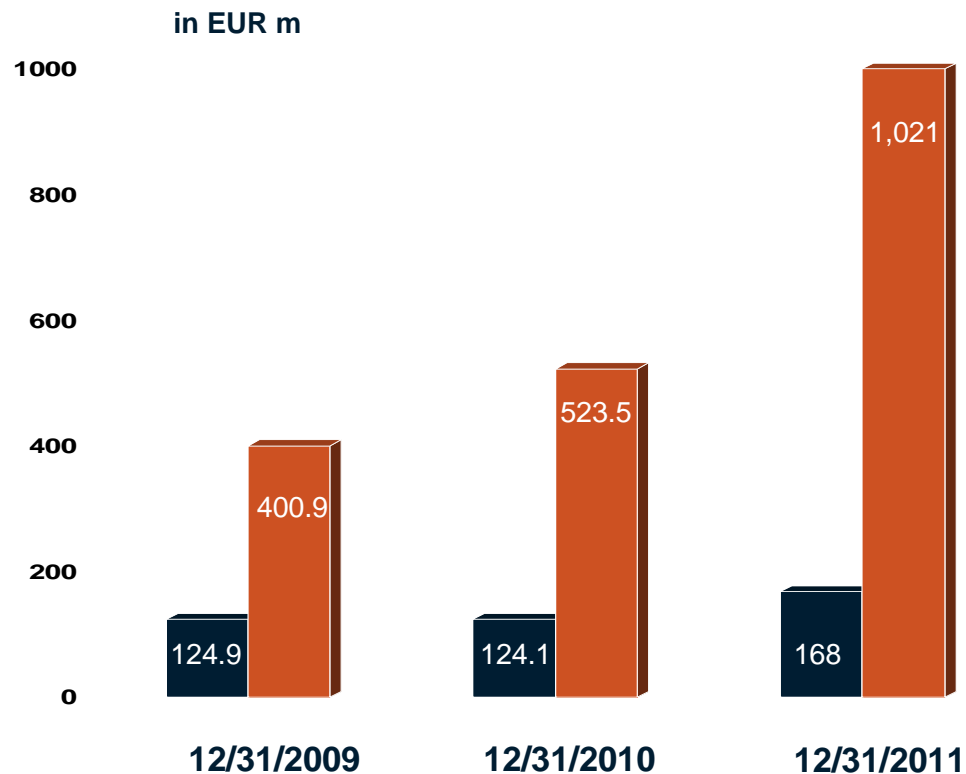
TAG rental financial result





- Vacancy reduction
- Better cost structure
- Carry after interest shows that growth is profitable

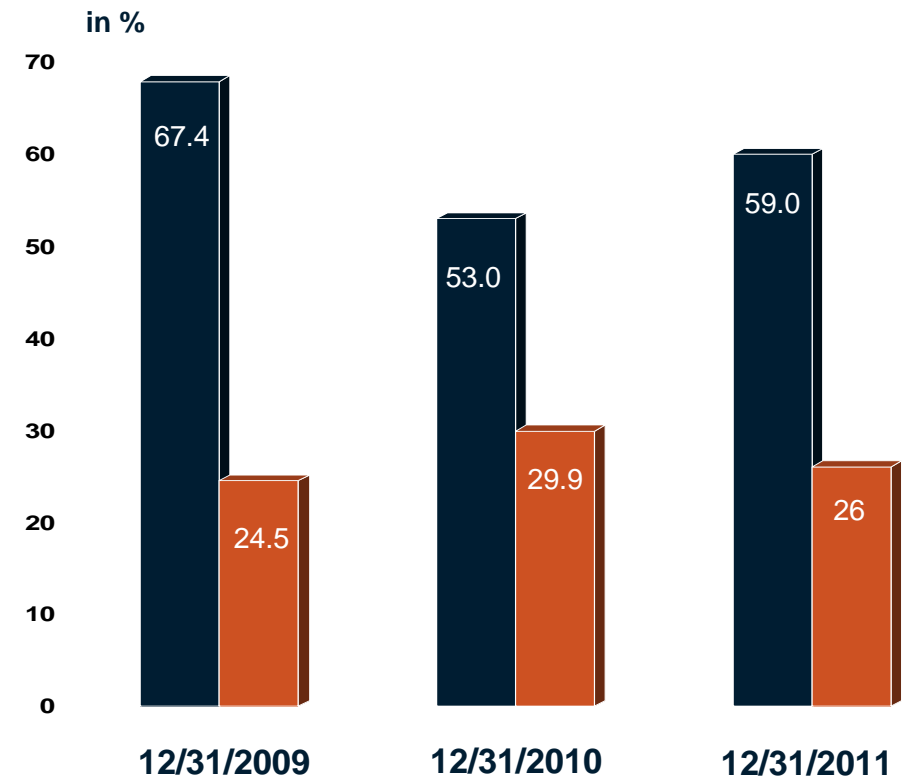
Financial structure

Bank borrowings



 Current liabilities
 Non-current liabilities

Loan to Value / Equity ratio

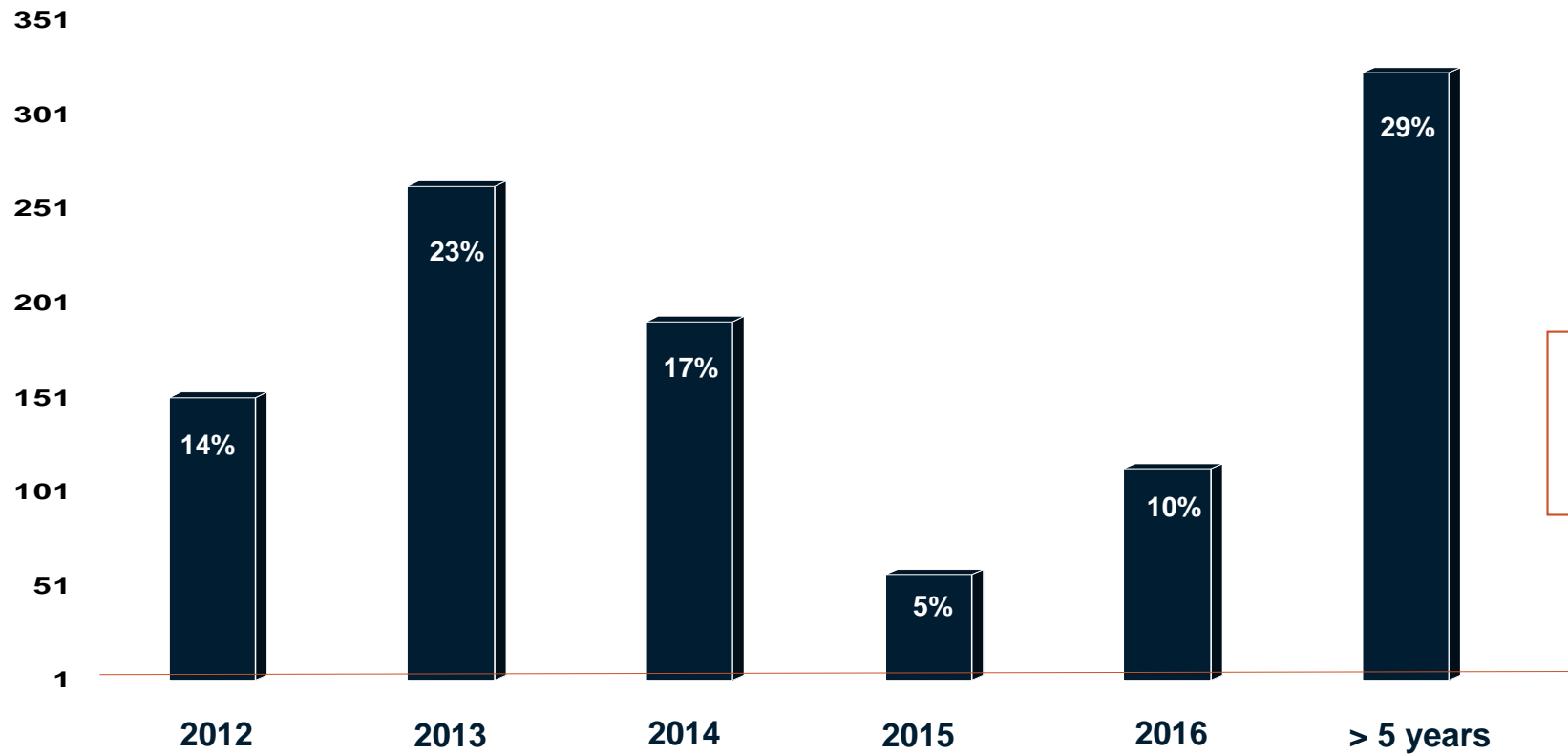


 LTV
 Equity ratio before minorities

Financial structure

TAG Credit periods in EUR m:

- ø credit loan maturity 5.4 years
- Lenders: 28 German banks
- Interest rate 4.2%



TAG credit in
total until 2030:
1,090 EUR/m:

Stock market data TAG as of 12/31/2011

High/Low (Q1-Q4 2011) EUR 7.39/EUR 5.70
Number of shares 74.905m
Market capitalisation EUR 461m
Stock exchange SDAX/EPRA
Free Float * 96%

* Deutsche Börse definition including institutional investors

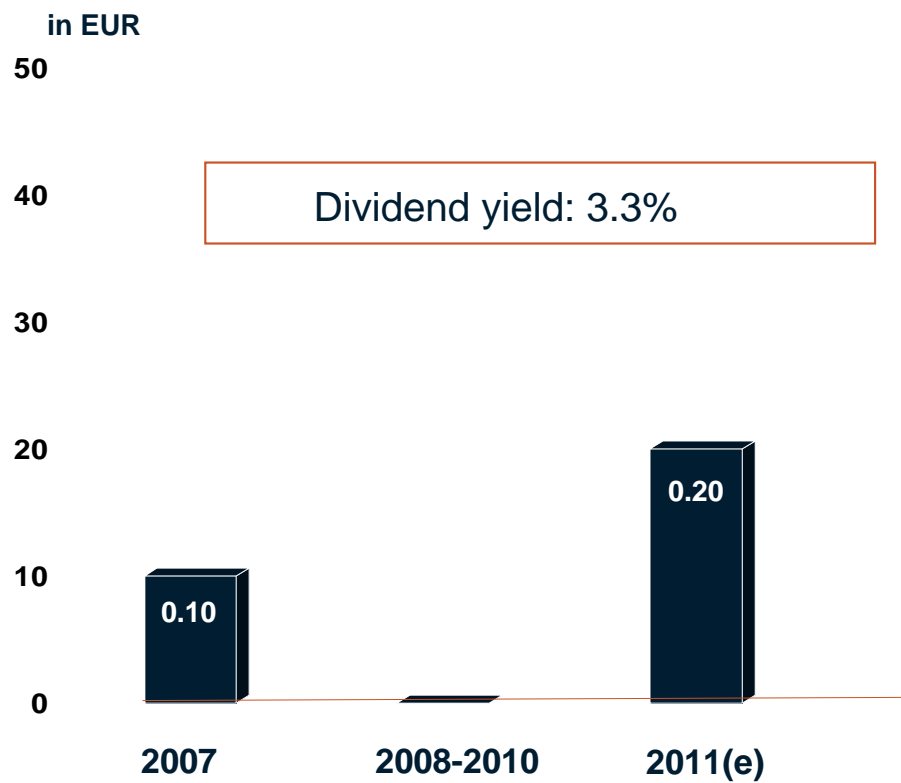
Shareholder structure

Ruffer LLP, UK*	18%
IP Concept, FvS Strategie SICAV, L*	10%
Taube Hodson Stonex, UK*	5%
Threadneedle, UK*	5%
DWS Fund, D*	3%
Scottish Value Management, UK*	3%
Scottish Widows Group Ltd., UK*	3%
Skagen AS, N*	3%
Group of investors Dr. Ristow, D	4%

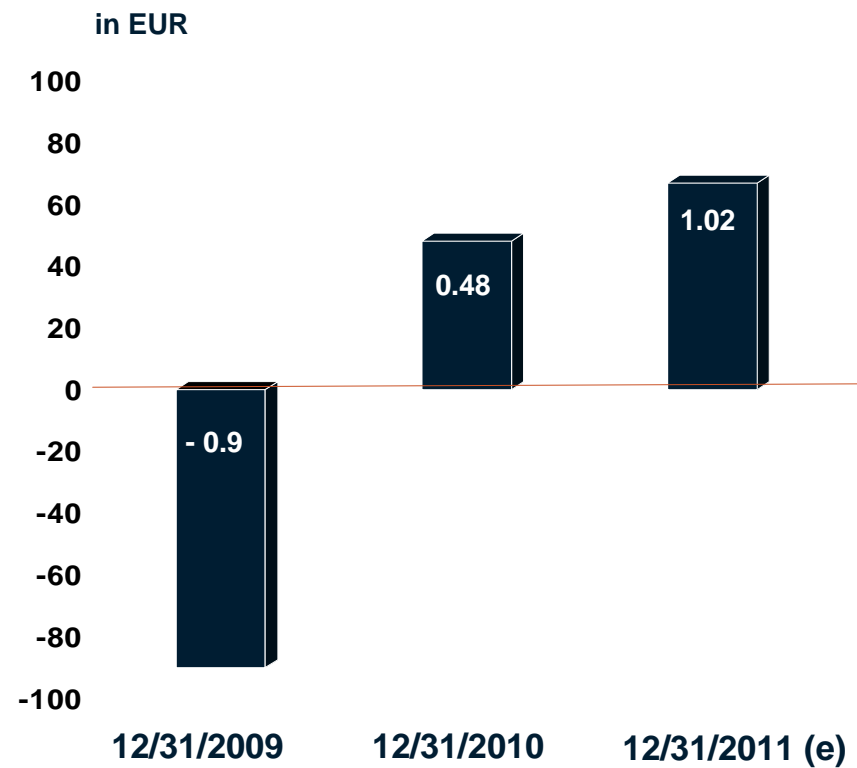


Stock market data

Dividend



EPS





Acquisition targets

I. NAV & Cash flow & FFO enhance

II. Portfolio at existing TAG locations – with focus on Berlin, Hamburg

- Low marginal costs for Asset and Property Management, scale economies

III. Deal size

- **< EUR 30m** – too big for retail investors, too small for family offices, below the radar screen of our peer group
- **< EUR 150m** portfolio split in different regions, TAG is playing “tetris”...
the deal matches if the portfolio is located at existing TAG locations, hence AM and PM at lowest marginal costs
- Distressed assets with complicated financial structure, no listed companies
- **>EUR 700m < EUR 1bn** like Colonia Real Estate AG

2011 TAG screened ca. 700 deals of which 6 have been realised

TAG grew from 4,000 units in 2009 to over 30,000 in 2012... at largely unchanged personnel costs

Acquisitions 2010

TAG Nordimmobilien Berlin

Properties	37
Units	789
Floor area in sqm	51,300
Net rental EUR/sqm	5.05
Vacancy	from 14.0% to 6.2%
Purchase price EUR/m	43



FranconoWest AG

Units	1,525
Floor area sqm	96,895
Vacancy	from 6.8% to 6.0%
Region	NRW



Purchase price: EUR/m 31.3

TAG Sachsenimmobilien GmbH

Units	436
Floor area in sqm	29,104
Vacancy	from 9.6% to 7.2%
Region	Saxony





Acquisition 2011

Portfolio	Closing when	Number of Units	Purchase price incl. ancillary costs	sqm	Price per sqm	Annualised net actual rental	Initial yield (gross on pp incl. ac)	NCR Multiplier	Impact on NAV per share (in Cent)
Marzahn	01.06.2011	612	25.240.000	43.600	579	2.296.608	9,1%	11,1x	5
Hellersdorf	30.09.2011	461	18.656.000	26.900	694	1.740.077	9,3%	10,7x	6
Dresden	30.09.2011	156	7.700.000	11.400	675	610.047	7,9%	12,9x	2
Norther Germany, Saxony	01.11.2011	3.343	151.110.000	208.300	725	13.709.337	9,1%	10,2x	17
Chemnitz	31.01.2012	429	23.750.000	32.200	738	1.794.000	7,6%	12,3x	2
Total		5.001	226.456.000	322.400	702	20.150.069	8,9%	11,2x	32

Acquisition 2011

Marzahn/DOM Portfolio

Units	612
Floor area in sqm	43,591
Net rental EUR/sqm	4.29
Vacancy	1.47%
Purchase price EUR/m	25.2



Chemnitz

Units residential	420
Floor area in sqm	32,000
Net rental EUR/sqm	5.55
Vacancy	4.0%
Purchase price EUR/m	23.75



Hellersdorf/Marzahn

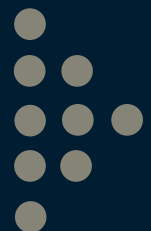
Units	461
Floor area in sqm	26,921
Net rental EUR/sqm	5.20
Vacancy	6%
Purchase price EUR/m	17.6



North Germany/Saxony

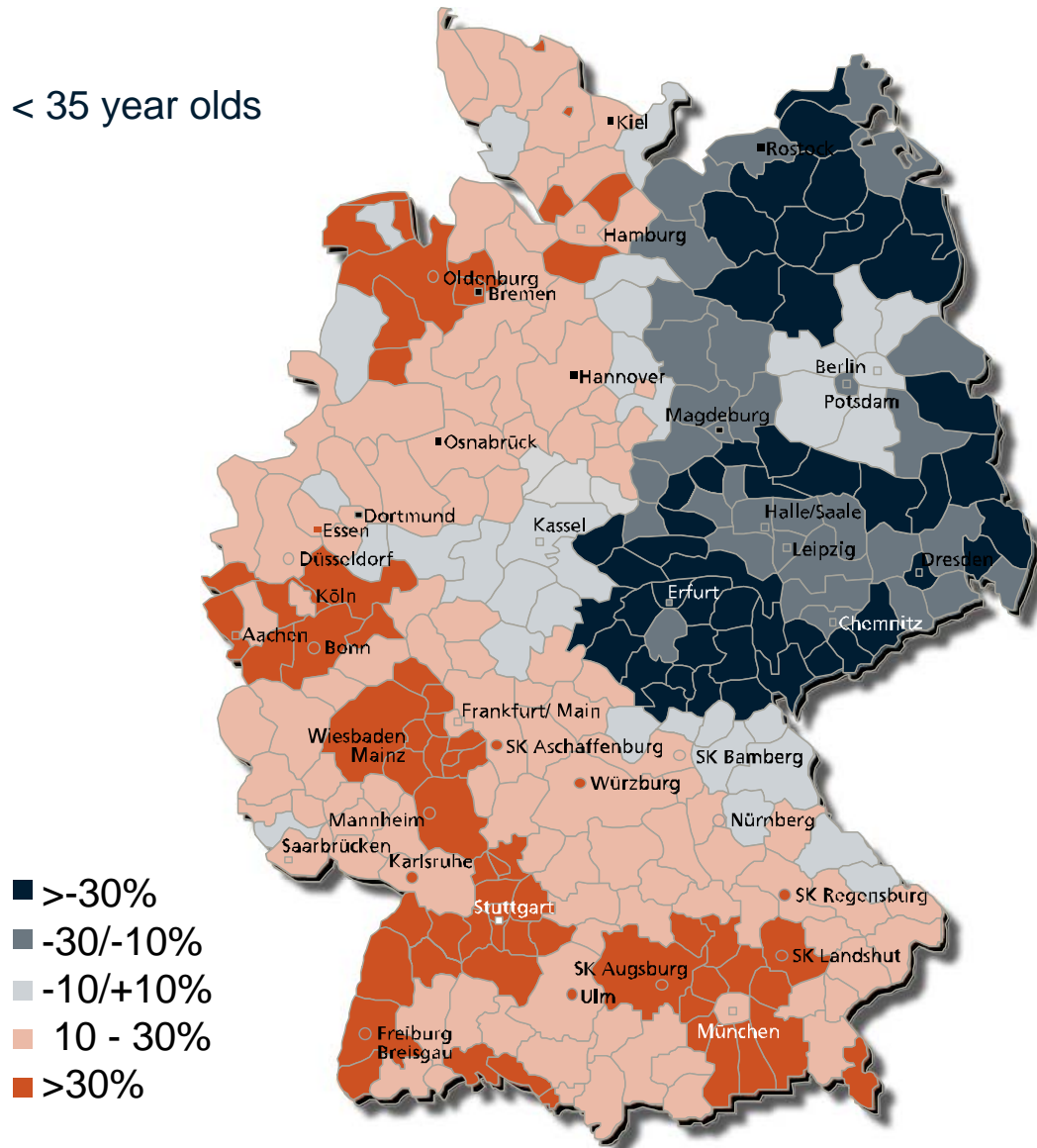
Units residential	3,228
Units commercial	76
Floor area in sqm	208,757
Net rental EUR/sqm	5.44
Vacancy	6.2%
Purchase price EUR/m	150



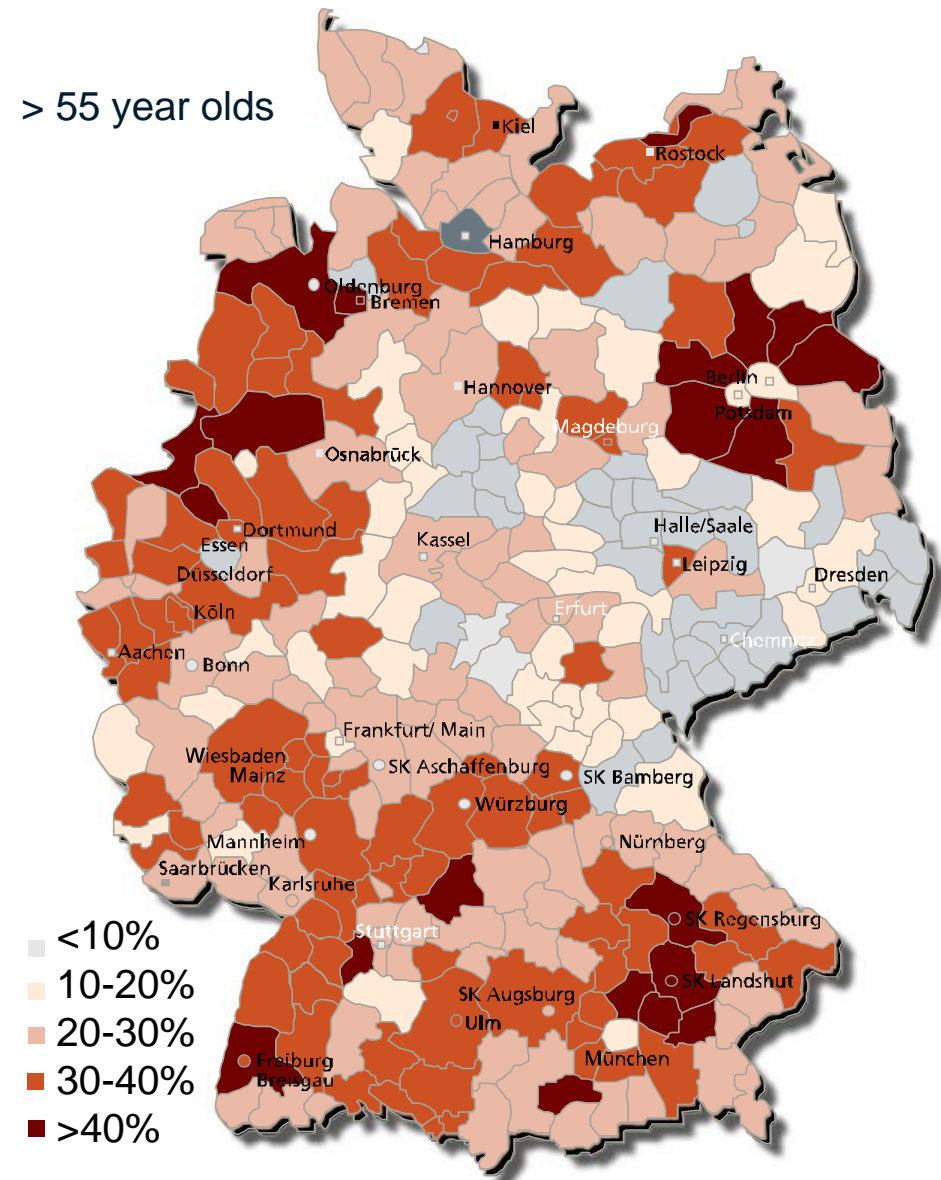


Trend single tenant households 2005 - 2025

< 35 year olds



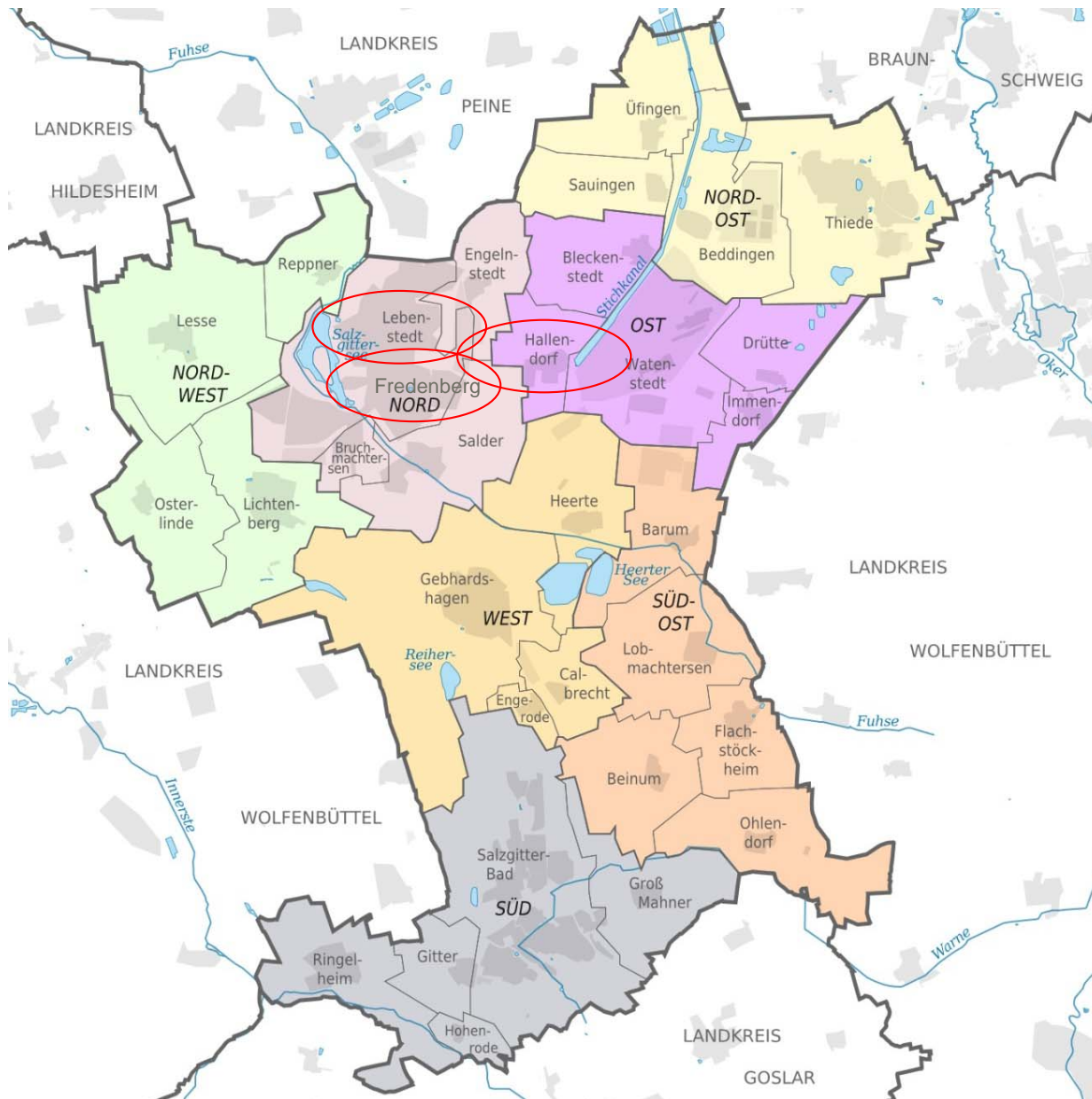
> 55 year olds



Source: Prognos, Spiegel Online, March 2010

2011 preliminary figures

Portfolio Salzgitter



Portfolio	Units
Lebenstedt	6,267
Fredenberg	2,082
Hallendorf	365

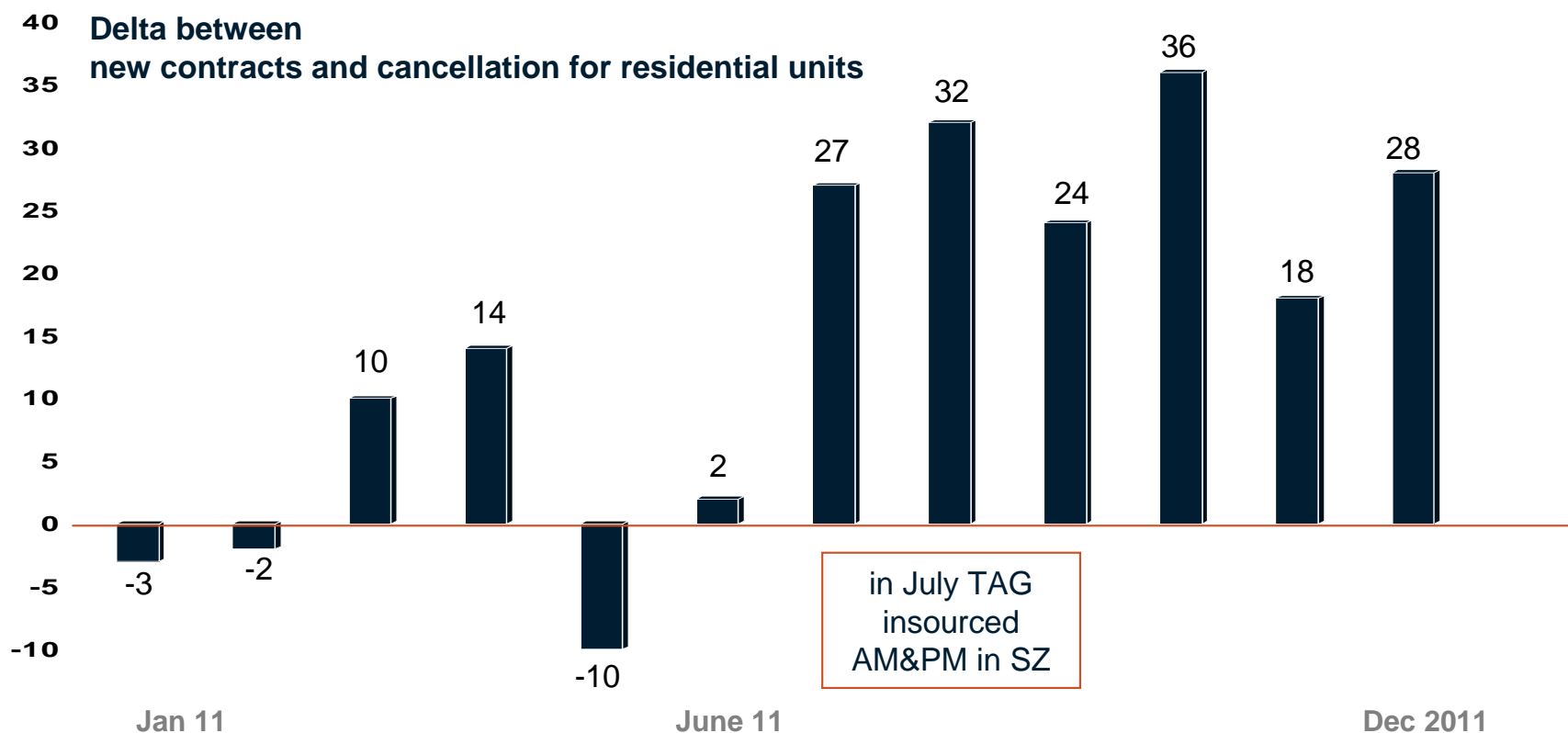
- Inhabitants in these districts 41,000 (40%)
 - ø vacancy rate in SZ 10%





Portfolio Salzgitter - success in letting

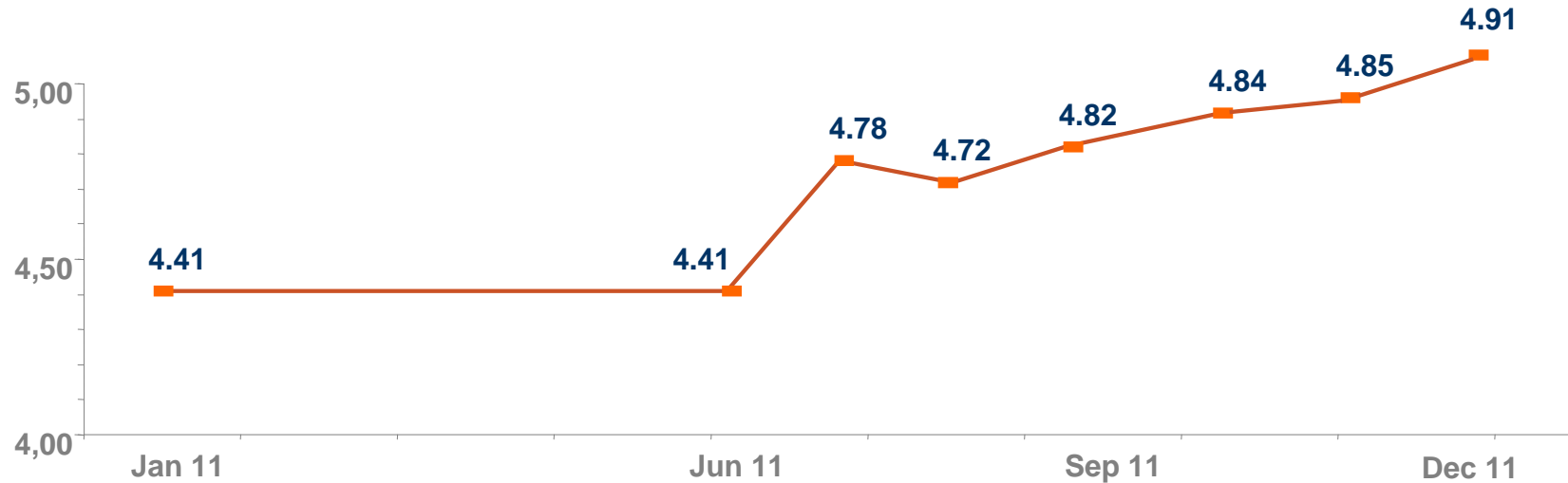
- Re-letting shows big success since TAG took over the asset and property management
- At the same time cancellations decreased
- Net absorption: annualised on track for single-digit vacancy in 2014



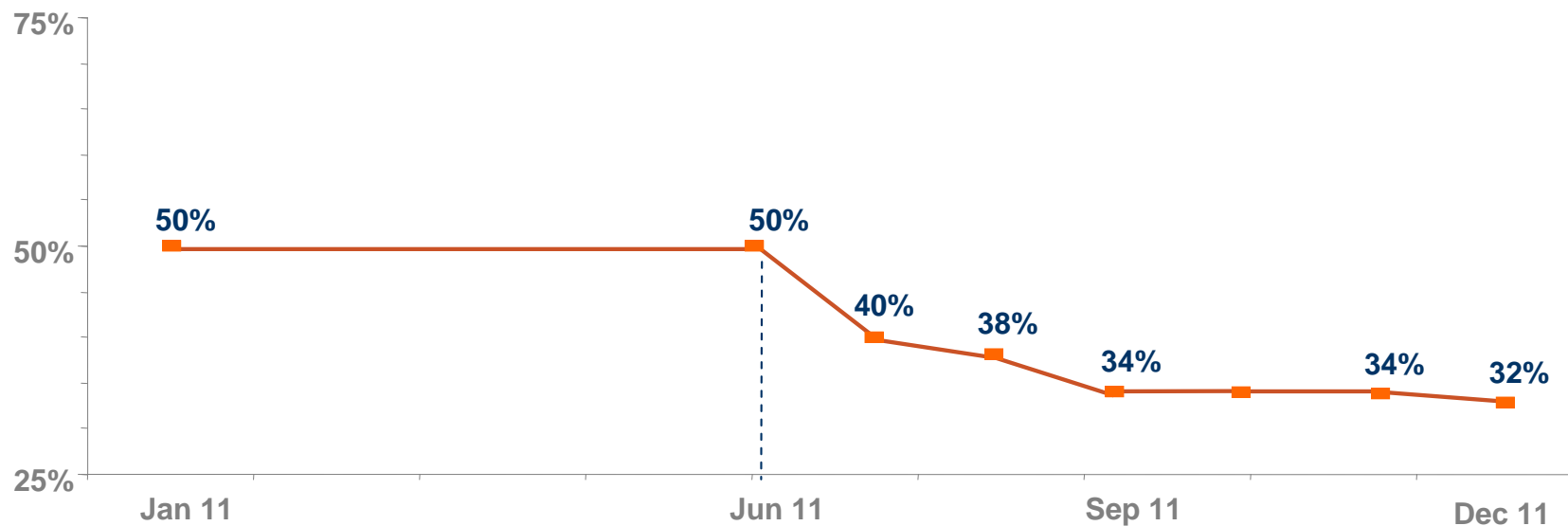


Portfolio Salzgitter – rents and tenant mix

- Rents per sqm and month for new lettings since TAG took over the property management

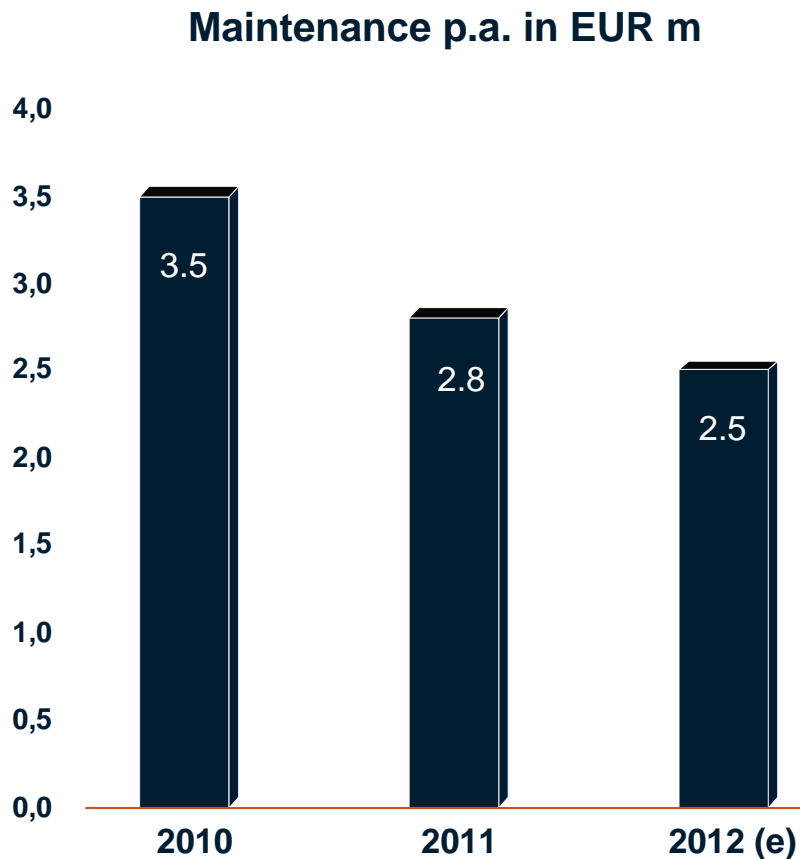


- New tenants who are financed by social security payments (Hartz IV) in % of all new lettings





Portfolio Salzgitter - maintenance



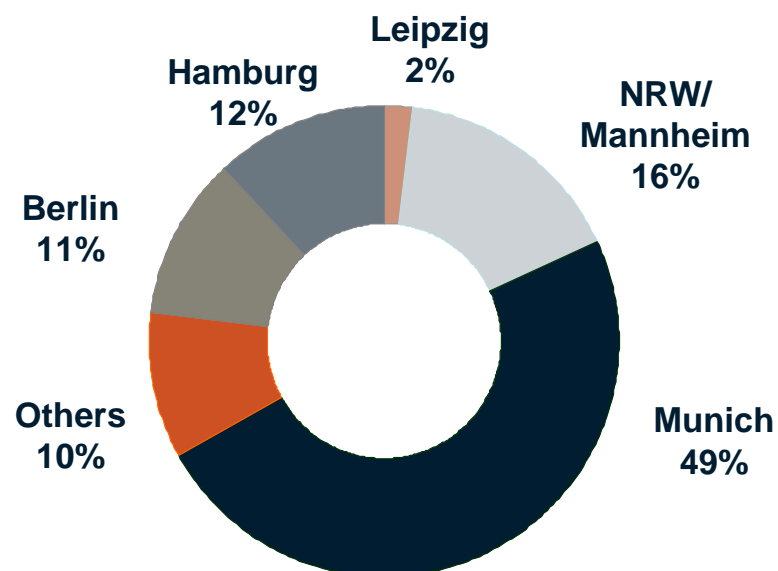
(e): estimated

- Maintenance costs can be optimised:
 - Central management
 - Public tender for smaller packages
- From 4 Oct 2011 onwards:
 - General contractor
 - At fixed price
 - With direct and thus improved service
 - With reduced property management costs

Portfolio commercial

	12/31/2009	12/31/2010	09/30/2011	12/31/2011
• sqm total	342,911 sqm	335,686 sqm	323,902 sqm	348,403 sqm
• sqm rental	324,971 sqm	323,063 sqm	298,944 sqm	319,940 sqm
• current rental p.a. net of charged costs (EUR m)	26.6	26,0	25.9	28.8
• current rental net of charged costs (EUR/sqm)	6.81	6.70	7.23	7.51
• vacancy	5.2%	3.8%	7.7%	8.2%

Real estate portfolio by region*



*as of 12/31/2011 by book value



Siemensdamm, Berlin



Management Board

Rolf Elgeti, CEO

- Colonia Real Estate AG, Management Board since February 2011
- 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

- Colonia Real Estate AG, Management Board since February 2011
- 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)

Dr. Harboe Vaagt

- Management Board since April 2011 in TAG Immobilien AG, Bau-Verein zu Hamburg AG
- Head of Legal Department of TAG for over 12 years

Supervisory Board

Dr. Lutz R. Ristow, Chairman of the Supervisory Board TAG (since 2007), Colonia (since 4/2011)

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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