



2016

Conference Call presentation
FY 2015 Figures

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TAG highlights Q4 and FY 2015

TAG highlights Q4 and FY 2015

Strong operational performance in Q4 2015

	FY 2015	FY 2014	Q4 2015	Q3 2015
▪ Vacancy (residential units)	7.5%	8.1% / 9.0%*	/	/
▪ Net in-place rents (EUR/sqm)	5.04	5.00 / 4.97*	/	/
▪ L-f-L rental growth Y-o-Y	1.6%	1.2%	/	/
▪ L-f-L rental growth Y-o-Y incl. Vacancy reduction	3.3%	2.1%	/	/
▪ FFO I (EUR/m)	76.3	74.5	20.7	19.0
▪ FFO I (EUR/share)	0.62	0.58	0.16	0.15

* : incl. acquisitions and disposals 2014

Further NAV growth and LTV reduction

	31 Dec-2015	30 Sep-2015	31 Dec-2014
▪ EPRA NAV (EUR/share)	10.64	10.38	10.10
▪ LTV	60.7%	61.9%	62.2%
▪ LTV (incl. convertibles)	62.7%	63.9%	65.3%

Acquisitions and disposals at YE 2015

- **Acquisitions**

972 residential units in Saxony signed in Dec-2015 for EUR 39.5m purchase price (equals 11.8x actual net cold rent of EUR 3.36m p.a.). Vacancy at 3.8%. Closing at 31 Jan-2016.

96 residential units in Saxony-Anhalt signed in Dec-2015 for EUR 5.3m purchase price (equals 10.6x actual net cold rent of EUR 0.5m p.a.). Vacancy at 6.3%. Closing at 31 Dez-2015.
- **Disposals**

246 residential units sold at Nov-2015 and Dec-2015. Total selling price of EUR 19.0m at average multiple of approx. 18.0x actual net cold rent. Net cash proceeds of EUR 6.6m.

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TAG financials Q4 and FY 2015

TAG income statement (IFRS)

(in EUR millions)	FY 2015	FY 2014	Q4 2015	Q3 2015
Rental income	259.3	257.4	65.9	64.5
Expenses from property management	-47.6	-47.9	-10.7	-12.2
Net rental income	211.7	209.5	55.2	52.3
<i>Margin</i>	<i>81.6%</i>	<i>81.4%</i>	<i>83.7%</i>	<i>81.1%</i>
Net revenue from sales	20.1	40.3	8.0	0.7
Net income from property management	0.6	1.5	0.1	0.1
Other operating income	5.8	12.0	2.8	1.1
Net fair value gains and losses	98.9	46.8	4.8	73.3
Gross profit	337.1	310.1	70.9	127.5
Personnel expenses	-35.3	-33.7	-9.2	-8.8
Depreciation	-3.1	-3.4	-0.7	-0.7
Impairment losses on receivables and inventories	-5.2	-49.0	-1.3	-1.3
Other operating expenses	-22.4	-22.9	-6.8	-5.3
EBIT	271.1	201.1	52.9	111.4
Net financial result	-96.0	-118.0	-21.6	-25.9
EBT	175.1	83.1	31.3	85.5
Income tax	-27.8	-54.1	0.8	-18.5
Net income	147.3	29.0	32.1	67.0

- Increased rental income due to closing of acquisitions (1,176 residential units) end of August 2015 (EUR 3.9m rent p. a.) and through significant vacancy reduction
- Reduced vacancy costs in Q4 2015
- Net sales revenue in Q4 2015 mainly relating to sale of commercial object in Stuttgart
- Valuation gain in Q4 2015 result of first-time valuation of newly acquired portfolios at YE 2015
- Higher other operating expenses in Q4 2015 mainly caused by transaction costs from property sales and acquisitions
- Q3 2015 includes EUR 4.2m one-offs (breakage fees and non-cash losses from derivative financial instruments); net financial result (cash, after one-offs) at EUR -20.2 m in Q4 and Q3 2015
- Income taxes nearly completely relate to deferred taxes, current cash taxes for 2015 amount to EUR 0.4m

TAG FFO calculation

(in EUR millions)	FY 2015	FY 2014	Q4 2015	Q3 2015
Net income	147.3	29.0	32.1	67.0
+ Taxes	27.8	54.1	-0.8	18.5
+ Net financial result	96.0	118.0	21.6	25.9
EBIT	271.1	201.1	52.9	111.4
- Net financial result (cash, after one off's)	-84.0	-92.9	-20.2	-20.1
- Cash taxes	-0.4	0.7	-0.3	0.0
+ Adjustments				
Valuation result	-98.9	-46.8	-4.8	-73.3
Revaluation of real estate inventory	0.0	-2.1	0.0	0.0
Deconsolidation commercial portfolio	0.0	-1.0	0.0	0.0
Depreciation	3.1	3.4	0.7	0.7
Impairment losses on receivables (excl. rent receivables) and on real estate inventory	0.2	42.7	0.1	0.1
One off's personnel-costs, ancillary expenses and project costs	5.3	9.7	0.3	0.9
Net revenue from sales	-20.1	-40.3	-8.0	-0.7
= FFO I	76.3	74.5	20.7	19.0
CAPEX	-40.1	-31.6	-9.6	-13.7
= AFFO	36.2	42.9	11.1	5.3
Net revenue from sales	20.1	40.3	8.0	0.7
= FFO II (FFO I + net revenue from sales)	96.4	114.8	28.7	19.7
<i>Weighted average number of shares outstanding (in '000)</i>				
	123,118	128,846	125,469	124,844
FFO I per share (EUR)	0.62	0.58	0.16	0.15
AFFO per share (EUR)	0.29	0.33	0.09	0.04
<i>Weighted average number of shares, fully diluted (in '000)</i>				
	134,531	140,790	134,986	135,053
FFO I per share (EUR), fully diluted	0.60	0.58	0.16	0.15
AFFO per share (EUR), fully diluted	0.29	0.35	0.09	0.05

- FFO I increased by EUR 1.7m in comparison to previous quarter and by EUR 2.6m compared to Q1 2015

- Number of shares (outstanding) increased in 2015 by 6.9m from 118.6m to 122.8m (end of Q2) and 125.5m (end of Q3) due to conversions (4.9m) and use of treasury shares in exchange for Colonia shares (2.0m)

TAG balance sheet (IFRS)

(in EUR millions)	31 Dec-2015	30 Sep-2015	31 Dec-2014 (historical)	
Non-current assets	3,605.4	3,527.5	3,421.6	
Investment property	3,531.1	3,441.7	3,331.6	▪ Change 31 Dec-2015 vs. 31 Dec-2014 includes annual revaluation gain of EUR 62.0m and EUR 36.9m valuation gains from new acquisitions
Deferred tax assets	43.6	56.5	59.0	
Other non-current assets	30.7	29.3	31.0	
Current assets	165.6	98.1	303.1	▪ Increased cash position mainly due to net cash proceeds from disposals at YE 2015
Real estate inventory	12.8	14.4	19.3	
Cash and cash equivalents	103.8	49.5	196.6	
Other current assets	49.0	34.2	87.2	
Non-current assets held-for-sale	23.7	115.7	9.5	▪ Includes EUR 16.2m receivables from property sales held in trust accounts as of 31 Dec-2015 (EUR 54.5m as of 31 Dec-2014), included as cash in LTV calculation
TOTAL ASSETS	3,794.7	3,741.4	3,734.2	
Equity (including minority interest)	1,120.6	1,095.5	1,005.1	
Minority interest	35.4	40.7	25.5	
Non-current liabilities	2,379.0	2,522.0	2,529.0	
Financial debt	2,136.7	2,271.9	2,302.7	
Deferred tax liabilities	231.6	237.4	211.1	
Other non-current liabilities	10.7	12.7	15.2	
Current liabilities	295.1	123.9	200.2	
Financial debt	212.9	72.7	150.3	
Other current liabilities	82.2	51.2	49.9	
TOTAL EQUITY AND LIABILITIES	3,794.7	3,741.4	3,734.2	
LTV (excl. convertible bonds)	60.7 %	61.9 %	62.2 %	
LTV	62.7 %	63.9 %	65.3 %	▪ Reduction by 260bps in 2015 due to conversions (clean-up call of 6.5% convertible 2010/2015), revaluation gains, disposals and operational improvements

TAG NAV calculation

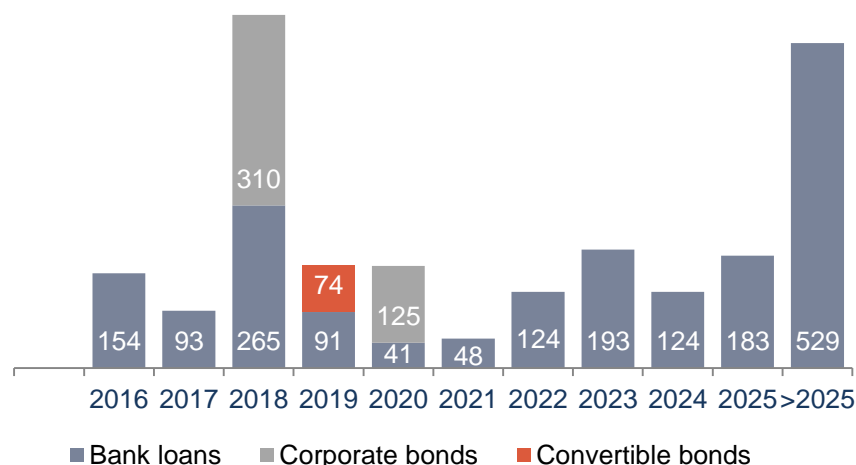
(in EUR millions)	31 Dec-2015	30 Sep-2015	31 Dec-2014 (historical)
Equity (without minorities)	1,085.1	1,054.9	979.5
+ Deferred taxes on investment properties and financial derivatives	245.1	240.1	211.3
+ Fair value of financial derivatives	5.4	7.1	7.4
= EPRA NAV	1,335.6	1,302.1	1,198.2
- Standardized transaction costs	-207.6	-203.1	-185.1
= EPRA NAV (incl. standardized transaction costs)	1,128.0	1,099.0	1,013.1
<i>Number of shares (outstanding) (in '000)</i>	<i>125,469</i>	<i>125,469</i>	<i>118,586</i>
EPRA NAV per share (EUR)	10.64	10.38	10.10
EPRA NAV per share (EUR) (incl. standardized transaction costs)	8.99	8.76	8.54
<i>Number of shares, fully diluted (in '000)</i>	<i>134,986</i>	<i>134,986</i>	<i>132,523</i>
EPRA NAV per share (EUR) fully diluted	10.45	10.20	9.85
EPRA NAV per share (EUR) fully diluted (incl. standardized transaction costs)	8.91	8.69	8.45

NAV per share development 31 Dec-2015 compared to 31 Dec-2014:

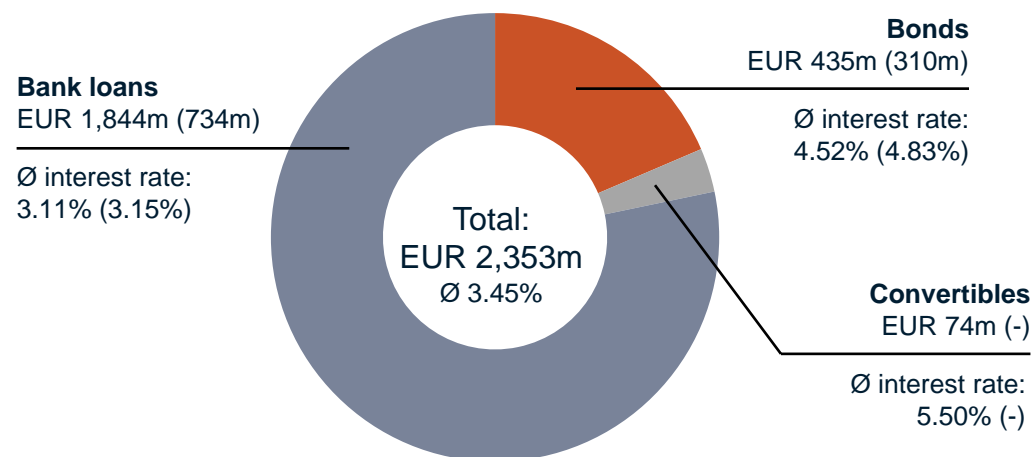
- Approx. EUR 1.24 per share increase due to net income (including valuation gains) in 2015
- EUR 0.50 per share reduction after dividend payment in Q2 2015
- Approx. EUR 0.20 per share reduction because of conversions of convertible bonds, changes in minorities in Colonia Real Estate AG and changes in deferred taxes
- Net change in EPRA NAV ex dividend payment of EUR +1.04 per share

TAG debt financing structure

Debt maturity profile as of 31 Dec-2015 in EUR millions



Interest rates and maturities ⁽¹⁾



Upcoming refinancing in the short- to medium-term

- TAG is currently financing new mortgage bank loans at all-in interest cost at approx. 1.6% p.a. for a 10 year term
- Within the next 3 years, a total of EUR 734m of bank loans will mature or can be refinanced at no breakage fees at expiration, average duration of bank loans at 10.2 years

Cost of debt and LTV development

- Total cost of debt in Dec-2015 down to 3.45% (3.74% in Dec-2014)
- LTV (incl. convertible bonds) reduced by 260 bps in 2015 to 62.7%
- LTV target (incl. convertible bonds) at 60%

(in EUR millions)	FY 2015	Q4 2015	FY 2014
+ Interest income	3.6	0.6	4.1
- Interest expenses	-99.4	-21.8	-122.8
+ net profit from investments/ associates	-0.2	-0.4	0.7
= Net financial result	-96.0	-21.6	-118.0
thereof non-cash financial result related to convertible bonds	-1.6	-0.2	-2.0
thereof non-cash financial result related to corporate bonds	-0.7	-0.2	-1.1
thereof non-cash related to derivatives	-2.5	0.2	-10.2
thereof other non-cash financial result and one-offs ⁽²⁾	-7.2	-1.2	-11.8
= Net financial result (cash, after one-offs)	-84.0	-20.2	-92.9

(1) Numbers in brackets show refinancing volumes and interest rates within the next three years
 (2) Includes other non cash financial income, other expenses and one-offs from refinancing

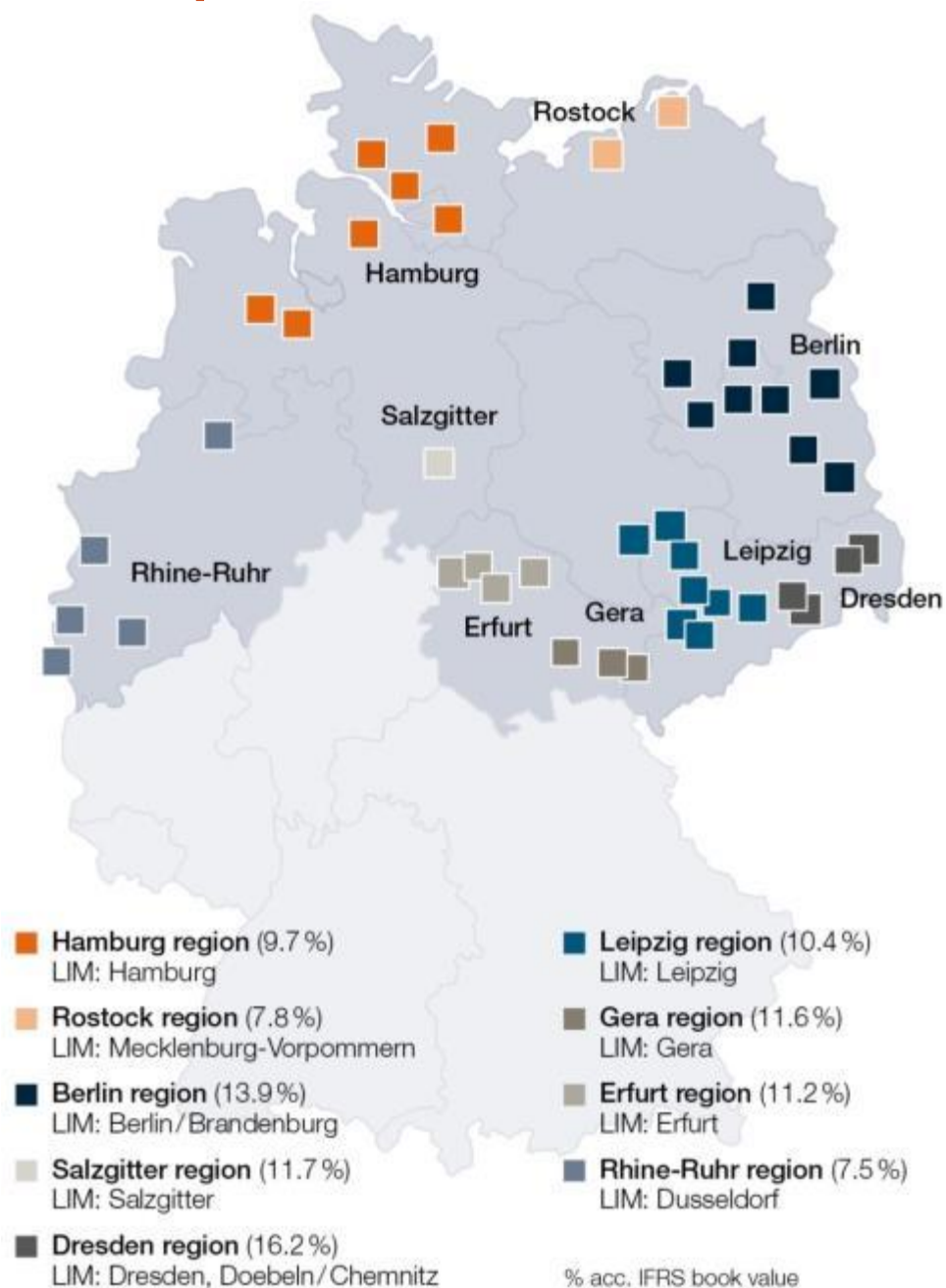
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TAG portfolio

TAG portfolio in total as of 31 Dec-2015

- Geographic regions in accordance with decentralized management clusters and strategic relevance
- Recent portfolio acquisition in Saxony in Dec-2015 (972 units) not included as of 31 Dec-2015 due to closing end of Jan-2016

Portfolio as of	31 Dec-2015	31 Dec-2014
Units	78,015	72,530
Rentable area in sqm	4,765,897	4,436,670
Real estate volume in TEUR	3,577,899	3,371,269
Actual net cold rent in EUR/ sqm/month (total)	5.19	5.16
Actual net cold rent in EUR/ sqm/month (residential units)	5.04	5.00
Annualized actual net cold rent in TEUR (total)	269,722	252,287
Vacancy in % (total)	8.2	9.0
Vacancy in % (residential units)	7.5	8.1



TAG portfolio in total – Q4 2015 by region

Region	Units #	Rentable area sqm	IFRS BV TEUR	In-place yield %	Vacancy Q4 2015 %	Vacancy Q4 2014 %	Actual net cold rent EUR/sqm	Re-letting rent EUR/sqm	L-f-I rental growth y-o-y %	L-f-I rental growth y-o-y incl. vacancy reduction %	Maintenance EUR/sqm	Capex EUR/sqm	Comments
Berlin	8,529	498,769	446,639	6.6%	5.1%	4.4%	5.19	5.58	2.6%	3.5%	4.94	7.78	Increase in vacancy due to sales
Dresden	11,152	676,477	515,831	7.3%	9.8%	9.2%	5.12	5.20	2.2%	2.7%	4.84	9.31	Tenant structure in newly acquired portfolio being upgraded
Erfurt	7,737	429,636	360,242	6.8%	4.3%	8.0%	5.03	5.62	2.3%	5.8%	3.06	14.34	Higher investments to reduce vacancy
Gera	9,635	561,944	372,593	7.5%	11.1%	10.7%	4.68	5.04	1.5%	2.6%	4.64	9.71	Increase in vacancy due to acquisition, higher investments to reduce vacancy
Hamburg	6,133	372,133	309,969	7.1%	5.5%	7.2%	5.24	5.69	0.3%	1.7%	7.36	5.21	
Leipzig	7,874	464,706	333,574	7.7%	5.6%	6.7%	4.89	5.14	1.0%	2.1%	4.30	4.55	
Rhine-Ruhr	3,744	242,019	241,786	6.5%	2.2%	2.6%	5.49	5.51	0.7%	1.2%	9.34	4.68	
Rostock	5,295	313,943	250,956	7.4%	5.2%	7.3%	5.19	5.29	2.5%	4.8%	5.70	14.21	Higher investments to reduce vacancy
Salzgitter	9,175	563,074	375,247	7.7%	12.1%	15.5%	4.90	5.09	1.1%	5.3%	9.17	13.13	Further reduction of vacancy by 340bps in FY 2015
Total residential units	69,274	4,122,700	3,206,837	7.2%	7.5%	8.1%	5.04	5.32	1.6%	3.3%	5.73	9.42	Vacancy on L-f-I basis reduced by 150 bps in FY 2015 and by 90 bps in Q4 2015
Acquisitions 2015	7,185	437,329	279,845	8.2%	10.6%	12.4%	4.86				9.27	5.62	Acquisitions closed in 2015; acquisitions closed in 2014 now included in total residential units
Commercial units within resi. portfolio	1,298	168,709	---	---	17.7%	17.3%	7.36				---	---	
Total residential portfolio	77,757	4,728,738	3,486,682	7.6%	8.1%	8.9%	5.10				5.60	8.98	
Other	258	37,159	91.217	4.4%	12.3%	17.2%	11.98				8.68	8.37	Comprises commercial objects and serviced apartments
Grand total	78,015	4,765,897	3,577.899	7.5%	8.2%	9.0%	5.19				5.64	8.97	

TAG vacancy reduction track record

Residential units 2013-2015



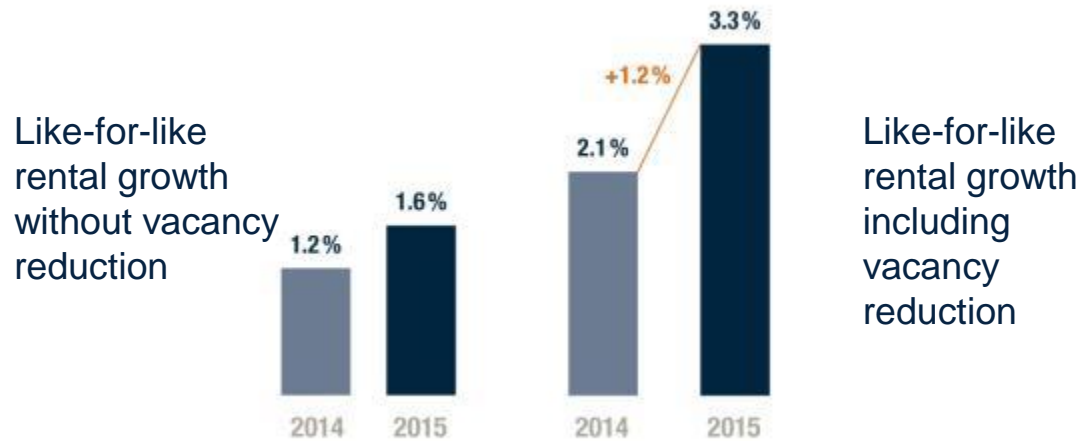
- Realisation of development potential from newly acquired portfolios
- Proof of successful asset and property management over the last three years
- Increases in vacancy due to new acquisitions with higher vacancy and sales with lower vacancy (e.g. Berlin)
- Implementation of new ERP-system in the first-half of the year resulted in a stronger drop in vacancy reduction in the second-half post implementation

Salzgitter region 2013-2015



- Continued strong vacancy reduction in the Salzgitter region with currently c.300bps per annum
- Adjust residential units to the market requirements (for students, singles, families, elderly people)
- Targeted modernisation programs i.e. for elderly people, bathroom conversions etc.
- Reduction of service charges; better quality of service for tenants

TAG rental growth and vacancy development 2015



Vacancy development in 2015 per region

Salzgitter	from 15.5 % to 12.1 %	-3.4 %
Erfurt	from 7.6 % to 4.3 %	-3.3 %
Rostock	from 7.3 % to 5.2 %	-2.1 %
Hamburg	from 7.2 % to 5.5 %	-1.7 %
Leipzig	from 6.8 % to 5.6 %	-1.2 %
Gera	from 12.1 % to 11.1 %	-1.0 %
Dresden	from 10.3 % to 9.8 %	-0.5 %
Rhine-Ruhr	from 2.6 % to 2.2 %	-0.4 %
Berlin	from 5.3 % to 5.1 %	-0.2 %

Rental growth and vacancy reduction are the two main drivers to further improve the rental income profile of TAG

- TAG invests in regions with rather stable rent profile and is able to acquire properties with above average vacancy level
- By way of targeted modernizations and smart property management, TAG is able to reduce these vacancy levels over time
- Vacancy reduction and rental growth have to be considered as two sides of the same medal

Reduction in all TAG regions is evidence...

- ... for the healthy fundamentals of the underlying residential markets TAG is exposed to, and...
- ... for the innovative letting concepts and sustainable asset management approach of TAG

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TAG return on capex

TAG return on capex

Modernization is key element of TAG's strategy

- TAG spends approx. €40m p.a. on capex measures; these can be broken down into
 - Modernization during re-letting (tenant turnover)
 - Modernization of vacant flats (longer term vacancy)
 - Large modernization measures (comprehensive building-related measures)
- Using modernization as a means to upgrade the rental profile and constitution of its portfolio is a valid part of TAG's strategy
- It is in TAG's very own interest to track the success of these measures, which TAG wants also disclose to its shareholders
- In most cases large modernization measures are financed via bank loans and equity, all other modernization measures are equity-financed

Methodology

$$\frac{1 \text{ Incremental revenues}}{\text{Total investment}} = \text{Return on investment}$$

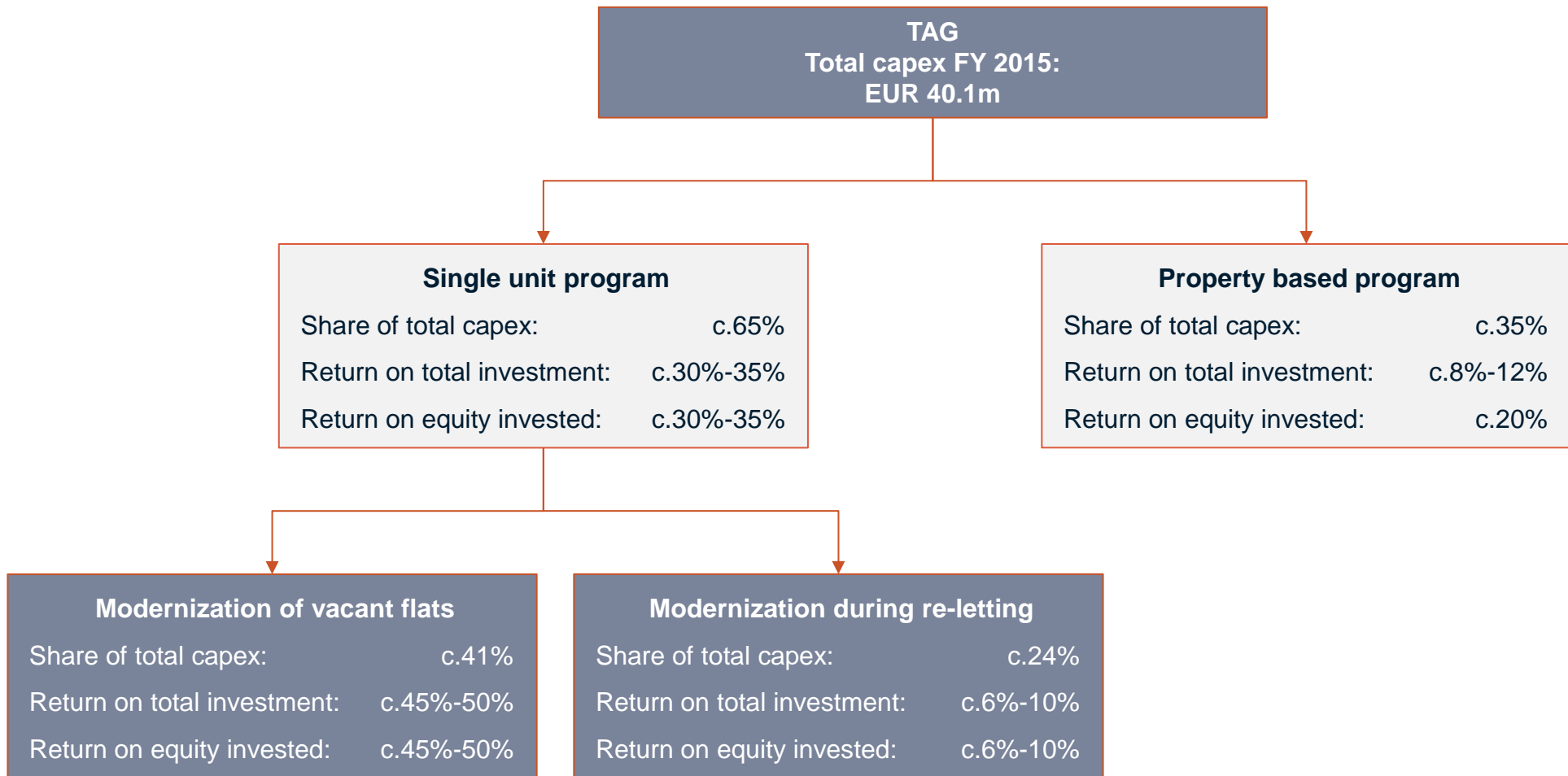
$$\frac{2 \text{ Incremental revenues} - \text{financing costs}}{\text{Equity invested}} = \text{Return on equity invested}$$

	Modernization during re-letting	Modernization of vacant flats	Large modernization measures
Incremental revenues from modernization surcharge	(✓)*	x	(✓)*
+ Incremental revenues from new lettings	✓	✓	✓
+ Saved maintenance costs	x	x	(✓)*
+ Saved ancillary costs from vacancy reduction	x	✓	(✓)*
= Incremental revenues			

* Subject to scope of measures

TAG Immobilien AG | February 2016

TAG return on capex - overview



Modernization of vacant flats (longer term vacancy)

Case Study – Freiberg „Am Mühlteich/ Maxim Gorki“ (acquired Sep-2014)

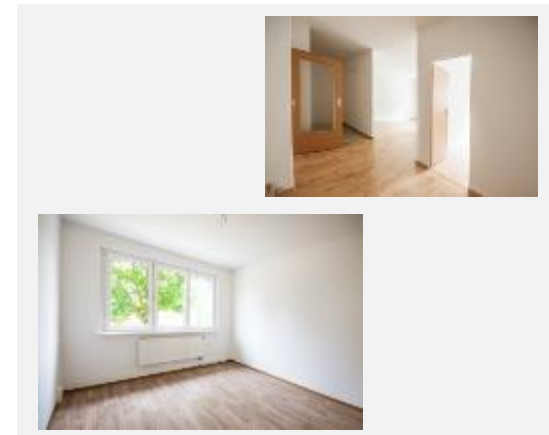
Pre modernization



Measures

- Units: 128
- Vacancy at acquisition date: 10.5%
- Vacancy today: 2.3%
- Interior refurbishment
- Completed in Q1 2015

Post modernization



Description

- Acquired in Sep-2014 within a portfolio of 1,500 units in Saxony
- Example presented: refurbishment of 7 Units
- Total investment: EUR 67,200
- Modernization cost per unit: EUR 9,600
- Expenditure on time per unit: 4 weeks
- Equity-financed
- TAG modernizes between 1,000 and 1,500 vacant flats per annum

Calculation

(in EUR thousands)	
Incremental revenues	
Incremental revenues from new lettings	27.7
Saved maintenance costs	0.0
Saved ancillary costs from vacancy reduction	5.7
Total incremental revenues	33.4
Total investment	67.2
Return on total investment	49.7%
Return on equity invested	49.7%

Modernization large modernization measures

Case Study – Erfurt „Am Ringsee“ (acquired April-2012)

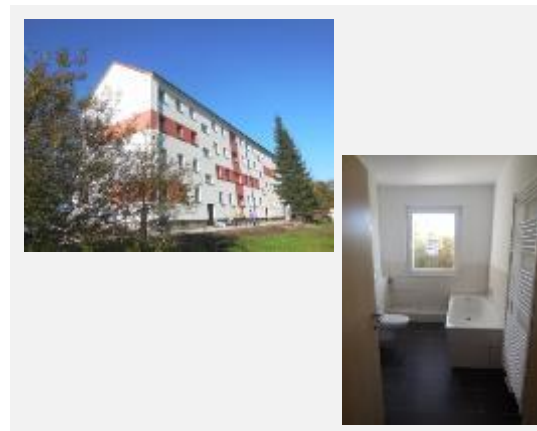
Pre modernization



Measures

- Units: 20
- Vacancy at acquisition date: 98%
- Vacancy today: 0%
- Interior and exterior refurbishment for the duration of 1 year
- Completed in 2014/2015

Post modernization



Description

- Acquired in April-2012 as part of the 25,000 units portfolio of DKB Immobilien AG
- Facade-, roof- and electric overhaul
- New windows and sanitary facilities
- Creation of private garden areas
- Financing:
 - Bank loans of EUR 735,000 (57%) at 2.36% p.a. leading to financing costs of EUR 17,350 p.a.
 - Equity of EUR 562,700 (43%)

Calculation

(in EUR thousands)	
Incremental revenues	
Incremental revenues from new lettings	112.6
Saved maintenance costs	0.0
Saved ancillary costs from vacancy reduction	20.6
Total incremental revenues	133.2
Total investment	1.292.7
Return on total investment	10.3%
Return on equity invested	20.6%

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TAG acquisitions and disposals

TAG acquisitions 2015

Signing	Saxony/Saxony-Anhalt May-2015	Brandenburg Jun-2015	Rügen Jul-2015	Brandenburg Nov-2015	NRW/ Lower Saxony Nov-2015	Saxony Dec-2015	Saxony-Anhalt Dec-2015	Total FY2015
Units	860	134	180	1,776	1,304	972	96	5,322
Rentable area in sqm	49,900	11,400	11,500	97,200	84,600	57,059	8,365	320,024
Actual net cold rent EUR/sqm/month	4.64	5.49	5.37	4.30	4.42	5.05	5.08	4.68
Vacancy	14.8%	1.3%	6.2%	18.6%	11.3%	3.8%	6.3%	12.1%
Purchase price EURm	18.6	8.8	8.2	41.5	36.8	39.5	5.3	158.7
Actual net cold rent EURm p.a.	2.4	0.7	0.7	4.1	4.0	3.4	0.5	15.8
Location	Leipzig, Dresden, Magdeburg, etc.	Brandenburg	Rügen	Brandenburg	Bochum, Eschweiler, Goslar, etc.	Chemnitz, Riesa, etc.	Bitterfeld	
Closing	Aug-2015	Aug-2015	Aug-2015	Dec-2015	Dec-2015	Jan-2016	Dec-2015	
Multiples	7.9x	11.1x	11.9x	10.1x	9.2x	11.8x	10.6x	10.0x
								

approx. 5,300 units acquired in 2015; EUR 158.7m purchase price and EUR 15.8m rent p.a. leads to average buying multiple of 10.0x or 10.0% gross yield (based on actual net cold rent)

TAG disposals 2015

Signing	Berlin (Marzahn/ Hellersdorf) Apr-2015	Stuttgart (Commercial) Oct-2015	Hamburg (Wedel) Dec-2015	Privatisation and ongoing disposals 2015	Total FY 2015
Units	972	182	100	679	1,933
Actual net cold rent EUR/sqm/month	5.26	13.64	6.60	---	
Actual net cold rent p.a. EURm	3.5	4.1	0.4	3.4	11.4
Vacancy	1.7%	0.6%	5.0%	---	
Selling price EURm	59.8	87.5	9.0	64.6	220.9
Net cash proceeds EURm	34.6	40.3	6.3	35.3	116.5
Book profit (IFRS) EURm after revaluation	10.7	7.3	1.8	3.9	23.7
Location	Berlin (Marzahn, Hellersdorf)	Stuttgart	Wedel	Various locations (e.g. Berlin, Dresden, Leipzig, Erfurt, Frankfurt)	
Closing	Jun-2015	Dec-2015	Dec-2015	2015	
Multiples	17.0x	21.3x	22.0x	19.0x	19.4x

approx. 1,900 units sold in 2015; EUR 220.9m selling price and EUR 11.4m rent p.a. leads to average selling multiple of 19.4x or 5.2% gross yield (based on actual net cold rent)



Berlin



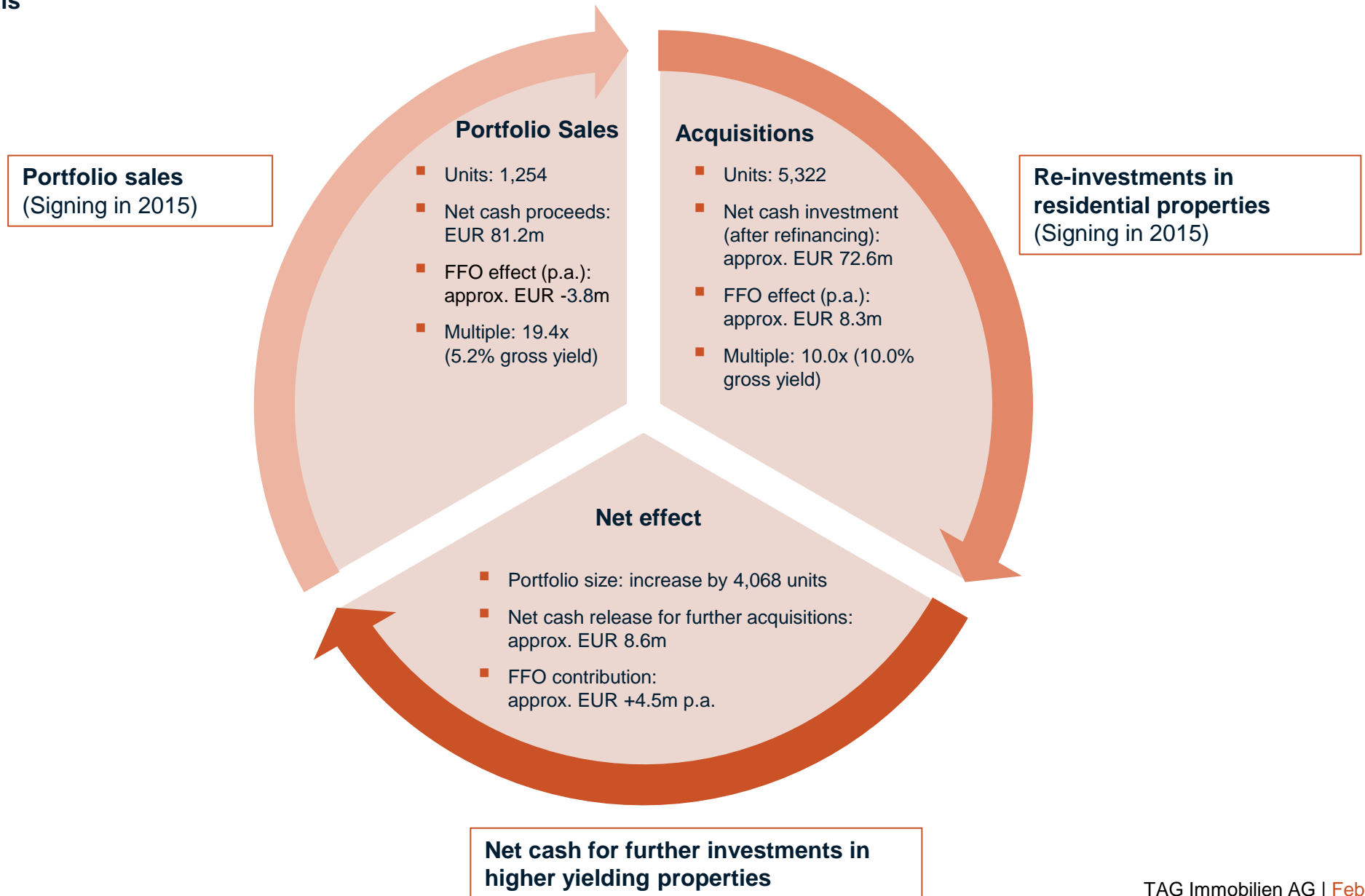
Stuttgart



Wedel

TAG capital recycling strategy in 2015

TAG constantly analyzes regional markets and its portfolio to determine the best point in time to realize highest value by targeted disposals



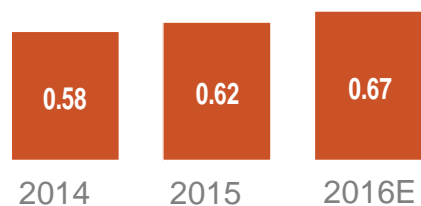
TAG 2016

TAG outlook

TAG outlook

<p>New Guidance 2015 achieved</p>	<ul style="list-style-type: none"> ▪ FFO New guidance in Nov-2015 at EUR 74 – EUR 75m (after EUR 79.5m – EUR 81.8m in Nov-2014). Strong operational development in Q4 2015 leads to EUR 76.3m in FY 2015 ▪ FFO/share EUR 0.62 (weighted average NOSH of 123.1m shares for FY 2015) vs. EUR 0.62 in Nov-2015 and EUR 0.67 – EUR 0.69 in Nov-2014 (based on 118.6m outstanding shares at YE 2014. Increase in NOSH in 2015 due to conversions and exchange for Colonia shares) ▪ Dividend EUR 0.55 per share for FY 2015 vs. EUR 0.50 per share for FY 2014
<p>Guidance 2016 (unchanged)</p>	<ul style="list-style-type: none"> ▪ FFO EUR 84m – EUR 85m ▪ FFO/share EUR 0.67 based on 125.5m NOSH at YE 2015 ▪ Dividend EUR 0.57 per share

FFO I per share in EUR



Dividend per share in EUR



TAAG 2016

APPENDIX

The three pillar TAG investment case and strategy framework

- **“High Yield” investment profile**
 - Highest FFO and dividend yield profile amongst peer group
 - Total return focus on distributions to shareholders rather than un-crystalized NAV growth
 - Anti-cyclical investment strategy: “buy early”, “de-risk timely”
 - **Clear distinction of investment strategy vis-a-vis peer group**

- **Capital discipline and efficiency**
 - Most efficient capital structure amongst peer group
 - Disciplined allocation of capital including seamless acquisitions and disposals
 - Current portfolio size provides for sufficient critical mass to retain cost leadership
 - **Continuous optimisation of use of capital across the balance sheet as well as in relation to the capital structure**

- **Segment leadership**
 - Leading market player with strong presence in defined regions
 - TAG has been the first to implement the ‘ABBA’* approach in the listed German residential sector
 - Permanent innovations in tenant offerings and smart services/ concepts
 - **Affordable housing with geographic focus in North and East Germany**

* ‘ABBA’: A locations in B cities, B locations in A cities

TAG portfolio valuation

Region (in EUR millions)	2015 Fair Value (IFRS)	2015 Fair Value (EUR/sqm)	2015 Implied multiple	Revaluation gain / loss	Capex	Net acquisitions and other movements	2014 Fair Value (IFRS)	2014 Fair Value (EUR/sqm)	2014 Implied multiple
Berlin	441.1	884.5	14.95	19.9	3.90	-47.6	464.9	819.1	14.23
Dresden	515.4	761.9	13.76	-2.7	6.30	67.5	444.3	809.1	14.47
Erfurt	360.2	838.3	14.61	8.7	6.25	22.8	322.4	831.5	15.39
Gera	372.0	662.1	13.27	-3.0	5.45	72.5	297.1	685.4	14.12
Hamburg	308.5	828.9	14.01	7.3	1.97	-16.4	315.5	818.8	14.09
Leipzig	331.1	712.5	12.87	1.9	2.12	27.8	299.4	710.5	13.12
Rhine-Ruhr	241.8	999.0	15.49	7.5	1.13	4.3	228.9	959.8	15.09
Rostock	250.5	797.8	13.52	5.3	4.47	17.5	223.2	769.9	13.57
Salzgitter	375.2	666.4	12.91	7.0	7.39	-0.1	360.9	641.2	13.07
Total residential units	3,195.8	775.2	13.86	51.9	38.99	148.4	2,956.5	770.8	14.09
Acquisitions	279.8	639.9	12.26	37.9	0.60	12.2	229.1	609.9	12.12
Total residential portfolio	3,475.6	735.0	13.08	89.8	39.59	160.6	3,185.6	728.2	13.02
Other	79.2	2,130.6	19.74	9.1	0.50	-76.4	146.0	2,345.4	19.28
Grand total*	3,554.8	745.9	13.18	98.9	40.09	84.2	3,331.6	750.9	13.21

* Real estate inventory and real estate within property, plant and equipment not included in valuation

TAG annual valuation by CBRE

■ Comments on valuation results

- Yield compression in “A-Locations” like Berlin and Stuttgart (Stuttgart included in “Other”) as well as in some cities of the Rhine-Ruhr region
- Positive revaluation gains in all other regions primarily the result of overfulfillment of last year’s assumptions regarding rent and vacancy development
- Revaluation losses, similar to last year, in regions with new acquisitions and with higher initial investments for future vacancy reductions

Assumptions / drivers	30 Sep- 2015	30 Sep- 2014	30 Sep- 2013
Cap rate (%)	5.59	5.56	5.52
Discount rate (%)	6.27	6.21	6.16
Administrative costs (EUR/unit) p.a.	228	226	205
Current repairs/investments (EUR/sqm) p.a.	7.9	7.8	7.7
Re-letting costs (EUR/sqm)	42	42	39
Structural vacancy (%) (residential units)	3.79	3.80	3.79

TAG capex and maintenance

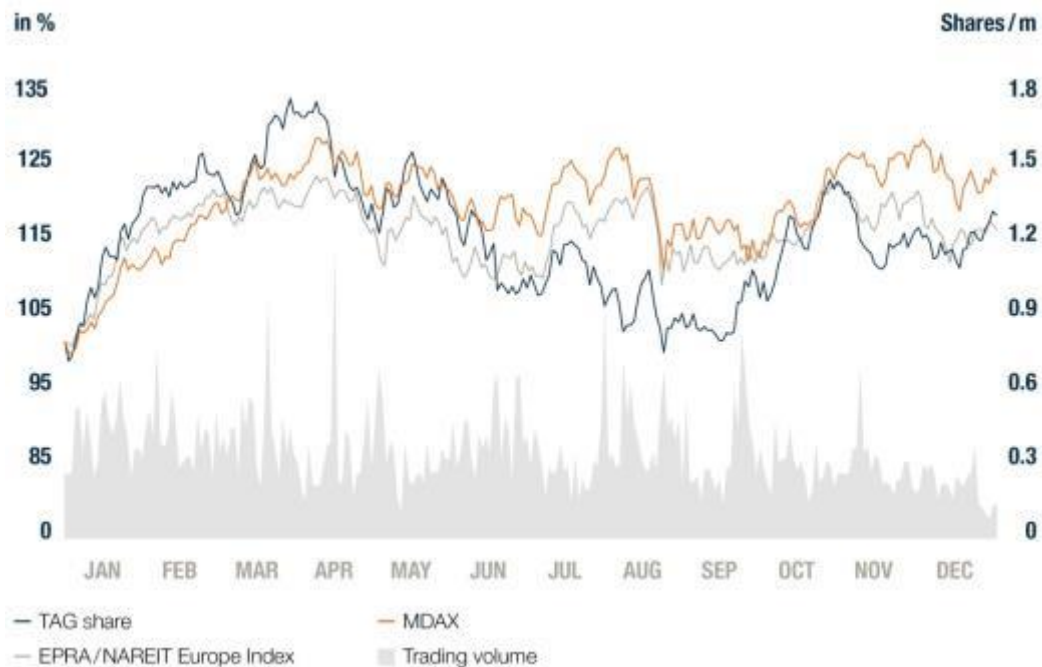
in EUR millions		2014					2015				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Maintenance	Residential	5.75	5.89	6.05	6.23	23.92	6.45	7.09	5.38	5.77	24.69
	Commercial	0.59	0.53	0.06	0.15	1.33	0.11	0.00	0.22	0.19	0.52
Capex	Residential	7.73	6.55	6.98	9.83	31.09	6.80	9.88	13.56	9.35	39.59
	Commercial	0.13	0.28	0.06	0.10	0.57	0.00	0.04	0.18	0.28	0.50
Total		14.20	13.25	13.15	16.31	56.91	13.39	16.98	19.34	15.59	65.30

TAG capital markets heads-up

- High/Low (Q1-Q4 2015) EUR 13.05/EUR 9.56
- Number of shares (issued) 136.6m
- Number of shares (outstanding) 125.5m
- Market capitalisation (31 Dec-2015) EUR 1,571m
- Stock indices MDAX/EPRA
- Free Float * 92%

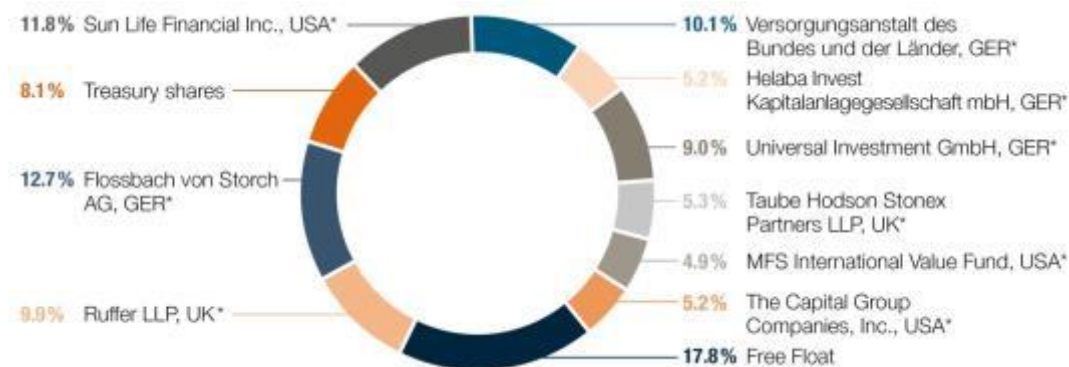
* Deutsche Börse definition including institutional investors, repurchased TAG own shares not included

■ Share price development



Institution	Analyst	Recommendation	Target price in EUR	Date
Odido Seydler	Manuel Martin	Buy	12.50	24-Feb-16
Bankhaus Lampe	Georg Kanders	Buy	13.00	19-Feb-16
Baader Bank	André Remke	Hold	10.00	17-Feb-16
Nord/LB	Michael Seufert	Hold	10.50	28-Jan-16
Barclays	David Prescott	Underweight	9.80	20-Jan-16
MM Warburg	Moritz Rieser	Hold	10.50	07-Jan-16
Berenberg	Kai Klose	Buy	13.00	04-Jan-16
VictoriaPartners	Bernd Janssen	N/A	10.00-11.50	22-Dec-15
S&P Capital IQ	William Howlett	Buy	13.00	06-Nov-15
Kepler Cheuvreux	Thomas Neuhold	Buy	13.00	06-Nov-15
Kempen&Co.	Bernd Stahli	Sell	9.00	05-Nov-15
Morgan Stanley	Bianca Riemer	Underweight	7.70	26-Aug-15
HSBC	Thomas Martin	Buy	13.00	11-Aug-15
Commerzbank	Thomas Rothaeusler	Hold	11.00	06-Aug-15
Citigroup	Aaron Guy	Neutral	12.20	21-Jul-15
Merrill Lynch	Mike Bessell	Underperform	11.00	12-Jun-15
Median			11.00	

■ Shareholder structure as of 31 December 2015



TAG bonds and convertibles

- Two corporate bonds outstanding (issued in 2013 and 2014)
- One convertible remaining after conversions/clean up call in 2012 and 2015 and (partly) buy back of convertibles in 2013, convertible trades in the money
- Clean up call of 6.5% convertible bond 2010/2015 in Jul/Aug-2015 (outstanding principle amount less than 20% of total principle amount)

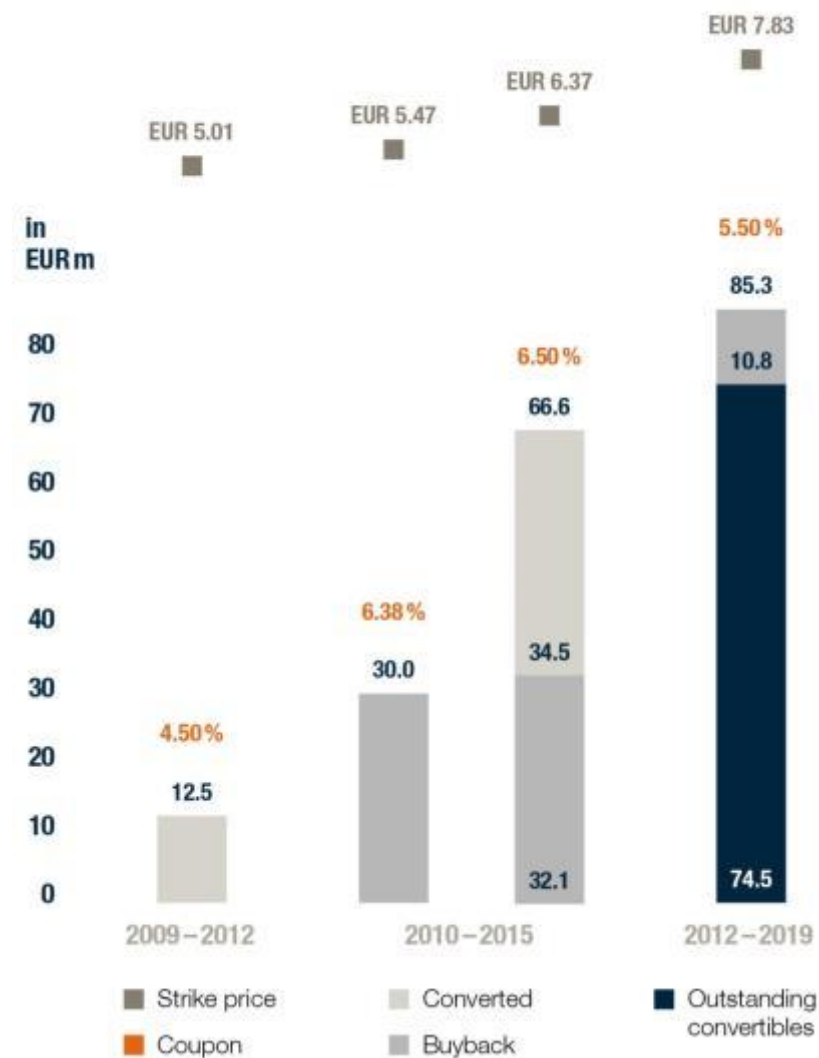
Corporate Bonds

WKN A1TNFU	WKN A12T10
Volume: EUR 310m	Volume: EUR 125m
Division into shares: EUR 1,000.00 per share	Division into shares: EUR 1,000.00 per share
Nominal value per bond: EUR 1,000.00	Nominal value per bond: EUR 1,000.00
Maturity: 5 years until 08/07/2018	Maturity: 6 years until 06/25/2020
Interest rate (effective): 5.125% (200m)/4.3% (110m)	Interest rate: 3.75%
Issue price: at par (200m)/to 103% (110m)	Issue price: at par

Convertible Bond

WKN A1PGZM3
Issued volume: EUR 85.3m
Outstanding volume: EUR 74.5m
Number of shares: 853
Nominal value per bond: EUR 100,000.00
Maturity: 7 years until 06/28/2019
Interest rate: 5.5%
Conversion price: EUR 7.83

TAG share price EUR 11.50 as of 31 Dec-2015



TAG Management Board



Claudia Hoyer
COO

- Key responsibilities: Property and Asset Management, Acquisitions and Disposals, Shared Service Center
-
- Age 43
 - Joined TAG as a member of the management board in July 2012
 - Business degree, member of the board of DKB Immobilien AG from 2010 to 2012, more than 15 years of experience in residential real estate and property management



Martin Thiel
CFO

- Key responsibilities: Controlling, Accounting, Financing, Taxes, Corporate Finance and Investor Relations
-
- Age 43
 - Joined TAG as CFO in April 2014
 - Business degree, CPA, CVA, over 15 years of experience as Auditor and Tax consultant with real estate clients



Dr. Harboe Vaagt
CLO

- Key responsibilities: Legal, Human Resources and Transactions
-
- Age 59
 - With TAG for more than 15 years, has been a member of the management board since April 2011
 - Law degree, over 25 years of experience in real estate legal affairs

TAG de-centralized management structure

centralized functions

Strategic Portfolio Management / Marketing

Acquisitions / Sales

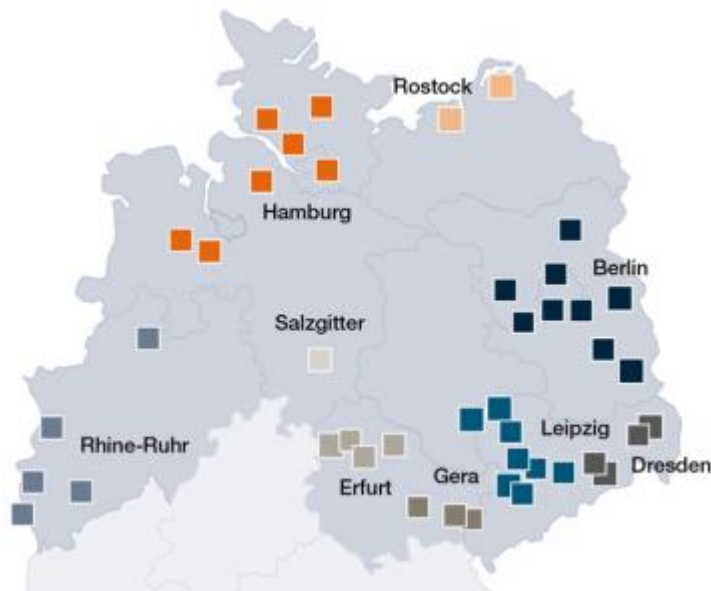
FM Services

Central Procurement

Shared Service Center

- Definition of portfolio, location and property management concepts and standards
- Support of LIMs on a project-by-project basis as well as by centralized headquarter functions
- Fully integrated accounting and controlling platform based on “TAG 2.0” (ERP)

de-centralized functions



LIMs in TAG regions (Heads of Real Estate Management)

Customer service

- Property management
- Enhance high tenant satisfaction and tenant loyalty
- Social projects

Renting activities

- Re-letting
- Vacancy reduction
- Monitor and optimize tenant structure

Technical customer service

- Modernisation for re-letting
- Ongoing maintenance measures

Receivables management

- Minimize outstanding receivables
- Payment reminder and legal action

- de-centralized approach ensures individual concepts for each regional market
- regional LIMs are incentivized by performance of their respective region “entrepreneur within the enterprise”

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