

LEG Immobilien AG

Full Year Results - 2012

30-April-2013



Disclaimer

While the company has taken all reasonable care to ensure that the facts stated in this presentation are accurate and that the opinions contained in it are fair and reasonable, this presentation is selective in nature and is intended to provide an introduction to, and an overview of the Company's business. Any opinions expressed in this presentation are subject to change without notice and neither the Company nor any other person is under any obligation to update or keep current the information contained in this presentation. Where this presentation quotes any information or statistics from any external sources, you should not interpret that the Company has adopted or endorsed such information or statistics as being accurate.

This presentation may contain forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein. Forward-looking statements may include, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation, and supply and demand. The Company has based these forward-looking statements on its views and assumptions with respect to future events and financial performance. Actual financial performance could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. The information contained in this presentation is subject to change without notice and the Company does not undertake any duty to update the information and forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.

This presentation does not constitute an offer or invitation to purchase or sell any shares in the Company and neither this presentation or anything in it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

Agenda

- I. Highlights FY-2012
- II. Portfolio and Operating Performance
- III. Financial Performance
- IV. Business Update and Outlook
- V. Appendix

I. Highlights FY-2012

Highlights 2012



Overall Company Development

- Creation of corporate platform completed
 - IFRS conversion
 - Last step of SAP implementation
 - Creation of acquisitions team
- IPO preparations completed
- Acquisition and integration of Bocholt portfolio in November (1,244 units)

Solid Operational Performance

- In-place rent €4.86/sqm/month (+1.5% from €4.79 in 2011)
- Occupancy up to 96.9% (+50bps from 96.1% in 2011)
- Maintenance & capex at €12.9/sqm slightly below target; higher than average rate of (capitalized) capex over (expensed) maintenance (54% instead of 50%)

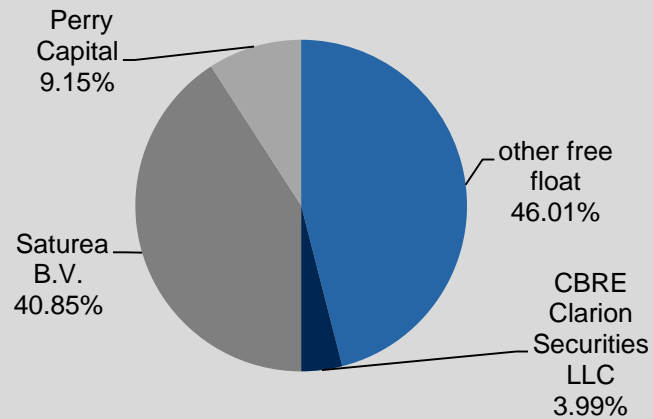
Strong Financial Performance FY2012 versus FY2011

- Rental income €344.3m (+1.8% from €338.2m)
- Adjusted EBITDA €223.1m (+5.9% from €210.6m)
- FFOI €136.5m reported* / recurring €133.0 (+19.0% from €111.8m)
- AFFO €95.0m (+34.9% from €70.4m)
- EPRA NAV €2,368m / €44.72 per share (-0.7% from 2,384m)

*Including one off tax reimbursement of €3.5m

LEG Share

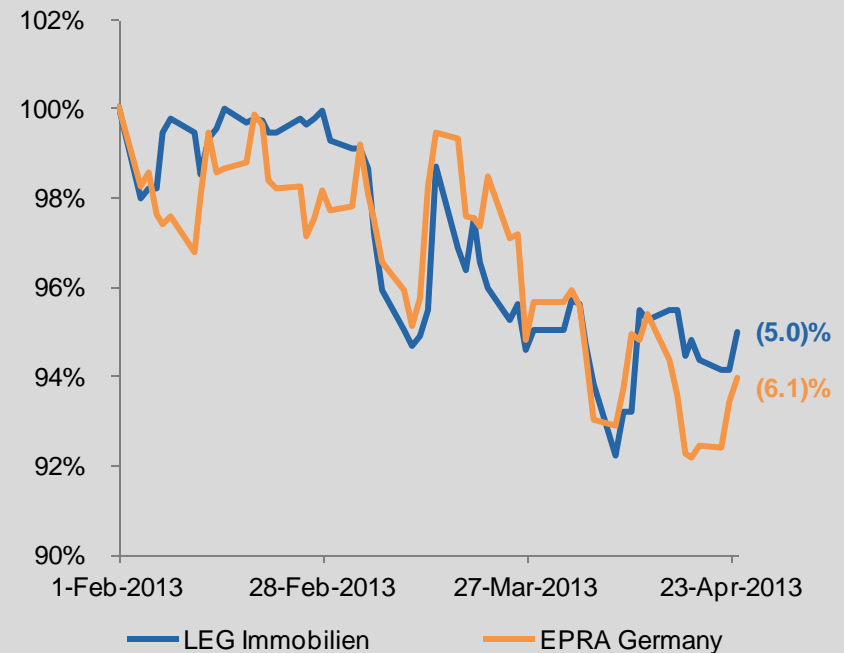
Shareholder Structure



EPRA Weighting

EPRA Europe	1.08%
EPRA Germany	11.02%

LEG Share Since IPO

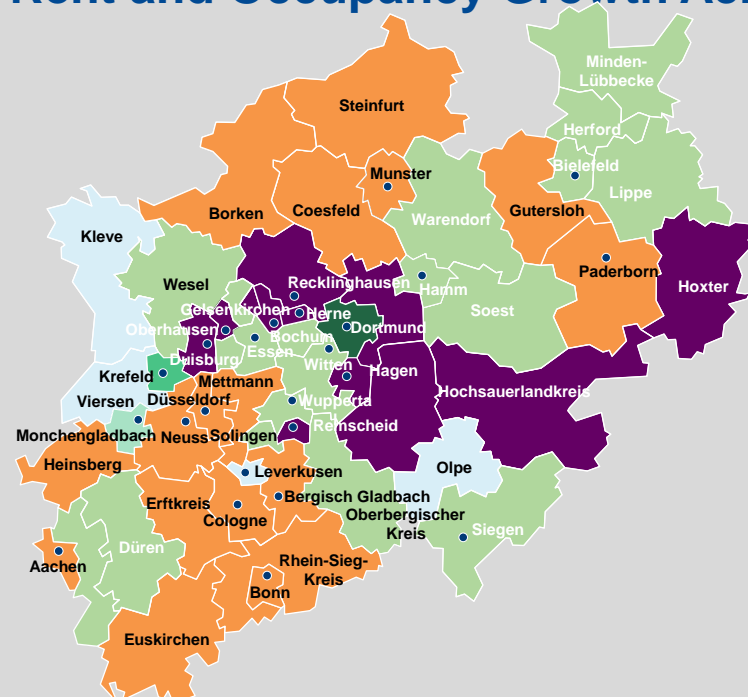


Note: MDAX inclusion expected as fast entrant in June

II. Portfolio and Operating Performance

Portfolio

Rent and Occupancy Growth Across All Submarkets



Total Portfolio		
		Δ
# of units	90,926	1.3%
In place rent (sqm)	€4.86	+1.5%
Occupancy	96.9%	+50bps

High Growth Markets		
		Δ
# of units	31,465	+3.9%
In place rent (sqm)	€5.38	+2.3%
Occupancy	98.6%	+20bps

Stable Markets with Attractive Yields		
		Δ
# of units	32,048	-
In place rent (sqm)	€4.59	+0.4%
Occupancy	96.2%	+90bps

Higher Yielding Markets		
		Δ
# of units	26,024	-
In place rent (sqm)	€4.51	+0.7%
Occupancy	95.5%	+10bps

Note: Light blue areas indicate areas where LEG does not own properties.

Acquisition Overview

Case Study Bocholt: Acquisition of 1,244 Units



Investment Highlights

- Acquired **1,244 units** in Bocholt ("High Growth" Market)
- **10%+ FFO yield**
- **61% LTC**
- **High EBITDA margin:** Significantly above overall portfolio
- **Incremental management costs** of approx. €150 per unit p.a.
- Equity invested is projected to be at an approx. **10% discount to NAV**

Operating Strategy

- Move rent and occupancy levels to market levels (approx. 13% upside)
- Incremental management costs of approx. €150/unit p.a. (500 units/FTE)
- Equity from funds within the company

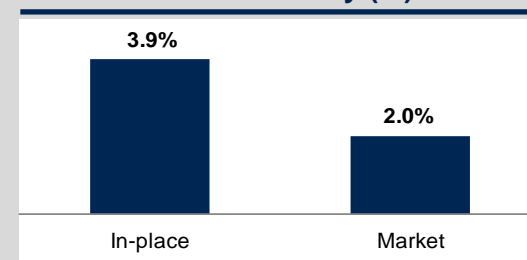
Acquisition Criteria

- FFO I yield > 8%
- NAV accretion

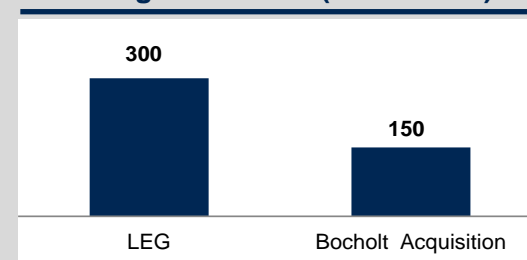
Market Rent (€/sqm)¹



Market Vacancy (%)



Management Cost (€/Unit/Year)



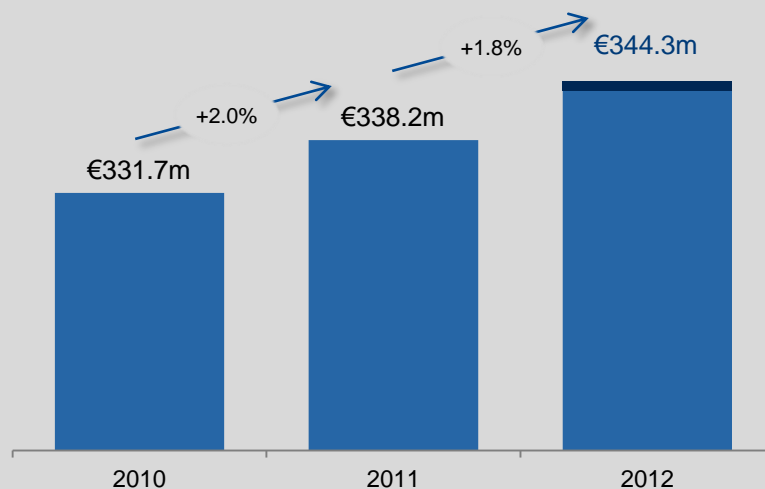
Source: Company information, CBRE, Information und Technik Nordrhein-Westfalen

1. Based on CBRE LEG Housing Market Report NRW 2012. Employed by CBRE as indicator of an average rent value that could theoretically be achieved, not implying that an adjustment of the in-place rent to the market rent is feasible, as stringent legal and contractual restrictions regarding rent increases exist.

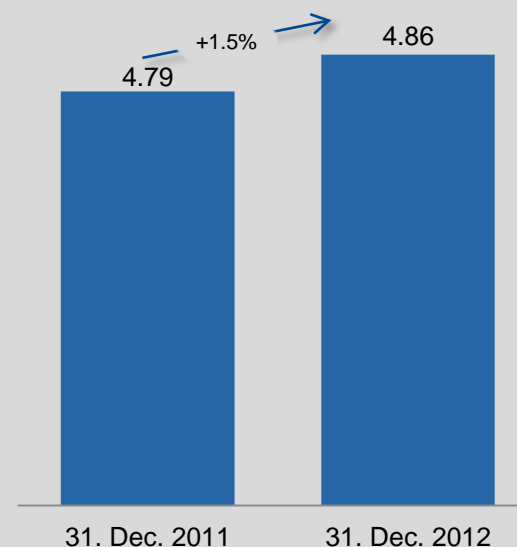
Rent Development

Stable Organic Growth – Accelerating Momentum Ahead

Total Rental Income (€m)



Residential Rent (€/sqm/month)



- Some rent growth deferred from Q4 2012 to Q1 2013
- Lower interest cost on some subsidised loans with short-term negative impact on restricted rents
- New Mietspiegel in Munster in Q1-2013
- Shift of value-enhancing modernisation measures to Q1-2013
- Growth accelerating again in 2013

Occupancy Development*

Rising Occupancy Underpins Strong Tenant Demand

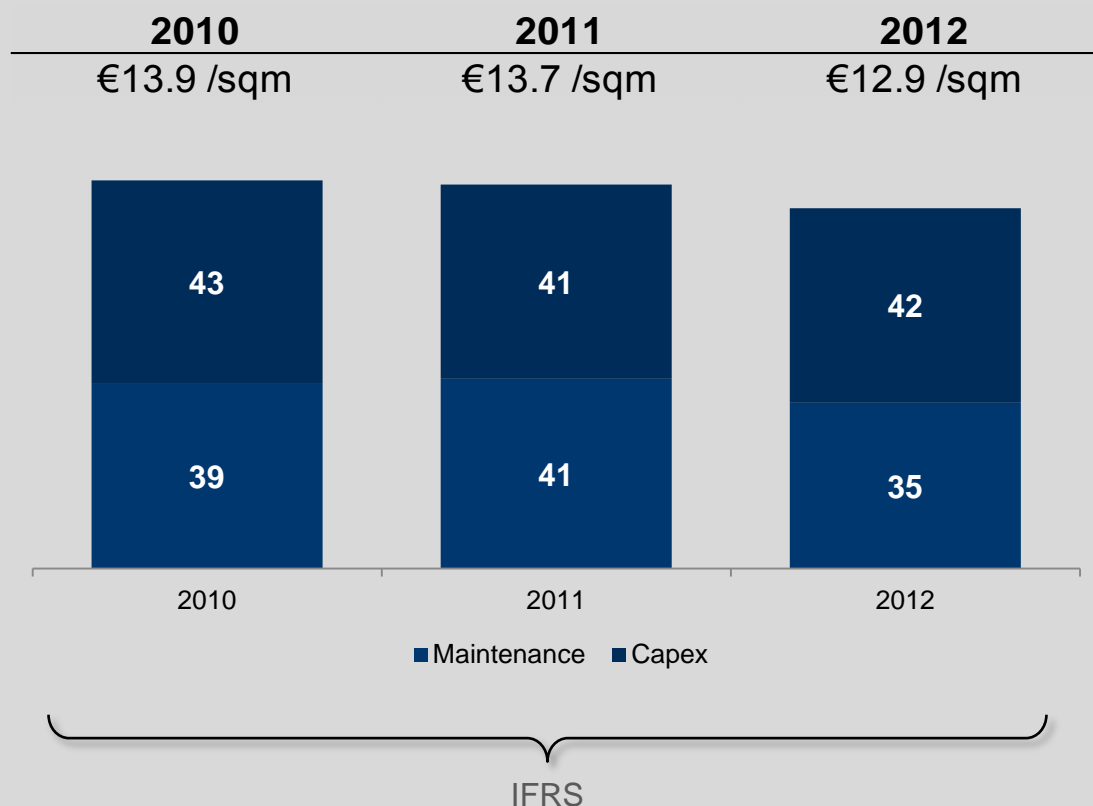


- LEG benefitting from favourable demand/supply environment
- Larger modernisation projects are yielding results

*As of 31 December 2012

Capex & Maintenance

Capex & Maintenance at Sustainable Solid Levels



- Capex & maintenance within budgeted range
- Higher capex share due to greater portion of value enhancing projects
- Capex/Maintenance ratio to revert back to historic long-term average of ~50/50

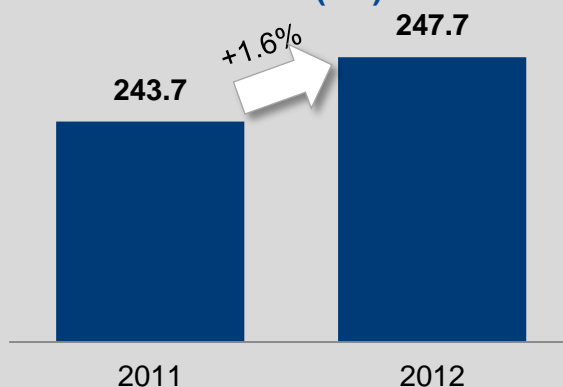
III. Financial Performance

Financial Highlights

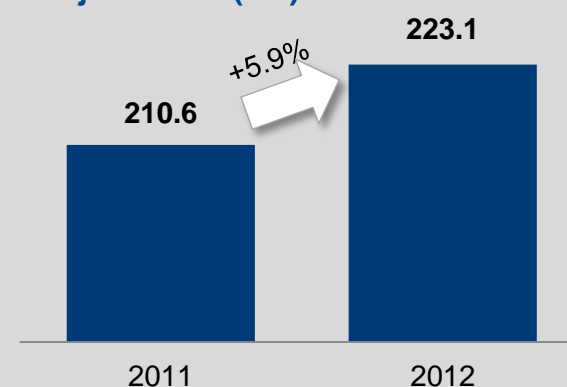
Rental Income (€m)



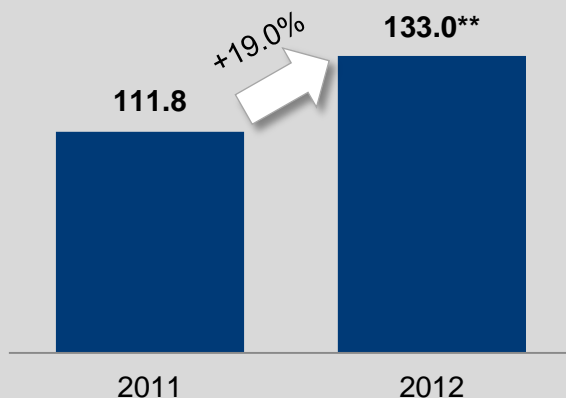
Net Rental Income (€m)



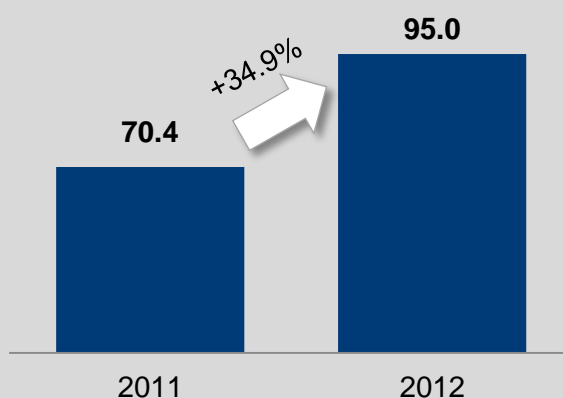
Adj. EBITDA (€m)



FFO I (€m)



Capex-Adj. FFO I / AFFO (€m)



Margin (%)

	2011	2012	Trend
NRI*	72.1	71.9	↘
Adj. EBITDA	62.3	64.8	↗
FFO I	33.1	38.6	↗
AFFO	20.8	27.6	↗

* decreasing NRI margin related to new cost allocation with new IT system

** recurring FFO I excluding €3.5 tax reimbursement.

Income Statement

Condensed Income Statement (€ million)	2012	2011	
Net rental and letting income	247.7	243.7	Slightly decreasing NOI margin due to new cost allocation (€6m)
Net income from the disposal of investment property	-1.4	-0.4	
Net income from the valuation of investment property	120.3	11.0	Valuation gain driven by higher rents and occupancy and a discount rate reduced to 6.06% (from 6.15%)
Net income from the disposal of real estate inventory	-1.8	-5.6	
Net income from other services	3.0	0.8	
Administrative and other expenses	-59.4	-66.6	Reduced by new cost allocation
Other income	1.7	0.9	
Operating earnings	310.1	183.8	
Net finance costs	-195.6	-174.6	<ul style="list-style-type: none"> Increased interest expenses due to non-cash loan amortisation (€53.9m) and non-recurring prepayment penalties (€37.8m)
Earnings before income taxes	114.5	9.2	
Income tax expense	-2.4	-24.3	
Consolidated net profit	112.1	-15.1	

Adjusted EBITDA

€ million	2012	2011
EBITDA	318.7	190.4
Net income from the valuation of investment property	-120.3	-11.0
Non-recurring project costs	20.3	21.7
Extraordinary and prior-period expenses and income	1.2	3.5
Net income from the disposal of investment property	1.4	0.4
Net income from the disposal of real estate inventory	1.8	5.6
Adjusted EBITDA	223.1	210.6

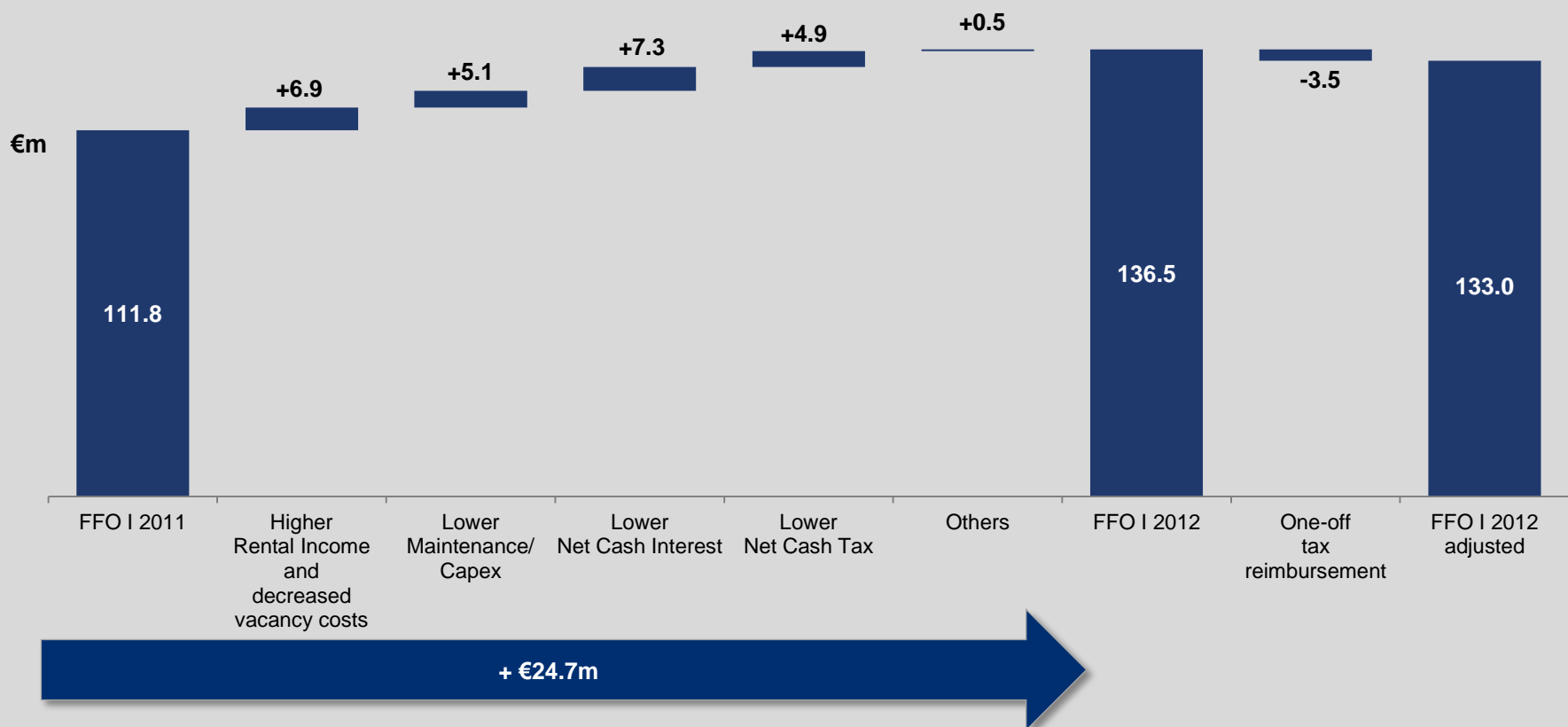
- Project costs:
 - IFRS (€10.3m)
 - SAP (€4.9m)
 - Restructuring & refinancing
 - includes €7.3m IPO refunding (from Saturea an Perry)

- Minimal disposals of non-core assets
 - 144 units

FFO I

€ million	2012	2011	
Adjusted EBITDA	223.1	210.6	
Cash interest expenses and income	-90.1	-97.4	Lower cash interests post refinancing
Cash income taxes	3.5	-1.4	
FFO I (not including disposal of investment property)	136.5	111.8	Tax reimbursement (€3.5m)
Net income from the disposal of investment property	-1.4	-0.4	
FFOI (including disposal of investment property)	135.1	111.4	
Capex	-41.5	-41.4	
Capex-Adjusted FFO I (AFFO)	95.0	70.4	

FFO Bridge



Focus: Cash Effective Interest Expense

€ million	2012	2011
Reported Interest Expense	195.0	174.0
Interest Expense Related to Loan Amortization	-52.9	-49.6
Prepayment Penalties	-37.8	-14.0
Interest Charges Related to Changes in Pension Provisions	-4.3	-4.6
Interest on Shareholder Loans	-1.4	-2.1
Interest Charges Relating To Valuation of Assets/Liabilities	-3.5	-4.0
Leasing Related Interest Expense	-1.6	-0.9
Other Interest Expenses	-1.9	0.0
Interest Income	-1.5	-2.4
Cash Effective Interest Expense	90.1	97.4

EPRA-Net Asset Value

€ million	2012	2011
Equity*	2085.5	2145.9
Note: Shareholder loans to be converted in to equity	40.7	0.0
Effect of exercising options, convertible loans and other rights	0.0	0.0
NAV	2085.5	2,145.9
Fair value of financial derivatives	89.7	30.31
Deferred taxes	193.1	208.2
EPRA NAV	2368.3	2,384.4
Number of shares outstanding	52,963,444	15,000,000
EPRA NAV per share in €	44.7	159.0

- Shareholder distribution:
 - €112.1m related to asset purchase
- Pensions: (€17.4m re-valuation)
- + €40.5 from shareholder loan swap into equity in Q1 2013

*) including minorities

Balance Sheet

Strong Balance Sheet Secures Defensive Profile and Paves Way for Growth

€ million	2012	2011
Investment Property	4,937.1	4,736.13
Other non-current assets	114.1	106.5
Non-current assets	5,051.2	4,842.6
Receivables and other assets	50.7	61.6
Cash and cash equivalents	133.7	81.8
Current assets	184.4	143.4
Assets hold for disposal	2.2	2.4
Total Assets	5,237.8	4,998.4
Equity	2,085.5	2,145.9
Non-current financial liabilities	2,102.9	1,996.6
Other non-current liabilities	520.6	417.6
Non-current liabilities	2,623.5	2,414.2
Current financial liabilities	396.8	310.0
Other current liabilities	132.0	118.3
Current liabilities	528.8	428.3
Total Equity and Liabilities	5,237.8	4,998.4

Increase due to
refinancing proceeds

Closing of several
refinancing in Q1
2013

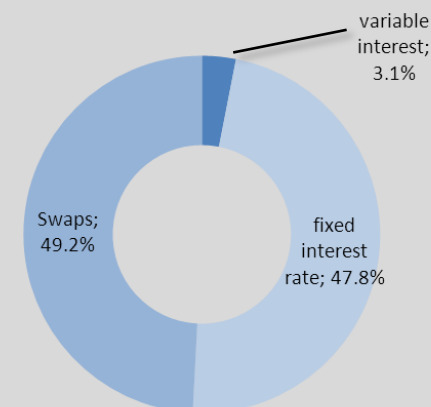
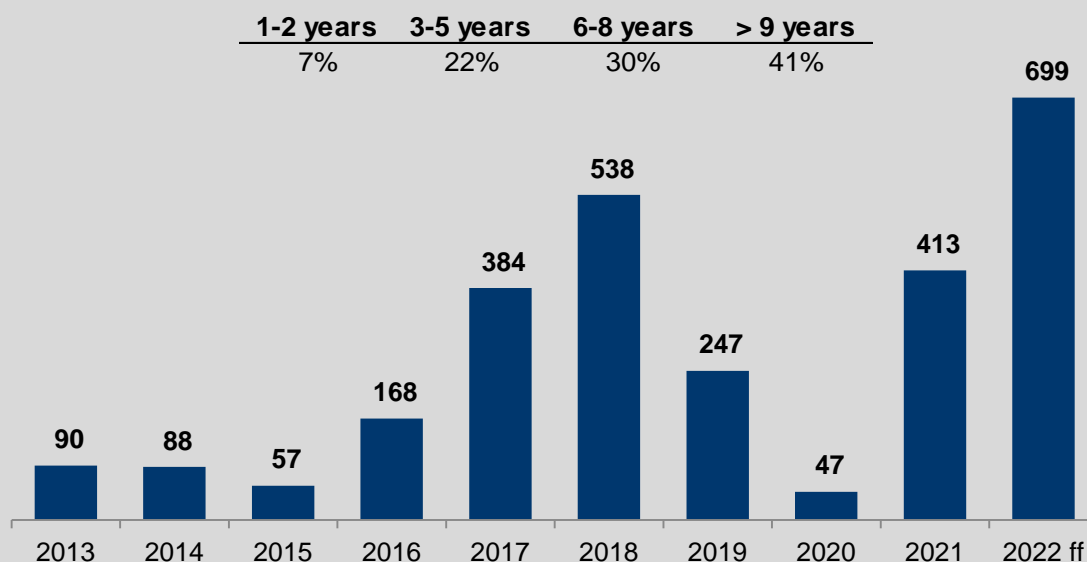
LTV-Ratio

Ample Liquidity for Growth and Headroom to Increase LTV (max. 55%)

€ million	2012	2011
Financial Debt	2,499.7	2,306.6
Cash & Cash Equivalents	-133.7	-81.8
Net Debt	2,366.0	2,224.8
Investment Properties	4,937.1	4,736.1
Properties held for sale	2.2	2.4
	4,939.3	4,738.5
Loan to Value (LTV) in %	47.90	46.95

Financing Structure (April 2013)

LT Secured Debt, Well-Balanced Maturity Profile, Low Cost of Debt



Average lease maturity:

▪ approx. 12 years

Interest costs:

▪ Ø 3.3%

Hedging ratio:

▪ 97%

No major refinancing before 2016

IV. Business Update and Outlook

Business Update

Strong Start to the Year

Acquisitions:

- Rising supply in the market
- Currently approx. 20,000 units under review
- Financial flexibility is a competitive advantage
- Late stage negotiations on one specific transaction (> 2,000 units)

Rental growth:

- 41% of portfolio with expected new tables in 2013 (64% of Orange Markets)
 - E.g. new Mietspiegel in Munster in March 2013 (+6.5%)
- Positive impact from modernisation

Strong letting momentum despite weaker seasonality in winter months

- 2,275 new lettings in first three months
- +12.4% above average of past three years

Successful integration of Bocholt acquisition

- Vacancy from 4.1% down to 3.1%; rents up from €5.67 /sqm to €6.00 /sqm (+5.8%) in re-lettings

Refinancing of remaining €70m loan nearly completed

Outlook

Attractive Market Fundamentals Promise Continued Defensive Growth

Rental income:

- Organic growth in 2013 > 2%

Maintenance/Capex:

approx. €77-80m or €13 /sqm

Acquisitions:

10,000 units by end 2014

FFO I (excluding acquisitions):

€137m - €140m (vs. €133m in 2012*)

Dividend:

Suggested for 2012: €0.41/share

2013 onwards: 65% of FFO I

*excl. tax reimbursement

V. Appendix

Financial Calendar

Date	Event
30.04.2013	Release of the Annual Report 2012
28.05.2013	Release of the Quarterly Report Q1 as of 31 March 2013
19.07.2013	Annual General Meeting, Dusseldorf
30.08.2013	Release of the Quarterly Report Q2 as of 30 June 2013
29.11.2013	Release of the Quarterly Report Q3 as of 30 September 2013

Portfolio

Stable Asset Values Driven by Property Fundamentals: Rental Growth and Occupancy

Market	GAV Residential Assets (€m)	% of Total Residential GAV	GAV/ sqm (€)	On-Place Rent Multiple	GAV Commercial/ Other Assets (€m)	Total GAV
High growth Markets	2,132	46%	1,027	16.2	181	2,313
Stable Markets with Attractive Yields	1,413	31%	682	12.9	83	1,496
Higher Yielding Markets	998	22%	621	12.1	44	1,042
Subtotal NRW	4,543	98%	789	14.1	307	4,851
Non-NRW	79	2%	849	14.6	12	91
Total Portfolio	4,622	100%	790	14.1	319	4,941
Leasehold – Land Values						27
Inventories (IAS 2)						16
Total Balance Sheet						4,984

- Average valuation uplift of 2.1% p.a. in past three years well supported by rental growth
 - Total valuation gain 2012: €120.3m driven by occupancy and rent growth as well as 9bps lower discount rate
 - Q4 Valuation gain in Q4:€11m driven by Bocholt acquisition

Contact

Investor Relations

Burkhard Sawazki

Head of Investor Relations

Tel: +49 211 4568 204

burkhard.sawazki@leg-nrw.de

Frank Hilbertz

Manager Investor Relations

Tel: +49 211 4568 284

frank.hilbertz@leg-nrw.de

Hans-Böckler-Str. 38

40476 Dusseldorf