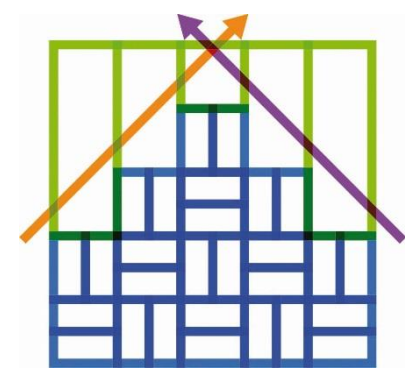
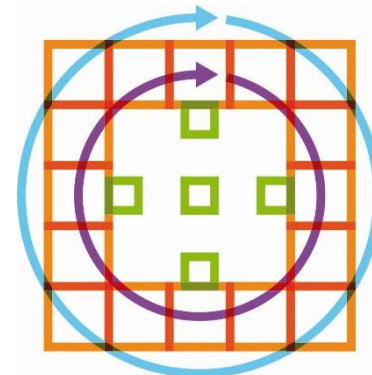
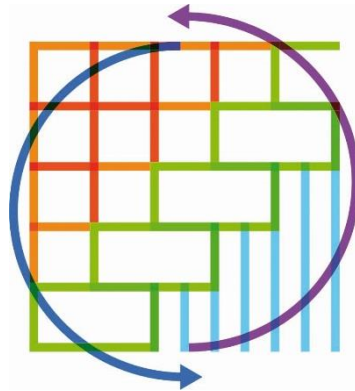


Keep growing.



LEG Immobilien AG

9 March 2017

FY 2016 Results

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- I. HIGHLIGHTS FY-2016**
- II. PORTFOLIO AND OPERATING PERFORMANCE**
- III. FINANCIAL PERFORMANCE**
- IV. BUSINESS UPDATE AND OUTLOOK**
- V. APPENDIX**

Highlights FY-2016

Overall company development

- Early repayment of subsidised loans triggers additional NAV growth
 - €608m total valuation uplift; thereof €174m from early repayment of subsidised debt (€114m net effect)
 - Valuation uplift +8.4%; excl. refinancing effect +6.0%
- Signing of JV contract for craftsmen services – successful expansion of services activities in cooperation
 - JV with supplier B&O, c.300 craftsmen for small repair services, immediate positive earnings impact
- Issue of inaugural benchmark bond at attractive terms diversifies the existing debt structure
 - Issue 16 January 2017: volume €500m, maturity 7 years, financing costs 1.34% p.a.

Sound rent growth on basis of high capital efficiency; accelerating rent growth ahead

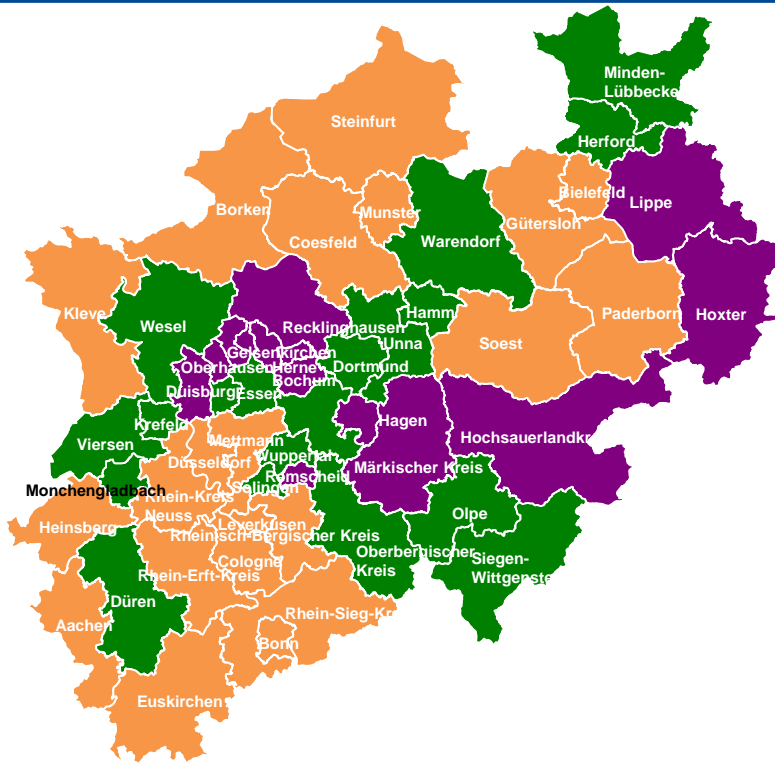
- | | |
|------------------------|--|
| ▪ In-place rent, I-f-I | €5.34/sqm (+2.5% total portfolio, +3.4% for free-financed units) |
| ▪ EPRA-Vacancy, I-f-I | 2.9% (up c.40 bps YOY, due to temporary reorganisation effect) |
| ▪ Maintenance/Capex | €18.2/sqm |

Financials: Steady margin expansion supports dynamic earnings growth

- | | |
|-----------------------------|---|
| ▪ Net cold rent | €511.7m (+17.3% YOY from €436.1m) |
| ▪ Adjusted EBITDA | €355.7m (+21.1% YOY from €293.7m)
Strong margin expansion excl. maintenance (c.+380 bps YOY) |
| ▪ FFO I (excl. minorities) | €268.3m (+30.2% YOY from €206.0m), €4.26 per share (+20.7% YOY from €3.53) |
| ▪ AFFO | €190.8m (+30.5% YOY from €146.2m) |
| ▪ EPRA-NAV (excl. goodwill) | €67.15 per share (+14.0% YOY) |
| ▪ DPS | €2.76 (+22.1% YOY, payout ratio 65%) |

II. PORTFOLIO AND OPERATING PERFORMANCE

Positive rent development across all submarkets



Total Portfolio

	31.12.2016	Δ (YOY)
# of units	128,488	+18.0%
In-place rent (sqm), l-f-l	€5.34	+2.5%
EPRA-Vacancy, l-f-l	2.9%	+36 bps

Strong results on the basis of tailor-made management strategies

High-Growth Markets		
	31.12.2016	Δ (YOY)
# of units	39,207	+5.0%
In-place rent (sqm), l-f-l	€5.91	+2.7%
EPRA-Vacancy, l-f-l	1.3%	+15 bps

Stable Markets with Attractive Yields

	31.12.2016	Δ (YOY)
# of units	46,991	+16.0%
In-place rent (sqm), I-f-I	€5.03	+2.1%
EPRA-Vacancy, I-f-I	2.9%	+30 bps

Higher-Yielding Markets

	31.12.2016	Δ (YOY)
# of units	40,396	+36.4%
In-place rent (sqm), l-f-l	€4.95	+2.4%
EPRA-Vacancy, l-f-l	5.4%	+70 bps

LEG portfolio highly exposed to structural growth markets

Around 93% of LEG's portfolio is located in the reach of swarm cities *gewohnt gut.*

LEG

Geographic reach (60 km radius)



Key data

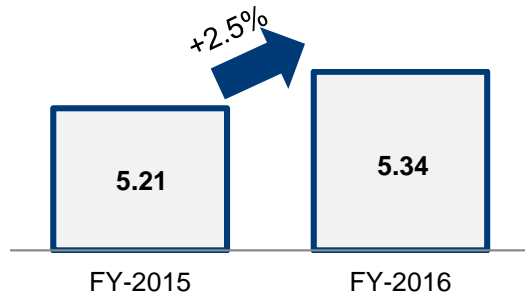
- Approx. **93% of LEG's portfolio** is located in the **catchment area of swarm cities** (60 km) and around **64%** in the **commuter belts of Düsseldorf and Cologne** (60 km)
- **NRW is a key metropolitan area in Germany and one of the largest areas in Europe** (17.7m inhabitants) with Cologne and Düsseldorf being the most populous cities
- **Many university cities are located in NRW**, e.g. Aachen with the largest technical university in Europe
- Number of **1-2 person households constantly growing** in swarm cities and **outperforming Germany** (2015: 75.6% in Germany)
- **Opposite trend in age structure compared to Germany:** share of people under the age of 40 steadily increasing (2015: 42.3% in Germany) and percentage of people above the age of 60 steadily shrinking (2015: 27.4% in Germany)
- **Many large companies are located near to swarm cities**, e.g. Bayer, Bertelsmann, Brenntag, Deutsche Post, Deutsche Telekom, Dr. Oetker, E.ON, Evonik, GEA, Henkel, innogy, Lanxess, Metro, Miele, RWE, thyssenkrupp, Uniper etc.

Rent Development

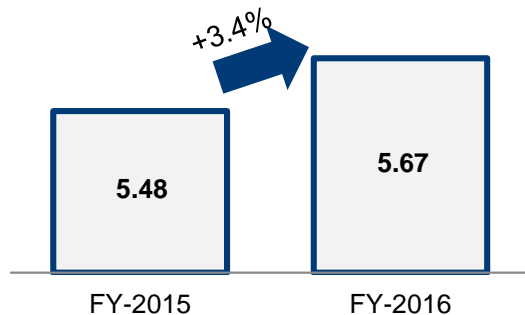
Attractive portfolio + operational excellence = sound rent growth *gewohnt gut.*

LEG

L-f-I Residential Rent (€/sqm/month)

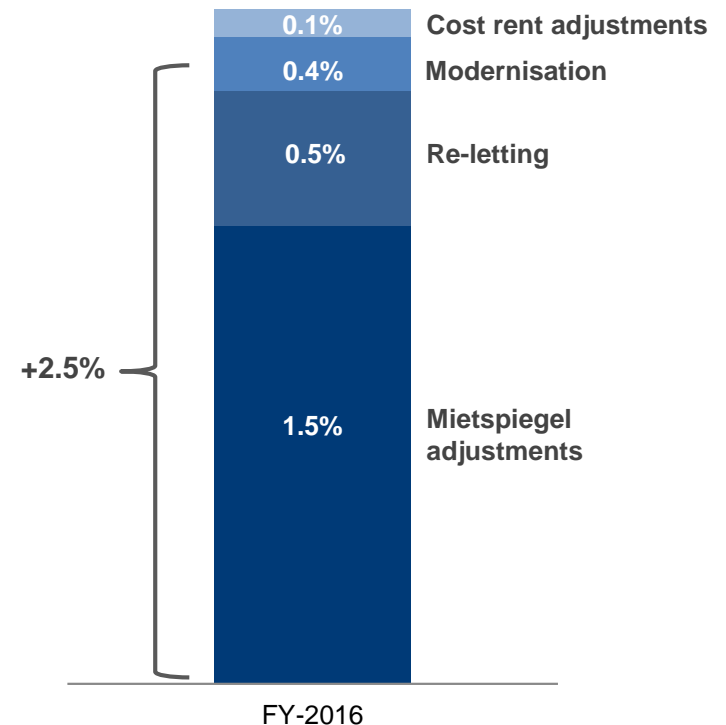


L-f-I Free Financed Rent (€/sqm/month)



- Performance of free financed units best proxy for underlying rent dynamics
- High capital efficiency maintained (growth relative to capital expenditure)
- Regional focus drives outperformance

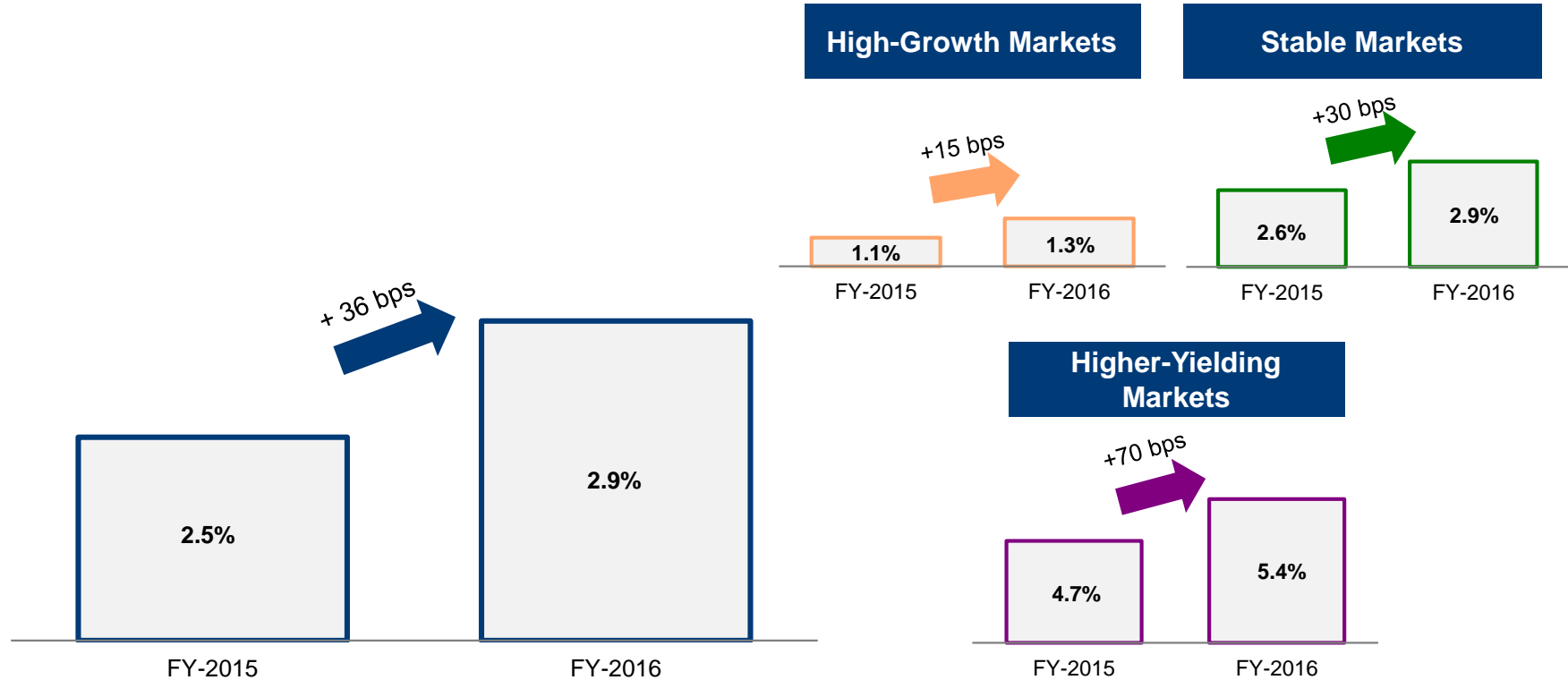
Rental Growth Drivers



- Well diversified mix of growth drivers (low execution risk)
- Growth not boosted by overspending (capex)
- 2017: Accelerating growth from cost rents, expiry of restrictions and new rent tables expected

EPRA-Vacancy Development (like-for-like)

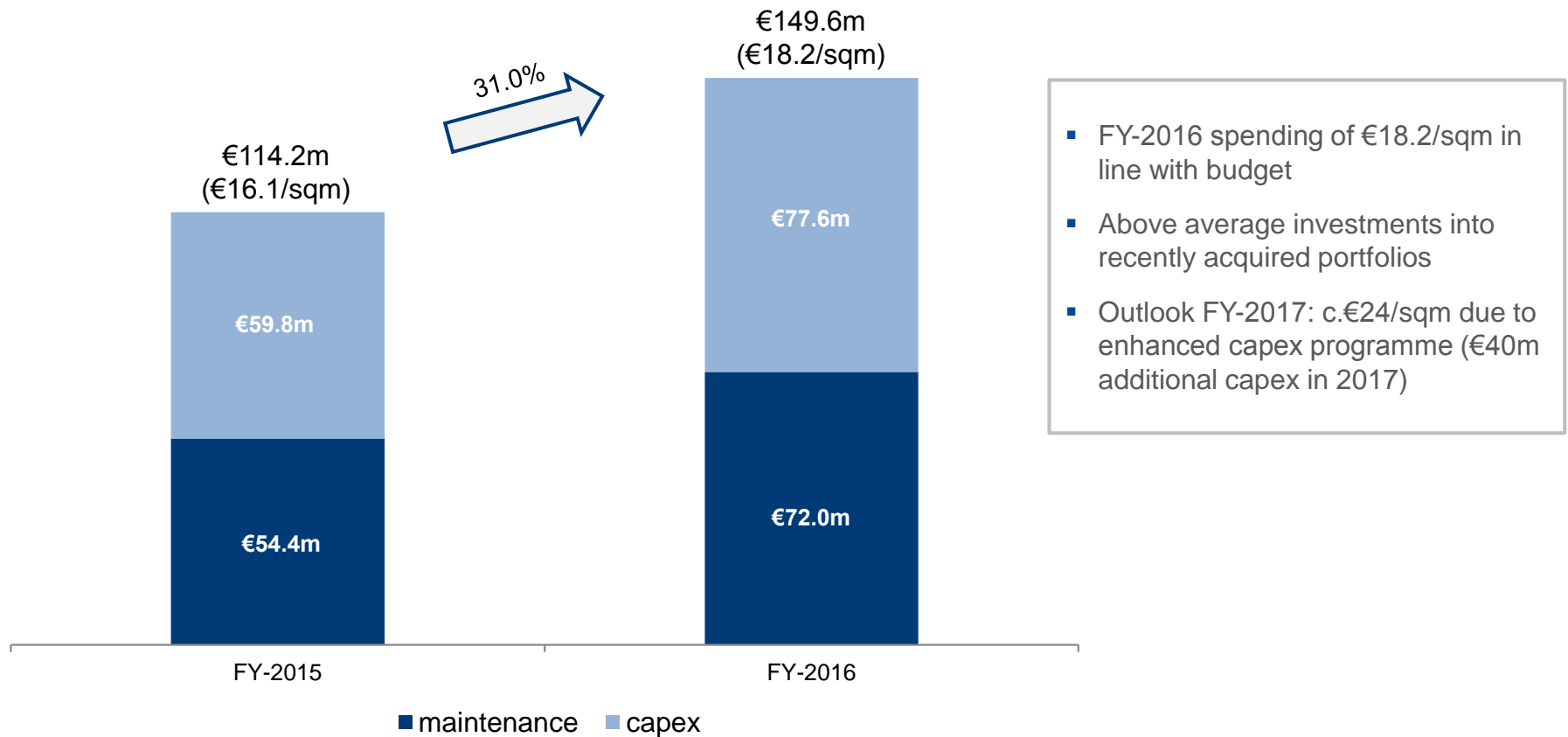
Low vacancies despite temporary drag from reorganisation



- Low absolute vacancies maintained despite temporary effects from the reorganisation / optimisation of operational units
- Outlook FY-2017: Rising I-f-I occupancy expected (starting H2)

Capex & Maintenance

High quality standards and capital discipline maintained

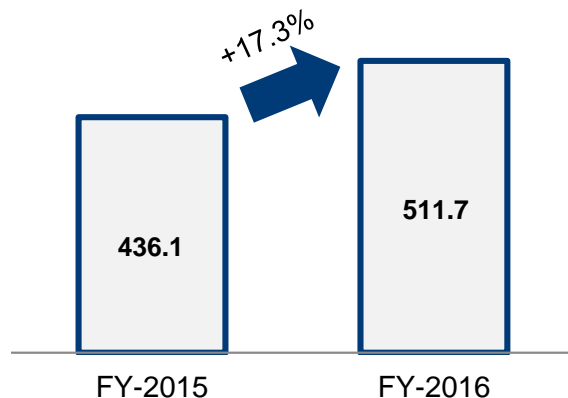


III. FINANCIAL PERFORMANCE

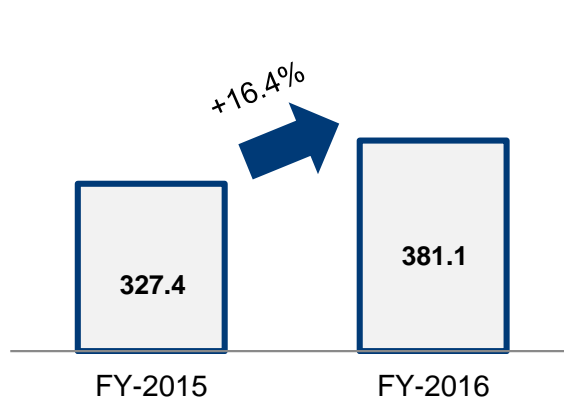
Financial Highlights FY-2016

Margin expansion on back of attractive scale effects + cost discipline

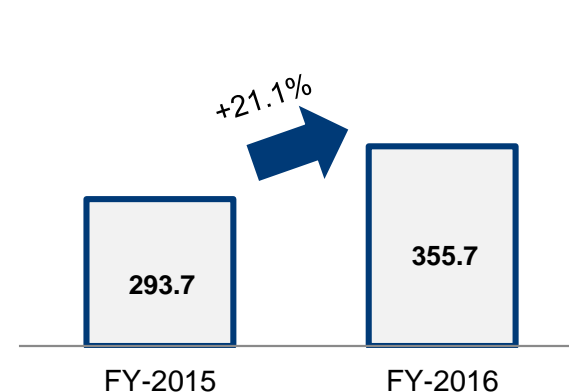
Net Cold Rent (€m)



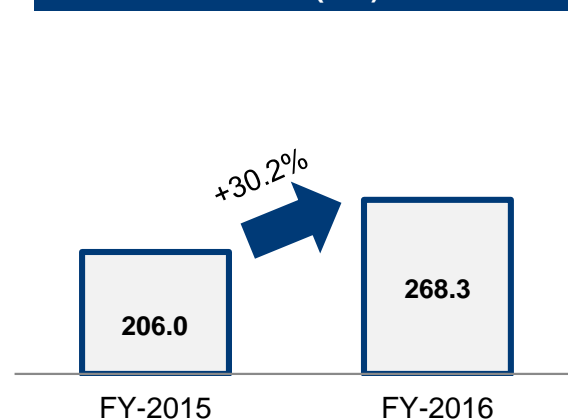
Adj. Net Rental and Lease Income (€m)



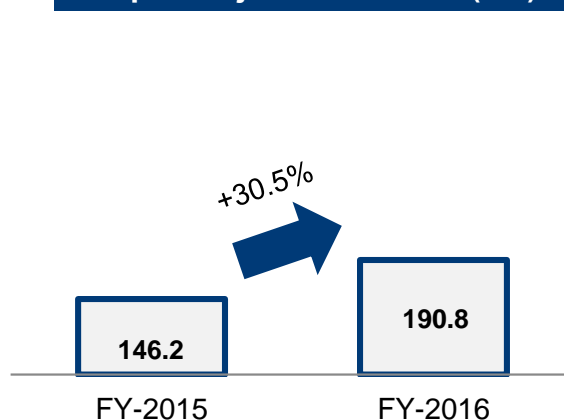
Adj. EBITDA (€m)



FFO I (€m)



Capex-Adj. FFO I / AFFO (€m)



Margin (%)

	FY-2015	FY-2016	Comment
Adj. NRI	75.1	74.5	Scale effects + efficiency gains nearly compensate higher maintenance
Adj. EBITDA	67.3	69.5	See above + lower admin. costs ratio + higher "others"
FFO I	47.2	52.4	See above + lower interest ratio
AFFO	33.5	37.3	See above + higher capex

Income Statement

FY-2016



€ million	FY-2016	FY-2015	
Net rental and lease income	373.1	320.5	<ul style="list-style-type: none"> Higher rental income (+€52.6m/+16.4%) NRI-margin decreased slightly from 73.5% to 72.9% YOY due to some higher maintenance
Net income from the disposal of investment property	7.6	3.6	
Net income from the valuation of investment property	616.6	285.5	<ul style="list-style-type: none"> Disposal gains (total effect) €25.1m
Net income from the disposal of real estate inventory	-2.4	-1.2	
Net income from other services	3.7	0.9	<ul style="list-style-type: none"> Higher one-time costs (+€24.2m to €43.2m) due to non-capitalised transaction costs (€34.4m; mainly real estate transfer tax) Recurring admin. costs down to €32.1m (-€4.6m YOY) despite volume growth
Administrative and other expenses	-78.2	-58.1	
Other income	16.4	0.9	
Operating earnings	936.8	552.1	<ul style="list-style-type: none"> Lower financing costs (-€95.2m YOY), lower re-financing costs and burdens from fair value measurement of derivatives outweigh one-time cost for subsidised loans (€59.8m) Lower cash interests (€83.2m; -€4.3m YOY) despite increased financing volume
Net finance costs	-157.2	-252.4	
Earnings before income taxes	779.6	299.7	
Income tax expenses	-200.4	-82.0	
Consolidated net profit	579.2	217.7	<ul style="list-style-type: none"> Cash taxes (-€5.0m), thereof (-€1.1m) from IAS40 sales

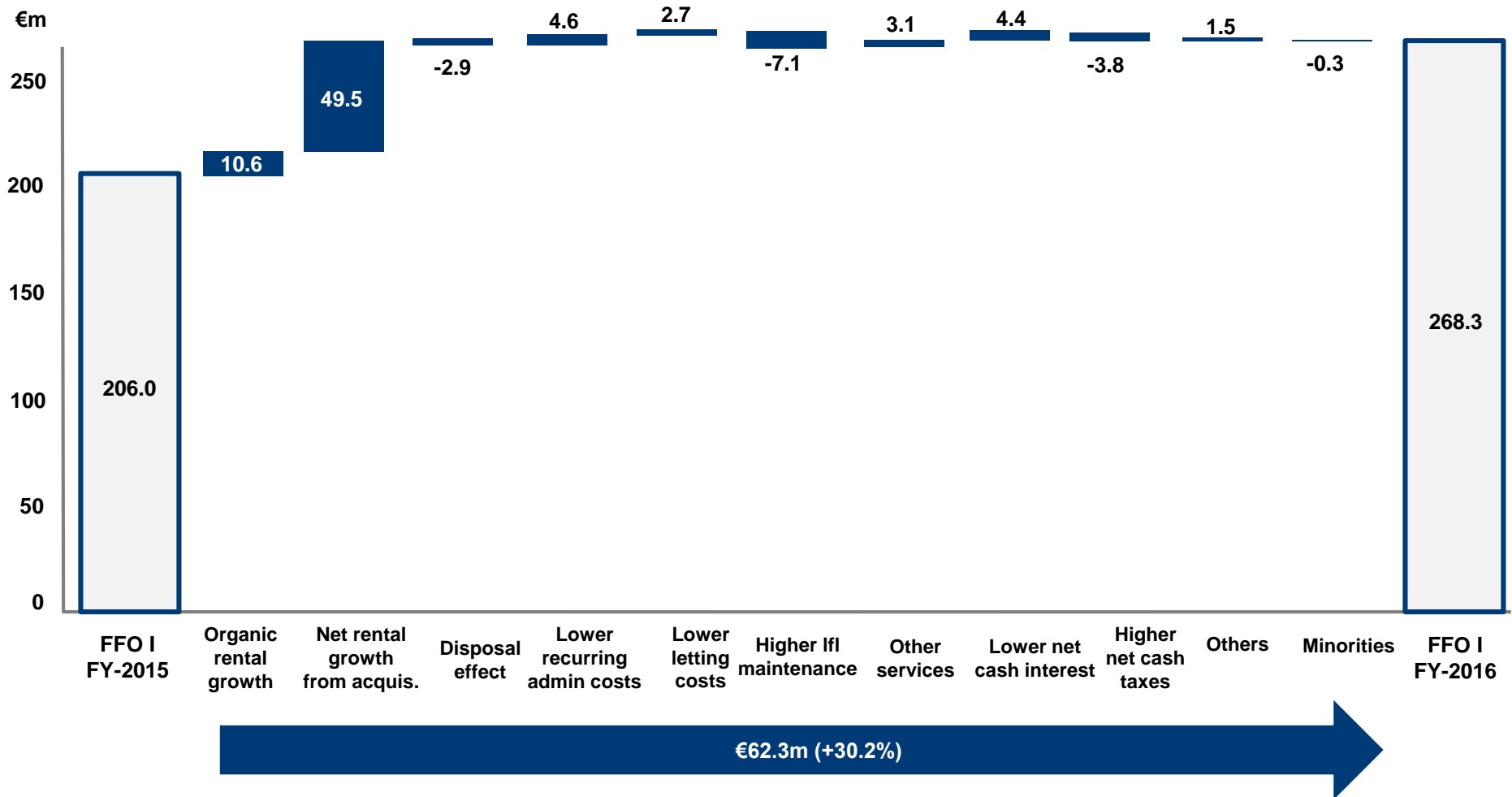
FFO Calculation

FY-2016

€ million	FY-2016	FY-2015	
Net cold rent	511.7	436.1	▪ +€75.6m (+17.3% YOY)
Profit from operating expenses	-1.6	1.2	
Maintenance	-72.0	54.4	
Staff costs	-42.2	-37.4	▪ Disproportional growth in staff costs (+12.8%) reflects efficiency gains
Allowances on rent receivables	-7.2	-6.0	
Other	-10.3	-14.4	
Non-recurring project costs (rental and lease)	2.7	2.3	
Recurring net rental and lease income	381.1	327.4	▪ +€53.7m (+16.4% YOY) ▪ NRI-margin decreased slightly due to higher maintenance expenses
Recurring net income from other services	6.0	2.9	
Staff costs	-21.6	-22.7	
Non-staff operating costs	-53.7	-33.3	▪ One-time costs (thereof €34.4m non-capitalised transaction costs including RETT)
LTIP (long-term incentive programme)	0.0	0.2	
Non-recurring project costs (admin.)	43.2	19.0	
Extraordinary and prior-period expenses	0.0	0.1	
Recurring administrative expenses	-32.1	-36.7	▪ Decreasing admin. cost base despite significant volume growth
Other income and expenses	0.7	0.1	
Adjusted EBITDA	355.7	293.7	▪ +€62.1m (+21.1% YOY) ▪ EBITDA margin 69.5% vs. 67.3% in FY-2015 (pre maintenance +380 bps)
Cash interest expenses and income	-83.2	-87.5	
Cash income taxes	-3.9	-0.2	
FFO I (including non-controlling interests)	268.6	206.0	▪ Lower average interest costs (approx. -30 bps YOY)
Non-controlling interests	-0.3	-	
FFO I (excluding non-controlling interests)	268.3	206.0	
FFO II (including disposal of investment property)	292.3	209.6	
Capex-adjusted FFO I (AFFO)	190.8	146.2	

FFO Bridge

FY-2016



Cash Effective Interest Expense

FY-2016

€ million	FY-2016	FY-2015	
Reported interest expense	177.2	181.5	
Interest expense related to loan amortisation	-81.3	-38.6	<ul style="list-style-type: none"> One-off refinancing effect of €66m in FY-2016, thereof €59.8m from refinancing of subsidised loans (loan amortisation)
Prepayment penalties / breakage costs	-6.0	-48.9	
Interest charges relating to valuation of assets/liabilities	-1.8	-1.6	<ul style="list-style-type: none"> Release of swaps and fixed interest loans (refinancing)
Leasing related interest expense	-1.6	-1.4	
Interest expenses related to changes in pension provisions	-3.2	-2.9	
Cash effective interest expense (gross)	83.3	88.1	
Cash effective interest income	0.1	0.6	
Cash effective interest expense (net)	83.2	87.5	<ul style="list-style-type: none"> Interest coverage improved further (4.3x up from 3.4x YOY)

EPRA-Net Asset Value

31 December 2016



Moderate yield compression; Attractive yield suggests further upside

€ million	31.12.2016	31.12.2015
Equity (excl. minority interests)	3,414.5	2,967.8
Effect of exercising options, convertibles and other rights	435.6	427.2
NAV	3,850.1	3,395.0
Fair value measurement of derivative financial instruments	146.7	165.5
Deferred taxes ¹⁾	644.2	466.6
EPRA-NAV	4,641.0	4,027.1
Number of shares fully-diluted incl. convertible (m) ²⁾	68.466	67.904
EPRA-NAV per share in €	67.79	59.31
Goodwill resulting from synergies	43.8	26.4
Adjusted EPRA-NAV (excl. goodwill)	4,597.2	4,000.7
Adjusted EPRA-NAV per share in €	67.15	58.92

- €579.2m net profit
- Dividend -€141.9m
- Capital increase €32.4m
- -€5.0m other comprehensive income (derivatives)

- Attractive rental yield of 6.6% (6.7% for free financed units) leaves future upside
- Value of services business not included in NAV
 - Scenario: additional value approx. €2.60 per share at discount rate of 6%³⁾

¹⁾ And goodwill resulting from deferred taxes on EPRA-adjustments

²⁾ Actual number of shares outstanding 63.19m

³⁾ Assumption: growth rate of 0%

Portfolio Revaluation

31 December 2016

Breakdown Revaluation Gains

Value drivers	<ul style="list-style-type: none"> Rent development €365m Discount rate €170m Others (costs) - €24m Payback subsidised loans €174m 	€685 m
Allocation capital growth	<ul style="list-style-type: none"> IFRS 40 gains¹ €608m <i>Payback subsidised debt</i> €174m <i>Regular revaluation</i> €434m Capitalisation capex €77m 	€685 m

Valuation Uplift by Markets

	Valuation uplift	Gross yield
High-growth markets	+6.7 % (+10.9 % ²)	5.4 %
Stable markets	+6.7 % (+7.8 % ²)	7.2 %
Higher-yielding markets	+3.7 % (+4.6 % ²)	7.9 %
Total portfolio	+6.0 % (+8.4 % ²)	6.6 %

- Higher target rents in catchment areas of big cities important value driver (especially Stable markets)
- Reported values show significant gap to recent market transactions/asking prices

¹) €616.6m incl. asset disposals

²) Valuation uplift incl. payback of subsidised loans

Portfolio

Sound property fundamentals basis for value growth

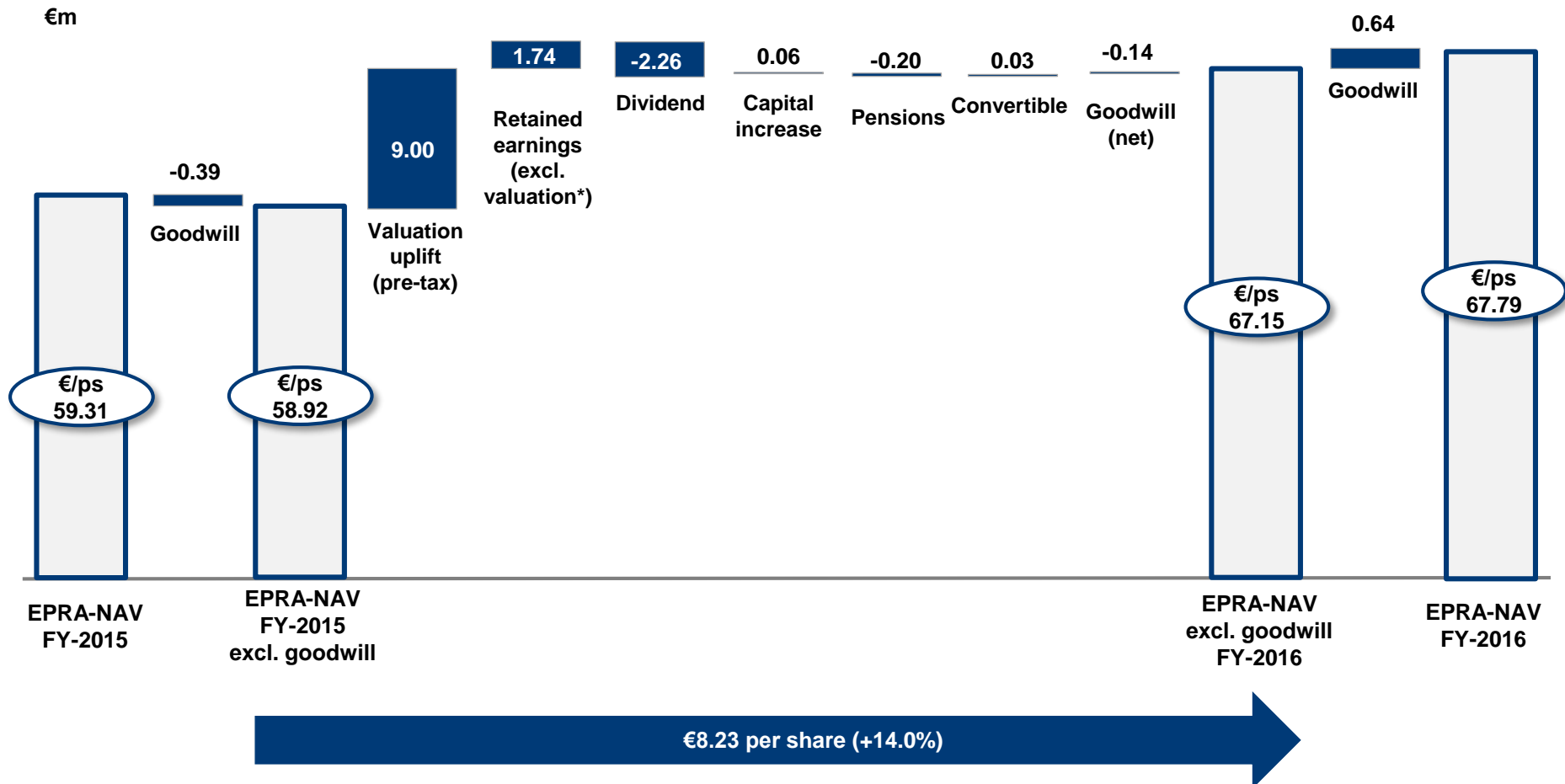


As of 31.12.2016

Market	Residential Units	GAV Residential Assets (€m)	% of Total Residential GAV	GAV/sqm (€)	In-Place Rent Multiple	Multiples, Estimated Rental Values (31.12.2016)	GAV Commercial/ Other Assets (€m)	Total GAV
High-Growth Markets	39,027	3,324	43%	1,282	18.6x	16.1x	191	3,514
Stable Markets	46,991	2,439	32%	807	13.8x	12.7x	106	2,545
Higher-Yielding Markets	40,396	1,754	23%	708	12.7x	12.0x	50	1,804
Subtotal NRW	126,594	7,516	98%	929	15.2x	13.8x	347	7,863
Portfolio outside NRW	1,894	131	2%	1,023	15.3x	14.0x	2	132
Total Portfolio	128,488	7,647	100%	930	15.2x	13.8x	349	7,995
Other Assets								70
Total								8,065

EPRA-Net Asset Value

31 December 2016



* valuation effects derivatives + deferred taxes are added back

Balance Sheet

31 December 2016

Strong balance sheet

€ million	31.12.2016	31.12.2015
Investment property	7,954.9	6,398.5
Prepayment for investment property	27.3	203.1
Other non-current assets	182.3	296.8
Non-current assets	8,164.5	6,898.4
Receivables and other assets	47.7	37.2
Cash and cash equivalents	166.7	252.8
Current assets	214.4	290.0
Assets held for disposal	57.0	6.7
Total Assets	8,435.9	7,195.1
Equity	3,436.7	2,985.0
Non-current financial liabilities	3,222.3	2,745.6
Other non-current liabilities	870.3	673.7
Non-current liabilities	4,092.6	3,419.3
Current financial liabilities	552.0	496.0
Other current liabilities	354.6	294.8
Current liabilities	906.6	790.8
Total Equity and Liabilities	8,435.9	7,195.1

- Additions €1,064.2m
- Revaluation gains €616.6m
- Capex €77.6m
- Reclassification/disposals -€199.6m

- Cash flow from operating activities €207.0m
- Dividend -€141.9m

Strong credit profile leaves headroom for growth investments

€ million	31.12.2016	31.12.2015
Financing debt	3,774.3	3,241.6
Cash & cash equivalents	166.7	252.8
Net Debt	3,607.6	2,988.8
Investment properties	7,954.9	6,398.5
Properties held for sale	57.0	6.7
Prepayments for investment properties	27.3	203.1
Prepayments for business combinations	-	146.1
Property values	8,039.2	6,754.4
Loan to Value (LTV) in %	44.9	44.2
Pro-forma LTV post conversion in %	41.5	40.4

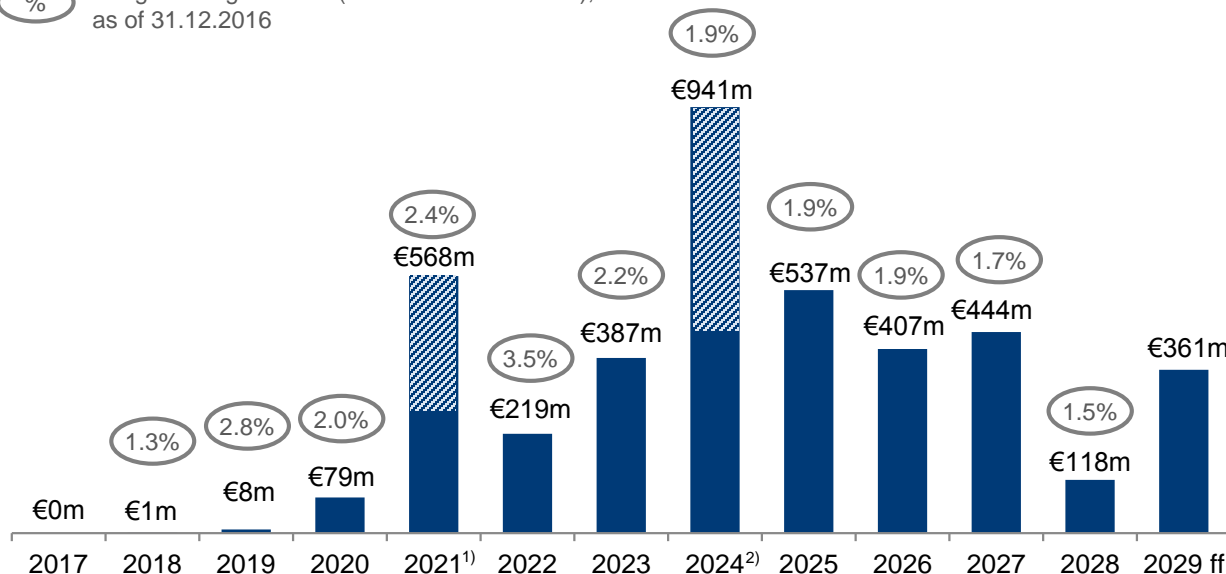
- LTV well within the updated target range of 45-50%
- Low LTV leaves headroom for additional capex and smaller acquisitions
- Yield compression is likely to trigger a further decline during the cycle

- Significant positive impact on LTV from future conversion of convertible expected (currently -340bps)

Financing Structure

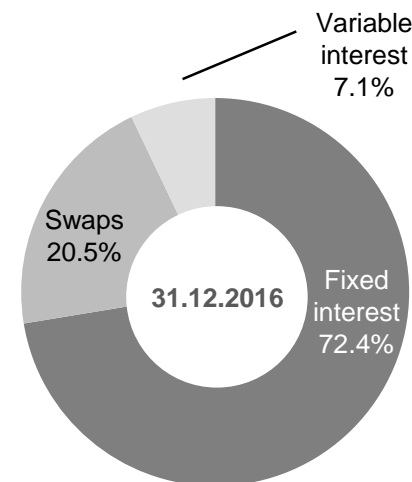
Pro forma post refinancing of subsidised loans and bond issue

(%) Weighted avg. interest (excl. subsidised loans),
as of 31.12.2016



¹⁾ Maturity 2021 with investor put option 2019 (€300 m convertible bond)

²⁾ Payback of corporate bond (€500 m)



Key Facts

Average debt maturity	9.7 years (estimate)
Interest costs	Ø 1.93% (estimate)
Hedging ratio	92.9% (31.12.2016)
Rating	Baa1 (Moody's)

Maturities

1-2 years	0.0%
3-5 years	16.1%
6-8 years	38.0%
≥ 9 years	45.9%

IV. BUSINESS UPDATE AND OUTLOOK

Business Update

Extracting superior value from an attractive asset base



Market: Rising optimism for acquisitions

- Acquisitions FY-2016: c.2,000 residential units acquired at attractive yields (Ø rental yield 7.4%)
- Deals H2-2016: No acquisition due to mismatch of price expectations (initial rental yields below implied yields)
 - Successful disposal of around 4,000 non-core units at attractive premium (+13%; €25m)
- Yield compression: Continued positive price trend also over the last couple of months
 - Most asking prices still significantly above IFRS values
 - Next portfolio revaluation scheduled for Q2-2017
- Pipeline: LEG's pipeline increased since start of the year mainly due to some "special situations"
 - Negotiation process for some mid-sized deals

New JV for craftsmen services: Another milestone of the margin expansion story

- Signing of JV contract (51% stake) with B&O – nationwide player of craftsmen services – ideally complements LEG's services strategy
 - Capacity of c.300 craftsmen secured; supply increasingly becomes bottleneck
 - Immediate positive earnings impact expected (FFO contribution >€3m)
- Focus on small repair services: Low operational risks and stable demand situation (high and stable capacity utilisation)
- Insourcing of around 25% (approx. €50m) of maintenance & capex budget 2017e
 - High flexibility and lean cost structure maintained

Capex programme on track: Examination of a potential extension

- Preparation of additional capex programme (€40m in H2-2017, total €200m until 2019) nearly completed (kick-off construction works mid-2017)
- Analysing the potential for an enlarged programme
 - Broadbased upswing in core markets creates additional growth potential
 - Identification of most attractive growth opportunities
 - New construction on existing sites, refurbishment of existing stock (repositioning of assets)

Exploiting the value potential from early redemption of subsidised loans

- Early repayment of subsidised loans (€185m; 32% of subsidised debt) triggered positive net NAV uplift of €114m
- Repayment of further smaller tranches of subsidised debt on the cards (assumption: FFO neutrality, positive NAV impact) in course of FY-2017

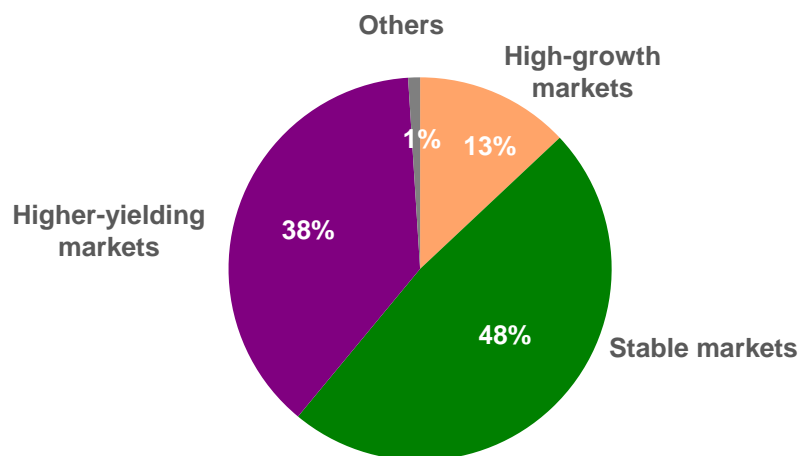
Acquisitions: Leading Management Skills Paying Off

Operational improvements reflect strong management track record



	Units	Closing		28.02.2017		Change	
		In-place rent € / sqm	Occupancy	In-place rent € / sqm	Occupancy	In-place rent € / sqm	Occupancy
Total Portfolio¹⁾	39,236	4.90	94.7%	5.26	94.8%	0.36 (+7.4%)	~ +10 bp
Vitus portfolio	9,323	4.76	96.1%	5.24	96.2%	0.48 (+10.1%)	~ +10 bp
Charlie portfolio²⁾	11,630	4.81	93.6%	5.12	93.6%	0.31 (+6.4%)	~ +/-0 bp

Portfolio¹⁾ Split by Markets



Attractive initial yields + operational improvements + low risk = Creation of tangible value

- Portfolio¹⁾: average in-place rents +7.4% (average 22.5 months, CAGR of 3.9%); vacancies down (-10 bps)
- Vitus portfolio: rent/sqm +10.1% (28 months, CAGR of 4.2%); vacancies -10 bps
- Charlie portfolio: rent/sqm +6.4% (11.1 months)

➡ Lifting attractive value potential also in Stable and Higher Yielding markets

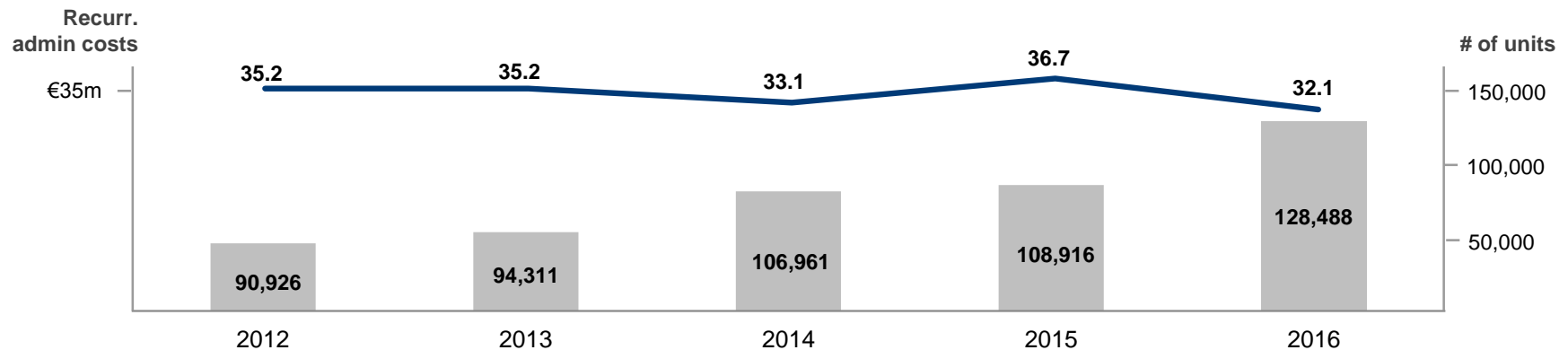
1) Acquisitions since year end 2012; excl. acquisition in Dec 2016
2) Charlie portfolio excl. disposal of ~2,000 units in Sep 2016

Acquisitions: Leading Management Skills Paying Off

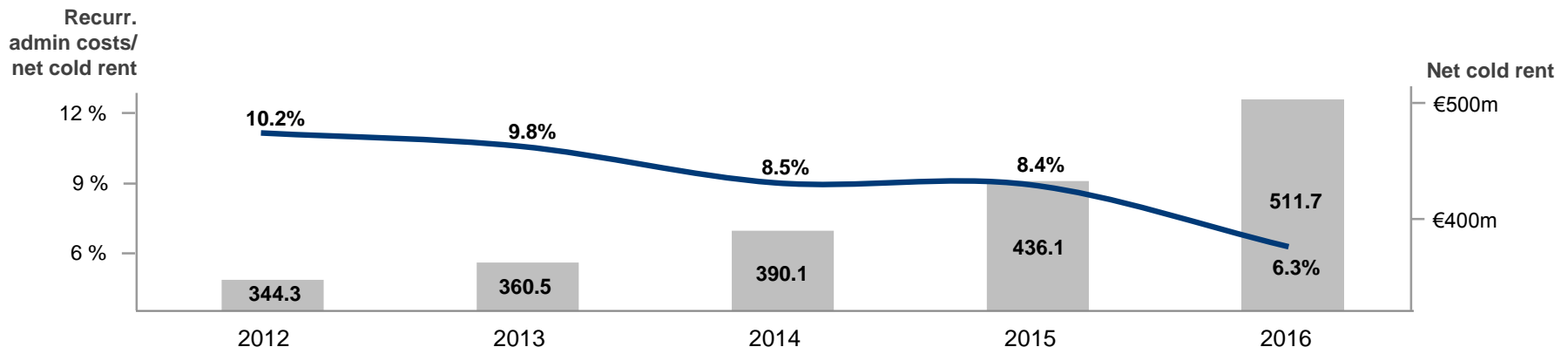
Scalability of platform + cost discipline support value accretive growth



Strong volume growth at decreasing overhead cost...



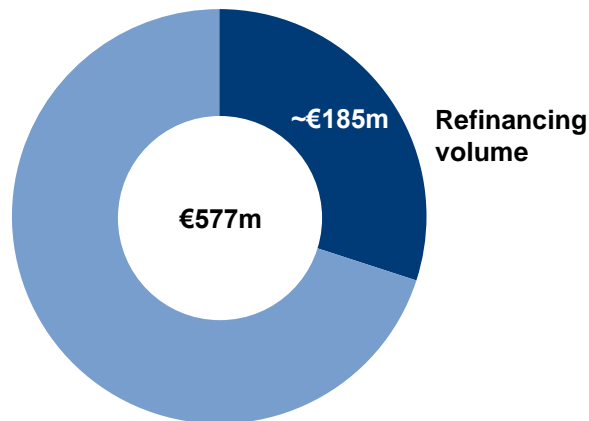
...leads to a significant drop of the admin. costs ratio



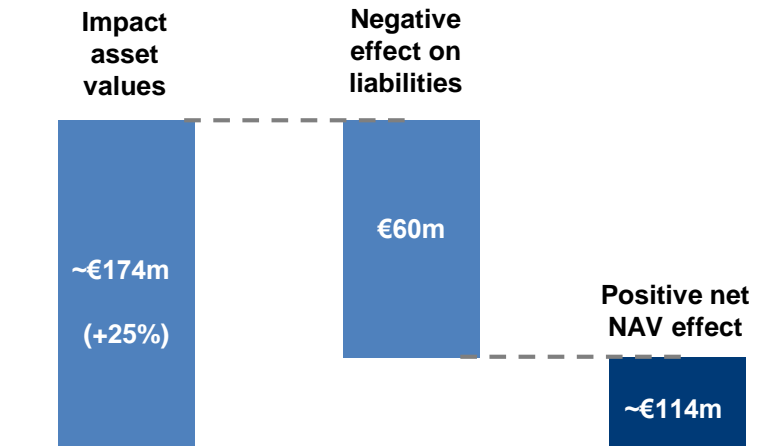
Early refinancing of subsidised loans

Positive impact on NAV and FFO growth

Subsidised Loans



NAV Impact



Successfully exploiting internal growth opportunities

- Significant reversionary potential on rent restricted portfolio (average rent €4.59 per sqm; c.25% below market rents)
- Also after partial repayment of subsidised loans (avg. maturity approx. 35 years) rents remain bound to cost rent system for a grace period of 10 years
- Positive short term effect on asset valuation of €174m (DCF model) outweighing the negative effects on the liabilities side (IFRS values of loans below nominal values)
- Annualised positive impact on FFO guidance of approx. €3m due to lower financing costs (one-time refinancing costs approx. €11m)

Outlook for 2017 - 2018

2017

Guidance

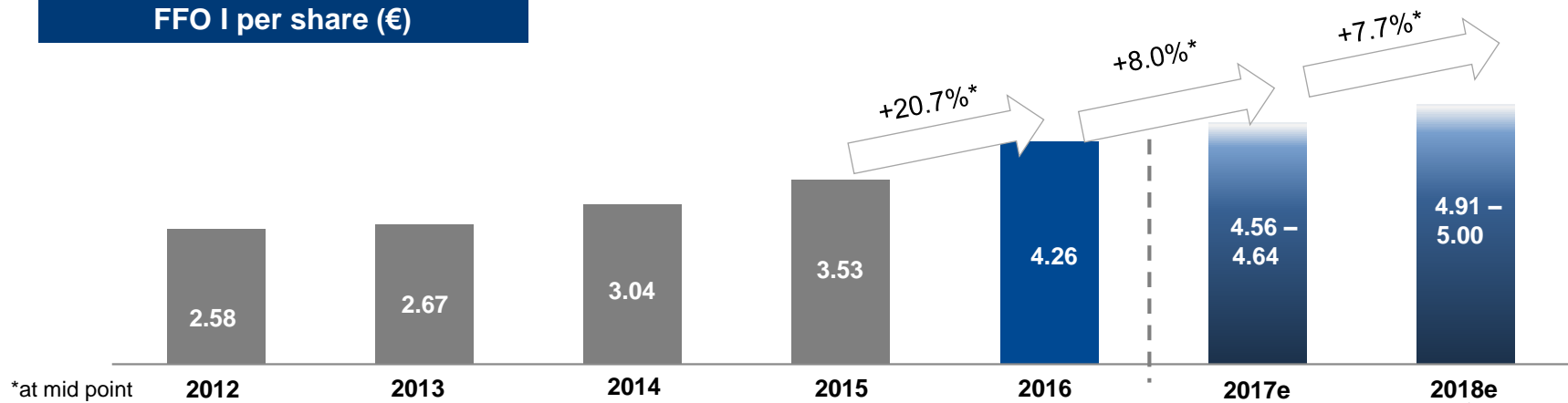
FFO I	€288m - €293m / €4.56 - €4.64 per share (up from €284m - €289m / €4.50 - €4.57 per share)
EBITDA margin	~72%
L-F-L rent growth	3.0 - 3.3%
L-F-L vacancy	-20 - -40 bps
Capex	€24/sqm
Dividend	65% of FFO I

2018

FFO I	€310m - €316m / €4.91 - €5.00 per share
EBITDA margin	~73%
L-F-L rent growth	~3.0%
Capex	€29/sqm

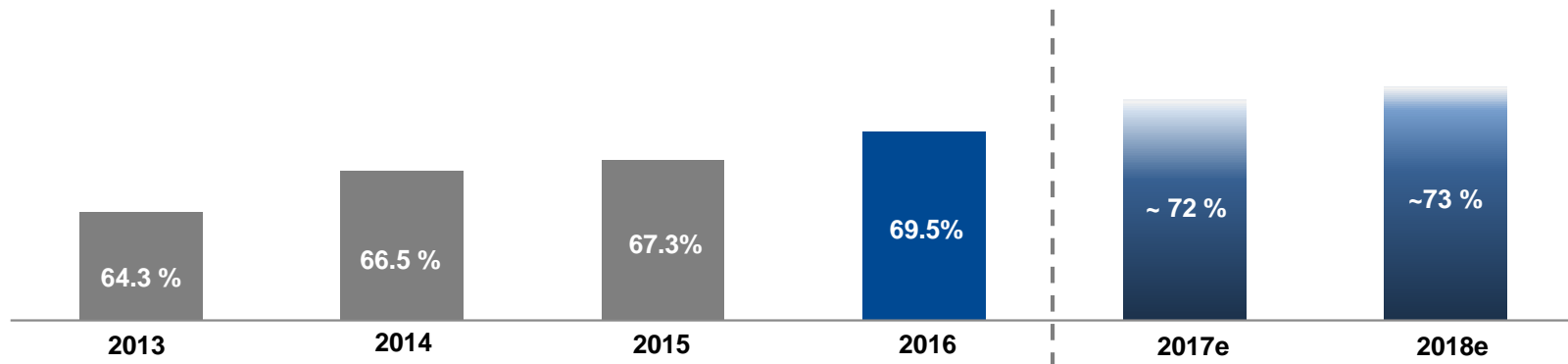
Steady Expansion of Leading Profitability

FFO I per share (€)



FFO I per share CAGR 2014-2018e*: +13.0% (excl. future acquisitions)

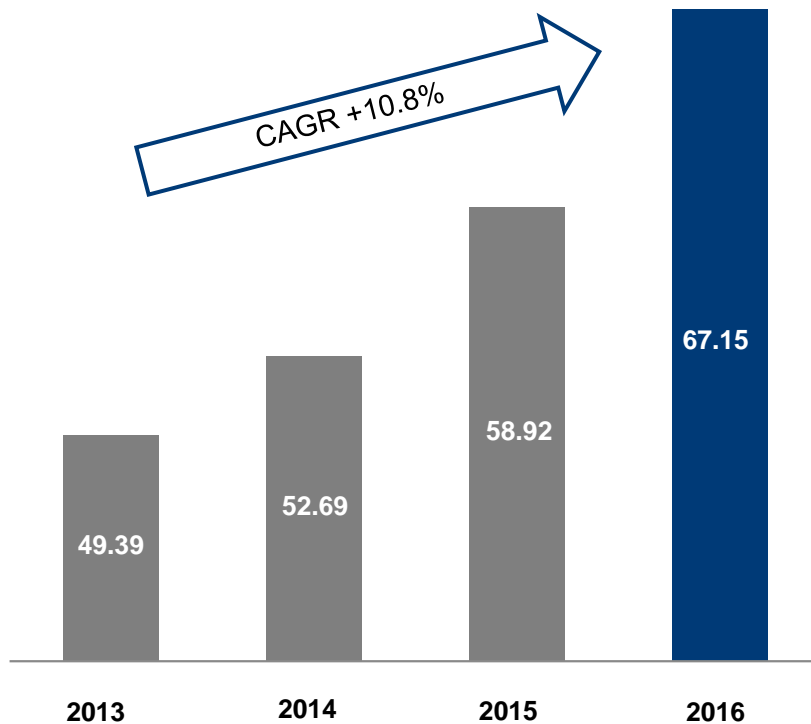
EBITDA Margin



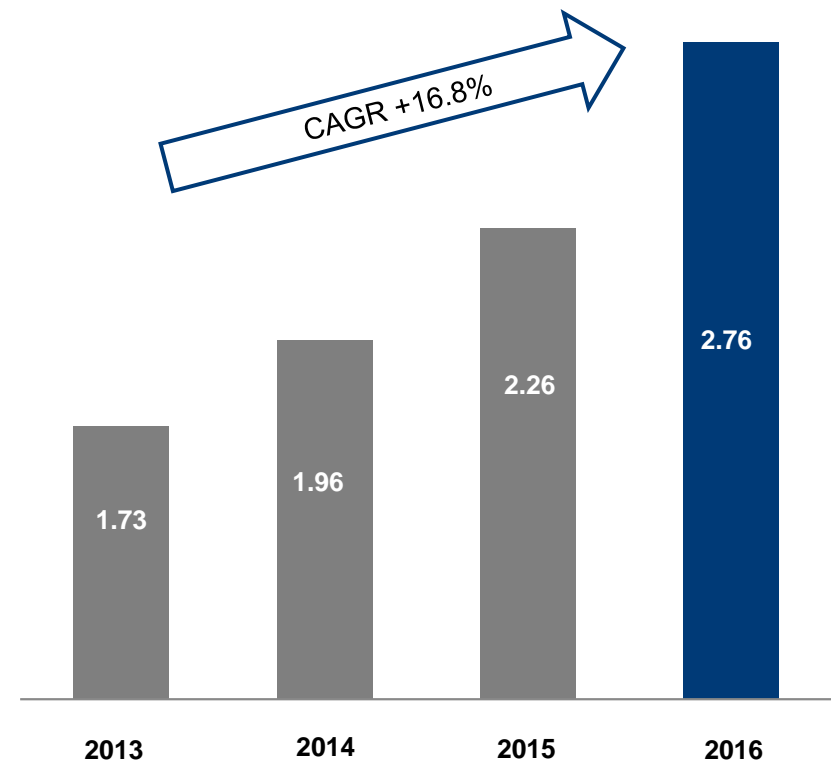
V. APPENDIX

Generating Appealing Shareholder Returns

NAV per share (€), excl. goodwill



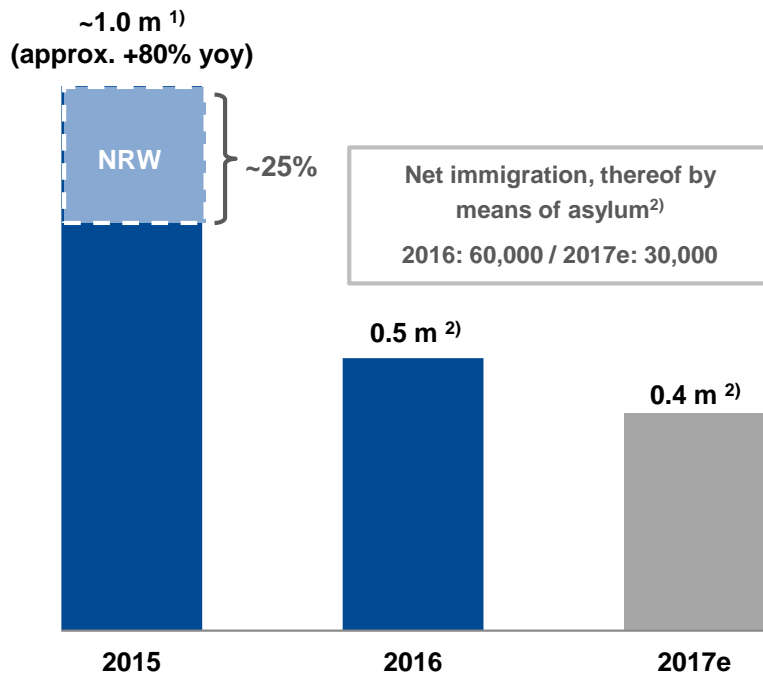
Dividend per share (€)



Net Immigration Expected to Remain at a High Level

Stabilising net immigration with decreasing share of refugees

Net Immigration to Germany



Key Facts

- In 2016, net immigration to Germany amounted to about 0.5 million ²⁾
- Deutsche Bundesbank forecasts 0.4 million additional immigrants (net) in 2017
- In 2016, c.71,000 asylum seekers³⁾ (gross) were registered in NRW (>25% of all asylum seekers²⁾)
- **Stabilising net immigration** expected for the years to come with **decreasing share of refugees**
- Immigration is **driving** overall **population growth**, **triggering additional growth in net new households**
- **Additional pressure** on **affordable housing** segment
- **Outperformance** of German economy **attracts qualified new immigration**
- **Liquid labour market** and affordable living as **pull-factors** for NRW

Sources:

1) Interview with director of Federal Agency of Migration and Refugees (Aug 2016)

2) Deutsche Bundesbank

3) Regional government of North Rhine-Westphalia

EPRA Net Initial Yield FY-2016

€ million	31.12.2016	31.12.2015
Investment properties	7,950.9	6,101.6
Assets held for sale	57.0	6.7
Market value of residential property portfolio (net)	8,007.9	6,108.3
Estimated incidental costs	789.2	601.5
Market value of residential property portfolio (gross)	8,797.0	6,709.8
Annualised cash flow from rental income (gross)	500.3	428.1
Non recoverable operating costs	-79.1	-61.4
Annualised cash flow from rental income (net)	421.2	366.7
EPRA Net Initial Yield in %	4.8	5.5

EPRA Cost Ratio FY-2016

€ million	31.12.2016	31.12.2015
Adjusted EBITDA	-355.8	-293.7
Rental income	511.7	436.1
Maintenance	-72.0	-54.4
Management costs	83.9	88.0
Maintenance	72.0	54.4
Leasehold interests	-4.3	-3.9
EPRA costs (incl. directly attr. vacancy costs)	151.6	138.5
Directly attributable vacancy costs	-6.3	-6.0
EPRA costs (excl. directly attr. vacancy costs)	145.3	132.5
Rental income	511.7	436.1
Leasehold interests	-4.3	-3.9
Rental income (gross)	507.4	432.2
EPRA cost ratio (incl. directly attr. vacancy costs) in %	29.9	32.0
EPRA cost ratio (excl. directly attr. vacancy costs) in %	28.6	30.7
EPRA cost ratio adjusted by maintenance (incl. directly attr. vacancy costs) in %	15.7	19.5
EPRA cost ratio adjusted by maintenance (excl. directly attr. vacancy costs) in %	14.4	18.1

LEG – Adj. EBITDA Margin

Leading profitability despite short term distortion from restricted units

LEG

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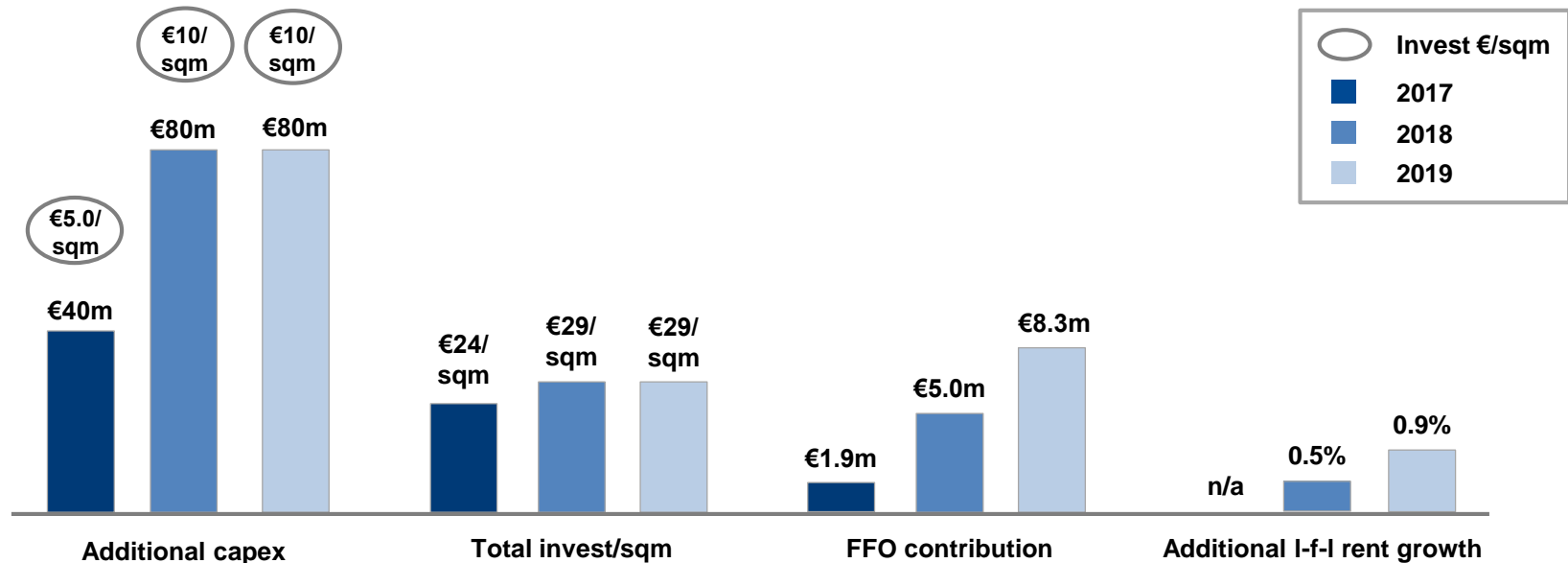
Adj. EBITDA margin	2016		2015	
	€m	margin %	€m	margin %
As reported	355.7	69.5	293.7	67.3
Gap restricted vs. unrestricted rents ¹⁾	26.3	71.0	22.5	68.9

¹⁾ €/sqm: €4.67 vs. €5.56 in 2016, €4.67 vs. €5.48 in 2015

- EBITDA as reported distorted by restricted units (compensation for lower rents included in interest result below the EBITDA line)
- Scenario analysis: closing gap between restricted vs. unrestricted rents; **Adjusted EBITDA margin approx. 150 bps higher**

Capex Programme

Lifting internal growth potential



Additional upside for value enhancing capex measures due to steadily improving market fundamentals

- Additional investment programme of €200m with significant contribution to l-f-l rent and FFO growth
- Emphasis on attractive locations in high-growth markets (c.65% of total investment) with significant rent potential (e.g. Münster, Bonn, Monheim in catchment area of Düsseldorf)
- Strict capital discipline maintained – IRR hurdle of 6%
- Construction work will start in H2-2017 with first effects on rent development in FY-2018

Overview Acquisitions FY-2016

Average acquisition yield of 7.4% underscores LEG's strength to source attractive deals

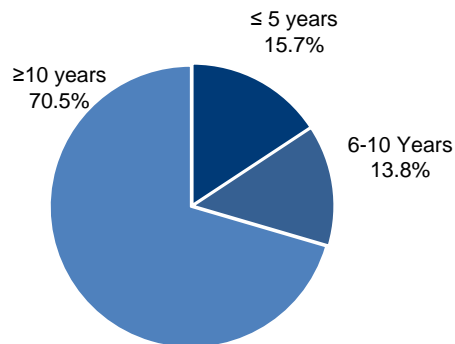
Deal #	Units acquired	Geographic focus	Market	Annual net cold rent	In place rent/sqm	Vacancy rate	Signing	Purchase price	Closing
1	~1,100	Recklinghausen, Herne	Stable/ Higher Yielding	~EUR 4.0m	EUR 4.46	5.4%	Apr 2016	c.EUR 53m	May 2016
2	~560	Hamm, Krefeld, Duisburg	High Growth/ Stable	~EUR 1.8m	EUR 4.96	7.1%	July 2016	not disclosed	Dec 2016
3	~320	Duisburg, Herten	Higher Yielding/ Stable	~EUR 2.0m	EUR 4.62	2.1%	Aug 2016	not disclosed	Jan 2017
	c.2,000								

Rent revisionary potential

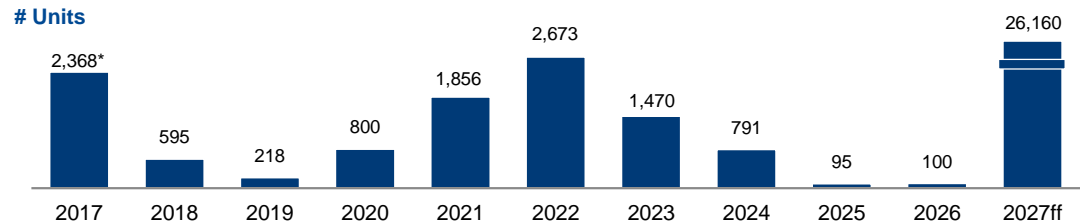
Refinancing of subsidised loans lifting value

Rent Potential Subsidised Units

- In the following 10 years around **11,000 units will come off rent restriction**
- Units show **significant upside to market rents**
- Subject to general legal and other restrictions, the **economic upside can theoretically be realised the year after restrictions expire**

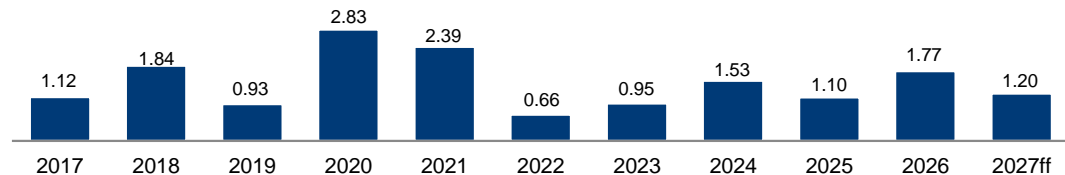


Number of Units Coming Off Restriction and Rent Upside



* Thereof 2,095 units in Q1-2017

Spread to Market Rent € /sqm /month



	≤ 5 years ²⁾	6 – 10 years ²⁾	≥ 10 years ²⁾
In-place rent	€4.52	€4.63	€4.83
Market rent ¹⁾	€6.33	€5.54	€6.03
Upside potential ³⁾	40%	20%	25%
Upside potential p.a. ³⁾	€9.2m	€3.8m	€25.6m

Source: LEG as of FY-2016

1) 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.

2) ≤5 years = 2017-2021; 6-10 years = 2022-2026; ≥10 years = 2027ff.

3) Rent upside is defined as the difference between LEG in-place rent as of FY-2016 and market rent (defined in footnote 1) as of FY-2016.

Mietspiegel Overview

Expected new Mietspiegel in 2017



Release date (expected)	High-Growth Markets	Stable Markets	Higher-Yielding Markets	Total Portfolio
2017 (Q1)	7,383 units (mainly Cologne, Bocholt)	17,257 units ¹ (mainly Dortmund, Wuppertal, Solingen)	22,940 units (mainly Duisburg, Gelsenkirchen, Herne)	47,580 units ¹
2017 (Q2)	6,075 units (Münster)	1,602 units	1,236 units (mainly Dorsten)	8,913 units
2017 (Q3)	-	2,060 units (mainly Krefeld)	263 units	2,323 units
2017 (Q4)	429 units	36 units	2,464 units (Castrop-Rauxel)	2,929 units
Total ¹	13,887 units	20,955 units¹	26,903 units	61,745 units¹
Thereof:				
- Castrop-Rauxel			2,464 units	
- Cologne	3,902 units			
- Dortmund		13,164 units		
- Duisburg			7,123 units	
- Gelsenkirchen			6,736 units	
- Herne			3,153 units	
- Münster	6,075 units			
- Recklinghausen			2,692 units	
- Solingen		1,474 units		
- Wuppertal		2,028 units		

Sub-portfolios also include restricted units

¹ Mietspiegel for Dortmund (13,164 units affected) already published in Jan 2017

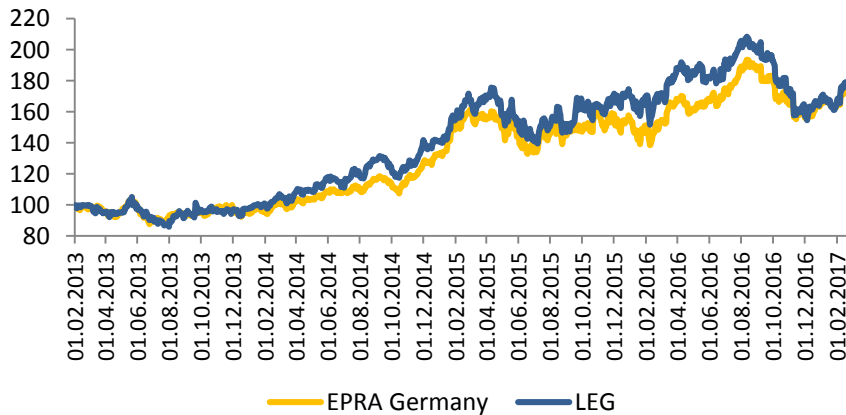
LEG Share Information



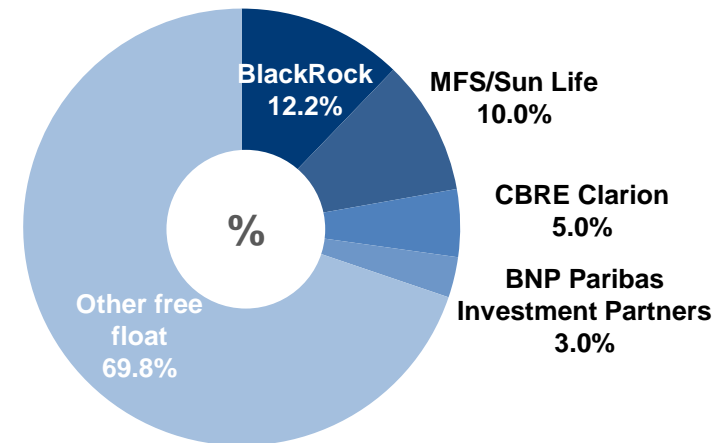
Basic data

- Prime Standard, Frankfurt Stock Exchange
- Total no. of shares: 63,188,185
- Ticker symbol: LEG
- ISIN: DE000LEG1110
- Indices: MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600
- Weighting (31.12.2016): MDAX 2.65%; EPRA 2.34%
- Rating: Baa1 (stable) by Moody's

Share price (06.03.2017, indexed; 31.01.2013 = 100)



Well-balanced shareholder structure



Source: LEG; shareholdings according to latest voting rights notifications

Capital Market Financing

Diversification of LEG's funding sources



Corporate Bond	
Issue Size	EUR 500m
Term / Maturity Date	7 years / 23 January 2024
Coupon	1.250 % p.a.
Issue Price	99.409 %
Initial Re-offer Yield	1.339 %
Financial Covenants	<p>Incurrence-based:</p> <ul style="list-style-type: none"> • Net financial debt / total assets \leq 60% • Secured financial debt / total assets \leq 45%¹⁾ • Unencumbered assets / unsecured financial debt \geq 125%¹⁾ <p>Maintenance-based:</p> <ul style="list-style-type: none"> • Adj. EBITDA / net cash interest \geq 1.8x
ISIN	XS1554456613
WKN	A2E4W8

Convertible Bond	
Issue Size	EUR 300m
Term / Maturity Date	7.2 years / 1 July 2021
Coupon	0.500 % p.a.
Initial Conversion Price	EUR 62.39
Adjusted Conversion Price	EUR 56.8403 (as of 20 May 2016)
Investor Put	1 July 2019
Issuer Call	From 22 July 2019, if the LEG share price exceeds 130 % of the then applicable conversion price
ISIN	DE000LEG1CB5
WKN	LEG1CB

¹⁾ After 31 July 2017

Financial Calendar

Date	Report/Event
09.03.2017	Annual Report as of 31 December 2016
10.03.2017	Roadshow Zurich, Société Générale
16.03.2017	Roadshow Munich, Bankhaus Lampe
21.03.2017	Roadshow London, Deutsche Bank
22.03.2017	Commerzbank German Residential Property Forum, London
23.03.2017	HSBC Real Estate Conference, Frankfurt
29.03.2017	Bankhaus Lampe Deutschland Konferenz, Baden-Baden
05.04.2017	Roadshow Dusseldorf/Cologne, M.M. Warburg
10.05.2017	Quarterly Statement Q1 as of 31 March 2017

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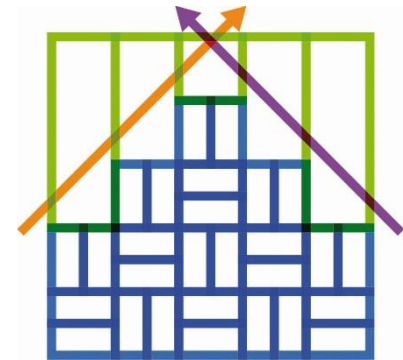
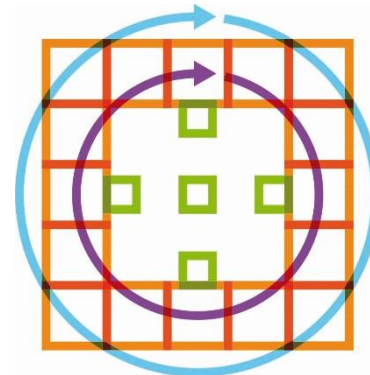
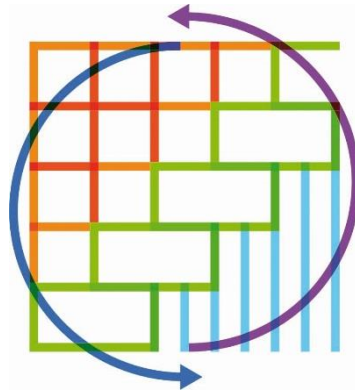
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Thank you for your interest.