



# Conference call presentation Q1 2018

GROWING CASHFLOWS

**TAG**  
Immobilien AG

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# TAG 2018

TAG highlights Q1 2018

# TAG highlights Q1 2018

Operational performance		<b>Q1 2018</b>	<b>Q4 2017</b>	<b>FY 2017</b>
	▪ <b>Vacancy</b> (residential units)	5.6%	4.8%/5.3%*	4.8%
	▪ <b>L-f-L rental growth Y-o-Y</b>	2.0%	2.0%	2.0%
	▪ <b>L-f-L rental growth Y-o-Y incl. vacancy reduction</b>	2.6%	3.1%	3.1%
	▪ <b>FFO I</b> (EUR m)	35.1	34.1	127.4
	▪ <b>FFO I</b> (EUR/share)	0.24	0.23	0.87
EPRA NAV and LTV		<b>31 Mar-2018</b>	<b>31 Dec-2017</b>	<b>31 Dec-2016</b>
	▪ <b>EPRA NAV</b> (EUR/share)	14.01	13.80	11.53
	▪ <b>LTV</b>	51.4%	52.3%	57.1%
Ongoing disposals	<p>108 units signed in 3M 2018 (FY 2017: 427 units). Total selling price of EUR 6.9m (FY 2017: EUR 22.5m). Book profit of EUR 0.3m (FY 2017: EUR 1.7m). Net cash proceeds of EUR 6.7m (FY 2017: EUR 20.5m). Closing in the course of 2018.</p>			

\* including acquisitions in 2017, part of vacancy in residential units from Q1 2018 onwards

# TAG 2018

TAG financials Q1 2018



# TAG income statement (IFRS)

(in EUR millions)		Q1 2018	Q4 2017	FY 2017
<b>Net rent*</b>	1	75.6	75.0	293.0
Expenses from property management*		-15.8	-15.9	-57.1
<b>Net rental income</b>	2	59.8	59.1	235.9
Net revenue from services	3	4.5	5.1	15.3
Net revenue from sales		-0.5	-0.9	0.0
Other operating income		1.6	1.3	5.7
Valuation result	4	-0.5	253.7	293.0
Personnel expenses		-10.8	-10.8	-41.4
Depreciation		-1.0	-1.1	-3.9
Other operating expenses	5	-3.7	-13.1	-25.8
<b>EBIT</b>		49.4	293.3	478.9
Net financial result	6	-15.6	-14.6	-82.4
<b>EBT</b>		33.8	278.7	396.5
Income tax	7	-7.1	-58.7	-82.8
<b>Net income</b>		26.7	220.0	313.7

\*w/o IFRS 15 effects; for further details see Interim Report Q1 2018

1 Increase in net rent of EUR 0.6m q-o-q driven by total f-l rental growth and net effect from portfolio transactions.

2 Net rental income increased by EUR 0.7m q-o-q. Higher maintenance expenses of EUR 0.9m offset by lower impairments of rental receivables and higher net rent.

3 Net revenue from services decreased by EUR 0.6m mainly driven by positive year end effects in Q4 2017.

4 No material valuation result in Q1 2018; EUR 253.7m valuation gain in Q4 2017 due to full portfolio valuation.

5 Other operating expenses decreased q-o-q due to cost savings in Q1 2018 (+EUR 0.9m) and EUR 8.5m provision for real estate transfer tax risks from prior years accounted for in previous quarter.

6 Net financial result decreased by EUR 1.0m q-o-q driven by income from investments in Q4 2017; net financial result (cash, after one-offs) improved by EUR 0.5m.

7 Income tax mainly contains deferred taxes; cash tax expenses in Q1 2018 at EUR 1.1m (EUR 0.3m in Q4 2017).

# TAG EBITDA, FFO and AFFO calculation

(in EUR millions)	Q1 2018	Q4 2017	FY 2017
<b>Net income</b>	<b>26.7</b>	<b>220.0</b>	<b>313.7</b>
+ Income tax	7.1	58.7	82.8
+ Net financial result	15.6	14.6	82.4
<b>EBIT</b>	<b>49.4</b>	<b>293.3</b>	<b>478.9</b>
+ Adjustments			
Net revenue from sales	0.5	0.9	0.0
Valuation result	0.5	-253.7	-293.0
Depreciation	1.0	1.1	3.9
One-offs (2017: provision for real estate transfer tax risks; 2016: project and personnel costs)	0.0	8.5	8.5
<b>EBITDA (adjusted)</b> <span style="float: right;">1</span>	<b>51.4</b>	<b>50.1</b>	<b>198.3</b>
<i>EBITDA (adjusted) margin</i>	68.0%	66.8%	67.7%
- Net financial result (cash, after one-offs)	-15.0	-15.5	-67.0
- Cash taxes	-1.1	-0.3	-3.1
- Cash dividend payments to minorities	-0.2	-0.2	-0.8
<b>FFO I</b> <span style="float: right;">2</span>	<b>35.1</b>	<b>34.1</b>	<b>127.4</b>
- Capitalised maintenance	-1.6	-2.8	-12.0
<b>AFFO before modernisation capex</b>	<b>33.5</b>	<b>31.3</b>	<b>115.4</b>
- Modernisation capex	-11.4	-10.4	-30.8
<b>AFFO</b> <span style="float: right;">3</span>	<b>22.1</b>	<b>20.9</b>	<b>84.6</b>
Net revenue from sales	-0.5	-0.9	0.0
<b>FFO II</b>	<b>34.6</b>	<b>33.2</b>	<b>127.4</b>
(FFO I + net revenue from sales)			
<i>Weighted average number of shares outstanding (in '000)</i> <span style="float: right;">4</span>	<i>146,410*</i>	<i>146,439*</i>	<i>145,709*</i>
<b>FFO I per share (EUR)</b>	<b>0.24</b>	<b>0.23</b>	<b>0.87</b>
<b>AFFO per share (EUR)</b>	<b>0.15</b>	<b>0.14</b>	<b>0.58</b>

**1** Improved EBITDA of EUR 1.3m q-o-q mainly as a result of higher net rental income (+EUR 0.7m) and lower other operating expenses (+EUR 0.9m). EBITDA margin in Q1 2018 improved to 68.0% (66.8% in Q4 2017).

**2** FFO I (+EUR 1.0m) also benefited from reduced net financial result (cash, after one-offs) of EUR 0.5m, higher cash taxes of EUR 0.8m as an opposing effect.

**3** AFFO increased by EUR 1.2m due to increase in FFO I of EUR 1.0m and lower capex of EUR 0.2m q-o-q.

**4** Average NOSH slightly reduced due to newly acquired treasury shares for management and employee compensation (150,000 shares acquired in the market in Q1 2018; TAG owns 210,000 treasury shares as of 31 Mar-2018).

\*Excluding potential shares from convertible bond 2017/2022 (trading out of the money)

# TAG balance sheet (IFRS)

(in EUR millions)	31 Mar-2018	31 Dec-2017
<b>Non-current assets</b>	<b>4,154.7</b>	<b>4,243.8</b>
Investment property	4,076.9	4,166.0
Deferred tax assets	45.1	45.4
Other non-current assets	32.7	32.4
<b>Current assets</b>	<b>366.2</b>	<b>339.2</b>
Real estate inventory	48.7	48.1
Cash and cash equivalents <b>1</b>	284.8	263.7
Other current assets	32.7	27.4
<b>Non-current assets held-for-sale</b>	<b>138.8</b>	<b>51.5</b>
<b>TOTAL ASSETS</b>	<b>4,659.7</b>	<b>4,634.5</b>
<b>Equity</b>	<b>1,672.0</b>	<b>1,646.6</b>
Equity (without minorities)	1,650.9	1,625.9
Minority interest	21.1	20.7
<b>Non-current liabilities</b>	<b>2,602.0</b>	<b>2,618.1</b>
Financial debt	2,217.0	2,238.6
Deferred tax liabilities	364.5	358.9
Other non-current liabilities	20.5	20.6
<b>Current liabilities</b>	<b>385.7</b>	<b>369.8</b>
Financial debt	259.1	275.2
Other current liabilities <b>2</b>	126.6	94.6
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,659.7</b>	<b>4,634.5</b>
<b>LTV*</b> <b>3</b>	51.4%	52.3%

\*For further details on LTV calculation see Appendix



Schwerin

**1** Increased cash position after net cash proceeds in Q1 2018 from disposals of EUR 36.1m.

**2** Increase of other current liabilities due to net cash proceeds from sales prior to closing.

**3** Change in LTV (-90 bps) mainly driven by disposals and ongoing results/amortisation of bank loans.



# TAG EPRA NAV calculation

(in EUR millions)	31 Mar-2018	31 Dec-2017
<b>Equity (without minorities)</b>	<b>1,650.9</b>	<b>1,625.9</b>
+ Deferred taxes on investment properties and financial derivatives	366.0	362.3
+ Fair value of financial derivatives	8.1	8.4
+ Difference between fair value and book value for properties valued at cost	24.1	24.8
<b>= EPRA NAV</b>	<b>2,049.1</b>	<b>2,021.4</b>
<i>Number of shares outstanding (in '000)</i>	<i>146,289*</i>	<i>146,439*</i>
<b>EPRA NAV per share (EUR)</b>	<b>14.01</b>	<b>13.80</b>

\*Excluding potential shares from convertible bond 2017/2022 (trading out of the money)

- Higher EPRA NAV mainly driven by net income in Q1 2018.
- Next portfolio valuations at 30 Jun-2018 and 31 Dec-2018



Dresden



Stralsund

# TAG cost of debt and LTV

## Cost of debt Ø



- Continuous reduction of average cost of debt from FY 2015 onwards.
- Average cost of debt as of 31 Mar-2018 excluding already refinanced corporate bond due Aug-2018 (effective coupon 4.83%) on a pro-forma basis down to 2.14%.

## LTV\*



- LTV target of c. 50% expected to be reached by YE 2018.
- Current LTV target ensures efficient use of capital as well as stable and conservative financing structure given TAG's moderate portfolio valuation level (fair value per sqm of c. EUR 850 and current LTV of 51.4% leads to average financial debt of c. EUR 440 per sqm).

\*For further details on LTV calculation see Appendix



Salzgitter



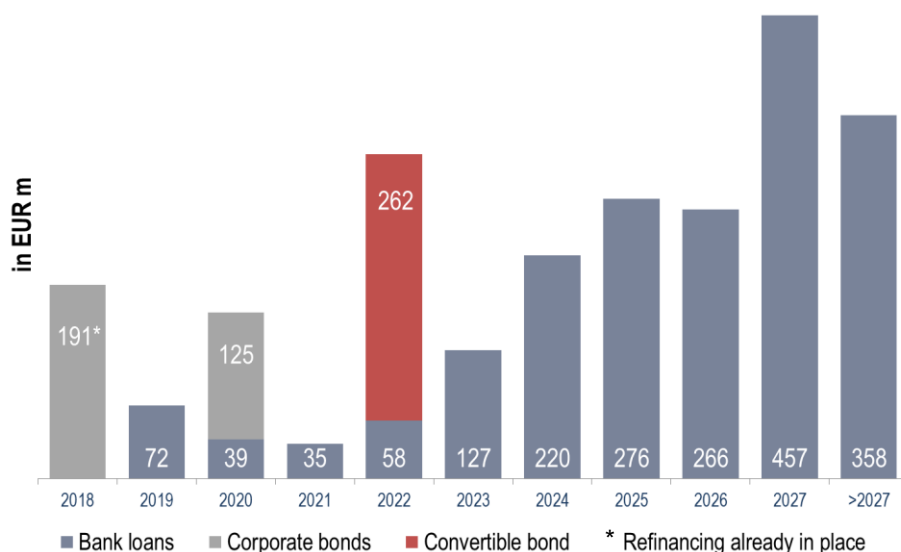
Brandenburg, Havel



Freiberg

# TAG debt financing structure

## Debt maturity profile as of 31 Mar-2018



## Average maturities as of 31 Mar-2018

- Bank loans: 10.1 years (31 Dec-2017: 10.3 years)
- Total financial debt: 8.7 years (31 Dec-2017: 8.6 years)

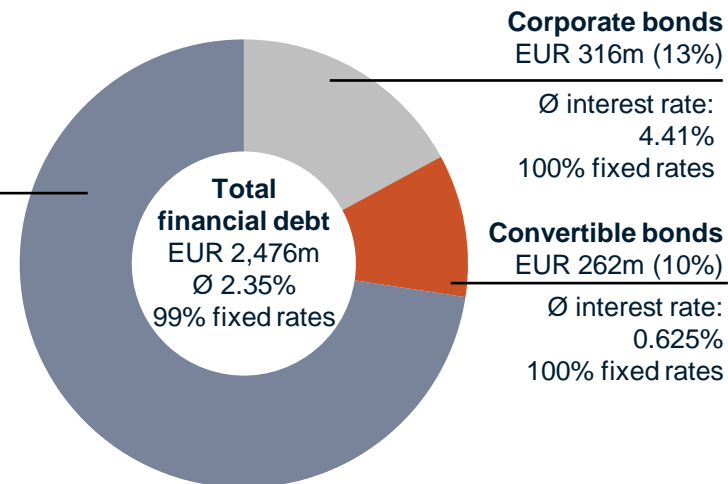
## Upcoming refinancings 2018-2020

- EUR 326m of bank loans maturing or with interest terms ending in 2018-2020 with average coupons of c. 2.8%-3.6% p.a.
- EUR 191m corporate bond 2013/2018 to be repaid in Aug-2018 (effective coupon of 4.83% p.a.)
- EUR 125m corporate bond 2014/2020 matures in Jun-2020 (coupon of 3.75% p.a.)

## Interest rates

**Bank loans**  
EUR 1,898m (77%)

Ø interest rate:  
2.25%  
99% fixed rates



(in EUR millions)	Q1 2018	Q4 2017	FY 2017
+ Interest income	0.2	1.4	3.0
- Interest expenses	-15.9	-18.7	-88.0
+ Net profit from investments	0.1	2.7	2.6
<b>= Net financial result</b>	<b>-15.6</b>	<b>-14.6</b>	<b>-82.4</b>
thereof non-cash financial result from convertible/corporate bonds	0.4	0.5	1.1
thereof breakage fees bank loans and early repayment of bonds	0.0	0.9	14.4
thereof other non-cash financial result (e.g. from derivatives)	0.2	-2.3	-0.1
<b>= Net financial result (cash, after one-offs)</b>	<b>-15.0</b>	<b>-15.5</b>	<b>-67.0</b>
ICR (EBITDA adjusted/net financial result cash, after one-offs)	3.4x	3.2x	3.0x
Net financial debt/EBITDA adjusted	10.8x	11.2x	11.3x

# TAG 2018

TAG portfolio Q1 2018

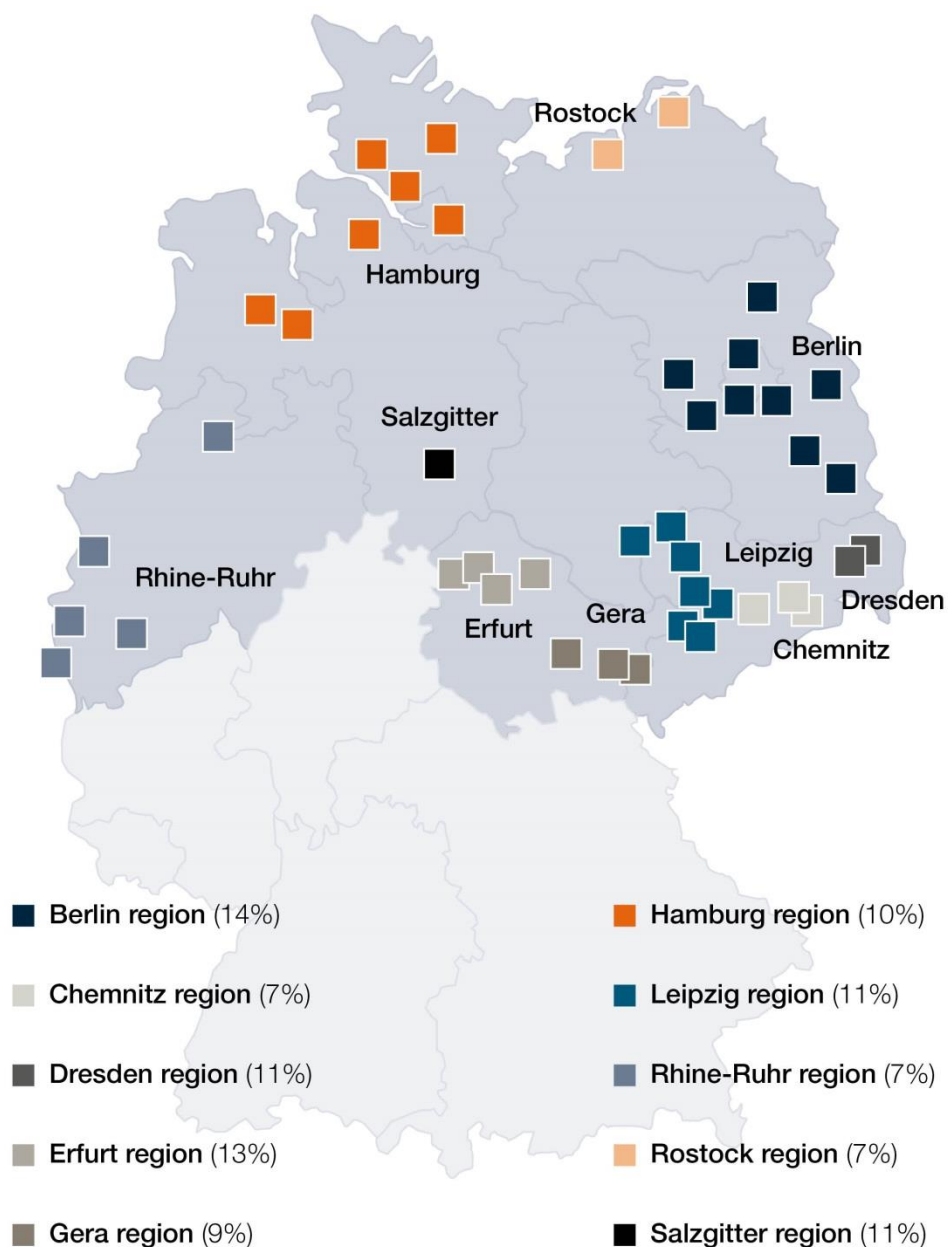
# TAG portfolio in total as of 31 Mar-2018

TAG is a leader in affordable housing in Northern and Eastern Germany.

The portfolio is structured in ten defined regions in and around large and mid-sized cities.

The management of these regions is conducted in a decentralized fashion.

TAG's local presence ensures high operational efficiency and strengthens local sourcing and asset management capabilities.



% acc.: proportional IFRS book value real estate volume

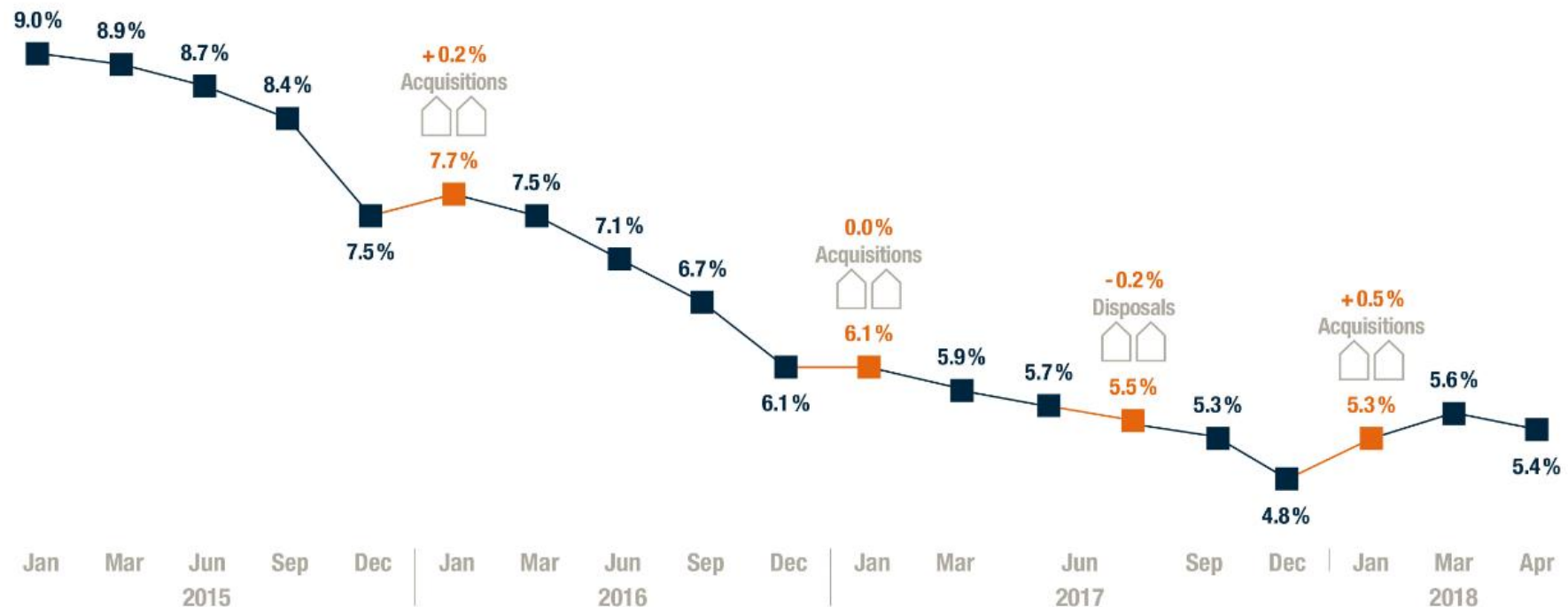
Portfolio as of	31 Mar-2018	31 Dec-2017
Units	82,784	83,140
Rentable area in sqm	5,031,307	5,054,778
Real estate volume in EURm	4,274.1	4,275.4
Annualised current net rent in EURm (total portfolio)	301.9	303.3
Current net rent in EUR/sqm / month (total portfolio)	5.32	5.31
Current net rent in EUR/sqm month (residential units)	5.19	5.20
Vacancy in % (total portfolio)	5.9	5.8
Vacancy in % (residential units)	5.6	4.8
L-f-I rental growth in % (Y-o-Y)	2.0	2.0
L-f-I rental growth in % (including vacancy reduction, Y-o-Y)	2.6	3.1



# TAG strong vacancy reduction

Expert in sourcing, acquiring and managing residential properties

- TAG exhibits strong local presence in its core regions which allows for excellent market knowledge and efficient operation of properties.
- Levering on its strong local network TAG explicitly aims to acquire smaller and / or geographically diversified portfolios for which competition is relatively low.
- TAG explicitly aims to acquire assets with higher vacancy rates and / or rental upside potential which is then lifted by TAG's active asset management by selective investment of capex and refurbishment measures.
- Vacancy reduction of newly acquired properties provides an additional source of rental income and value growth. This is underpinned by recent results with c. 25% (gross) revaluation result stemming from operational measures rather than from yield compression.

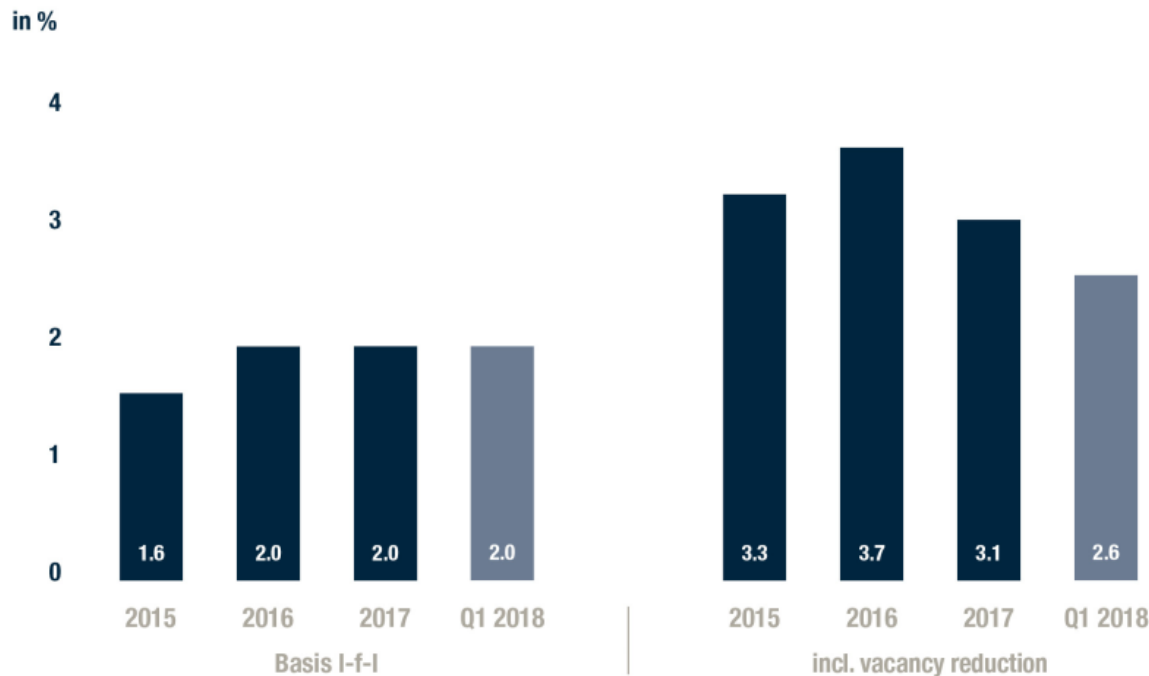


# TAG attractive and efficient rental growth

Rental growth achieved with moderate investments

- TAG creates attractive rental growth from
  - regular rent increases and tenant turnover (“basis I-f-I rental growth”) and
  - from vacancy reduction (leading to “total I-f-I rental growth”).
- Targeted and efficient capex strategy: investments in vacancy reduction result in highly attractive returns: c. 8%-13% return on capex in the property based program and c. 45%-50% in the single unit program regarding modernisation of vacant flats\*.
- Basis I-f-I rental growth is achieved without large modernisation programs for existing tenants or in the re-letting process. This shows strong underlying fundamentals in TAG’s markets.

\*For further details on return on capex see Appendix



in EUR/sqm	2015 (FY)	2016 (FY)	2017 (FY)	Q1 2018 (3 months)
Maintenance and capex	15.15	15.41	15.12	4.44

# TAG 2018

TAG outlook FY 2018

# TAG guidance FY 2018

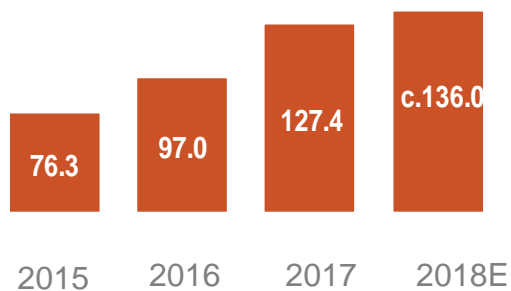
Guidance  
FY 2018  
(unchanged,  
to be reviewed  
post Q2 2018)

- **FFO** EUR 135m-137m (7% increase Y-o-Y)
- **FFO/s** EUR 0.93 (7% increase Y-o-Y)
- **Dividend/s** EUR 0.70 (8% increase Y-o-Y, equals 75% of FFO)

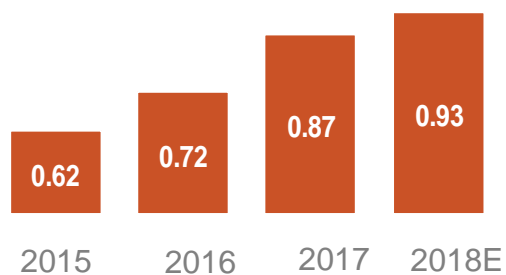


Senftenberg

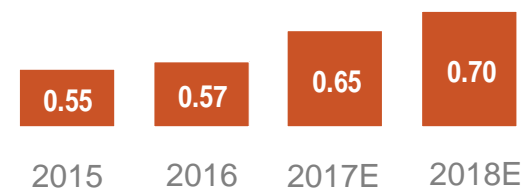
### FFO in EURm



### FFO per share in EUR



### Dividend per share in EUR



# TAG upcoming events

## Annual General Meeting

23 May 2018  
Hamburg

- Dividend payment of EUR 0.65/s
- Elections to the supervisory board: with the exception of Dr. Hans-Jürgen Ahlbrecht, all current shareholder representatives on the supervisory board will be nominated for re-election, Prof. Dr. Kristin Wellner as new representative recommended.
- Resolution to approve the remuneration system for the management board
- Resolution to renew authorised capital:
  - EUR 29m shares (c.19% of the existing share capital)
  - 10% cap for issuances excluding shareholders' pre-emptive subscription rights
  - Total combined 10% cap for issuances excluding shareholders' pre-emptive subscription rights across authorised and contingent capital
- Resolution to renew contingent capital:
  - EUR 29m (c.19% of the existing share capital)
  - 10% cap for exclusion of shareholders' pre-emptive subscription rights
  - Total combined 10% cap for issuances excluding shareholders' pre-emptive subscription rights across authorised and contingent capital

## Capital Markets Day

12 June 2018  
Brandenburg  
an der Havel

- Presentations:
  - Berlin region: acquisitions and capex strategies exemplified by TAG's Brandenburg portfolio
  - Service business and future projects @ TAG
  - Berlin region: Even better than the Capital? – Key facts and developments from a macroeconomic point of view  
Prof. Dr. Tobias Just, International Real Estate Business School, University of Regensburg
- Property tour



# TAG 2018

APPENDIX

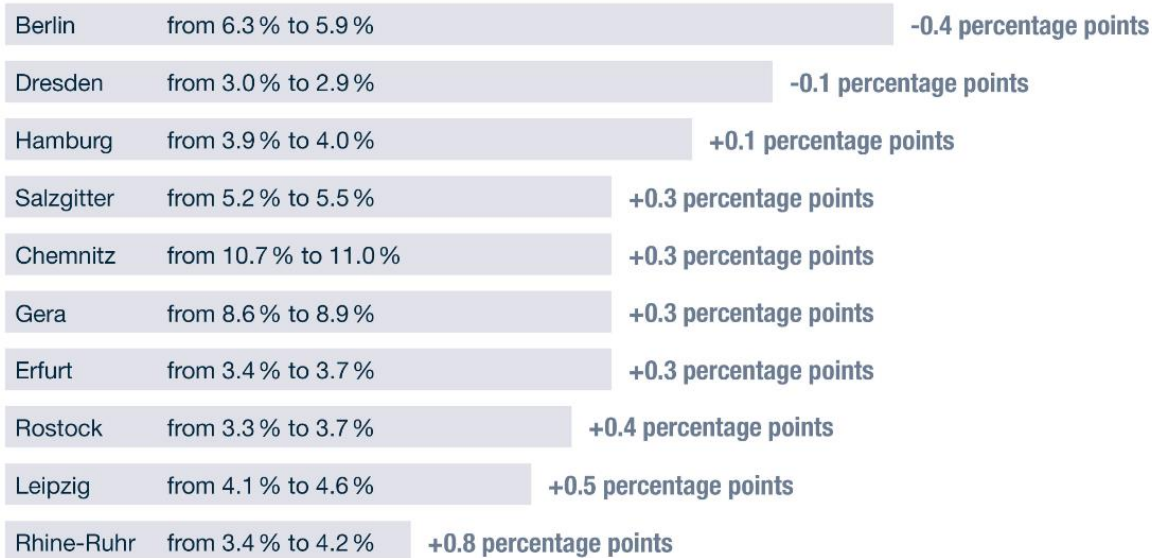
# TAG portfolio details by region

Region	Units #	Rentable area sqm	IFRS BV EURm Mar-2018	In-place yield	Vacancy Mar-2018	Vacancy Dec-2017	Current net 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
Berlin	10,233	583.282	601.0	6.0%	5.9%	4.9%	5.51	6.06	3.6%	3.6%	1.69	2.95
Chemnitz	7,660	443.217	293.8	7.7%	11.0%	9.7%	4.81	4.86	0.7%	3.2%	1.33	8.26
Dresden	6,333	411.119	437.7	6.1%	2.9%	3.1%	5.53	5.77	2.6%	3.6%	1.16	1.08
Erfurt	10,531	592.239	534.1	6.5%	3.7%	1.7%	5.07	5.59	1.4%	1.5%	1.14	1.67
Gera	9,757	568.038	395.6	7.7%	8.9%	8.6%	4.88	5.32	1.9%	2.7%	1.50	3.85
Hamburg	7,130	437.968	427.2	6.5%	4.0%	4.0%	5.46	5.80	1.9%	1.8%	3.06	1.24
Leipzig	10,279	611.586	471.3	7.5%	4.6%	3.6%	5.03	5.43	1.4%	1.6%	1.54	1.07
Rhine-Ruhr	4,700	299.499	283.7	6.4%	4.2%	2.9%	5.27	5.61	1.2%	0.7%	3.97	1.80
Rostock	5,613	335.955	292.6	7.1%	3.7%	3.2%	5.34	5.61	1.4%	2.6%	1.40	3.00
Salzgitter	9,177	563.077	450.4	7.3%	5.5%	5.2%	5.15	5.45	2.6%	3.9%	1.88	2.10
<b>Total residential units</b>	<b>81,413</b>	<b>4,845,979</b>	<b>4,187.4</b>	<b>6.8%</b>	<b>5.6%</b>	<b>4.8%</b>	<b>5.19</b>	<b>5.56</b>	<b>2.0%</b>	<b>2.6%</b>	<b>1.77</b>	<b>2.67</b>
Commercial units within resi. portfolio	1,195	152,984	---	---	17.2%	17.6%	7.84	---	---	---	--	--
Total residential portfolio	82,608	4,998,963	4,187.4	7.1%	5.9%	5.8%	5.26	---	---	---	1.72	2.59
Other	176	32,343	86.7	5.6%	6.0%	9.9%	13.35	---	---	---	2.0	1.22
Grand total	82,784	5,031,307	4,274.1	7.0%	5.9%	5.8%	5.32	---	---	---	1.72	2.58

# TAG vacancy reduction and rental growth

## Vacancy development per region

### Q1 2018

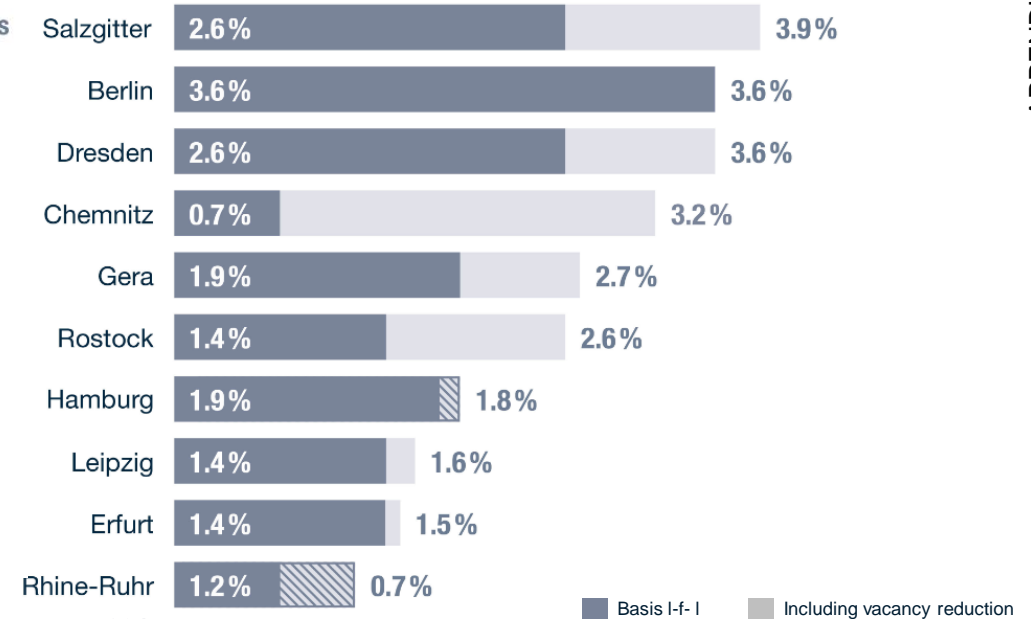


### 2017

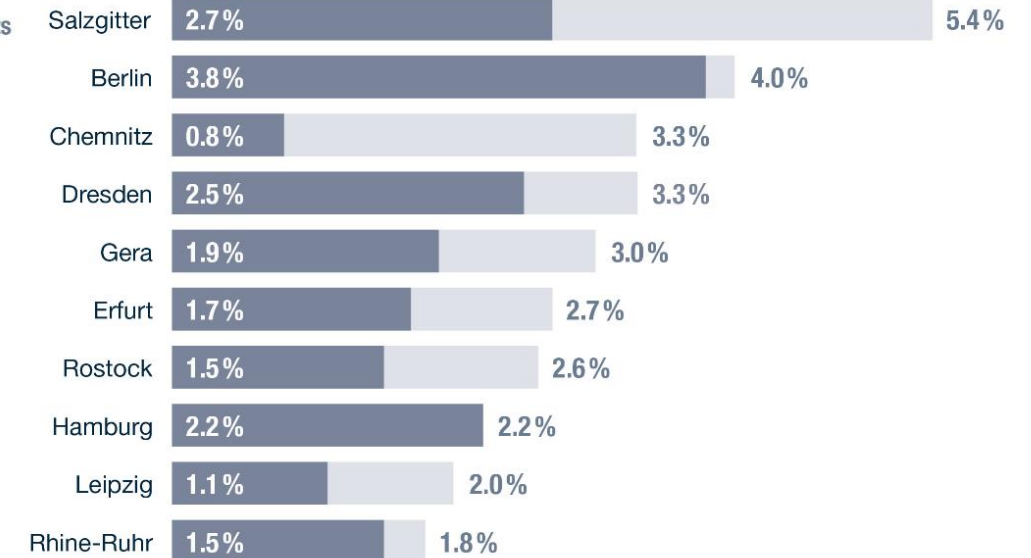


## L-f-I rental growth per region (Y-o-Y)

### Q1 2018



### 2017



# TAG portfolio valuation overview

- Total valuation gain in 2017 of EUR 549.7m before change in treatment of transaction costs led to c. 14% annual valuation uplift and c. 80 bps gross yield reduction:

- c. EUR 411.6m gain from yield compression
- c. EUR 138.1m gain from stronger rental growth and vacancy reduction

Net valuation gain of EUR 293.0m in 2017 (EUR -256.7m effect from change in treatment of transaction costs).

- Since 30 Jun-2017: Alignment in treatment of transaction cost with peer group due to increased uncertainty of future treatment of share deals with respect to real estate transfer tax: full deduction of potential transaction costs for the full portfolio.
- Next portfolio valuations at 30 Jun-2018 and 31 Dec-2018

## Key metrics

	Mar-2018	Dec-2017	Dec-2016 (adjusted for transaction costs)	Dec-2016 (as reported)
Book value (EUR/sqm)	c.850	c. 845	c. 740	c. 790
Gross yield	7.0%	7.1%	7.9%	7.4%
Implied multiple	14.2x	14.1x	12.7x	13.5x

**Valuation remains at conservative levels with c. EUR 850 / sqm and 7.0% gross yield**



Lauta



Riesa



Dresden

# TAG portfolio valuation details

Region (in EUR millions)	Mar-2018 Fair value (IFRS)	Mar-2018 Fair value (EUR/sqm)	Mar-2018 Implied multiple	Q1 2018 Valuation result	Share of yield compression	Share of operational performance/ other market developments	Dec-2017 Fair value (IFRS)	Dec-2017 Fair value (EUR/sqm)	Dec-2017 Implied multiple
<b>Berlin</b>	601.0	977.5	15.6x	-0.2	0.0	-0.2	566.2	1,002.4	15.8x
<b>Chemnitz</b>	293.7	639.5	12.5x	-0.1	0.0	-0.1	278.4	606.7	11.9x
<b>Dresden</b>	437.7	1,032.5	16.0x	0.0	0.0	0.0	431.0	1,038.3	16.1x
<b>Erfurt</b>	534.1	867.9	14.5x	0.0	0.0	0.0	498.1	862.6	14.1x
<b>Gera</b>	395.6	663.7	12.5x	-0.1	0.0	-0.1	390.0	660.7	12.5x
<b>Hamburg</b>	427.2	954.6	14.9x	-0.1	0.0	-0.1	421.1	950.0	14.9x
<b>Leipzig</b>	471.3	754.5	13.0x	-0.1	0.0	-0.1	409.5	763.1	12.8x
<b>Rhine-Ruhr</b>	283.7	908.5	14.7x	0.0	0.0	0.0	271.5	917.3	14.5x
<b>Rostock</b>	292.6	859.5	13.8x	0.0	0.0	0.0	283.7	860.9	13.8x
<b>Salzgitter</b>	450.4	797.7	13.4x	0.0	0.0	0.0	449.2	795.6	13.4x
<b>Total residential units</b>	<b>4,187.4</b>	<b>837.6</b>	<b>14.1x</b>	<b>-0.5</b>	<b>0.0</b>	<b>-0.5</b>	<b>3,998.8</b>	<b>837.2</b>	<b>14.0x</b>
Acquisitions 2018	0	0	0x	0.0	0.0	0.0	182.0	761.4	15.0x
<b>Total residential portfolio</b>	<b>4,187.4</b>	<b>837.6</b>	<b>14.1x</b>	<b>-0.5</b>	<b>0.0</b>	<b>-0.5</b>	<b>4,180.8</b>	<b>833.6</b>	<b>14.0x</b>
Other	86.7	2,681.6	17.8x	0.0	0.0	0.0	94.7	2,415.6	17.5x
<b>Grand total*</b>	<b>4,274.1</b>	<b>849.5</b>	<b>14.2x</b>	<b>-0.5</b>	<b>0.0</b>	<b>-0.5</b>	<b>4,275.4</b>	<b>845.8</b>	<b>14.1x</b>

\* Real estate inventory and real estate within property, plant and equipment valued at historical/amortized cost under IFRS.



# TAG EPRA Earnings

(in EUR millions)	Q1 2018	Q4 2017	FY 2017
<b>Net income</b>	<b>26.7</b>	<b>220.1</b>	<b>313.7</b>
Valuation result	0.5	-253.7	-293.0
Deferred income taxes on valuation result	3.6	64.1	76.9
Net revenues from sales	0.5	0.9	0.0
Fair value valuation of derivative financial instruments	0.0	0.7	1.2
Breakage fees bank loans and payments for repurchase/conversion of bonds	0.0	1.1	14.4
Cash dividend payments to minorities	-0.2	-0.2	-0,8
<b>EPRA Earnings</b>	<b>31.1</b>	<b>33.0</b>	<b>112.4</b>
Deferred income taxes (other than on valuation result)	2.4	-5.9	2.8
Other non cash financial result	0.6	-2.6	-0.2
One off's (in 2017: provision for real estate transfer tax risks)	0.0	8.5	8.5
Depreciation	1.0	1.1	3.9
<b>Adjusted EPRA Earnings (FFO I)</b>	<b>35.1</b>	<b>34.1</b>	<b>127.4</b>
Weighted average number of shares (outstanding)	146,410	146,439	145,709
<b>EPRA Earnings per share (in EUR)</b>	<b>0.21</b>	<b>0.23</b>	<b>0.77</b>
<b>Adjusted EPRA Earnings (FFO I) per share (in EUR)</b>	<b>0.24</b>	<b>0.23</b>	<b>0.87</b>

# TAG LTV calculation

(in EUR millions)	31 Mar-2018	31 Dec-2017
Non-current and current liabilities to banks	1,899.0	1,935.4
Non-current and current liabilities from corporate bonds	321.0	322.2
Non-current and current liabilities from convertible bonds	256.1	256.2
Cash and cash equivalents	-284.8	-263.7
<b>Net financial debt</b>	<b>2,191.3</b>	<b>2,250.1</b>
Book value of investment properties	4,076.9	4,166.0
Book value of property reported under property, plant and equipment	9.7	9.8
Book value of property held as inventory	48.7	48.1
Book value of property reported under non-current assets held-for-sale	138.8	51.5
<b>Real estate volume</b>	<b>4,274.1</b>	<b>4,275.4</b>
Book value of property for which purchase prices have already been paid (or received) in advance	-37.6	-0.3
Difference between fair value and book value for properties valued at cost	24.1	24.8
<b>Relevant real estate volume for LTV calculation</b>	<b>4,260.6</b>	<b>4,299.9</b>
<b>LTV</b>	<b>51.4%</b>	<b>52.3%</b>

# TAG maintenance and capex

in EUR millions		2017					2018
Total portfolio	Q1	Q2	Q3	Q4	Total FY		Q1
Maintenance	7.3	6.9	7.5	7.4	29.1		8.6
Capex	7.9	9.9	11.8	13.2	42.8		13.0
Total	15.2	16.8	19.3	20.6	71.9		21.6

in EUR/sqm		2017					2018
Residential units	Q1	Q2	Q3	Q4	Total FY		Q1
Maintenance	1.55	1.62	1.58	1.49	6.24		1.77
Capex	1.66	2.18	2.43	2.61	8.88		2.67
Total	3.21	3.80	4.01	4.10	15.12		4.44



Chemnitz



# TAG return on capex

## Modernisation is key element of TAG's strategy

- Capex measures can be broken down into
  - Modernisation of vacant flats (longer term vacancy)
  - Modernisation of flats during re-letting (tenant turnover)
  - Large modernisation measures (comprehensive building-related measures)
  
- Using modernisation 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 modernisation measures are financed via bank loans and equity, all other modernisation measures are equity-financed

## Methodology

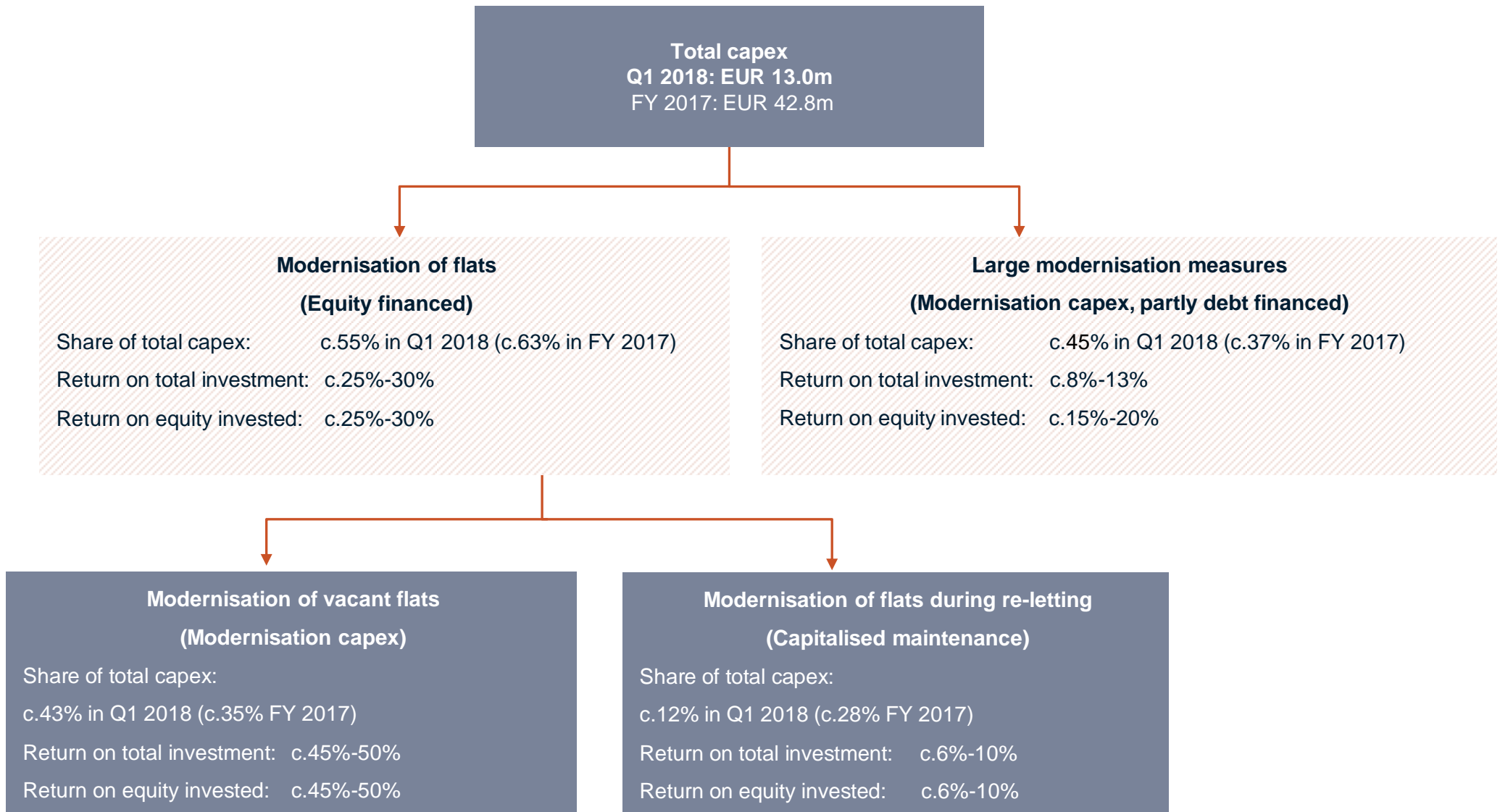
$$1 \quad \frac{\text{Incremental revenues}}{\text{Total investment}} = \text{Return on investment}$$

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

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

\* Subject to scope of measures

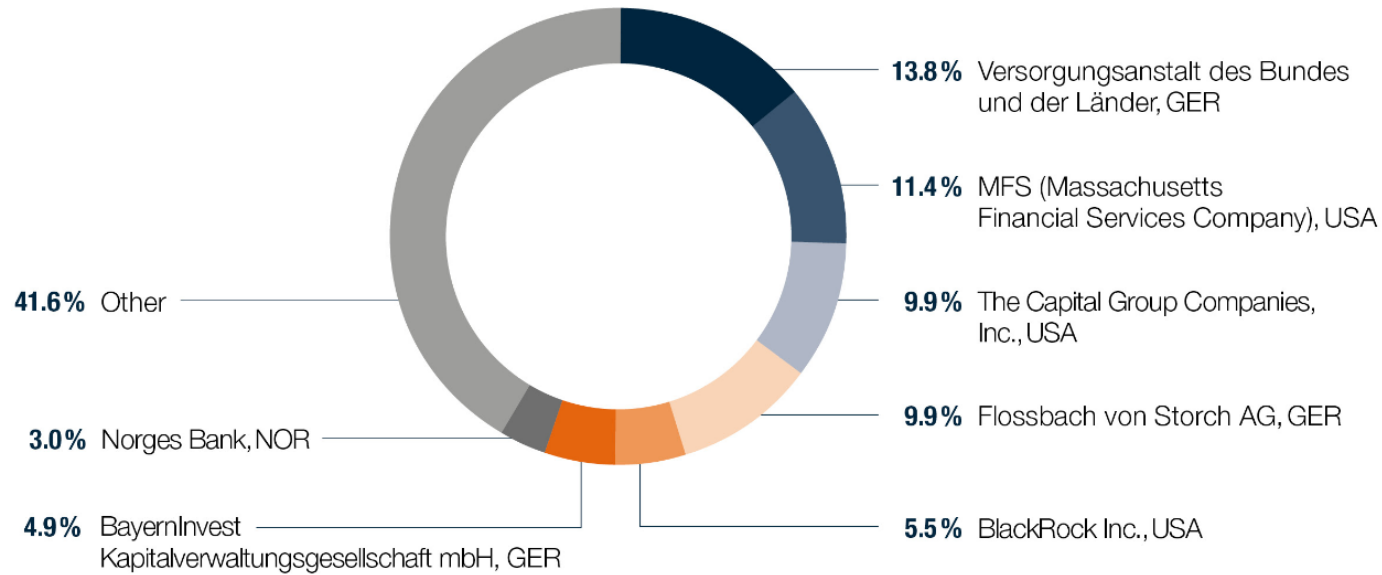
# TAG return on capex





# TAG shareholder structure

Shareholder structure as of 31 Mar-2018



■ Number of shares (issued)	146.5m
■ Market capitalisation (31 Mar-2018)	EUR 2.5bn
■ Stock indices	MDAX/EPRA
■ Free Float *	100%
* Deutsche Börse definition including institutional investors	



Bestensee



Rostock



Jänschwalde

# TAG management board



**Claudia Hoyer**  
**COO**

- Key responsibilities: Property and Asset Management, Acquisitions and Disposals, Shared Service Center
- 
- Age 45
  - Joined TAG as COO 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 45
  - Joined TAG as CFO in April 2014
  - Business degree, CPA 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 61
  - With TAG for more than 15 years, member of the management board since April 2011
  - Law degree, over 25 years of experience in real estate legal affairs

# TAG contacts

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**CFO**

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