



Conference call presentation Q2 2018

GROWING CASHFLOWS

TAG
Immobilien AG

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TAG 2018

TAG highlights Q2 2018

TAG highlights Q2 2018

	Q2 2018	Q1 2018	FY 2017	Q2 2017	
Operational performance	▪ Vacancy (residential units)	5.5%	5.6%	4.8%	5.5%
	▪ Vacancy (total portfolio)	5.8%	5.9%	5.8%	6.2%
	▪ L-f-L rental growth Y-o-Y	1.9%	2.0%	2.0%	2.0%
	▪ L-f-L rental growth Y-o-Y incl. vacancy reduction	2.5%	2.6%	3.1%	3.3%
	▪ FFO I (EUR m)	36.1	35.1	127.4	30.9
	▪ FFO I (EUR/share)	0.25	0.24	0.87	0.21
EPRA NAV and LTV	30 Jun-2018	31 Mar-2018	31 Dec-2017	30-Jun 2017	
	▪ EPRA NAV (EUR/share)	15.15	14.01	13.80	11.65
	▪ LTV	50.2%	51.4%	52.3%	57.5%
Acquisitions	▪ Neubrandenburg (Mecklenb.-West.-Pom.)	117 units acquired in in June 2018, closing in Q3 2018 expected. Total purchase price EUR 4.0m, current net rent p.a. EUR 0.33m (EUR/sqm 4.66). Acquisition multiple 12.2x. Vacancy 1.8%.			
	▪ Stadtilm (Thuringia)	80 units acquired in July 2018, closing in Q4 2018 expected. Total purchase price EUR 1.5m, current net rent p.a. EUR 0.18m (EUR/sqm 4.71). Acquisition multiple 8.3x. Vacancy 22.3%.			
Disposals	▪ Disposals of non-core assets	portfolio of 461 units sold in NRW and Lower Saxony in June 2018. Closing expected in Q4 2018. Total current net rent at EUR 1.42m p.a., vacancy rate of 13.2%. Sold at book value (selling price confidential). Net cash proceeds of c. EUR 13.0m.			
	▪ Ongoing disposals	312 units signed in H1 2018 (FY 2017: 427 units). Total selling price of EUR 11.5m (FY 2017: EUR 22.5m). Book profit of EUR 0.5m (FY 2017: EUR 1.7m). Net cash proceeds of c. EUR 11.2m (FY 2017: EUR 20.5m). Closing in the course of 2018.			

TAG highlights Q2 2018

Portfolio valuation by CBRE

- Total valuation gain of EUR 230.0m in H1 2018 (5.4% uplift)
 - EUR 194.8m gain from yield compression (85%)
 - EUR 35.2m gain from strong rental growth and vacancy reduction (15%)
- Valuation remains at conservative levels with c. EUR 895/sqm (c. EUR 845 in Dec-2017) and 6.7% gross yield (7.1% in Dec-2017)
- Next portfolio valuation at 31 Dec-2018

Financing structure

- Private placement of corporate bonds: 2018/2023 EUR 125m, 5 years maturity, 1.25% coupon
2018/2025 EUR 125m, 7 years maturity, 1.75% coupon
- Early repurchase of corporate bond 2014/2020 (EUR 125m, 3.75% coupon)
- Strong reduction of average cost of debt within the last 18 months (from 3.15% in Dec-2016 to currently 1.99%)
- Maturities extended in the last 18 months from 8.3 years in Dec-2016 to currently 8.8 years
- LTV reduced to 50.2% in Jun-2018 (57.1% in Dec-2016)

Revised FFO and dividend guidance 2018

- FFO EUR 141m-143m (previously EUR 135m-137m), 12% increase Y-o-Y
- FFO/s EUR 0.97 (previously EUR 0.93), 12% increase Y-o-Y
- Dividend/s EUR 0.73 (previously EUR 0.70), 12% increase Y-o-Y, equals 75% of FFO

TAG 2018

TAG financials Q2 2018

TAG income statement (IFRS)

(in EUR millions)	Q2 2018	Q1 2018	H1 2018	H1 2017	FY 2017
Net rent*	1 75.1	75.6	150.7	143.3	293.0
Expenses from property management*	-13.8	-15.8	-29.6	-25.4	-57.1
Net rental income	2 61.3	59.8	121.1	117.9	235.9
Net revenue from services	3 4.0	4.5	8.5	4.3	15.3
Net revenue from sales	0.6	-0.5	0.1	0.6	0.0
Other operating income	1.7	1.6	3.3	3.1	5.7
Valuation result	4 230.5	-0.5	230.0	39.5	293.0
Personnel expenses	-10.8	-10.8	-21.5	-20.1	-41.4
Depreciation	-1.0	-1.0	-2.0	-1.8	-3.9
Other operating expenses	5 -4.7	-3.7	-8.4	-8.3	-25.8
EBIT	281.6	49.4	331.1	135.2	478.9
Net financial result	6 -46.0	-15.7	-61.7	-41.6	-82.4
EBT	235.6	33.8	269.4	93.6	396.5
Income tax	7 -44.0	-7.1	-51.1	-19.6	-82.8
Net income	191.6	26.7	218.3	74.0	313.7

*w/o IFRS 15 effects; for further details see Interim Report Q2 2018

1 Decrease in net rent of EUR 0.5m q-o-q driven by disposals (signed in 2017, closing in 2018) in Berlin (267 units) and Halle (265 units). Increase y-o-y of 7.4m due to strong I-f-I rental growth and net effect from portfolio transactions.

2 Net rental income increased by EUR 1.5m q-o-q. Lower maintenance expenses of EUR 0.9m and lower impairment losses on rent receivables of EUR 0.8m (one-off effect in Q1 2018) as main factors.

3 Net revenue from services decreased by EUR 0.5m (seasonal effects, no main developments). Strong y-o-y increase of EUR 4.2m due to roll-out of service businesses in 2017.

4 Valuation gain of EUR 230.5 in Q2 2018 reflects the ongoing positive development of TAG's portfolio; valuation uplift of 5.4%.

5 Increased other operating expenses of EUR 1.0m q-o-q due to temporarily higher legal and consulting costs, stable on a y-o-y basis.

6 Net financial result contains valuation result of financial derivatives (mainly fair valuation of convertible bond) of EUR 21.9m and one offs (repurchased corporate bond of EUR 125m) in the amount of EUR 9.5m; net financial result (cash, after one-offs) improved by EUR 0.6m q-o-q.

7 Increase in income tax mainly driven by increased deferred taxes of EUR 43.2m; cash tax expenses decreased q-o-q by EUR 0.4m.

TAG EBITDA, FFO and AFFO calculation

(in EUR millions)	Q2 2018	Q1 2018	H1 2018	H1 2017	FY 2017
Net income	191.6	26.7	218.3	74.0	313.7
+ Income tax	44.0	7.1	51.1	19.6	82.8
+ Net financial result	46.0	15.6	61.7	41.6	82.4
EBIT	281.6	49.4	331.1	135.2	478.9
+ Adjustments					
Net revenue from sales	-0.6	0.5	-0.1	-0.6	0.0
Valuation result	-230.5	0.5	-230.0	-39.5	-293.0
Depreciation	1.0	1.0	2.0	1.8	3.9
One-offs (2017: provision for real estate transfer tax risks)	0.0	0.0	0.0	0.0	8.5
EBITDA (adjusted)	1 51.5	51.4	103.0	96.9	198.3
<i>EBITDA (adjusted) margin</i>	68.6%	68.0%	68.3%	67.6%	67.7%
- Net financial result (cash, after one-offs)	-14.4	-15.0	-29.4	-35.0	-67.0
- Cash taxes	-0.8	-1.2	-2.0	-2.1	-3.1
- Cash dividend payments to minorities	-0.2	-0.2	-0.4	-0.4	-0.8
FFO I	2 36.1	35.1	71.2	59.4	127.4
- Capitalised maintenance	-3.0	-1.6	-4.6	-3.6	-12.0
AFFO before modernisation capex	33.1	33.5	66.6	55.8	115.4
- Modernisation capex	-11.6	-11.4	-23.0	-14.2	-30.8
AFFO	3 21.5	22.1	43.6	41.6	84.6
Net revenue from sales	0.6	-0.5	0.1	0.6	0.0
FFO II (FFO I + net revenue from sales)	36.7	34.6	71.3	60.0	127.4
Weighted average number of shares outstanding (in '000)	146,310	146,410	146,360	144,968	145,709
FFO I per share (EUR)	0.25	0.24	0.49	0.41	0.87
AFFO per share (EUR)	0.15	0.15	0.30	0.28	0.58
<i>Weighted average number of shares, fully diluted (in '000)</i>	160,948*	---	160,984*	---	---
<i>FFO I per share (EUR), fully diluted</i>	0.23	---	0.45	---	---
<i>AFFO per share (EUR), fully diluted</i>	0.14	---	0.28	---	---

1 Improved EBITDA of EUR 6.1m y-o-y mainly as a result of higher net rental income (+EUR 3.2m) and higher net revenues from services (+EUR 4.2m). EBITDA margin in Q2 2018 improved to 68.6% (68.0% in Q1 2018).

2 FFO I (q-o-q +EUR 1.0m) benefited from reduced net financial result (cash, after one-offs) of EUR 0.6m and lower cash taxes of EUR 0.4m.

Increased net financial result (cash, after one-offs +EUR 5.6m) and higher EBITDA (+EUR 6.1m) primarily lead to strong FFO I growth y-o-y of EUR 11.8m (+20%).

3 AFFO decreased q-o-q by EUR 0.6m driven by higher capex of EUR 1.6m and increased FFO I of EUR 1.0m.

AFFO increased in H1 2018 to EUR 43.6m (y-o-y +EUR 2.0m); increased capex of EUR 9.8m y-o-y offset by higher FFO I of EUR 11.8m.

*incl. potential shares from convertible bond 2017/2022 (trading „in the money“ at reporting date)

TAG balance sheet (IFRS)

(in EUR millions)	30 Jun-2018	31 Dec-2017
Non-current assets	4,391.0	4,243.8
Investment property	1 4,315.0	4,166.0
Deferred tax assets	43.4	45.4
Other non-current assets	32.6	32.4
Current assets	386.7	339.2
Real estate inventory	46.4	48.1
Cash and cash equivalents	2 313.6	263.7
Other current assets	26.7	27.4
Non-current assets held-for-sale	109.3	51.5
TOTAL ASSETS	4,887.0	4,634.5
Equity	1,769.1	1,646.6
Equity (without minorities)	3 1,744.1	1,625.9
Minority interest	25.0	20.7
Non-current liabilities	2,770.1	2,618.1
Financial debt	2,321.9	2,238.6
Deferred tax liabilities	406.1	358.9
Other non-current liabilities	42.1	20.6
Current liabilities	347.8	369.8
Financial debt	258.3	275.2
Other current liabilities	89.5	94.6
TOTAL EQUITY AND LIABILITIES	4,887.0	4,634.5
LTV*	4 50.2%	52.3%

*For further details on LTV calculation see Appendix

1 Book value of investment property increased by EUR 149.0m mainly due to portfolio valuation (+EUR 230.0m), disposals (-EUR 58.8m), reallocation to non-current assets held for sale (-EUR 57.8m) and capex (+EUR 27.6).

2 Increased cash position in Q2 2018 as a result of issuance of new corporate bonds of EUR 250.0m (2 x EUR 125.0m), net cash proceeds from disposals of EUR 36.1m, early repurchase of corporate bond 2014/2020 of EUR 125.0m and dividend payment of EUR 95.1m. Repayment of EUR 191m corporate bond 2013/2018 executed on 7 Aug-2018.

3 Increase of equity (+EUR 118.2m w/o minorities) mainly driven by valuation result (+EUR 230.0m) and dividend payment (-EUR 95.1m).

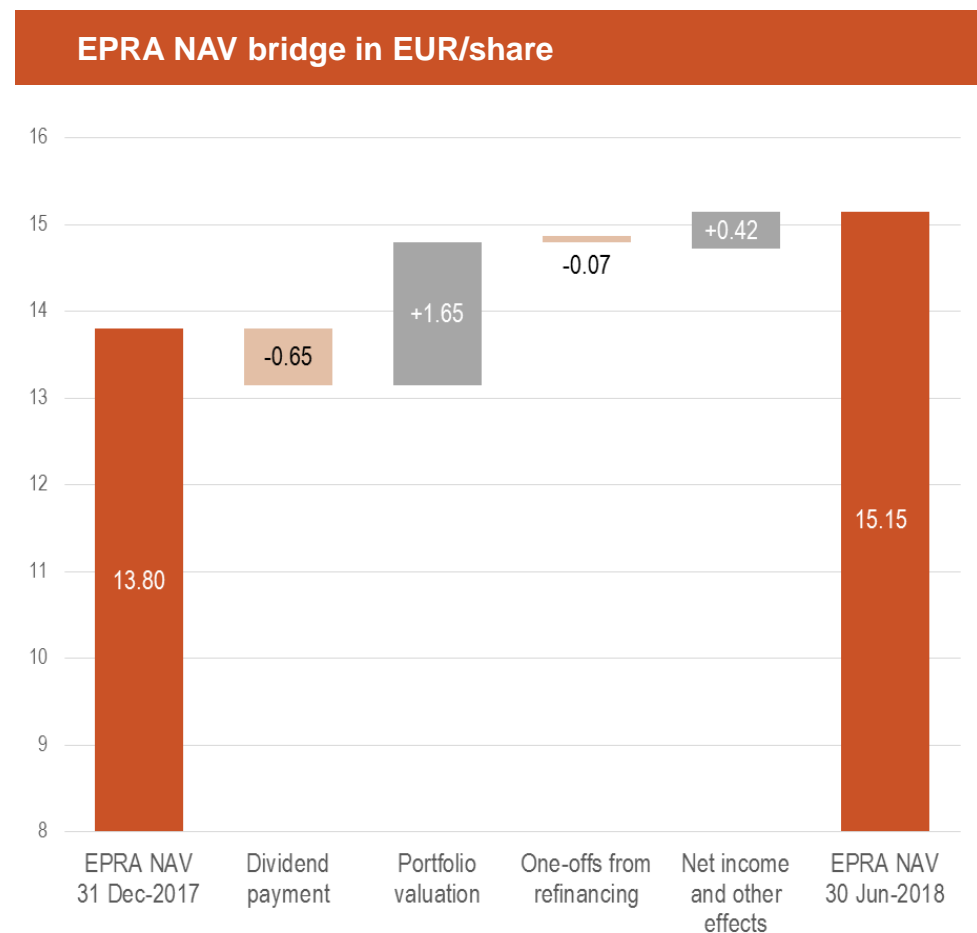
4 Change in LTV (-210bps) driven by

- portfolio valuation: c. -300 bps
- dividend payment: c. +220bps
- others (mainly disposals, mandatory amortization and ongoing results): c. -130 bps

TAG EPRA NAV calculation

(in EUR millions)	30 Jun-2018	31 Dec-2017
Equity (without minorities)	1,744.1	1,625.9
+ Deferred taxes on investment properties and financial derivatives	407.8	362.3
+ Fair value of financial derivatives	29.6	8.4
+ Difference between fair value and book value for properties valued at cost	35.3	24.8
= EPRA NAV	2,216.8	2,021.4
Number of shares outstanding (in '000)	146,322	146,439
EPRA NAV per share (EUR)	15.15	13.80
<i>Number of shares, fully diluted (in '000)</i>	<i>160,998*</i>	<i>---</i>
EPRA NAV per share (EUR), fully diluted	15.54	---

*incl. potential shares from convertible bond 2017/2022 (trading in the money at reporting date)



TAG cost of debt and LTV

Cost of debt Ø



*After repayment of EUR 191m corporate bond on 7 Aug-2018

- Continuous reduction of average cost of debt from FY 2015 onwards.
- Further upside potential from maturing bank loans 2018 - 2020.

LTV**



**For further details on LTV calculation see Appendix

- LTV target of c. 50% already achieved due to strong portfolio valuation development.
- 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 895 and current LTV of 50.2% leads to average financial debt of c. EUR 450 per sqm).



Salzgitter



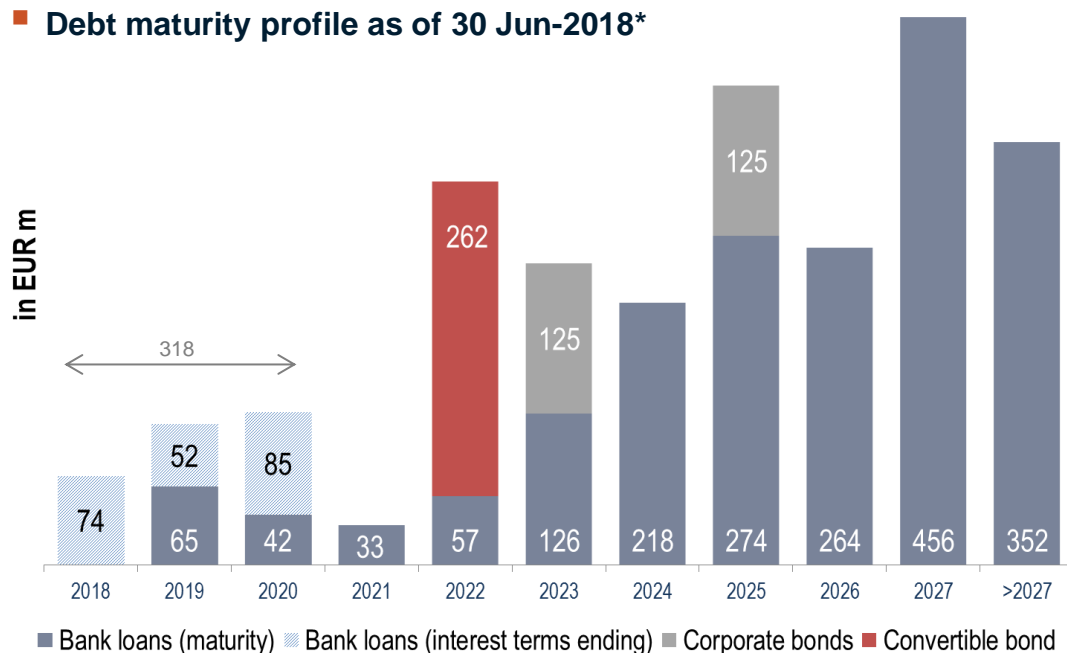
Brandenburg, Havel



Freiberg

TAG debt financing structure

Debt maturity profile as of 30 Jun-2018*



Average maturities as of 30 Jun-2018*

- Bank loans: 9.8 years (31 Dec-2017: 10.3 years)
- Total financial debt: 8.8 years (31 Dec-2017: 8.6 years)

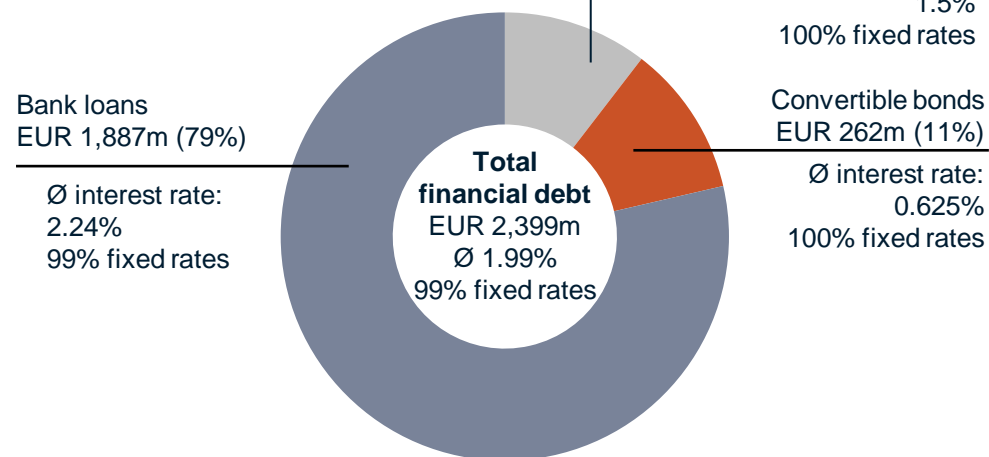
Further refinancing potential 2018-2020

- EUR 318m of bank loans maturing or with interest terms ending in 2018-2020 with average coupons of 2.6%-3.7% p.a.

Investment Grade rating

- Moody's: Baa3 (outlook stable)

Debt structure as of 30 Jun-2018*

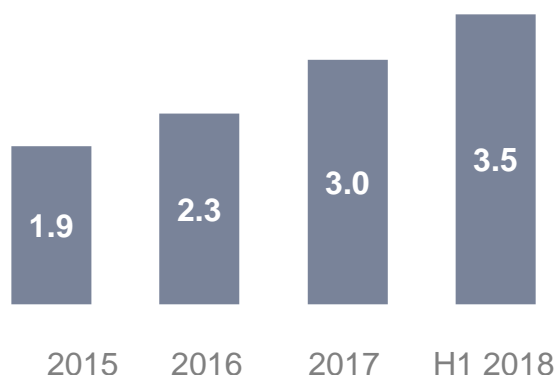


(in EUR millions)	Q2 2018	Q1 2018	FY 2017
+ Interest income	0.4	0.2	3.0
- Interest expenses	-46.7	-15.9	-88.0
+ Net profit from investments	0.3	0.1	2.6
= Net financial result	-46.0	-15.6	-82.4
thereof non-cash financial result from convertible/corporate bonds	0.4	0.4	1.1
thereof breakage fees bank loans and early repayment of bonds	9.5	0.0	14.4
thereof other non-cash financial result (e.g. from derivatives)	21.7	0.2	-0.1
= Net financial result (cash, after one-offs)	-14.4	-15.0	-67.0
ICR (EBITDA adjusted/net financial result cash, after one-offs)	3.5 x	3.4x	3.0x
Net financial debt/EBITDA adjusted	11.0x	10.8x	11.3x

*after repayment of EUR 191m corporate bond on 7 Aug-2018

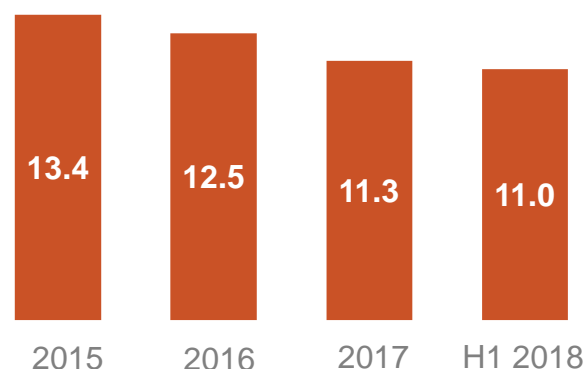
TAG strong development of financing metrics

ICR



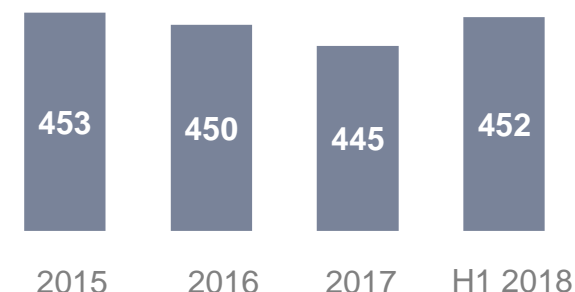
- ICR strongly improved from 1.9x in 2015 to 3.5x in H1 2018 driven by ongoing interest cost savings due to refinancing activities and positive business development.
- Further improvement in ICR from Q3 2018 onwards as a result of repayment of EUR 191m corporate bond 2013/2018 (5.125% coupon).

Net financial debt/ EBITDA adjusted



- Decline in net debt/EBITDA mainly driven by earnings growth (net financial debt broadly stable).
- Significant EBITDA growth reflects the ongoing positive development of TAG's portfolio.

Net financial debt in EUR/ sqm



- TAG's portfolio growth solidly financed with stable net financial debt per sqm since 2015.

TAG 2018

TAG portfolio Q2 2018

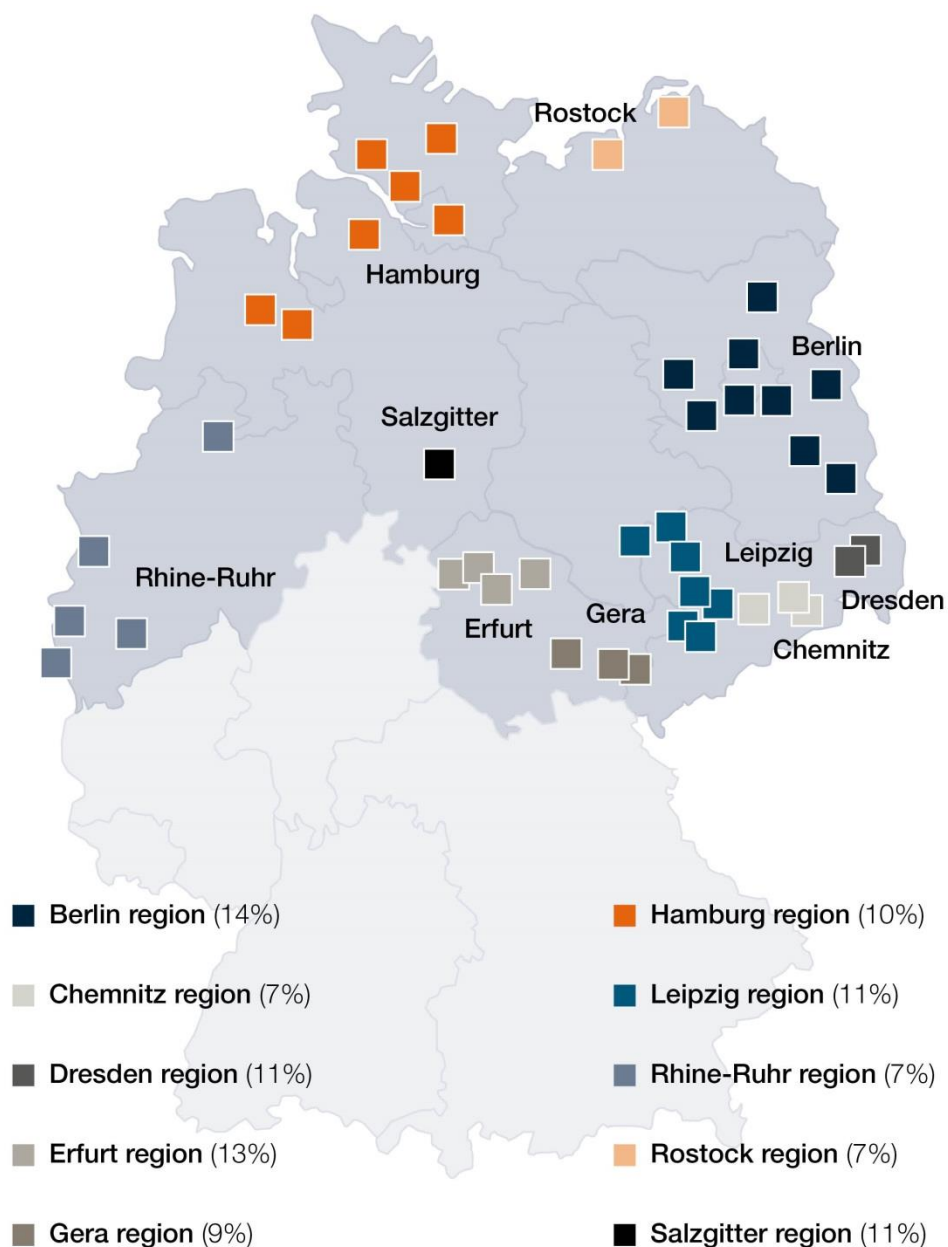
TAG portfolio in total as of 30 Jun-2018

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.



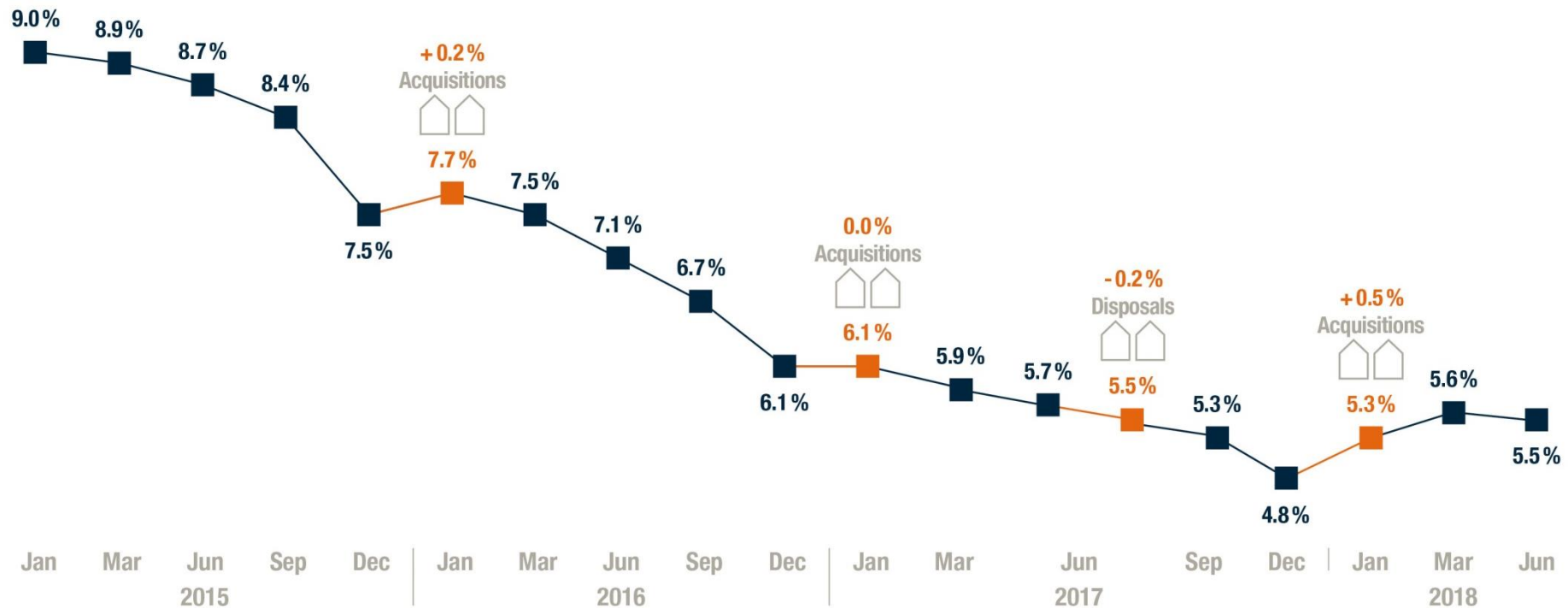
% acc.: proportional IFRS book value real estate volume

Portfolio as of	30 Jun-2018	31 Dec-2017
Units	82,391	83,140
Rentable area in sqm	5,009,632	5,054,778
Real estate volume in EURm	4,480.3	4,275.4
Annualised current net rent in EURm (total portfolio)	301.4	303.3
Current net rent in EUR/sqm/month (residential units)	5.22	5.20
Current net rent in EUR/sqm/month (total portfolio)	5.33	5.31
Vacancy in % (residential units)	5.5	4.8
Vacancy in % (total portfolio)	5.8	5.8
L-f-l rental growth in % (Y-o-Y)	1.9	2.0
L-f-l rental growth in % (including vacancy reduction, Y-o-Y)	2.5	3.1

TAG vacancy reduction residential units

Strong track record of vacancy reduction

- 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 a material part of revaluation result stemming from operational measures rather than from yield compression.

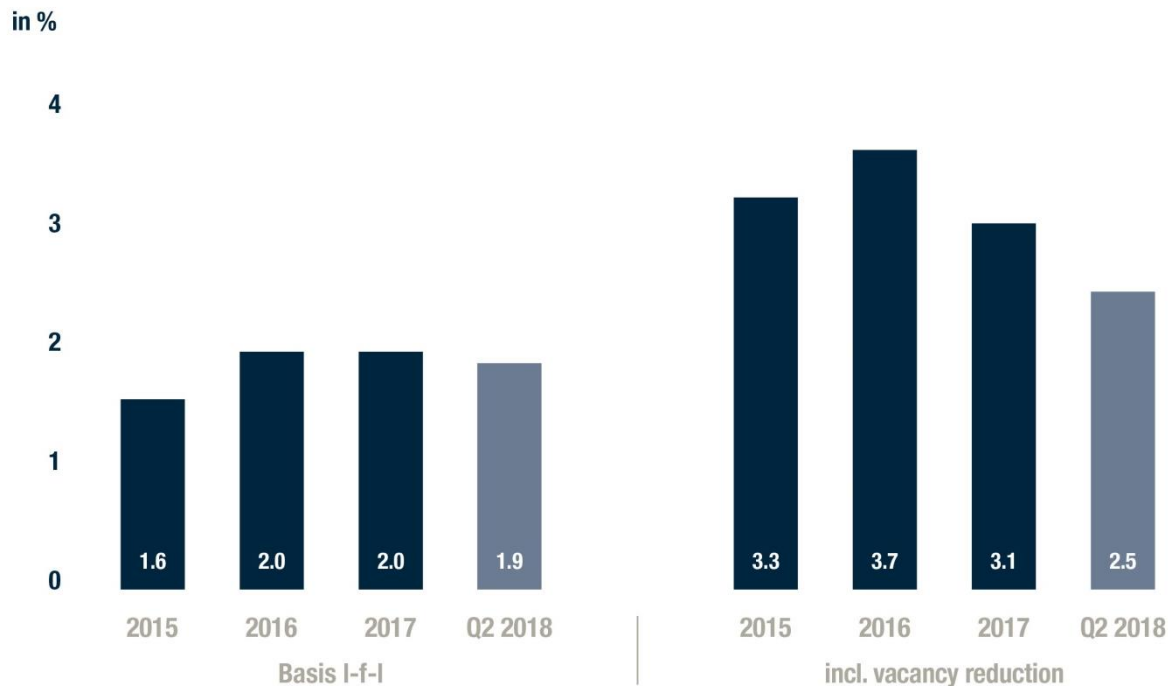


TAG rental growth residential units

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)	H1 2018 (6M)
Maintenance and capex	15.15	15.41	15.12	9.08

TAG 2018

TAG valuation Q2 2018

TAG portfolio valuation overview

- Total valuation gain in H1 2018 of EUR 230.0m equals 5.4% annual valuation uplift and c. 40 bps gross yield reduction:
 - EUR 194.8m gain from yield compression (85%)
 - EUR 35.2m gain from stronger rental growth and vacancy reduction (15%)
- Half year interval between valuations covers the price dynamics in German residential markets and offers transparency.
- Next portfolio valuation at 31 Dec-2018.

Key metrics

	Jun-2018	Dec-2017	Jun-2017	Dec-2016
Book value (EUR/sqm)	c.895	c. 845	c. 800	c.740
Gross yield	6.7%	7.1%	7.4%	7.9%
Implied multiple	14.9x	14.1x	13.5x	12.7x

Valuation remains at conservative levels with c. EUR 895/sqm and 6.7% gross yield



Lauta



Riesa



Dresden

TAG portfolio valuation details

Region (in EUR millions)	Jun-2018 Fair value (IFRS)	Jun-2018 Fair value (EUR/sqm)	Jun-2018 Implied multiple	H1 2018 Valuation result	Share of operational performance/ other market developments	Share of yield compression	Dec-2017 Fair value (IFRS)	Dec-2017 Fair value (EUR/sqm)	Dec-2017 Implied multiple
Berlin	602.9	1,009.5	16.0x	37.4	9.5	27.9	566.2	1,002.4	15.8x
Chemnitz	311.0	677.4	13.2x	14.1	1.2	12.9	278.4	606.7	11.9x
Dresden	462.2	1,090.1	16.8x	23.5	3.5	19.9	431.0	1,038.3	16.1x
Erfurt	562.2	913.4	15.2x	26.9	4.4	22.5	498.1	862.6	14.1x
Gera	403.6	677.5	12.9x	4.6	1.5	3.1	390.0	660.7	12.5x
Hamburg	458.0	1,024.2	15.7x	30.7	4.7	26.0	421.1	950.0	14.9x
Leipzig	506.5	815.0	13.9x	34.4	2.2	32.2	409.5	763.1	12.8x
Rhine-Ruhr	297.8	953.6	15.3x	13.3	0.9	12.4	271.5	917.3	14.5x
Rostock	313.7	921.4	14.7x	19.6	5.1	14.5	283.7	860.9	13.8x
Salzgitter	475.0	841.3	14.1x	23.0	3.0	20.1	449.2	795.6	13.4x
Total residential units	4,392.9	882.6	14.8x	227.5	35.9	191.6	3,998.8	837.2	14.0x
Acquisitions 2018	0.0	0.0	0.0x	0.0	0.0	0.0	182.0	761.4	15.0x
Total residential portfolio	4,392.9	882.6	14.8x	227.5	35.9	191.6	4,180.8	833.6	14.0x
Other	87.4	2,718.5	19.7x	2.5	-0.7	3.2	94.7	2,415.6	17.5x
Grand total*	4,480.3	894.3	14.9x	230.0	35.2	194.8	4,275.4	845.8	14.1x

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

TAG 2018

TAG revised guidance FY 2018

TAG revised guidance FY 2018

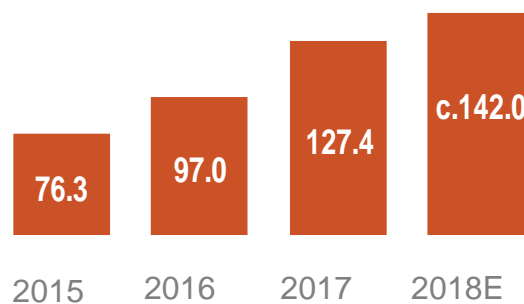
Revised
guidance
FY 2018

- FFO** EUR 141m-143m after EUR 135m-137m (FY 2017: EUR 127m).
Increase of EUR 6.0m in comparison to previous guidance driven by better than expected operational EBITDA performance (+EUR 2.3m) and refinancing activities (+EUR 3.6m).
- FFO/s** EUR 0.97 after EUR 0.93 (FY 2017: EUR 0.87)
- Dividend/s** EUR 0.73 after EUR 0.70 (FY 2017: EUR 0.65), equals 75% of FFO

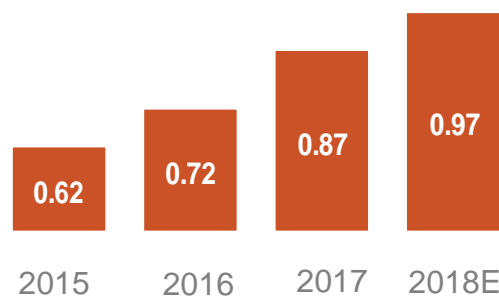


Senftenberg

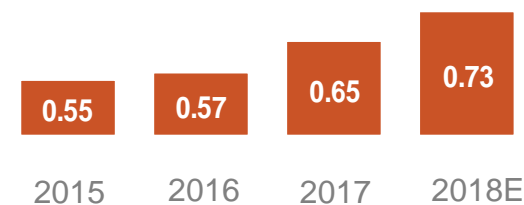
FFO in EURm



FFO per share in EUR



Dividend per share in EUR



TAG 2018

APPENDIX

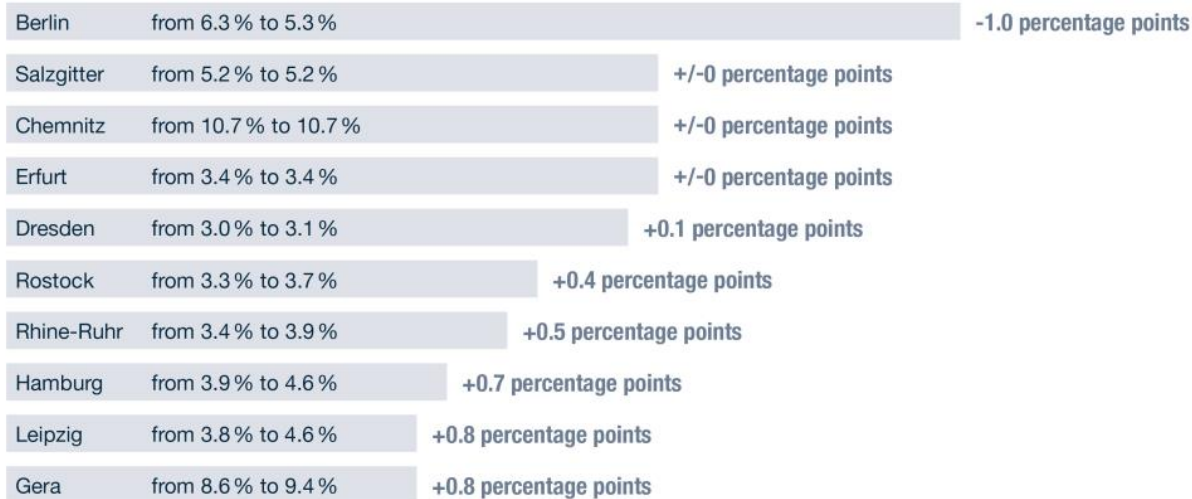
TAG portfolio details by region

Region	Units #	Rentable area sqm	IFRS BV EURm Jun-2018	In-place yield	Vacancy Jun-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	9,915	565,651	602.9	5.9%	5.3%	4.9%	5.52	6.06	2.7%	4.4%	3.38	6.61
Chemnitz	7,656	443,391	311.0	7.4%	10.7%	9.7%	4.82	4.78	0.4%	2.1%	2.89	15.01
Dresden	6,334	411,178	462.2	5.8%	3.1%	3.1%	5.57	5.77	3.1%	3.7%	1.98	2.20
Erfurt	10,528	592,293	562.2	6.2%	3.4%	1.7%	5.08	5.58	1.2%	0.9%	2.28	3.78
Gera	9,747	567,407	403.6	7.5%	9.4%	8.6%	4.90	5.34	1.9%	1.8%	2.82	9.30
Hamburg	7,125	437,704	458.0	6.1%	4.6%	4.0%	5.57	5.85	3.1%	2.6%	6.39	2.14
Leipzig	10,227	608,532	506.5	7.0%	4.6%	3.6%	5.06	5.47	1.5%	1.5%	2.50	2.34
Rhine-Ruhr	4,699	299,499	297.8	6.1%	3.9%	2.9%	5.28	5.38	0.7%	2.0%	6.34	3.74
Rostock	5,614	336,082	313.7	6.6%	3.7%	3.2%	5.37	5.73	1.4%	2.7%	2.76	7.63
Salzgitter	9,177	563,080	475.0	7.0%	5.2%	5.2%	5.16	5.43	2.5%	3.5%	3.76	4.86
Total residential units	81,023	4,824,816	4,392.9	6.5%	5.5%	4.8%	5.22	5.54	1.9%	2.5%	3.36	5.72
Commercial units within resi. portfolio	1,195	152,677	---	---	16.7%	17.6%	7.60	---	---	---	--	--
Total residential portfolio	82,218	4,977,492	4,392.9	6.8%	5.8%	5.7%	5.28	---	---	---	---	---
Other	173	32,140	87.4	5.1%	6.7%	9.9%	12.35	---	---	---	---	---
Grand total	82,391	5,009,632	4,480.3	6.7%	5.8%	5.8%	5.33	---	---	---	---	---

TAG vacancy reduction and rental growth

Vacancy development per region

Q2 2018

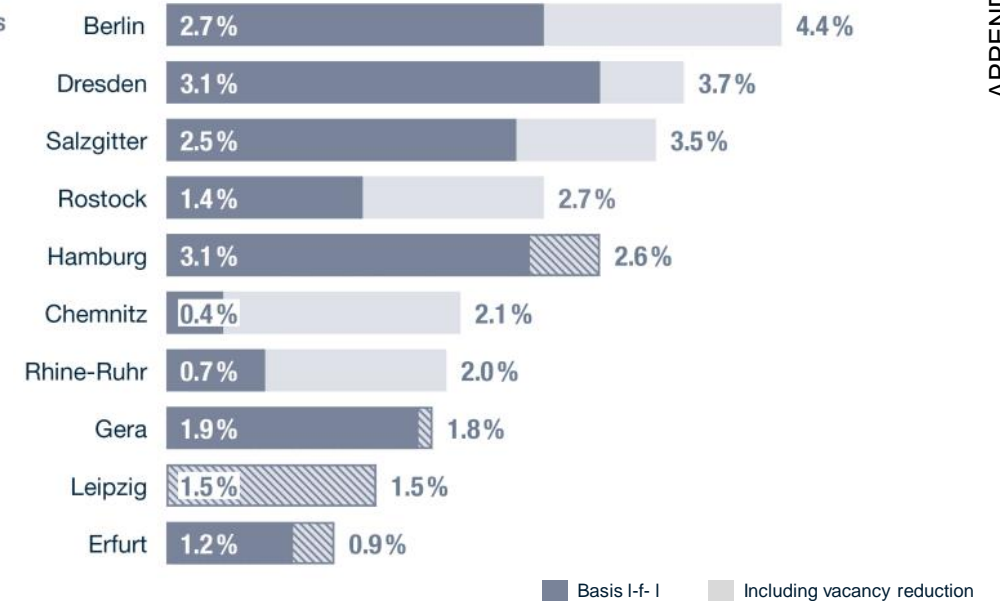


2017

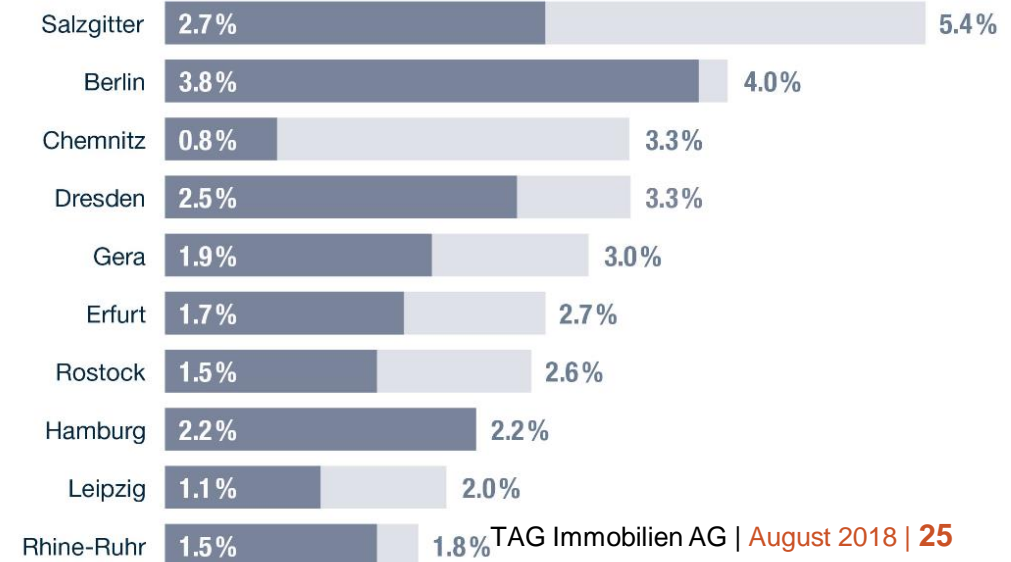


L-f-I rental growth per region (Y-o-Y)

Q2 2018



2017



TAG EPRA Earnings

(in EUR millions)	Q2 2018	Q1 2018	H1 2018	H1 2017	FY 2017
Net income	191.7	26.7	218.3	74.0	313.7
Valuation result	-230.5	0.5	-230.0	-39.5	-293.0
Deferred income taxes on valuation result	48.7	3.6	52.3	12.7	76.9
Net revenues from sales	-0.6	0.5	-0.1	-0.6	0.0
Fair value valuation of derivative financial instruments	21.6	0.0	21.6	0.0	1.2
Breakage fees bank loans and early repayment of bonds	9.5	0.0	9.5	5.4	14.4
Cash dividend payments to minorities	-0.2	-0.2	-0.4	-0.4	-0,8
EPRA Earnings	40.2	31.1	71.2	51.6	112.4
Deferred income taxes (other than on valuation result)	-5.5	2.4	-3.2	4.6	2.8
Other non cash financial result	0.5	0.6	1.1	1.3	-0.2
One off's (in 2017: provision for real estate transfer tax risks)	0.0	0.0	0.0	0.0	8.5
Depreciation	0.9	1.0	2.0	1.8	3.9
Adjusted EPRA Earnings (FFO I)	36.1	35.1	71.2	59.4	127.4
Weighted average number of shares outstanding (in '000)	146,310	146,410	146,360	144,968	145,709
EPRA Earnings per share (in EUR)	0.27	0.21	0.49	0.36	0.77
Adjusted EPRA Earnings (FFO I) per share (in EUR)	0.25	0.24	0.49	0.41	0.87
<i>Weighted average number of shares, fully diluted (in '000)</i>	<i>160,948*</i>	<i>---</i>	<i>160,984*</i>	<i>---</i>	<i>---</i>
<i>EPRA Earnings per share (in EUR), fully diluted</i>	<i>0.25</i>	<i>---</i>	<i>0.45</i>	<i>---</i>	<i>---</i>
<i>Adjusted EPRA Earnings (FFO I) per share (in EUR), fully diluted</i>	<i>0.23</i>	<i>---</i>	<i>0.45</i>	<i>---</i>	<i>---</i>

*incl. potential shares from convertible bond 2017/2022 (trading „in the money“ at reporting date)

TAG LTV calculation

(in EUR millions)	30 Jun-2018	31 Dec-2017
Non-current and current liabilities to banks	1,879.7	1,935.4
Non-current and current liabilities from corporate bonds	443.6	322.2
Non-current and current liabilities from convertible bonds	256.8	256.2
Cash and cash equivalents	-313.6	-263.7
Net financial debt	2,266.5	2,250.1
Book value of investment properties	4,315.0	4,166.0
Book value of property reported under property, plant and equipment (valued at cost)	9.7	9.8
Book value of property held as inventory (valued at cost)	46.3	48.1
Book value of property reported under non-current assets held-for-sale	109.3	51.5
Real estate volume	4,480.3	4,275.4
Book value of property for which purchase prices have already been paid (or received) in advance	-0.3	-0.3
Difference between fair value and book value for properties valued at cost	35.3	24.8
Relevant real estate volume for LTV calculation	4,515.2	4,299.9
LTV	50.2%	52.3%

TAG maintenance and capex

in EUR millions	2017					2018		
	Total portfolio	Q1	Q2	Q3	Q4	Total FY	Q1	Q2
Maintenance	7.3	6.9	7.5	7.4	29.1	8.6	7.7	16.3
Capex	7.9	9.9	11.8	13.2	42.8	13.0	14.6	27.6*
Total	15.2	16.8	19.3	20.6	71.9	21.6	22.3	43.9

*excl. capex for project developments of EUR 2.9m

in EUR/sqm	2017					2018		
	Residential units	Q1	Q2	Q3	Q4	Total FY	Q1	Q2
Maintenance	1.55	1.62	1.58	1.49	6.24	1.77	1.59	3.36
Capex	1.66	2.18	2.43	2.61	8.88	2.67	3.05	5.72
Total	3.21	3.80	4.01	4.10	15.12	4.44	4.64	9.08



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

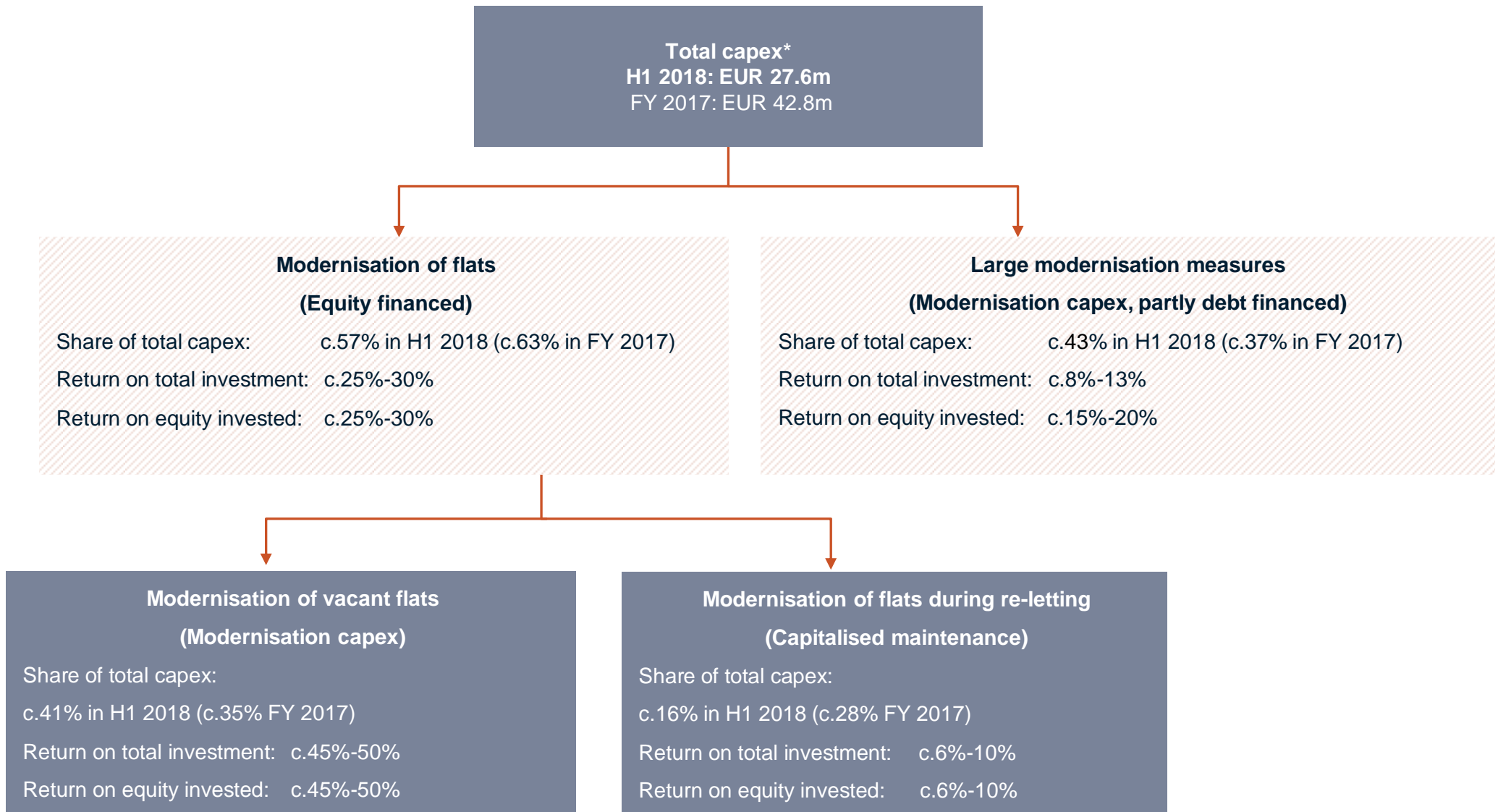
$$1 \quad \frac{\text{Incremental revenues}}{\text{Total investment}} = \text{Return on investment}$$

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

	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

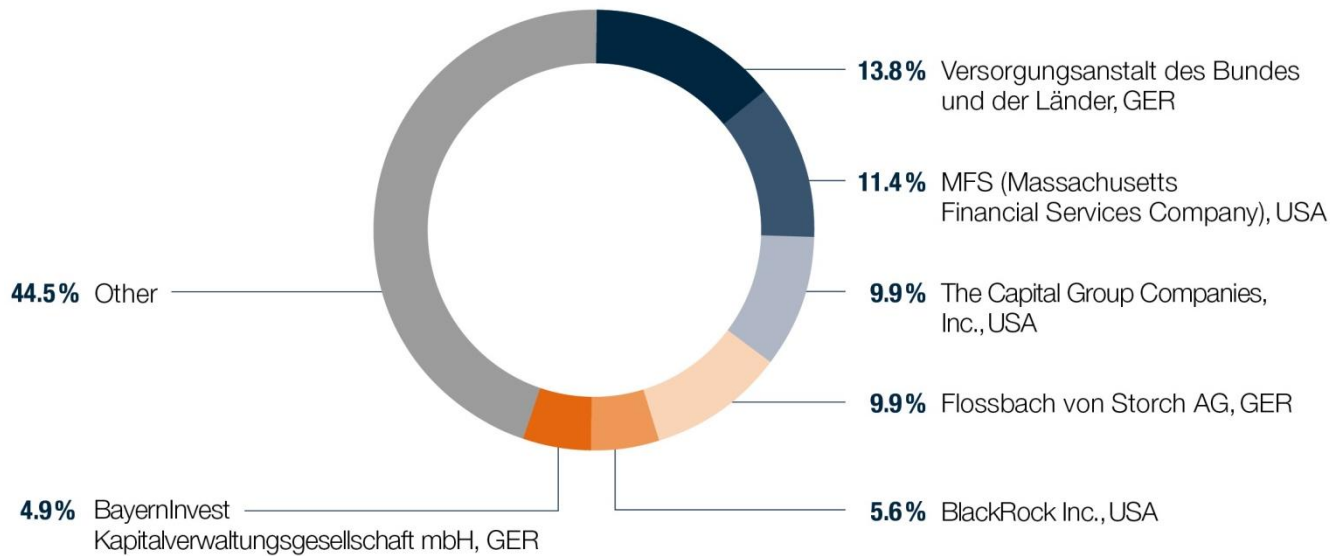
TAG return on capex



*excl. capex for project developments of EUR 2.9m

TAG shareholder structure

Shareholder structure as of 30 Jun-2018



- Number of shares (issued) 146.5m
- Market capitalisation (30 Jun-2018) EUR 2.8bn
- Stock indices MDAX/EPRA
- Free Float * 99.88%
- Treasury shares for management- and employee-compensation 0.12% (177,155 shares)

* Deutsche Börse definition including institutional investors



Bestensee



Rostock



Jänschwalde

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