INTERIM STATEMENT 2019

ON THE 1ST QUARTER

GROWING CASHFLOWS

TAG Immobilien AG

GROUP FINANCIALS

in EUR m

Income statement key figures	01/01/- 03/31/2019	01/01/- 03/31/2018
Net rent	78.6	75.6
EBITDA (adjusted)	52.7	51.4
Consolidated net profit	33.3	26.7
FFO I per share in EUR	0.27	0.24
FFO I	39.5	35.1
AFFO per share in EUR	0.17	0.15
AFFO	24.3	22.1

in TEUR

Balance sheet key figures	03/31/2019	12/31/2018
Total assets	5,043.1	5,033.3
Equity	2,081.5	2,048.3
Equity ratio in %	41.3	40.7
EPRA NAV per share in EUR	17.54	17.32
LTV in %	46.8	47.3

Portfolio data	03/31/2019	12/31/2018
Units	84,295	84,426
Real estate volume	4,828.0	4,815.5
Vacancy in % (total)	5.6	5.3
Vacancy in % (residential units)	5.2	4.7
l-f-l rental growth in %	2.3	2.3
l-f-l rental growth in % (incl. vacancy reduction)	2.8	2.6

Employees	03/31/2019	03/31/2018
Number of employees	1,103	992

Capital market data	
Market cap at 03/31/2019 in EUR m	3,223.0
Share capital at 03/31/2019 in EUR	146,498,765
WKN/ISIN	830350/ DE0008303504
Number of shares at 03/31/2019 (issued)	146,498,765
Number of shares at 03/31/2019 (outstanding, without treasury shares)	146,321,650
Free float in % (without treasury shares)	99.88
Index	MDAX/EPRA

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BUSINESS DEVELOPMENT

BUSINESS PERFORMANCE IN THE FIRST THREE MONTHS OF THE 2019 FINANCIAL YEAR

FOUNDATIONS OF THE GROUP

TAG Immobilien AG ('TAG' in the following) is a Hamburg-based property company focused on the German residential real estate sector. The Group's properties are located in various regions of Northern and Eastern Germany and North Rhine-Westphalia. Overall, at 31 March 2019 TAG managed around 84,300 residential units. TAG shares are listed in the MDAX of the Frankfurt Stock Exchange; TAG's market capitalisation at 31 March 2019 was EUR 3.2 bn.

TAG's business model is the long-term letting of flats. All functions essential to property management are carried out by the Group's own employees. In many inventories, the company also delivers caretaker services and repair craftsman services. It specialises in inexpensive housing that appeals to broad sections of the population. The Group's in-house multimedia company facilitates the provision of multimedia to tenants and expands the range of property management services offered. Energy management is pooled in a subsidiary, which handles the supply of commercial heating to the Group's own portfolio with the aim of optimising energy management. In the medium term, these services are to be further expanded and supplemented with new services for tenants.

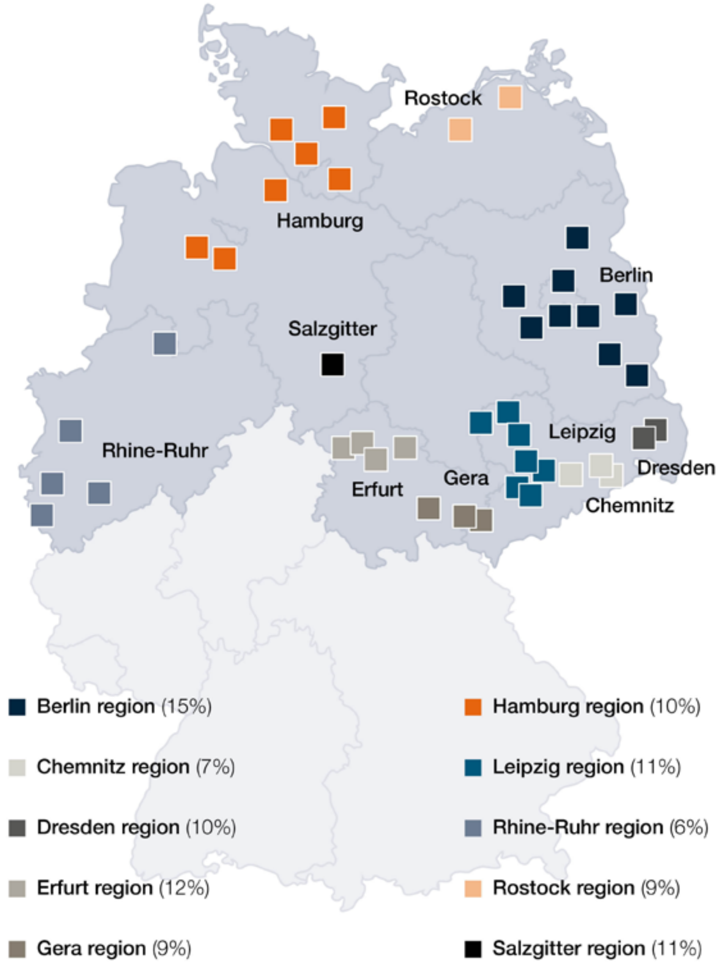
TAG not only invests in and near big cities, but deliberately in medium and smaller towns as well, to take advantage of growth potential and opportunities for profit there. Newly acquired portfolios regularly have higher vacancies, which are then reduced following the acquisition through targeted investments and proven asset-management concepts. Investments are made exclusively in regions where TAG already manages properties, so as to use existing administrative structures. In addition, local market knowledge is indispensable when buying up new portfolios.

In addition to long-term portfolio management, the Group selectively takes advantage of sales opportunities so as to reinvest the realised capital appreciation and liquidity in new portfolios with higher yields. With this strategy of 'capital recycling', TAG is also responding to the intense competition for German residential properties, focussing on per-share returns. Growth in absolute orders of magnitude is not at the forefront of the business strategy. Rather, the aim is to offer tenants affordable housing through sustained and active portfolio management, and investors growing cash flows through attractive dividends.

DEVELOPMENT OF THE TAG PROPERTY PORTFOLIO

Overview

At the end of the first quarter of 2019, the TAG property portfolio comprised approximately 84,300 residential units after approx. 84,400 residential units at 31 December 2018. The focus is on the management of attractive yet affordable housing, with great awareness of our social responsibility towards tenants. The regional focus remains mainly on Northern and Eastern Germany.



% acc.: proportional IFRS book value real estate volume

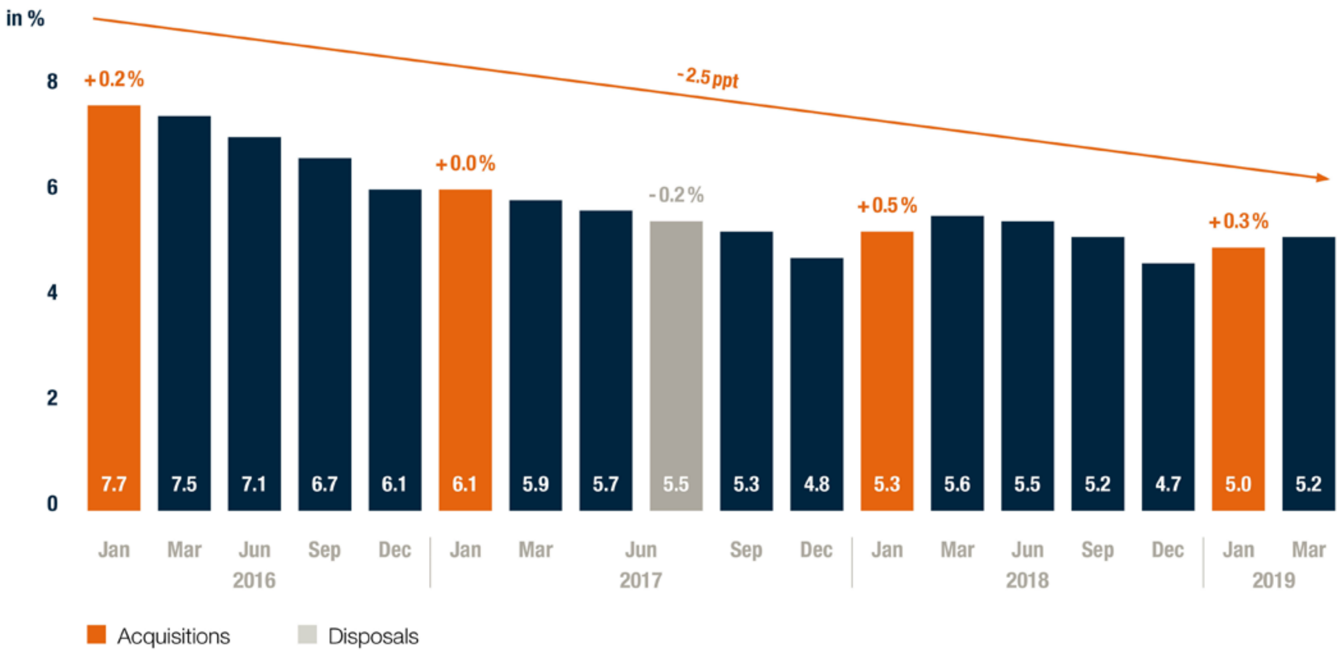
Portfolio	as of 03/31/2019	as of 12/31/2018
Einheiten	84,295	84,426
Rentable area in sqm	5,127,501	5,132,860
Real estate volume in EUR m	4,828.0	4,815.5
Annualised net rent in EUR m p.a. (total)	315.0	314.1
Net rent in EUR per sqm (total)	5.43	5.39
Net rent in EUR per sqm (residential units)	5.31	5.29
Vacancy in % (total)	5.6	5.3
Vacancy in % (residential units)	5.2	4.7
l-f-l rental growth in %	2.3	2.3
l-f-l rental growth in % (incl. vacancy reduction)	2.8	2.6

Purchases and sales in the first three months of the 2019 financial year

In the first three months of the 2019 financial year, no acquisitions or disposals of a significant magnitude were made. On the acquisitions side, 35 residential units in Jena, which are located in condominium owners' associations already managed by TAG, were notarised. The purchase factor paid was a factor of 22.7 times the current annual net rent (without utilities), which corresponds to an annual gross initial interest rate of 4.4 %. The transfer of ownership is planned for the third quarter of 2019. On the sales side, 12 apartments were notarised during this period at a total purchase price of EUR 0.7 m and a book profit of EUR 0.1 m. A net cash proceed of EUR 0.7 m is expected from these sales after repayment of the associated bank loans.

Vacancy

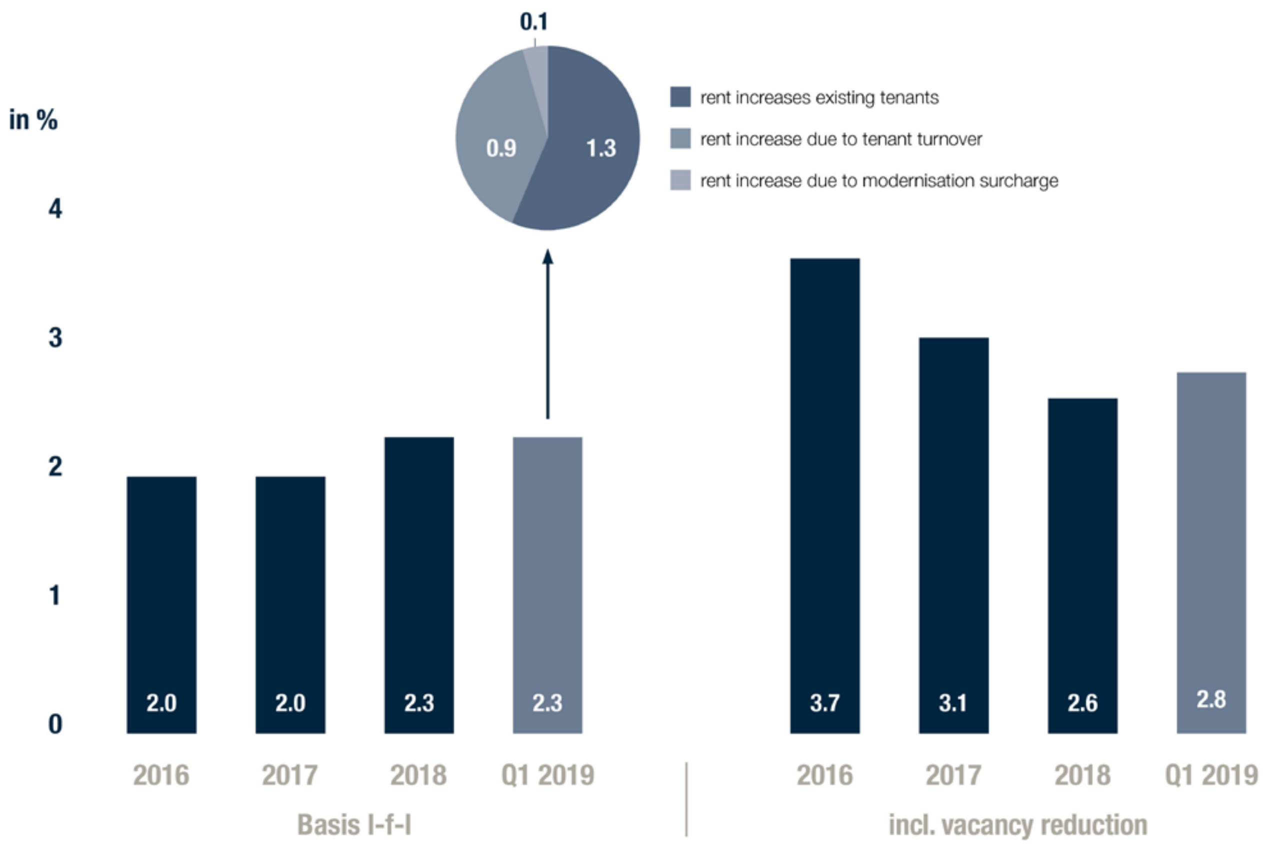
The following table illustrates the positive development of vacancy in the Group's residential units in the past three financial years and the first quarter of 2019:



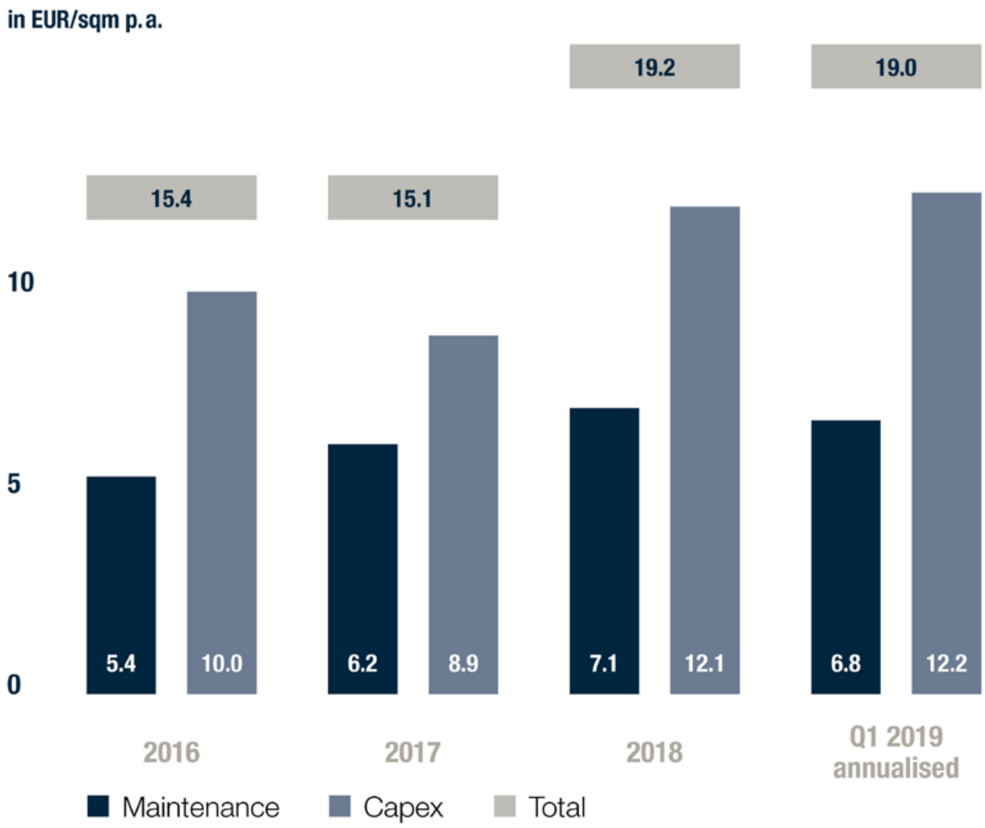
As a result of the integration of the previous year's acquisitions and through ongoing modernisation programmes to reduce vacancy, especially in the Chemnitz region, vacancy in the residential units of the portfolio temporarily rose from 5.0 % at the beginning of the year to 5.2 % in March 2019. A further decline in the vacancy rate is expected for the rest of the year. Across the entire portfolio, the vacancy rate in March 2019 was 5.6 %, after 5.3 % at the beginning of the year.

Growth in rents

Growth in rents from the Group's residential units amounted to 2.3 % per annum on a like-for-like basis (i.e. not including acquisitions and sales of the previous twelve months) at 31 March 2019, unchanged year-on-year. If one includes the effects of the vacancy reduction, total rental growth on a like-for-like basis for the past twelve months amounted to 2.8 %, after 2.6 % in the financial year 2018. The following chart shows the rental growth in the Group's residential units in the financial years 2016 to 2018 and in Q1 2019:



Total investments in the residential units in the first three months of 2019 amounted to EUR 4.76 per sqm (maintenance costs recognised as expenses of EUR 1.69 per sqm and capitalised modernisations of EUR 3.07 per sqm). Extrapolated to a full financial year of twelve months, this would come to EUR 19.04 per sqm compared to EUR 19.24 per sqm in 2018, EUR 15.12 per sqm in 2017 and EUR 15.41 per sqm in 2016. So the Group continues to achieve attractive rental growth with only moderate investment requirements and without extensive modernisation programmes for residential units already let.



The portfolio in detail by region

The following table shows further details of the TAG property portfolio, by region, as of 31 March 2019:

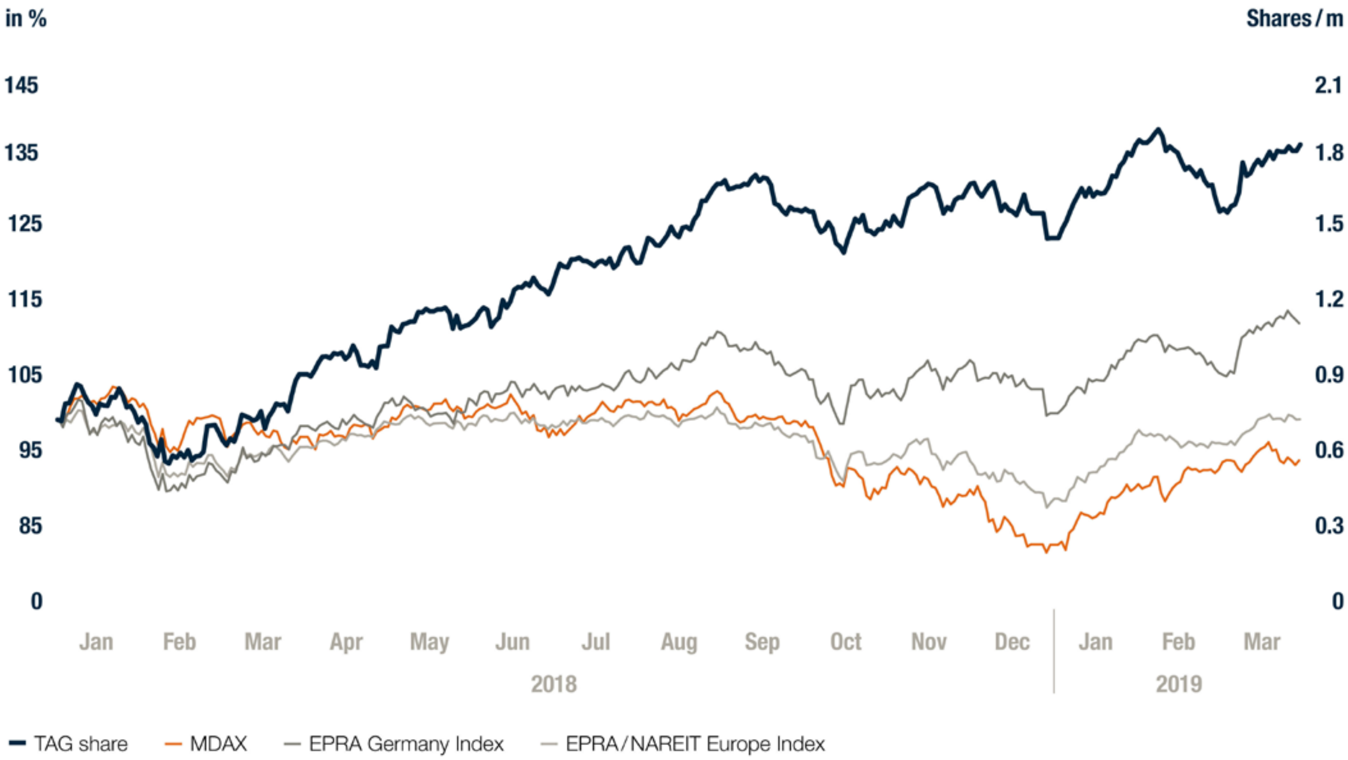
Region	Units	Rentable area sqm	IFRS BV EUR m 03/31/2019	In-place yield %	Vacancy Mar. 2019 %	Vacancy Dec. 2018 %	Net rent EUR/sqm	Reletting rent EUR/sqm	l-f-l rental growth (y-o-y)	l-f-l rental growth*** (y-o-y)	Maintenance EUR/sqm	Capex EUR/m²
Berlin	10,495	602,903	695.9	5.6	4.5	4.4	5.64	6.28	3.3	5.0	1.88	2.95
Chemnitz	7,678	447,021	332.4	7.1	9.6	9.6	4.88	5.08	1.6	3.2	1.54	9.21
Dresden	6,336	411,418	479.8	5.6	3.0	2.5	5.65	6.13	2.1	2.1	0.62	1.30
Erfurt	10,595	596,160	593.2	6.0	3.0	2.9	5.14	5.50	1.5	2.4	1.25	3.14
Gera	9,734	566,483	413.9	7.5	8.2	8.1	4.97	5.16	1.8	2.4	1.33	3.15
Hamburg	7,072	434,860	487.1	5.8	4.5	4.2	5.69	6.01	4.1	3.1	2.62	2.23
Leipzig	10,490	624,235	532.4	6.8	6.3	4.1	5.16	5.52	2.7	2.2	1.78	1.02
Rhine-Ruhr	4,187	266,405	290.9	5.8	2.3	1.9	5.43	5.78	2.1	2.8	2.83	2.27
Rostock	7,150	426,534	403.9	6.5	5.0	3.0	5.37	5.80	1.7	1.2	1.70	2.41
Salzgitter	9,180	563,124	499.9	6.8	4.6	4.5	5.26	5.40	2.0	3.1	1.85	3.30
Total residential units	**82,917**	**4,939,142**	**4,729.4**	**6.3**	**5.2**	**4.7**	**5.31**	**5.62**	**2.3**	**2.8**	**1.69**	**3.07**
Acquisitions	-	-	-	-	-	12.9	-	-	-	-	-	-
Commercial units within resi. portfolio	1,209	155,012	-	-	17.2	16.8	7.86	-	-	-	-	-
Total residential portfolio	**84,126**	**5,094,154**	**4,729.4**	**6.6**	**5.6**	**5.3**	**5.37**	**-**	**-**	**-**	**-**	**-**
Other*	169	33,347	98.6	5.1	5.1	5.1	13.13	-	-	-	-	-
Grand total	**84,295**	**5,127,501**	**4,828.0**	**6.5**	**5.6**	**5.3**	**5.43**	**-**	**-**	**-**	**-**	**-**

* including commercial properties and serviced apartments ** excluding acquisitions 2018 *** including effects from vacancy reduction

THE TAG SHARE AND THE CAPITAL MARKET

Share performance

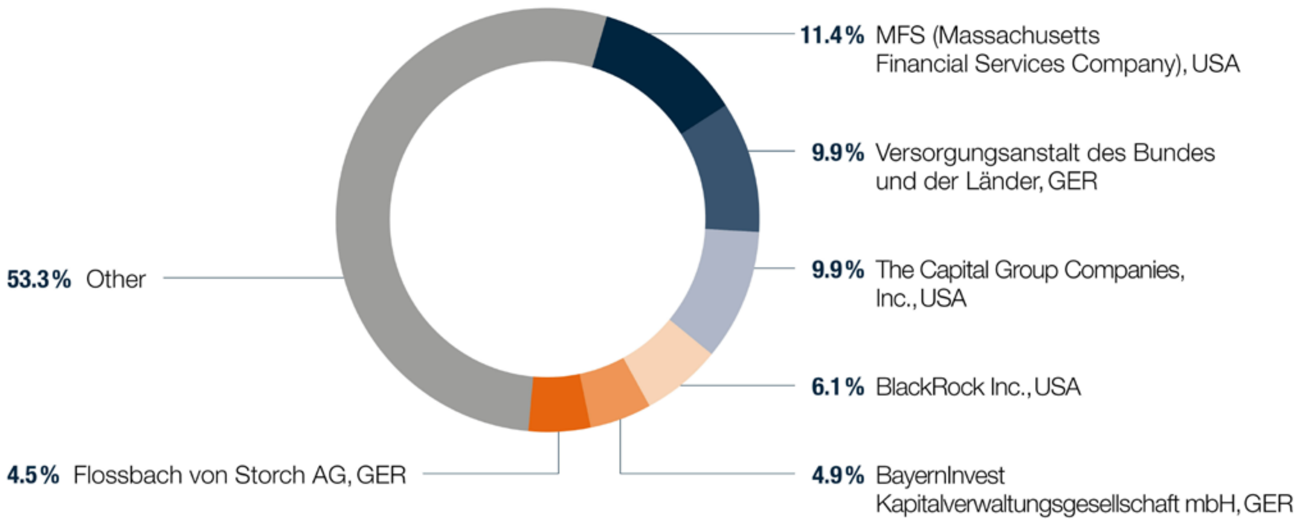
In the first quarter of 2019, the price of the MDAX-listed TAG share continued its positive performance, closing at EUR 22.00 (+10 %) on 29 March 2019 after a closing price of EUR 19.91 at the end of 2018. The benchmark indices MDAX, EPRA Germany, the index comprising the major German real estate stocks, and EPRA Europe also rose by 14 %, and 12 % each respectively, in the first three months of 2019.



Share capital and shareholder structure

The share capital and number of shares at the balance sheet date, at EUR 146,498,765, remained unchanged compared to the end of 2018. TAG's market capitalisation was EUR 3.2 bn at 31 March 2019, after 2.9 bn at 31 December 2018. At the reporting date, free float remained unchanged year-on-year at 99.88 % of the share capital, while 0.12 % of the share capital (177,115 shares) is held by TAG as treasury shares for Management Board and staff remuneration at 31 March 2019.

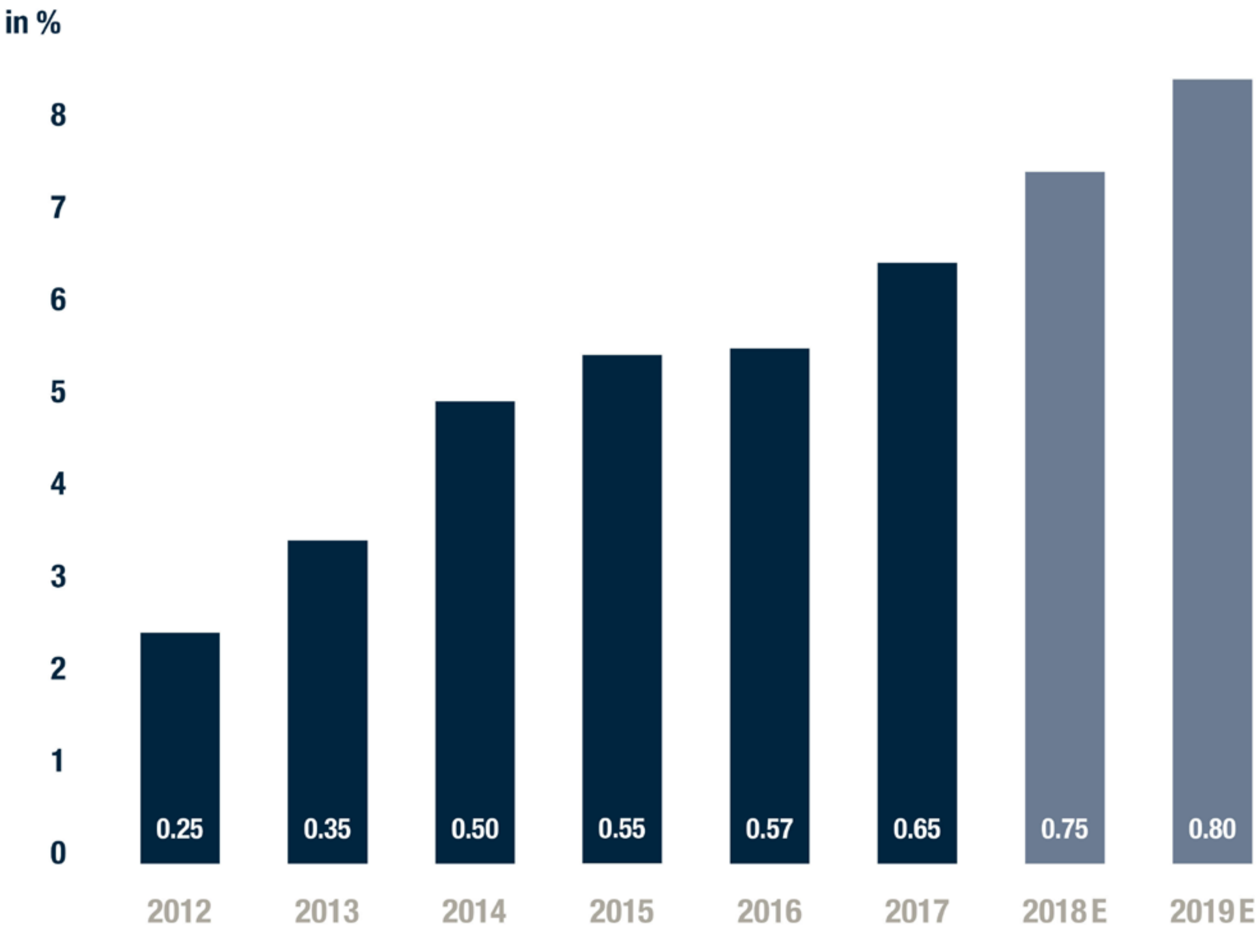
As before, the majority of TAG shareholders are German and international investors with a predominantly long-term investment strategy, as the following overview (at 31 March 2019) shows:



Dividend

TAG's shareholders participate substantially in the Company's success by paying an attractive dividend. At this year's Annual General Meeting, to be held in Hamburg on 7 May 2019, the distribution of a dividend of EUR 0.75 per share, after EUR 0.65 per share in the previous year, for the 2018 financial year will be put to the vote. To establish the share as an attractive dividend stock in the future as well, we plan to distribute a further increased dividend of EUR 0.80 per share for the 2019 financial year, which continues to correspond to a pay-out ratio of 75 % of the FFO I.

The development of our dividend payments over recent years is shown in the following diagram:



NEW ACCOUNTING STANDARDS FOR LEASES ACCORDING TO IFRS 16

The introduction of IFRS 16 brings with it new regulations for the recognition, measurement and reporting of – as well as disclosure requirements for – leases, which within the meaning of the standard also include leases for, e.g. business premises. It does not result in any significant changes for lessors. A lessee (or tenant) is now required to recognise all assets and liabilities arising from lease agreements in the balance sheet. An option may be exercised for short-term or low-value contracts.

At the commencement of a lease term, the right to use a property asset and a corresponding lease liability are measured at the present value of all relevant lease payments. While the right of use is subsequently subject to scheduled amortisation, the lease liability is updated according to actuarial methods. If the right of use relates to investment properties, it continues to be recognised at fair value in accordance with IAS 40.

In introducing IFRS 16, the Group applied the modified retrospective method and did not adjust comparative figures for prior periods. The first-time application of IFRS 16 as of 1 January 2019 had the following effects on the financial and net asset position and results of operations:

- Capitalisation of rights of use of EUR 10.4 m reported under non-current assets as of January 1, 2019, and recognition of a leasing liability under other non-current liabilities in the corresponding amount
- Increase of amortisation charge in Q1 2019 by EUR 0.5 m
- Increase in interest expense by EUR 0.04 m in Q1 2019
- Reduction of EUR 0.1 million in expenses for services
- Reduction of other operative costs (cost of premises, vehicles, and IT) by EUR 0.3 m in Q1 2019

The aforementioned effects lead to very minor effects on the Group result and to a slight reduction in the equity ratio due to the increased balance sheet total resulting from the capitalisation.

The reduction in operating expenses resulted in an increase in EBITDA, but this effect is corrected again in the reconciliation to the adjusted EBITDA. In the consolidated financial statements, cash flow from operating activities increases, while cash flow from financing activities decreases by the same amount.

There are no effects on the funds from operations (FFO) indicator. The effects within the consolidated statement of income and expense resulting from the application of the new leasing standard (shift from expenses from services and other operative costs to amortisation and interest expenses) are reversed again when this key indicator is calculated and shown as a separate line. Without this adjustment, FFO would have increased by EUR 0.4 m in Q1 2019 as a result of the new accounting standard.

However, TAG will monitor the further development of this key indicator within the industry and adjust the FFO calculation, which has remained unchanged (with regard to result) up to now, if necessary, provided that the majority of the peer group does so, in order to ensure further comparability of the FFO calculation.

ANALYSIS OF NET ASSETS, FINANCIAL POSITION, AND RESULTS OF OPERATIONS

Results of operations

Taking into account the changes in presentation explained above, the breakdown of rental income for the first quarter of 2019 is as follows:

Rental income in EUR m	Q1 2019	Q1 2018
Net rent (“rent without utilities“)	78.6	75.6
Operating and ancillary costs for third-party services passed on to tenants	23.9	24.4
Proportionate property tax and building insurance passed on to tenants	3.9	3.6
Total	**106.4**	**103.6**

In the first three months of the 2019 financial year, the Group increased its net rents by about 4.0 % year-on-year, from EUR 75.6 m to EUR 78.6 m. The main reasons for the increase in rental income were the new real estate portfolio taken over in the 2018 financial year, and the good operational growth in rents.

The individual items of rental expenses are as follows:

Rental expenses in EUR m	Q1 2019	Q1 2018 (adjusted)*
Maintenance expenses	8.4	8.6
Operating costs for vacant units	2.8	3.2
Non-apportionable incidental costs	2.8	1.7
Impairment of rent receivables	1.0	1.5
Expenses excluding charges passed on to tenants	**15.0**	**15.0**
Costs, taxes and insurances passed on to tenants	27.8	27.9
Total	**42.8**	**42.9**

* The Q1 2018 figures have been restated to conform to the presentation in the consolidated financial statements as of 31 December 2018.

Mainly as a result of the increased rental revenues, rental profit, as the balance of rental revenues and expenses, also improved from EUR 60.6 m in the prior-year period to EUR 63.5 m in the first quarter of 2019.

The proceeds from the sale of properties and the results of their sale are shown below:

Proceeds and results from property sales in EUR m	Q1 2019	Q1 2018
Proceeds from sales of investment properties	4.2	15.3
Expenses from sales of investment properties	-4.3	-15.6
Net income from sales of investment properties	**-0.1**	**-0.3**
Proceeds from sales of inventory properties	0.2	0.2
Expenses from sales of inventory properties	-0.1	-0.4
Net income from sales of inventory properties	**0.1**	**-0.2**
Total	**0.0**	**-0.5**

The result from services is broken down into the services provided by the TAG Group and the pro rata property tax and building insurance included therein as follows:

Result from services in EUR m	Q1 2019	Q1 2018 (adjusted)*
Energy management	5.0	4.7
Caretake services	3.0	2.2
Multimedia services	2.2	2.0
Work done by in-house craftsmen/handymen	0.9	0.6
Proportionate property tax and insurance passed along to tenants	0.3	0.3
Other income from services	0.6	0.5
Total	**12.0**	**10.3**
Impairment-related expenses	-0.1	-0.1
Expenses from services	-7.0	-5.8
Total result from services	**4.9**	**4.4**

* The Q1 2018 figures have been restated to conform to the presentation in the consolidated financial statements as of 31 December 2018.

The following overview shows the main items of other operating income:

Other operating income in EUR m	Q1 2019	Q1 2018 (adjusted)*
De-recognition/charge-off of liabilities	0.3	0.3
Reversal of provisions	0.1	0.3
Other	0.2	0.4
Total	**0.6**	**1.0**

* The Q1 2018 figures have been restated to conform to the presentation in the consolidated financial statements as of 31 December 2018.

The result from fair value changes in investment properties and valuation of investment properties was balanced at EUR 0.0 m in the first quarter of 2019 (previous year: EUR -0.5 m). Significant valuation effects will not be recorded until the next complete portfolio valuation, which will take place on 30 June 2019.

Personnel expenses increased to EUR 11.9 m in the reporting period (previous year: EUR 10.8 m), especially due to the continued expansion of in-house caretaker and maintenance services. At 31 March 2019, TAG had 1,103 employees, including all caretakers and craftsmen, compared with 992 employees at the end of Q1 2018.

Amortisation mainly comprise scheduled depreciation of owner-occupied properties as well as IT and other office equipment. At EUR 1.5 m they are above the previous year's level of EUR 1.0 m. The main reason for the increase is the first-time recognition of scheduled depreciation on rights of use in accordance with IFRS 16 in the amount of EUR 0.5 m.

The composition of other operating expenses is shown below:

Other operating expenses in EUR m	Q1 2019	Q1 2018
Legal, cosulting and auditing costs (incl. IT consulting)	1.0	0.9
Occupancy costs	0.4	0.5
IT costs	0.4	0.5
Telephone costs, postage, office supplies	0.4	0.4
Travel expenses (incl. vehicle costs)	0.3	0.3
Other	1.5	1.1
Total	**4.0**	**3.7**

This yields the following adjusted EBITDA (excluding net proceeds from sales)/adjusted EBITDA margin for the first quarter of 2019:

in EUR m	Q1 2019	Q1 2018
EBIT	**51.5**	**49,4**
Valuation result	0.0	0.5
Depreciation	1.5	1.0
Adjustment for effects IFRS 16	-0.4	0.0
Results from sales	0.0	0.5
EBITDA (adjusted)	**52.7**	**51.4**
Net rent	78.6	75.6
EBITDA margin (adjusted)	**67.0%**	**68.0%**

The net financial result, which represents the balance of financial income and financial expenses, improved from EUR 15.6m as of 31 March 2018 to EUR 12.3m for the first three months of 2019. Net financial income, which is used in determining FFO, adjusted for one-off effects, improved to EUR 11.5m as of 31 March 2019, compared to EUR 15.0m in the same period of the previous year. In the first three months of the 2019 financial year, the significant year-on-year reduction in financing costs achieved in the past few quarters had a positive impact on earnings.

Financial result in EUR m	Q1 2019	Q1 2018
Income from investments	0.1	0.1
Interest income	0.1	0.2
Interest expenses	-12.5	-15.9
Financial result	**-12.3**	**-15.6**
Non-cash interest expenses on bonds and notes	0.3	0.4
Other non-cash items (e.g. derivatives)	0.5	0.2
Net financial result (cash effective, excluding one-off effects)	**-11.5**	**-15.0**

Income taxes are composed as follows:

Taxes on income in EUR m	Q1 2019	Q1 2018
Actual income taxes current financial year	1.4	1.4
Acutal income taxes previous years	0.0	-0.2
Deferred taxes	4.5	5.9
Total	**5.9**	**7.1**

Overall, TAG generated pre-tax earnings (EBT) of EUR 33.3m in the first three months of the 2019 financial year, after EUR 26.7m in the first quarter of 2018. This EUR 6.6m improvement in earnings was due in particular to the EUR 2.9m year-on-year improvement in net rental income, and the EUR 3.3m increase in the financial result.

The following table shows the calculation of FFO I, the adjusted EBITDA, AFFO (adjusted funds from operations excl. capex, but not including capex for project developments) and FFO II (FFO I incl. net revenue from sale) in the first quarter of 2019, in comparison to the same period of the previous year:

in EUR m	Q1 2019	Q1 2018
Consolidated net income	**33.3**	**26.7**
Taxes on income	5.9	7.1
Financial result	12.3	15.6
EBIT	**51.5**	**49.4**
Adjustments		
Result from sales	0.0	0.5
Valuation results	0.0	0.5
Depreciation	1.5	1.0
Elimination of the effects of IFRS 16	-0.4	0.0
EBITDA (adjusted)	**52.7**	**51.4**
Net financial result (cash effective, excluding one-off effects)	-11.5	-15.0
Cash-effective income taxes	-1.3	-1.1
Guaranteed dividend for minorities	-0.3	-0.2
FFO I	**39.5**	**35.1**
Capitalised maintenance expenses	-1.7	-1.6
AFFO (before modernisation capex)	**37.8**	**33.5**
Modernisation capex	-13.5	-11.4
AFFO	**24.3**	**22.1**
Result from sales	0.0	-0.5
FFO II (FFO I plus result from sales)	**39.5**	**34.6**
Weighted number of outstanding shares (in thousands)	146,322	146,410
FFO I per share in EUR	**0.27**	**0.24**
AFFO per share in EUR	**0.17**	**0.15**
Weighted number of outstanding shares, diluted (in thousands)	161,023*	
FFO I per share in EUR, diluted	**0.25**	
AFFO per share in EUR, diluted	**0.15**	

* Since Q2 2018 taking into account the effects of the potential conversion of the 2017/2022 convertible bond, as it is now traded, in the money, and taking into account potential shares from the remuneration of the Management Board

Thus FFO I during the reporting period increased significantly year-on-year, more than 12% (EUR 4.4m). In addition to a EUR 1.3m increase in adjusted EBITDA, a EUR 3.5m increase in net financial income also contributed to this positive development.

Net assets and investments

The balance sheet total at 31 March 2019 was EUR 5,043.1 m, after EUR 5,033.3 m at 31 December 2018. At 31 March 2019, the book value of the entire real-estate volume was EUR 4,828.0 m (31 December 2018: EUR 4,815.5 m), of which EUR 4,690.2 m (31 December 2018: EUR 4,666.7 m) are investment properties, whose development over the reporting period is as follows:

Investment properties in EUR m	2019	2018
Book value at 1 January	**4,666.7**	**4,166.0**
Additions from purchase of real estate portfolios	0.1	1.3
Subsequent acquisition and production costs	15.4	13.0
Transfer from assets held for sale	8.9	0.0
Transfer to assets held for sale	-0.8	-102.5
Sales and disposals	-0.1	-0.4
Changes in market value	0.0	-0.5
Book value at 31 March	**4,690.2**	**4,076.9**

In the first quarter of 2019, TAG spent a total of EUR 23.6 m (prior-year period: EUR 21.6 m) on ongoing maintenance and modernisation costs across its portfolio. EUR 8.4 m (prior-year period: EUR 8.6 m) were expensed for maintenance recognised in profit or loss, and EUR 15.2 m (prior-year period: EUR 13.0 m) for capitalised modernisation costs, which break down as follows:

in EUR m	Q1 2019	Q1 2018
Major measures (e.g. modernisation of entire blocks of flats)	7.8	5.9
Modernisation of flats		
Previously vacant flats	5.7	5.5
Tenant change	1.7	1.6
Total modernisation expenses	**15.2**	**13.0**

In addition, EUR 1.6 m (prior-year period: EUR 0.0 m) in modernisation expenses for project developments were incurred. Most of this is for a former commercial property that is currently being converted into student housing and micro-apartments. These modernisation costs are considered separately from the residential portfolio.

Deferred tax assets were as follows on the balance sheet date:

Deferred tax assets in EUR m	03/31/2019	12/31/2018
Tax loss carryforwards	62.8	64.7
Derivative financial instruments	11.9	11.9
Other (including netting)	-24.4	-6.6
Total	**50.3**	**70.0**

The following table shows the main items of deferred tax liabilities:

Deferred tax liabilities in EUR m	03/31/2019	12/31/2018
Valuation of investment properties	439.7	437.7
Other (inlcuding netting)	-21.3	-4.2
Total	**418.4**	**433.5**

Financial position and equity

The cash and cash equivalents as of the reporting date, and the cash and cash equivalents shown in the cash flow statement are as follows:

Cash and cash equivalents in EUR m	03/31/2019	12/31/2018
Cash and cash equivalents as per balance sheet	88.1	91.7
Restricted cash in banks	-3.5	-2.7
Financial resources	**84.6**	**89.0**

Equity increased by EUR 33.2 m in the first three months of the 2019 financial year, due to the positive quarterly result, so that equity as of 31 March 2019 amounts to EUR 2,081.5 m (31 December 2018: EUR 2,048.3 m). The equity ratio was 41.3 % as of the reporting date, compared with 40.7 % at 31 December 2018.

The calculation of net asset value (NAV) according to EPRA recommendations as of the balance sheet date is as follows:

in EUR m	03/31/2019	12/31/2018
Equity (before interests of non-controlling shareholders)	2,038.7	2,006.5
Deferred taxes on investment properties and derivative financial instruments	427.8	425.2
Fair value of derivative financial instruments	42.0	42.0
Hidden reserves on real estate held as property, plant and equipment and inventories	57.8	60.0
EPRA NAV	**2,566.3**	**2,533.6**
Number of shares outstanding (in thousands)	146,322	146,322
EPRA NAV per share in EUR	**17.54**	**17.32**
Number of shares outstanding, diluted (in thousands)	161,023	161,023
EPRA NAV per share in EUR, diluted	**17.54**	**17.33**

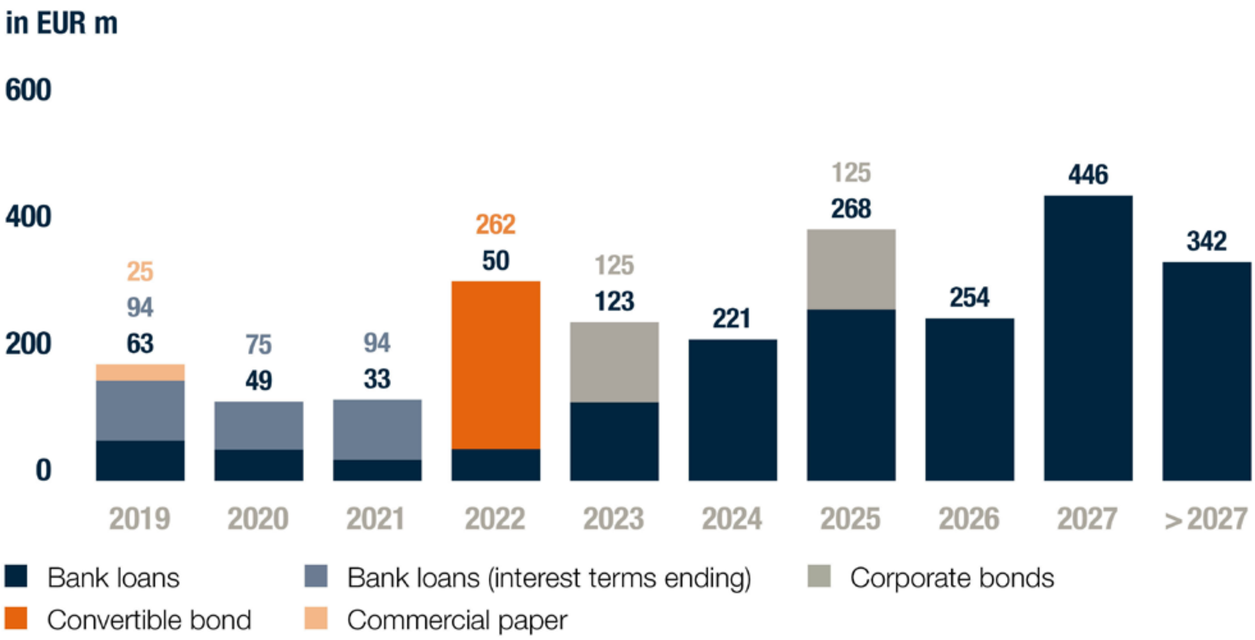
The calculation of the debt ratio loan-to-value (LTV) is shown below:

in EUR m	03/31/2019	12/31/2018
Non-current and current liabilities to banks	1,841.8	1,855.5
Non-current and current liabilities from corporate bonds	276.8	285.8
Non-current and current liabilities from convertible bonds	257.4	257.5
Cash and cash equivalents	-88.1	-91.7
Net financial debt	**2,287.9**	**2,307.1**
Book value of investment properties	4,690.2	4,666.7
Book value of real estate held as property, plant and equipment	9.5	9.5
Book value of property held as inventories	53.6	52.3
Book value of non-current real-estate assets held for sale	74.7	87.0
Real estate volume	**4,828.0**	**4,815.5**
Hidden reserves on real estate held as property, plant and equipment and inventories	57.8	60.0
Book value of properties for which purchase prices have already been paid in advance	-0.2	-0.2
Relevant real estate volume for LTV calculation	**4,885.5**	**4,875.3**
LTV	**46.8 %**	**47.3 %**

The average interest rate on bank loans was 2.16 % as of 31 March 2019, after 2.19 % on 31 December 2018. Total borrowing costs, i.e. including interest rates for corporate and convertible bonds (and including the issued commercial papers), amounted to 1.90 % as of 31 March 2019, compared to 1.92 % at 31 December 2018.

The average term of all bank loans was 9.0 years as of 31 March 2019 (31 December 2018: 9.3 years), the average term of all financial liabilities was 7.9 years (31 December 2018: 8.1 years).

The maturities of all financial liabilities as of 31 March 2019 are shown in the following diagram:



Fixed-interest liabilities to banks totalling EUR 408 m (Q2 to Q4 2019: EUR 157 m; 2020: EUR 124 m; 2021: EUR 127 m) will mature within the next three years or can be refinanced on maturity without prepayment penalty as the contractual interest commitment ends. The average interest rates on these bank loans are between 2.6 % and 3.7 %. Given the current significantly lower market interest rates, a further reduction in financing costs is to be expected in subsequent years.

MATERIAL EVENTS AFTER THE REPORTING DATE

There were no material reportable events after the balance sheet date.

OUTLOOK, OPPORTUNITIES AND RISKS

Its business activities expose TAG to various operational and economic opportunities and risks. Please refer to the detailed presentation in the „Outlook, Opportunities and Risks“ section of the Group Management Report for the 2018 financial year for further details on this. Since 1 January 2019, no significant developments have occurred or become apparent that would lead to a different assessment of the opportunities and risks.

The forecasts for the 2019 financial year, which were published in the 2018 Annual Report remain unchanged and are as follows (excluding results from changes in fair value of investment properties and from the valuation of inventory properties as well as from the valuation of financial derivatives):

- FFO (as FFO I without disposals): EUR 154 m to EUR 156 m (2018: EUR 146.5 m),
  or EUR 1.06 (2018: EUR 1.00) per share
- EBT: EUR 155 m to EUR 157 m (2018: EUR 143.4 m),
  or EUR 1.07 (2018: EUR 0.98) per share
- NAV per share from EUR 17.50 to 17.60 (31 December 2018: EUR 17.32),
  after taking into account a dividend payment of EUR 0.75 (previous year: EUR 0.65) per share.

The forecasts for the development of vacancy (reduction to 4.4 % to 4.7 % in the residential portfolio after 5.0 % as of 1 January 2019, including the acquisitions effective as of 31 December) and for like-for-like rental growth (2.5 % to 3.0 % after 2.6 % p.a. in 2018, including the effects of vacancy reduction) also remain unchanged.

Hamburg, 25 April 2019

Claudia Hoyer	**Martin Thiel**	**Dr Harboe Vaagt**
COO	**CFO**	**CLO**

CONSOLIDATED BALANCE SHEET

Assets in TEUR	03/31/2019	12/31/2018
Non-current assets		
Investment properties	4,690,210	4,666,673
Intangible assets	1,111	980
Intangible assets	27,510	26,366
Property, plant and equipment	9,822	0
Other financial assets	8,178	8,162
Deferred taxes	50,342	69,952
	4,787,173	**4,772,133**
Current assets		
Property held as inventory	53,566	52,296
Other inventories	820	253
Trade receivables	17,834	14,177
Income tax receivables	4,702	4,706
Other current assets	16,176	11,065
Cash and cash equivalents	88,087	91,718
	181,185	**174,215**
Non-current assets held for sale	**74,734**	**86,995**
	5,043,092	**5,033,343**

Equity and liabilities in TEUR	03/31/2019	12/31/2018
Equity		
Subscribed capital	146,322	146,322
Share premium	773,276	773,417
Other reserves	1,035	1,035
Retained earnings	1,118,077	1,085,705
Attributable to the equity holders of the parent company	2,038,710	2,006,479
Attributable to non-controlling interests	42,777	41,847
	2,081,487	**2,048,326**
Non-current liabilities		
Liabilities to banks	1,718,394	1,730,272
Liabilities from corporate bonds	248,831	248,771
Liabilities from convertible bonds	257,297	256,981
Derivative financial instruments	42,005	42,005
Retirement benefit provisions	5,418	5,505
Other non-current liabilities	21,035	10,850
Deferred taxes	418,365	433,456
	2,711,345	**2,727,840**
Current liabilities		
Liabilities to banks	123,385	125,271
Liabilities from corporate bonds	27,935	36,992
Liabilities from convertible bonds	136	546
Income tax liabilities	7,334	6,800
Other provisions	36,688	31,913
Trade payables	16,858	14,093
Other current liabilities	37,924	41,563
	250,260	**257,178**
	5,043,092	**5,033,343**

CONSOLIDATED INCOME STATEMENT

in TEUR	01/01/ - 03/31/2019	01/01/ - 03/31/2018 (adjusted)*
Rental income	106,404	103,569
Impairment losses	-991	-1,529
Rental expense	-41,874	-41,407
Net rental income	63,539	60,633
Revenues from the sale of real estate	4,406	15,527
Expenses from the sale of real estate	-4,453	-16,014
Income from sales	-47	-487
Revenues from services	11,979	10,280
Impairment losses	-111	-139
Expenses from services	-7,011	-5,777
Income form services	4,857	4,364
Other operating income	649	970
Fair value changes in investment properties and valuation of properties held as inventory	-26	-535
Personnel expense	-11,917	-10,802
Depreciation/amortisation	-1,529	-1,030
Other operating expense	-4,045	-3,677
EBIT	**51,481**	**49,436**
Net income from investments	69	56
Interest income	115	218
Interest expense	-12,496	-15,957
EBT	**39,169**	**33,753**
Income taxes	-5,868	-7,078
Consolidated net income	**33,301**	**26,675**
attributable to non-controlling interests	930	343
attributable to equityholders of the parent company	32,371	26,332
Earnings per share (in EUR)		
Basic earnings per share	0.22	0.18
Diluted earnings per share	0.20	0.17

* The Q1 2018 figures have been restated to conform to the presentation in the consolidated financial statements as of 31 December 2018.

CONSOLIDATED CASHFLOW STATEMENT

in TEUR	01/01/ - 03/31/2019	01/01/ - 03/31/2018
Consolidated net income	33,301	26,675
Net interest through profit and loss	12,381	15,739
Current income taxes through profit and loss	1,349	1,188
Depreciation/amortisation	1,529	1,030
Net income from investments	-69	-56
Fair value changes in investment properties and valuation of properties held as inventory	26	535
Result from the disposal of investment properties	125	296
Result from the disposal of tangible and intangible assets	-3	13
Impairments accounts receivables	1,102	1,760
Changes to deferred taxes	4,519	5,891
Changes in provisions	4,688	4,228
Interest received	0	59
Interest paid	-11,319	-13,883
Income tax payments	-811	-1,721
Changes in receivables and other assets	-12,368	-3,133
Changes in payables and other liabilities	-858	-7,828
Cashflow from operating activities	**33,592**	**30,793**
Payments received from the disposal of investment properties (less selling costs)	4,117	52,598
Payments made for investments in investment properties	-15,604	-14,261
Payments received from the disposal of intangible assets and property, plant and equipment	65	30
Payments made for investments in intangible assets and property, plant and equipment	-2,332	-962
Payments received from other financial assets	69	290
Cashflow from investing activities	**-13,685**	**37,695**
Purchase of treasury shares	0	-2,377
Payment made for the repayment of corporate bonds	-10,000	0
Proceeds from new bank loans	1,250	1,479
Repayment of bank loans	-15,194	-41,173
Repayment of lease liabilities	-393	0
Cashflow from financing activities	**-24,337**	**-42,071**
Net change in cash and cash equivalents	-4,430	26,417
Cash and cash equivalents at the beginning of the period	89,016	249,247
Cash and cash equivalents at the end of the period	**84,586**	**275,664**

TAG FINANCIAL CALENDAR 2019

Publications / Events

25 April 2019	Publication of Interim Report – Q1 2019
7 May 2019	Annual General Meeting, Hamburg
8 August 2019	Publication of Interim Report – Q2 2019
30 October 2019	Publication of Interim Report – Q3 2019

Conferences

16 May 2019	Kepler Cheuvreux German Property Day, Paris
23 May 2019	Kempen European Property Seminar, Amsterdam
24 May 2019	HSBC European Real Estate Conference, Frankfurt
6 June 2019	dbAccess Berlin Conference, Berlin
29 August 2019	German Sector Conference Commerzbank AG, Frankfurt
10–11 September 2019	Bank of America Merrill Lynch Global Real Estate Conference, New York
23 September 2019	Berenberg & Goldman Sachs Corporate Conference, Munich
23–26 September 2019	Baader Investment Conference, Munich
28 November 2019	Berenberg Real Estate Seminar, Paris

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