



Growing Assets

Interim Report on the 3rd quarter of 2012

Group Financials (IFRS)

in TEUR	01/01 – 09/30/2012	01/01 – 09/30/2011
A. Income statement key figures		
Revenues	179,359	108,346
a) Property sales	32,884	18,824
b) Rental income	139,843	83,046
c) Property management and other services	6,632	6,476
EBIT	202,485	95,765
EBT	139,810	53,403
Consolidated net profit	130,558	40,796
FFO in EUR m	27.6	./.
FFO incl. gains from sales in EUR m	48.9	./.
FFO per share in EUR	0.30	./.
FFO incl. sales result per share in EUR	0.53	./.
Earnings per share in EUR	1.43	0.67
B. Balance sheet key figures	09/30/2012	12/31/2011
Total assets	3,211,647	2,047,683
Equity before minorities	804,627	547,392
Equity ratio in %	25	27
Bank loans	1,978,741	1,189,393
of which current	472,244	172,568
Real estate volume	3,068,451	1,968,605
LTV in %	62.2	58.8
EPRA NAV per share in EUR	9.46	8.72
C. Employees of TAG	09/30/2012	09/30/2011
Number of employees	485	277
D. Further figures		
Market capitalisation in TEUR on 28 September 2012		819,068
Subscribed capital in EUR		98,921,227.00
WKN/ISIN		830350/DE0008303504
Number of shares		98,921,227
Free Float in %		97%
Stock indices		MDAX/EPRA

Table of Content

Group Financials	02	Group Management Report	16
Preface	04	Consolidated balance sheet	22
Portfolio	06	Consolidated income statement	24
Growth strategy	09	Consolidated statement of comprehensive income	25
FFO	13	Consolidated cash flow statement	26
TAG share	14	Statement of changes in consolidated equity	28
		Consolidated segment report	30
		Notes to the consolidated financial statement	32
		Review report	40
		Financial calendar/Contact	43

Preface by the Management Board

Dear Shareholders, Ladies and Gentlemen,

TAG Immobilien AG ('TAG' in the following) continued to make significant progress in the third quarter of 2012. On the operations side, we were able to further reduce vacancy and increase our FFO. Strategically and organisationally, the integration of TAG Potsdam Immobilien AG - formerly DKB Immobilien AG - is largely complete and TAG Group's corporate structure has been further streamlined and optimised.

The reduction in vacancy has picked up speed again across the Group. Overall, vacancy in TAG's residential property portfolio fell from 11.4 percent at the end of the second quarter to 11.1 percent at the end of the third quarter. This was mainly due to the reduction of vacancy in Salzgitter, which decreased from 22.5 to 21.7 percent, while vacancy in TAG Potsdam's portfolio was reduced from 11.3 to 10.9 percent. Fortunately, at the same time we were also able to slightly increase the rent levels in both these markets.

Our FFO also rose to EUR 11.2 million in the third quarter, and we are therefore well on track to achieve our target of EUR 40 million this year. We generated EBT of EUR 19.2 million and NAV per share of EUR 9.46. The vacancy reduction will of course not be reflected until the following quarter's figures. Likewise, the synergies from the integration of our recent acquisitions are hardly visible yet in our income statement, meaning our company has further strong cash flow potential.

The residential real estate market is becoming increasingly attractive. This is reflected in higher prices across the market, but at the same time opens up opportunities for us to opportunistically sell properties from our portfolios at prices that leave us with no commercial justification or incentive to hold on to them. Although these sales account for only a small part of our portfolio, they have significant positive implications for our NAV

and FFO. We will exploit these opportunities in both the residential and commercial portfolios in parallel and are currently working on individual sales.

Finally, we were able to use the past quarter to continue to focus our Group on its residential core business and to simplify our structures. For instance, we sold our commercial real estate services company POLARES as a management buy-out and were able to successfully squeeze out non-controlling interests in Bau-Verein zu Hamburg. We will also continue to increase our shareholding in Colonia AG, and have persuaded two Colonia shareholders to exchange their shares for TAG shares.

So we continue to move forward with stable operations and a strengthened strategy. In an environment of rising prices, we will continue to

exercise strict discipline in terms of prices for acquisitions. Profitability is more important than size, but we are confident that we will continue to be offered opportunities that we are willing and ready to take advantage of.

We thank you for your trust and confidence, and hope to continue to create value for our shareholders on the German real-estate market. The third-quarter results are an indication that we are on the right track.

Yours sincerely,



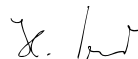
Rolf Elgeti



Georg Griesemann



Claudia Hoyer

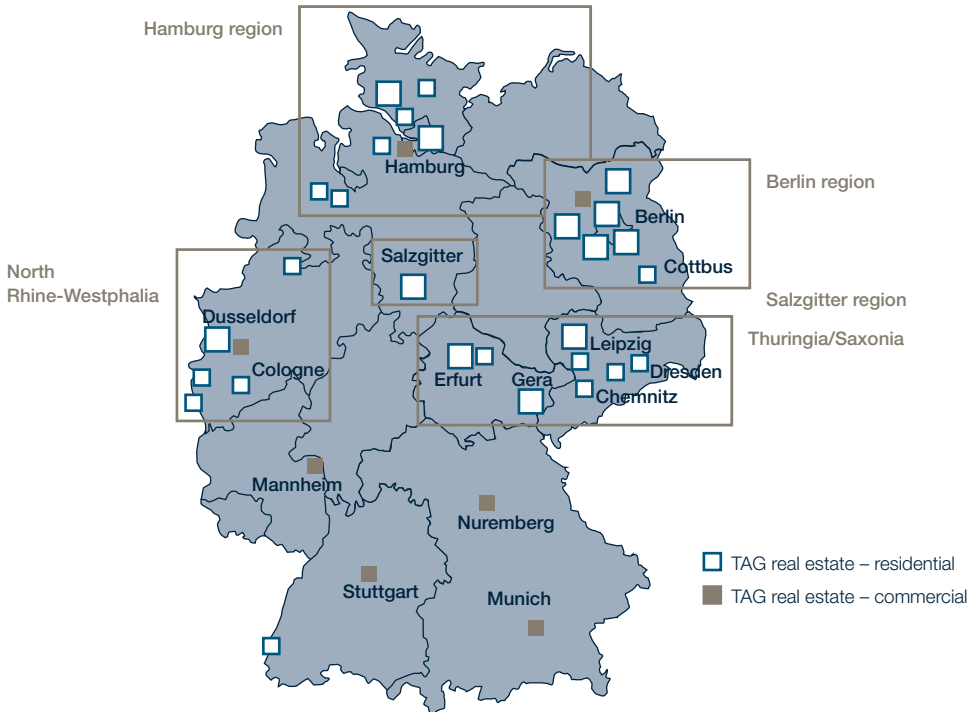


Dr. Harboe Vaagt

Portfolio

The acquisition of DKB Immobilien AG in the first half of 2012 increased TAG Group's portfolio to over 57,000 units. The newly acquired portfolio of TAG Potsdam Immobilien AG – as the company has since been renamed – comprises of more than 25,000 units, nearly all of them located in former East Germany, with a regional focus on

Thuringia, Saxony, and the greater Berlin area. The locations of the TAG Group portfolio and the distribution of its residential real-estate inventory by region are shown in the table below. In the third quarter of 2012 there was almost no change compared to the 1st half of 2012.

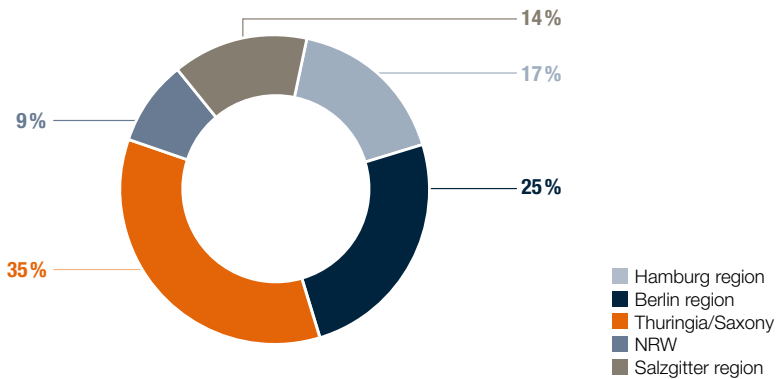


**Michaelisstraße, Erfurt**

Total TAG Group portfolio

09/30/2012	Total
Units	57,270
Floor area in sqm	3,826,526
Real estate volume in EUR million.	3,068,451
Vacancy in %	10.8
Net actual rent in EUR/sqm	5.17

Residential portfolio by region



Residential portfolio*

Region	Portfolio		Vacancy		Net actual		Target rent	Book value
	Units	Floor area sqm	Floor area sqm	in %	Ø EUR/sqm	TEUR p.a.	TEUR p.a.	TEUR
	57,132	3,469,912	385,098	11.1	4.87	180,459	199,102	2,570,806
Hamburg region	8,832	536,731	47,198	8.8	5.08	29,822	32,259	432,251
Berlin region	12,638	770,106	43,216	5.6	4.86	42,415	44,388	632,472
Thuringia/Saxony	22,464	1,331,044	156,067	11.7	4.55	64,140	70,546	897,150
Northrhine-Westphalia	3,995	267,089	15,700	5.9	5.59	16,865	18,033	255,515
Salzgitter region	9,203	564,943	122,918	21.7	5.13	27,217	33,877	353,417

* as of 09/30/2012 by book value

Growth strategy continues to be put into action

Second purchase price instalment for DKBI paid at end of June with proceeds from convertible bond issue

The purchase price for TAG Potsdam (formerly DKB Immobilien AG) totalled EUR 960 million, including about EUR 800 million of DKB Immobilien AG bank loans. The interest rates fixed in the loan contracts of all currently existing non-current liabilities will be extended through 2022, so that TAG can be assured of the properties' financing for the next ten years.

The EUR 160 million cash component of the price was paid in full by the end of the first half of the year. For the purchase price instalment of EUR 60 million still outstanding at 30 March 2012, TAG used the proceeds from the placement of a convertible bond. The early repayment of the vendor loan saved interest charges of up to EUR 2 million.

The integration of DKBI into the TAG Group proceeds fast and smoothly

The integration of TAG Potsdam into the TAG Immobilien Group is progressing faster than expected, and in many areas has been successfully completed in just three months, e.g. the merger of the admin and head office departments as well as the standardisation of accounting and financing. The optimisation of organisational processes in the IT department is being prepared.

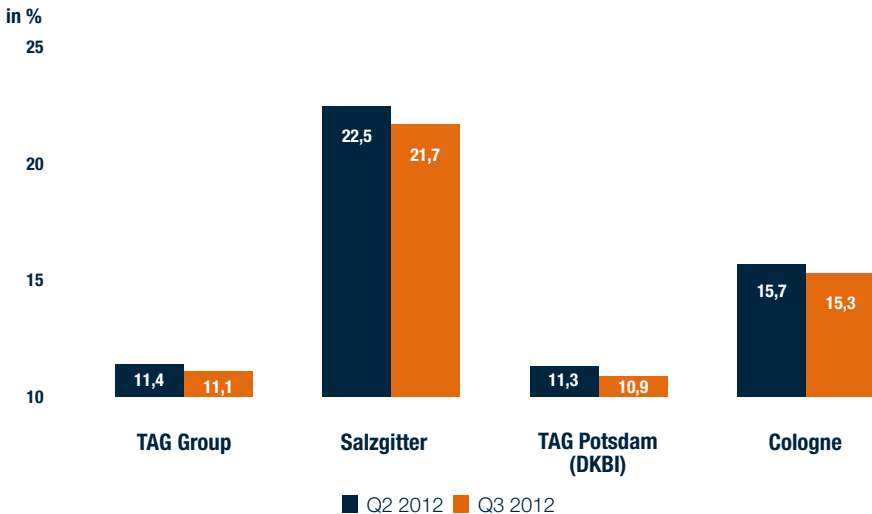
The portfolio in greater Berlin and East Germany was pooled under the TAG Group umbrella and the respective asset and property management teams are realising synergies and economies of scale locally. Initial rent increases have also already been carried out in the portfolio. The expected synergies, especially at the level of personnel expenditure, have already had a positive impact on the overall result in the current quarter.

Progress on vacancy reduction

At the end of the third quarter, TAG once again demonstrated its expertise in reducing vacancy. The company was particularly successful at sites with more difficult framework conditions and in portfolios it acquired as part of acquisitions. These include the inventories of Colonia Real Estate AG in Salzgitter and of TAG Potsdam Immobilien AG. The latter's properties are located in Berlin and former East Germany.

Vacancy across the Group's residential portfolio fell from 11.4 to 11.1 percent in the third quarter vs. the first half of 2012. Looking at individual Group companies or portfolios, vacancy within the TAG Potsdam portfolio decreased from 11.3 to 10.9 percent. In TAG Group's largest single portfolio in Salzgitter, the 22.5 percent vacancy rate seen in Q2/2012 was reduced to 21.7 percent in Q3/2012. The overall portfolio

Vacancy rates in the residential property portfolio: Q2 and Q3





Elstal, Radelandberg

of the subsidiary Colonia Real Estate AG with approximately 19,000 units had a vacancy of 15.3 percent in the third quarter 2012 - after 15.7 percent in the previous quarter. The Colonia portfolio was taken over at the beginning of 2011 with a vacancy of about 17 percent.

These successes, especially in portfolios with difficult conditions, demonstrate the expertise and competence of TAG Group's overall rental

and asset management. At the earnings level, the reduction of vacant floor space also served to increase rental income and cash flows, and thus the long-term value of the property portfolio as a whole.

Simplification of TAG Group's corporate structure – the Bau-Verein zu Hamburg Aktien-Gesellschaft 'squeeze out'

In February 2012, TAG Immobilien AG had submitted a voluntary offer to the minority shareholders of its subsidiary Bau-Verein zu Hamburg, to acquire their shares. The squeeze out was approved by a majority at the Bau-Verein AGM of 29 August. In return, the outstanding approximately 4 percent of shareholders will receive a cash payment of EUR 4.55 per share. The transaction's entry into the commercial register has been applied for, and the settlement is expected to take place in November 2012. With this step, TAG has further streamlined its corporate structure and after FranconoWest AG in 2011, by taking Bau-Verein off the stock exchange has delisted another stock company. Currently, only one subsidiary under the TAG Group umbrella, Colonia Real Estate AG, is listed. However, it is expected to move to the Entry Standard of the Frankfurt Stock Exchange on 12 November 2012.

Focus on the core business – Sale of POLARES Real Estate Asset Management GmbH

As a holder of investment properties, TAG is focused on residential real estate. To reflect this focus on the core business even more strongly, in the third quarter TAG announced it would sell 100 percent of the shares in POLARES Real Estate Asset Management GmbH, effective 30 September 2012. By taking this step, the Group is exiting the business of 'services for commercial real estate'.

POLARES was formed in the summer of 2011 from the merger of the former TAG Immobilien AG subsidiary LARUS Asset Management GmbH and the former Colonia Real Estate AG subsidiary Colonia Real Estate Solutions GmbH. This instantly made it one of the major commercial real-estate service providers in Germany in terms of the volume of real estate property serviced. The main focus of POLARES's business is asset and property management for commercially used real estate. POLARES will continue to look after the TAG Gewerbeimmobilien-Aktiengesellschaft portfolio and will remain a tenant at the TAG company headquarters in Hamburg.

Funds from operations (FFO)

FFO is an important financial indicator for real estate companies, as it indicates a company's operating profitability. FFO is calculated based on EBT adjusted for non-cash elements. In the third quarter of 2012, FFO amounted to EUR 11.2 million and has thus doubled compared to the first quarter. This also represents a further improvement compared to the second quarter (EUR 10.8 million). Cumulatively, the first nine months of 2012 have resulted in FFO of EUR 27.6 million, which puts us well on track to achieve our FFO guidance of EUR 40 million for 2012. This figure only includes a small portion of the synergies from the acquisition of DKB Immobilien AG,

which clearly indicates the FFO potential that can still be realised.

TAG's business activity regularly includes property sales. For this reason, we also report 'FFO including sales' as another indicator. This amounted to EUR 48.9 million at 30 September 2012 and primarily resulted from sales during the first quarter: a residential and commercial property in Hamburg, and the privatization of individual residential units at various locations.

In total at the end of the third quarter of 2012, approximately 270 units were sold, of which 109 apartments were located in Berlin.

in EUR m	01/01– 03/31/2012	04/01– 06/30/2012	07/01– 09/30/2012	01/01– 09/30/2012
EBT	93.4	27.2	19.2	139.8
Adjustment for non-cash items				
Valuation result	-6.8	-3.7	-11.9	-22.3
Gains from first-time consolidation of DKBI	-83.1	-16.0	0	-99.1
Deconsolidation of POLARES	0	0	-5.4	-5.4
Depreciation	0.4	0.4	0.4	1.2
Impairment losses on receivables and inventories	1.3	2.0	7.7	11.0
Non-cash financial expenses/income	0.4	0.9	1.2	2.5
Sales result	0.0	0.0	-0.1	-0.1
FFO	5.6	10.8	11.2	27.6
Plus liquidity from sales	12.8	4.3	4.2	21.3
FFO incl. gains from sales	18.4	15.1	15.4	48.9

TAG share moves up into the MDAX

TAG's share price clearly outperformed the comparable indices during the first three quarters of 2012. The price of the TAG share was EUR 6.15 at the beginning of 2012, and improved by 35 percent over the course of the first nine months of 2012, to EUR 8.28. By contrast, the SDAX and EPRA only grew 12 or 14 percent.

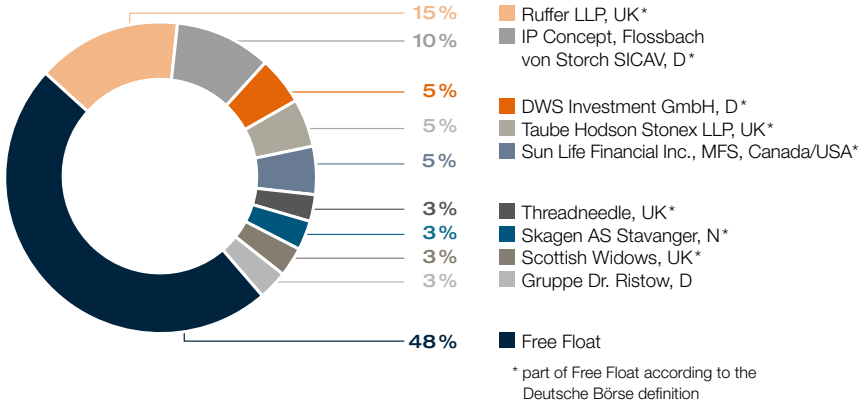
The number of shares increased at the end of September 2012 due to a capital increase by means of contributions in kind in early February 2012, as well as a capital increase against cash contributions in late March 2012 and the exercise of conversion rights totalling of 98,921,227 shares. Free float remains at 97 percent. Based on the closing price of EUR 8.28 on 28 September 2012, TAG's market capitalisation amounts to EUR 819 million and has thus increased by 78 percent compared to year-end 2011 due to the positive development in share price and the increased number of shares. Two criteria are relevant for the inclusion on the index of Deutsche Börse – the market capitalisation of a company's free float and its turnover (trading volume) on the stock exchange. TAG has done well in relation to both these indicators over the past 12 months and with effect from 24 September moved up onto the MDAX. TAG is therefore listed in a quality index that includes 50 medium-sized German stock corporations from traditional

industries and comes right after the 30 DAX stocks. This gives TAG share a very different kind of exposure, making it interesting for investors who have the MDAX as a benchmark. TAG is the fifth real-estate company on the MDAX alongside Deutsche Euroshop AG, Deutsche Wohnen AG, Gagfah and GSW AG.

In addition, in September 2012 TAG Immobilien AG resolved a capital increase by means of contributions in kind. The capital increase will involve 3,067,277 shares in Colonia Real Estate AG being allocated to TAG as contributions in kind. In return, TAG will issue 1,809,693 new shares and increase its capital stock by EUR 1,809,693.00 to a total of EUR 100,730,920.00. The exchange ratio is 1 TAG share to 1.69 Colonia shares. The approximately 3 million shares in Colonia Real Estate AG correspond to 6.91 percent of Colonia's share capital. TAG's share in Colonia will therefore increase from currently 72.13 percent to 79.04 percent. The capital increase is expected to take place in November of 2012.

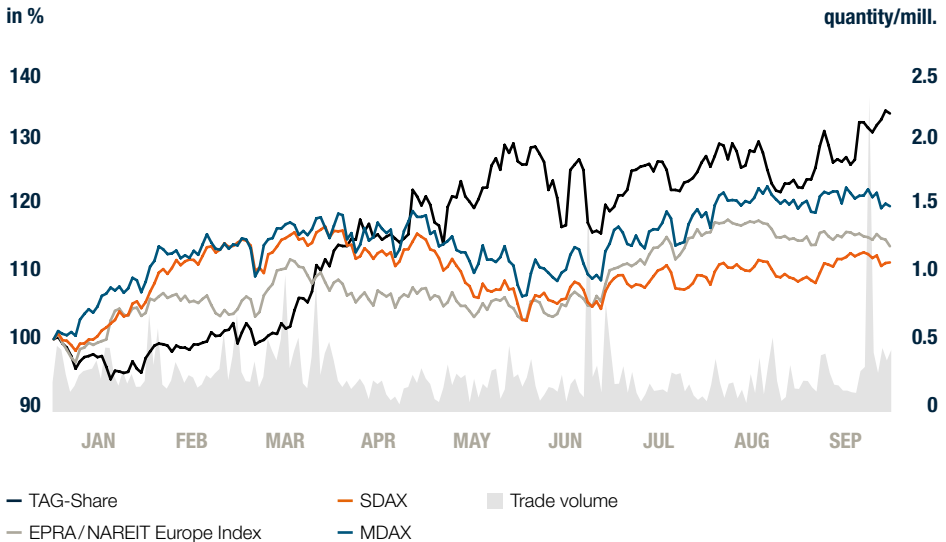
As before, the majority of TAG shareholders are domestic and international investors with a mostly long-view investment strategy.

Shareholder structure on September 30, 2012



Shareholder structure according to the notifications to the company.

Share price 2012



Interim Group Management report for the first nine months of 2012

Economic environment in Germany

The crisis in the euro zone is not only slowing down the global economy, but is also having an increasingly negative impact on the German economy. In particular, the export-dependent industrial sector significantly adjusted their earnings estimates for next year downwards in the second half of the year. The International Monetary Fund (IMF) has revised its global growth forecasts for this year. 'Mini-growth' of 0.2 percent is expected in the euro zone for 2013, with German gross domestic product (GDP) also only expected to grow 0.9 percent (original forecast 1.4 percent). The IMF is therefore calling further structural reforms next year as the only way to raise the level of investment and increase growth. More optimistically, however, the German Institute for Economic Research (DIW) confirmed its growth forecast of 1.6 percent for 2013, although the Ifo Business Climate Index for September 2012 surprisingly fell 101.4 points to its lowest level since August 2010. While the mood in industry, construction and exports is subdued, retailers continue to hold positive expectations. Consumer spending could be boosted by rising wages and a better situation on the

labour market. The unemployment rate fell to 6.5 percent at the end of September 2012. As economic forecasts are for very modest growth, the interest rate environment for the next year is expected to remain stable at low levels.

(Source: Employment agency statistics; Spiegel Online 5 Oct 2012; CBRE on the market for residential property portfolios in Germany, 3rd quarter 2012, 4 October 2012; www.joneslanglasalle.de: press release dated 1 Oct 2012)

The German real estate market

Commercial real estate

Overall, the market for commercial real estate in Germany was very dynamic in the first nine months of 2012. With transaction volumes of around EUR 14.9 billion by the end of September, the capital invested in commercial real estate was actually 14 percent below the previous year's level. However, as some larger transactions were delayed, experts are sticking to their forecasts for the full year and expect a total transaction volume of EUR 21-23 billion. More than half of the transactions in the year to date took place in major cities such as Munich, Stuttgart, Hamburg, Berlin and Frankfurt.

Foreign investors once again stepped up their activities in Germany during the period under review. Germany is regarded as a high priority investment destination. In sales transactions worth over EUR 100 million alone, the proportion of international buyers was 44 percent.

(Source: www.joneslanglasalle.de: press release dated 1 Oct 2012)

The value of TAG's commercial property portfolio is characterised among other things by good urban locations in big German cities with growth potential. No further commercial real estate acquisitions are planned at present, as active asset and property management is the focus of our activities. Under no time pressure, the sale of individual properties will continue to be considered step-by-step. Against this background, and due to the fact that REIT-Aktiengesellschaften have yet to become successfully established in Germany and are subject to rather large discounts to the NAV of their shares in current market assessments, TAG had abandoned its REIT plans for the commercial portfolio.

Residential real estate

German residential portfolios continue to be regarded as highly popular asset classes, especially by institutional investors. In the first nine months of 2012, 147 residential packages of 50 residential units or more valued at a total of EUR 8.2 billion were traded, so transaction volumes were almost twice as high as in the same period last year. 149,000 residential units with a total floor area of some 9.6 million square metres changed ownership. In the case of the major acquisitions – including the LBBW, DKB Immobilien AG and BauBeCon portfolios – the buyer side is dominated by German insurance companies/pension funds and listed real estate companies. Foreign investors accounted for 24 percent.

Berlin remains the highest-priority investment location. This is gradually leading to a product shortage and an increase in the purchase price and/or decrease in initial returns. By the end of September 2012, EUR 2.0 billion had been turned over in portfolio sales in Berlin – after around EUR 2.3 billion for the full year 2011.

(Source: CBRE on the market for residential property portfolios in Germany, 3rd quarter 2012, 4 October 2012)

Conclusion based on trends in the German real estate market:

The performance of the German real estate market in the first three quarters of 2012 shows that despite the euro crisis, German real estate, and especially residential real estate, constitutes a popular asset class, in particular because of its attractive risk premiums, a lack of alternatives for investing in tangible assets, and fears of rising inflation.

TAG took advantage of the opportunities in the German residential property market, and with the acquisition of 25,500 residential and commercial units from DKB Immobilien AG has developed into one of the largest listed German real-estate companies. With this transaction, TAG has achieved a structure and a critical mass that enables a further improvement in the management of its real estate portfolios.

TAG Group's net assets, financial position and results of operations

Group earnings for the first nine months of 2012 were materially affected by the first-time consolidation of TAG Potsdam Immobilien AG (formerly 'DKB Immobilien AG' or 'DKBI') – 'TAG Potsdam' in the following – on 31 March 2012. The first-time consolidation gains had a considerable effect on the income statement, and caused total assets to increase by around EUR 1.0 billion. As TAG Potsdam was consolidated for the first time as of the end of March 2012, its income and

expenditure for the period from 1 April until 30 September 2012 are included in the consolidated income statement.

TAG Group's rental income in the first nine months of 2012 nearly doubled to EUR 107.5 million, after EUR 58.8 million for the same period last year. This increase was chiefly due to the first-time consolidation of TAG Potsdam in 2012, and of Colonia Real Estate AG and other acquisitions in the year 2011, which were either not included at all or included only partially for the comparison period in 2011.

Revenue from the sale of investment properties amounted to EUR 25.3 million for the period January to September 2012, while sales for the comparable period in 2011 amounted to EUR 12.4 million. The corresponding expenses from the sale of investment properties amounted to EUR 25.3 million for the period from January to September 2012, after EUR 12.5 million for the same period last year. These chiefly comprised the 'Eichholz' (Hamburg) and 'Max-Brauer-Allee' (Hamburg) assets as well as privatisation of the Ottobrunn estate (Ottobrunn). Sales of inventory real estate in the reporting period 2012 came to EUR 7.6 million compared to EUR 6.4 million in the previous year. The corresponding expenses from the sale of inventories amounted to EUR 7.6 million for the period from January to September 2012, after EUR 6.4 million for the same period last year.

Fair value remeasurement gains of EUR 63.3 million (previous year: EUR 31.0 million) were recognised in the first nine months. At the same time impairment expense of EUR 48.7 million (previous year: EUR 8.0 million) was recognised on real estate resulting in net fair value gains of EUR 14.6 million (previous year: EUR 23.0 million). In addition, fair value measurement gains on newly acquired investment properties of EUR 7.8 million (previous year: EUR 4.8 million in Marzahn) were recognised on the first-time consolidation of a further property company in Eberswalde.

Personnel expenses came to EUR 16.3 million in the reporting period (previous year: EUR 8.4 million). TAG Potsdam contributed a substantial EUR 5.0 million to the year-on-year increase, with the balance due to new recruiting by TAG.

Other operating expenses came to EUR 16.8 million, slightly above the previous year's figure of EUR 15.2 million. TAG Potsdam accounted for EUR 3.2 million of this. Without the inclusion of TAG Potsdam's results there is a reduction in other operating expenses of EUR 1.6 million. The positive effect is chiefly due to the absence of the restructuring costs which had arisen in the previous year in connection with Colonia. Moreover, expenditure on external service providers for Colonia was reduced through the use of in-house solutions.

The acquisition of TAG Potsdam resulted in preliminary first-time consolidation gains of

EUR 99.2 million. This amount constitutes the difference between TAG Potsdam's remeasured proportionate share capital and the lower cost of the business combination incurred by TAG in the acquisition of the shares in the TAG Potsdam Group. Compared with the first-time inclusion of TAG Potsdam at 31 March 2012, the first-time consolidation gain has increased by EUR 16.0 million. The adjustment is chiefly due to a reappraisal of the recoverable value of the deferred income taxes on unused tax losses which are available for use in the future as a result of the 'escape' clause. In addition to the EUR 48.7 million increase in net rental income to EUR 107.5 million, these effects were mainly responsible for the growth in the TAG Group's EBIT, which climbed from EUR 95.8 million in the first nine months of 2011 to EUR 202.5 million in the first nine months of 2012.

Effective September 2012, the shares in the POLARES Real Estate Asset Management GmbH sold through a management buy outs and the company was excluded. As part of the deconsolidation of one deconsolidation was in the amount of EUR 5.4 million, which was recorded in other operating income.

The increase in write-downs on receivables and inventories, from EUR 2.8 million in the same period last year to EUR 11.0 million in the reporting period, relates mainly to the increase in impairments/write-downs on real estate inventories in the amount of EUR 7.8 million.

Net interest income declined by EUR 18.3 million year-on-year, to EUR -62.9 million. Of this, TAG Potsdam contributed net interest expense of EUR 14.9 million. So adjusted for TAG Potsdam, net interest fell, mainly due to increased interest expense in connection with the convertible bonds.

TAG Group's Earnings before taxes (EBT) increased to EUR 139.8 million during the reporting period, up from EUR 53.4 million for the same period last year. Post-tax earnings came to EUR 130.6 million, EUR 89.8 million higher than in the previous year. Tax expenditure in the first nine months of 2012 was primarily comprised of deferred income tax liabilities as a result of measurement differences.

Total assets increased by around 56 percent from EUR 2,047.7 million on 31 December 2011 to EUR 3,211.7 million on 30 September 2012. This was chiefly due to the first-time consolidation of TAG Potsdam. Similarly, real estate assets grew from EUR 1,969 million at 31 December 2011 to EUR 3,068 million. Net bank borrowings amounted to EUR 1,978.7 million at 30 September 2012 as compared to EUR 1,157.7 million at 31 December 2011. Overall, this leads to an increase in the loan-to-value (LTV) ratio from 58.8 percent on 31 December 2011 to 62.2 percent on 30 September 2012.

Equity before non-controlling interests rose significantly by around 47 percent to EUR 804.6 million. In addition to the cash equity issue of around EUR 125 million and a non-cash equity

issue of some EUR 7 million a conversion of convertible bonds of approximately EUR 12.5 million, this was primarily due to the consolidated earnings of EUR 130.6 million. Offset against this was a dividend distribution of EUR 19.1 million. Accordingly, the equity ratio before minorities was 25.1 percent at the end of September 2012 (31 December 2011 26.7 percent).

TAG issued convertible bonds of TEUR 85.3 million in June 2012. The bonds have a tenor of seven years and will be callable for 9,640,248 no-par-value shares in TAG. The coupon was fixed at 5.5 percent p.a. and, hence, at the upper end of the original range of 4.50 to 5.50 percent. The conversion price was set at EUR 8.8483 and thus translates into a conversion premium of 20.0 percent over the reference price of EUR 7.3736. The issue of the convertible bond resulted in interest advantages of TEUR 4,592 compared with alternative forms of finance net of deferred income taxes and proportionate transaction costs. This interest advantage was recorded within the share premium.

Material events occurring after the balance sheet date

In September 2012, TAG Immobilien AG resolved a capital increase by means of contributions in kind. The capital increase will involve 3,067,277 shares in Colonia Real Estate AG being allocated to TAG as contributions in kind. In return, TAG will issue 1,809,693 new shares, which will increase its capital stock to a total of EUR 100,730,920.00. The exchange ratio is 1 TAG

share to 1.69 Colonia shares. The approximately 3 million shares in Colonia Real Estate AG correspond to 6.91 percent of Colonia's share capital. TAG's share in Colonia will therefore increase from currently 72.13 percent to 79.04 percent. The capital increase is expected to take place in November of 2012.

Risks and outlook

TAG's business activities expose it to various operating and economic risks. Please refer to the comprehensive risk report in the annual report for 2011 (page 51 of the Group management report) for further details. Since 1 January 2012, no risks necessitating any modifications to this assessment have arisen or become discernible.

TAG Potsdam Immobilien AG, which was acquired in the first half of the year, has already been fully integrated in TAG's risk management system. As part of the integration process, there have been changes to both the Management Board and the Supervisory Board. Due to the new size of the Group and the strategic challenges it faces, the position of Chief Operating Officer was created. No additional risks have arisen as a result of the acquisition. As TAG Potsdam's funding structure is largely non-current in nature, there are no short-term funding risks.

The IFRS consolidated financial statements prepared by Colonia Real Estate AG as at 31 December 2010 were reviewed by Deutsche Prüfstelle für Rechnungslegung e. V. ('DPR') in accordance with Section 342b (2) Sentence 3 of the German Commercial Code in a routine random sample audit. DPR confirmed in July 2012 that no accounting errors had been discovered.

In the outlook chapter of our annual report for 2011, we had forecast earnings before tax (EBT) of around EUR 75 million and a net asset value per share of EUR 9.75 in accordance with EPRA at the end of 2012. With the publication of the report on the first quarter 2012, the previous forecast was adjusted, raising projected EBT to EUR 140 million and expected rental income for the year to EUR 192.0 million based on the Group's favourable business performance as a result of the acquisition of the TAG Potsdam portfolio comprising 25,500 residential and commercial units. The forecast for funds from operations (FFO) net of earnings from real estate sales was increased to EUR 40.0 million (previously EUR 27.0 million). TAG continues to stick by these forecasts. The NAV of EUR 9.75 per share has been reaffirmed for this year.

Hamburg, 6 November 2012

The Management Board

Consolidated balance sheet

Assets in TEUR	09/30/12	12/31/11
Non-current assets		
Investment properties	2,948,463	1,889,860
Intangible assets	1,063	7,320
Property, plant and equipment	13,121	12,010
Investments in associates	65	61
Other financial assets	24,487	12,150
Deferred taxes	1,441	118
	2,988,640	1,921,519
Current assets		
Land with unfinished and finished buildings	95,888	37,413
Other inventories	251	247
Trade receivables	21,658	13,188
Income tax refund claims	1,150	1,455
Derivative financial instruments	8,635	489
Other current assets	11,179	3,292
Cash and cash equivalents	71,170	31,714
	209,931	87,798
Non-current available-for-sale assets	13,076	38,366
	3,211,647	2,047,683

Equity and liabilities in TEUR	09/30/12	12/31/11
Equity		
Subscribed capital	98,921	74,905
Share premium	488,311	363,031
Other reserves	-20,490	-16,260
Retained earnings	237,885	125,716
Attributable to the equity-holders of the parent company	804,627	547,392
Non-controlling interests	43,629	47,239
	848,256	594,631
Non-current liabilities		
Bank borrowings	1,506,497	1,016,825
Retirement benefit provisions	5,142	1,760
Non-current liabilities from convertible bonds	172,386	93,868
Derivative financial instruments	24,901	28,222
Other non-current liabilities	381	153
Deferred taxes	99,146	66,884
	1,808,453	1,207,712
Current liabilities		
Other provisions	24,025	17,807
Income tax liabilities	9,238	1,760
Bank borrowings	472,244	172,568
Trade payables	10,275	16,380
Derivative financial instruments	17,034	11,379
Current liabilities from convertible bonds	5,528	13,901
Other current liabilities	16,594	11,545
	554,938	245,340
	3,211,647	2,047,683

Consolidated income statement

in TEUR	01/01– 09/30/2012	01/01– 09/30/2011	07/01– 09/30/2012	07/01– 09/30/2011
Total revenues	179,359	108,346	61,322	35,655
Rental revenues	139,843	83,046	52,449	29,557
Rental expenses	-32,315	-24,284	-12,209	-9,951
Net rental income	107,528	58,762	40,240	19,606
Revenues from the sale of inventory real estate	7,626	6,431	2,588	1,510
Expenses on the sale of inventory real estate	-7,598	-6,390	-2,478	-1,524
Net revenues from sale of inventory real estate	28	41	110	-14
Revenues from the sale of investment properties	25,258	12,393	3,264	2,136
Expenses on the sale of investment properties	-25,215	-12,485	-3,249	-2,189
Net revenues from sale of investment properties	43	-92	15	-53
Revenues/net revenues from property management	6,632	6,476	3,021	2,452
Expenses for the provisions of property management	-4,113	-6,441	-1,352	-2,098
Net income from the provisions of property management	2,519	35	1,669	354
Other operating income	115,251	36,395	9,079	1,141
Fair-value remeasurement of investment properties	14,551	23,022	11,871	17,543
Fair value measurement gains on newly acquired investment properties	7,791	4,765	0	-472
Total net gains from the remeasurement of investment properties	22,342	27,787	11,871	17,071
Gross profit	247,711	122,928	62,984	38,105
Personnel expenses	-16,253	-8,422	-6,003	-2,545
Depreciation/amortisation	-1,176	-780	-396	-269
Impairment losses on receivables and inventories	-10,966	-2,782	-7,731	-269
Other operating expenses	-16,831	-15,179	-5,456	-3,631
EBIT	202,485	95,765	43,398	31,391
Net profit from investments	204	0	68	0
Share of profit of associates	-6	2,221	0	6
Interest income	10,012	2,975	4,192	1,379
Borrowing costs	-72,885	-47,558	-28,414	-13,115
EBT	139,810	53,403	19,244	19,661
Income taxes	-9,591	-12,460	-4,987	-6,593
Other taxes	339	-147	202	3
Consolidated net profit	130,558	40,796	14,459	13,071
of which attributable non-controlling interests	-725	-776	-913	912
of which attributable to the Parent Company's equityholders	131,283	41,572	15,372	12,159
Earnings per share (EUR), basic				
Basic profit per share	1.43	0.67	0.09	0.18
Diluted profit per share	1.22	0.58	0.09	0.17

Consolidated statement of comprehensive income

in TEUR	01/01– 09/30/2012	01/01– 09/30/2011	07/01– 09/30/2012	07/01– 09/30/2011
Net gains as shown in the income statement	130,558	40,796	14,459	13,071
Unrealised gains and losses from hedge accounting	-5,170	-7,450	-2,955	-13,323
Deferred taxes on unrealised gains and losses	1,073	1,819	661	3,600
Other comprehensive income after taxes	-4,097	-5,631	-2,294	-9,723
Total comprehensive income	126,461	35,165	12,165	3,348
of which attributable non-controlling interests	-591	-1,524	-914	-578
of which attributable to the Parent Company's equityholders	127,052	33,341	13,079	3,926

Consolidated cash flow statement

in TEUR	09/30/2012	09/30/2011
Consolidated net profit/loss	130,558	40,796
Depreciation/amortisation	1,176	780
Share of profits/losses of associates	6	- 2,221
Comprehensive income from investment properties	- 22,342	- 27,787
Losses/gains from deconsolidation	- 5,374	692
Gains from business combinations	- 99,157	- 28,702
Gains on disposal of jointly held companies	0	- 93
Losses on disposal of jointly held companies	0	25
Gains/losses from disposal of property plant and equipment	- 804	0
Gains/losses from the disposal of investment properties	- 43	92
Impairments on receivables and inventories	10,966	2,782
Changes in deferred income taxes	9,069	9,181
Changes in provisions	- 5,447	- 4,716
Changes in receivables and other assets	- 40,565	15,423
Changes in payables and other liabilities	29,184	- 29,689
Cash flow from operating activities	7,227	- 23,437
Payments made for investments in investment properties	0	- 31,399
Payments received from the disposal of investment properties	25,258	12,393
Payments made for investments in intangible assets and property, plant and equipment	- 691	- 710
Payments made for acquisition of consolidated companies net of cash disposed of	- 155,521	- 25,554
Payments received from the sale of property, plant and equipment	1,550	0
Payments received from the disposal of joint ventures net of cash disposed of	0	- 58
Payments made for investments in associates and other financial assets	- 228	- 1,871
Payments made for the acquisition of real estate companies (including transaction costs)	- 3,962	0
Payments received from the disposal of consolidated companies net of cash disposed of	- 188	0
Cash flow from investing activities	- 133,782	- 47,199

in TEUR	09/30/2012	09/30/2011
Payments received from cash equity issues	127,082	40,997
Expenses capital increase	- 3,500	- 691
Payments received from the sale of businesses	0	2,950
Payments received from the issue of convertible bonds	85,300	0
Payments made for the redemption of convertible bonds	0	- 45,232
Costs in connection with the issue of convertible bonds	- 1,419	0
Dividend distributions	- 19,114	0
Payments received from bank borrowings	13,794	76,282
Payments made for repaying bank borrowings	- 53,513	- 77,470
Payments made for business combinations without change of status	- 3,797	- 25,593
Cash flow from financing activities	144,833	- 28,757
Net change in cash and cash equivalents	18,278	- 99,393
Cash and cash equivalents at the beginning of the period	21,599	121,776
Cash and cash equivalents at the end of the period	39,877	22,383

Statement of changes in consolidated equity

in TEUR	Equity holders of the parent company				
	Subscribed capital	Share premium	Other reserves		
			Retained earnings	Hedge accounting reserve	Currency translation
01/01/2012	74,905	363,031	527	-16,818	31
Consolidated net profit	0	0	0	0	0
Other comprehensive income	0	0	0	-4,231	0
Total comprehensive income	0	0	0	-4,231	0
Business combination DKBl	0	0	0	0	0
Business combination without change of status	0	552	0	0	0
Cash equity issue	20,664	106,418	0	0	0
Capital increase against contribution in kind	859	6,091	0	0	0
Issue of convertible bond	0	4,592	0	0	0
Capital increase from conversion	2,493	9,997	0	0	0
Cost of issuing equity (after income taxes)	0	-2,370	0	0	0
Dividend distribution	0	0	0	0	0
Currency translation	0	0	0	0	1
09/30/2012	98,921	488,311	527	-21,049	32
01/01/2011	58,566	248,568	527	-10,034	0
Consolidated net profit	0	0	0	0	0
Other comprehensive income	0	0	0	-4,306	0
Consolidated net profit	0	0	0	-4,306	0
Business combination Colonia	0	0	0	0	0
Business combination without change of status	0	9,427	0	0	0
Capital increase from conversion	5	23	0	0	0
Issue of convertible bond	5,857	35,140	0	0	0
Cost of issuing equity (after income taxes)	0	-692	0	0	0
Currency translation	0	0	0	0	37
Other changes in non-controlling interests	0	1,348	0	0	0
09/30/2011	64,428	293,814	527	-14,340	37

Equity holders of the parent company			
Unappropriated surplus	Total	Non-controlling interests	Total equity
125,716	547,392	47,239	594,631
131,283	131,283	-725	130,558
0	-4,231	134	-4,097
131,283	127,052	-591	126,461
0	0	1,446	1,446
0	552	-4,465	-3,913
0	127,082	0	127,082
0	6,950	0	6,950
0	4,592	0	4,592
0	12,490	0	12,490
0	-2,370	0	-2,370
-19,114	-19,114	0	-19,114
0	1	0	1
237,885	804,627	43,629	848,256
58,834	356,461	8,849	365,310
41,573	41,573	-776	40,797
0	-4,306	-1,326	-5,632
41,573	37,267	-2,102	35,165
0	0	118,955	118,955
0	9,427	-25,612	-16,185
0	28	0	28
0	40,996	0	40,996
0	-692	0	-692
0	37	0	37
0	1,348	-1,348	0
100,407	444,872	98,742	543,614

Consolidated segment report

01/01 – 09/30/2012 in TEUR	Residential real estate				
	Hamburg	Berlin	NRW	Salzgitter	Thuringia/ Saxony
Total revenues	36,097	33,389	17,457	20,175	37,497
Previous year	15,004	20,498	16,712	15,489	5,538
■ Of which external revenues	36,097	33,347	17,457	20,175	37,420
Previous year	15,004	20,498	16,582	15,489	5,463
■ Of which internal revenues	0	42	0	0	77
Previous year	0	0	130	0	75
Segment profit	19,495	45,424	16,436	2,637	35,481
Previous year	12,180	24,582	9,816	6,314	2,578
■ Of which remeasurement of investment properties	3,635	13,835	6,470	-7,278	7,454
Previous year	2,661	7,201	2,169	0	-690
■ Of which fair value measurement gains on newly acquired investment properties	0	7,791	0	0	0
Previous year	0	4,765	0	0	0
Non-allocated other operating income					
Previous year					
■ of which first-time consolidation gains					
Previous year					
Gross profit					
Previous year					
Miscellaneous non-allocated income and expenses					
Previous year					
EBT					
Previous year					
Segment assets	434,681	635,337	260,240	353,417	919,389
Previous year	338,709	389,404	258,399	360,695	141,542
Non-allocated assets					
Previous year					
Total assets					
Previous year					

This Group segment report is an integral part of the notes to the abridged consolidated interim financial statements as of 30 September 2012.

Total Residential	Commercial real estate	Other activities	Consolidation	TAG Group
144,615	27,689	10,609	-3,554	179,359
73,241	28,299	8,491	-1,685	108,346
144,496	27,151	7,712	0	179,359
73,036	27,783	7,527	0	108,346
119	538	2,897	-3,554	0
205	516	964	-1,685	0
119,473	8,927	4,060	0	132,460
55,470	30,144	919	0	86,533
24,116	-9,565	0	0	14,551
11,341	11,681	0	0	23,022
7,791	0	0	0	7,791
4,765	0	0	0	4,765
				115,251
				36,395
				99,145
				28,702
				247,711
				122,928
				-107,901
				-69,525
				139,810
				53,403
2,603,064	461,207	4,180	0	3,068,451
1,488,749	475,676	4,180	0	1,968,605
				143,196
				79,078
				3,211,647
				2,047,683

Notes on the condensed consolidated interim financial statements as of 30 September 2012

General information

These condensed consolidated interim financial statements prepared by TAG Immobilien AG (hereinafter referred to as the “Company” or “TAG”) have been prepared in accordance with the provisions contained in Section 37x paragraph 3 of the German Securities Trading Act pertaining to interim financial reporting. The period under review comprises the first nine months of 2012. The comparison figures refer to 31 December 2011 with respect to the consolidated balance sheet and otherwise to the first nine months of 2011. In addition, the consolidated income statement and the consolidated statement of comprehensive income contain figures pertaining to the third quarter of 2012 (1 July to 30 September 2012) together with the corresponding comparison figures for the previous period. The figures reported in the interim financial report are mostly denominated in TEUR (thousands of euros). This may result in rounding differences between the individual parts of the financial statements.

The condensed consolidated interim financial statements have been prepared on a consolidated basis in accordance with the International Financial Reporting Standards (IFRS) endorsed by the EU concerning interim reporting (IAS 34 – Interim Reporting). In addition, allowance has been made for the provisions contained in German Accounting Standard No. 16 (DRS 16 – Interim Reporting).

The recognition and measurement principles as well as the notes and explanations on the interim consolidated financial statements for the quarterly financial statements are fundamentally based on the same recognition and measurement principles as applied in the consolidated financial statements for the year ending 31 December 2011. For more details concerning the recognition and measurement principles applied, please refer to the consolidated financial statements for the year ending 31 December 2011 compiled in accordance with IFRS, which pursuant to IAS 34 form the material basis for these interim financial statements.

Compared with the consolidated financial statements as of 30 September 2011, the following changes have been made to the presentation of items in the consolidated income statement as the Company considers these to provide a greater insight into the Group's results of operations: interest income of TEUR 3,131 from interest rate swaps reported under "interest income" in the previous year was netted with interest expense on interest rate swaps reported within "interest expense". The figures for the previous year have been adjusted accordingly.

Due to a restructuring of the internal organization, the composition of reportable segments changed in segment reporting. Due to a change in the consolidation group, for the residential segment a new regional allocation was made and segments services and other activities were summarized in the segment other activities. The segment information for the previous year has been adjusted accordingly.

Consolidated companies and acquisitions in the period under review

The consolidation group as of 30 September 2012 includes TAG and, as a matter of principle, all companies in which TAG directly or indirectly holds a majority of the voting capital. If shares in subsidiaries are considered to be of subordinate significance from the Group's perspective, they are recognised as available-for-sale financial assets in accordance with IAS 39.

Business combination with no changes of status

In the reporting period from January to September 2012, a further 2.93 percent of the shares in Bau-Verein zu Hamburg Aktien-Gesellschaft, Hamburg, (Bau-Verein AG) were acquired for TEUR 3,069 and a further 0.57 percent of the shares in Colonia Real Estate AG for TEUR 727. These transactions were recorded within equity as a share increase with no change of status.

Acquisition of real estate companies

Effective 1 February 2012, the Group acquired all shares in a real estate portfolio in Chemnitz (subsequently renamed to "TAG Chemnitz Immobilien GmbH"). The purchase price for the real estate portfolio came to around EUR 24 million. At the same time, there were bank borrowings of around EUR 16 million. The portfolio acquired with the company comprises around 430 residential units with a lettable floor space of some 32,000 square meters and current annual net rental income of around EUR 1.8 million. To finance the acquisition of the portfolio, TAG issued 859,339 new shares worth EUR 6.95 million on a non-cash basis. In addition, a cash component of around TEUR 260 was paid. The company was consolidated for the first time in the first quarter of 2012. TAG Chemnitz Immobilien GmbH's assets and liabilities were measured at their fair value.

In addition, TAG acquired a real estate portfolio in Eberswalde near Berlin (subsequently renamed "TAG Spreewaldviertel-Immobilien GmbH") by way of a share deal effective 1 February 2012. The purchase price for the real estate portfolio came to around EUR 30 million. The portfolio comprises 1,057 residential and 11 commercial units with a lettable floor space of around 60,000 square meters and current annual net rental income of some EUR 2.7 million. This company was also consolidated for the first time in the first quarter of 2012.

Acquisition of TAG Potsdam (previously DKBI)

On 26 March 2012, Deutsche Kreditbank AG (DKB) accepted TAG's offer for the full acquisition of TAG Potsdam-Immobilien AG (TAG Potsdam) (previously DKB Immobilien AG (DKBI)). TAG Immobilien AG had submitted a binding offer on 29 February 2012 to acquire TAG Potsdam with a cash component of EUR 160 million. TAG Potsdam was fully consolidated by TAG for the first time at the end of March 2012. It has around 25,000 residential units and around 500 commercial units with a lettable floor area of a total of some 1.5 million square meters and generates total net rental income of approximately EUR 73.2 million. Nearly all of the company's properties are located in the eastern German states, primarily Thuringia, the greater Berlin region and Saxony. The purchase price of EUR 160 million was paid in full in the first half of 2012. The transaction costs came to TEUR 216.

As TAG and TAG Potsdam are both in the business of managing residential real estate and have real estate holdings at various locations in the new German states, it is appropriate for the business activities to be merged in order to utilize potential for synergistic benefits and economies of scale and to improve operating margins throughout the entire Group.

The business combination led to a first-time consolidation gain (negative goodwill) which was reported within other operating income in the consolidated income statement and breaks down as follows:

TAG Potsdam was acquired for a price below the fair value of the individual assets and liabilities. Portfolios of this size are generally traded with corresponding package discounts reflecting the greater speed of exploitation with a portfolio sale compared with individual privatisation transactions and the resultant savings in personnel and administrative expenses as well as transaction costs arising from the complete sale of the individual assets. The difference is therefore chiefly due to the package discount.

in TEUR	Fair value on acquisition
Investment properties	947,251
Intangible assets, property, plant and equipment	2,108
Deferred income tax assets	0
Other non-current assets	408
Land with finished and unfinished buildings	105,374
Current receivables	6,352
Cash and cash equivalents	35,792
Other current assets	20,323
Non-current bank borrowings	-683,503
Deferred income tax liabilities	-21,759
Other non-current liabilities	-4,308
Current liabilities	-112,684
Other current liabilities	-34,750
Net assets at fair value or IFRS equity capital	260,604
Non-controlling interests	-1,447
Costs of the business combination	-160,000
Gain from first-time consolidation	99,157

First-time consolidation gains arise from the measurement of the assets and liabilities at their fair values. For this purpose, the investment properties were measured on the basis of external valuation reports, while the liabilities and derivative financial instruments were measured using the methods of financial mathematics. The first-time consolidation gain of EUR 83.1 million recorded in the interim consolidated financial statements as of 31 March 2012 had been based on preliminary calculations.

In the second quarter, the first-time consolidation gain increased by EUR 16.0 million. The adjustment is mainly due to the reappraisal of the recoverable amount of the deferred taxes on unused tax loss carry forwards which are available for future use as a result of the "escape" clause, and adjustments to provisions for onerous contracts. With regard to deferred taxes, it might be possible that there is a need for adjustment until year end.

Similarly, the non-controlling interests are recorded on the basis of the proportionate share of remeasured assets and liabilities.

The assets acquired included gross trade receivables of EUR 9.8 million, for which valuation allowances of EUR 3.5 million were recognised. Since the date of acquisition, TAG Potsdam has

generated revenues of EUR 42.6 million and net earnings for the period of EUR 9.1 million. If it had been acquired on 1 January 2012, it would have contributed revenues of EUR 62.3 million and net earnings for the period of EUR 11.1 million to the consolidated financial statements.

The business combinations served the purpose of additionally expanding TAG's residential real estate portfolio. As not all of the information required to account for this business combination was available as of the date on which these financial statements were prepared, the disclosed profits are on a preliminary basis. Accordingly, changes may arise until the publication of the consolidated financial statements as of 31 December 2012.

Other changes to the composition of the Group

As of 1 January 2012 Archplan Projekt Dianastraße GmbH merged with Bau-Verein zu Hamburg Eigenheim-Immobilien GmbH. Furthermore, effective 30 September 2012 all interests in POLARES Real Estate Asset Management GmbH were sold by way of Management Buy Out and deconsolidated from the Group. The deconsolidation resulted in deconsolidation gains of EUR 5.4 million, which were recorded under other operating income.

Material transactions during the period under review

The increase in subscribed capital from TEUR 74,905 to TEUR 98,921 is due to a cash capital increase of TEUR 20,664, a non-cash equity issue of TEUR 859 by way of contribution in kind for the acquisition of TAG Chemnitz Immobilien GmbH and the conversion of a convertible bond of TEUR 2,493. Further details on revenues and gross profit are set out in the segment report, which forms an integral part of these notes and is analysed in a separate table in front of the notes for convenience reasons.

TAG issued convertible bonds of TEUR 85.3 million in June 2012. The bonds have a tenor of seven years and will be callable for 9,640,248 no-par-value shares in TAG. The coupon was fixed at 5.5 percent p.a. and, hence, at the upper end of the original range of 4.50 to 5.50 percent. The conversion price was set at EUR 8.8483 and thus translates into a conversion premium of 20.0 percent over the reference price of EUR 7.3736. The issue of the convertible bond resulted in interest advantages of TEUR 4,592 compared

with alternative forms of finance net of deferred income taxes and proportionate transaction costs. This interest advantage was recorded within the share premium.

In July 2012, the convertible bond of almost EUR 12.5 million issued in 2009 was called in almost its full amount prematurely ahead of its scheduled expiry in December 2012.

Mr. Hans-Ulrich Sutter, the Chief Financial Officer of TAG, resigned effective 30 June 2012.

Mr. Georg Griesemann was appointed to the position of Chief Financial Officer effective 1 June 2012.

Mr. Rolf Hauschildt stepped down from the Supervisory Board effective 14 June 2012.

Ms. Bettina Stark was elected to TAG's Supervisory Board on 14 June 2012.

Ms. Claudia Hoyer was appointed Chief Operating Officer of TAG on 1 July 2012.

Material events after the end of the period covered by this interim report

Subject to the outstanding approval of the supervisory board, the management board has decided to carry out a capital increase by way of contribution in kind. It is intended to contribute 3,067,277 shares of Colonia Real Estate AG to TAG. In return, TAG will issue 1,809,693 new shares and thereby increase its share capital by EUR 1,809,693.00. The execution of the increase in share capital is expected to take place in November 2012.

Material transactions with related persons

During the reporting period there were no major changes to the business dealings with related parties and companies as compared with the Consolidated financial statements at 31 December 2011.

Other information

There has been no material change in the Group's contingent liabilities since 31 December 2011.

On 30 September 2012, the TAG Group had 485 employees, compared with 281 as of 31 December 2011. This increase is chiefly due to the inclusion of TAG Potsdam in TAG's consolidated financial statements.

Financial instruments were added to the consolidated financial statements as a result of the acquisition of TAG Potsdam. These are set out in the table analyzing the first-time consolidation gain. Further covenants must be observed in connection with the bank borrowings which have been taken over. TAG Potsdam has already been fully integrated in TAG's risk management system. There is no additional funding risk due to TAG Potsdam's long-term financing structure. The acquisition did not result in any reclassification of the financial instruments or any change in the fair value hierarchy.

Basis of reporting

The preparation of the condensed consolidated interim financial statements pursuant to IFRS requires the management boards and management staff of the consolidated companies to make assumptions and estimates affecting capitalized assets and liabilities, the disclosure of contingent liabilities on the balance sheet date and the presentation of expenses and revenues during the reporting period. The actual amounts arising in future periods may differ from these estimates. Moreover, the condensed consolidated interim financial statements include statements which do not entail reported financial data or any other type of historical information.


These forward-looking statements are subject to risk and uncertainty as a result of which the actual figures may deviate substantially from those stated in such forward-looking statements. Many of these risks and uncertainties

are related to factors which the Company can neither control, influence nor precisely estimate. This concerns, for example, future market and economic conditions, other market participants' behavior, the ability to successfully integrate companies after acquisition and realize expected synergies as well as changes to tax legislation. Readers are reminded not to place any undue confidence in these forward-looking statements, which apply only as of this day.

Hamburg, 6 November 2012



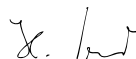
Rolf Elgeti



Georg Griesemann



Claudia Hoyer



Dr. Harboe Vaagt

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Hamburg, 6 November 2012

The Management Board

Review report

To TAG Immobilien AG, Hamburg

We have reviewed the condensed interim consolidated financial statements of the TAG Immobilien AG - comprising consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, statement of changes in consolidated equity, notes to the consolidated financial statement - together with the interim group management report of the TAG Immobilien AG, Hamburg, for the period from 1 January to 30 September, 2012 that are part of the quarterly financial report according to § 37 x Abs. 3 WpHG („Wertpapierhandelsgesetz“: „German Securities Trading Act“). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hamburg, 6. November 2012

KPMG AG
Wirtschaftsprüfungsgesellschaft

Madsen
Wirtschaftsprüfer

Drotleff
Wirtschaftsprüfer



TAG Financial Calendar

April 2013	Annual Report 2012
May 2013	Q1 Report
June 2013	Annual General Meeting
August 2013	Half-year Report
November 2013	Q3 Report

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This interim report is also published in German.

In cases of doubt, the German version takes precedence.



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