



COMPANY PRESENTATION

02.2014

COMPANY

Equity Story

- Deutsche EuroShop is Germany's only public company that invests solely in shopping centers.
- Shopping centers are attractive investments because of
 - continuously positive development of rents
 - stable long term growth
 - prime locations
 - high quality standards
- Deutsche EuroShop does not seek short-term success, but rather long-term growth and the resulting stable increase in the value of the portfolio.



COMPANY

At a Glance

- 19 shopping centers on high street and in established locations – 16 in Germany and one each in Austria, Hungary and Poland.

Lettable space	approx. 928,000 sqm
Retail shops	approx. 2,350
Market value	approx. €3.7 billion
Rents per year	€240 million ¹⁾
Occupancy rate	99%

avg. lettable space
per DES-center:
inner city
39,200 sqm
est. Locations
102,000 sqm

- 2012 portfolio valuation: 5.98% net initial yield (EPRA)
- Professional center management by ECE, the European market leader in this industry



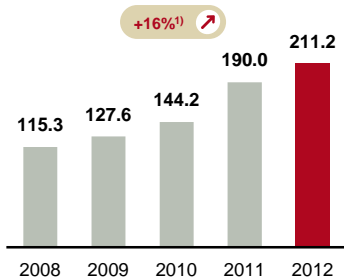
¹⁾ 100%-view

COMPANY

Key Figures

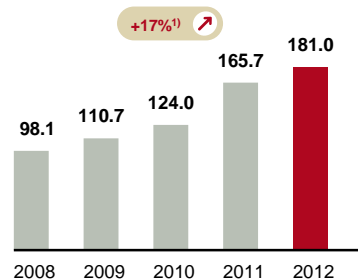
REVENUE

€m



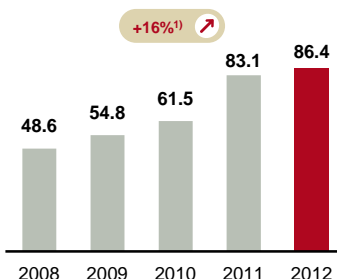
EBIT

€m



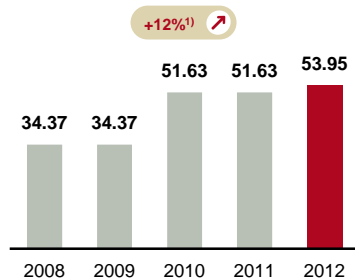
FFO

€m



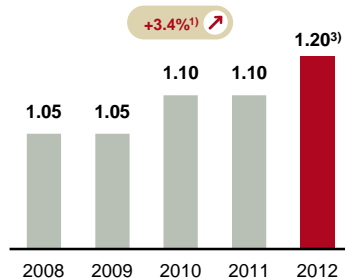
NUMBER OF SHARES

mn

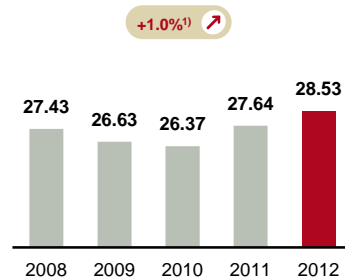


DIVIDEND PER SHARE

€

NAV PER SHARE²⁾

€

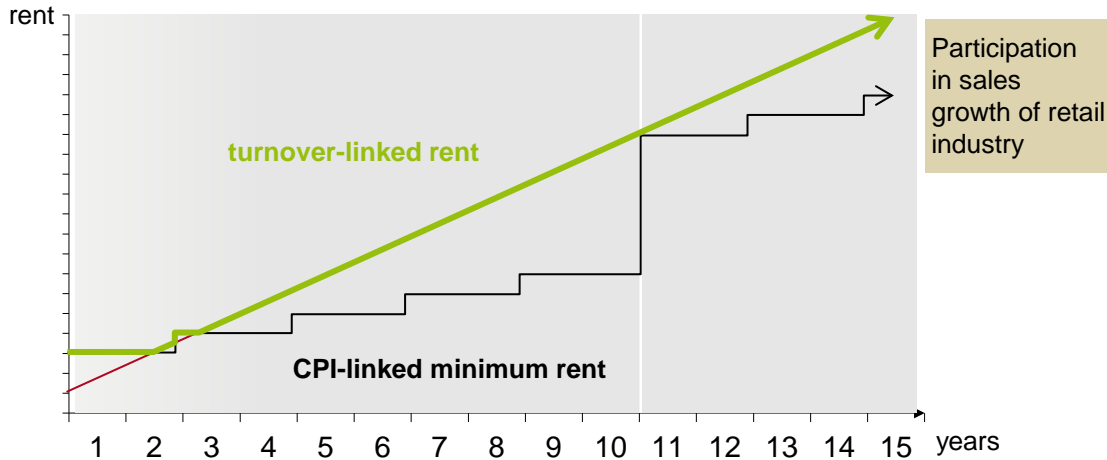


- ¹⁾ 2008-2012, Compound Annual Growth Rate (CAGR)
- ²⁾ since 2010: EPRA NAV
- ³⁾ paid on 21 June 2013



COMPANY

Lease System



Lease standards:

- 10 years lease only
- no break-up option
- turnover-linked rents
- minimum rents are CPI-linked

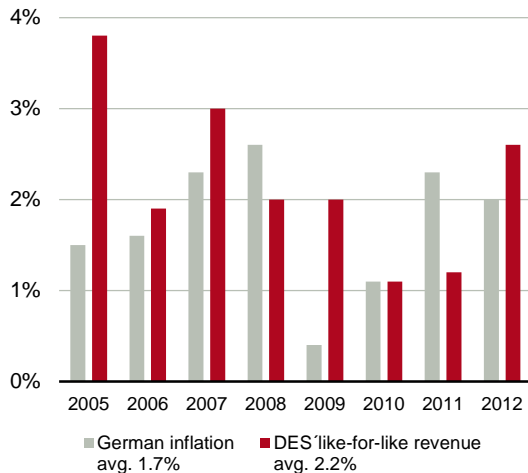


COMPANY

Lease System

- avg. rent per sqm and year: €250
- avg. turnover per sqm and year in DES shopping centers: €4,700¹⁾
(avg. German retail: €3,470, avg. German shopping centers: €4,090)
- Rent-to-sales-ratio: 7-11%
- weighted maturity of rental contracts: 7.0 years¹⁾

LIKE-FOR-LIKE REVENUE



¹⁾ Status: 31 December 2012

COMPANY

Targets

- Long term net asset value enhancement
- Main focus on NAV and dividend
- “buy & hold”-strategy, Continuous growth
- Stable and attractive dividends
Dividend yield: currently 4.1%
- Investment-focus:
At least 75% Germany and up to 25% Europe
- Portfolio extension by 10% per year
 - by acquisition of new shopping centers
 - by increasing existing amounts of holdings
 - by expansion of portfolio centers



SHOPPING CENTERS

Overview



SHOPPING CENTERS

Germany

**A10 Center****Main-Taunus-Zentrum****Altmarkt-Galerie**

Location	Wildau/Berlin	Sulzbach/Frankfurt	Dresden
Investment	100%	52.0%	100%
Lettable space sqm	118,500	117,900	77,000
Parking	4,000	4,500	500
Number of shops	approx. 200	approx. 170	approx. 200
Occupancy rate	100%	100%	93%
Catchment area	approx. 1.2 m. inhabitants	approx. 2.2 m. inhabitants	approx. 1.0 m. inhabitants
Opening/refurbishm.	1996 / 2011	1964 / 2004 / 2011	2002 / 2011



SHOPPING CENTERS

Germany

**Rhein-Neckar-Zentrum****Herold-Center****Allee-Center**

Location	Viernheim	Norderstedt	Magdeburg
Investment	100%	100%	50.0%
Lettable space sqm	64,400	55,500	51,300
Parking	3,800	850	1,300
Number of shops	approx. 110	approx. 130	approx. 150
Occupancy rate	100%	96%	98%
Catchment area	approx. 1.2 m. inhabitants	approx. 0.5 m. inhabitants	approx. 0.7 m. inhabitants
Opening/refurbishm.	1972 / 2002	1971 / 1995 / 2003	1998 / 2006



SHOPPING CENTERS

Germany

**Billstedt-Center****Phoenix-Center****Forum**

Location	Hamburg	Hamburg	Wetzlar
Investment	100%	50.0%	65.0%
Lettable space sqm	42,800	39,200	34,300
Parking	1,500	1,600	1,700
Number of shops	approx. 110	approx. 110	approx. 110
Occupancy rate	100%	100%	100%
Catchment area	approx. 0.7 m. inhabitants	approx. 0.6 m. inhabitants	approx. 0.5 m. inhabitants
Opening/refurbishm.	1969 / 1977 / 1996	2004	2005



SHOPPING CENTERS

Germany

**Allee-Center****City-Galerie****Rathaus-Center**

Location	Hamm	Wolfsburg	Dessau
Investment	100%	100%	100%
Lettable space sqm	33,900	30,800	30,400
Parking	1,250	800	850
Number of shops	approx. 90	approx. 100	approx. 90
Occupancy rate	100%	100%	98%
Catchment area	approx. 1.0 m. inhabitants	approx. 0.5 m. inhabitants	approx. 0.6 m. inhabitants
Opening/refurbishm.	1992 / 2003 / 2009	2001 / 2006	1995



SHOPPING CENTERS

Germany



City-Arkaden



City-Point



Stadt-Galerie

Location	Wuppertal	Kassel	Passau
Investment	100%	100%	75.0%
Lettable space sqm	28,700	28,300	27,600
Parking	650	220	500
Number of shops	approx. 90	approx. 60	approx. 90
Occupancy rate	100%	100%	100%
Catchment area	approx. 0.7 m. inhabitants	approx. 0.8 m. inhabitants	approx. 0.7 m. inhabitants
Opening/refurbishm.	2001 / 2004	2002 / 2009	2008



SHOPPING CENTERS

Germany

**Stadt-Galerie**

Location	Hameln
Investment	100%
Lettable space sqm	26,000
Parking	500
Number of shops	approx. 100
Occupancy rate	100%
Catchment area	approx. 0.4 m. inhabitants
Opening/refurbishm.	2008



SHOPPING CENTERS

Europe




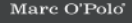
















































**Galeria Bałtycka****City Arkaden****Árkád**

Location	Gdansk, Poland	Klagenfurt, Austria	Pécs, Hungary
Investment	74.0%	50.0%	50.0%
Lettable space sqm	48,600	36,900	35,300
Parking	1.050	880	850
Number of shops	approx. 195	approx. 120	approx. 130
Occupancy rate	100%	100%	93%
Catchment area	approx. 1.1 m. inhabitants	approx. 0.4 m. inhabitants	approx. 1.0 m. inhabitants
Opening/refurbishm.	2007	2006	2004



SHOPPING CENTERS

Our Tenants¹⁾



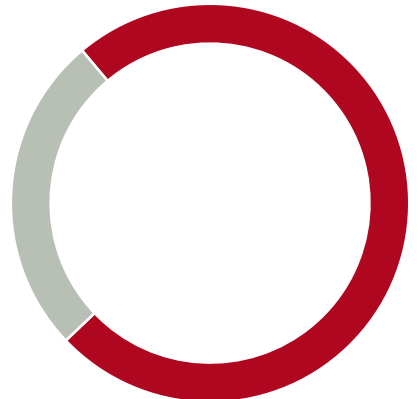
¹⁾ selection of our well known tenants

SHOPPING CENTERS

Tenants Structure Top 10 Tenants¹⁾

Low level of
dependence on
the top 10 tenants

	2012	2011
Metro Group	5.7%	6.0%
Douglas Group	4.6%	4.4%
H&M	2.9%	2.7%
New Yorker	2.2%	2.3%
Peek & Cloppenburg	2.1%	1.9%
Deichmann	1.9%	1.9%
C&A	1.8%	1.7%
REWE	1.7%	1.6%
Esprit	1.5%	1.4%
Inditex Group	1.5%	1.4%
Total	25.9%	25.3%

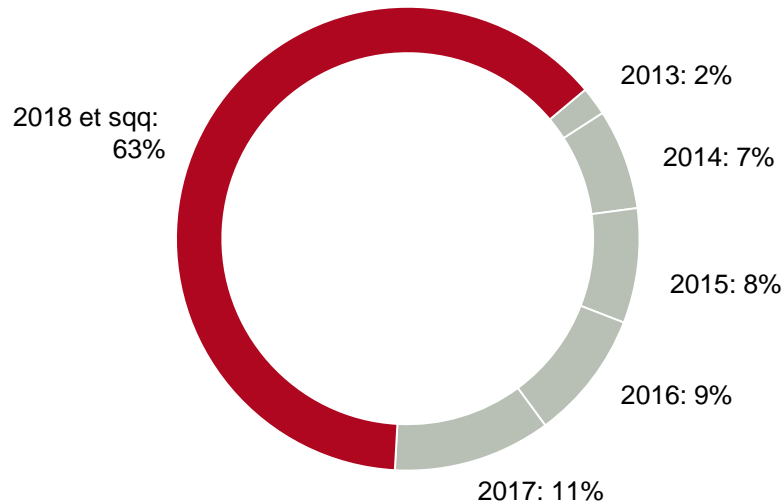


	2012	2011
Total	74.1%	74.7%



¹⁾ in % of total rents as at
31 December 2012

SHOPPING CENTERS

Maturity Distribution of Rental Contracts¹⁾

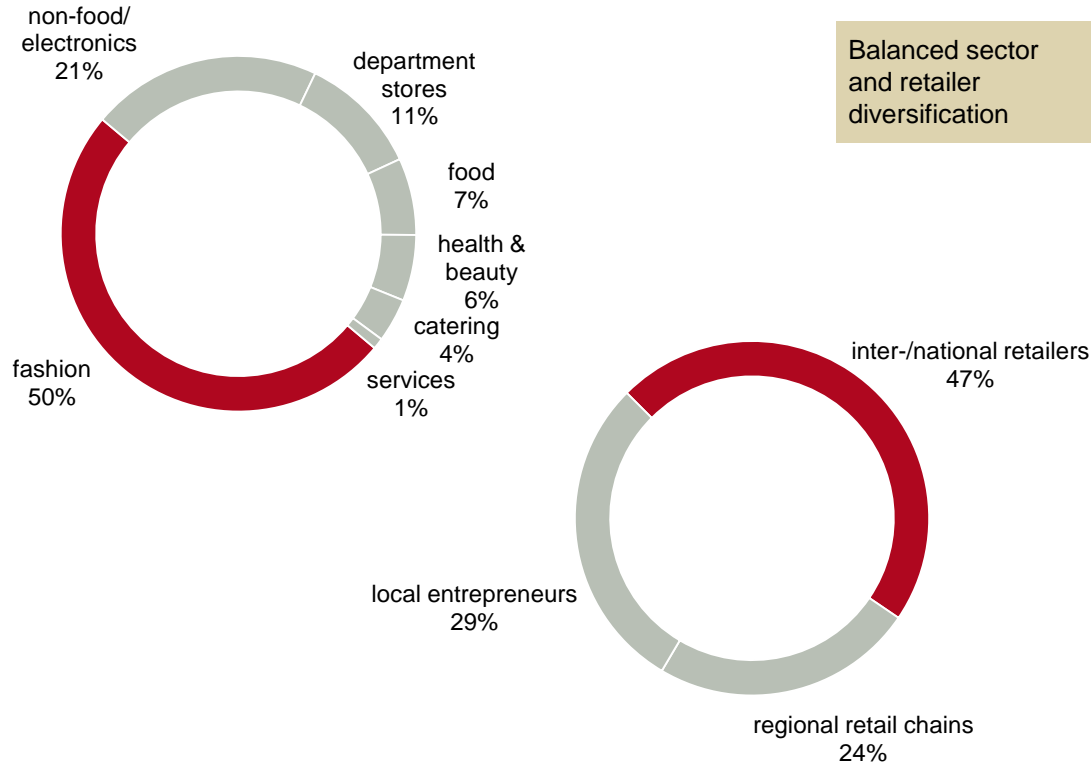
- Long-term contracts guarantee rental income
- Weighted maturity 7.0 years



¹⁾ in % of rental income as at 31 December 2012

SHOPPING CENTERS

Sector and Retailer Mix



FINANCIALS

Key Figures 9M 2013

€ million	01.01.-30.09.2013	01.01.-30.09.2012	Change
Revenue	138.2	117.0	18%
Net operating income	124.5	104.5	19%
EBIT	120.5	101.0	19%
Net finance costs	-20.0	-27.2	19%
Valuation result	-6.8	-2.7	-148%
EBT	93.7	71.0	32%
Consolidated profit	77.2	49.9	55%
FFO per share	1.58	1.34	18%
EPRA Earnings per share	1.25	1.00	25%
	30.09.2013	31.12.2012	Change
Total equity*	1,534.6	1,528.4	0%
Financial liabilities	1,509.0	1,357.7	11%
Other debt (incl. Deferred taxes)	269.9	273.2	-1%
Total assets	3,313.6	3,159.3	5%
Net financial liabilities	1,457,3	1,199.6	21%
Equity ratio ¹⁾	46,3%	48.4%	
LTV ratio	45%	40%	

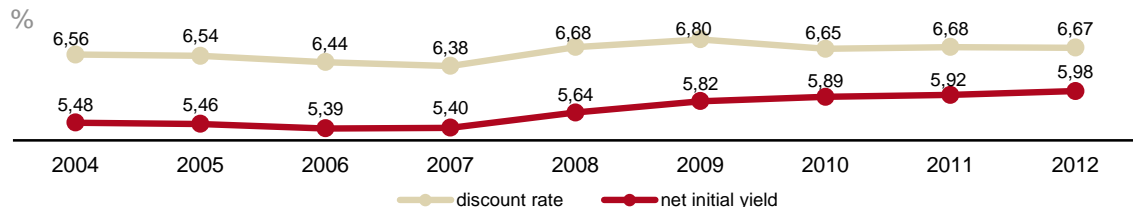


¹⁾ incl. non controlling interests

FINANCIALS

Valuation* – Investment Properties 2012

Discounted cash-flow method	2012	2011	actual		
expected yield of 10-year German federal bonds	4.30%	4.34%	1.61% ¹⁾		
average applied risk premiums	2.37%	2.34%			
average discount rate	6.67%	6.68%			
average property operating and management costs	11.00%	11.80%			
net initial yield (EPRA)	5.98%	5.92%			
				Macro-location	40.0%
				Competitive environment	12.8%
				Micro-location	19.2%
				Property quality	8.0%
				Tenants risk	20.0%



Sensitivity analysis

in € thousand	Basis	change of -25bps	change of +25bps
Rent increase rates	1.70%	-110,200	+113,000
Discount rate	6.67%	+101,900	-97,000
Net initial yield	5.98%	+146,400	-134,500
Cost ratio	11.00%	+9,500	-9,500



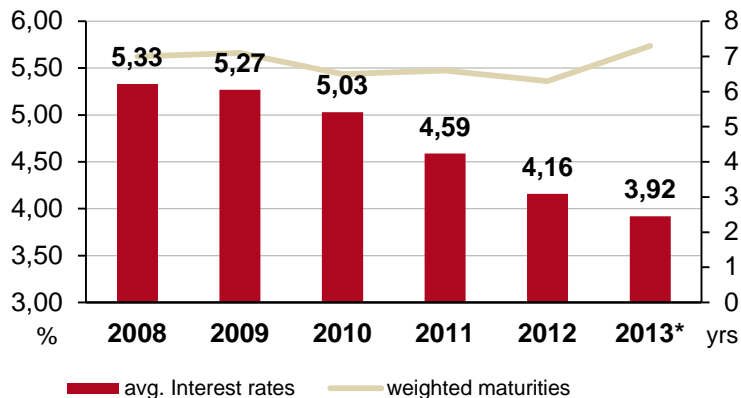
- ¹⁾ External appraisers:
Feri Research and GfK GeoMarketing
- ²⁾ Status: 4 February 2014

FINANCIALS

Loan Structure incl. Convertible Bonds*

Interest lockin	Duration	Principle amounts (€ thousand)	Share of total loan	avg. interest rate
Up to 1 year		149.0	10%	1.30%
1 to 5 years	3.2	301.3	19%	3.62%
5 to 10 years	8.0	1,011.7	65%	3.80%
Over 10 years	14.1	93.0	6%	5.06%
Total 2012	7.3	1,555.0	100%	3.92%

- Banks:
23 German and
1 Austrian
- Weighted maturity
of fixed interest periods
7.3 years
- Weighted maturity
of the loans >10 years



* = as of 30 June 2013



FINANCIALS

Refinancings of 2013*

in € thousand	new	old	+/-
Principle amounts	220,000	210,007	+9,993
Duration	10.0yrs	1.1yrs	+8.9yrs
Interest rate	2.99%	3.88%	-89bps

Maturities until 2017*

in € thousand	end of fixed interest periods respectively expiring loans	avg. interest rate	regular redemption payments	total maturities
2013	0		8,500	8,500
2014	0		18,600	18,600
2015	61,900	5.26%	18,200	80,100
2016	77,400	4.92%	16,400	93,800
2017	100,000	1.75%	16,300	116,300
	239,300			

* = as of 30 June 2013, excl. credit line

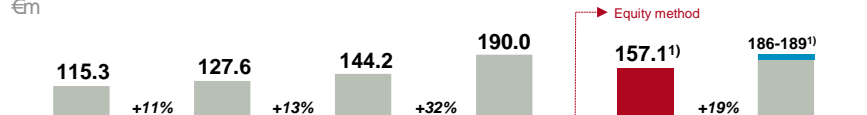


FINANCIALS

Forecast

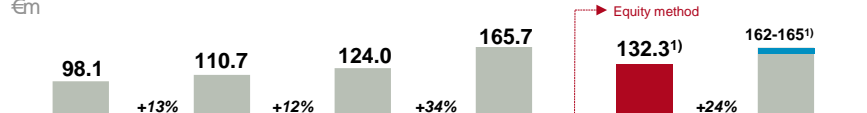
REVENUE

€m



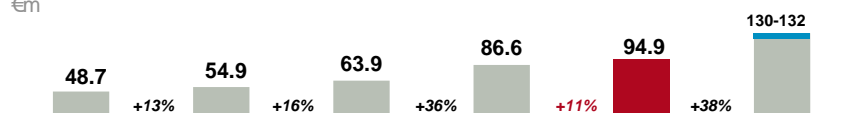
EBIT

€m



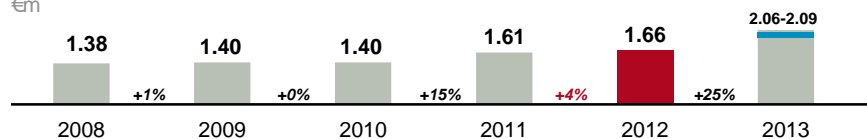
EBT BEFORE VALUATION

€m



FFO PER SHARE

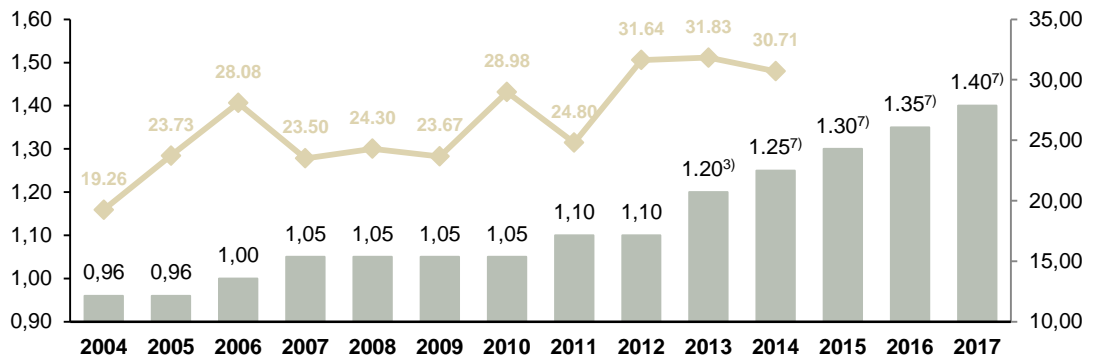
€m

CAGR²⁾: +22% ↗CAGR²⁾³⁾: +9% ↗

- 1) Equity method
- 2) Compound Annual Growth Rate (CAGR) 2008-2013
- 3) incl. dilution

SHOPPING CENTER SHARES

Dividend & Performance

Dividend¹⁾Share price²⁾PERFORMANCE⁴⁾

		DES	DAX	EPRA ⁵⁾	REX ⁶⁾
1 year	(2013)	+4.5%	+25.5%	+9.6%	-0.5%
3 years	+23.4% =	+7.2% p.a.	+11.4% p.a.	+8.7% p.a.	+4.1% p.a.
5 years	+61.4% =	+10.0% p.a.	+14.7% p.a.	+15.5% p.a.	+4.2% p.a.
Since IPO (2001)	+184.1%=	+8.4% p.a.	+3.1% p.a.	+6.8% p.a.	+4.9% p.a.

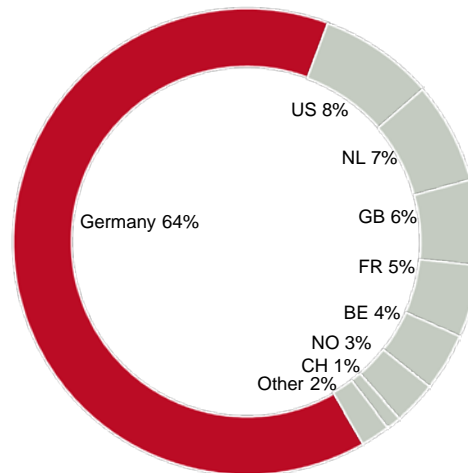
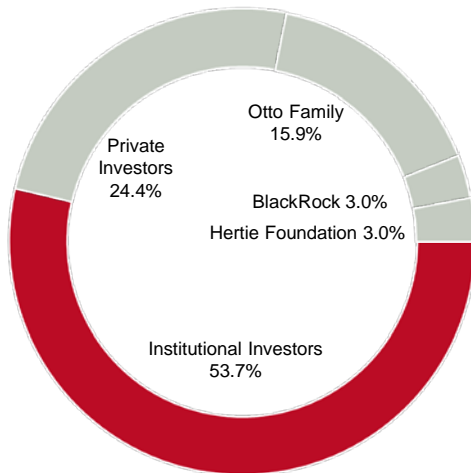
- 1) respectively paid for the previous financial year
- 2) 2014: as of 4 February 2014
- 3) paid on 21 June 2013
- 4) as of 31 December 2013
- 5) EPRA/NAREIT Europe
- 6) German government bonds index
- 7) probable proposal



SHOPPING CENTER SHARES

Shareholder Structure¹⁾

- 9,125 shareholders
- Free float 84.1%



1) Status: 3 February 2014

SHOPPING CENTER SHARES

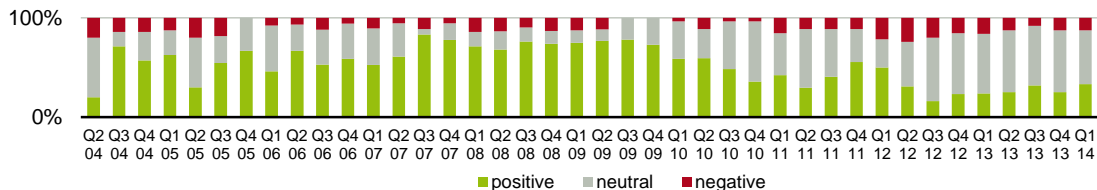
Analysts' Consensus¹⁾

avg. / in €	2013	2014
EBIT (€ million)	172.6	179.7
FFO per share	2.01	2.09
EPS	2.23	2.21
Dividend	1.26	1.30
Price target		33.42

Status: 10 Jan. 2014

- 24 analysts: one of the best covered real estate companies in Europe²⁾

Sell	Underperform	Neutral	Outperform	Buy
<ul style="list-style-type: none"> ▪ ABN Amro ▪ Natixis ▪ Oddo 	<ul style="list-style-type: none"> ▪ Baader Bank ▪ Bankhaus Lampe ▪ Close Brothers Seydler ▪ Commerzbank ▪ Deutsche Bank ▪ Equinet ▪ Hamburger Sparkasse 	<ul style="list-style-type: none"> ▪ HSBC ▪ Independent Research ▪ J.P. Morgan Cazenove ▪ Kempen & Co ▪ NORD/LB ▪ UBS 	<ul style="list-style-type: none"> ▪ Bank of America Merrill Lynch ▪ Berenberg Bank ▪ DZ Bank ▪ Green Street Advisors ▪ Kepler Cheuvreux ▪ Metzler ▪ M.M. Warburg ▪ Societe Generale 	



¹⁾ aggregated by DES

²⁾ according to Bloomberg as of April 2013

SHOPPING CENTER SHARE

10 Reasons to Invest

1. The only public company in Germany to invest solely in shopping centers
2. Prime locations
3. Proven, conservative strategy
4. Stable cash flow with long term visibility
5. Shareholder-friendly dividend policy
6. Experienced management team
7. Excellent track record
8. Centers almost 100% let
9. Inflation-protected rental agreements
10. Solidity combined with growth potential



APPENDIX

Key Data of the Share

Listed since	02.01.2001
Nominal capital	€53,945,536.00
Outstanding shares	53,945,536
Class of shares	Registered shares
Dividend 2012 (21 June 2013)	€1.20
52W High	€34.55
52W Low	€29.27
Share price (4 February 2014)	€30.71
Market capitalisation	€1.66 billion
avg. turnover per day last 12 months (XETRA)	112,300 shares
Indices	MDAX, EPRA, GPR, MSCI Small Cap, EURO STOXX, STOXX Europe 600
Official market	Prime Standard Frankfurt and XETRA
OTC market	Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart
ISIN	DE 000 748 020 4
Ticker	DEQ, Reuters: DEQn.DE
Market maker	Close Brothers Seydler



APPENDIX

Key Data of the Convertible Bond 1.75% 2017

Amount	€100 million
Principal amount	€100,000 per Bond
Issue date	20 Nov. 2012
Maturity date	20 Nov. 2017
Coupon	1.75%
Price (5 February 2014)	107.0%
Interest payment date	payable semi-annually in arrear on 21 May and 21 November in each year
Conversion price	€33.79 ¹⁾
Dividend protection	Conversion Price adjustment for any dividends paid (full dividend protection)
ISIN	DE 000 A1R 0W0 5
Listing	Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange



¹⁾ originally €35.10, adjusted on
21 June 2013

APPENDIX

Retail turnover 9M 2013*

Retail sector	% change	rent-to-sales ratio in %	% of sales	% of space
Department stores	1.1	5.9	8.3	14.2
Food	0.6	6.9	9.5	6.4
Fashion textiles	-1.8	11.8	28.6	37.3
Shoes & leather goods	0.8	13.5	5.8	6.9
Sports	-1.1	8.9	4.1	5.0
Health & Beauty	3.1	7.1	11.1	6.0
General Retail	-1.8	9.7	11.7	11.0
Electronics	-0.1	2.8	12.2	7.6
Services	6.5	4.6	4.6	1.6
Food catering	0.2	13.0	4.1	4.0
Total***	+0.1	8.7	100.0	100.0

- **like-for-like** retail turnover development: Germany **+0.1%**, abroad **+2.6%**
DES-Portfolio overall: **+0.4%**
- **absolute** retail turnover development: Germany **-0.1%****, abroad **+3.9%**
DES-Portfolio overall: **+0.4%**

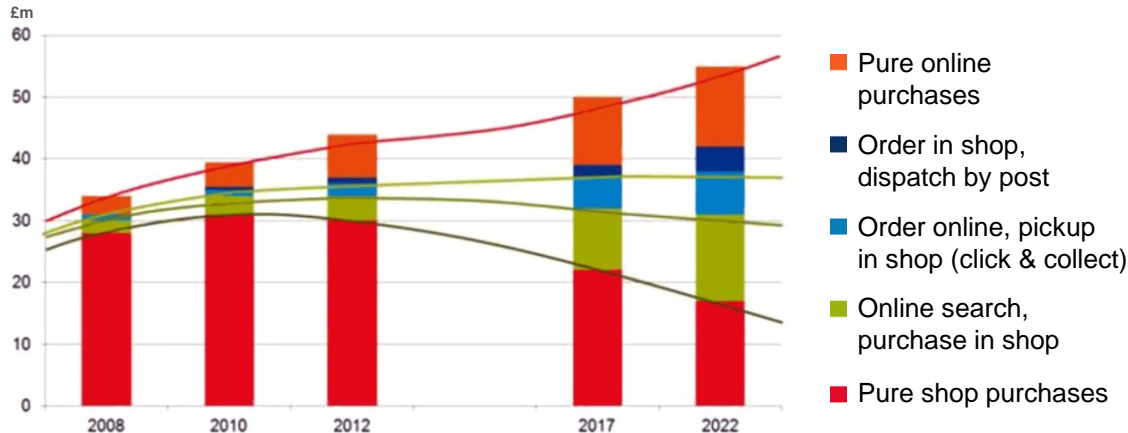


* German centers on a like-for-like basis
 ** compares to a turnover development of +1.7% of the overall German retail
 *** Totals may include differences due to rounding

APPENDIX

Online vs. stationary retail?

Turnover distribution of a fashion retailer



- Stationary retail transforms from „Point of Purchase“ to „Touch Point“ (product experience).
- New store concepts (flagship store, show room, multi-channel store, pick-up store), click & collect, augmented reality, online goes offline, mobile services
- Location, location, location newly interpreted: convenience, attractivity & likeability



Source: GfK

APPENDIX

Our partner: ECE



- ECE develops, plans, builds, leases and manages large commercial real estate in the sectors shopping, office, industries since 1965
- originally ECE was an abbreviation for the German word Einkaufszentrentwicklung (Shopping center development)
- 100% privately owned by the Otto family
- active in 17 European countries
- European market leader in the shopping center business
- Assets under management:
 - 189 shopping centers
 - 6 million sqm overall sales area
 - approx. 17,500 retail businesses
 - €21 billion in annual sales

MANY INVESTORS RELY ON ECE:



APPENDIX

Environment

- Climate protection is one of the most important issues for Deutsche EuroShop. We believe that sustainability and profitability, the shopping experience and environmental awareness are not opposing forces. Long-term thinking is part of our strategy. This includes playing our part in environmental protection.
- In 2012, all our German shopping centers had contracts with suppliers that use regenerative energy sources such as hydroelectric power for their electricity needs. The “EnergieVision” organisation certified the green electricity for our centers in Germany with the renowned “ok-power” accreditation in 2012. We plan to switch the centers in other countries to green electricity as well in the next few years.
- The German centers used a total of around 69.2 million kWh of green electricity in 2011. This represented 100% of the electricity requirements in these shopping centers. As a result, based on conservative calculations this meant a reduction of around 25,800 tonnes in carbon dioxide emissions – this equates to the annual CO₂ emissions of around 1,170 two-person households. We have already reduced the energy consumption of our shopping centers by using heat exchangers and energy-saving light bulbs.
- Deutsche EuroShop, through its shopping centers, also supports a range of activities at local and regional level in the areas of ecology, society and economy.



G R E S B

APPENDIX

Financial Calendar

2014

19.03. Roadshow Zurich, Berenberg

24.03. Roadshow Paris, Cheuvreux

25.03. Roadshow Brussels, DZ Bank

26.03. Roadshow Munich, Baader Bank

27.03. Bank of America Merrill Lynch Real Estate Conference, London

03.04. HSBC Real Estate Conference, Frankfurt

09.04. Roadshow Hamburg, Montega

25.04. Publication of the Annual Report 2013

14.05. Interim report Q1 2014

15.05. Donner & Reuschel Hamburger Investmentkonferenz, Hamburg

16.05. Roadshow Dusseldorf/Cologne, DZ Bank

20.05. Roadshow London, MM Warburg

04.-05.06. Kempen European Property Seminar, Amsterdam

11.-13.06. db Access Conference, Berlin

18.06. Annual General Meeting, Hamburg

12.08. Interim report H1 2014

17.09. Roadshow Luxembourg, Bankhaus Lampe

22.09. Goldman Sachs & Berenberg German Conference, Munich

23.09. Baader Investment Conference, Munich

30.09. Roadshow London, Berenberg

01.10. Societe Generale Real Estate Conference, London

06.10. ExpoREAL, Munich

13.11. Nine-month report 2014

18.11. Roadshow Amsterdam, Kempen & Co.

19.11. Roadshow Paris, Deutsche Bank

19.11. Roadshow Zurich, Baader









APPENDIX

Contact

Deutsche EuroShop AG
 Investor & Public Relations
 Heegbarg 36
 22391 Hamburg

Tel. +49 (40) 41 35 79 - 20 / -22
 Fax +49 (40) 41 35 79 - 29
 E-Mail: ir@deutsche-euroshop.com
 Web: www.deutsche-euroshop.com

-  ir-mall.com
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-  slideshare.net/desag
-  twitter.com/des_ag
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Important Notice: Forward-Looking Statements

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Claus-Matthias Böge
 Chief Executive Officer



Olaf G. Borkers
 Chief Financial Officer



Patrick Kiss
 Head of Investor & Public Relations



Nicolas Lissner
 Manager Investor & Public Relations



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