



COMPANY PRESENTATION

10.2012

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 – 15 in Germany, 2 in Poland and one each in Austria and Hungary

| | | |
|----------------|------------------------------------|--------------------------------------------------------------------------------------------------|
| Lettable space | approx. 905,000 sqm ¹⁾ | avg. lettable space per DES-center: inner city 37,850 sqm est. Locations 100,270 sqm |
| Retail shops | approx. 2,310 ¹⁾ | |
| Market value | approx. €3.6 billion ¹⁾ | |
| Rents per year | €244 million ¹⁾ | |
| Occupancy rate | 99% | |

- 2011 portfolio valuation: 5.92% net initial yield (EPRA)
- Professional center management by ECE, the European market leader in this industry



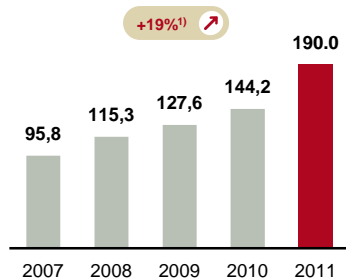
¹⁾ 100%-view

COMPANY

Key Figures

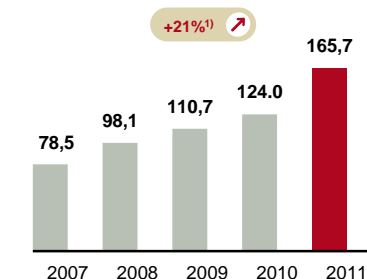
REVENUE

€m



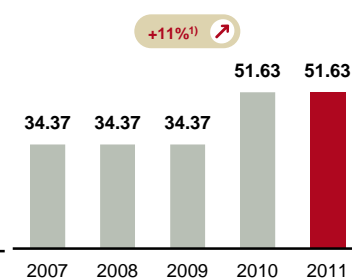
EBIT

€m



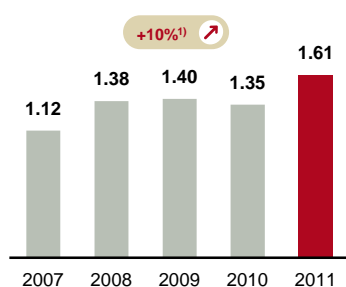
NUMBER OF SHARES

mn



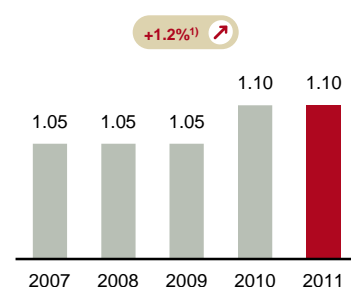
FFO PER SHARE

€

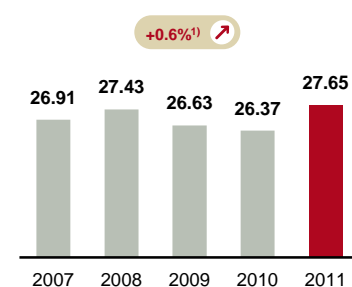


DIVIDEND PER SHARE

€

NAV PER SHARE²⁾

€



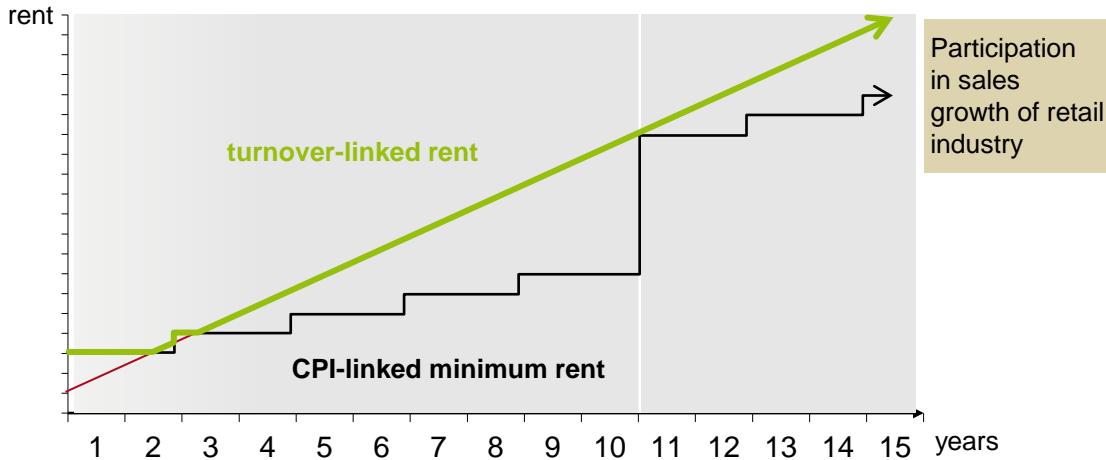
¹⁾ 2006-2011, Compound Annual Growth Rate (CAGR)

²⁾ since 2010: EPRA NAV



COMPANY

Lease System



Lease standards:

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

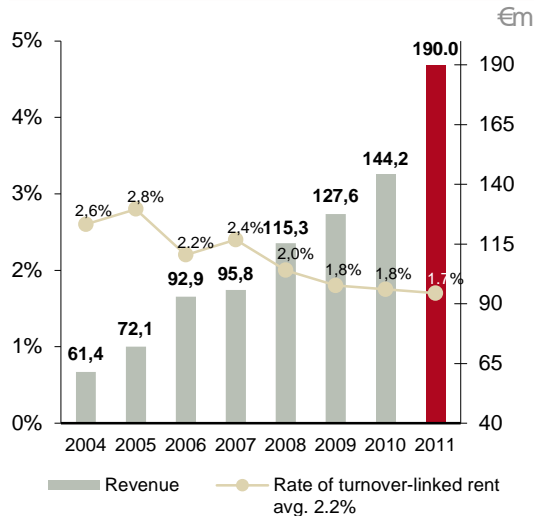


COMPANY

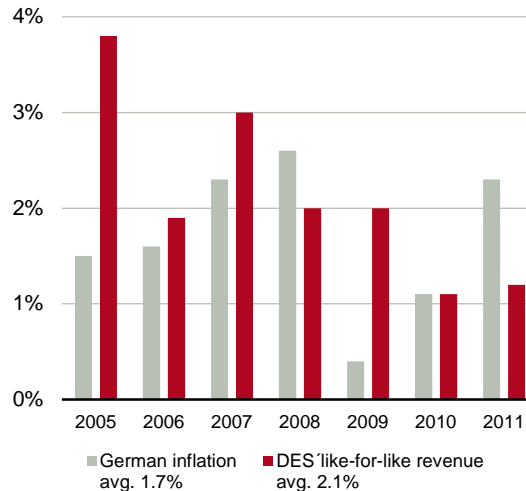
Lease System

- avg. rent per sqm and year: €250
- avg. turnover per sqm and year: €4,700 (avg. German retail: €3,430)
- Rent-to-sales-ratio: 7-11%
- weighted maturity of rental contracts: 7.4 years

TURNOVER-LINKED RENT



LIKE-FOR-LIKE REVENUE



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 3.6%
- 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% | 67.0% |
| 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****Allee-Center****Billstedt-Center**

| Location | Viernheim | Magdeburg | Hamburg |
|---------------------|----------------------------|----------------------------|----------------------------|
| Investment | 100% | 50.0% | 100% |
| Lettable space sqm | 64,400 | 51,300 | 42,800 |
| Parking | 3,800 | 1,300 | 1,500 |
| Number of shops | approx. 110 | approx. 150 | approx. 110 |
| Occupancy rate | 100% | 98% | 100% |
| Catchment area | approx. 1.2 m. inhabitants | approx. 0.7 m. inhabitants | approx. 0.7 m. inhabitants |
| Opening/refurbishm. | 1972 / 2002 | 1998 / 2006 | 1969 / 1977 / 1996 |



SHOPPING CENTERS

Germany



Phoenix-Center



Forum



Allee-Center

| Location | Hamburg | Wetzlar | Hamm |
|---------------------|----------------------------|----------------------------|----------------------------|
| Investment | 50.0% | 65.0% | 100% |
| Lettable space sqm | 39,200 | 34,300 | 33,900 |
| Parking | 1,600 | 1,700 | 1,250 |
| Number of shops | approx. 110 | approx. 110 | approx. 90 |
| Occupancy rate | 100% | 100% | 100% |
| Catchment area | approx. 0.6 m. inhabitants | approx. 0.5 m. inhabitants | approx. 1.0 m. inhabitants |
| Opening/refurbishm. | 2004 | 2005 | 1992 / 2003 / 2009 |



SHOPPING CENTERS

Germany



City-Galerie



Rathaus-Center



City-Arkaden

| Location | Wolfsburg | Dessau | Wuppertal |
|---------------------|----------------------------|----------------------------|----------------------------|
| Investment | 100% | 100% | 100% |
| Lettable space sqm | 30,800 | 30,400 | 28,700 |
| Parking | 800 | 850 | 650 |
| Number of shops | approx. 100 | approx. 90 | approx. 90 |
| Occupancy rate | 100% | 98% | 100% |
| Catchment area | approx. 0.5 m. inhabitants | approx. 0.6 m. inhabitants | approx. 0.7 m. inhabitants |
| Opening/refurbishm. | 2001 / 2006 | 1995 | 2001 / 2004 |



SHOPPING CENTERS

Germany



City-Point



Stadt-Galerie



Stadt-Galerie

| Location | Kassel | Passau | Hameln |
|---------------------|----------------------------|----------------------------|----------------------------|
| Investment | 100% | 75.0% | 100% |
| Lettable space sqm | 28,300 | 27,600 | 26,000 |
| Parking | 220 | 500 | 500 |
| Number of shops | approx. 60 | approx. 90 | approx. 100 |
| Occupancy rate | 100% | 100% | 100% |
| Catchment area | approx. 0.8 m. inhabitants | approx. 0.7 m. inhabitants | approx. 0.4 m. inhabitants |
| Opening/refurbishm. | 2002 / 2009 | 2008 | 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 | 36,900 |
| Parking | 1.050 | 880 | 880 |
| Number of shops | approx. 195 | approx. 120 | approx. 120 |
| 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

Europe










**Galeria Dominikanska**

| Location | Wrocław, Poland |
|---------------------|----------------------------|
| Investment | 33.3% |
| Lettable space sqm | 32,900 |
| Parking | 900 |
| Number of shops | approx. 100 |
| Occupancy rate | 99% |
| Catchment area | approx. 1.0 m. inhabitants |
| Opening/refurbishm. | 2001 |



SHOPPING CENTERS

Our Tenants¹⁾

| | | | | | |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
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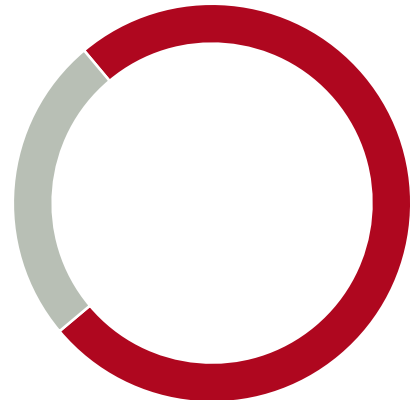
¹⁾ selection of our well known tenants

SHOPPING CENTERS

Tenants Structure Top 10 Tenants¹⁾

| | |
|--------------------|--------------|
| Metro Group | 6.0% |
| Douglas Group | 4.4% |
| H&M | 2.7% |
| New Yorker | 2.3% |
| Deichmann | 1.9% |
| Peek & Cloppenburg | 1.9% |
| C&A | 1.7% |
| REWE | 1.6% |
| Inditex Group | 1.4% |
| Esprit | 1.4% |
| Total | 25.3% |

Low level of
dependence on
the top 10 tenants



Total

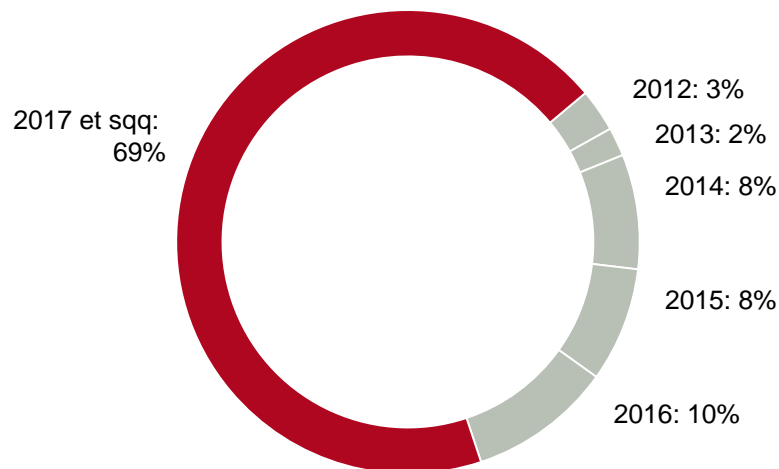
Other tenants

74.7%



¹⁾ in % of total rents as at 31 Dec 2011

SHOPPING CENTERS

Maturity Distribution of Rental Contracts¹⁾

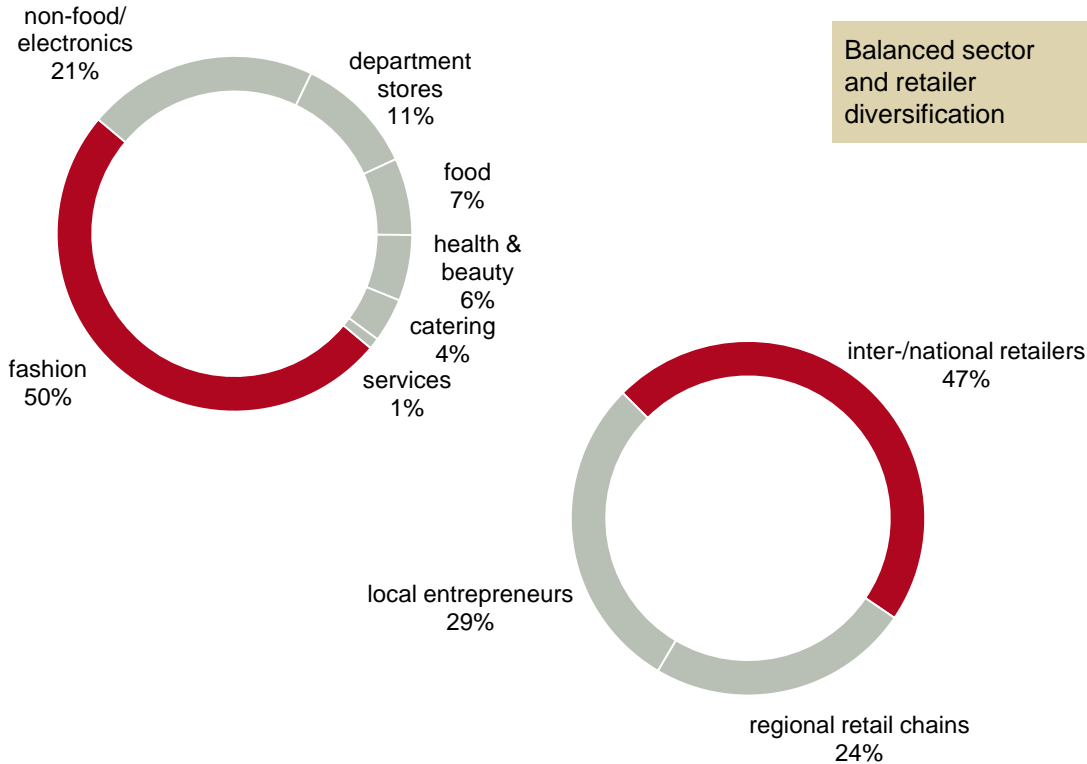
- Long-term contracts guarantee rental income
- Weighted maturity 7.4 years



¹⁾ as % of rental income as at 31 December 2011

SHOPPING CENTERS

Sector and Retailer Mix¹⁾



¹⁾ as % of rental income as at 31 December 2011

FINANCIALS

Key Figures H1 2012

| € million | 01.01.-30.06.2012 | 01.01.-30.06.2011 | Change |
|----------------------------|-------------------|-------------------|------------|
| Revenue | 104.5 | 91.1 | 15% |
| Net operating income | 93.6 | 81.5 | 15% |
| EBIT | 91.2 | 78.4 | 16% |
| Net finance costs | -42.1 | -38.8 | -9% |
| Valuation result | -1.9 | -0.8 | |
| EBT | 47.2 | 38.8 | 22% |
| Consolidated profit | 32.6 | 27.2 | 20% |
| FFO per share | 0.90 | 0.74 | 22% |
| EPRA Earnings per share | 0.66 | 0.54 | 22% |

| | 30.06.2012 | 30.06.2011 | 31.12.2011 |
|-----------------------------------|----------------|----------------|----------------|
| Total equity | 1,434.6 | 1,502.7 | 1,473.1 |
| Interest bearing debt | 1,515.5 | 1,362.1 | 1,472.1 |
| Other debt (incl. Deferred taxes) | 293.8 | 145.4 | 279.9 |
| Total assets | 3,243.9 | 3,010.2 | 3,225.1 |
| Equity ratio | 44.2% | 49.9% | 45.7% |
| LTV ratio | 48% | 47% | 47% |

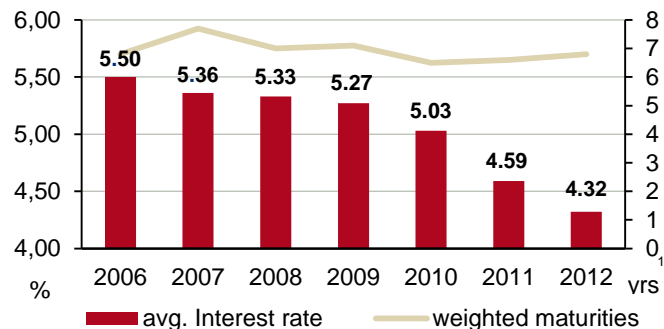


FINANCIALS

Loan Structure¹⁾

| Interest lockin | Duration | Principle amounts (€ thousand) | Share of total loan | avg. interest rate |
|--------------------------------|-------------|-----------------------------------|------------------------|-----------------------|
| Up to 1 year | | 192,928 | 12.8% | 3.26% |
| 1 to 5 years | 3.22 | 424,855 | 28.2% | 4.85% |
| 5 to 10 years | 8.36 | 698,860 | 46.5% | 4.33% |
| Over 10 years | 12.48 | 187,623 | 12.5% | 4.15% |
| Total 2012¹⁾ | 6.84 | 1,504,268 | 100.0% | 4.32% |

- Banks:
22 German and
1 Austrian
- Weighted maturity
of fixed interest periods
6.8 years


¹⁾ as of 30 June 2012


FINANCIALS

Refinancings of 2012¹⁾

| in € thousand | new | old | +/- |
|-------------------|---------|---------|---------|
| Principle amounts | 104,322 | 104,320 | +0,002 |
| Duration | 10.0yrs | 2.0yrs | +8.0yrs |
| Interest rate | 3.02% | 5.83% | -2.81% |

Maturities until 2016¹⁾

| in € thousand | end of fixed interest periods respectively expiring loans | avg. interest rate | regular redemption payments | total maturities |
|---------------|-----------------------------------------------------------|--------------------|-----------------------------|------------------|
| 2012 | 17,100 | 5.82% | 11,690 | 28,790 |
| 2013 | 177,900 | 3.75% | 19,770 | 197,670 |
| 2014 | 12,000 | 5.07% | 20,850 | 32,850 |
| 2015 | 78,600 | 5.06% | 19,450 | 98,050 |
| 2016 | 170,700 | 5.43% | 16,160 | 186,860 |

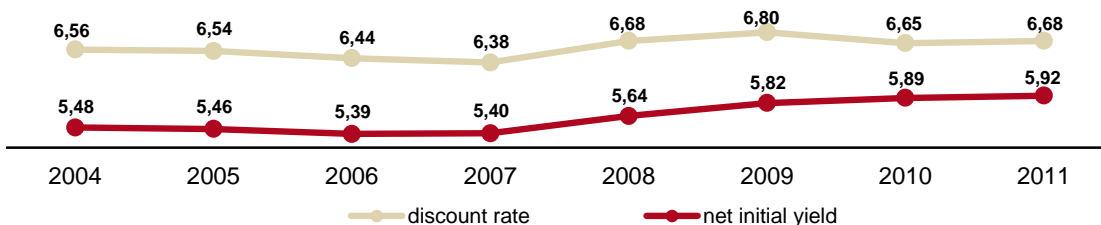
¹⁾ as of 30 June 2012

FINANCIALS

Valuation¹⁾ – Investment Properties 2011

| Discounted cash-flow method | 2010 | 2011 | actual | | |
|-------------------------------------------------|--------------|--------------|---------------------|--|--|
| expected yield of 10-year German federal bonds | 4.44% | 4.34% | 1.44% ²⁾ | | |
| average applied risk premiums | 2.21% | 2.34% | | | |
| average discount rate | 6.65% | 6.68% | | | |
| average property operating and management costs | 11.70% | 11.80% | | | |
| net initial yield (EPRA) | 5.89% | 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% | -106,300 | 111,700 |
| Discount rate | 6.68% | 98,100 | -93,300 |
| Net initial yield | 5.92% | 138,000 | -126,800 |
| Cost ratio | 11.80% | 9,000 | -9,000 |



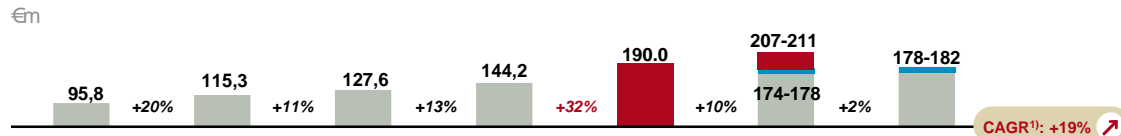
¹⁾ External appraisers:
Feri Research and GfK GeoMarketing

²⁾ Status: 10 October 2012

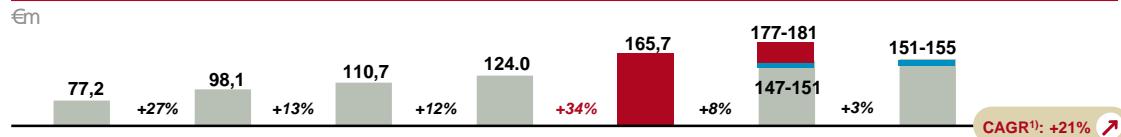
FINANCIALS

Forecast

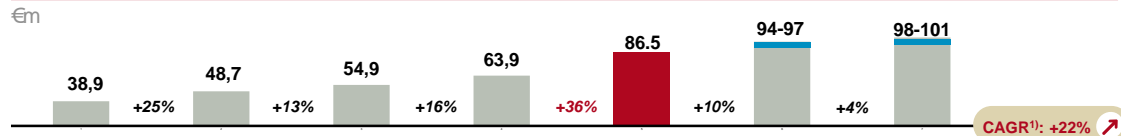
REVENUE



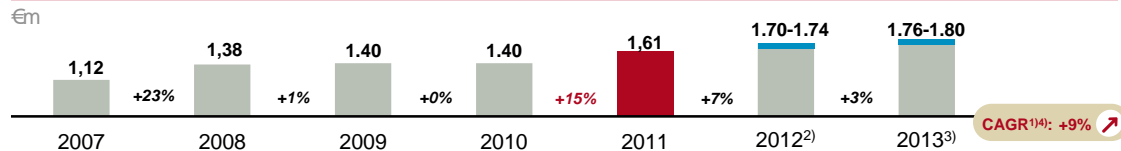
EBIT



EBT WITHOUT VALUATION



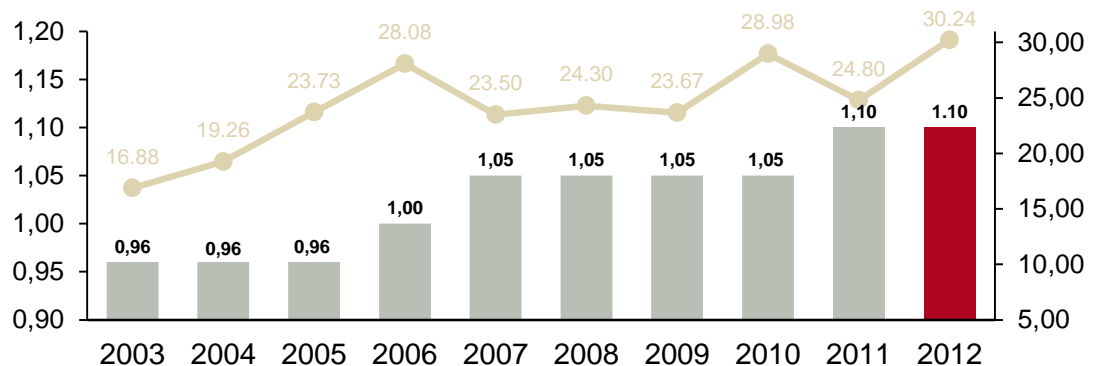
FFO PER SHARE



- 1) Compound Annual Growth Rate (CAGR) 2007-2011
- 2) incl. at-equity consolidation scenario
- 3) at-equity consolidation
- 4) incl. dilution

SHOPPING CENTER SHARES

Dividend & Performance

Dividend¹⁾PERFORMANCE³⁾

| DES | | DAX | EPRA | REX ⁴⁾ |
|------------------|-----------|------------|------------|-------------------|
| 1 year | (2011) | -14.4% | -14.7% | |
| 3 years | +16.4% = | +5.2% p.a. | +7.0% p.a. | |
| 5 years | +9.1% = | +1.8% p.a. | -2.2% p.a. | |
| Since IPO (2001) | +104.8% = | +6.7% p.a. | -0.8% p.a. | +4.7% p.a. |
| | | | | +5.9% p.a. |

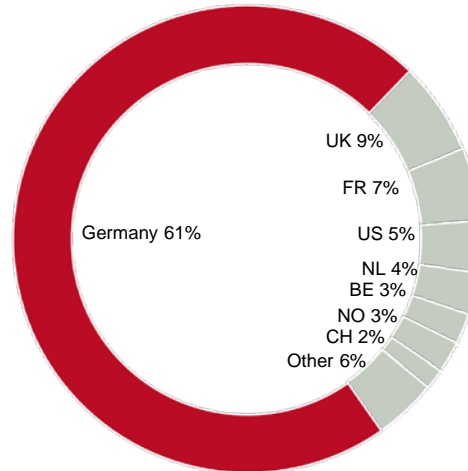
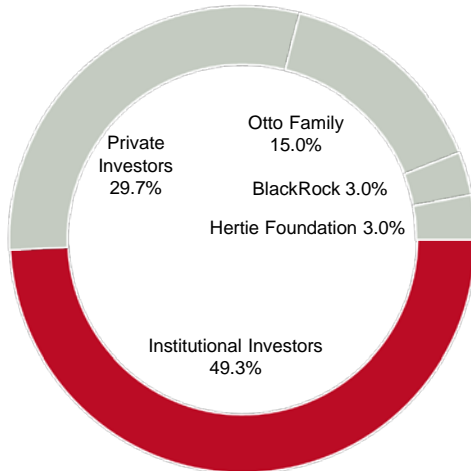


- ¹⁾ respectively paid for the previous financial year
²⁾ 2012: as of 20 September 2012
³⁾ as of 31 Dec. 2011
⁴⁾ German government bonds index

SHOPPING CENTER SHARES

Shareholder Structure¹⁾

- 9,900 shareholders
- Free float 85.0%



¹⁾ Status: 1 September 2012

SHOPPING CENTER SHARES

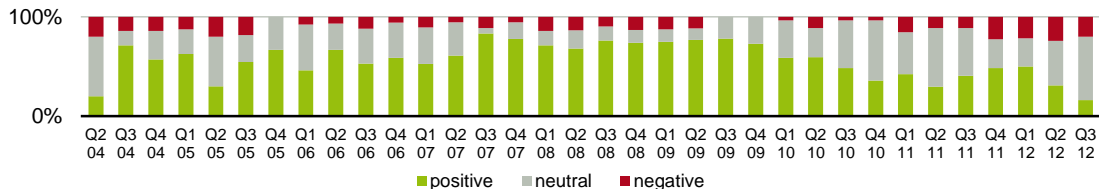
Analysts' Consensus¹⁾

| avg. / in € | 2012 | 2013 |
|------------------|-------|-------|
| EBIT (€ million) | 181.6 | 182.5 |
| FFO per share | 1.72 | 1.81 |
| EPS | 1.99 | 1.97 |
| Dividend | 1.14 | 1.20 |
| Price target | | 29.51 |

Status: 21 September 2012

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

| Sell | Underperform | Neutral | Outperform | Buy |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ▪ ING | <ul style="list-style-type: none"> ▪ ABN Amro ▪ Credit Suisse ▪ Natixis ▪ Petercam Bank | <ul style="list-style-type: none"> ▪ Baader Bank ▪ Bankhaus Lampe ▪ Close Brothers Seydler ▪ Commerzbank ▪ Deutsche Bank ▪ DZ Bank ▪ Equinet ▪ Green Street Advisors | <ul style="list-style-type: none"> ▪ Hamburger Sparkasse ▪ HSBC ▪ Kempen & Co ▪ Kepler Capital Markets ▪ Oddo ▪ Rabobank ▪ Societe Generale ▪ UBS | <ul style="list-style-type: none"> ▪ Bank of America Merrill Lynch ▪ Berenberg Bank ▪ Metzler ▪ M.M. Warburg |



¹⁾ aggregated by DES

²⁾ according to EPRA survey 3/2012

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 | €51,631,400.00 |
| Outstanding shares | 51,631,400 |
| Class of shares | Registered shares |
| Dividend 2011 ¹⁾ | €1.10 |
| 52W High | €31.40 |
| 52W Low | €22.91 |
| Share price (10.10.2012) | €30.24 |
| Market capitalisation | €1.56 billion |
| avg. turnover per day last 12 months (XETRA) | 136,700 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 |



¹⁾ paid on 22.June 2012

APPENDIX

Retail turnover H1 2012*

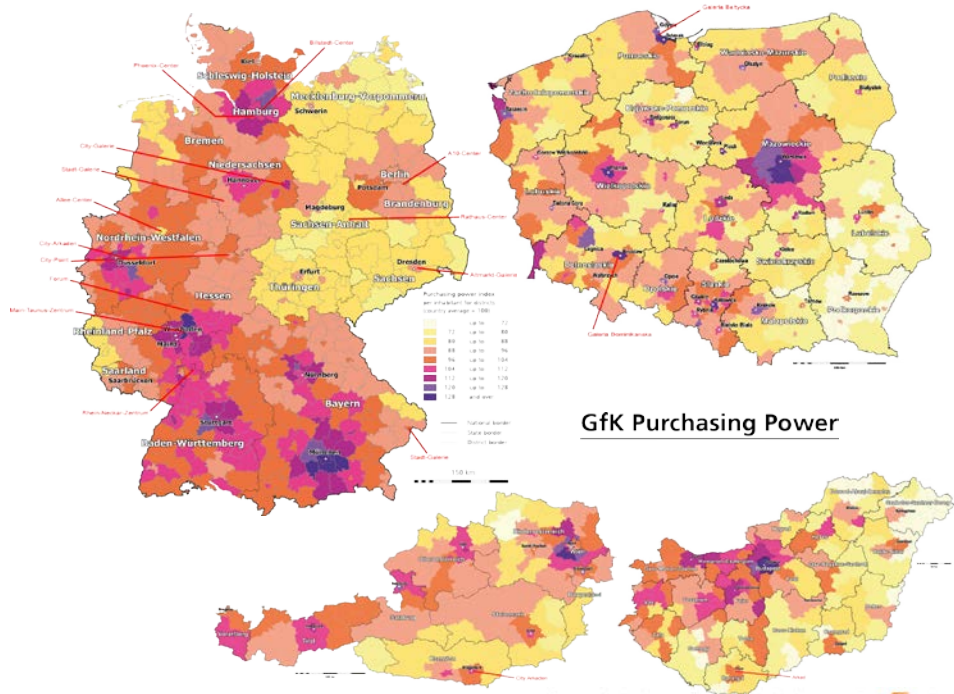
| Retail sector | % change in 2011 | rent-to-sales ratio in % | % of sales | % of space |
|-----------------------|------------------|--------------------------|--------------|--------------|
| Department stores | -0.1 | 6.0 | 8.7 | 15.6 |
| Food | +2.3 | 6.4 | 9.8 | 6.3 |
| Fashion textiles | -0.8 | 11.2 | 27.0 | 34.4 |
| Shoes & leather goods | -1.3 | 13.4 | 5.2 | 6.5 |
| Sports | +6.3 | 8.0 | 4.3 | 4.8 |
| Health & Beauty | +3.5 | 7.1 | 10.6 | 5.7 |
| General Retail | -1.2 | 10.0 | 10.9 | 11.7 |
| Electronics | -1.8 | 2.8 | 15.0 | 9.4 |
| Services | +1.4 | 4.8 | 4.2 | 1.5 |
| Food catering | +1.8 | 13.4 | 4.2 | 4.1 |
| Total | +0.3 | 8.2 | 100.0 | 100.0 |



* German centers on a like-for-like basis

APPENDIX

Purchasing Power Maps



© GfK GeoMarketing | www.gfk-geomarketing.de | Karte erstellt mit RegioGraph



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 16 European countries
- European market leader in the shopping center business
- Assets under management:
 - 183 shopping centers
 - 6 million sqm overall sales area
 - approx. 17,500 retail businesses
 - €19 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 2011, 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 2011. 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 59.4 million kWh of green electricity in 2011. This represented 100% of the electricity requirements in these shopping centers, which also used 1.1 kWh less than in the previous year. As a result, based on conservative calculations this meant a reduction of around 23,400 tonnes in carbon dioxide emissions – this equates to the annual CO₂ emissions of around 1,060 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.



APPENDIX

Financial Calendar

2012

 17.10. Roadshow Brussels, ING

 13.11. **Nine-month report 2012**

14.11. DZ BANK Equity Conference, Frankfurt

15.11. Roadshow Paris, Metzler

20.11. Roadshow Stockholm/Helsinki, Berenberg

 04.12. Bankhaus Lampe Retail Conf., Frankfurt

2013

 10.-11.01. Oddo Midcap Forum, Lyon

11.-12.04. Lampe Deutschland Conf. Baden-Baden

06.-07.06. MM Warburg Highlights Conf., Hamburg

 20.06. **Annual General Meeting, Hamburg**


APPENDIX

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Important Notice: Forward-Looking Statements

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