

# DES

Deutsche EuroShop

02/09

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THE CHANGING FACE  
OF RETAIL





Company | Shopping Centers | Financials | Shopping Center Share | Appendix

- 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

Pure Player

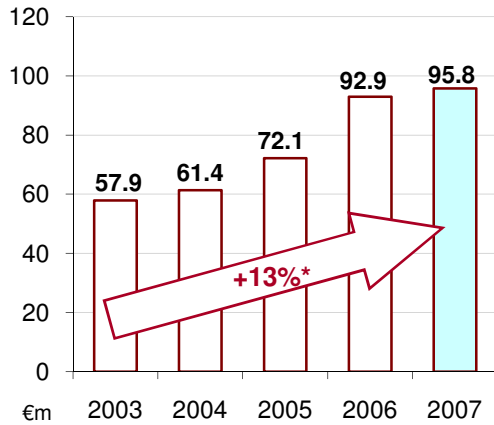
- 16 shopping centers on high street and in established locations – 12 in Germany, 2 in Poland and one each in Austria, Hungary

16 Centers

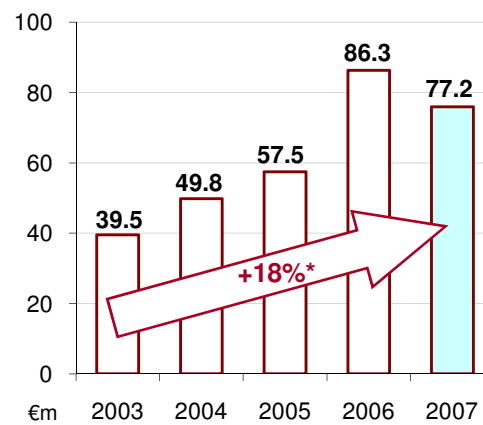
- |                |                      |
|----------------|----------------------|
| Lettable space | approx. 643,000 sqm  |
| Retail shops   | approx. 1,660        |
| Market value   | approx. €2.6 billion |
| Rents per year | €167 million         |
| Occupancy rate | > 99%                |

- Professional center management by ECE, the European market leader in this industry

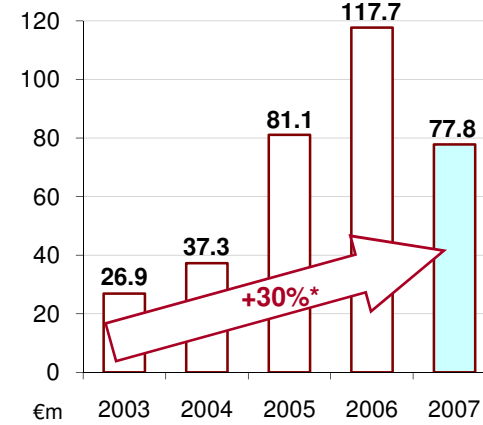
## Revenue



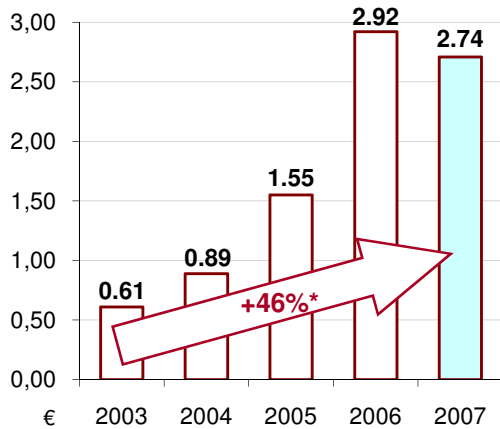
## EBIT



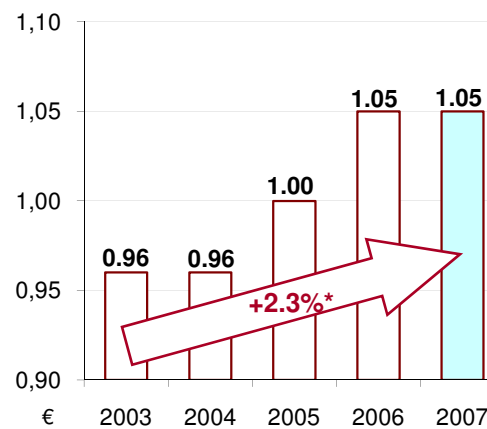
## EBT



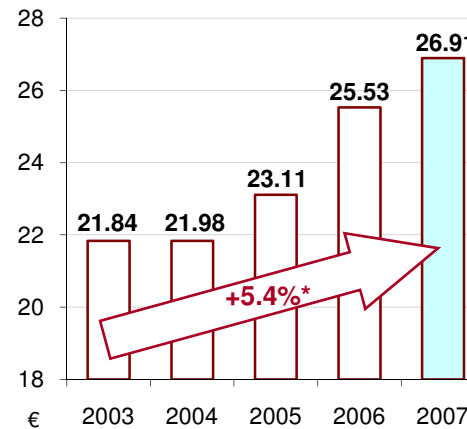
## EPS



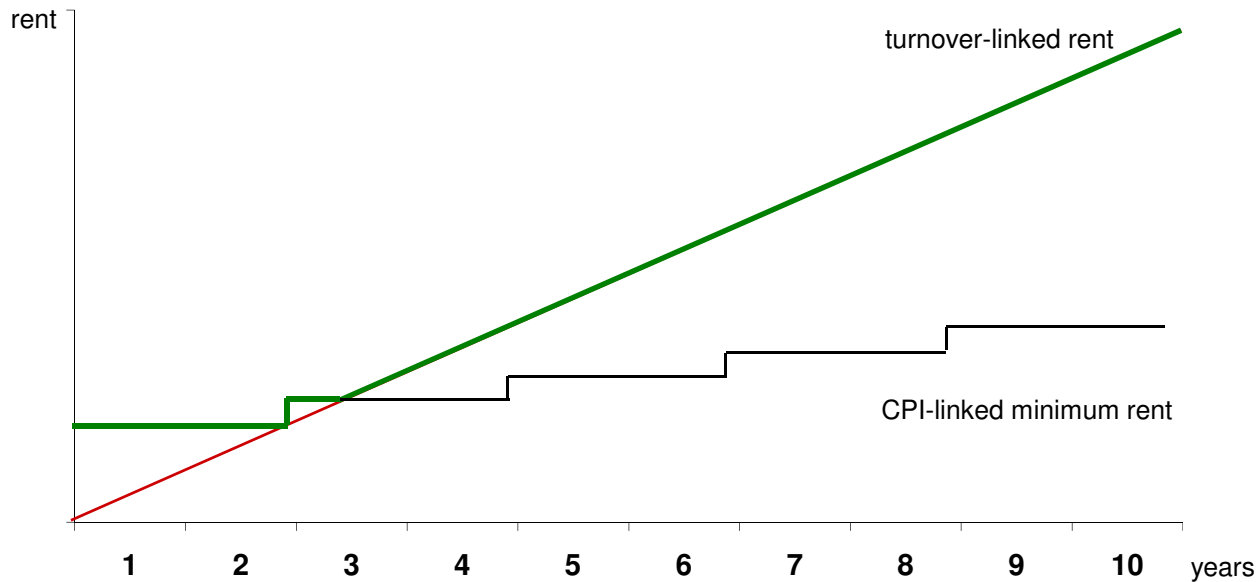
## Dividend per share



## NAV per share



\*2003-2007, Compound Annual Growth Rate (CAGR)



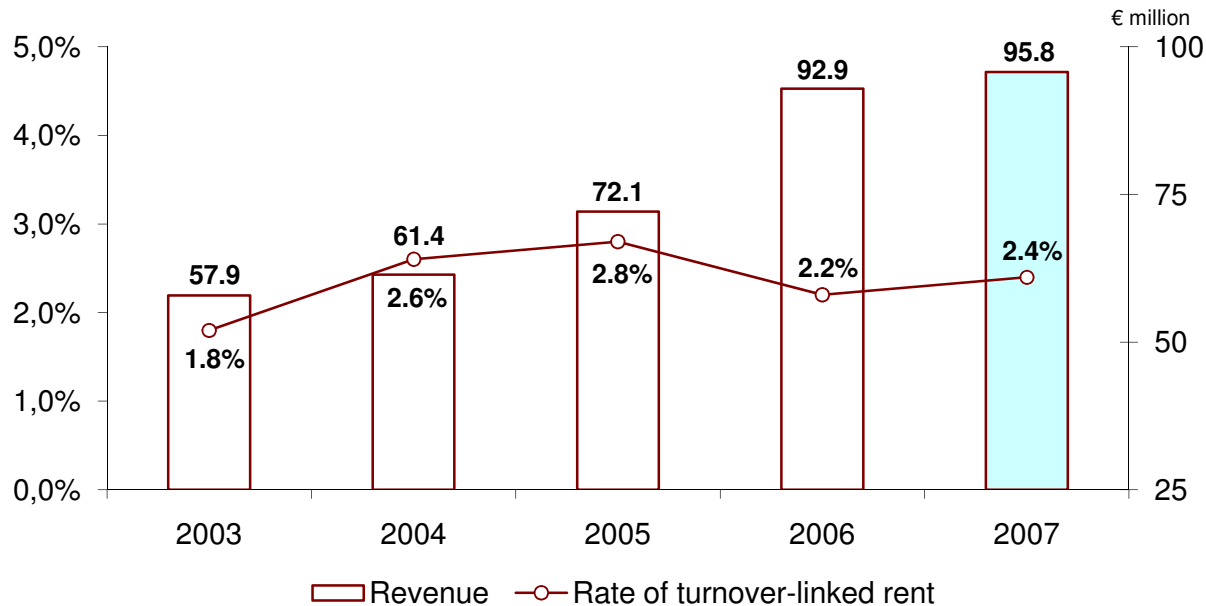
General form of  
lease contracts  
for DES-tenants

- Lease standards:
  - 10 years lease only
  - no break-up option
  - turnover-linked rents
  - minimum rents are CPI-linked, upwards only

Participation in  
sales growth of  
retail industry

- avg. rent per sqm and year: €250
- avg. turnover per sqm and year: €4,700
- Rent-to-sales-ratio: 6.5-8.5%
- weighted maturity of rental contracts: >8 years

avg. German retail:  
€3,270



- Long term net asset value enhancement
- “buy & hold”-strategy
- Stable and attractive dividends  
Dividend yield: currently **4.8%**
- Investment-focus: Germany and up to 25% Europe
- Portfolio expansion by 10% per year
  - by acquisition of new shopping centers
  - by increasing existing amounts of holdings

Main focus on  
NAV and dividend

Continuous growth





Company | **Shopping Centers** | Financials | Shopping Center Share | Appendix





	<b>Main-Taunus-Zentrum</b>	<b>Rhein-Neckar-Zentrum</b>	<b>Altmarkt-Galerie</b>
Location	Frankfurt	Viernheim	Dresden
Investment	43.1%	99.9%	50.0%
Lettable space sqm	103,400	63,600	44,500
Parking	4,000	3,800	500
Number of shops	approx. 100	approx. 100	approx. 100
Occupancy rate	100%	100%	99%
Catchment area	approx. 2.2 m. inhabitants	approx. 1.4 m. inhabitants	approx. 1.0 m. inhabitants
Opening / refurbishm.	1964 / 2001-2004	1972 / 2000-2003	2002





	<b>Phoenix-Center</b> Hamburg	<b>Allee-Center</b> Hamm	<b>Forum</b> Wetzlar
Location	Hamburg	Hamm	Wetzlar
Investment	50.0%	88.9%	65.0%
Lettable space sqm	39,200	35,100	34,300
Parking	1,600	1,300	1,700
Number of shops	approx. 110	approx. 85	approx. 110
Occupancy rate	99%	100%	100%
Catchment area	approx. 0.6 m. inhabitants	approx. 1.0 m. inhabitants	approx. 0.5 m. inhabitants
Opening / refurbishm.	2004	1992 / 2002-2003	2005





	<b>Rathaus-Center</b> Dessau	<b>City-Galerie</b> Wolfsburg	<b>City-Point</b> Kassel
Location	Dessau	Wolfsburg	Kassel
Investment	94.9%	89.0%	90.0%
Lettable space sqm	30,600	30,000	29,500
Parking	850	800	220
Number of shops	approx. 80	approx. 90	approx. 60
Occupancy rate	98%	100%	100%
Catchment area	approx. 0.5 m. inhabitants	approx. 0.3 m. inhabitants	approx. 0.8 m. inhabitants
Opening	1995	2001	2002



	<b>City-Arkaden</b> Wuppertal	<b>Stadtgalerie</b> Passau	<b>Stadt-Galerie</b> Hameln
Location			
Investment	72.0%	75.0%	94.9%
Lettable space sqm	28,700	27,200	25,000
Parking	650	500	500
Number of shops	approx. 85	approx. 90	approx. 100
Occupancy rate	100%	100%	100%
Catchment area	approx. 0.7 m. inhabitants	approx. 0.4 m. inhabitants	approx. 0.4 m. inhabitants
Opening / refurbishm.	2001 / 2004	2008	2008



	<b>Galeria Bałtycka</b> Gdansk, Poland	<b>City Arkaden</b> Klagenfurt, Austria	<b>Árkád</b> Pécs, Hungary
Location			
Investment	74.0%	50.0%	50.0%
Lettable space sqm	47,600	36,700	35,200
Parking	900	880	850
Number of shops	approx. 200	approx. 120	approx. 130
Occupancy rate	100%	100%	100%
Catchment area	approx. 1.1 m. inhabitants	approx. 0.4 m. inhabitants	approx. 0.5 m. inhabitants
Opening	2007	2006	2004



	<b>Galeria Dominikanska</b>
Location	Wrocław, Poland
Investment	33.3%
Lettable space sqm	32,800
Parking	900
Number of shops	approx. 100
Occupancy rate	100%
Catchment area	approx. 1.3 m. inhabitants
Opening	2001

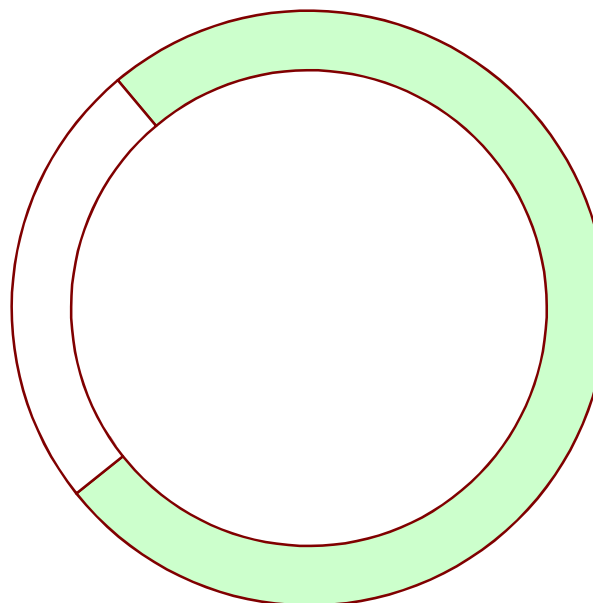




Well-known  
tenants

## Tenants Structure Top 10 tenants\*

Metro-Group	5.8%
Douglas-Group	4.5%
Peek & Cloppenburg	2.9%
H&M	2.4%
Inditex	2.1%
New Yorker	2.1%
Deichmann	1.8%
Engelhorn & Sturm	1.4%
dm-Drogeriemarkt	1.3%
REWE	1.1%



Low level of dependence on the top 10 tenants

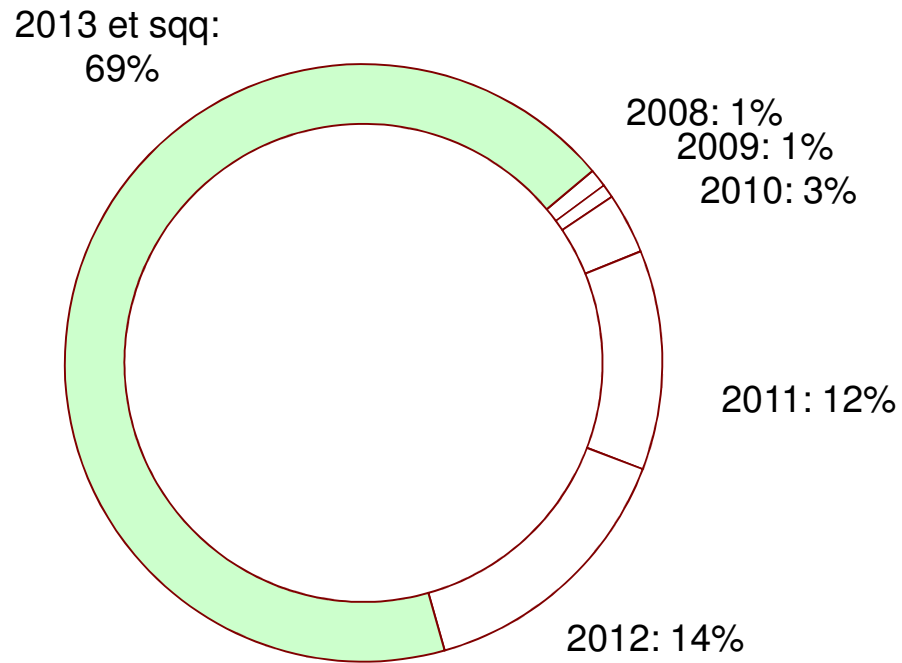
total 25.4%

Other tenants

total 74.6%

\*in % of total rents; not including Passau as at 31 Dec 2007

# Maturity Distribution of Rental Contracts\*



Long-term contracts  
guarantee rental income

Weighted maturity  
> 8 years

\*as % of rental income – not including Passau as at 31 Dec 2007

# Sector and Retailer Mix\*

non-food/electronics  
20%

department stores  
12%

food  
8%

health & beauty  
6%

catering  
4%

services  
1%

fashion  
49%

Balanced sector and  
retailer diversification

local  
entrepreneurs  
28%

inter-/national  
retailers  
48%

regional retail  
chains  
24%

\*in % of lettable space; not including Hameln and Passau as at 31 Dec 2007





Company | Shopping Centers | **Financials** | Shopping Center Share | Appendix

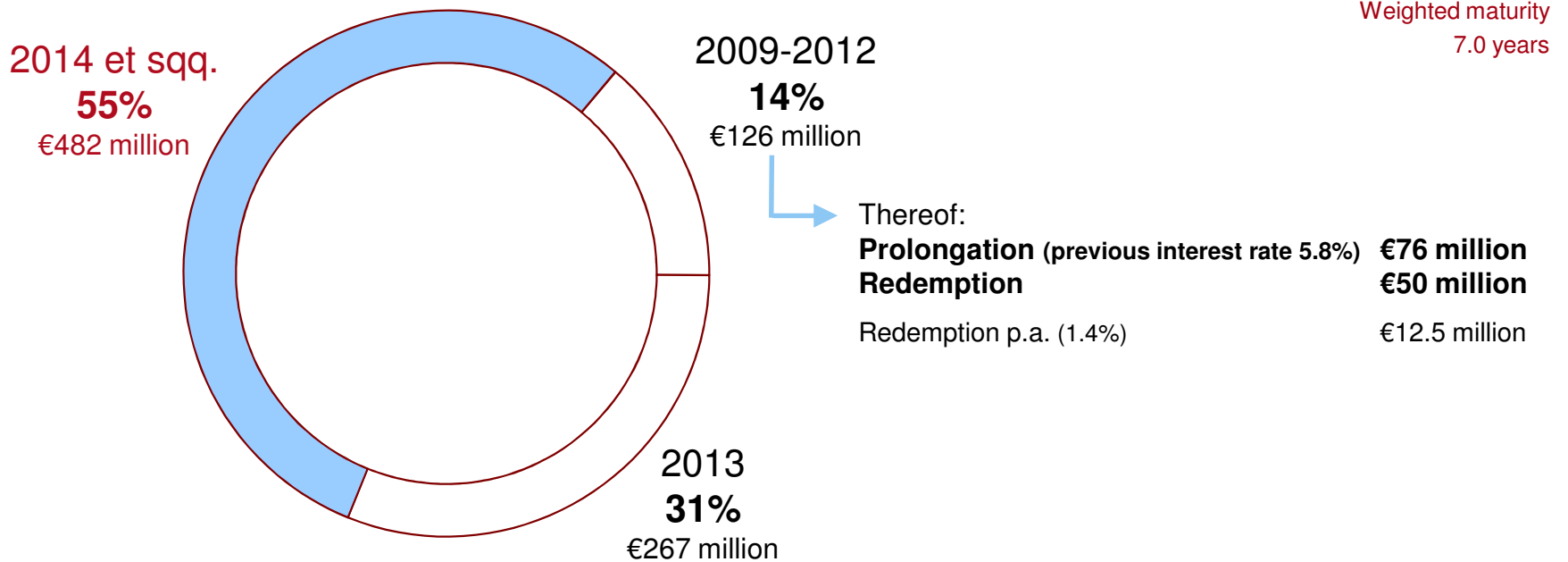
€ million	01.01.- 30.09.2008	01.01.- 30.09.2007	+/-
Revenue	84.1	68.9	22%
Net operating income	73.1	59.1	24%
EBIT	69.5	55.6	25%
Net finance costs	-36.0	-29.7	21%
EBT	37.9	25.6	48%
<b>Consolidated profit</b>	<b>31.3</b>	<b>44.5</b>	<b>-30%</b>
FFO per share (€)	1.00	0.76	32%
Earnings per share (€)	0.91	1.29	-30%

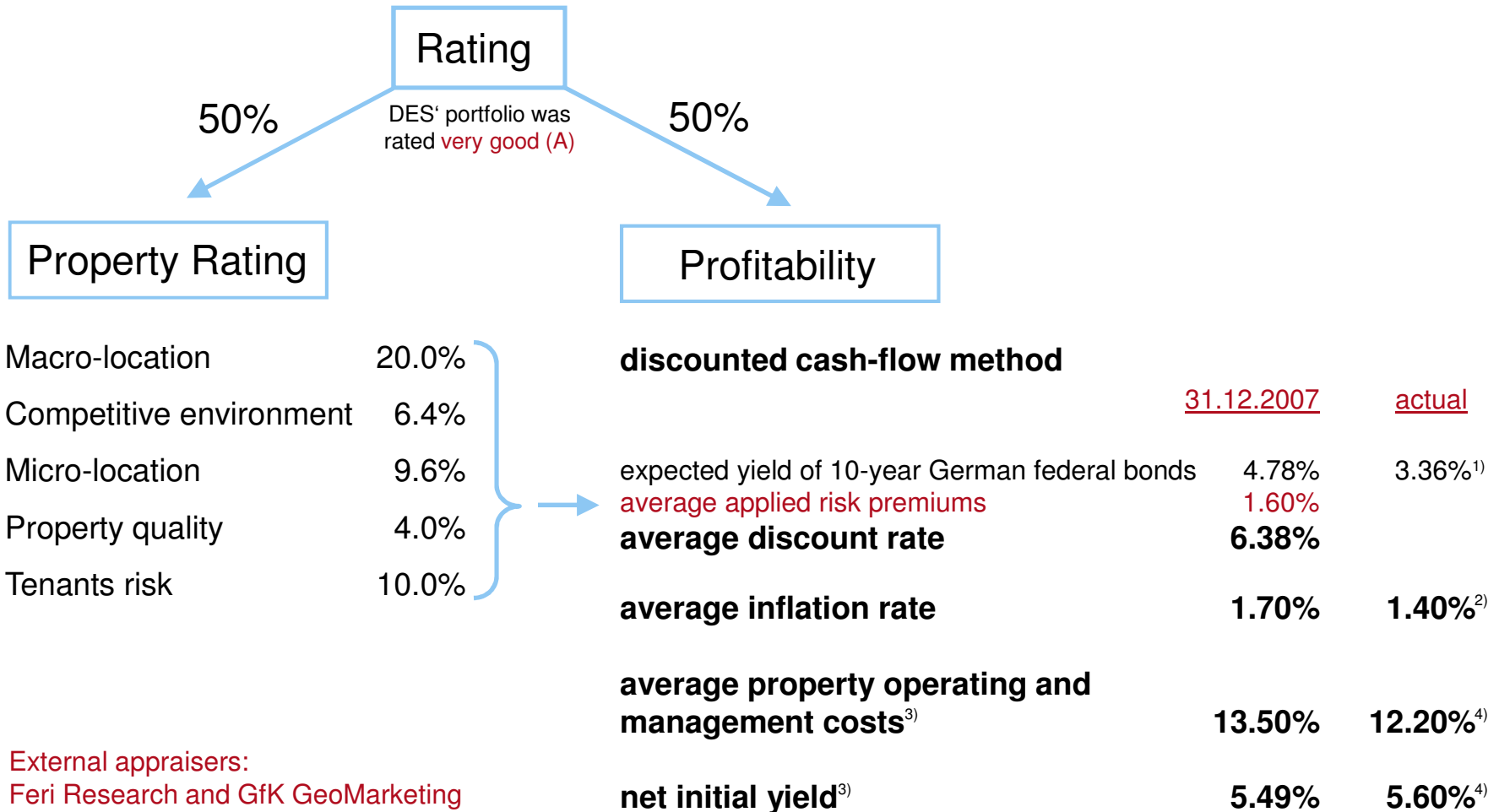
	30.09.2008	31.12.2007	+/-
<b>Total equity</b>	<b>961.4</b>	<b>974.0</b>	<b>-1%</b>
<b>Interest bearing debt</b>	<b>897.1</b>	<b>896.0</b>	<b>0%</b>
Other debt	103.2	106.3	-3%
<b>Total assets</b>	<b>1,961.7</b>	<b>1,976.3</b>	<b>-1%</b>
Equity ratio	49.0%	49.3%	
LTV ratio	47.4%	48.7%	

# Projected Financing Structure as of December 2008

Bank debt > 1 month maturity: €875 million

avg. effective interest rate  
5.36%





<sup>1)</sup> Status: 28 January 2009

<sup>2)</sup> German Federal Statistical Office, November 2008 (estimate)

<sup>3)</sup> Investment properties, i.e. without Hameln and Passau

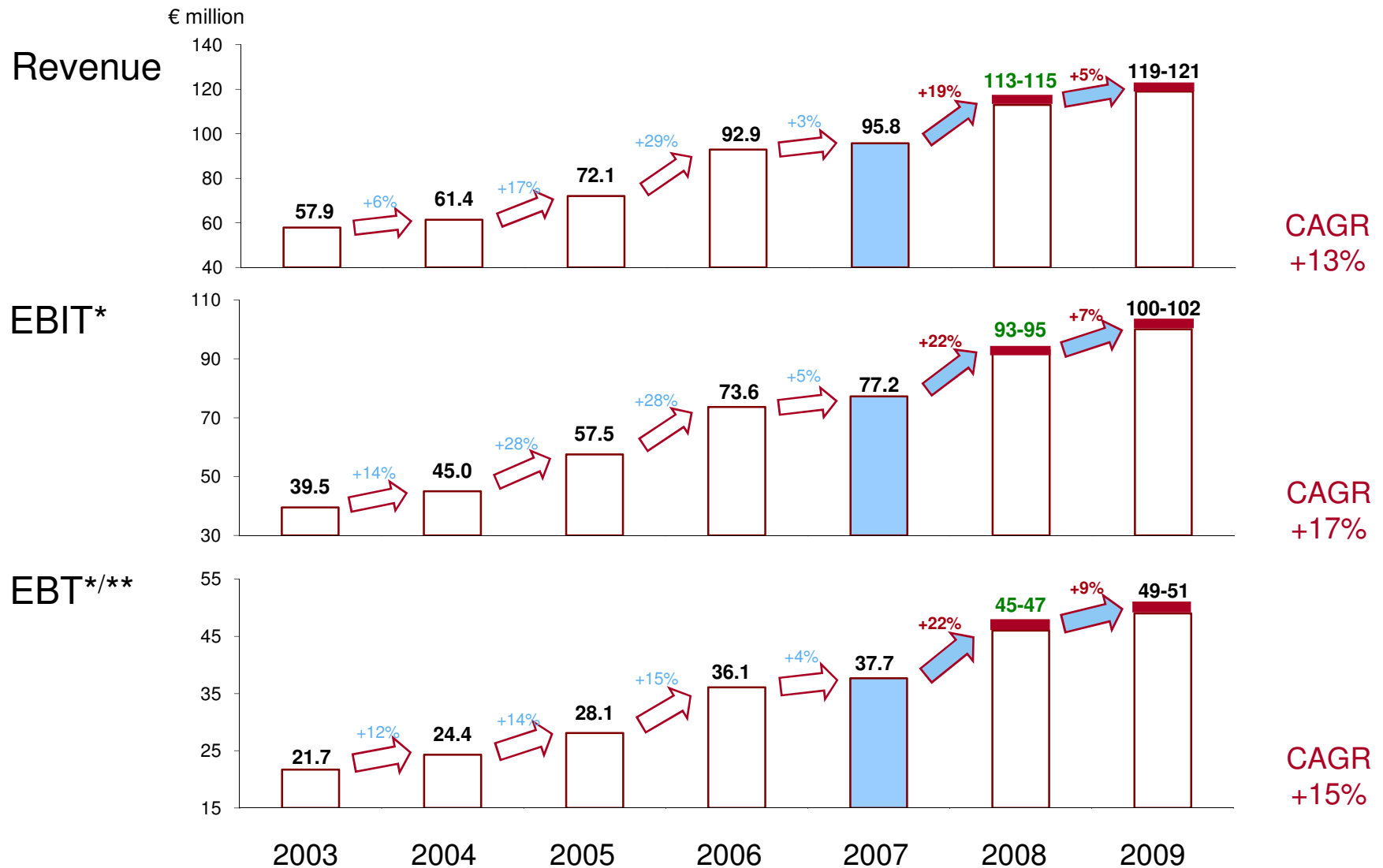
<sup>4)</sup> Plan 2008

€ million	<b>30.09.2008</b>	<b>05.01.2009</b>
Origin	Balance sheet	Share price 21.19 €
Equity	<b>850.6</b>	<b>728.4</b>
Debt	1,111.1	1,111.1
Short term assets	68.0	68.0
Net debt	<b>1,043.1</b>	<b>1,043.1</b>
Enterprise value = Long term assets	<b>1,893.7</b>	<b>1,771.5</b>

NOI *	106.0
NOI Yield	6.0%
Gross Yield	6.8%
Multiplier	14.7 fold

\* annualised

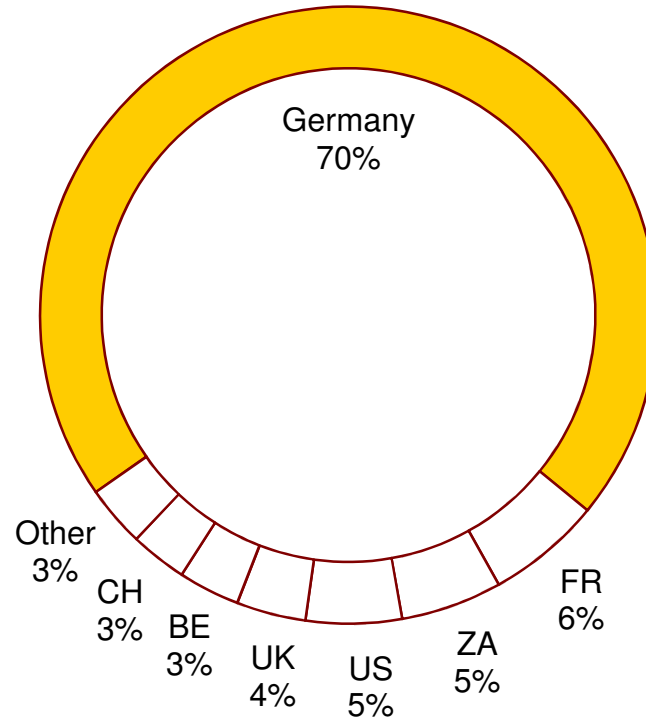
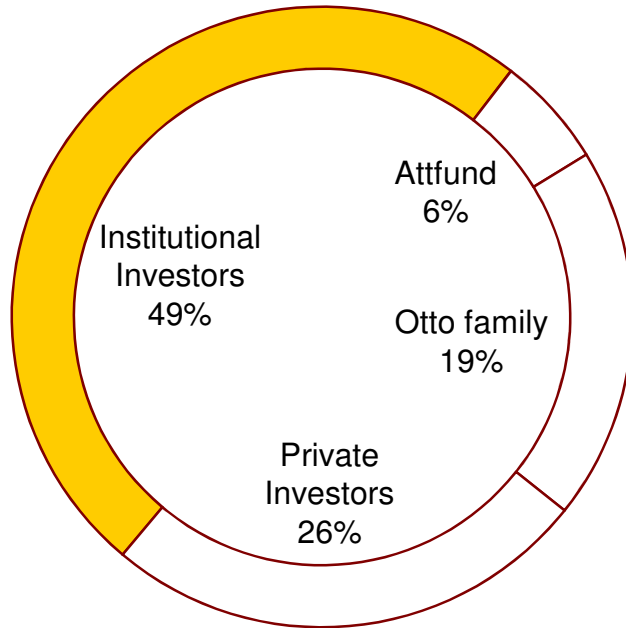




\*adjusted for one-time proceeds from disposals/\*\*excluding measurement gains and losses



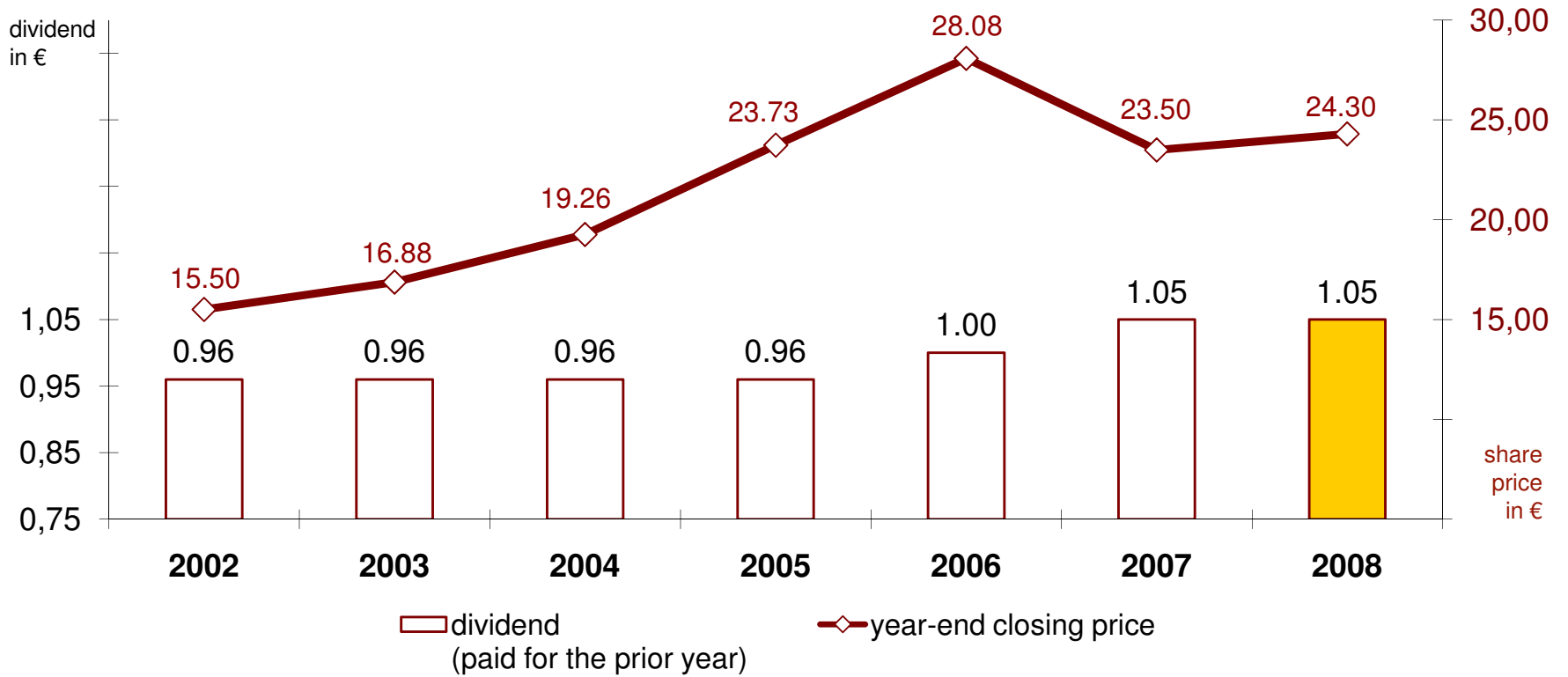
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7,700 shareholders

Free float 81%

Status: 29 January 2009



## Performance

DES:

5 years: +78.5% = +12.3% p.a.

3 years: +15.1% = +4.8% p.a.

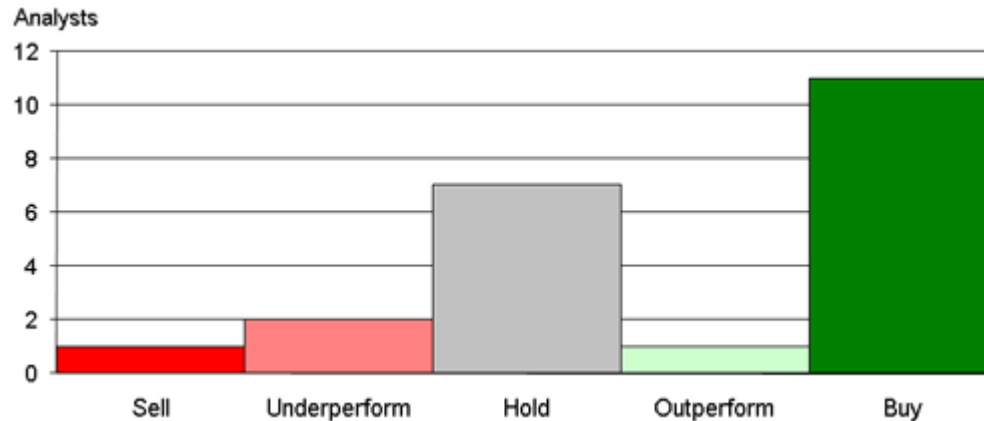
1 year (2008): +7.9%

DAX:

+3.9% p.a.

-3.8% p.a.

-40.4%



avg. / in €	2008	2009
EBIT (in € million)	93.49	102.02
EPS	1.17	0.82
Dividend	1.08	1.12
Price target		23.96



Status: 30 Jan 09



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Listed since	02.01.2001
Nominal capital	€34,374,998
Outstanding shares	34,374,998
Class of shares	Registered shares
Dividend 2007 (20.06.2008)	€1.05
52W High	€29.10
52W Low	€17.26
Share price (29.01.2009)	21.19
Market capitalisation	€730 million
avg. turnover per day last 12 months	143,300 shares
Indices	MDAX, EPRA, GPR, MSCI Small Cap
Official market	Prime Standard Frankfurt and XETRA
OTC market	Berlin-Bremen, Düsseldorf, Hamburg, Hanover, Munich und Stuttgart
ISIN	DE 000 748 020 4
Ticker	DEQ, Reuters: DEQn.DE
Market makers	Close Brothers Seydler, WestLB

- |        |  |            |  |
|--------|--|------------|--|
| 04.02. | Roadshow München, DZ Bank                                    | 19.05.     | Roadshow Oslo, Berenberg                         |
| 05.02. | Close Brothers Seydler Small & Mid Cap Conference, Frankfurt | 20.05.     | Roadshow Copenhagen, M.M. Warburg                |
| 12.02. | Roadshow Milan, Deutsche Bank                                | 27.-28.05. | Kempen & Co European Property Seminar, Amsterdam |
| 16.02. | Roadshow Helsinki, equinet                                   | 30.06.     | <b>Annual General Meeting, Hamburg</b>           |
| 17.07. | Roadshow Stockholm, equinet                                  | 13.08.     | <b>Interim report H1 2009</b>                    |
| 04.03. | HSBC Small & Mid Cap Real Estate Conference, Frankfurt       | 16.09.     | Sal. Oppenheim Real Estate Forum, Amsterdam      |
| 24.04. | <b>Annual earnings press conference, Hamburg</b>             | 22.-24.09. | UniCredit German Corporate Conference, Munich    |
| 27.04. | Roadshow London, Metzler                                     | 12.11.     | <b>Interim report Q1-3 2009</b>                  |
| 27.04. | Roadshow Zurich, HSBC  |            |  |
| 28.04. | Roadshow Frankfurt, UniCredit                                |            |  |
| 28.04. | Roadshow Paris, Societe Generale                             |            |  |
| 29.04. | German Property Day, Paris                                   |            |  |
| 14.05. | <b>Interim report Q1 2009</b>                                |            |  |
| 15.05. | Roadshow Dublin, UniCredit                                   |            |  |
| 15.05. | Roadshow Wien, Sal. Oppenheim                                |            |  |

**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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