

# DES

Deutsche EuroShop

Company Presentation

January 2008





## 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

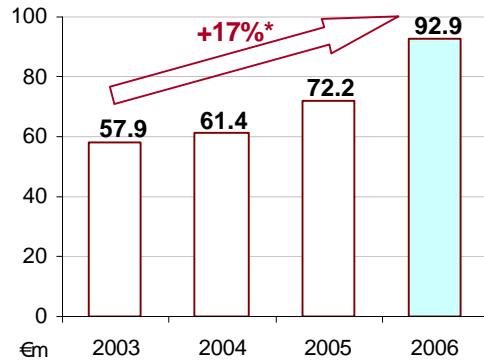
- 16 shopping centers on high street and in established locations – 12 in Germany, 2 in Poland and one each in Austria, Hungary

**16 Centers:**  
14 in operation  
2 in the pipeline

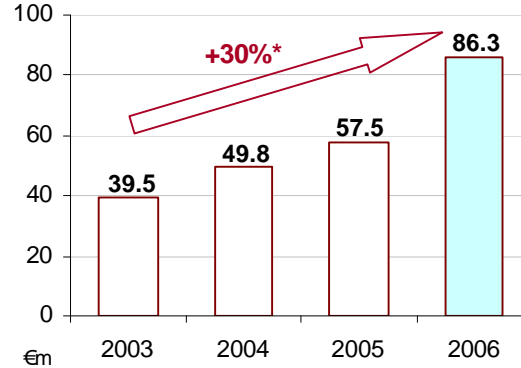
- |                |                      |
|----------------|----------------------|
| Lettable space | approx. 643,000 sqm  |
| Retail shops   | approx. 1,650        |
| Market value   | approx. €2.6 billion |
| Rents per year | €162 million         |
| Occupancy rate | > 99%                |

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

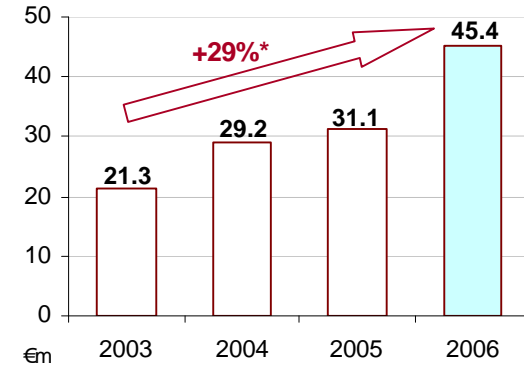
### Revenue



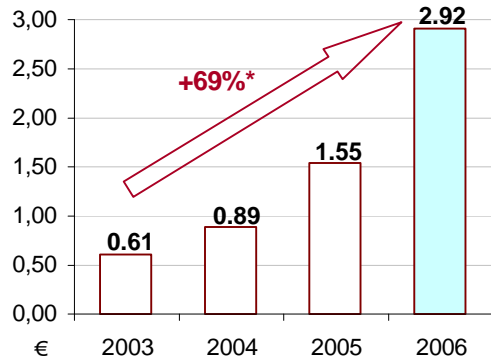
### EBIT



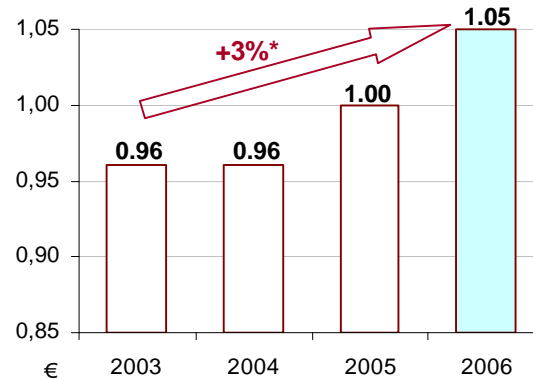
### EBT excl. revaluation



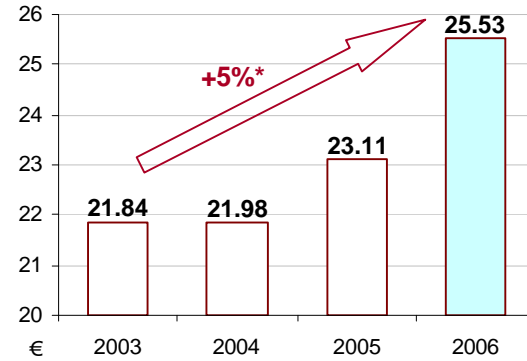
### EPS (undiluted)



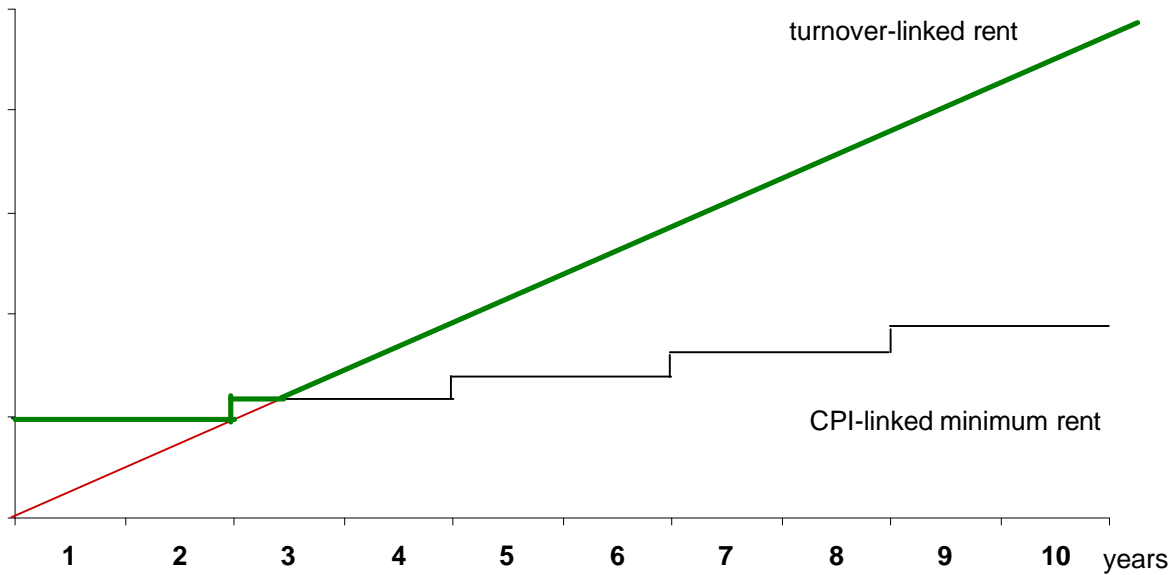
### Dividend per share



### NAV per share



\*2003-2006, Compound Annual Growth Rate (CAGR)

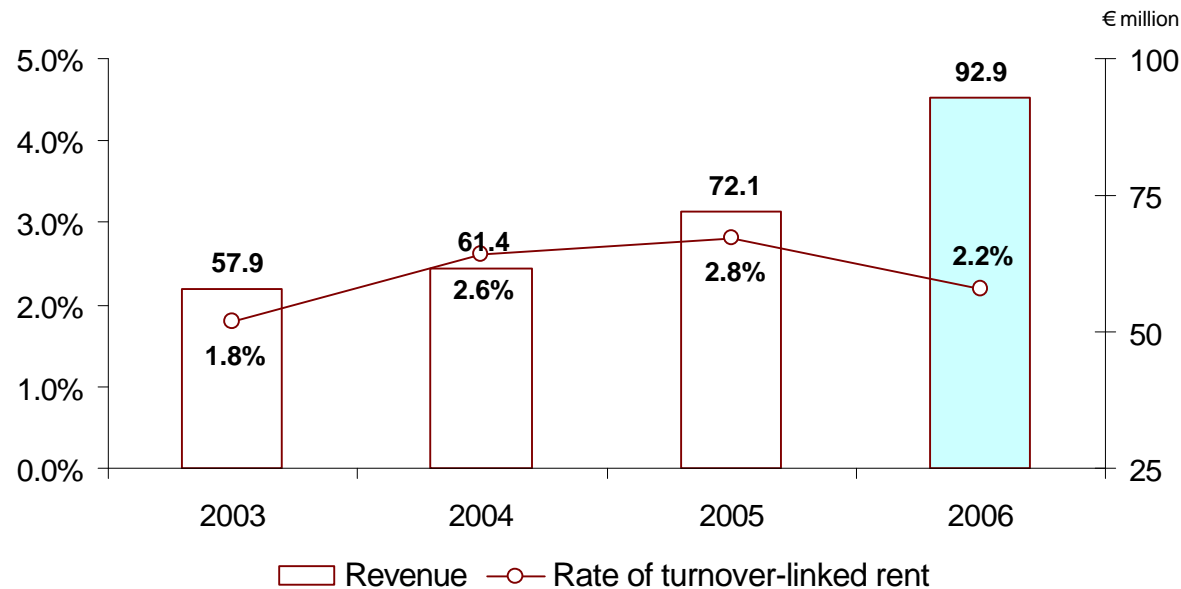


General form of  
lease contracts  
for DES-tenants

- 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: €3,300

- Long term net asset value enhancement
  
- “buy & hold”-strategy
  
- Stable and attractive dividends  
“After-tax“ dividend yield: currently 4.4%
  
- 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**

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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. 110
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>	<b>Allee-Center</b>	<b>Forum</b>
Location	Hamburg	Hamm	Wetzlar
Investment	50.0%	87.7%	65.0%
Lettable space sqm	39,200	35,100	34,300
Parking	1,600	1,300	1,700
Number of shops	approx. 110	approx. 80	approx. 110
Occupancy rate	97%	100%	100%
Catchment area	approx. 0.6 m. inhabitants	approx. 0.6 m. inhabitants	approx. 0.5 m. inhabitants
Opening / refurbishm.	2004	1992 / 2002-2003	2005



	<b>Rathaus-Center</b>	<b>City-Galerie</b>	<b>City-Point</b>
Location	Dessau	Wolfsburg	Kassel
Investment	94.9%	89.0%	40.0%
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>	<b>Stadt-Galerie</b>	<b>Stadtgalerie</b>
Location	Wuppertal	Hameln	Passau
Investment	72.0%	94.9%	75.0%
Lettable space sqm	28,700	25,000	27,500
Parking	650	500	500
Number of shops	approx. 85	approx. 90	approx. 90
Occupancy rate	100%	approx. 95%	approx. 80%
Catchment area	approx. 0.7 m. inhabitants	approx. 0.4 m. inhabitants	approx. 0.4 m. inhabitants
Opening / refurbishm.	2001 / 2004	March 11, 2008	Autumn 2008





	<b>Galeria Baltycka</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	47,200	36,700	35,200
Parking	1,000	880	850
Number of shops	approx. 200	approx. 120	approx. 130
Occupancy rate	100%	100%	100%
Catchment area	approx. 1.2 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. 1.0 m. inhabitants
Opening	2001



	Total Germany	Total Europe	Total Deutsche EuroShop
Lettable space sqm	491,400	151,900	643,300
Parking	16,420	3,630	20,050
Number of shops	1,105	550	1,655
Occupancy rate*	99%	100%	99%
Catchment area	9.4 m. inhabitants	3.1 m. inhabitants	12.5 m. inhabitants

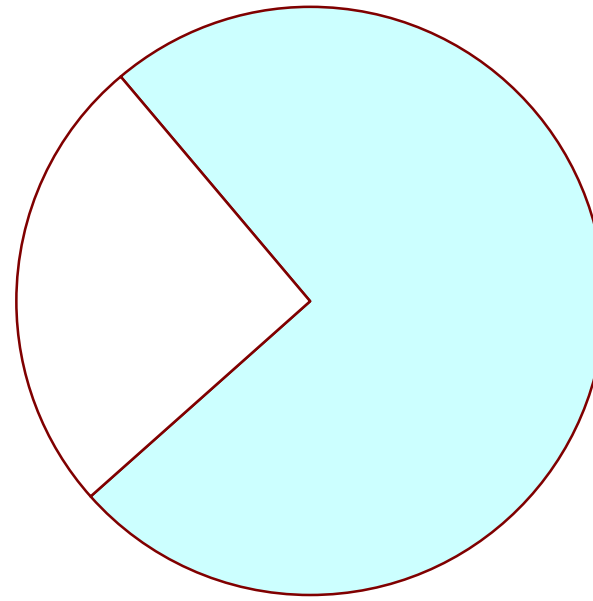
\*incl. office space, without Hameln, Passau and Gdansk



Well-known  
tenants

# Tenants Structure Top 10 tenants\*

Metro-Group	5.0%
Douglas-Group	4.9%
Peek & Cloppenburg	3.0%
H & M	2.4%
New Yorker	2.1%
Zara	2.0%
Deichmann	1.9%
Engelhorn & Sturm	1.6%
dm - Drogeriemarkt	1.4%
Karstadt	1.2%
<b>total</b>	<b>25.5%</b>



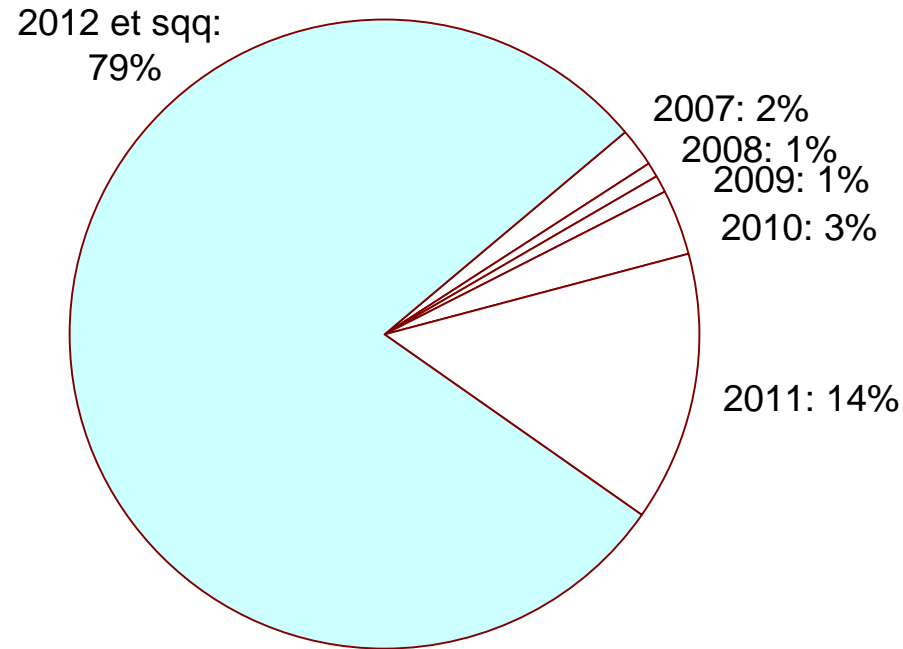
Other tenants

total 74.5%

Low level of  
dependence on  
the top 10 tenants

\*in % of total rents; not including Hameln, Passau and Gdansk as at December 31, 2006

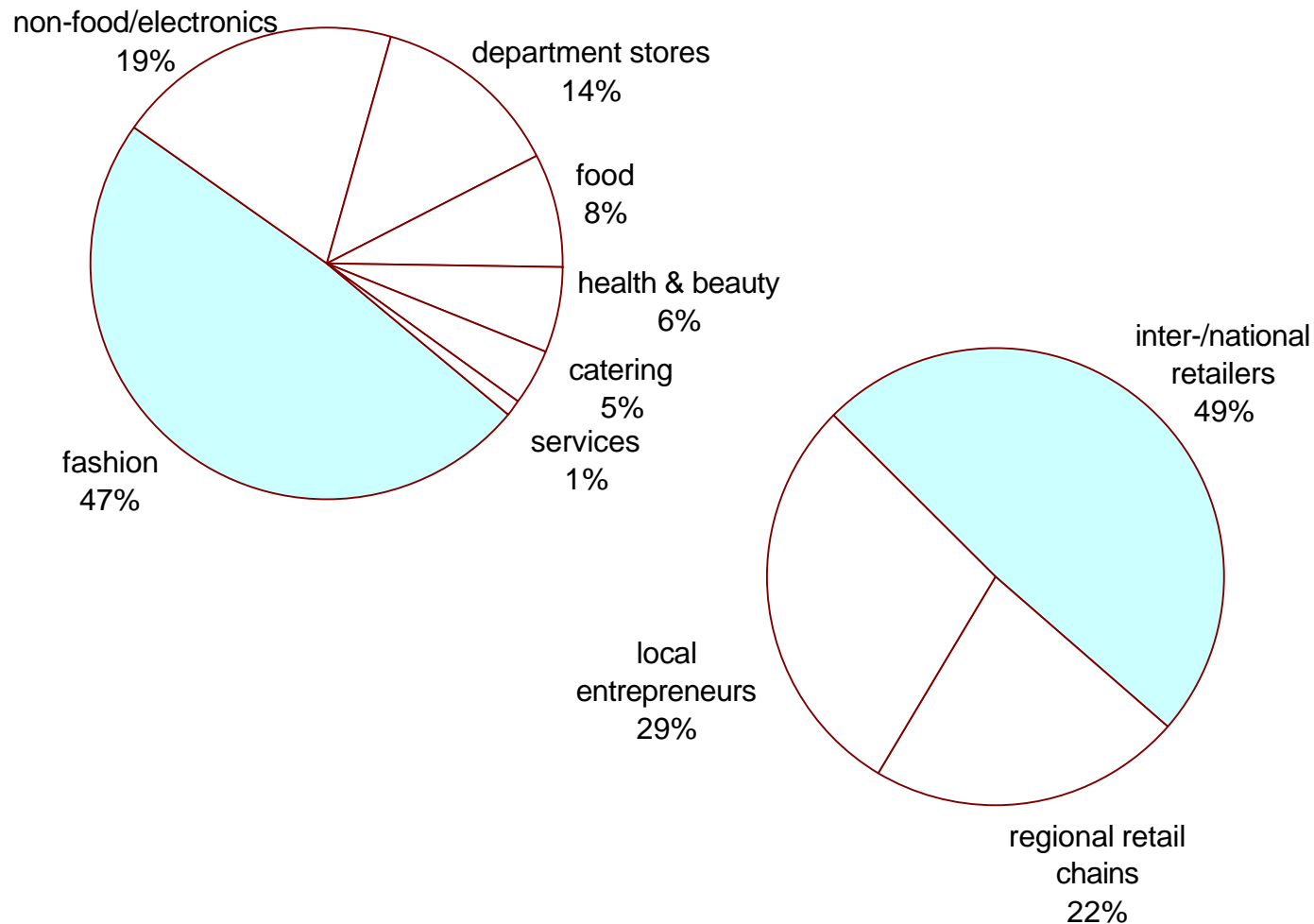
Long-term contracts  
guarantee rental income



Weighted maturity  
**> 8 years**

\*as % of rental income – not including Hameln, Passau and Gdansk as at December 31, 2006

Balanced sector and retailer diversification



\*in % of lettable space; not including Hameln, Passau and Gdansk as at December 31, 2006



Company

Shopping Centers

**Financials**

Shopping Center Share

Appendix

€ million	01.01.- 30.09.2007	01.01.- 30.09.2006	+/-
Revenue	68,861	68,728	0%
EBIT	55,624	57,170	-3%
Net finance costs	-29,735	-29,089	-3%
EBT	25,619	33,230	-23%
Consolidated profit	44,501	30,206	47%
Earnings per share (€)*	1,29	0,88	47%

	30.09.2007	31.12.2006	+/-
Equity	812,537	796,276	2%
Minorities	100,989	101,642	-1%
Liabilities	858,793	797,286	8%
Total assets	1,850,141	1,796,213	3%
Equity ratio (%)**	49.4	50.0	
Gearing (%)	102	100	
Cash and cash equivalents	63,107	96,902	-35%

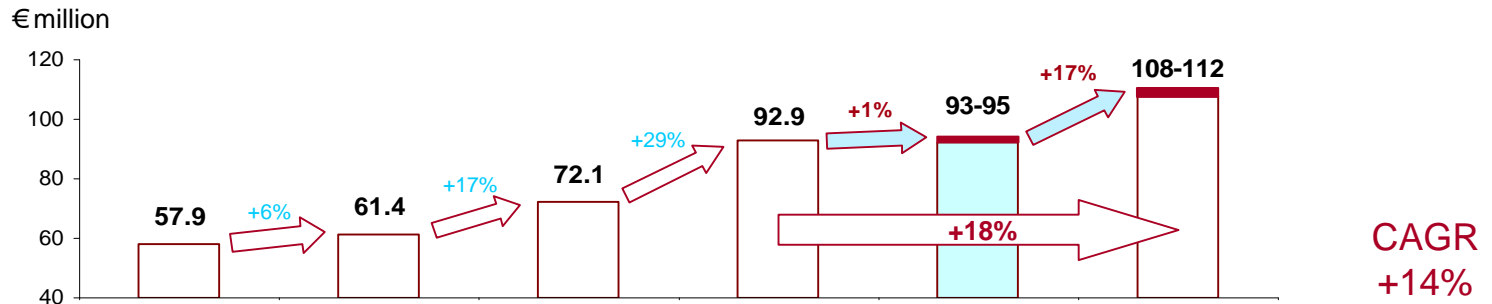
\*undiluted/\*\*incl. minorities

in € thousand	30.09.2007	31.12.2006	+/-
Non-current assets	1,740,640	1,652,890	87,750
Current assets	109,501	143,323	-33,822
<b>Total assets</b>	<b>1,850,141</b>	<b>1,796,213</b>	<b>53,928</b>
Total equity			
Equity	812,537	796,276	16,261
Minorities	100,989	101,642	-653
Non-current liabilities	817,155	752,503	64,652
Deferred tax liabilities	56,099	81,158	-25,059
Current liabilities	63,361	64,634	-1,273
<b>Total equity and liabilities</b>	<b>1,850,141</b>	<b>1,796,213</b>	<b>53,928</b>

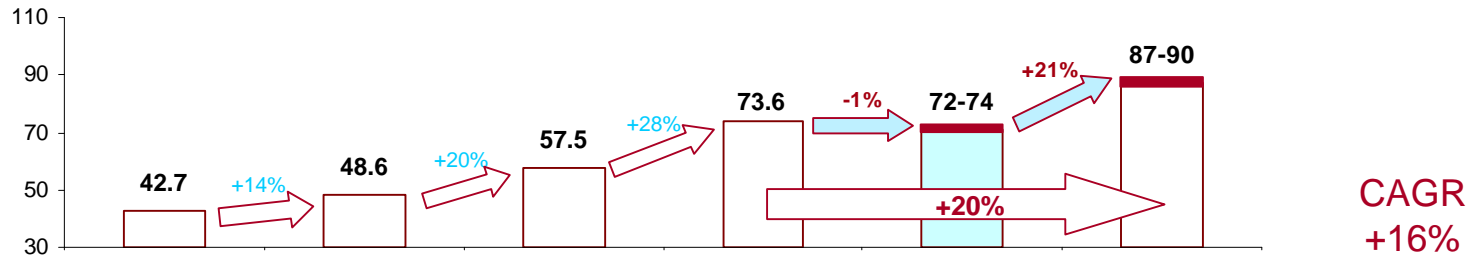


in € thousand	01.01.- 30.09.2007	01.01.- 30.09.2006	+/-
<b>Revenue</b>	<b>68,861</b>	<b>68,728</b>	<b>0%</b>
Other operating income	817	1,540	
Property operating and management costs	-10,612	-10,382	
Other operating expenses	-3,442	-2,715	
<b>EBIT</b>	<b>55,624</b>	<b>57,170</b>	<b>-3%</b>
Net interest expense	-27,786	-27,453	
Income from investments	206	587	
Profit attributable to limited partners	-2,155	-2,223	
<b>Net finance costs</b>	<b>-29,735</b>	<b>-29,089</b>	<b>-3%</b>
<b>Measurement gains/losses</b>	<b>-270</b>	<b>5,149</b>	
<b>EBT</b>	<b>25,619</b>	<b>33,230</b>	<b>-35%</b>
Taxes	18,882	-3,024	
<b>Consolidated profit</b>	<b>44,501</b>	<b>30,206</b>	<b>47%</b>

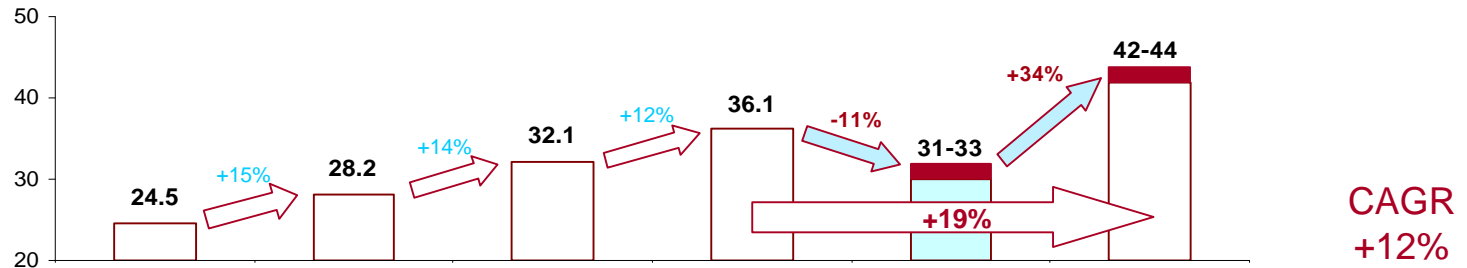
## Revenue



## EBIT\*



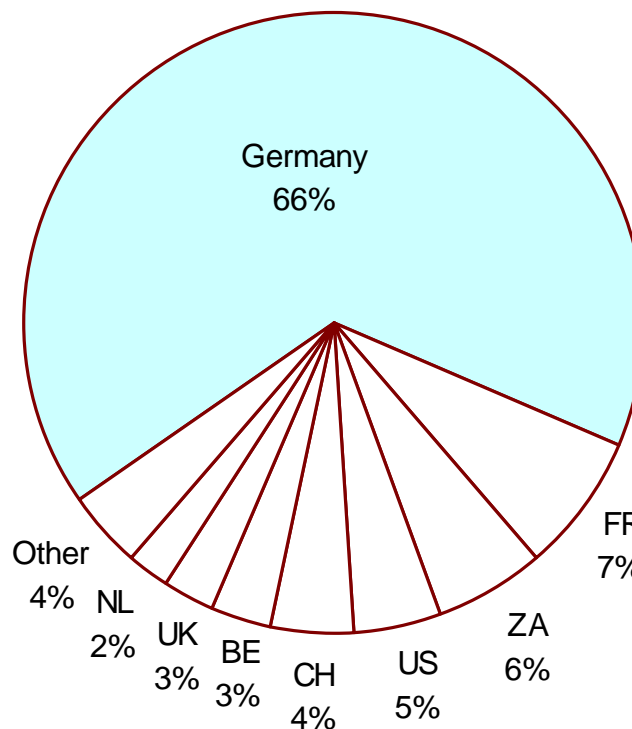
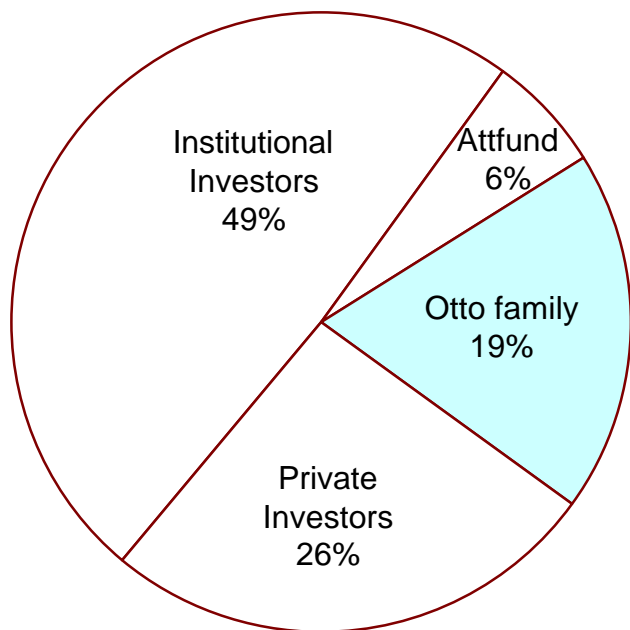
## EBT\*\*/\*\*



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

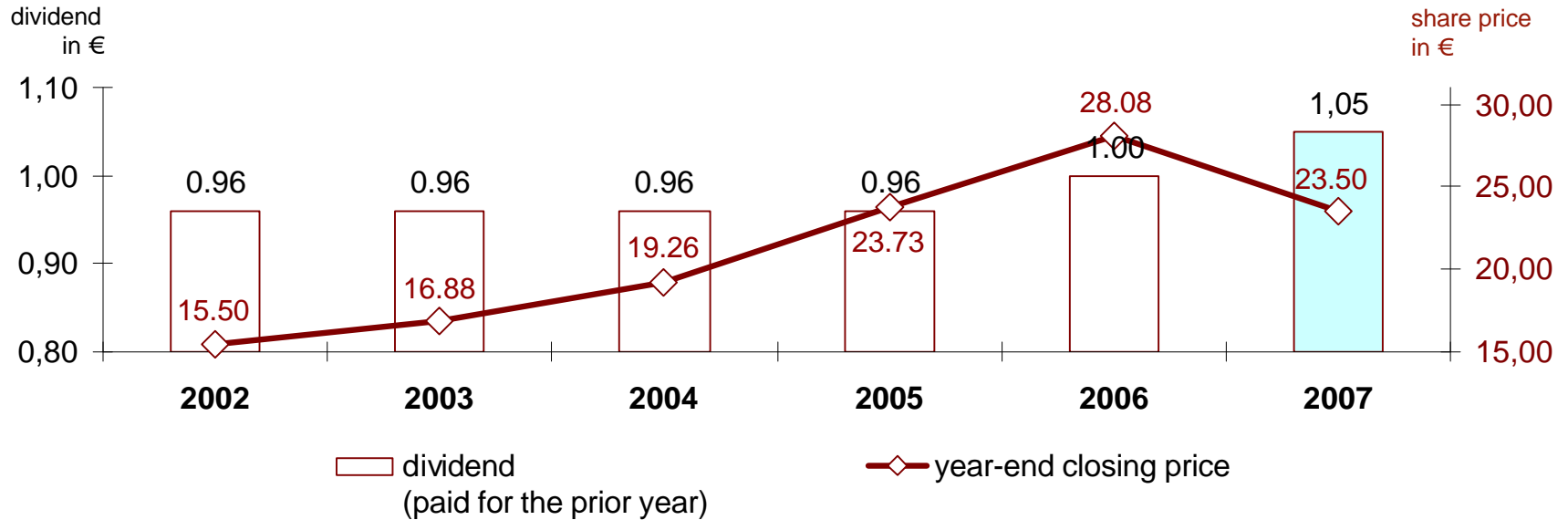
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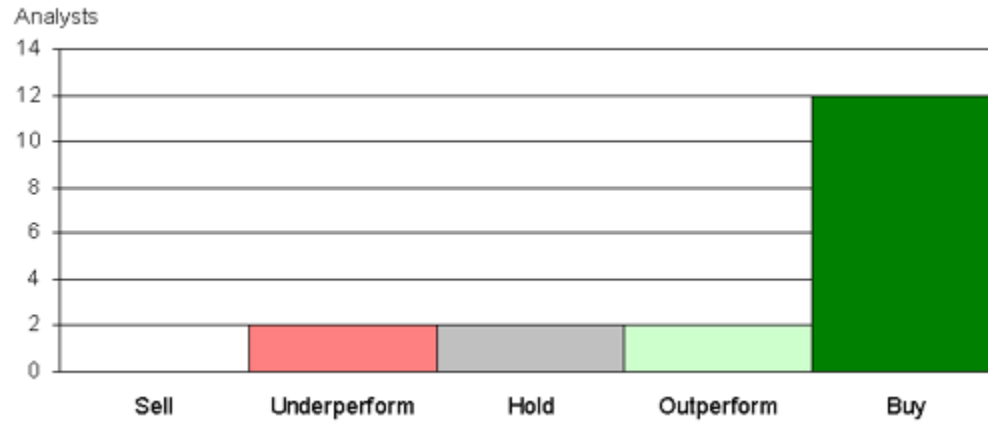
7,500 shareholders

Free float 81%



### 5 years performance:

2003:	+15.1%	} avg. +14.6% p.a.
2004:	+19.8%	
2005:	+28.2%	
2006:	+22.6%	
2007:	-12.6%	



avg. / in €	2007	2008
EBIT (in € million)	76.10	89.57
EPS	1.77	2.20
Dividend	1.05	1.10
Price target		29.96





Company

Shopping Centers

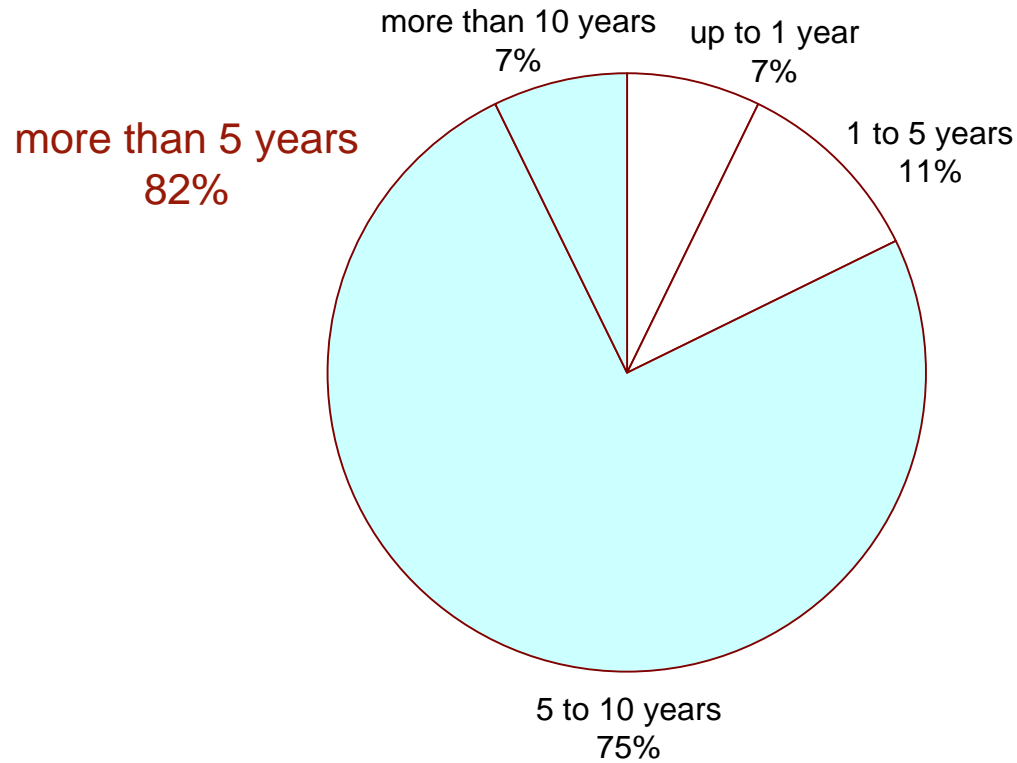
Financials

Shopping Center Share

**Appendix**

Listed since	02.01.2001
Nominal capital	€34,374,998
Outstanding shares	34,374,998
Class of shares	Registered shares
Dividend 2006 (22.06.2007)	€1.05
52W High	€30.69
52W Low	€23.00
Share price (02.01.2008)	€23.55
Market capitalisation	€810 million
avg. turnover per day 2007	143,000 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





Ø effective interest rate  
5.5%

- 15.01. Morgan Stanley German Property Day, London
- 23.01. CA Cheuvreux German Corporate Conference, Frankfurt
- 30.01. WestLB Capital Markets Day, Dusseldorf
- 27.02. HSBC Trinkaus Real Estate Conference, Frankfurt
- 18.04. Annual earnings press conference, Hamburg
- 14.05. Interim report Q1 2008
- 19.06. General Annual Meeting, Hamburg
- 14.08. Interim report H1 2008
- 14.11. Interim report Q1-3 2008

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