

# DES

Deutsche EuroShop

06/08

[feelestate.de](http://feelestate.de)



THE CHANGING FACE  
OF RETAIL





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

## 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

Pure Player

## At a Glance

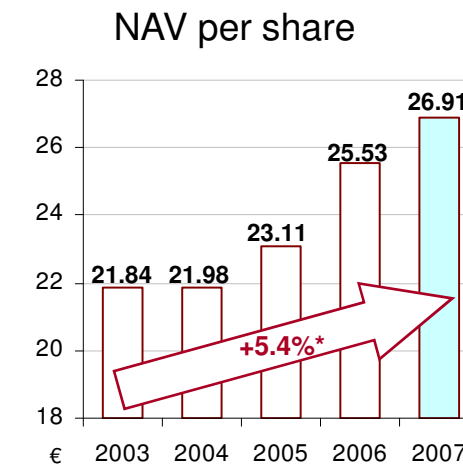
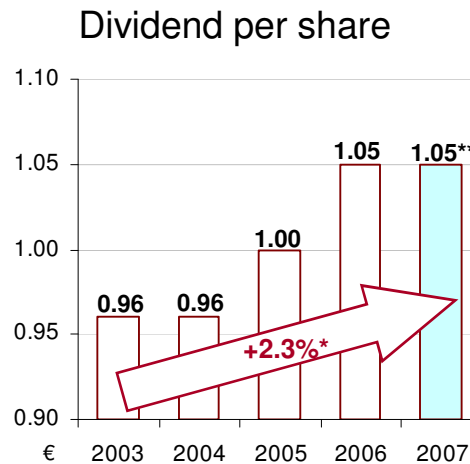
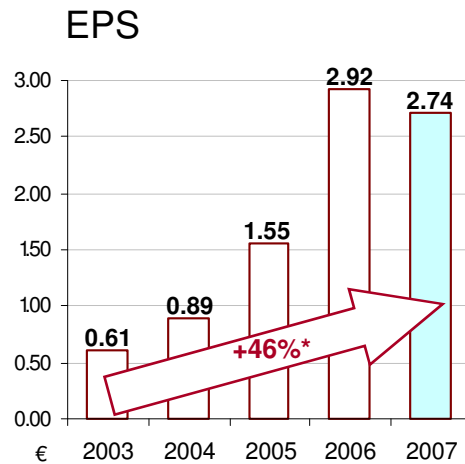
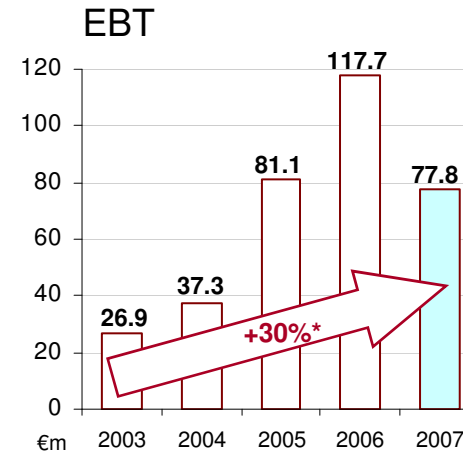
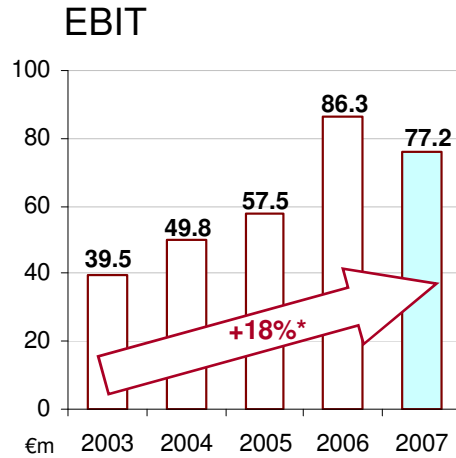
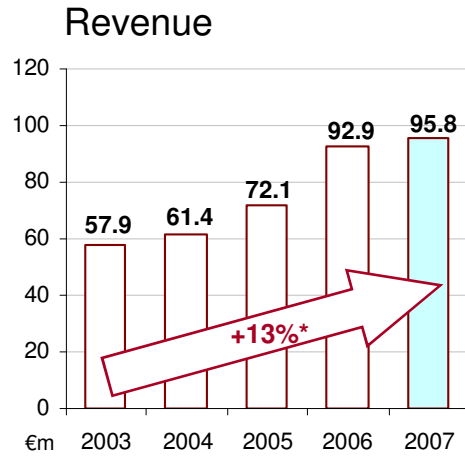
- 16 shopping centers on high street and in established locations – 12 in Germany, 2 in Poland and one each in Austria, Hungary

**16 Centers:**  
15 in operation  
1 in the pipeline

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%

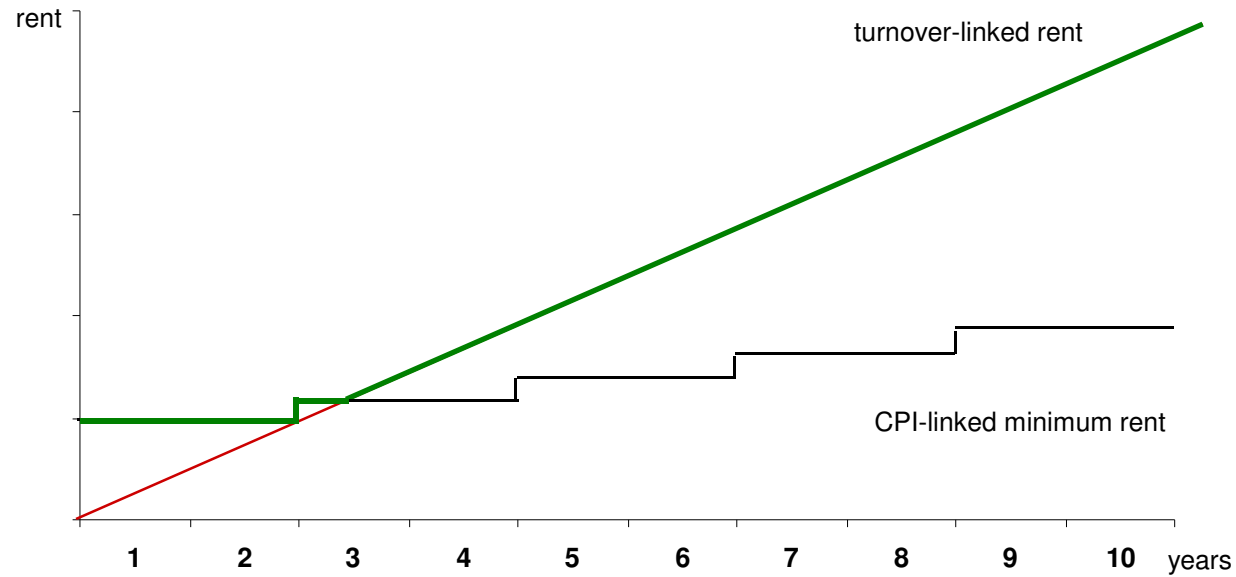
- Professional center management by ECE, the European market leader in this industry

# Key Figures



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

## Lease System I



General form of  
lease contracts  
for DES-tenants

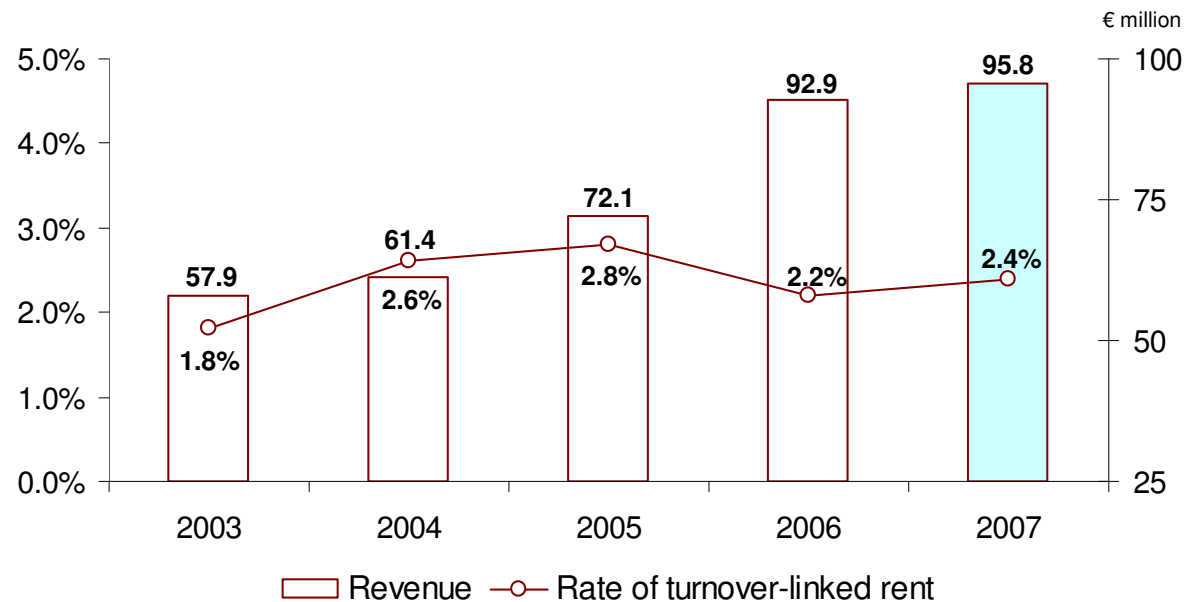
- Lease standards:
  - 10 years lease only
  - no break-up option
  - turnover-linked rents
  - minimum rents are CPI-linked, upwards only

Participation in  
sales growth of  
retail industry

## Lease System II

- 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  
“After-tax“ dividend yield: currently 4.0%
- 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



## Shopping Centers – Germany



	<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



## Shopping Centers – Germany



	<b>Phoenix-Center</b> Hamburg	<b>Allee-Center</b> Hamm	<b>Forum</b> Wetzlar
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. 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



## Shopping Centers – Germany



	<b>Rathaus-Center</b> Dessau	<b>City-Galerie</b> Wolfsburg	<b>City-Point</b> Kassel
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

## Shopping Centers – Germany



	<b>City-Arkaden</b> Wuppertal	<b>Stadt-Galerie</b> Hameln	<b>Stadtgalerie</b> Passau
Location			
Investment	72.0%	94.9%	75.0%
Lettable space sqm	28,700	25,000	27,200
Parking	650	500	500
Number of shops	approx. 85	approx. 100	approx. 90
Occupancy rate	100%	100%	approx. 95%
Catchment area	approx. 0.7 m. inhabitants	approx. 0.4 m. inhabitants	approx. 0.4 m. inhabitants
Opening / refurbishm.	2001 / 2004	2008	Autumn 2008

## Shopping Centers – Europe



	<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

## Shopping Centers – Europe



	<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



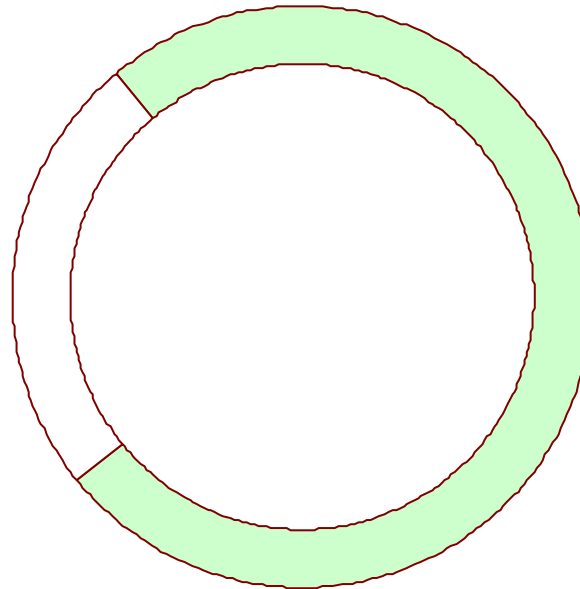
## Our Tenants



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%



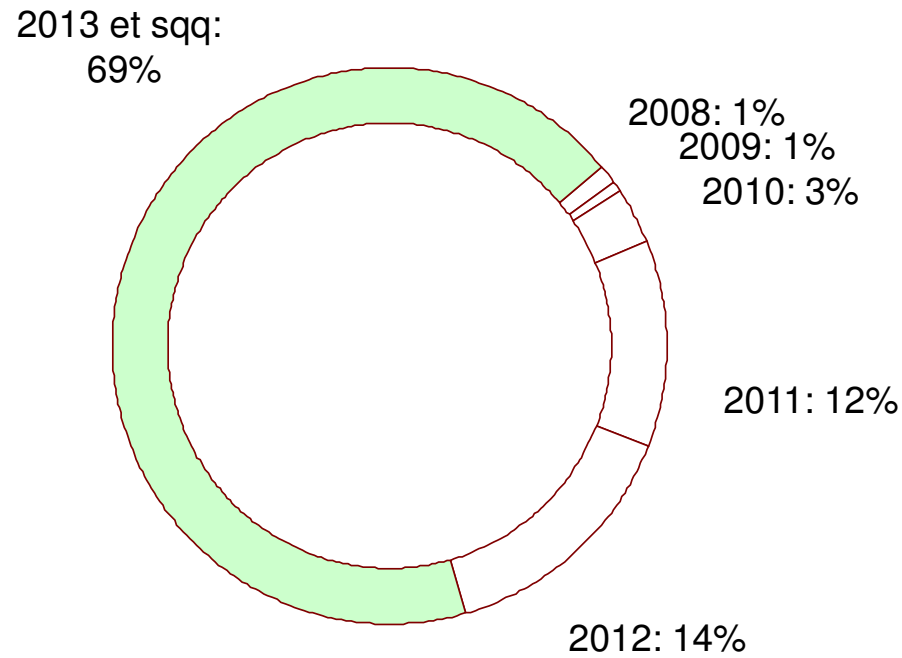
Low level of dependence on the top 10 tenants

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\*

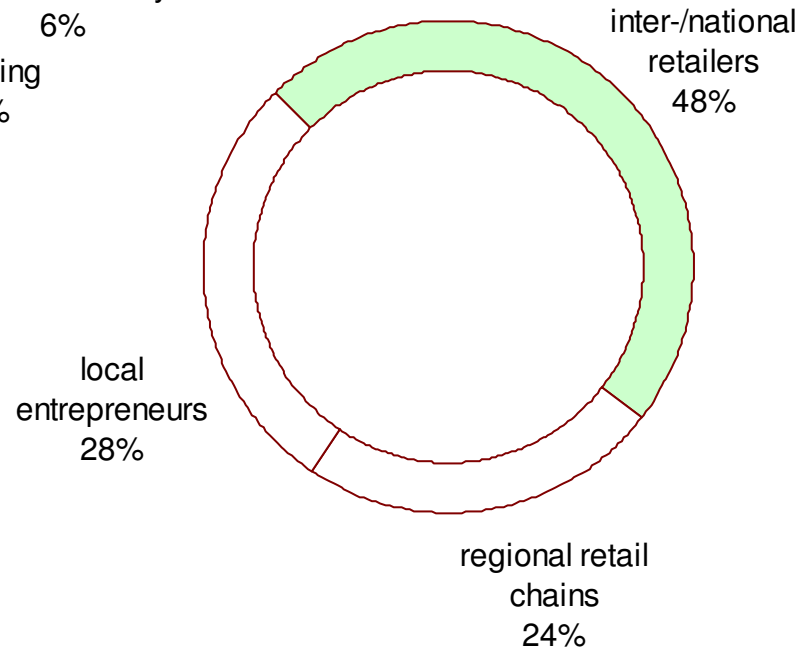
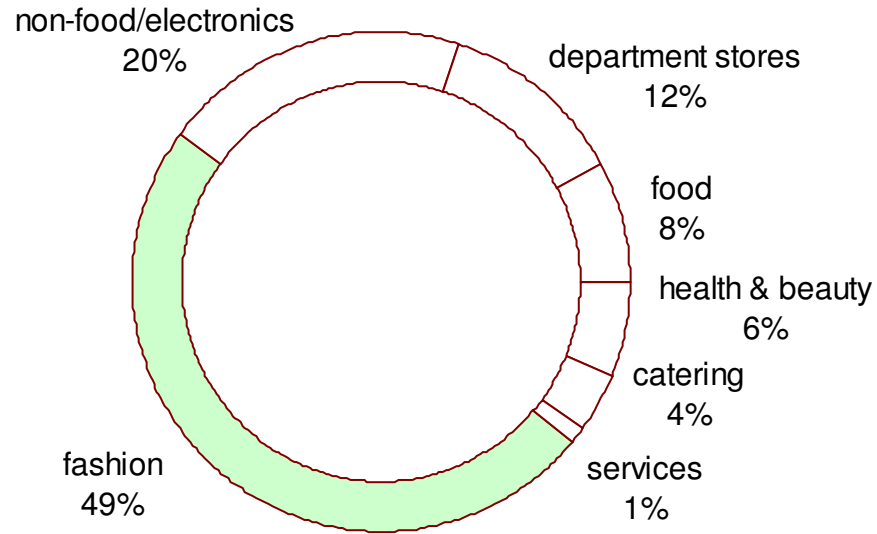


Long-term contracts  
guarantee rental income

Weighted maturity  
> 8 years

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

# Sector and Retailer Mix\*



Balanced sector and retailer diversification

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





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

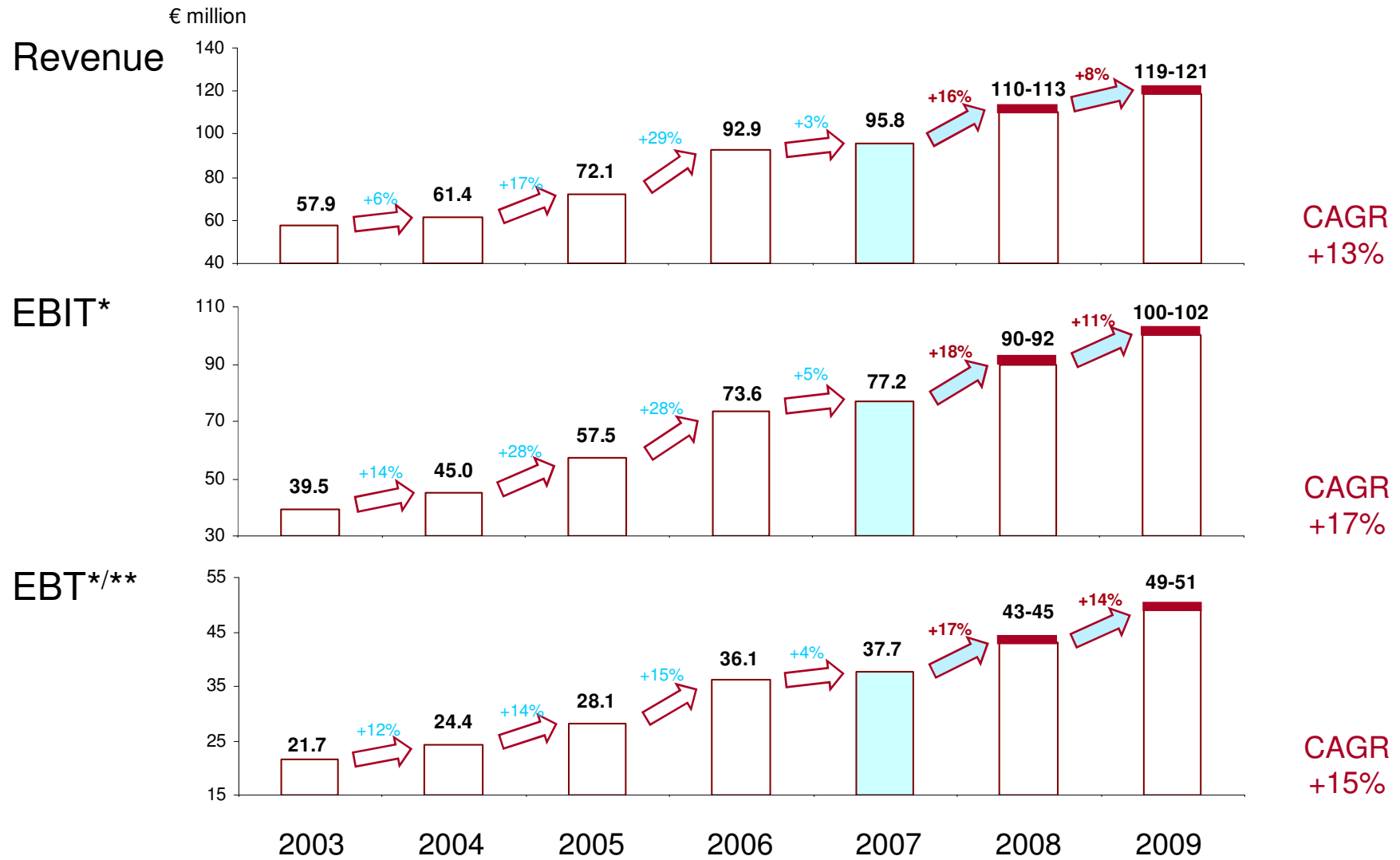
## Key Figures Q1 2008

€ million	01.01.- 31.03.2008	01.01.- 31.03.2007	+/-
Revenue	26.9	22.6	19%
EBIT	22.5	18.7	20%
Net finance costs	-11.9	-10.1	-18%
EBT	12.3	8.5	46%
Consolidated profit	10.2	6.3	61%
Earnings per share (€)	0.30	0.18	61%

	31.03.2008	31.12.2007	+/-
Equity*	979.5	974.0	1%
Liabilities	951,3	1.002,3	-5%
Total assets	1,930.9	1,976.3	-2%
Equity ratio (%)*	50.7	49.3	
Gearing (%)*	97	103	
Cash and cash equivalents	52.6	109.0	-52%

\*incl. minorities

# Forecast 2008/2009



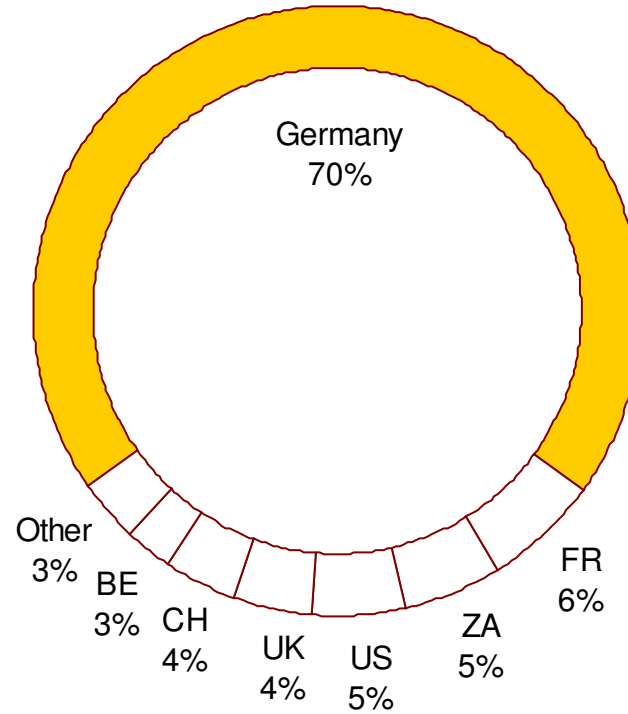
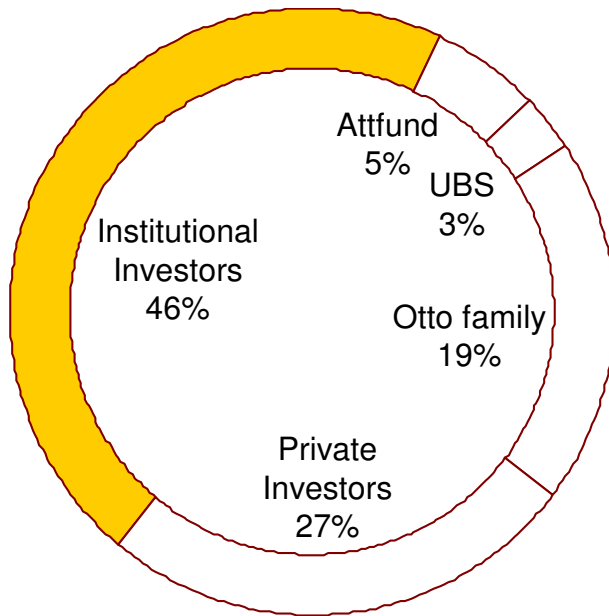
\*adjusted for one-time proceeds from disposals/\*\* excluding measurement gains and losses



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



# Shareholder Structure

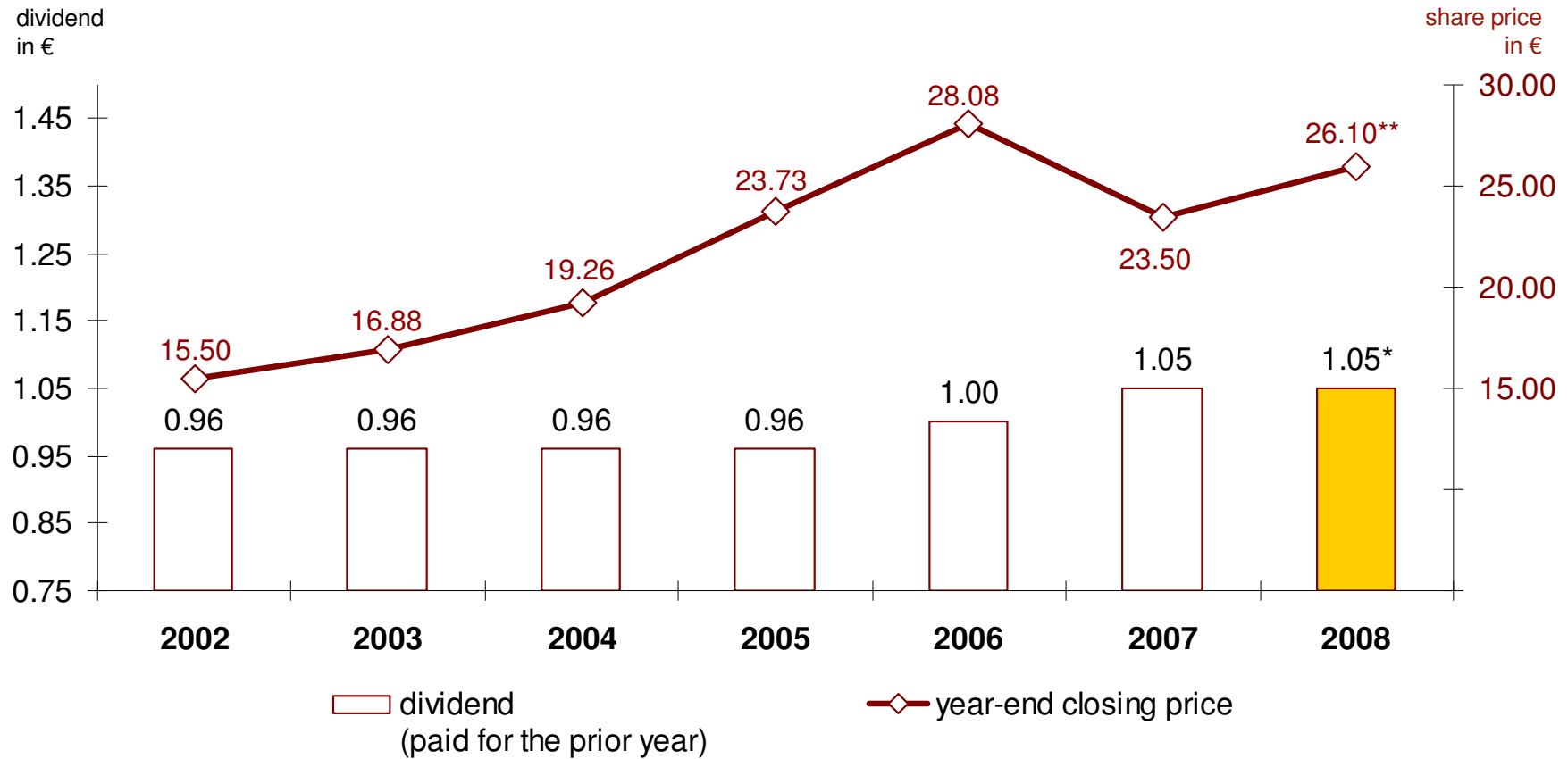


7,800 shareholders

Free float 81%

Status: 2 June 2008

# Performance



### Performance:

5 years : +91.1% = +13.8% p.a.

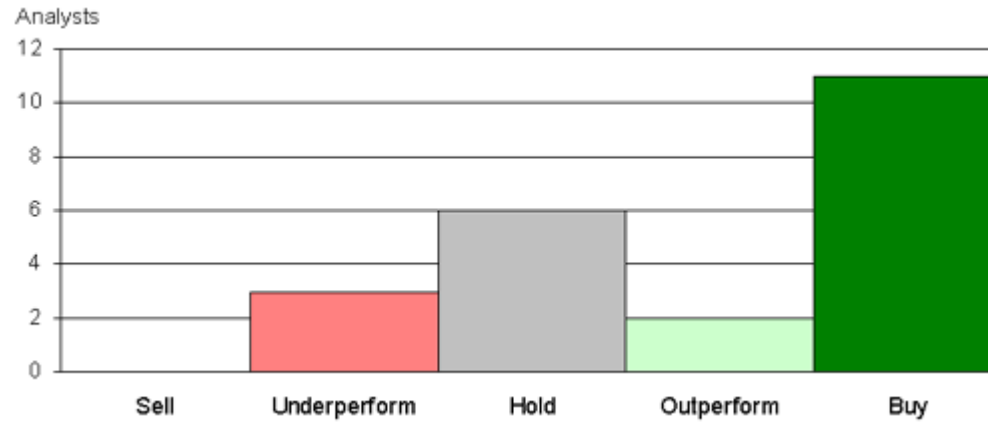
3 years: +37.2% = +11.1% p.a.

1 year (2007): -13.1%

y-t-d: +11.3%

\*proposal/\*\*Status: 2 June 2008

# Analysts' Consensus



avg. / in €	2008	2009
EBIT (in € million)	91,29	101,06
EPS	2,31	2,13
Dividend	1,13	1,19
Price target		29,23



Status: 2 June 2008

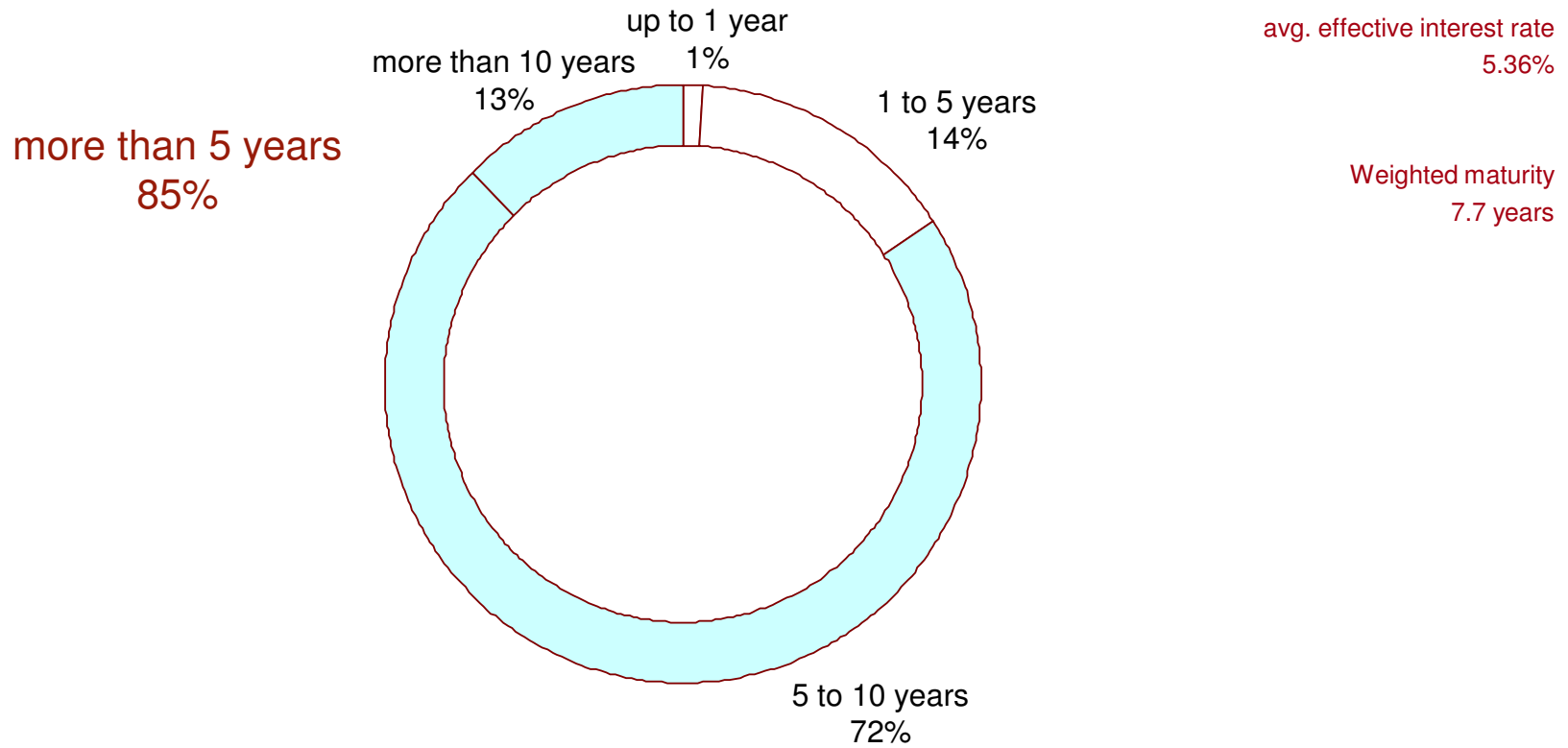
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## Key Data of the Share

Listed since	02.01.2001
Nominal capital	€34,374,998
Outstanding shares	34,374,998
Class of shares	Registered shares
Dividend 2007 (proposal, 20.06.2008)	€1.05
52W High	€29.75
52W Low	€20.76
Share price (02.06.2008)	€26.10
Market capitalisation	€900 million
avg. turnover per day 2007	144,000 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: DEQGn.DE
Market makers	Close Brothers Seydler, WestLB

## Liabilities – Maturities



Status: 31 Dec 2007



## Financial Calendar 2008

- 03.06. Roadshow Hamburg, DZ Bank
- 19.06. General Annual Meeting, Hamburg
- 14.08. **Interim report H1 2008**
- 25.08. Roadshow Copenhagen, Kempen & Co.
- 04.-05.09. EPRA Annual Conference, Stockholm
- 06.09. Hamburg Stock Exchange Convention
- 17.09. Roadshow London, Lehman Brothers
- 18.09. Roadshow Paris, MainFirst
- 23.09. UniCredit German Investment  
Conference, Munich
- 06.-07.10. Expo Real, Munich
- 16.10. Société Générale Pan European  
Real Estate Conference, London
- 20.-21.10. Real Estate Share Initiative, Frankfurt
- 12.11. WestLB Deutschland Conference,  
Frankfurt
- 14.11. **Interim report Q1-3 2008**

## Contact

**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



### Deutsche EuroShop AG

Investor & Public Relations

Oderfelder Straße 23

20149 Hamburg

Tel. +49 (40) 41 35 79 - 20 / -22

Fax +49 (40) 41 35 79 - 29

E-Mail: [ir@deutsche-euroshop.com](mailto:ir@deutsche-euroshop.com)

Web: [www.deutsche-euroshop.com](http://www.deutsche-euroshop.com)

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