

# DES

Deutsche EuroShop

10/09

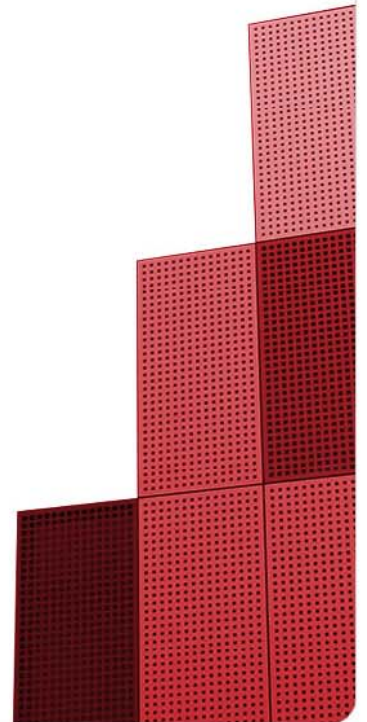
feelestate.de



## Company Presentation “The Third Place”

- 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 and Hungary

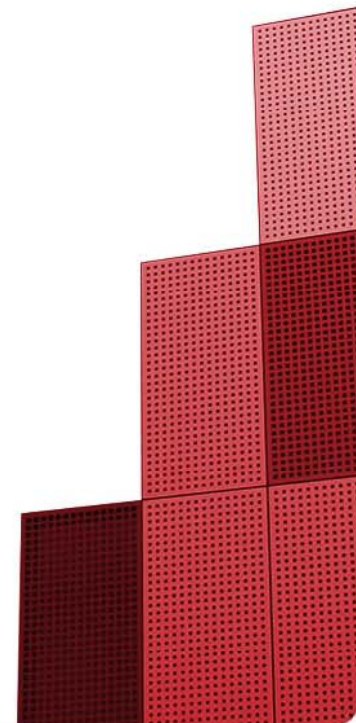
16 Centers

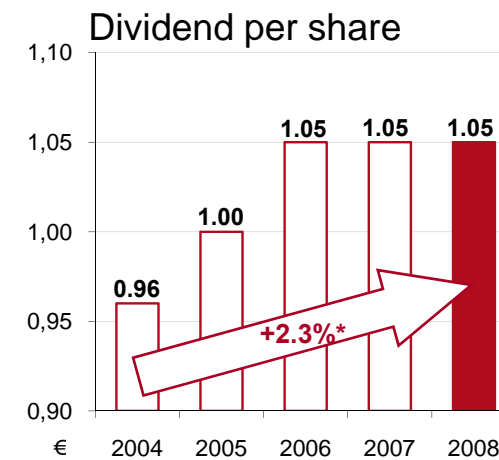
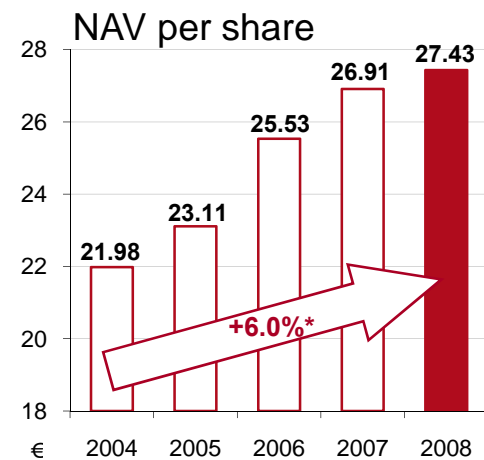
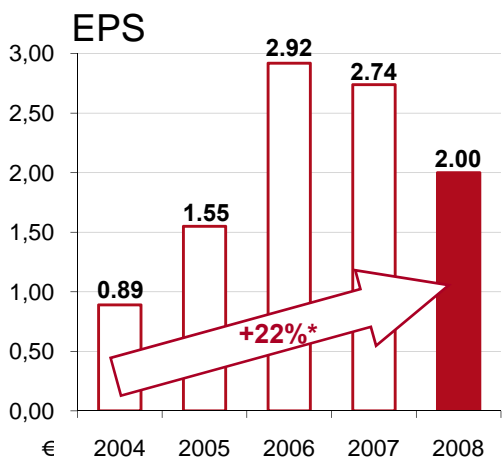
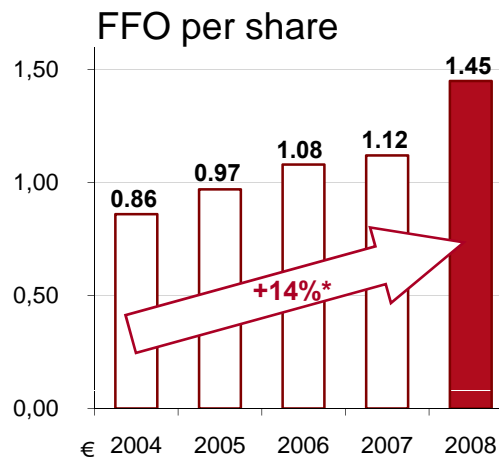
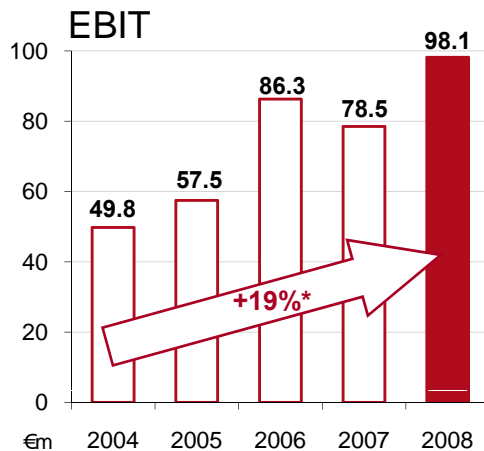
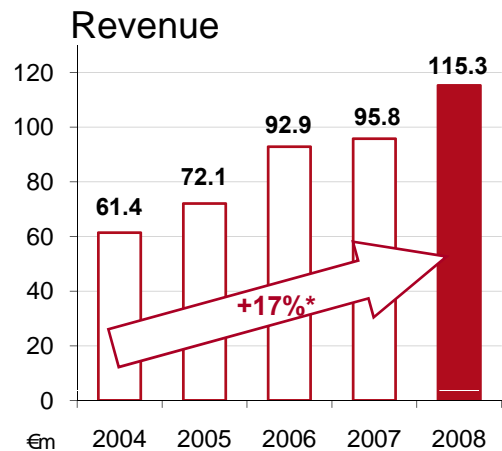
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▪ Lettable space	approx. 645,000 sqm
Retail shops	approx. 1,675
Market value	approx. €2.6 billion
Rents per year	€167 million
Occupancy rate	> 99%

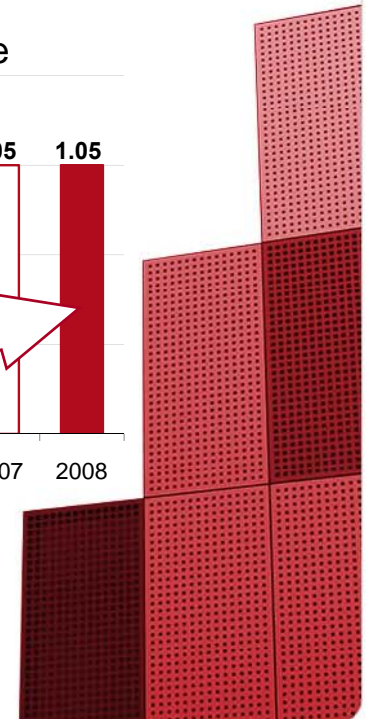
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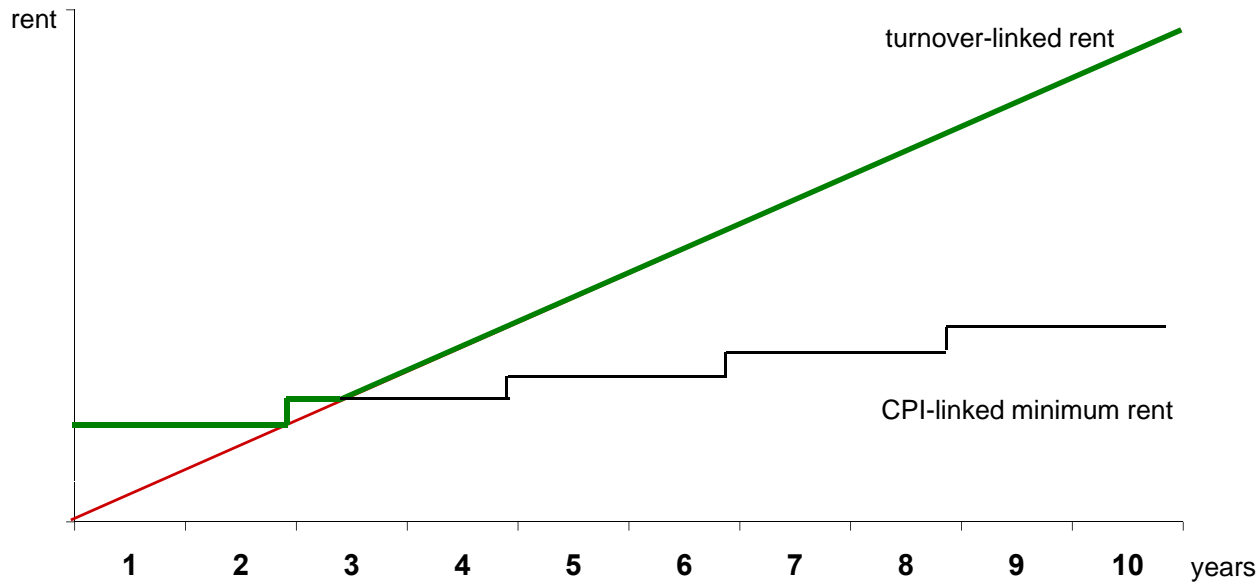
- Portfolio valuation: 5.64% net initial yield  
FFO Yield 2008: approx. 7%
- Professional center management by ECE, the European market leader in this industry





\*2004-2008, Compound Annual Growth Rate (CAGR)

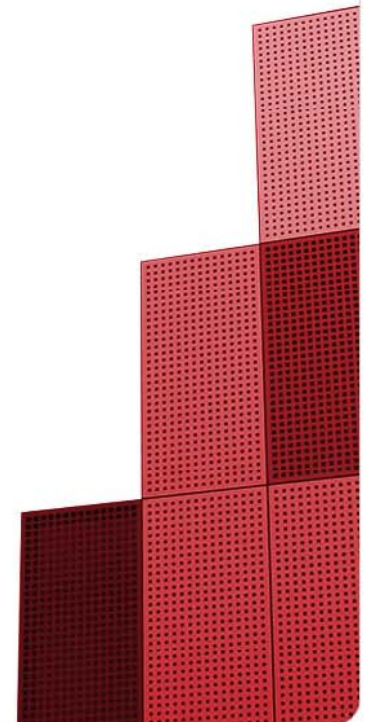




General form of lease contracts for DES-tenants

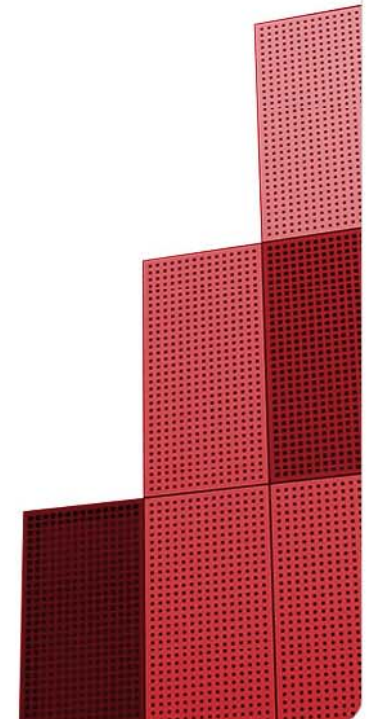
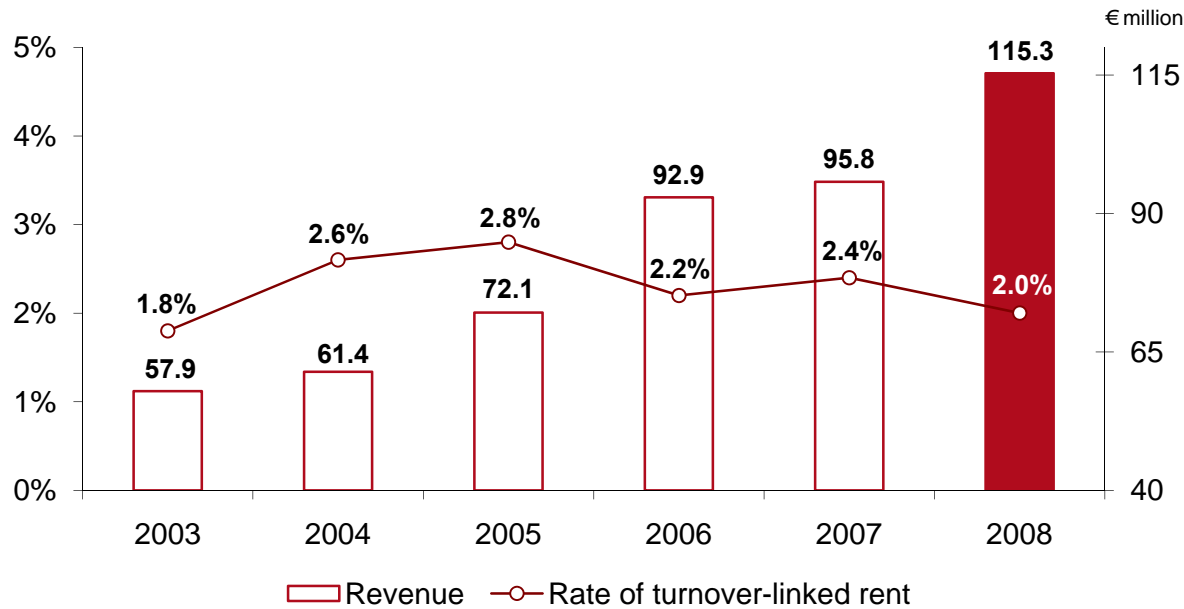
Participation in sales growth of retail industry

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



- avg. rent per sqm and year: €250
- avg. turnover per sqm and year: €4,700
- Rent-to-sales-ratio: 6.5-9.5%
- weighted maturity of rental contracts: >7 years

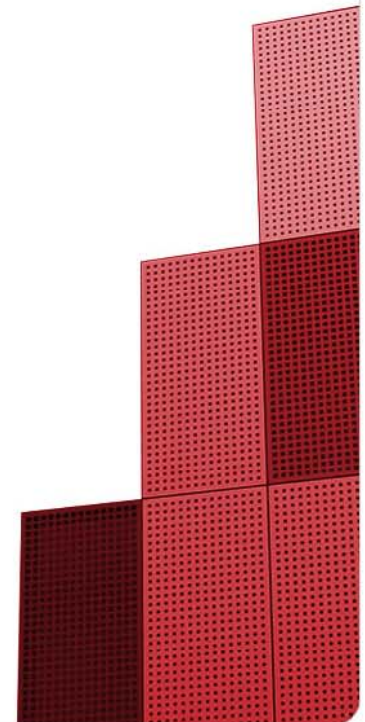
avg. German retail:  
€3,330



- Long term net asset value enhancement
- “buy & hold”-strategy
- Stable and attractive dividends  
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
  - by expending holdings

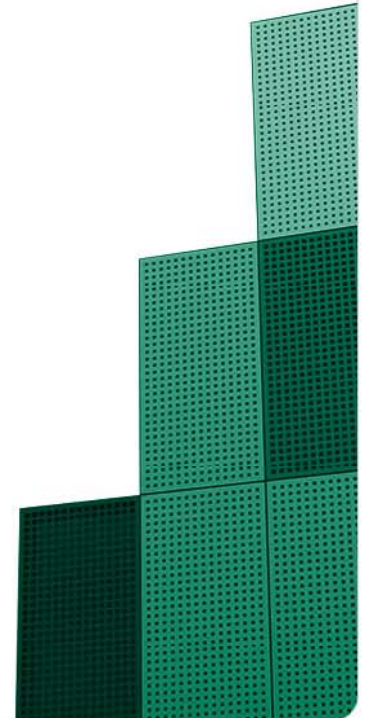
Main focus on  
NAV and dividend

Continuous growth





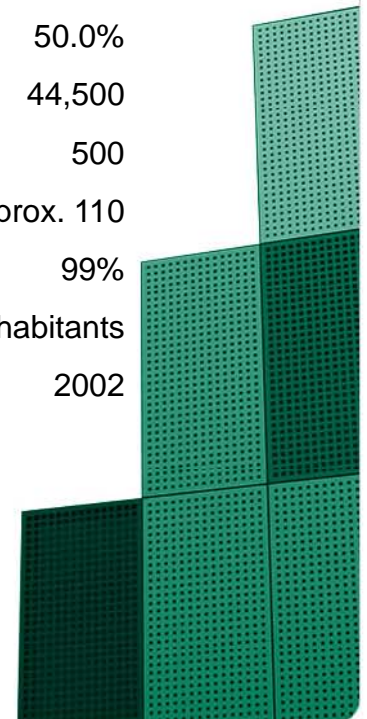
1. Frankfurt
2. Viernheim
3. Dresden
4. Hamburg
5. Hamm
6. Wetzlar
7. Dessau
8. Wolfsburg
9. Kassel
10. Wuppertal
11. Passau
12. Hameln
13. Gdansk
14. Klagenfurt
15. Pécs
16. Wroclaw





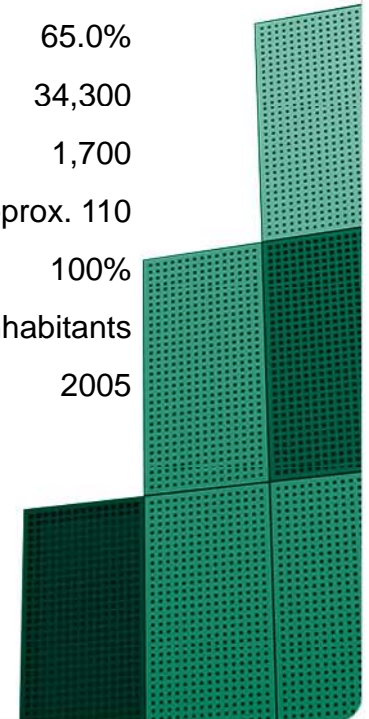


	<b>Main-Taunus-Zentrum</b>	<b>Rhein-Neckar-Zentrum</b>	<b>Altmarkt-Galerie</b>
<b>Location</b>	Frankfurt	Viernheim	Dresden
<b>Investment</b>	43.1%	99.9%	50.0%
<b>Lettable space sqm</b>	103,400	63,900	44,500
<b>Parking</b>	4,000	3,500	500
<b>Number of shops</b>	approx. 100	approx. 100	approx. 110
<b>Occupancy rate</b>	100%	100%	99%
<b>Catchment area</b>	approx. 2.2 m. inhabitants	approx. 1.4 m. inhabitants	approx. 1.0 m. inhabitants
<b>Opening / refurbishm.</b>	1964 / 2001-2004	1972 / 2000-2003	2002



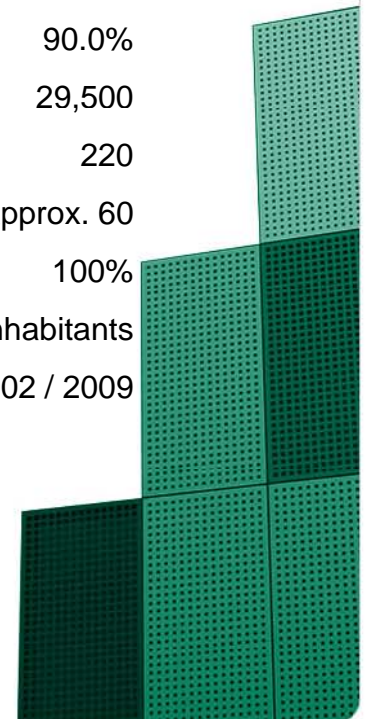


	<b>Phoenix-Center</b>	<b>Allee-Center</b>	<b>Forum</b>
<b>Location</b>	Hamburg	Hamm	Wetzlar
<b>Investment</b>	50.0%	88.9%	65.0%
<b>Lettable space sqm</b>	39,200	35,100	34,300
<b>Parking</b>	1,600	1,300	1,700
<b>Number of shops</b>	approx. 110	approx. 85	approx. 110
<b>Occupancy rate</b>	99%	100%	100%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



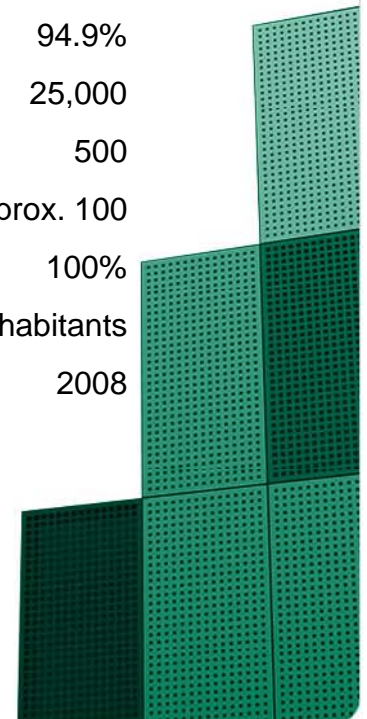


	<b>Rathaus-Center</b>	<b>City-Galerie</b>	<b>City-Point</b>
<b>Location</b>	Dessau	Wolfsburg	Kassel
<b>Investment</b>	94.9%	89.0%	90.0%
<b>Lettable space sqm</b>	30,400	30,000	29,500
<b>Parking</b>	850	800	220
<b>Number of shops</b>	approx. 80	approx. 95	approx. 60
<b>Occupancy rate</b>	98%	100%	100%
<b>Catchment area</b>	approx. 0.5 m. inhabitants	approx. 0.3 m. inhabitants	approx. 0.8 m. inhabitants
<b>Opening / refurbishm.</b>	1995	2001 / 2006	2002 / 2009



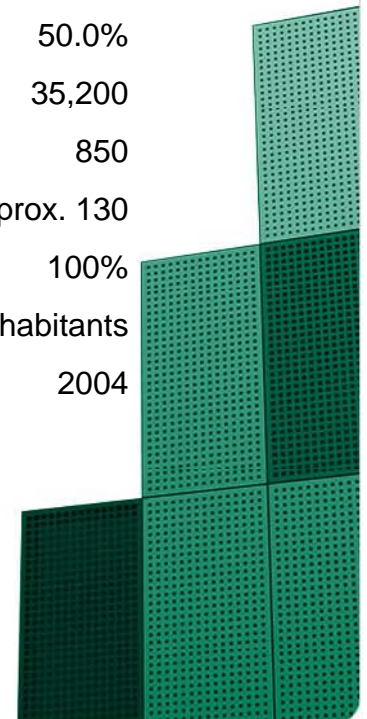


	<b>City-Arkaden</b>	<b>Stadtgalerie</b>	<b>Stadt-Galerie</b>
<b>Location</b>	Wuppertal	Passau	Hameln
<b>Investment</b>	72.0%	75.0%	94.9%
<b>Lettable space sqm</b>	28,700	27,400	25,000
<b>Parking</b>	650	500	500
<b>Number of shops</b>	approx. 85	approx. 90	approx. 100
<b>Occupancy rate</b>	100%	100%	100%
<b>Catchment area</b>	approx. 0.7 m. inhabitants	approx. 0.4 m. inhabitants	approx. 0.4 m. inhabitants
<b>Opening / refurbishm.</b>	2001 / 2004	2008	2008





	<b>Galeria Bałtycka</b> Gdansk, Poland	<b>City Arkaden</b> Klagenfurt, Austria	<b>Árkád</b> Pécs, Hungary
<b>Location</b>	Gdansk, Poland	Klagenfurt, Austria	Pécs, Hungary
<b>Investment</b>	74.0%	50.0%	50.0%
<b>Lettable space sqm</b>	48,600	36,700	35,200
<b>Parking</b>	1.050	880	850
<b>Number of shops</b>	approx. 200	approx. 120	approx. 130
<b>Occupancy rate</b>	100%	100%	100%
<b>Catchment area</b>	approx. 1.1 m. inhabitants	approx. 0.4 m. inhabitants	approx. 0.5 m. inhabitants
<b>Opening</b>	2007	2006	2004

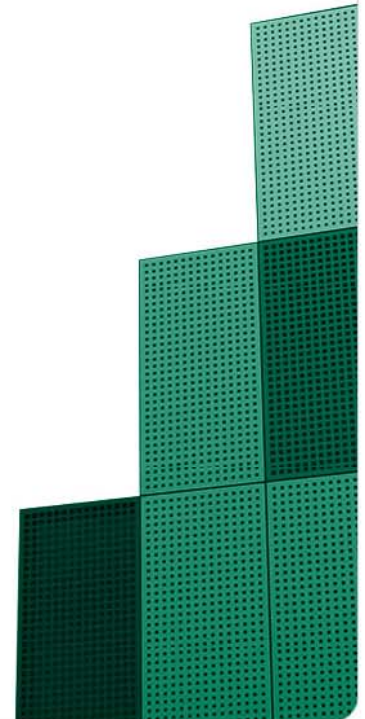




## Galeria Dominikanska

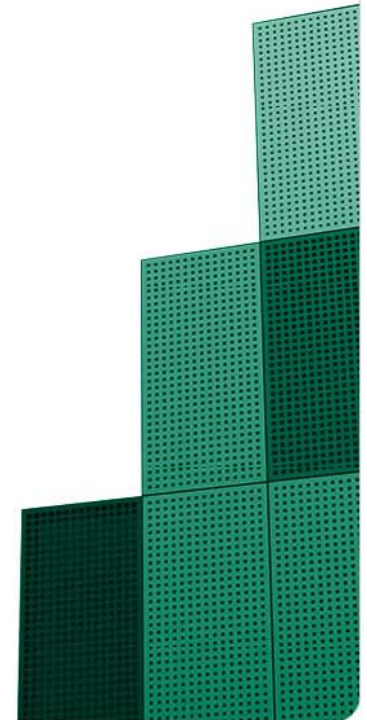
Wroclaw, Poland

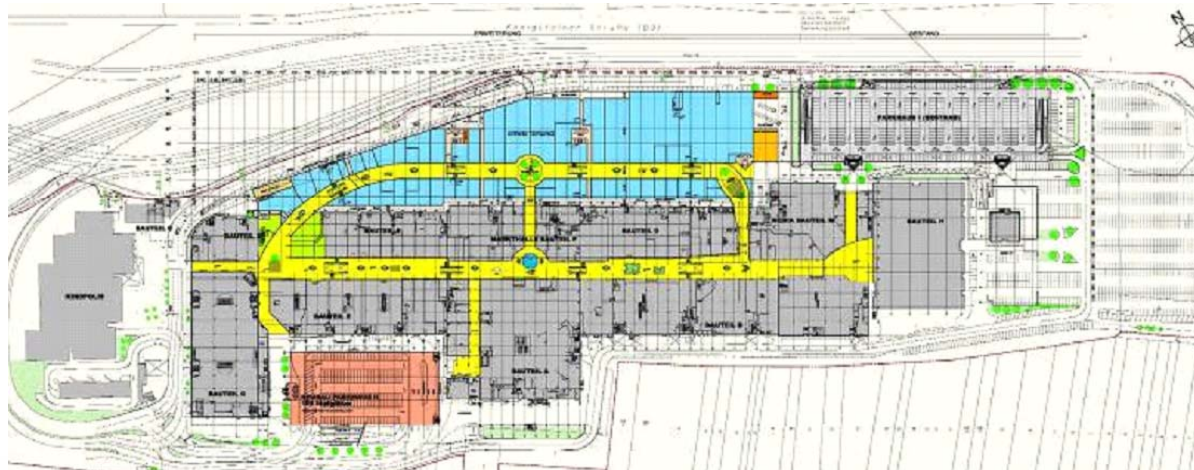
<b>Location</b>	Wroclaw, Poland
<b>Investment</b>	33.3%
<b>Lettable space sqm</b>	32,800
<b>Parking</b>	900
<b>Number of shops</b>	approx. 100
<b>Occupancy rate</b>	100%
<b>Catchment area</b>	approx. 1.3 m. inhabitants
<b>Opening</b>	2001





- The selling area is set to increase by approx. 12,000 m<sup>2</sup> (currently approx. 79,000 m<sup>2</sup>), allowing some 60 new shops to open.
- Approx. €72 million total investment volume (approx. €31 million for DES)

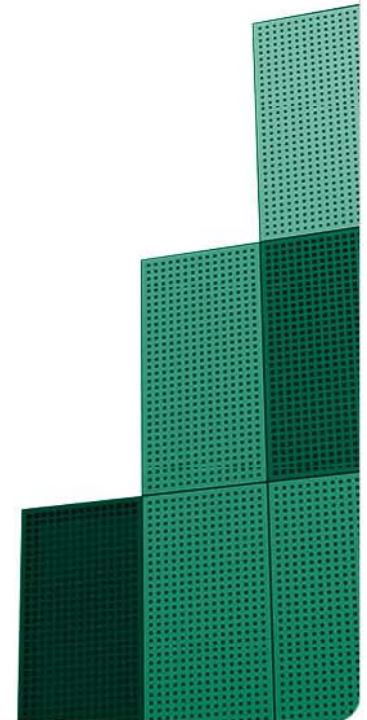






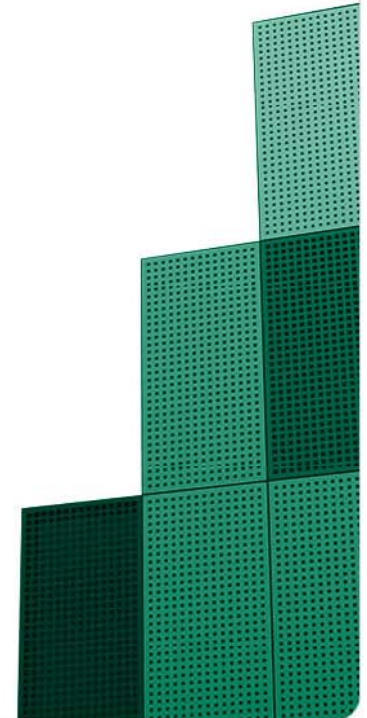


- The lettable area is set to increase by approx. 32,000 m<sup>2</sup> (currently approx. 44,500 m<sup>2</sup>), allowing some 90 new shops to open
- Expansion includes 3,000 m<sup>2</sup> office space and 5,000 m<sup>2</sup> for a hotel
- Approx. €155 million total investment volume (approx. €77.5 million for DES)





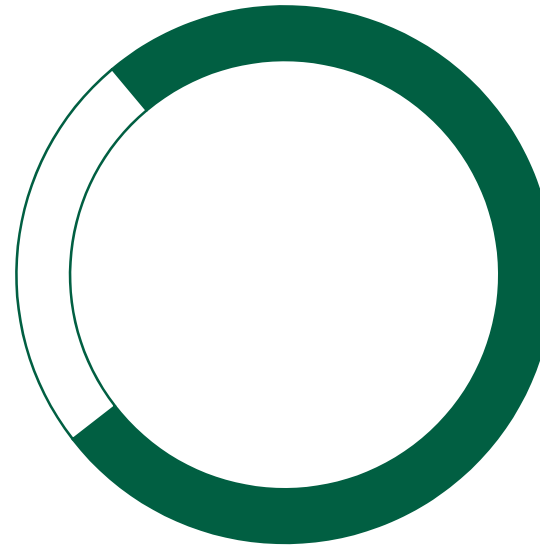
Well-known  
tenants



- Metro-Group 5.1%
- Douglas-Group 4.6%
- Peek & Cloppenburg 2.7%
- H&M 2.2%
- Inditex 2.0%
- New Yorker 1.9%
- Deichmann 1.9%
- dm-Drogeriemarkt 1.4%
- REWE 1.3%
- Engelhorn & Sturm 1.3%

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**total 24.4%**

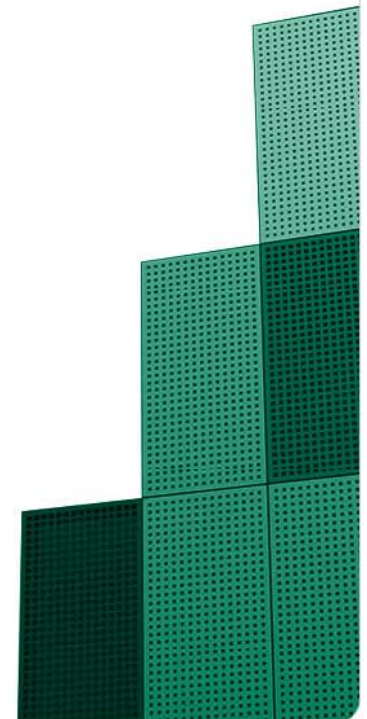


Other tenants

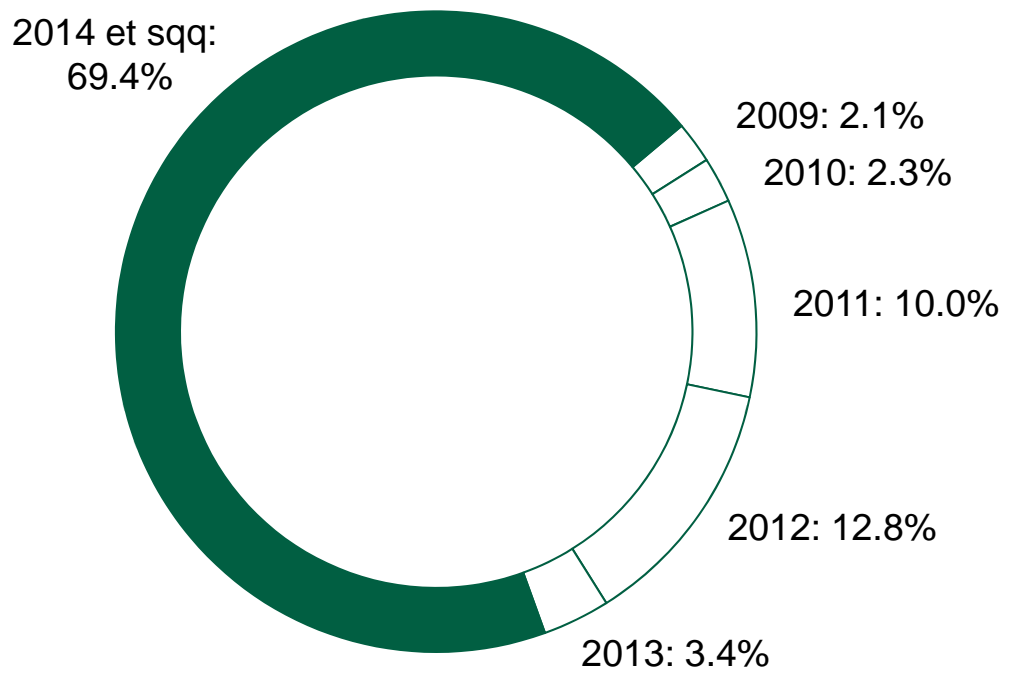
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**total 75.6%**

Low level of dependence on the top 10 tenants

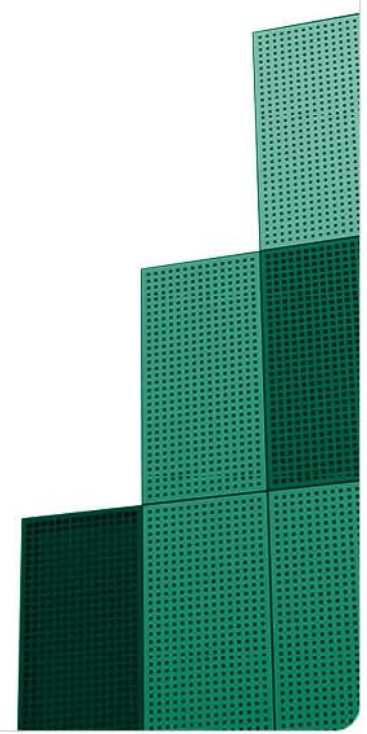


\*in % of total rents as at 31 Dec 2008

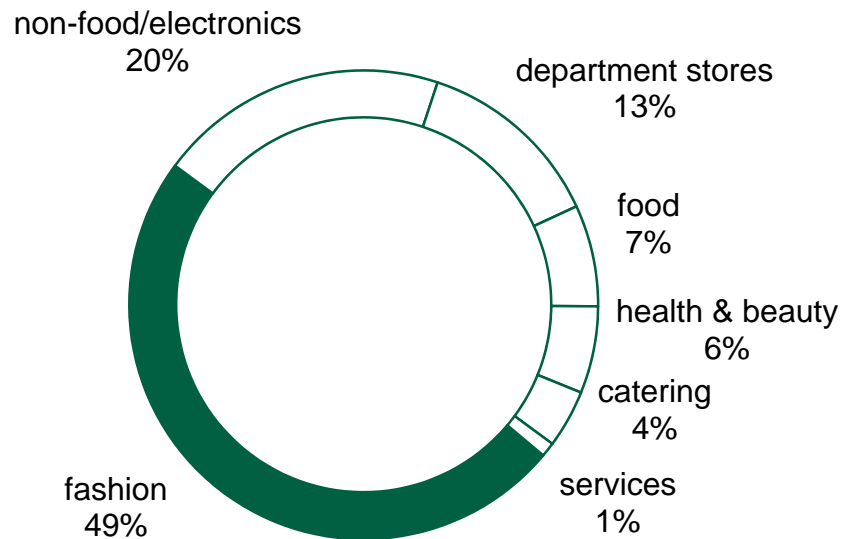


Long-term contracts  
guarantee rental income

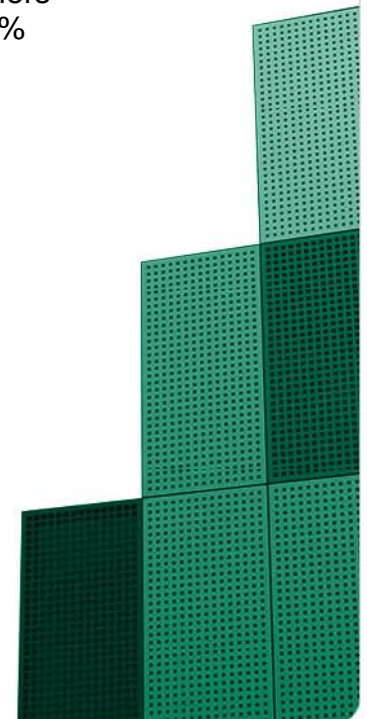
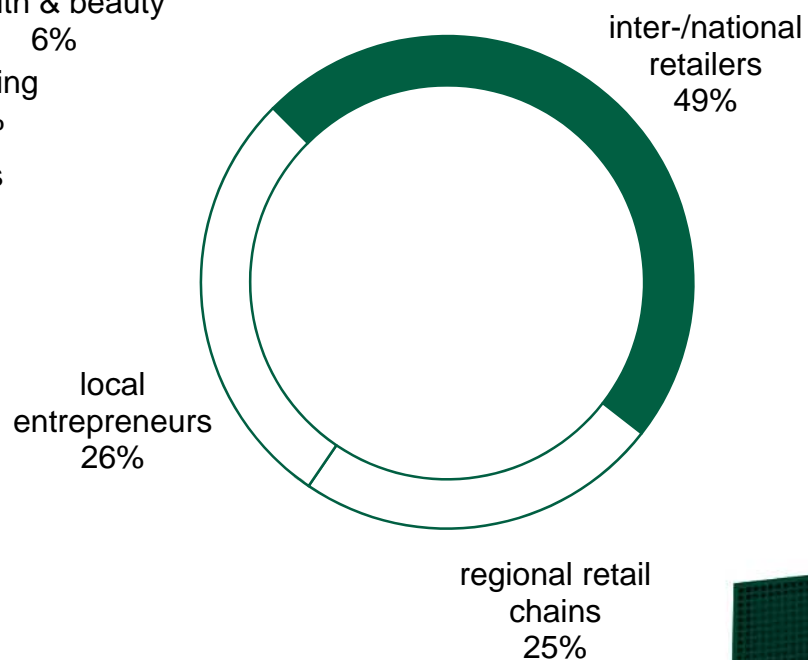
Weighted maturity  
> 7 years



\*as % of rental income as at 31 Dec 2008



Balanced sector and retailer diversification



\*in % of lettable space as at 31 Dec 2008

€ million	01.01.- 30.06.2009	01.01.- 30.06.2008	+/-
Revenue	63.0	55.2	14%
Net operating income	55.5	48.5	14%
EBIT	53.8	46.9	15%
Net finance costs	-27.7	-22.8	-21%
EBT	36.9	26.3	40%
<b>Consolidated profit</b>	<b>30.5</b>	<b>21.6</b>	<b>41%</b>
FFO per share (€)	0.76	0.70	9%
Earnings per share (€)	0.89	0.63	41%

€ million	30.06.2009	31.12.2008	+/-
<b>Total equity</b>	<b>1,009.9</b>	<b>977.8</b>	<b>3%</b>
<b>Interest bearing debt</b>	<b>986.0</b>	<b>899.8</b>	<b>10%</b>
Other debt	47.3	47.0	1%
<b>Total assets</b>	<b>2,131.9</b>	<b>2,006.8</b>	<b>6%</b>
Equity ratio	47.4%	48.7%	
LTV ratio	48.6%	46.1%	

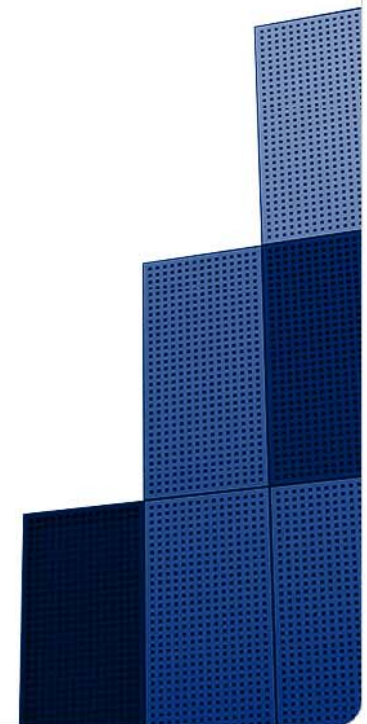


Interest lockin	Duration	Principle amounts (€ thousand)	Share of total loan	avg. interest rate
Up to 1 year	1.0	59,485	6.6%	5.93%
1 to 5 years	4.7	348,155	38.9%	5.28%
5 to 10 years	7.2	367,405	41.1%	5.38%
Over 10 years	17.3	119,900	13.4%	5.05%
<b>Total</b>	<b>7.0</b>	<b>894,945</b>	<b>100%</b>	<b>5.33%</b>

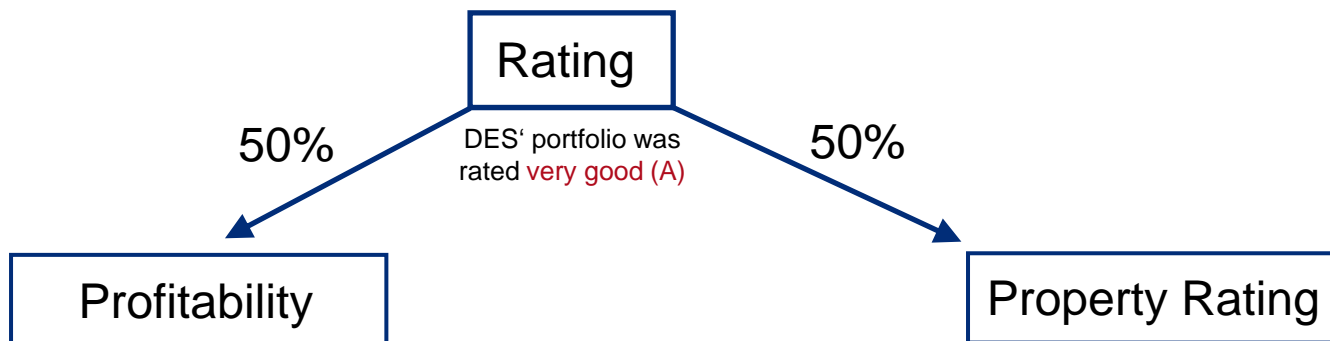
bank debt: €894 million

avg. interest rate  
5.33%

Weighted maturity  
7.0 years



\* as of 31 December 2008



External appraisers:  
Feri Research and  
GfK GeoMarketing

## discounted cash-flow method

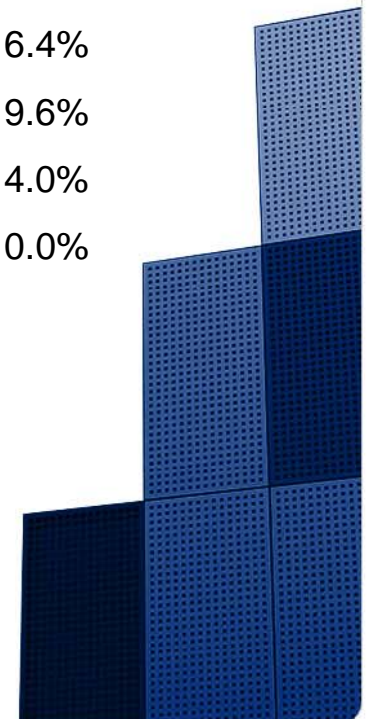
	<u>2007</u>	<u>2008</u>	<u>actual</u>			
expected yield of 10-year German federal bonds	4.78%	4.58%	3.14% <sup>1)</sup>		Macro-location	20.0%
<u>average applied risk premiums</u>	<u>1.60%</u>	<u>2.10%</u>			Competitive environment	6.4%
average discount rate	6.38%	6.68%			Micro-location	9.6%
average inflation rate	1.70%	1.70%	+0.00% <sup>2)</sup>		Property quality	4.0%
average property operating and management costs <sup>3)</sup>	13.50%	13.10%	12.40% <sup>4)</sup>		Tenants risk	10.0%
net initial yield	5.49%	5.64%	5.85% <sup>4)</sup>			

<sup>1)</sup> Status: 7 October 2009

<sup>2)</sup> German Federal Statistical Office, August 2009

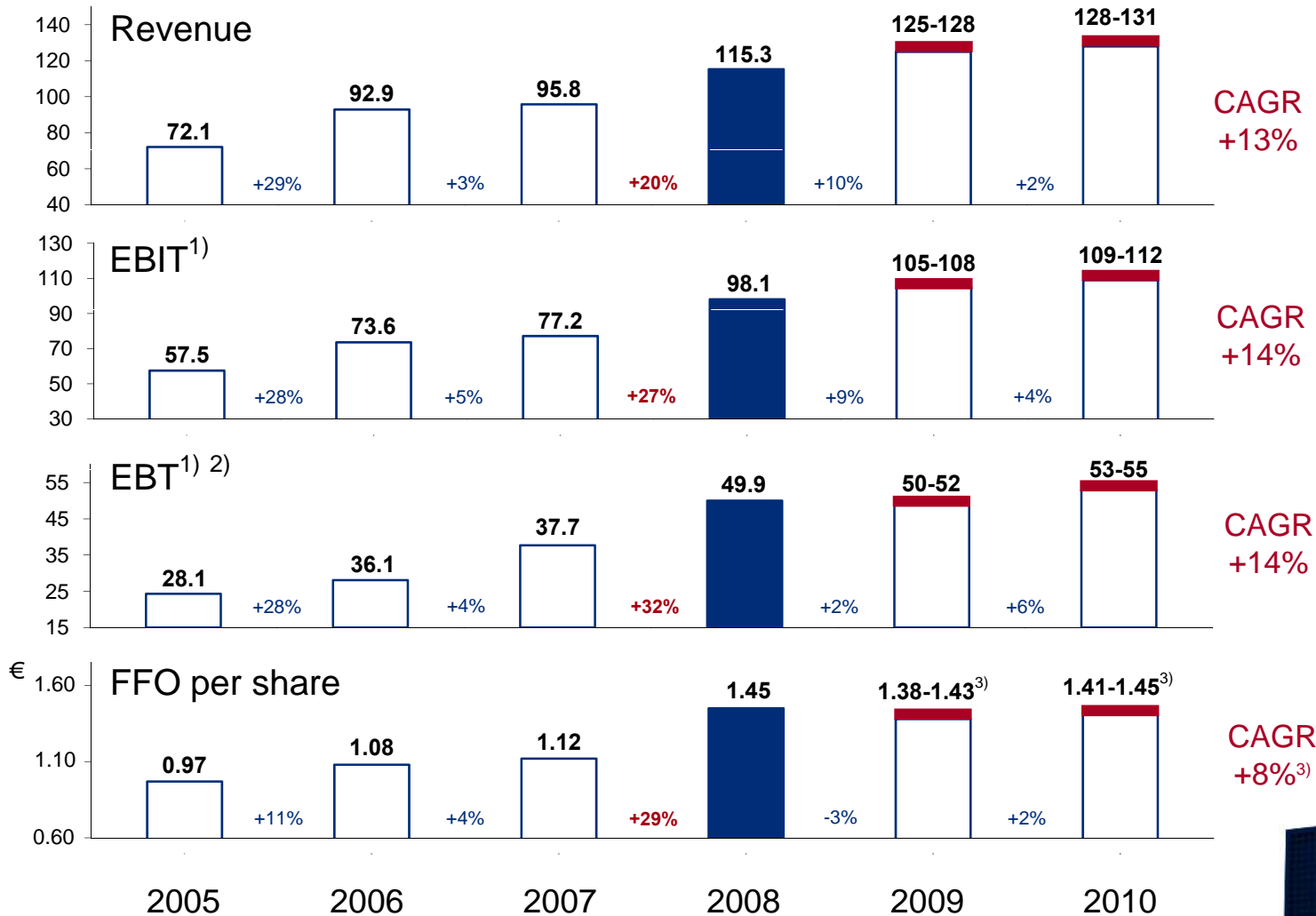
<sup>3)</sup> Investment properties

<sup>4)</sup> Plan 2009

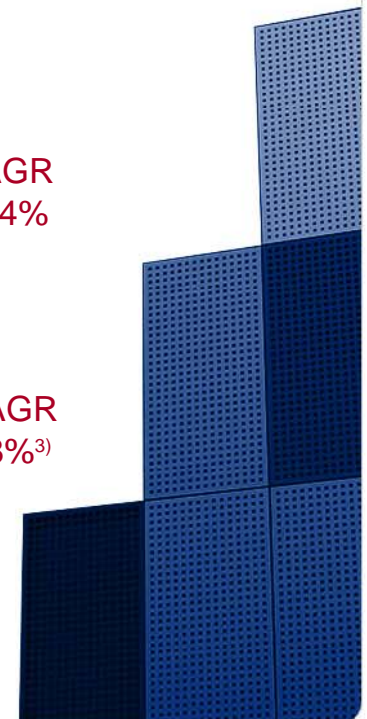


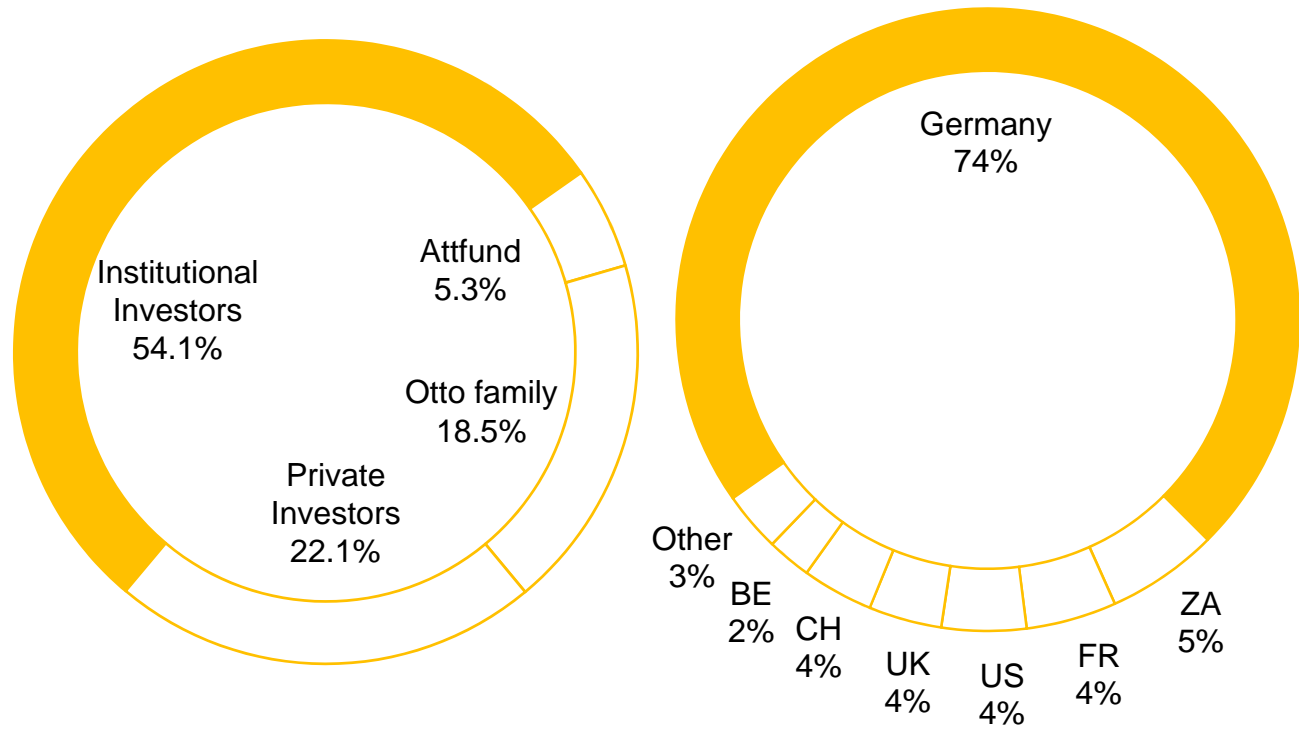


€ million



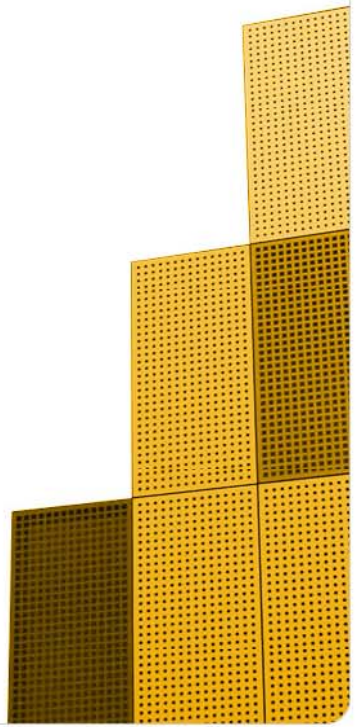
1) adjusted for one-time proceeds from disposals 2) excl. valuation result 3) incl. dilution



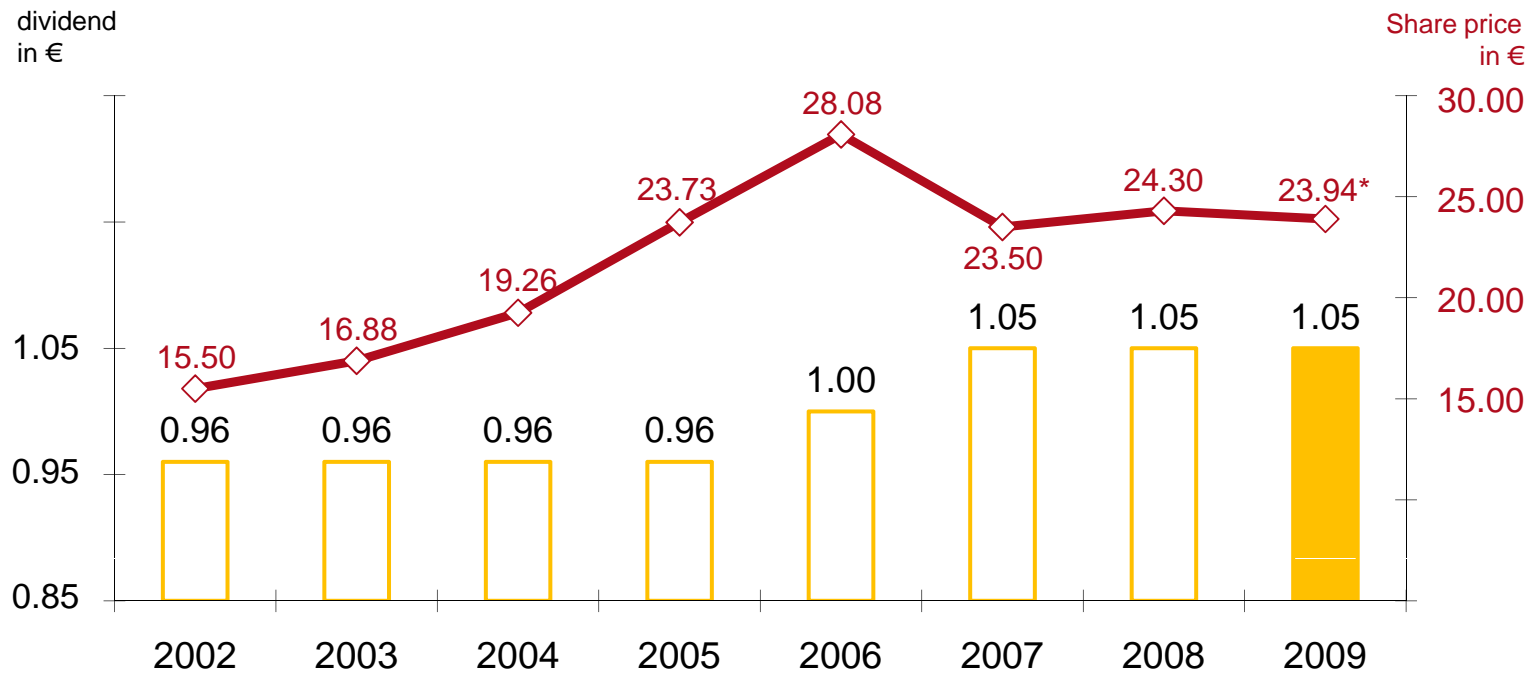


8,600 shareholders

Free float 81.5%



Status: 7 October 2009



## Performance

### DES:

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

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

1 year (2008): +7.9%

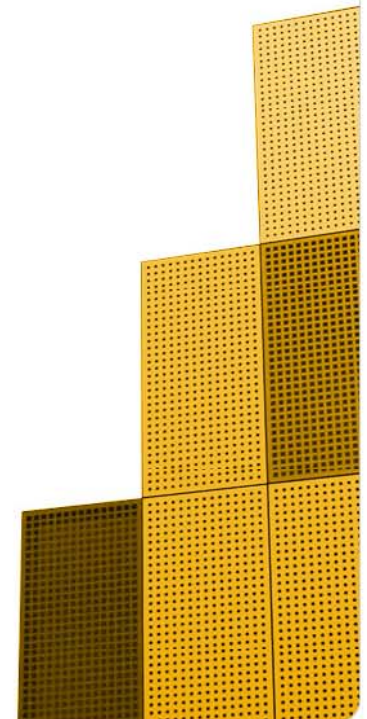
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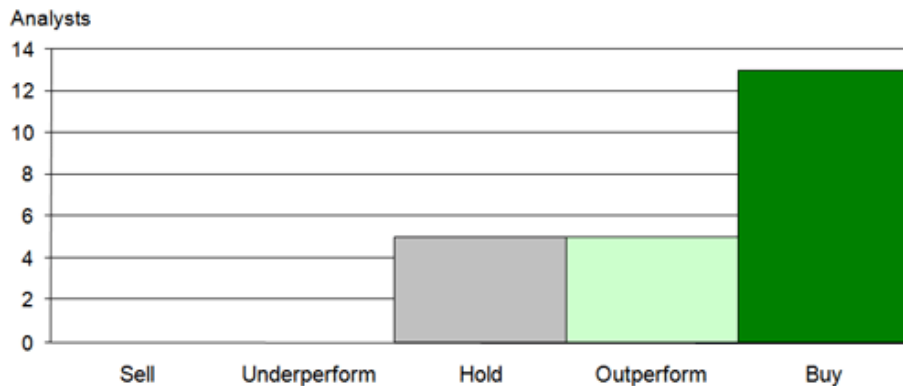
+3.9% p.a.

-3.8% p.a.

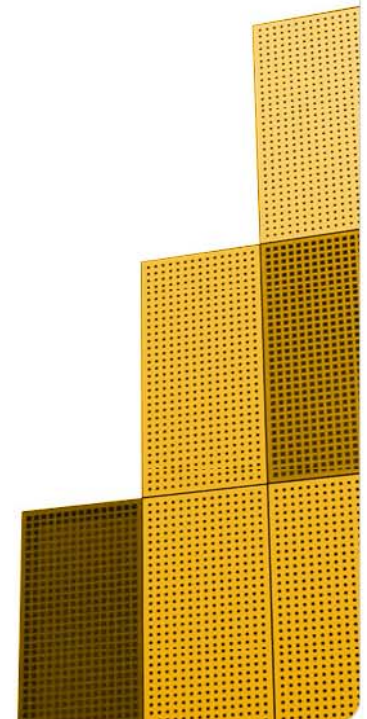
-40.4%

\*Status: 7 October 2009



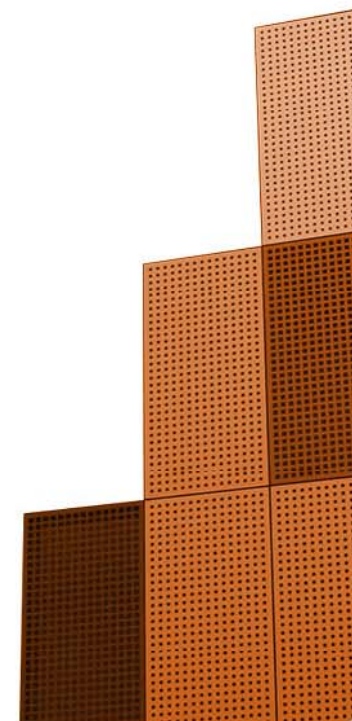


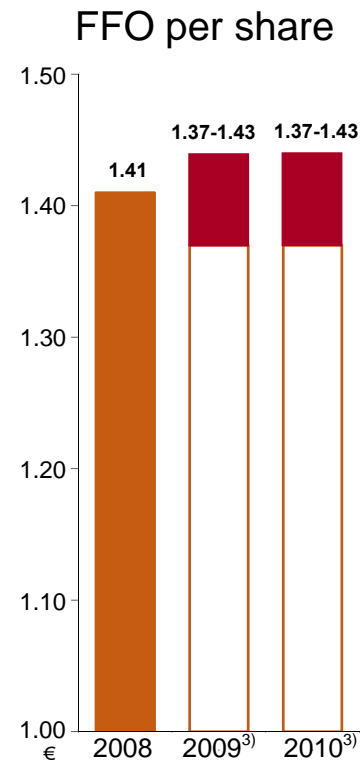
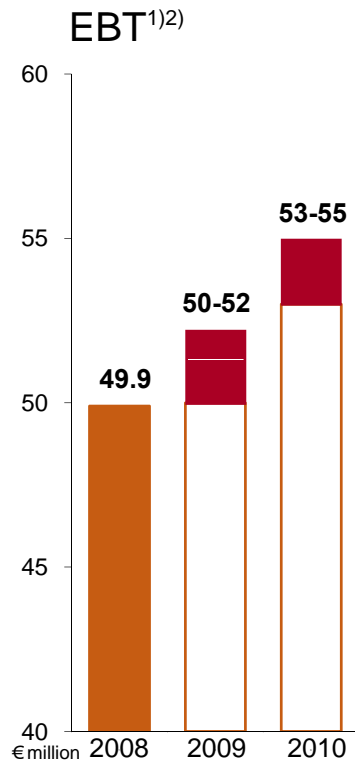
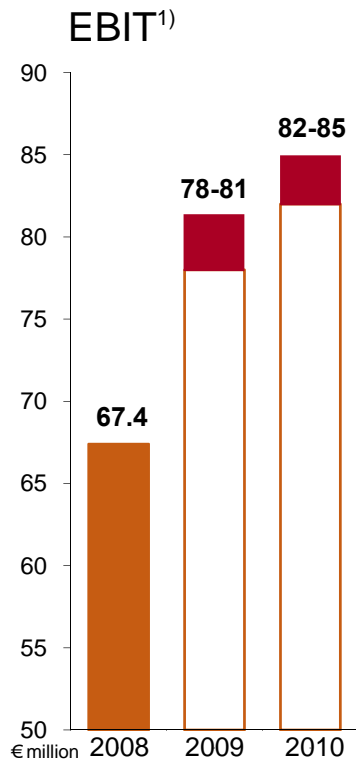
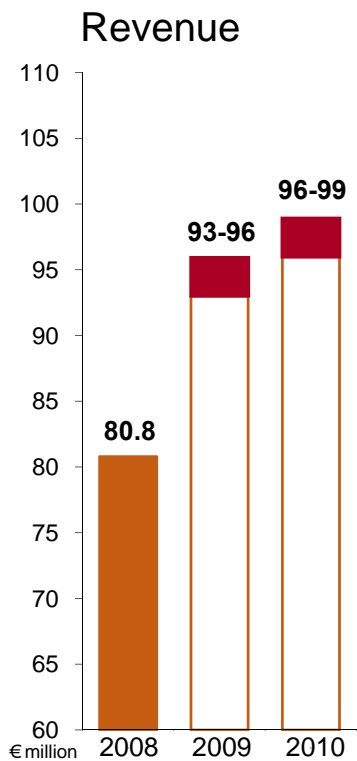
avg. / in €	2009	2010
EBIT (€ million)	105.94	108.82
FFO per share	1.47	1.51
EPS	0.23	1.37
Dividend	1.07	1.12
Price target		24.81



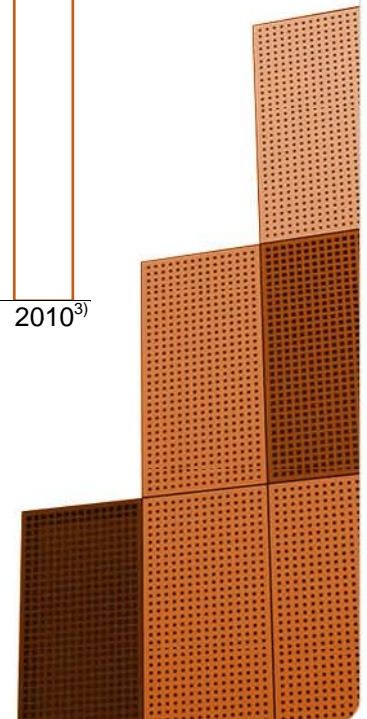
Status: 8 October 2009

Listed since	02.01.2001
Nominal capital	€37,812,496.00
Outstanding shares	37,812,496
Class of shares	Registered shares
Dividend 2008 (01.07.2009)	€1.05
52W High	€26.48
52W Low	€17.26
Share price (07.10.2009)	€23.94
Market capitalisation	€905 million
avg. turnover per day last 12 months	126,000 shares
Indices	MDAX, EPRA, GPR, MSCI Small Cap Prime Standard
Official market	Frankfurt and XETRA
OTC market	Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart
ISIN	DE 000 748 020 4
Ticker	DEQ, Reuters: DEQGn.DE
Market makers	Close Brothers Seydler, WestLB

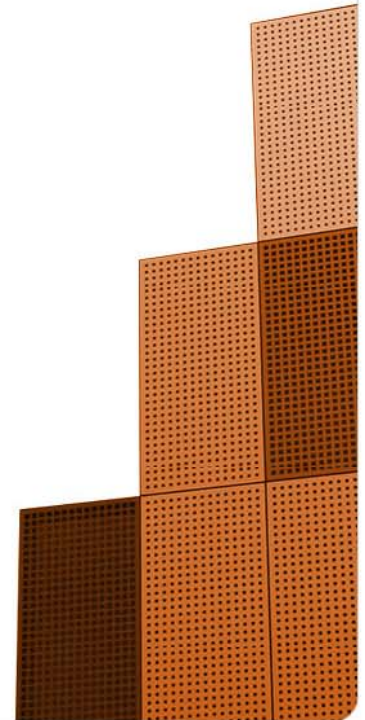




<sup>1)</sup> adjusted for one-time proceeds from disposals <sup>2)</sup> excl. valuation result <sup>3)</sup> incl. dilution



- 20.10. Real Estate Share Initiative, Frankfurt
- 12.11. Interim report Q1-3 2009
- 16.11. Roadshow Paris, Berenberg
- 16.11. Roadshow London, M.M. Warburg
- 17.11. Roadshow Zurich, Berenberg
- 17.11. Roadshow Amsterdam, Rabobank
- 19.11. WestLB Deutschland Conference, Frankfurt
- 01.12. Commerzbank Real Estate Conference, Frankfurt
- 01.-03.12. UBS Global Real Estate Conference, London



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