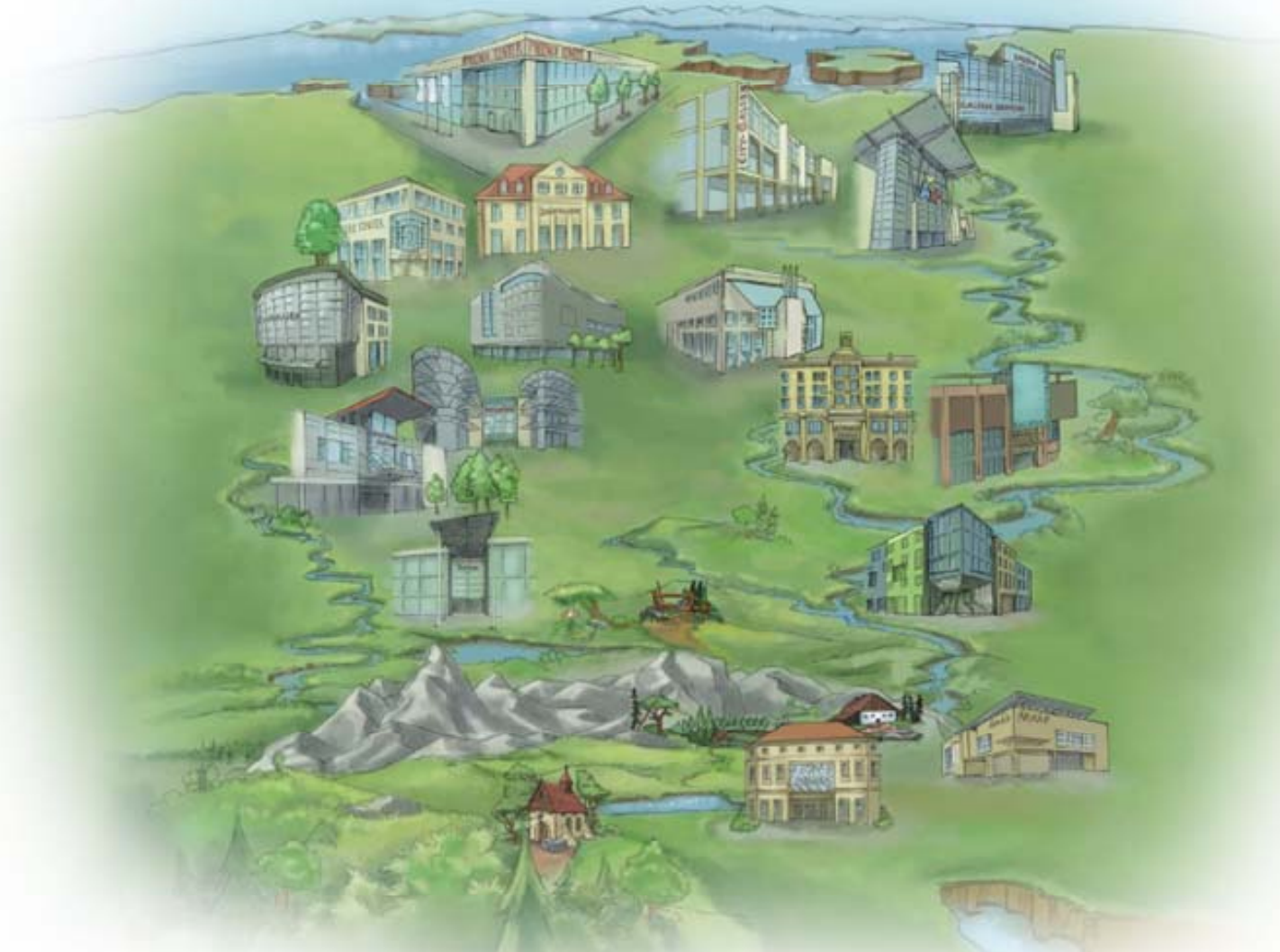


# DES

Deutsche EuroShop

09/10

feelestate.de



# THE EUROSHOPPER

## 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



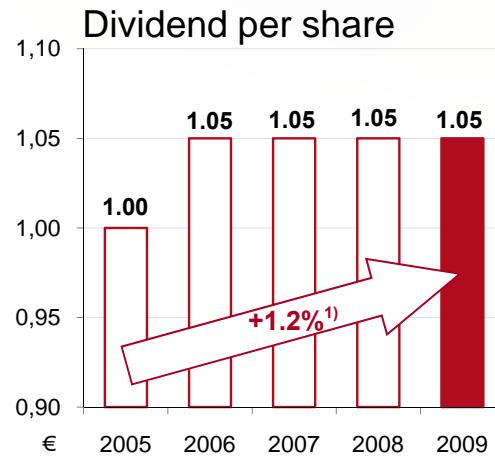
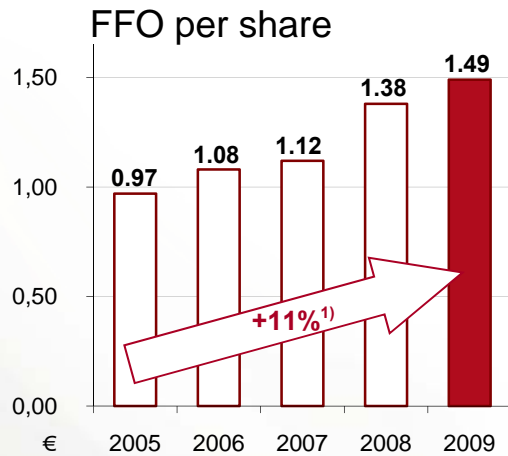
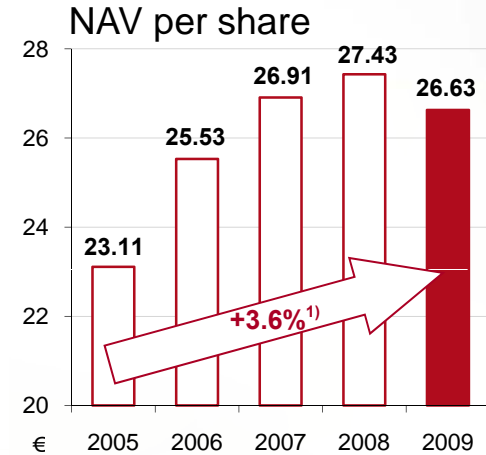
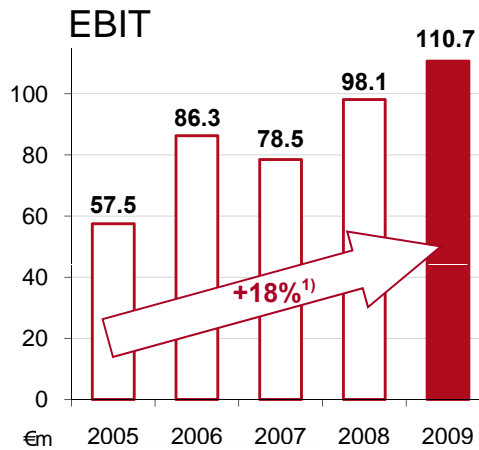
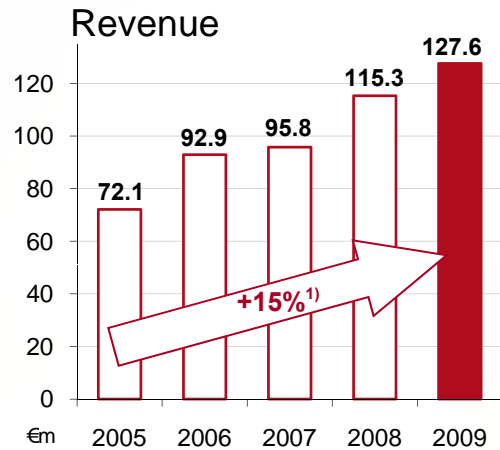
## Company | At a Glance

- 17 shopping centers on high street and in established locations – 13 in Germany, 2 in Poland and one each in Austria and Hungary
- 
- |                  |                       |
|------------------|-----------------------|
| ▪ Lettable space | approx. 805,000 sqm*  |
| Retail shops     | approx. 2,035*        |
| Market value     | approx. €3.1 billion* |
| Rents per year   | €208 million*         |
| Occupancy rate   | > 99%                 |
- 
- 2009 portfolio valuation: 5.82% net initial yield  
FFO yield 2009: approx. 6.3%
  - Professional center management by ECE,  
the European market leader in this industry

\*incl. development/extension of Wildau, Dresden and Sulzbach, 100%-view

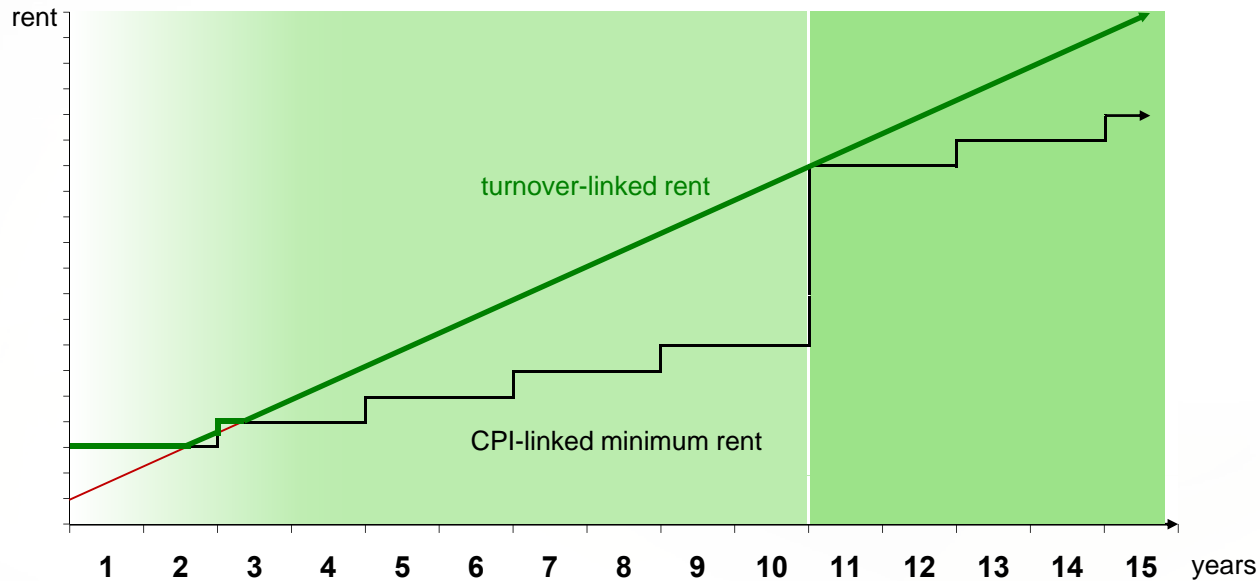


# Company | Key Figures



<sup>1)</sup>2005-2009, Compound Annual Growth Rate (CAGR)

# Company I Lease System



General form of  
lease contracts  
for DES-tenants

Participation in  
sales growth of  
retail industry

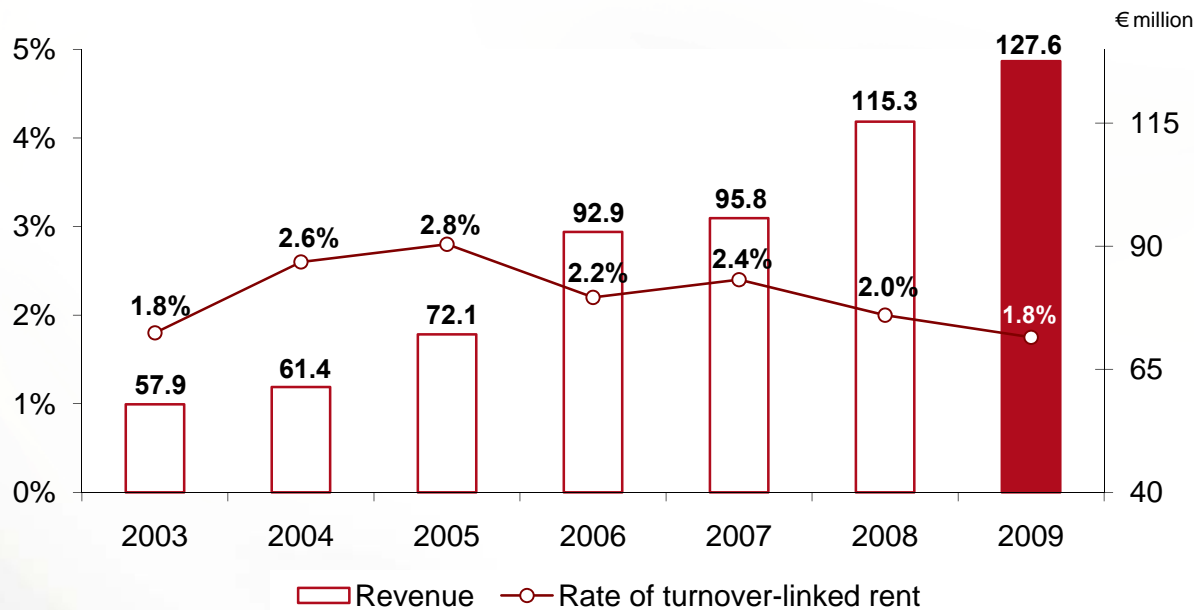
- Lease standards:
  - 10 years lease only
  - no break-up option
  - turnover-linked rents
  - minimum rents are CPI-linked



## Company | Lease System

- avg. rent per sqm and year: €250
- avg. turnover per sqm and year: €4,700
- Rent-to-sales-ratio: 7-11%
- weighted maturity of rental contracts: 6.7 years

avg. German retail:  
€3,330

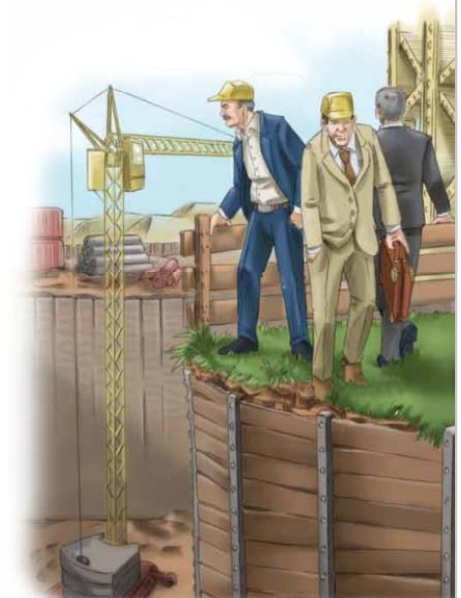


## Company I Targets

- Long term net asset value enhancement
- “buy & hold”-strategy
- Stable and attractive dividends  
Dividend yield: currently **4.3%**
- Investment-focus: 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 expanding holdings

Main focus on  
NAV and dividend

Continuous growth



## Shopping Centers | Overview

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





# Shopping Centers | Germany



	<b>A10 Center</b>	<b>Main-Taunus-Zentrum</b>	<b>Altmarkt-Galerie</b>
<b>Location</b>	Wildau/Berlin	Sulzbach/Frankfurt	Dresden
<b>Investment</b>	100%	43.1%	67.0%
<b>Lettable space sqm</b>	120,000*	117,000**	76,500**
<b>Parking</b>	3,800*	4,500**	500
<b>Number of shops</b>	approx. 180*	approx. 180**	approx. 220**
<b>Occupancy rate</b>	100%	100%	100%
<b>Catchment area</b>	approx. 1.2 m. inhabitants	approx. 2.2 m. inhabitants	approx. 1.0 m. inhabitants
<b>Opening / refurbishm.</b>	1996 / 2011	1964 / 2004 / 2011	2002 / 2011

\*incl. new development (A10 Triangle, opening spring 2011)

\*\*incl. extension (MTZ opening autumn 2011 / Dresden opening spring 2011)



# Shopping Centers | Germany



	<b>Rhein-Neckar-Zentrum</b>	<b>Phoenix-Center</b>	<b>Allee-Center</b>
<b>Location</b>	Viernheim	Hamburg	Hamm
<b>Investment</b>	99.9%	50.0%	88.9%
<b>Lettable space sqm</b>	69,000	38,700	34,000
<b>Parking</b>	3,500	1,600	1,300
<b>Number of shops</b>	approx. 110	approx. 110	approx. 85
<b>Occupancy rate</b>	100%	100%	100%
<b>Catchment area</b>	approx. 1.4 m. inhabitants	approx. 0.6 m. inhabitants	approx. 1.0 m. inhabitants
<b>Opening / refurbishm.</b>	1972 / 2003	2004	1992 / 2003 / 2009

\*incl. extension (opening spring 2011)



# Shopping Centers | Germany



	<b>Forum</b>	<b>Rathaus-Center</b>	<b>City-Galerie</b>
<b>Location</b>	Wetzlar	Dessau	Wolfsburg
<b>Investment</b>	65.0%	94.9%	89.0%
<b>Lettable space sqm</b>	34,300	30,400	30,800
<b>Parking</b>	1,700	840	800
<b>Number of shops</b>	approx. 110	approx. 80	approx. 90
<b>Occupancy rate</b>	100%	98%	100%
<b>Catchment area</b>	approx. 0.5 m. inhabitants	approx. 0.5 m. inhabitants	approx. 0.3 m. inhabitants
<b>Opening / refurbishm.</b>	2005	1995	2001 / 2006



# Shopping Centers | Germany



	<b>City-Point</b>	<b>City-Arkaden</b>	<b>Stadtgalerie</b>
<b>Location</b>	Kassel	Wuppertal	Passau
<b>Investment</b>	100%	100%	75.0%
<b>Lettable space sqm</b>	28,200	28,700	27,300
<b>Parking</b>	220	650	500
<b>Number of shops</b>	approx. 70	approx. 80	approx. 90
<b>Occupancy rate</b>	100%	100%	100%
<b>Catchment area</b>	approx. 0.8 m. inhabitants	approx. 0.7 m. inhabitants	approx. 0.4 m. inhabitants
<b>Opening / refurbishm.</b>	2002 / 2009	2001 / 2004	2008



# Shopping Centers | Germany



## Stadt-Galerie

<b>Location</b>	Hameln
<b>Investment</b>	94.9%
<b>Lettable space sqm</b>	25,900
<b>Parking</b>	500
<b>Number of shops</b>	approx. 100
<b>Occupancy rate</b>	100%
<b>Catchment area</b>	approx. 0.4 m. inhabitants
<b>Opening / refurbishm.</b>	2008



# Shopping Centers | Europe



	<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>	39,500	36,900	35,000
<b>Parking</b>	1.000	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



# Shopping Centers | Europe



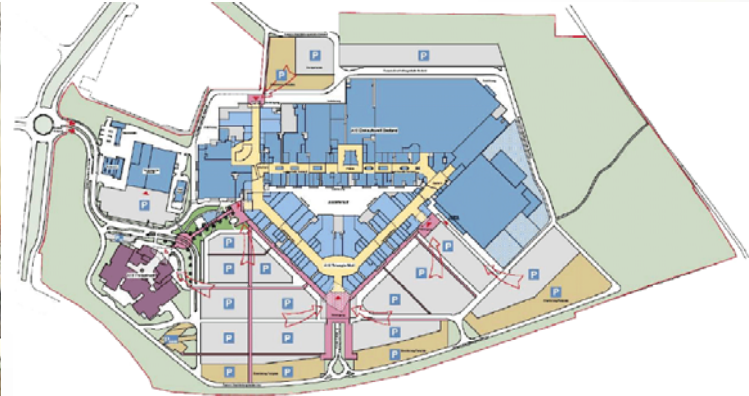
## Galeria Dominikanska

Wroclaw, Poland

<b>Location</b>	
<b>Investment</b>	33.3%
<b>Lettable space sqm</b>	32,000
<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



# Shopping Centers | Acquisition of A10 Center Wildau



- one of the biggest shopping centers in Germany
- grand opening: autumn 1996,  
new development (A10 Triangle): spring 2011
- approx. 120,000 sqm lettable space (incl. Triangle),  
thereof 66,000 sqm retail space
- Total investment: approx. €265 million (incl. Triangle)
- Aug 2010 (pre-)letting status: 100%, Triangle approx. 50%
- expected annualised rents from 2011 €19.4 million
- expected gross yield (incl. Triangle): 7.3%
- expected net initial yield (NOI, incl. Triangle): 6.5%





# Shopping Centers | Extension Altmarkt-Galerie Dresden



- lettable area: additional 32,000 m<sup>2</sup> (currently 44,500 m<sup>2</sup>)
- 90 new shops
- extension includes 2,900 m<sup>2</sup> office space and 5,300 m<sup>2</sup> for a hotel (signed)
- Approx. €165 million total investment volume (approx. €110 million for DES)
- opening planned for spring 2011
- Aug 2010 pre-letting status: approx. 75%
- expected net initial yield: approx. 5.6%



## Shopping Centers | Extension Main-Taunus-Zentrum



- selling area: additional 12,000 m<sup>2</sup> (currently 79,000 m<sup>2</sup>)
- 70 new shops
- approx. €72 million total investment volume (approx. €31 million for DES)
- opening planned for autumn 2011
- Aug 2010 pre-letting status: approx. 60%
- expected net initial yield: approx. 8.9%



# Shopping Centers | Our Tenants

Well-known  
tenants



# Shopping Centers | Retail turnover 2009\*

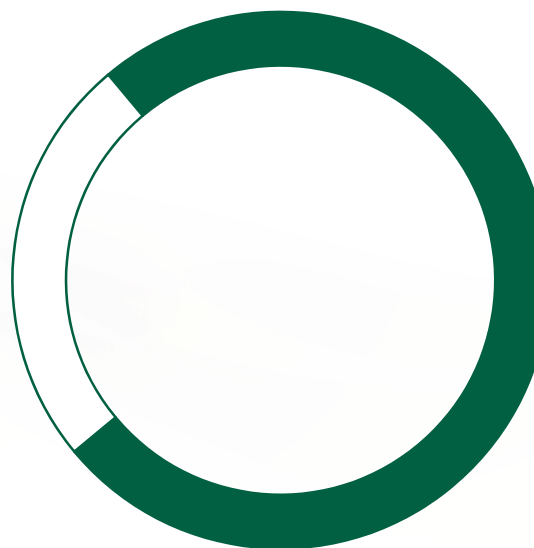
<b>Retail sector</b>	<b>% change in 2009</b>	<b>rent-to-sales ratio in %</b>	<b>% of sales</b>	<b>% of space</b>
Department stores	-7.7	5.4	6.1	13.7
Food	-2.4	6.2	10.7	7.3
Fashion textiles	-3.4	11.6	28.6	36.5
Shoes & leather goods	-0.1	13.2	4.9	6.4
Sports	0.0	8.6	4.3	5.5
Health & Beauty	-1.4	7.1	11.1	6.2
General Retail	-3.3	9.9	10.7	10.9
Electronics	-1.2	2.4	16.0	8.4
Services	4.1	4.9	3.6	1.3
Food catering	-3.7	13.1	4.1	3.9
<b>Total</b>	<b>-2.5</b>	<b>8.3</b>	<b>100.0</b>	<b>100.0</b>



\*all German centers on a like-for-like basis (10 centers with a 2009 turnover of €1.5 billion)

## Shopping Centers | Tenants Structure Top 10 tenants\*

▪ Metro-Group	4.6%
▪ Douglas-Group	4.6%
▪ Peek & Cloppenburg	2.5%
▪ H&M	2.5%
▪ New Yorker	2.2%
▪ Inditex	2.0%
▪ Deichmann	2.0%
▪ C&A	1.8%
▪ dm-Drogeriemarkt	1.4%
▪ Esprit	1.3%
<b>total</b>	<b>24.9%</b>



Other tenants

total 75.1%

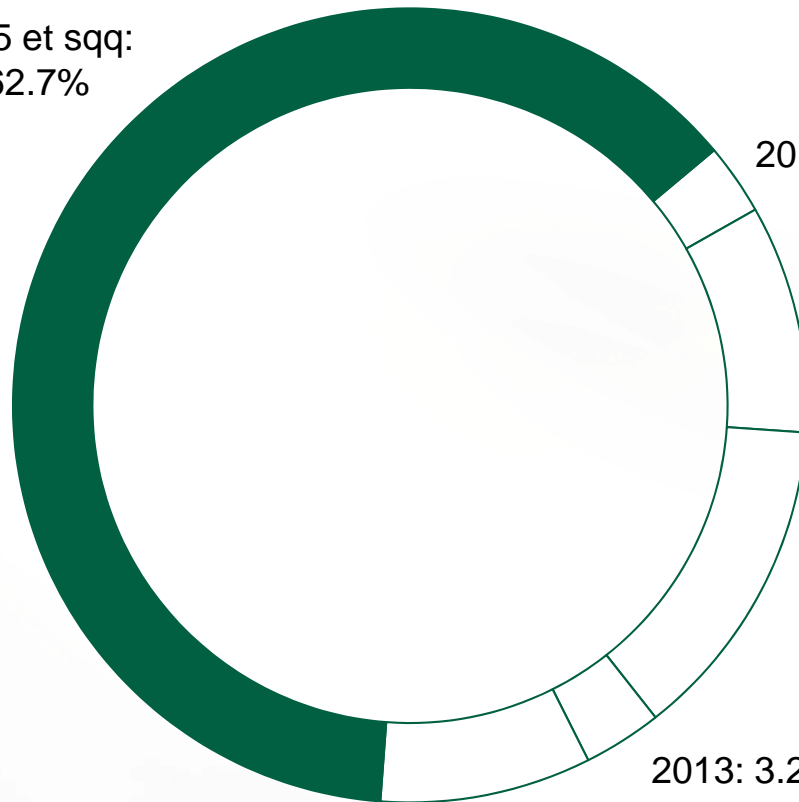
Low level of  
dependence on  
the top 10 tenants

\*in % of total rents as at 31 Dec 2009, excluding A10 and extensions



# Shopping Centers | Maturity Distribution of Rental Contracts\*

2015 et sqq:  
62.7%



2010: 2.9%

2011: 9.3%

2012: 13.3%

2013: 3.2%

2014: 5.6%

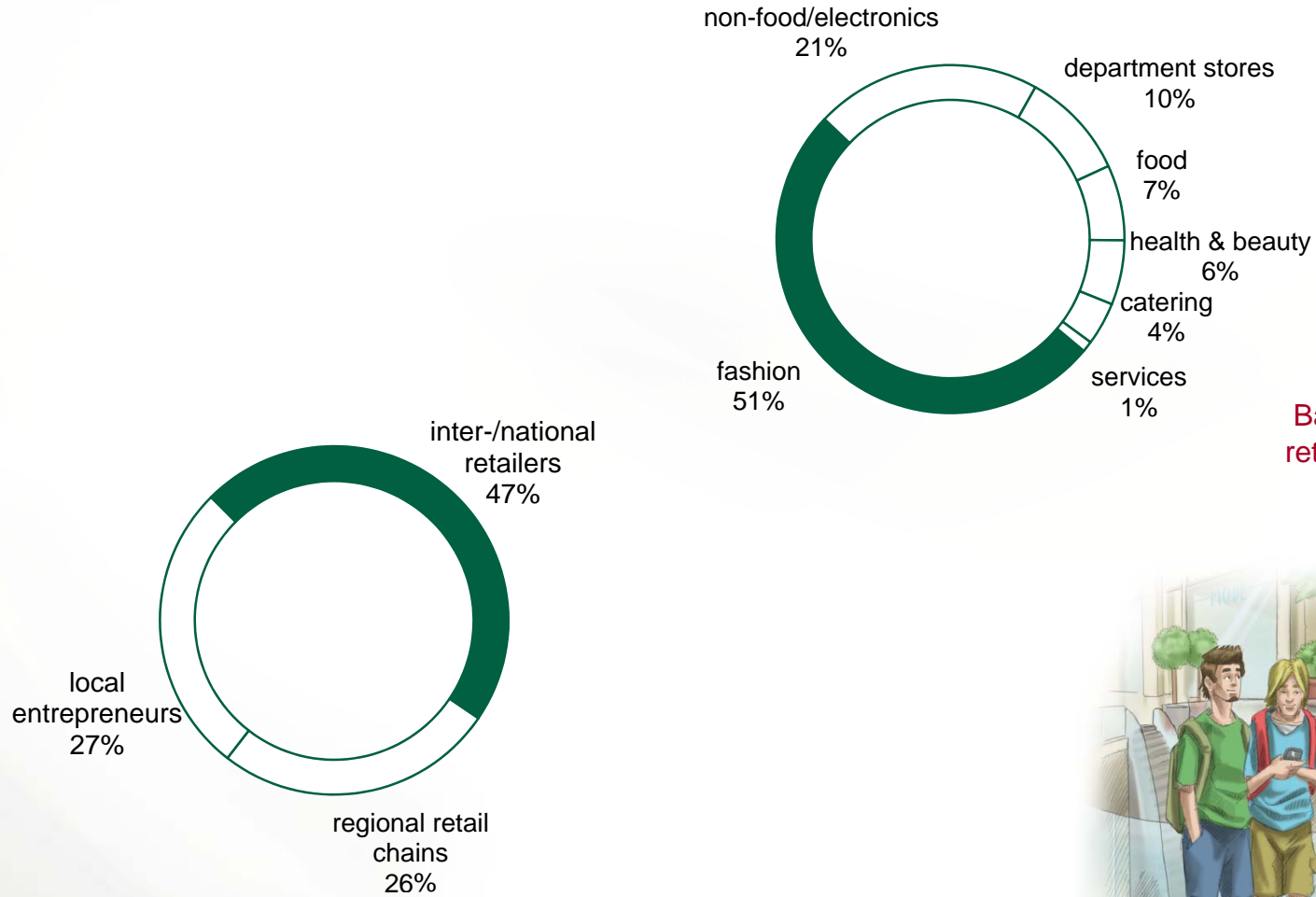
Long-term contracts  
guarantee rental income

Weighted maturity  
**6.7 years**



\*as % of rental income as at 31 Dec 2009, excluding A10 and extensions

# Shopping Centers | Sector and Retailer Mix\*



Balanced sector and retailer diversification



\*in % of lettable space as at 31 Dec 2009, excluding A10 and extensions

## Financials | Key Figures H1 2010

€million	01.01.- 30.06.2010	01.01.- 30.06.2009	+/-
Revenue	70.4	63.0	12%
Net operating income	63.0	55.5	13%
EBIT	60.8	53.8	13%
Net finance costs	-29.6	-27.7	-7%
Valuation result	0.0	10.8	-100%
EBT	31.2	36.9	-15%
<b>Consolidated profit</b>	<b>26.0</b>	<b>30.5</b>	<b>-15%</b>
FFO per share (€)	0.72	0.71	1%
Earnings per share (€)	0.60	0.83	-28%

€million	30.06.2010	31.12.2009	+/-
<b>Total equity</b>	<b>1,139.4</b>	<b>1,044.4</b>	<b>9%</b>
<b>Interest bearing debt</b>	<b>1,059.1</b>	<b>934.2</b>	<b>13%</b>
Other debt	62.3	48.0	30%
<b>Total assets</b>	<b>2,350.8</b>	<b>2,112.1</b>	<b>11%</b>
Equity ratio	48.5%	49.5%	
LTV ratio	47%	46%	





## Financials | Loan Structure\*

Interest lockin	Duration	Principle amounts (€ thousand)	Share of total loan	avg. interest rate
Up to 1 year	1.0	13,399	1.4%	5.27%
1 to 5 years	4.3	424,071	45.7%	5.48%
5 to 10 years	7.8	382,151	41.1%	5.10%
Over 10 years	16.8	109,400	11.8%	5.06%
<b>Total 2009</b>	<b>7.1</b>	<b>929,022</b>	<b>100%</b>	<b>5.27%</b>
<b>Total 2008</b>	<b>7.0</b>	<b>894,945</b>		<b>5.33%</b>

bank debt: €929 million

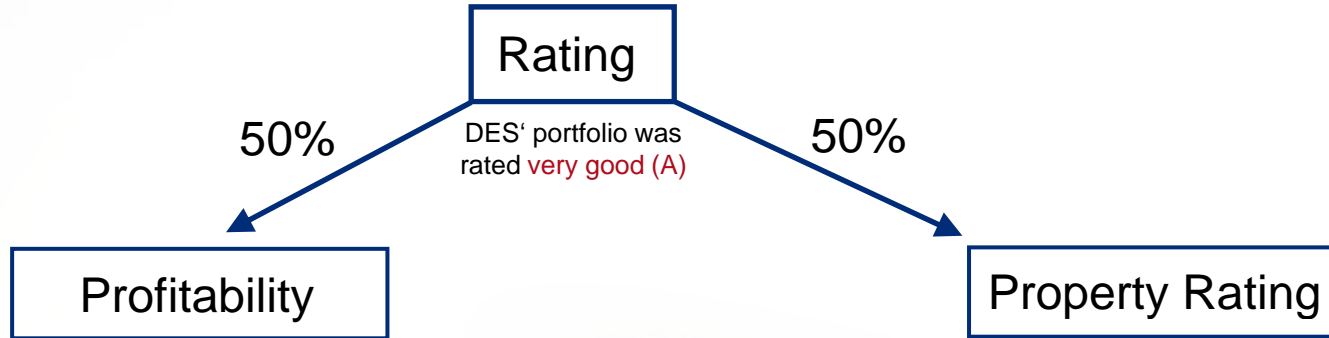
avg. interest rate  
5.27%

Weighted maturity  
7.1 years

\*as of 31 December 2009



External appraisers:  
Feri Research and  
GfK GeoMarketing



## discounted cash-flow method

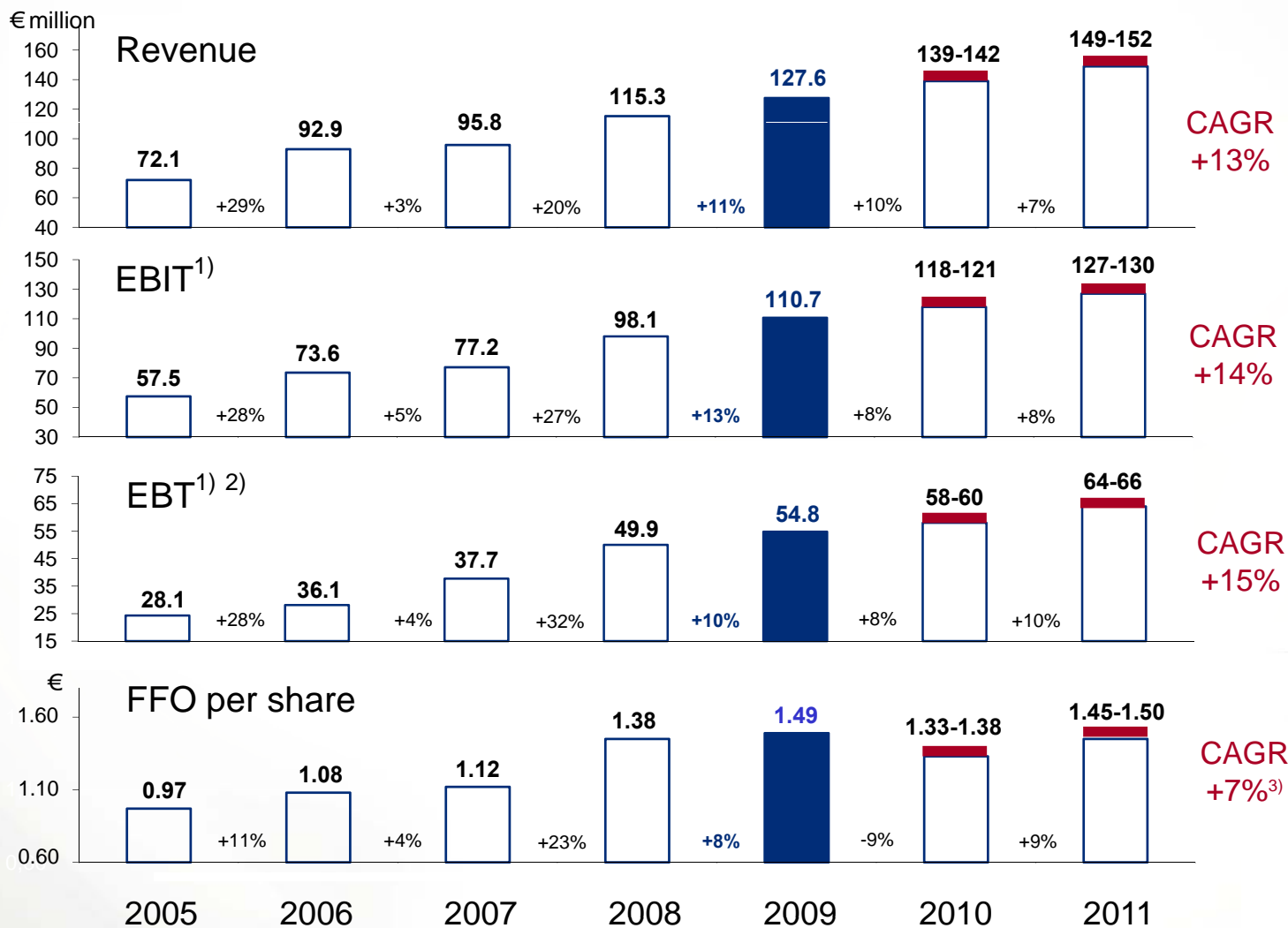
	<u>2008</u>	<u>2009</u>	<u>actual</u>			
expected yield of 10-year German federal bonds	4.58%	4.48%	2.53% <sup>1)</sup>	←	Macro-location	20.0%
<u>average applied risk premiums</u>	<u>2.10%</u>	<u>2.38%</u>			Competitive environment	6.4%
average discount rate	6.68%	6.80%			Micro-location	9.6%
average inflation rate	1.70%	1.70%	+1.00% <sup>2)</sup>		Property quality	4.0%
average property operating and management costs	13.10%	11.40%			Tenants risk	10.0%
net initial yield	5.64%	5.82%				

1) Status: 15 September 2010

2) German Federal Statistical Office, August 2010



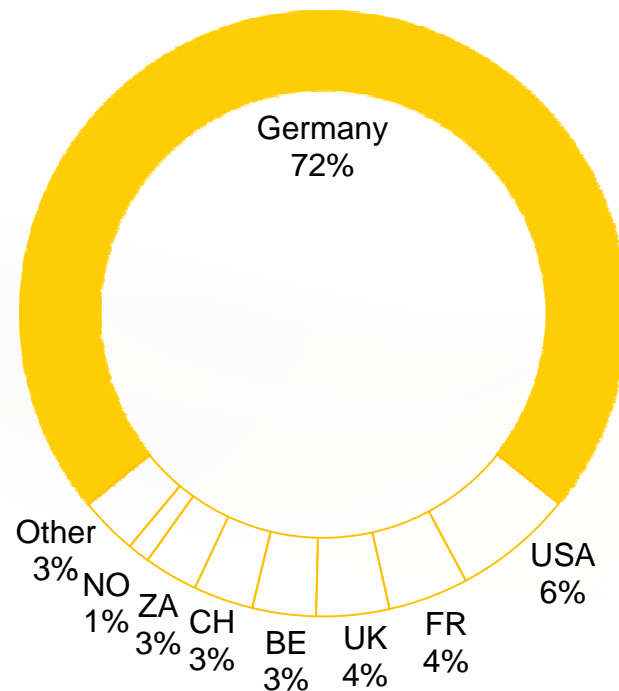
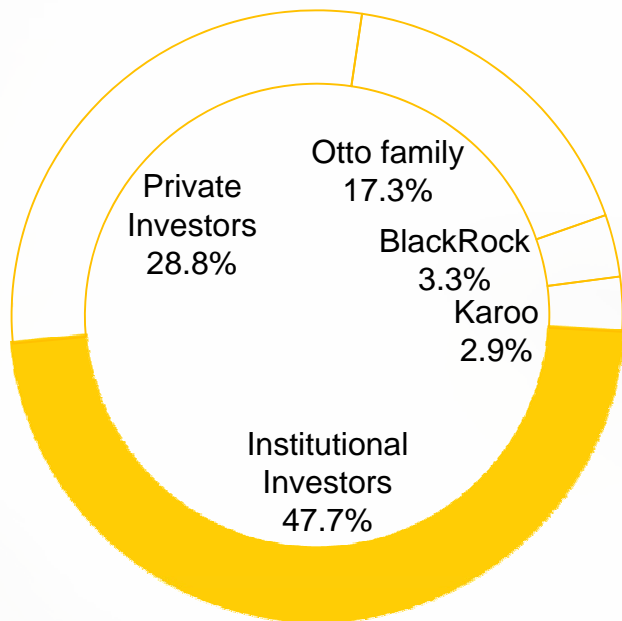
# Financials | Forecast 2010-2011



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



# Shopping Center Share | Shareholder Structure

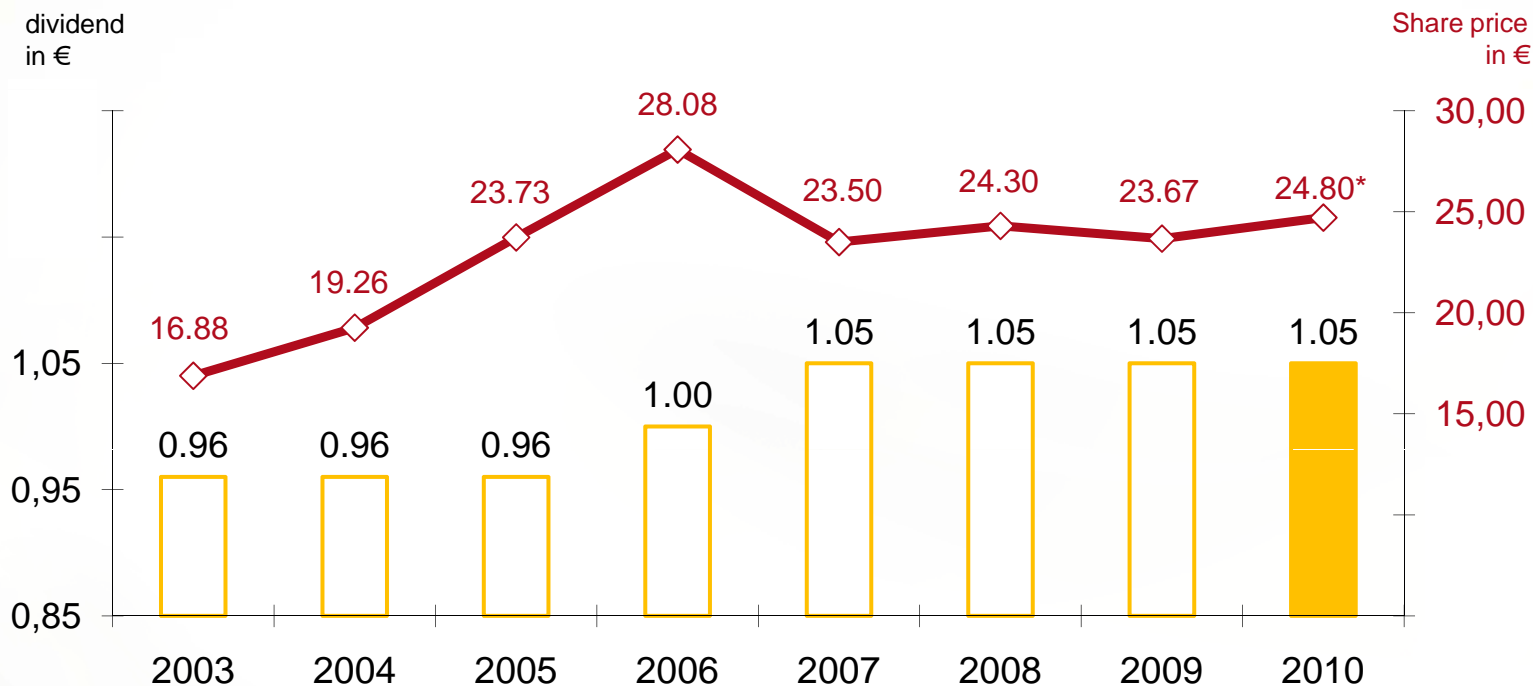


10,000 shareholders

Free float 82.7%

\*Status: 15 September 2010

# Shopping Center Share | Dividend & Performance



## Performance

### DES:

1 year (2009): +2.1%  
 3 years: -4.2% = -2.1% p.a.  
 5 years: +51.3% = +9.9% p.a.

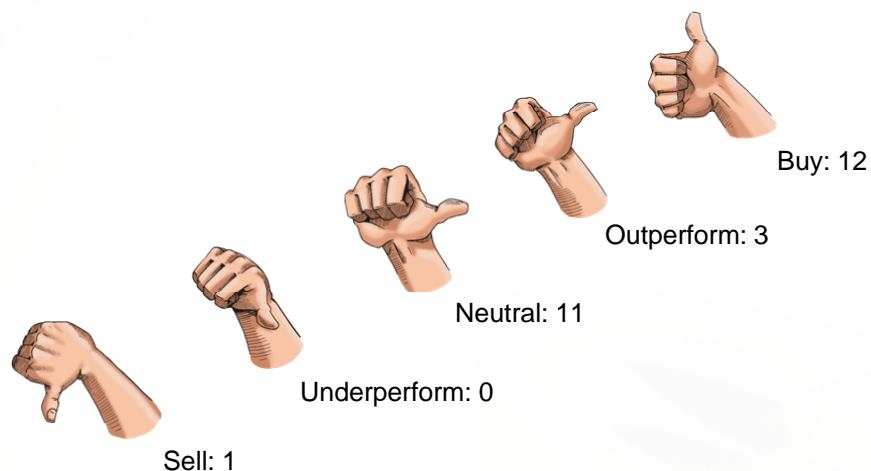
### DAX:

+23.9%  
 -3.3% p.a.  
 +7.0% p.a.

\*Status: 15 September 2010



## Shopping Center Share | Analysts' Consensus



avg. / in €	2010	2011
EBIT (€ million)	121.9	131.7
FFO per share	1.39	1.51
EPS	1.46	1.65
Dividend	1.08	1.15
Price target		25.62

- Aurel
- Bankhaus Lampe
- Bank of America Merrill Lynch
- Berenberg Bank
- CA Cheuvreux
- Close Brothers Seydler
- Commerzbank
- Credit Suisse
- Deutsche Bank
- DZ Bank
- equinet
- GBC Investment Research
- GSC Research
- Hamburger Sparkasse
- HSBC
- HSH Nordbank
- Kempen & Co.
- Kepler Capital Markets
- Macquarie
- Metzler
- M.M. Warburg & Co
- Petercam Bank
- Silvia Quandt Bank
- Societe Generale
- UBS
- Unicredit
- WestLB

27 analysts:  
one of the  
best covered  
real estate  
companies  
in Europe

## Appendix I Key Data of the Share

Listed since	02.01.2001
Nominal capital	€45,894,578.00
Outstanding shares	45,894,578
Class of shares	Registered shares
Dividend 2009 (18.06.2010)	€1.05
52W High	€25.71
52W Low	€20.96
Share price (15.08.2010)	€24.80
Market capitalisation	€1.1 billion
avg. turnover per day last 12 months	113,000 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: DEQn.DE
Market makers	Close Brothers Seydler, WestLB



## Appendix I 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 do not have to be opposites. Long-term thinking is part of our strategy. This includes playing our part in environmental protection.
- All our German shopping centers have contracts with suppliers that use regenerative energy sources such as hydroelectric power for their electricity needs. The “EnergieVision” organisation certified the green electricity for eleven of our German centers with the renowned “ok-power” accreditation in 2009. We plan to switch the centers in other countries to green electricity as well in the next few years.
- The twelve participating centers used a total of around 49 million kWh of green electricity. This represented 100% of the electricity requirements in our German shopping centers. As a result, based on conservative calculations this meant a reduction of around 19,300 tonnes in carbon dioxide emissions – this equates to the annual CO<sub>2</sub> emissions of just under 900 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 I Financial Calendar 2010





- 21.09. UniCredit German Investment Conference, Munich
- 04.-06.10. Expo Real, Munich
- 12.10. Credit Suisse Global Real Estate Conference, London
- 12.10. Roadshow Frankfurt, CB Seydler
- 19.10. Real Estate Share Initiative, Frankfurt
- 11.11. **Interim report 9M 2010**
- 12.11. Roadshow Brussels, WestLB
- 16.11. Roadshow Zurich, Deutsche Bank
- 25.11. HSBC Vienna Conference
- 30.11. Roadshow Berlin, Berenberg
- 30.11. DSW Aktienforum, Berlin
- 01.12. UBS Global Real Estate Conference, London
- 02.12. Berenberg Pennyhill Conference, London



# Appendix I Contact

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-  [flickr.com/desag](https://flickr.com/desag)
-  [slideshare.net/desag](https://slideshare.net/desag)
-  [twitter.com/des\\_ag](https://twitter.com/des_ag)

### Important Notice: Forward-Looking Statements

Statements in this presentation relating to future status or circumstances, including statements regarding management's plans and objectives for future operations, sales and earnings figures, are forward-looking statements of goals and expectations based on estimates, assumptions and the anticipated effects of future events on current and developing circumstances and do not necessarily predict future results.

Many factors could cause the actual results to be materially different from those that may be expressed or implied by such statements.

Deutsche EuroShop does not intend to update these forward-looking statements and does not assume any obligation to do so.



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Chief Financial Officer



**Patrick Kiss**  
Head of Investor & Public Relations



**Nicolas Lissner**  
Manager Investor & Public Relations