

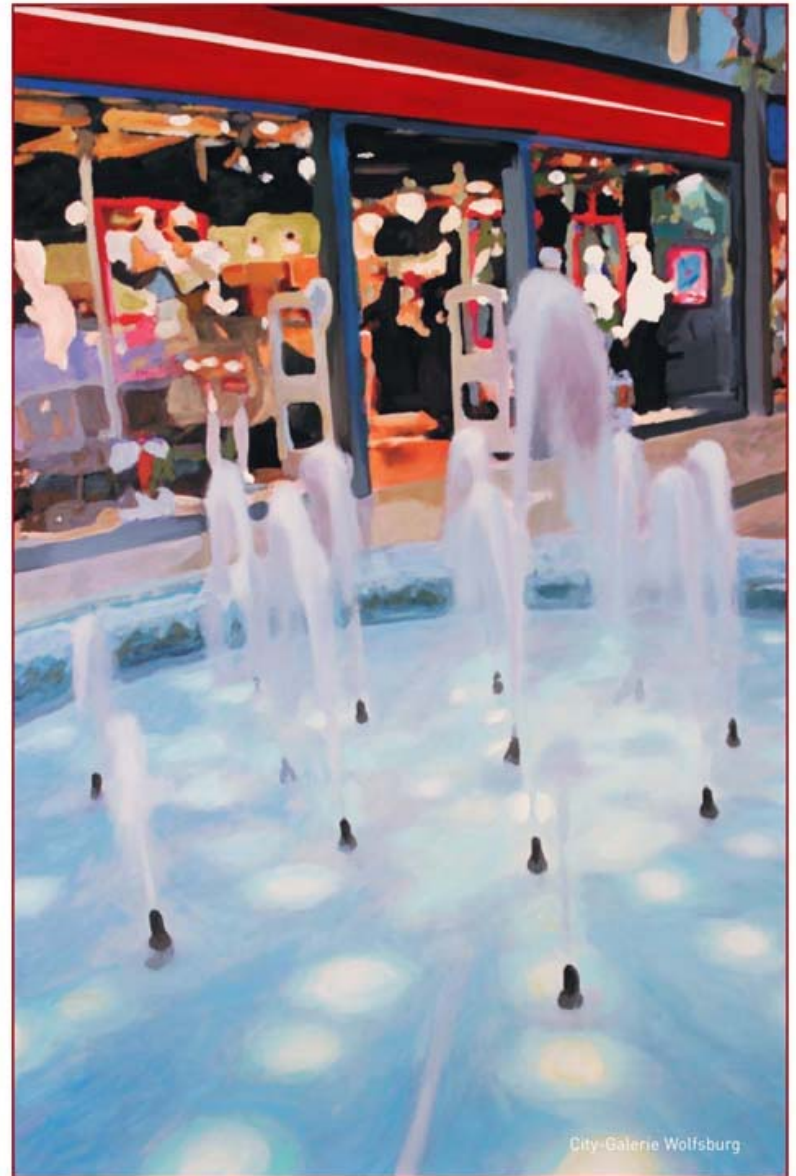
The Art of Shopping

## Company Presentation

January 2006

The Art of Shopping

**Company**



## Equity Story

### Pure Player

- Deutsche EuroShop AG 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

## At a Glance

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

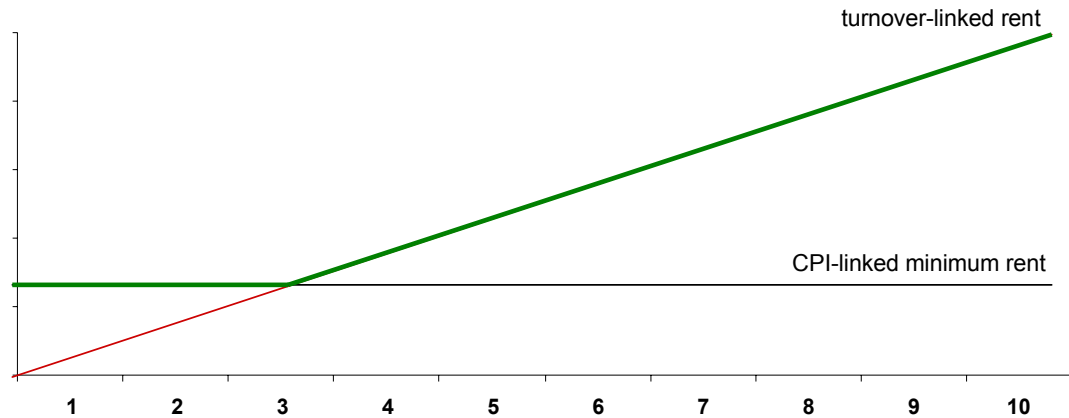
- 16 shopping centers on high street and in established locations – 11 in Germany and one each in Austria, France, Hungary, Italy and Poland

	Total	Deutsche EuroShop
Lettable space	581,500 sqm	380,000 sqm
Retail shops	approx. 1,450	
Investment	€2.1 billion	€1.4 billion
Rents per year	€141 million	€91 million

- Occupancy rate > 99%
- Professional center management by external, long-term experienced companies like ECE, the European market leader in this industry

## 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, upwards only
- Ø rent per sqm: €20 - 25
- Ø turnover per sqm: €4,300
- Rent-to-sales-ratio: 6.5 - 8.5%

## At a Glance

- Attractive after-tax dividend yield of currently 4.1%
- Rating: entire portfolio was given a „very good“ rating
- Consolidated equity ratio currently 50% (plan: >45%)

€ million	FY 2003	FY 2004	Q1 2005	Q2 2005	Q3 2005	FY 2005e
Sales	57.88	61.42	17.41	17.77	18.15	71-72
EBIT	40.52	50.68	13.84	14.55	14.54	56-58
EBT excl. revaluation	22.33	30.17	7.20	8.06	7.64	30-32
EBT incl. revaluation	27.88	38.18	7.05	7.47	7.56	
Earnings per share (€)	1.22	1.78	0.28	0.29	0.30	
Free cash flow per share (€)	1.79	1.96				1.91
Dividend per share (€)	1.92	1.92				2.00
NAV per share (€)	43.68	43.96				

## Targets

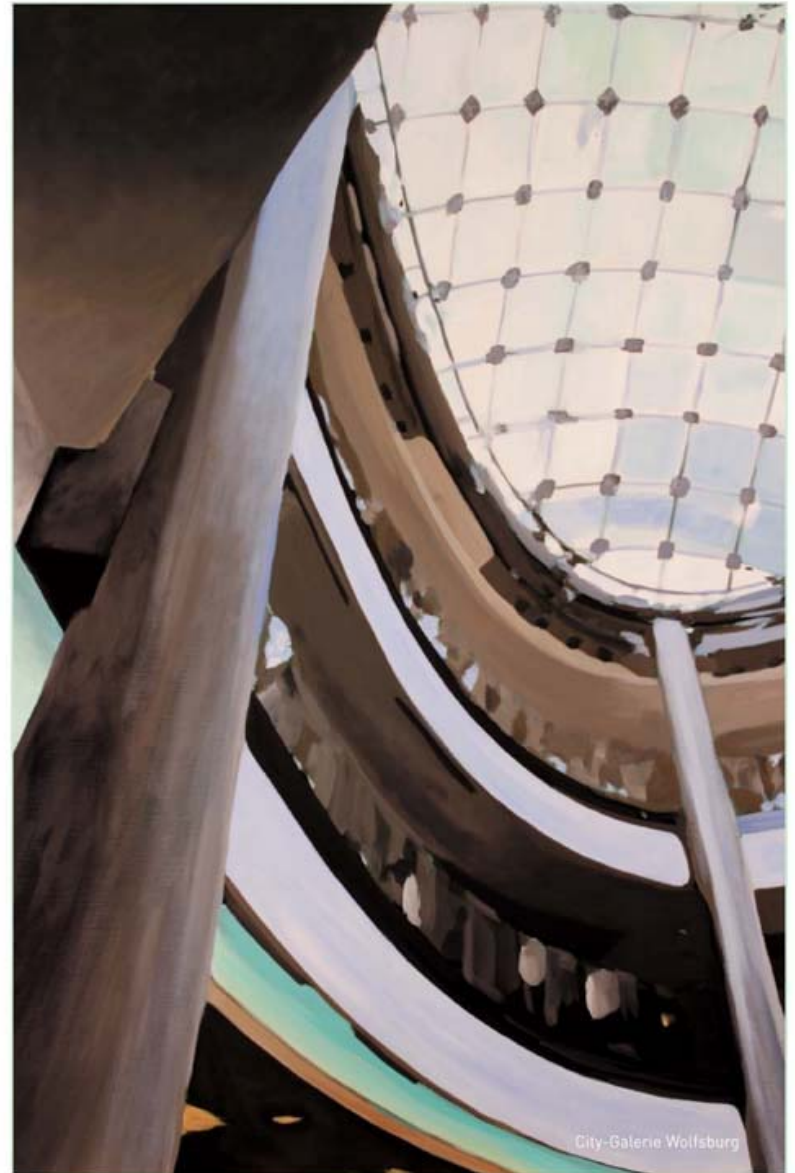
Main focus on NAV  
and dividend

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

Continuous growth

The Art of Shopping

## Shopping Centers





## Locations in Europe



## Shopping Centers in Germany



**Main-Taunus-Zentrum**  
**Frankfurt**



**Rhein-Neckar-Zentrum**  
**Viernheim**



**Altmarkt-Galerie**  
**Dresden**

Location	
Investment	43.1%
Lettable space sqm	102,000
Parking	4,000
Number of shops	approx. 100
Occupancy rate	100%
Catchment area	2.2 m inhabitants
Opening/refurbishm.	1964/Sep. 2004

	43.1%
	102,000
	4,000
	approx. 100
	100%
	2.2 m inhabitants
	1964/Sep. 2004

	99.8%
	64,000
	3,800
	approx. 100
	100%
	1.2 m inhabitants
	1972/Nov. 2002

	50.0%
	43,800
	520
	approx. 100
	99%
	1.0 m inhabitants
	Sep. 2002

## Shopping Centers in Germany



**Phoenix-Center**  
**Hamburg**



**Allee-Center**  
**Hamm**



**Forum**  
**Wetzlar**

Location			
Investment	50.0%	87.7%	65.0%
Lettable space sqm	39,000	34,800	34,300
Parking	1,600	1,290	1,700
Number of shops	approx. 110	approx. 80	approx. 110
Occupancy rate	96%	100%	100%
Catchment area	0.6 m inhabitants	1.0 m inhabitants	0.5 m inhabitants
Opening/refurbishm.	Sep. 2004	1992/Mar. 2000	Feb. 2005

## Shopping Centers in Germany



**City-Galerie**

**Wolfsburg**



**Rathaus-Center**

**Dessau**



**City-Point**

**Kassel**

Location			
Investment		89.0%	
Lettable space sqm		30,000	
Parking		800	
Number of shops		approx. 90	
Occupancy rate		100%	
Catchment area		0.6 m inhabitants	
Opening/refurbishm.		Sep. 2001	
		94.9%	
		30,000	
		850	
		approx. 80	
		98%	
		0.4 m inhabitants	
		Sep. 1995	
		40.0%	
		29,400	
		200	
		approx. 60	
		100%	
		0.8 m inhabitants	
		Feb. 2002	

## Shopping Centers in Germany



**City-Arkaden**

**Wuppertal**



**Stadt-Galerie**

**Hameln**

Location		
Investment	72.0%	94.9%
Lettable space sqm	28,100	25,500
Parking	650	500
Number of shops	approx. 90	approx. 90
Occupancy rate	100%	50%
Catchment area	0.7 m inhabitants	0.4 m inhabitants
Opening	Oct. 2001	Spring 2008

## Shopping Centers in Europe



**Árkád**

**Pécs, Hungary**



**Galeria Dominikanska**

**Wrocław, Poland**



**City-Arkaden**

**Klagenfurt, Austria**

Location			
Investment	50.0%	33.3%	50.0%
Lettable space sqm	34,200	32,600	30,000
Parking	850	920	850
Number of shops	approx. 130	approx. 100	approx. 120
Occupancy rate	100%	100%	100%
Catchment area	0.5 m inhabitants	1.0 m inhabitants	0.4 m inhabitants
Opening	2004	2001	March 2006

## Shopping Centers in Europe



**Centro Commerciale  
Tuscia  
Viterbo, Italy**



**Shopping Etrembières  
Annemasse, France**

Location		
Investment	100%	99.8%
Lettable space sqm	15,200	(8,000 +) 8,600
Parking	1,100	1,000
Number of shops	approx. 40	approx. 50
Occupancy rate	100%	100%
Catchment area	0.3 m inhabitants	0.8 m inhabitants
Opening	1998	1994

## Shopping Centers Total

	Domestic	International	Total Deutsche EuroShop
<b>Letttable space sqm</b>	460,900	120,600	<b>581,500</b>
<b>Parking</b>	15,900	4,720	<b>20,620</b>
<b>Number of shops</b>	approx. 1,010	approx. 440	<b>1,450</b>
<b>Occupancy rate*</b>	99%	100%	<b>99%</b>
<b>Catchment area</b>	9.4 m inhabitants	3.0 m inhabitants	<b>12.4 m inhabitants</b>



## Our Tenants

Well-known  
tenants

Douglas

Street One



Peek & Cloppenburg  
DÜSSELDORF



H&M



Sinn & Leffers

NORDSEE



MEXX

ZARA

s.Oliver

Media Markt

INTERSPORT

GERRY WEBER

KARSTADT



ESPRIT

REWE

HALLHUBER



SATURN

ANSON'S



Thalia  
BÜCHER

UNITED COLORS  
OF BENETTON.

NEWYORKER

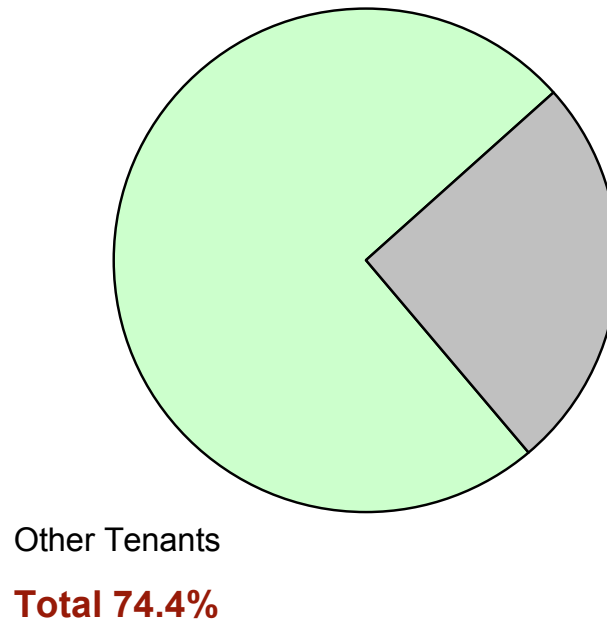


felmann

+++ The Shopping Center Company +++

## Tenants Structure Top 10 tenants

Low level of  
dependence on  
the top 10 tenants

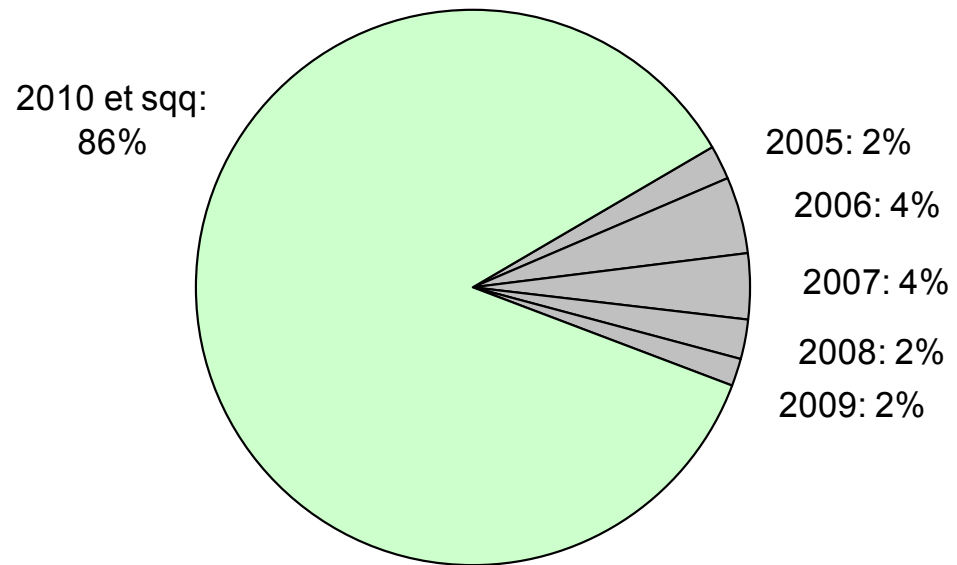


Metro-Group	5.3%
Douglas-Group	4.3%
Karstadt-Group	3.0%
H & M	2.7%
P & C	2.1%
Engelhorn	1.8%
Zara	1.8%
New Yorker	1.7%
ESPRIT	1.4%
Palastbetriebe	1.4%
<b>Total</b>	<b>25.6%</b>

## Maturity Distribution of rental contracts\*

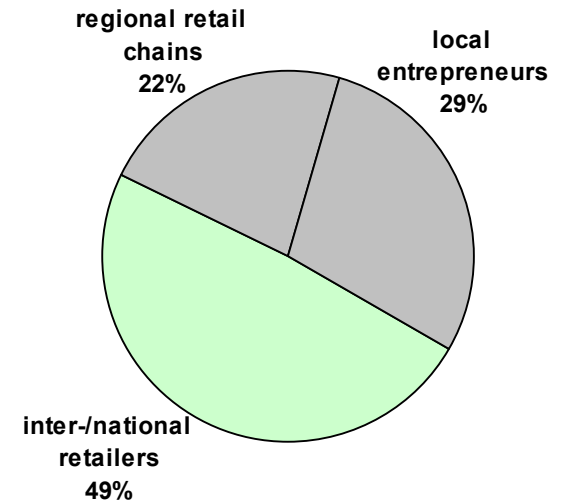
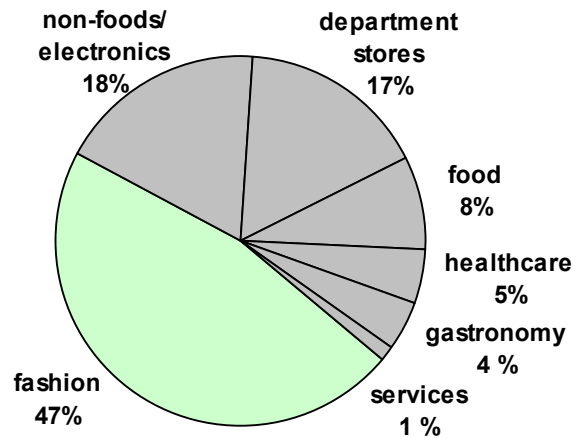
Long-term contracts  
guarantee rental income

Weighted maturity  
> 8 years



## Sector and Retailer Mix

### Balanced sector and retailer diversification



The Art of Shopping

## Financials



Main-Taunus-Zentrum Sulzbach

## Summary Q1-3 2005

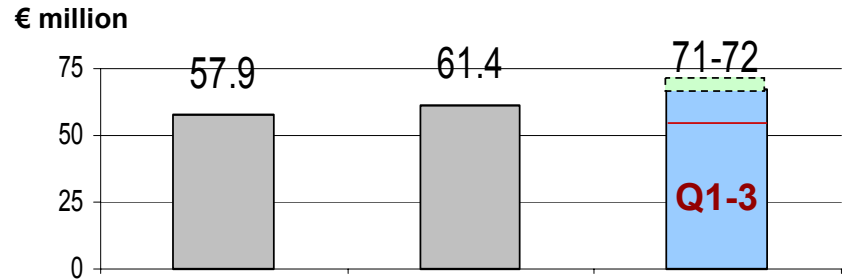
▪ Revenue	€53.3 million	+18%
▪ EBIT adjusted	€42.9 million	+8% +32%
▪ Net finance costs	€-20.8 million	-18%
▪ Profit for the period adjusted	€13.7 million	-9% +41%
▪ EPS adjusted	€0.87	-9% +41%

## Forecast 2005

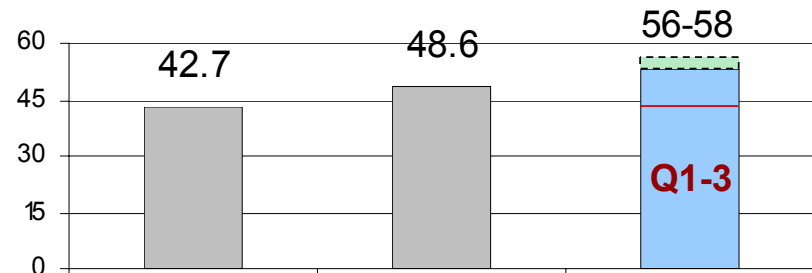
Forecast raised for 2005

Proposed dividend for  
2005: increased from  
€1.92 to €2.00 per share

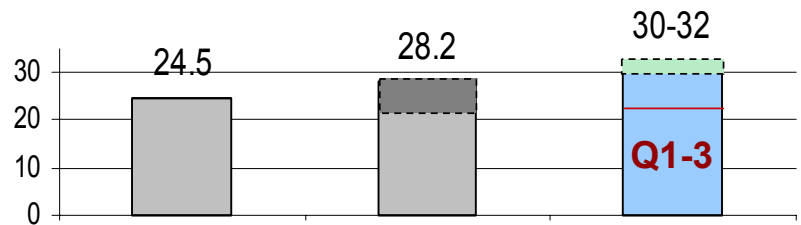
### Revenue



### EBIT



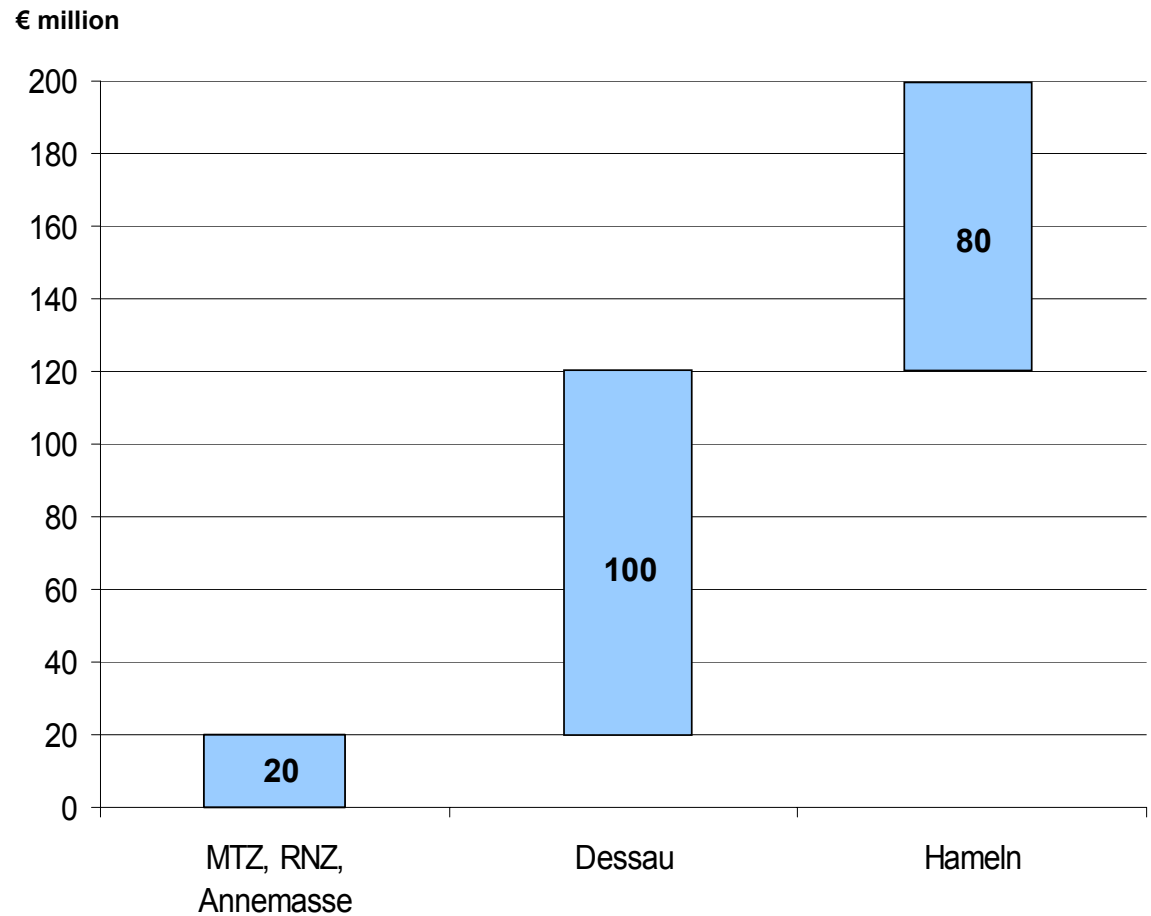
### EBT



currency adjusted;  
without valuation result

## Investments 2005

Achieved investment  
plans for 2005





## Capital increase

### Capital increase to finance additional growth

**Completion 10 Nov 2005**

- number of shares now 17,187,499 (1,562,499 new shares)
- price: €43.00 per share
- gross issue proceeds: approx. €67.2 million
- shares were placed in Germany 40%, Europe 45%, USA and other 15%
- WestLB AG: Lead-manager and sole bookrunner  
Berenberg Bank: Co-manager

The Art of Shopping

## Shopping Center Share



City-Point Kassel

## Key data of the Share

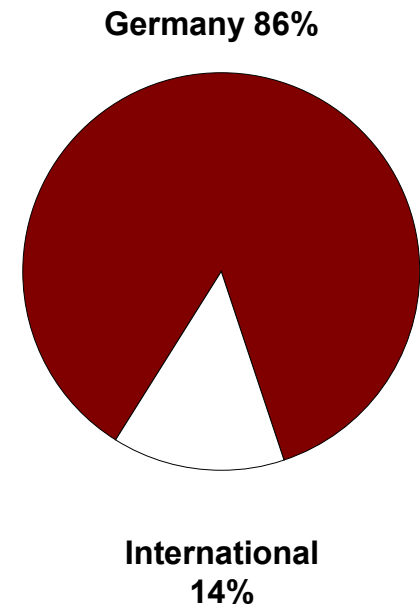
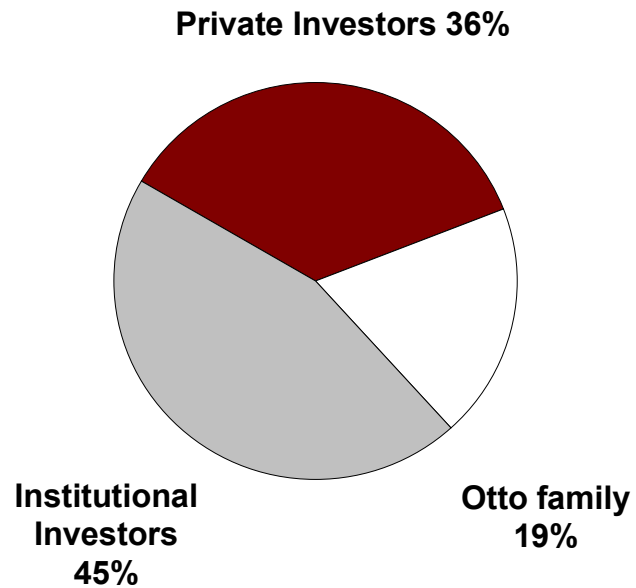
**MarketCap > €800 million**

Listed since	02.01.2001
Nominal capital	€21,999,998.72
Outstanding shares	17,187,499
Class of shares	Registered shares
Dividend proposal 2005 (22.06.2006)	€2.00
52W High	€52.20
52W Low	€37.50
Share price (02.01.2006)	€47.78
Market capitalisation	€821 million
avrg. turnover per day 2005	38,000 shares
Indices	MDAX, EPRA, GPR 250, EPIX 30
Prime Standard	Prime Standard Frankfurt and Xetra
OTC market	Berlin-Bremen, Dusseldorf, Hamburg, Munich and Stuttgart
ISIN	DE 000 748 020 4
Ticker	DEQ, Reuters: DEQGn.DE
Market makers	Close Brothers Seydler, WestLB

## Shareholder Structure

7,300 shareholders

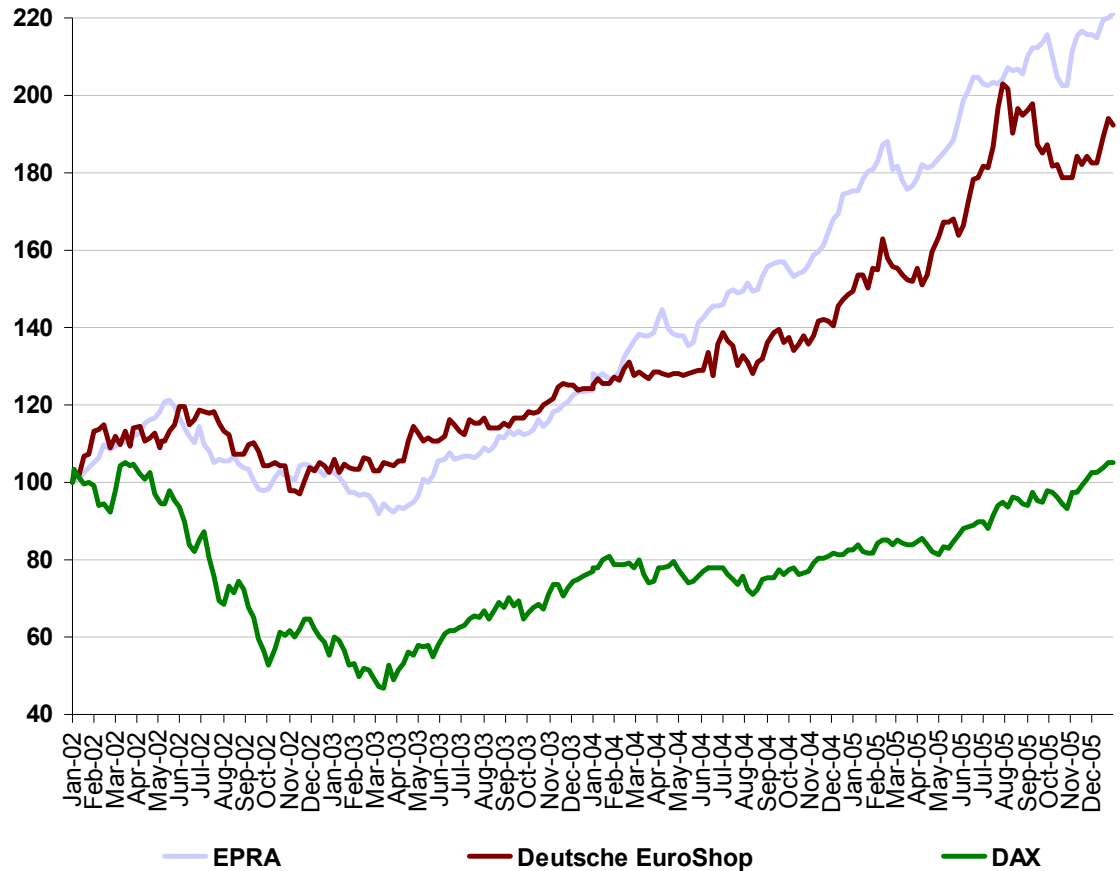
Free float 81%



## Trend of the Share

Comparison with  
DAX and EPRA

Indexed graph



## Dividend policy

**Stable and attractive  
(tax-free) dividends**

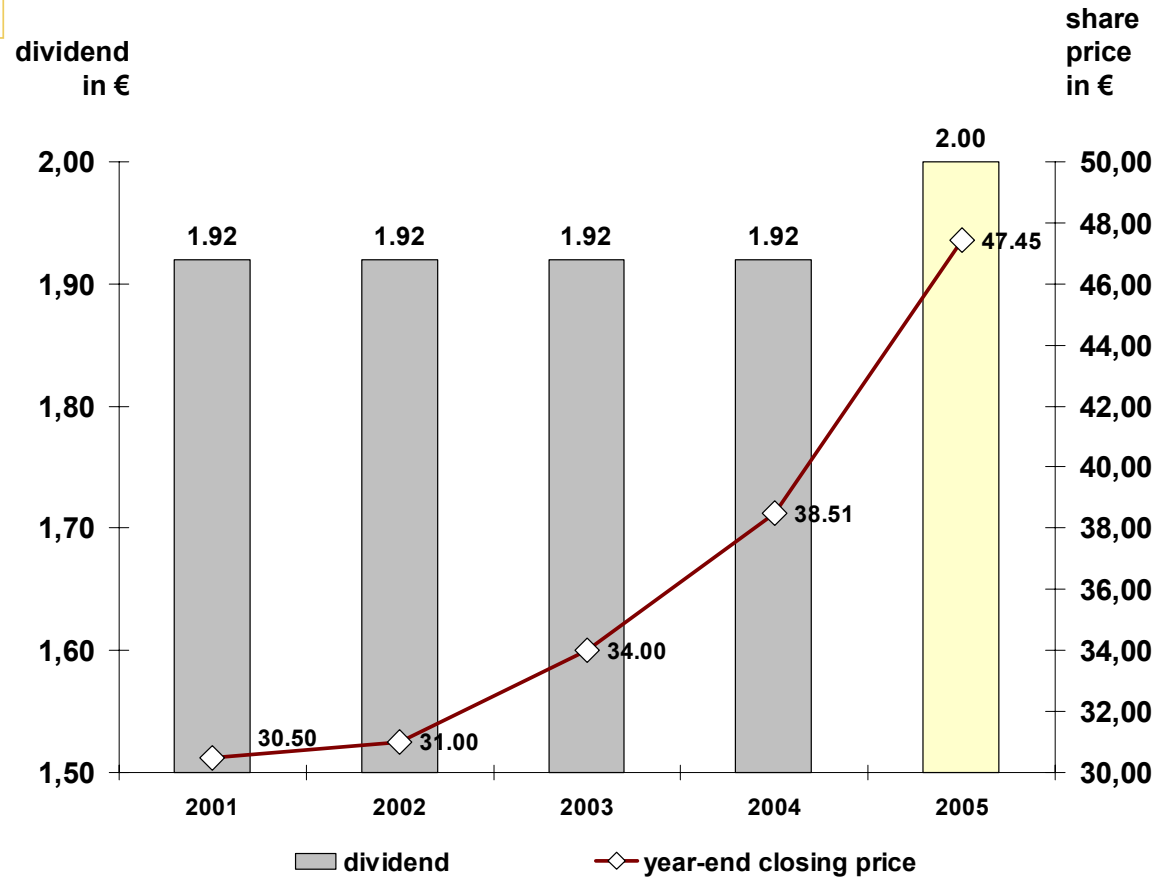
### Performance

since IPO: **+44%**

**2003: +15%**

**2004: +20%**

**2005: +28%**



## Coverage



## Analysts' Consensus

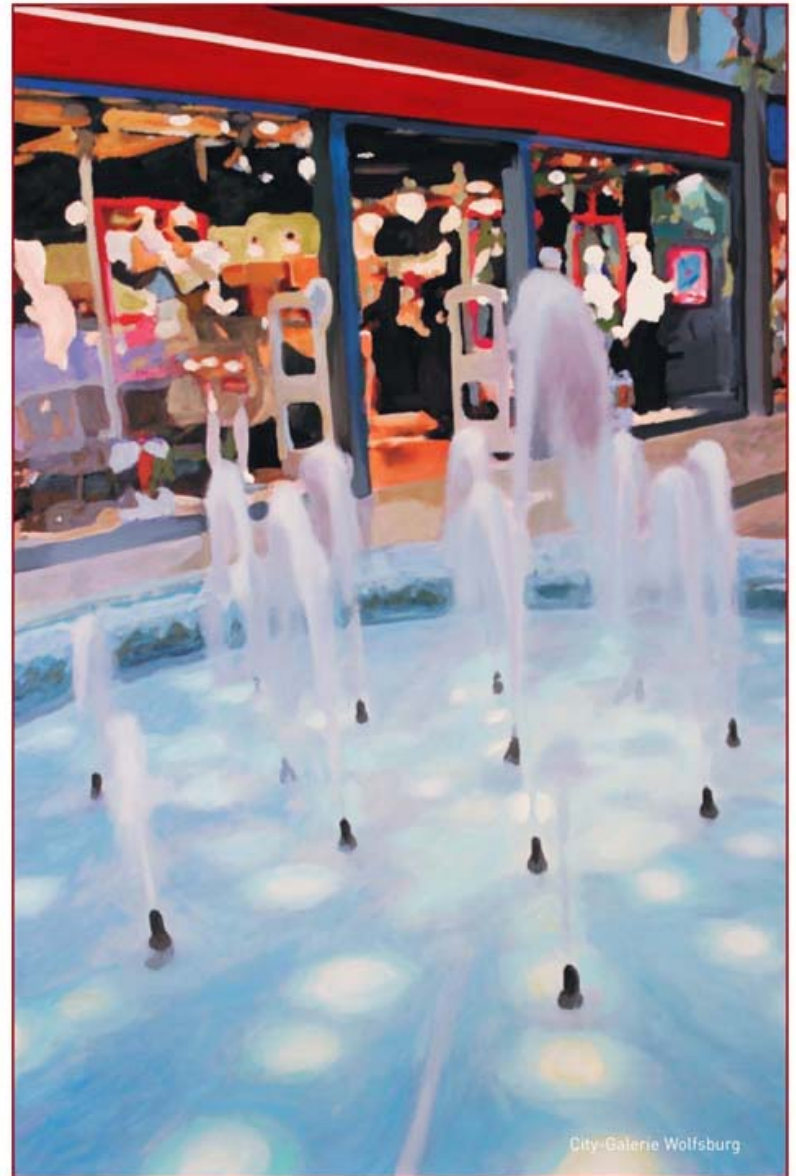
	Datum/ Date	Rating Änderung/ Change	Rating	Kursziel/ Price target in €	Ergebnis je Aktie/EPS in €			Dividende je Aktie/DPS in €			EBIT in Mio. €		
					2005	2006	2007	2005	2006	2007	2005	2006	2007
Bankhaus Lampe	15.11.2005	↑	Kaufen/ Buy	50,00	1,42	1,39	1,49	2,00	2,00	2,10	58,70	65,00	69,50
Berenberg Bank	10.11.2005	→	Kaufen/ Buy	53,00	Daten nicht zur Veröffentlichung frei und nicht Bestandteil des Consensus Rating. Data not for public use and not part of the consensus.								
DZ Bank	31.10.2005	→	Kaufen/ Buy	51,00	Daten nicht zur Veröffentlichung frei und nicht Bestandteil des Consensus Rating. Data not for public use and not part of the consensus.								
equinet	15.11.2005	↑	Halten/ Hold	46,00	3,10	2,31	2,55	2,00	2,00	2,00	57,50	67,50	72,50
Hamburger Sparkasse	06.12.2005	→	Halten/ Hold	48,00	1,85	2,15	n.a.	2,00	2,00	n.a.	55,00	58,50	n.a.
HSBC Trinkaus & Burkhardt	10.11.2005	→	Übergewichten/ Overweight	50,60	2,19	2,28	2,47	2,00	2,05	2,10	57,70	62,30	65,30
HSH Nordbank	15.11.2005	→	Halten/ Hold	46,00	1,54	1,54	1,81	2,00	2,00	2,00	64,25	65,17	71,14
HypoVereinsbank	10.11.2005	→	Outperform	50,00	1,94	1,99	n.a.	2,00	2,10	n.a.	55,99	60,61	63,77
Kempen & Co.	10.11.2005	↑	Neutral	45,00	1,32	1,48	1,42	2,00	2,00	2,00	57,40	62,80	64,60
Petercam Bank	06.12.2005	↑	Kaufen/ Buy	51,30	2,31	3,05	4,48	2,00	2,00	2,00	55,00	69,50	80,80
Sal. Oppenheim	27.09.2005	↑	Kaufen/ Buy	51,00	2,27	2,38	2,81	2,00	2,05	2,10	57,46	61,84	62,24
West LB	31.10.2005	→	Outperform	53,00	2,15	2,38	2,88	2,00	2,00	2,00	55,66	66,15	67,73
Durchschnitt/ Average				49,58	2,01	2,10	2,49	2,00	2,02	2,04	57,47	63,94	68,62
Median				50,30	2,05	2,22	2,51	2,00	2,00	2,00	57,43	63,90	67,73
Minimum				45,00	1,32	1,39	1,42	2,00	2,00	2,00	55,00	58,50	62,24
Maximum				53,00	3,10	3,05	4,48	2,00	2,10	2,10	64,25	69,50	80,80

+++ The Shopping Center Company +++



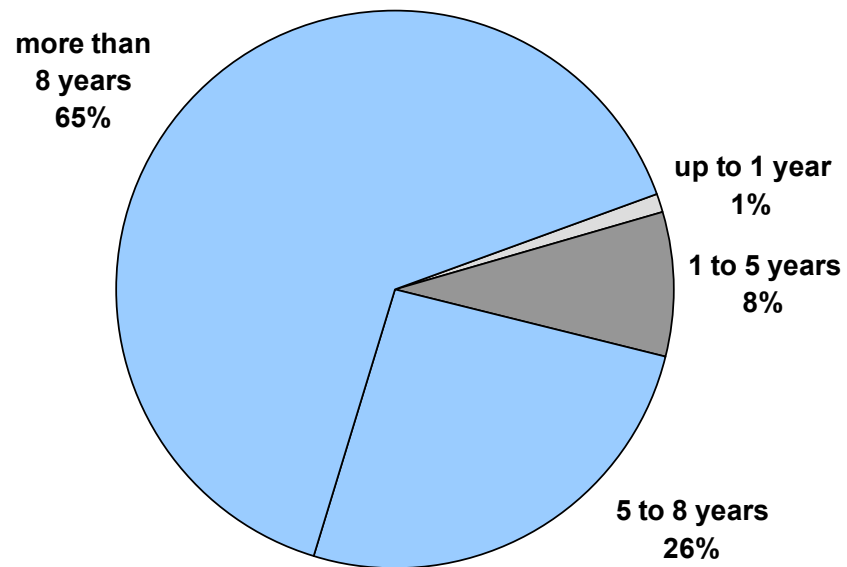
The Art of Shopping

## Appendix



## Liabilities - Maturities

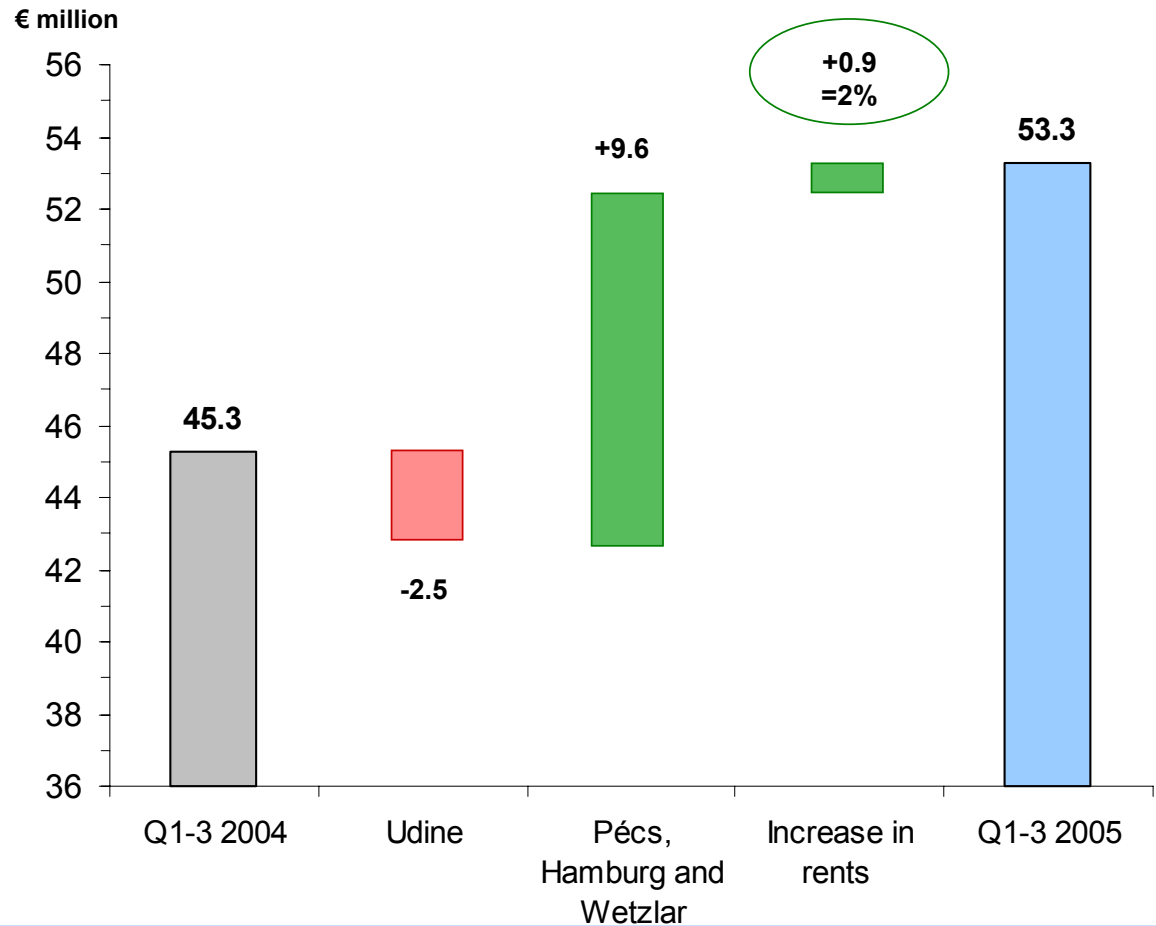
Ø effective interest rate  
5.66%



more than 5 years  
91%

## Revenue Bridge Q1-3 2004 – Q1-3 2005

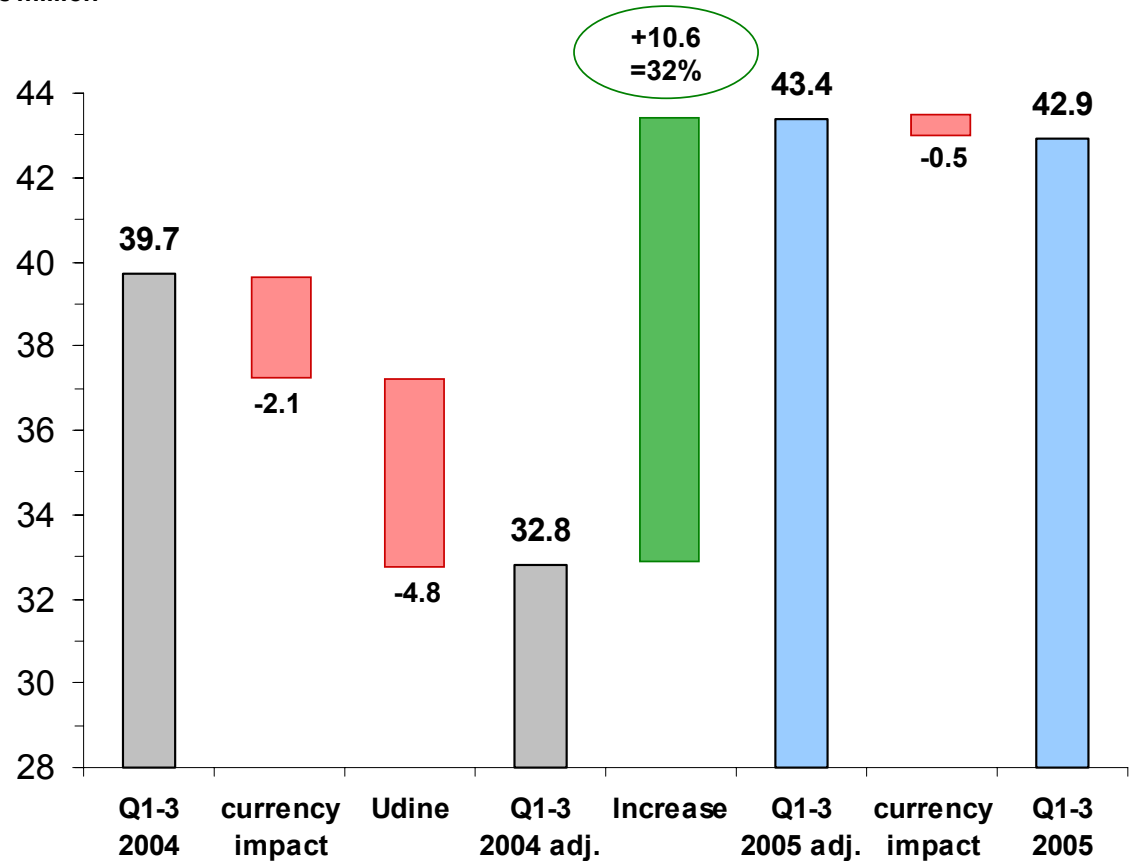
Revenue: +18%  
comparable: +2%



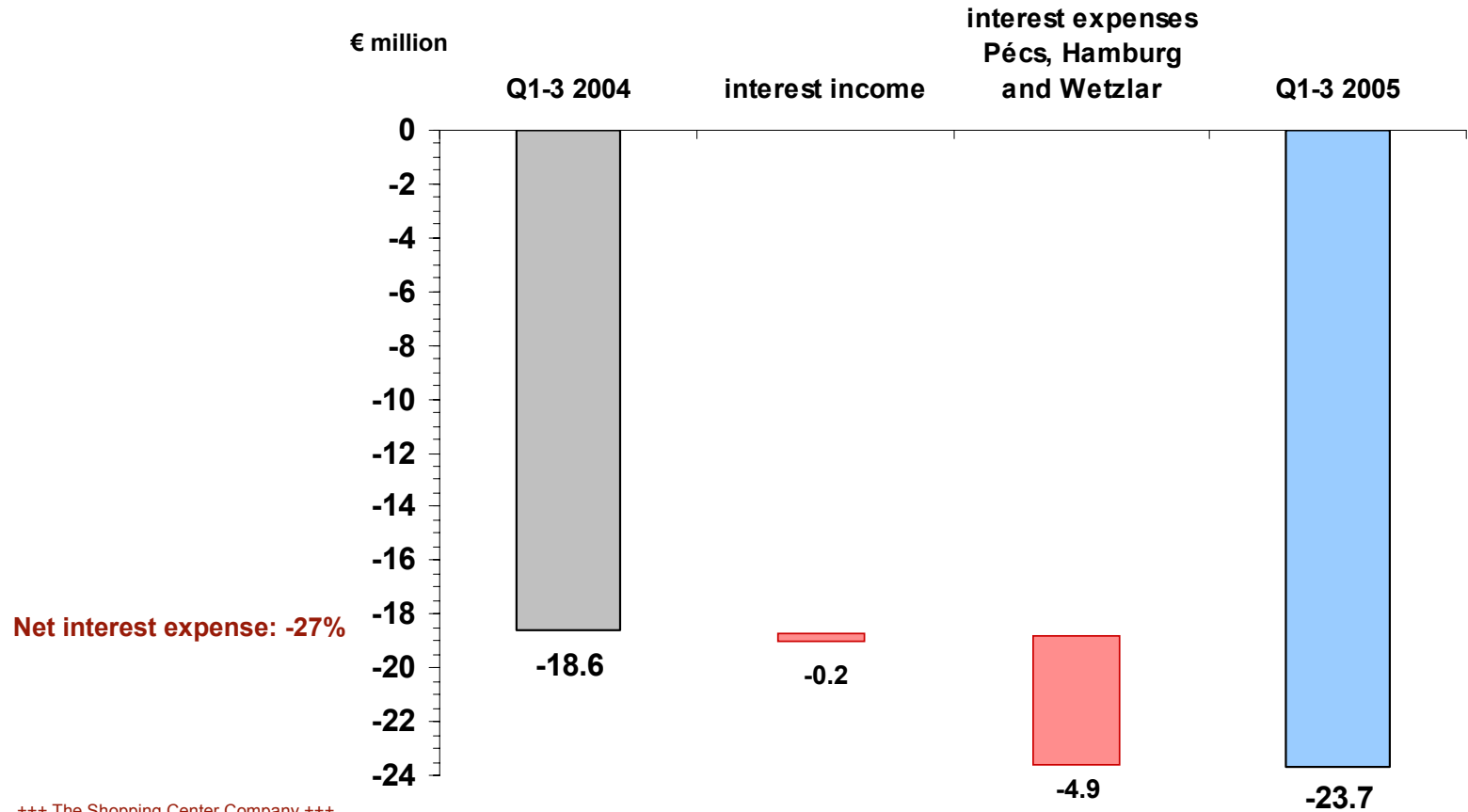
# EBIT Bridge Q1-3 2004 – Q1-3 2005

EBIT: +8%  
currency adjusted: +15%

€ million

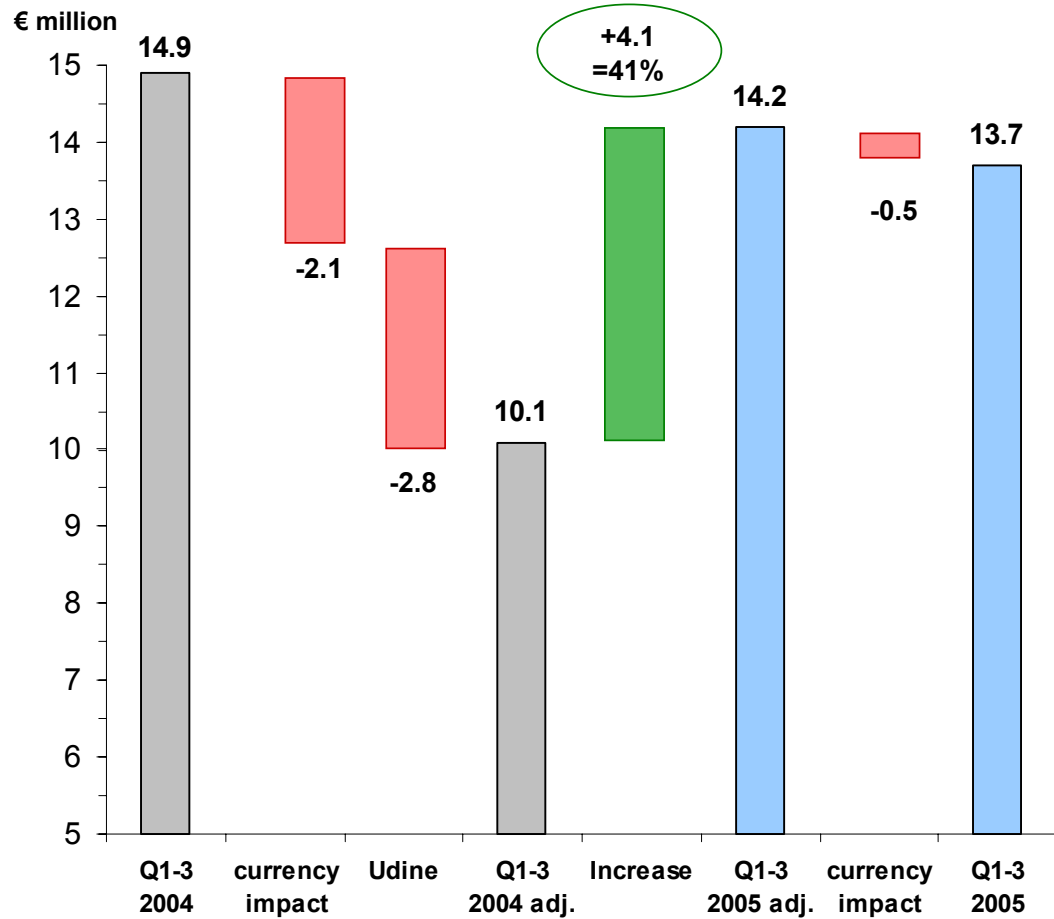


**Net Interest  
Expense Bridge  
Q1-3 2004 –  
Q1-3 2005**



# Profit Bridge Q1-3 2004 – Q1-3 2005

Profit: -9%  
currency adjusted: +10%



## Balance Sheet

€ thousand	30 Sep. 2005	31 Dec. 2004	In/decrease
Fixed/non-current assets	1,224,683	1,203,251	21,432
Current assets	146,600	166,957	-20,357
<b>Total assets</b>	<b>1,371,283</b>	<b>1,370,208</b>	<b>1,075</b>
Equity	669,605	684,412	-14,807
Long term debt	628,723	597,662	31,061
Deferred taxes	57,069	51,676	5,393
Current liabilities	15,886	36,458	-20,572
<b>Total liabilities</b>	<b>1,371,283</b>	<b>1,370,208</b>	<b>1,075</b>

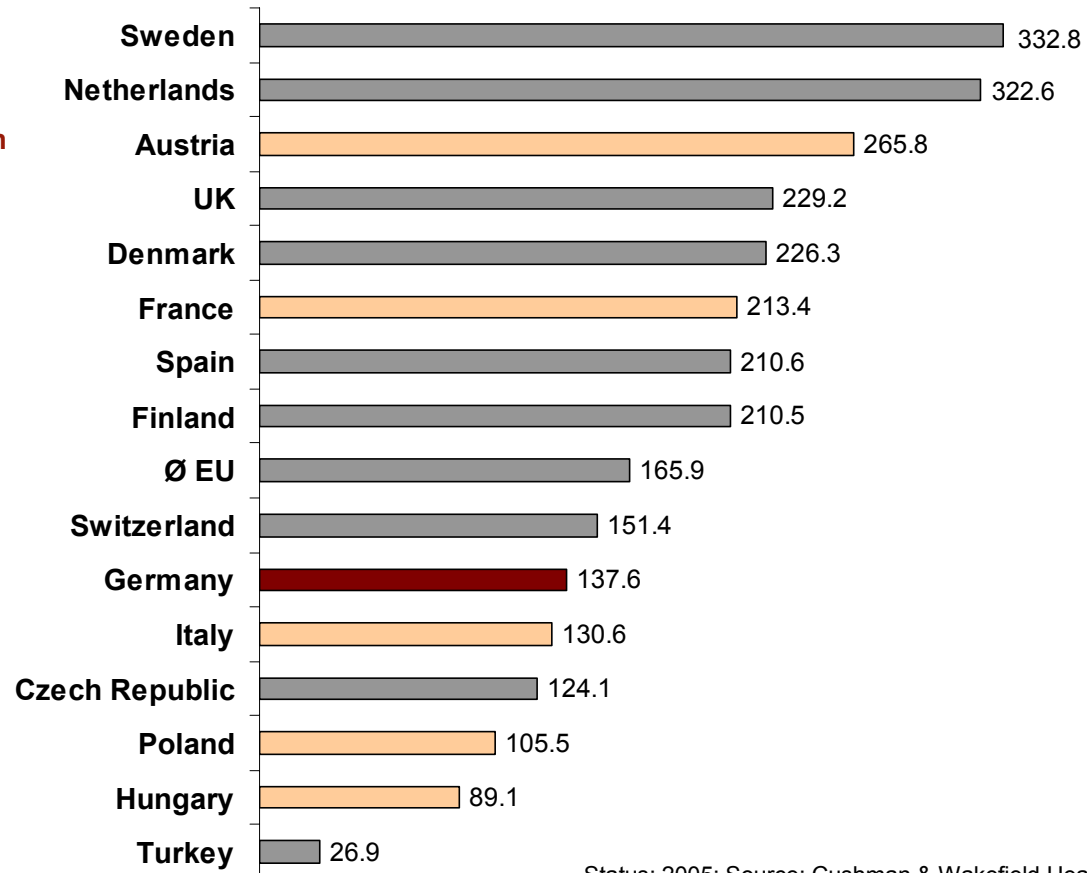
## Profit and Loss Account

€ thousand	1 Jan.- 30 Sept. 2005	1 Jan.- 30 Sept. 2004	increase/ decrease
<b>Revenue</b>	<b>53,328</b>	<b>45,340</b>	<b>+18%</b>
Other operating income	1,286	7,718	
Expenses	-11,677	-13,309	
Depreciation and amortization	-14	-9	
<b>EBIT</b>	<b>42,923</b>	<b>39,740</b>	<b>+8%</b>
Net interest expense	-23,644	-18,597	
Income from investments	3,623	3,232	
Valuation result	-827	-2,374	
<b>Net finance costs</b>	<b>-20,848</b>	<b>-17,739</b>	
<b>EBT</b>	<b>22,075</b>	<b>22,001</b>	<b>0%</b>
Taxes	-6,377	-6,849	
Minority interests in earnings	-2,033	-171	
<b>Profit for the period</b>	<b>13,665</b>	<b>14,936</b>	<b>-9%</b>



## Shopping Centers in Europe

GLA per 1,000 population



## Financial Calendar 2006

11.01.	Morgan Stanley German Property Day, London
23.-24.01.	Roadshow Amsterdam and Brussels
30.-31.01.	Roadshow Helsinki, Stockholm, Oslo, Copenhagen
14.02.	HSBC Real Estate Conference, Frankfurt
20.04.	Annual earnings press conference, Hamburg
24.-28.04.	Roadshow USA
15.05.	Interim report Q1 2006
25.05.	Citigroup Jour fixe, London
22.06.	Annual General Meeting, Hamburg
11.08.	Interim report H1 2006
14.11.	Interim report Q1-3 2006

## Contact

### **Deutsche EuroShop AG**

Patrick Kiss

Investor & Public Relations

Oderfelder Strasse 23

20149 Hamburg

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

Fax +49 (40) 41 35 79 - 29

E-Mail: [kiss@deutsche-euroshop.de](mailto:kiss@deutsche-euroshop.de)

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

ISIN: DE 000 748 020 4

## 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.