

A painting of two men, one in a white shirt and one in a dark vest, both smiling and holding a red shopping bag. The bag has the logo 'DES' and 'Deutsche EuroShop AG' written on it. The background is a solid red color.

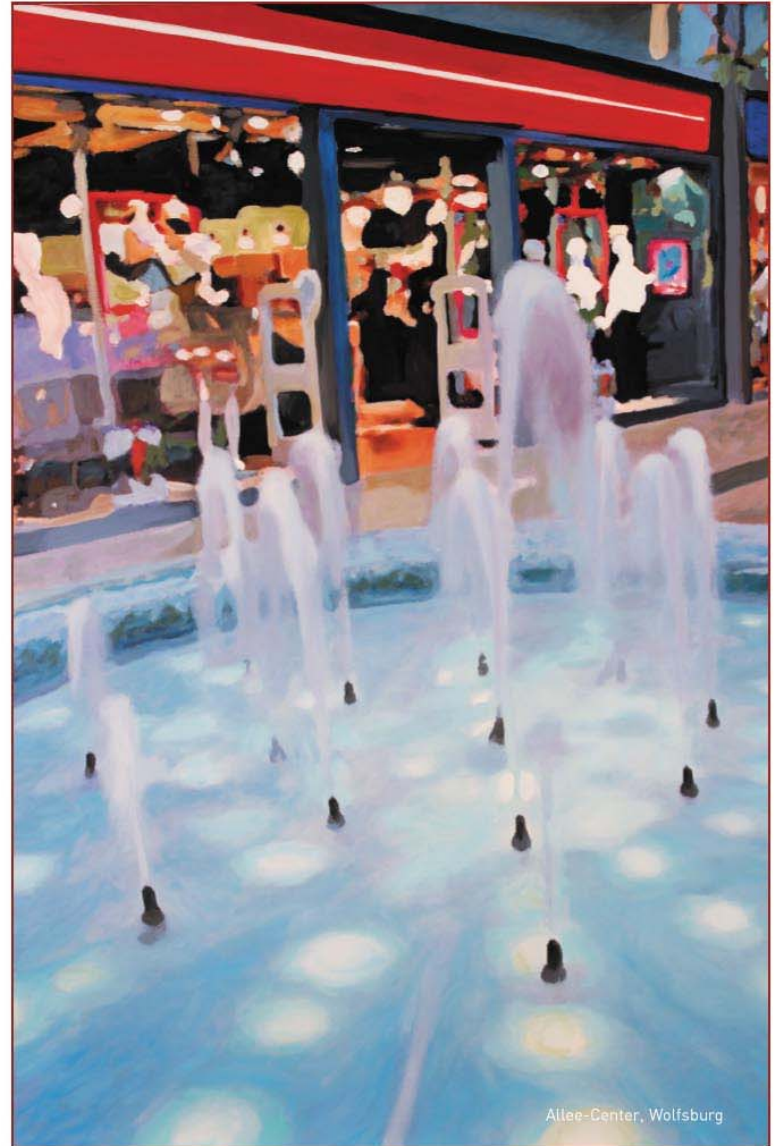
The Art of Shopping

Company Presentation

April 2005

The Art of Shopping

Company



History

10.10.1997	Incorporation
28.09.2000	Start of business operations
02.01.2001	Going public
15.04.2003	Admission to the Prime Standard
14.07.2003	Admission to the SDAX
02.01.2004	Admission to the EPRA Index
20.09.2004	Admission to the MDAX

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

Equity Story

14 Centers

- Participations in 14 shopping centers on high street and in established locations – nine in Germany and one each in Austria, France, Hungary, Italy and Poland

	Total	Deutsche EuroShop
Lettable space	526,000 m ²	327,000 m ²
Retail shops	approx. 1,290	
Investment	€ 1.95 billion	€ 1.2 billion
Rents per year	€ 127 million	€ 77 million

Potential through sales-linked rents

- Indexed minimum rents and participation in sales growth of retail industry
- Occupancy rate > 99%
- Professional center management by external, long term experienced companies like ECE, the European market leader in this industry

Equity Story

**Main focus on NAV
and dividend**

Continuous growth

■ **Targets**

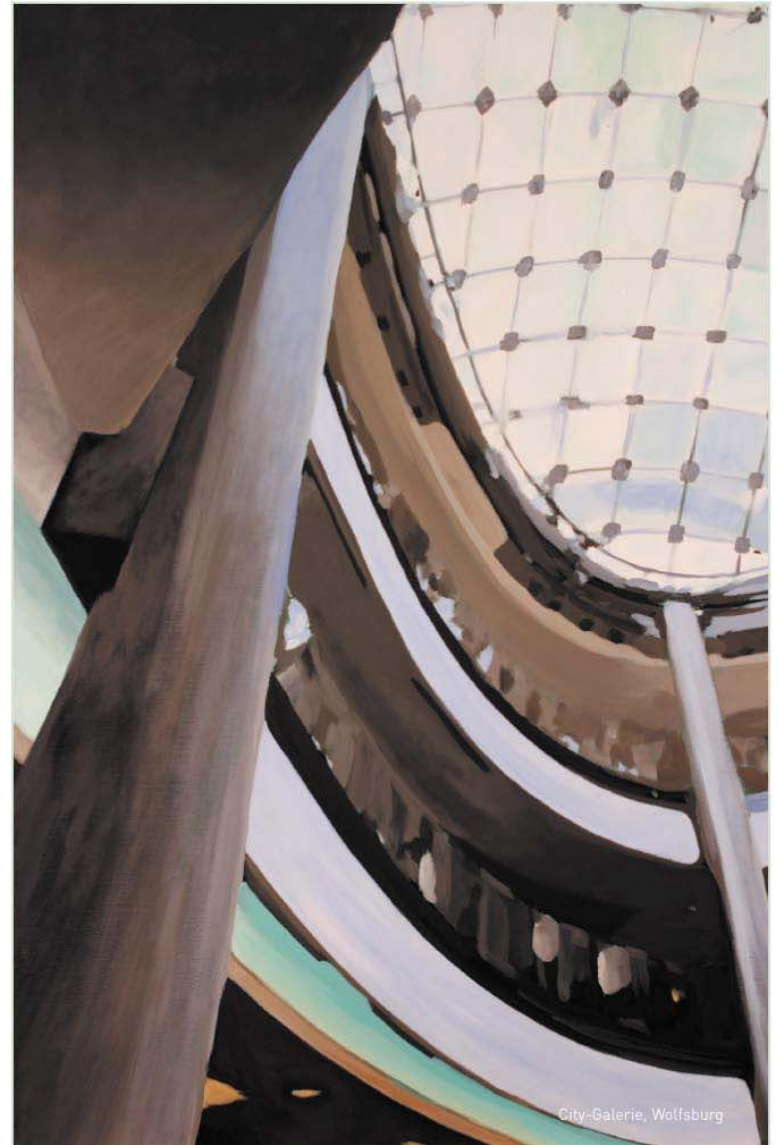
- Long term net asset value enhancement
- “buy & hold” strategy
- Steady attractive dividends
- Portfolio expansion by 10% per year
 - by acquisition of new shopping centers
 - by increase of existing amounts of holdings

Investment Case

- Attractive after-tax dividend yield of currently 4.6%
- Net Asset Value per share €43.96 (+1%)
- Rating: entire portfolio was given an “very good” rating
- Consolidated equity ratio currently 50% (plan: >45%)
- Independent management with many years of experience in shopping center development
- Investment-focus: Germany and up to 25% Europe
- Risk diversification due to a portfolio of shopping centers and diversity of tenants

The Art of Shopping

Shopping Centers



City-Galerie, Wolfsburg

Locations in Europe



Shopping Centers in Germany



**Rhein-Neckar-Zentrum
Viernheim**



**Main-Taunus-Zentrum
Frankfurt**



**City-Galerie
Wolfsburg**

Location			
Investment	92.8%	37.4%	89.0%
Lettable space sqm	64,000	102,000	30,000
Parking	3,500	4,000	800
Number of shops	approx. 100	approx. 100	rd. 90
Occupancy rate	100%	100%	100%
Catchment area	1.2 m inhabitants	2.2 m inhabitants	0.6 m inhabitants
Opening/refurbishm.	Nov. 2002	Sep. 2004	Sep. 2001

Shopping Centers in Germany



Altmarkt-Galerie
Dresden



City-Arkaden
Wuppertal



Allee-Center
Hamm

Location	Altmarkt-Galerie Dresden	City-Arkaden Wuppertal	Allee-Center Hamm
Investment	50.0%	72.0%	87.7%
Lettable space sqm	43,800	28,100	34,800
Parking	520	650	1,290
Number of shops	approx. 100	approx. 90	approx. 80
Occupancy rate	99%	100%	100%
Catchment area	1.0 m inhabitants	0.7 m inhabitants	1.0 m inhabitants
Opening/refurbishm.	Sep. 2002	Oct. 2001	Mar. 2000

Shopping Centers in Germany



Phoenix-Center
Hamburg



Forum
Wetzlar



City-Point
Kassel

Location	Phoenix-Center Hamburg	Forum Wetzlar	City-Point Kassel
Investment	50.0%	65.0%	40.0%
Lettable space sqm	39,000	34,300	29,400
Parking	1,600	1,700	200
Number of shops	approx. 110	approx. 110	approx. 60
Occupancy rate	96%	100%	100%
Catchment area	0.6 m inhabitants	0.5 m inhabitants	0.8 m inhabitants
Opening/refurbishm.	Sep. 2004	Feb. 2005	Feb. 2002

Shopping Centers in Europe



**Centro Commerciale
Tuscia, Viterbo
Italy**



**Shopping Etrembières
Annemasse
France**



**Árkád
Pécs
Hungary**

Location			
Investment	100%	92.8%	50.0%
Lettable space sqm	15,200	(8,000 +) 8,600	34,200
Parking	1,100	1.000	850
Number of shops	approx. 40	approx. 50	approx. 130
Occupancy rate	100%	100%	100%
Catchment area	0.3 m inhabitants	0.8 m inhabitants	0.5 m inhabitants
Opening/refurbishm.	1998	1994	2004

Shopping Centers in Europe



**Galeria Dominikanska
Wrocław
Poland**



**City-Arkaden
Klagenfurt
Austria**

Location		
Investment	33.3%	50.0%
Lettable space sqm	32,600	30,000
Parking	920	850
Number of shops	approx. 100	approx. 120
Occupancy rate	100%	65%
Catchment area	1.0 m inhabitants	0.4 m inhabitants
Opening/refurbishm.	2001	Spring 2006

Shopping Centers Total

	Domestic	International	Total Deutsche EuroShop
Lettable space sqm	405,400	120,600	526,000
Parking	15,260	4,720	19,980
Number of shops	approx. 850	approx. 440	1,290
Occupancy rate*	99%	100%	99%
Catchment area	8.6 m inhabitants	3.0 m inhabitants	11.6 m inhabitants

**Center
Management**

**Pro active center
management for
sustainable
development**



Our Tenants

Douglas

HALLHUBER 

H&M

Street One

GORTZ

ZARA

Media Markt

ESPRIT

Well-known tenants

GALERIA KAUFHOF

Thalia BÜCHER

Peek & Cloppenburg KG
DÜSSELDORF

GERRY WEBER

KARSTADT

Bijou Brigitte
modische Accessoires AG
*

SATURN

ALDI SÜD

Sinn  Leffers

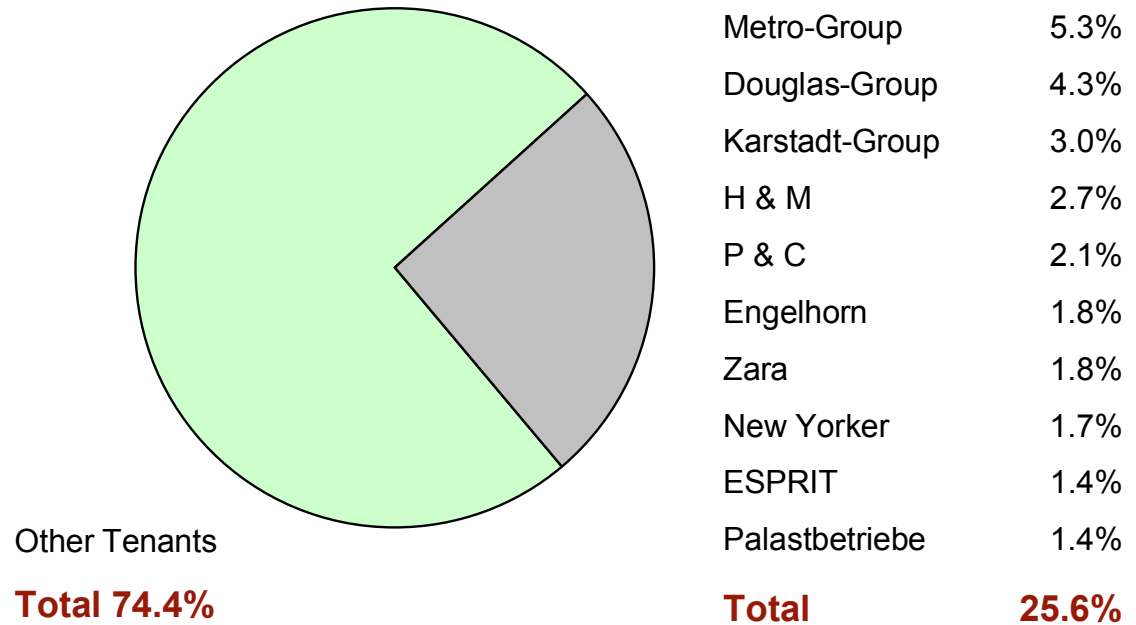
UNITED COLORS OF BENETTON.

NEWYORKER

ANSON'S

Tenants Structure Top 10 tenants

Low level of
dependence on
the top 10 tenants

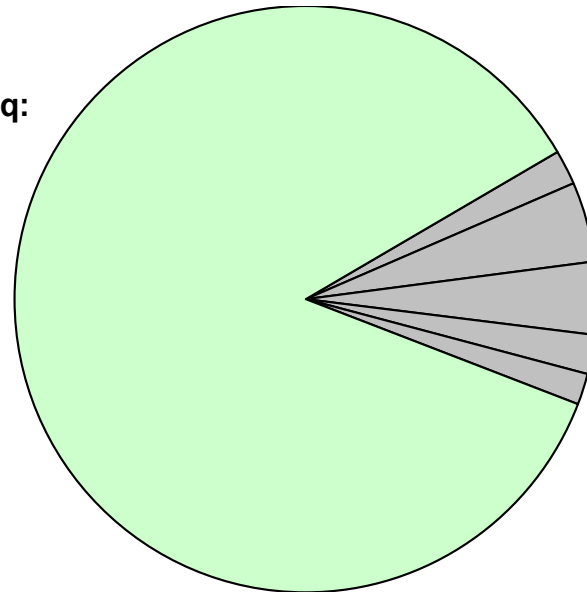


Maturity Distribution of rental contracts*

Long-term contracts
guarantee rental income

Weighted maturity
> 8 years

2010 et sqq:
86%



2005: 2%

2006: 4%

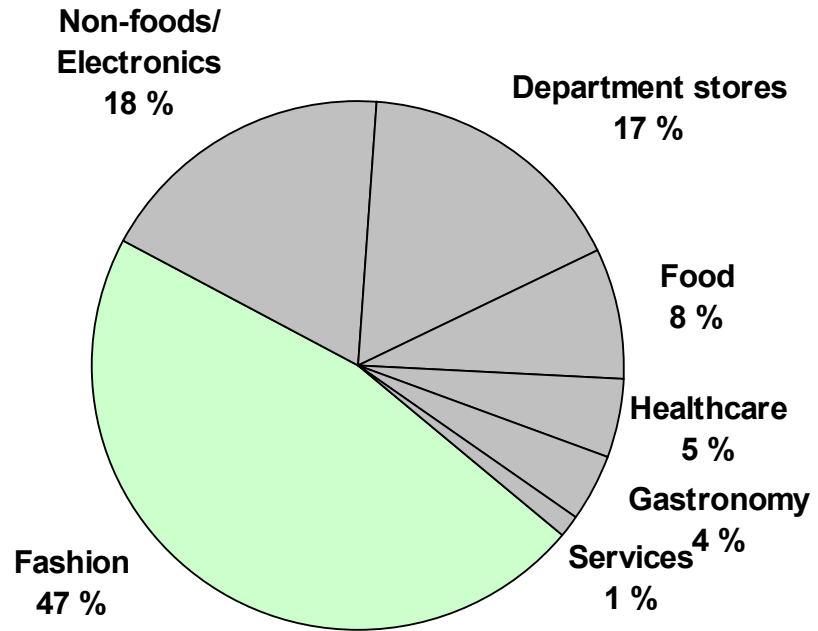
2007: 4%

2008: 2%

2009: 2%

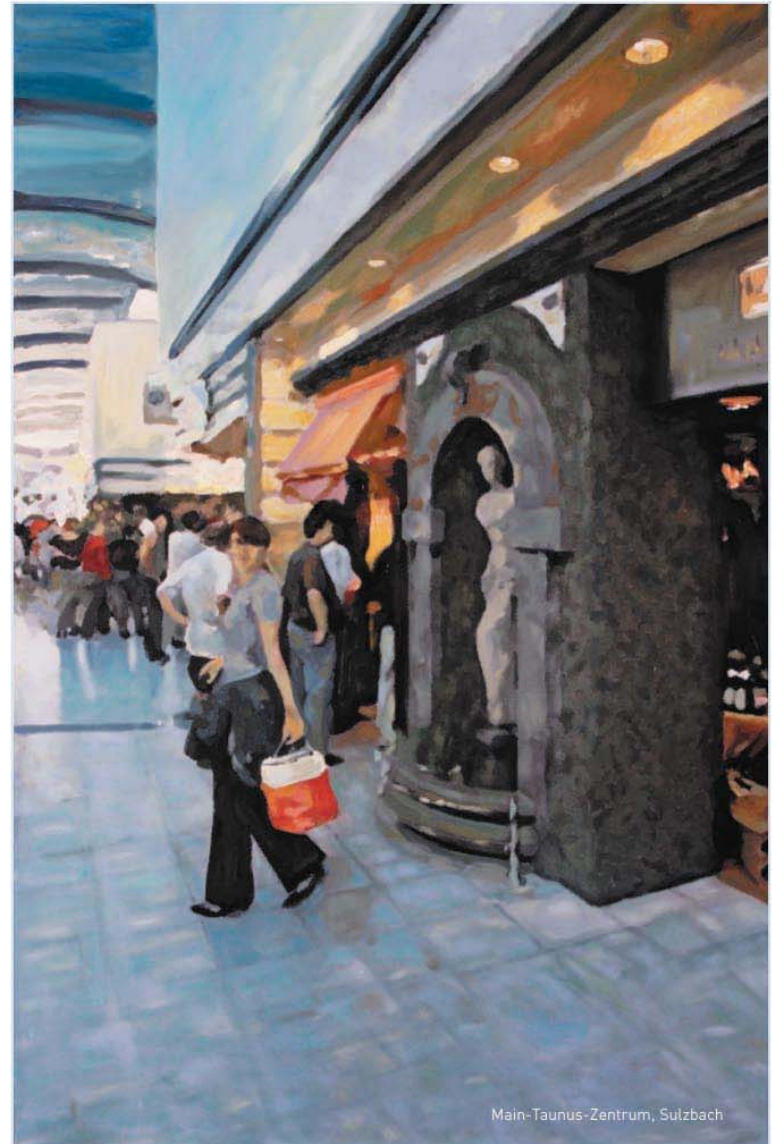
**Branch
diversification***

**Balanced branch
diversification**



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Financials



Main-Taunus-Zentrum, Sulzbach

2004 Balance Sheet

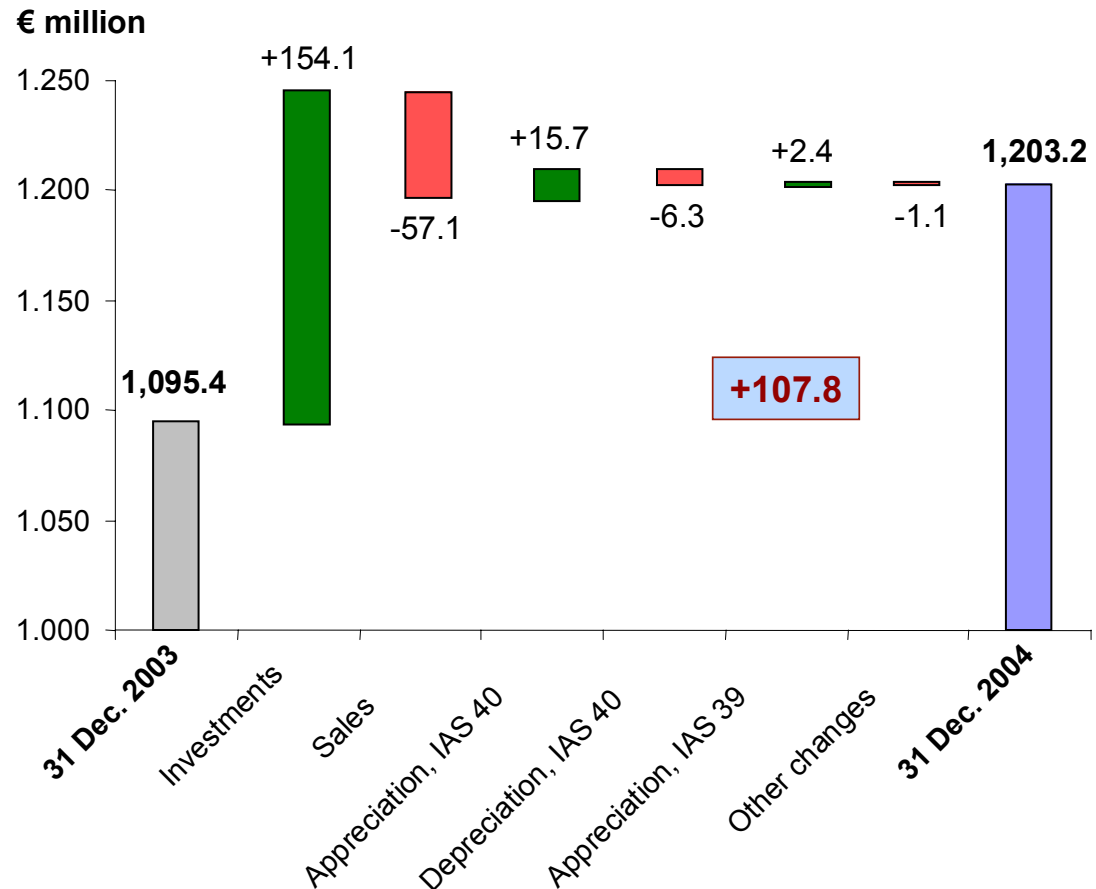
€ thousand	2004	2003	In/decrease
Fixed/non-current assets	1.203.251	1.095.444	107.807
Current assets	166.957	145.012	21.945
Total assets	1.370.208	1.240.456	129.752
Equity	684.412	695.301	-10.889
Non-current liabilities	597.662	476.646	121.016
Deferred taxes	51.676	43.586	8.090
Current liabilities	36.458	24.923	11.535
Total liabilities	1.370.208	1.240.456	129.752

Reconciliation of Fixed/Non-Current Assets

Ø investment rating still A (excellent)

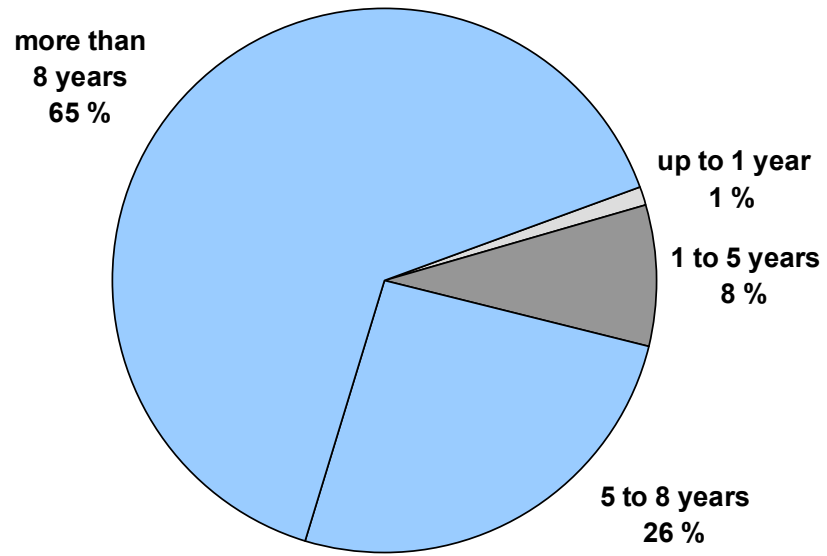
Breslau and Pécs starting with A rating

Ø 6.20 % cap rate has risen to 6.54 %



**Liabilities -
Maturities**

**Ø effective interest rate
5.66%**



**more than 5 years
91%**

Summary

▪ Revenue	€61.4 million	+6%
▪ EBITDA	€50.7 million	+25%
▪ EBIT	€50.7 million	+25%
▪ Consolidated net profit	€27.7 million	+46%
▪ EPS	€1.78	+46%
▪ NAV per share	€43.96	+1%
▪ Free Cash Flow	€30.7 million	+10%

2004 Profit and Loss Account

€ thousand	2004	2003	In/decrease
Revenue	61.421	57.879	6%
Other operating income	9.343	1.043	
Expenses	-20.072	-18.385	
EBITDA	50.692	40.537	25%
Depreciation and amortization	-14	-13	
EBIT	50.678	40.524	25%
Interest income*	-25.312	-21.684	
Income from investments	4.799	3.485	
Valuation result	8.018	5.550	
EBT	38.183	27.875	37%
Taxes	-11.756	-8.500	
Minority interests in earnings	1.309	-356	
Cons. net profit for the period	27.736	19.019	46%

+++ The Shopping Center Company +++

* in 2003 including adjustment of securities' market values (k€ +289)

Reconciliation of Earnings

€ thousand

Consolidated net profit for the period, 2003	19,019
Turnover	3,542
Other operating income	8,300
Expenses	-1,687
Interest income	-2,238
Interest expenses	-1,390
Income from investments	1,314
Valuation result	2,468
Taxes	-3,256
Minority holdings	1,665
Consolidated net profit for the period, 2004	27,736

Earnings per Share

	2004	2003	In/decrease
Consolidated net profit for the period, k€	27.736	19.019	
Earnings per share	1,78 €	1,22 €	46%
thereof			
current earnings per share	1,32 €	0,93 €	42%
valuation result	0,46 €	0,29 €	59%

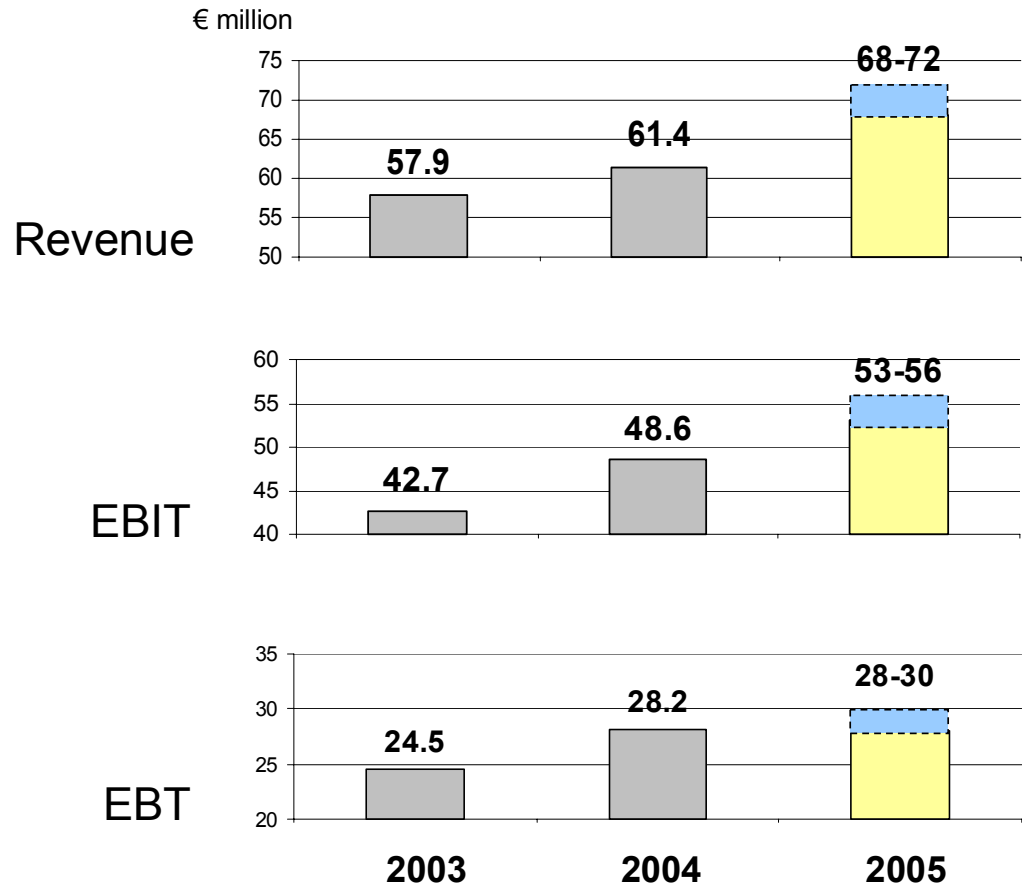
Net Asset Value

€ thousand	2004	2003
Non-current assets	1.203.251	1.095.444
Current assets	166.957	145.012
Total assets	1.370.208	1.240.456
Non-current liabilities	-597.662	-476.646
Current liabilities	-36.458	-24.923
Net assets	736.088	738.887
Equity share, minority shareholders	-49.271	-56.348
Net assets, Deutsche EuroShop = net asset value	686.817	682.539
Net asset value per share, in €	43,96	43,68

Forecast 2005

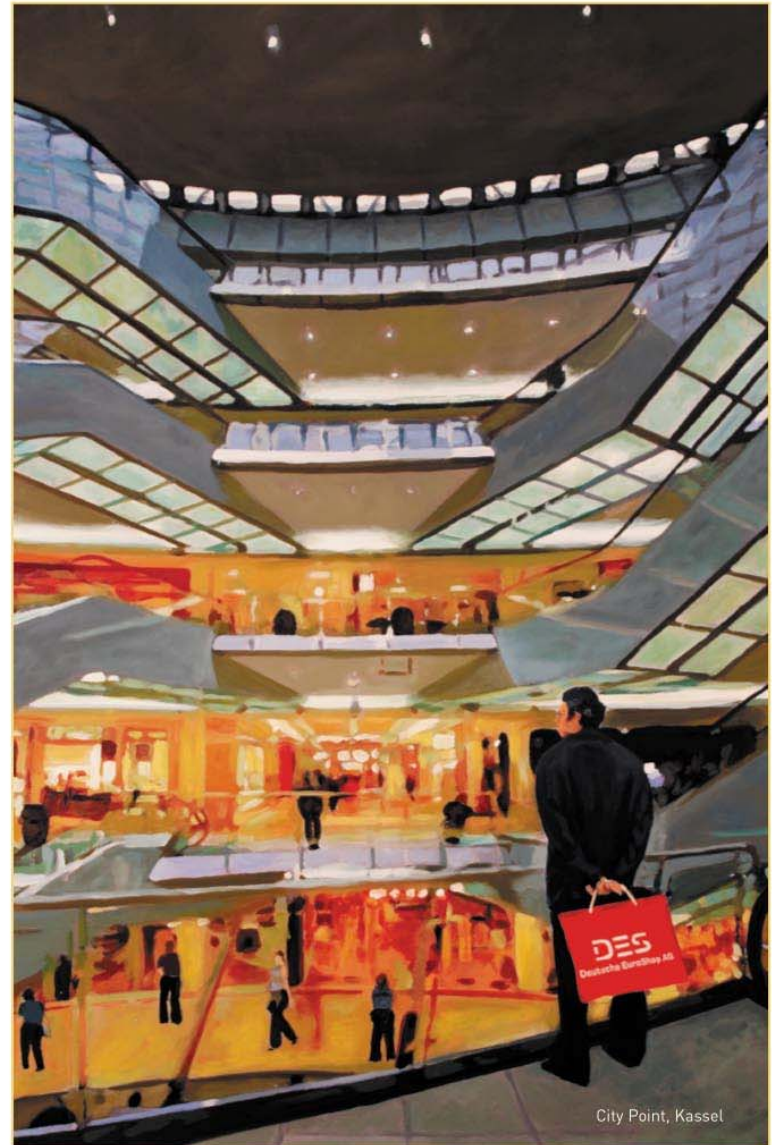
NAV 2005:
initial valuation of
Forum Wetzlar and
Phoenix-Center Hamburg

Acquisition volume:
€ 100 to 150 million

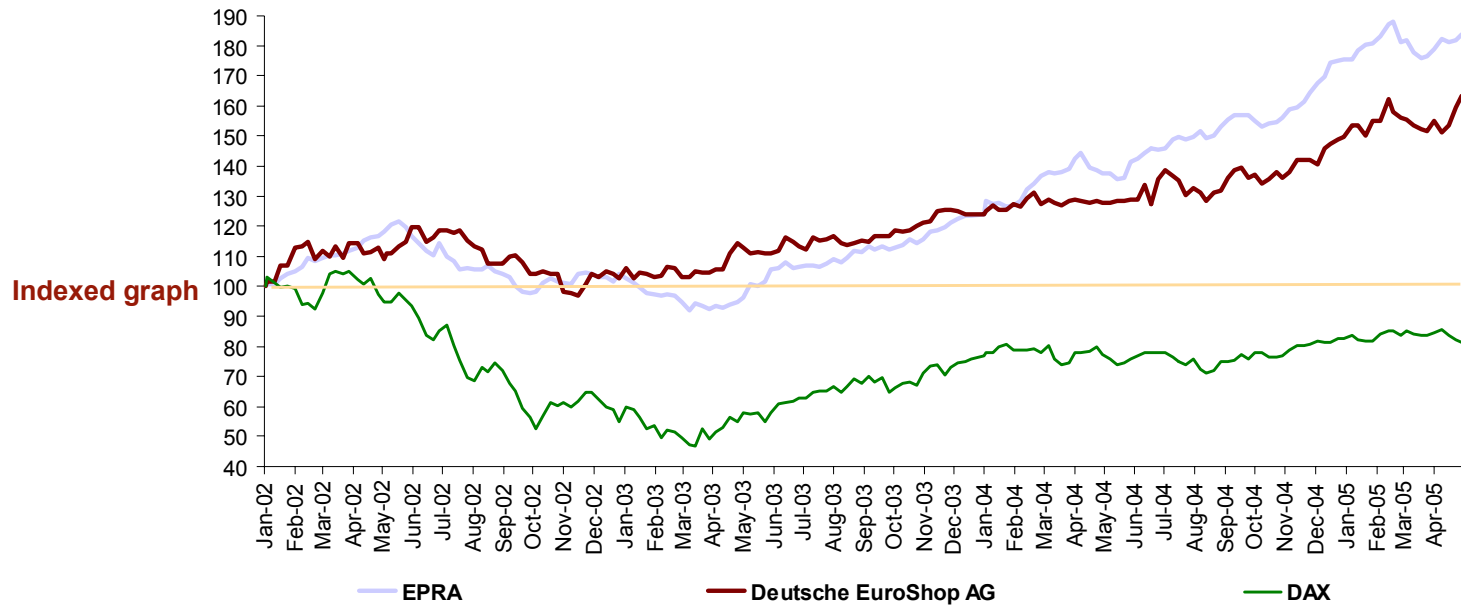


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Shopping Center Share



Trend of the Share in comparison with DAX and EPRA



Key data of the Share

MarketCap > €600 million

Deutsche EuroShop AG

Listed since	02.01.2001
Nominal capital	€20 million
Outstanding shares	15,625,000
Class of shares	Registered shares
Dividend as of 2003 (18.06.2004)	€1.92
52W High	€42.50
52W Low	€32.10
Share price (29.04.2005)	€42,09
Market capitalization	€658 million
avrg. turnover per day 2004	18,300 shares
Indices	MDAX, EPRA, GPR 250, EPIX 30
Prime Standard	Prime Standard Frankfurter Wertpapierbörse and XETRA
OTC market	Berlin-Bremen, Dusseldorf, Hamburg, Munich and Stuttgart
ISIN	DE 000 748 020 4
Ticker	DEQ, Reuters: DEQGn.DE
Designated Sponsor	Seydler AG, Frankfurt

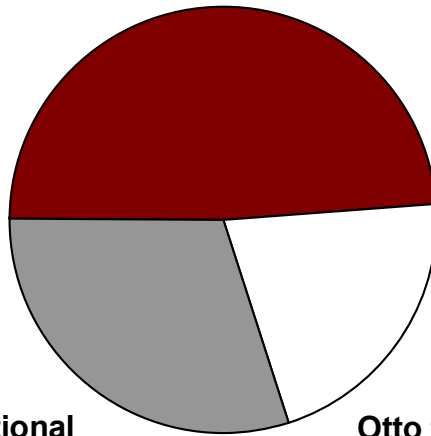
+++ The Shopping Center Company +++

Shareholder Structure

7,300 shareholders

Free float 79%

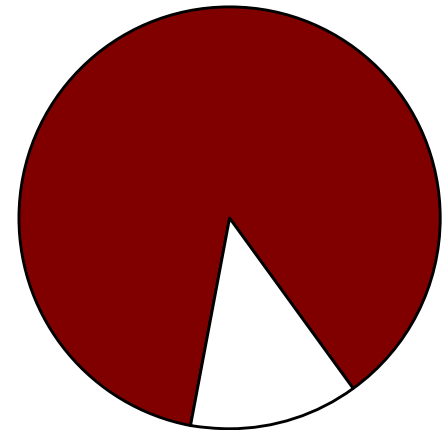
Private Investors 49%



Institutional Investors 30%

Otto family 21%

Germany 87%



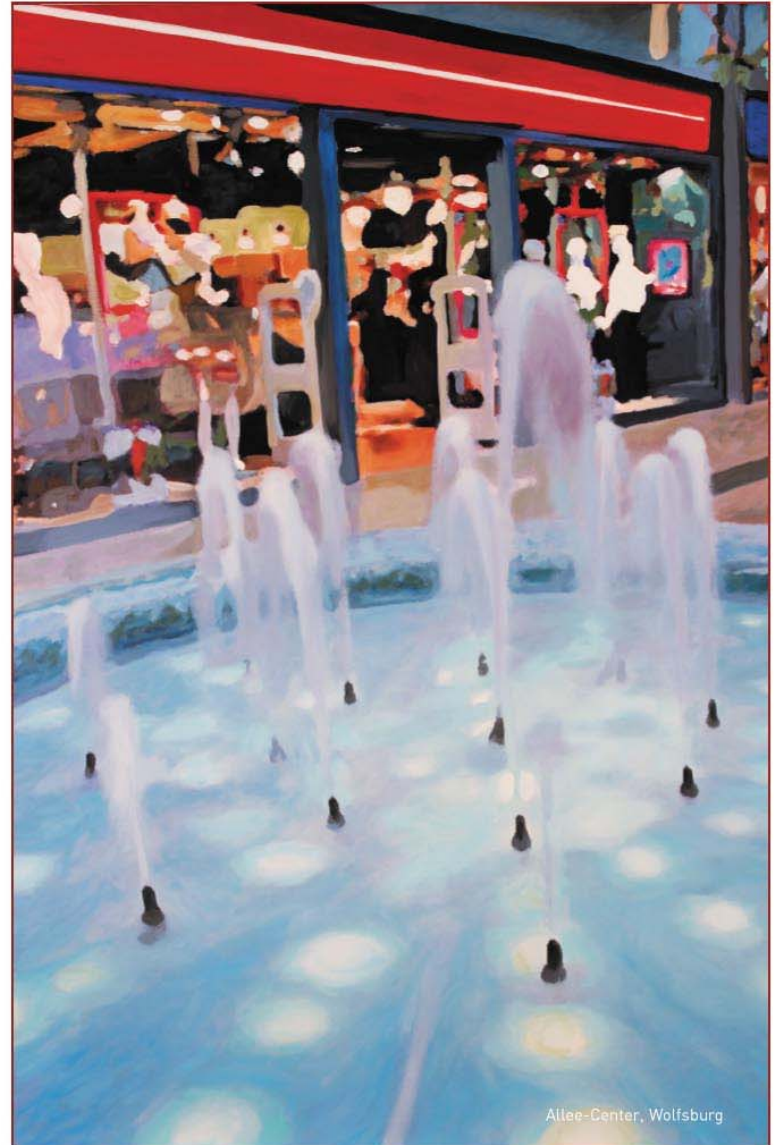
International 13%

Coverage



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Appendix



HGB → IFRS 2003

- Change in the consolidated entity:
 - Previously eight fully consolidated subsidiaries (> 50 % interest)
 - Now additional proportionate consolidation of the Dresden, Kassel and Pécs investments (between 40 % and 50 % interest)
 - Main Taunus Zentrum and Breslau count as financial instruments pursuant to IAS 39 since no material control is exercised (< 40 % interest)

- Adjustment of bank loans and overdrafts via valuation of discounts

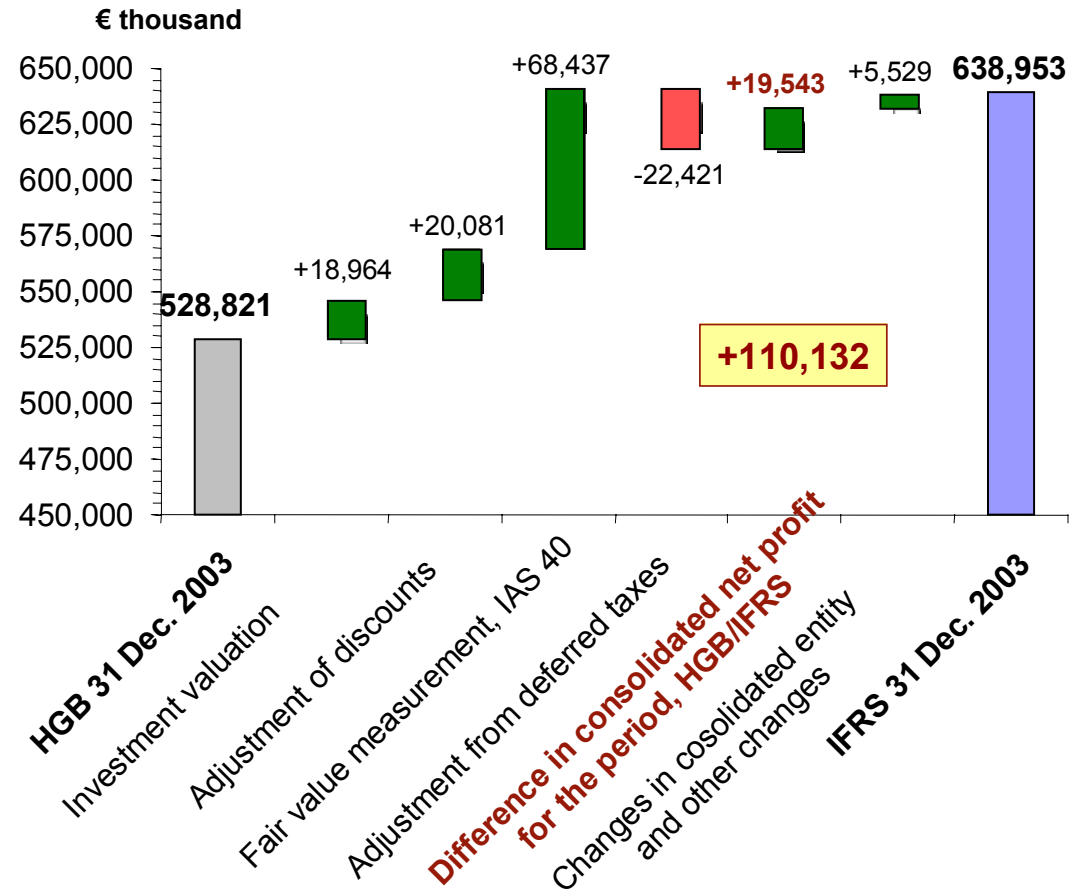
Accounting Decisions

Decision alternatives	Effects on the balance sheet	Effects on P&L
1. Investment properties, IAS 40		
1.1. At cost (acquisition/production cost)	none	none
1.2. Fair value (market prices)	yes	yes
2. Financial instruments, IAS 39		
2.1. At cost (acquisition/production cost)	none	none
2.2. Fair value (market prices)		
2.2.1. Changes in value entered with effect on earnings	yes	yes
2.2.2. Changes in value entered without affecting earnings	yes	no

Effects on Net Assets, 2003

€ thousand	HGB	IFRS	Difference	Thereof proportionate consolidation
Fixed/non-current assets	851.845	1.095.444	243.599	93.998
Current assets	128.837	145.012	16.175	15.909
Total assets	980.682	1.240.456	259.774	109.907
Equity	528.821	638.953	110.132	11.389
Minority interest	6.876	56.348	49.472	0
Total equity	535.697	695.301	159.604	11.389
Liabilities to banks/bank loans and overdrafts	408.642	481.412	72.770	93.157
Other liabilities	36.343	63.743	27.400	5.361
Total liabilities	980.682	1.240.456	259.774	109.907

**Reconciliation of
Consolidated Equity
from HGB to IFRS as
of 31 Dec. 2003**



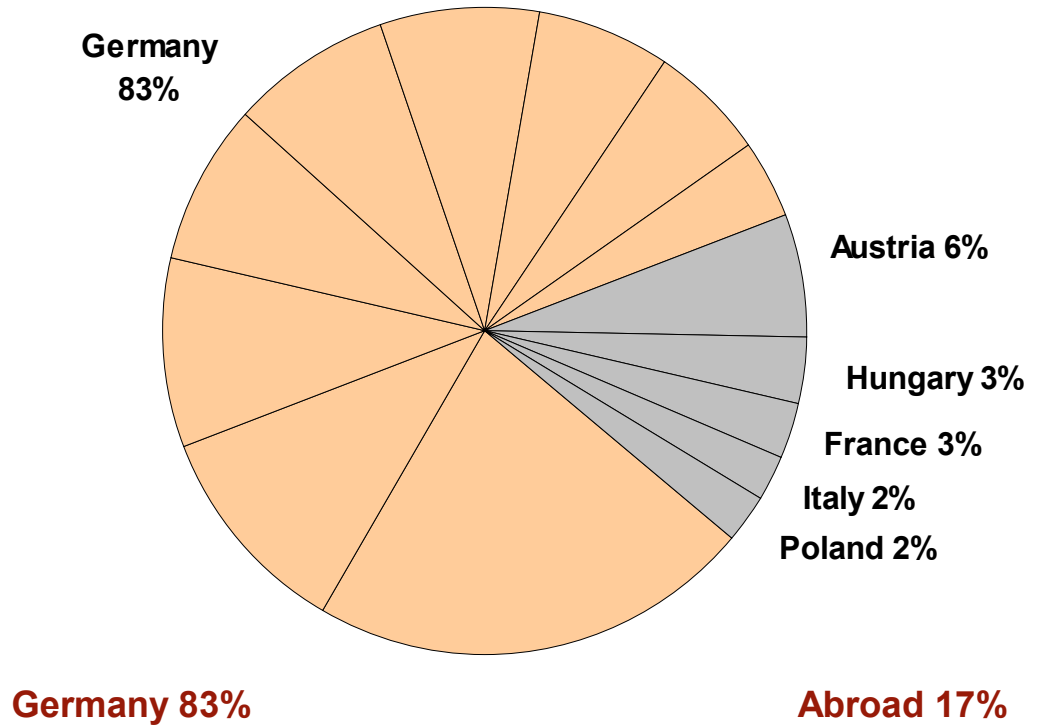
Effects on the Earnings Position, 2003

HGB → IFRS
T€ +19,543

€ thousand	2003	Thereof proportionate consolidation
Net profit for the period, HGB, 31 Dec. 2003	-524	0
Rental and other income	8.912	8.907
Other expenses	-4.789	-4.711
Depreciation and amortization	22.380	0
Expenses and income from the measurement of financial instruments and property	5.550	-1.535
Net interest income/expenses	-7.613	-4.208
Income from investments	-3.030	-3.030
Taxes	228	-354
Minority interests in earnings	-2.095	0
Net profit for the period, IFRS	19.019	-4.931

Investment Volume

The proportionate total investment volume amounts to € 1.2 billion



Financial Calendar 2005

- 10.05. Report on the first quarter 2005
- 11./12.05. Roadshow London
- 24.05. Sal. Oppenheim Real Estate Conference, London
- 01.06. DB German Corporate Conference, Frankfurt
- 02.06. Kempen & Co Property Seminar, Amsterdam
- 09./10.06. Roadshow Scandinavia
- 23.06. Annual General Meeting, Hamburg
- 10.08. Report on the first half 2005
- 28./29.09. HVB German Investment Conference, München
- 26.10. 5. Property Share Initiative Conference, Frankfurt
- 10.11. Report on the first three quarters 2005
- 21.- 23.11. German Equity Forum, Frankfurt am Main

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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.