



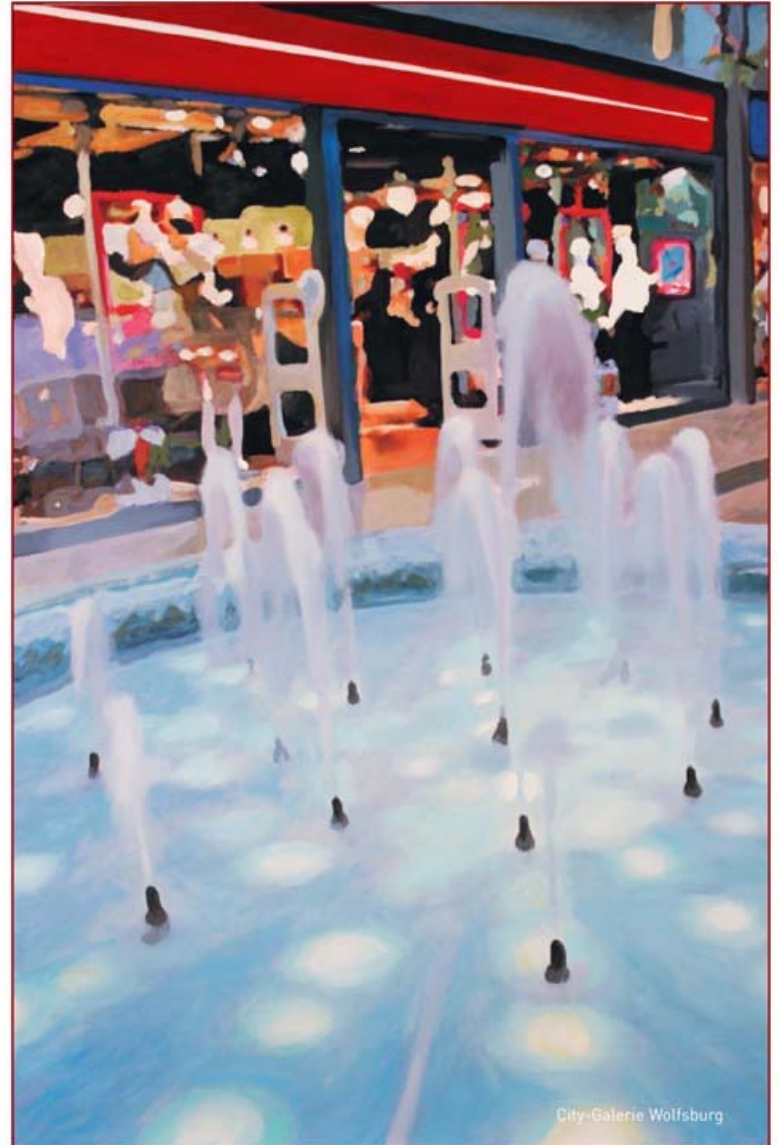
The Art of Shopping

# Company Presentation

June 2005

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

## 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 sqm	327,000 sqm
Retail shops	approx. 1,290	
Investment	€ 1.95 billion	€ 1.2 billion
Rents per year	€ 127 million	€ 77 million

### Potential through sales-linked rents

- (CPI+ )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

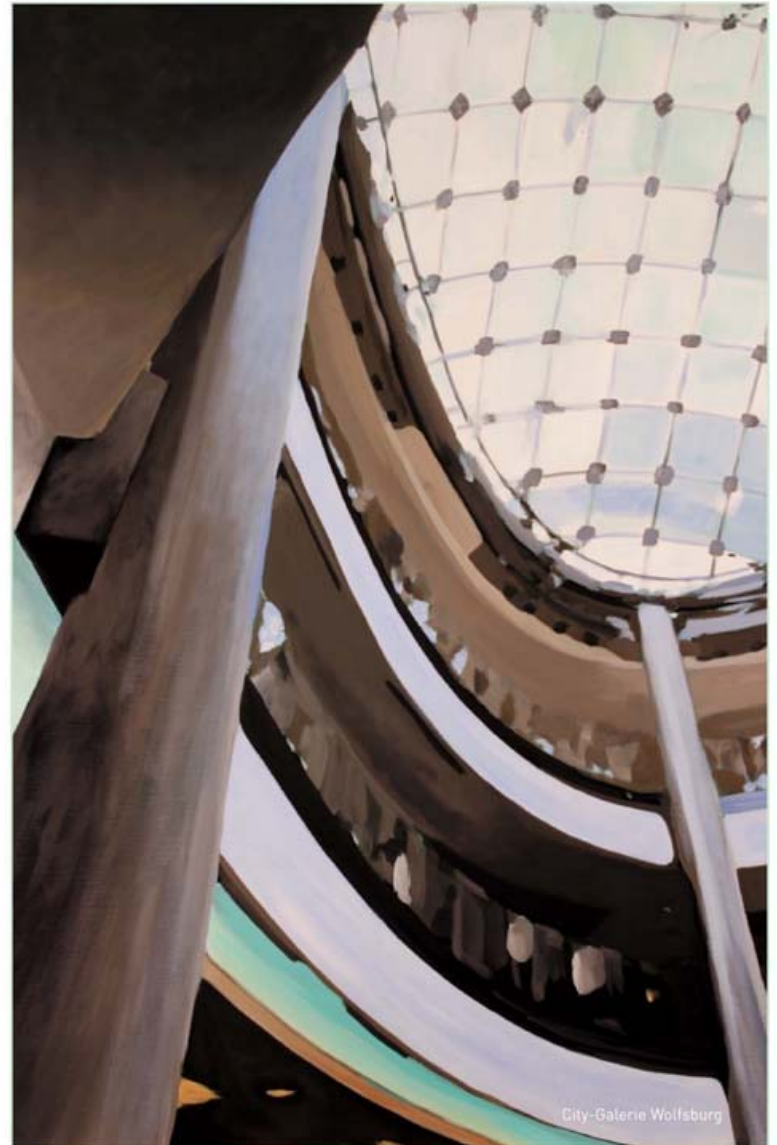
- Long term net asset value enhancement
- “buy & hold”-strategy
- Stable and attractive dividends
- Portfolio expansion by 10% per year
  - by acquisition of new shopping centers
  - by increasing existing amounts of holdings

## Investment Case

- Attractive after-tax dividend yield of currently 4.5%
- 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

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## Shopping Centers



## Locations in Europe





## Shopping Centers in Germany



**Rhein-Neckar-Zentrum  
Viernheim**



**Main-Taunus-Zentrum  
Frankfurt**



**City-Galerie  
Wolfsburg**

<b>Location</b>			
<b>Investment</b>	92.8%	37.4%	89.0%
<b>Lettable space sqm</b>	64,000	102,000	30,000
<b>Parking</b>	3,500	4,000	800
<b>Number of shops</b>	approx. 100	approx. 100	rd. 90
<b>Occupancy rate</b>	100%	100%	100%
<b>Catchment area</b>	1.2 m inhabitants	2.2 m inhabitants	0.6 m inhabitants
<b>Opening/refurbishm.</b>	1972/Nov. 2002	1964/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	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	Sep. 2004	Feb. 2005	Feb. 2002

## Shopping Centers in Europe



**Centro Commerciale  
Tuscia, Viterbo  
Italy**



**Shopping Etrembières  
Annemasse  
France**



**Árkád  
Pécs  
Hungary**

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

## Shopping Centers in Europe



**Galeria Dominikanska  
Wrocław  
Poland**



**City-Arkaden  
Klagenfurt  
Austria**

<b>Location</b>		
<b>Investment</b>	33.3%	50.0%
<b>Lettable space sqm</b>	32,600	30,000
<b>Parking</b>	920	850
<b>Number of shops</b>	approx. 100	approx. 120
<b>Occupancy rate</b>	100%	70%
<b>Catchment area</b>	1.0 m inhabitants	0.4 m inhabitants
<b>Opening</b>	2001	Spring 2006

## Shopping Centers Total

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

**Center  
Management**

**Pro active center  
management for  
sustainable  
development**



Our Tenants



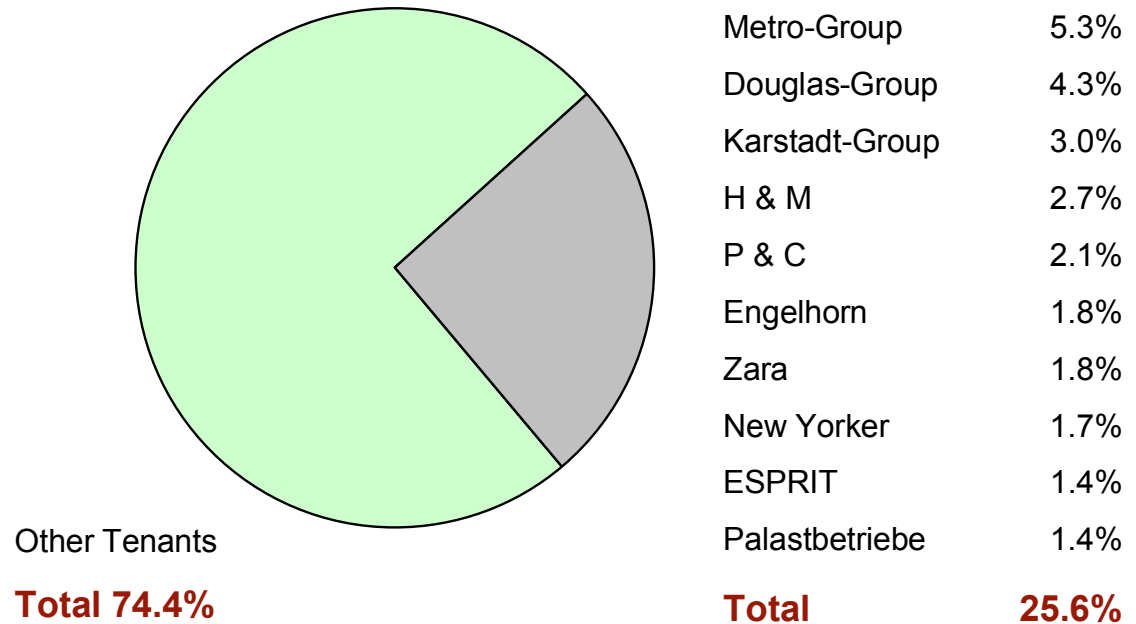
Well-known tenants





## Tenants Structure Top 10 tenants

Low level of  
dependence on  
the top 10 tenants

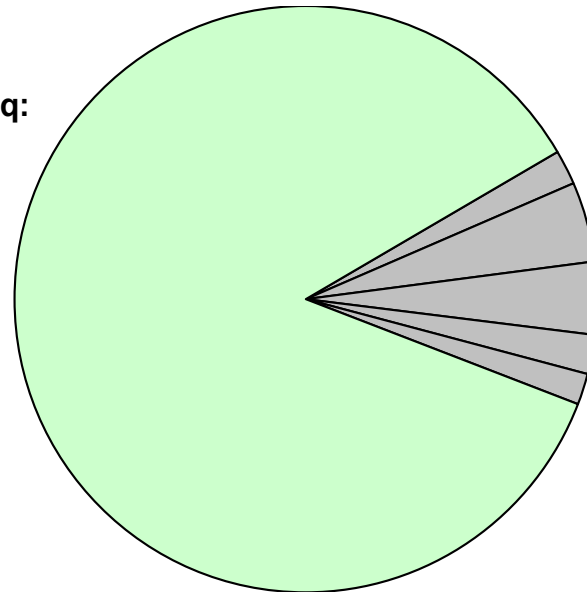


## Maturity Distribution of rental contracts\*

Long-term contracts  
guarantee rental income

Weighted maturity  
> 8 years

2010 et sqq:  
86%



2005: 2%

2006: 4%

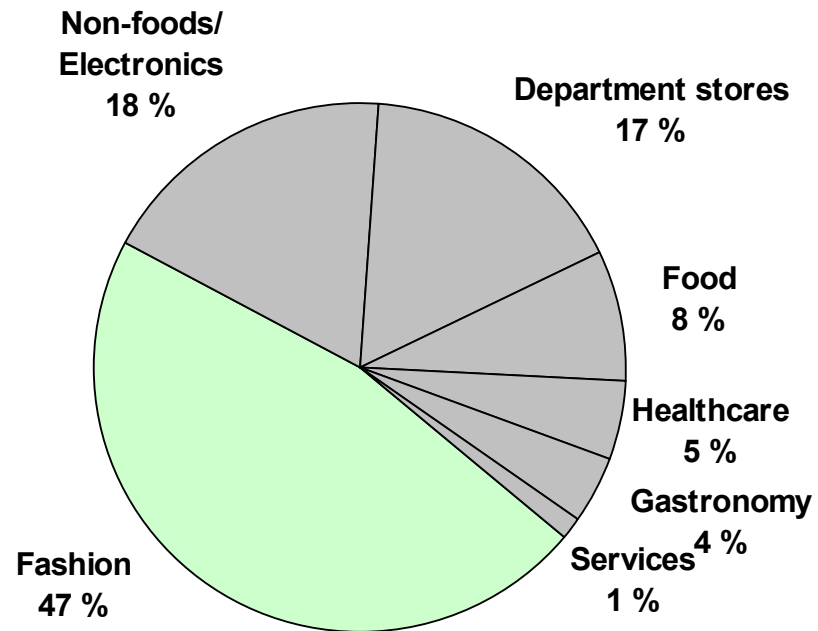
2007: 4%

2008: 2%

2009: 2%

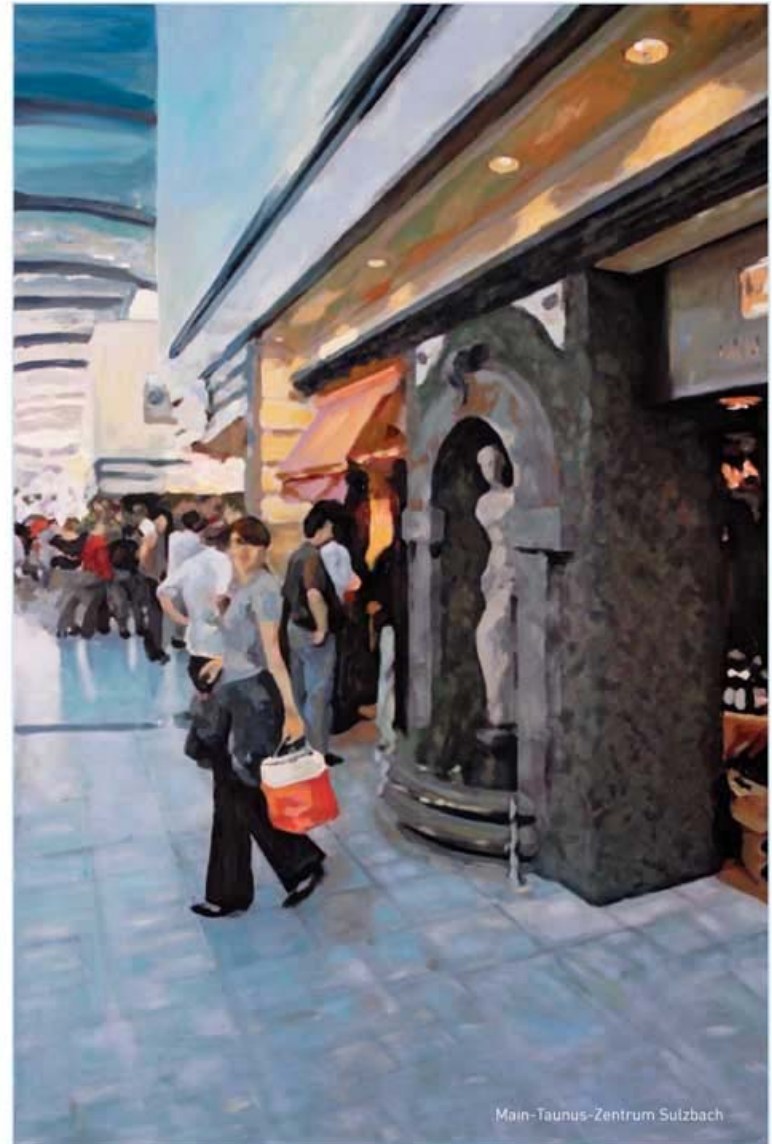
## Sector diversification\*

Balanced sector diversification



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## Financials



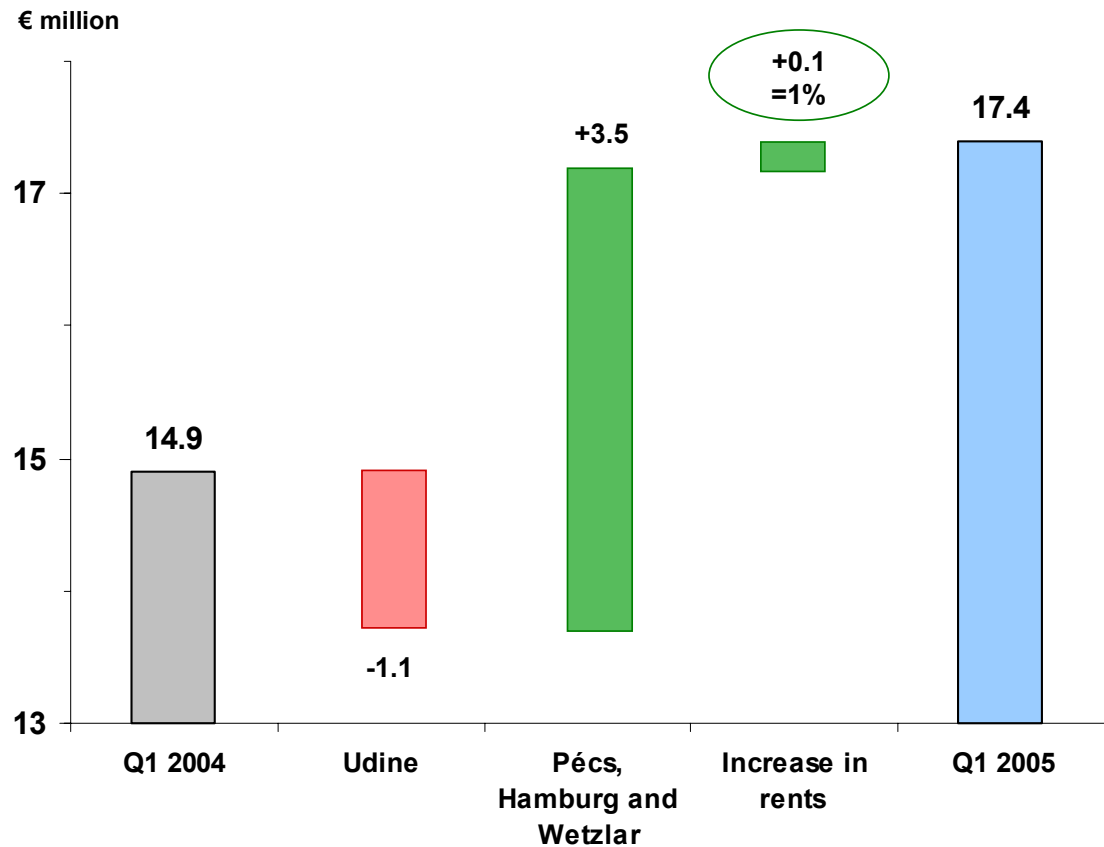
Main-Taunus-Zentrum Sulzbach

## Summary Q1 2005

▪ Revenue	€17.4 million	+17%
▪ EBIT	€13.8 million	+5%
currency adjusted	€13.9 million	+22%
▪ Net finance costs	€ 68 million	- 3%
▪ Profit for the period	€4.4 million	- 2%
currency adjusted	€4.5 million	+11%
▪ EPS	€0.28	- 2%
<p>▪ Retail sales in DES Centers increased by            +1.8% in Germany            +3.0% in total            Official German retail sales: +1.0%</p>		

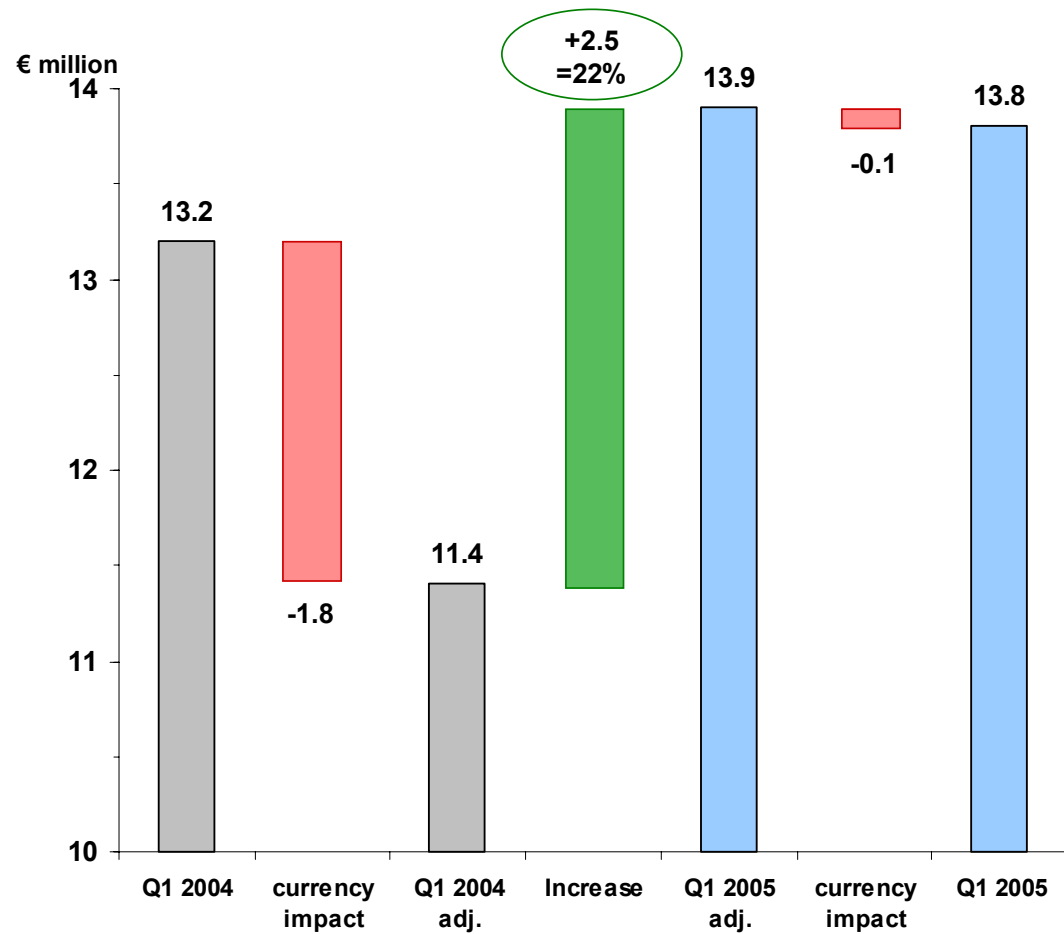
## Revenue Bridge Q1 2004 - Q1 2005

Revenue +17%  
comparable +1%



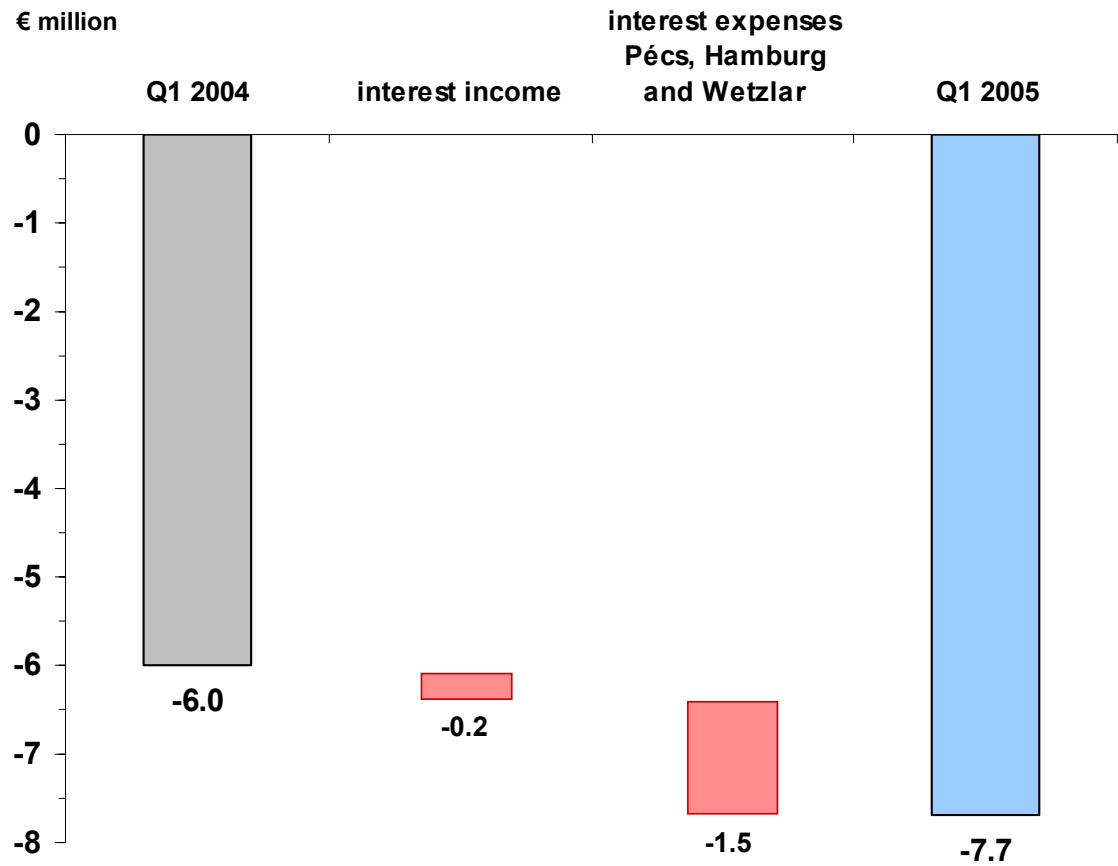
## EBIT Bridge Q1 2004 - Q1 2005

EBIT +5%  
currency adjusted +22%



## Net Interest Expense Bridge Q1 2004 - Q1 2005

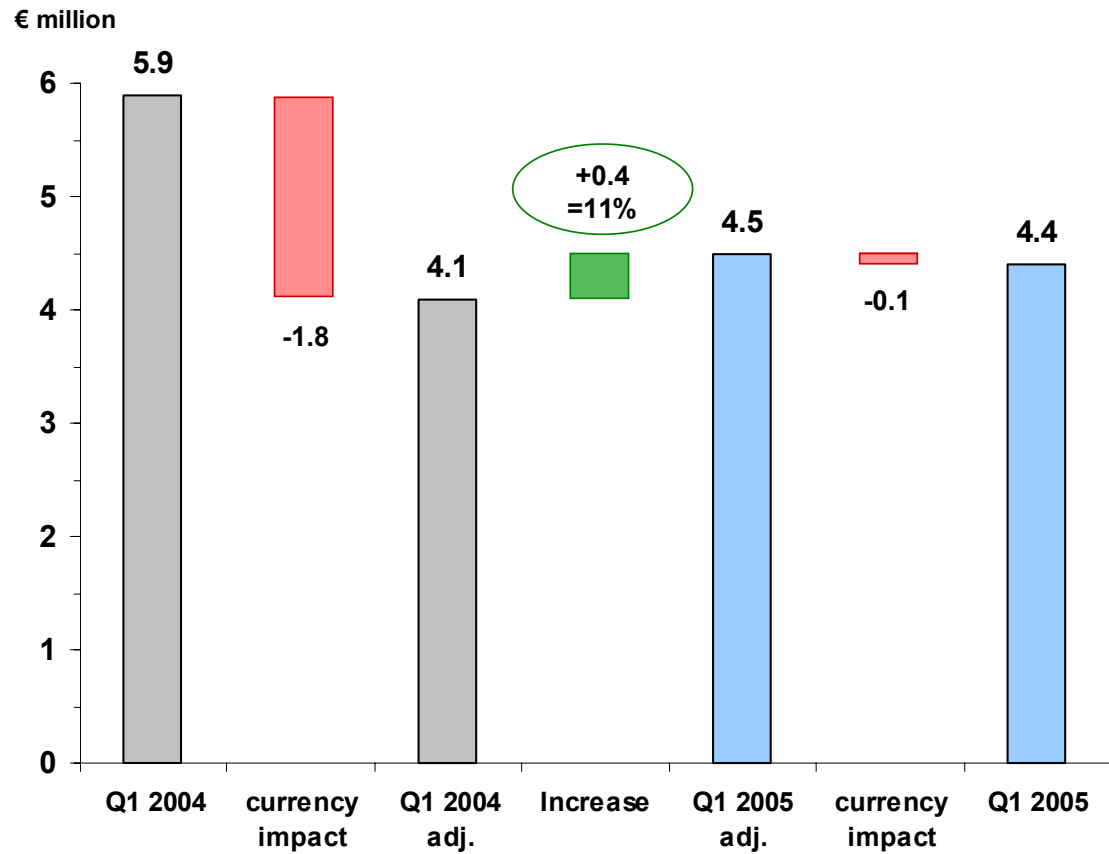
Net interest expense -36%





## Profit Bridge Q1 2004 - Q1 2005

Profit -25%  
currency adjusted +11%



## Profit and Loss Account

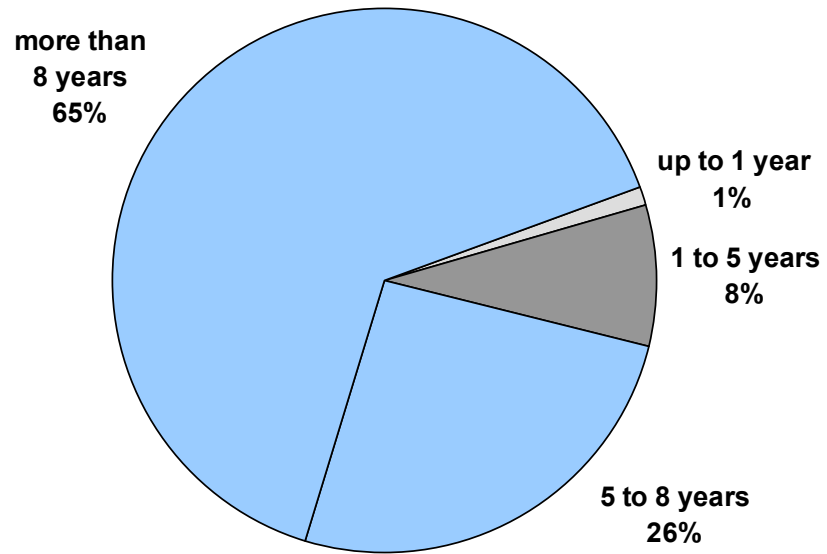
€ thousand	1 Jan.- 31 Mar. 2005	1 Jan.- 31 Mar. 2004	in/decrease
<b>Revenue</b>	<b>17,408</b>	<b>14,891</b>	<b>17%</b>
Other operating income	489	2,015	
Expenses	-4,055	-3,683	
Depreciation and amortization	-4	-3	
<b>EBIT</b>	<b>13,838</b>	<b>13,220</b>	<b>5%</b>
Net interest expense	-7,679	-6,012	
Income from investments	1,043	1,076	
Valuation result	-156	-47	
<b>Net finance costs</b>	<b>-6,792</b>	<b>-4,983</b>	
<b>EBT</b>	<b>7,046</b>	<b>8,237</b>	<b>-14%</b>
Taxes	-2,028	-2,144	
Minority interests in earnings	-573	-187	
<b>Cons. net profit for the period</b>	<b>4,445</b>	<b>5,906</b>	<b>-25%</b>

## Balance Sheet

€ thousand	31 Mar. 2005	31 Dec. 2004	In/decrease
Fixed/non-current assets	1,207,751	1,203,251	4,500
Current assets	169,254	166,957	2,297
<b>Total assets</b>	<b>1,377,005</b>	<b>1,370,208</b>	<b>6,797</b>
Equity	689,593	684,412	5,181
Long term debt	610,426	597,662	12,764
Deferred taxes	53,374	51,676	1,698
Current liabilities	23,612	36,458	-12,846
<b>Total liabilities</b>	<b>1,377,005</b>	<b>1,370,208</b>	<b>6,797</b>

**Liabilities -  
Maturities**

**Ø effective interest rate  
5.66%**

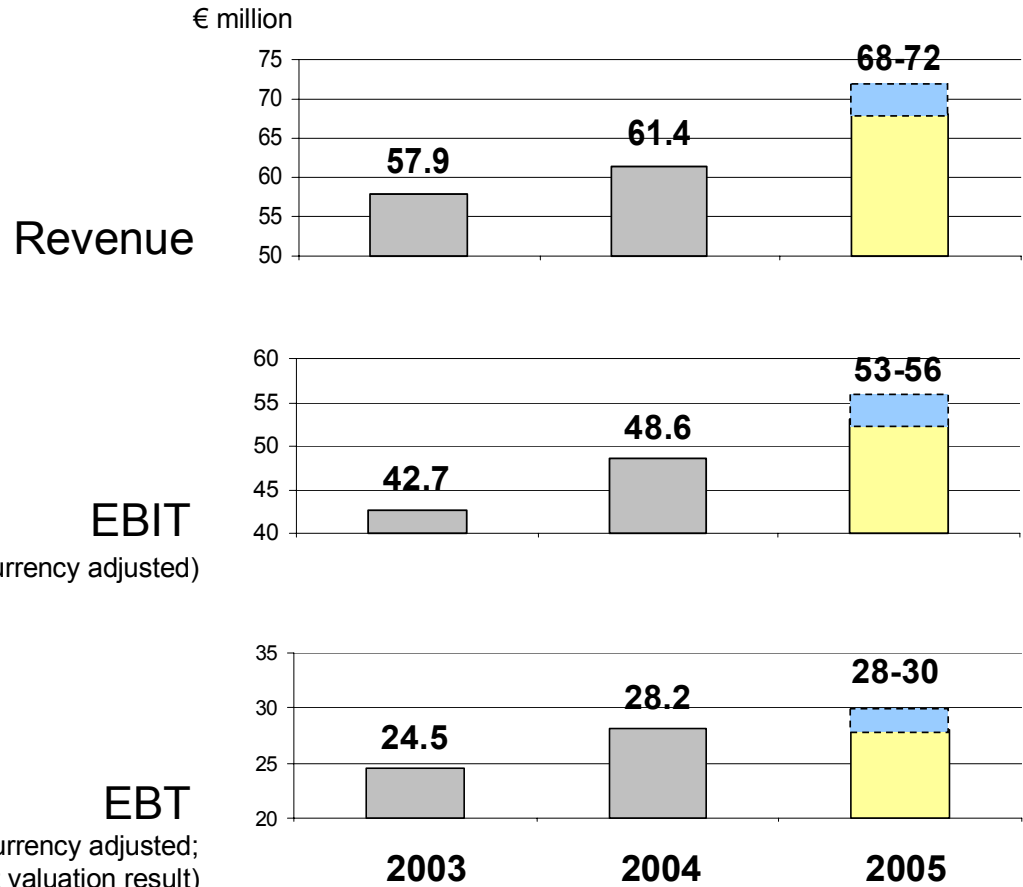


**more than 5 years  
91%**

**Forecast 2005**

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

**Acquisition volume:**  
€100-150 million



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## Shopping Center Share

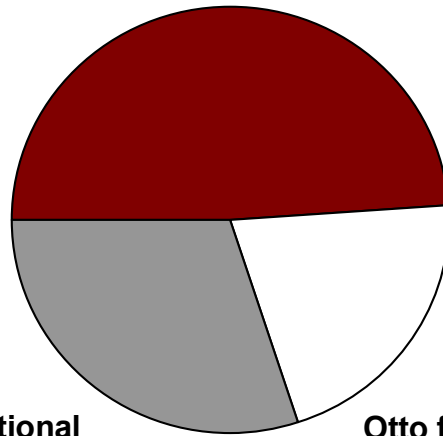


**Shareholder Structure**

7,700 shareholders

Free float 79%

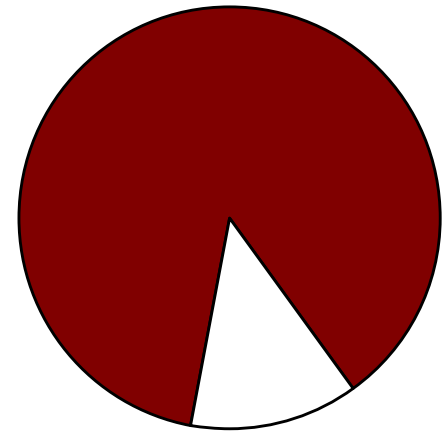
**Private Investors 49%**



**Institutional Investors 30%**

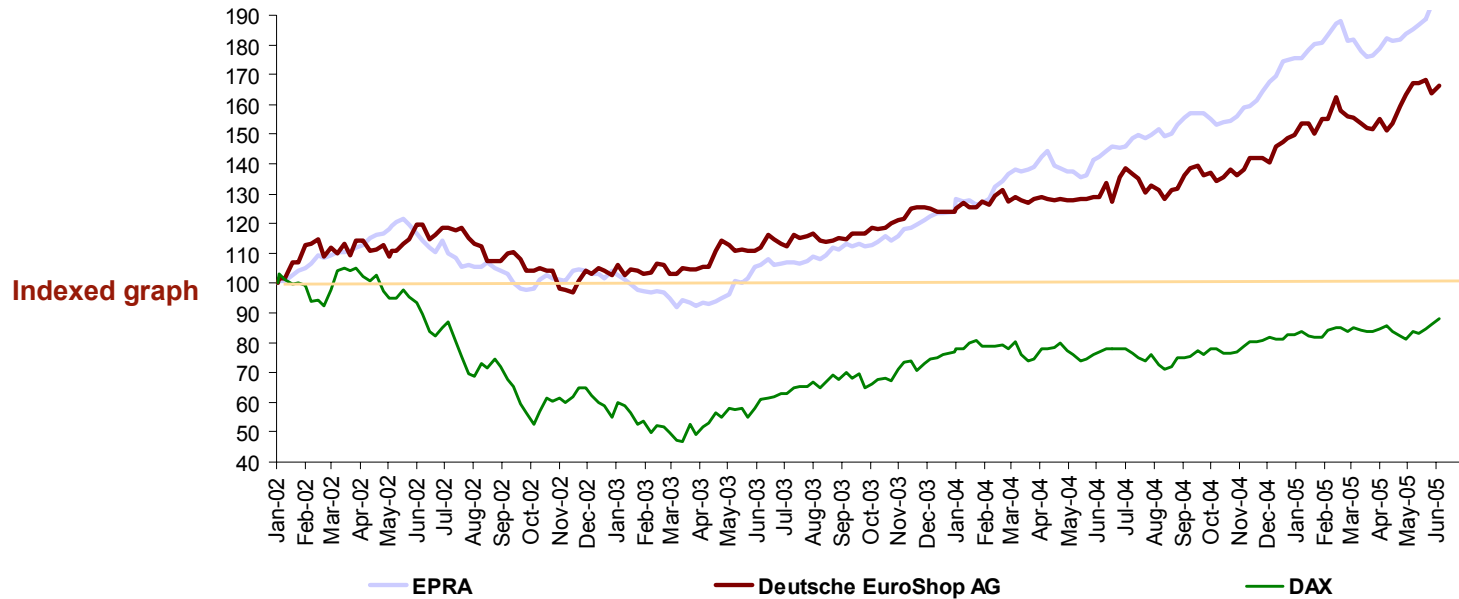
**Otto family 21%**

**Germany 87%**



**International 13%**

## Trend of the Share in comparison with DAX and EPRA





Coverage



## Key data of the Share

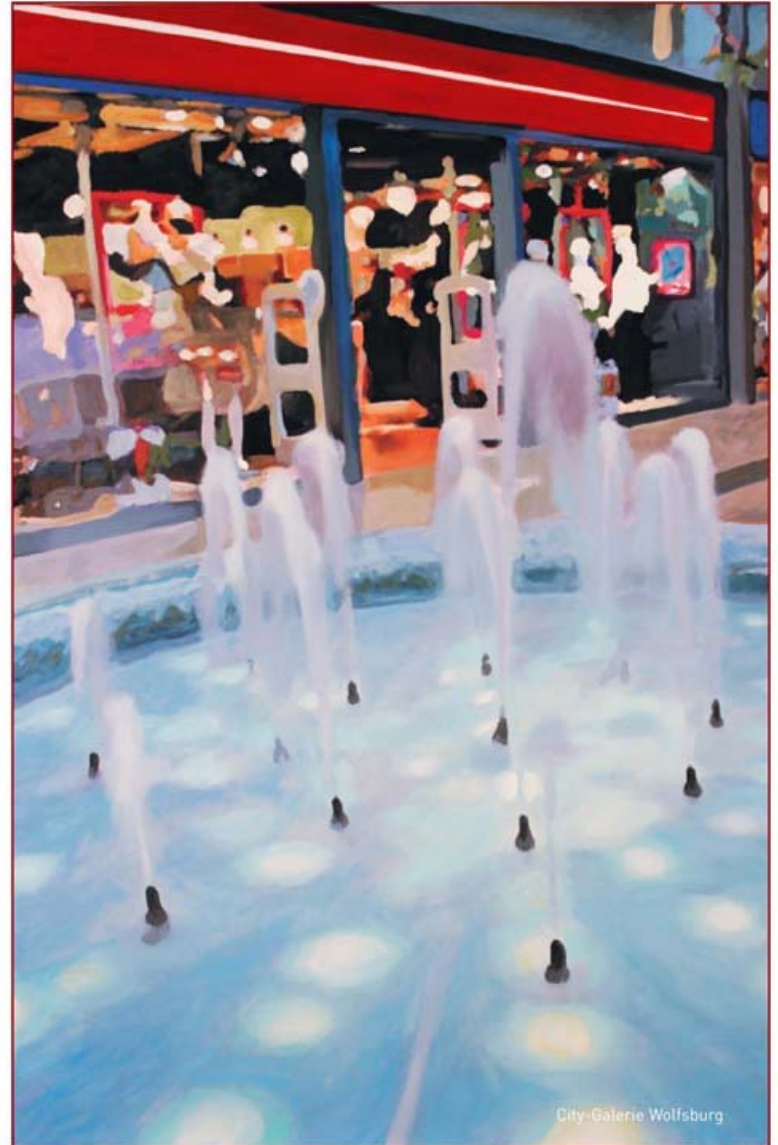
**MarketCap > €650 million**

### Deutsche EuroShop AG

Listed since	02.01.01
Nominal capital	€20 million
Outstanding shares	15,625,000
Class of shares	Registered shares
(proposed) Dividend 2004 (23.06.2005)	€1.92
52W High	€43.50
52W Low	€32.10
Share price (06.06.2005)	€42,80
Market capitalisation	€669 million
avrg. turnover per day 2005	37,400 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
Designated Sponsor	Seydler AG, Frankfurt

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## Appendix



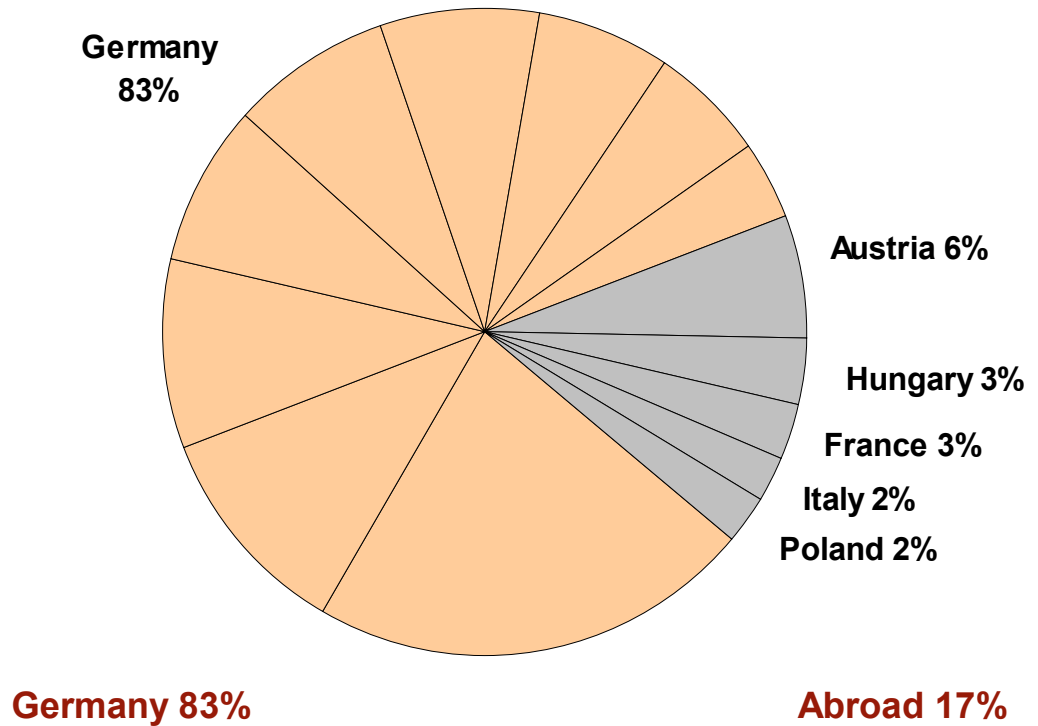
City-Galerie Wolfsburg

## 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

## Investment Volume

The proportionate total investment volume amounts to € 1.2 billion



## Financial Calendar 2005

- 16.06. Morgan Stanley Property Conference, London
- 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

## Contact

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### 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.

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