

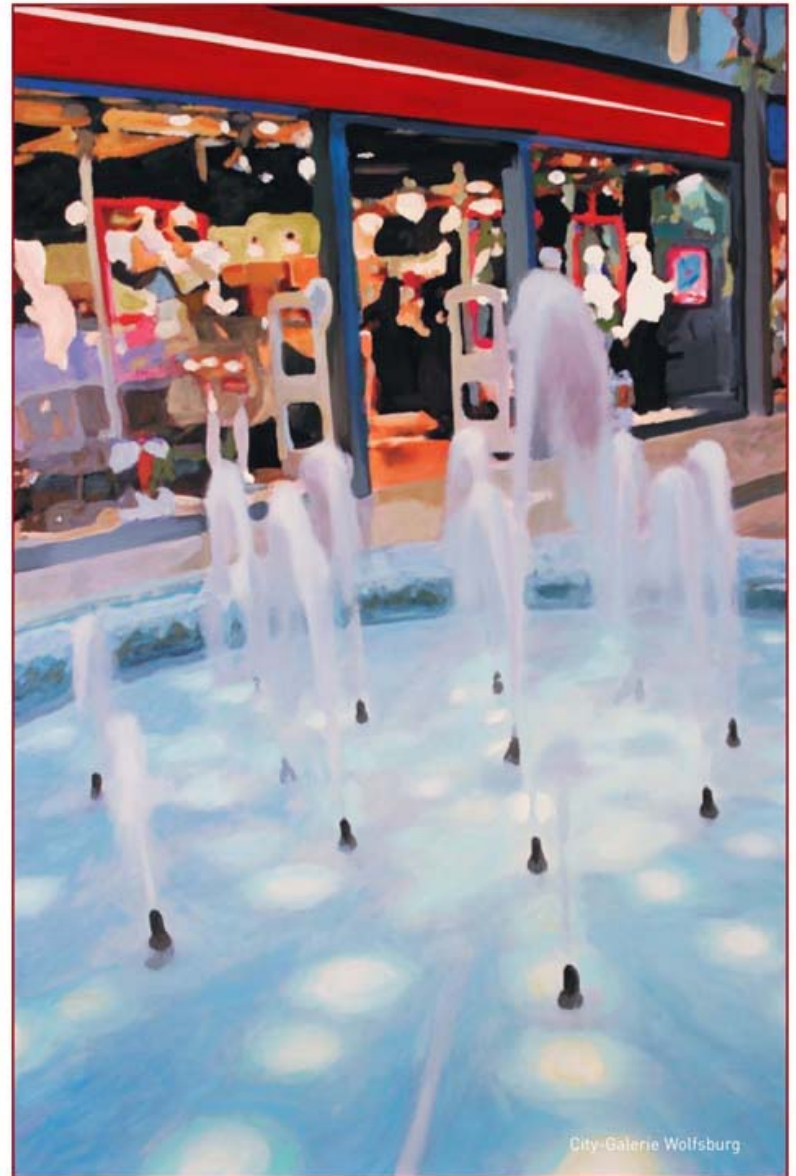
The Art of Shopping

# Company Presentation

November 2005

The Art of Shopping

**Company**



City-Galerie Wolfsburg

## 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**

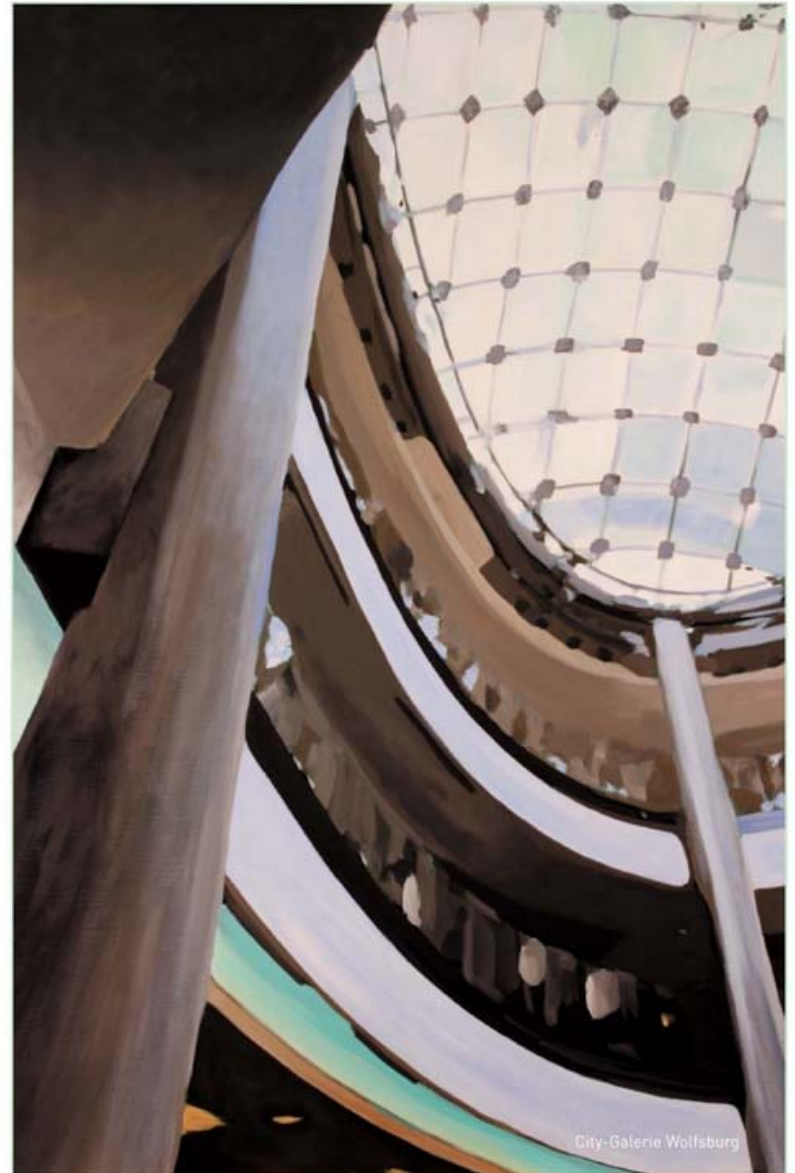
- **Targets**
  - Long term net asset value enhancement
  - “buy & hold”-strategy
  - Stable and attractive dividends
  - Portfolio expansion by 10% per year
    - by acquisition of new shopping centers
    - by increasing existing amounts of holdings

## Investment Case

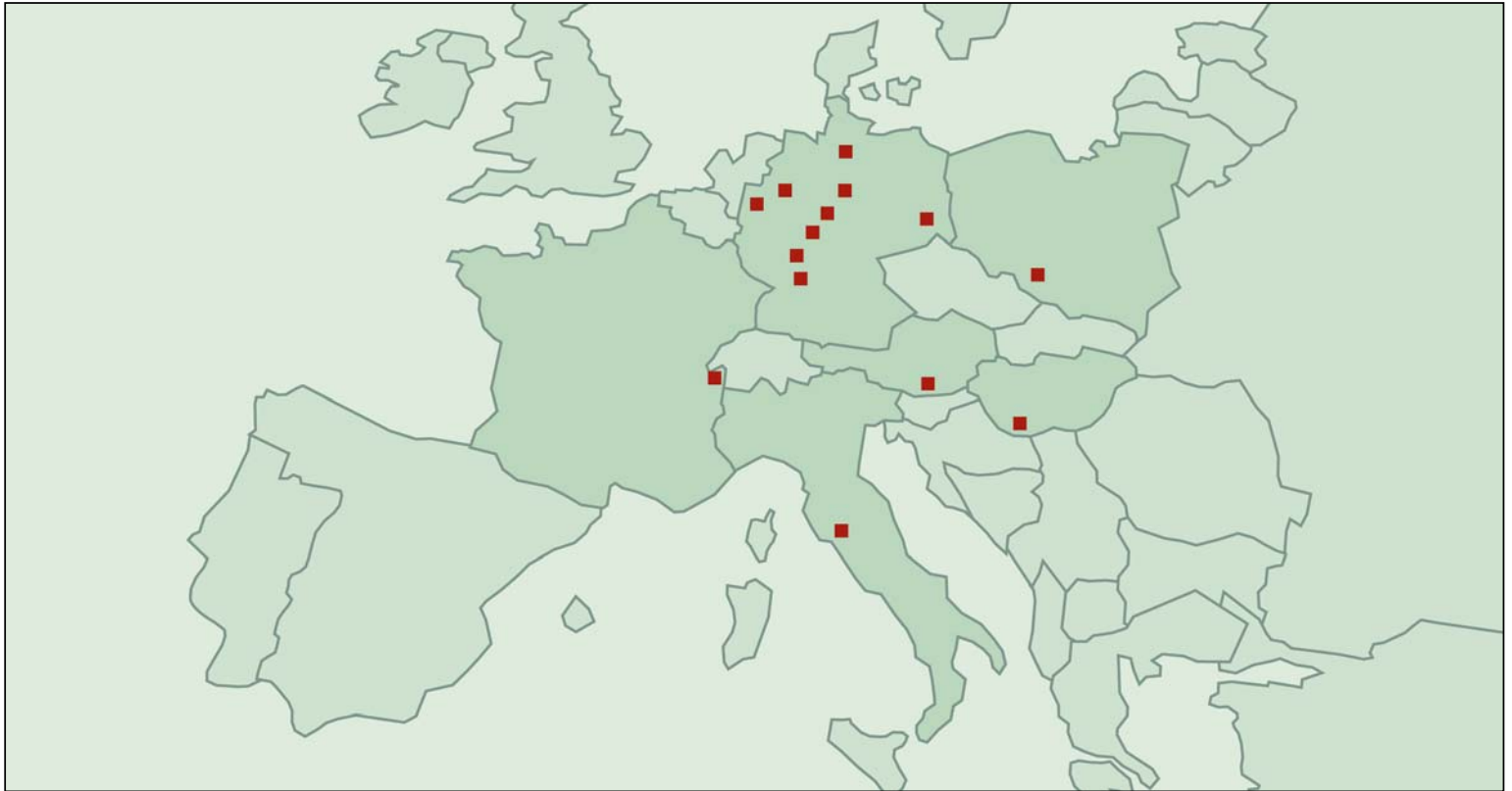
- Attractive after-tax dividend yield of currently 4.4%
- Net Asset Value per share €43.96 (+1%)
- Rating: entire portfolio was given an “very good” rating
- Consolidated equity ratio currently 50% (plan: >45%)
- Independent management with many years of experience in shopping center development
- Investment-focus: 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**

Location	Rhein-Neckar-Zentrum Viernheim	Main-Taunus-Zentrum Frankfurt	City-Galerie Wolfsburg
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.	1972/Nov. 2002	1964/Sep. 2004	Sep. 2001

## Shopping Centers in Germany



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



**City-Arkaden**  
**Wuppertal**



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

Location			
<b>Investment</b>		50.0%	72.0%
<b>Lettable space sqm</b>		43,800	28,100
<b>Parking</b>		520	650
<b>Number of shops</b>		approx. 100	approx. 90
<b>Occupancy rate</b>		99%	100%
<b>Catchment area</b>		1.0 m inhabitants	0.7 m inhabitants
<b>Opening/refurbishm.</b>		Sep. 2002	Oct. 2001
			87.7%
			34,800
			1,290
			approx. 80
			100%
			1.0 m inhabitants
			1992/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**



<b>Location</b>	<b>Centro Commerciale Tuscia, Viterbo Italy</b>	<b>Shopping Etrembières Annemasse France</b>	<b>Árkád Pécs Hungary</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**



Location	Galeria Dominikanska Wroclaw Poland	City-Arkaden Klagenfurt Austria
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%	100%
Catchment area	1.0 m inhabitants	0.4 m inhabitants
Opening	2001	March 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



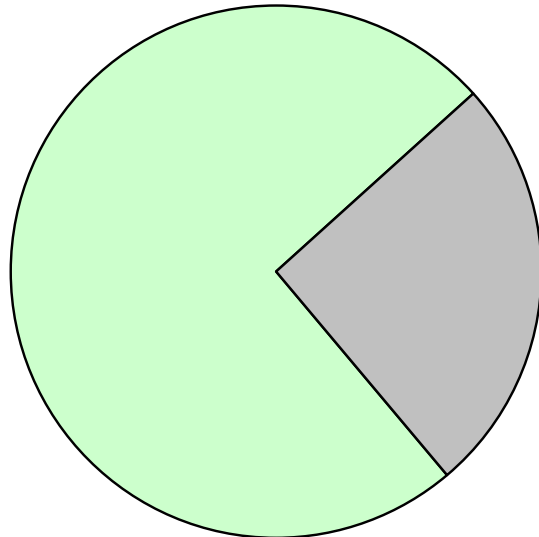
Well-known tenants





**Tenants Structure  
Top 10 tenants**

**Low level of  
dependence on  
the top 10 tenants**



Other Tenants  
**Total 74.4%**

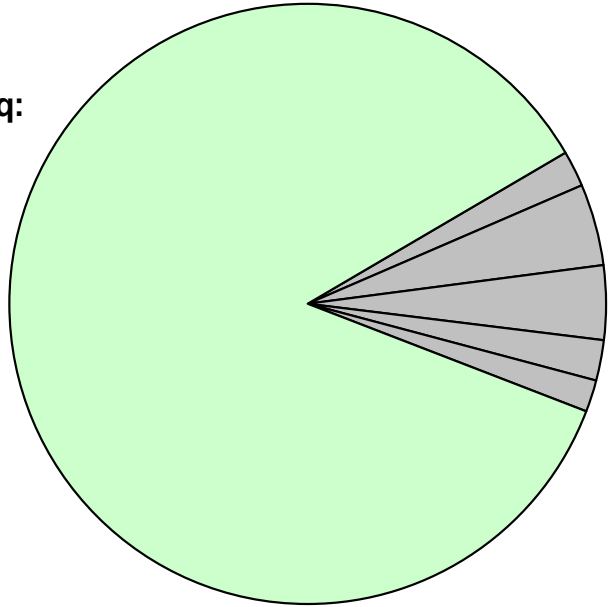
Metro-Group	5.3%
Douglas-Group	4.3%
Karstadt-Group	3.0%
H & M	2.7%
P & C	2.1%
Engelhorn	1.8%
Zara	1.8%
New Yorker	1.7%
ESPRIT	1.4%
Palastbetriebe	1.4%
<b>Total</b>	<b>25.6%</b>

**Maturity  
Distribution  
of rental contracts\***

**Long-term contracts  
guarantee rental income**

**Weighted maturity  
> 8 years**

**2010 et sqq:  
86%**



**2005: 2%**

**2006: 4%**

**2007: 4%**

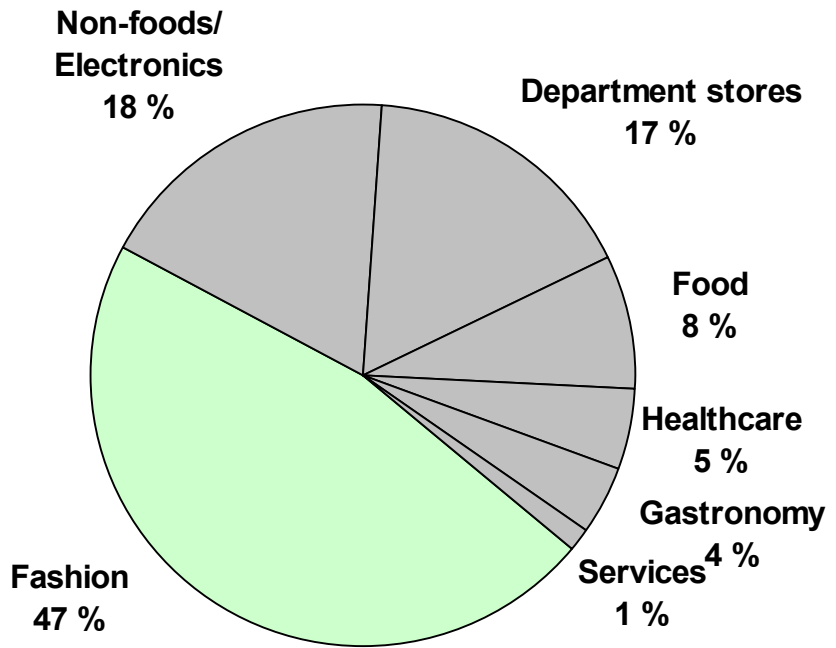
**2008: 2%**

**2009: 2%**

\* as % of rental income – not including Klagenfurt as at December 31, 2004

**Sector  
diversification\***

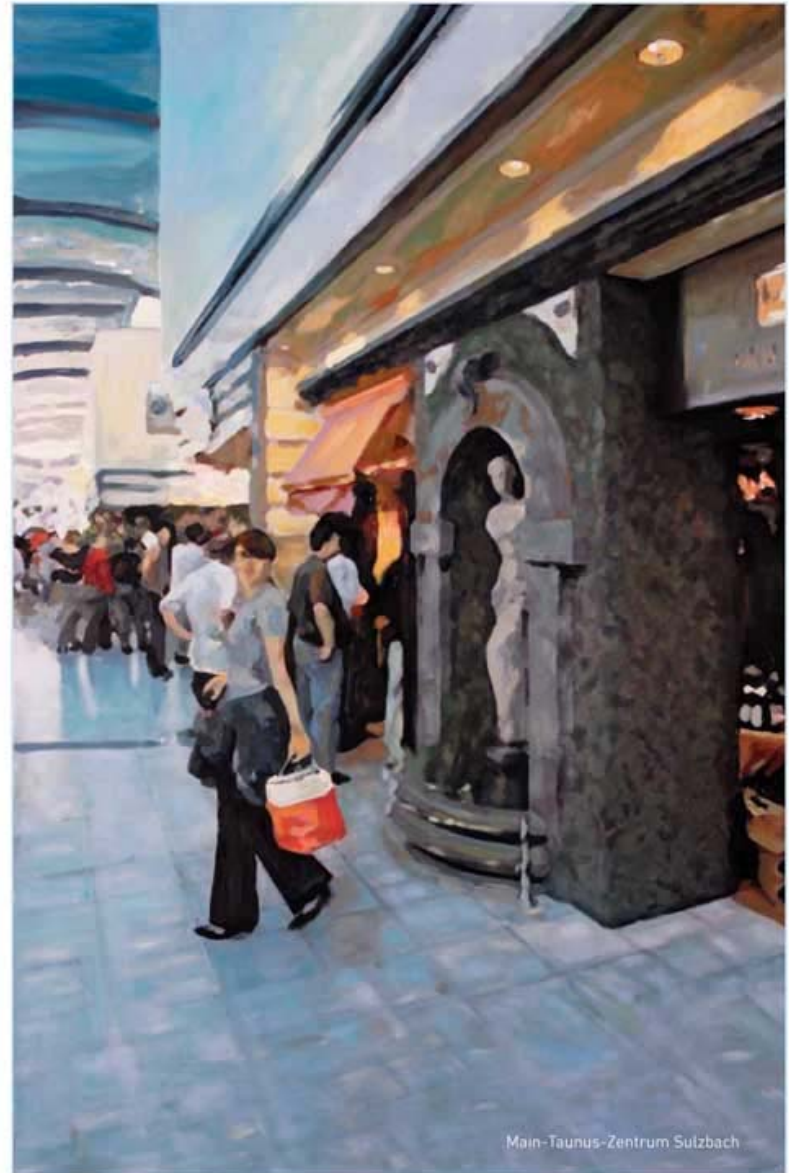
**Balanced sector  
diversification**



\* in % of lettable space; not including Klagenfurt as at April 21, 2005

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## Financials



Main-Taunus-Zentrum Sulzbach

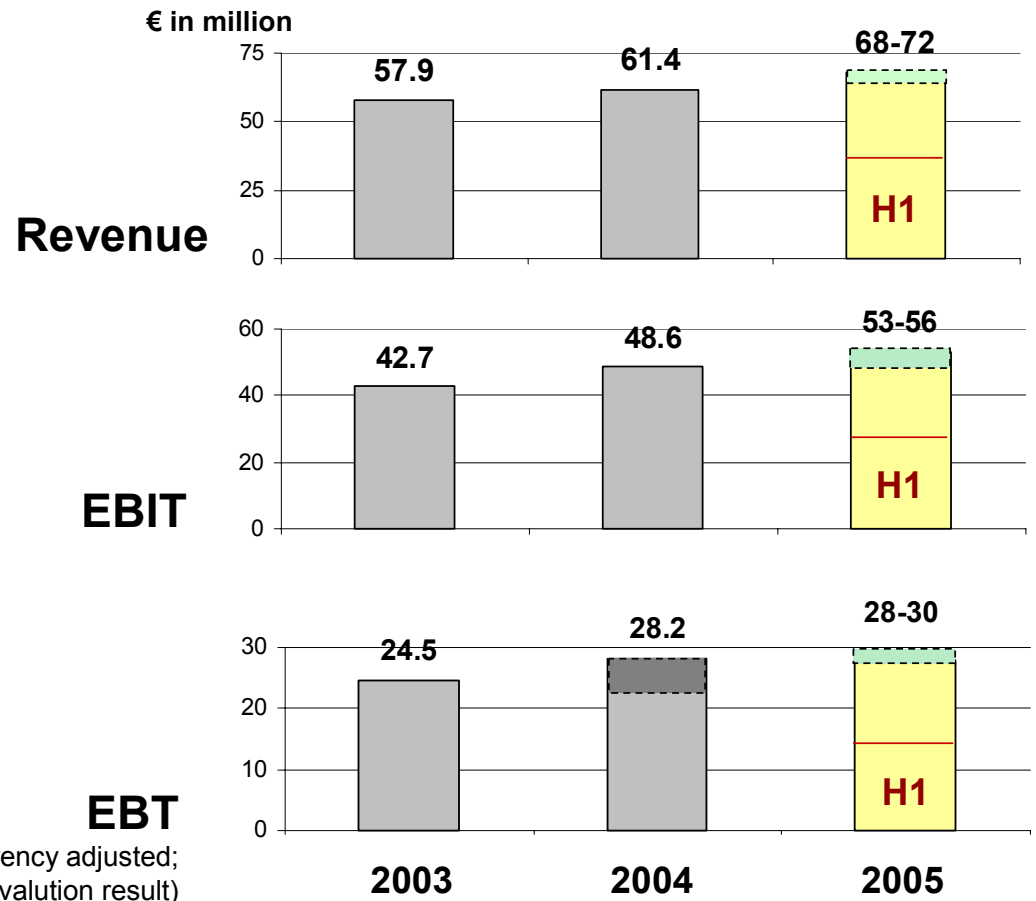
## Summary H1 2005

▪ Revenue	€35.2 million	+14%
▪ EBIT	€28.4 million	+17%
currency adjusted	€28.6 million	+24%
▪ Net finance costs	€-13.9 million	-14%
▪ Profit for the period	€9.0 million	+8%
currency adjusted	€9.2 million	+30%
▪ EPS	€0.58	+8%

**Forecast 2005**

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

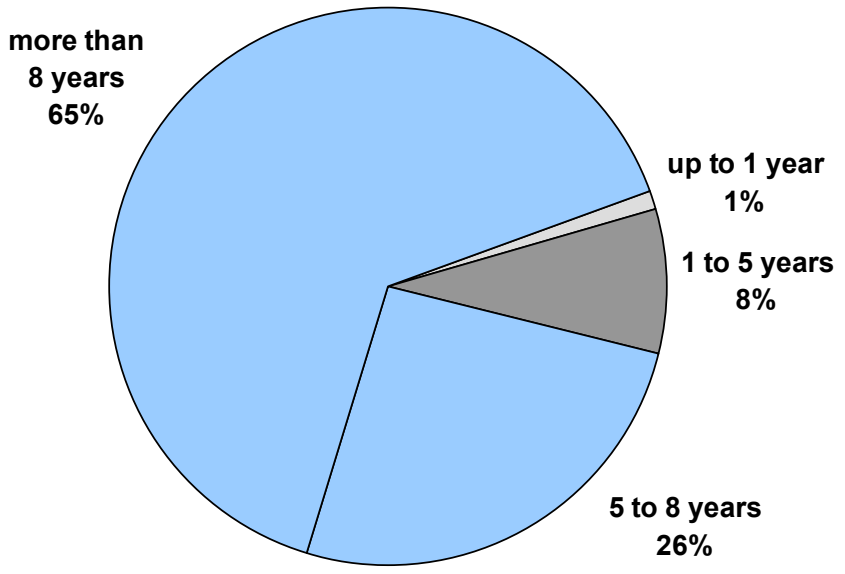
**Acquisition volume:**  
€100-150 million



+++ The Shopping Center Company +++  
(currency adjusted;  
without valuation result)

**Liabilities -  
Maturities**

Ø effective interest rate  
5.66%



**more than 5 years  
91%**

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## Shopping Center Share

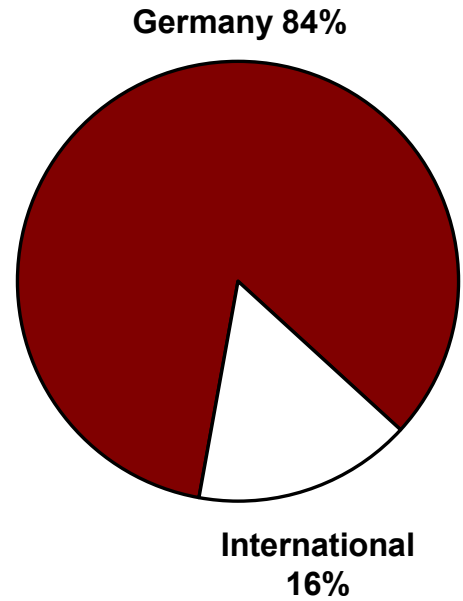
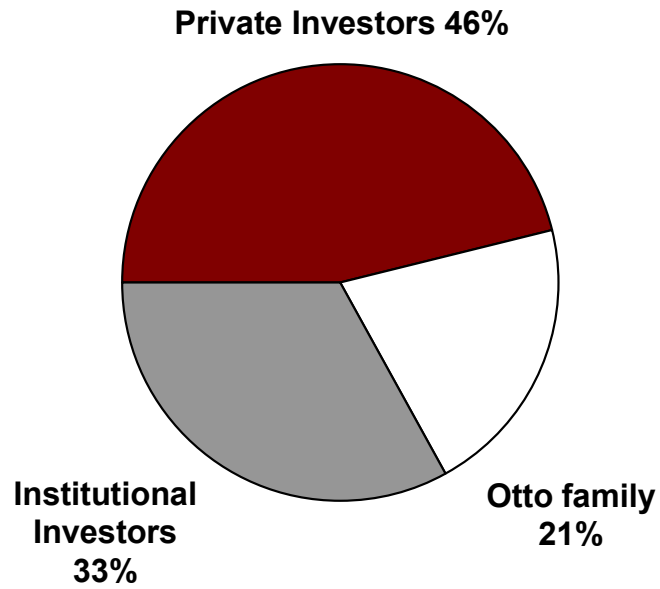




**Shareholder  
Structure**

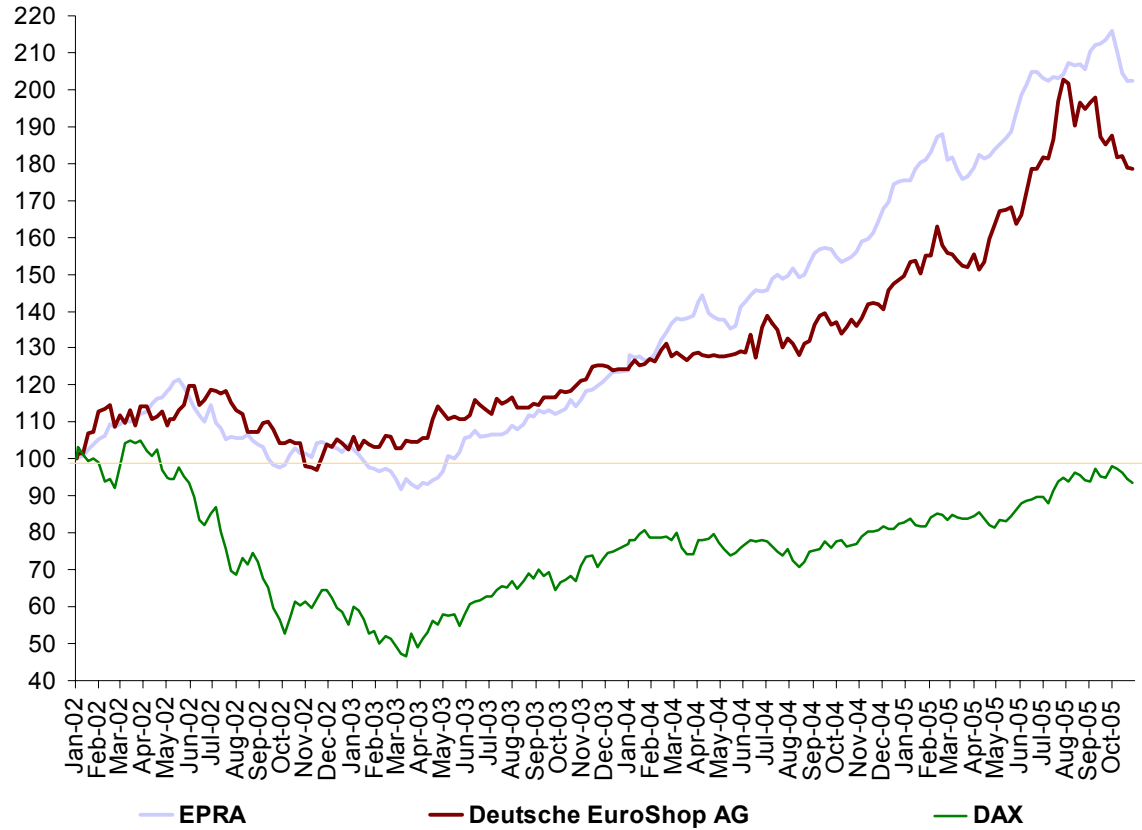
8,300 shareholders

Free float 79%



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

Indexed graph



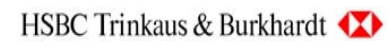
## Key data of the Share

**MarketCap > €650 million**

### Deutsche EuroShop AG

Listed since	02.01.2001
Nominal capital	€20 million
Outstanding shares	15,625,000
Class of shares	Registered shares
Dividend 2004 (24.06.2005)	€1.92
52W High	€52.20
52W Low	€34.30
Share price (31.10.2005)	43.99
Market capitalisation	€687 million
avg. 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
Designated Sponsor	Close Brothers Seydler, WestLB

Coverage



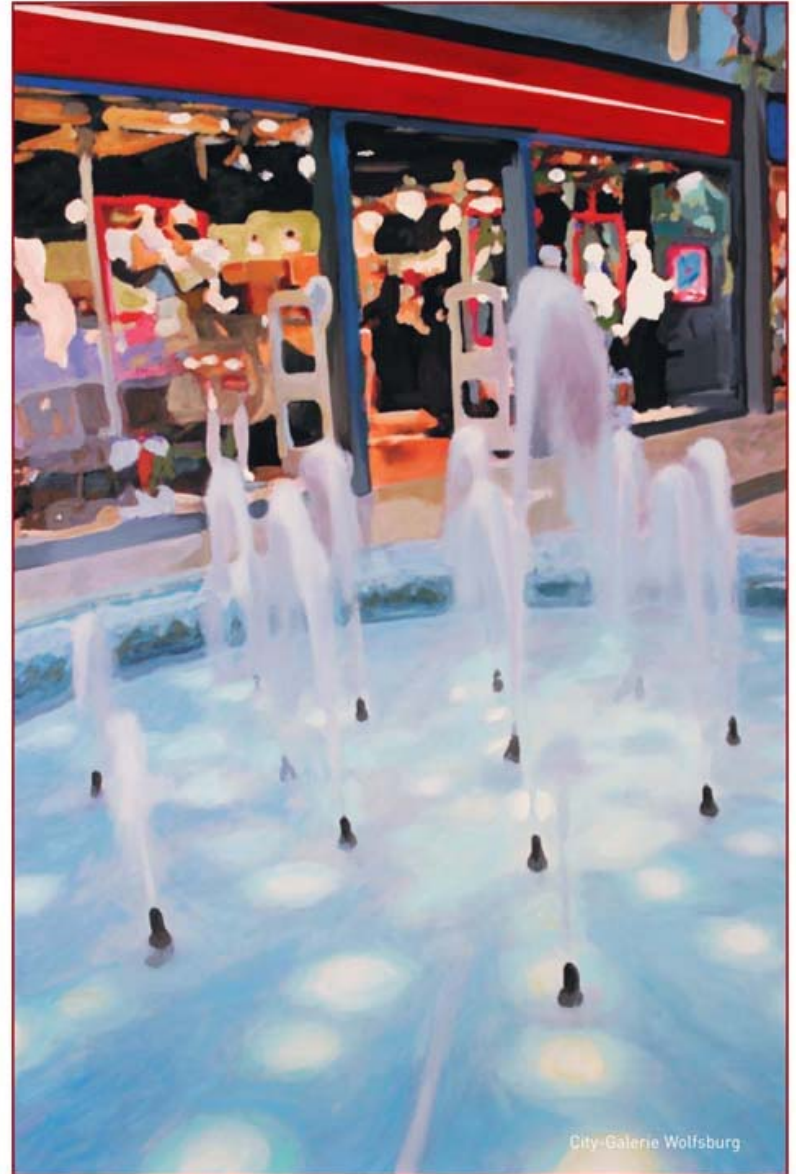
## Analysts' Consensus

	Datum/ Date	Rating Änderung/ Change	Rating	Kursziel/ Price target in €	Ergebnis je Aktie/EPS in €			Dividende je Aktie/DPS in €			EBITDA in Mio. €		
					2005	2006	2007	2005	2006	2007	2005	2006	2007
Bankhaus Lampe	10.08.2005	→	Halten/ Hold	50,00	1,89	2,01	2,14	2,00	2,00	2,10	58,50	62,50	67,00
Berenberg Bank	10.08.2005	→	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	10.08.2005	→	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	10.08.2005	→	Reduzieren/ Reduce	43,00	3,00	2,23	2,53	2,00	2,00	2,00	55,10	61,40	66,80
Hamburger Sparkasse	27.05.2005	→	Halten/ Hold	44,36	1,70	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
HSBC Trinkaus & Burkhardt	11.08.2005	→	Übergewichten/ Overweight	51,40	2,26	2,28	2,47	2,00	2,05	2,10	57,80	62,30	65,30
HSH Nordbank	11.08.2005	→	Halten/ Hold	46,50	1,60	1,45	1,80	1,92	1,92	1,92	67,02	67,02	74,50
HypoVereinsbank	10.10.2005	↑	Outperform	50,00	1,94	1,99	n.a.	2,00	2,10	n.a.	56,00	60,60	n.a.
Kempen & Co.	11.08.2005	↓	Reduzieren/ Reduce	45,00	1,32	1,48	1,42	2,00	2,00	2,00	57,40	62,80	64,60
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	15.08.2005	↑	Outperform	53,00	2,15	2,38	2,88	2,00	2,00	2,00	54,51	59,12	65,20
<b>Durchschnitt/ Average</b>				<b>48,93</b>	<b>2,01</b>	<b>2,03</b>	<b>2,29</b>	<b>1,99</b>	<b>2,02</b>	<b>2,03</b>	<b>57,97</b>	<b>62,20</b>	<b>66,52</b>
Median				50,00	1,94	2,12	2,47	2,00	2,00	2,00	57,43	62,07	65,30
Minimum				43,00	1,32	1,45	1,42	1,92	1,92	1,92	54,51	59,12	62,24
Maximum				53,00	3,00	2,38	2,88	2,00	2,10	2,10	67,02	67,02	74,50

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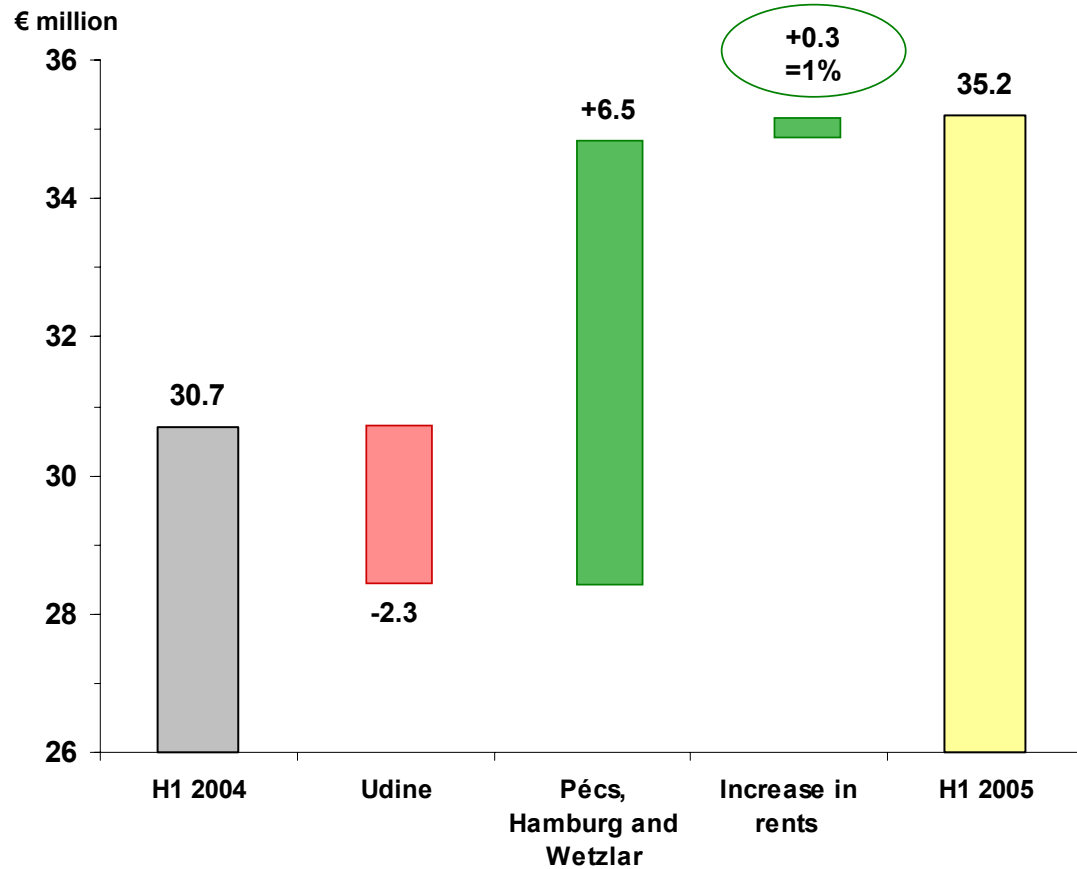
## Appendix



City-Galerie Wolfsburg

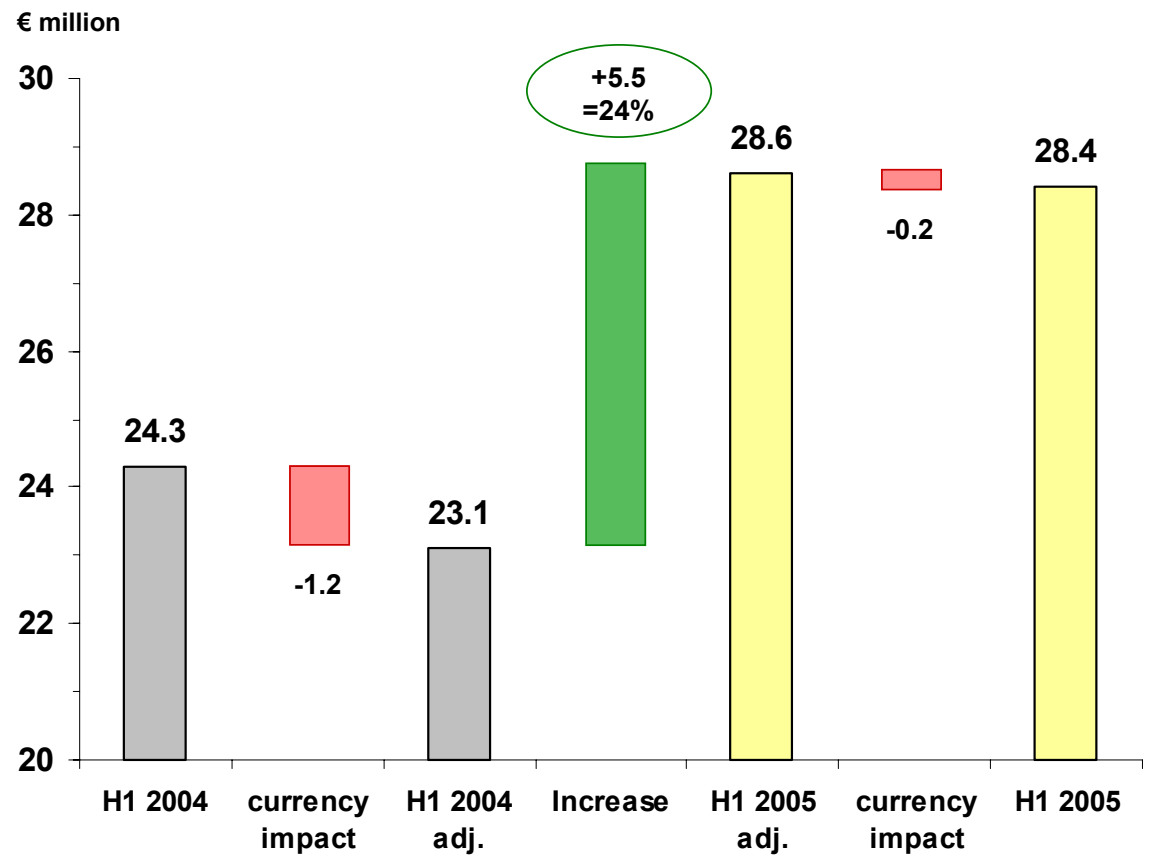
## Revenue Bridge H1 2004 - H1 2005

Revenue: +14%  
comparable: +1%



# EBIT Bridge H1 2004 - H1 2005

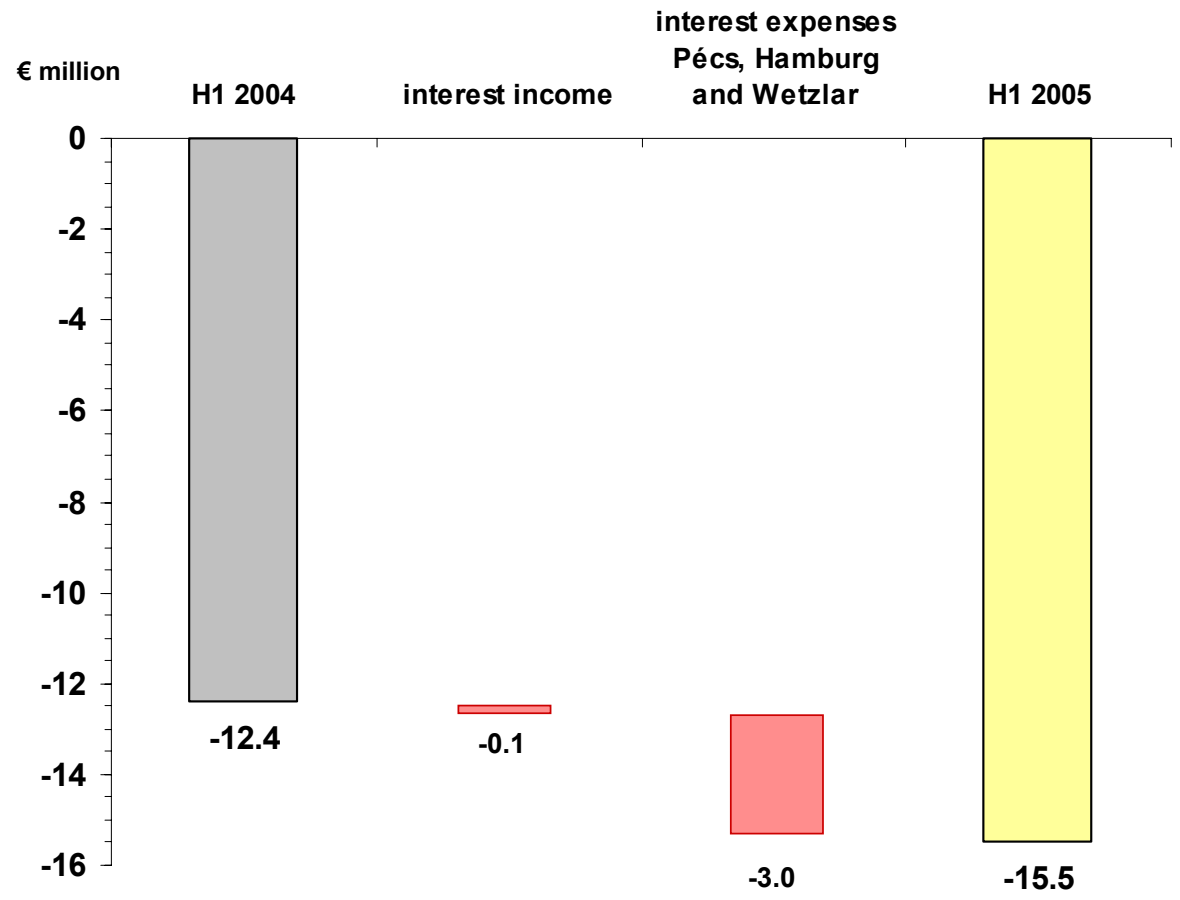
EBIT: +17%  
currency adjusted: +24%





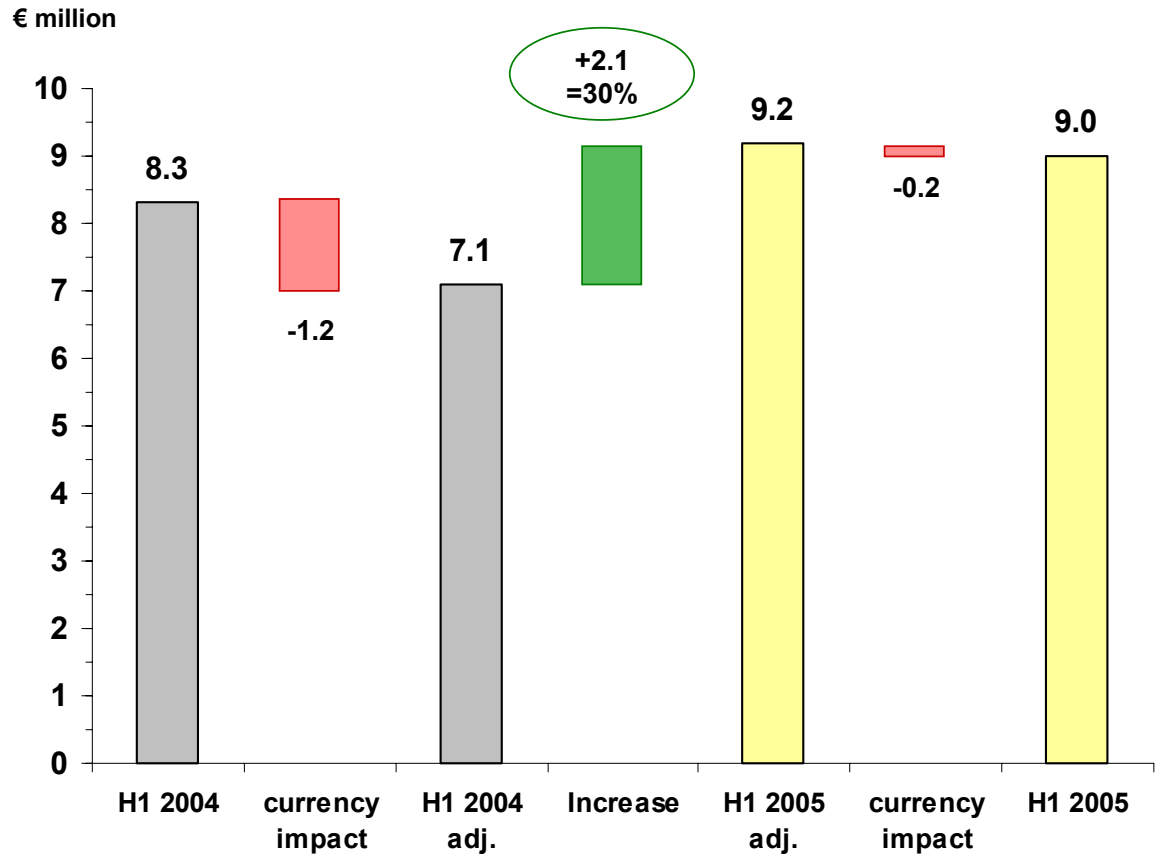
**Net Interest  
Expense Bridge  
H1 2004 - H1 2005**

Net interest expense: -25%



# Profit Bridge H1 2004 - H1 2005

Profit: +8%  
currency adjusted: +30%



## Balance Sheet

€ thousand	30 June 2005	31 Dec. 2004	In/decrease
Fixed/non-current assets	1,218,423	1,203,251	15,172
Current assets	141,802	166,957	-25,155
<b>Total assets</b>	<b>1,360,225</b>	<b>1,370,208</b>	<b>-9,983</b>
Equity	664,361	684,412	-20,051
Long term debt	623,497	597,662	25,835
Deferred taxes	55,180	51,676	3,504
Current liabilities	17,187	36,458	-19,271
<b>Total liabilities</b>	<b>1,360,225</b>	<b>1,370,208</b>	<b>-9,983</b>

## Profit and Loss Account

€ thousand	1 Jan.- 30 June 2005	1 Jan.- 30 June 2004	increase/ decrease
<b>Revenue</b>	<b>35,179</b>	<b>30,747</b>	<b>+14%</b>
Other operating income	901	1,564	
Expenses	-7,687	-7,974	
Depreciation and amortization	-9	-7	
<b>EBIT</b>	<b>28,384</b>	<b>24,330</b>	<b>+17%</b>
Net interest expense	-15,507	-12,369	
Income from investments	2,388	2,154	
Valuation result	-745	-1,965	
<b>Net finance costs</b>	<b>-13,864</b>	<b>-12,180</b>	
<b>EBT</b>	<b>14,520</b>	<b>12,150</b>	<b>+20%</b>
Taxes	-4,108	-3,578	
Minority interests in earnings	-1,401	-263	
<b>Profit for the period</b>	<b>9,011</b>	<b>8,309</b>	<b>+8%</b>

## 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

## Financial Calendar

### 2005

- 10.11. Interim Report Q1-3 2005
- 21.-23.11. German Equity Forum, Frankfurt

### 2006

- 14.02. HSBC Real Estate Conference, Frankfurt
- 22.06. Annual General Meeting, Hamburg

## 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.

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