

# 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

- 18 shopping centers on high street and in established locations – 14 in Germany, 2 in Poland and one each in Austria and Hungary

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▪ Lettable space	approx. 842,000 sqm*
Retail shops	approx. 2,145*
Market value	approx. €3.3 billion*
Rents per year	€219 million*
Occupancy rate	> 99%

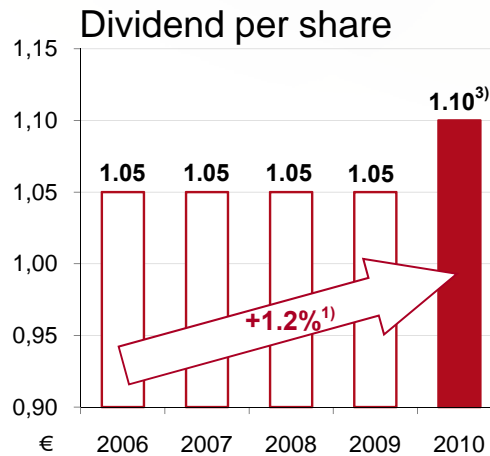
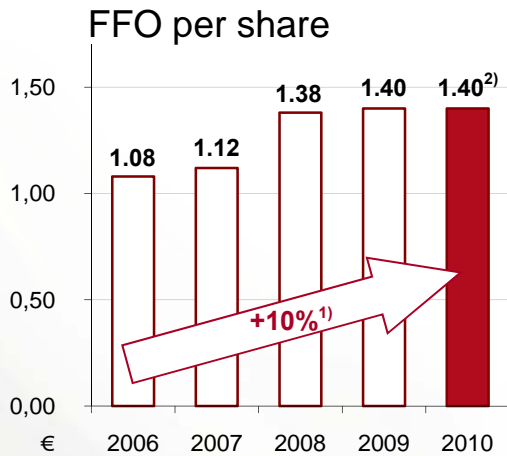
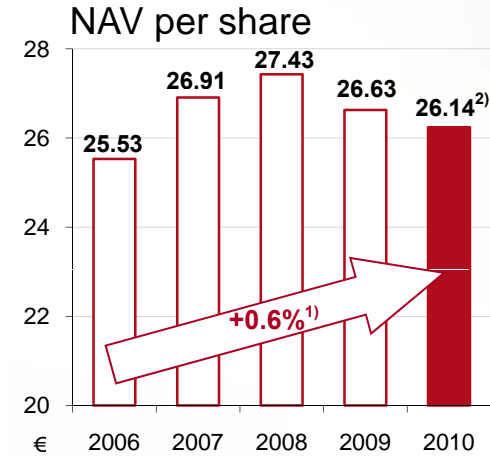
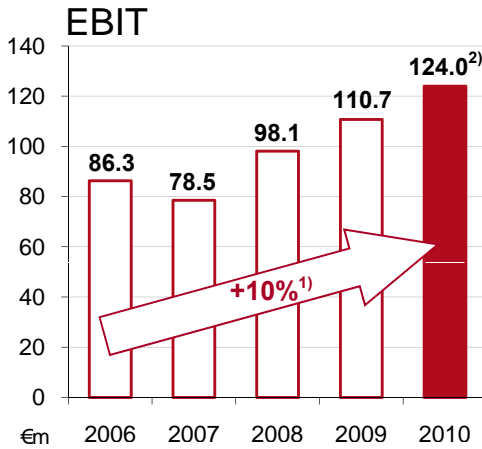
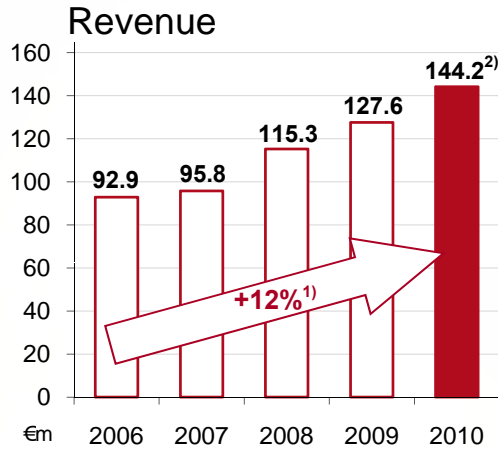
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- 2010 portfolio valuation: 5.89% net initial yield
- Professional center management by ECE, the European market leader in this industry

\*incl. development/extension of A10, Dresden and Sulzbach, 100%-view

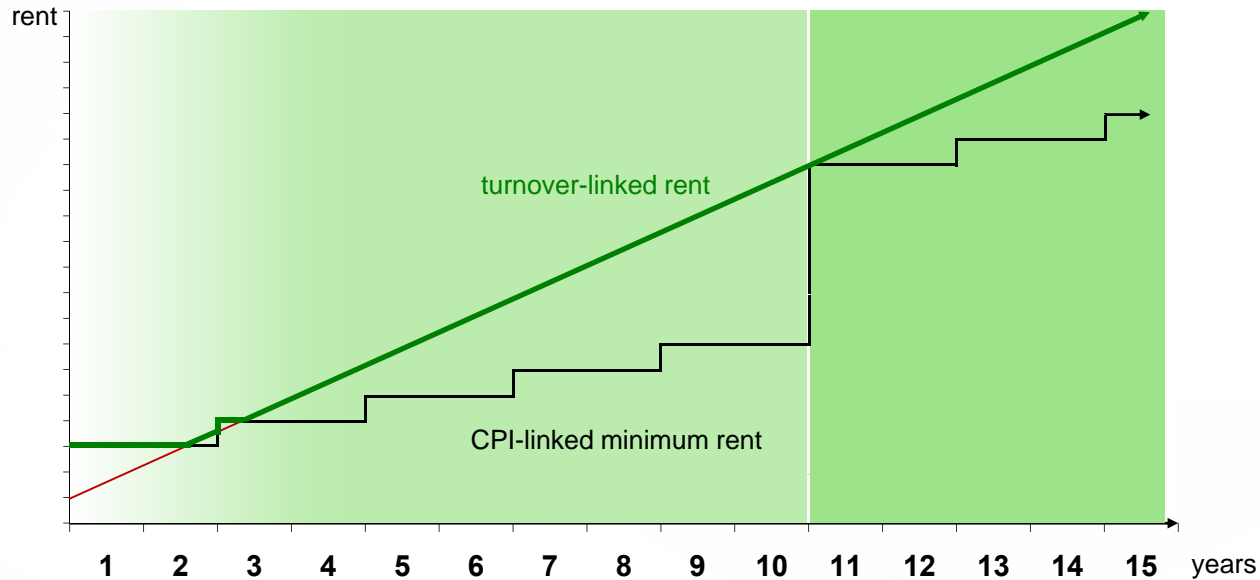


# Company | Key Figures



<sup>1)</sup>2006-2010, Compound Annual Growth Rate (CAGR) <sup>2)</sup>preliminary results <sup>3)</sup>probable proposal

## Company | Lease System



General form of  
lease contracts  
for DES-tenants

Participation in  
sales growth of  
retail industry

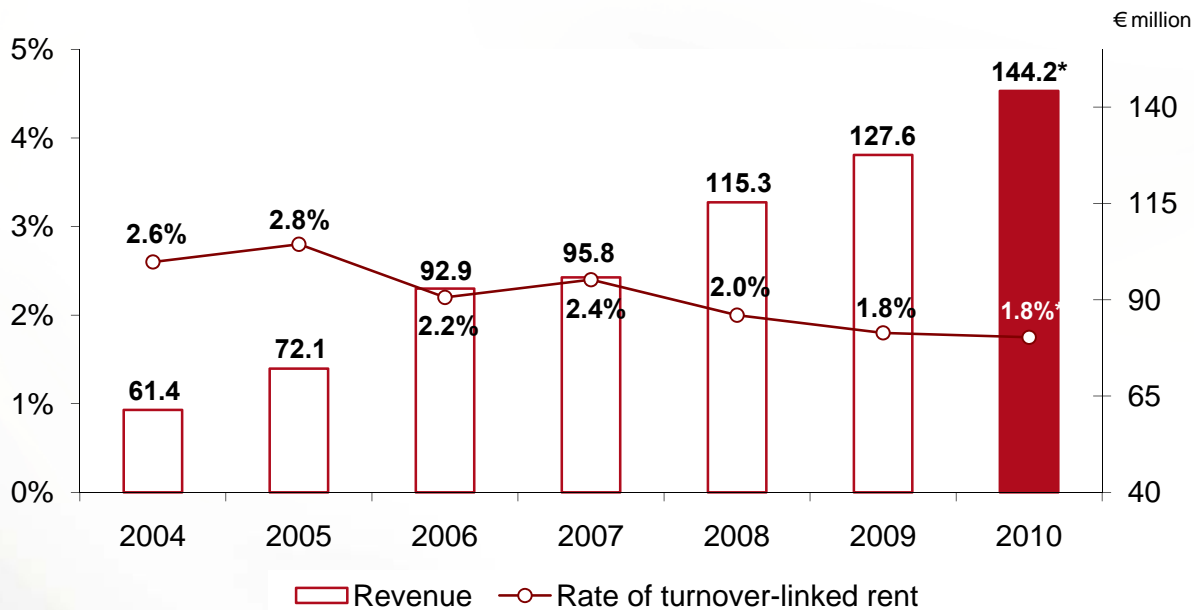
- Lease standards:
  - 10 years lease only
  - no break-up option
  - turnover-linked rents
  - minimum rents are CPI-linked



## 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:  
€3,420



\*preliminary results

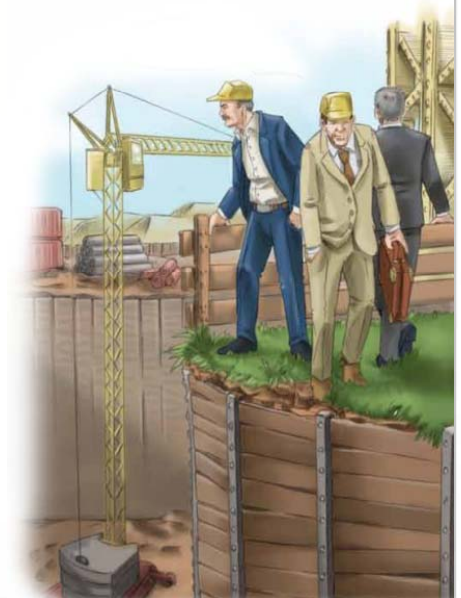


## Company | Targets

- Long term net asset value enhancement
- “buy & hold”-strategy
- Stable and attractive dividends  
Dividend yield: currently **4.1%**
- Investment-focus: At least 75% 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 expansion of portfolio centers

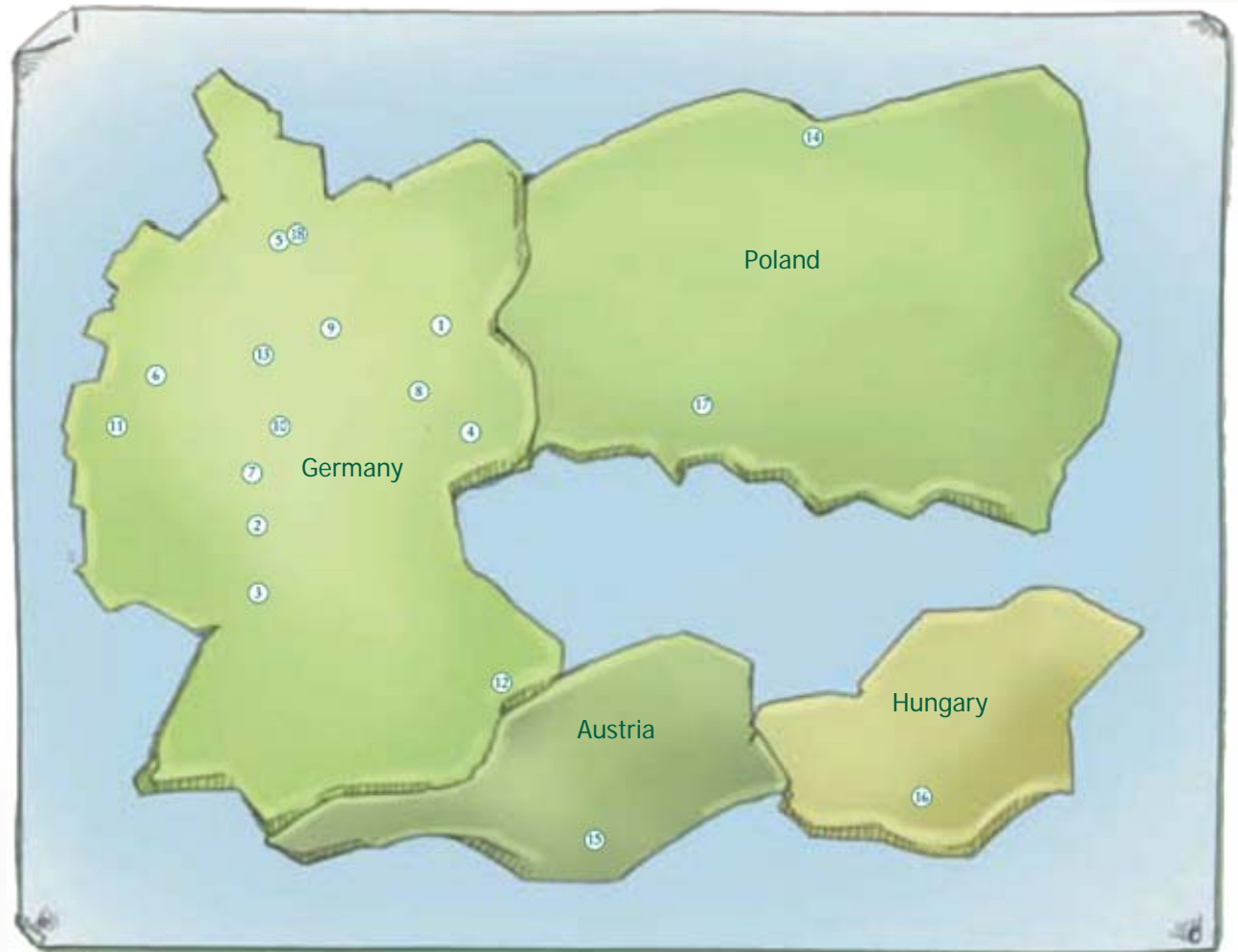
Main focus on  
NAV and dividend

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
18. Hamburg





# 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%	52.0%	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%	98%
<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. extension (MTZ opening autumn 2011)



# Shopping Centers | Germany



	<b>Rhein-Neckar-Zentrum</b>	<b>Phoenix-Center</b>	<b>Billstedt-Center</b>
<b>Location</b>	Viernheim	Hamburg	Hamburg
<b>Investment</b>	99.9%	50.0%	100%
<b>Lettable space sqm</b>	69,000	38,700	38,100
<b>Parking</b>	3,500	1,600	1,500
<b>Number of shops</b>	approx. 110	approx. 110	approx. 110
<b>Occupancy rate</b>	100%	100%	100%
<b>Catchment area</b>	approx. 1.4 m. inhabitants	approx. 0.6 m. inhabitants	approx. 0.7 m. inhabitants
<b>Opening / refurbishm.</b>	1972 / 2003	2004	1969 / 1977 / 1996



# Shopping Centers | Germany



	<b>Allee-Center</b>	<b>Forum</b>	<b>Rathaus-Center</b>
<b>Location</b>	Hamm	Wetzlar	Dessau
<b>Investment</b>	88.9%	65.0%	94.9%
<b>Lettable space sqm</b>	34,000	34,300	30,400
<b>Parking</b>	1,300	1,700	840
<b>Number of shops</b>	approx. 85	approx. 110	approx. 80
<b>Occupancy rate</b>	100%	100%	98%
<b>Catchment area</b>	approx. 1.0 m. inhabitants	approx. 0.5 m. inhabitants	approx. 0.5 m. inhabitants
<b>Opening / refurbishm.</b>	1992 / 2003 / 2009	2005	1995



# Shopping Centers | Germany



	<b>City-Galerie</b>	<b>City-Point</b>	<b>City-Arkaden</b>
<b>Location</b>	Wolfsburg	Kassel	Wuppertal
<b>Investment</b>	89.0%	100%	100%
<b>Lettable space sqm</b>	30,800	28,200	28,700
<b>Parking</b>	800	220	650
<b>Number of shops</b>	approx. 90	approx. 70	approx. 80
<b>Occupancy rate</b>	100%	100%	100%
<b>Catchment area</b>	approx. 0.3 m. inhabitants	approx. 0.8 m. inhabitants	approx. 0.7 m. inhabitants
<b>Opening / refurbishm.</b>	2001 / 2006	2002 / 2009	2001 / 2004



# Shopping Centers | Germany



	<b>Stadtgalerie</b>	<b>Stadt-Galerie</b>
<b>Location</b>	Passau	Hameln
<b>Investment</b>	75.0%	100%
<b>Lettable space sqm</b>	27,300	25,900
<b>Parking</b>	500	500
<b>Number of shops</b>	approx. 90	approx. 100
<b>Occupancy rate</b>	100%	100%
<b>Catchment area</b>	approx. 0.4 m. inhabitants	approx. 0.4 m. inhabitants
<b>Opening / refurbishm.</b>	2008	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

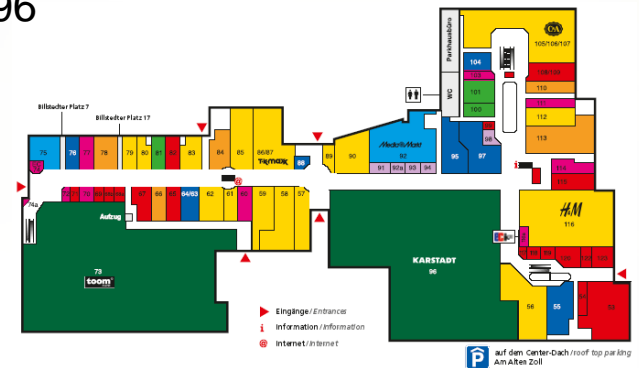
<b>Location</b>	
<b>Investment</b>	33.3%
<b>Lettable space sqm</b>	32,000
<b>Parking</b>	900
<b>Number of shops</b>	approx. 100
<b>Occupancy rate</b>	100%
<b>Catchment area</b>	approx. 1.3 m. inhabitants
<b>Opening</b>	2001



# Shopping Centers | Acquisition of Billstedt-Center



- originally opened in 1969 and 1977, reopening: 1996 (after a major refurbishment and expansion)
- approx. 40,000 sqm retail space on 2 levels (incl. Karstadt which is owned by a third party)
- 735,000 people are living in the catchment area
- occupancy rate: 100% (incl. office and residential)
- investment: approx. €160 million
- expected annualised rents for 2011: approx. €11 million
- expected gross yield (2011): 6.9%
- expected net initial yield (2011): 6.0%

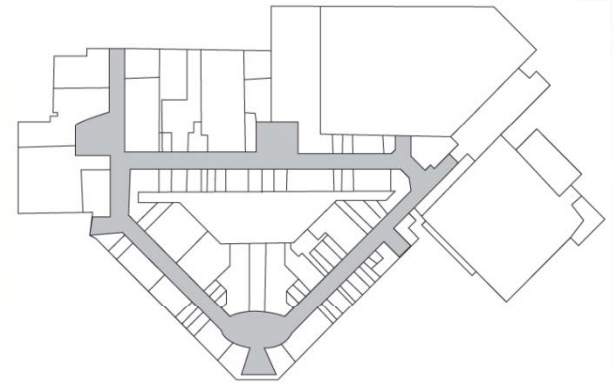




# Shopping Centers | A10 Center Wildau



- one of the biggest shopping centers in Germany
- grand opening: autumn 1996,  
new development (A10 Triangle): 6 April 2011
- approx. 120,000 sqm lettable space (incl. Triangle),  
thereof 66,000 sqm retail space
- Total investment: approx. €265 million (incl. Triangle)
- letting status: 100%
- 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



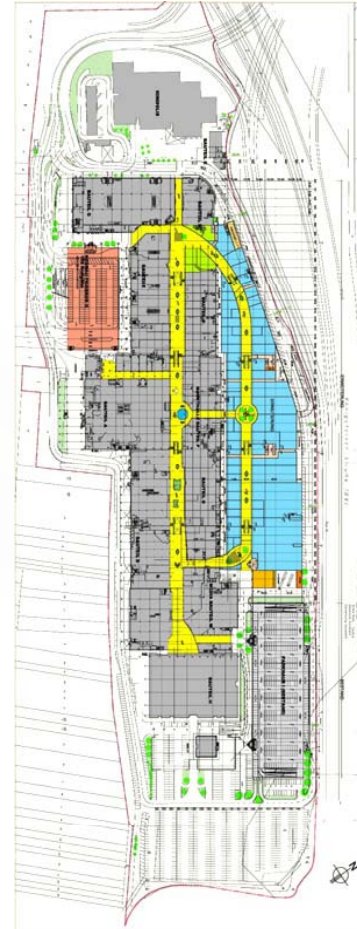
- lettable area: additional 32,000 m<sup>2</sup> (before 44,500 m<sup>2</sup>)
- 90 new shops
- extension includes 2,900 m<sup>2</sup> office space and 5,300 m<sup>2</sup> for a hotel (signed)
- Approx. €165 million total investment volume (approx. €110 million for DES)
- opened: 31 March 2011
- letting status: 100%
- 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. €74 million total investment volume (approx. €38.5 million for DES)
- opening planned for autumn 2011
- March 2011 pre-letting status: approx. 80%
- expected net initial yield: approx. 8.9%



# Shopping Centers | Our Tenants

Well-known  
tenants



# Shopping Centers | Retail turnover 2010\*

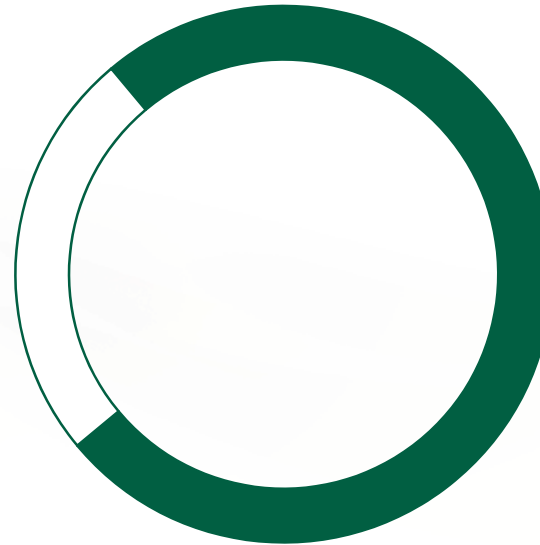
<b>Retail sector</b>	<b>% change in 2010</b>	<b>rent-to-sales ratio in %</b>	<b>% of sales</b>	<b>% of space</b>
Department stores	-4.4	5.1	7.0	14.3
Food	-0.4	6.5	10.2	7.0
Fashion textiles	+6.5	10.9	27.9	34.7
Shoes & leather goods	+5.5	12.8	5.5	6.9
Sports	+6.1	8.2	4.7	5.5
Health & Beauty	-0.5	7.4	10.7	6.3
General Retail	-0.2	10.2	11.0	11.2
Electronics	-3.1	2.5	15.2	8.5
Services	+4.8	5.0	3.6	1.4
Food catering	-0.9	13.2	4.2	4.2
<b>Total</b>	<b>-0.1</b>	<b>8.2</b>	<b>100.0</b>	<b>100.0</b>

\*all German centers on a like-for-like basis (12 centers with a 2010 turnover of €1.4 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%
<hr/>	
<b>total</b>	<b>24.9%</b>



Other tenants

**total 75.1%**

Low level of  
dependence on  
the top 10 tenants

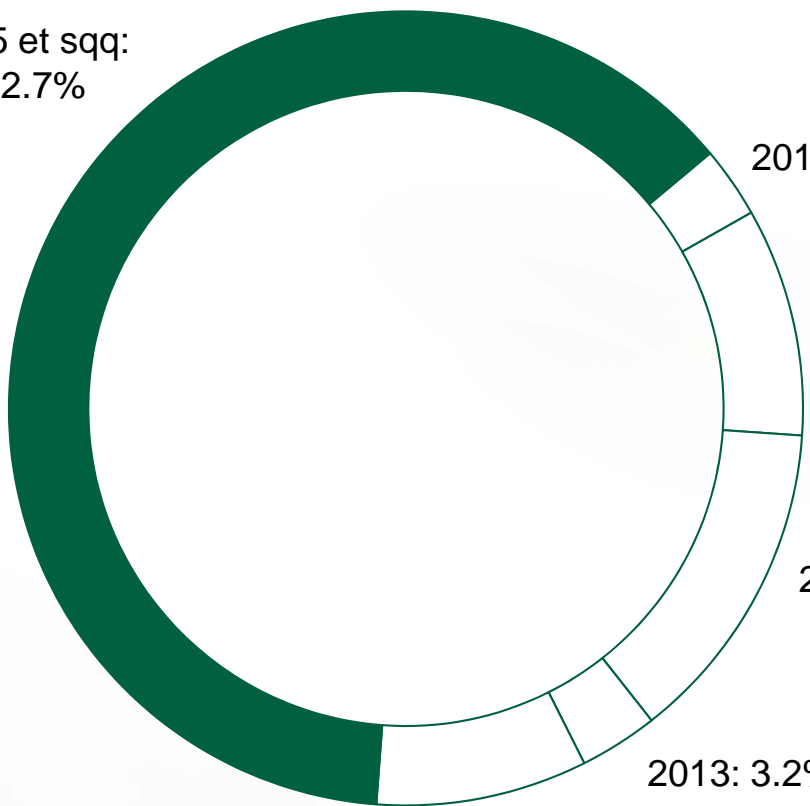
\*in % of total rents as at 31 Dec 2009, excluding A10, Billstedt and extensions



# 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, Billstedt and extensions

# Shopping Centers | Sector and Retailer Mix\*



Balanced sector and retailer diversification



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



## Financials | Key Figures 2010

€ million	01.01.-31.12.2010*	01.01.-31.12.2009	+/-
Revenue	144.2	127.6	13%
Net operating income	128.9	114.5	13%
EBIT	124.0	110.7	12%
Net finance costs	-60.1	-55.9	-8%
EBT before valuation	63.9	54.9	16%
Valuation result	32.9	-14.8	
EBT	96.8	40.1	141%
<b>Consolidated profit</b>	<b>80.8</b>	<b>34.4</b>	<b>135%</b>
FFO per share (€)	1.40	1.40	0%
Earnings per share (€)	1.77	0.88	101%

€ million	30.09.2010	31.12.2009	+/-
<b>Total equity</b>	<b>1,172.4</b>	<b>1,044.4</b>	<b>12%</b>
<b>Interest bearing debt</b>	<b>1,091.0</b>	<b>934.2</b>	<b>17%</b>
Other debt	56.5	48.0	18%
<b>Total assets</b>	<b>2,410.4</b>	<b>2,112.1</b>	<b>14%</b>
Equity ratio	48.6%	49.5%	
LTV ratio	47%	46%	

\*preliminary results



# 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

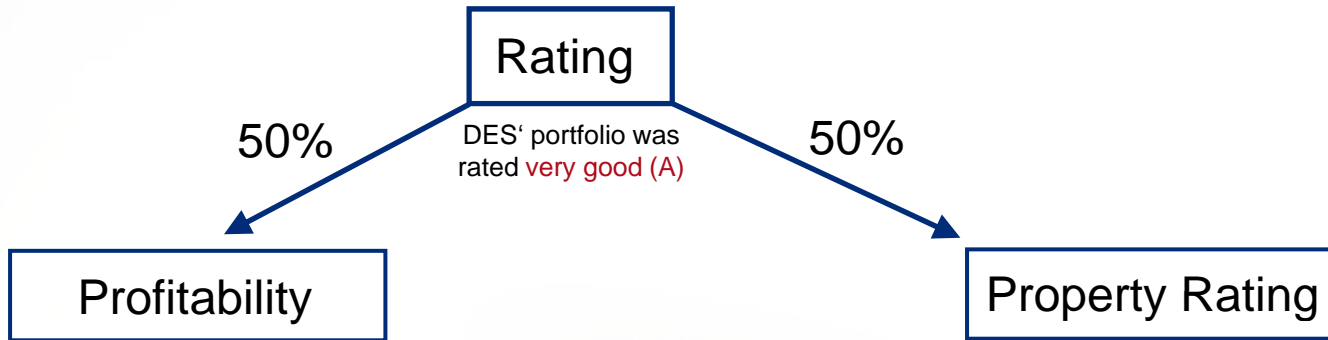
avg. interest rate  
5.27%

Weighted maturity  
7.1 years

\*as of 31 December 2009



External appraisers:  
Feri Research and  
GfK GeoMarketing



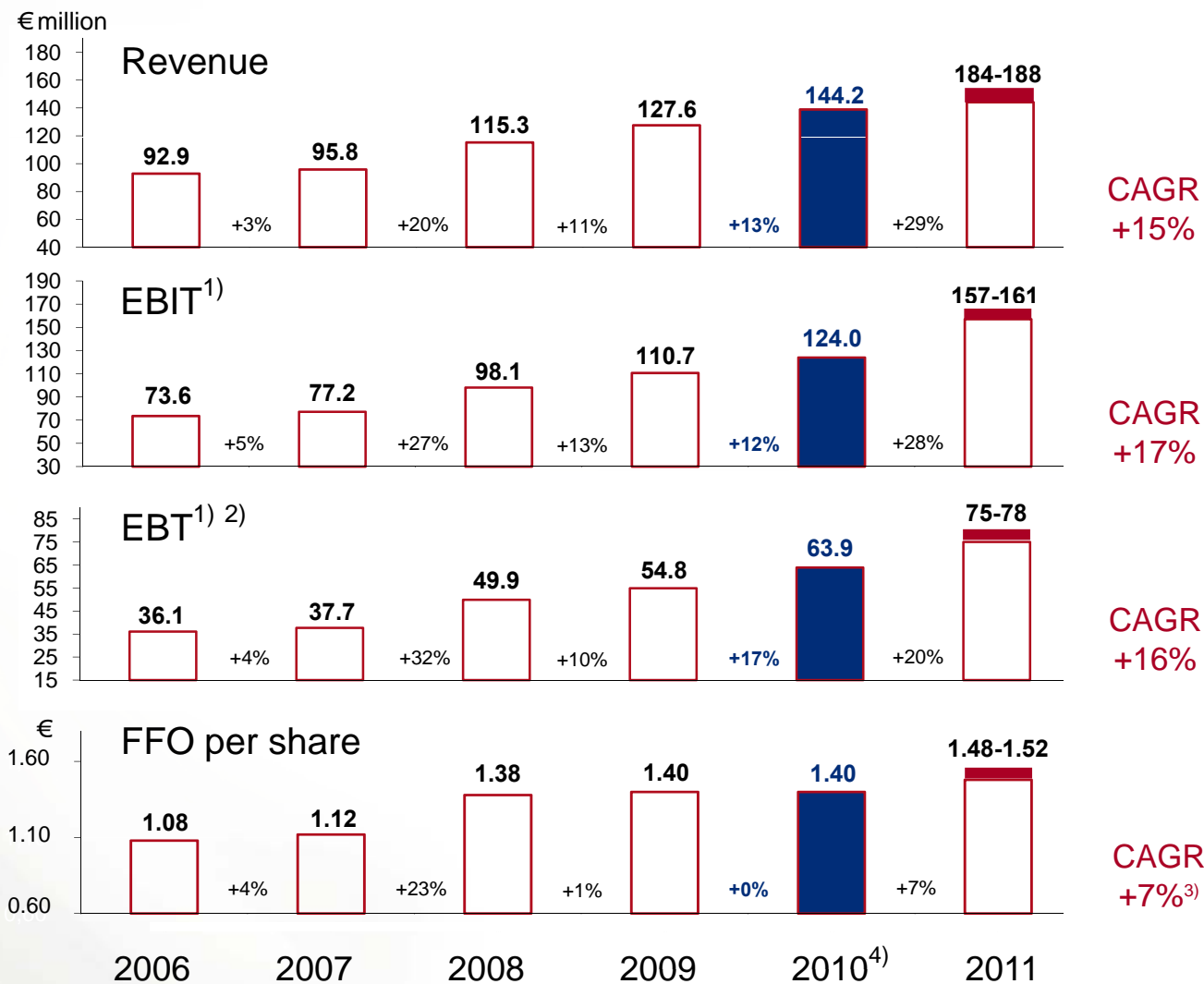
## discounted cash-flow method

	<u>2009</u>	<u>2010</u>	<u>actual</u>	
expected yield of 10-year German federal bonds	4.48%	4.44%	3.33% <sup>1)</sup>	{ Macro-location 20.0% Competitive environment 6.4% Micro-location 9.6% Property quality 4.0% Tenants risk 10.0%
<u>average applied risk premiums</u>	<u>2.38%</u>	<u>2.21%</u>		
average discount rate	6.80%	6.75%		
average property operating and management costs	11.40%	11.70%		
net initial yield	5.82%	5.89%		

<sup>1)</sup> Status: 1 April 2011



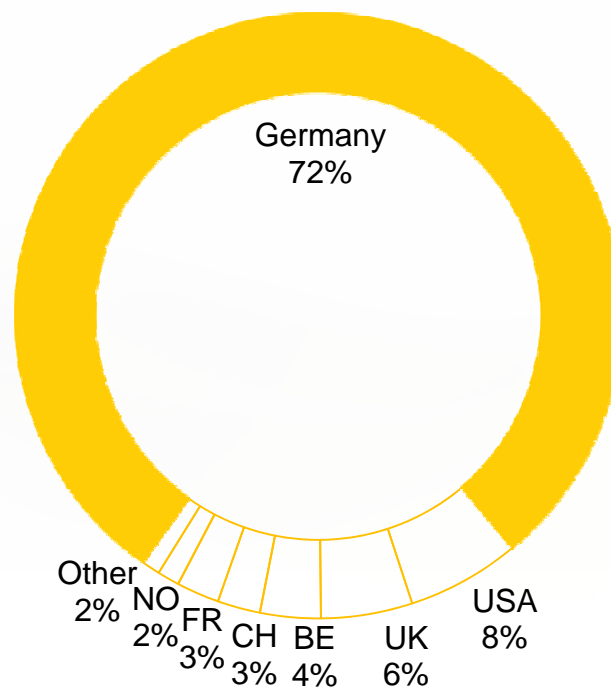
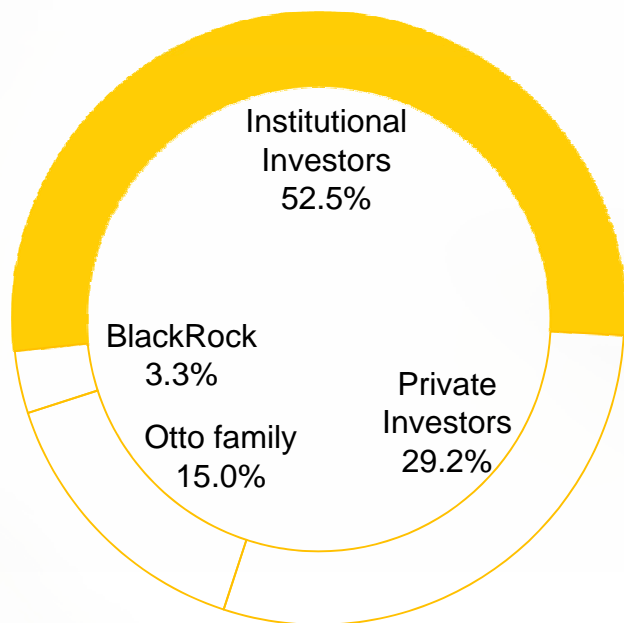
# Forecast



<sup>1)</sup> adjusted for one-time proceeds from disposals <sup>2)</sup> excl. valuation result <sup>3)</sup> incl. dilution <sup>4)</sup> preliminary results



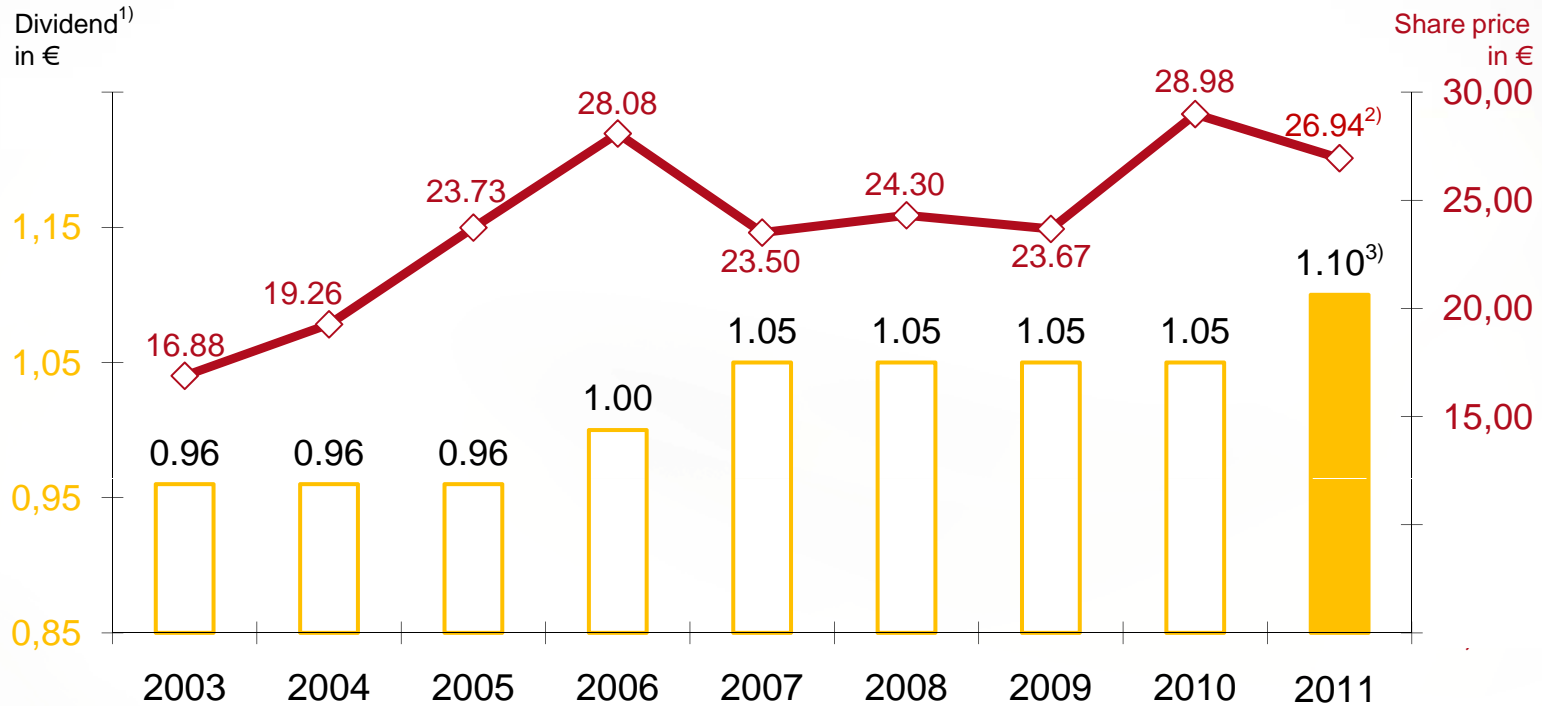
# Shopping Center Share | Shareholder Structure



10,000 shareholders

Free float 85.0%

# Shopping Center Share | Dividend & Performance



## Performance

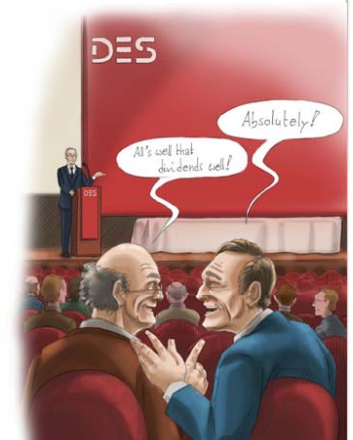
### DES:

1 year (2010): +28.1%  
 3 years: +41.2% = +12.2% p.a.  
 5 years: +50.6% = +8.5% p.a.

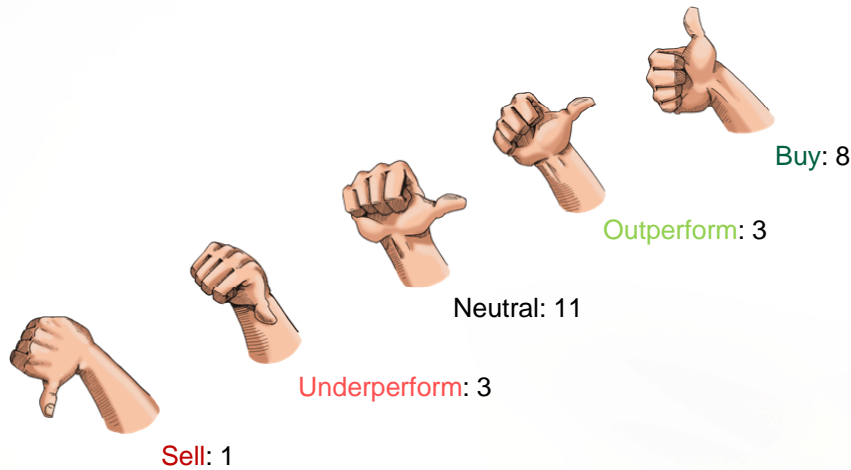
### DAX:

+16.1%  
 -5.0% p.a.  
 +5.0% p.a.

<sup>1)</sup> respectively paid for the previous financial year <sup>2)</sup> status: 31 Mar 2011 <sup>3)</sup> planned proposal for AGM



# Shopping Center Share | Analysts' Consensus



avg. / in €	2010	2011
EBIT (€ million)	123.8	147.2
FFO per share	1.35	1.50
EPS	1.56	1.83
Dividend	1.09	1.15
Price target		27.51

- ABN Amro
- Aurel
- Bankhaus Lampe
- Bank of America Merrill Lynch
- Berenberg Bank
- Close Brothers Seydler
- Commerzbank
- Credit Suisse
- Deutsche Bank
- DZ Bank
- equinet
- Hamburger Sparkasse
- HSBC
- Kempen & Co.
- Kepler Capital Markets
- Macquarie
- Metzler
- M.M. Warburg & Co
- Petercam Bank
- ING
- Rabobank
- Silvia Quandt Bank
- Societe Generale
- UBS
- Unicredit
- WestLB

26 analysts:  
one of the  
best covered  
real estate  
companies  
in Europe\*

Status: 31 Mar 2011 / \* No. 1 according to EPRA survey 3/2011

## Appendix I Key Data of the Share

Listed since	02.01.2001
Nominal capital	€51,631,400.00
Outstanding shares	51,631,400
Class of shares	Registered shares
Dividend 2010 (planned proposal)	€1.10
52W High	€29.00
52W Low	€21.66
Share price (31.03.2011)	€26.94
Market capitalisation	€1.4 billion
avg. turnover per day last 12 months	116,000 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: DEQGn.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 2011

- |            |  |            |  |
|------------|--|------------|--|
| 05.-06.04. | Deutsche Bank's VIP Real Estate Event, Frankfurt, Berlin | 16.06.     | Supervisory Board meeting, Hamburg                           |
| 12.04.     | WestLB German Property Day, London                       | 21.-22.06. | Bankhaus Lampe Hamburg Investment Conference                 |
| 14.04.     | Audit Committee meeting, Hamburg                         | 11.08.     | <b>Interim report H1 2011</b>                                |
| 27.04.     | Supervisory Board meeting, Hamburg                       | 22.09.     | Supervisory Board meeting, Hamburg                           |
| 29.04.     | <b>Annual earnings press conference, Hamburg</b>         | 27.-29.09. | UniCredit German Investment Conference, Munich               |
| 02.05.     | Roadshow Munich, Baader Bank                             | 04.-06.10. | Expo Real, Munich  |
| 13.05.     | <b>Interim report Q1 2011</b>                            | 06.-07.10. | Société Générale Pan European Real Estate Conference, London |
| 17.05.     | Roadshow Luxembourg, Close Brothers Seydler              | 19.10.     | Real Estate Share Initiative, Frankfurt                      |
| 18.05.     | Roadshow Paris, Bankhaus Lampe                           | 10.11.     | <b>Nine-month report 2011</b>                                |
| 24.05.     | Metzler Property Day, Frankfurt                          | 14.11.     | Roadshow Zurich, Rabo  |
| 25.05.     | Kempen & Co. European Property Seminar, Amsterdam        | 16.-17.11. | WestLB Deutschland Conference, Frankfurt                     |
| 31.05.     | Roadshow Stockholm, ABN-Amro                             | 17.11.     | Supervisory Board meeting, Hamburg                           |
| 09.06.     | Roadshow Vienna, Berenberg                               | 23.11.     | Roadshow Brussels, Petercam                                  |
| 16.06.     | <b>Annual General Meeting, Hamburg</b>                   |            |  |



# Appendix I Contact

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