



**COMPANY
PRESENTATION**

09.2013

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
- Deutsche EuroShop does not seek short-term success, but rather long-term growth and the resulting stable increase in the value of the portfolio.



COMPANY

At a Glance

- 19 shopping centers on high street and in established locations – 16 in Germany and one each in Austria, Hungary and Poland.

| | |
|----------------|----------------------------|
| Lettable space | approx. 940,000 sqm |
| Retail shops | approx. 2,350 |
| Market value | approx. €3.7 billion |
| Rents per year | €250 million ¹⁾ |
| Occupancy rate | 99% |

avg. lettable space
per DES-center:
inner city
38,500 sqm
est. Locations
102,000 sqm

- 2012 portfolio valuation: 5.98% net initial yield (EPRA)
- Professional center management by ECE, the European market leader in this industry



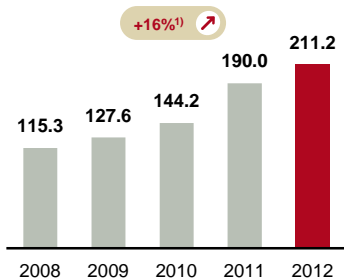
¹⁾ 100%-view

COMPANY

Key Figures

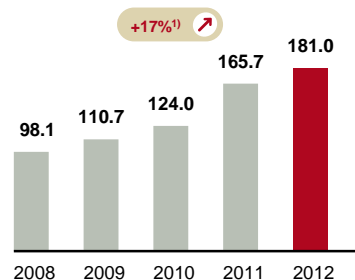
REVENUE

€m



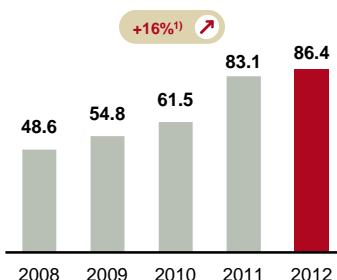
EBIT

€m



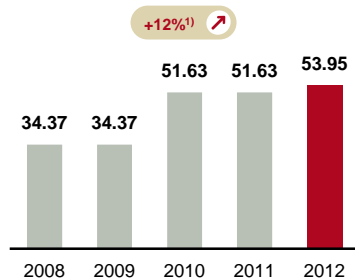
FFO

€m



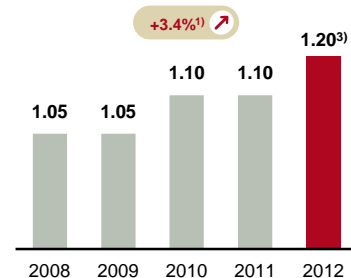
NUMBER OF SHARES

mn

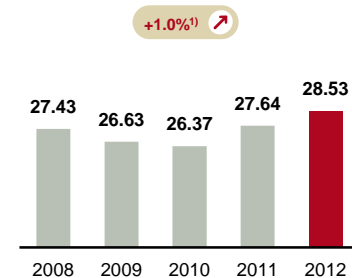


DIVIDEND PER SHARE

€

NAV PER SHARE²⁾

€

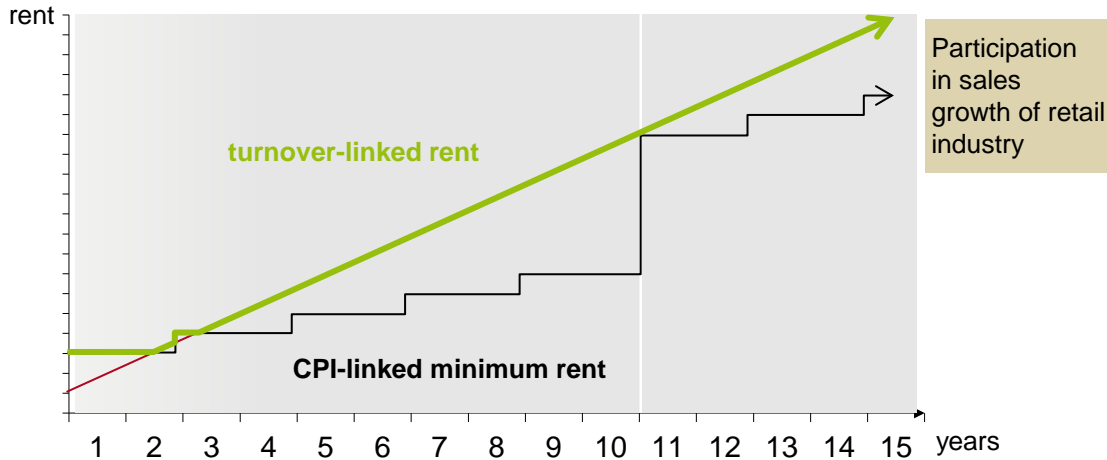


- ¹⁾ 2008-2012, Compound Annual Growth Rate (CAGR)
- ²⁾ since 2010: EPRA NAV
- ³⁾ paid on 21 June 2013



COMPANY

Lease System



Lease standards:

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

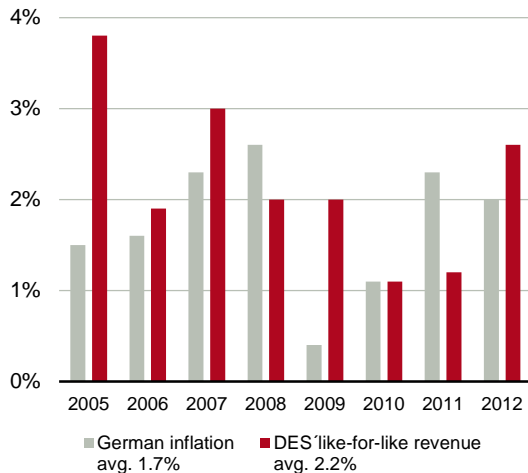


COMPANY

Lease System

- avg. rent per sqm and year: €250
- avg. turnover per sqm and year in DES shopping centers: €4,700¹⁾
(avg. German retail: €3,470, avg. German shopping centers: €4,090)
- Rent-to-sales-ratio: 7-11%
- weighted maturity of rental contracts: 7.0 years¹⁾

LIKE-FOR-LIKE REVENUE



¹⁾ Status: 31 December 2012

COMPANY

Targets

- Long term net asset value enhancement
- Main focus on NAV and dividend
- “buy & hold”-strategy, Continuous growth
- Stable and attractive dividends
Dividend yield: currently 3.9%
- 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



SHOPPING CENTERS

Overview



ACQUISITION

Altmarkt-Galerie Dresden

- DES holds 100% as of 1 May 2013
- 67% were already with DES
- investment volume for the 33%: €132 million, cash price: €70 million
- net initial yield: 5.4%
- 44,500 sqm retail space
- approx. 200 shops
- 16 million visitors p.a.
- opening: 2002, expansion: 2011



SHOPPING CENTERS

Germany

**A10 Center****Main-Taunus-Zentrum****Altmarkt-Galerie**

| Location | Wildau/Berlin | Sulzbach/Frankfurt | Dresden |
|---------------------|----------------------------|----------------------------|----------------------------|
| Investment | 100% | 52.0% | 100% |
| Lettable space sqm | 118,500 | 117,900 | 77,000 |
| Parking | 4,000 | 4,500 | 500 |
| Number of shops | approx. 200 | approx. 170 | approx. 200 |
| Occupancy rate | 100% | 100% | 93% |
| Catchment area | approx. 1.2 m. inhabitants | approx. 2.2 m. inhabitants | approx. 1.0 m. inhabitants |
| Opening/refurbishm. | 1996 / 2011 | 1964 / 2004 / 2011 | 2002 / 2011 |



SHOPPING CENTERS

Germany

**Rhein-Neckar-Zentrum****Herold-Center****Allee-Center**

| Location | Viernheim | Norderstedt | Magdeburg |
|---------------------|----------------------------|----------------------------|----------------------------|
| Investment | 100% | 100% | 50.0% |
| Lettable space sqm | 64,400 | 55,500 | 51,300 |
| Parking | 3,800 | 850 | 1,300 |
| Number of shops | approx. 110 | approx. 130 | approx. 150 |
| Occupancy rate | 100% | 96% | 98% |
| Catchment area | approx. 1.2 m. inhabitants | approx. 0.5 m. inhabitants | approx. 0.7 m. inhabitants |
| Opening/refurbishm. | 1972 / 2002 | 1971 / 1995 / 2003 | 1998 / 2006 |



SHOPPING CENTERS

Germany

**Billstedt-Center****Phoenix-Center****Forum**

| Location | Hamburg | Hamburg | Wetzlar |
|---------------------|----------------------------|----------------------------|----------------------------|
| Investment | 100% | 50.0% | 65.0% |
| Lettable space sqm | 42,800 | 39,200 | 34,300 |
| Parking | 1,500 | 1,600 | 1,700 |
| Number of shops | approx. 110 | approx. 110 | approx. 110 |
| Occupancy rate | 100% | 100% | 100% |
| Catchment area | approx. 0.7 m. inhabitants | approx. 0.6 m. inhabitants | approx. 0.5 m. inhabitants |
| Opening/refurbishm. | 1969 / 1977 / 1996 | 2004 | 2005 |



SHOPPING CENTERS

Germany

**Allee-Center****City-Galerie****Rathaus-Center**

| Location | Hamm | Wolfsburg | Dessau |
|---------------------|----------------------------|----------------------------|----------------------------|
| Investment | 100% | 100% | 100% |
| Lettable space sqm | 33,900 | 30,800 | 30,400 |
| Parking | 1,250 | 800 | 850 |
| Number of shops | approx. 90 | approx. 100 | approx. 90 |
| Occupancy rate | 100% | 100% | 98% |
| Catchment area | approx. 1.0 m. inhabitants | approx. 0.5 m. inhabitants | approx. 0.6 m. inhabitants |
| Opening/refurbishm. | 1992 / 2003 / 2009 | 2001 / 2006 | 1995 |



SHOPPING CENTERS

Germany

**City-Arkaden****City-Point****Stadt-Galerie**

| Location | Wuppertal | Kassel | Passau |
|---------------------|----------------------------|----------------------------|----------------------------|
| Investment | 100% | 100% | 75.0% |
| Lettable space sqm | 28,700 | 28,300 | 27,600 |
| Parking | 650 | 220 | 500 |
| Number of shops | approx. 90 | approx. 60 | approx. 90 |
| Occupancy rate | 100% | 100% | 100% |
| Catchment area | approx. 0.7 m. inhabitants | approx. 0.8 m. inhabitants | approx. 0.7 m. inhabitants |
| Opening/refurbishm. | 2001 / 2004 | 2002 / 2009 | 2008 |



SHOPPING CENTERS

Germany

**Stadt-Galerie**

| Location | Hameln |
|---------------------|----------------------------|
| Investment | 100% |
| Lettable space sqm | 26,000 |
| Parking | 500 |
| Number of shops | approx. 100 |
| Occupancy rate | 100% |
| Catchment area | approx. 0.4 m. inhabitants |
| Opening/refurbishm. | 2008 |



SHOPPING CENTERS

Europe































**Galeria Bałtycka****City Arkaden****Árkád**

| Location | Gdansk, Poland | Klagenfurt, Austria | Pécs, Hungary |
|---------------------|----------------------------|----------------------------|----------------------------|
| Investment | 74.0% | 50.0% | 50.0% |
| Lettable space sqm | 48,600 | 36,900 | 35,300 |
| Parking | 1.050 | 880 | 850 |
| Number of shops | approx. 195 | approx. 120 | approx. 130 |
| Occupancy rate | 100% | 100% | 93% |
| Catchment area | approx. 1.1 m. inhabitants | approx. 0.4 m. inhabitants | approx. 1.0 m. inhabitants |
| Opening/refurbishm. | 2007 | 2006 | 2004 |



SHOPPING CENTERS

Our Tenants¹⁾

| | | | | | |
|---|---|---|--|--|---|
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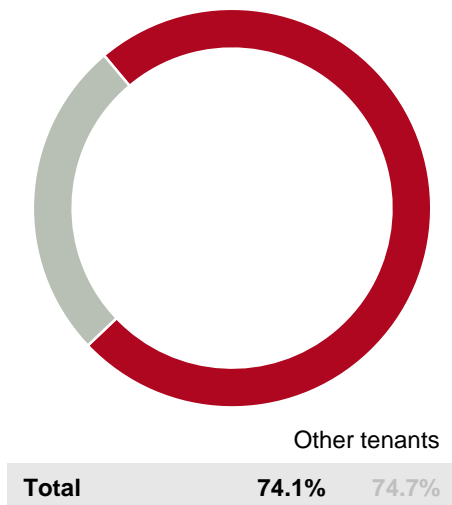
¹⁾ selection of our well known tenants

SHOPPING CENTERS

Tenants Structure Top 10 Tenants¹⁾

Low level of
dependence on
the top 10 tenants

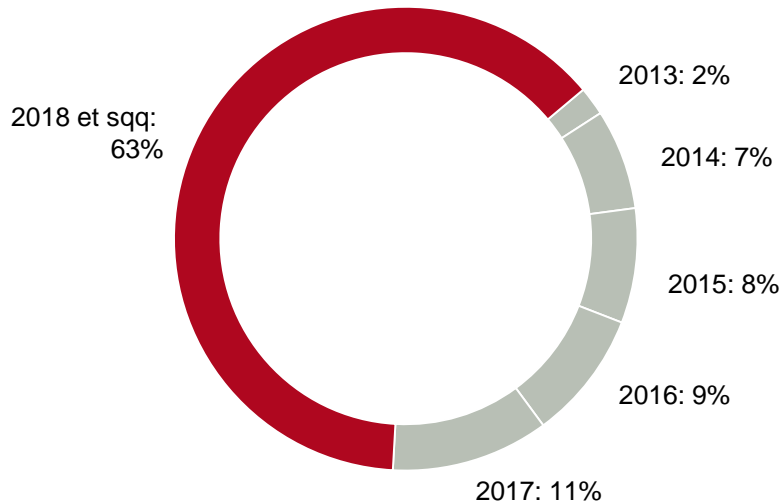
| | 2012 | 2011 |
|--------------------|--------------|--------------|
| Metro Group | 5.7% | 6.0% |
| Douglas Group | 4.6% | 4.4% |
| H&M | 2.9% | 2.7% |
| New Yorker | 2.2% | 2.3% |
| Peek & Cloppenburg | 2.1% | 1.9% |
| Deichmann | 1.9% | 1.9% |
| C&A | 1.8% | 1.7% |
| REWE | 1.7% | 1.6% |
| Esprit | 1.5% | 1.4% |
| Inditex Group | 1.5% | 1.4% |
| Total | 25.9% | 25.3% |



¹⁾ in % of total rents as at
31 December 2012



SHOPPING CENTERS

Maturity Distribution of Rental Contracts¹⁾

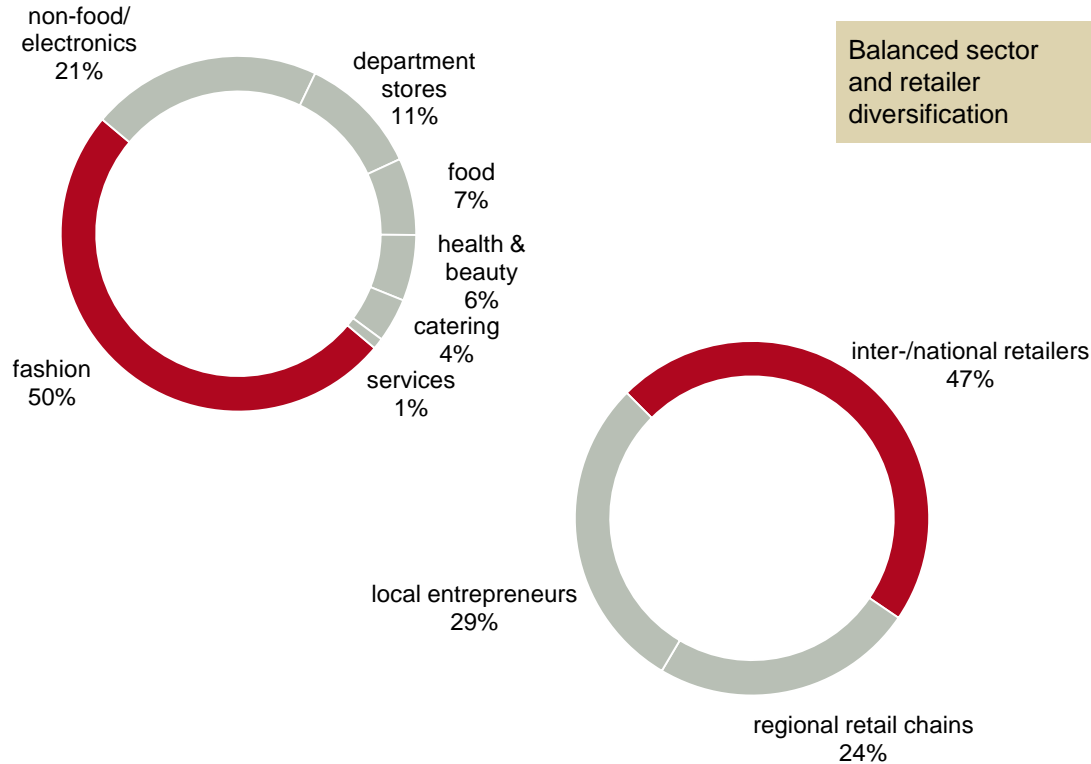
- Long-term contracts guarantee rental income
- Weighted maturity 7.0 years



¹⁾ in % of rental income as at 31 December 2012

SHOPPING CENTERS

Sector and Retailer Mix¹⁾



¹⁾ in % of rental income as at 31 December 2012

FINANCIALS

Key Figures H1 2013

| € million | 01.01.-30.06.2013 | 01.01.-30.06.2012 | Change |
|-----------------------------------|-------------------|-------------------|------------|
| Revenue | 88.8 | 77.8 | 14% |
| Net operating income | 80.2 | 69.2 | 16% |
| EBIT | 77.2 | 67.0 | 15% |
| Net finance costs | -22.6 | -18.2 | -24% |
| Valuation result | -2.5 | -1.6 | -50% |
| EBT | 52.2 | 47.2 | 11% |
| Consolidated profit | 41.8 | 32.6 | 28% |
| FFO per share | 1.02 | 0.89 | 15% |
| EPRA Earnings per share | 0.83 | 0.65 | 28% |
| | 30.06.2013 | 31.12.2012 | Change |
| Total equity ¹⁾ | 1,509.7 | 1,528.4 | -1% |
| Financial liabilities | 1,564.4 | 1,357.7 | 15% |
| Other debt (incl. Deferred taxes) | 268.9 | 273.2 | -2% |
| Total assets | 3,343.0 | 3,159.3 | 9% |
| Net financial liabilities | 1,478,9 | 1,199.6 | 23% |
| Equity ratio ¹⁾ | 45.2% | 48.4% | |
| LTV ratio | 46% | 40% | |

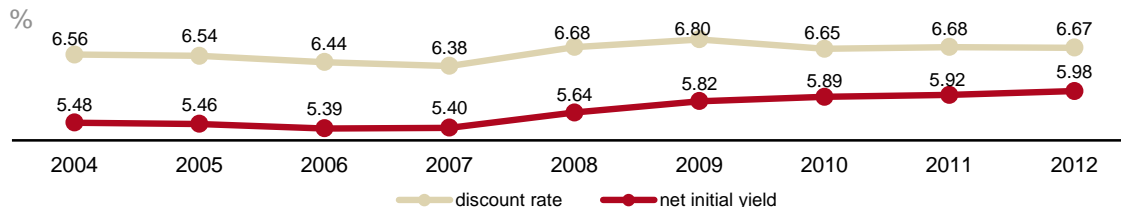


¹⁾ incl. non controlling interests

FINANCIALS

Valuation* – Investment Properties 2012

| Discounted cash-flow method | 2012 | 2011 | actual | | |
|---|--------------|--------------|---------------------|-------------------------|-------|
| expected yield of 10-year German federal bonds | 4.30% | 4.34% | 1.92% ¹⁾ | | |
| average applied risk premiums | 2.37% | 2.34% | | | |
| average discount rate | 6.67% | 6.68% | | | |
| average property operating and management costs | 11.00% | 11.80% | | | |
| net initial yield (EPRA) | 5.98% | 5.92% | | | |
| | | | | Macro-location | 40.0% |
| | | | | Competitive environment | 12.8% |
| | | | | Micro-location | 19.2% |
| | | | | Property quality | 8.0% |
| | | | | Tenants risk | 20.0% |



Sensitivity analysis

| in € thousand | Basis | change of -25bps | change of +25bps |
|---------------------|--------|------------------|------------------|
| Rent increase rates | 1.70% | -110,200 | +113,000 |
| Discount rate | 6.67% | +101,900 | -97,000 |
| Net initial yield | 5.98% | +146,400 | -134,500 |
| Cost ratio | 11.00% | +9,500 | -9,500 |



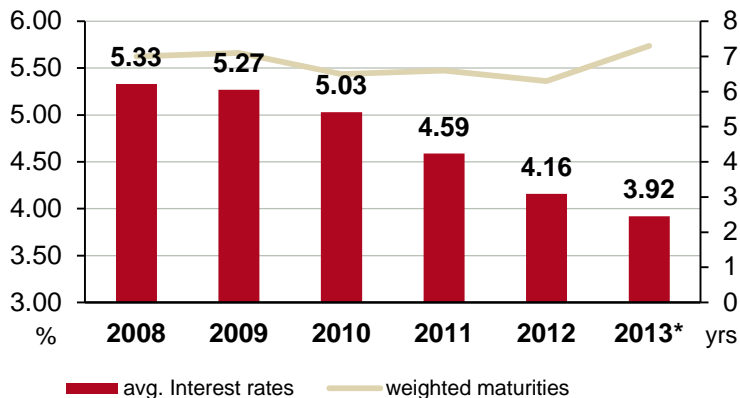
- ¹⁾ External appraisers:
Feri Research and GfK GeoMarketing
- ²⁾ Status: 16 September 2013

FINANCIALS

Loan Structure incl. Convertible Bonds*

| Interest lockin | Duration | Principle amounts (€ thousand) | Share of total loan | avg. interest rate |
|-------------------|------------|-----------------------------------|------------------------|-----------------------|
| Up to 1 year | | 149.0 | 10% | 1.30% |
| 1 to 5 years | 3.2 | 301.3 | 19% | 3.62% |
| 5 to 10 years | 8.0 | 1,011.7 | 65% | 3.80% |
| Over 10 years | 14.1 | 93.0 | 6% | 5.06% |
| Total 2012 | 7.3 | 1,555.0 | 100% | 3.92% |

- Banks:
23 German and
1 Austrian
- Weighted maturity
of fixed interest periods
7.3 years
- Weighted maturity
of the loans >10 years



* = as of 30 June 2013



FINANCIALS

Refinancings of 2013*

| in € thousand | new | old | +/- |
|-------------------|---------|---------|---------|
| Principle amounts | 220,000 | 210,007 | +9,993 |
| Duration | 10.0yrs | 1.1yrs | +8.9yrs |
| Interest rate | 2.99% | 3.88% | -89bps |

Maturities until 2017*

| in € thousand | end of fixed interest periods respectively expiring loans | avg. interest rate | regular redemption payments | total maturities |
|---------------|---|--------------------|-----------------------------|------------------|
| 2013 | 0 | | 8,500 | 8,500 |
| 2014 | 0 | | 18,600 | 18,600 |
| 2015 | 61,900 | 5.26% | 18,200 | 80,100 |
| 2016 | 77,400 | 4.92% | 16,400 | 93,800 |
| 2017 | 100,000 | 1.75% | 16,300 | 116,300 |
| | 239,300 | | | |

* = as of 30 June 2013, excl. credit line

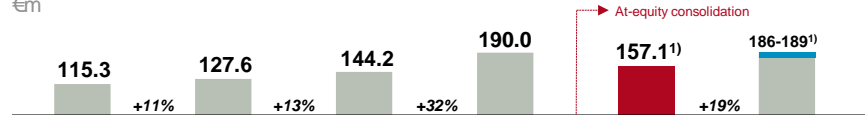


FINANCIALS

Forecast

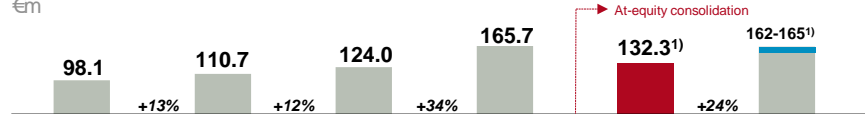
REVENUE

€m



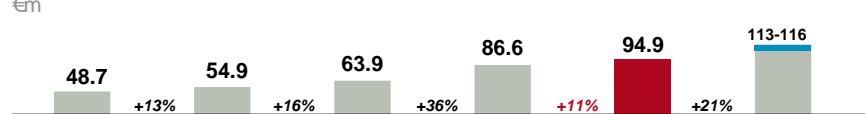
EBIT

€m



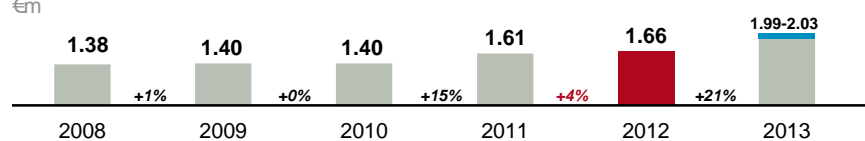
EBT BEFORE VALUATION

€m



FFO PER SHARE

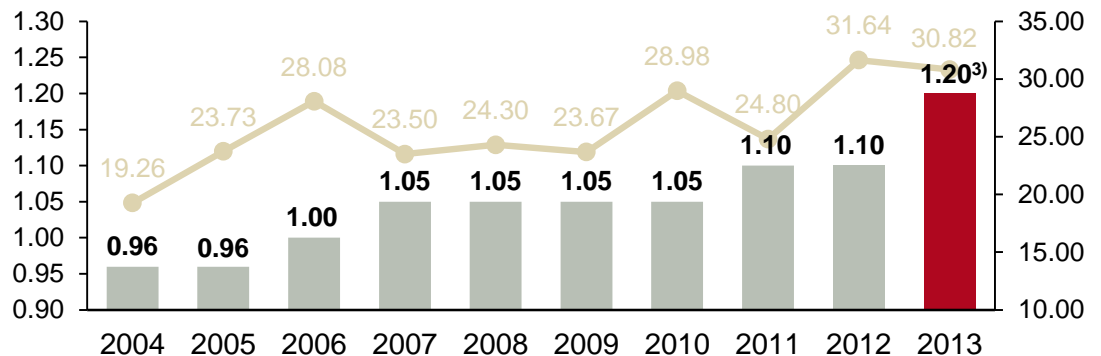
€m

CAGR²⁾: +19% ↗CAGR²⁾³⁾: +8% ↗

- 1) at-equity consolidation
- 2) Compound Annual Growth Rate (CAGR) 2008-2013
- 3) incl. dilution

SHOPPING CENTER SHARES

Dividend & Performance

Dividend¹⁾Share price²⁾PERFORMANCE⁴⁾

| | | DES | DAX | EPRA ⁵⁾ | REX ⁶⁾ |
|------------------|-----------|--------------------|------------|--------------------|-------------------|
| 1 year | (2012) | +32.7% | +29.1% | +29.2% | +4.6% |
| 3 years | +51.2% = | +14.8% p.a. | +8.5% p.a. | +11.6% p.a. | +5.6% p.a. |
| 5 years | +66.6% = | +10.7% p.a. | -1.2% p.a. | -0.8% p.a. | +6.4% p.a. |
| Since IPO (2001) | +171.8% = | +8.7% p.a. | +1.4% p.a. | +6.6% p.a. | +5.3% p.a. |

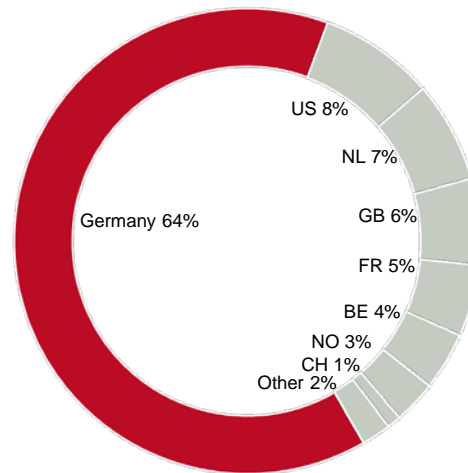
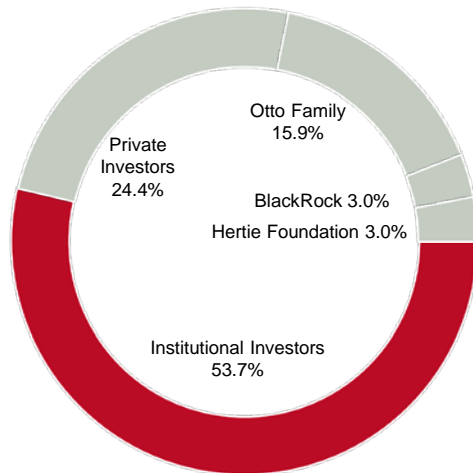
- 1) respectively paid for the previous financial year
- 2) 2013: as of 16 September 2013
- 3) paid on 21 June 2013
- 4) as of 31 December 2012
- 5) EPRA/NAREIT Europe
- 6) German government bonds index



SHOPPING CENTER SHARES

Shareholder Structure¹⁾

- 9,115 shareholders
- Free float 84.1%



1) Status: 13 September 2013



SHOPPING CENTER SHARES

Analysts' Consensus¹⁾

| avg. / in € | 2013 | 2014 |
|------------------|-------|-------|
| EBIT (€ million) | 172.6 | 179.7 |
| FFO per share | 2.00 | 2.08 |
| EPS | 2.16 | 2.28 |
| Dividend | 1.28 | 1.34 |
| Price target | | 33.76 |

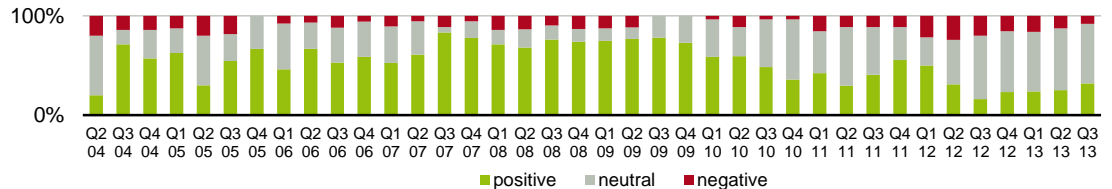
Status: 30 August 2013

- 25 analysts: one of the best covered real estate companies in Europe²⁾

| Sell | Underperform | Neutral | Outperform | Buy |
|---|---|--|--|-----|
| <ul style="list-style-type: none"> ABN Amro Natixis | <ul style="list-style-type: none"> Baader Bank Bankhaus Lampe Close Brothers Seydler Commerzbank Deutsche Bank Equinet Green Street Advisors | <ul style="list-style-type: none"> Hamburger Sparkasse HSBC Independent Research J.P. Morgan Cazenove Kempen & Co NORD/LB Oddo UBS | <ul style="list-style-type: none"> Bank of America Merrill Lynch Berenberg Bank DZ Bank Kepler Cheuvreux LFG Value Metzler M.M. Warburg Societe Generale | |



¹⁾ aggregated by DES
²⁾ according to EPRA survey 3/2012



SHOPPING CENTER SHARE

10 Reasons to Invest

1. The only public company in Germany to invest solely in shopping centers
2. Prime locations
3. Proven, conservative strategy
4. Stable cash flow with long term visibility
5. Shareholder-friendly dividend policy
6. Experienced management team
7. Excellent track record
8. Centers almost 100% let
9. Inflation-protected rental agreements
10. Solidity combined with growth potential



APPENDIX

Key Data of the Share

| | |
|--|--|
| Listed since | 02.01.2001 |
| Nominal capital | €53,945,536.00 |
| Outstanding shares | 53,945,536 |
| Class of shares | Registered shares |
| Dividend 2012 (21 June 2013) | €1.20 |
| 52W High | €34.55 |
| 52W Low | €25.36 |
| Share price (16 September 2013) | €30.82 |
| Market capitalisation | €1.66 billion |
| avg. turnover per day last 12 months (XETRA) | 112,300 shares |
| Indices | MDAX, EPRA, GPR, MSCI Small Cap, EURO STOXX, STOXX Europe 600 |
| Official market | Prime Standard Frankfurt and XETRA |
| OTC market | Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart |
| ISIN | DE 000 748 020 4 |
| Ticker | DEQ, Reuters: DEQn.DE |
| Market maker | Close Brothers Seydler |



APPENDIX

Key Data of the Convertible Bond 1.75% 2017

| | |
|---------------------------|--|
| Amount | €100 million |
| Principal amount | €100,000 per Bond |
| Issue date | 20 Nov. 2012 |
| Maturity date | 20 Nov. 2017 |
| Coupon | 1.75% |
| Price (16 September 2013) | 106.4% |
| Interest payment date | payable semi-annually in arrear on 21 May and 21 November in each year |
| Conversion price | €33.79 ¹⁾ |
| Dividend protection | Conversion Price adjustment for any dividends paid (full dividend protection) |
| ISIN | DE 000 A1R 0W0 5 |
| Listing | Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange |



¹⁾ originally €35.10, adjusted on
21 June 2013

APPENDIX

Retail turnover H1 2013*

| Retail sector | % change | rent-to-sales ratio in % | % of sales | % of space |
|-----------------------|-------------|--------------------------|--------------|--------------|
| Department stores | 1.4 | 5.8 | 8.3 | 14.1 |
| Food | 0.7 | 6.9 | 9.5 | 6.3 |
| Fashion textiles | -1.7 | 11.8 | 28.6 | 37.3 |
| Shoes & leather goods | 0.6 | 13.6 | 5.8 | 7.0 |
| Sports | -1.2 | 8.9 | 4.1 | 5.0 |
| Health & Beauty | 4.1 | 7.0 | 11.2 | 5.9 |
| General Retail | -1.2 | 9.7 | 11.7 | 11.0 |
| Electronics | -2.8 | 2.9 | 11.9 | 7.6 |
| Services | 8.7 | 4.4 | 4.7 | 1.6 |
| Food catering | 1.4 | 12.9 | 4.2 | 4.1 |
| Total*** | -0.0 | 8.7 | 100.0 | 100.0 |

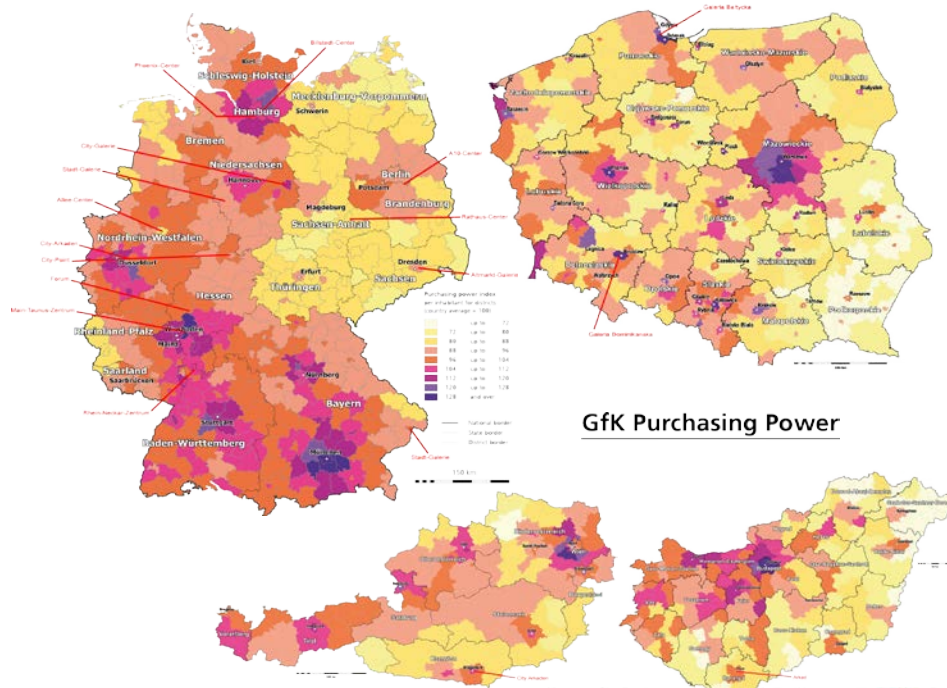
- retail turnover development abroad on a **like-for-like** basis: **+1.5%**
DES-Portfolio overall: **+0.2%**
- absolute** turnover development: Germany **-0.2%****, abroad **+2.1%**
DES-Portfolio overall: **+0.2%**



* German centers on a like-for-like basis
 ** compares to a turnover development of +1.3% of the overall German retail
 *** Totals may include differences due to rounding

APPENDIX

Purchasing Power Maps



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APPENDIX

Our partner: ECE



- ECE develops, plans, builds, leases and manages large commercial real estate in the sectors shopping, office, industries since 1965
- originally ECE was an abbreviation for the German word Einkaufszenterentwicklung (Shopping center development)
- 100% privately owned by the Otto family
- active in 17 European countries
- European market leader in the shopping center business
- Assets under management:
 - 189 shopping centers
 - 6 million sqm overall sales area
 - approx. 17,500 retail businesses
 - €21 billion in annual sales

MANY INVESTORS RELY ON ECE:



APPENDIX

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 are not opposing forces. Long-term thinking is part of our strategy. This includes playing our part in environmental protection.
- In 2012, all our German shopping centers had contracts with suppliers that use regenerative energy sources such as hydroelectric power for their electricity needs. The “EnergieVision” organisation certified the green electricity for our centers in Germany with the renowned “ok-power” accreditation in 2012. We plan to switch the centers in other countries to green electricity as well in the next few years.
- The German centers used a total of around 69.2 million kWh of green electricity in 2011. This represented 100% of the electricity requirements in these shopping centers. As a result, based on conservative calculations this meant a reduction of around 25,800 tonnes in carbon dioxide emissions – this equates to the annual CO₂ emissions of around 1,170 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

Financial Calendar

2013

| | |
|---------------|---|
| 23.09. | Berenberg Bank and Goldman Sachs German Corporate Conference, München |
| 25.09. | UniCredit German Investment Conference, Munich |
| 26.09. | Baader Investment Conference, München |
| 24.10. | Roadshow Amsterdam, ABN AMRO |
| 13.11. | Interim report 9M 2013 |
| 14.11. | Roadshow London, Bank of America Merrill Lynch |
| 19.11. | DZ BANK Equity Conference, Frankfurt |
| 21.11. | Roadshow Paris, M.M. Warburg |
| 27.-28.11. | Bankhaus Lampe Hamburg Investment Conference, Hamburg |



APPENDIX

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