



The Art of Shopping

2004 Analyst and Investor Conference Call

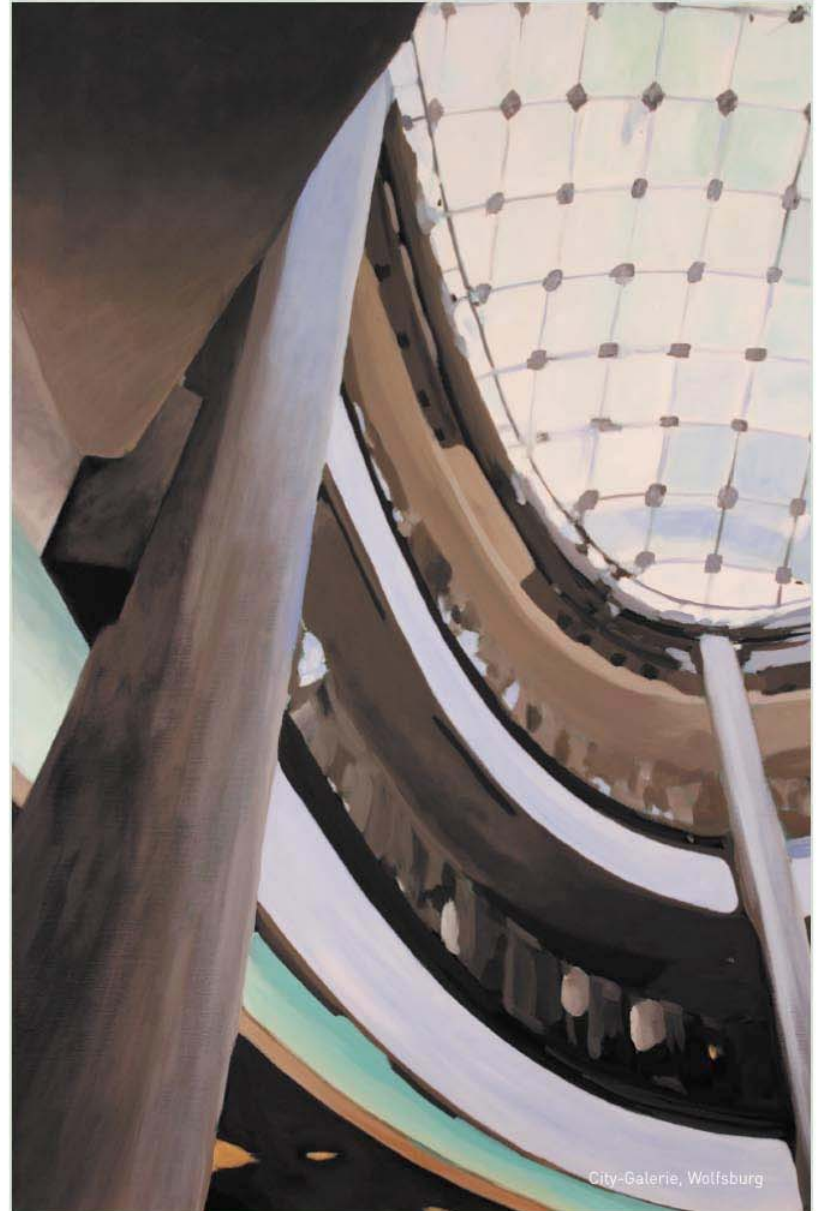
Hamburg, 18 April 2005

Agenda

1. 2004 Highlights
2. Conversion from HGB to IFRS
3. 2004 Earnings and Net Asset Value
4. Outlook

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2004 Highlights



2004 Highlights

January	Inclusion in the EPRA Index
February	Topping-out ceremony, Phoenix-Center Hamburg
March	First publication of the net asset value Opening of the Árkád Pécs shopping centre, Hungary
June	Topping-out ceremony, Forum Wetzlar General shareholders' meeting / dividend amounts to €1.92 per share
July	Sale of the Centro Commerciale Friuli in Udine/Italy Winner of the 2004 Capital Investor Relations Award
August	Investment in City-Arkaden, Klagenfurt/Austria
September	Inclusion in the MDAX Opening of the Phoenix-Center Hamburg

New Investment City-Arkaden Klagenfurt

65 % rented out 1 year
before the opening



DES investment	50%	Number of shops	approx. 120
Rental space in m²	30,000	Percentage rented out	65%
Parking spaces	850	Catchment area	0.4 m people
		Opening	Spring 2006

Openings

Pécs und Hamburg



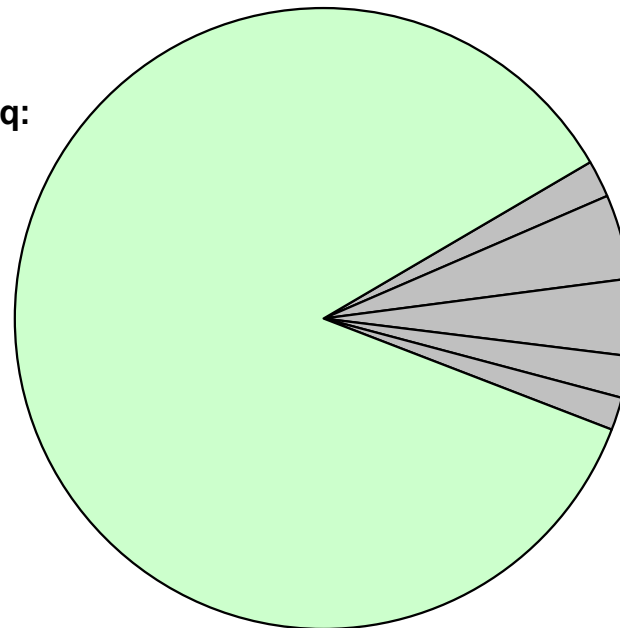
Location	Árkád Pécs, Hungary	Phoenix-Center Hamburg
Investment	50.0%	50.0%
Rental area in m ²	34,200	39,000
Parking spaces	850	1,600
Number of shops	approx. 130	approx. 110
Percentage rented out	99%	96%
Catchment area	Population of 0.5 million	Population of 0.6 million
Opening / conversion	March 2004	Sep. 2004

**Maturity
Distribution
of rental contracts***

**Long-term contracts
guarantee rental income**

**Weighted maturity
> 8 years**

**2010 et sqq:
86%**



2005: 2%

2006: 4%

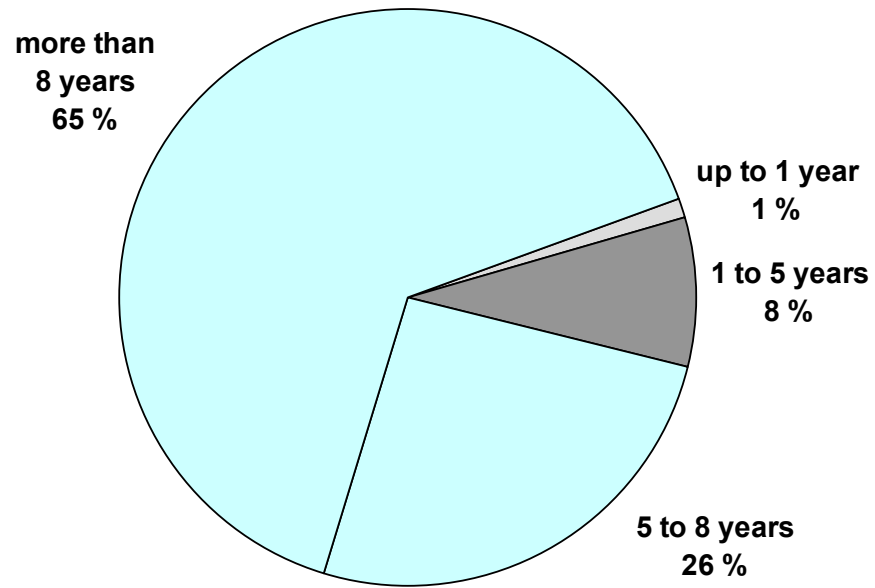
2007: 4%

2008: 2%

2009: 2%

Liabilities - Maturities

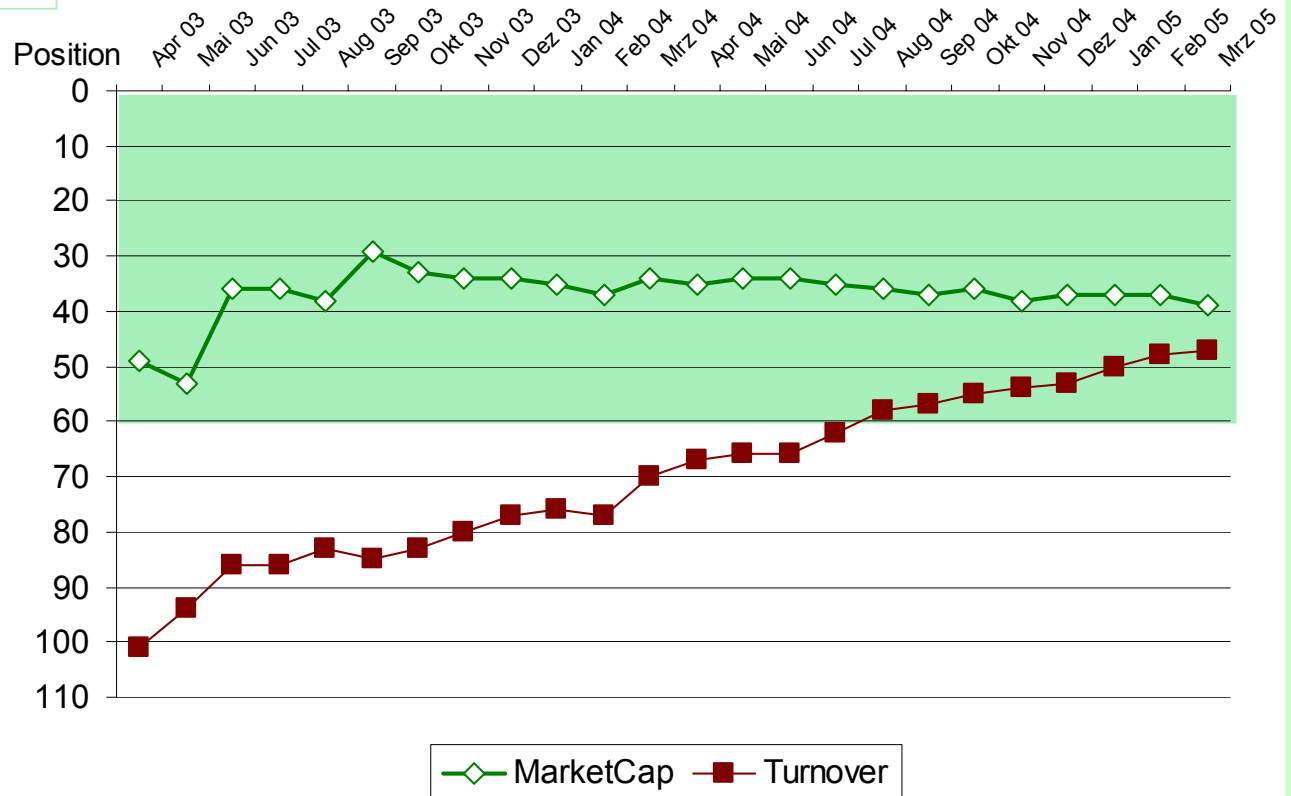
Ø effective interest rate
5.66%



**Establishment in
the MDAX
60/60 rule**

**Market capitalisation:
monthly computation**

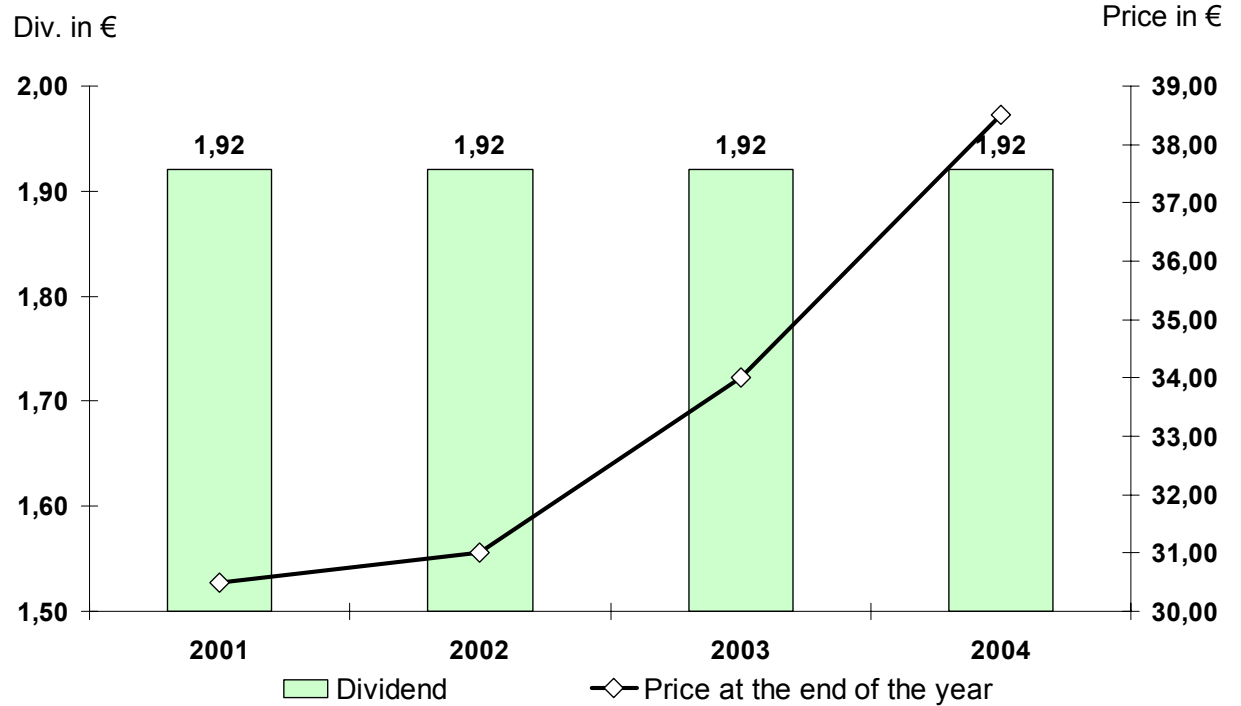
**Stock exchange
turnover:
computation on a 12-
month basis**



Dividend Policy Continuity

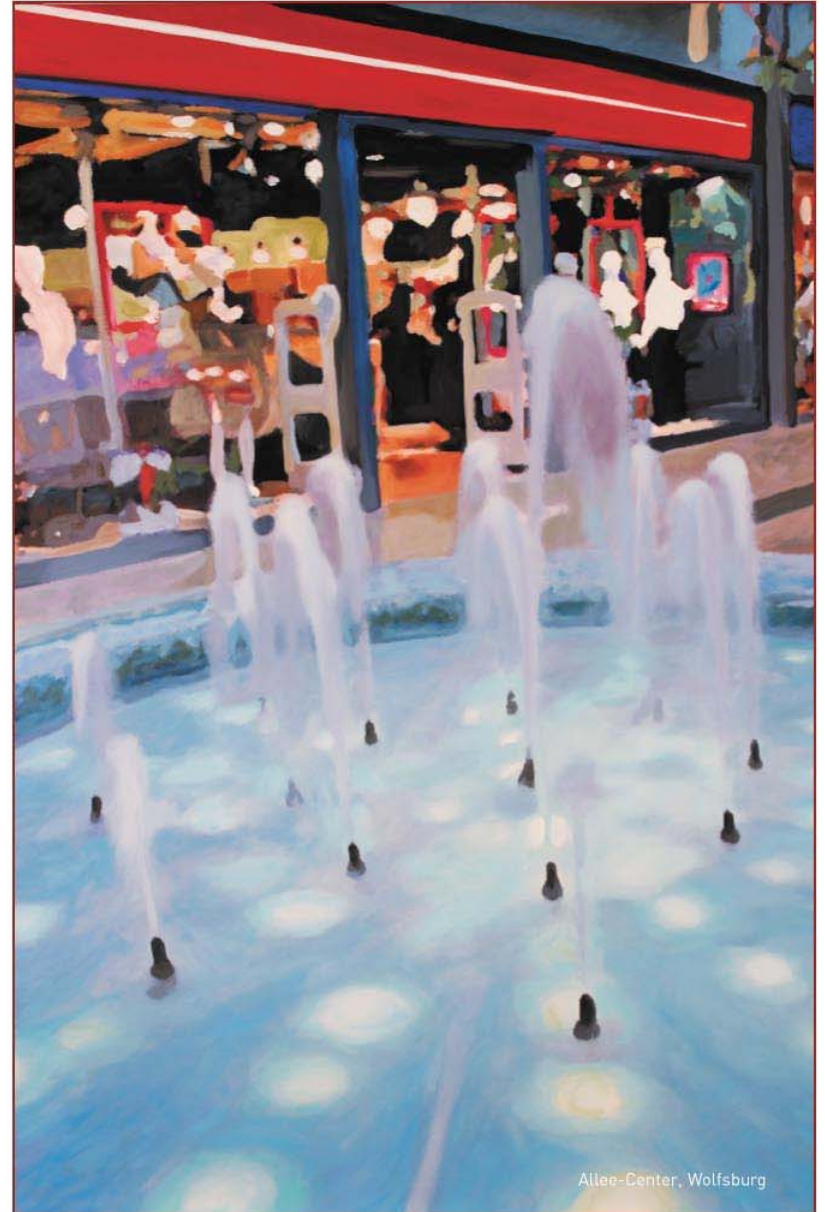
**Tax-free dividend
of € 1.92 per share**

**2004 performance:
+20 %**



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Conversion from HGB to IFRS



Allee-Center, Wolfsburg

**Prologue:
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

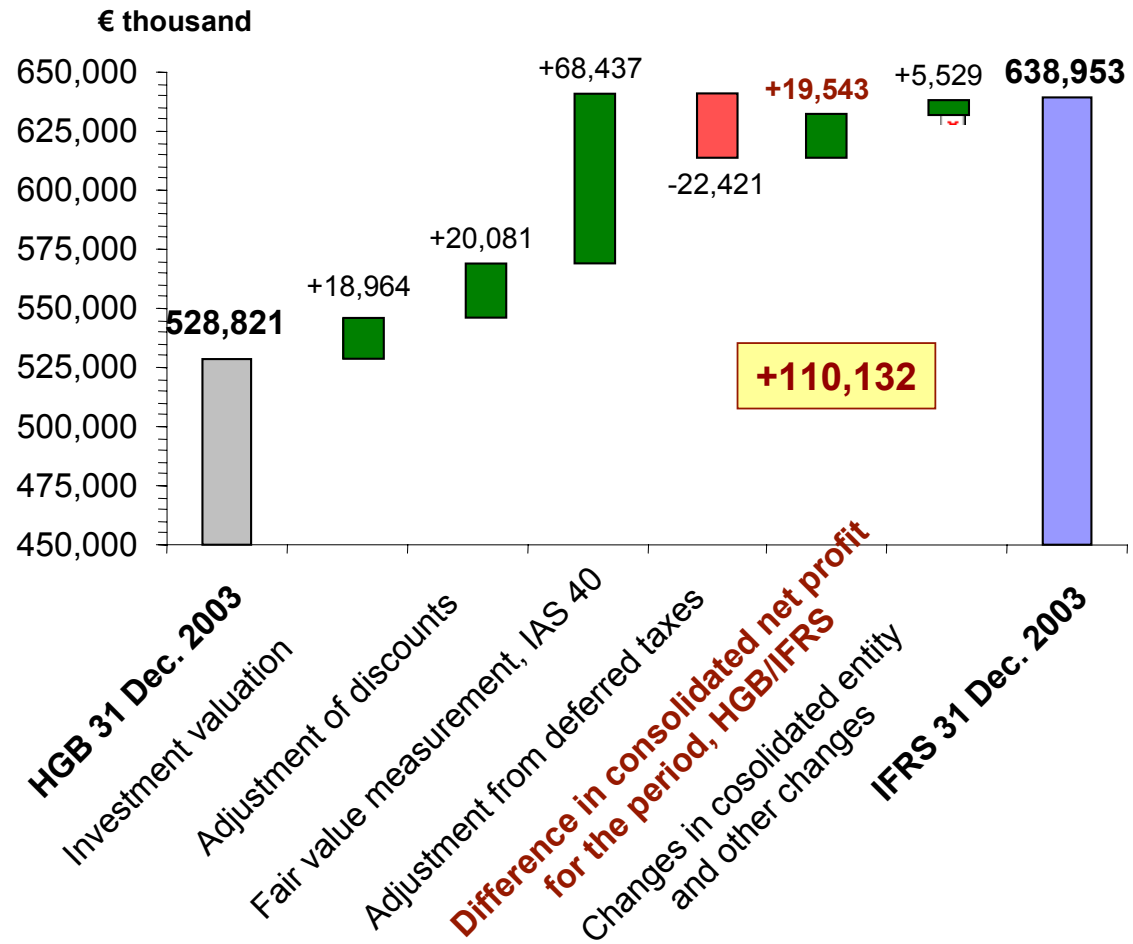
Accounting Decisions

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**



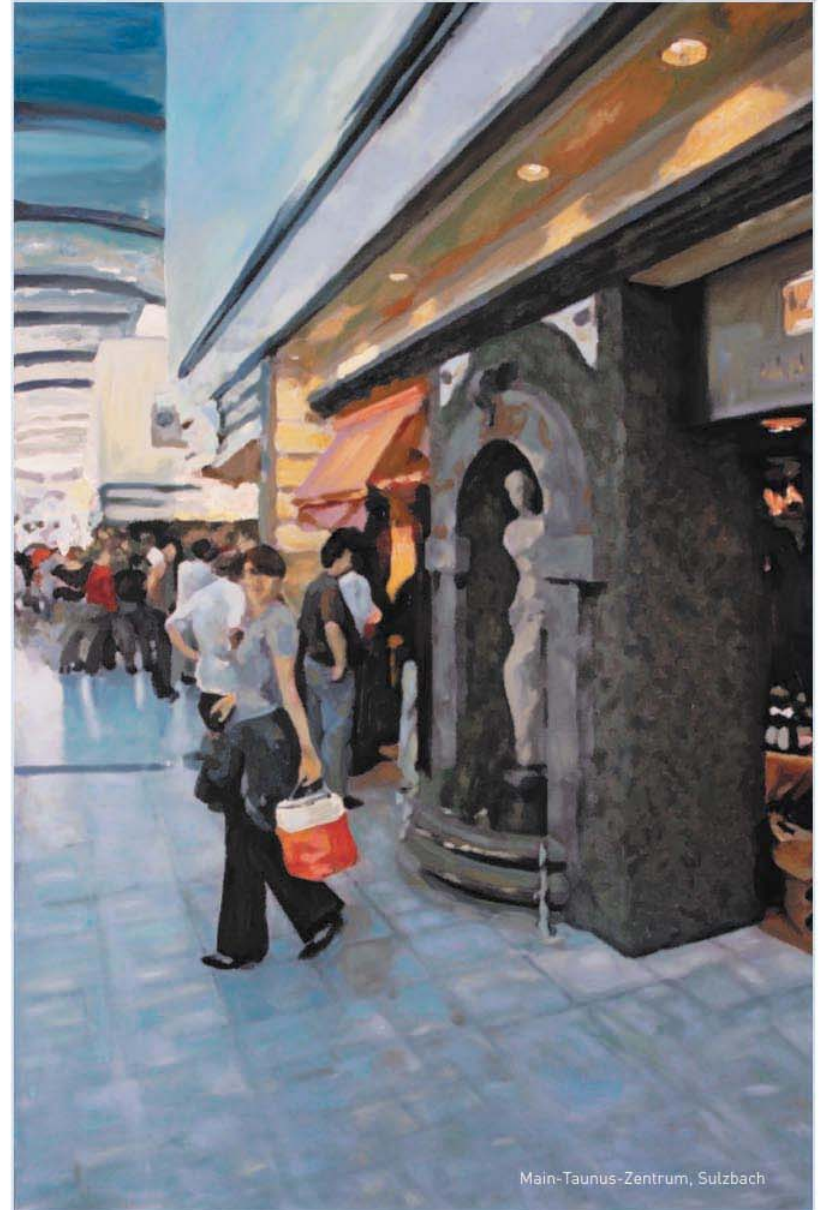
Effects on the Earnings Position, 2003

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

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2004 Earnings



Main-Taunus-Zentrum, Sulzbach

2004 Balance Sheet

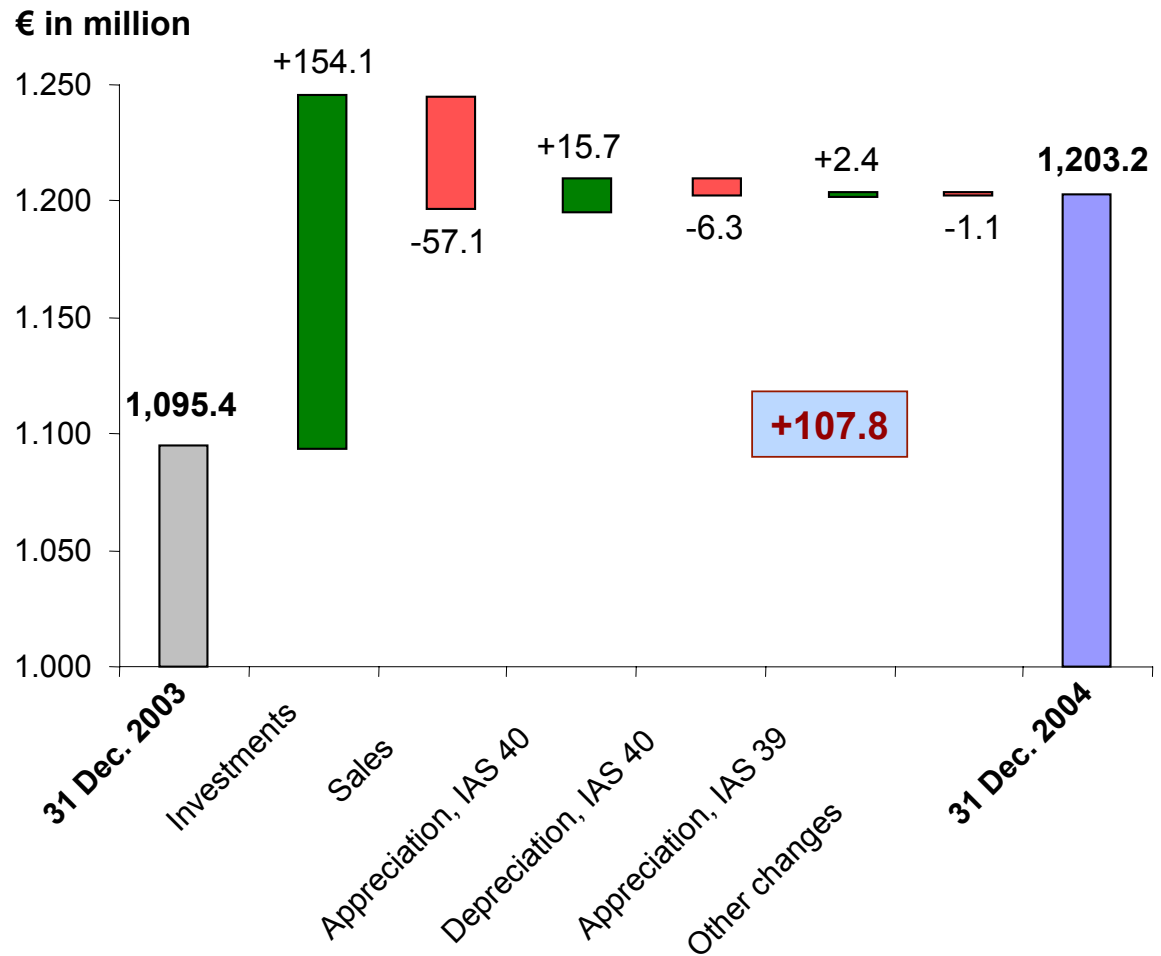
€ thousand	2004	2003	In/decrease
Fixed/non-current assets	1.203.251	1.095.444	107.807
Current assets	166.957	145.012	21.945
Total assets	1.370.208	1.240.456	129.752
Equity	684.412	695.301	-10.889
Non-current liabilities	597.662	476.646	121.016
Deferred taxes	51.676	43.586	8.090
Current liabilities	36.458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



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%

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

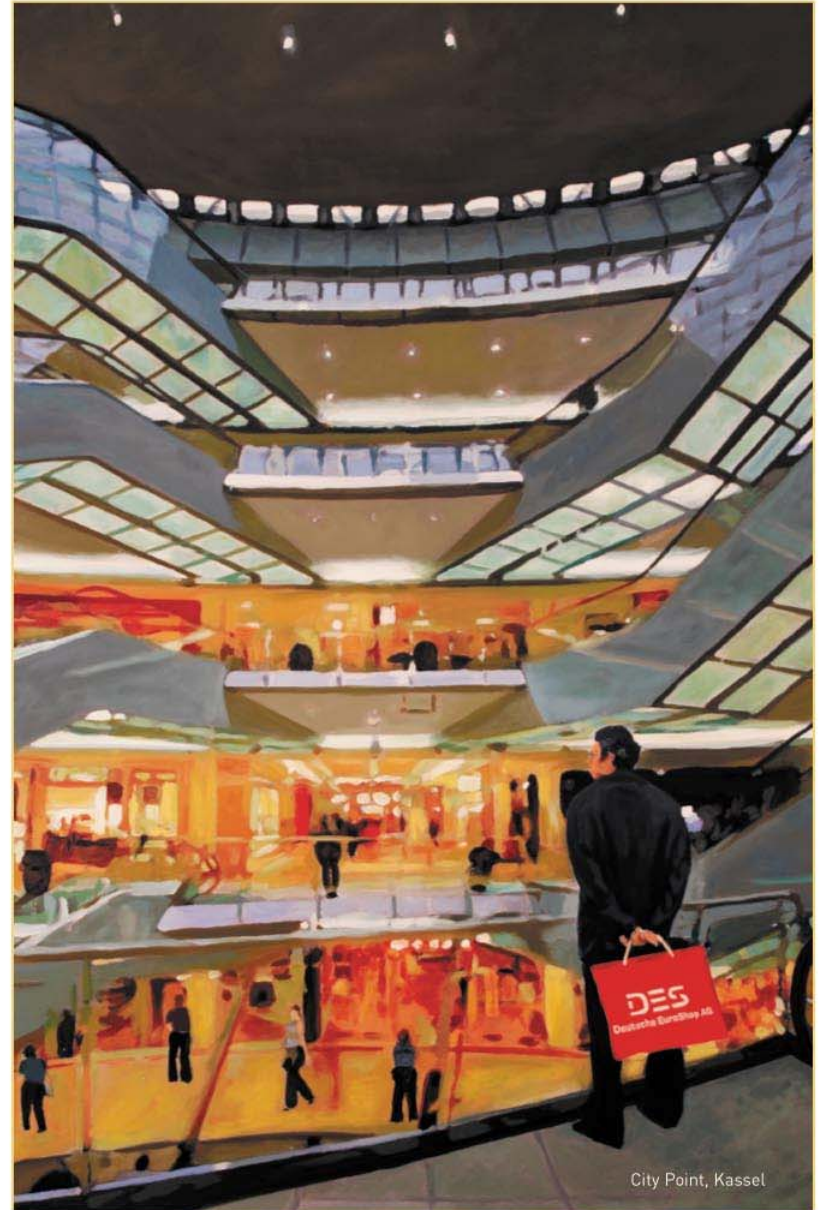
	2004	2003	In/decrease
Consolidated net profit for the period, k€	27,736	19,019	
Earnings per share	1.78 €	1.22 €	46%
thereof			
current earnings per share	1.32 €	0.93 €	42%
valuation result	0.46 €	0.29 €	59%

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

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Outlook



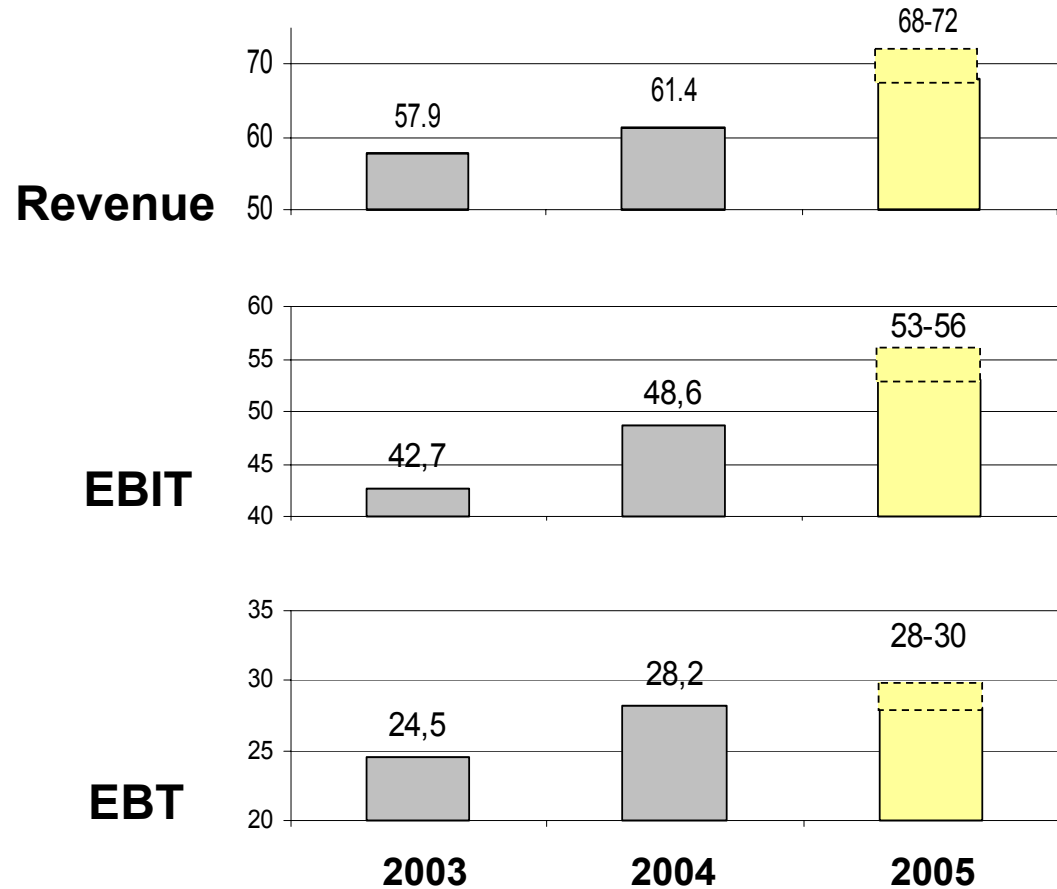
City Point, Kassel

Outlook, 2005

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

Acquisition volume:
€ 100 to 150 million

€ in million





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