

CONFERENCE CALL

QUARTERLY STATEMENT 3M 2017



12 MAY 2017

RETAIL TURNOVER 3M 2017¹

EASTER SALES TOOK PLACE IN APRIL (2016: MARCH)

RETAILERS

Retail sector	% change to 2016	rent-to-sales ratio in %	% of sales	% of space
Department stores	-5.0	6.5	7.2	12.9
Food	-4.3	7.9	8.5	6.1
Fashion textiles	-3.7	12.7	29.3	39.5
Shoes & leather goods	-2.6	14.7	5.4	6.5
Sports	-5.0	9.7	4.0	5.0
Health & beauty	-2.6	7.3	11.9	6.0
General retail	-8.8	11.7	8.3	9.6
Electronics	+4.7	3.8	15.5	8.4
Services	+4.6	4.7	5.1	1.7
Food catering	-1.0	12.8	4.8	4.3
Total	-2.4	9.3	100²	100²

- Retail turnover development on a like-for-like basis: Germany **-2.4%**, abroad **+0.7%**
DES-Portfolio overall: **-2.0%**
- Absolute turnover development: Germany **-2.1%**, abroad **+1.2%**
DES-Portfolio overall: **-1.7%**

¹ German centers on a like-for-like basis (turnover: €2.1 billion)

² The sum may not equal the totals due to rounding

PROFIT AND LOSS ACCOUNT Q1 2017

in € thousand	01.01. – 31.03.2017	01.01 – 31.03.2016	Change
Revenue	50,727	50,737	0.0%
Property operating and management costs	-4,881	-4,764	
Net operating income	45,846	45,973	-0.3%
Other operating income	301	168	
Corporate costs	-1,892	-1,556	
EBIT	44,255	44,585	-0.7%
Other financial income and expenses	760	394	
Interest income	17	13	
Interest expense	-12,753	-13,744	
At equity result	7,574	5,437	
Profit/loss attributable to limited partners	-4,655	-4,388	
Net finance costs	-9,057	-12,252	26.1%
Measurement gains/losses	-736	-1,356	
EBT	34,462	30,977	11.3%
Taxes	-6,955	-6,111	
Consolidated profit	27,507	24,866	10.6%

FINANCIALS

KEY FIGURES Q1 2017

	31.03.2017	31.03.2016	Change
FFO per Share (€)	0.62	0.58	6.9%
Earnings per share (€ undiluted)	0.50	0.46	8.7%
EPRA Earnings per share (€ undiluted)	0.60	0.55	9.1%

FINANCIALS

FUNDS FROM OPERATIONS (FFO)

in € thousand	31.03.2017	per share ¹	31.03.2016	per share ¹
Consolidated net profit	27,507	€0.50	24,866	€0.46
+ Measurement gains/losses investment properties ²	747	€0.01	1,733	€0.03
+ Bond conversion expense	242	€0.00	242	€0.00
+ Deferred taxes ²	5,962	€0.11	4,713	€0.09
FFO (undiluted)	34,458	€0.62	31,544	€0.58
FFO (after conversion)³	34,458	€0.59		
Weighted number of no-par value shares issued		55,085,176		53,945,536
Weighted number of no-par value shares issued (after conversion) ³		57,975,280		

FINANCIALS

¹ The sum of the amounts may not equal the totals due to rounding

² Including the share attributable to equity-accounted joint ventures and associates

³ Under the assumption that the convertible bond has been fully converted at the end of its term in November 2017

EARNINGS PER SHARE (EPRA)

in € thousand	31.03.2017	per share ¹	31.03.2016	per share ¹
Consolidated net profit	27,507	€0.50	24,866	€0.46
+ Measurement gains/losses investment properties ²	747	€0.01	1,733	€0.03
+ Measurement gains/losses derivative financial instruments ²	-910	-€0.02	-394	-€0.01
+ Acquisition costs	319	€0.01	0	€0.00
+ Deferred taxes related to EPRA adjustments ^{2,3}	5,454	€0.10	3,914	€0.07
EPRA Earnings	33,117	€0.60	30,119	€0.55
Expense for convertible bond	538		538	
EPRA Earnings (diluted)	33,655	€0.58	30,657	€0.54
Weighted number of no-par value shares issued		55,085,176		53,945,536
Weighted number of no-par value shares issued (diluted) ⁴		58,351,015		57,105,094

FINANCIALS

- ¹ The sum of the earnings per share amounts may not equal the totals due to rounding
- ² Including the share attributable to equity-accounted joint ventures and associates
- ³ These concern deferred taxes on investment properties and derivative financial instruments
- ⁴ Under the assumption that the convertible bond has been fully converted on 1 January of the respective year

BALANCE SHEET Q1 2017

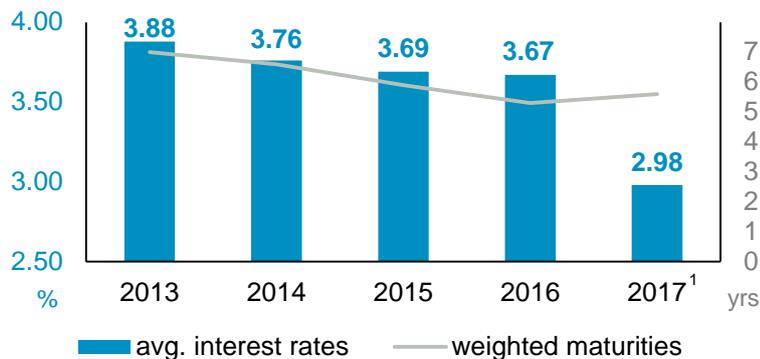
in € thousand	31.03.2017	31.12.2016	Change
Non-current assets	4,466,276	4,036,533	429,743
Current assets	168,179	77,924	90,255
Total assets	4,634,455	4,114,457	519,998
Group equity	2,109,622	1,916,148	193,474
Right to redeem of limited partners	325,474	324,559	915
Total equity	2,435,096	2,240,707	194,389
Financial liabilities	1,709,401	1,445,581	263,820
Deferred tax liabilities	419,457	359,365	60,092
Other liabilities	70,501	68,804	1,697
Total equity and liabilities	4,634,455	4,114,457	519,998
	31.03.2017	31.12.2016	
Equity ratio ¹	52.5%	54.5%	
LTV ratio	35.3%	34.2%	

¹ incl. non controlling interests

LOAN STRUCTURE INCL. CONVERTIBLE BONDS^{1,2}

Interest lockin	Duration	Principle amounts (€ million)	Share of total loan	avg. interest rate
Up to 1 year		171.0	10.0%	1.61%
1 to 5 years	3.7	600.0	35.1%	4.04%
5 to 10 years	7.1	689.4	40.4%	2.78%
Over 10 years	10.8	247.7	14.5%	2.59%
Total¹	5.6	1,707.8	100%	2.98%

- 21 German and 4 foreign bank partners
- Weighted maturity of fixed interest periods 5.6 years¹



¹ as of 31 March 2017

² excl. non-consolidated loans

MATURITIES UNTIL 2022^{1,2}

in € million	end of fixed interest periods respectively expiring loans	avg. interest rate	regular redemption payments	total maturities
2017	Convertible Bond 99.5	1.75%	16.5	116.0
2018	148.3	2.49%	22.3	170.6
2019	123.1	4.73%	18.9	142.0
2020	134.1	4.52%	18.2	152.3
2021	198.3	4.48%	14.8	213.1
2022	217.8	3.26%	16.5	234.3
	844.1			

Non-consolidated loans¹

in € million	End of fixed interest periods respectively expiring loans	Avg. interest rate	DES' share	
2017-2019	0			
2020	35.0	4.00%	50%	Saarpark-Center, Neunkirchen
2021	48.6	4.65%	50%	Phoenix-Center, Hamburg
2022	12.1	4.90%	50%	Saarpark-Center, Neunkirchen

¹ as of 31 March 2017

² excl. non-consolidated loans

REVENUE BRIDGE Q1 2017

€m

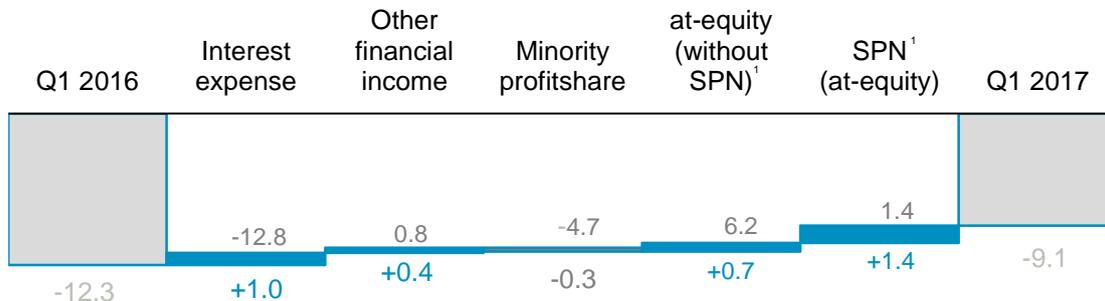
FINANCIALS



NET FINANCE COST BRIDGE Q1 2017

€m

FINANCIALS

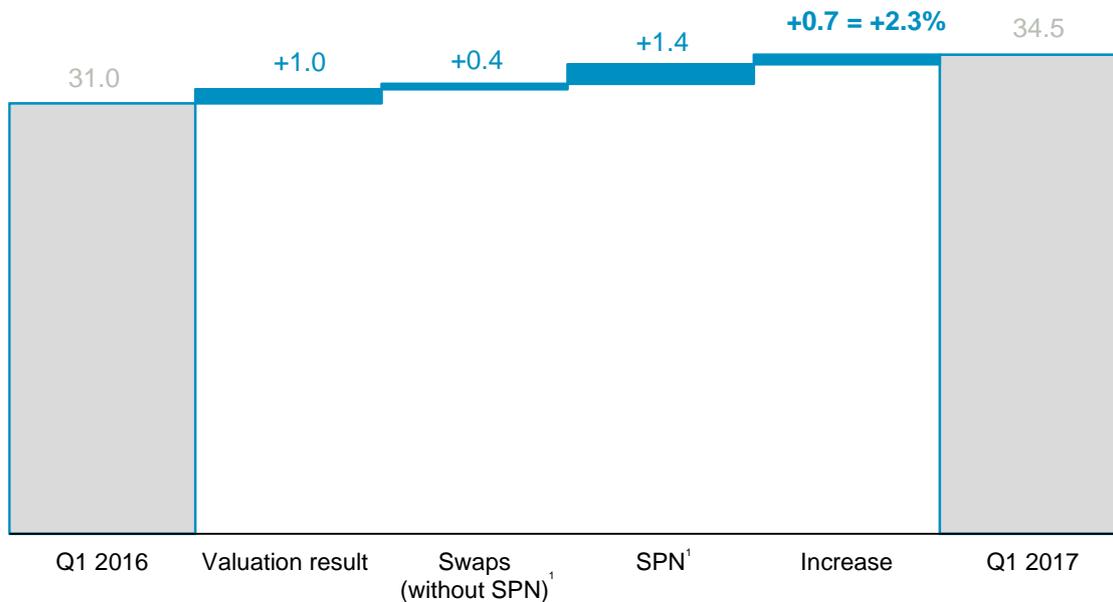


¹ Saarpark-Center, Neunkirchen

EBT BRIDGE Q1 2017

€m

FINANCIALS

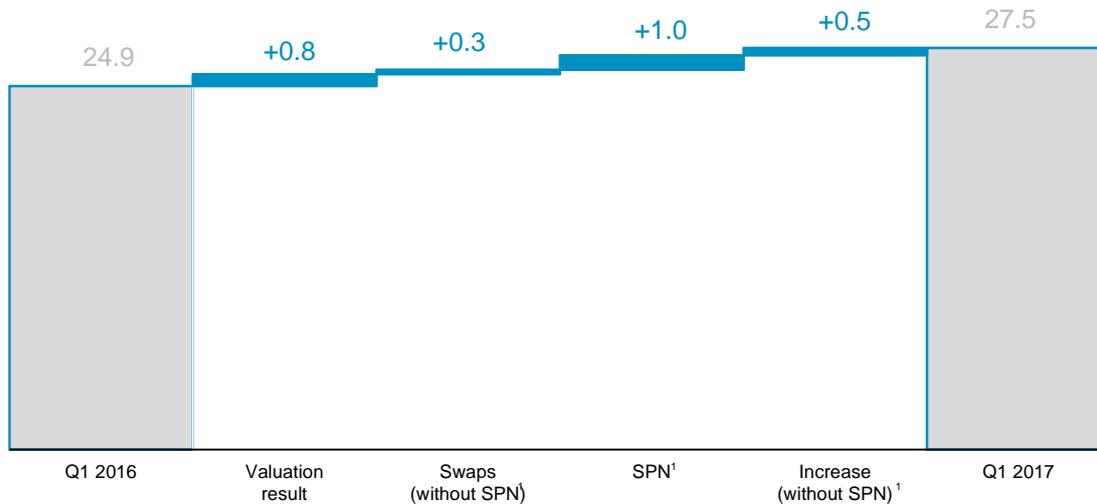


¹ Saarpark-Center, Neunkirchen

PROFIT BRIDGE Q1 2017

€m

FINANCIALS



¹ Saarpark-Center, Neunkirchen

ACQUISITION OF OLYMPIA BRNO

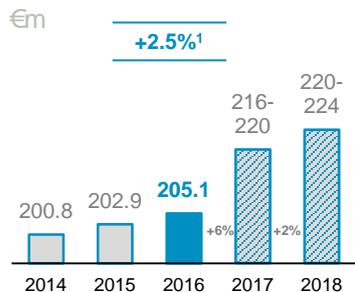
- Deutsche EuroShop acquired 100% of the shares in Olympia SPV from Rockspring and ECE European Prime Shopping Centre Fund I (50% each)
- Closing: 31 March 2017
- Total investment: approx. €382 million, net purchase price excl. debt of SPV and excl. acquisition costs: approx. €207 million
- financing by long term debt (approx. €217 million, 57%) and proceeds of capital increase (approx. €165 million, 43%)
- Expected annualised rents 2017: €20.1 million
- Expected NOI yield: 5.1%, expected net initial yield: 5.0%
- The SPV is fully consolidated as of 31 March 2017

FINANCIALS

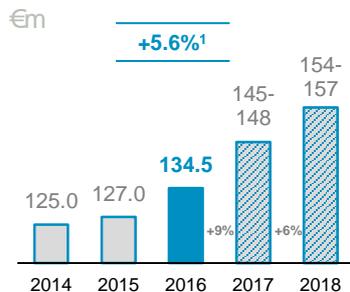


FORECAST

REVENUE



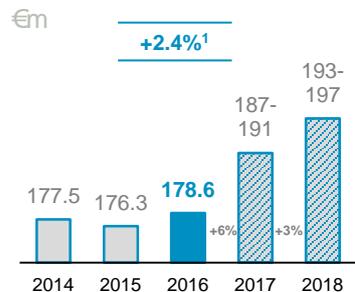
EBT EXCL. VALUATION



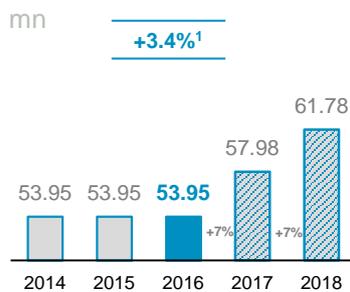
FFO



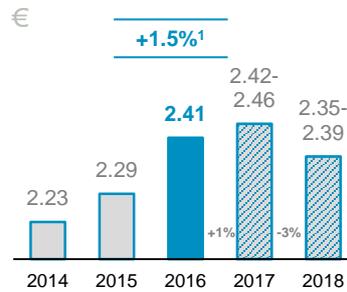
EBIT



NUMBER OF SHARES²



FFO PER SHARE



¹ Compound Annual Growth Rate (CAGR) 2014 - 2018

² weighted, under the assumption that the convertible bond has been fully converted at the end of its term in November 2017

OUTLOOK

- Increase in dividend to 1.40€ per share for FY 2016
- Further optimization of financing costs
- The investment market remains hot
- We see a clear overdemand, especially in Germany
- DES is selectively analyzing sales offers

COMPANY

KEY DATA OF THE SHARE

Listed since	02.01.2001
Nominal capital	€58,404,996.00
Outstanding shares	58,404,996
Class of shares	Registered shares
Dividend 2016 (proposal)	€1.40
52W High	€42.61
52W Low	€35.87
Share price (10 May 2017)	€38.40
Market capitalisation	€2.24 billion
Avg. turnover per day last 12 months (XETRA)	143,700 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	Oddo Seydler

APPENDIX

FINANCIAL CALENDAR

2017

11.05.	Quarterly Statement 3M 2017	12.-13.09.	BoA Merrill Lynch Global RE Conf., New York
19.05.	equinet ESN Conference, Frankfurt	18.09.	Goldman Sachs & Berenberg German Conf., Munich
19.05.	Warburg Highlights, Hamburg	19.09.	Baader Investment Conf., Munich
01.06.	Kepler Cheuvreux German Property Day, Paris	29.09.	Societe Generale Pan European RE Conf., London
07.06.	Kempen & Co European Property Seminar, Amsterdam	04.-06.10.	Expo Real, Munich
15.06.	Roadshow London, Green Street Advisors	15.11.	Quarterly Statement 9M 2017
19.06.	Roadshow Warsaw, Berenberg	16.11.	Natixis European Mid Caps Conf., Paris
16.06.	Roadshow Edinburgh, JP Morgan Cazenove	17.11.	Roadshow Amsterdam, Societe Generale
22.06.	Deutsche Bank dbAccess Conference, Berlin	17.11.	Roadshow Brussels, Kempen & Co
28.06.	Annual General Meeting, Hamburg	21.11.	DZ Bank Equity Conf., Frankfurt
15.08.	Half-year Financial Report 2016	05.12.	Berenberg European Conf., Pennyhill
04.-05.09.	DES Real Estate Summer, Brno	11.-12.12.	HSBC Global RE Conf., Cape Town

APPENDIX

CONTACT

Deutsche EuroShop AG
Investor & Public Relations
Heegberg 36
22391 Hamburg

Tel. +49 (40) 41 35 79 – 20/ – 22
Fax +49 (40) 41 35 79 – 29
E-Mail: ir@deutsche-euroshop.com
Web: www.deutsche-euroshop.com

 ir-mall.com

 facebook.com/euroshop

 flickr.com/desag

 slideshare.net/desag

 twitter.com/des_ag

 youtube.com/DeutscheEuroShop



APPENDIX

Important Notice: 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.