

CONFERENCE CALL

HALF-YEAR FINANCIAL REPORT 2017



16 AUGUST 2017

RETAIL TURNOVER H1 2017¹

RETAILERS

Retail sector	% change to 2016	rent-to-sales ratio in %	% of sales	% of space
Department stores	-1.4	6.3	7.3	13.0
Food	-1.1	7.6	8.7	6.2
Fashion textiles	-1.5	12.2	29.4	39.5
Shoes & leather goods	-2.3	14.8	5.2	6.5
Sports	-3.8	9.6	4.0	5.0
Health & beauty	-1.3	7.2	11.8	6.0
General retail	-3.0	10.9	8.6	9.3
Electronics	+5.2	3.8	15.2	8.4
Services	+5.0	4.8	5.0	1.8
Food catering	+1.0	12.5	4.8	4.3
Total	-0.4	9.1	100²	100²

- Retail turnover development on a like-for-like basis: Germany -0.4%, abroad +3.6%
DES-Portfolio overall: **+0.4%**
- Absolute turnover development: Germany +0.1%, abroad +4.0%
DES-Portfolio overall: **+0.8%**

¹ German centers on a like-for-like basis (turnover: €2.2 billion)

² The sum may not equal the totals due to rounding

PROFIT AND LOSS ACCOUNT H1 2017

in € thousand	01.01. – 30.06.2017	01.01 – 30.06.2016	Change
Revenue	105,795	101,830	3.9%
Property operating and management costs	-10,451	-10,120	
Net operating income	95,344	91,710	4.0%
Other operating income	342	502	
Other operating expenses	-3,190	-3,387	
EBIT	92,496	88,825	4.1%
Other financial income and expenses	1,498	1,048	
Interest expense	-26,914	-27,138	
At equity result	15,272	11,205	
Profit/loss attributable to limited partners	-9,319	-8,900	
Net finance costs	-19,463	-23,785	18.2%
EBT	73,033	65,040	12.3%
Measurement gains/losses ¹	-2,608	-4,985	
Taxes	-2,568	-2,555	
Deferred Taxes ¹	-11,624	-8,827	
Consolidated profit	56,233	48,673	15.5%

¹ incl. at equity

KEY FIGURES H1 2017

	30.06.2017	30.06.2016	Change
FFO per Share (€)	1.25	1.16	7.8%
Earnings per share (€ undiluted)	0.99	0.90	10.0%
EPRA Earnings per share (€ undiluted)	1.20	1.11	8.1%

FINANCIALS

FUNDS FROM OPERATIONS (FFO)

in € thousand	30.06.2017	per share ¹	30.06.2016	per share ¹
Consolidated net profit	56,233	€0.99	48,673	€0.90
+ Measurement gains/losses investment properties ²	2,608	€0.05	4,985	€0.09
+ Bond conversion expense	484	€0.01	484	€0.01
+ Deferred taxes ²	11,624	€0.20	8,826	€0.16
FFO (undiluted)	70,949	€1.25	62,968	€1.16
FFO (after conversion)³	70,949	€1.22		
Weighted number of no-par value shares issued		56,754,256		53,945,536
Weighted number of no-par value shares issued (after conversion) ³		57,977,135		

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	30.06.2017	per share ¹	30.06.2016	per share ¹
Consolidated net profit	56,233	€0.99	48,673	€0.90
+ Measurement gains/losses investment properties ²	2,608	€0.05	4,985	€0.09
+ Measurement gains/losses derivative financial instruments ²	-1,751	-€0.03	-1,002	-€0.02
+ Acquisition costs	276	€0.00	358	€0.01
+ Deferred taxes related to EPRA adjustments ^{2,3}	10,607	€0.19	6,996	€0.13
EPRA Earnings	67,973	€1.20	60,010	€1.11
Expense for convertible bond	1,172		1,172	
EPRA Earnings (diluted)	69,145	€1.15	61,182	€1.07
Weighted number of no-par value shares issued		56,754,256		53,945,536
Weighted number of no-par value shares issued (diluted) ⁴		60,021,528		57,211,375

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 H1 2017

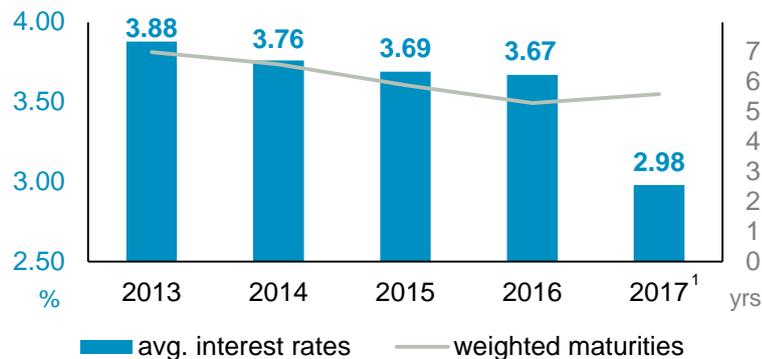
in € thousand	30.06.2017	31.12.2016	Change
Non-current assets	4,467,048	4,036,533	430,515
Current assets	137,775	77,924	59,851
Total assets	4,604,823	4,114,457	490,366
Group equity	2,058,399	1,916,148	142,251
Right to redeem of limited partners	324,596	324,559	37
Total equity	2,382,995	2,240,707	142,288
Financial liabilities	1,649,780	1,445,581	204,199
Deferred tax liabilities	425,222	359,365	65,857
Other liabilities	146,826	68,804	78,022
Total equity and liabilities	4,604,823	4,114,457	490,366
	30.06.2017	31.12.2016	
Equity ratio ¹	51.7%	54.5%	
LTV ratio	34.5%	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		110.4	6.7%	1.94%
1 to 5 years	3.5	600.0	36.4%	4.04%
5 to 10 years	6.9	689.4	41.9%	2.78%
Over 10 years	10.5	247.7	15.0%	2.59%
Total¹	5.4	1,647.5	100%	2.98%

- 21 German and 4 foreign bank partners
- Weighted maturity of fixed interest periods 5.4 years¹



¹ as of 30 June 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%	10.2	109.7
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			

Already fixed:

Altmarkt-Galerie Dresden:
€71.6m, 1.63%, 10y

Allee-Center Hamm:
€4.9m, 1.68%, 6y

Non-consolidated loans¹

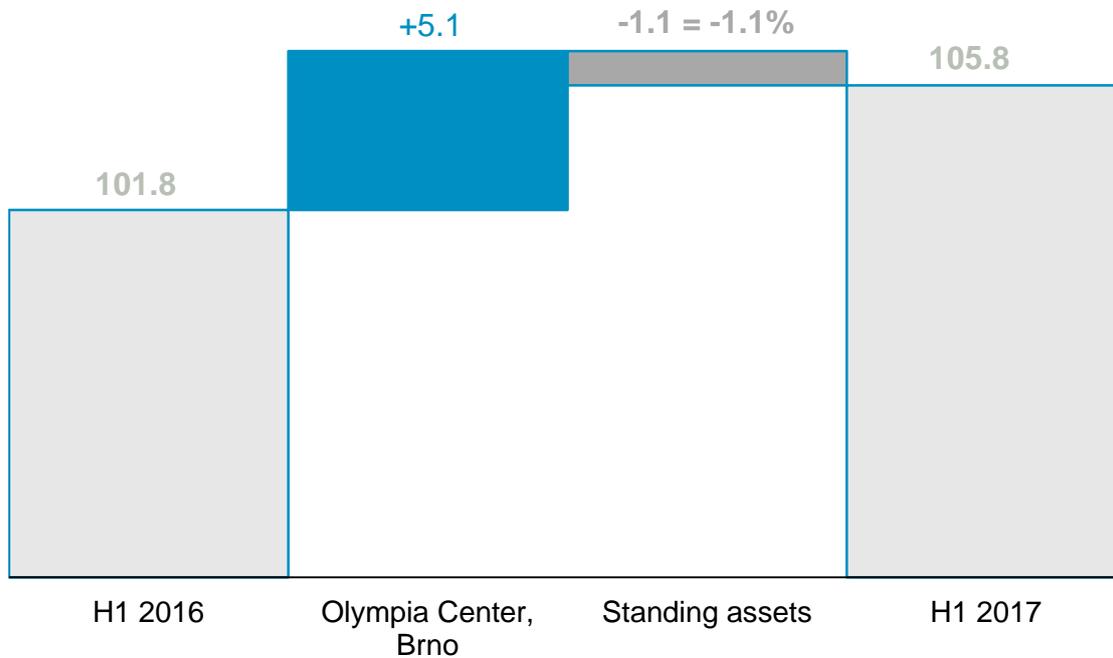
in € million	End of fixed interest periods respectively expiring loans	Avg. interest rate	DES' share	
2017-2019	0			
2020	35.0	4.00%	50%	Saarpark-Center Neunkirchen
2021	48.6	4.65%	50%	Phoenix-Center Hamburg
2022	12.1	4.90%	50%	Saarpark-Center Neunkirchen

¹ as of 30 June 2017

² excl. non-consolidated loans

REVENUE BRIDGE H1 2017

€m

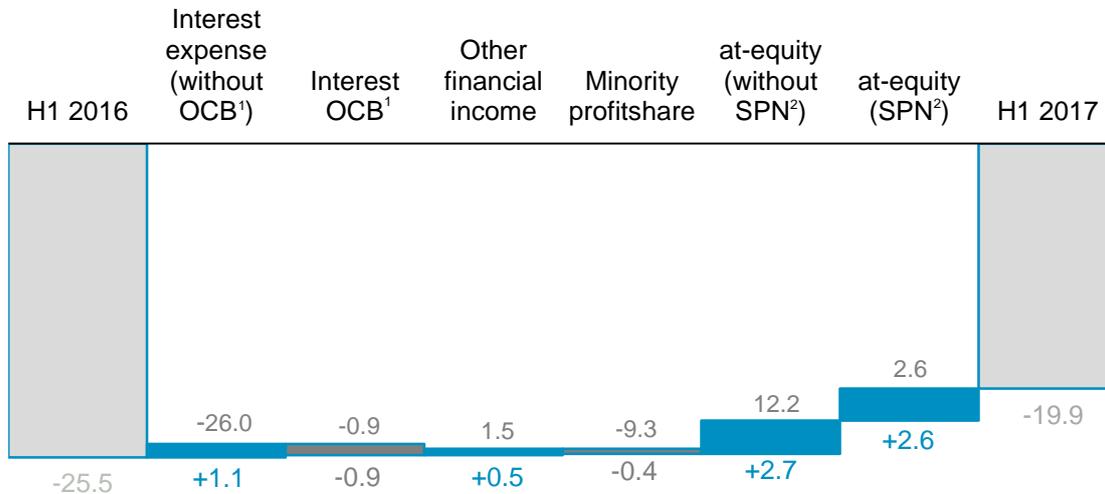


FINANCIALS

NET FINANCE COST BRIDGE H1 2017

€m

FINANCIALS

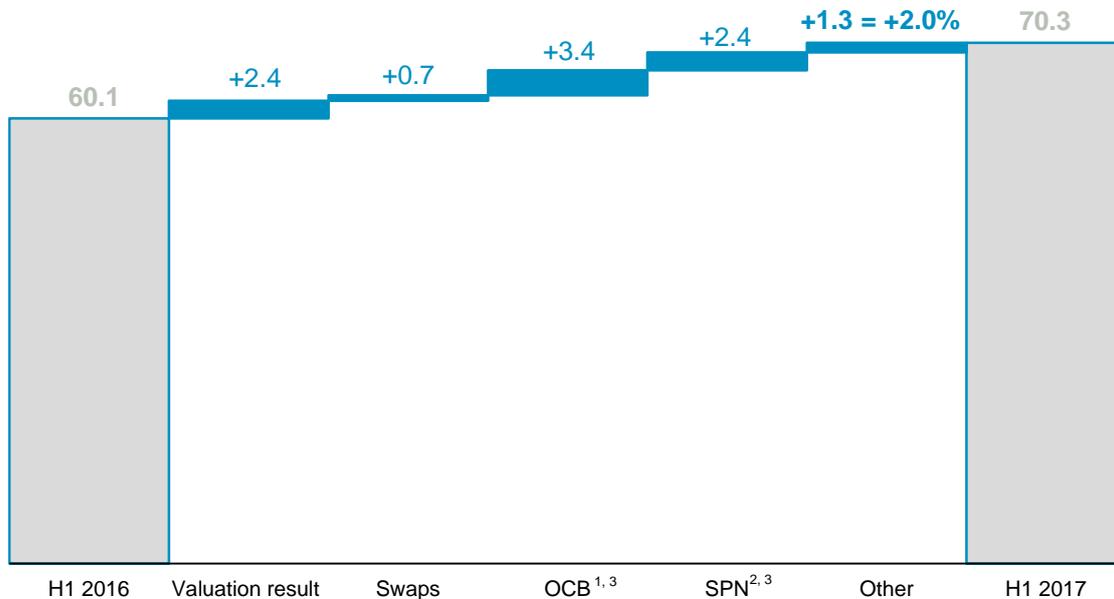


¹ Olympia Center, Brno

² Saarpark-Center, Neunkirchen

EBT BRIDGE H1 2017

€m

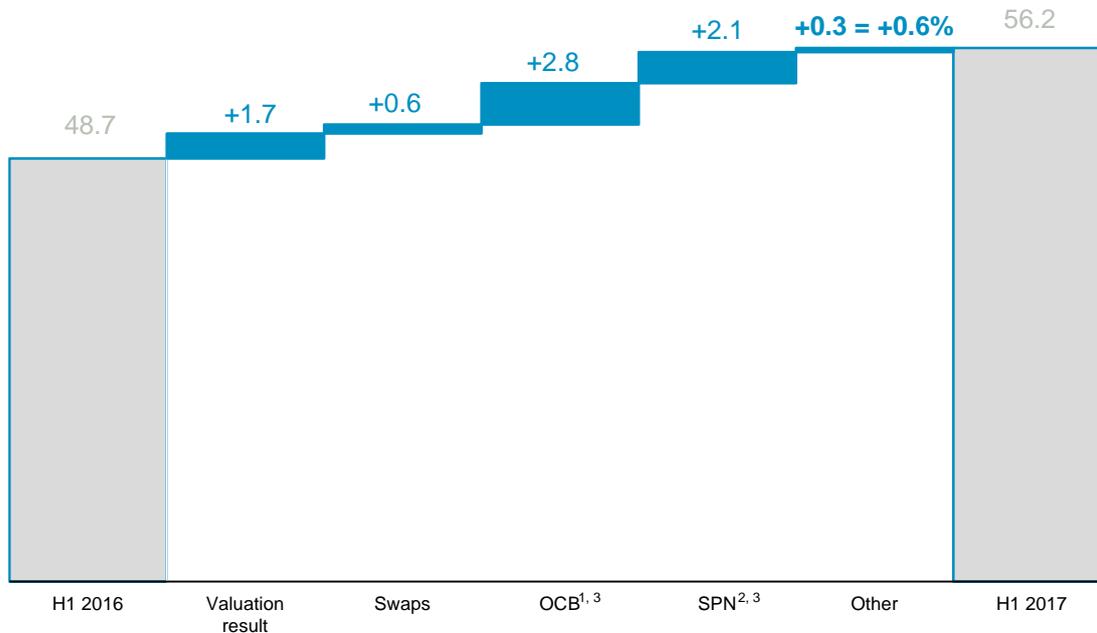


FINANCIALS

¹ Olympia Center, Brno
² Saarpark-Center, Neunkirchen
³ Without valuation result and swaps

PROFIT BRIDGE H1 2017

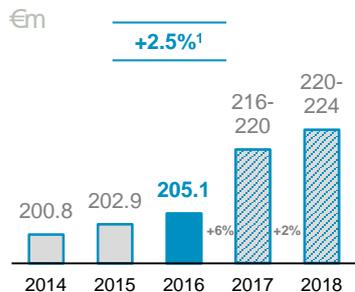
€m



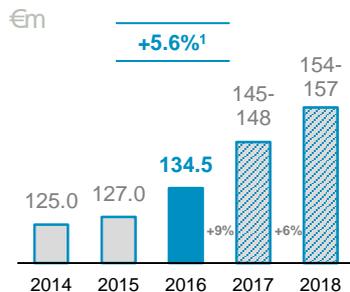
¹ Olympia Center, Brno
² Saarpark-Center, Neunkirchen
³ Without valuation result and swaps

FORECAST

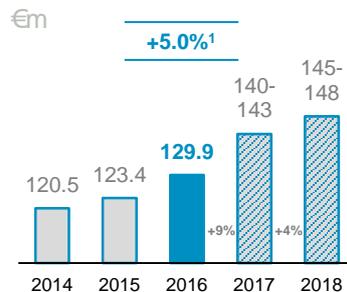
REVENUE



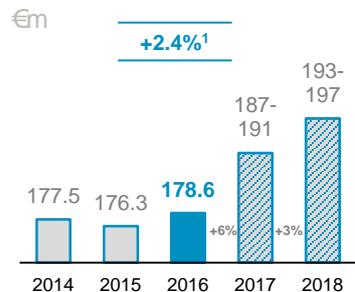
EBT EXCL. VALUATION



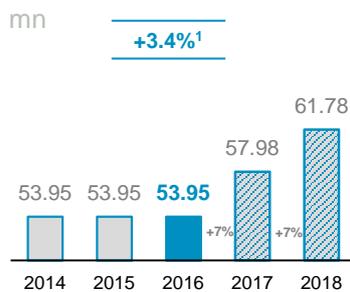
FFO



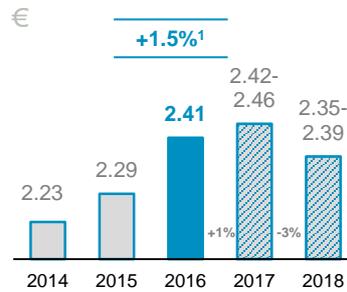
EBIT



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 1.45€ per share for FY 2017
- Further optimization of financing costs
- The investment market remains hot
- We see a clear overdemand, especially in Germany
- DES is very selectively analyzing sales offers as they come to the market

COMPANY

KEY DATA OF THE SHARE

Listed since	02.01.2001
Nominal capital	€58,527,236.00
Outstanding shares	58,527,236
Class of shares	Registered shares
Dividend 2016 (3 July 2017)	€1.40
52W High	€42.15
52W Low	€33.82
Share price (14 August 2017)	€34.69
Market capitalisation	€1.99 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

15.08.	Half-year Financial Report 2016
04.-05.09.	DES Real Estate Summer, Brno
12.-13.09.	BoA Merrill Lynch Global RE Conf., New York
18.09.	Goldman Sachs & Berenberg German Conf., Munich
19.09.	Baader Investment Conf., Munich
29.09.	Societe Generale Pan European RE Conf., London
04.-06.10.	Expo Real, Munich
06.-07.11.	Roadshow Tel Aviv
15.11.	Quarterly Statement 9M 2017
16.11.	Natixis European Mid Caps Conf., Paris
17.11.	Roadshow Amsterdam, Societe Generale
17.11.	Roadshow Brussels, Kempen & Co
21.11.	DZ Bank Equity Conf., Frankfurt
05.12.	Berenberg European Conf., Pennyhill
11.-12.12.	HSBC Global RE Conf., Cape Town
18.12.-19.12.	Roadshow Abu Dhabi & Dubai, Berenberg



APPENDIX

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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.