



## 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

### COMPANY



2016 portfolio valuation:  
approx. 5.24% net initial  
yield (before transaction  
costs)



Professional center  
management by ECE,  
the European market  
leader in this industry

21 shopping centers on  
high street and in  
established locations –  
17 in Germany and one  
each in Austria, Czech  
Republic, Hungary and  
Poland

|                |                                   |
|----------------|-----------------------------------|
| Lettable space | Approx. 1,087,000 sqm             |
| Retail shops   | Approx. 2,700                     |
| Market value   | Approx. €5.1 billion <sup>1</sup> |
| Rents per year | €280 million <sup>1</sup>         |
| Occupancy rate | 99%                               |

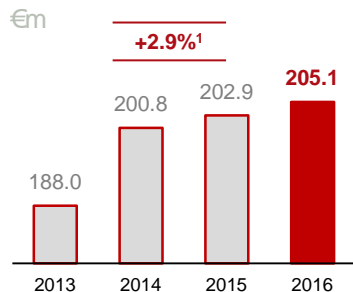
Avg. lettable space per  
DES-center: inner city  
39,000 sqm est.  
Locations 97,000 sqm

<sup>1</sup> 100%-view

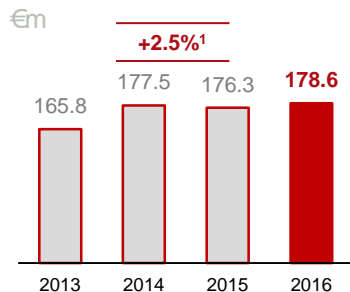
# KEY FIGURES

COMPANY

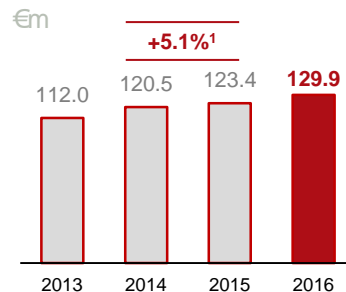
## REVENUE



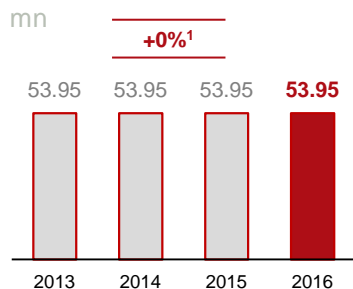
## EBIT



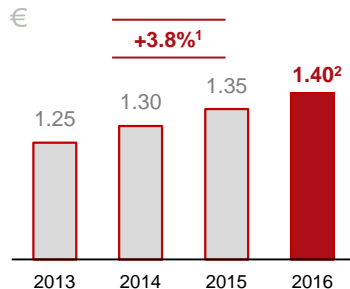
## FFO



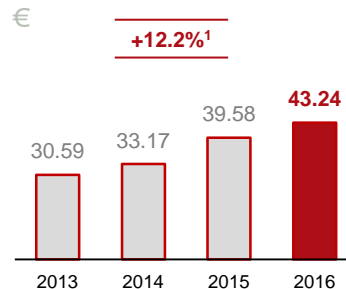
## NUMBER OF SHARES



## DIVIDEND PER SHARE



## NAV PER SHARE (EPRA)



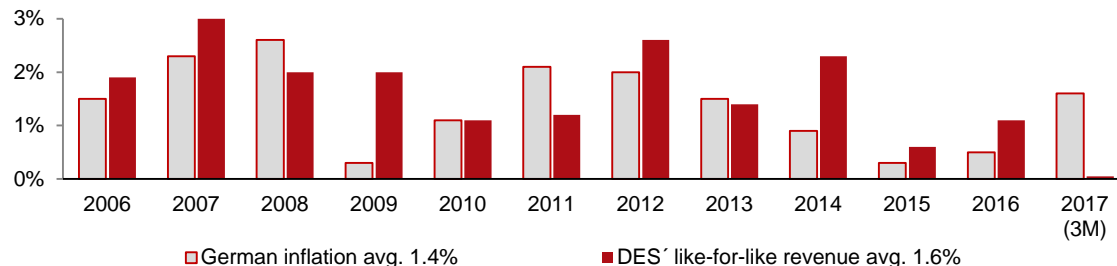
<sup>1</sup> 2013 – 2016, Compound Annual Growth Rate (CAGR)  
<sup>2</sup> paid on 3 July 2017

## LEASE SYSTEM

- 10 years lease
- No break-up option
- Turnover-linked rents
- Minimum rents are CPI-linked
- Avg. retail space rent per sqm and year: €250
- Avg. turnover per sqm and year (productivity) in DES shopping centers: €4,193<sup>1,2</sup>  
(avg. German retail: €3,456, avg. German shopping centers: €3,912)<sup>1,2,3</sup>
- Rent-to-sales-ratio: 7 – 11%
- Weighted maturity of rental contracts: 5.7 years<sup>1</sup>

COMPANY

## LIKE-FOR-LIKE REVENUE



<sup>1</sup> Status: 31 Dec. 2016

<sup>2</sup> excl. VAT

<sup>3</sup> Source: GfK Geomarketing

## 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 4.1%



Investment-focus:  
At least 75%  
Germany and up  
to 25% Europe



Portfolio extension

- By acquisition of new shopping centers
- By increasing existing amounts of holdings
- By expansion of portfolio centers



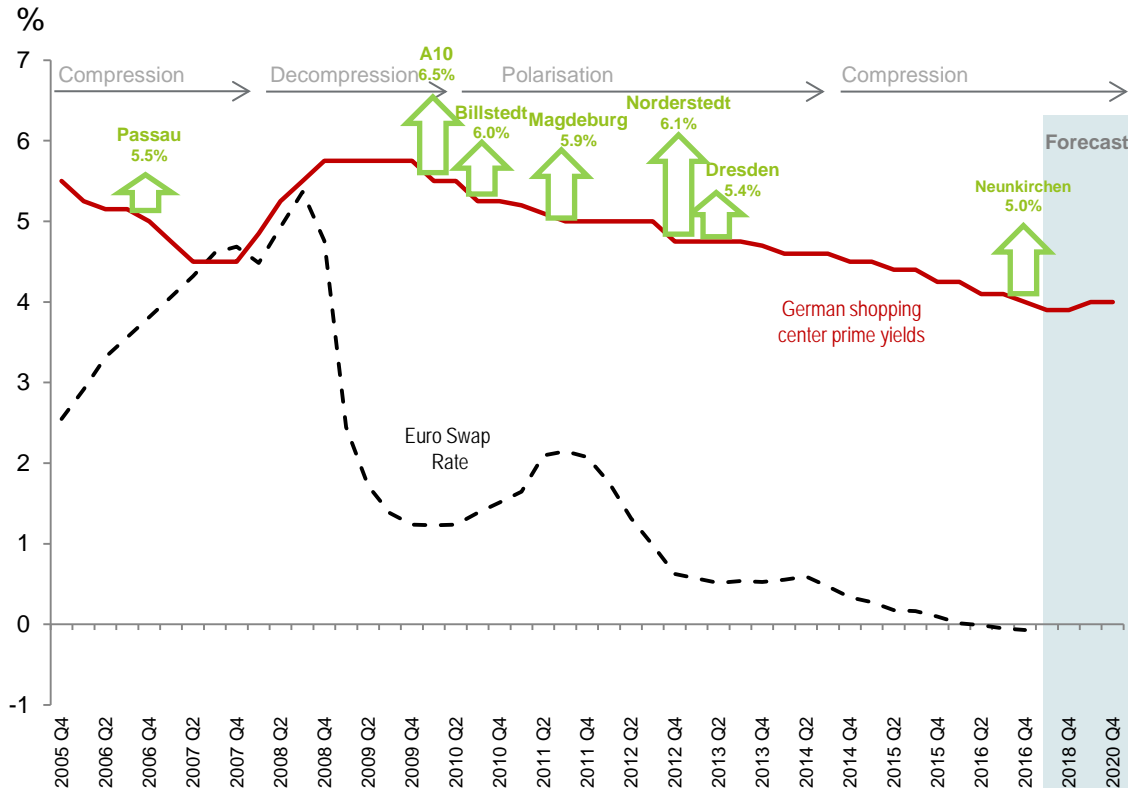
## MAP OF THE PORTFOLIO



SHOPPING CENTERS



# GERMAN PRIME SHOPPING CENTER YIELDS 2005-2020E



SHOPPING CENTERS



Source: JLL



## 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



## ACQUISITION OF SAARPARK-CENTER NEUNKIRCHEN

- Deutsche EuroShop acquired a 50% participation in the Saarpark-Center SPV from BAT Custodian
- Effective from 1 Oct. 2016
- Total investment: approx. €113 million (50%), net purchase price excl. debt of SPV: €79 million
- (preliminary) financing by utilisation of a credit line, later long term debt
- Expected annualised rents effective from 2017: €12.8 million (100%)
- Expected NOI yield: 5.0% (corresponds to an expected net initial yield of 4.7%, but DES incurs no transfer tax)
- The SPV is treated as joint venture (at-equity)

### SHOPPING CENTERS



# GERMANY

## SHOPPING CENTERS



|                        | <b>Main-Taunus-Zentrum</b> | <b>A10 Center</b>          | <b>Altmarkt-Galerie</b>    | <b>Rhein-Neckar-Zentrum</b> |
|------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| <b>Location</b>        | Sulzbach/Frankfurt         | Wildau/Berlin              | Dresden                    | Viernheim/Mannheim          |
| Investment             | 52.0%                      | 100%                       | 100%                       | 100%                        |
| Lettable space sqm     | 124,000                    | 121,000                    | 77,000                     | 69,500                      |
| Parking                | 4,500                      | 4,000                      | 500                        | 3,800                       |
| Number of shops        | Approx. 170                | Approx. 200                | Approx. 200                | Approx. 110                 |
| Occupancy rate         | 100%                       | 100%                       | 100%                       | 100%                        |
| Catchment area         | Approx. 3.1 m. inhabitants | Approx. 1.1 m. inhabitants | Approx. 2.1 m. inhabitants | Approx. 1.5 m. inhabitants  |
| Visitors 2016          | 8.10 m.                    | 6.90 m.                    | 14.40 m.                   | 7.80 m.                     |
| Opening/ refurbishment | 1964/2004/2011             | 1996/2011                  | 2002/2011                  | 1972/2002                   |

# GERMANY

## SHOPPING CENTERS



|                        | <b>Herold-Center</b>       | <b>Rathaus-Center</b>      | <b>Allee-Center</b>        | <b>Phoenix-Center</b>      |
|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Location</b>        | Norderstedt                | Dessau                     | Magdeburg                  | Hamburg                    |
| Investment             | 100%                       | 100%                       | 50.0%                      | 50.0%                      |
| Lettable space sqm     | 54,300                     | 52,500                     | 51,300                     | 43,400                     |
| Parking                | 850                        | 850                        | 1,300                      | 1,400                      |
| Number of shops        | Approx. 140                | Approx. 90                 | Approx. 150                | Approx. 130                |
| Occupancy rate         | 96%                        | 100%                       | 98%                        | 97%                        |
| Catchment area         | Approx. 0.5 m. inhabitants | Approx. 0.5 m. inhabitants | Approx. 0.8 m. inhabitants | Approx. 0.6 m. inhabitants |
| Visitors 2016          | 11.50 m.                   | 5.60 m.                    | 9.50 m.                    | 9.20 m.                    |
| Opening/ refurbishment | 1971/1995/2003             | 1995                       | 1998/2006                  | 2004/2016                  |

## GERMANY

### SHOPPING CENTERS



|                        | <b>Billstedt-Center</b>    | <b>Saarpark-Center</b>     | <b>Forum</b>               | <b>Allee-Center</b>        |
|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Location</b>        | Hamburg                    | Neunkirchen                | Wetzlar                    | Hamm                       |
| Investment             | 100%                       | 50.0%                      | 65.0%                      | 100%                       |
| Lettable space sqm     | 42,500                     | 35,600                     | 34,500                     | 34,000                     |
| Parking                | 1,500                      | 1,600                      | 1,700                      | 1,300                      |
| Number of shops        | Approx. 110                | Approx. 130                | Approx. 110                | Approx. 90                 |
| Occupancy rate         | 95%                        | 96%                        | 98%                        | 99%                        |
| Catchment area         | Approx. 1.0 m. inhabitants | Approx. 0.6 m. inhabitants | Approx. 0.5 m. inhabitants | Approx. 0.7 m. inhabitants |
| Visitors 2016          | 10.10 m.                   | 6.90 m.                    | 7.60 m.                    | 6.50 m.                    |
| Opening/ refurbishment | 1969/1977/1996             | 1989/1999/2009             | 2005                       | 1992/2003/2009             |

## GERMANY

### SHOPPING CENTERS



|                        | City-Galerie               | City-Arkaden               | City-Point                 | Stadt-Galerie              |
|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Location               | Wolfsburg                  | Wuppertal                  | Kassel                     | Passau                     |
| Investment             | 100%                       | 100%                       | 100%                       | 75.0%                      |
| Lettable space sqm     | 30,800                     | 28,700                     | 27,800                     | 27,700                     |
| Parking                | 800                        | 650                        | 220                        | 500                        |
| Number of shops        | Approx. 100                | Approx. 80                 | Approx. 60                 | Approx. 90                 |
| Occupancy rate         | 98%                        | 99%                        | 100%                       | 100%                       |
| Catchment area         | Approx. 0.5 m. inhabitants | Approx. 0.8 m. inhabitants | Approx. 0.8 m. inhabitants | Approx. 1.2 m. inhabitants |
| Visitors 2016          | 7.50 m.                    | 8.40 m.                    | 8.60 m.                    | 8.00 m.                    |
| Opening/ refurbishment | 2001/2006                  | 2001/2004                  | 2002/2009/2015             | 2008                       |

# GERMANY



**Stadt-Galerie**

|                           |                               |
|---------------------------|-------------------------------|
| <b>Location</b>           | Hameln                        |
| Investment                | 100%                          |
| Lettable space<br>sqm     | 26,000                        |
| Parking                   | 500                           |
| Number of shops           | Approx. 100                   |
| Occupancy rate            | 97%                           |
| Catchment<br>area         | Approx. 0.4 m.<br>inhabitants |
| Visitors 2016             | 5.80 m.                       |
| Opening/<br>refurbishment | 2008                          |

## SHOPPING CENTERS

## EUROPE























































### SHOPPING CENTERS



|                           | <b>Olympia</b>                | <b>Galeria Bałtycka</b>       | <b>City Arkaden</b>           | <b>Árkád</b>                  |
|---------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Location</b>           | Brno,<br>Czech Republic       | Gdansk,<br>Poland             | Klagenfurt,<br>Austria        | Pécs,<br>Hungary              |
| Investment                | 100%                          | 74.0%                         | 50.0%                         | 50.0%                         |
| Lettable space<br>sqm     | 85,000                        | 48,700                        | 36,900                        | 35,400                        |
| Parking                   | 4,000                         | 1,050                         | 880                           | 850                           |
| Number of shops           | Approx. 200                   | Approx. 195                   | Approx. 120                   | Approx. 130                   |
| Occupancy rate            | 99%                           | 100%                          | 98%                           | 99%                           |
| Catchment<br>area         | Approx. 1.2 m.<br>inhabitants | Approx. 1.1 m.<br>inhabitants | Approx. 0.4 m.<br>inhabitants | Approx. 1.0 m.<br>inhabitants |
| Visitors 2016             | 8.4 m.                        | 9.80 m.                       | 5.80 m.                       | 12.50 m.                      |
| Opening/<br>refurbishment | 1999/2014-16                  | 2007                          | 2006                          | 2004                          |



## OUR TENANTS<sup>1</sup>

|   |   |   |   |   |   |
|---|---|---|---|---|---|
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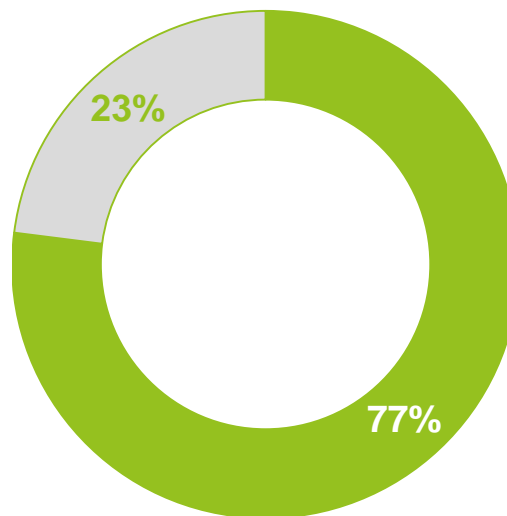
## SHOPPING CENTERS

<sup>1</sup> Selection of our well known tenants

## TENANTS STRUCTURE TOP 10 TENANTS<sup>1</sup>

|                          | 2016         | 2015         |
|--------------------------|--------------|--------------|
| Metro Group <sup>2</sup> | 4.7%         | 4.5%         |
| H&M                      | 3.6%         | 3.4%         |
| New Yorker               | 2.4%         | 2.3%         |
| Peek & Cloppenburg       | 2.2%         | 2.1%         |
| Deichmann                | 2.0%         | 1.8%         |
| Douglas <sup>3</sup>     | 2.0%         | 2.1%         |
| C&A                      | 1.9%         | 1.5%         |
| REWE                     | 1.7%         | 1.6%         |
| dm-drogerie markt        | 1.4%         | 1.2%         |
| Thalia                   | 1.3%         | 1.0%         |
| <b>Total</b>             | <b>23.2%</b> | <b>21.5%</b> |

Low level of dependence  
on the top 10 tenants



Other tenants

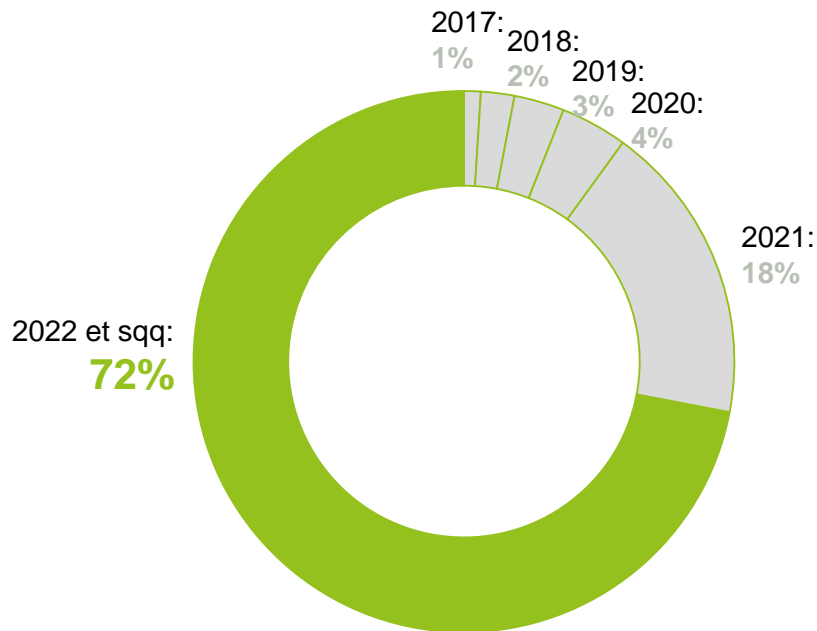
SHOPPING CENTERS

<sup>1</sup> in % of total rents as at 31 Dec. 2016

<sup>2</sup> excluding Kaufhof

<sup>3</sup> perfumeries only

## MATURITY DISTRIBUTION OF RENTAL CONTRACTS<sup>1</sup>



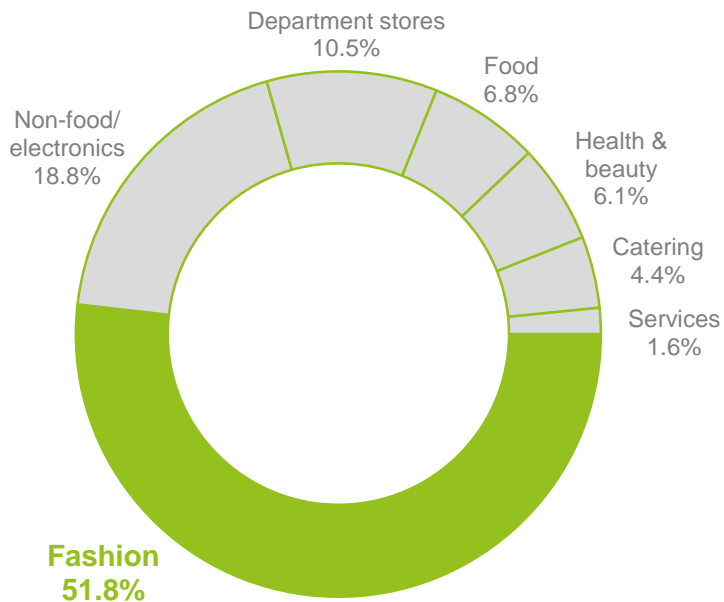
SHOPPING CENTERS

- Long-term contracts base rental income
- Weighted maturity 5.7 years

<sup>1</sup> as % of rental income as at  
31 Dec. 2016

## SECTOR MIX<sup>1</sup>

Balanced sector diversification



SHOPPING CENTERS

<sup>1</sup> as % of rental space as at  
31 Dec. 2016

## KEY FIGURES Q1 2017

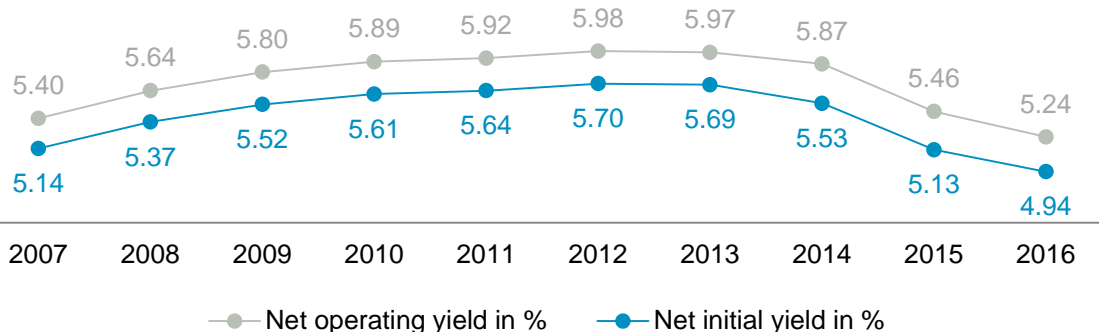
| € million                              | 01.01. – 31.03.2017 | 01.01. – 31.03.2016 | Change     |
|--|---------------------|---------------------|------------|
| Revenue                                | 50.7                | 50.7                | 0%         |
| Net operating income                   | 45.8                | 46.0                | 0%         |
| EBIT                                   | 44.3                | 44.6                | -1%        |
| Net finance costs                      | -9.1                | -12.3               | 26%        |
| Measurement gains/losses               | -0.7                | -1.4                | 46%        |
| EBT                                    | 34.5                | 31.0                | 11%        |
| <b>Consolidated profit</b>             | <b>27.5</b>         | <b>24.9</b>         | <b>11%</b> |
| FFO per share (€)                      | 0.62                | 0.58                | 7%         |
| EPRA Earnings per share (€, undiluted) | 0.60                | 0.55                | 9%         |

| € million                        | 31.03.2017     | 31.12.2016     | Change     |
|----------------------------------|----------------|----------------|------------|
| <b>Total equity<sup>1</sup></b>  | <b>2,435.1</b> | <b>2,240.7</b> | <b>9%</b>  |
| <b>Net Financial liabilities</b> | <b>2,199.4</b> | <b>1,873.8</b> | <b>17%</b> |
| <b>Total assets</b>              | <b>4,634.5</b> | <b>4,114.5</b> | <b>13%</b> |
| Equity ratio <sup>1</sup>        | 52.5%          | 54.5%          |            |
| Loan to value ratio              | 35.2%          | 34.2%          |            |
| Cash and cash equivalents        | 156.3          | 64.0           | >100%      |

<sup>1</sup> Including the share attributable to equity-accounted joint ventures and associates

## VALUATION<sup>1</sup> – INVESTMENT PROPERTIES 2016

### FINANCIALS



## SENSITIVITY ANALYSIS

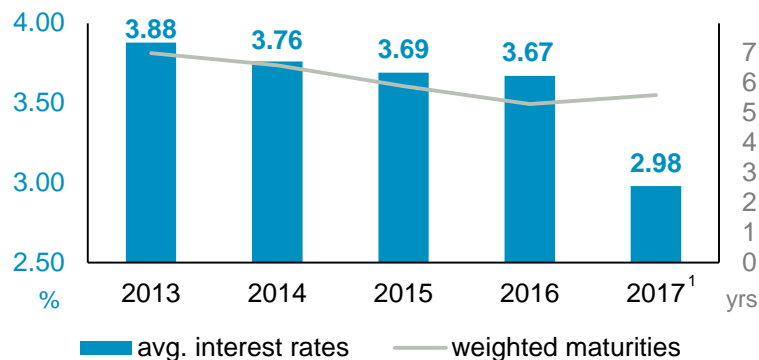
| in € thousand       | Basis  | change of -25bps | change of +25bps |
|---------------------|--------|------------------|------------------|
| Rent increase rates | 1.39%  | -101,100         | +148,000         |
| Discount rate       | 5.97%  | +69,000          | -69,200          |
| Capitalization rate | 5.21%  | +114,200         | -106,600         |
| Cost ratio          | 10.17% | +10,400          | -9,000           |

<sup>1</sup> External appraisers:  
since 2015: JLL

## LOAN STRUCTURE INCL. CONVERTIBLE BONDS<sup>1,2</sup>

| 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%              |
| <b>Total<sup>1</sup></b> | <b>5.6</b> | <b>1,707.8</b>                | <b>100%</b>         | <b>2.98%</b>       |

- 21 German and 4 foreign bank partners
- Weighted maturity of fixed interest periods 5.6 years<sup>1</sup>



<sup>1</sup> as of 31 March 2017  
<sup>2</sup> excl. non-consolidated loans

## MATURITIES UNTIL 2022<sup>1,2</sup>

| 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                        | <b>116.0</b>     |
| 2018         | 148.3   | 2.49%              | 22.3                        | <b>170.6</b>     |
| 2019         | 123.1   | 4.73%              | 18.9                        | <b>142.0</b>     |
| 2020         | 134.1   | 4.52%              | 18.2                        | <b>152.3</b>     |
| 2021         | 198.3   | 4.48%              | 14.8                        | <b>213.1</b>     |
| 2022         | 217.8   | 3.26%              | 16.5                        | <b>234.3</b>     |
|              | <b>844.1</b>  |                    |                             |                  |

Already fixed:

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

Allee-Center Hamm:  
€4.9m, 1.68%, 6y

### Non-consolidated loans<sup>1</sup>

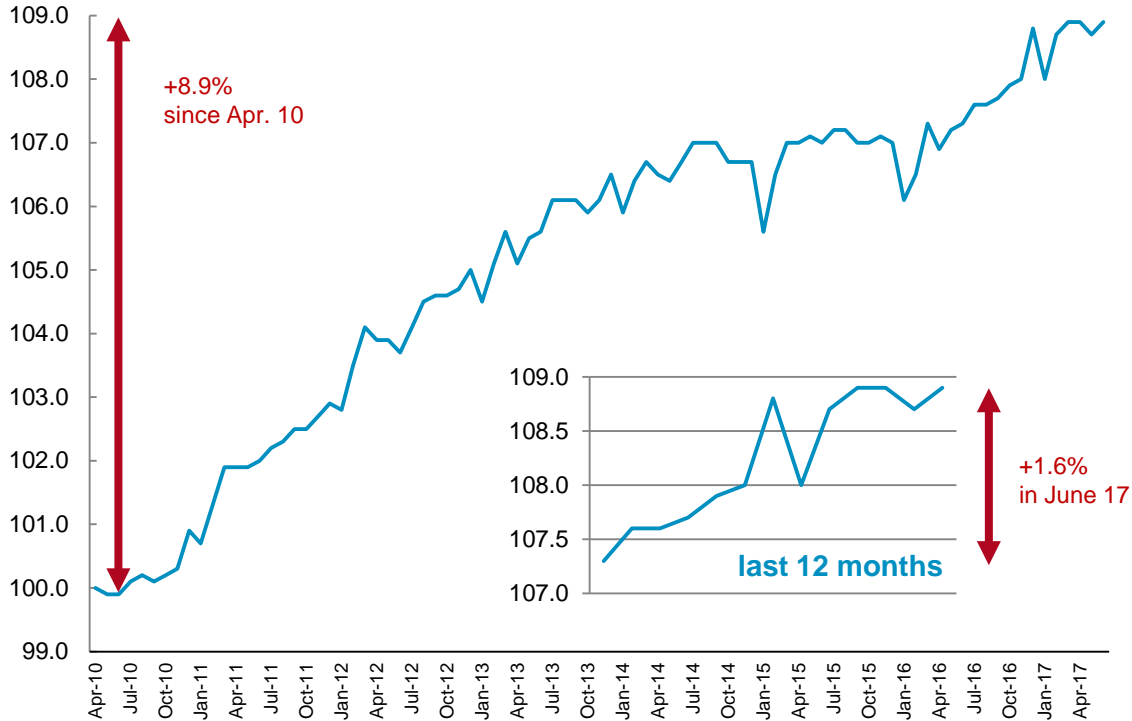
| in € million | End of fixed interest periods respectively expiring loans | Avg. interest rate | DES' share |                             |
|--------------|---|--------------------|------------|-----------------------------|
| 2017-2019    | 0   |                    |            |                             |
| 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 |

<sup>1</sup> as of 31 March 2017

<sup>2</sup> excl. non-consolidated loans



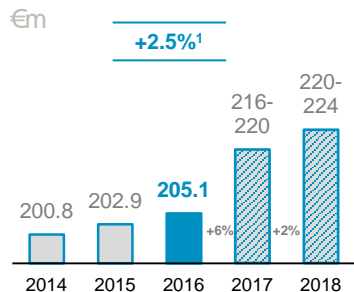
# GERMAN CONSUMER PRICE INDEX



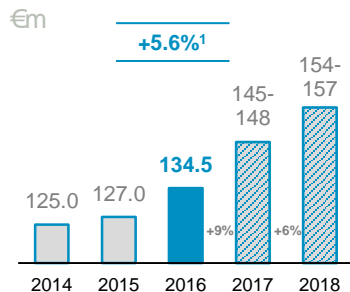
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# FORECAST

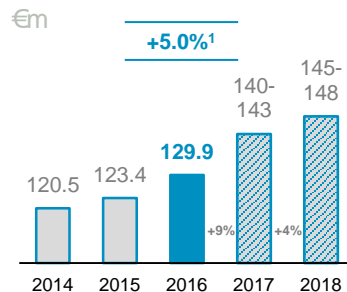
## REVENUE



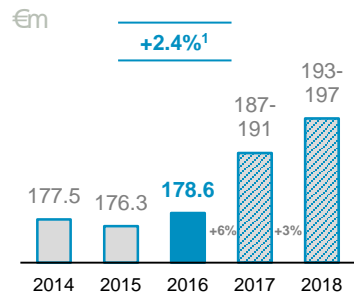
## EBT EXCL. VALUATION



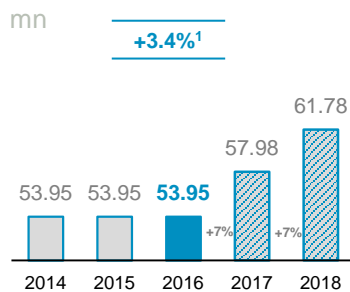
## FFO



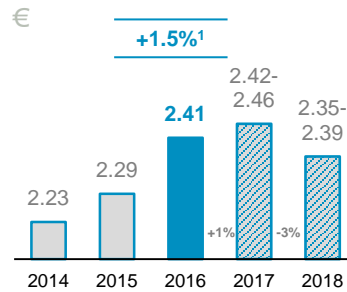
## EBIT



## NUMBER OF SHARES<sup>2</sup>



## FFO PER SHARE

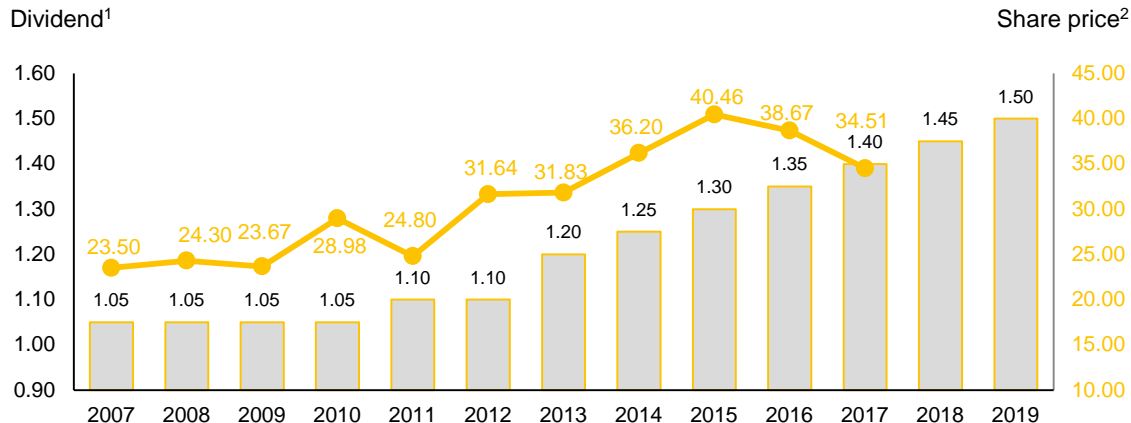


<sup>1</sup> Compound Annual Growth Rate (CAGR) 2014 - 2018

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

# DIVIDEND & PERFORMANCE

## TREND OF SHARE



SHARE

## PERFORMANCE<sup>3</sup>

|                  |           | DES                | DAX         | EPRA <sup>4</sup> | REX <sup>5</sup> | OEF <sup>6</sup> |
|------------------|-----------|--------------------|-------------|-------------------|------------------|------------------|
| 1 year           | (2016)    | -1.2%              | +6.9%       | -5.0%             | +2.3%            | +2.8%            |
| 3 years          | +34.1% =  | <b>+10.3% p.a.</b> | +6.3% p.a.  | +13.0% p.a.       | +3.3% p.a.       | +2.9% p.a.       |
| 5 years          | +86.0% =  | <b>+13.2% p.a.</b> | +14.2% p.a. | +15.3% p.a.       | +2.8% p.a.       | +2.3% p.a.       |
| Since IPO (2001) | +280.9% = | <b>+8.7% p.a.</b>  | +3.7% p.a.  | +7.9% p.a.        | +4.6% p.a.       | +3.3% p.a.       |

<sup>1</sup> respectively paid for the previous FY

<sup>2</sup> 2017: as of 30 June 2017

<sup>3</sup> as of 31 Dec. 2016

<sup>4</sup> EPRA/NAREIT Europe

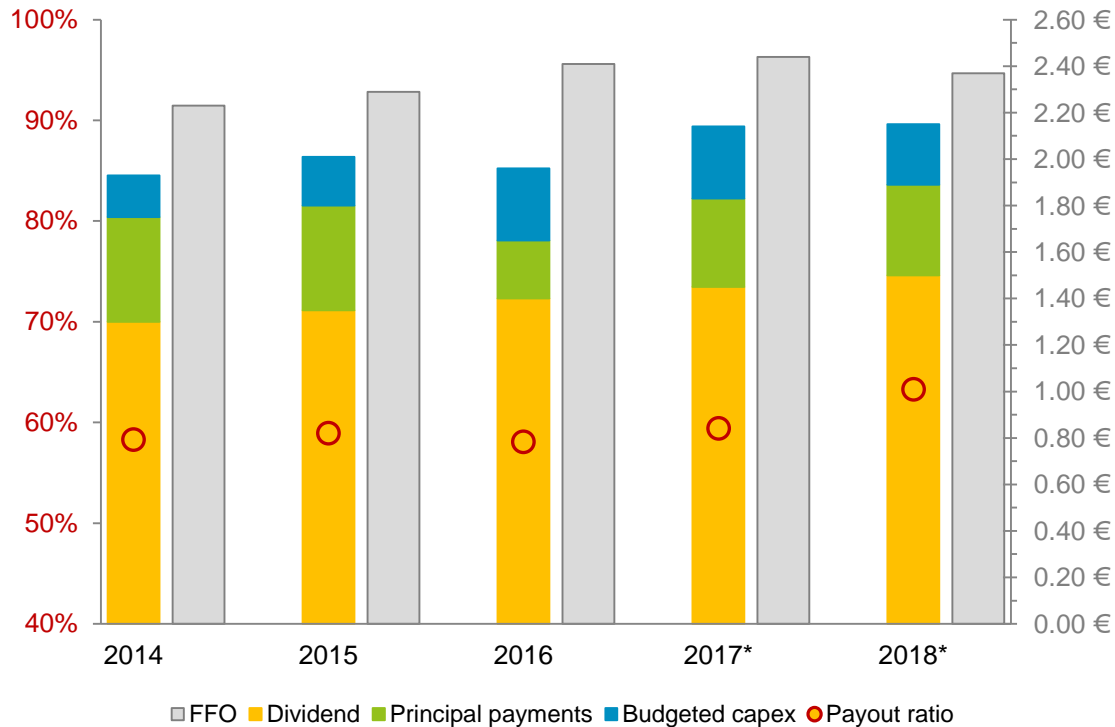
<sup>5</sup> German government bonds index

<sup>6</sup> Open ended real estate funds

<sup>7</sup> paid on 3 July 2017

<sup>8</sup> proposal

## FFO PAYOUT RATIO & DESIGNATED USE

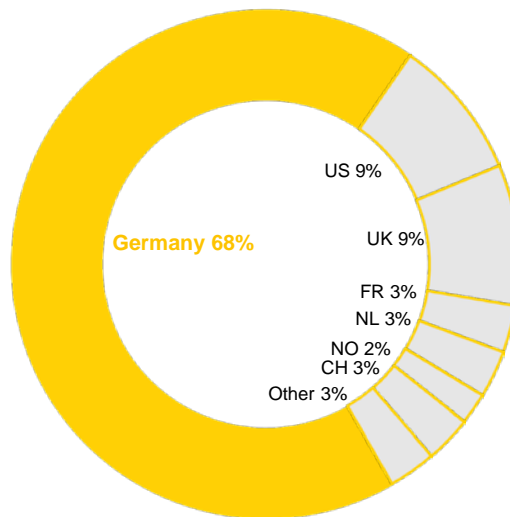
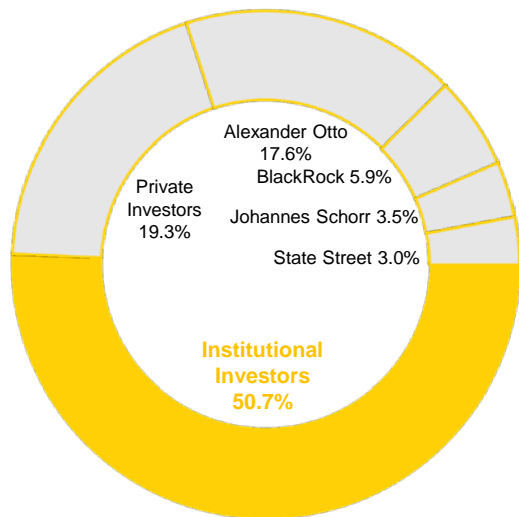


\* Forecast  
Dividend per share: proposal

# SHAREHOLDER STRUCTURE<sup>1</sup>

- 16,800 shareholders
- Free float 82.4%

SHARE



<sup>1</sup> Status: 1 July 2017

# ANALYSTS' CONSENSUS<sup>1</sup>

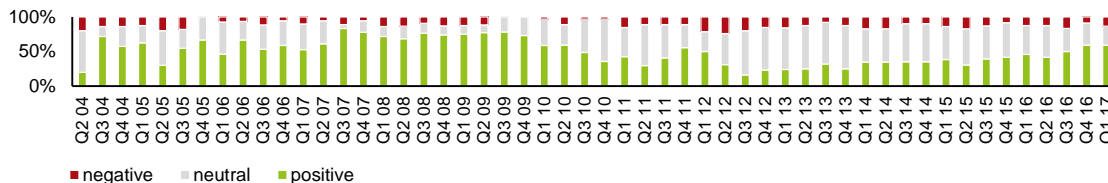
| avg./in €        | 2017  | 2018  |
|------------------|-------|-------|
| EBIT (€ million) | 184.1 | 189.4 |
| FFO per share    | 2.42  | 2.45  |
| NAV per share    | 43.20 | 44.89 |
| Dividend         | 1.45  | 1.50  |
| Price target     |       | 43.52 |

**Status: 16 March 2017**

- 22 analysts: one of the best covered real estate companies in Europe<sup>2</sup>

SHARE

| SELL  | UNDERPERFORM   | NEUTRAL  | → OUTPERFORM  | BUY  |
|---|--|--|---|--|
| <ul style="list-style-type: none"> <li>ABN Amro</li> <li>Green Street Advisors</li> </ul> | <ul style="list-style-type: none"> <li>BofA Merrill Lynch</li> </ul> | <ul style="list-style-type: none"> <li>Commerzbank</li> <li>Deutsche Bank</li> <li>GSC Research</li> <li>J.P. Morgan Cazenove</li> <li>M.M. Warburg</li> <li>Oddo BHF</li> </ul> | <ul style="list-style-type: none"> <li>Equinet</li> </ul> | <ul style="list-style-type: none"> <li>Baader Bank</li> <li>Bankhaus Lampe</li> <li>Berenberg Bank</li> <li>DZ Bank</li> <li>HSBC</li> <li>Independent Research</li> <li>Kempen &amp; Co</li> <li>Kepler Cheuvreux</li> <li>Metzler</li> <li>Natixis</li> <li>NORD/LB</li> <li>Societe Generale</li> </ul> |



<sup>1</sup> Aggregated by DES

<sup>2</sup> According to Bloomberg as of March. 2017

## 10 REASONS TO INVEST

**01**

The only public company in Germany to invest solely in shopping centers

**02**

Prime locations

**03**

Proven, conservative strategy

**04**

Stable cash flow with long term visibility

**05**

Shareholder-friendly dividend policy

**06**

Experienced management team

**07**

Excellent track record

**08**

Centers almost 100% let

**09**

Inflation-protected rental agreements

**10**

Solidity combined with growth potential

SHARE

## 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 (paid on 3 July 2017)          | €1.40  |
| 52W High                                     | €42.57   |
| 52W Low                                      | €34.09   |
| Share price (30 June 2017)                   | €34.51   |
| Market capitalisation                        | €2.02 billion  |
| Avg. turnover per day last 12 months (XETRA) | 143,700 shares   |
| Indices                                      | MDAX, EPRA, GPR, MSCI Small Cap,<br>EURO STOXX, STOXX Europe 600     |
| Official market                              | Prime Standard<br>Frankfurt and XETRA                                |
| OTC market                                   | Berlin-Bremen, Dusseldorf, Hamburg,<br>Hanover, Munich and Stuttgart |
| ISIN   | DE 000 748 020 4   |
| Ticker                                       | DEQ, Reuters: DEQn.DE  |
| Market maker                                 | Oddo 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 (7 June 2017)   | 121.35%  |
| Interest payment date | payable semi-annually in arrear on<br>21 May and 21 November in each year        |
| Conversion price      | €29.45 <sup>1</sup>  |
| Dividend protection   | Conversion Price adjustment for any dividends<br>paid (full dividend protection) |
| ISIN                  | DE 000 A1R 0W0 5   |
| Listing               | Open Market (Freiverkehr) segment of the<br>Frankfurt Stock Exchange             |

### APPENDIX

<sup>1</sup> Originally €35.10, adjusted on 21 June 2013, 19 June 2014, 19 June 2015, 16 June 2016 and 30 June 2017

## RETAIL TURNOVER 3M 2017<sup>1</sup>

EASTER SALES TOOK PLACE IN APRIL (2016: MARCH)

| 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                    |
| <b>Total</b>          | <b>-2.4</b>      | <b>9.3</b>               | <b>100<sup>2</sup></b> | <b>100<sup>2</sup></b> |

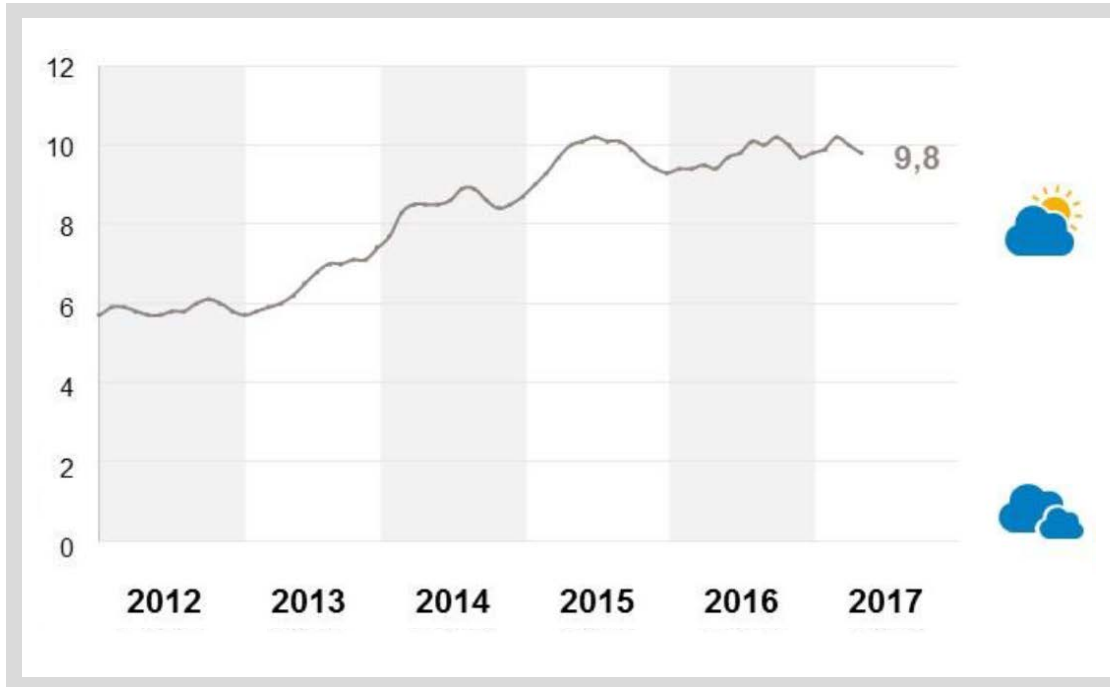
- Retail turnover development on a like-for-like basis: Germany -2.4%, abroad +0.7%  
DES-Portfolio overall: **-2.0%**
- Absolute turnover development: Germany -2.1%, abroad +1.2%  
DES-Portfolio overall: **-1.7%**

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

<sup>2</sup> The sum may not equal the totals due to rounding

APPENDIX

## GfK CONSUMER CLIMATE INDICATOR<sup>1</sup>

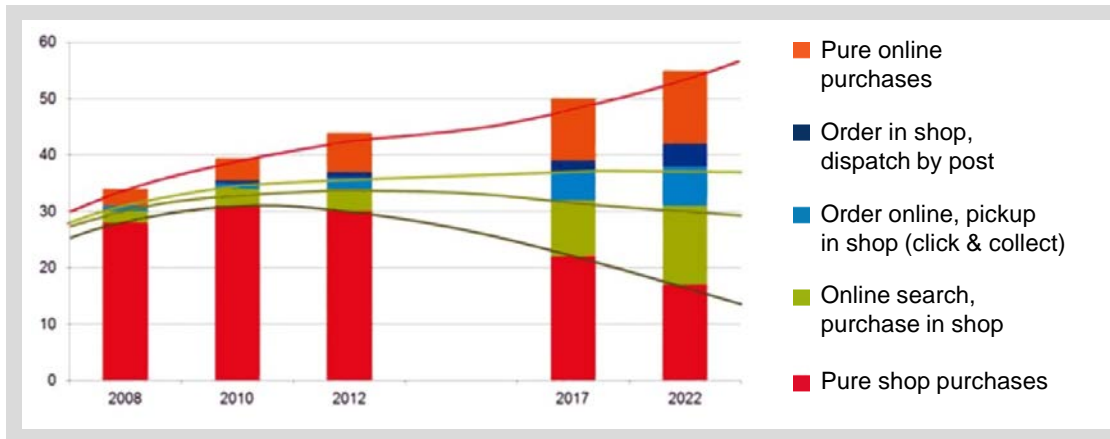


APPENDIX

<sup>1</sup> as at: March 2017, source: GfK

# ONLINE VS. STATIONARY RETAIL?

## TURNOVER DISTRIBUTION OF A FASHION RETAILER



### APPENDIX

- Stationary retail transforms from “Point of Purchase” to “Touch Point” (product experience)
- New store concepts (flagship store, show room, multi-channel store, pick-up store), click & collect, augmented reality, online goes offline, mobile services
- “Location, location, location” newly interpreted: “Convenience, attractiveness & likeability”

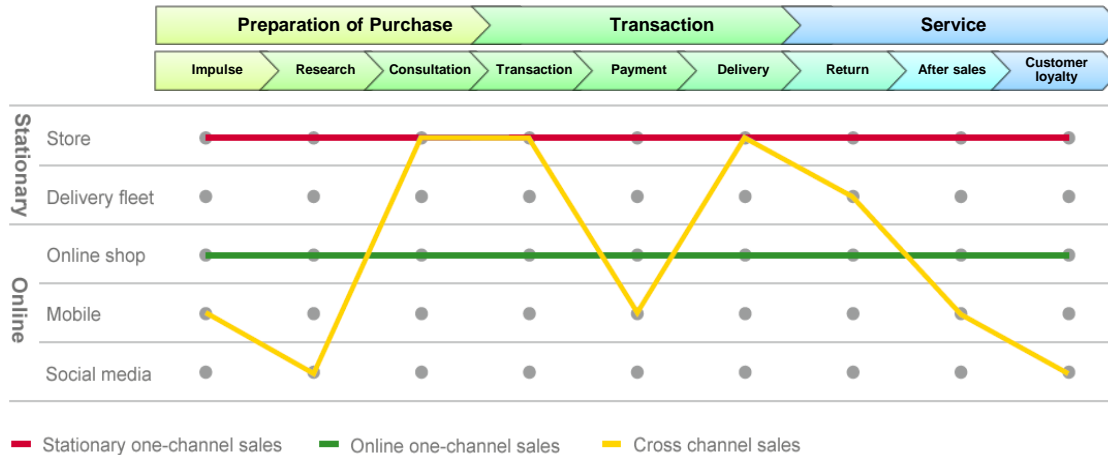
Source: GfK

# CROSS CHANNEL!

AN EXAMPLE FOR A MODERN CUSTOMER JOURNEY

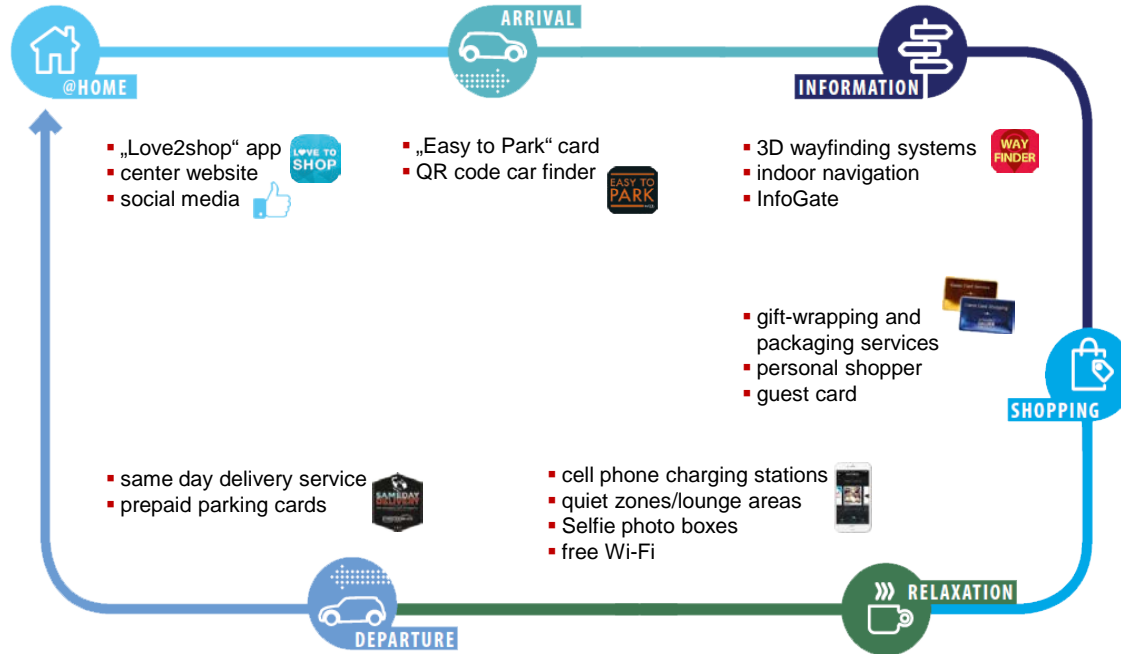
- The cross-channel customer combines stationary and online channels
- The one-channel customer uses only one channel

APPENDIX



Source: EY

# THE CUSTOMER JOURNEY IN OUR SHOPPING CENTERS



APPENDIX

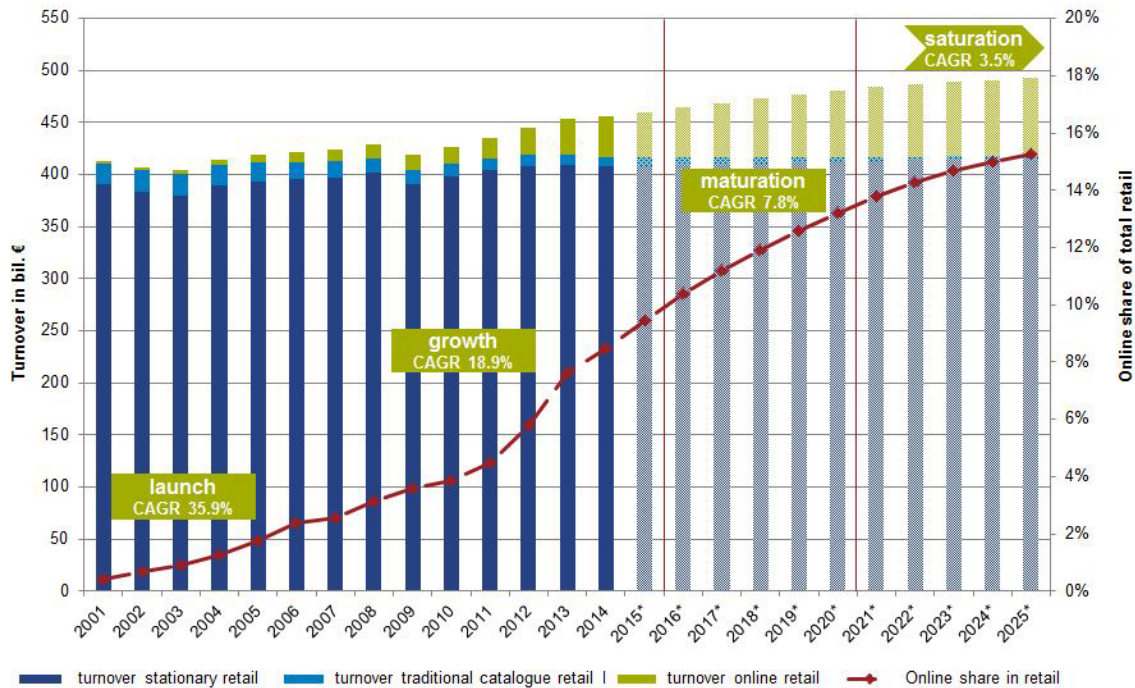
**FUTURE LABS**

IDEAS INNOVATIONS

Source: ECE

# ECOMMERCE: GROWTH WITHOUT END?

## PROGRESSION OF ONLINE RETAIL TO MARKET MATURITY



APPENDIX

Source: GfK

\* prognosis

## 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 **E**inkaufszent**e**ntwick**l**ung (Shopping center development)
- 100% privately owned by the Otto family
- Active in 14 European countries →
- European market leader in the shopping center business
- Assets under management:
  - approx. 200 shopping centers
  - 7.3 million sqm overall sales area
  - approx. 21,000 retail businesses
  - 4.6 million daily visitors
  - €31 billion assets under management

- Austria
- Bulgaria
- Czech Republic
- Denmark
- Germany
- Hungary
- Italy
- Lithuania
- Poland
- Qatar
- Russia
- Slovakia
- Spain
- Turkey

## APPENDIX

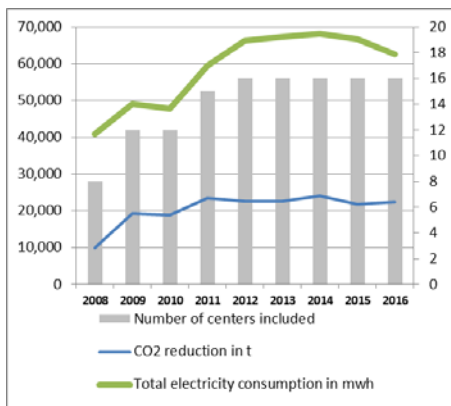
### Many investors rely on ECE:





## 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 2016, all our German shopping centers had contracts with suppliers that use renewable 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 2016. We also plan to switch our centers in other countries over to green electricity wherever possible within the next few years



- The German centers used a total of around 62.5 million kWh of green electricity in 2016. This represented 100% of the electricity requirements in these shopping centers. Based on conservative calculations, this meant a reduction of around 22,445 tonnes in carbon dioxide emissions, which equates to the annual CO<sub>2</sub> emissions of more than 1,000 two-person households. The use of heat exchangers and energy-saving light bulbs allows us to further reduce energy consumption in our shopping centers
- 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



G R E S E

# FINANCIAL CALENDAR

2017

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

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 [youtube.com/DeutscheEuroShop](https://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.