



The Art of Shopping

Company Presentation

Mr. Claus-Matthias Böge, CEO

German Equity Forum
Frankfurt am Main, 22 November 2005

The Art of Shopping

Company



Equity Story

Pure Player

- Deutsche EuroShop AG 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

At a Glance

15 Centers:
14 in operation
1 in the pipeline

- Participations in 15 shopping centers on high street and in established locations – 10 in Germany and one each in Austria, France, Hungary, Italy and Poland

	Total	Deutsche EuroShop
Lettable space	556,000 sqm	356,000 sqm
Retail shops	approx. 1,370	
Investment	€2.0 billion	€1.3 billion
Rents per year	€135 million	€85 million

**Potential through
sales-linked rents**

- (CPI-)Indexed minimum rents and participation in sales growth of retail industry
- Occupancy rate > 99%
- Professional center management by external, long-term experienced companies like ECE, the European market leader in this industry

At a Glance

- Attractive after-tax dividend yield of currently 4.4%
- Rating: entire portfolio was given a „very good“ rating
- Consolidated equity ratio currently 50% (plan: >45%)

€ million	FY 2003	FY 2004	Q1 2005	Q2 2005	Q3 2005	FY 2005e
Sales	57.88	61.42	17.41	17.77	18.15	71-72
EBIT	40.52	50.68	13.84	14.55	14.54	56-58
EBT excl. revaluation	22.33	30.17	7.20	8.06	7.64	30-32
EBT incl. revaluation	27.88	38.18	7.05	7.47	7.56	
Earnings per share (€)	1.22	1.78	0.28	0.29	0.30	
Free cash flow per share (€)	1.79	1.96				1.91
Dividend per share (€)	1.92	1.92				2.00
NAV per share (€)	43.68	43.96				

Targets

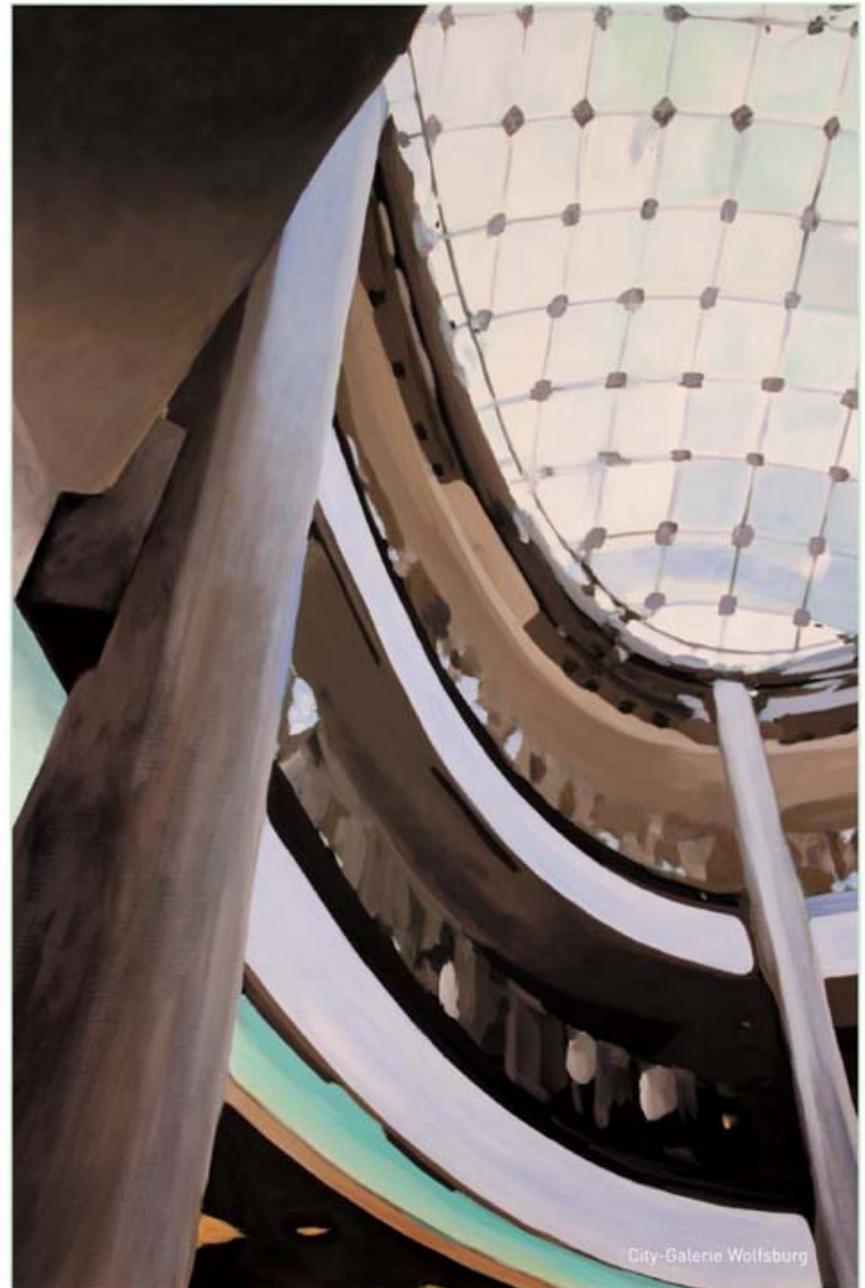
**Main focus on NAV
and dividend**

- Long term net asset value enhancement
- “buy & hold”-strategy
- Stable and attractive dividends
- Investment-focus: Germany and up to 25% Europe
- Risk diversification due to a portfolio of shopping centers and diversity of tenants
- Portfolio expansion by 10% per year
 - by acquisition of new shopping centers
 - by increasing existing amounts of holdings

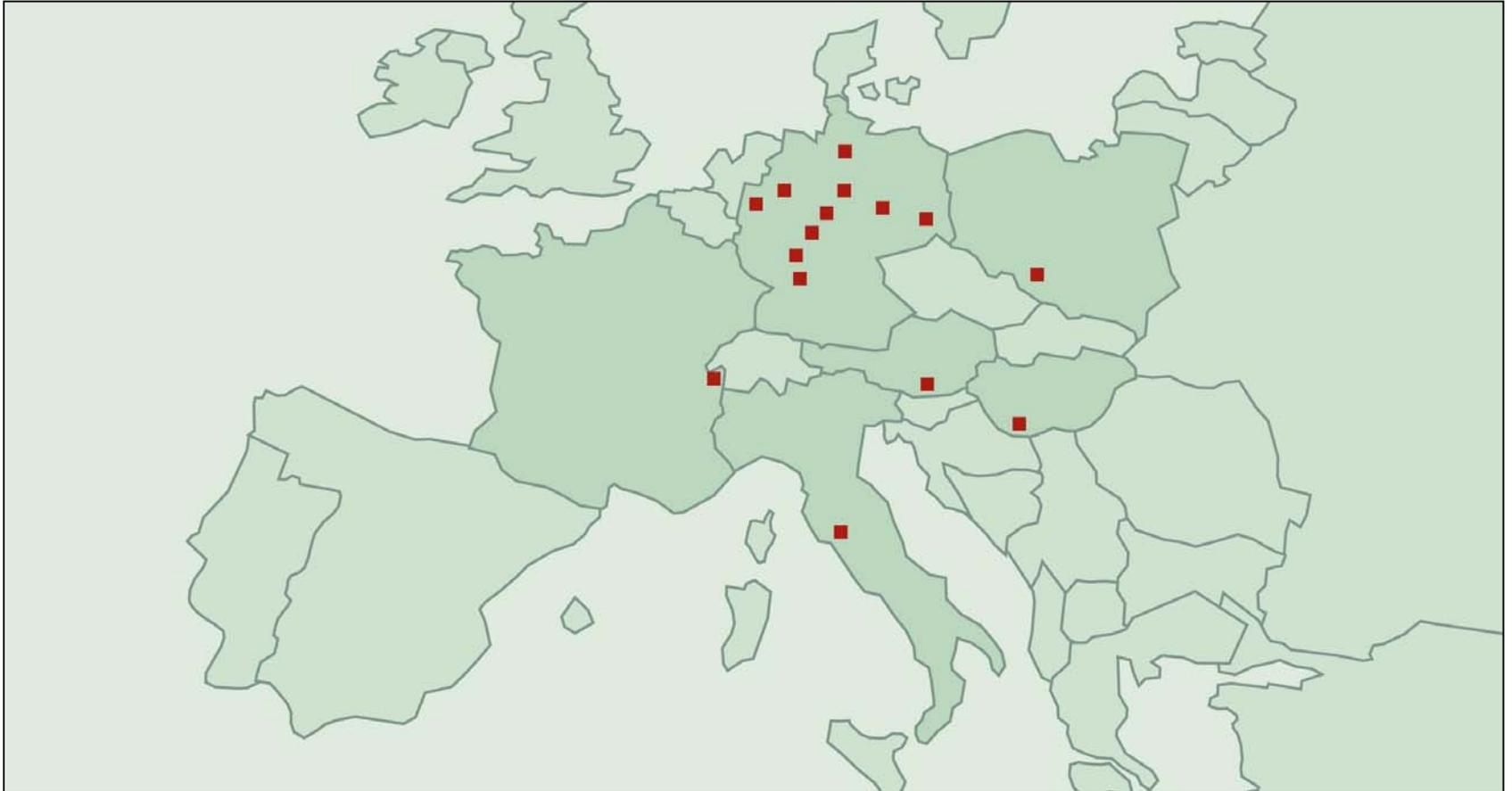
Continuous growth

The Art of Shopping

Shopping Centers



Locations in Europe



Shopping Centers in Germany



Main-Taunus-Zentrum
Frankfurt



Rhein-Neckar-Zentrum
Viernheim



Altmarkt-Galerie
Dresden

Location	Main-Taunus-Zentrum Frankfurt	Rhein-Neckar-Zentrum Viernheim	Altmarkt-Galerie Dresden
Investment	43.1%	99.8%	50.0%
Lettable space sqm	102,000	64,000	43,800
Parking	4,000	3,500	520
Number of shops	approx. 100	approx. 100	approx. 100
Occupancy rate	100%	100%	99%
Catchment area	2.2 m inhabitants	1.2 m inhabitants	1.0 m inhabitants
Opening/refurbishm.	1964/Sep. 2004	1972/Nov. 2002	Sep. 2002

Shopping Centers in Germany



Phoenix-Center
Hamburg



Allee-Center
Hamm



Forum
Wetzlar

Location	Phoenix-Center Hamburg	Allee-Center Hamm	Forum Wetzlar
Investment	50.0%	87.7%	65.0%
Lettable space sqm	39,000	34,800	34,300
Parking	1,600	1,290	1,700
Number of shops	approx. 110	approx. 80	approx. 110
Occupancy rate	96%	100%	100%
Catchment area	0.6 m inhabitants	1.0 m inhabitants	0.5 m inhabitants
Opening/refurbishm.	Sep. 2004	1992/Mar. 2000	Feb. 2005

Shopping Centers in Germany



City-Galerie
Wolfsburg



Rathaus-Center
Dessau



City-Point
Kassel

Location	City-Galerie Wolfsburg	Rathaus-Center Dessau	City-Point Kassel
Investment	89.0%	94.9%	40.0%
Lettable space sqm	30,000	30,000	29,400
Parking	800	850	200
Number of shops	rd. 90	approx. 80	approx. 60
Occupancy rate	100%	98%	100%
Catchment area	0.6 m inhabitants	0.4 m inhabitants	0.8 m inhabitants
Opening/refurbishm.	Sep. 2001	Sep. 1995	Feb. 2002

Shopping Centers in Germany



City-Arkaden
Wuppertal

?

to be
announced shortly

16th Shopping Center
Innercity

Location		
Investment	72.0%	Xx.x%
Lettable space sqm	28,100	Xx,000
Parking	650	X00
Number of shops	approx. 90	approx. X0
Occupancy rate	100%	X0%
Catchment area	0.7 m inhabitants	0.x m inhabitants
Opening	Oct. 2001	200x

Shopping Centers in Europe



Árkád

Pécs, Hungary



Galeria Dominikanska

Wroclaw, Poland



City-Arkaden

Klagenfurt, Austria

Location			
Investment	50.0%	33.3%	50.0%
Lettable space sqm	34,200	32,600	30,000
Parking	850	920	850
Number of shops	approx. 130	approx. 100	approx. 120
Occupancy rate	100%	100%	100%
Catchment area	0.5 m inhabitants	1.0 m inhabitants	0.4 m inhabitants
Opening	2004	2001	March 2006

Shopping Centers in Europe



**Centro Commerciale
Tuscia**
Viterbo, Italy



Shopping Etrembières
Annemasse, France

Location		
Investment	100%	99.8%
Lettable space sqm	15,200	(8,000 +) 8,600
Parking	1,100	1,000
Number of shops	approx. 40	approx. 50
Occupancy rate	100%	100%
Catchment area	0.3 m inhabitants	0.8 m inhabitants
Opening	1998	1994

Shopping Centers Total

	Domestic	International	Total Deutsche EuroShop
Lettable space sqm	435,400	120,600	556,000
Parking	16,110	4,720	20,830
Number of shops	approx. 930	approx. 440	1,370
Occupancy rate*	99%	100%	99%
Catchment area	9.0 m inhabitants	3.0 m inhabitants	12.0 m inhabitants

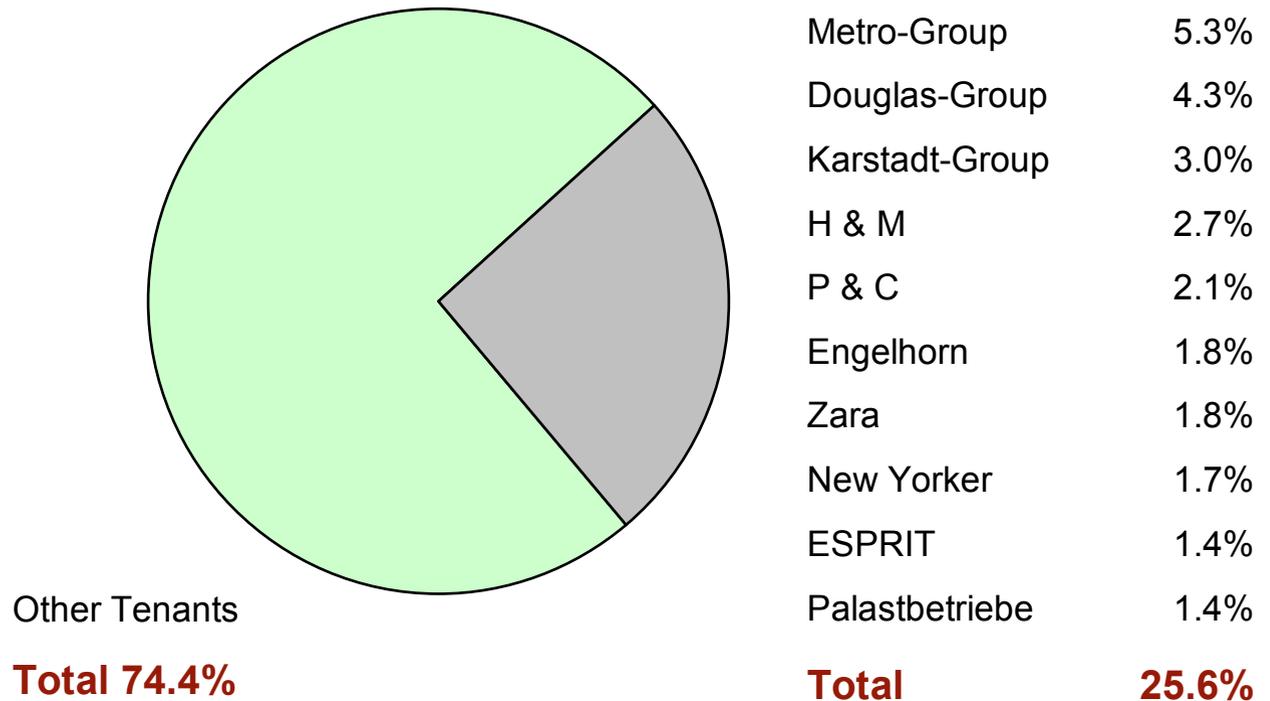
Our Tenants



Well-known tenants

Tenants Structure Top 10 tenants

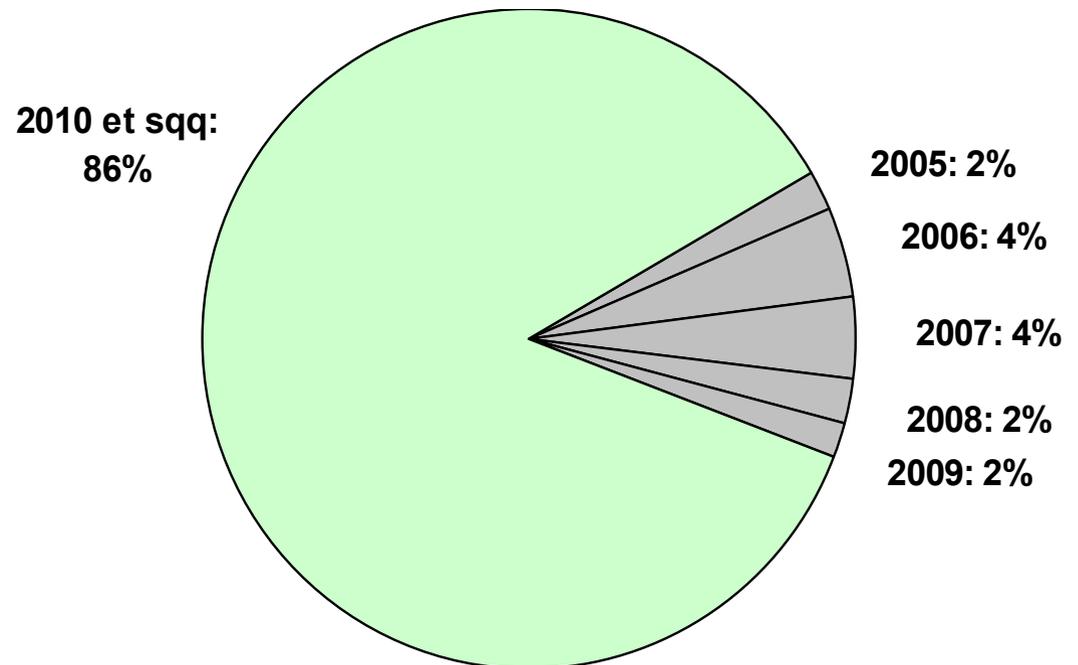
Low level of
dependence on
the top 10 tenants



Maturity Distribution of rental contracts*

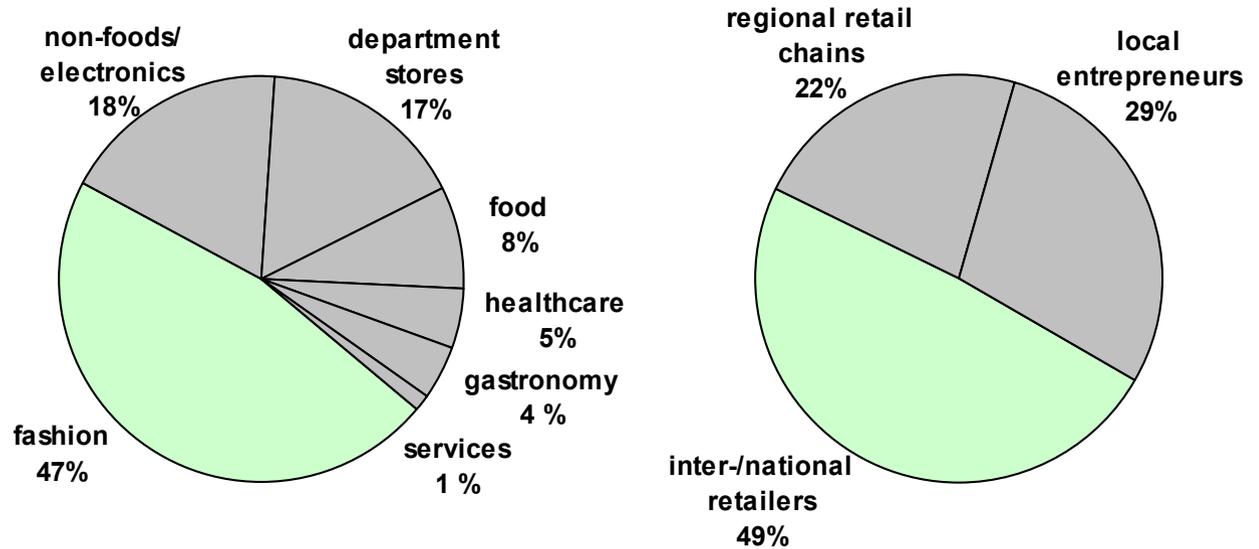
Long-term contracts
guarantee rental income

Weighted maturity
> 8 years



Sector and Retailer Mix

Balanced sector and retailer diversification



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Financials



Main-Taunus-Zentrum Sulzbach

Summary Q1-3 2005

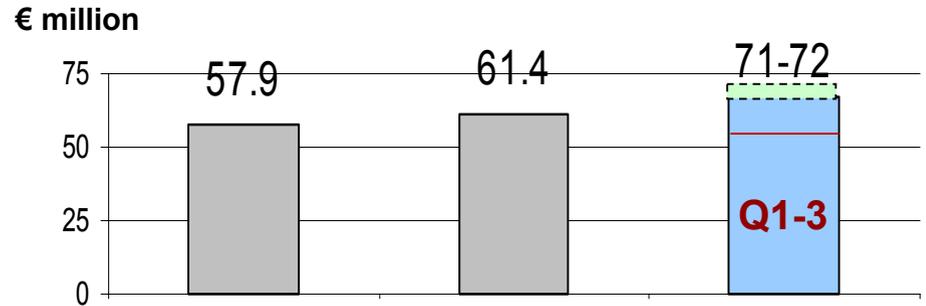
▪ Revenue	€53.3 million	+18%
▪ EBIT adjusted	€42.9 million	+8% +32%
▪ Net finance costs	€-20.8 million	-18%
▪ Profit for the period adjusted	€13.7 million	-9% +41%
▪ EPS adjusted	€0.87	-9% +41%

Forecast 2005

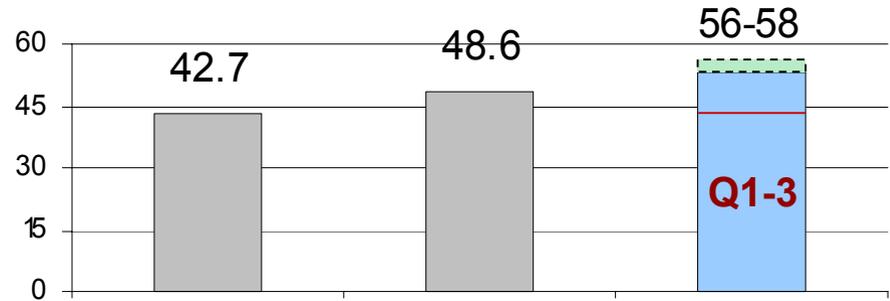
Forecast raised for 2005

Proposed dividend for 2005: increased from €1.92 to €2.00 per share

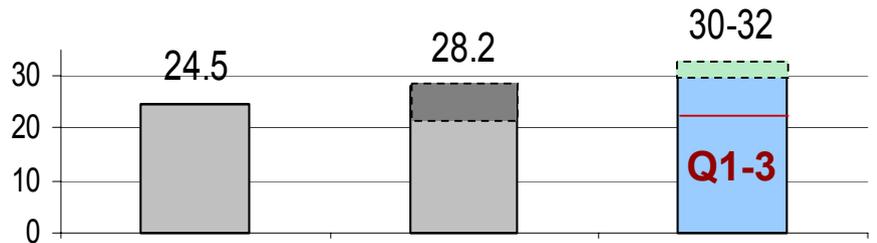
Revenue



EBIT



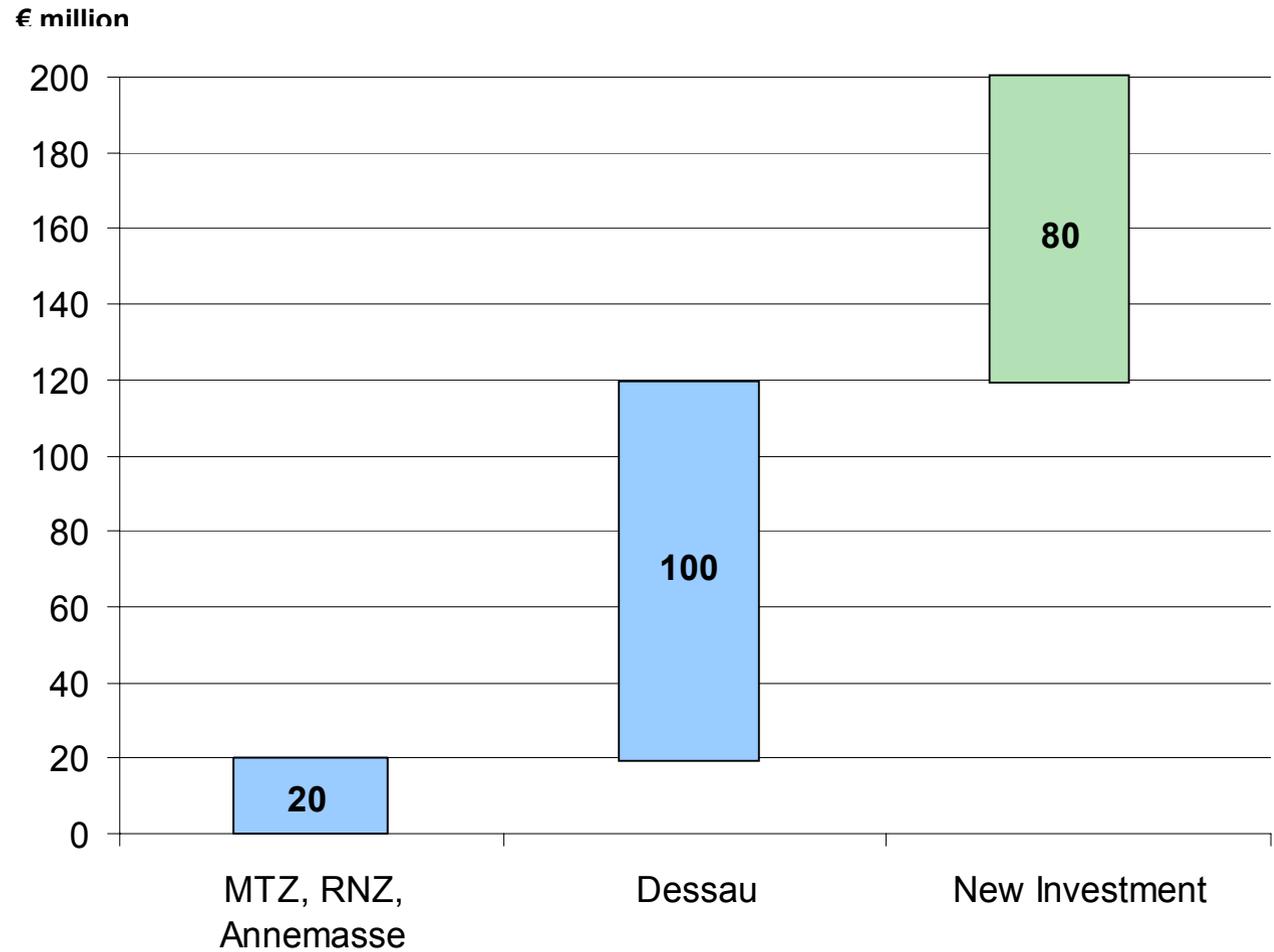
EBT



currency adjusted;
without valuation result

Investments 2005

Achieved investment
plans for 2005



Capital increase

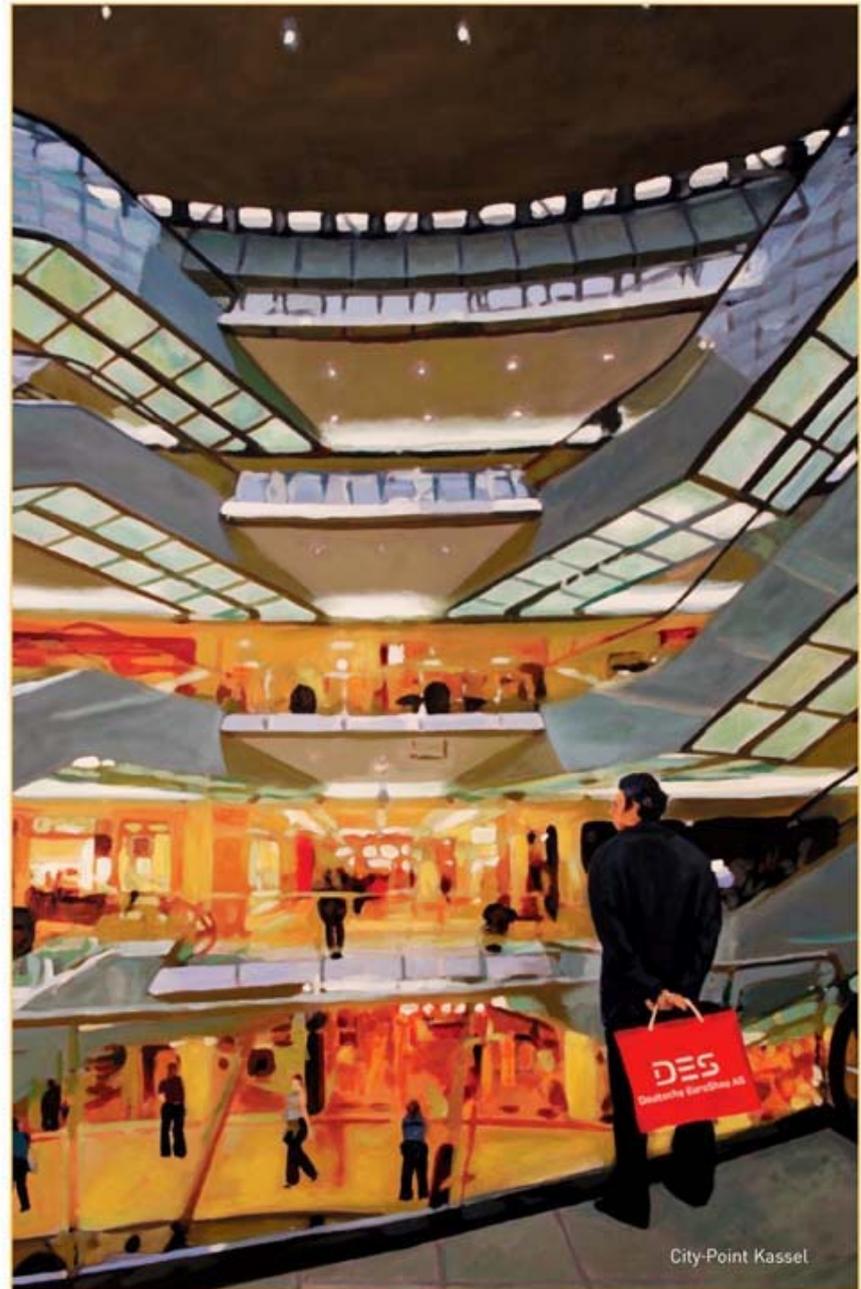
Capital increase to finance additional growth

Completion 10 Nov 2005

- number of shares now 17,187,499 (1,562,499 new shares)
- price: €43.00 per share
- gross issue proceeds: approx. €67.2 million
- shares were placed in Germany 40%, Europe 45%, USA and other 15%
- WestLB AG: Lead-manager and sole bookrunner
Berenberg Bank: Co-manager

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Shopping Center Share



Key data of the Share

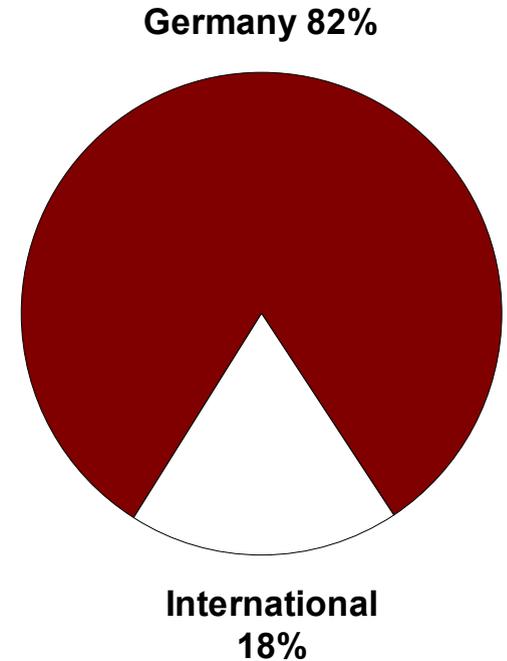
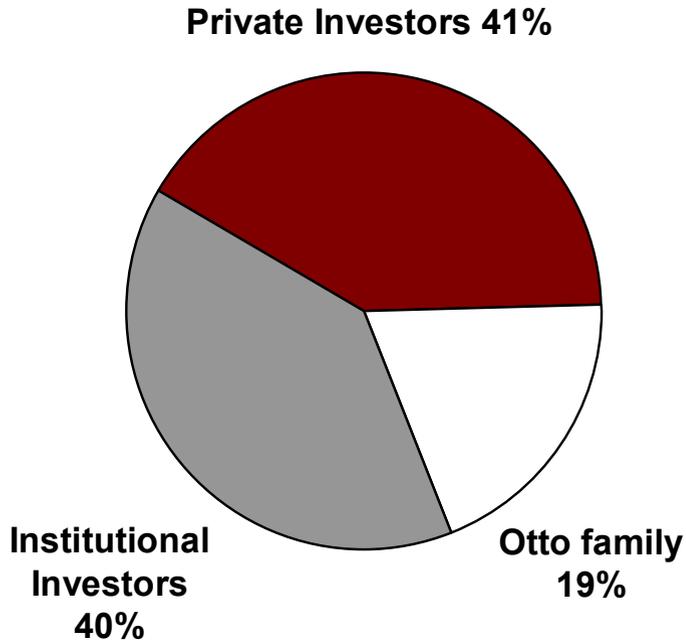
MarketCap > €770 million

Listed since	02.01.01
Nominal capital	€21,999,998.72
Outstanding shares	17,187,499
Class of shares	Registered shares
Dividend proposal 2005 (22.06.2006)	€2.00
52W High	€52.20
52W Low	€35.50
Share price (14.11.2005)	€44.93
Market capitalisation	€772 million
avg. turnover per day 2005	38,000 shares
Indices	MDAX, EPRA, GPR 250, EPIX 30
Prime Standard	Prime Standard Frankfurt and Xetra
OTC market	Berlin-Bremen, Dusseldorf, Hamburg, Munich and Stuttgart
ISIN	DE 000 748 020 4
Ticker	DEQ, Reuters: DEQGn.DE
Market makers	Close Brothers Seydler, WestLB

Shareholder Structure

7,700 shareholders

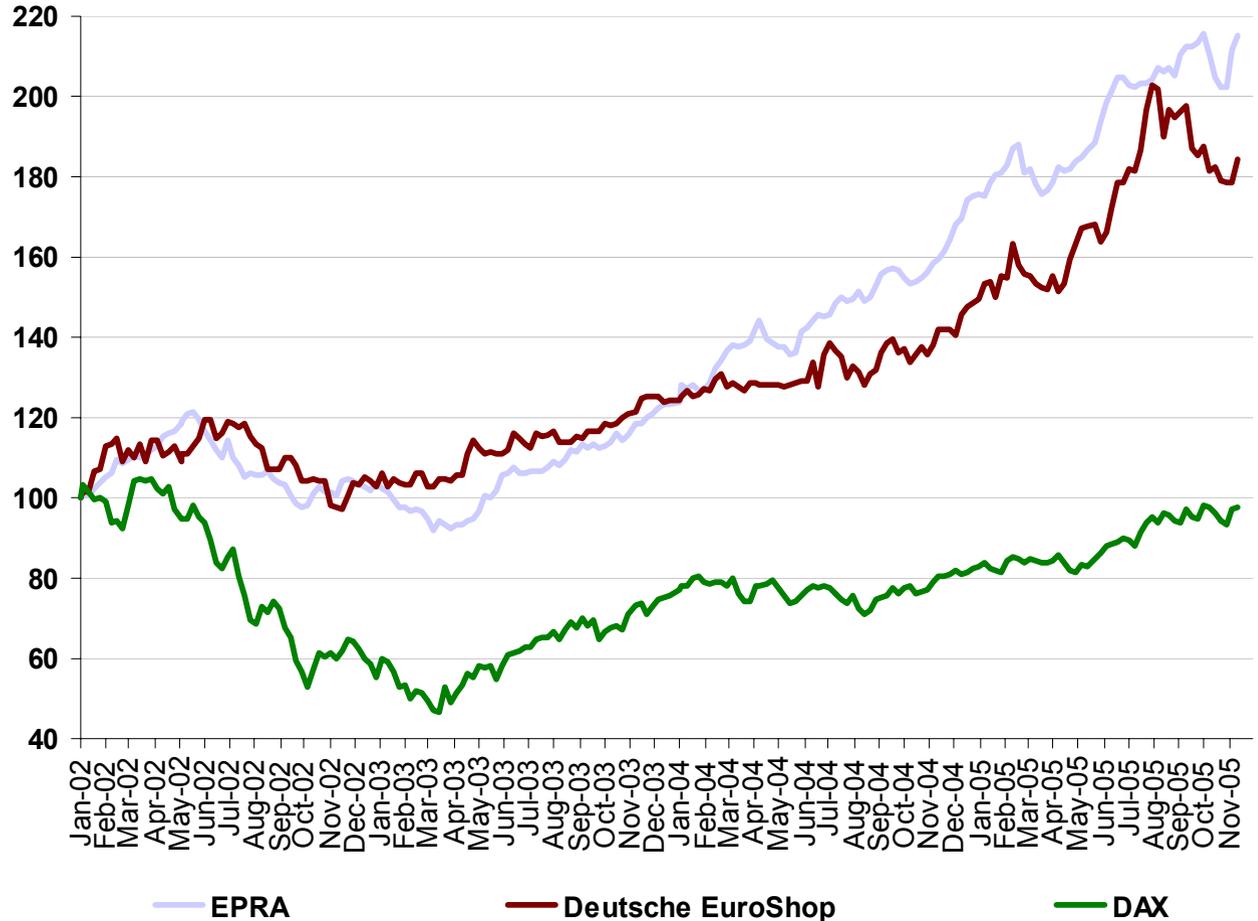
Free float 81%



Trend of the Share

Comparison with
DAX and EPRA

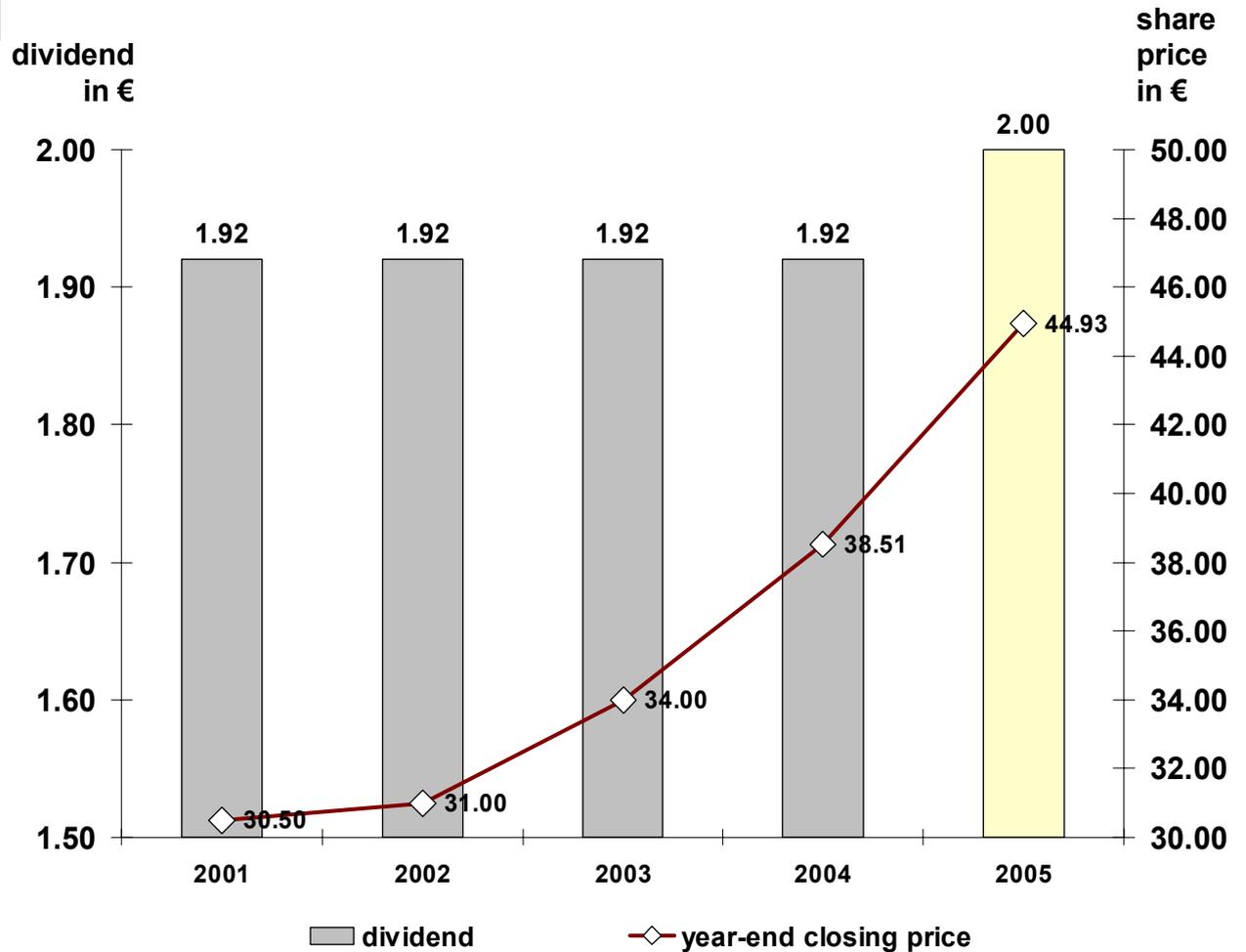
Indexed graph



Dividend policy

Stable and attractive
(tax-free) dividends

Performance
since IPO: +37%
2003: +15%
2004: +20%
2005 y-t-d: +22%



Coverage



Bankhaus Lampe



 **DZ BANK**

equinet

Haspa
Hamburger Sparkasse

HSBC Trinkaus & Burkhardt 

HSH  **NORDBANK**

HypoVereinsbank 


KEMPEN & CO
Merchant Bank

Sal. Oppenheim
PRIVATBANKIERS SEIT 1789

 **WestLB**

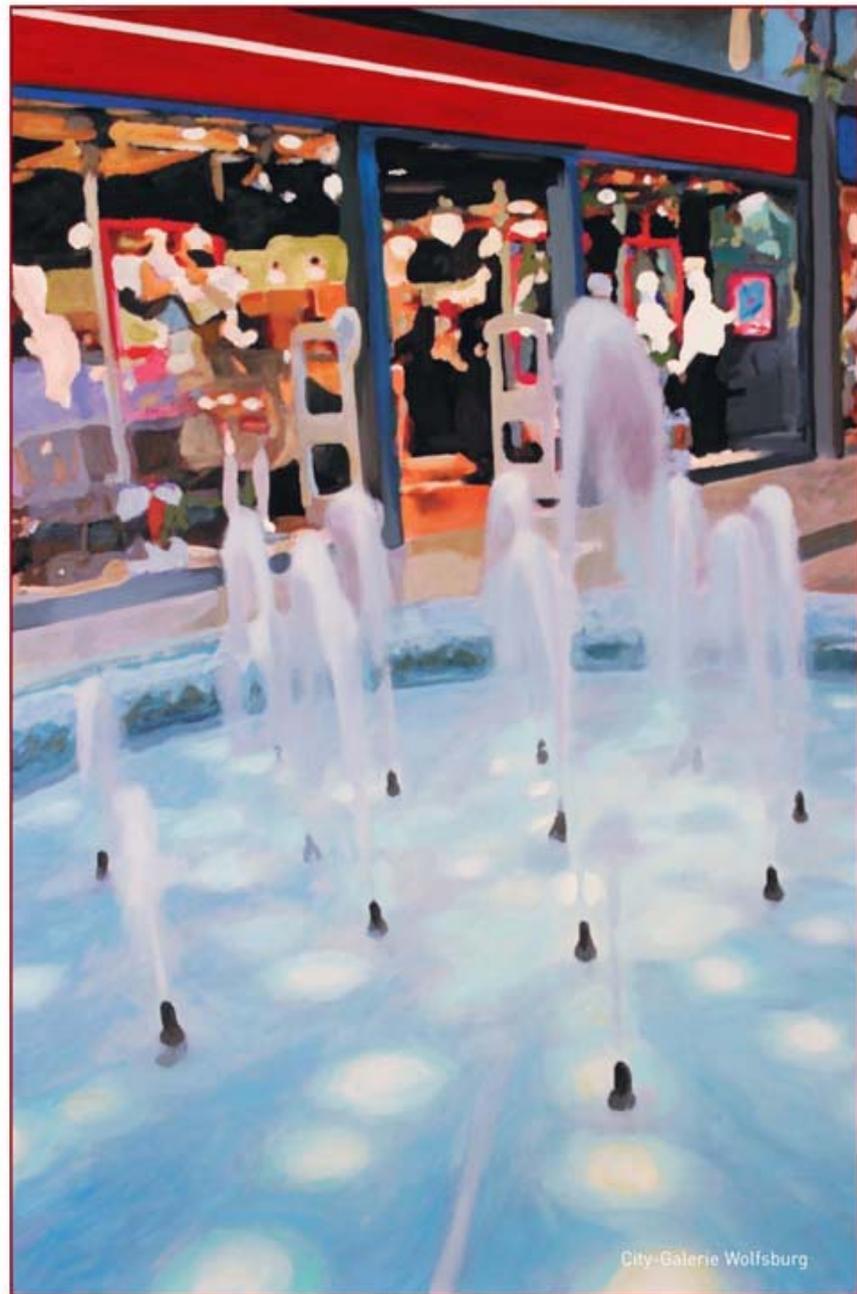
Analysts' Consensus

	Datum/ Date	Rating Änderung/ Change	Rating	Kursziel/ Price target in €	Ergebnis je Aktie/EPS in €			Dividende je Aktie/DPS in €			EBIT in Mio. €		
					2005	2006	2007	2005	2006	2007	2005	2006	2007
Bankhaus Lampe	15.11.2005	↑	Kaufen/ Buy	50.00	1.42	1.39	1.49	2.00	2.00	2.10	58.70	65.00	69.50
Berenberg Bank	03.11.2005	→	Kaufen/ Buy	53.00	Daten nicht zur Veröffentlichung frei und nicht Bestandteil des Consensus Rating. Data not for public use and not part of the consensus.								
DZ Bank	31.10.2005	→	Kaufen/ Buy	51.00	Daten nicht zur Veröffentlichung frei und nicht Bestandteil des Consensus Rating. Data not for public use and not part of the consensus.								
equinet	15.11.2005	↑	Halten/ Hold	46.00	3.10	2.31	2.55	2.00	2.00	2.00	57.50	67.50	72.50
Hamburger Sparkasse	27.10.2005	→	Halten/ Hold	47.50	1.20	1.60	n.a.	2.00	2.00	n.a.	55.00	58.50	n.a.
HSBC Trinkaus & Burkhardt	10.11.2005	→	Übergewichten/ Overweight	50.60	2.19	2.28	2.47	2.00	2.05	2.10	57.70	62.30	65.30
HSH Nordbank	15.11.2005	→	Halten/ Hold	46.00	1.54	1.54	1.81	2.00	2.00	2.00	64.25	65.17	71.14
HypoVereinsbank	10.11.2005	→	Outperform	50.00	1.94	1.99	n.a.	2.00	2.10	n.a.	55.99	60.61	63.77
Kempen & Co.	10.11.2005	↑	Neutral	45.00	1.32	1.48	1.42	2.00	2.00	2.00	57.40	62.80	64.60
Sal. Oppenheim	27.09.2005	↑	Kaufen/ Buy	51.00	2.27	2.38	2.81	2.00	2.05	2.10	57.46	61.84	62.24
West LB	31.10.2005	→	Outperform	53.00	2.15	2.38	2.88	2.00	2.00	2.00	55.66	66.15	67.73
Durchschnitt/ Average				49.37	1.90	1.93	2.20	2.00	2.02	2.04	57.74	63.32	67.10
Median				50.00	1.94	1.99	2.47	2.00	2.00	2.00	57.46	62.80	66.52
Minimum				45.00	1.20	1.39	1.42	2.00	2.00	2.00	55.00	58.50	62.24
Maximum				53.00	3.10	2.38	2.88	2.00	2.10	2.10	64.25	67.50	72.50

+++ The Shopping Center Company +++

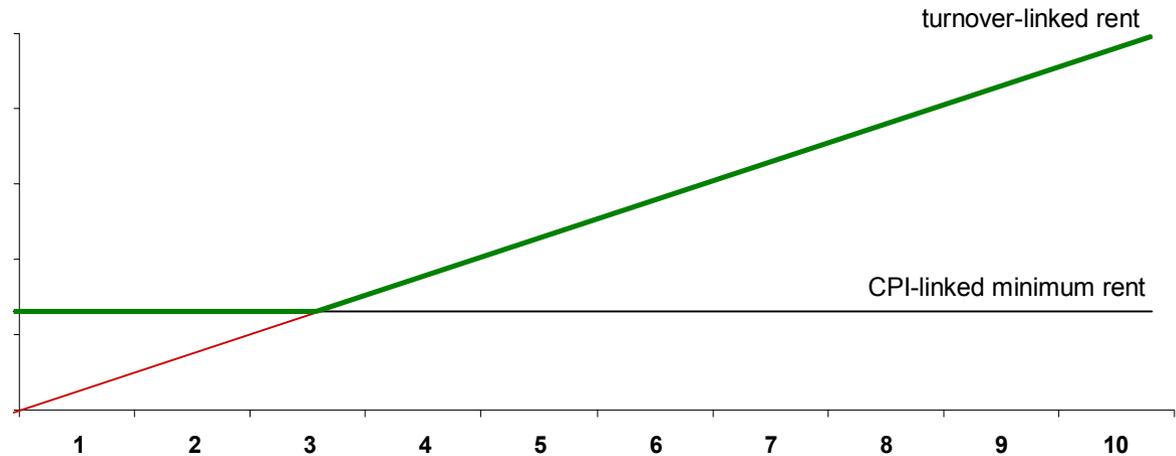
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Appendix



Lease system

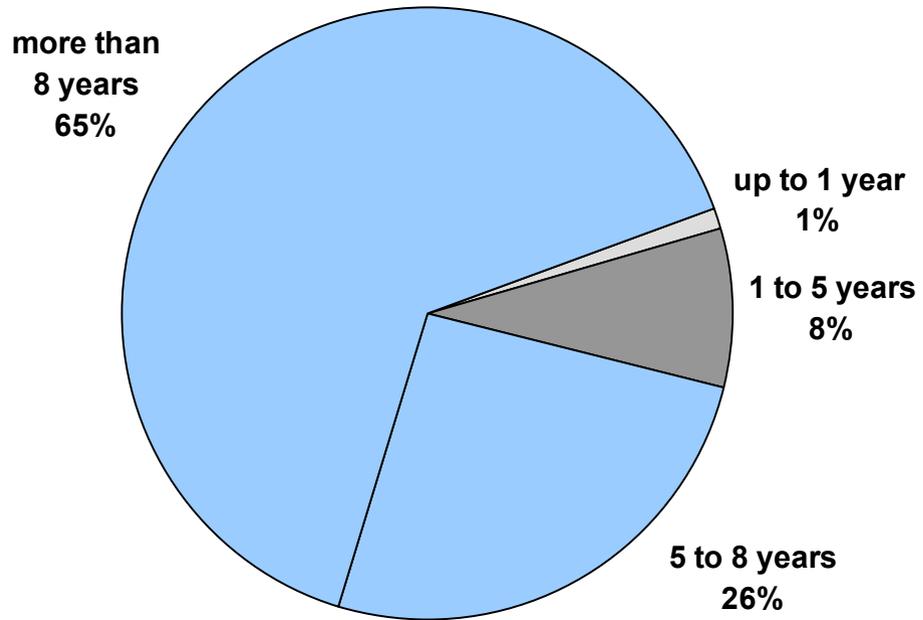
General form of lease contracts for DES-tenants all over Europe



- Lease standards:
 - 10 years lease only
 - no break-up option
 - turnover-linked rents
 - minimum rents are CPI-linked, upwards only
- Ø rent per sqm: €20 - 25
- Ø turnover per sqm: €4,300
- Rent-to-sales-ratio: 6.5 - 8.5%

**Liabilities -
Maturities**

Ø effective interest rate
5.66%

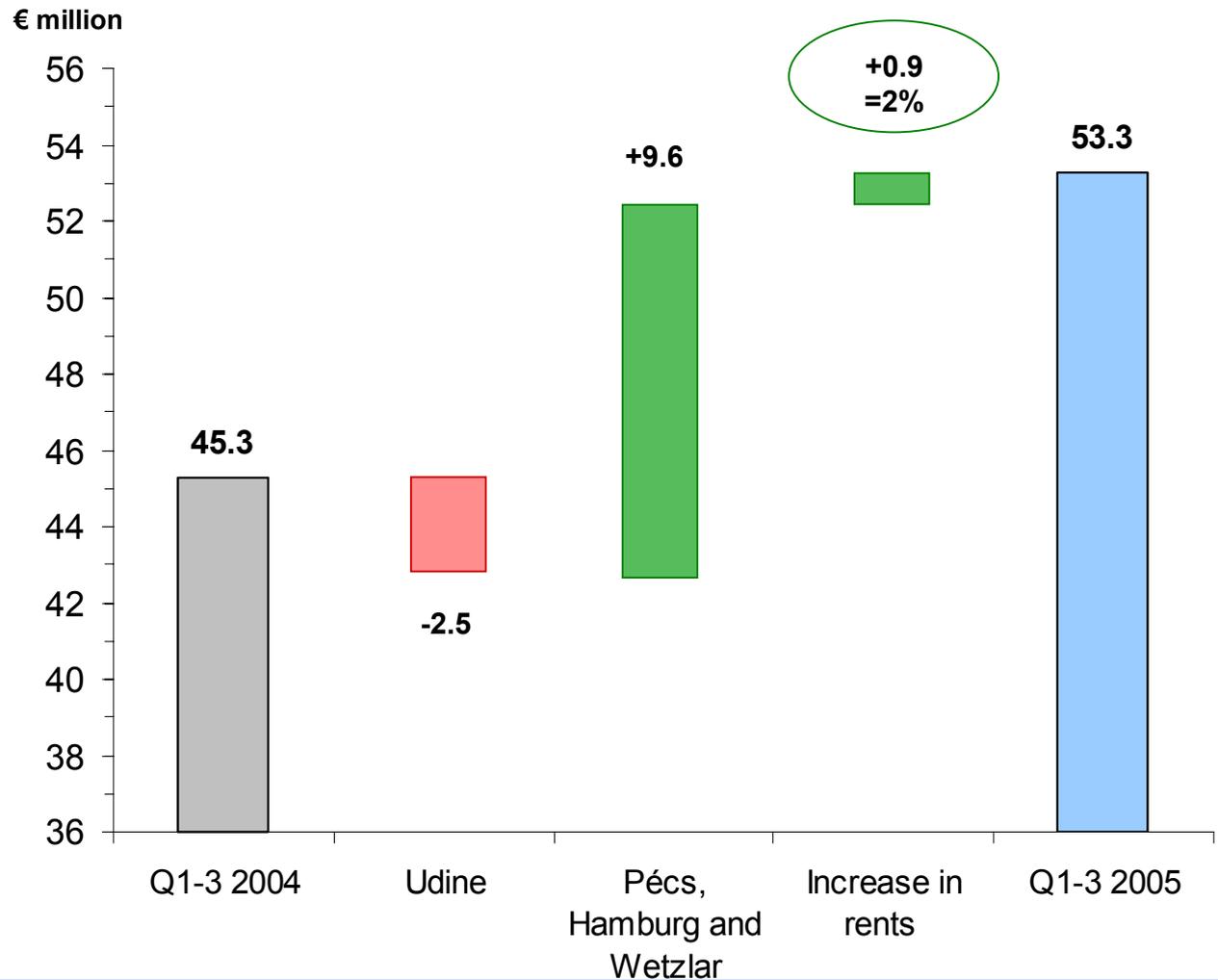


**more than 5 years
91%**

Revenue Bridge

Q1-3 2004 –
Q1-3 2005

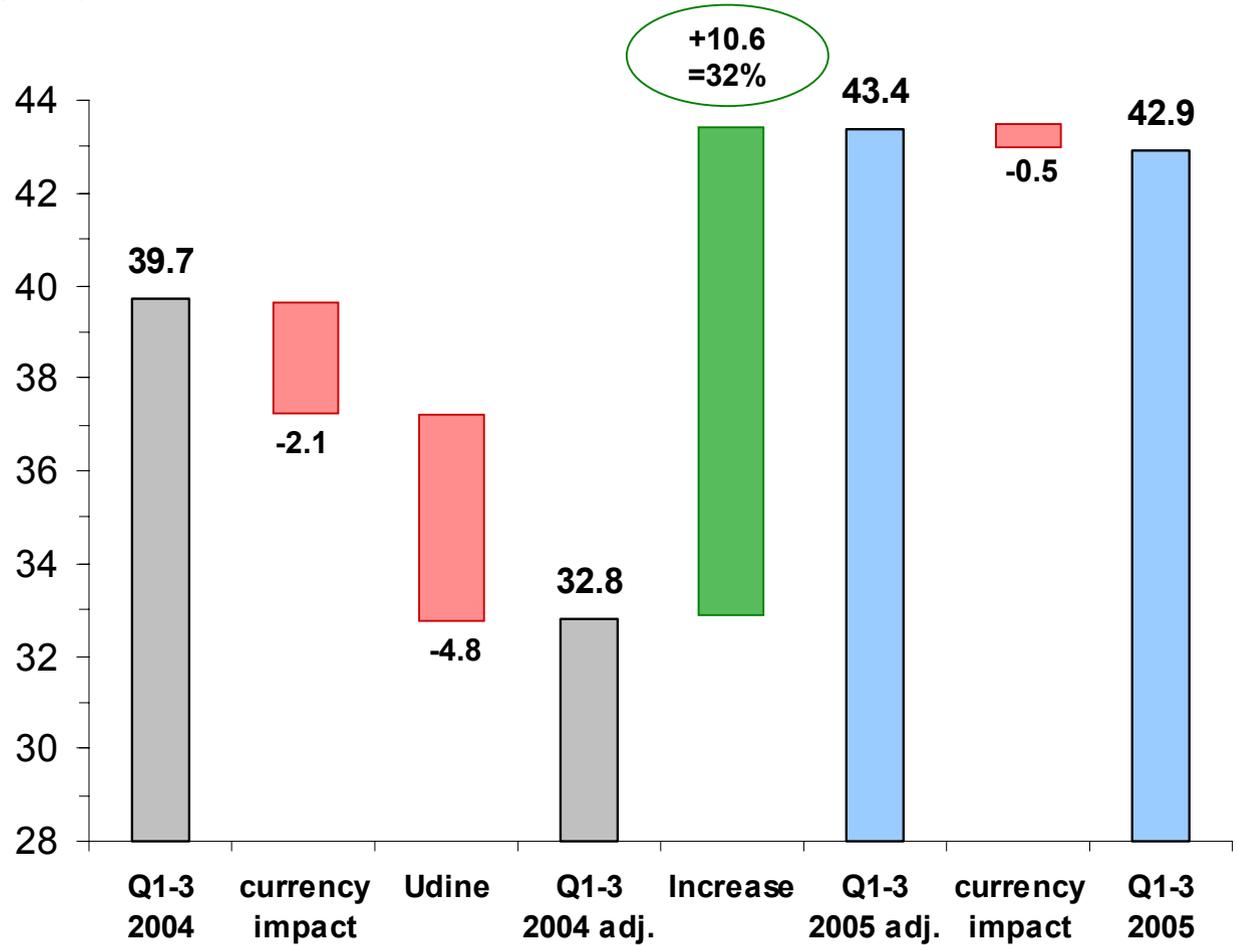
Revenue: +18%
comparable: +2%



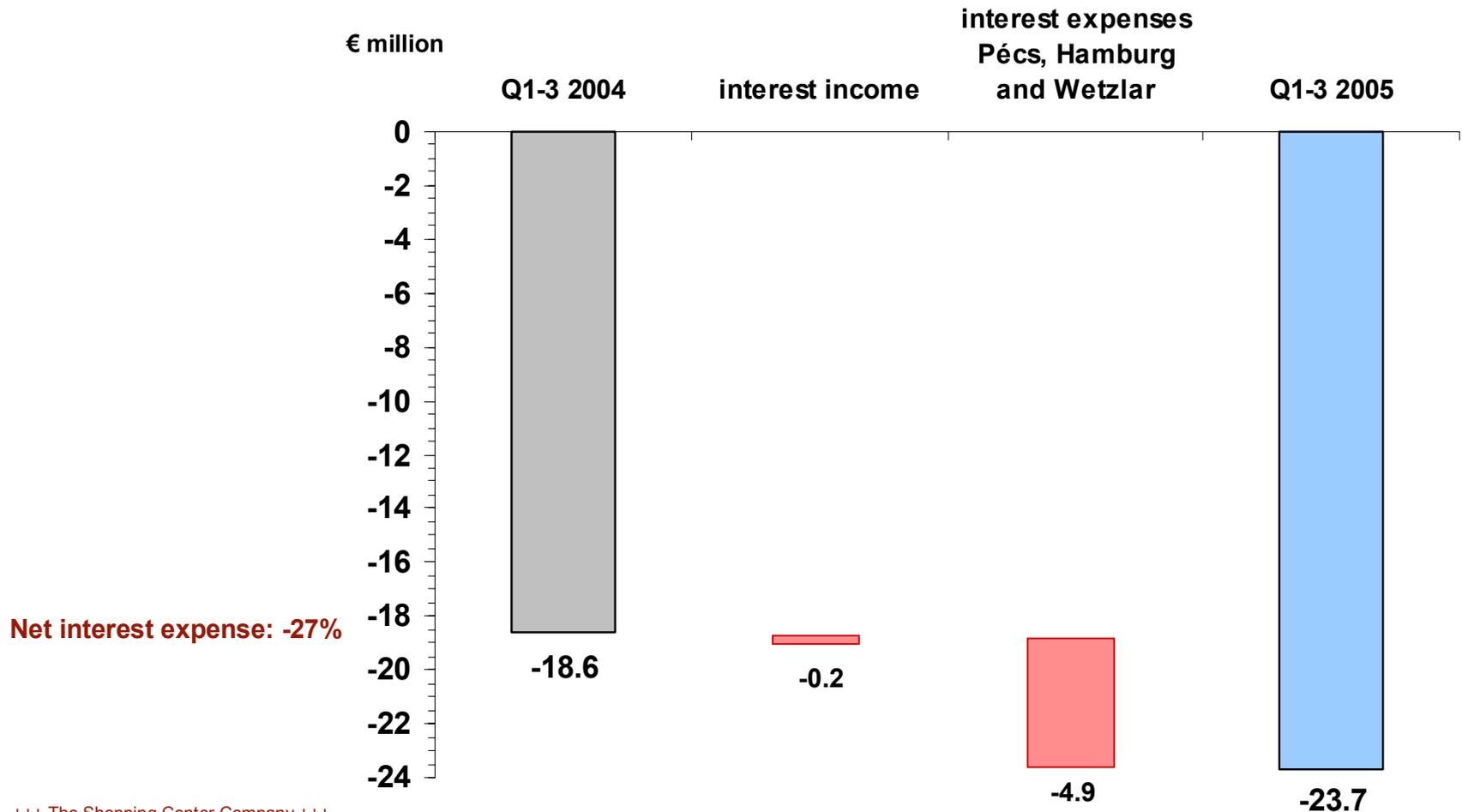
EBIT Bridge
Q1-3 2004 –
Q1-3 2005

EBIT: +8%
currency adjusted: +15%

€ million



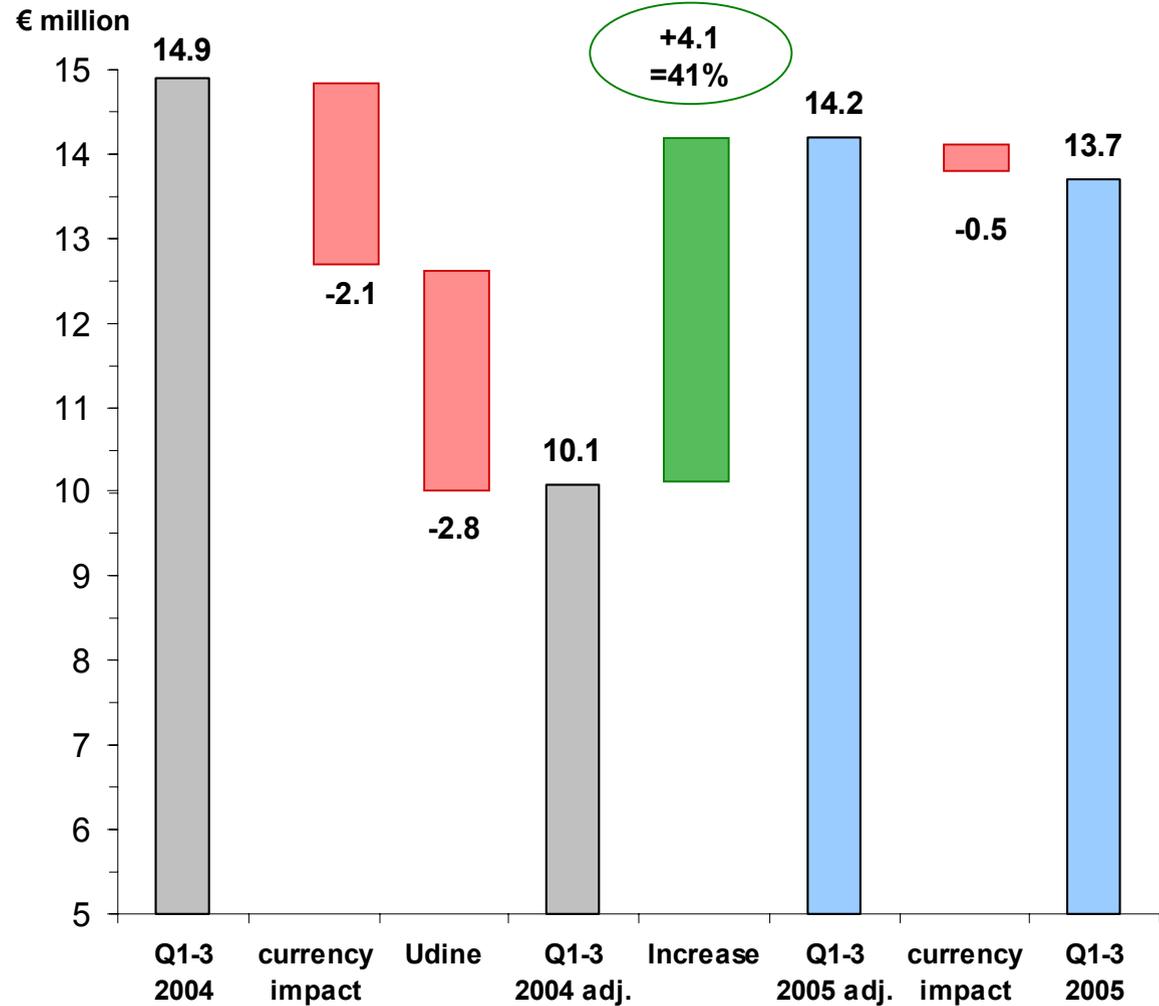
**Net Interest
Expense Bridge
Q1-3 2004 –
Q1-3 2005**



Profit Bridge

Q1-3 2004 – Q1-3 2005

Profit: -9%
currency adjusted: +10%



Balance Sheet

€ thousand	30 Sep. 2005	31 Dec. 2004	In/decrease
Fixed/non-current assets	1,224,683	1,203,251	21,432
Current assets	146,600	166,957	-20,357
Total assets	1,371,283	1,370,208	1,075
Equity	669,605	684,412	-14,807
Long term debt	628,723	597,662	31,061
Deferred taxes	57,069	51,676	5,393
Current liabilities	15,886	36,458	-20,572
Total liabilities	1,371,283	1,370,208	1,075

Profit and Loss Account

€ thousand	1 Jan.- 30 Sept. 2005	1 Jan.- 30 Sept. 2004	increase/ decrease
Revenue	53,328	45,340	+18%
Other operating income	1,286	7,718	
Expenses	-11,677	-13,309	
Depreciation and amortization	-14	-9	
EBIT	42,923	39,740	+8%
Net interest expense	-23,644	-18,597	
Income from investments	3,623	3,232	
Valuation result	-827	-2,374	
Net finance costs	-20,848	-17,739	
EBT	22,075	22,001	0%
Taxes	-6,377	-6,849	
Minority interests in earnings	-2,033	-171	
Profit for the period	13,665	14,936	-9%

Financial Calendar

2005

22.11. German Equity Forum, Frankfurt

2006

14.02. HSBC Real Estate Conference, Frankfurt

20.04. Annual earnings press conference, Hamburg

15.05. Interim report Q1 2006

22.06. Annual General Meeting, Hamburg

11.08. Interim report H1 2006

14.11. Interim report Q1-3 2006

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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.