

# DES

## Deutsche EuroShop

Company Presentation

October 2007





Company

Shopping Centers

Financials

Shopping Center Share

Appendix

- 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

Pure Player

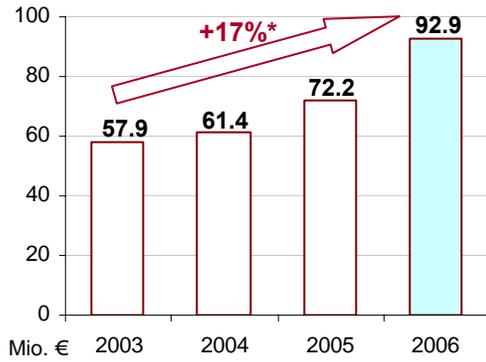
- 16 shopping centers on high street and in established locations – 12 in Germany, 2 in Poland and one each in Austria, Hungary

**16 Centers:**  
14 in operation  
2 in the pipeline

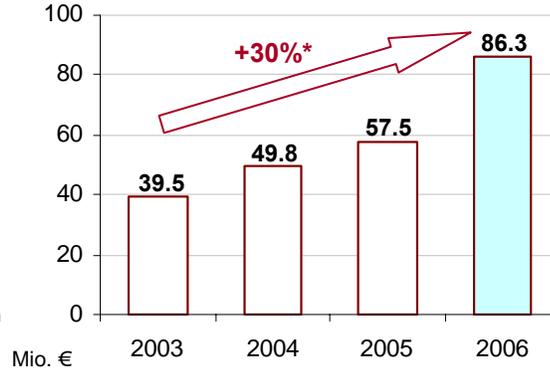
- |                |                      |
|----------------|----------------------|
| Lettable space | approx. 643,000 sqm  |
| Retail shops   | approx. 1,650        |
| Market value   | approx. €2.6 billion |
| Rents per year | €162 million         |
| Occupancy rate | > 99%                |

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

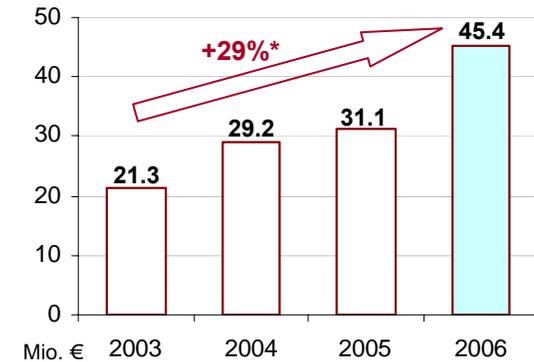
### Revenue



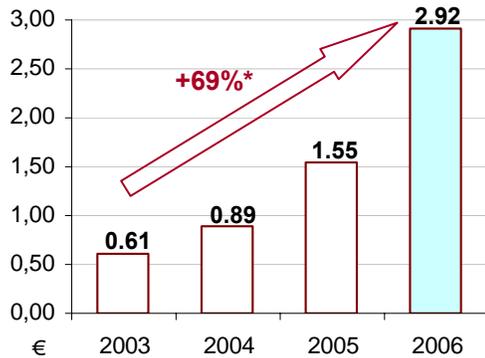
### EBIT



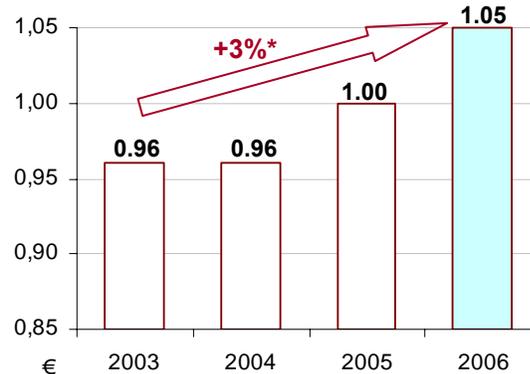
### EBT excl. revaluation



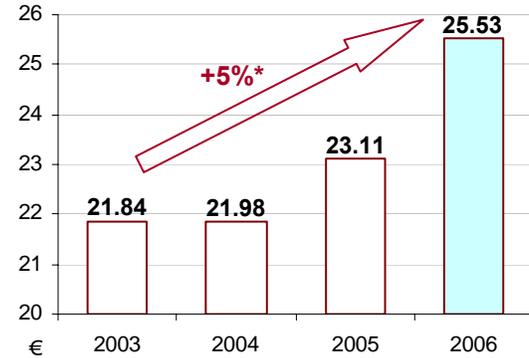
### EPS (undiluted)



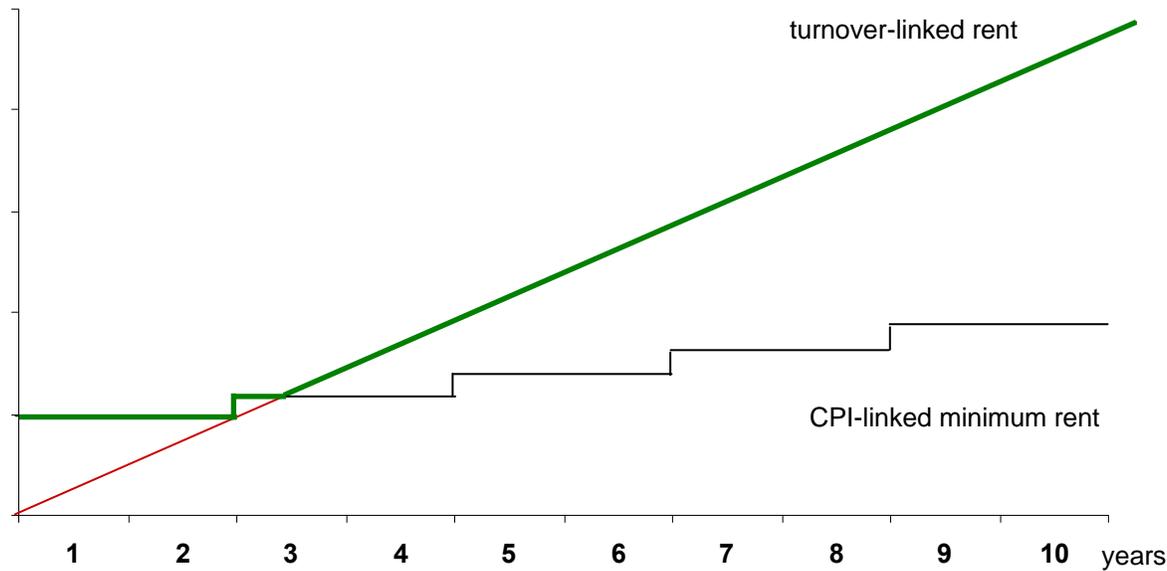
### Dividend per share



### NAV per share



\*2003-2006, Compound Annual Growth Rate (CAGR)

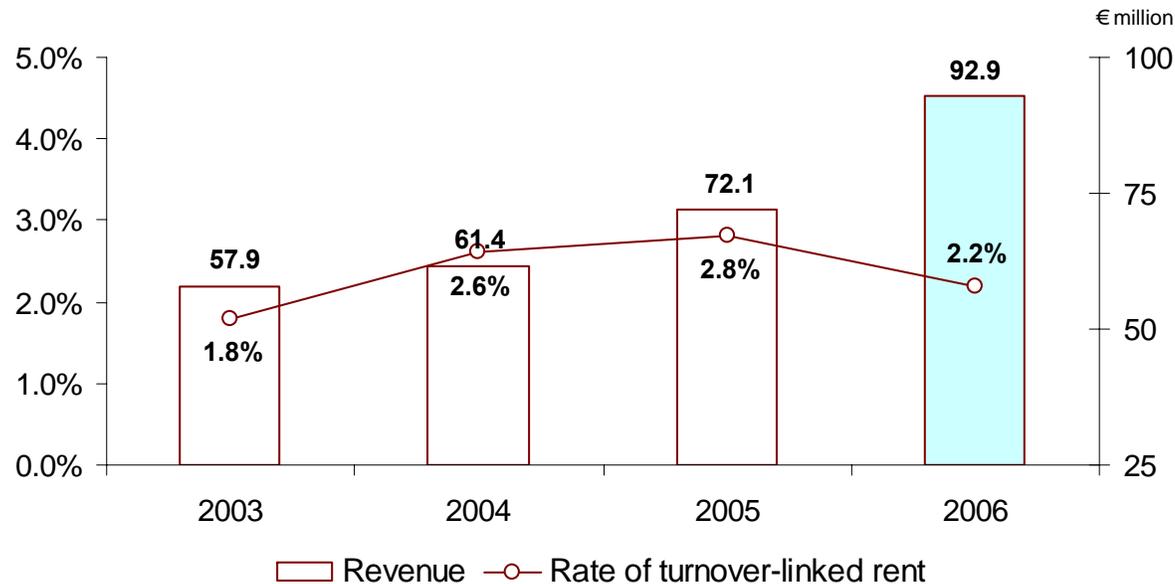


General form of  
lease contracts  
for DES-tenants

- Lease standards:
  - 10 years lease only
  - no break-up option
  - turnover-linked rents
  - minimum rents are CPI-linked, upwards only

Participation in  
sales growth of  
retail industry

- avg. rent per sqm and year: €250
- avg. turnover per sqm and year: €4,000\*
- Rent-to-sales-ratio: 6.5-8.5%
- weighted maturity of rental contracts: >8 years



\*avg. German retail: €3,300

- Long term net asset value enhancement
  
- “buy & hold”-strategy
  
- Stable and attractive dividends  
“After-tax“ dividend yield: currently 4.1%
  
- Investment-focus: Germany and up to 25% Europe
  
- Portfolio expansion by 10% per year
  - by acquisition of new shopping centers
  - by increasing existing amounts of holdings

Main focus on  
NAV and dividend

Continuous growth

Company

**Shopping Centers**

Financials

Shopping Center Share

Appendix







	<b>Main-Taunus-Zentrum</b>	<b>Rhein-Neckar-Zentrum</b>	<b>Altmarkt-Galerie</b>
Location	Frankfurt	Viernheim	Dresden
Investment	43.1%	99.9%	50.0%
Lettable space sqm	103,400	63,600	44,500
Parking	4,000	3,800	500
Number of shops	approx. 100	approx. 100	approx. 110
Occupancy rate	100%	100%	99%
Catchment area	approx. 2.2 m. inhabitants	approx. 1.4 m. inhabitants	approx. 1.0 m. inhabitants
Opening / refurbishm.	1964 / 2001-2004	1972 / 2000-2003	2002



	<b>Phoenix-Center</b>	<b>Allee-Center</b>	<b>Forum</b>
Location	Hamburg	Hamm	Wetzlar
Investment	50.0%	87.7%	65.0%
Lettable space sqm	39,200	35,100	34,300
Parking	1,600	1,300	1,700
Number of shops	approx. 110	approx. 80	approx. 110
Occupancy rate	97%	100%	100%
Catchment area	approx. 0.6 m. inhabitants	approx. 0.6 m. inhabitants	approx. 0.5 m. inhabitants
Opening / refurbishm.	2004	1992 / 2002-2003	2005



	<b>Rathaus-Center</b>	<b>City-Galerie</b>	<b>City-Point</b>
Location	Dessau	Wolfsburg	Kassel
Investment	94.9%	89.0%	40.0%
Lettable space sqm	30,600	30,000	29,500
Parking	850	800	220
Number of shops	approx. 80	approx. 90	approx. 60
Occupancy rate	98%	100%	100%
Catchment area	approx. 0.5 m. inhabitants	approx. 0.3 m. inhabitants	approx. 0.8 m. inhabitants
Opening	1995	2001	2002



	<b>City-Arkaden</b>	<b>Stadt-Galerie</b>	<b>Stadtgalerie</b>
Location	Wuppertal	Hameln	Passau
Investment	72.0%	94.9%	75.0%
Lettable space sqm	28,700	25,000	27,500
Parking	650	500	500
Number of shops	approx. 85	approx. 90	approx. 90
Occupancy rate	100%	approx. 92%	approx. 70%
Catchment area	approx. 0.7 m. inhabitants	approx. 0.4 m. inhabitants	approx. 0.4 m. inhabitants
Opening / refurbishm.	2001 / 2004	Spring 2008	Autumn 2008



	<b>City Arkaden</b> Klagenfurt, Austria	<b>Árkád</b> Pécs, Hungary	<b>Galeria Dominikanska</b> Wrocław, Poland
Location			
Investment	50.0%	50.0%	33.3%
Lettable space sqm	36,700	35,200	32,800
Parking	880	850	900
Number of shops	approx. 120	approx. 130	approx. 100
Occupancy rate	100%	100%	100%
Catchment area	approx. 0.4 m. inhabitants	approx. 0.5 m. inhabitants	approx. 1.0 m. inhabitants
Opening	2006	2004	2001



	<b>Galeria Bałtycka</b>
Location	Gdansk, Poland
Investment	74.0%
Lettable space sqm	47,200
Parking	1,000
Number of shops	approx. 200
Occupancy rate	100%
Catchment area	approx. 1.2 m. inhabitants
Opening	October 4, 2007

	Total <b>Germany</b>	Total <b>Europe</b>	Total <b>Deutsche EuroShop</b>
Lettable space sqm	491,400	151,900	643,300
Parking	16,420	3,630	20,050
Number of shops	1,105	550	1,655
Occupancy rate*	99%	100%	99%
Catchment area	9.4 m. inhabitants	3.1 m. inhabitants	12.5 m. inhabitants

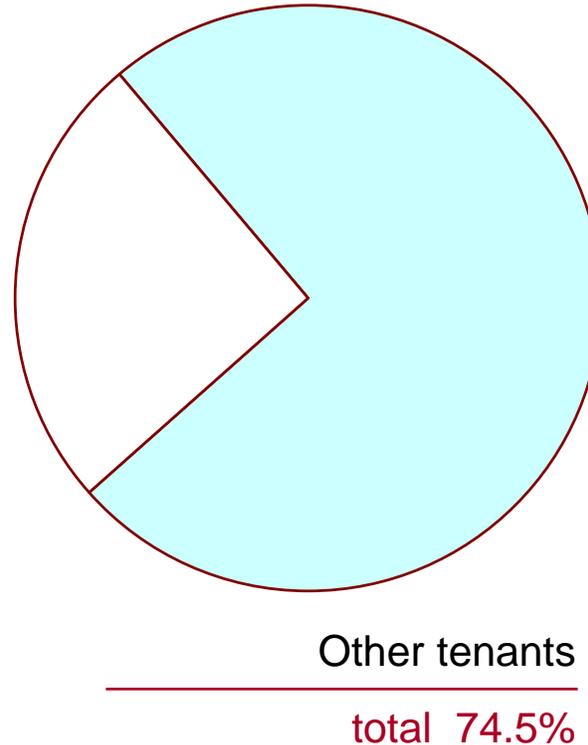
\*incl. office space, without Hameln, Passau and Gdansk



Well-known  
tenants

# Tenants Structure Top 10 tenants\*

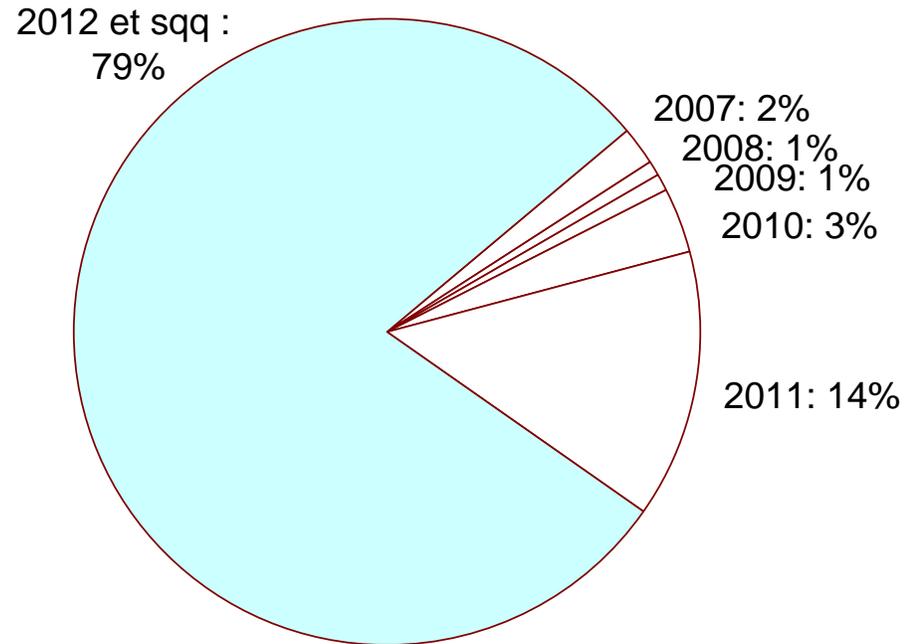
Metro-Group	5.0%
Douglas-Group	4.9%
Peek & Cloppenburg	3.0%
H & M	2.4%
New Yorker	2.1%
Zara	2.0%
Deichmann	1.9%
Engelhorn & Sturm	1.6%
dm - Drogeriemarkt	1.4%
Karstadt	1.2%
<b>total</b>	<b>25.5%</b>



Low level of dependence on the top 10 tenants

\*in % of total rents; not including Hameln, Passau and Gdansk as at December 31, 2006

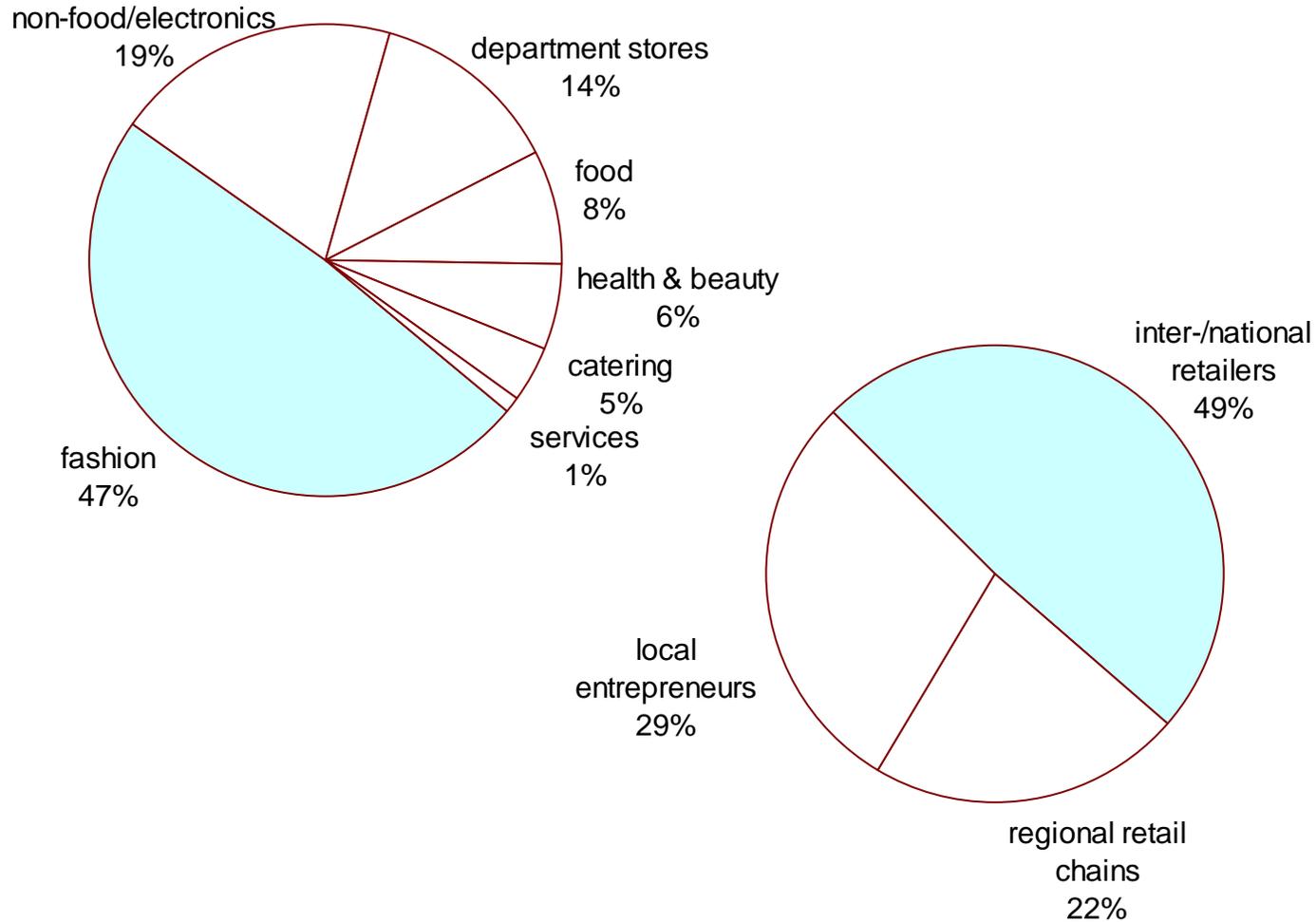
Long-term contracts  
guarantee rental income



Weighted maturity  
**> 8 years**

\*as % of rental income – not including Hameln, Passau and Gdansk as at December 31, 2006

Balanced sector and retailer diversification



\*in % of lettable space; not including Hameln, Passau and Gdansk as at December 31, 2006



Company

Shopping Centers

**Financials**

Shopping Center Share

Appendix

€ million	01.01.- 30.06.2007	01.01.- 30.06.2006	+/-
Revenue	45,643	45,876	-1%
EBIT	37,786	39,030	-3%
Net finance costs	-19,711	-19,187	-3%
EBT	18,229	28,054	-35%
Consolidated profit	13,505	23,882	-43%
Earnings per share (€)*	0.79	1.39	-43%

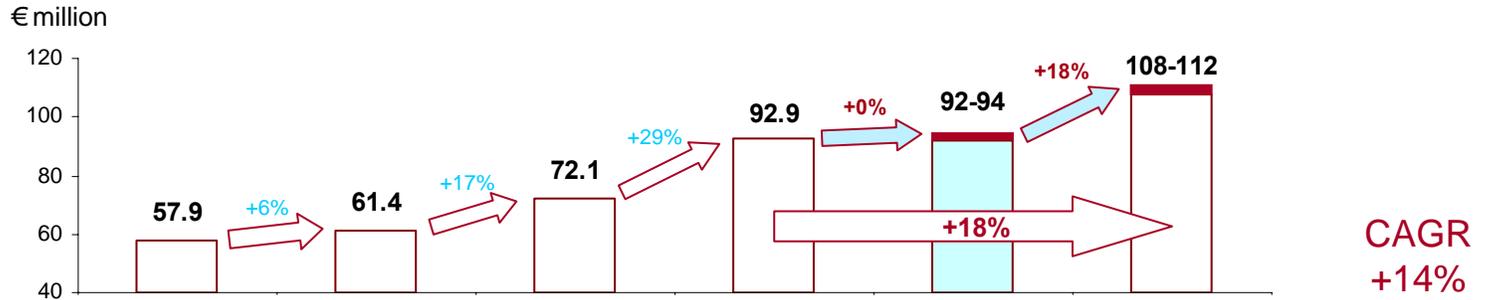
	30.06.2007	31.12.2006	+/-
Equity	777,112	796,276	-2%
Minorities	101,440	101,642	0%
Liabilities	839,455	797,286	5%
Total assets	1,815,757	1,796,213	1%
Equity ratio (%)**	48.4	50.0	
Gearing (%)	107	100	
Cash and cash equivalents	77,559	96,902	-20%

\*undiluted/\*\*incl. minorities

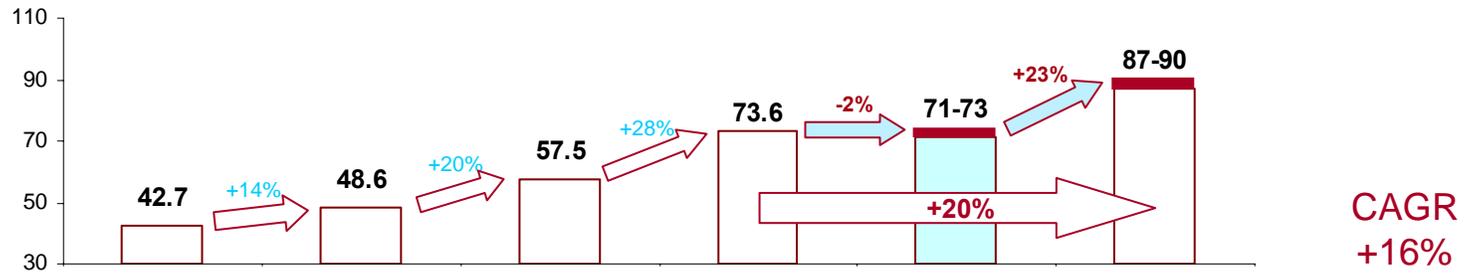
in € thousand	30.06.2007	31.12.2006	+/-
Non-current assets	1,701,035	1,652,890	48,145
Current assets	114,722	143,323	-28,601
<b>Total assets</b>	<b>1,815,757</b>	<b>1,796,213</b>	<b>19,544</b>
Total equity	777,112	796,276	-19,164
Equity	777,112	796,276	-19,164
Minorities	101,440	101,642	-202
Non-current liabilities	792,446	752,503	39,943
Deferred tax liabilities	85,794	81,158	4,636
Current liabilities	58,965	64,634	-5,669
<b>Total equity and liabilities</b>	<b>1,815,757</b>	<b>1,796,213</b>	<b>19,545</b>

in € thousand	01.01.- 30.06.2007	01.01.- 30.06.2006	+/-
<b>Revenue</b>	<b>45.643</b>	<b>45.876</b>	<b>-1%</b>
Other operating income	565	1.477	
Property operating and management costs	-6.410	-6.505	
Other operating expenses	-2.012	-1.818	
<b>EBIT</b>	<b>37.786</b>	<b>39.030</b>	<b>-3%</b>
Net interest expense	-18.316	-18.241	
Income from investments	206	587	
Profit attributable to limited partners	-1.601	-1.533	
<b>Net finance costs</b>	<b>-19.711</b>	<b>-19.187</b>	<b>-3%</b>
<b>Measurement gains/losses</b>	<b>154</b>	<b>8.211</b>	
<b>EBT</b>	<b>18.229</b>	<b>28.054</b>	<b>-35%</b>
Taxes	-4.724	-4.173	
<b>Consolidated profit</b>	<b>13.505</b>	<b>23.882</b>	<b>-43%</b>

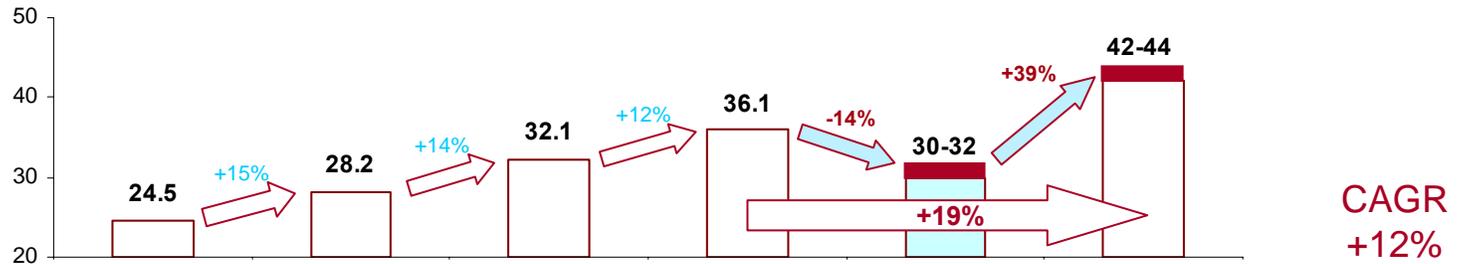
## Revenue



## EBIT\*



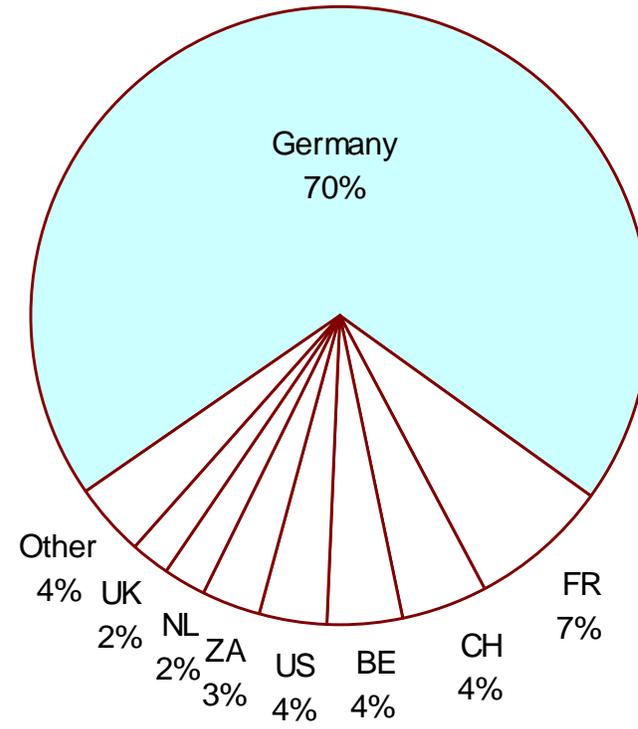
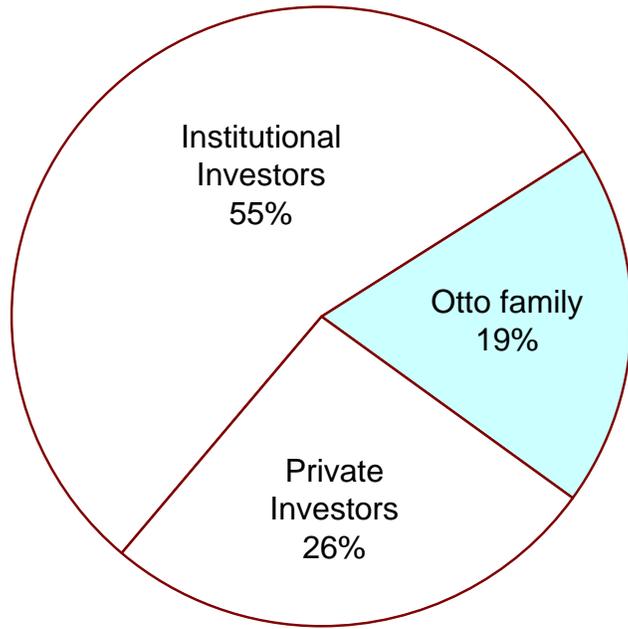
## EBT\*\*/\*\*



\*adjusted for one-time proceeds from disposals/\*\*excluding measurement gains and losses

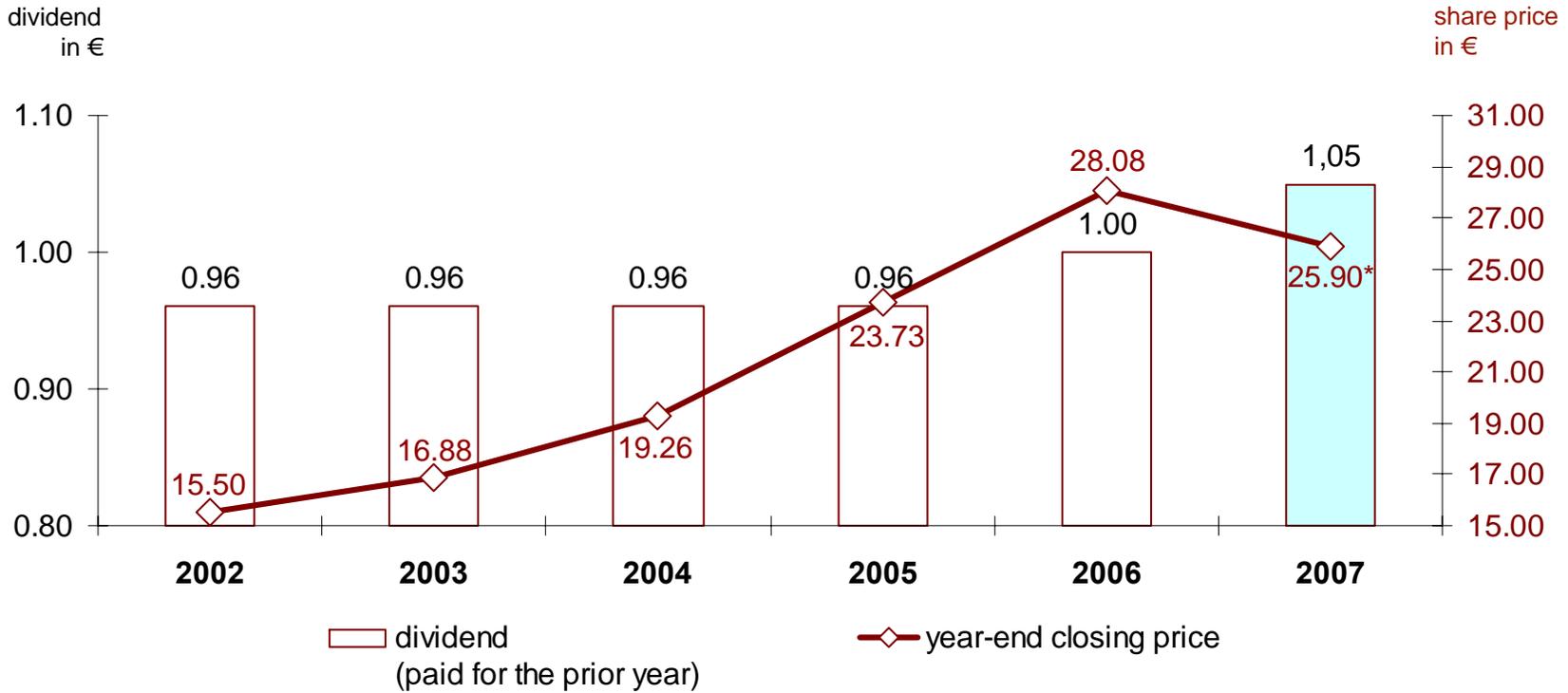
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7,500 shareholders

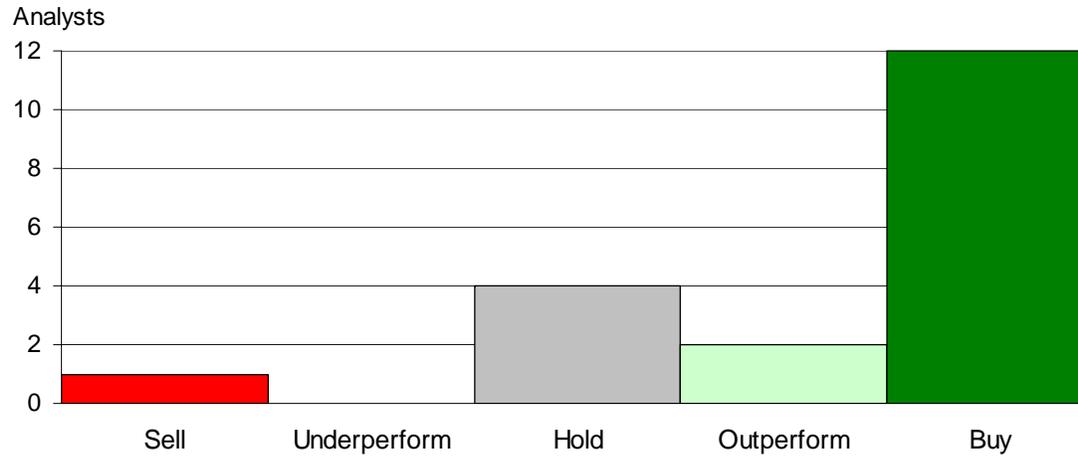
Free float 81%



### 5 years performance:

2003:	+15.1%	} avg. +15.6% p.a.
2004:	+19.8%	
2005:	+28.2%	
2006:	+22.6%	
2007*:	-4.2%	

\*Status: September 28, 2007



avg. / in €	2007	2008
EBIT (in € million)	75.21	91.38
EPS	1.60	2.41
Dividend	1.06	1.11
Price target		30.09





Company

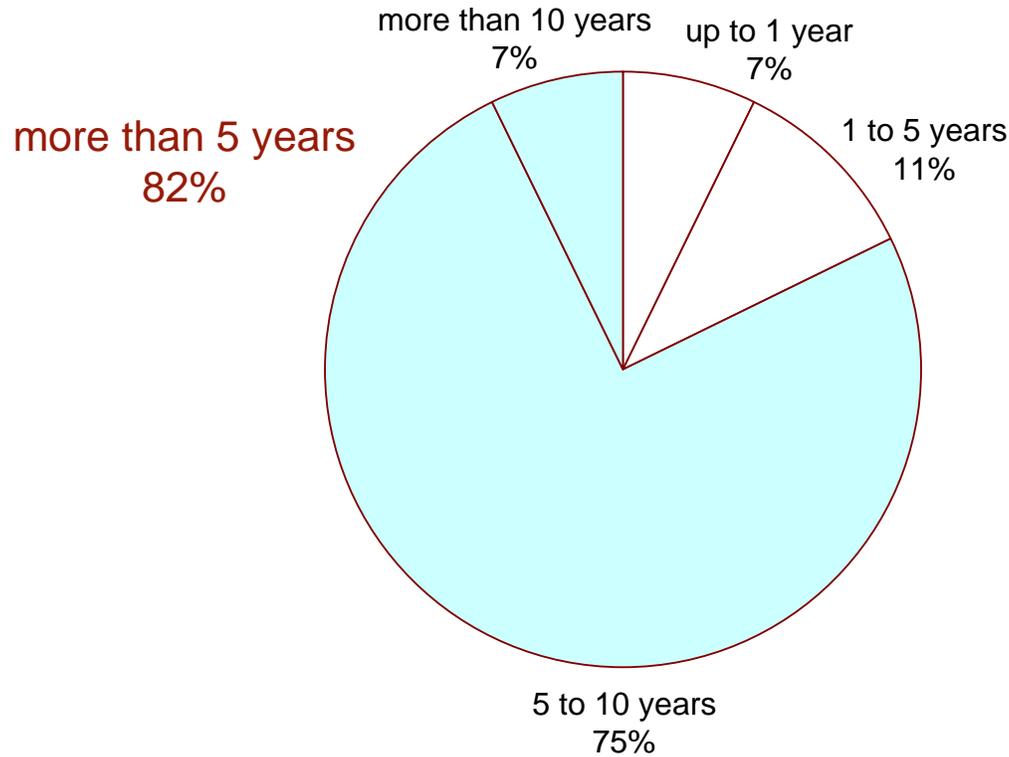
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**Appendix**

Listed since	02.01.2001
Nominal capital	€34,374,998
Outstanding shares	34,374,998
Class of shares	Registered shares
Dividend 2006 (22.06.2007)	€1.05
52W High	€30.68
52W Low	€23.02
Share price (12.09.2007)	€25.90
Market capitalisation	€968 million
avg. turnover per day 2007	110,000 shares
Indices	MDAX, EPRA, GPR, MSCI Small Cap
Official market	Prime Standard Frankfurt and XETRA
OTC market	Berlin-Bremen, Düsseldorf, Hamburg, Hanover, Munich und Stuttgart
ISIN	DE 000 748 020 4
Ticker	DEQ, Reuters: DEQn.DE
Market makers	Close Brothers Seydler, WestLB



Ø effective interest rate  
5.5%

## 2007

- 08.-09.10. Expo Real, Munich
- 18.10. Société Générale Pan European Real Estate Conference, London
- 25.-26.10. Real Estate Share Initiative, Frankfurt
- 09.11. Interim report Q1-3 2007
- 12.11. Roadshow Paris, Berenberg Bank
- 13.11. Roadshow Amsterdam, Kempen & Co.
- 14.11. Roadshow Stuttgart, equinet
- 15.11. Roadshow Helsinki, M.M. Warburg
- 15.11. WestLB Deutschland Conference, Frankfurt
- 28.11. UBS Global Real Estate Conference, London

## 2008

- 23.01. CA Cheuvreux German Corporate Conference, Frankfurt
- 27.-28.02. HSBC Trinkaus Real Estate Conference, Frankfurt
- 19.06. General Annual Meeting, Hamburg

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