



Deutsche EuroShop AG

BUY Price target 27.00 €

PREVIEW OF Q2 RESULTS

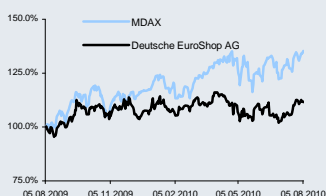
(BUY - Price target 27.00 €)

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Current Price (ETR): 23.80 €
 Bloomberg: DEQ
 Branche: Real estate

Performance of share price:

52 Week High 24.72 €
 52 Week Low 20.29 €
 Compared to MDAX
 YTD -11.4%
 1 month -0.1%
 3 months -4.4%
 12 months -23.5%



Share data:

EV (in bn €; 2010): 2.1
 Market cap (in bn €): 1.1
 No. of shares (in m): 45.9
 Free-float: 77.0%
 Trading vol. Ø (in m €) 2.522

Shareholder structure:

Familie Otto 18.0%
 Attfund 5.0%

Next event:

Q2 12.8.10

Change in model in %:

	Sales	EBIT	EPS
2010	0,0%	0,0%	0,0%
2011	0,0%	0,0%	0,0%
2012	0,0%	0,0%	0,0%

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Please note the disclaimer & disclosures at the end of this report.

RESULTS IMPACTED BY A10 ACQUISITION

The company will announce its Q2 results on 12 August:

in m €	Q2 10 (BHL)	Q2 10 (Cons.)	Q2 09	yoy in %	HY 10e (BHL)	HY 10e (Cons.)	HY 09	yoy in %
Sales	35.5	35.4	31.2	13.7%	70.1	70.0	63.0	11.3%
EBITDA	30.4	30.2	26.8	13.4%	60.5	60.3	53.8	12.4%
EBITDA-margin	85.5%	85.3%	85.8%		86.3%	86.2%	85.5%	
EBITA	30.3	30.2	26.8	13.3%	60.5	60.3	53.8	12.3%
EBITA-margin	85.5%	85.3%	85.8%		86.3%	86.2%	85.5%	
Net income (adj.)	13.4	13.8	6.1	>100%	26.2	26.6	30.5	-14.0%
EPS (in €)	0.26	n.a.	0.18	47.0%	0.57	n.a.	0.89	-35.6%

Source: Company information, Bloomberg, Bankhaus Lampe Research

As already in the first quarter, the company's results will be impacted by the acquisition of the A10 center near Berlin. This should lead to higher sales and earnings estimates. The higher stakes in the centres in Dresden, Wuppertal and Kassel will not yet have an impact. These have only come into effect on 1 July.

The earnings growth over the previous year is attributable to valuation losses in Q2 2009. These were mainly due to the volatile Eastern European currencies resulting in a high book profit in Q1 and losses in the second quarter.

Our estimates do not include currency effects. Although these effects are only of an accounting nature, they have a material impact on the company's income statement (in H1/2009 alone: EUR 7.3 m).

We assume that the company will confirm its guidance for the current financial year.

Moreover, we believe that the Q2 results will raise the question whether the management, after its confident statements on this issue in Q1, is already focusing on new investment opportunities.

BUY RATING CONFIRMED

We do not expect any major surprises from the Q2 results and therefore only a small impact on the share price. We maintain our price target and our "Buy" recommendation. To derive our price target we use our peer group model and our dividend model.

in m €	2008	2009	2010e	2011e	2012e
Sales	115.3	127.6	141.1	112.4	116.1
EBIT	98.1	110.7	120.5	96.9	100.2
EBIT margin	85.1%	86.8%	85.4%	86.2%	86.3%
Net debt	858.1	852.3	1,017.0	1,038.0	1,037.2
FCF	-11.4	26.3	-306.3	11.3	51.2
EPS (in €)	2.00	0.93	1.14	1.60	1.64
DPS (in €)	1.05	1.05	1.05	1.10	1.10
Dividend yield	4.3%	4.4%	4.4%	4.6%	4.6%
EV/Sales	14.7	13.5	14.8	19.0	18.3
EV/EBIT	17.3	15.6	17.3	22.0	21.3
PER	12.1	25.3	21.0	14.9	14.5

Source: Company information, Bankhaus Lampe Research

Disclosures

Shares are rated based upon analyst forecasts with regard to the performance of the share during a period of twelve months. The rating "Buy" within this general concept means that the share's forecast performance is at least 10%. "Hold" means a price movement in a bandwidth of 0% to 10%. "Sell" means that the share's forecast performance is negative. Unless shown otherwise, the stated upside targets are based upon either a discounted flow-cash pricing or upon a comparison of the performance ratios of companies that the respective analyst considers to be comparable, or upon a combination of these two analyses. Analysts modify the result of this fundamental assessment to incorporate the potential trend in the market mood.

Overview of our recommendations for the share in the previous twelve months.

Date of publication	Price at recommendation	Rating	Price Target
7.8.2009	22,01 €	Buy	28,00 €
19.8.2009	21,09 €	Buy	26,00 €
1.9.2009	22,41 €	Buy	26,00 €
9.10.2009	24,01 €	Hold	26,00 €
6.11.2009	23,09 €	Buy	26,00 €
13.11.2009	24,16 €	Buy	27,00 €
27.1.2010	22,92 €	Buy	26,50 €
19.3.2010	23,45 €	Buy	26,50 €
25.3.2010	23,74 €	Buy	26,50 €
4.5.2010	23,49 €	Buy	27,00 €
15.6.2010	23,28 €	Buy	27,00 €

The distribution of recommendations in our investments universe is currently as follows (date: 1/7/2010):

Rating	Basis: all analysed companies	Basis: companies with investmentbanking relationships
Buy	59.3%	75.0%
Hold	35.2%	25.0%
Sell	5.6%	0.0%
under review	0.0%	0.0%

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Company	Disclosure
Deutsche EuroShop AG	2

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