



Deutsche EuroShop AG

SOLID OPERATING PERFORMANCE BUT HIGH TAXES

Buy – Price target 29.00 EUR

10/11/2011

Close 09/11/2011 (ETR) 26.13 EUR
 Bloomberg DEQ
 WKN 748020
 Sector Real Estate

Share data:

EV (m EUR; 2011) 2,833.8
 Market Cap (m EUR) 1,348.9
 No. of shares (m) 51.6
 Freefloat 81.7%
 Trading vol. Ø (m EUR) 3.1

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GOOD OPERATING RESULT

Today the company published the following Q3-figures:

Deutsche EuroShop [€ m]	BHL		Consensus		% yoy	BHL		Consensus		% yoy
	Q3 2011	Q3 2011e	Q3 2011e	Q3 2010		9M 2011	9M 2011e	9M 2011e	9M 2010	
Sales	46,9	47,1	46,9	36,2	29,5%	138,0	138,2	138,0	106,6	29,5%
EBITDA	39,6	40,0	40,2	30,6	>100%	117,9	118,4	118,6	91,5	28,9%
EBITDA-margin	84,4%	84,9%	85,7%	84,5%	-0,1 PP	85,4%	85,7%	85,9%	85,8%	-0,4 PP
Net income (after min.)	7,7	8,3	16,8	12,3	-37,4%	40,0	40,6	39,1	38,3	4,5%
EPS [€]	0,15	0,16	0,33	0,27	-44,4%	0,78	0,79	0,99	0,87	-10%
FFO/Share (€)	0,36	0,39	0,40	0,33	9,1%	1,12	1,15	1,16	1,06	6%

Source: Company information, DJ news, Bankhaus Lampe Research

Operating figures of Deutsche Euroshop (DEQ) are in line with our expectations. However, due to higher taxes - DEQ has to pay a business tax (Gewerbsteuer) now - the FFO is slightly lower than expected.

As a result of its ongoing strong operating performance, DEQ increased its guidance as follows:

- Revenues: EUR 188 to 190m (previously: EUR 184 to 188m)
- EBT: EUR 79-82 m (previously: EUR 75 . 78 m)
- FFO: 1,49 to 1,54 EUR (previously: EUR 1.48-1.52)

FIRST TAKE

FFO is slightly weaker than expected in Q3 but the outlook is higher. The stock is still a good investment

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 changes in our recommendations/price targets for Deutsche EuroShop AG during the previous twelve months.

Date of publication	Price at recommendation	Rating	Price Target
08/11/2011	26.28 EUR	Buy	29.00 EUR
20/10/2011	25.89 EUR	Buy	28.50 EUR
31/08/2011	27.29 EUR	Hold	28.40 EUR
25/08/2011	27.03 EUR	Hold	28.00 EUR
02/08/2011	26.20 EUR	Buy	30.00 EUR
13/05/2011	28.28 EUR	Hold	30.00 EUR
25/02/2011	26.87 EUR	Buy	30.00 EUR
01/02/2011	27.49 EUR	Buy	30.00 EUR
15/12/2010	28.32 EUR	Hold	28.50 EUR
24/11/2010	25.34 EUR	Buy	28.50 EUR
04/11/2010	27.11 EUR	Hold	28.50 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/10/2011)

Rating	Basis: all analysed companies	Basis: companies with investmentbanking relationships
Buy	69.6%	75.0%
Hold	22.6%	0.0%
Sell	7.8%	25.0%
under review	0.0%	0.0%

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Deutsche EuroShop AG	2

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