

2010

feelestate.de



DES

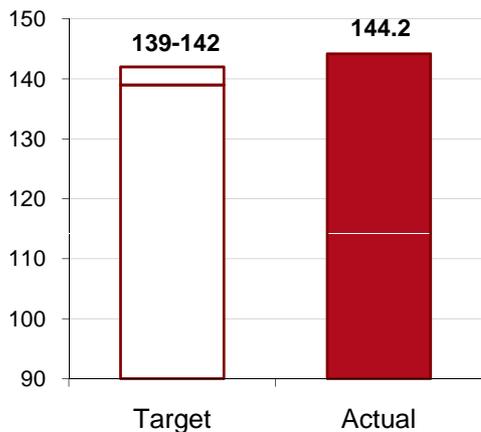
Deutsche EuroShop

ANNUAL EARNINGS CONFERENCE CALL | FY 2010 RESULTS

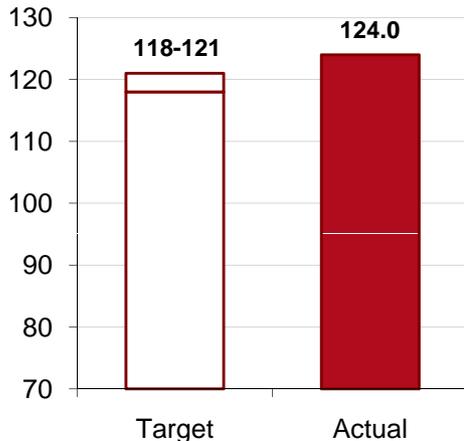
29 April 2011

Target – Performance Comparison

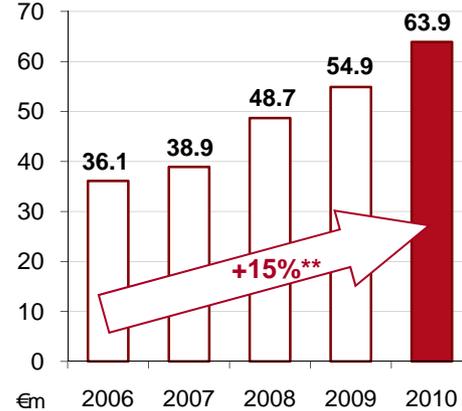
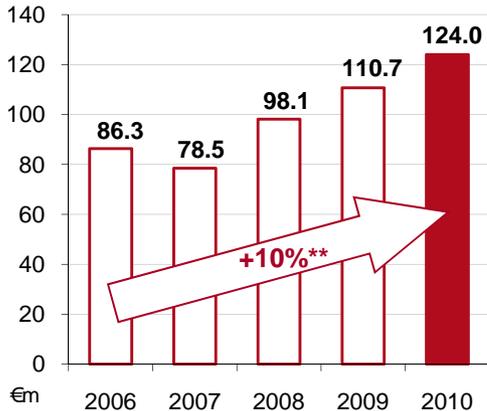
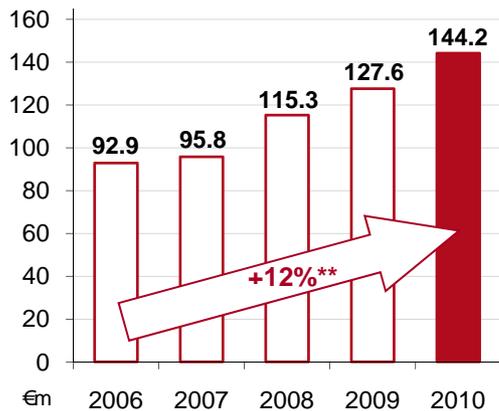
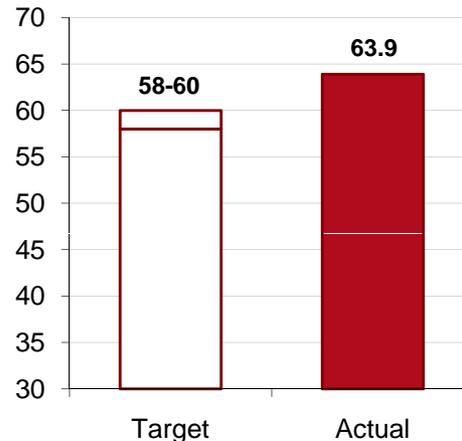
Revenue



EBIT



EBT before Valuation*



* adjusted for one-time proceeds from disposals

** 2004-2010, Compound Annual Growth Rate (CAGR)



Highlights 2010

- January 2010: Acquisition of A10 Center Wildau/Berlin
- February 2010: Placement of 6,302,082 new shares from a rights offering (approx. 5 times oversubscribed, proceeds of approx. €123 million)
- July/August 2010: Increase in the share capital against non-cash contributions by 1,780,000 new shares
Acquisition of further shareholdings in three shopping centers (Dresden, Kassel, Wuppertal)



A10 Center



Dresden



Kassel



Wuppertal



Highlights 2010

- October 2010: Acquisition of Billstedt-Center Hamburg (with effect from 1 January 2011)
- November 2010: Placement of 5.736.822 new shares from a rights offering (approx. 6 times oversubscribed, proceeds of approx. €132 million)
- December 2010: Acquisition of a further shareholding in Main-Taunus-Zentrum to 52%



Billstedt-Center



Main-Taunus-Zentrum



Highlights 2011

- January 2011: Increase of the shareholding in Stadt-Galerie Hameln to 100%
- March 2011: Opening of the Extension of the Altmarkt-Galerie Dresden
- April 2011: Opening of the A10 Triangle



Hameln



Dresden

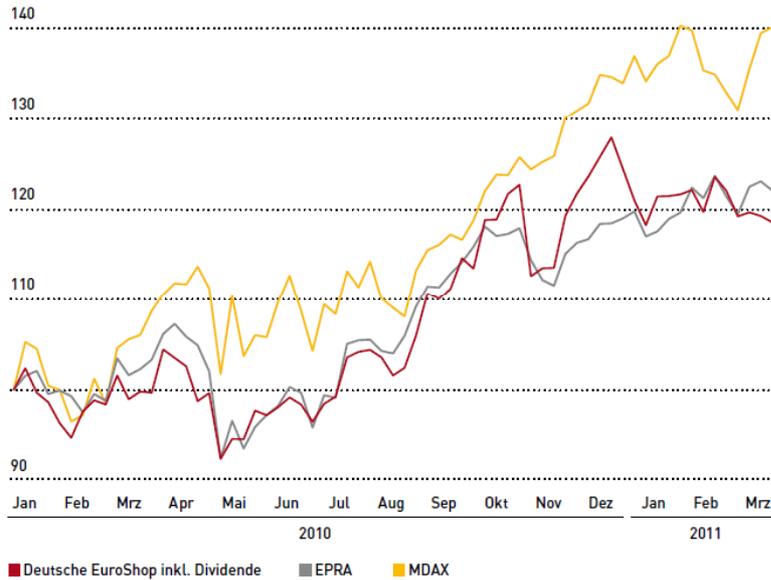


A10 Center



Highlights

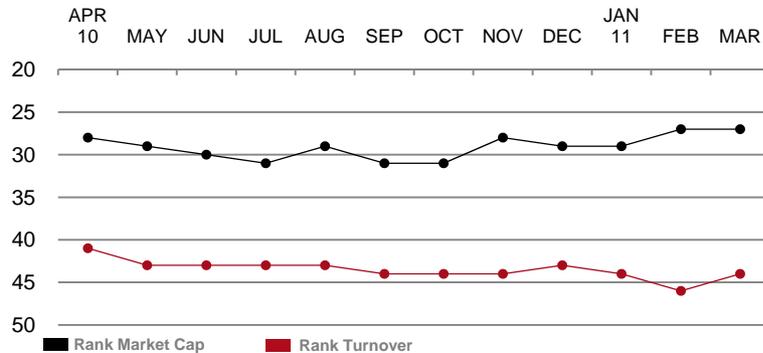
TREND OF SHARE (INDEXED)



Performance 2010:

DES: +28.1%
 MDAX: +34.9%
 EPRA: +18.6%

INDEX RANKING (MDAX)



Index ranking MDAX
 March 2011:

27. (Market Cap)
 44. (Turnover)



Retail turnover 2010*

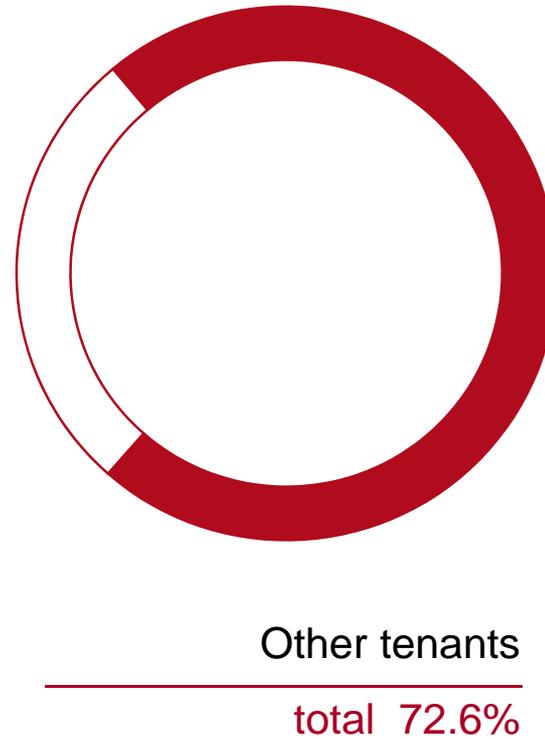
| Retail sector | % change in 2010 | rent-to-sales ratio in % | % of sales | % of space |
|-----------------------|------------------|--------------------------|--------------|--------------|
| Department stores | -4.4 | 5.1 | 7.0 | 14.3 |
| Food | -0.4 | 6.5 | 10.2 | 7.0 |
| Fashion textiles | +6.5 | 10.9 | 27.9 | 34.7 |
| Shoes & leather goods | +5.5 | 12.8 | 5.5 | 6.9 |
| Sports | +6.1 | 8.2 | 4.7 | 5.5 |
| Health & Beauty | -0.5 | 7.4 | 10.7 | 6.3 |
| General Retail | -0.2 | 10.2 | 11.0 | 11.2 |
| Electronics | -3.1 | 2.5 | 15.2 | 8.5 |
| Services | +4.8 | 5.0 | 3.6 | 1.4 |
| Food catering | -0.9 | 13.2 | 4.2 | 4.2 |
| Total | -0.1 | 8.2 | 100.0 | 100.0 |

*all German centers on a like-for-like basis (12 centers with a 2010 turnover of €1.4 billion)



Tenants Structure Top 10 tenants*

| | |
|----------------------|--------------|
| ▪ Metro-Group | 7.1% |
| ▪ Douglas-Group | 4.6% |
| ▪ H&M | 2.5% |
| ▪ REWE | 2.2% |
| ▪ Peek & Cloppenburg | 2.1% |
| ▪ C&A | 2.0% |
| ▪ New Yorker | 1.9% |
| ▪ Inditex Group | 1.8% |
| ▪ Deichmann | 1.8% |
| ▪ Esprit | 1.4% |
| total | 27.4% |

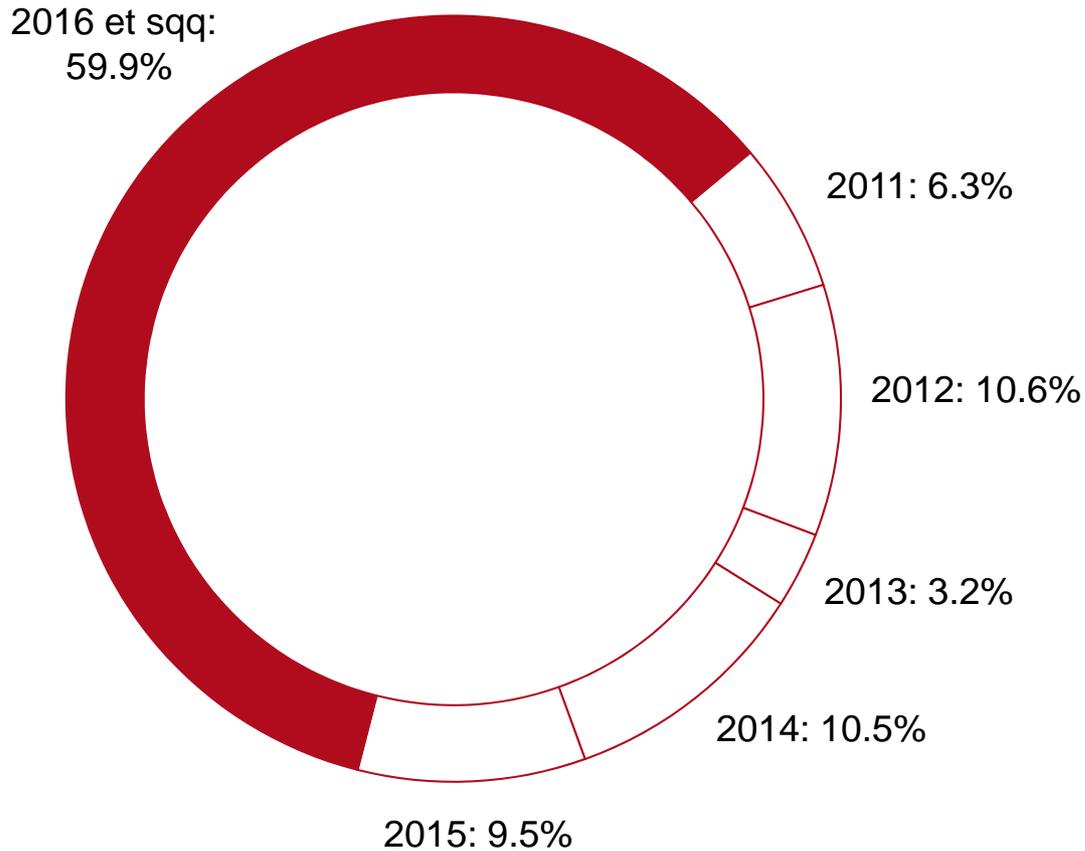


Low level of
dependence on
the top 10 tenants



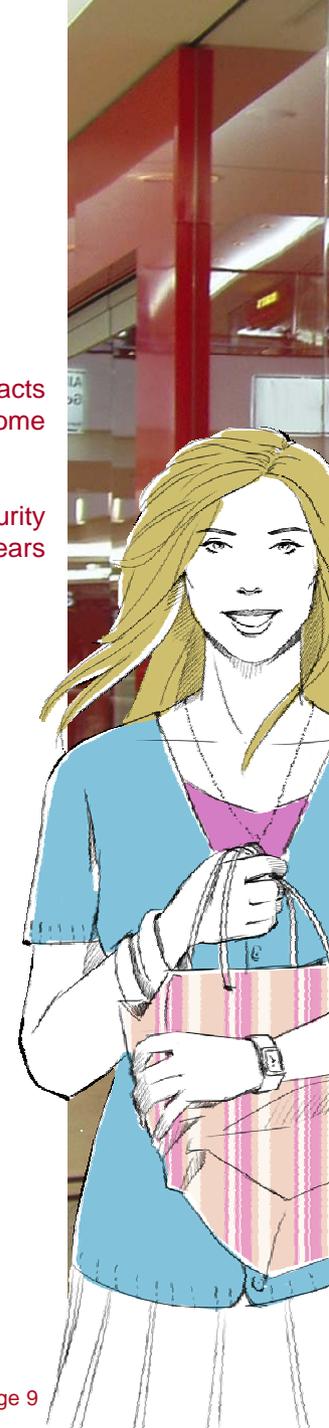
*in % of total rents as at 31 Dec 2010, excluding extensions

Maturity Distribution of Rental Contracts*



Long-term contracts
guarantee rental income

Weighted maturity
6.4 years



*as % of rental income as at 31 Dec 2010, excluding extensions

Key Figures

| € million | 01.01.-31.12.2010 | 01.01.-31.12.2009 | +/- |
|----------------------------|-------------------|-------------------|-------------|
| Revenue | 144.2 | 127.6 | 13% |
| Net operating income | 129.0 | 114.5 | 13% |
| EBIT | 124.0 | 110.7 | 12% |
| Net finance costs | -60.2 | -55.9 | -8% |
| EBT before valuation | 63.9 | 54.9 | 16% |
| Valuation result | 33.1 | -14.8 | |
| EBT | 97.0 | 40.1 | 142% |
| Consolidated profit | 81.8 | 34.4 | 138% |
| FFO per share (€) | 1,40 | 1.40 | 0% |
| Earnings per share (€) | 1,80 | 0.88 | 105% |

| € million | 31.12.2010 | 31.12.2009 | +/- |
|------------------------------|----------------|----------------|------------|
| Total equity | 1,527.4 | 1,044.4 | 46% |
| Interest bearing debt | 1,288.2 | 934.2 | 38% |
| Other debt | 46.9 | 48.0 | -2% |
| Total assets | 2,963.6 | 2,112.1 | 40% |
| Equity ratio | 51.5% | 49.5% | |
| LTV ratio | 45% | 46% | |



Balance Sheet

| in € thousand | 31.12.2010 | 31.12.2009 | +/- |
|-------------------------------------|------------------|------------------|----------------|
| Non-current assets | 2,729,340 | 2,020,204 | 709,136 |
| Current assets | 234,236 | 91,941 | 142,295 |
| Total assets | 2,963,576 | 2,112,145 | 851,431 |
| Group equity | 1,249,652 | 921,325 | 328,327 |
| Non controlling interests | 277,780 | 123,035 | 154,745 |
| Total equity | 1,527,432 | 1,044,360 | 483,072 |
| Bank debt | 1,288,156 | 934,195 | 353,961 |
| Deferred tax liabilities | 101,052 | 85,600 | 15,452 |
| Other liabilities | 46,936 | 47,990 | -1,054 |
| Total equity and liabilities | 2,963,576 | 2,112,145 | 851,431 |



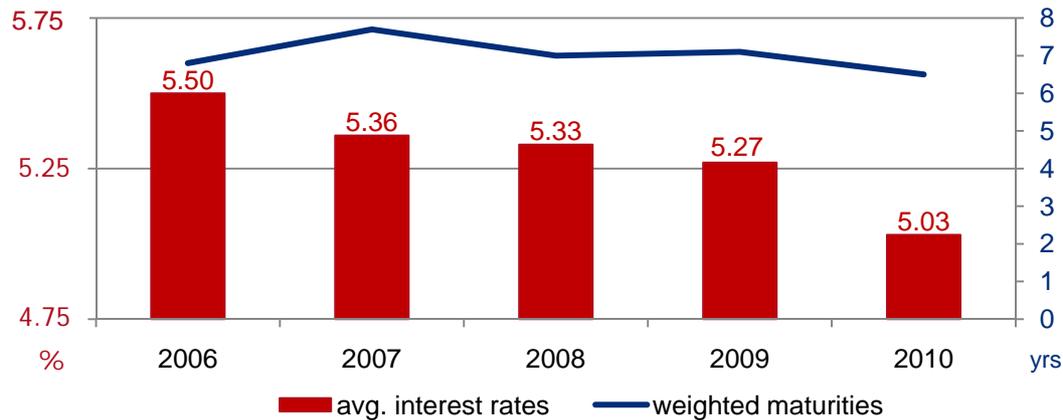
Loan Structure*

| Interest lockin | Duration | Principle amounts (€ thousand) | Share of total loan | avg. interest rate |
|-------------------|------------|-----------------------------------|------------------------|-----------------------|
| Up to 1 year | 1.0 | 62,939 | 4.9% | 3.30% |
| 1 to 5 years | 3.6 | 552,823 | 43.3% | 5.38% |
| 5 to 10 years | 7.9 | 492,366 | 38.5% | 4.96% |
| Over 10 years | 14.3 | 169,200 | 13.3% | 4.74% |
| Total 2010 | 6.5 | 1,277,327 | 100% | 5.03% |

Banks:
18 German and
1 Austrian

Weighted maturity
of fixed interest periods
6.5 years

Weighted maturity
of the loans
>20 years



*as of 31 December 2010



Maturities until 2015

| | end of fixed interest periods respectively expiring loans (€ million) | regular redemption payments (€ million) | total maturities (€ million) |
|------|--|---|---------------------------------|
| 2011 | 0 | 17.9 | 17.9 |
| 2012 | 54.6 | 20.1 | 74.7 |
| 2013 | 137.3 | 20.5 | 157.8 |
| 2014 | 205.3 | 22.6 | 227.9 |
| 2015 | 76.8 | 16.2 | 92.4 |

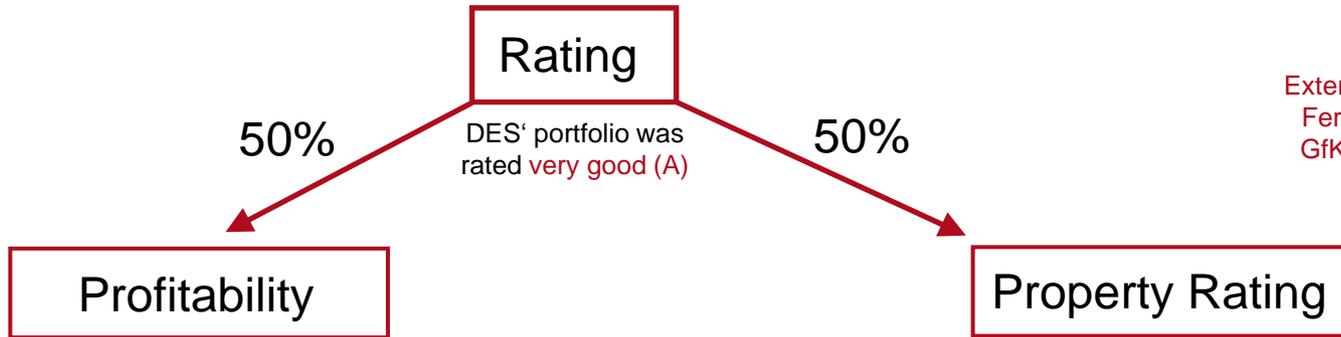
- 2011: renewed credit line of €150 million, runs 3 years until Feb 2014
- 2011: prolonged €81 million loan with a 10 years fixed interest period for 4.22% (former interest rate was 5.65%)
- Currently: discussion of before-maturity renewals of 7 loans with the banks, total volume of approx. €240 million

*as of 31 December 2010



Valuation – Investment Properties

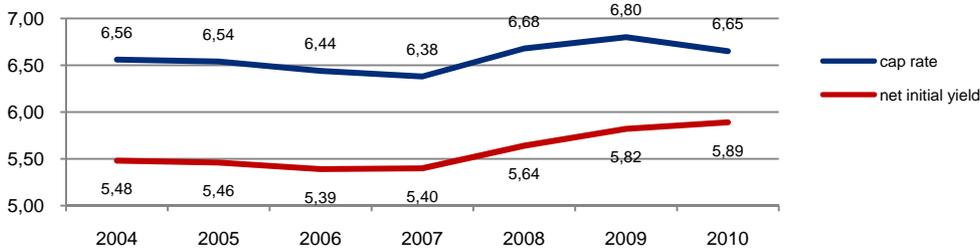
External appraisers:
Feri Research and
GfK GeoMarketing



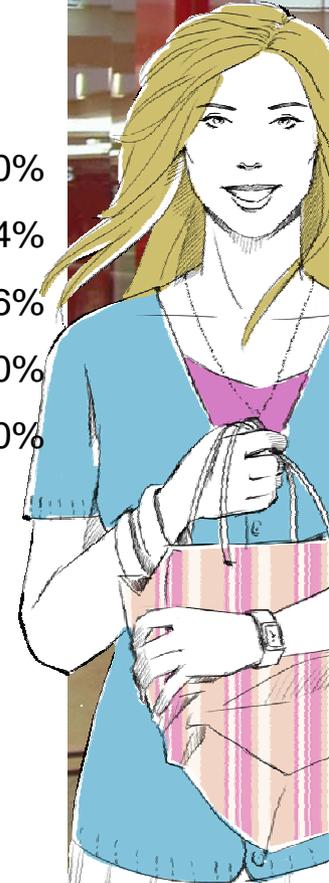
discounted cash-flow method

| | 2009 | 2010 | actual |
|---|--------|--------|---------------------|
| expected yield of 10-year German federal bonds | 4.48% | 4.44% | 3.24% ¹⁾ |
| average applied risk premiums | 2.38% | 2.21% | |
| average discount rate | 6.80% | 6.65% | |
| average property operating and management costs | 11.40% | 11.70% | |
| net initial yield | 5.82% | 5.89% | |

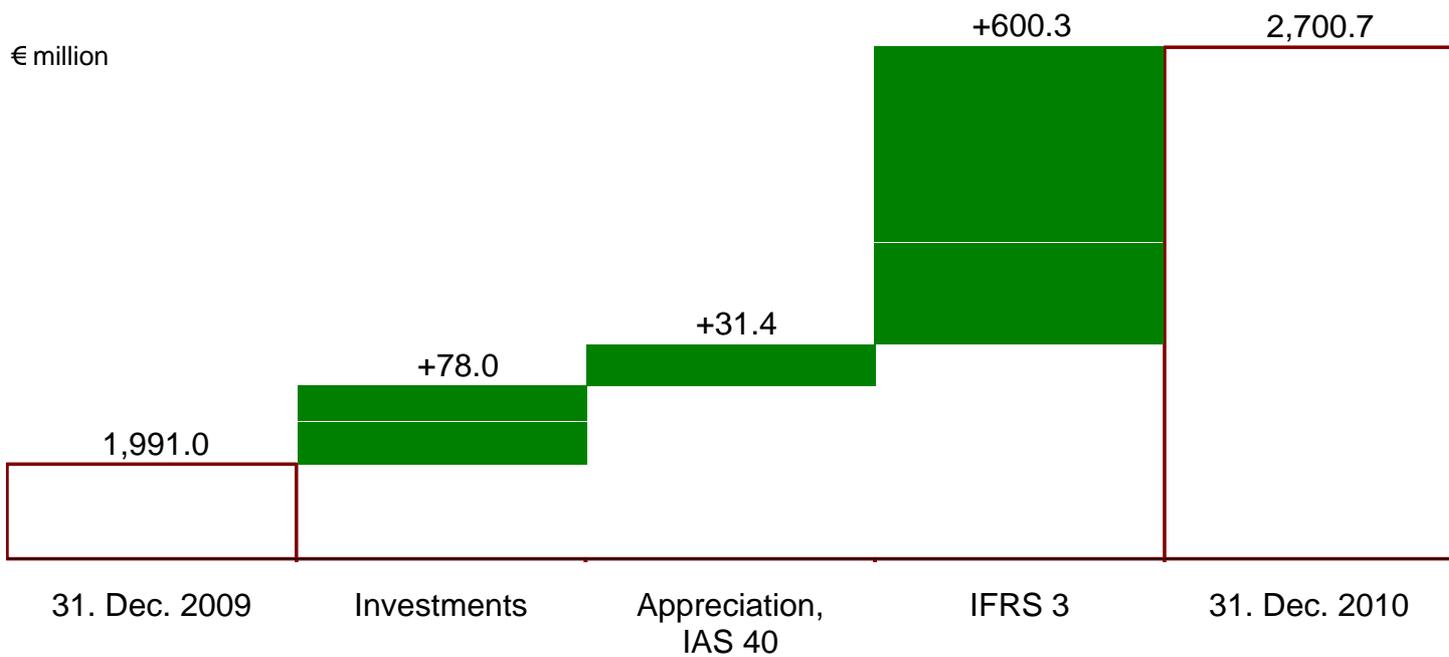
- Macro-location 20.0%
- Competitive environment 6.4%
- Micro-location 9.6%
- Property quality 4.0%
- Tenants risk 10.0%



¹⁾ Status: 26 April 2011



Valuation – Investment Properties



Profit and Loss Account

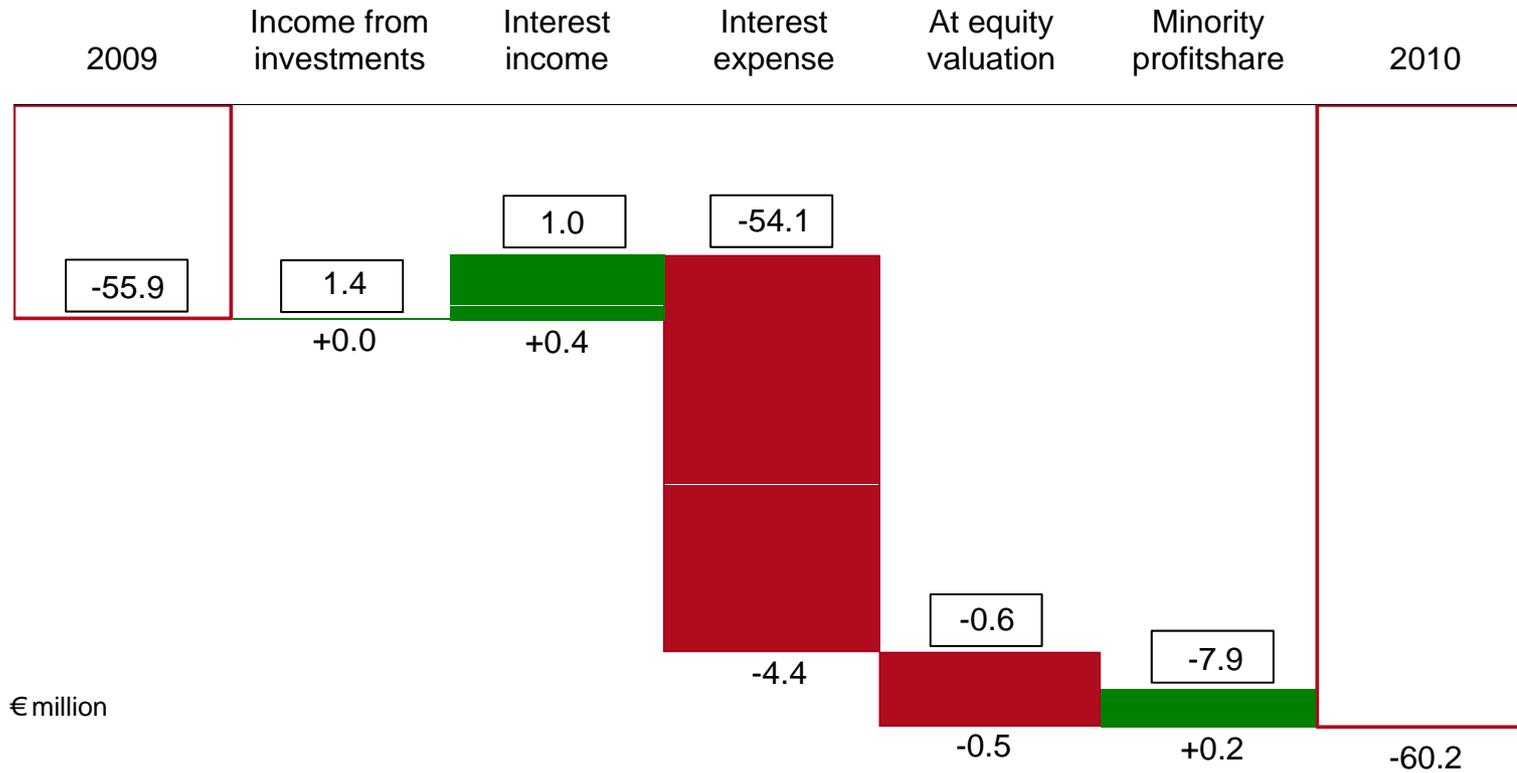
| in € thousand | 01.01.- 31.12.2010 | 01.01.- 31.12.2009 | +/- |
|--|-----------------------|-----------------------|-------------|
| Revenue | 144,189 | 127,563 | 13% |
| Property operating and management costs | -15,212 | -13,024 | |
| Net operating income | 128,977 | 114,539 | 13% |
| Other operating income | 946 | 916 | |
| Corporate costs | -5,891 | -4,748 | |
| EBIT | 124,032 | 110,707 | 12% |
| Income from Investments | 1,413 | 1,455 | |
| Net interest expense | -53,035 | -49,006 | |
| At equity valuation | -593 | -141 | |
| Profit/loss attributable to limited partners | -7,948 | -8,164 | |
| Net finance costs | -60,163 | -55,856 | -8% |
| EBT before Valuation | 63,869 | 54,851 | 16% |
| Measurement gains/losses | 33,129 | -14,772 | |
| EBT | 96,998 | 40,079 | 142% |
| Taxes | -15,181 | -5,712 | |
| Consolidated profit | 81,817 | 34,367 | 138% |



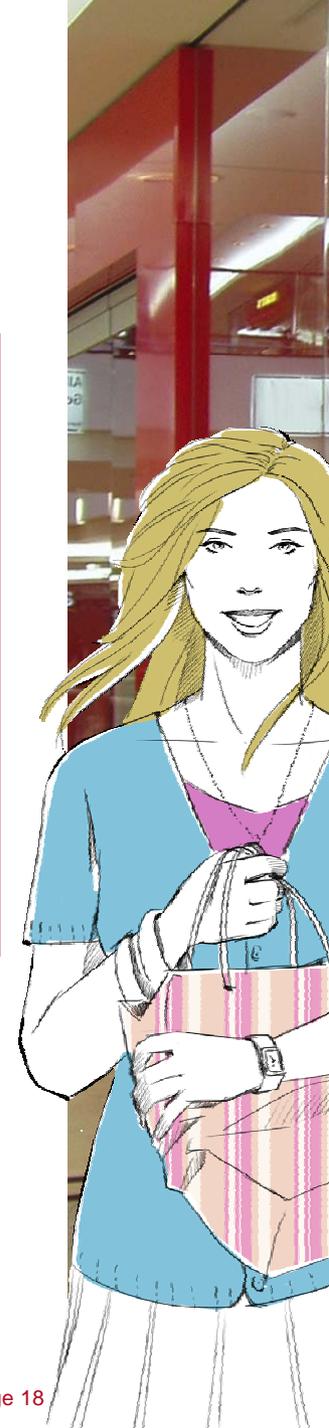
Revenue Bridge 2010



Net Finance Cost Bridge 2010



€ million

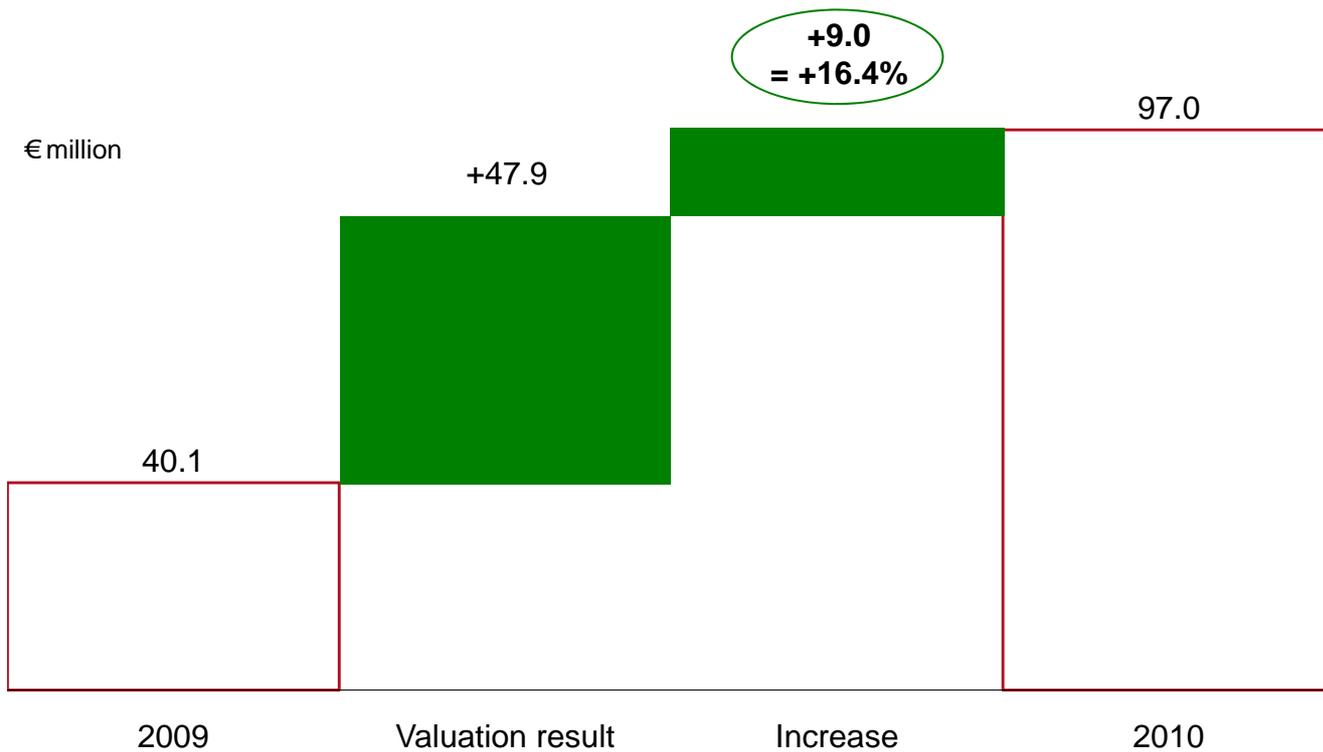


Valuation – Investment Properties

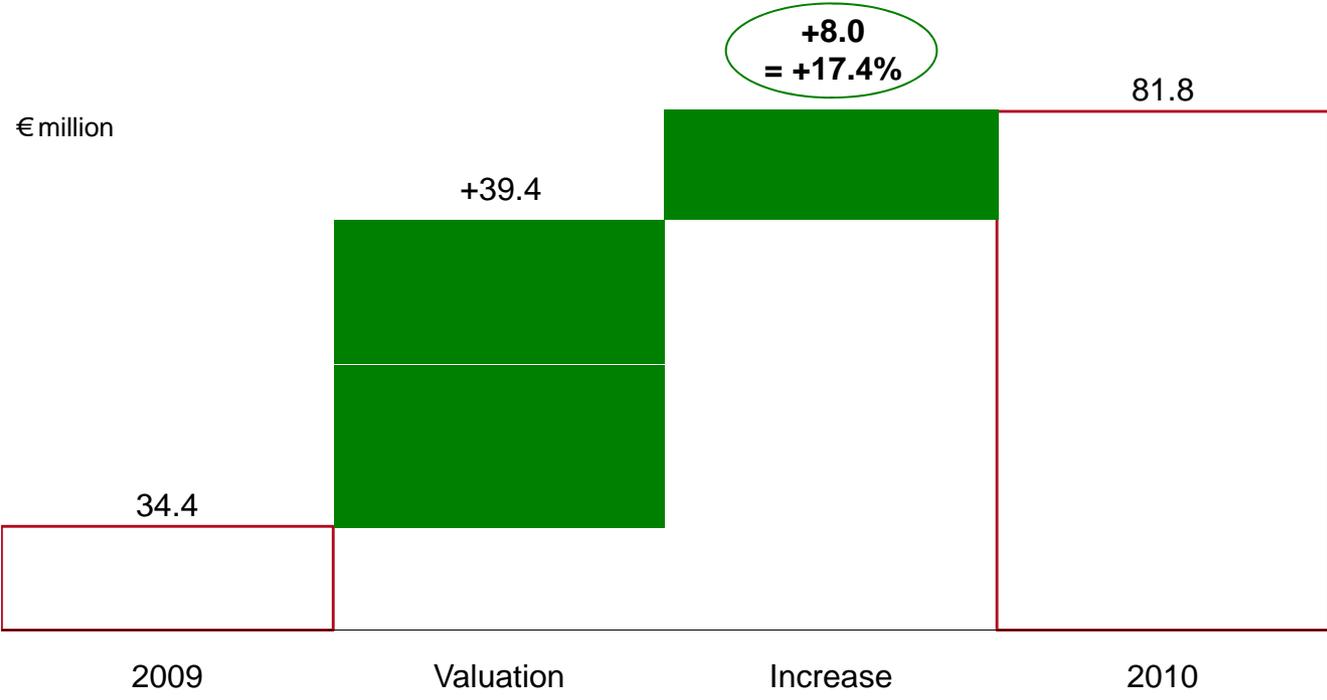
| € million | 2010 | 2009 | +/- |
|--|-------------|--------------|-------------|
| Initial valuation | 6.1 | 0.0 | |
| Revaluation | 25.4 | -20.5 | |
| IFRS 3 | 4.7 | 6.0 | |
| Other | 0.0 | 0.5 | |
| Minority interest | -3.0 | -0.8 | |
| Valuation result before taxes | 33.1 | -14.8 | 47.9 |
| Deferred taxes | -5.4 | 3.0 | |
| Valuation result after taxes (Attributable to Group shareholders) | 27.7 | -11.8 | 39.5 |



EBT Bridge 2010

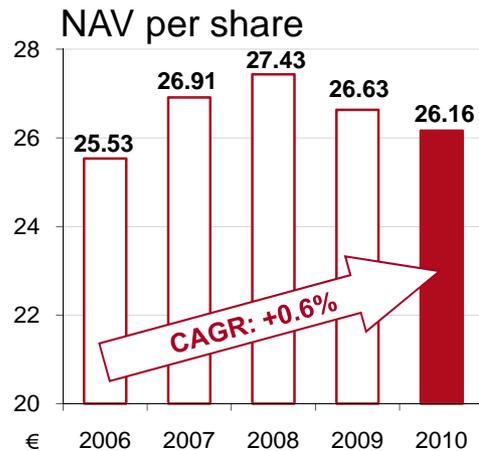
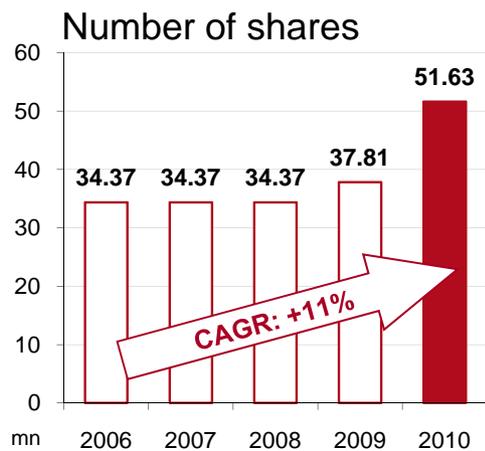


Profit Bridge 2010



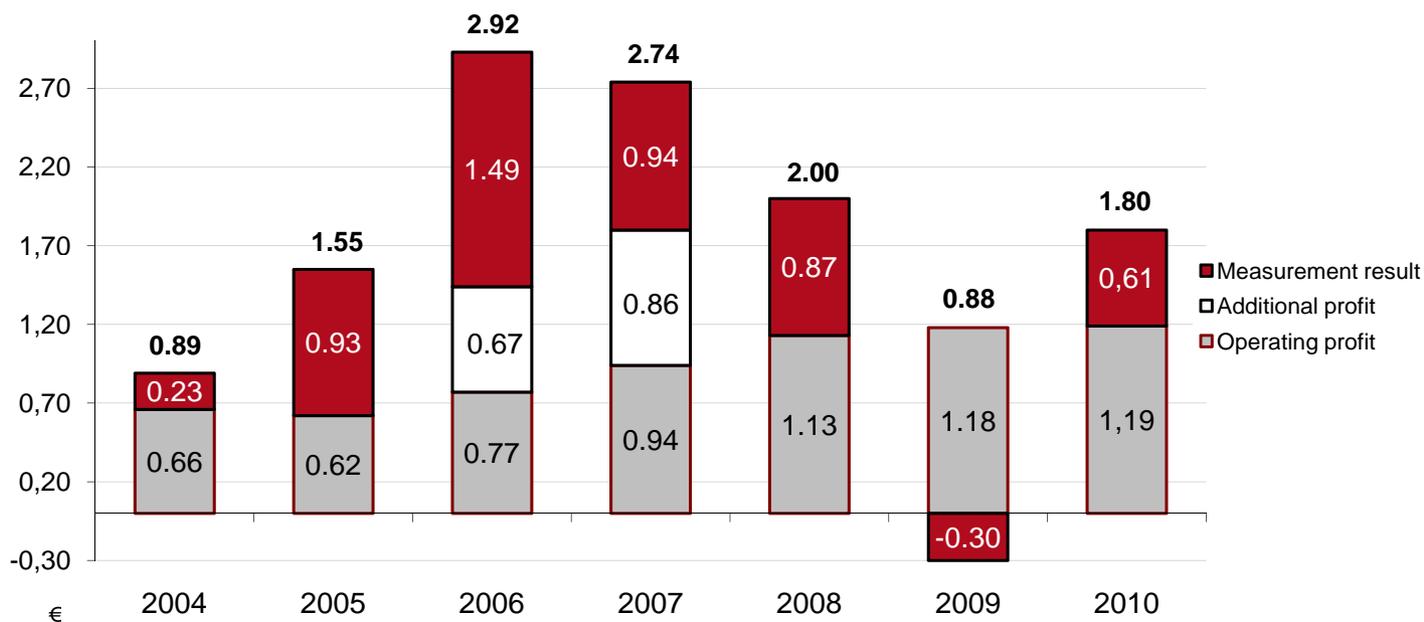
Net Asset Value

| in € thousand | 2010 | | 2009 | |
|---|------------------|----------------|------------------|----------------|
| | total | per share | total | per share |
| Equity | 1,249,651 | 24.20 € | 921,325 | 24.37 € |
| plus deferred taxes | 101,052 | 1.96 € | 85,600 | 2.26 € |
| Net asset value of Deutsche EuroShop | 1,350,703 | 26.16 € | 1,006,925 | 26.63 € |
| Number of shares | 51,631,400 | | 37,812,496 | |

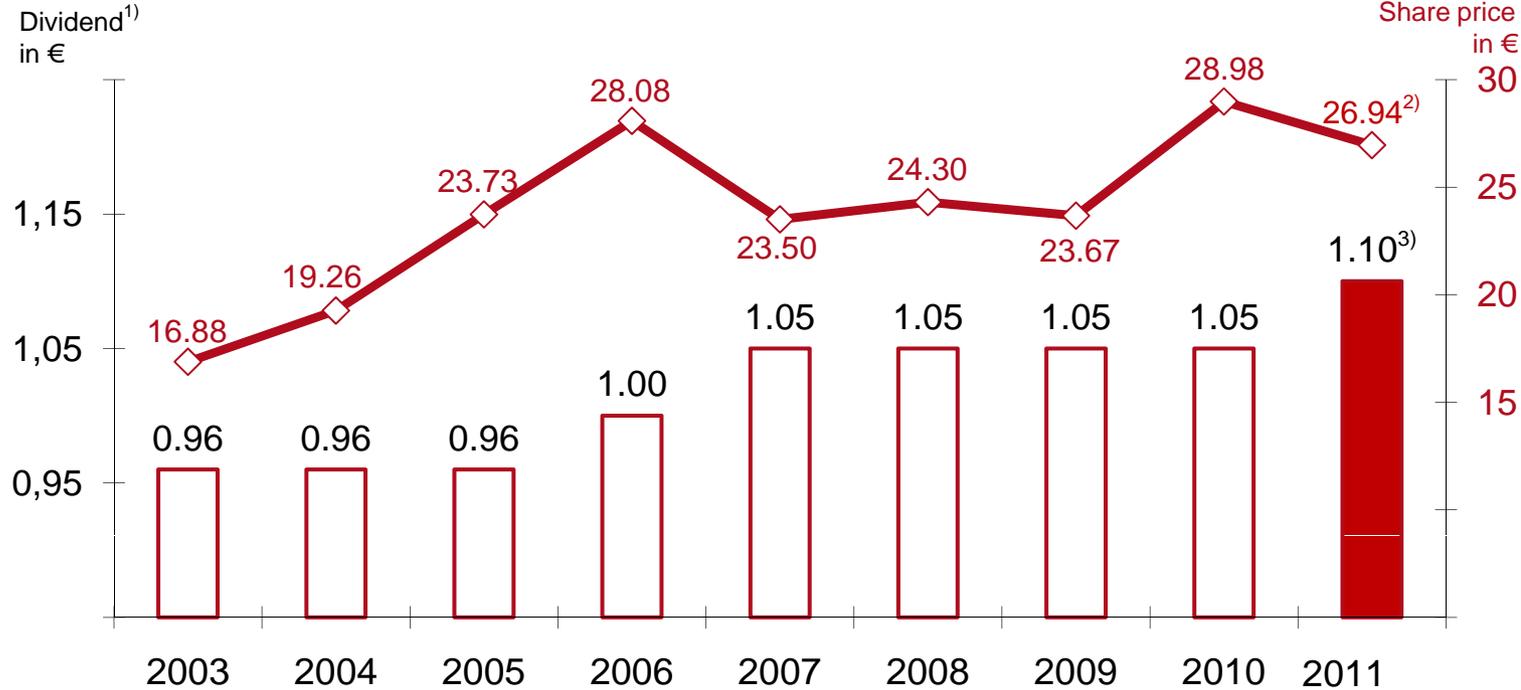


Earnings per Share

| | | 2010 | 2009 |
|--|----|------------|------------|
| Issued shares (31 Dec) | | 51,631,400 | 37,812,496 |
| Average number of shares | | 45,544,976 | 39,056,542 |
| Consolidated net profit attributable to Group shareholders | T€ | 81,817 | 34,367 |
| Earnings per share | € | 1.80 | 0.88 |



Dividend & Performance



Performance

DES:

1 year (2010): +28.1%

3 years: +41.2% = +12.2% p.a.

5 years: +50.6% = +8.5% p.a.

since IPO (2001) = +9.7% p.a.

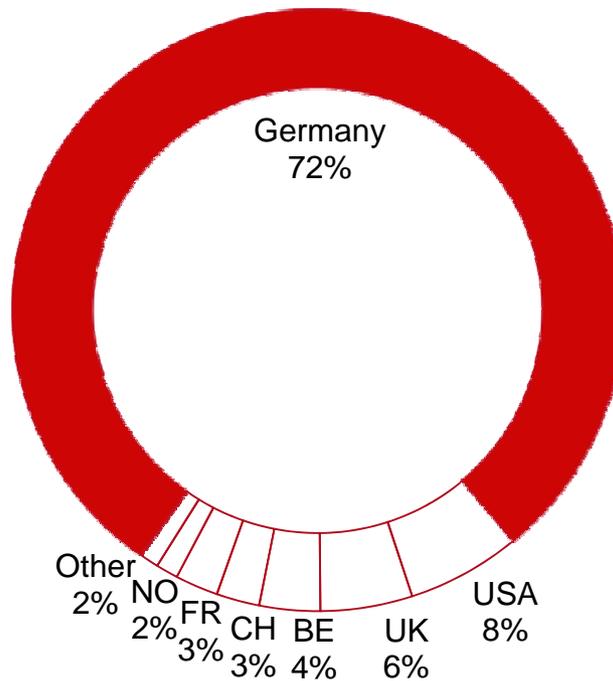
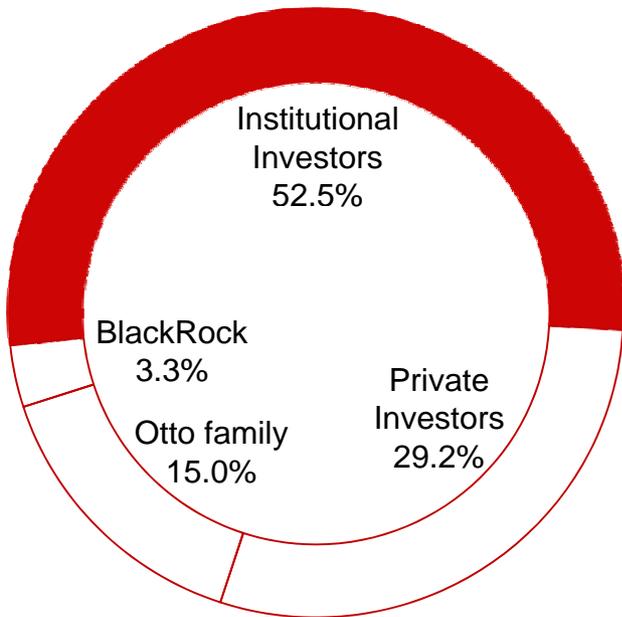
¹⁾ respectively paid for the previous financial year ²⁾ status: 27 Apr 2011 ³⁾ proposal for AGM



Shareholder Structure

10,000 shareholders

Free float 85.0%



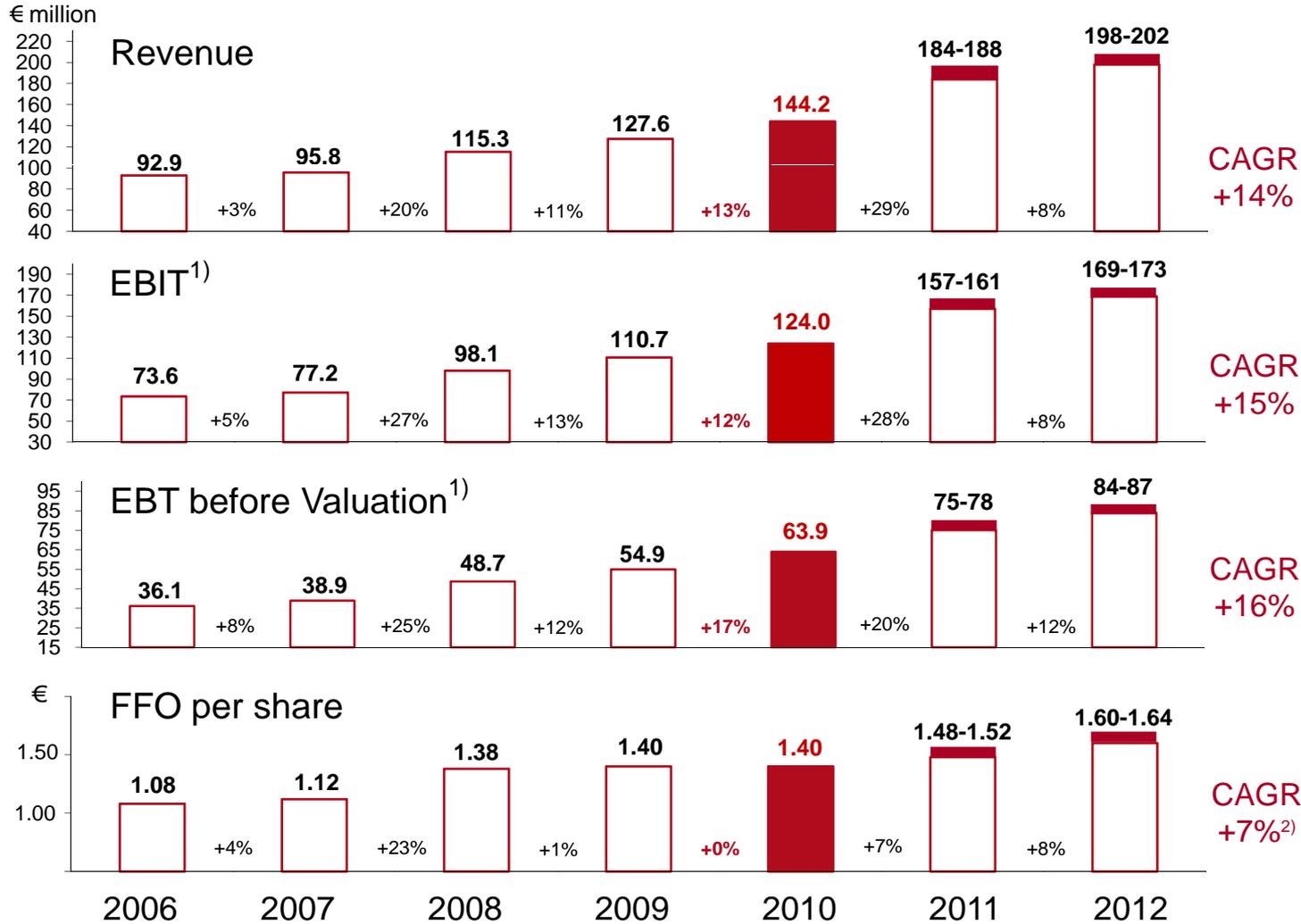
*Status: 20 April 2011

Outlook

- Positive economic trend to be echoed in our shopping centers
- Write-downs remain at a very low level (0.4%), the vacancy rate rests stable under 1%, YTD no changes
- demand for retail real estate still increasing, insufficient supply for reasonable prices
- DES will be watching developments on the real estate market very carefully
- Extensions of A10 Center and Altmarkt-Galerie Dresden already opened – fully let
- Main-Taunus-Zentrum extension to follow in November
- Good start into 2011



Forecast



¹⁾ adjusted for one-time proceeds from disposals ²⁾ incl. dilution



Key Data of the Share

| | |
|--------------------------------------|---|
| Listed since | 02.01.2001 |
| Nominal capital | €51,631,400.00 |
| Outstanding shares | 51,631,400 |
| Class of shares | Registered shares |
| Dividend 2010 (proposal) | €1.10 |
| 52W High | €29.00 |
| 52W Low | €21.66 |
| Share price (27.04.2011) | €26.94 |
| Market capitalisation | €1.4 billion |
| avg. turnover per day last 12 months | 116,000 shares |
| Indices | MDAX, EPRA, GPR, MSCI Small Cap Prime Standard |
| Official market | Frankfurt and XETRA Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart |
| OTC market | |
| ISIN | DE 000 748 020 4 |
| Ticker | DEQ, Reuters: DEQn.DE |
| Market makers | Close Brothers Seydler, WestLB |



Financial Calendar 2011

- | | | | |
|------------|---|---------------|--|
| 29.04. | Annual earnings press conference, Hamburg | 10.11. | Nine-month report 2011 |
| 02.05. | Roadshow Munich, Baader Bank | 14.11. | Roadshow Zurich, Rabo |
| 13.05. | Interim report Q1 2011 | 16.-17.11. | WestLB Deutschland Conference, Frankfurt |
| 17.05. | Roadshow Luxembourg, Close Brothers Seydler | 17.11. | Supervisory Board meeting, Hamburg |
| 18.05. | Roadshow Paris, Bankhaus Lampe | 23.11. | Roadshow Brussels, Petercam |
| 24.05. | Metzler Property Day, Frankfurt | 29.11.-02.12. | Berenberg European Conference, Pennyhill |
| 25.05. | Kempen & Co. European Property Seminar, Amsterdam | | |
| 30.05. | Roadshow Copenhagen, UniCredit | | |
| 31.05. | Roadshow Helsinki, UniCredit | | |
| 31.05. | Roadshow Stockholm, ABN Amro | | |
| 09.06. | Roadshow Vienna, Berenberg | | |
| 16.06. | Annual General Meeting, Hamburg | | |
| 16.06. | Supervisory Board meeting, Hamburg | | |
| 21.-22.06. | Bankhaus Lampe Hamburg Investment Conference | | |
| 11.08. | Interim report H1 2011 | | |
| 22.09. | Supervisory Board meeting, Hamburg | | |
| 27.-29.09. | UniCredit German Investment Conference, Munich | | |
| 04.-06.10. | Expo Real, Munich | | |
| 19.10. | Real Estate Share Initiative, Frankfurt | | |



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Many factors could cause the actual results to be materially different from those that may be expressed or implied by such statements.

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Claus-Matthias Böge
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Olaf G. Borkers
Chief Financial Officer



Patrick Kiss
Head of Investor & Public Relations



Nicolas Lissner
Manager Investor & Public Relations

