

<b>Buy</b> <b>EUR 37.50</b>  Price <b>EUR 32.53</b> Upside <b>15.3 %</b>	<b>Value Indicators:</b> EUR Dividend discount 14e: 36.44 Rent multiples 14e: 38.71	<b>Share data:</b> Bloomberg: DEQ GR Reuters: DEQGn ISIN: DE0007480204	<b>Description:</b> Deutsche EuroShop is a portfolio holder in shopping centre real estate
	<b>Market Snapshot:</b> EUR m Market cap: 1,754.8 No. of shares (m): 53.9 EV: 3,187.2 Freefloat MC: 1,491.6 Ø Trad. Vol. (30d): 3.35 m	<b>Shareholders:</b> Freefloat: 85.0 % Otto Family: 15.0 % Black Rock: 3.0 % Hertie Foundation: 3.0 %	<b>Risk Profile (WRe):</b> 2013e LTV: 46.2 % Equity Ratio: 46.8 %

## Sound FFO development in Q3

Stated Figures Q3/2013:										Comment on Figures:
Group	Q3/13	Q3/13e	Q3/12	yoy	9M/13	9M/13e	9M/12	yoy		
Rental Income	49.3	49.5	39.2	26%	138.2	138.4	117.0	18%		Deutsche EuroShop's rental income of EUR 49.3m was in line with our estimates but exceeded consensus (EUR 49m).
EBIT	43.3	42.3	34.0	27%	120.5	119.5	101.0	19%		Operating performance in Q3 was slightly better than our expectation with an EBIT of EUR 43.3m and an adjusted EBT of EUR 30.1m (w/o gain from sale of 33% participation in Galeria Dominikanska of EUR 15.7m and negative valuation effect of EUR 4.3m in Q3).
Valuation result	-4.3	0.0	-1.1	-	-6.8	-2.5	-2.7	-		FFO growth per share of 22% is impressive and was driven by lower property operating and management costs than anticipated.
EBT	41.5	29.9	23.8	74%	93.7	82.1	71.0	32%		
Consolidated profit	35.4	23.6	17.4	104%	77.2	65.4	49.9	55%		
FFO per share	0.56	0.51	0.46	22%	1.58	1.53	1.34	18%		

Deutsche EuroShop's **solid operating performance** continued in Q3 as growth momentum improved. The **strong rental growth** of 26% was driven by the consolidation impact of the acquired Herold Center and the increase in the participation at Altmarkt-Galerie in Dresden to 100%. Furthermore, DEQ has **decreased the share of property operating and management to rental income to 9.8%** (9M 2012: 10.2%). In the next quarters there is still some potential (10-20bp) for improvement with the renegotiation of old lease contracts by passing on admin costs to the tenants.

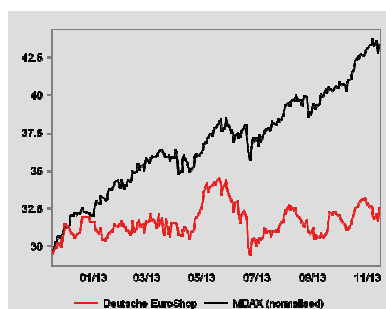
The deviation of the reported EBT and net profit figures to our estimates is a result of our assumption of a balanced valuation result in Q3 and the realisation of the gain from the sale of Galeria Dominikanska in Q4. Additionally, we have to admit that the realised capital gain from the disposal of EUR 15.4m is lower than our estimated figure for Q4 of EUR 17m as DEQ already realised EUR 2.7m in 2004.

Following a sound Q3 result, management **increased its guidance** for **EBT w/o valuation effects** (old: EUR 113m-EUR 116m) and **FFO per share** (old: **EUR 1.99-2.03**). We had already anticipated this as our estimates are now only slightly above the expected target range.

We confirm our Buy recommendation as strong FFO development offers potential for a dividend increase.

Changes in Estimates:						Comment on Changes:
FY End: 31.12. in EUR m	2013e (old)	+ / -	2014e (old)	+ / -	2015e (old)	+ / -
Rental income	190.0	-0.1 %	199.9	-0.1 %	208.1	-2.6 %
EBIT adj.	163.6	0.8 %	171.1	1.1 %	178.2	-1.5 %
EBT	141.8	-4.7 %	132.3	-1.6 %	139.9	-4.9 %
FFOPS	2.10	0.9 %	2.12	-0.2 %	2.25	-4.3 %

We increase our estimates for the core operating figures EBIT adj. (w/o valuation effects) and FFO due to lower property operating and management costs (<10%-share of rental income after 9M).  
 We reduce our top-line growth projections for 2015 as we do not anticipate any acquisitions in the mid term at the current price level. There is some upside of approx. 3% in the case of a possible extension of the shopping centres in Gdansk and Hamburg (Phoenix-Center).  
 The lower EBT in 2013 results from valuation result and lower disposal gain.



Rel. Performance vs MDAX:	
1 month:	-2.1 %
6 months:	-19.5 %
Year to date:	-32.2 %
Trailing 12 months:	-34.9 %

Company events:	
21.11.13	RS PAR
25.04.14	FY 2013
14.05.14	Q1
18.06.14	AGM

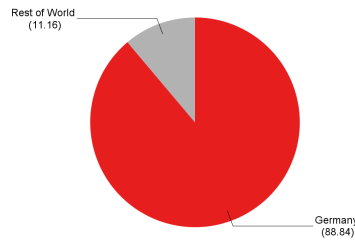
FY End: 31.12. in EUR m	CAGR (12-15e)	2009	2010	2011	2012	2013e	2014e	2015e
Total Sales	-1.4 %	127.6	144.2	190.0	211.2	189.9	199.8	202.8
Rental income		127.6	144.2	190.0	211.2	189.9	199.8	202.8
Change yoy		10.6 %	13.0 %	31.8 %	11.2 %	-10.1 %	5.2 %	1.5 %
EBIT adj.	-1.0 %	110.7	124.0	165.7	181.0	164.8	173.0	175.6
FFO I	10.3 %	54.8	61.5	83.1	86.4	114.1	114.2	116.0
FFO-margin		43.0 %	42.7 %	43.7 %	40.9 %	60.1 %	57.2 %	57.2 %
Valuation result	5.6 %	-14.8	33.1	50.1	8.5	3.2	10.0	10.0
EBT	8.7 %	40.1	97.0	136.7	103.5	135.2	130.2	133.0
Net income	-4.6 %	34.4	-7.8	99.0	122.5	110.0	104.1	106.4
EPS	-5.8 %	0.88	-0.17	1.92	2.36	2.04	1.93	1.97
FFOPS	8.9 %	1.40	1.35	1.61	1.66	2.11	2.12	2.15
DPS	7.7 %	1.05	1.10	1.10	1.20	1.30	1.40	1.50
Dividend Yield		5.0 %	4.6 %	4.1 %	4.2 %	4.0 %	4.3 %	4.6 %
Book Value / Share		23.58	25.55	23.11	25.45	25.27	25.80	26.24
EPRA NAV / Share		26.63	26.36	27.64	28.53	30.13	30.73	31.23
P / E		24.0 x	n.a.	13.9 x	12.1 x	16.0 x	16.9 x	16.5 x
Price / Book		0.8 x	0.8 x	0.9 x	0.9 x	1.1 x	1.1 x	1.1 x
P / NAV		0.8 x	0.9 x	1.0 x	1.0 x	1.1 x	1.1 x	1.0 x
FFO-Yield		6.6 %	5.6 %	6.0 %	5.8 %	6.5 %	6.5 %	6.6 %
ROE		3.4 %	-0.6 %	6.8 %	8.0 %	6.9 %	6.6 %	6.6 %
LTV		46.0 %	45.0 %	47.0 %	49.2 %	46.2 %	45.3 %	44.5 %
Equity Ratio		49.4 %	48.6 %	45.7 %	45.3 %	46.8 %	47.4 %	47.9 %
Guidance:		2013 in EUR m Sales 186-189, EBIT 162-165, EBT 130-132, FFO p. share EUR 2.06-2.09						

**Total Sales development**  
in EUR m



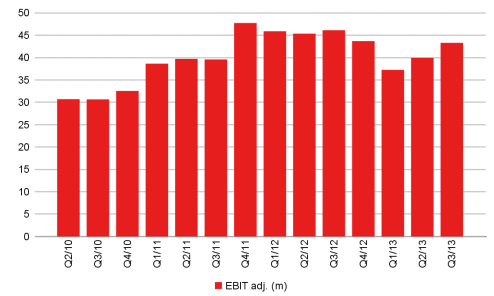
Source: Warburg Research

**Sales by regions**  
2012; in %



Source: Warburg Research

**EBIT adj. development**  
in EUR m



Source: Warburg Research

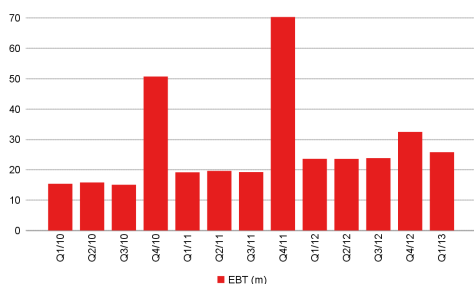
## Company Background

- Deutsche EuroShop's core strategy is to achieve sustainable long-term growth with solid value-accretion of the portfolio and the payment of an attractive dividend.
- In its shopping centre portfolio, Deutsche EuroShop has stakes in 19 different shopping centres. As well as the core market Germany (16 centres), DES has investments in Poland, Hungary and Austria.
- Over the past three years, the portfolio volume has increased significantly by 67%, through acquisitions, the extension of existing centres and increasing stakeholdings in shopping centres.
- DES shopping centres are managed by the experienced shopping centre operator ECE. The vacancy ratio is low at 1%.

## Competitive Quality

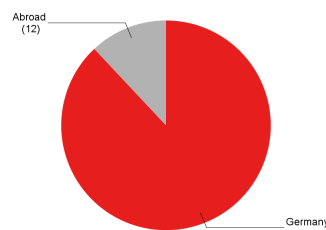
- The company finances its centres very conservatively with at least 50% equity capital and normally a 10-year loan contract.
- Portfolio expansion occurs when opportunities arise and with a targeted return of at least 5.5%, which avoids large downward valuation corrections on the property.
- Future cash flows are well secured with the average outstanding duration of the rental contracts at more than seven years. The top 10 tenants account for only 25% of the total rental income.

**EBT development**  
in EUR m



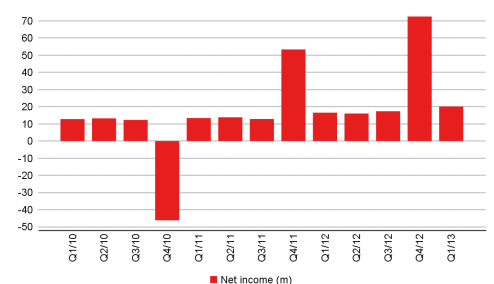
Source: Warburg Research

**EBIT by regions**  
2012 in %



Source: Warburg Research

**Net income development**  
in EUR m



Source: Warburg Research

Valuation	2009	2010	2011	2012	2013e	2014e	2015e
P / E	24.0 x	n.a.	13.9 x	12.1 x	16.0 x	16.9 x	16.5 x
P / NAV	0.8 x	0.9 x	1.0 x	1.0 x	1.1 x	1.1 x	1.0 x
Price / Book	0.8 x	0.8 x	0.9 x	0.9 x	1.1 x	1.1 x	1.1 x
P / FFOPS	15.1 x	17.7 x	16.6 x	17.2 x	15.4 x	15.4 x	15.1 x
FFO-Yield	6.6 %	5.6 %	6.0 %	5.8 %	6.5 %	6.5 %	6.6 %
ROE	3.4 %	-0.6 %	6.8 %	8.0 %	6.9 %	6.6 %	6.6 %
Equity Ratio	49 %	49 %	46 %	45 %	47 %	47 %	48 %

**Consolidated profit and loss**

In EUR m	2009	2010	2011	2012	2013e	2014e	2015e
<b>Total Sales</b>	<b>127.6</b>	<b>144.2</b>	<b>190.0</b>	<b>211.2</b>	<b>189.9</b>	<b>199.8</b>	<b>202.8</b>
<b>Rental income</b>	<b>127.6</b>	<b>144.2</b>	<b>190.0</b>	<b>211.2</b>	<b>189.9</b>	<b>199.8</b>	<b>202.8</b>
Change yoy	10.6 %	13.0 %	31.8 %	11.2 %	-10.1 %	5.2 %	1.5 %
Property operating costs	5.8	7.3	8.5	11.3	9.6	10.4	10.3
Property management costs	7.2	7.9	9.8	10.5	9.9	10.4	10.3
Rental profit	114.5	129.0	171.6	189.4	170.3	179.0	182.1
<b>Income from property sales</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Other revenues</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Gross profit</b>	<b>114.5</b>	<b>129.0</b>	<b>171.6</b>	<b>189.4</b>	<b>170.3</b>	<b>179.0</b>	<b>182.1</b>
Other operating income/expenses	-3.8	-4.9	-6.0	-8.4	-5.5	-6.0	-6.5
<b>EBITDA</b>	<b>110.7</b>	<b>124.0</b>	<b>165.7</b>	<b>181.0</b>	<b>164.8</b>	<b>173.0</b>	<b>175.6</b>
Valuation result	-14.8	33.1	50.1	8.5	3.2	10.0	10.0
<b>EBITA</b>	<b>95.9</b>	<b>157.2</b>	<b>215.8</b>	<b>189.5</b>	<b>168.0</b>	<b>183.0</b>	<b>185.6</b>
Amortisation of intangible assets/Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>95.9</b>	<b>157.2</b>	<b>215.8</b>	<b>189.5</b>	<b>168.0</b>	<b>183.0</b>	<b>185.6</b>
Interest income	0.7	1.0	0.9	0.5	0.4	0.6	0.6
Interest expenses	49.7	54.1	65.8	72.1	57.8	60.8	60.8
Other financial income (loss)	0.0	0.0	-14.5	-13.9	1.9	-14.0	-14.2
<b>Financial result</b>	<b>-55.9</b>	<b>-60.2</b>	<b>-79.1</b>	<b>-86.0</b>	<b>-32.9</b>	<b>-52.8</b>	<b>-52.6</b>
<b>EBT</b>	<b>40.1</b>	<b>97.0</b>	<b>136.7</b>	<b>103.5</b>	<b>135.2</b>	<b>130.2</b>	<b>133.0</b>
<i>Margin</i>	<i>31.4 %</i>	<i>67.3 %</i>	<i>72.0 %</i>	<i>49.0 %</i>	<i>71.2 %</i>	<i>65.2 %</i>	<i>65.6 %</i>
Total taxes	5.7	104.8	37.7	-19.0	25.2	26.0	26.6
thereof cash taxes	0.0	2.5	3.4	8.6	3.6	6.0	7.0
<b>Net income</b>	<b>34.4</b>	<b>-7.8</b>	<b>99.0</b>	<b>122.5</b>	<b>110.0</b>	<b>104.1</b>	<b>106.4</b>
<b>FFO</b>	<b>54.8</b>	<b>61.5</b>	<b>83.1</b>	<b>86.4</b>	<b>114.1</b>	<b>114.2</b>	<b>116.0</b>
<i>FFO-margin</i>	<i>43.0 %</i>	<i>42.7 %</i>	<i>43.7 %</i>	<i>40.9 %</i>	<i>60.1 %</i>	<i>57.2 %</i>	<i>57.2 %</i>
Number of shares, average	39.1	45.5	51.6	51.9	53.9	53.9	53.9
<b>FFOPS</b>	<b>1.40</b>	<b>1.35</b>	<b>1.61</b>	<b>1.66</b>	<b>2.11</b>	<b>2.12</b>	<b>2.15</b>
<b>EPS</b>	<b>0.88</b>	<b>-0.17</b>	<b>1.92</b>	<b>2.36</b>	<b>2.04</b>	<b>1.93</b>	<b>1.97</b>
EPS adj.	0.88	-0.17	1.92	2.36	2.04	1.93	1.97

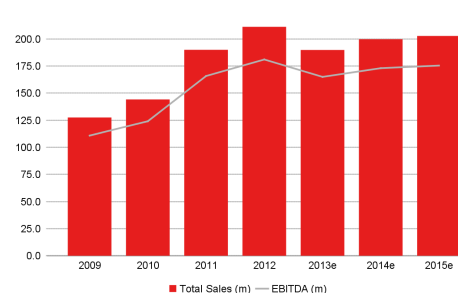
\*Adjustments made for:

**Guidance: 2013 in EUR m Sales 186-189,EBIT 162-165, EBT 130-132,FFO p. share EUR 2.06-2.09**

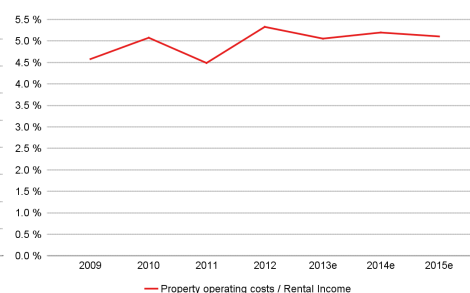
**Financial Ratios**

	2009	2010	2011	2012	2013e	2014e	2015e
Property operating costs / Rental Income	4.6 %	5.1 %	4.5 %	5.3 %	5.1 %	5.2 %	5.1 %
Operating Leverage (Real Estate)	10.7 x	8.6 x	4.3 x	9.3 x	-13.0 x	19.2 x	67.3 x
Rental profit / interest expenses	2.3 x	2.4 x	2.6 x	2.6 x	2.9 x	2.9 x	3.0 x

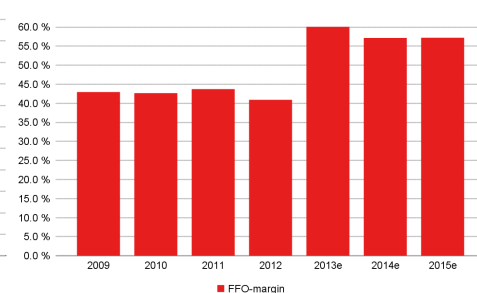
**Total Sales, EBITDA**  
in EUR m



**Rental expense ratio**  
in %



**FFO margin**



Source: Warburg Research

Source:

Source: Warburg Research

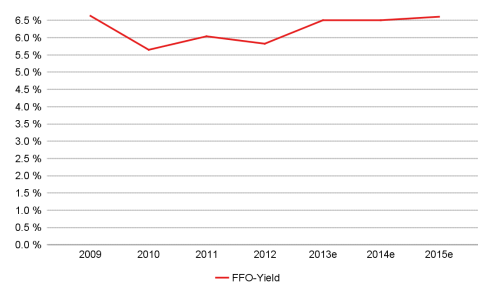
**Consolidated balance sheet**

In EUR m	2009	2010	2011	2012	2013e	2014e	2015e
<b>Assets</b>							
Goodwill and other intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof other intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Investment properties	1,991.0	2,700.7	3,106.8	3,330.3	2,892.2	2,902.2	2,912.2
Financial assets	24.8	23.9	27.8	30.3	34.5	36.2	38.4
Other long-term assets	4.4	4.7	5.0	4.4	340.8	347.6	354.3
<b>Fixed assets</b>	<b>2,020.2</b>	<b>2,729.3</b>	<b>3,139.8</b>	<b>3,365.1</b>	<b>3,267.6</b>	<b>3,286.2</b>	<b>3,305.0</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	2.6	3.5	5.6	4.7	5.0	5.2	5.5
Liquid assets	81.9	65.8	64.4	167.5	76.7	83.0	71.1
Other short-term assets	7.5	165.0	15.3	11.5	7.3	2.4	2.6
<b>Current assets</b>	<b>91.9</b>	<b>234.2</b>	<b>85.3</b>	<b>183.7</b>	<b>88.9</b>	<b>90.6</b>	<b>79.2</b>
<b>Total Assets</b>	<b>2,112.1</b>	<b>2,963.6</b>	<b>3,225.1</b>	<b>3,549.0</b>	<b>3,357.0</b>	<b>3,377.0</b>	<b>3,384.0</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	37.8	51.6	51.6	53.9	53.9	53.9	53.9
Capital reserve	609.4	890.6	890.5	962.0	962.0	962.0	962.0
Retained earnings	274.1	221.5	250.9	306.0	347.2	375.9	399.4
Other equity components	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Shareholder's equity</b>	<b>921.3</b>	<b>1,163.7</b>	<b>1,193.0</b>	<b>1,321.9</b>	<b>1,363.2</b>	<b>1,391.8</b>	<b>1,415.3</b>
Minority interest	123.0	277.8	280.1	284.2	207.3	207.3	207.3
Provisions	21.7	9.9	14.8	37.3	26.2	26.8	26.9
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	934.2	1,288.2	1,472.1	1,657.2	1,509.0	1,489.4	1,470.1
thereof short-term financial liabilities	13.0	61.1	136.2	194.1	114.0	108.3	102.9
Accounts payable	1.1	6.1	2.8	2.3	2.4	2.4	2.5
Other liabilities	110.9	217.8	262.2	246.0	248.9	259.3	261.9
<b>Liabilities</b>	<b>1,067.8</b>	<b>1,522.1</b>	<b>1,752.0</b>	<b>1,942.9</b>	<b>1,786.5</b>	<b>1,777.9</b>	<b>1,761.4</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,112.1</b>	<b>2,963.6</b>	<b>3,225.1</b>	<b>3,549.0</b>	<b>3,357.0</b>	<b>3,377.0</b>	<b>3,384.0</b>

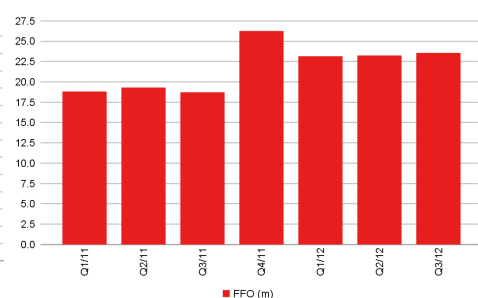
**Financial Ratios**

	2009	2010	2011	2012	2013e	2014e	2015e
<b>Return on Capital</b>							
ROA	1.7 %	-0.3 %	3.2 %	3.6 %	3.4 %	3.2 %	3.2 %
ROE	3.4 %	-0.6 %	6.8 %	8.0 %	6.9 %	6.6 %	6.6 %
FFO / Equity	19.1 x	23.4 x	17.7 x	18.6 x	13.8 x	14.0 x	14.0 x
<b>Solvency</b>							
Net Debt	852.3	1,222.4	1,407.7	1,489.7	1,432.3	1,406.4	1,399.0
Net Financial Debt	852.3	1,222.4	1,407.7	1,489.7	1,432.3	1,406.4	1,399.0
Net Fin. Debt / EBITDA	7.7 x	9.9 x	8.5 x	8.2 x	8.7 x	8.1 x	8.0 x
LTV	46.0 %	45.0 %	47.0 %	49.2 %	46.2 %	45.3 %	44.5 %
Equity Ratio	49.4 %	48.6 %	45.7 %	45.3 %	46.8 %	47.4 %	47.9 %

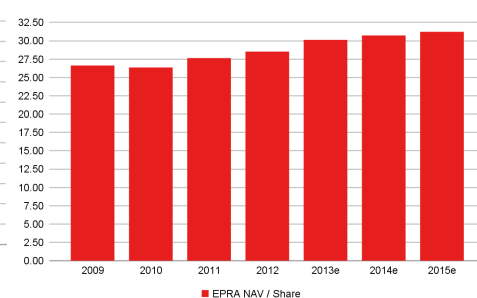
**FFO yield**



**FFO development in EUR m**



**NAV per Share in EUR**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

**Financial Ratios**

	2009	2010	2011	2012	2013e	2014e	2015e
<b>Cash Flow</b>							
FFO	54.8	61.5	83.1	86.4	114.1	114.2	116.0
FFOPS	1.40	1.35	1.61	1.66	2.11	2.12	2.15
FFOPS diluted	1.40	1.35	1.61	1.65	2.01	2.01	2.04
FFO-Yield	6.6 %	5.6 %	6.0 %	5.8 %	6.5 %	6.5 %	6.6 %
FFO-margin	43.0 %	42.7 %	43.7 %	40.9 %	60.1 %	57.2 %	57.2 %
Interest Paid / Avg. Debt	5.4 %	4.9 %	4.8 %	4.6 %	3.7 %	4.1 %	4.1 %
<b>Management of Funds</b>							
Maint. Capex / Net rental income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Capex/Investment Properties	-0.8 %	-7.5 %	-8.6 %	-5.3 %	0.0 %	0.0 %	0.0 %
Avg. Working Capital / Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend Payout Ratio	119.4 %	-641.2 %	57.3 %	50.9 %	63.8 %	72.5 %	76.0 %

**LEGAL DISCLAIMER**

This research report was prepared by the Warburg Research GmbH, a subsidiary of the M.M.Warburg & CO KGaA and is passed on by the M.M.Warburg & CO KGaA. It contains selected information and does not purport to be complete. The report is based on publicly available information and data ("the information") believed to be accurate and complete. Warburg Research GmbH neither does examine the information to be accurate and complete, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these analyses concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this research report, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this document. Provided a research report is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO KGaA and Warburg Research GmbH is limited to typical, expectable damages. This research report does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this report are subject to change without notice. All rights reserved.

**COPYRIGHT NOTICE**

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

**DISCLOSURE ACCORDING TO §34B (1) OF THE GERMAN SECURITIES TRADING ACT (WHPG) AND THE ORDINANCE ON THE ANALYSIS OF FINANCIAL INSTRUMENTS (FINANV)**

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Potential, Peer Group Comparison or Sum of the Parts Model. The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

In accordance with § 5 (4) of the Ordinance on the Analysis of Financial Instruments (FinAnV) Warburg Research GmbH has implemented additional internal and organisational arrangements to prevent or to deal with conflicts of interest. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO KGaA or of any company within the Warburg Group.

All prices of financial instruments given in this financial analysis are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin.

**SOURCES**

All data and consensus estimates have been obtained from FactSet except where stated otherwise.

Section 34b of the German Securities Trading Act in combination with the FinAnV requires an enterprise preparing a securities analysis to point out possible conflicts of interest with respect to the company that is the subject of the analysis. A conflict of interest is assumed, in particular, when the enterprise preparing the analysis ...

- 1- ... or companies affiliated with this enterprise **holds 5%** or more of the share capital of the analysed company
- 2- ... or companies affiliated with this enterprise were involved in the management of a **consortium** for a public offering of securities which are or whose issuer is the subject of this report within the last twelve months
- 3- ... or companies affiliated with this enterprise **manages** the **securities** of the analysed company on the basis of an existing contract
- 4- ... or companies affiliated with this enterprise over the previous 12 months has been providing **investment banking services** for the analysed company for which a compensation has been or will be paid
- 5- ... effected an **agreement** with the analysed company **for the preparation of the financial analysis**
- 6- ... or companies affiliated with this enterprise **regularly trade** in shares or derivatives of the analysed company
- 7- ... or the analyst responsible for this company has **other important financial interests** in relation to the analysed company such as e.g. the performance of mandates for the analysed company

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Deutsche EuroShop	6	<a href="http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0007480204.htm">http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0007480204.htm</a>



**INVESTMENT RECOMMENDATION**

Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

**WARBURG RESEARCH GMBH – RESEARCH UNIVERSE BY RATING**

Rating	Number of stocks	% of Universe
Buy	96	48
Hold	87	44
Sell	13	7
Rating suspended	4	2
<b>Total</b>	<b>200</b>	<b>100</b>

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...**

... Looking only at companies for which a disclosure according to § 34b of the Germany Securities Trading Act and the FinAnV has to be made.

Rating	Number of stocks	% of Universe
Buy	82	53
Hold	64	41
Sell	6	4
Rating suspended	3	2
<b>Total</b>	<b>155</b>	<b>100</b>

**PRICE AND RATING HISTORY DEUTSCHE EUROSHOP AS OF 15.11.2013**



The chart has markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

**RESEARCH**

<b>Roland Rapelius</b> Head of Research	+49 40 309537-220 rrapelius@warburg-research.com
<b>Henner Rüschemier</b> Head of Research	+49 40 309537-270 hrueschmeier@warburg-research.com
<b>Christian Cohrs</b> Engineering, Logistics	+49 40 309537-175 ccohrs@warburg-research.com
<b>Felix Ellmann</b> Software, IT	+49 40 309537-120 fellmann@warburg-research.com
<b>Jörg Philipp Frey</b> Retail, Consumer Goods	+49 40 309537-258 jfrey@warburg-research.com
<b>Ulrich Huwald</b> Health Care, Pharma	+49 40 309537-255 uhuwald@warburg-research.com
<b>Thilo Kleibauer</b> Retail, Consumer Goods	+49 40 309537-257 tkleibauer@warburg-research.com
<b>Torsten Klingner</b> Real Estate	+49 40 309537-260 tklingner@warburg-research.com
<b>Eggert Kuls</b> Engineering	+49 40 309537-256 ekuls@warburg-research.com
<b>Frank Laser</b> Construction, Industrials	+49 40 309537-235 flaser@warburg-research.com
<b>Andreas Pläsier</b> Banks, Financial Services	+49 40 309537-246 aplaesier@warburg-research.com

<b>Malte Räther</b> Technology, Telco, Internet	+49 40 309537-185 mraether@warburg-research.com
<b>Jochen Reichert</b> Telco, Internet, Media	+49 40 309537-130 jreichert@warburg-research.com
<b>Christopher Rodler</b> Utilities	+49 40 309537-290 crodler@warburg-research.com
<b>Malte Schaumann</b> Technology	+49 40 309537-170 mschaumann@warburg-research.com
<b>Susanne Schwartze</b> Telco, Internet, Media	+49 40 309537-155 sschwartze@warburg-research.com
<b>Oliver Schwarz</b> Chemicals, Agriculture	+49 40 309537-250 oschwarz@warburg-research.com
<b>Marc-René Tonn</b> Automobiles, Car Suppliers	+49 40 309537-259 mtonn@warburg-research.com
<b>Björn Voss</b> Steel, Car Suppliers	+49 40 309537-254 bvoss@warburg-research.com
<b>Andreas Wolf</b> Software, IT	+49 40 309537-140 awolf@warburg-research.com
<b>Stephan Wulf</b> Utilities	+49 40 309537-150 swulf@warburg-research.com

**SALES**

<b>Holger Nass</b> Head of Equity Sales, USA	+49 40 3282-2669 hnass@mmwarburg.com
<b>Klaus Schilling</b> Dep. Head of Equity Sales, GER	+49 40 3282-2664 kschilling@mmwarburg.com
<b>Christian Alisch</b> Scandinavia, Spain	+49 40 3282-2667 calisch@mmwarburg.com
<b>Tim Beckmann</b> United Kingdom	+49 40 3282-2665 tbeckmann@mmwarburg.com
<b>Matthias Fritsch</b> United Kingdom	+49 40 3282-2696 mfritsch@mmwarburg.com
<b>Marie-Therese Grübner</b> France	+49 40 3282-2630 mgruebner@mmwarburg.com
<b>Michael Kriszun</b> United Kingdom	+49 40 3282-2695 mkriszun@mmwarburg.com
<b>Marc Niemann</b> Germany	+49 40 3282-2660 mniemann@mmwarburg.com
<b>Dirk Rosenfelder</b> Austria, Switzerland	+49 40 3282-2692 drosenfelder@mmwarburg.com
<b>Philipp Stumpfegger</b> Australia, United Kingdom	+49 40 3282-2635 pstumpfegger@mmwarburg.com

**SALES TRADING**

<b>Oliver Merckel</b> Head of Sales Trading	+49 40 3282-2634 omerckel@mmwarburg.com
<b>Gudrun Bolsen</b> Sales Trading	+49 40 3282-2679 gbolsen@mmwarburg.com
<b>Bastian Quast</b> Sales Trading	+49 40 3282-2701 bquast@mmwarburg.com
<b>Thekla Struve</b> Sales Trading	+49 40 3282-2668 tstruve@mmwarburg.com
<b>Jörg Treptow</b> Sales Trading	+49 40 3262-2658 jtreptow@mmwarburg.com

**Support**

<b>Katharina Merkel</b> Roadshow/Marketing	+49 40 3282-2694 kmerckel@mmwarburg.com
---	--

**MACRO RESEARCH**

<b>Carsten Klude</b> Macro Research	+49 40 3282-2572 cklude@mmwarburg.com
<b>Matthias Thiel</b> Macro Research	+49 40 3282-2401 mthiel@mmwarburg.com
<b>Dr. Christian Jasperneite</b> Investment Strategy	+49 40 3282-2439 cjasperneite@mmwarburg.com

**Our research can be found under:**

Warburg Research	research.mmwarburg.com/en/index.html	Thomson	www.thomson.com
Bloomberg	MMWA GO	Reuters	www.knowledge.reuters.com
FactSet	www.factset.com	Capital IQ	www.capitaliq.com

**For access please contact:**

<b>Andrea Schaper</b> Sales Assistance	+49 40 3282-2632 aschaper@mmwarburg.com	<b>Kerstin Muthig</b> Sales Assistance	+49 40 3282-2703 kmuthig@mmwarburg.com
---	--	---	---