

CONFERENCE Call
FY2017 – Preliminary Results

6 MARCH 2018

Shopping

EVOLUTION



Retail turnover 2017¹

RETAIL SECTOR	% change in 2017	rent-to-sales ratio in %	% of sales	% of space
DEPARTMENT STORES	-0.7	6.2	7.4	13.1
FOOD	-1.5	7.6	8.9	6.4
FASHION TEXTILES	-1.0	12.2	29.3	39.4
SHOES & LEATHER GOODS	-0.6	14.4	5.4	6.5
SPORTS	-1.6	9.6	3.9	4.9
HEALTH & BEAUTY	-1.4	7.2	11.9	6.0
GENERAL RETAIL	-2.2	10.7	8.5	9.0
ELECTRONICS	5.0	3.8	15.2	8.5
SERVICES	2.3	5.1	4.7	1.7
FOOD CATERING	2.7	12.6	4.8	4.3
TOTAL	0.0	9.1	100²	100²

Germany Abroad Total

→ Retail turnover development on a like-for-like basis: +0.0% +5.4% +0.8%

→ Absolute retail turnover development: +0.6% +5.4% +1.5%

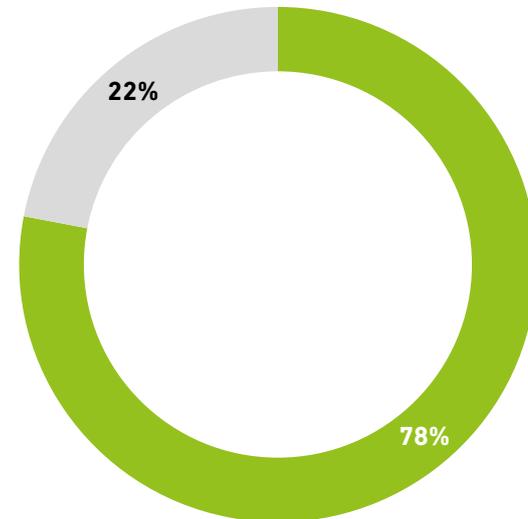
¹ German centers on a like-for-like basis (turnover: €2.1 billion)

² The sum may not equal the totals due to rounding

Tenants Structure Top 10 Tenants¹

	2017	2016
H&M	3.5%	3.6%
Ceconomy ²	2.7%	
Deichmann	2.5%	2.0%
Peek & Cloppenburg	2.3%	2.2%
New Yorker	2.3%	2.4%
C&A	2.0%	1.9%
Douglas	1.8%	2.0%
Metro ²	1.7%	
Rewe	1.6%	1.7%
DM	1.4%	1.4%
Total	21.8%	

LOW LEVEL OF DEPENDENCE ON THE TOP 10 TENANTS



■ TOP 10 Tenants

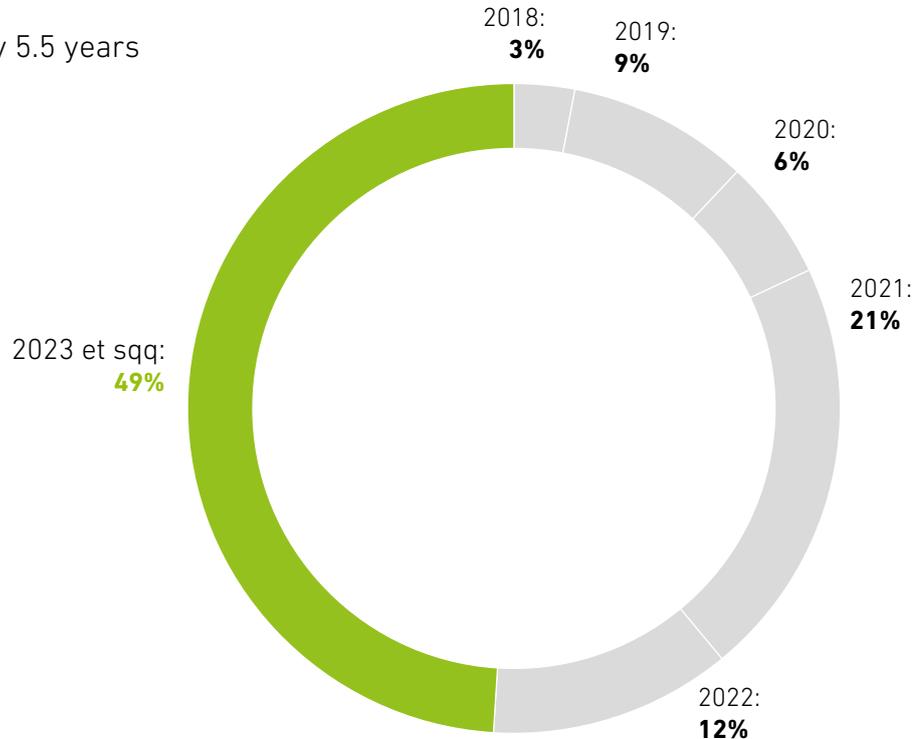
¹ in % of total retail rents as at 31 Dec. 2017

² consumer electronics and the food retail division of Metro AG were demerged in 2017

Maturity Distribution of Rental Contracts¹

Long-term contracts base rental income

Weighted maturity 5.5 years

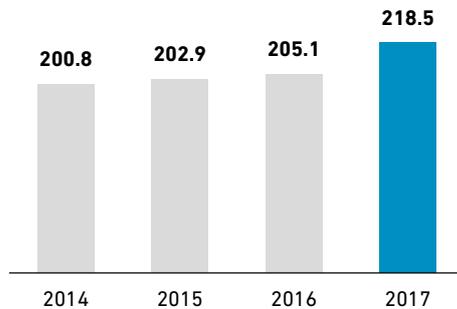
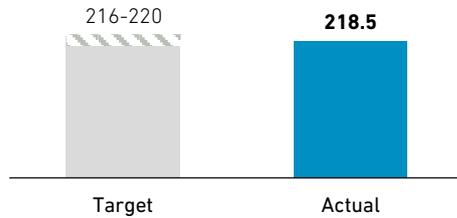


¹ as % of rental income as at 31 Dec. 2017

Target – Performance Comparison

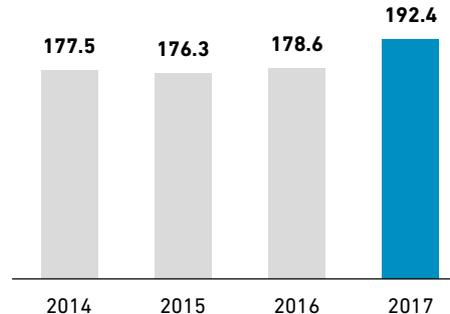
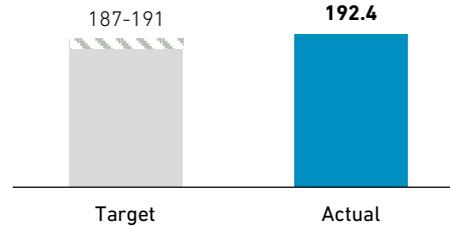
REVENUE

€m



EBIT

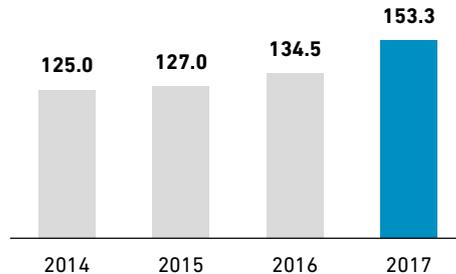
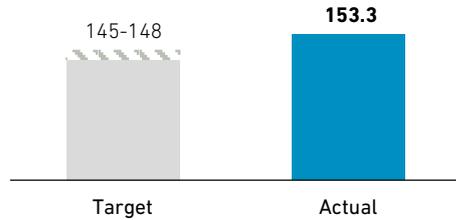
€m



Target – Performance Comparison

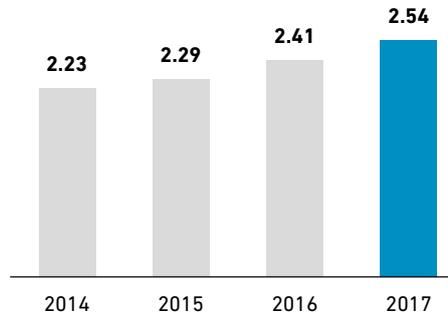
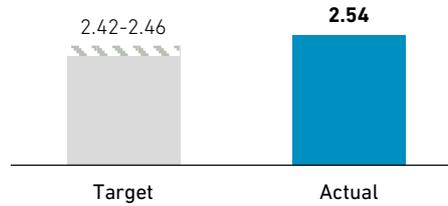
EBT EXCL. VALUATION

€m



FFO PER SHARE

€



Profit and Loss Account

in € thousand	01.01. – 31.12.2017	01.01. – 31.12.2016	CHANGE
Revenue	218,491	205,136	7%
Property operating and management costs	-21,539	-20,398	
Net operating income	196,952	184,738	7%
Other operating income	2,035	1,410	
Corporate costs	-6,619	-7,522	
EBIT	192,368	178,626	8%
Other financial income and expenses	3,005	2,648	
Interest expense	-54,023	-52,918	
At equity result	34,451	54,283	
Profit/loss attributable to limited partners	-18,522	-17,894	
Net finance costs	-35,089	-13,881	153%
Measurement gains/losses	8,550	116,774	
EBT	165,829	281,519	-41%
Taxes	-31,496	-59,762	
Consolidated profit	134,333	221,757	-39%

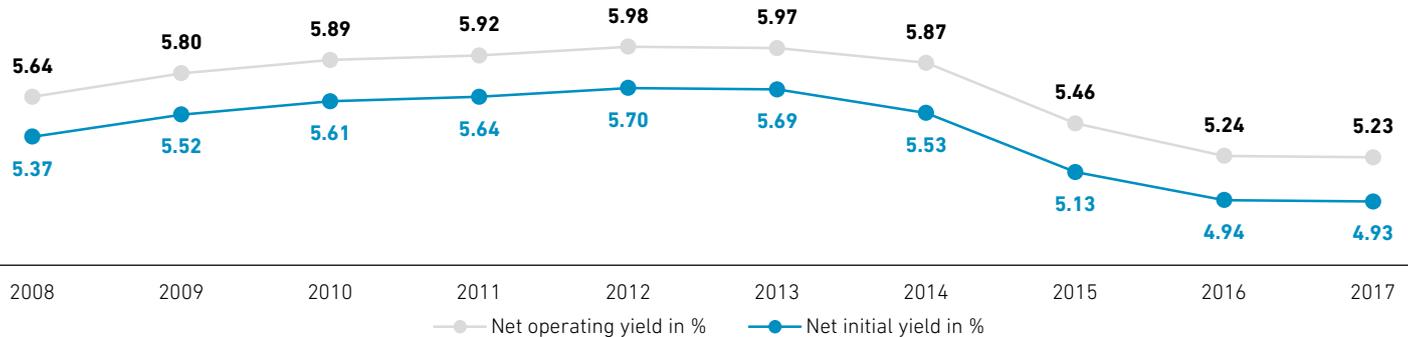
Valuation – Investment Properties 2017

in € thousand	2017	2016	CHANGE
Revaluation	19,709	148,350	-128,641
Revaluation at-equity	4,396	28,711	-24,315
Acquisition expenses	0	-686	686
Goodwill impairment	-140	0	-140
Other impairment	-34	0	-34
Minority interest	-10,985	-30,890	19,905
Valuation result before taxes	12,946	145,485	-132,539
Deferred taxes	-3,646	-32,763	29,117
Valuation result after taxes*	9,300	112,722	-103,422

→ Like-for-like measurement gains: +0.6%

* Attributable to group shareholders

Valuation¹ – Investment Properties 2017



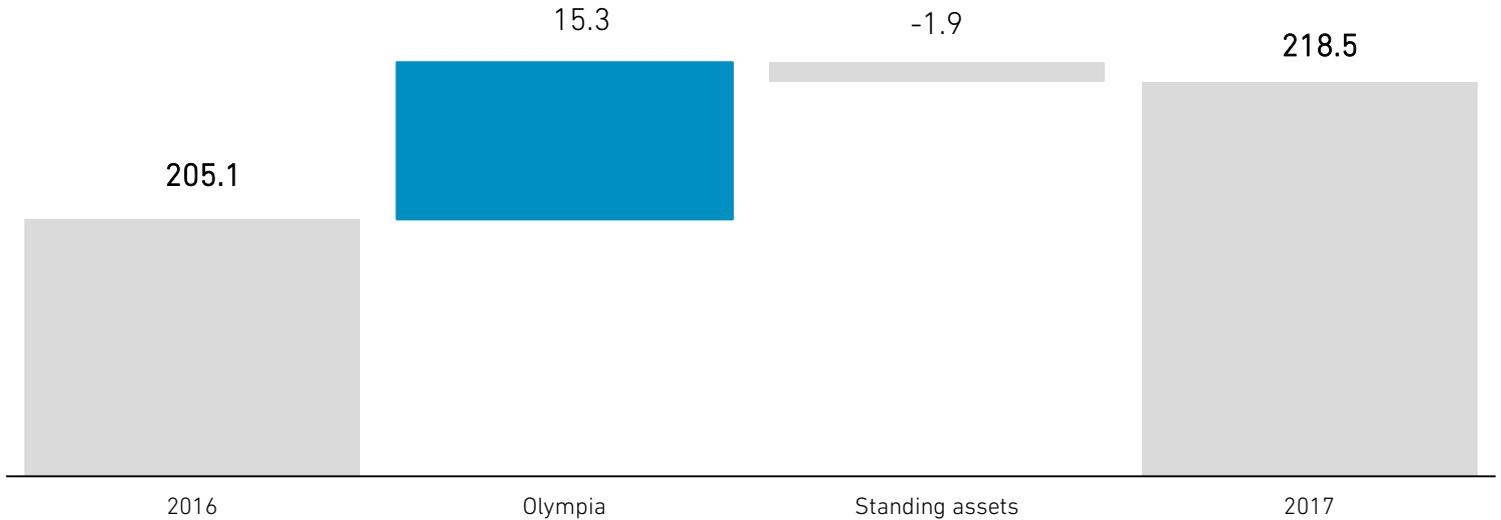
SENSITIVITY ANALYSIS

IN € THOUSAND	Basis	change of -25bps	change of +25bps
Rent increase rates	1.47%	-128,800	+164,700
Discount rate	5.90%	+80,700	-75,000
Capitalization rate	5.11%	+134,300	-121,900
Cost ratio	10.14%	+13,900	-9,300

¹ External appraisers: since 2015: JLL

Revenue Bridge 2017

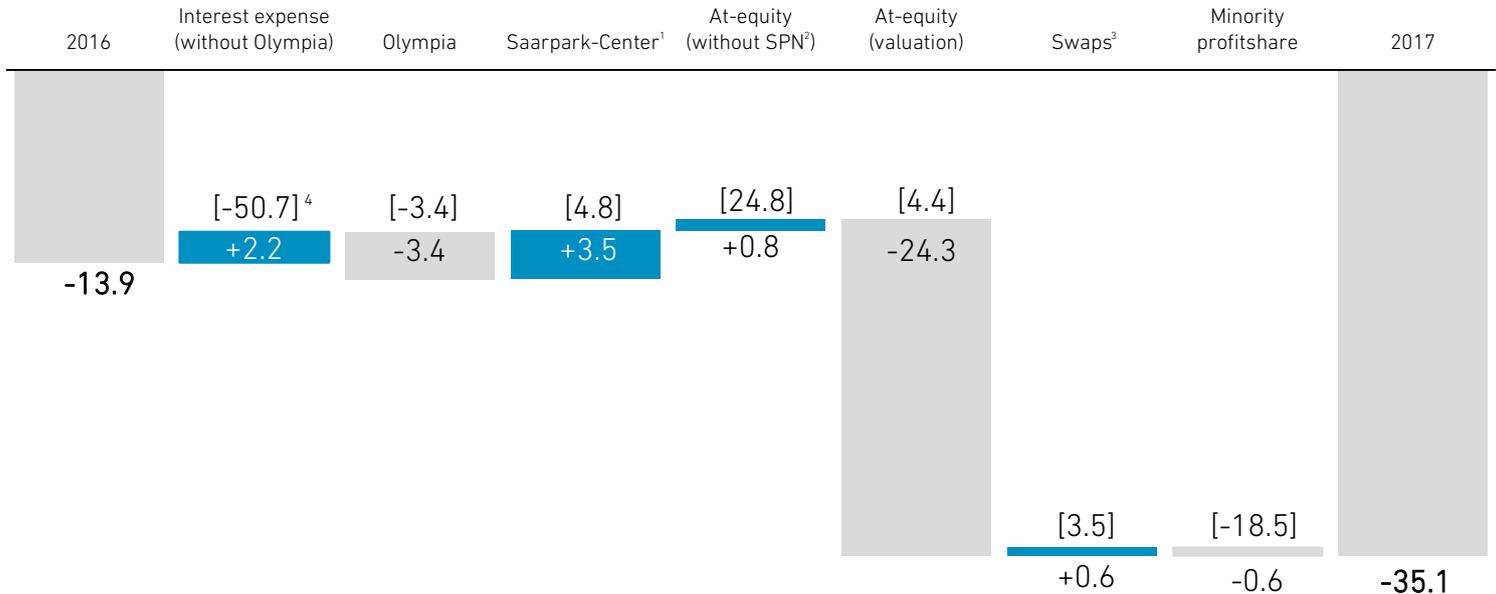
€M



→ Like-for-like revenue development: €-1.5M = -0.7%

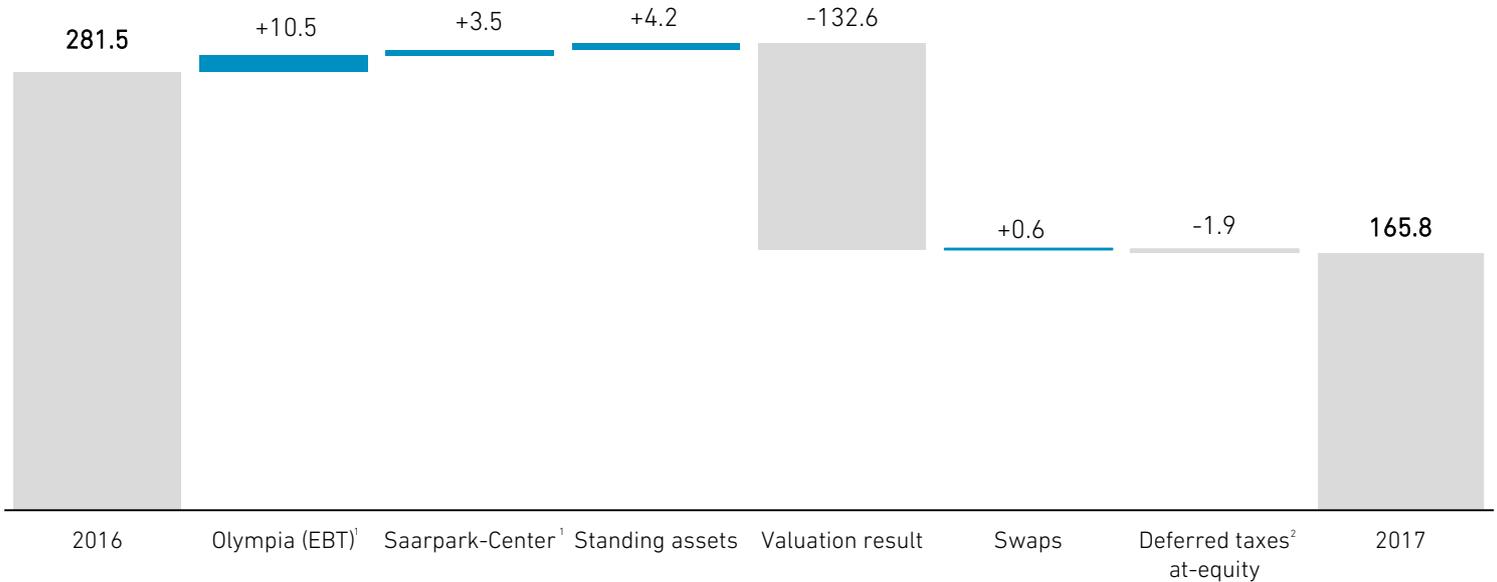
Net Finance Cost Bridge 2017

€M

¹ without valuation result and swaps² Saarpark-Center³ consolidated and at-equity⁴ 2017 absolute figures in brackets

EBT Bridge 2017

€M

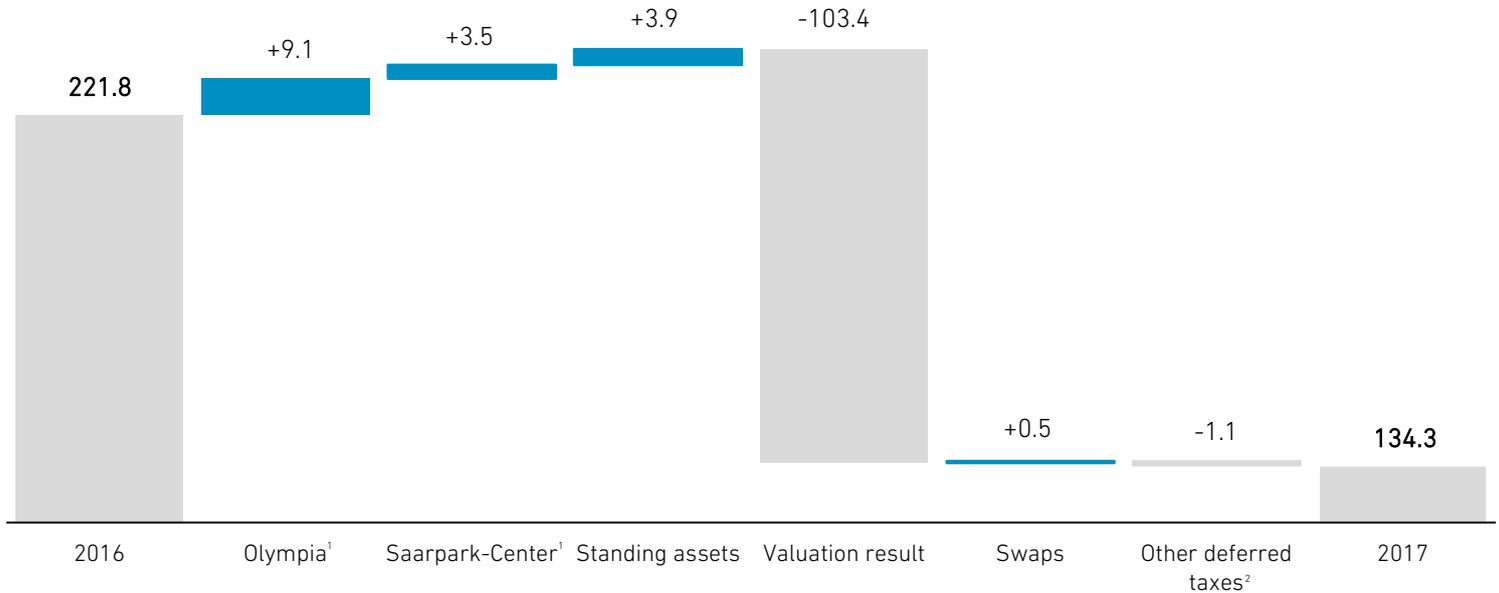


¹ without valuation result and swaps

² incl. in at-equity result as part of the financial result

Profit Bridge 2017

€M



¹ without valuation result and swaps

² related to investment properties

Earnings per Share (EPRA)

in € thousand	2017	per share ¹	2016	per share ¹
Consolidated net profit	134,333	€2.31	221,757	€4.11
- Changes in value of investment properties ²	-13,120	€-0.23	-146,171	€-2.71
- Swaps ²	-3,443	€-0.06	-2,910	€-0.05
+ Goodwill impairment	140	€0.00	0	€0.00
+ Other results from revaluations	34	€0.00	686	€0.01
+ Deferred tax in respect of EPRA adjustments ^{2,3}	23,084	€0.40	49,220	€0.91
+ Acquisition costs	276	€0.00	1,093	€0.02
EPRA Earnings	141,304	€2.42	123,675	€2.29
Weighted number of shares	58,248,007		53,945,536	



¹ The sum of the earnings per share amounts may not equal the totals due to rounding

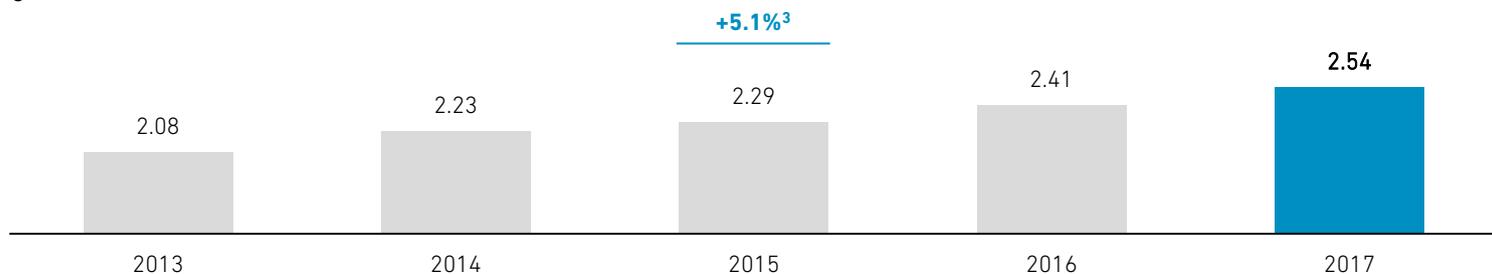
² Including the share of joint ventures and associated companies recognized at equity

³ Affects deferred taxes on investment properties and derivative instruments

Funds from Operations (FFO)

in € thousand	2017	per share ¹	2016	per share ¹
Consolidated net profit	134,333	€2.31	221,757	€4.11
- Changes in value of investment properties ²	-13,120	€-0.23	-146,171	€-2.71
+ Costs conversion privilege	781	€0.01	967	€0.02
+ Goodwill impairment	140	€0.00	0	€0.00
+ Other results from revaluations	34	€0.00	686	€0.01
+ Deferred taxes ²	25,937	€0.45	52,650	€0.98
FFO	148,105	€2.54	129,889	€2.41
Weighted number of shares	58,248,007		53,945,536	

€



¹ The sum of the amounts may not equal the totals due to rounding

² Including the share of joint ventures and associated companies recognized at equity

³ 2013 - 2017, Compound Annual Growth Rate (CAGR)

Balance Sheet

in € thousand	31.12.2017	31.12.2016	Change
Non-current assets	4,504,878	4,036,533	468,345
Current assets	122,121	77,924	44,197
Total assets	4,626,999	4,114,457	512,542
Group equity	2,237,376	1,916,148	321,228
Right to redeem of limited partners	337,479	324,559	12,920
Total equity	2,574,855	2,240,707	334,148
Financial liabilities	1,546,672	1,445,581	101,091
Deferred tax liabilities	439,800	359,365	80,435
Other liabilities	65,672	68,804	-3,132
Total equity and liabilities	4,626,999	4,114,457	512,542

	31.12.2017	31.12.2016
Equity ratio ¹	55.6%	54.5%
LTV ratio (consolidated) ²	32.4%	34.2%
LTV ratio („look-through“) ³	34.5%	36.8%

¹ incl. non controlling interests

² Ratio of net financial liabilities (financial liabilities minus cash and cash equivalents) to long-term assets (investment properties and financial assets recorded on the balance sheet according to the equity-method)

³ Ratio of net financial liabilities (financial liabilities minus cash and cash equivalents) to long-term assets, calculated on the basis of the groups share

Net Asset Value (EPRA)

in € thousand	2017		2016		Change ³
	total	per share	total	per share	
Equity	2,237,376	€36.21	1,916,148	€35.52	16.8%
Fair value of financial instruments ¹	40,405	€0.66	50,499	€0.94	-20.0%
Deferred taxes ^{1,2}	444,392	€7.19	365,927	€6.78	21.4%
Goodwill as a result of deferred tax	-53,727	€-0.87	0	€0.00	
NAV EPRA	2,668,446	€43.19	2,332,574	€43.24	14.4%
Weighted number of shares	61,786,594		53,945,536		8.0%

¹ Including the share of joint ventures and associated companies recognized at equity

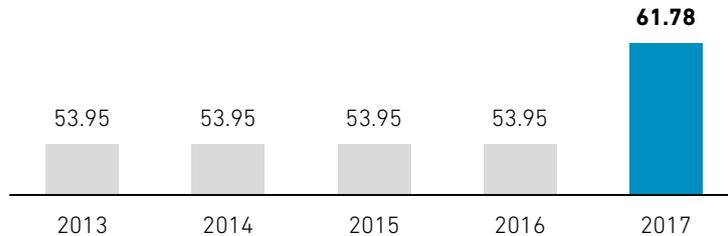
² on investment properties and financial instruments

³ absolute

Net Asset Value (EPRA)

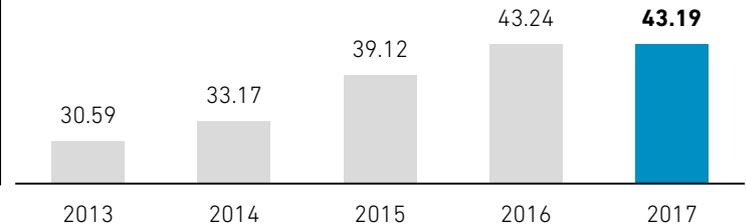
NUMBER OF SHARES

mn



NAV PER SHARE

€

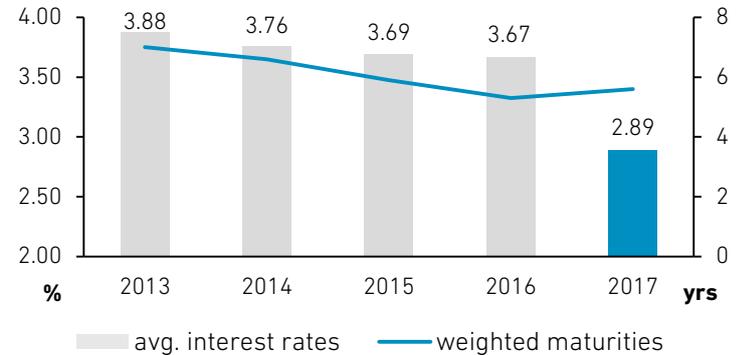


Loan Structure^{1,2}

INTEREST LOCKIN	DURATION	PRINCIPLE AMOUNTS (€ MILLION)	SHARE OF TOTAL LOAN	AVG. INTEREST RATE
Up to 1 year		22.3	1.4%	3.80%
1 to 5 years	3.6	724.2	47.0%	3.83%
5 to 10 years	8.1	658.0	42.7%	2.70%
Over 10 years	11.0	137.0	8.9%	1.84%
Total¹	5.6	1,541.5	100%	2.89%

→ **21** German and **4** foreign bank partners

→ Weighted maturity of fixed interest periods **5.6 years¹**



¹ as of 31 December 2017

² excl. non-consolidated loans

Maturities until 2023^{1,2}

IN € MILLION	END OF FIXED INTEREST PERIODS RESPECTIVELY EXPIRING LOANS	AVG. INTEREST RATE	REGULAR REDEMPTION PAYMENTS	TOTAL MATURITIES	
2018	71.6	4.60%	22.3	93.9	Already fixed: €71.6m, 1.63%, 10y (10/2018)
2019	123.1	4.73%	19.9	143.0	€12.2m, 1.91%, 7.3y (10/2019)
2020	134.1	4.52%	19.5	153.6	€4.9m, 1.68%, 6y (01/2020)
2021	198.3	4.48%	16.0	214.3	
2022	217.8	3.26%	16.5	234.3	
2023	209.0	2.99%	10.6	219.6	
	953.9				

At-equity consolidated loans¹

IN € MILLION	END OF FIXED INTEREST PERIODS RESPECTIVELY EXPIRING LOANS	AVG. INTEREST RATE	DES' SHARE	
2018-2019	0			
2020	35.0	4.00%	50%	Saarpark-Center, Neunkirchen
2021	63.3	4.59%	50%	Phoenix-Center, Hamburg,
2022	12.1	4.90%	50%	Saarpark-Center, Neunkirchen
2023	0			

¹ as of 31 Dec. 2017

² excl. at-equity consolidated loans

Outlook

REVENUE

€m



EBT EXCL. VALUATION

€m



FFO

€m



EBIT

€m



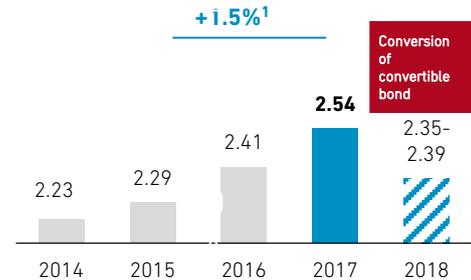
NUMBER OF SHARES²

mn



FFO PER SHARE

€



¹ Compound Annual Growth Rate (CAGR) 2014 – 2018

² weighted, taking into account the fact that the convertible bond was nearly fully converted at the end of its term in November 2017

Outlook

Rollout of “At your Service” and Mall Beautification in 5 Centers:
Altmarkt-Galerie Dresden, Billstedt-Center Hamburg,
Allee-Center Magdeburg, Rhein-Neckar-Zentrum
and Herold-Center Norderstedt

Refinancings of approx. €120 million in the
next month

Increase in **dividend** to €1.45 per share
- for all shares



At your Service:
Rhein-Neckar-Zentrum
(visualisation)



SAVE Publication of the Annual
THE DATE Report 2017: 27 April 2018

Financial Calendar

2018

21.-23.03. Roadshow USA, Berenberg

27.03. Commerzbank German Real Estate Forum, London

12.04. HSBC German Real Estate Conference, Frankfurt

23.04. Roadshow Geneva, Metzler

27.04. Publication of the Annual Report 2017

15.05. Quarterly Statement 3M 2018

17.-18.05. Roadshow Scandinavia, equinet

23.05. Berenberg European Conference, Tarrytown

29.05. Kepler Cheuvreux German Property Day, Paris

29.-30.05. Roadshow Abu Dhabi and Dubai, Berenberg

30.05. Kempen & Co European Property Seminar, Amsterdam

08.06. Deutsche Bank dbAccess Conference, Berlin

19.06. Roadshow London, Societe Generale

28.06. Annual General Meeting, Hamburg

14.08. Half-year Financial Report 2018

29.08. Berenberg Real Estate Seminar, Helsinki

30.08. Commerzbank Sector Conference, Frankfurt

04.-06.09. EPRA Annual Conference, Berlin

24.-26.09. Goldman Sachs & Berenberg German Conference, Munich

24.-27.09. Baader Investment Conference, Munich

28.09. Societe Generale Pan European RE Conference, London

08.-10.10. Expo Real, Munich

23.10. Roadshow Madrid, M.M. Warburg

24.10. Roadshow Paris, Natixis

14.11. Quarterly Statement 9M 2018

20.11. DZ Bank Equity Conference, Frankfurt

03.-06.12. Berenberg European Conference, Pennyhill

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