

# DES

Deutsche EuroShop

07/09

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## Deutsche EuroShop Real Estate Summer “Update on Deutsche EuroShop”

Claus-Matthias Böge, CEO  
Dresden 17 July 2009





International  
Accounting Standards  
Board®

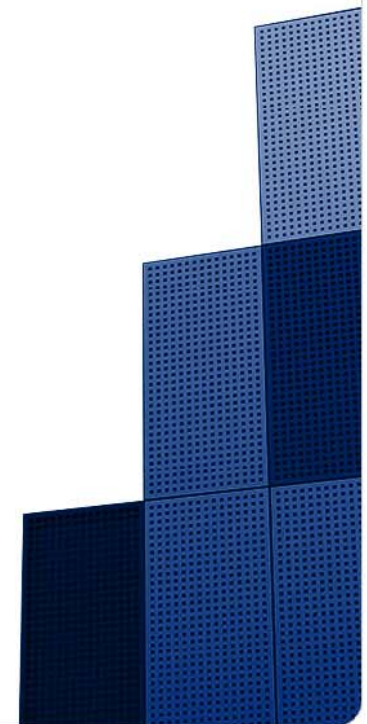
- ED 9 +10 Consolidated Financial Statements (Exposure Drafts)
- 2 crucial changes in IAS 31:
  - Definition of “**control of an entity**”:
    - OLD: “The power to **govern** the financial and operating policies of an activity so as to **obtain benefits** from it.”
    - NEW: “The power of a reporting entity to **direct** the activities of another entity to **generate returns** for the reporting entity.”
  - Option for proportional consolidation likely to be eliminated.
    - OLD: “A venturer **shall recognise** its interest in a jointly controlled entity using **proportionate consolidation or the alternative method** described in paragraph 38 (equity method) When proportionate consolidation is used, one of the two reporting formats identified below shall be used.”
    - NEW: “A venturer shall recognise its interest in a joint venture using the **equity method**.”



(€ thousand)	OLD	NEW
	01.01.-31.12.2008	01.01.-31.12.2008
Revenue	115,343	80,776
Property operating costs	-5,957	-4,207
Property management costs	-7,151	-5,250
<b>Net operating income (NOI)</b>	<b>102,235</b>	<b>71,319</b>
Other operating income	870	538
Other operating expenses (corporate costs)	-5,000	-4,472
<b>Earnings before interest and taxes (EBIT)</b>	<b>98,105</b>	<b>67,385</b>
Income from investments	1,715	1,715
		13,440
Interest income	2,370	1,643
Interest expense	-46,079	-31,132
Profit/loss attributable to limited partners	-6,191	-6,191
<b>Net finance costs</b>	<b>-48,185</b>	<b>-20,525</b>
<b>Measurement gains</b>	<b>37,071</b>	<b>40,131</b>
<b>Profit before tax (EBT)</b>	<b>86,991</b>	<b>86,991</b>
Income tax expense	-18,118	-18,118
Other taxes	-1	-1
<b>Consolidated profit</b>	<b>68,872</b>	<b>68,872</b>
Basic earnings per share (€)	2.00	2.00
Diluted earnings per share (€)	2.00	2.00



(€ thousand)	OLD 31.03.2009	NEW 31.03.2009 [e]
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	30	30
Property, plant and equipment	22,632	228
Investment properties	1,967,787	1,453,164
Non-current financial assets	29,963	29,963
Investments in equity-accounted associates	3,739	299,264
Other non-current assets	1,074	975
<b>Non-current assets</b>	<b>2,025,225</b>	<b>1,783,624</b>
<b>Current assets</b>		
Trade receivables	1,827	1,376
Other current assets	5,424	4,812
Other financial investments	1,644	1,644
Cash and cash equivalents	50,386	34,748
<b>Current assets</b>	<b>59,281</b>	<b>42,580</b>
<b>Total assets</b>	<b>2,084,506</b>	<b>1,826,204</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Issued capital	34,375	34,375
Capital reserves	546,213	546,213
Retained earnings	289,829	289,829
<b>Total equity</b>	<b>870,417</b>	<b>870,417</b>
<b>Non-current liabilities</b>		
Bank loans and overdrafts	926,627	675,991
Deferred tax liabilities	87,540	87,540
Right to redeem of limited partners	122,518	122,518
Other non-current liabilities	16,674	14,703
<b>Non-current liabilities</b>	<b>1,153,359</b>	<b>900,752</b>
<b>Current liabilities</b>		
Bank loans and overdrafts	27,202	25,633
Current trade payables	2,626	1,691
Liabilities to other investees and investors	0	0
Tax provisions	675	592
Other provisions	24,218	22,518
Other current liabilities	6,009	4,601
<b>Current liabilities</b>	<b>60,730</b>	<b>55,035</b>
<b>Total equity and liabilities</b>	<b>2,084,506</b>	<b>1,826,204</b>



Interest lockin	Duration	Principle amounts (€ thousand)	Share of total loan	avg. interest rate
Up to 1 year	1.0	59,485	6.6%	5.93%
1 to 5 years	4.7	348,155	38.9%	5.28%
5 to 10 years	7.2	367,405	41.1%	5.38%
Over 10 years	17.3	119,900	13.4%	5.05%
<b>Total</b>	<b>7.0</b>	<b>894,945</b>	<b>100%</b>	<b>5.33%</b>

bank debt: €894 million

avg. interest rate  
5.33%

Weighted maturity  
7.0 years

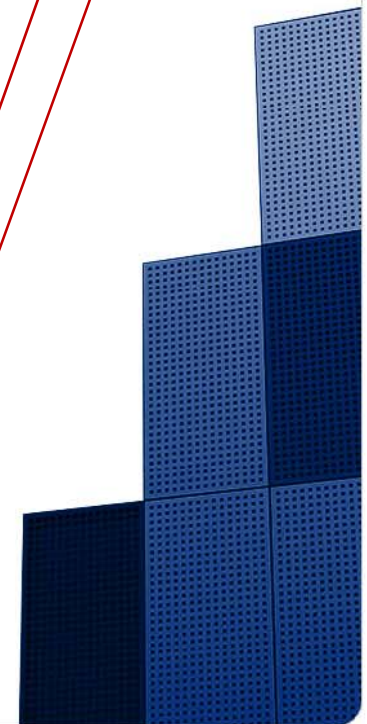
50,000 refinanced  
9,485 redemption

82,200 agreed

will come down with the new  
refinancing to approx. 5.28%

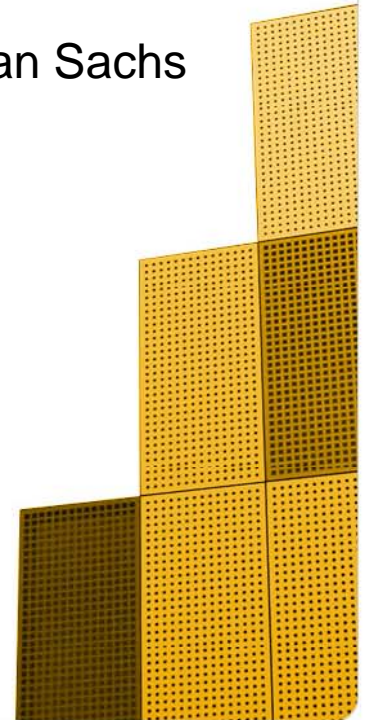
increases to approx. 8.0 years

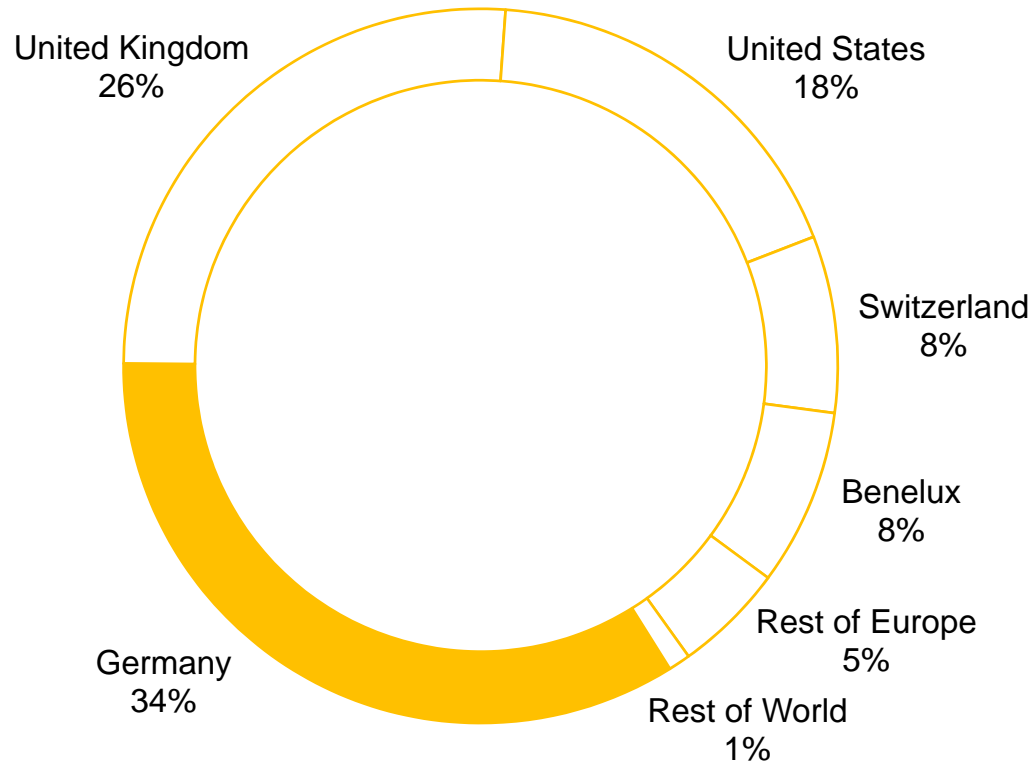
- refinancing will reduce annual interest payments by > €1 million



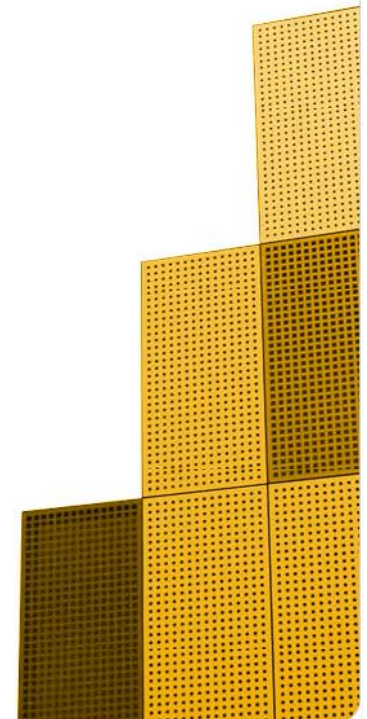
\* as of 31 December 2008

- Transaction: accelerated bookbuilt offer
- Structure: international private placement to institutional investors, U.S. placement according to rule 144A
- Volume: €67 million
- Number of shares placed: 3.4 million (28-times daily trading volume)
- Price: €19.50
- Date of placement/settlement: 7 July / 10 July 2009
- Joint Lead Manager/Joint Bookrunner: Commerzbank + Goldman Sachs
  
- Biggest capital increase since May 2007 (CRE, €179 million)
- strong demand in the morning of 7 July, order book was closed before 12:00 a.m.
- 3 times oversubscription with a very low price elasticity
- Strong demand from existing and new investors
  - General Long-Only
  - Real Estate Specialists

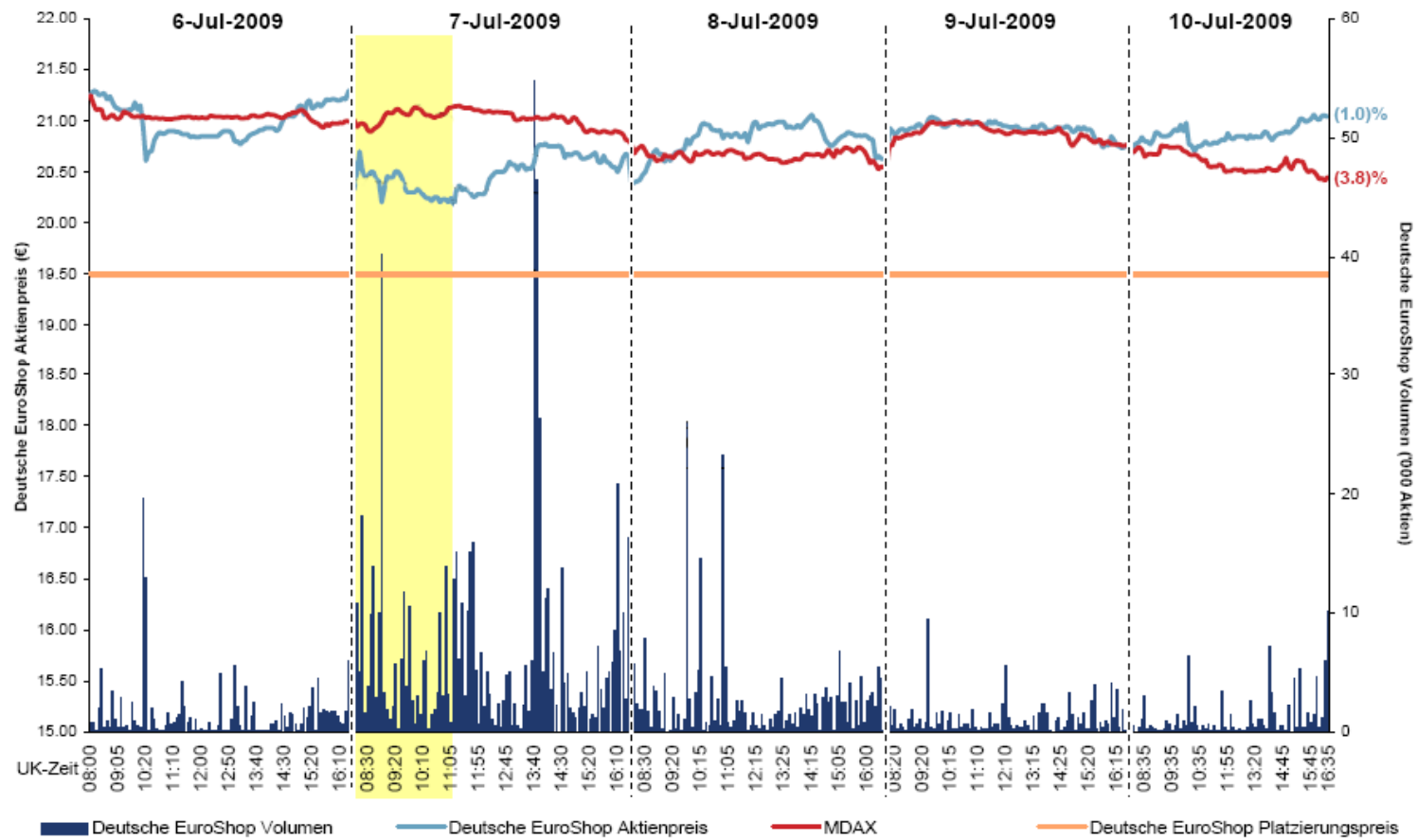




Long-only 97%  
Hedge Funds 3%



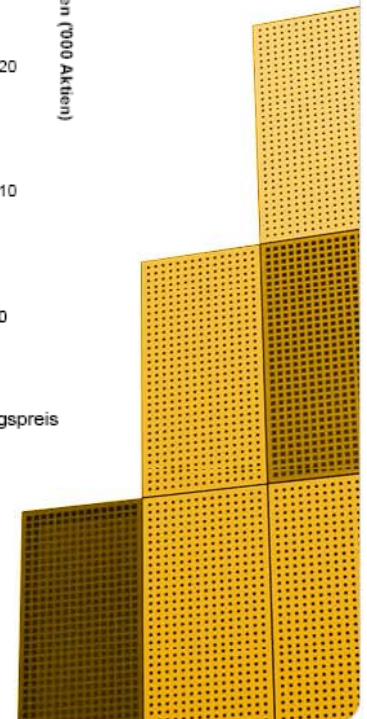
Status: 10 July 2009



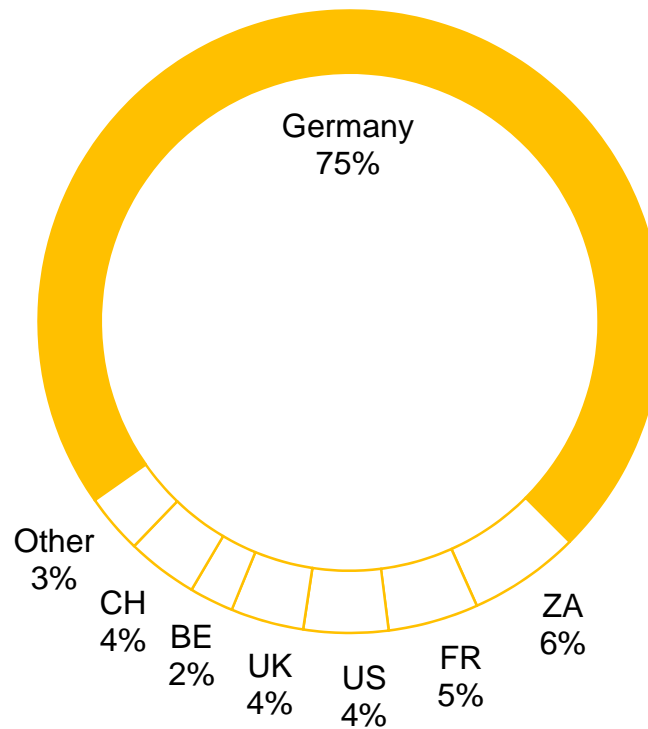
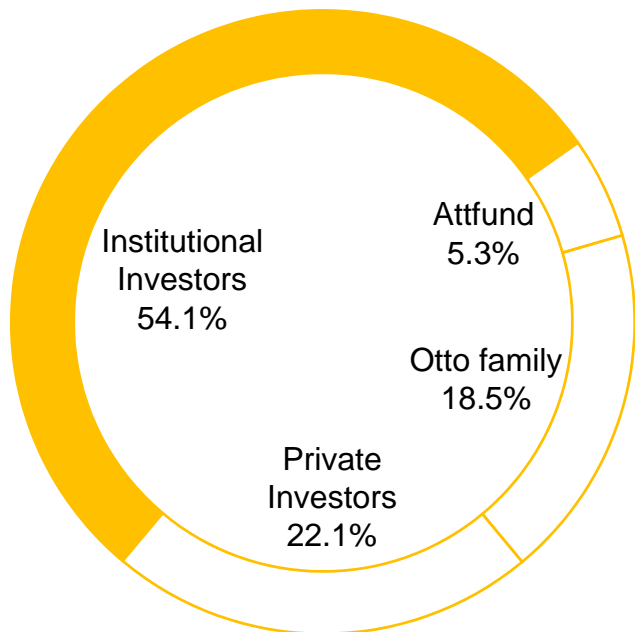
Influence on share price minimized

Outperformance of the MDAX

Quelle: Bloomberg

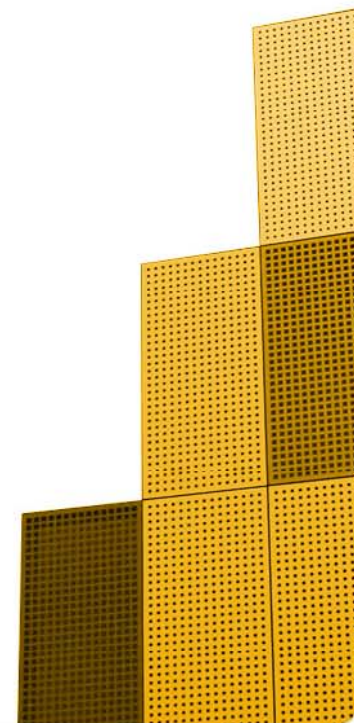




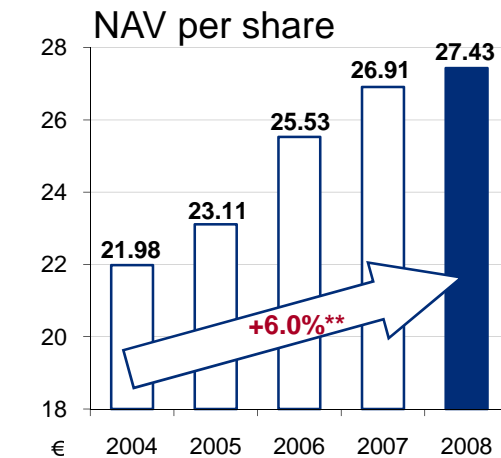
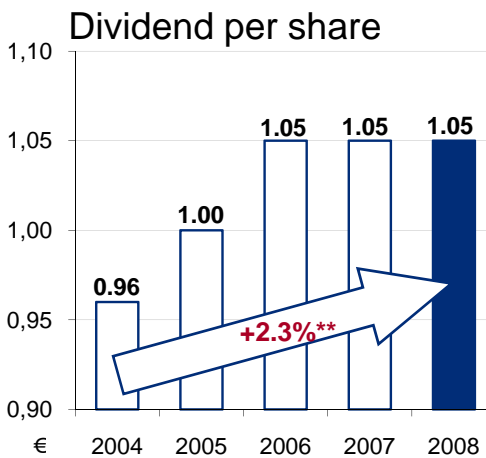
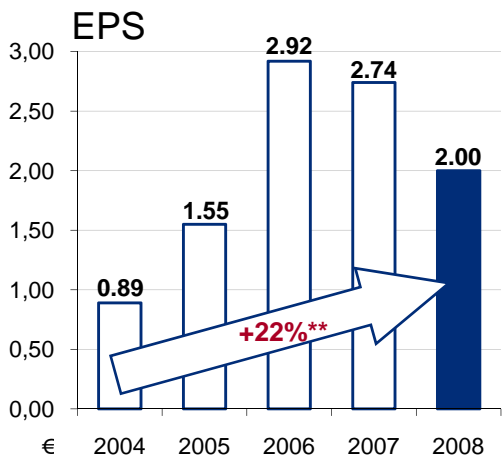
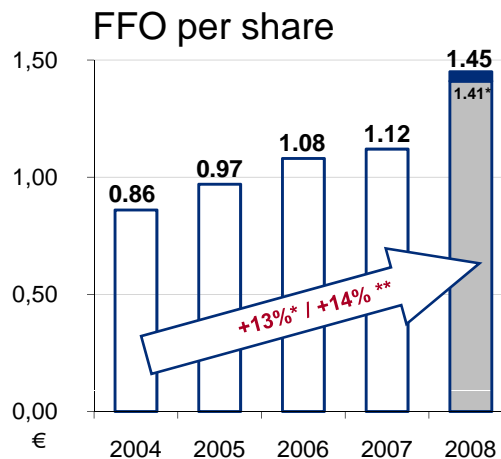
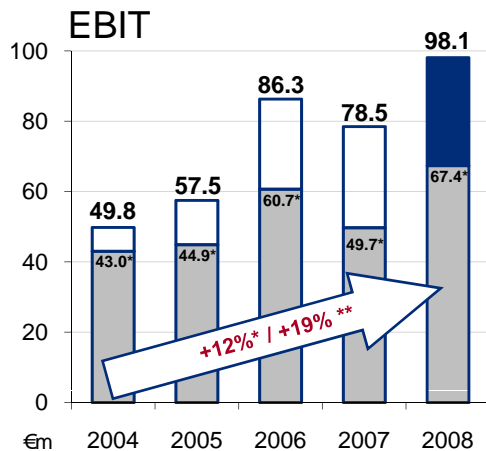
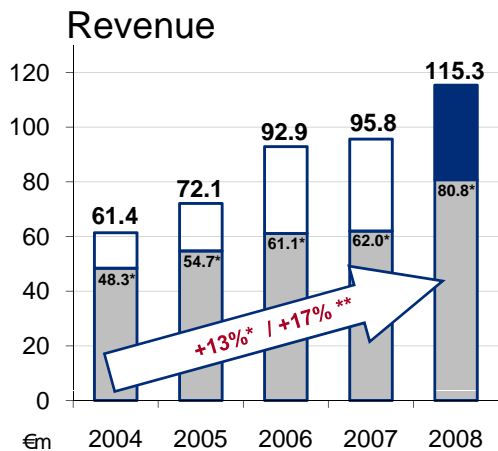


8,750 shareholders

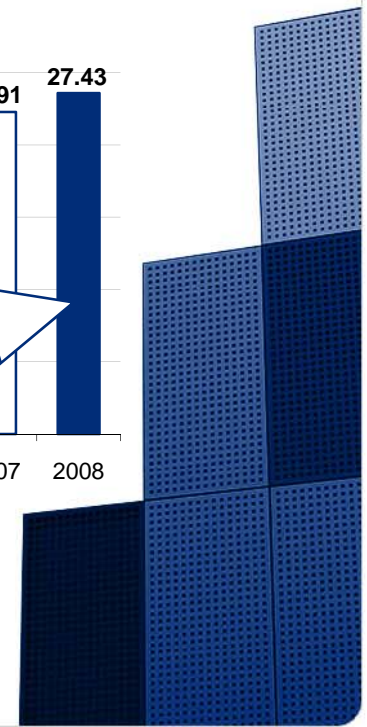
Free float 81.5%



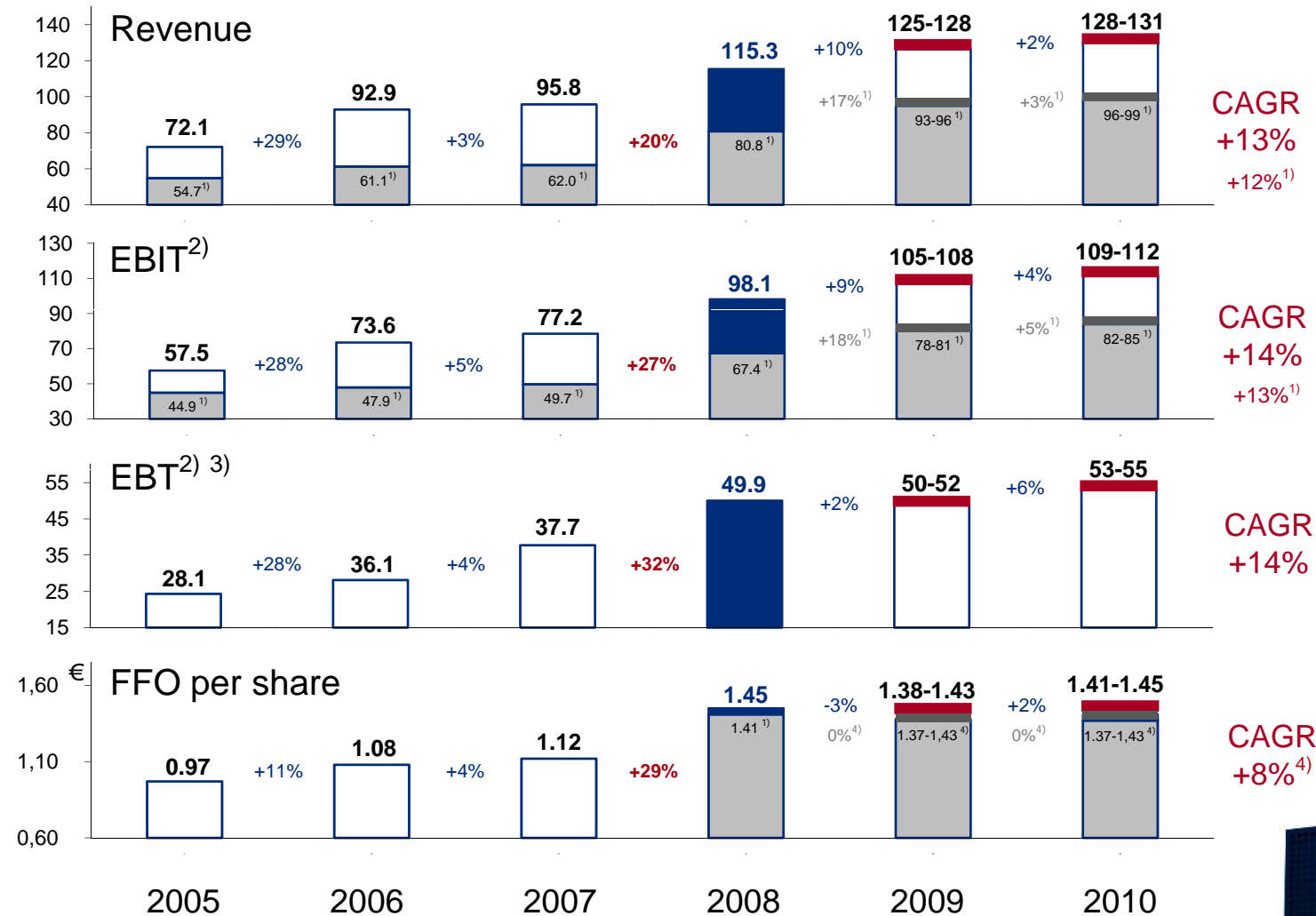
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\*excl. proportional consolidation / \*\*2004-2008, Compound Annual Growth Rate (CAGR)



€ million



<sup>1)</sup> excl. proportional consolidation

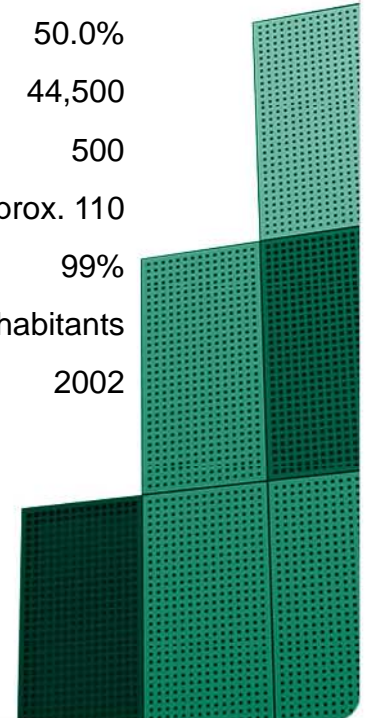
<sup>2)</sup> adjusted for one-time proceeds from disposals

<sup>3)</sup> excl. valuation result

<sup>4)</sup> excl. proportional consolidation and incl. dilution



	<b>City-Point</b>	<b>Main-Taunus-Zentrum</b>	<b>Altmarkt-Galerie</b>
<b>Location</b>	Kassel	Frankfurt	Dresden
<b>Investment</b>	90.0%	43.1%	50.0%
<b>Lettable space sqm</b>	29,500	103,400	44,500
<b>Parking</b>	220	4,000	500
<b>Number of shops</b>	approx. 60	approx. 100	approx. 110
<b>Occupancy rate</b>	100%	100%	99%
<b>Catchment area</b>	approx. 0.8 m. inhabitants	approx. 2.2 m. inhabitants	approx. 1.0 m. inhabitants
<b>Opening / refurbishm.</b>	2002 / 2009	1964 / 2001-2004	2002



- City-Point Kassel: the space previously occupied by Hertie will be divided up and let to 8-9 small and medium-sized retailers.

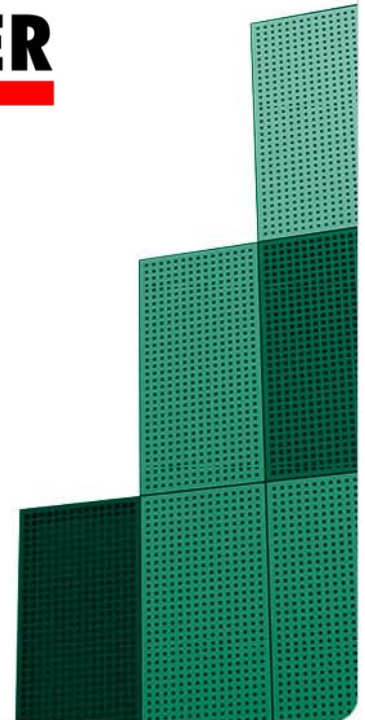
**CITY  
POINT  
KASSEL**

Investment (incl. imputed lost rental income and ancillary costs): approx. €5.1 million

- Allee-Center Hamm: the tenancy agreement with a hypermarket operator was terminated. These areas will be occupied by a food market and a major clothing store.

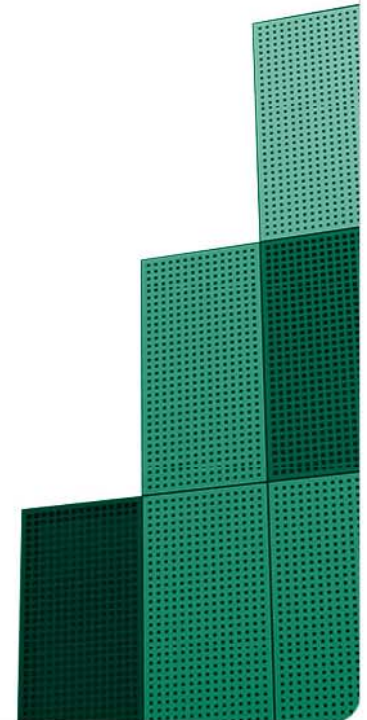
**ALLEE-CENTER**  
EINKAUFEN IN HAMM

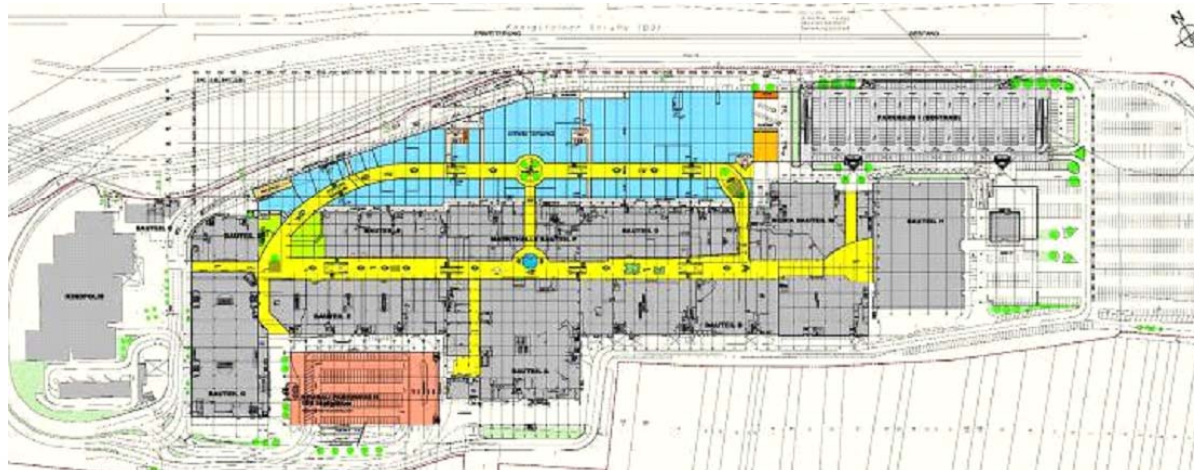
Investment: approx. €1.8 million





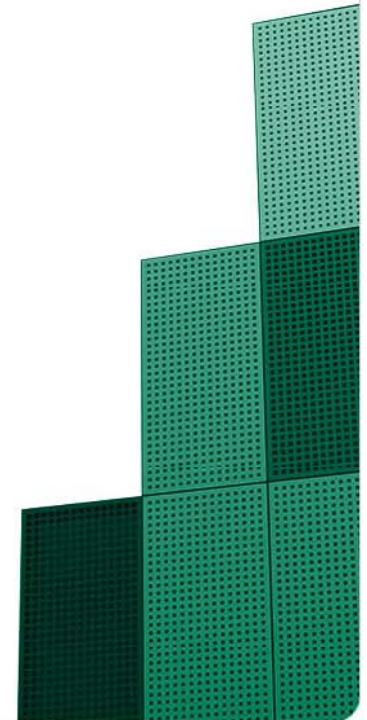
- The selling area is set to increase by approx. 12,000 m<sup>2</sup> (currently approx. 79,000 m<sup>2</sup>), allowing some 60 new shops to open.
- Approx. €80 million total investment volume (approx. €35 million for DES)







- The lettable area is set to increase by approx. 32,000 m<sup>2</sup> (currently approx. 44,500 m<sup>2</sup>), allowing some 90 new shops to open
- Expansion includes 3,000 m<sup>2</sup> office space and 5,000 m<sup>2</sup> for a hotel
- Approx. €155 million total investment volume (approx. €77.5 million for DES)

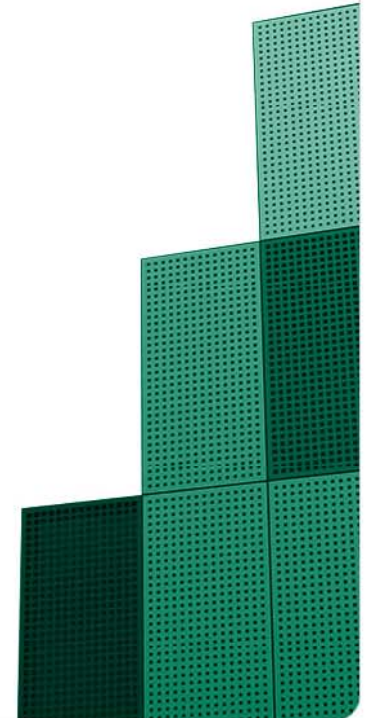
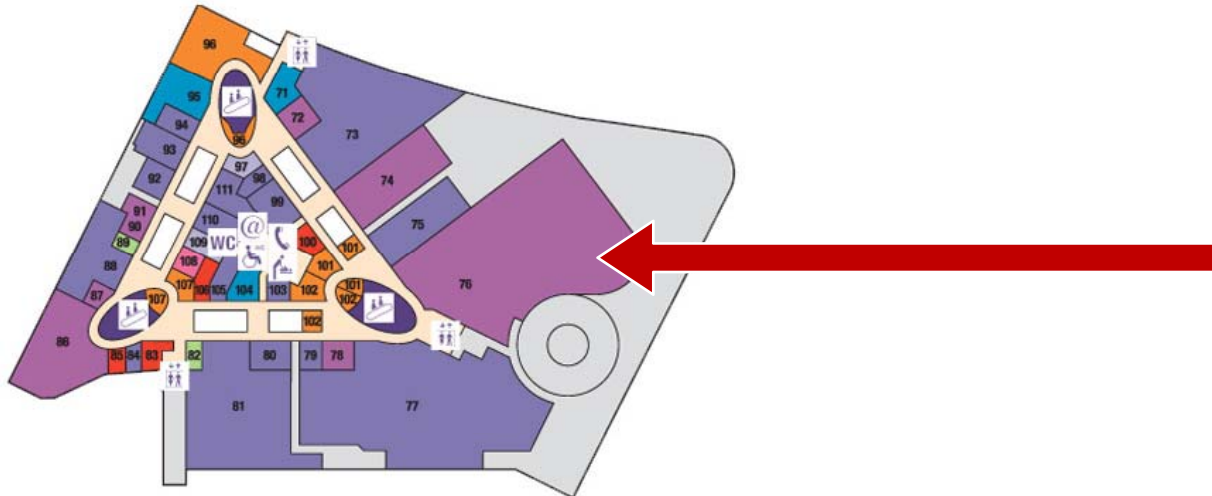




- Main-Taunus-Zentrum:  
approx 16.200 m<sup>2</sup>, 2 levels, lease contract until 31.12.2026

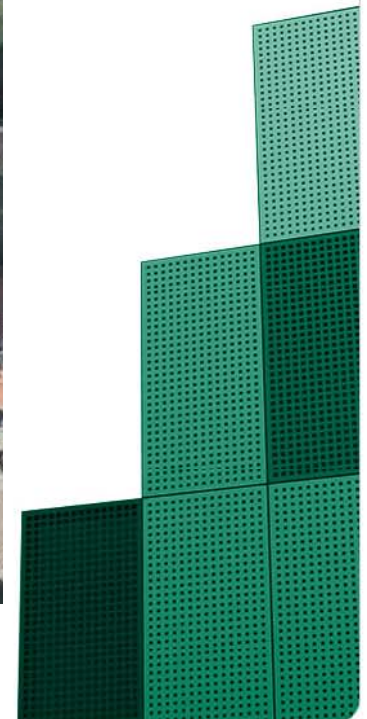


- Phoenix-Center Hamburg:  
approx 3.200 m<sup>2</sup>, 1 level, right to cancel until 31.12.2009

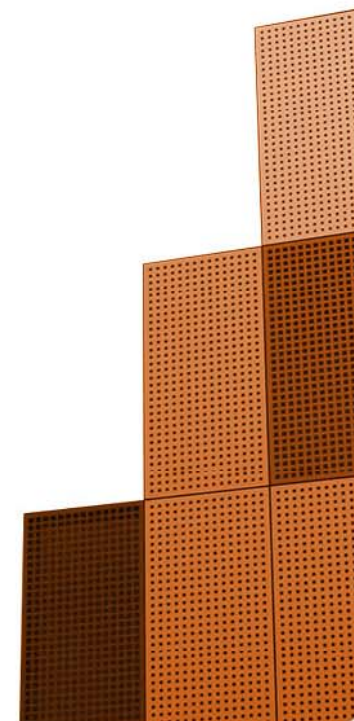


# Shopping Centers | Karstadt as Neighbour: Rhein-Neckar-Zentrum

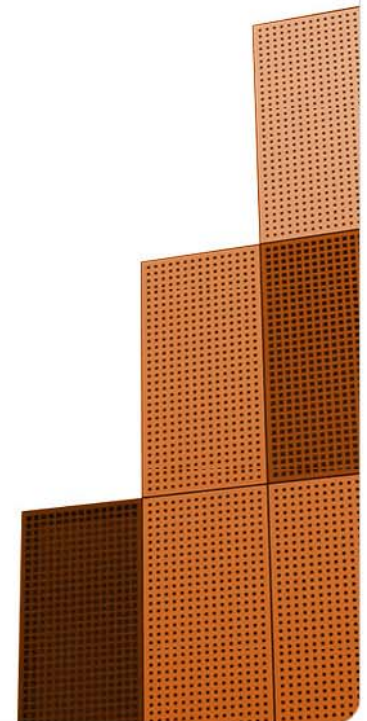




Listed since	02.01.2001
Nominal capital	€37,812,496.00
Outstanding shares	37,812,496
Class of shares	Registered shares
Dividend 2008 (01.07.2009)	€1.05
52W High	€26.48
52W Low	€17.26
Share price (25.06.2009)	€21.95
Market capitalisation	€755 million
avg. turnover per day last 12 months	136,700 shares
Indices	MDAX, EPRA, GPR, MSCI Small Cap Prime Standard
Official market	Frankfurt and XETRA
OTC market	Berlin-Bremen, Düsseldorf, Hamburg, Hanover, Munich und Stuttgart
ISIN	DE 000 748 020 4
Ticker	DEQ, Reuters: DEQGn.DE
Market makers	Close Brothers Seydler, WestLB



- |            |  |        |   |
|------------|--|--------|---|
| 13.08.     | Interim report H1 2009                                       | 17.11. | Roadshow Zurich, Berenberg                    |
| 26.08.     | Roadshow London, WestLB                                      | 17.11. | Roadshow Amsterdam, Rabobank                  |
| 27.08.     | Roadshow Edinburgh, CA Cheuvreux                             | 19.11. | WestLB Deutschland Conference, Frankfurt      |
| 01.09.     | Roadshow Cologne & Dusseldorf, WestLB                        |        |   |
| 02.09.09   | Roadshow Brussels, Petercam                                  | 01.12. | Commerzbank Real Estate Conference, Frankfurt |
| 03.-04.09. | EPRA Annual Conference, Brussels                             |        |   |
| 16.09.     | Sal. Oppenheim Real Estate Forum, Amsterdam                  |        |   |
| 23.09.     | UniCredit German Corporate Conference, Munich                |        |   |
| 01.10.     | Societe Generale Pan European Real Estate Conference, London |        |   |
| 05.-07.10. | Expo Real, Munich  |        |   |
| 20.10.     | Real Estate Share Initiative, Frankfurt                      |        |   |
| 12.11.     | Interim report Q1-3 2009                                     |        |   |
| 16.11.     | Roadshow Paris, Berenberg                                    |        |   |
| 16.11.     | Roadshow London, M.M. Warburg                                |        |   |



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Statements in this presentation relating to future status or circumstances, including statements regarding management's plans and objectives for future operations, sales and earnings figures, are forward-looking statements of goals and expectations based on estimates, assumptions and the anticipated effects of future events on current and developing circumstances and do not necessarily predict future results.

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

Deutsche EuroShop does not intend to update these forward-looking statements and does not assume any obligation to do so.



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