



CONFERENCE CALL

FY2013
Preliminary Results

21.03.2014

FY 2013

COMPANY

Highlights 2013

May

Increase of the shareholdings to 100% in Altmarkt-Galerie Dresden

- as of 1 May 2013
- 67% were already owned by DES
- investment volume for the 33% share: €132 million, cash price: €70 million
- net initial yield: 5.4%
- approx. 200 shops
- 16 million visitors per year
- opening: 2002, expansion: 2011



COMPANY

Highlights 2013

August

Disposal of Galeria Dominikanska, Wroclaw/Poland

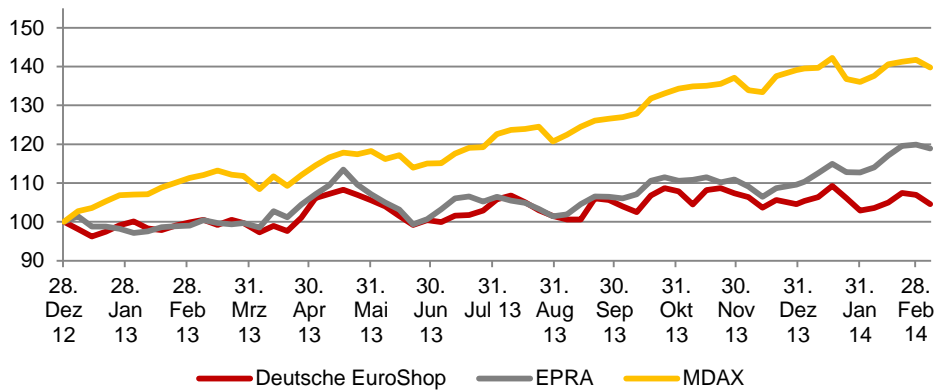
- Sale of 33% shareholding (Ilwro Sp.zo.o.) with effect 31 August 2013
- Acquisition price 2003: €15.4 million
- Realized capital gain: €18.5 million
 - thereof 2013: €15.8 million
 - 2004: €2.7 million



SHOPPING CENTER SHARE

Highlights 2013

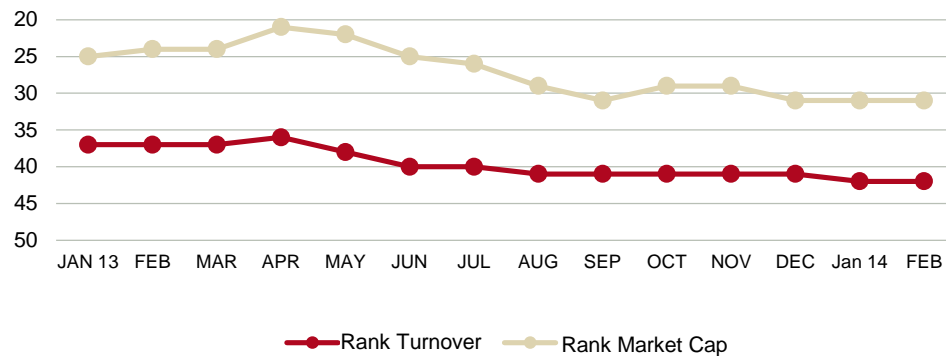
TREND OF SHARE (INDEXED)



Performance 2013:

DES: +4.5%
 MDAX: +39.1%
 EPRA: +9.6%

INDEX RANKING (MDAX)



Index ranking

MDAX Feb 2014:
 31. (Market Cap)
 42. (Turnover)

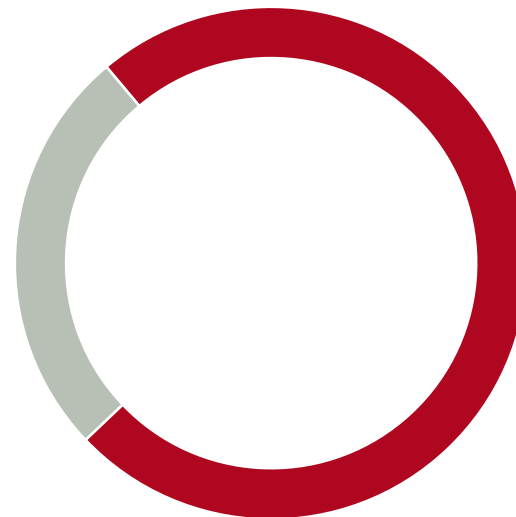


SHOPPING CENTERS

Tenants Structure Top 10 Tenants*

Low level of dependence on the top 10 tenants

	2013	2012
Metro Group	5.6%	5.7%
Douglas Group	4.5%	4.6%
H&M	3.2%	2.9%
New Yorker	2.3%	2.2%
Peek & Cloppenburg	2.1%	2.1%
Deichmann	1.9%	1.9%
REWE	1.6%	1.7%
Inditex Group	1.5%	1.5%
C&A	1.5%	1.8%
Esprit	1.4%	1.5%
Total	25.6%	25.9%



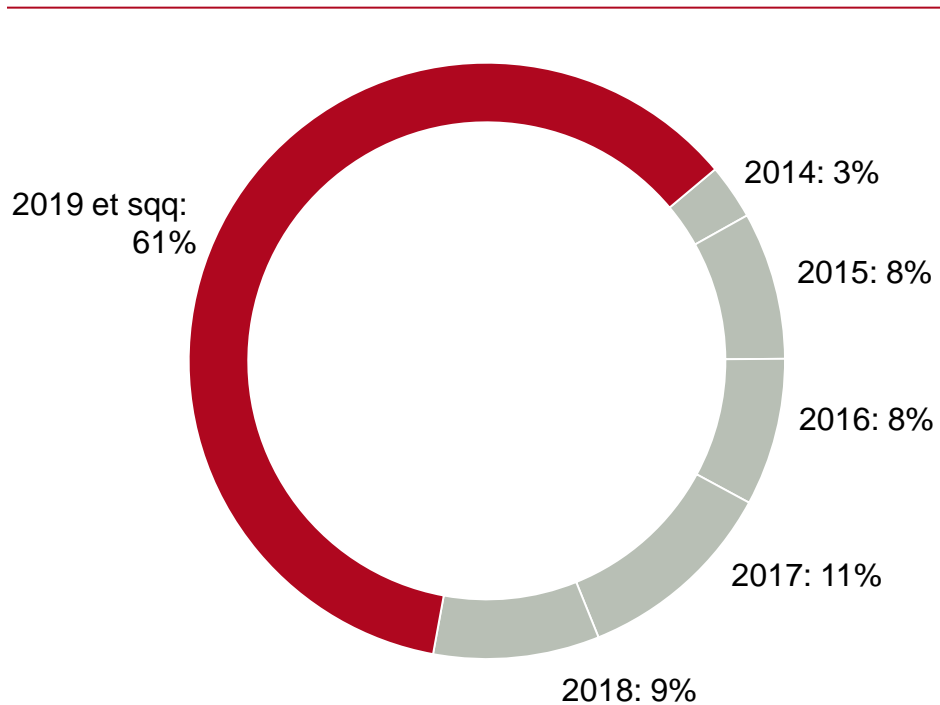
	2013	2012
Total	74.4%	74.1%



* in % of total rents as at 31 Dec. 2013

SHOPPING CENTERS

Maturity Distribution of Rental Contracts*



- Long-term contracts guarantee rental income
- Weighted maturity 6.6 years



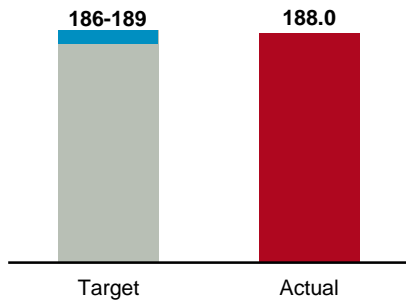
* as % of rental income as at 31 Dec. 2013

FINANCIALS

Target – Performance Comparison

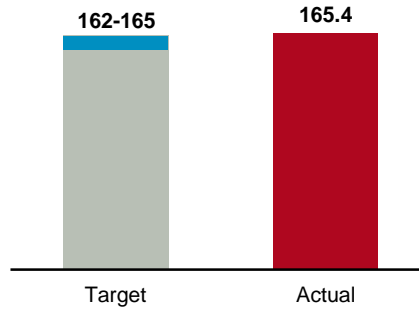
REVENUE

€m



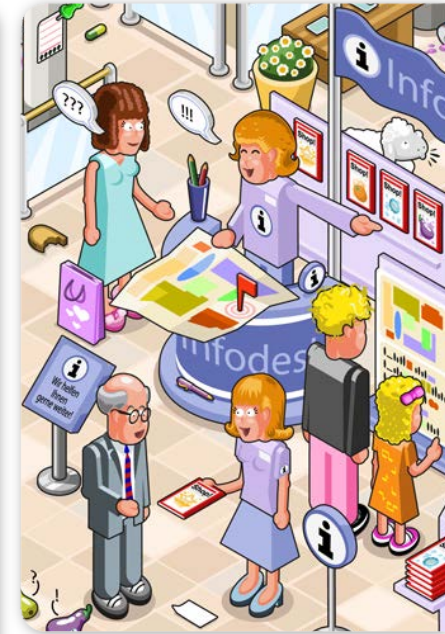
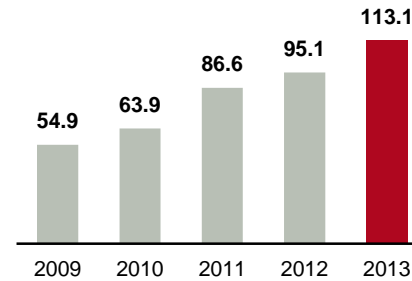
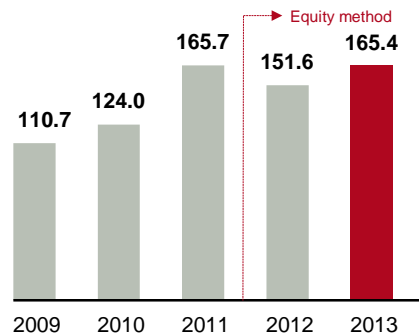
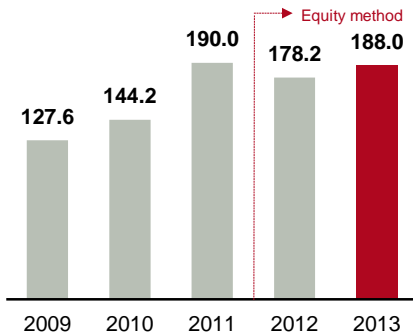
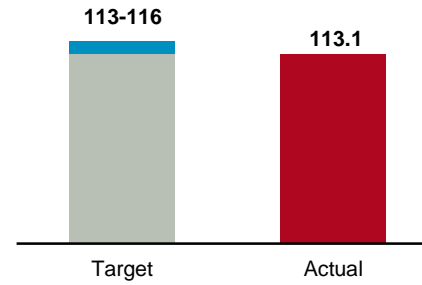
EBIT

€m



EBT BEFORE VALUATION¹⁾

€m



¹⁾ excl. capital gain

FINANCIALS

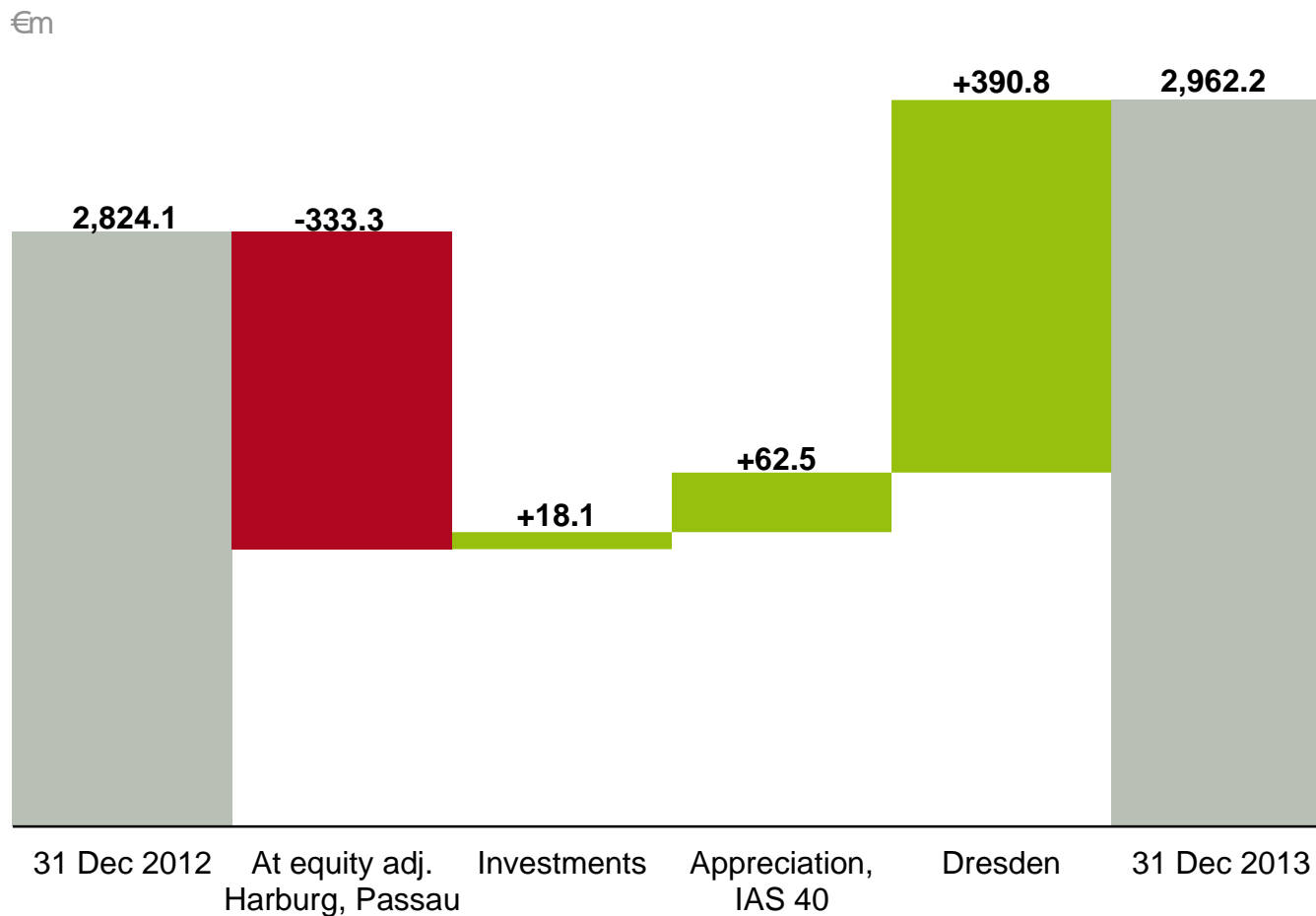
Balance Sheet

in € thousand	31.12.2013	31.12.2012	Change
Non-current assets	3,339,165	3,176,400	162,765
Current assets	55,698	171,160	-115,462
Total assets	3,394,863	3,347,560	47,303
Group equity	1,428,949	1,321,914	107,035
Non controlling interest	213,422	284,176	-70,754
Total equity	1,642,371	1,606,090	36,281
Financial liabilities	1,486,759	1,467,601	19,158
Deferred tax liabilities	198,491	180,525	17,966
Other liabilities	67,242	93,344	-26,102
Total equity and liabilities	3,394,863	3,347,560	47,303



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Valuation – Investment Properties 2013



FINANCIALS

Valuation – Investment Properties 2013

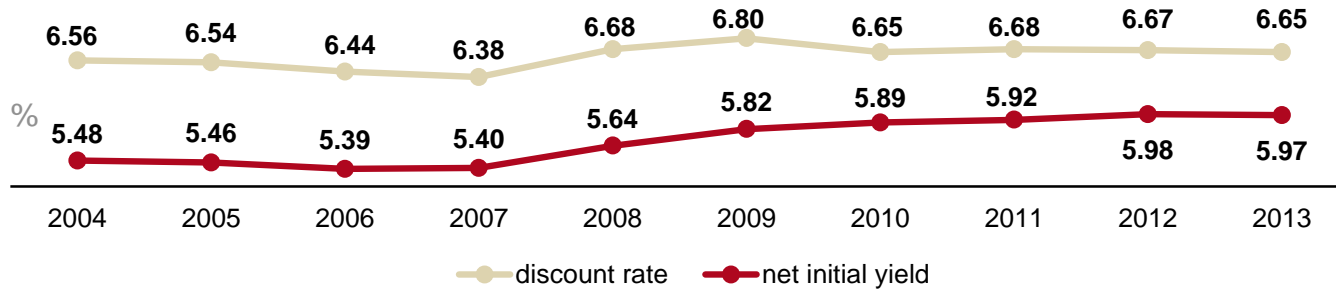
in € thousand	2013	2012	Change
Revaluation	62,488	36,518	+25,970
IFRS 3	-1,602	5,289	-6,891
Acquisition expenses	-64	-9,198	+9,134
Minority interest	-4,492	-18,675	+14,183
Valuation result before taxes	56,330	13,934	+42,396
Deferred taxes	-10,186	-6,198	-3,988
Valuation result after taxes (attributable to Group shareholders)	46,144	7,736	+38,408

- like-for-like measurement gains: +2.1%



FINANCIALS

Valuation* – Investment Properties 2013



Sensitivity analysis

in € thousand	Basis	change of -25bps	change of +25bps
Rent increase rates	1.70%	-111,500	+116,800
Discount rate	6.65%	+104,700	-99,600
Net initial yield	5.97%	+149,600	-137,600
Cost ratio	10.90%	+9,700	-9,700



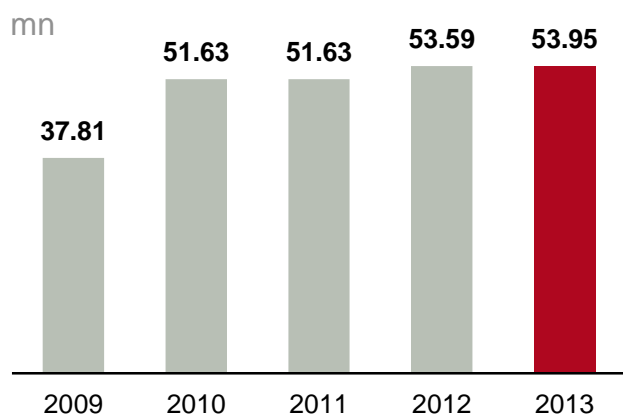
* External appraisers: Feri Research and GfK GeoMarketing

FINANCIALS

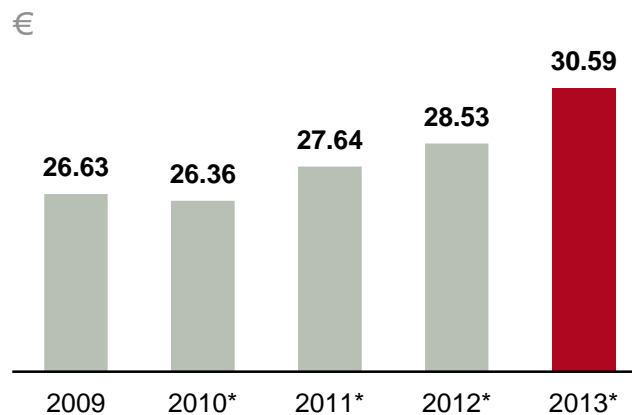
Net Asset Value (EPRA)

in € thousand	2013		2012		Change**
	total	per share	total	per share	
Equity	1,428,949	€26.49	1,321,914	€24.50	8.1%
deferred taxes	198,491	€3.68	180,525	€3.35	10.0%
NAV DES	1,627,440	€30.17	1,502,439	€27.85	8.3%
Fair value of Swaps	30,760	€0.57	49,496	€0.92	
deferred taxes	-7,762	€-0.14	-13,058	€-0.24	
NAV EPRA	1,650,438	€30.59	1,538,877	€28.53	7.2%
Number of shares	53,945,536		53,945,536		0%

NUMBER OF SHARES



NAV PER SHARE



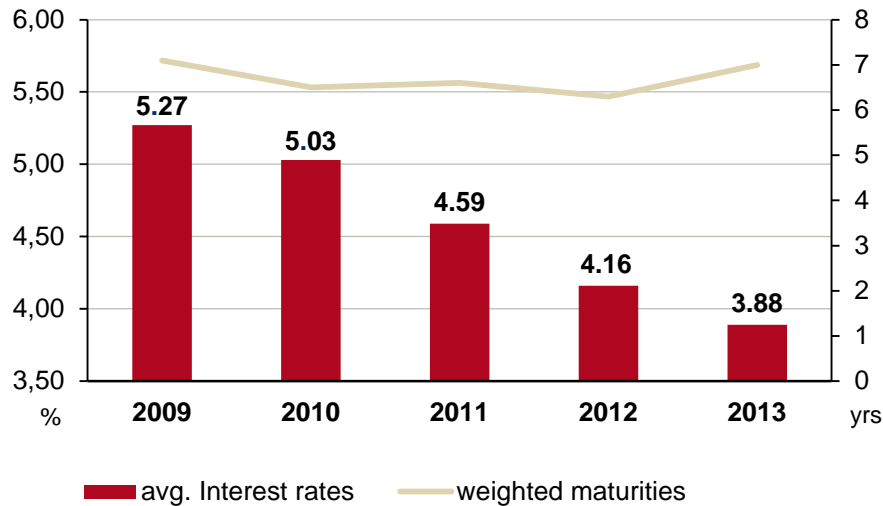
* EPRA NAV
** of total amount

FINANCIALS

Loan Structure incl. Convertible Bonds*

Interest lockin	Duration	Principle amounts (€ thousand)	Share of total loan	avg. interest rate
Up to 1 year		95.2	6%	1.67%
1 to 5 years	3.4	372.5	25%	3.88%
5 to 10 years	7.9	924.4	63%	3.72%
Over 10 years	13.7	91.0	6%	5.07%
Total 2013	7.0	1,483.1	100%	3.88%

- 21 German Banks
- Weighted maturity of fixed interest periods 7.0 years
- Weighted maturity of the loans >10 years



* as of 31 Dec. 2013

FINANCIALS

Maturities until 2018*

in € thousand	end of fixed interest periods respectively expiring loans	avg. interest rate	regular redemption payments	total maturities
2014	77,000	1.00%	18,200	95,200
2015	62,000	5.26%	17,800	79,800
2016	77,000	4.92%	16,000	93,000
2017	93,400	1.75%	16,500	109,900
2018	72,000	4.60%	17,800	89,800
	381,400			



- as of 31 Dec. 2013, excl. non-consolidated loans

FINANCIALS

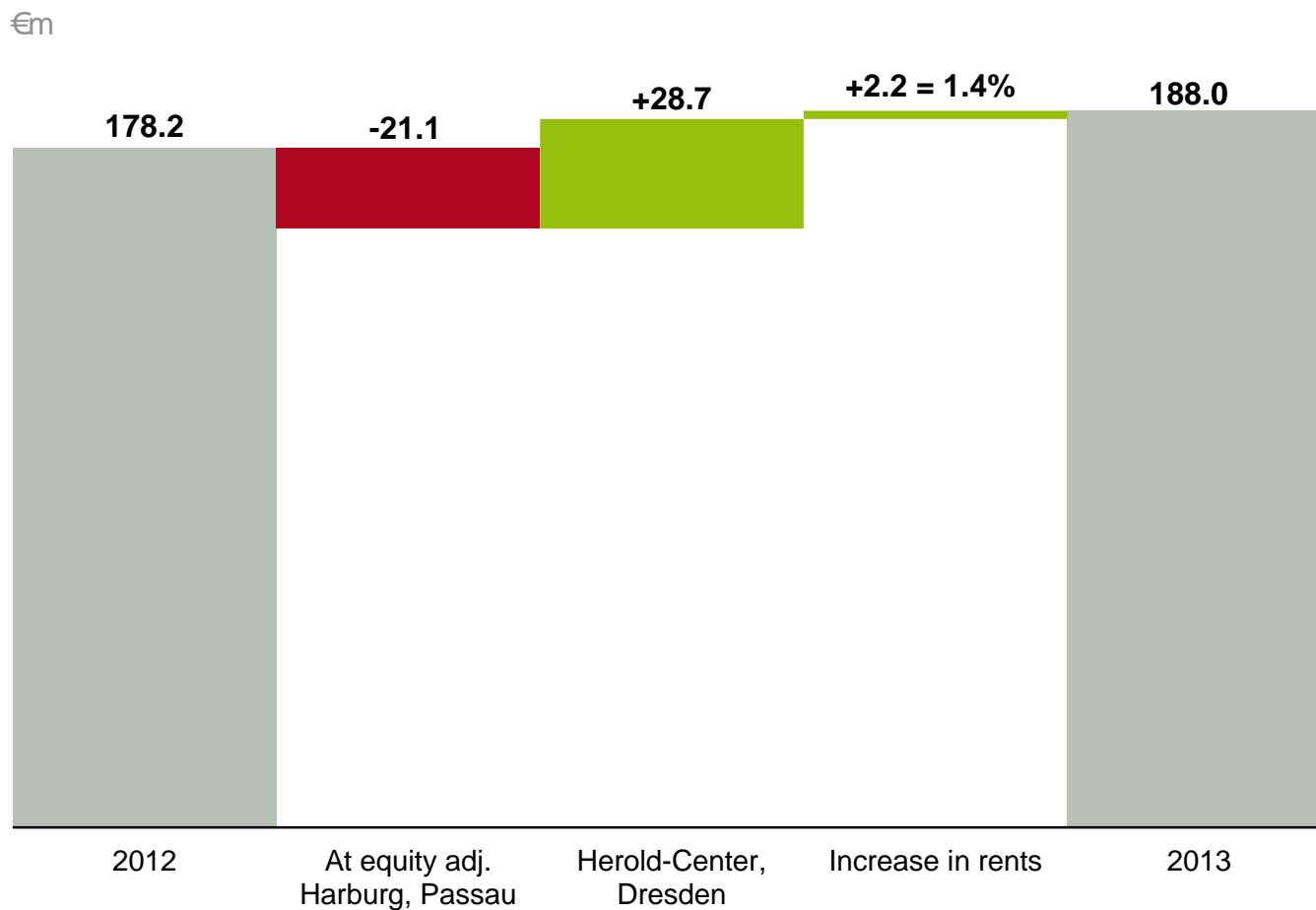
Profit and Loss Account

in € thousand	01.01 – 31.12.2013	01.01 – 31.12.2012	Change
Revenue	187,987	178,161	6%
Property operating and management costs	-17,775	-18,485	
Net operating income	170,212	159,676	7%
Other operating income	2,926	2,733	
Corporate costs	-7,705	-10,830	
EBIT	165,433	151,579	9%
Income from investments	16,688	1,400	
Interest rate swap expenses	-4,550	0	
Interest income	449	500	
Interest expense	-57,827	-63,066	
At equity result	27,024	14,346	
Profit/loss attributable to limited partners	-15,939	-15,271	
Net finance costs	-34,132	-62,091	45%
Measurement gains/losses	56,330	13,934	
EBT	187,631	103,422	81%
Taxes	-14,652	19,062	
Consolidated profit	172,979	122,484	41%



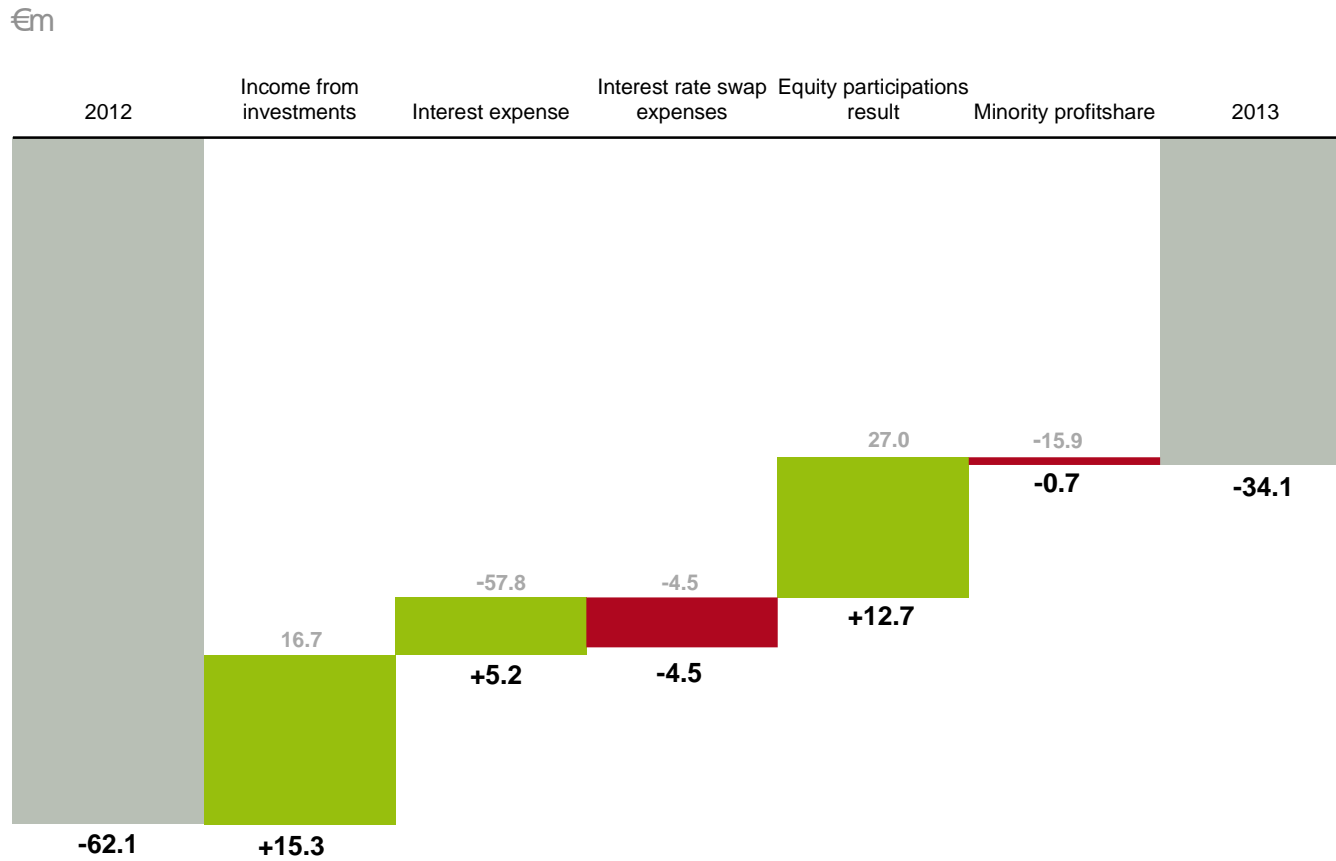
FINANCIALS

Revenue Bridge 2013



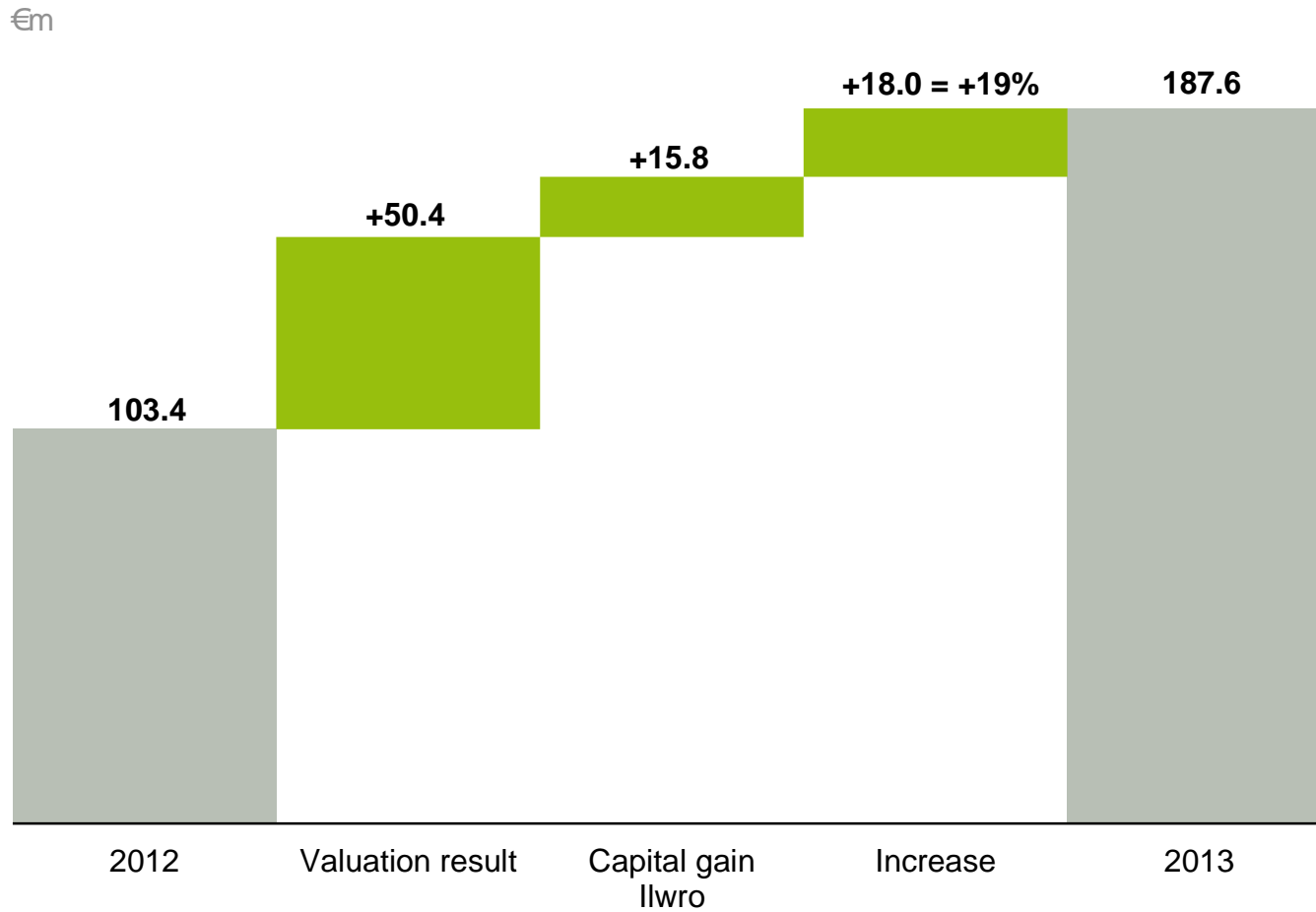
FINANCIALS

Net Finance Cost Bridge 2013



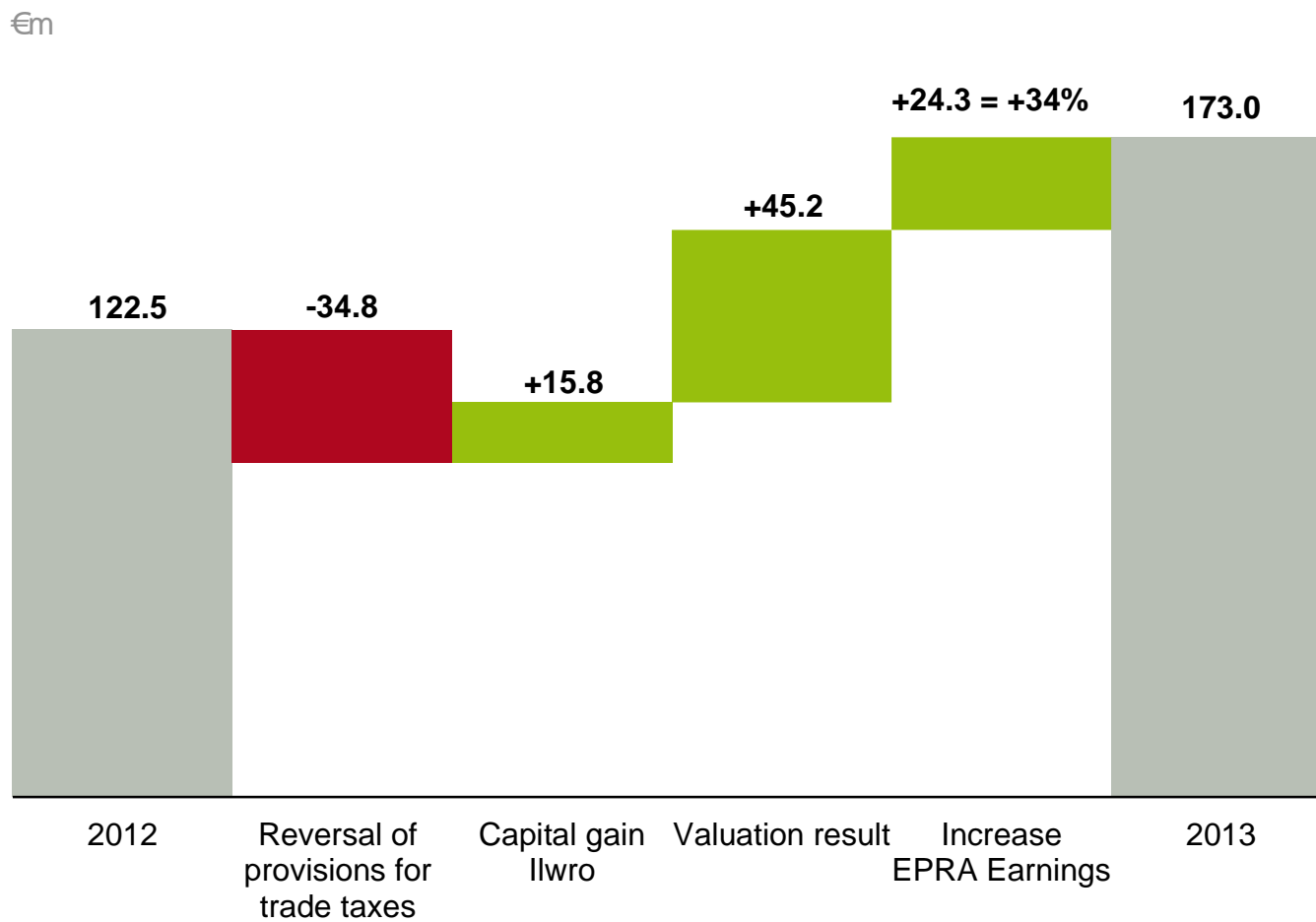
FINANCIALS

EBT Bridge 2013



FINANCIALS

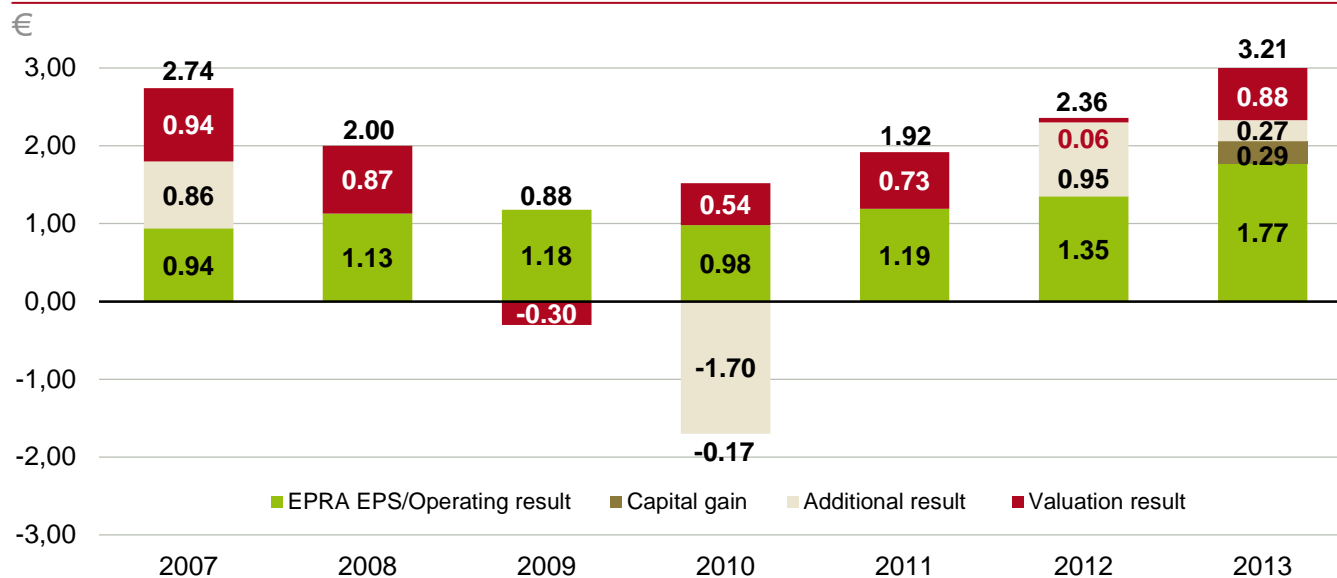
Profit Bridge 2013



FINANCIALS

Earnings per Share (EPRA)

in € thousand	2013	per share*	2012	per share*
Consolidated net profit	172,979	€3.21	122,484	€2.36
- IAS 40 valuation	-57,931	€-1.07	-13,934	€-0.27
+IFRS 3	1,602	€0.03		
- At-equity valuation	-2,410	€-0.04	5,438	€0.11
+ Deferred taxes	10,975	€0.20	5,341	€0.10
+ Tax expense for previous years	-14,556	€-0.27	-49,323	€-0.95
+ Capital gain	-15,799	€-0.29	0	0,00
EPRA Earnings	94,860	€1.77	70,006	€1.35
Number of shares (adj.)	53,945,536		51,934,893	



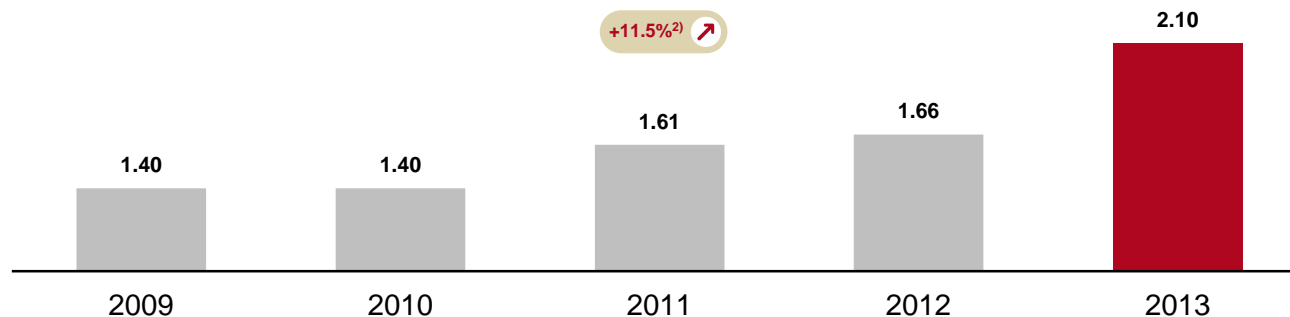
* The sum of the earnings per share amounts may not equal the totals due to rounding

FINANCIALS

Funds from Operations (FFO)

in € thousand	2013	per share ¹⁾	2012	per share ¹⁾
Consolidated net profit	172,979	€3.21	122,484	€2.36
- Capital gain	-15,799	€0.29	0	€0.00
- IAS 40 valuation	-57,931	€-1.07	-13,934	€-0.27
+ IFRS 3	1,602	€0.03	0	€0.00
- At-equity valuation	-2,410	€-0.04	5,438	€0.10
+ Costs conversion privilege	940	€0.02	0	€0.00
+ Deferred taxes	13,788	€0.26	-27,545	€-0.53
FFO	113,169	€2.10	86,442	€1.66
Number of shares (adj.)	53,945,536		51,934,893	

€

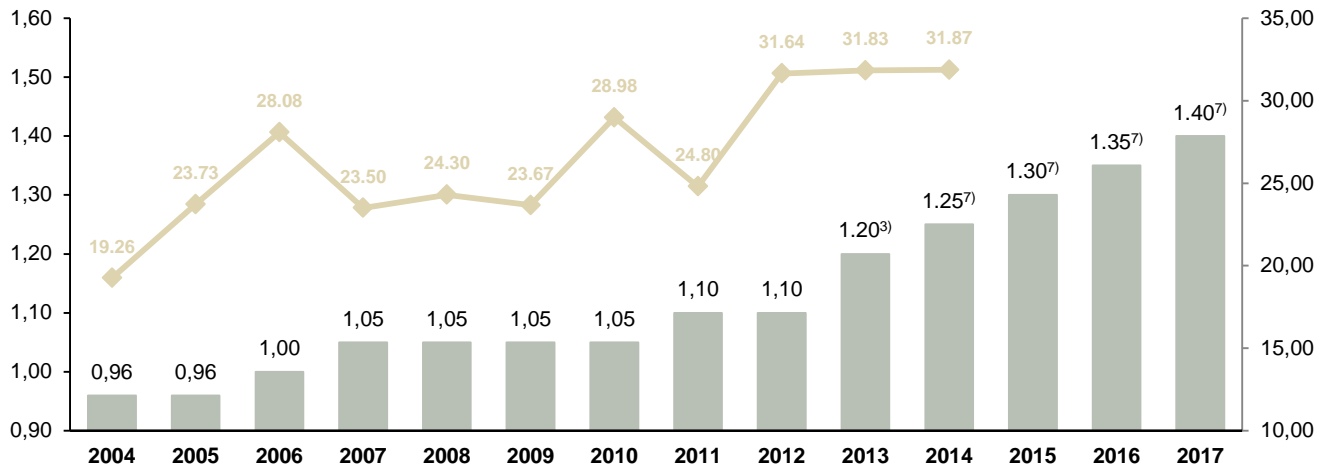


- 1) The sum of the earnings per share amounts may not equal the totals due to rounding
- 2) Compound Annual Growth Rate (CAGR)

SHOPPING CENTER SHARE

Dividend & Performance

Dividend¹⁾



Share price²⁾

PERFORMANCE⁴⁾

	DES	DAX	EPRA ⁵⁾	REX ⁶⁾	OEF ⁸⁾
1 year (2013)	+4.5%	+25.5%	+9.6%	-0.5%	+1.1%
3 years	+23.4% = +7.2% p.a.	+11.4% p.a.	+8.7% p.a.	+4.1% p.a.	+1.6% p.a.
5 years	+61.4% = +10.0% p.a.	+14.7% p.a.	+15.5% p.a.	+4.2% p.a.	+2.3% p.a.
Since IPO (2001)	+184.1% = +8.4% p.a.	+3.1% p.a.	+6.8% p.a.	+4.9% p.a.	+3.7% p.a.



1) respectively paid for the previous financial year
 2) 2014: as of 18 March 2014
 3) paid on 21 June 2013
 4) as of 31 December 2013
 5) EPRA/NAREIT Europe
 6) German government bonds index
 7) probable proposal
 8) Open ended real estate funds

COMPANY

Outlook

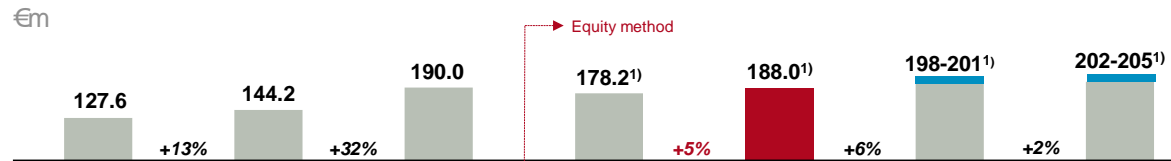
- Investments of €18.9 million for CAPEX in 2014
- No further refinancings in 2014
- New acquisitions?
- Further optimisation of tax structure?
- Increase in dividend to €1.30



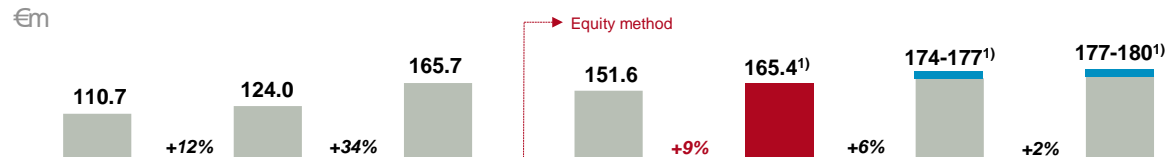
FINANCIALS

Forecast

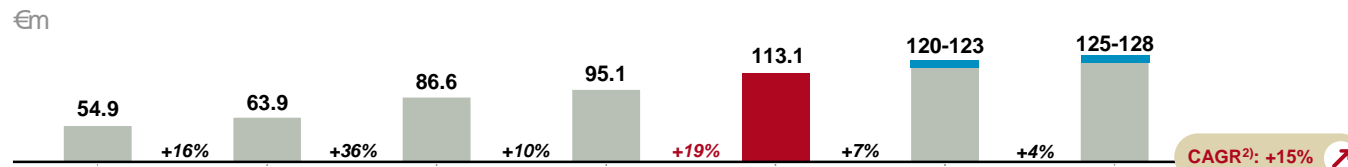
REVENUE



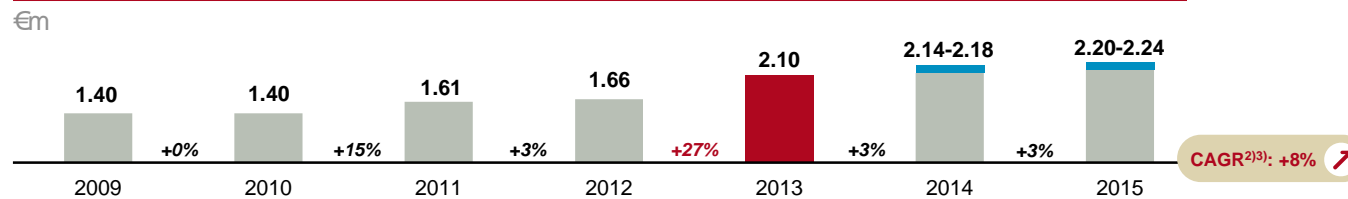
EBIT



EBT BEFORE VALUATION⁴⁾



FFO PER SHARE



- 1) Equity method
- 2) Compound Annual Growth Rate (CAGR) 2009-2015
- 3) incl. dilution
- 4) excl. capital gain

APPENDIX

Retail turnover 2013*

Retail sector	% change in 2013	rent-to-sales ratio in %	% of sales	% of space
Department stores	2.1	5.9	8.5	14.4
Food	0.4	7.0	9.6	6.4
Fashion textiles	-2.0	11.8	28.2	37.1
Shoes & leather goods	0.6	13.5	5.8	6.9
Sports	-0.8	8.8	4.2	5.0
Health & Beauty	2.7	7.1	11.2	6.0
General Retail	-0.8	9.7	11.7	10.9
Electronics	-1.0	2.9	12.2	7.7
Services	4.2	4.7	4.5	1.6
Food catering	0.1	13.0	4.1	4.0
Total	-0.1	8.7	100.0	100.0

- retail turnover development abroad on a **like-for-like** basis: **+2.2%**
DES-Portfolio overall: **+0.2%**
- absolute** turnover development: Germany **-0.1%****, Abroad **+3.3%**
DES-Portfolio overall: **+0.3%**



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

** compares to a turnover development of +1.4% of the overall German retail

APPENDIX

Key Data of the Share

Listed since	02.01.2001
Nominal capital	€53,945,536.00
Outstanding shares	53,945,536
Class of shares	Registered shares
Dividend 2012 (21 June 2013)	€1.20
52W High	€34.55
52W Low	€29.27
Share price (19 March 2014)	€32.10
Market capitalisation	€1.72 billion
avg. turnover per day last 12 months (XETRA)	112,300 shares
Indices	MDAX, EPRA, GPR, MSCI Small Cap, EURO STOXX, STOXX Europe 600
Official market	Prime Standard Frankfurt and XETRA
OTC market	Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart
ISIN	DE 000 748 020 4
Ticker	DEQ, Reuters: DEQGn.DE
Market maker	Close Brothers Seydler



APPENDIX

Financial Calendar

2014

20.03. Preliminary Results FY 2013	12.08. Interim report H1 2014
24.03. Roadshow Zurich, Berenberg	17.09. Roadshow Luxembourg, Bankhaus Lampe
24.03. Roadshow Paris, Cheuvreux	22.09. Goldman Sachs & Berenberg German Conference, Munich
25.03. Roadshow Brussels, DZ Bank	23.09. Baader Investment Conference, Munich
26.03. Roadshow Munich, Baader Bank	30.09. Roadshow London, Berenberg
27.03. Bank of America Merrill Lynch Real Estate Conference, London	01.10. Societe Generale Real Estate Conference, London
03.04. HSBC Real Estate Conference, Frankfurt	06.10. ExpoREAL, Munich
09.04. Roadshow Hamburg, Montega	13.11. Nine-month report 2014
25.04. Publication of the Annual Report 2013	18.11. Roadshow Amsterdam, Kempen & Co.
14.05. Interim report Q1 2014	19.11. Roadshow Paris, Deutsche Bank
15.05. Donner & Reuschel Hamburger Investmentkonferenz, Hamburg	19.11. Roadshow Zurich, Baader
16.05. Roadshow Dusseldorf/Cologne, DZ Bank	01.-02.12. Berenberg European Conference, Pennyhill
20.05. Roadshow London, MM Warburg	
04.-05.06. Kempen European Property Seminar, Amsterdam	
11.-13.06. db Access Conference, Berlin	
18.06. Annual General Meeting, Hamburg	



APPENDIX

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