

# CONFERENCE CALL

FY2015 – PRELIMINARY RESULTS



23 MARCH 2016

## RETAIL TURNOVER 2015<sup>1</sup>

### RETAILERS

Retail sector	% change in 2015	rent-to-sales ratio in %	% of sales	% of space
Department stores	-1.9	6.0	7.9	13.6
Food	-0.5	7.5	9.1	6.3
Fashion textiles	-1.4	12.2	30.1	39.7
Shoes & leather goods	-2.8	14.3	5.3	6.3
Sports	-0.5	8.9	4.1	4.7
Health & beauty	2.9	7.1	11.7	5.9
General retail	-0.9	10.9	8.6	9.3
Electronics	0.8	4.2	14.1	8.6
Services	3.3	4.5	4.6	1.5
Food catering	2.4	12.9	4.5	4.1
<b>Total</b>	<b>-0.2</b>	<b>9.1</b>	<b>100.0</b>	<b>100.0</b>

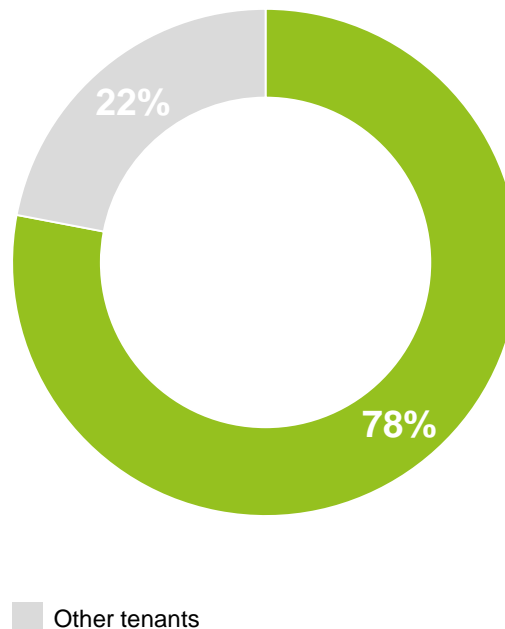
- Retail turnover development on a like-for-like basis: Germany -0.2%, abroad +1.5%  
DES-Portfolio overall: +0.0%
- Absolute turnover development: Germany -0.1%, abroad +2.8%  
DES-Portfolio overall: +0.3%

<sup>1</sup> German centers on a like-for-like basis  
(turnover: €2.0 billion)

## TENANTS STRUCTURE TOP 10 TENANTS<sup>1</sup>

	2015	2014
Metro Group <sup>2</sup>	4.5%	5.6%
H&M	3.4%	3.2%
New Yorker	2.3%	2.4%
Douglas Group <sup>3</sup>	2.1%	3.8%
Peek & Cloppenburg	2.1%	2.1%
Deichmann	1.8%	1.9%
REWE	1.6%	1.6%
C&A	1.5%	1.5%
Inditex Group	1.2%	1.3%
Esprit	1.2%	1.2%
<b>Total</b>	<b>21.7%</b>	<b>24.6%</b>

Low level of dependence  
on the top 10 tenants



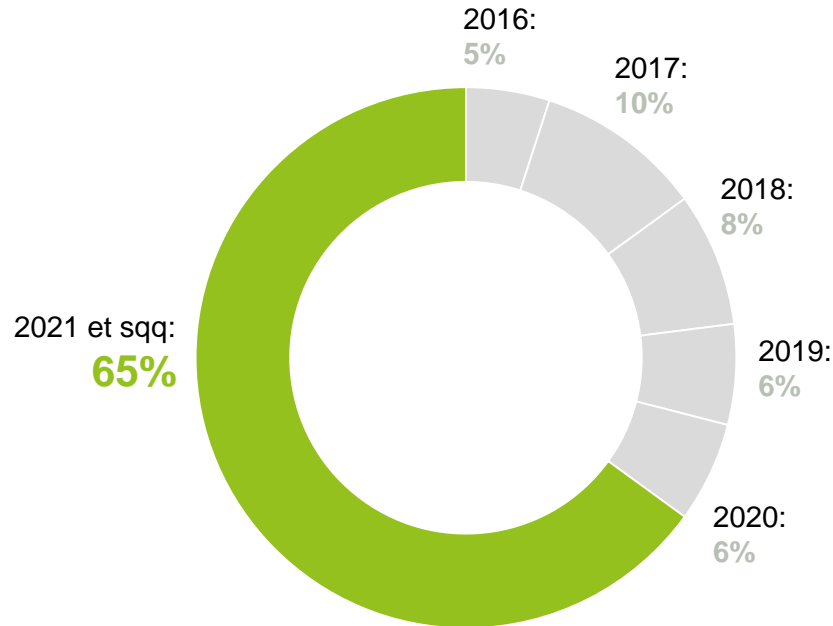
SHOPPING CENTERS

<sup>1</sup> in % of total rents as at 31 Dec. 2015

<sup>2</sup> 2015: excluding Kaufhof

<sup>3</sup> 2015: perfume stores only

## MATURITY DISTRIBUTION OF RENTAL CONTRACTS<sup>1</sup>



SHOPPING CENTERS

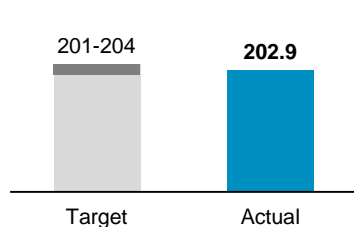
- Long-term contracts guarantee rental income
- Weighted maturity 6.2 years

<sup>1</sup> as % of rental income as at 31 Dec. 2015

## TARGET – PERFORMANCE COMPARISON

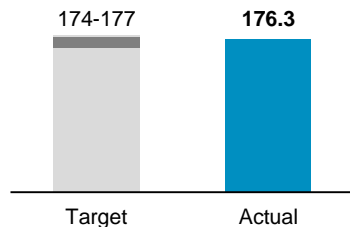
### REVENUE

€m



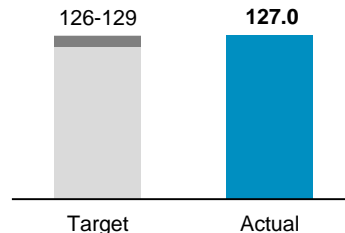
### EBIT

€m

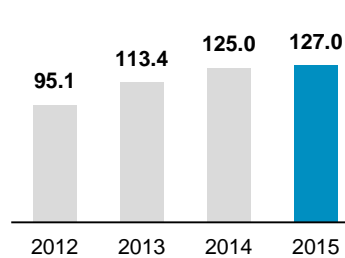
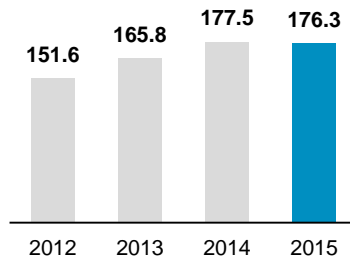
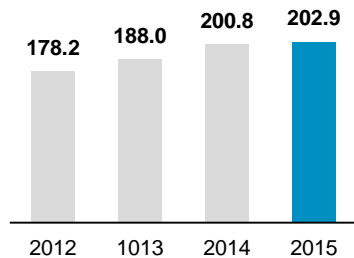


### EBT EXCL. VALUATION<sup>1</sup>

€m



### FINANCIALS



<sup>1</sup> excl. capital gain

## PROFIT AND LOSS ACCOUNT

in € thousand	01.01. – 31.12.2015	01.01 – 31.12.2014	Change
<b>Revenue</b>	<b>202,854</b>	<b>200,785</b>	<b>1%</b>
Property operating and management costs	-19,383	-18,984	
<b>Net operating income</b>	<b>183,471</b>	<b>181,801</b>	<b>1%</b>
Other operating income	800	1,889	
Corporate costs	-7,975	-6,184	
<b>EBIT</b>	<b>176,296</b>	<b>177,506</b>	<b>-1%</b>
Income from investments	1	1	
Other financial income and expenses	2,273	-610	
Interest income	229	348	
Interest expense	-55,980	-58,570	
At equity result	68,355	35,129	
Profit/loss attributable to limited partners	-17,020	-16,117	
<b>Net finance costs</b>	<b>-2,142</b>	<b>-39,819</b>	<b>95%</b>
Measurement gains/losses	220,556	76,986	
<b>EBT</b>	<b>394,710</b>	<b>214,673</b>	<b>84%</b>
Taxes	-85,428	-37,247	
<b>Consolidated profit</b>	<b>309,282</b>	<b>177,426</b>	<b>74%</b>

FINANCIALS

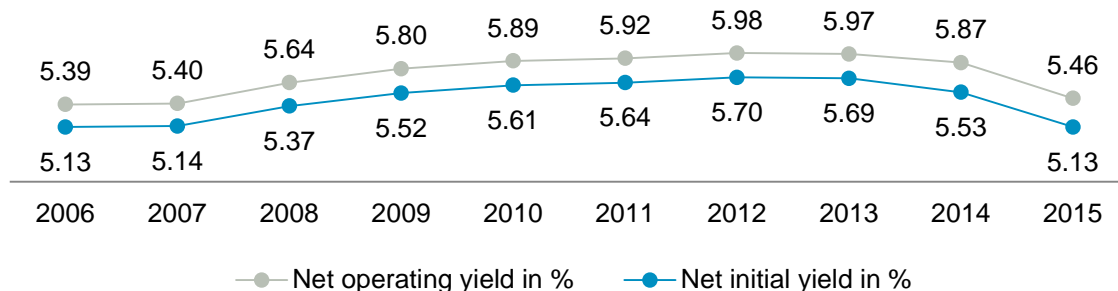
## VALUATION – INVESTMENT PROPERTIES 2015

in € thousand	2015	2014	Change
Revaluation	285,408	88,302	+197,106
Acquisition expenses	-477	0	-477
Minority interest	-64,376	-11,316	-53,060
<b>Valuation result before taxes</b>	<b>220,555</b>	<b>76,986</b>	<b>+143,569</b>
Deferred taxes	-46,631	-14,924	-31,707
<b>Valuation result after taxes (attributable to Group shareholders)</b>	<b>173,924</b>	<b>62,062</b>	<b>+111,862</b>

- Like-for-like measurement gains: +9.4%

## VALUATION<sup>1</sup> – INVESTMENT PROPERTIES 2015

### FINANCIALS



### SENSITIVITY ANALYSIS

in € thousand	Basis	change of -25bps	change of +25bps
Rent increase rates	1.14%	-101,100	+129,100
Discount rate	6.11%	+62,400	-64,100
Capitalization rate	5.33%	+99,400	-96,800
Cost ratio	10.70%	+7,700	-10,200

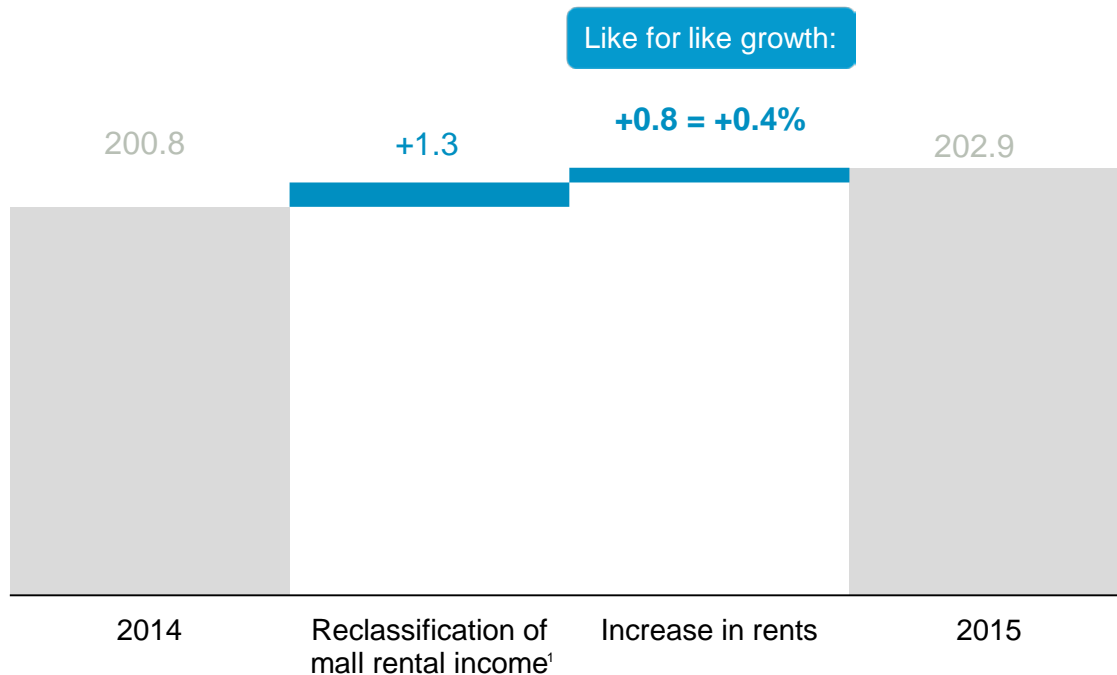
<sup>1</sup> External appraisers:  
until 2014: Feri Research  
and GfK GeoMarketing  
since 2015: JLL



## REVENUE BRIDGE 2015

€m

FINANCIALS

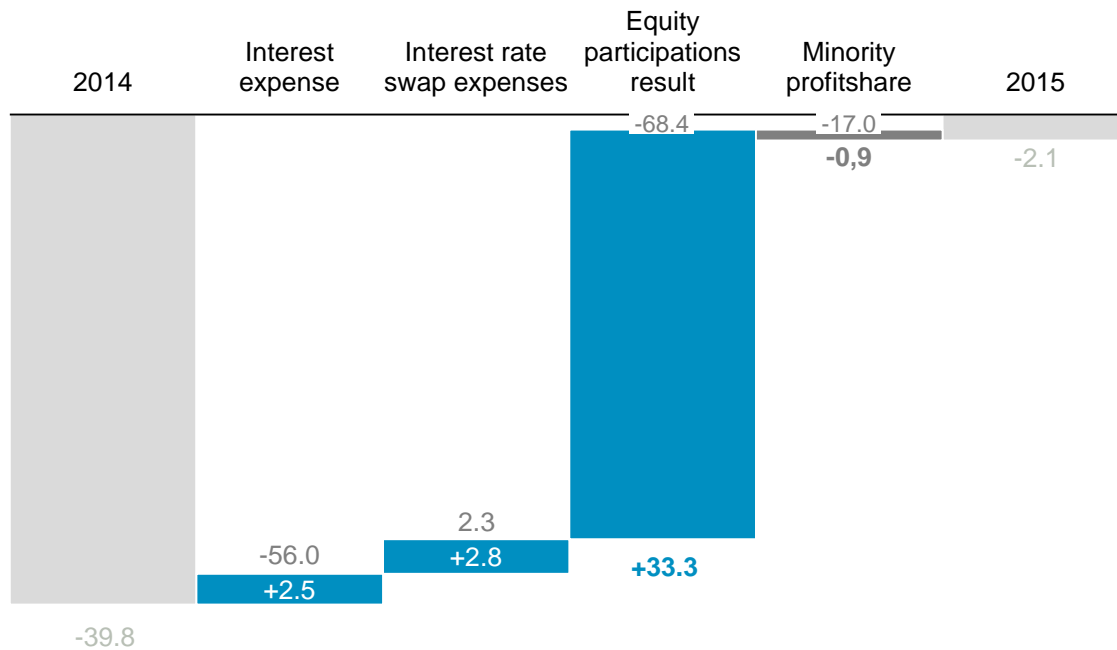


<sup>1</sup> previously other operating income

## NET FINANCE COST BRIDGE 2015

€m

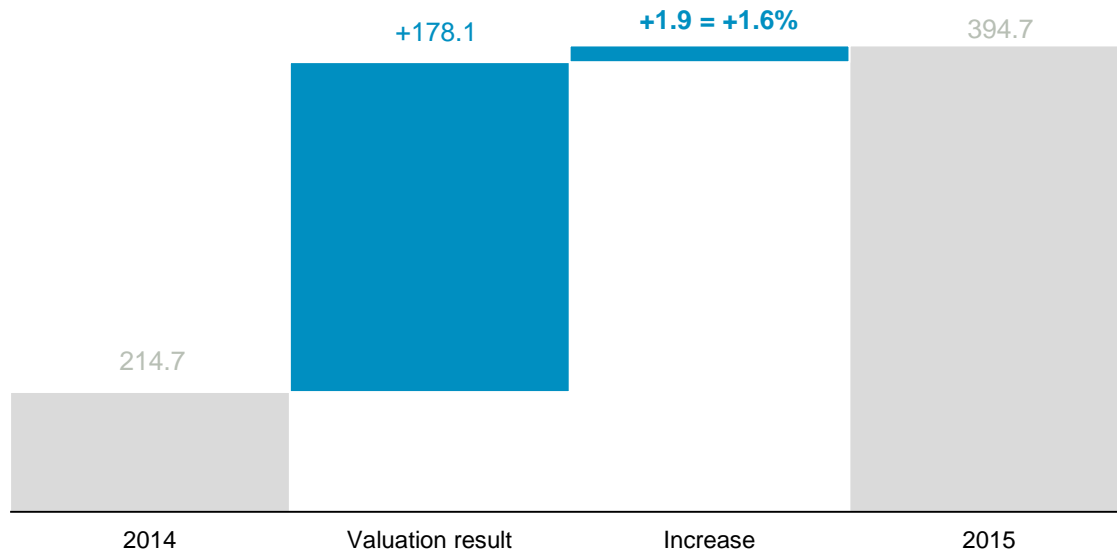
FINANCIALS



# EBT BRIDGE 2015

€m

FINANCIALS

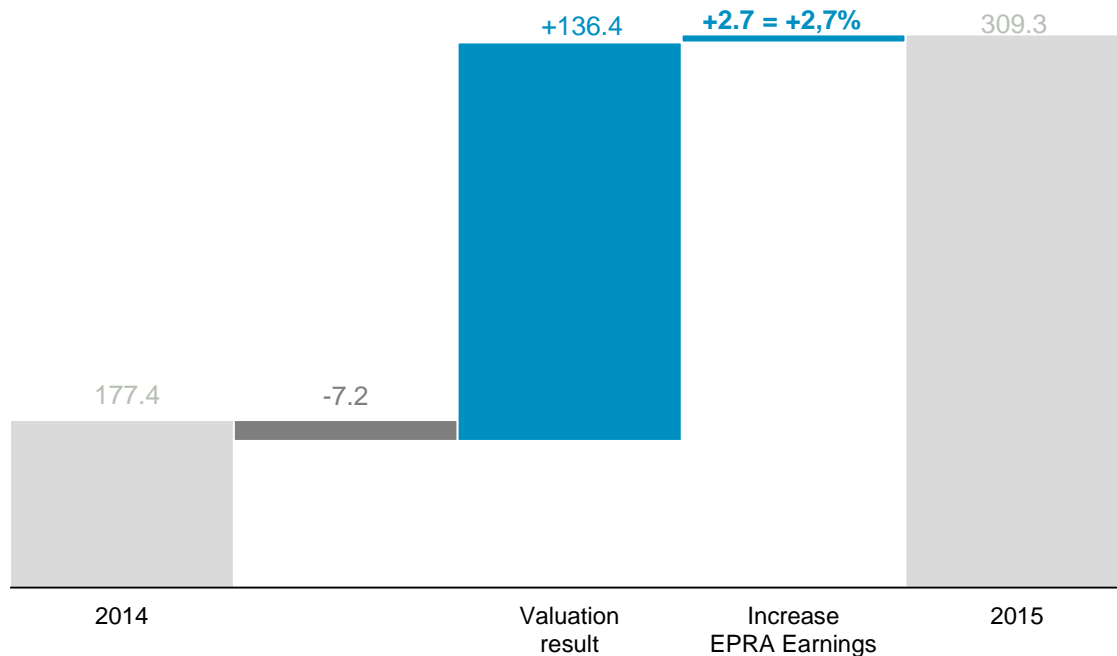


EBT excluding valuation:  
2015: €127.0 million  
2014: €125.0 million

# PROFIT BRIDGE 2015

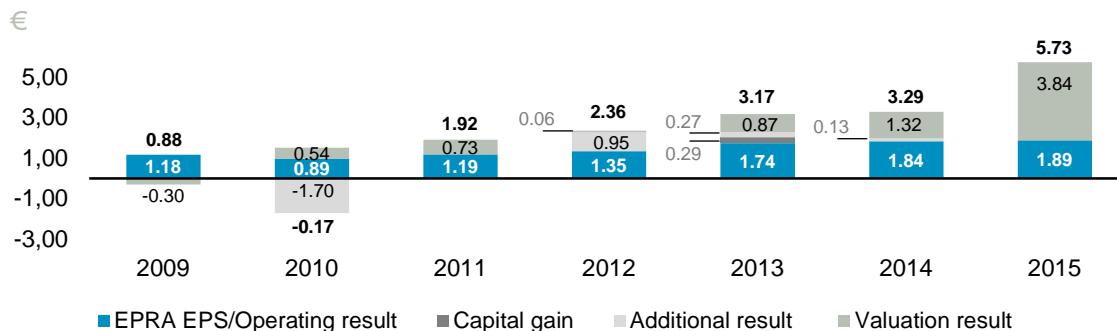
€m

FINANCIALS



## EARNINGS PER SHARE (EPRA)

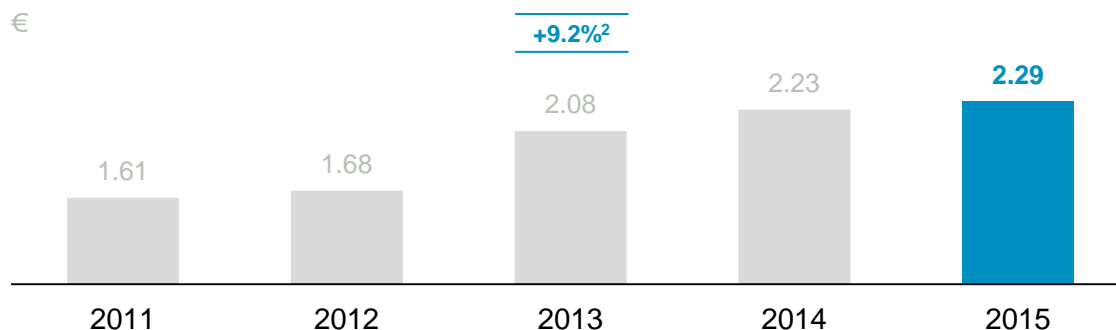
in € thousand	2015	per share <sup>1</sup>	2014	per share <sup>1</sup>
<b>Consolidated net profit</b>	309,282	<b>€5.73</b>	177,426	<b>€3.29</b>
- IAS 40 valuation	-220,555	€4.09	-76,986	€1.42
- At-equity valuation	-47,180	€0.87	-12,688	€0.24
+ Deferred taxes	60,282	€1.12	18,588	€0.34
+ Tax expense for previous years	0	€0.00	-7,174	€0.13
<b>EPRA Earnings</b>	101,829	<b>€1.89</b>	99,165	<b>€1.84</b>
Number of shares (adj.)	53,945,536		53,945,536	



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

## FUNDS FROM OPERATIONS (FFO)

in € thousand	2015	per share <sup>1</sup>	2014	per share <sup>1</sup>
<b>Consolidated net profit</b>	309,282	<b>€5.73</b>	177,426	<b>€3.29</b>
- IAS 40 valuation	-220,556	€4.09	-76,986	€1.43
- At-equity valuation	-47,180	€0.87	-12,688	€0.24
+ Costs conversion privilege	967	€0.02	967	€0.02
+ Deferred taxes	80,851	€1.50	31,805	€0.59
<b>FFO</b>	123,364	<b>€2.29</b>	120,524	<b>€2.23</b>
Number of shares (adj.)	53,945,536		53,945,536	



<sup>1</sup> The sum of the amounts may not equal the totals due to rounding

<sup>2</sup> 2011 - 2015, Compound Annual Growth Rate (CAGR)

## BALANCE SHEET

in € thousand	31.12.2015	31.12.2014	Change
Non-current assets	3,768,118	3,420,212	347,906
Current assets	83,496	71,946	11,550
<b>Total assets</b>	<b>3,851,614</b>	<b>3,492,158</b>	<b>243,517</b>
Group equity	1,767,859	1,524,342	309,781
Right to redeem of limited partners	293,113	226,849	66,264
<b>Total equity</b>	<b>2,060,972</b>	<b>1,751,191</b>	<b>309,781</b>
Financial liabilities	1,407,607	1,430,085	-22,478
Deferred tax liabilities	309,528	227,455	82,073
Other liabilities	73,507	83,427	-9,920
<b>Total equity and liabilities</b>	<b>3,851,614</b>	<b>3,492,158</b>	<b>359,456</b>

	31.12.2015	31.12.2014
Equity ratio <sup>1</sup>	53.5%	50.1%
LTV ratio	35.5%	40.1%

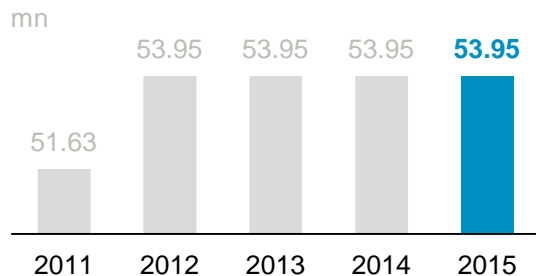
<sup>1</sup> incl. non controlling interests

## NET ASSET VALUE (EPRA)

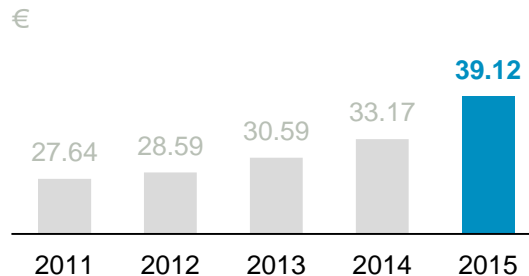
in € thousand	2015		2014		Change <sup>1</sup>
	total	per share	total	per share	
Equity	1,767,859	€32.77	1,524,342	€28.26	16.0%
Deferred taxes	309,528	€5.74	227,455	€4.22	36.1%
Fair value of Swaps	42,600	€0.79	48,194	€0.89	
Deferred taxes (Swaps)	-9,380	€-0.17	-10,602	€-0.20	
<b>NAV EPRA</b>	<b>2,110,606</b>	<b>€39.12</b>	<b>1,789,389</b>	<b>€33.17</b>	<b>18.0%</b>
Number of shares	53,945,536		53,945,536		0%

### FINANCIALS

#### NUMBER OF SHARES



#### NAV PER SHARE



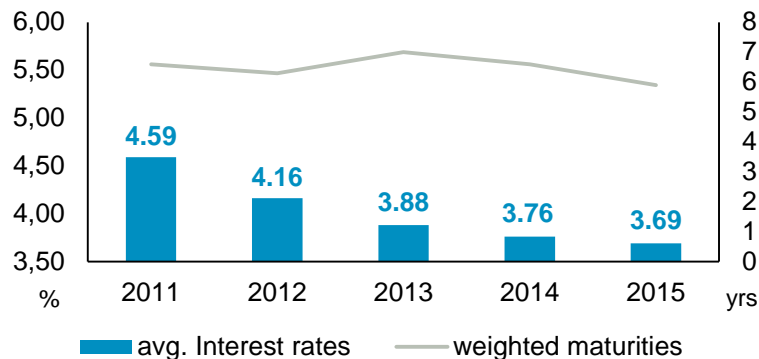
<sup>1</sup> of total amount



## LOAN STRUCTURE INCL. CONVERTIBLE BONDS<sup>1,2,3</sup>

Interest lockin	Duration	Principle amounts (€ thousand)	Share of total loan	avg. interest rate
Up to 1 year		45.5	3.8%	2.10%
1 to 5 years	3.8	565.4	40.2%	3.87%
5 to 10 years	6.8	707.4	50.3%	3.34%
Over 10 years	11.8	87.0	6.2%	5.08%
<b>Total 2015</b>	<b>5.9</b>	<b>1,405.3</b>	<b>100%</b>	<b>3.69%</b>

- 21 German Banks
- Weighted maturity of fixed interest periods 5.9 years



<sup>1</sup> as of 31 Dec. 2015

<sup>2</sup> excl. non-consolidated loans

## MATURITIES UNTIL 2021<sup>1,2</sup>

in € thousand	end of fixed interest periods respectively expiring loans	avg. interest rate	regular redemption payments	total maturities
2016	79,800	4.92%	17,100	<b>96,900</b>
2017	96,100	1.75%	16,500	<b>112,600</b>
2018	72,100	4.60%	17,800	<b>89,900</b>
2019	123,100	4.73%	14,700	<b>137,800</b>
2020	134,100	4,52%	10,100	<b>144,200</b>
2021	198,300	4,48%	8,200	<b>206,500</b>
	<b>398,600</b>			

### Non-consolidated loans<sup>1</sup>

In € thousand	End of fixed interest periods respectively expiring loans	Avg. interest rate	DES' share	
2016	144,900	4.94%	<b>50%</b>	City-Arkaden, Klagenfurt: €91.8m; 4.30% interest rate fixed: 2.18% (15y)
2017-2021	0			Phoenix-Center, Hamburg: €53.1m; 6.06% interest rate fixed: 1.83% (10y)

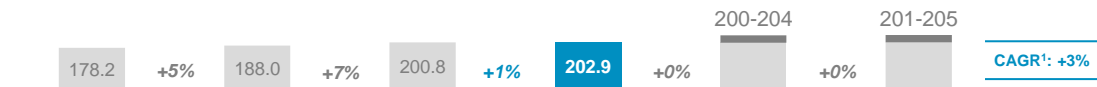
<sup>1</sup> as of 31 Dec. 2015

<sup>2</sup> excl. non-consolidated loans

# FORECAST

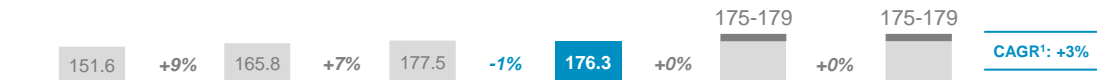
## REVENUE

€m



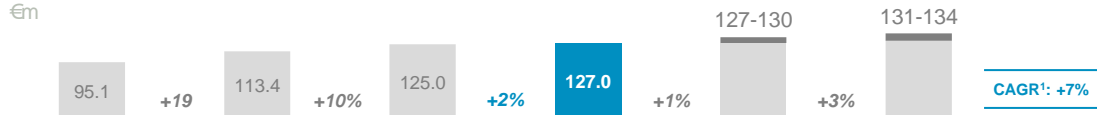
## EBIT

€m



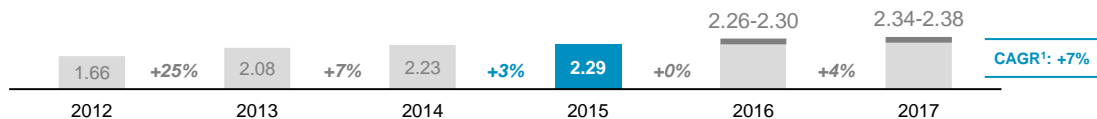
## EBT EXCLUDING VALUATION²

€m



## FFO PER SHARE

€



¹ Compound Annual Growth Rate (CAGR) 2012 - 2017

² Excl. capital gain

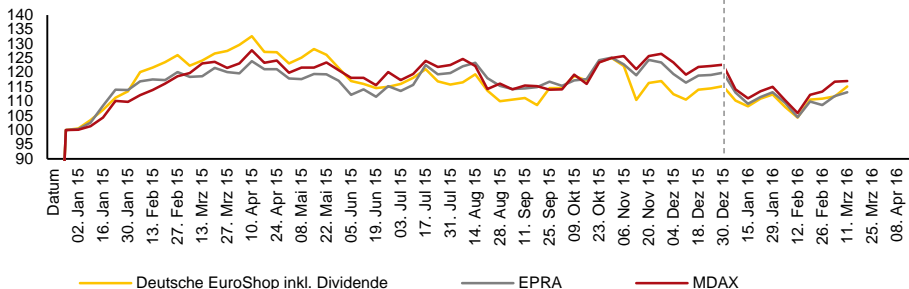
## OUTLOOK

- Investments of €22 million for CAPEX in 2016
- Refinancings of €79.8 million in 2016
- Increase in dividend to €1.35 per share
- Currently evaluating one center which would fit well into the portfolio

COMPANY

# STATISTICS 2015

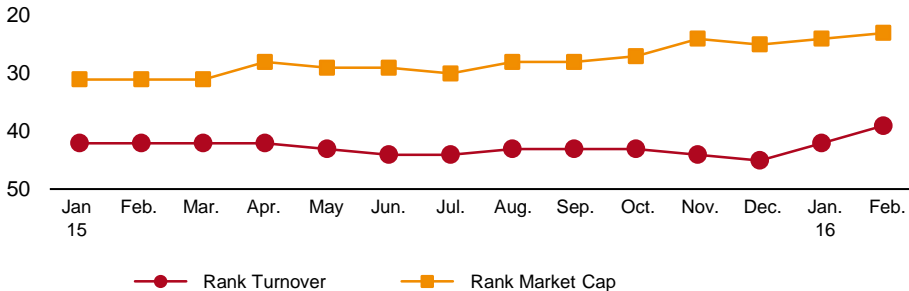
## TREND OF SHARE (INDEXED)



**Performance 2015:**  
 DES: +15.3%  
 MDAX: +22.7%  
 EPRA: +20.0%

## APPENDIX

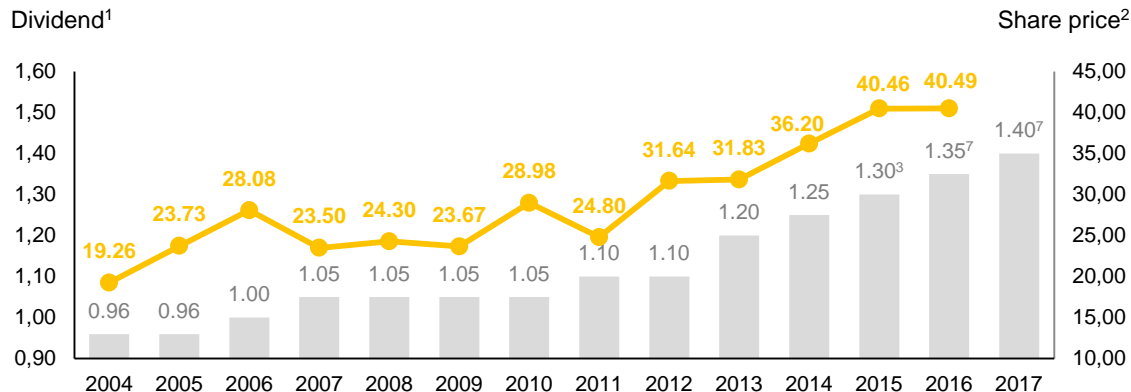
## INDEX RANKING (MDAX)



**Index ranking MDAX Feb 2016:**  
 27. (Market Cap)  
 37. (Turnover)

# DIVIDEND & PERFORMANCE

## TREND OF SHARE (INDEXED)



## APPENDIX

### PERFORMANCE<sup>4</sup>

		DES	DAX	EPRA <sup>5</sup>	REX <sup>6</sup>	OEI <sup>8</sup>
1 year	(2015)	<b>+15.3%</b>	+9.6%	+20.0%	+0.5%	+3.3%
3 years	+41.8% =	<b>+12.3% p.a.</b>	+12.2% p.a.	+18.5% p.a.	+2.3% p.a.	+2.2% p.a.
5 years	+67.4% =	<b>+10.8% p.a.</b>	+9.2% p.a.	+14.3% p.a.	+4.0% p.a.	+2.3% p.a.
Since IPO (2001)	+285.4%=	<b>+9.4% p.a.</b>	+3.5% p.a.	+8.9% p.a.	+4.7% p.a.	+3.4% p.a.

<sup>1</sup> respectively paid for the previous FY

<sup>2</sup> 2016: as of 21 March 2015

<sup>3</sup> paid on 19 June 2015

<sup>4</sup> as of 31 Dec. 2015

<sup>5</sup> EPRA/NAREIT Europe

<sup>6</sup> German government bonds index

<sup>7</sup> proposal

<sup>8</sup> Open ended real estate funds

## 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 2015 (proposal)	€1.35
52W High	€48.33
52W Low	€35.76
Share price (21 March 2016)	€40.49
Market capitalisation	€2.18 billion
Avg. turnover per day last 12 months (XETRA)	160,400 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: DEQn.DE
Market maker	Oddo Seydler

## APPENDIX

# FINANCIAL CALENDAR

2016

<b>23.03.</b>	<b>Preliminary Results FY 2015</b>	08.07.	Roadshow Cologne-Dusseldorf, DZ Bank
06.-08.04.	Roadshow USA, Berenberg	08.07.	Roadshow Stuttgart, ESN equinet
06.04.	Roadshow London, Metzler	12.07.	DSW Private Investors Forum, Frankfurt
07.04.	Roadshow Paris, Natixis	<b>15.08.</b>	<b>Interim Report H1 2016</b>
18.04.	Roadshow Munich, Baader Bank	17.08.	Roadshow Helsinki, ESN equinet
18.04.	Roadshow Frankfurt, HSBC	13.09.	Bank of America Merrill Lynch Global Real Estate Conference, New York
<b>28.04.</b>	<b>Publication of the Annual Report 2015</b>	14.09.	UBS Best of Germany Conference, New York
12.05.	Interim report Q1 2016	19.09.	Goldman Sachs & Berenberg German Conference, Munich
26.05.	Kempen European Property Seminar, Amsterdam	20.09.	Baader Investment Conference, Munich
01.06.	Kepler Cheuvreux German Property Day, Paris	04.-06.10.	EXPO Real, Munich
01.06.	Roadshow Warsaw, Erste Securities Polska	10.10.	Roadshow Madrid, M.M. Warburg
08.06.	Deutsche Bank dbAccess German Swiss & Austrian Conference, Berlin	13.10.	Roadshow Brussels, DZ Bank
<b>15.06.</b>	<b>Annual General Meeting, Hamburg</b>	<b>14.11.</b>	<b>Nine-month Report 2016</b>
01.07.	ESN equinet European Conference, Frankfurt	16.11.	Roadshow Amsterdam, ABN AMRO
07.07.	Roadshow London, Societe Generale	16.11.	Roadshow Geneva, Kepler Cheuvreux
07.07.	Roadshow Zurich, Bankhaus Lampe	17.11.	Roadshow Zurich, Kepler Cheuvreux
		22.11.	German Equity Forum, Frankfurt

APPENDIX



## CONTACT



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