



ANNUAL EARNINGS CONFERENCE

FY 2011 Preliminary Results

09.03.2012

FY 2011

COMPANY

Highlights 2011

January

Increase of the shareholding in Stadt-Galerie Hameln to 100%



Hameln

March

Opening of the extension of the Altmarkt-Galerie Dresden

April

Opening of the A10 Triangle

July

Increase of the shareholding in City-Galerie Wolfsburg to 100%



A10



Wolfsburg



Dresden



COMPANY

Highlights 2011

October

Acquisition of 50%-interest in Allee-Center Magdeburg

November

Opening of the north extension of the Main-Taunus-Zentrum

December

Increase of the shareholdings in Rhein-Neckar-Zentrum, Allee-Center Hamm and Rathaus-Center Dessau to 100%



Main-Taunus-Zentrum



Rhein-Neckar-Zentrum



Hamm



Dessau



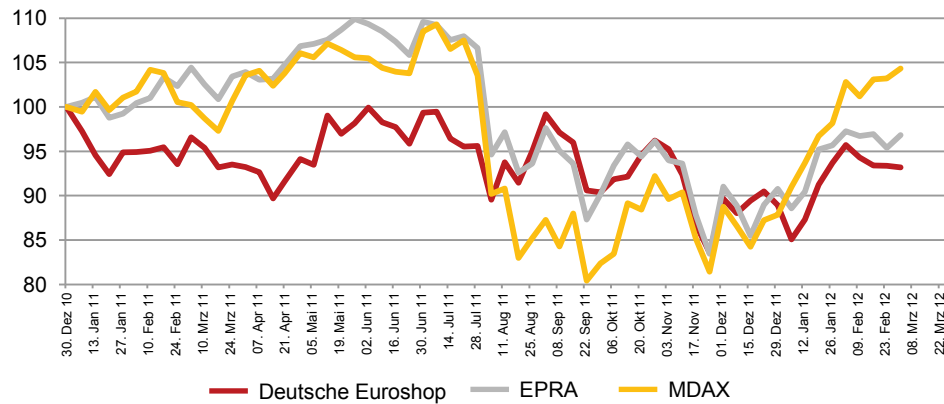
Magdeburg



SHOPPING CENTER SHARE

Highlights 2011

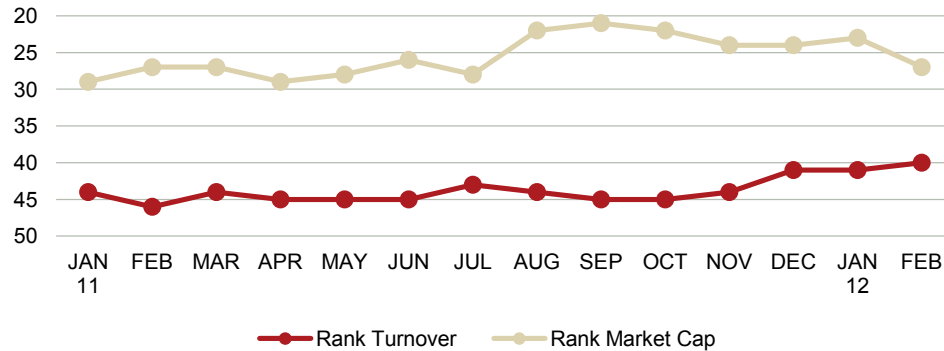
TREND OF SHARE (INDEXED)



Performance 2011:

DES: -14.4%
 MDAX: -12.1%
 EPRA: -9.2%

INDEX RANKING (MDAX)



Index ranking

MDAX Feb 2012:
 27. (Market Cap)
 40. (Turnover)

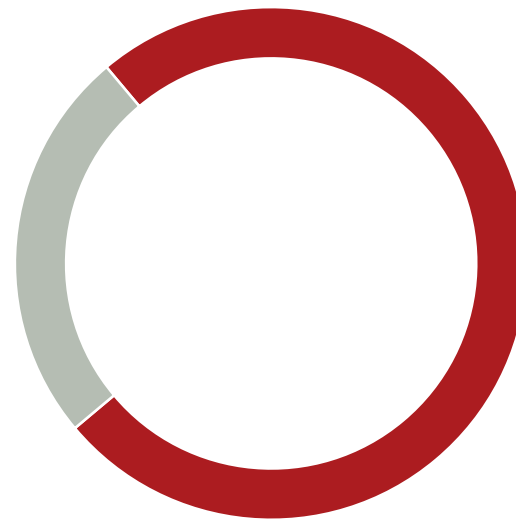


SHOPPING CENTERS

Tenants Structure Top 10 Tenants*

Low level of dependence on the top 10 tenants

Metro Group	6.0%
Douglas Group	4.4%
H&M	2.7%
New Yorker	2.3%
Deichmann	1.9%
Peek & Cloppenburg	1.9%
C&A	1.7%
REWE	1.6%
Inditex Group	1.4%
Esprit	1.4%
Total	25.3%



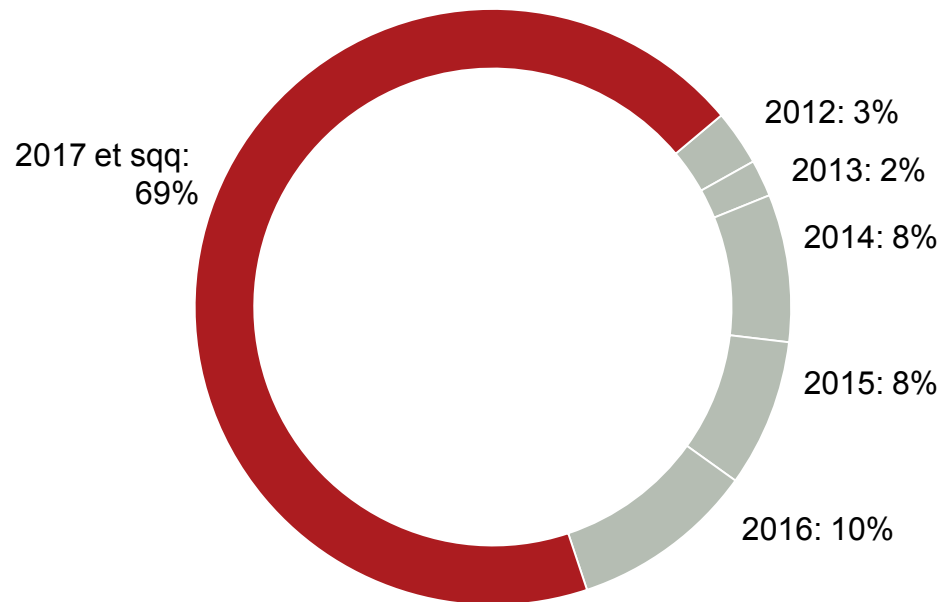
Total 74.7%



* in % of total rents as at 31 December 2011

SHOPPING CENTERS

Maturity Distribution of Rental Contracts*



- Long-term contracts guarantee rental income
- Weighted maturity 7.4 years



* as % of rental income as at 31 December 2011

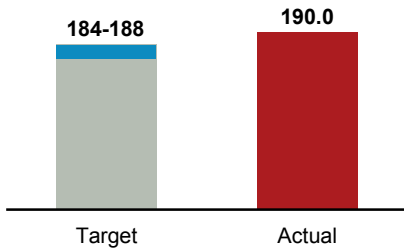
FINANCIALS

Target – Performance Comparison

REVENUE

€m

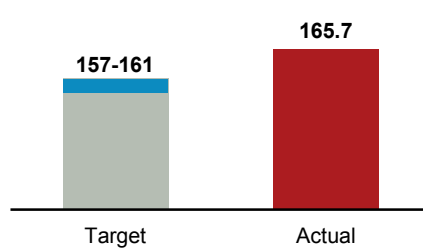
+2.3%¹⁾ ↗



EBIT

€m

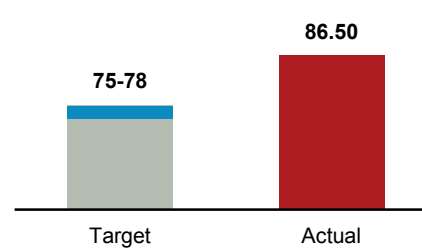
+4.2%¹⁾ ↗



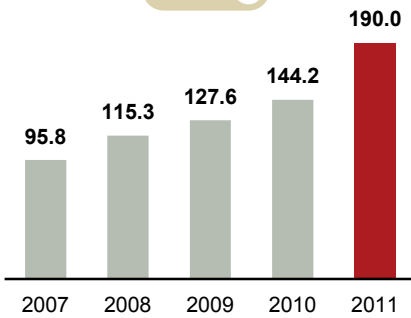
EBT BEFORE VALUATION

€mn

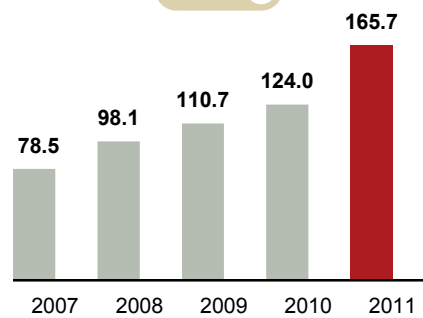
+13.1%¹⁾ ↗



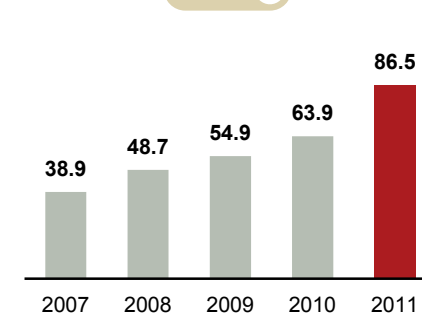
+19%²⁾ ↗



+21%²⁾ ↗



+22%²⁾ ↗



- 1) in relation to mean value of the target range
- 2) Compound Annual Growth Rate (CAGR)

THE TRADE TAX PROBLEM

Background

- The trade tax (abbr.: GewSt) is a tax that is levied as a trade income tax on the objective profitability of a business enterprise.
- It is in parts profit-independent (additions, which include financing costs in the business tax base).
- With the corporate tax reform in 2008 the tax base was extended to stabilize the business tax revenue.
- The trade tax is a municipal tax and contributes significantly to the financing of municipalities. It is their most important primary source of revenue.

(Rough) Calculation Scheme of the Trade Tax

Profit according to Income Tax Act (EStG) and Corporate Tax Act (KStG)

+ Additions (inter alia: +25% of interest expenses)

- Reductions (inter alia: -1.2% of rateable value)

= Trading profit before deduction of losses

- Commercial losses from previous years

= Trade income

x Trade income tax rate (3.5%)

= Base value

x rate of assessment of municipality (Hamburg 470%)

= Trade tax to be determined (Hamburg 16.45%)



THE TRADE TAX PROBLEM

Background

- Deutsche EuroShop AG is an asset management holding company that has until now availed itself of “extended trade tax deduction” (section 9 para. 1 sentence 2 GewStG).
- This has been the case for many years and has always been recognised by the tax authorities.
- As a result of a ruling by the German Federal Fiscal Court (Bundesfinanzhof), Deutsche EuroShop AG is no longer able to apply the above-mentioned tax treatment.
- Consolidated financial statements of 2010 had to be corrected according to IAS 8.



IAS 8 CORRECTIONS 2010

Balance Sheet

in € thousand	31.12.2010	IAS 8	31.12.2010
Equity (retained earnings)	1,249,652	-85,915	1,163,737
Deferred tax liabilities	101,052	83,778	184,830
Tax liabilities	431	2,137	2,568
Total equity and liabilities	2,963,576	0	2,963,576

Net Asset Value (NAV)

in € thousand	31.12.2010	per share*	IAS 8	per share*	31.12.2010	per share*
Equity	1,249,652	€24.20	-85,915	€-1.66	1,163,737	€22.54
Deferred taxes	101,052	€1.96	83,778	€1.62	184,830	€3.58
Total	1,350,704	€26.16	-2,137	€-0.04	1,348,567	€26.12



* = Number of shares: 51,631,400

IAS 8 CORRECTIONS 2010

Consolidated Profit

in € thousand	2010	per share*	IAS 8	per share*	2010	per share*
Tax expenses until 2009	0		-77,377	€-1.70	-77,377	€-1.70
Measurement gains/losses	27,691	€0.61	-2,952	€-0.06	24,739	€0.54
Operating result	54,126	€1.19	-9,302	€-0.20	44,824	€0.98
Consolidated profit	81,817	€1.80	-89,631	€-1.97	-7,814	€-0.17

Funds from Operations (FFO)

in € thousand	2010	IAS 8	2010
Consolidated profit	81,817	-89,631	-7,814
At-equity valuation	122		122
IAS 40 valuation	-33,128		-33,128
Deferred taxes	14,864	87,494	102,358
FFO	63,675	-2,137	61,538
FFO per share*	€1.40	€-0.05	€1.35

Taxes on Income

in € thousand	2010	IAS 8	2010
Actual tax expense	-316	-2,137	-2,453
Deferred taxes domestic companies	-11,889	-87,494	-99,383
Deferred taxes foreign companies	-2,975	0	-2,975
Total	-15,180	-89,631	-104,811



* = Number of shares (adj.): 45,544,976

FINANCIALS

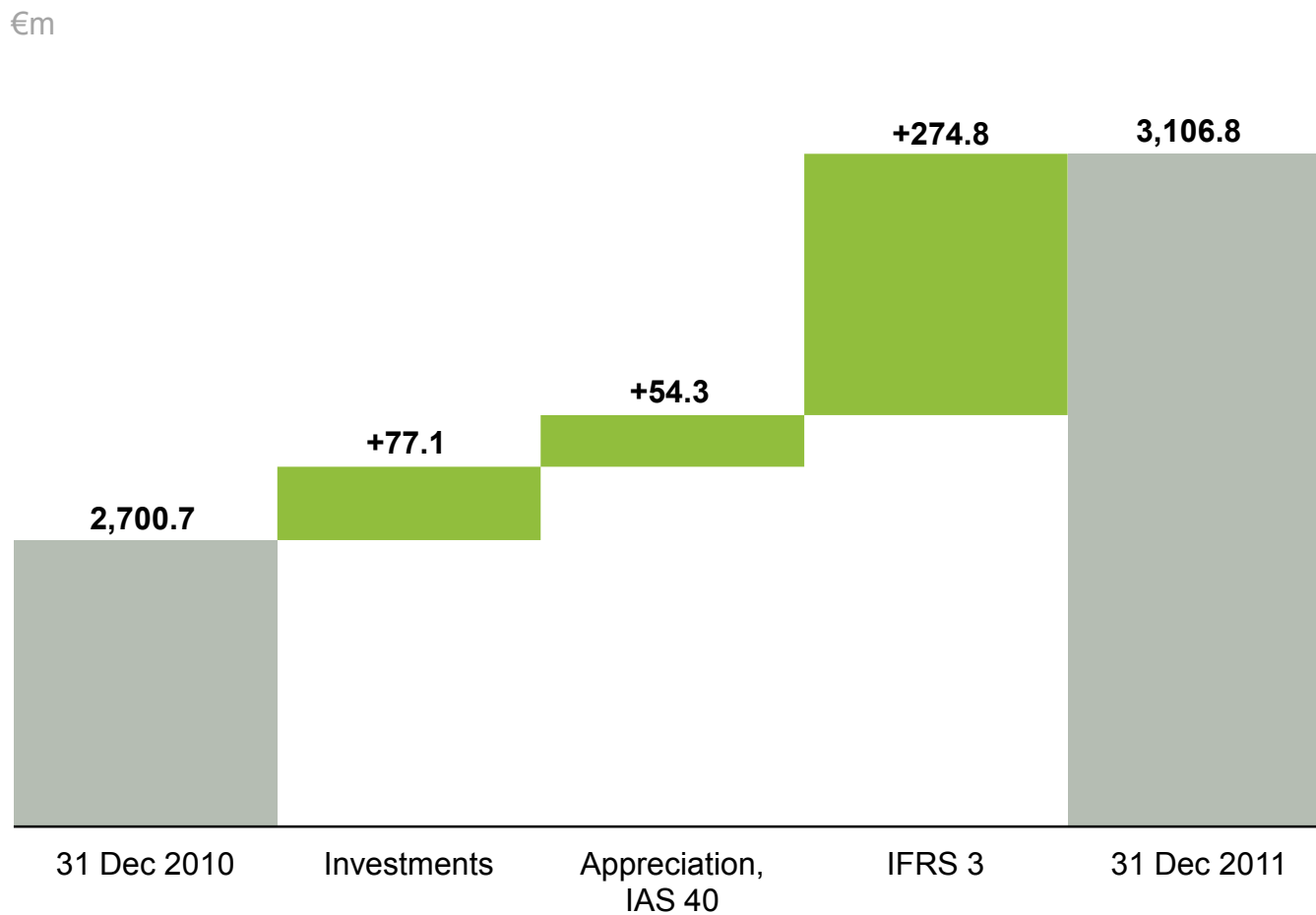
Balance Sheet

in € thousand	31.12.2011	31.12.2010	Change
Non-current assets	3,139,777	2,729,340	410,437
Current assets	85,348	234,236	-148,888
Total assets	3,225,125	2,963,576	261,549
Group equity	1,192,803	1,163,737	29,066
Non controlling interest	280,078	277,780	2,298
Total equity	1,472,881	1,441,517	31,364
Bank debt	1,472,149	1,288,156	183,993
Deferred tax liabilities	210,825	184,830	25,995
Other liabilities	69,270	49,073	20,197
Total equity and liabilities	3,225,125	2,963,576	261,549



FINANCIALS

Valuation – Investment Properties 2011



FINANCIALS

Valuation – Investment Properties 2011

in € thousand	2011	2010	Change
Initial valuation	0	6,100	-6,100
Revaluation	54,300	25,400	
IFRS 3	7,900	13,300	-5,400
Acquisition expenses	-8,500	-8,600	+100
Minority interest	-11,900	-3,000	-8,900
Valuation result before taxes	41,800	33,100	+8,700
Deferred taxes	10,000	-8,400	+18,400
Valuation result after taxes (attributable to Group shareholders)	31,800	24,700	+7,100

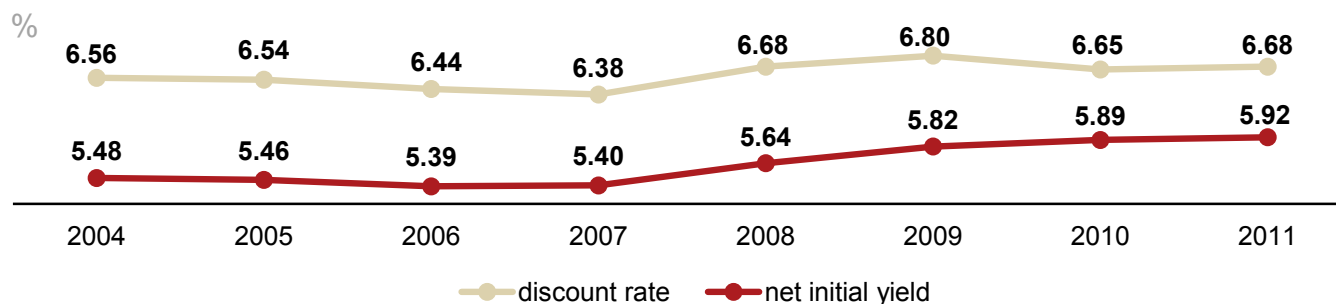
- like-for-like measurement gains: +1.87%



FINANCIALS

Valuation* – Investment Properties 2011

Discounted cash-flow method	2010	2011	actual			
expected yield of 10-year German federal bonds	4.44%	4.34%	1.92% ¹⁾	-----	Macro-location	20.0%
average applied risk premiums	2.21%	2.34%			Competitive environment	6.4%
average discount rate	6.65%	6.68%			Micro-location	9.6%
average property operating and management costs	11.70%	11.80%			Property quality	4.0%
net initial yield (EPRA)	5.89%	5.92%			Tenants risk	10.0%



Sensitivity analysis

in € thousand	Basis	change of -25bps	change of +25bps
Rent increase rates	1.70%	-106,300	111,700
Discount rate	6.68%	98,100	-93,300
Net initial yield	5.92%	138,000	-126,800
Cost ratio	11.80%	9,000	-9,000



* = External appraisers: Feri Research and GfK GeoMarketing

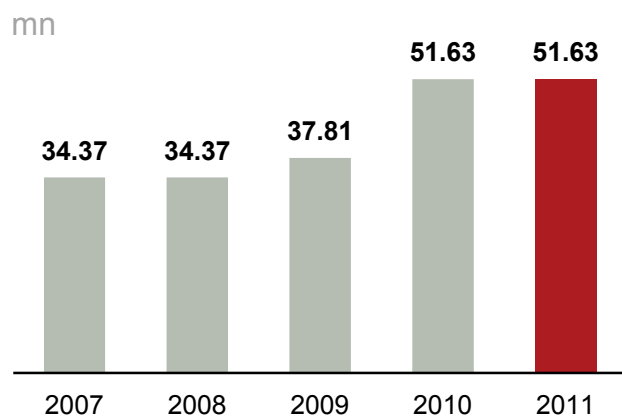
¹⁾ Status: 31 Feb 2012

FINANCIALS

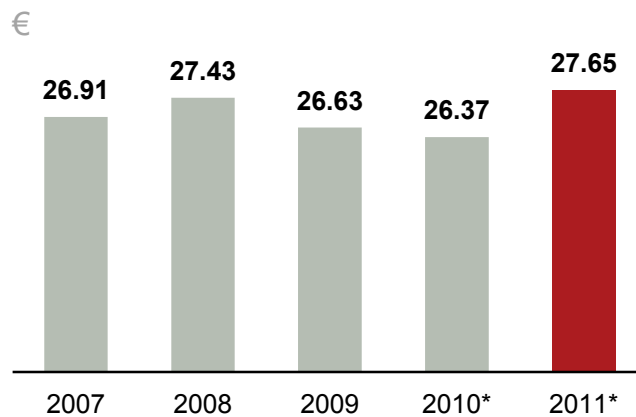
Net Asset Value (EPRA)

in € thousand	2011		2010		Change
	total	per share	total	per share	
Equity	1,192,803	€23.10	1,163,737	€22.54	2.5%
deferred taxes	210,825	€4.08	184,830	€3.58	14.1%
NAV DES	1,403,628	€27.19	1,348,567	€26.12	4.1%
Fair value of Swaps	35,494	€0.69	19,209	€0.37	
deferred taxes	-11,367	€-0.22	-6,088	€-0.12	
NAV EPRA	1,427,755	€27.65	1,361,688	€26.37	4.9%
Number of shares	51,631,400		51,631,400		

NUMBER OF SHARES



NAV PER SHARE



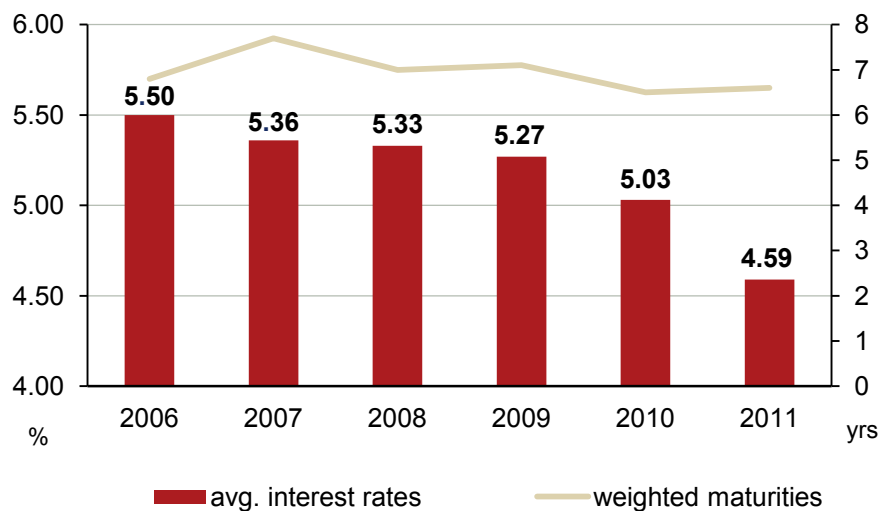
* = EPRA NAV

FINANCIALS

Loan Structure*

Interest lockin	Duration	Principle amounts (€ thousand)	Share of total loan	avg. interest rate
Up to 1 year		137,598	9.4%	3.47%
1 to 5 years	3.60	589,811	40.2%	4.87%
5 to 10 years	9.49	600,368	40.9%	4.52%
Over 10 years	15.27	139,254	9.5%	4.73%
Total 2011	6.58	1,467,031	100.0%	4.59%

- Banks: 23 German and 1 Austrian
- Weighted maturity of fixed interest periods 6.6 years
- Weighted maturity of the loans >15 years



* = as of 31 Dec. 2011

FINANCIALS

Refinancings of 2011

in € thousand	new	old	+/-
Principle amounts	300,000	305,000	-5,000
Duration	8.6yrs	2.4yrs	+6.2yrs
Interest rate	4.07%	5.42%	-1.35%

Maturities until 2016*

in € thousand	(re-)financing planned in 2012	end of fixed interest periods respectively expiring loans	avg. interest rate	regular redemption payments	total maturities
2012	(new) 60,000	0		22,100	22,100
2013		176,600	3.75%	19,400	196,000
2014	65,600	93,600	5.84%	18,800	112,400
2015		78,600	5.06%	17,300	95,900
2016		171,500	5.43%	14,000	185,500



* = as of 31 Dec. 2011

FINANCIALS

Profit and Loss Account

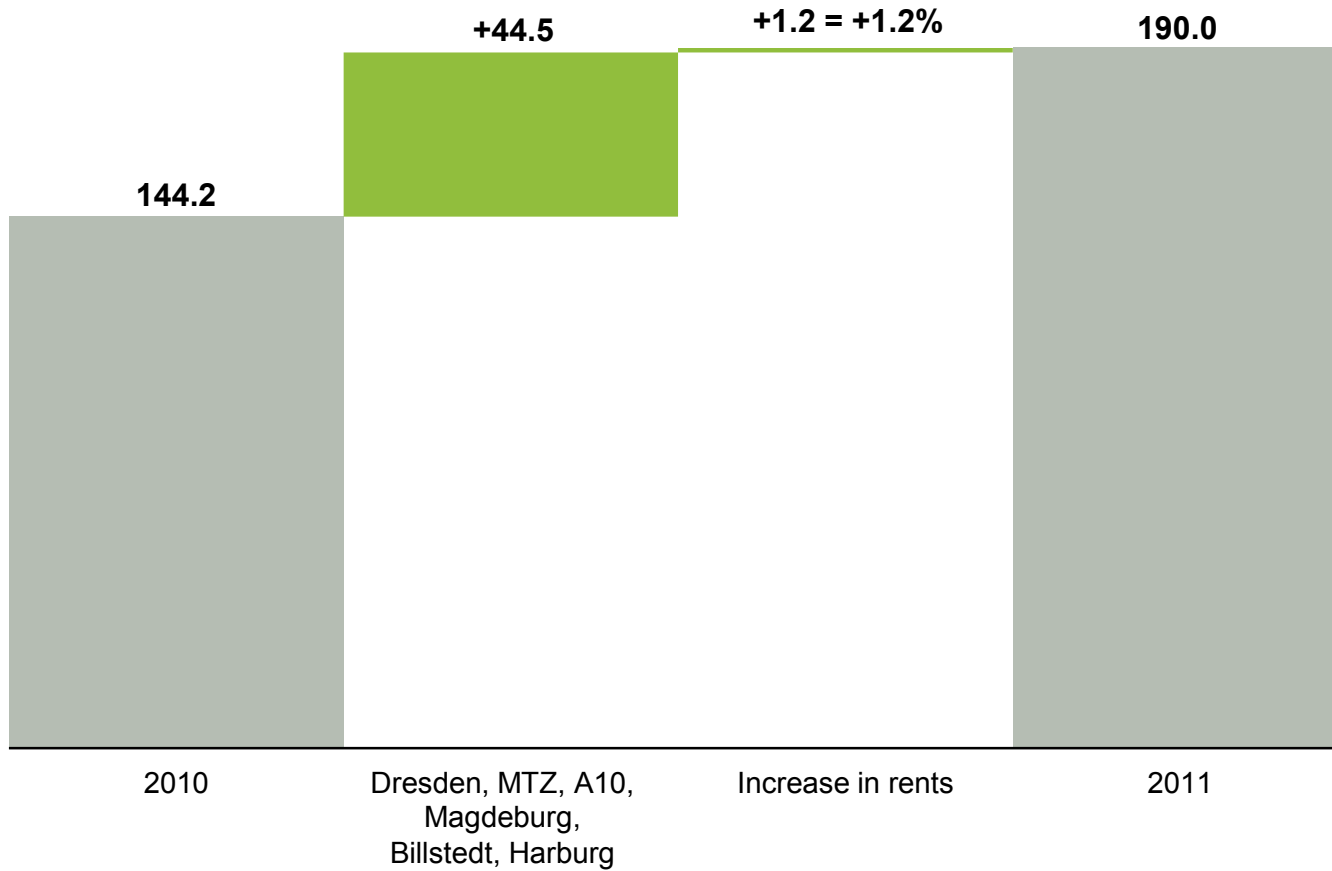
in € thousand	01.01 – 31.12.2011	01.01 – 31.12.2010	Change
Revenue	189,975	144,189	32%
Property operating and management costs	-18,333	-15,212	
Net operating income	171,642	128,977	33%
Other operating income	1,010	946	
Corporate costs	-6,991	-5,891	
EBIT	165,661	124,032	34%
Income from investments	1,261	1,413	
Net interest expense	-64,899	-53,035	
At equity valuation	270	-593	
Profit/loss attributable to limited partners	--15,730	-7,948	
Net finance costs	-79,098	-60,163	-31%
Measurement gains/losses	41,811	33,129	
EBT	128,374	96,998	32%
Taxes	-34,978	-104,812	
Consolidated profit	93,396	-7,814	



FINANCIALS

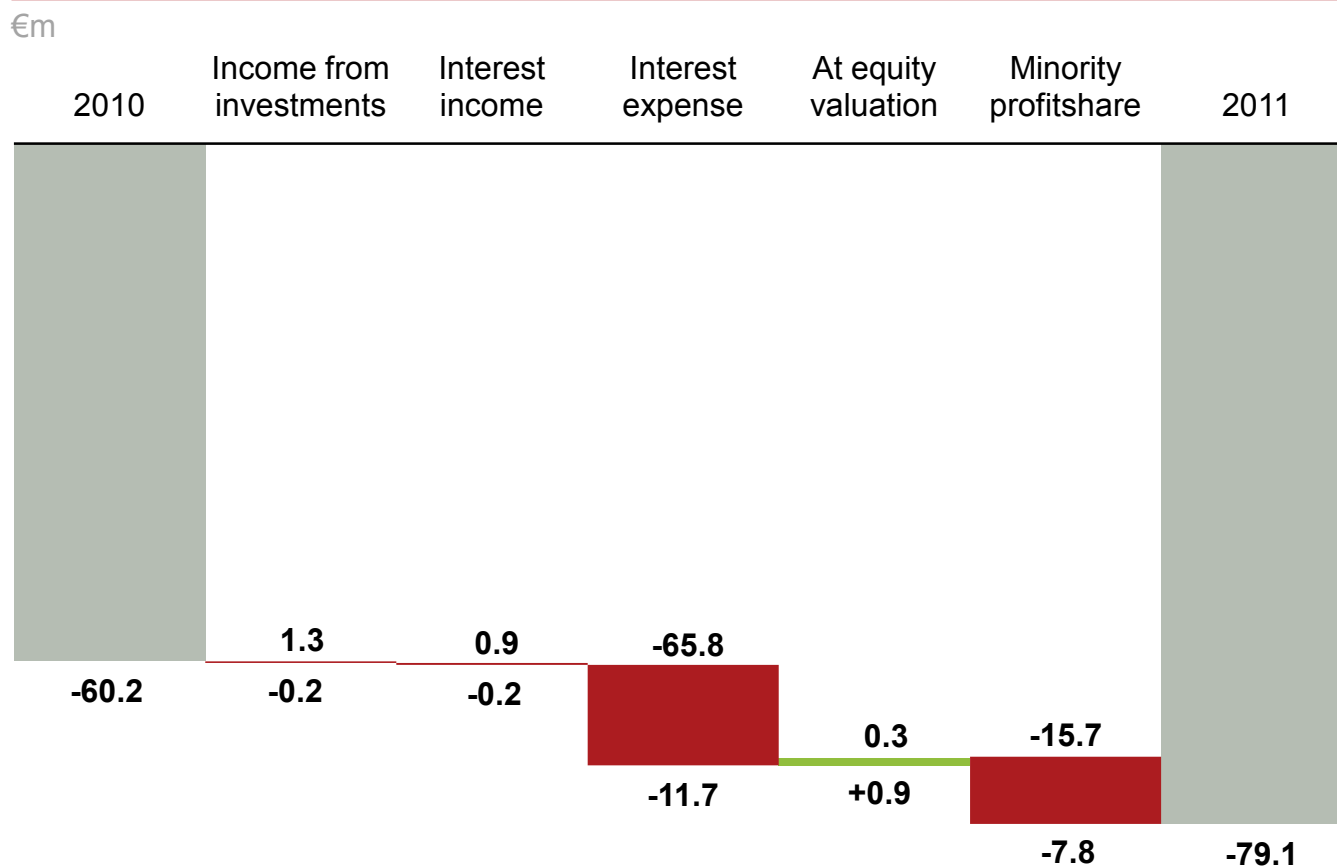
Revenue Bridge 2011

€m



FINANCIALS

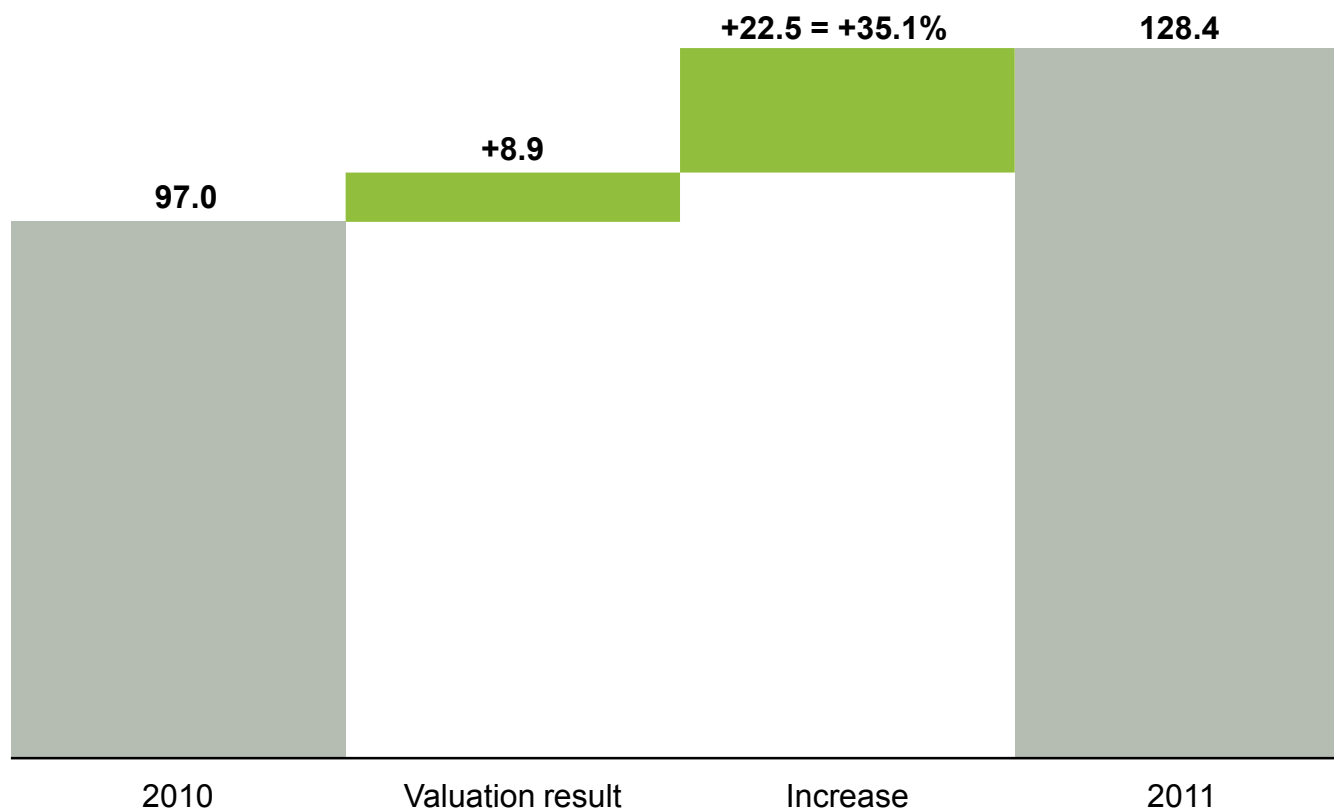
Net Finance Cost Bridge 2011



FINANCIALS

EBT Bridge 2011

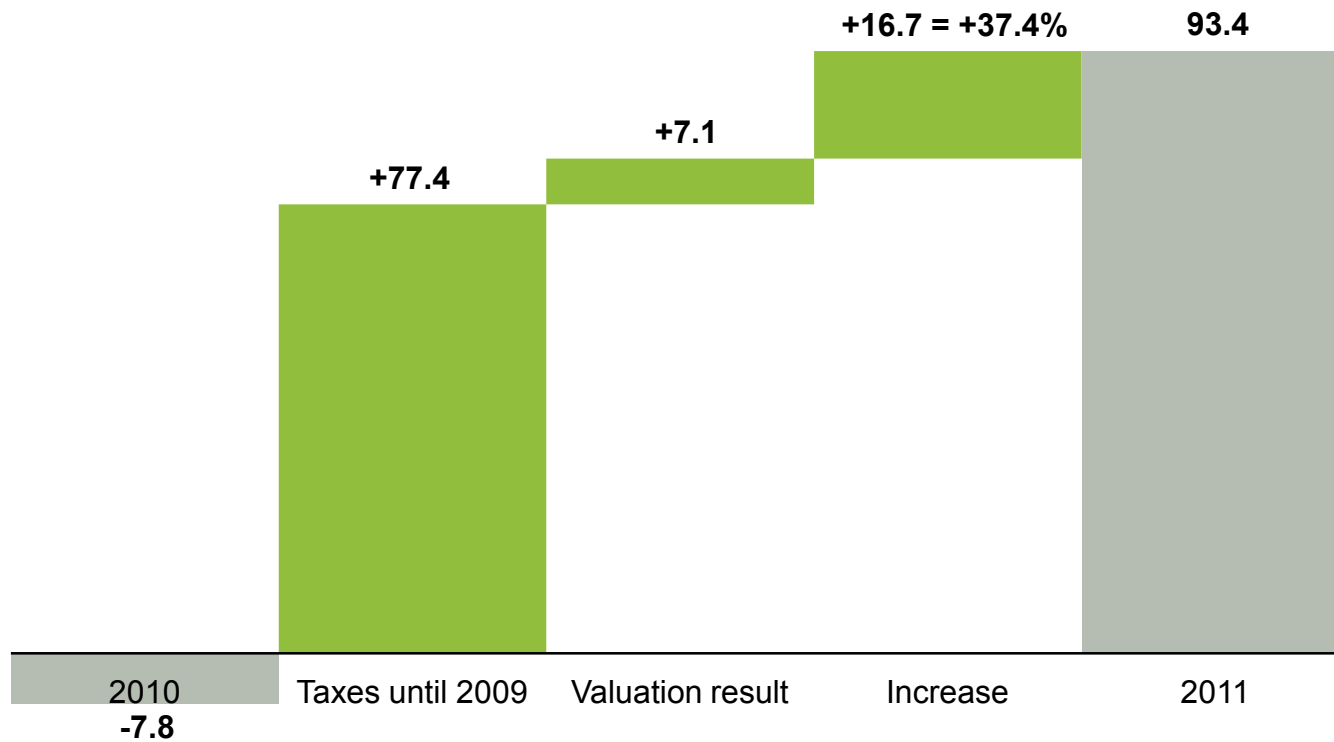
€m



FINANCIALS

Profit Bridge 2011

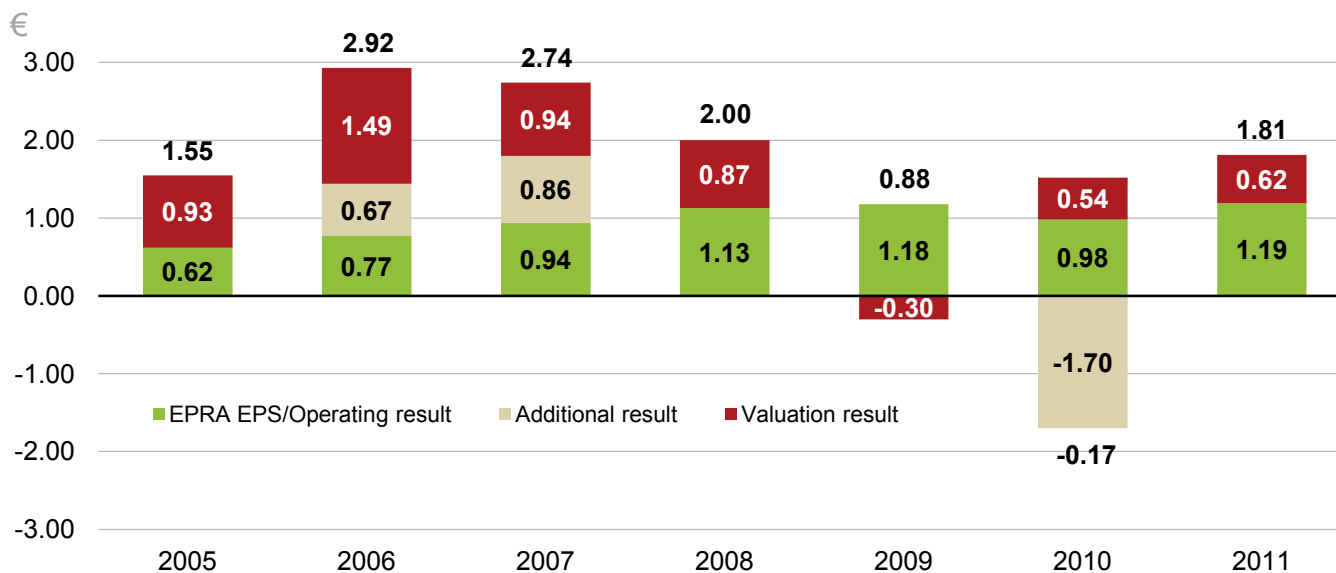
€m



FINANCIALS

Earnings per Share (EPRA)

	2011	per share*	2010	per share*
Consolidated net profit	93,396	€1.81	-7,814	€-0.17
- IAS 40 valuation	-41,811	€-0.81	-33,129	€-0.73
- At-equity valuation	-94	€0.00	122	€0.00
+ Deferred taxes	9,973	€0.19	8,409	€0.18
+ Tax expense for previous years			77,377	€1.70
EPRA Earnings	61,465	€1.19	44,721	€0.98
Number of shares (adj.)	51,631,400		45,544,976	



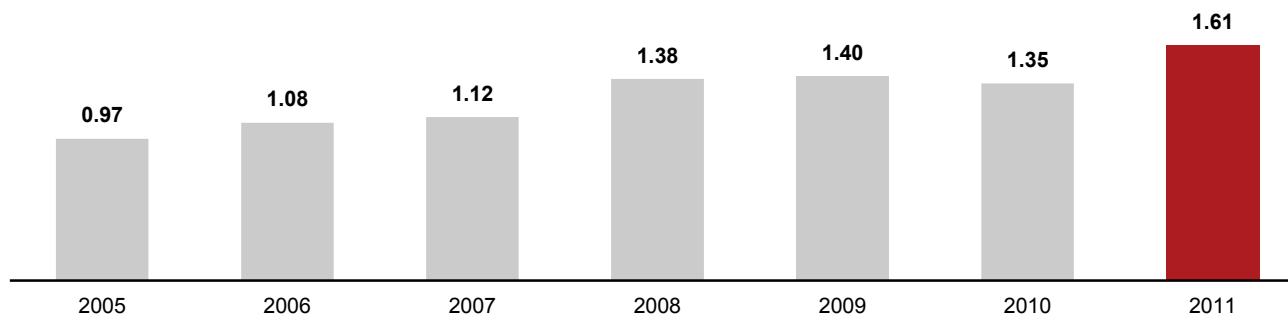
* = The sum of the earnings per share amounts may not equal the totals due to rounding.

FINANCIALS

Funds from Operations (FFO)

	2011	per share ¹⁾	2010	per share*
Consolidated net profit	93,396	€1.81	-7,814	€-0.17
- IAS 40 valuation	-41,811	€-0.81	-33,128	€-0.73
- At-equity valuation	-94	€0.00	122	€0.00
+ Deferred taxes	31,606	€0.61	102,358	€2.25
FFO	83,097	€1.61	61,538	€1.35
Number of shares (adj.)	51,631,400		45,544,976	

€

+8.8%²⁾ ↗

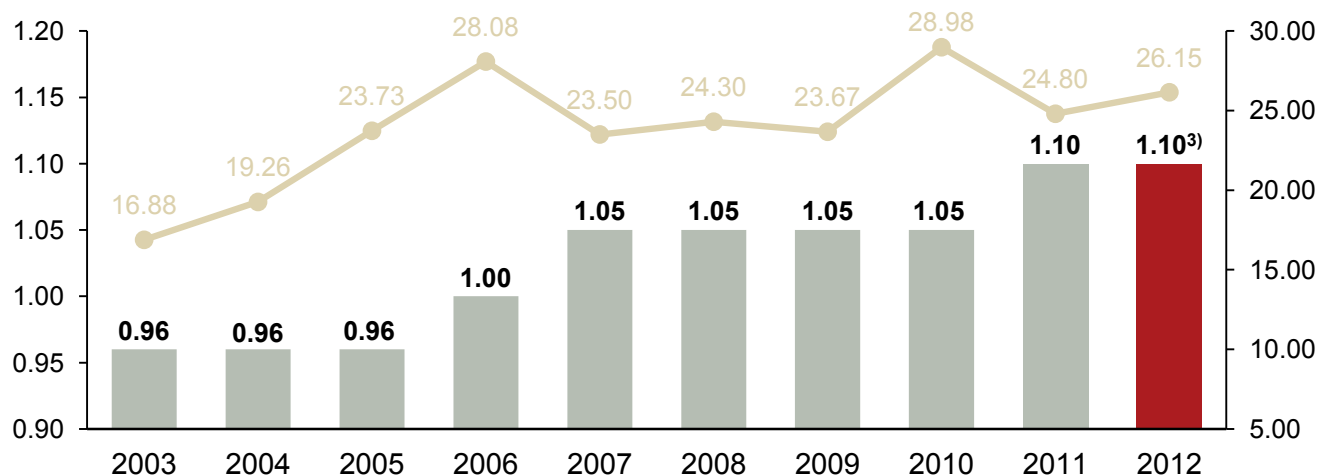
1) = The sum of the earnings per share amounts may not equal the totals due to rounding.

2) = Compound Annual Growth Rate (CAGR)

SHOPPING CENTER SHARE

Dividend & Performance

Dividend¹⁾



Share price²⁾

PERFORMANCE

DES

1 year	(2011)	-14.4%
3 years	+16.4% =	+5.2% p.a.
5 years	+9.1% =	+1.8% p.a.
Since IPO (2001)	+104.8% =	+6.7% p.a.

DAX

1 year	-14.7%
3 years	+7.0% p.a.
5 years	-2.2% p.a.
Since IPO (2001)	-0.8% p.a.



¹⁾ respectively paid for the previous financial year

²⁾ 2012: as of 5 March 2012

³⁾ proposal to the AGM

COMPANY

Outlook

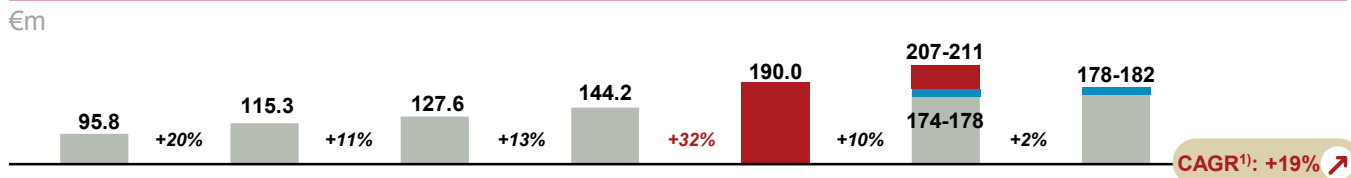
- Nearly the same outlook as one year ago
- Positive economic trend to be echoed in our shopping centers
- Write-downs remain at a very low level, the vacancy rate rests stable below 1.5%
- Demand for retail real estate still high, insufficient supply for reasonable prices
- Insurance companies and pension funds are currently the dominant competitors
- DES will be watching developments on the real estate market very carefully
- Trade tax issue: solution has to be found
- Good start into 2012 and we are “cautiously optimistic”



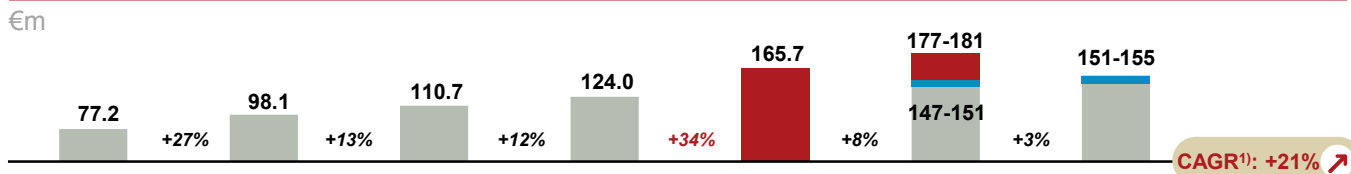
FINANCIALS

Forecast

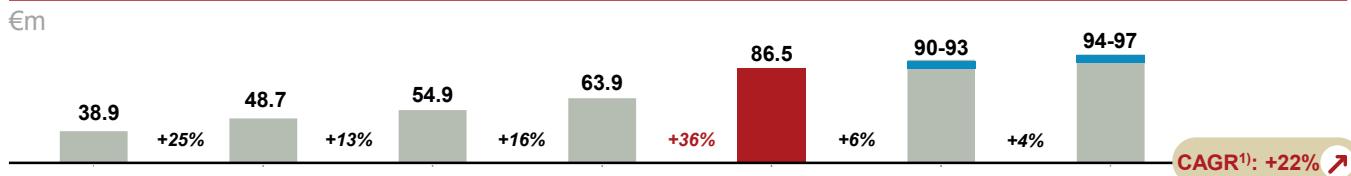
REVENUE



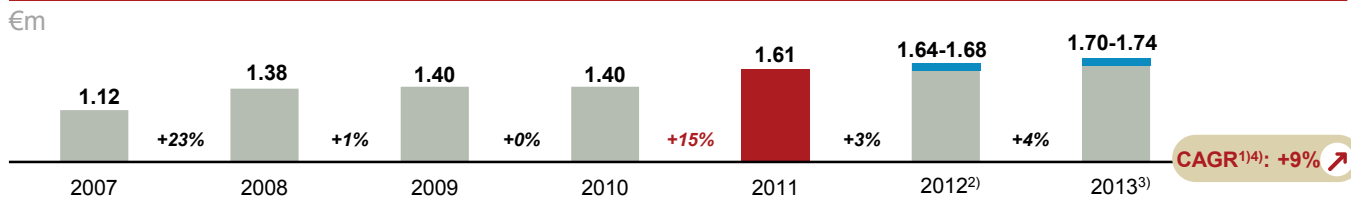
EBIT



EBT BEFORE VALUATION



FFO PER SHARE



- 1) Compound Annual Growth Rate (CAGR) 2007-2011
- 2) incl. at-equity consolidation scenario
- 3) at-equity consolidation
- 4) incl. dilution

APPENDIX

Retail turnover 2011*

Retail sector	% change in 2011	rent-to-sales ratio in %	% of sales	% of space
Department stores	-6.2	5.8	8.3	14.5
Food	-0.4	6.4	9.6	6.3
Fashion textiles	-1.9	11.0	27.0	33.9
Shoes & leather goods	-3.8	13.2	5.3	6.5
Sports	-5.1	8.0	4.7	5.7
Health & Beauty	+1.1	7.2	10.1	5.6
General Retail	-1.4	9.9	8.1	7.9
Electronics	+2.2	2.7	15.3	9.3
Services	+4.5	4.9	4.1	1.5
Food catering	+1.4	13.1	4.2	4.2
Total	-0.8	8.2	100.0	100.0



* all German centers on a like-for-like basis (12 centers with a 2010 turnover of €1.4 billion)

APPENDIX

Key Data of the Share

Listed since	02.01.2001
Nominal capital	€51,631,400.00
Outstanding shares	51,631,400
Class of shares	Registered shares
Dividend 2011*	€1.10
52W High	€29.18
52W Low	€22.05
Share price (05.03.2012)	€26.15
Market capitalisation	€1.35 billion
avg. turnover per day last 12 months (XETRA)	125,400 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: DEQGn.DE
Market makers	Close Brothers Seydler, WestLB



* = proposal for AGM on 21. June 2012

APPENDIX

Financial Calendar

2012

09.03. Preliminary Results FY2011

15.–16.03. Kempen & Co. Property Seminar, New York

20.03. Roadshow Munich, Baader Bank

21.03. Roadshow Zurich, WestLB

21.03. Roadshow London, BoAML

22.03. Roadshow Amsterdam, Commerzbank

22.03. Roadshow Paris, Kepler

27.03. Roadshow Hamburg, equinet

03.04. Deutsche Bank's VIP Real Estate Event,
Frankfurt

19.04. Commerzbank Corporate Day, London

26.–27.04. Bankhaus Lampe Deutschland-Konferenz,
Baden-Baden**27.04. Publication of the Annual Report 2011****15.05. Interim report Q1 2012**

22.05. Metzler Property Day, Frankfurt

23.05. CA Cheuvreux Pan-Europe Forum, London

30.05. Kempen & Co. European Property Seminar,
Amsterdam

11.06. Roadshow Vienna, Berenberg

21.06. Annual General Meeting, Hamburg**14.08. Interim report H1 2012**

16.08. Roadshow Edinburgh, M.M. Warburg

04.–05.09. Kempen & Co. German Property Seminar,
Berlin05.09. Bank of America Merrill Lynch pre-EPRA Event,
Berlin

06.–07.09. EPRA Annual Conf., Berlin

13.09. Roadshow Amsterdam, Rabo

18.09. Roadshow Copenhagen, equinet

19.09. Roadshow Helsinki/Stockholm, Berenberg

26.09. UniCredit Kepler German Investment
Conference, Munich

27.09. Baader Investment Conference, Munich

09.10. ExpoREAL, Munich

17.10. Roadshow Brussels, ING

13.11. Nine-month report 2012

APPENDIX

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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.



Claus-Matthias Böge
Chief Executive Officer



Olaf G. Borkers
Chief Financial Officer



Patrick Kiss
Head of Investor & Public Relations



Nicolas Lissner
Manager Investor & Public Relations

