



ECE
THE EUROPEAN RETAIL REAL ESTATE MAGAZINE

March 2015

SPECIAL
EDITION **50** YEARS
ECE



THE ECE STORY

INTERVIEW Talking to ECE's CEO Alexander Otto
OFFICE, TRAFFIC, INDUSTRIES Solutions for Discerning Customers
CENTER MANAGEMENT Optimal Settings for Great Sales



Proven shopping centre expertise – Made in Hamburg.

We would like to congratulate ECE on its 50th anniversary.

Hamburg provides the ideal setting for success stories, as demonstrated by ECE and Union Investment since 1965. Together, we now bring 100 years of experience to shopping centre investment. So it's hardly surprising that the Union Investment shopping centres managed by ECE are consistent high performers, generating stable income that makes them key cornerstones of our real estate funds. The most recent confirmation of our successful collaboration came in 2014, when our joint Limbecker Platz shopping centre in Essen was named the number one shopping centre in Europe by the International Council of Shopping Centers. We look forward to reaching more milestones.

Find out more at www.marking-milestones-together.com



DEAR READERS,

“Trade signifies change” – there is hardly another European family-owned company that illustrates this statement better and more impressively than ECE. When the mail-order pioneer Werner Otto founded his real estate company in 1965, shopping centers – as they stand today – were still a long way off. Terms such as shopping experience, branch mix, sales-based rents, center management, and sustainability did not form part of the retailers’ vocabulary yet. Professional real estate development was still in its infancy.

Fifty years later, ECE is the undisputed market leader in the field of inner-city shopping centers. The company develops, plans, builds, leases, and manages large-scale commercial properties. However, it does not only develop shopping centers, but also corporate headquarters, office buildings, logistics centers, traffic properties, and hotels as well as other highly complex real estate types.

Around 3,600 employees work for ECE throughout Europe today. They make the company one of the most innovative and most sophisticated real estate service providers active internationally. On the occasion of its 50th anniversary, we prepared this special issue of ACROSS on behalf of ECE to present this exciting family-owned firm in detail.

This special issue of ACROSS addresses a broad range of readers – national and international investors, developers, architects, trade experts, retailers, and ECE employees alike. They all are companions, witnesses, and partners of 50 years of real estate development and retail history. Join us on our tour through 50 years of ECE. We wish you entertaining, informative, and profitable reading.



IMAGE: ACROSS

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In 1970, ECE opened Alstertal-Einkaufszentrum in the Hamburg district of Poppenbüttel where the company is headquartered today. It has been modernized and expanded several times and now is one of Europe's finest shopping locations.



The visitor turnout exceeded all expectations at the opening of Hamburg's Alstertal-Einkaufszentrum in 1970.



impressed by the customer-friendly diversity of shops in the shopping centers." He wanted to introduce them in Germany, too. The winning formula of the new property type: The centers should be roofed and thus weather-independent. They had to be conveniently located as regards transport facilities and provide sufficient parking spaces. Above all, customers should be able to find any article they wanted to buy at least once a year.

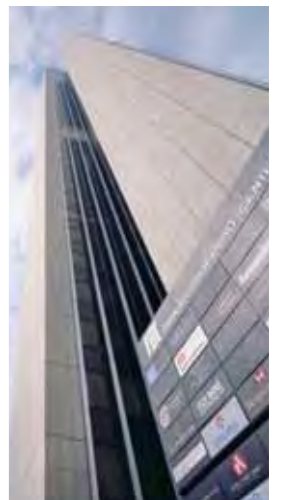
THE FIRST SHOPPING CENTER

ECE finally opened its first own shopping center, Franken-Center in Nuremberg-Langwasser, on October 23, 1969. This pilot project was followed by Alstertal-Einkaufszentrum in Hamburg and numerous other centers that are still managed by the family business.

Meanwhile the enterprise had grown to almost 100 employees and had acquired comprehensive know-how in the construction and leasing out of shopping centers. However, revenue figures were not satisfactory (see also the review by Dr. Heinrich Kraft on page 11). In good time, Werner Otto decided to refrain from developing new shopping centers during the oil crises of the early 1970s. Instead, he initiated a period of consolidation and diversification for ECE.

PUTTING THE BREAKS ON GROWTH, FOCUSING ON DIVERSIFICATION

Bringing the development of new shopping centers to a halt turned out to be perfectly right. ECE was able to prevent that the company got into trouble during the oil crisis because of undeveloped sites and half-completed properties. Instead, it broadened its field of activities and implemented its first office project in 1974. DG Bank commissioned ECE to fit out and lease out its 41-story City House at Platz der Republik in Frankfurt. The next large-scale project was the Frankfurt Office Center in 1979. It had been left unfinished during the oil crisis. For years no potential buyers had been interested in it due to the major construction cost and leasing risks. In this case, too, Werner Otto correctly read the signs of the times and acted: He acquired several office buildings that ECE completed and then successfully leased out and sold.



ECE implemented its first office project in Frankfurt am Main in 1974: fitting out and leasing out the 41-story City House on behalf of DG Bank.

FIFTY YEARS OF PASSION FOR REAL ESTATE

There is hardly another company that made as big an impact as ECE on the history of German shopping centers. The Hamburg enterprise has also become a well-established player when it comes to corporate headquarters, office buildings, logistics centers, and hotels.

The company's founder was always open to new opportunities. "Achieving great things requires correctly reading the signs of the times and acting accordingly," he once said quite rightly. Thus, in addition to his mail-order business, he also wanted to enter the bricks-and-mortar retail business and test new retail concepts.

Following the Swedish model, the real estate start-up first built a special type of department store in Kassel, Langenhagen, and Brunswick. It housed several shops that operated under a common name without partitions under one roof – a concept similar to the one of successful department stores, but more easily accessible by car given its location on the periphery of the cities. Unfortunately, it did not attract first-class tenants. As a consequence, Werner Otto quickly realized that this property type had no future. In the USA and Canada, he had seen the first genuine shopping centers: "I was really



Building without worries and focusing on the actual core business – that is what mail-order pioneer Werner Otto had always been longing for when he developed the Otto-Versand in the 1950s and 1960s. Reality was quite different, however. His building projects frequently involved much trouble. Therefore, Werner Otto made a virtue out of necessity and founded a specialized real estate company – ECE – independent of the mail-order business in 1965.

“ 50 years of ECE – a great corporate achievement. I have observed the development of ECE from close up for more than 20 years. I was able to witness how a medium-sized developer and manager of shopping centers became a successful investment house active in many countries. I can only bow to you and offer my hearty congratulations. ”



CLAUS-MATTHIAS BÖGE
CEO of Deutsche EuroShop AG





ECE's first own shopping center, Franken-Center in Nuremberg, opened on October 23, 1969.



HOW ECE BECAME ECE

The original "Werner Otto Vermögensverwaltung GmbH" (Werner Otto Asset Management) soon developed into "Werner Otto Grundstücks-Entwicklung GmbH" (Werner Otto Real Estate Development). As this name was not really catchy, an in-house competition was to produce an alternative. The proposed name "KG Einkaufs-Center Entwicklung mbH" (Shopping Center Development) impressed the Management Board and the employee who coined the name is said to have received six bottles of champagne in reward. Given the length of the name, both employees and customers soon just called the company "ECE." The three letters became a trademark. When the product range and the service portfolio increasingly went beyond the scope of shopping centers, the enterprise finally changed its official name to "ECE Projektmanagement GmbH & Co. KG" in 1979.

requirements from a single source," recalls Dr. Heinrich Kraft who had become Chairman of the ECE Management Board in 1974. Thus ECE took over the function of general planner and project manager and realized the new Otto-Versand headquarters in Hamburg. Furthermore the company developed logistics projects, for example for den Heine Versand in Karlsruhe and Schwab Versand in Langenselbold.

NEW CENTER TYPES – MOVING DOWNTOWN

Finally, ECE experts again reviewed investment opportunities in retail trade in the early 1980s. As more and more specialist stores opened on the outskirts of cities at that time, a growing number of city centers faced the risk of losing purchasing power. While most center developers continued to focus on building new centers on greenfield sites, ECE took the strategic decision to venture on building central inner-city shopping centers.

Whereas it had been relatively easy to obtain permissions for locations on the periphery for a long time, the situation was completely different in the city centers. Therefore ECE took care to integrate inner-city centers into their surroundings right from the start.

The acid test was Löhr-Center that ECE opened in Koblenz in 1984. In the wake of the general economic upswing, the next inner-city projects followed in rapid succession: Remscheid in 1986, Neunkirchen in 1989, and Hamm in 1992. Brunswick and Bochum saw the introduction of the "City Point" concept for the conversion of former department stores. By consistently developing inner-city retail locations, ECE played a pioneering role in the shopping center market.

GERMAN REUNIFICATION DRIVING EXPANSION

The real estate company soon contemplated the next expansion: to other European countries. The ECE developers were particularly fond of the Spanish retail market. "Palm trees, oranges, and sunny weather – a highly enthusiastic team went to Spain," remembers then ECE head Dr. Heinrich Kraft, "but then the Berlin Wall came down." It was definitely not difficult to read the signs of those times. ECE called back its team from Spain and made good use of the opportunity in its new home market.

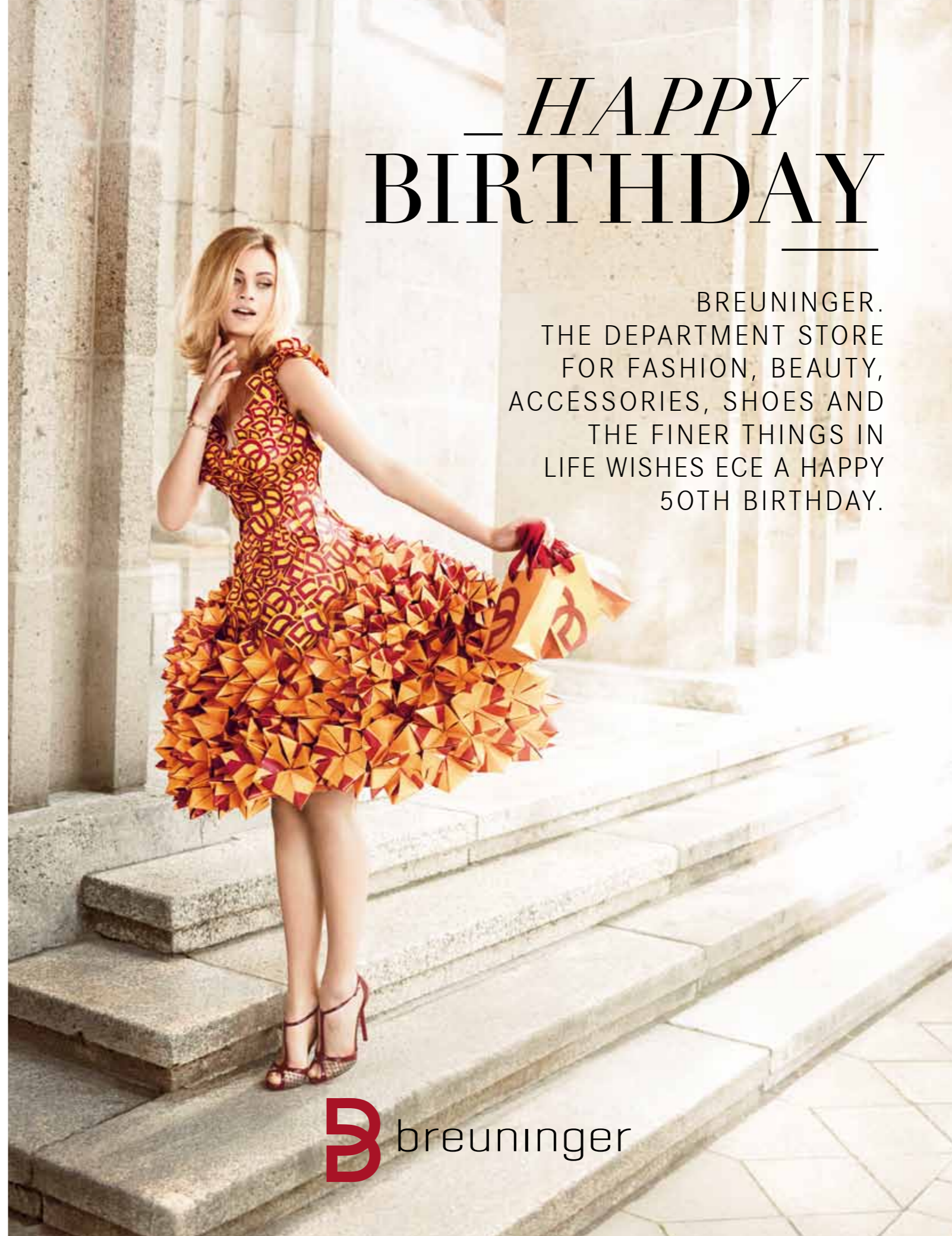
Unlike many other center developers, ECE did not build cut-price complexes on the outskirts of



ECE built Philips' Germany headquarters in Hamburg in 2005.

HAPPY BIRTHDAY

BREUNINGER.
THE DEPARTMENT STORE
FOR FASHION, BEAUTY,
ACCESSORIES, SHOES AND
THE FINER THINGS IN
LIFE WISHES ECE A HAPPY
50TH BIRTHDAY.





cities and continued to consistently focus on downtown projects. The first ECE shopping gallery to open in the new federal states was Oder-Center in Schwedt in 1994. Numerous other malls followed. The aim was to promote the reconstruction of eastern Germany – based on concepts that were and still are trend-setting in terms of business and urban development.

GOING INTERNATIONAL

ECE finally started its planned internationalization under Alexander Otto, the youngest son of the company’s founder, who took the helm in 2000. Not in Spain, however. The company only entered the Spanish market in 2010 when it took over Auxideico Gestión and the management of its 14 centers. First of all ECE expanded vigorously in Eastern Europe.

The first center opened outside Germany was Galeria Dominikanska in the Polish city of Wroclaw in 2001. The next countries after Poland were Hungary and the Czech Republic where ECE celebrated its 100th center under management, Arkády Pankrác in Prague, which opened in 2008.

Thanks to two real estate sister companies, ECE has best overseas connections: The Paramount Group in New York manages real estate on the US East Coast. Park Property in Toronto, Canada, mainly specializes in apartments and commercial premises. Based on interests held by Alexander Otto, ECE also benefits from

“ECE rightly enjoys the reputation of an absolutely reliable business partner. The European market leader mainly excels by forward looking center management based on intensive support for its tenants. This benefits our investors.”



DIRK HASSELBRING
CEO of Hamburg Trust

IMAGE: HAMBURG TRUST

an extensive exchange of know-how with Developers Diversified Realty (DDR, currently approx. 400 properties) and Sonae Sierra Brasil, SA (12 properties at present), the leading shopping center enterprises in the USA and Brazil, respectively.

NEW BUSINESS AREAS: OFFICE, TRAFFIC, AND INDUSTRIES

However, Alexander Otto continued to see opportunities for growth also in other real estate segments. Thus a separate division emerged for the business areas Office, Traffic, and Industries in 2007. Here the family-owned company made its mark not only through office and logistics projects. It is also successful in the field of corporate headquarters, for example for Thyssen-Krupp in Essen and Philips in Hamburg, hotels such as Motel One in Vienna and residential projects, including Alstercampus and Mitte Altona in Hamburg. Since the refurbishment of Leipzig Main Station in 1997, ECE has also demonstrated its competence in the revitalization of transport stations several times, most recently at BahnhofCity Wien Hauptbahnhof.

FRESH MOMENTUM THROUGH FURTHER BUSINESS MODELS

European markets are increasingly mature so that the number of newly developed centers is likely to decline. However, ECE has best growth opportunities owing to its refurbishment competence that it demonstrated in numerous complex



“WE HAD TO LEARN EVERYTHING FROM SCRATCH”

“Werner Otto was the first one to implement the idea of enclosed shopping centers in Germany– with a handful of people who knew little about shopping centers. They opened seven centers by 1973. At that time, I spent many hours with him at the standing desk to analyze sales figures. The ECE employees already knew how to build shopping centers by then. But they had no experience whatsoever in managing them! As a result, three out of those seven centers suffered serious losses in 1973.

When the oil crisis started in 1974, Werner Otto stopped all developments. In those days he asked me whether I would take over responsibility for ECE. In the consolidation phase we had to work hard on the shopping centers to put them in order again. We had to develop the knowledge required on our

own. The lease contract needed improvements: The original text contained, for example, non-compete provisions. As a result, we were not able to have more than one footwear shop in a center.

The centers also performed poorly because insufficient attention was given to the development of sales figures. The shops of one center were even leased out by a real estate agent who applied the rule “whoever pays the highest rent will get a shop”. And the location of the shop within the center did not matter at all. We started analyzing which place would be best for a bank, a pharmacy, etc. We followed the principle: When the tenant fares well, the lessor – and thus the investor – also fares well. By developing the knowledge we needed on our own, we learned the trade from scratch.”



DR. HEINRICH KRAFT
Chairman of the ECE Management Board from 1974 to 2000 is looking back at the early days of ECE.

A partnership built on trust

Berlin Hyp

Best wishes on your 50th anniversary!

Strong performance also for the next 50 years.

Berlin Hyp congratulates ECE on its 50th anniversary and half a century of successful activity concerning the development and management of major commercial properties. We have been long-term partners of ECE and have supported them, including the development of the shopping center Galeria Kaskada in Szczecin and MILANEO in Stuttgart. We look forward to a continuing successful cooperation.

www.berlinhyp.de



Business area Industries: Hermes' central distribution hub was completed in Hessa in October 2008.



A special sign highlighting the convergence of East and West was the opening of Potsdamer Platz Arkaden in Berlin on October 2, 1998.



projects, such as Marstall in Ludwigsburg and Hamburger Meile in Hamburg. Thus ECE has turned from a developer into an innovator.

Another area that increased in importance is the management of shopping centers on behalf of third-party investors and other developers. Given the high number of centers operated, ECE can function as a perfect “door opener” for international retailers in the European market.

The fund manager ECE Real Estate Partners (founded in 2011) and its two ECE European Prime Shopping Centre Funds acquire shopping centers with value-added potential that ECE operates, leases out and develops further.

ECE centers are places where people like to spend their free time, for example, enjoying a vaudeville performance at Limbecker Platz in Essen.



Through a strategic joint venture with METRO PROPERTIES, ECE also positioned itself as the market leader in the retail park segment: The company MEC METRO-ECE Centermanagement GmbH & Co. KG (MEC) founded by the two partners already operates, leases out and further develops 43 retail parks in Germany.

LEADING THE MARKET BY INNOVATION

New partnerships, broader business fields and new financing sources, sustainable properties and changing retail trends: Stagnancy is not an option in the world of ECE. In spite of its Hanseatic pragmatism, the family business retained the pioneering spirit of its founder. Thus Alexander Otto's future goal is not primarily quantitative growth but rather qualitative market leadership through innovation. That is illustrated by the two “Future Labs”, two centers that test innovative services from the digital and analog world. If successful, they are rolled out at other centers. ECE centers are no longer just places for shopping but rather places where people feel good and enjoy spending their free time.

ECE's founder Werner Otto once resolved to read the signs of the times correctly and to act accordingly. His successors obviously have managed to do so, too. The history of the bricks-and-mortar retail trade without ECE seems to be inconceivable today. The company now has already around 3,600 employees.



Auxideico, the Spanish ECE subsidiary, took over the management of one of the biggest shopping centers of the country, Marineda City in La Coruña, in August 2014.

And which challenges are to be expected in the years ahead? “There is never a status quo that you can simply hold on to. The needs of our customers, tenant partners and investors will continue to change continuously in future as well,” says Alexander Otto. “Our focus is on those

demands. We have to recognize new requirements and respond to them quickly. Hence there is definitely plenty of work to do.”



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A MAN OF THE CENTURY

Werner Otto was one of the most prominent business personalities of the 20th century. He wrote German postwar history when he set up his mail order business. In 1965, Otto founded the company later named ECE.



“Fortune may reach out to you, but success is what you have to see to yourself”. True to this conviction, the German mail-order pioneer Prof. Dr. h.c. Werner Otto showed courage in his entrepreneurial actions and in his social commitment.

His eventful life began in Seelow, Brandenburg, in 1909. Werner Otto, the son of a grocer, had to leave high school without a degree after his father went bankrupt. He completed an apprenticeship and became self employed as a retail merchant in Szczecin. He was not always lucky: In 1934, he was sentenced to two years in prison for smuggling anti-Hitler leaflets. After his release from prison, the 27-year-old opened a cigar shop in Berlin, then a shoe shop in the West Prussian town of Kulm (today: Chelmo). After the Second World War, Otto, now a destitute refugee, finally headed to Hamburg, the town in which he would become an entrepreneurial legend.

HIS FIRST COMPANY FAILED

At first he failed, however, with a shoe factory he founded. Otto commented about it years later, saying: “Anyone who thinks statically and does not have the courage to make mistakes should not be an entrepreneur.” And so he ventured on to his next attempt and founded “Werner Otto Versandhandel” (“Werner Otto Mail Order Services”) on August 17, 1949 with an initial investment of 6000 Deutschmarks. The first catalog entered the market in 1950 with a circulation of 300 copies. It was hand bound and presented 28 pairs of shoes on 14 pages. The pioneer also introduced on-account purchasing. In the following years, Otto-Versand developed into a universal supplier with a broad range of products.



PROF. WERNER OTTO (1909 – 2011): “Anyone who thinks statically and does not have the courage to make mistakes should not be an entrepreneur.”

Today, the company generates more than 80 percent of its turnover on the Internet and is part of the worldwide Otto Group, which has over 54,000 employees and numerous subsidiaries like Hermes and SportScheck.

ON TO THE REAL ESTATE BUSINESS

Since he wanted to concentrate the mail order business on its core business instead of grappling with problems from necessary construction projects, the restless visionary created a separate company for real estate activities in Germany in 1965: the company that would come to be called ECE. It first built Gemeinschaftswarenhäuser (a special type of department store) in Kassel, Langenhagen, and Brunswick. The entrepreneur realized in time, however, that this retail format would

have no future. He also remembered the first shopping center he had seen in the US and Canada, which was much more customer-friendly. He had entered the real estate business there in the early 1960s and founded today’s ParkProperty in Toronto and later the Paramount Group in New York. It was Werner Otto who brought the shopping center concept to Germany. The first in-house development was Franken-Center in Nuremberg, opened on October 23, 1969, followed by Alstertal-Einkaufszentrum in Hamburg. In 1974, the ECE founder passed on the position of CEO to Dr. Heinrich Kraft.

Werner Otto was aware of the social responsibility that comes with being a successful entrepreneur at an early stage. He was involved in a plethora of social causes. Just one example is the Werner Otto Foundation, founded by him in 1969, which promotes Medical Research in hospitals in Hamburg. The Hamburg resident received numerous medals and awards for his entrepreneurial and social commitment, including the Grand Cross of Merit of the Federal Republic of Germany and an honorary citizenship of Berlin.



It was Werner Otto (left), who brought the shopping center concept from Canada and the United States to Germany.

FULL OF LIFE

In his private life, open-mindedness, conviviality, and joie de vivre were an unbroken thread extending through the full life of the serial entrepreneur. But he also loved long walks on which he could draw strength and make decisions. Successful decisions. After his death in 2011, former German Chancellor Helmut Schmidt honored him with the following words: “Werner Otto combines in his person the best parts of recent history.”



Dear ECE,
 Congratulations
 on your
 anniversary –
 and thanks for 35
 successful years of
 working together.

Hamburg’s no. 1
 health and beauty retailer

Since 1912.



BUDNI

Jeden Tag Gutes tun.

“SIMPLIFY YOUR PROBLEMS”

Alexander Otto has steered the ECE ship for 15 years now as CEO. In an interview, he talks about his first steps in the real estate business, opportunities he seized, and core competencies.



ACROSS: HOW WOULD YOU DESCRIBE ECE TO SOMEONE WHO HAS NEVER HEARD OF IT?

ALEXANDER OTTO: We are a fully integrated real estate company that offers its investors an all-inclusive package. We cover the entire value chain in the life cycle of a property. It starts with a building’s design and architecture. We design, build, lease, and manage the property for our clients. We can take advantage of multiple synergies as we provide all services in-house.

ACROSS: AND WHAT DO YOU DO ALL DAY?

OTTO: (Laughs) That’s hard to describe. Even after more than 20 years with ECE, every new day is exciting and demanding. Of course it is important as a CEO to manage the company’s strategy, establish new objectives, and ensure that our clients and investors are satisfied with our work. We have succeeded very well at that, fortunately. Sometimes it’s just important to be present. I therefore sometimes play firefighter and take up critical issues personally if the situation requires. And you won’t believe it, but I visit around 100 shopping centers annually.

ACROSS: YOU DEAL WITH REAL ESTATE EVERY DAY. WHAT DO YOU FIND SO INTERESTING ABOUT IT?

OTTO: Properties are fascinating because they are constantly changing. This applies in particular to shopping centers in contrast to other properties, where users usually have longer leases. The requirements for building management are in constant flux. We need to ensure that the branch and tenant mix meets customers’ expectations. We need to identify new concepts and introduce them to centers as a matter of priority and ensure that we offer our tenants a highly attractive environment. That means combining the best retailers in the relevant catchment area under our roof. We ensure that

the atmosphere in our centers is right. Foodservice is incredibly important. Shopping is becoming a real experience. We must meet the challenges of online retail strategically as well. In general, real estate management, including all types of property, has changed dramatically. Investors are more self-confident and their information needs have increased significantly. Our decision cycles respond much faster and more clearly than just a few years ago.

ACROSS: YOU BEGAN AS A PROJECT DEVELOPER AT ECE MORE THAN 20 YEARS AGO. WAS THAT A DIVE INTO THE DEEP END OR DID YOU ALREADY HAVE SOME EXPERIENCE WITH THE REAL ESTATE BUSINESS?

OTTO: After studying at Harvard, I worked for two years in the real estate sector in America, so I was not entirely unprepared. I was also heavily influenced by my father. Even as a teenager, I was often allowed to accompany him and he spent a lot of time talking to me about how he made certain decisions. Although the real estate industry was not his primary earner, he had a particularly strong bond with the business. We have had many conversations about it together.



Opened in 1998, Schlosspark-Center Schwerin was the first shopping center Alexander Otto developed himself.



“Properties are fascinating because they are constantly changing.”

ACROSS: DID YOU COME AWAY FROM THAT WITH ANY MAXIMS?

OTTO: My father wrote a book and it listed 10 key principles for entrepreneurs. Some of them are reflected in our company values today. There was one sentence, however, that left a particularly lasting impression on me: “Reduce everything to a common denominator and simplify your problems.” We currently work with around 200 shopping centers and are working on over 50 projects of all kinds. Every single one of them is extremely complex in itself. This means it is important to stay organized and not to get lost in project details.

ACROSS: ARE YOU EQUALLY SATISFIED WITH THE SUB DIVISION “OFFICE, TRAFFIC, INDUSTRIES”?

OTTO: Absolutely. We currently have projects with a total of €1.5 billion in the pipeline in that division. We want to develop that area further. It is not the volume of projects that matters, however, but the quality of individual projects.

ACROSS: DO YOU HAVE FAVORITE PROJECTS IN ECE’S PORTFOLIO?

OTTO: We were of course particularly proud that we were able to build the large corporate headquarters of ThyssenKrupp. Not many can build a headquarters for such a large group! It was also a very high-quality development because the client was very demanding and invested in the most modern technology. I also like Schlosspark-

Center Schwerin, my first development project. It is located in the middle of the city and has been very successful for more than 15 years. Another great and beautiful project is Marmara Park in Istanbul. Among other recent projects, Milaneo in Stuttgart is a real “ECE milestone” in my view. It illustrates how a modern, multi-use urban development can look today.

ACROSS: AT LEAST IN EUROPE, WE ARE SEEING FEWER AND FEWER NEW DEVELOPMENTS IN THE SHOPPING CENTER SEGMENT. THE TREND TOWARDS REFURBISHMENTS, CENTER EXTENSIONS, AND VALUE IMPROVEMENTS IS GROWING STRONGER. IS THIS THE CASE FOR ECE, TOO?

OTTO: Yes, absolutely. We have recently acquired a location with considerable refurbishment potential via our fund. It is an older, not very functional shopping arcade in the center of Bielefeld in an absolute prime location. We are developing a completely new center from it. This is also a great solution for the city. We still see considerable potential in such areas. Trade signifies change. This change is continuously carried out in inner cities and this will remain the case. ECE is thus well placed for continued success because that is one of our core competencies.





The world's first shopping center integrated into a single building was Southdale Center in Minneapolis opened in 1956.

IMAGE: SIMON PROPERTY GROUP



Main-Taunus-Zentrum featured a 32 m long line of vending machines dispensing food and other products such as vinyl records from 13,000 compartments.



City-Point opened in Brunswick in 1988: successful restructuring of a former department store.

CENTERS IN CHANGING TIMES

It is not only fashion that changes. Shopping centers also follow trends: from prefab buildings on the outskirts to architectural highlights in the heart of the city – a tour through 50 years of shopping center history.



An Austrian emigrant radically changed the retail landscape in the USA in the 1950s: Viktor Gruen built the first shopping mall – enclosed and fully air-conditioned – in a suburb of Minneapolis in 1956. He grouped the shops on four levels around a large atrium that was also available for public events. This new type of premises gradually also conquered Europe and supplemented the department stores that had flourished since the 19th century.

Less than ten years after Gruen's pioneering feat, Main-Taunus-Zentrum located in the Hessian city of Sulzbach was the first outdoor shopping center to open in Germany in May 1964. It also featured a 32 m long line of vending machines dispensing food and other products such as vinyl records from 13,000 compartments. This oddity however had to be closed down due to numerous thefts after a few years. ECE has managed the center since 1998.

GOING SHOPPING BY CAR

The first-generation shopping centers, like the Main-Taunus-Zentrum, were large single-story premises built on greenfield sites. They promoted principles such as security, cleanliness, and service. Plants, fountains or sculptures served to create an agreeable atmosphere as the customers should stroll through the mall rather than foot it purposefully with shopping lists in their hand. As a rule, anchor tenants positioned at the two

ends of the mall ensured the required footfall. The plans worked out: Thanks to increasing levels of car ownership in postwar Europe, people enjoyed to drive to the shopping center on the outskirts of the city to go shopping.

Mail-order pioneer Werner Otto also saw the new retail concepts in the USA in the mid-1960s and immediately realized that shopping centers could also flourish in Germany. Thus, he was the first one to start developing enclosed centers following the successful American model and focused his real estate activities on shopping centers.

The first shopping center developed by ECE was Franken-Center in Nuremberg that opened on October 23, 1969. All the retailers had their own shops, individualized display windows and operated under their own name – in contrast to the previously widespread department stores. This motivated the retail tenants. And customers came in droves.

RETURNING DOWNTOWN

The second-generation shopping centers that followed from the 1970s on were multi-story buildings on predominantly urban locations called district centers. Examples for them are Forum Steglitz, now managed by mfi, that evolved into a popular center of attraction in the south of Berlin and Rhein-Center opened by ECE in Cologne-Weiden in 1972.

Some ten years later retail trade returned to where it had originally come from: downtown. The new developments were to help strengthening city centers that had partly become unattractive and pulling back purchasing power from “greenfield” locations. The special challenge was to embed harmoniously the shopping centers into the grown inner-city structures. One of the first inner-city shopping centers was City Center Essen that was built by the Dutch Group Shopping Service B.V. in the immediate vicinity of Essen's City Hall in 1979. In Koblenz, ECE inaugurated Löhr-Center with 120 shops directly accessible from the pedestrian zone in 1984. It was the first shopping center that was fully integrated into the urban fabric and adjusted to the existing buildings.

In the city centers of Brunswick and Bochum, ECE again implemented a completely different concept through the City Points in the late 1980s. Here it converted former Hertie department stores into



“ During my time at ICSC, ECE have been at the forefront of thought leadership and collaboration with other major investors and owners in the future of shopping centres. ECE has demonstrated a determination to work on a range of subjects that will benefit the industry now and in years to come, including at the European Union level. Most importantly, when I think of ECE, I think of the many fantastic people that the company employs and their passion for the industry we all know and love. ”



IMAGE: ICSC

MIKE MORRISSEY
Executive Vice-President and Chief Global Coordination Officer of ICSC





Rathaus-Center in Dessau was one of the first shopping centers that ECE opened in the new federal states.



With around 100 shops, Leipzig's main station is again considered a highlight of the city center after its revitalization.



modern shopping worlds. Their characteristics: a light atrium visible from numerous shop levels, glass elevators, generous escalators, and differently themed stories. The City Point system worked so well that ECE implemented it in a new development later on, namely Ring-Center at Frankfurter Allee in Berlin. This center type, however, suffered subsequently as customer behavior changed: At many sites customers find it inconvenient to use more than three shop levels.

CONSTRUCTION BOOM AFTER REUNIFICATION

Reunification changed Germany's retail landscape almost overnight. "Pent-up demand" was

the buzzword. Before the Wall fell, department stores had existed everywhere in the German Democratic Republic, but they were chronically empty, i.e. there was nothing to buy. It was hardly surprising that numerous cities soon pursued the ambitious objective of attracting centers to retain shopping power in their region from 1990 on. This was the origin of Lausitz-Park on the south-west periphery of Cottbus (1993) and Paunsdorf Center in the east of Leipzig (1994).

ECE seized the moment, too, and implemented numerous malls in the new federal states. From the outset, it focused on only developing integrated inner-city sites – even though that took a few

years longer sometimes. One of the most beautiful centers built at that time definitely is Schlosspark-Center in Schwerin that made use of historical building parts. By the way, the project developer was Alexander Otto, who later became the head of ECE.

The company also introduced a novel successful concept in Leipzig in the 1990s: In cooperation with Deutsche Bahn, it refurbished the main station during continued operation and converted



Löhr-Center celebrated its opening in Koblenz in 1984 and entertained the visitors by a dizzying high-wire show.

"More important than the right way is the right direction."
Stefan Persson, Entrepreneur

ECE has been on course for 50 years. We wish them all the best as the journey continues!

Allianz Real Estate Germany GmbH
Charlottenstraße 3
70182 Stuttgart





it into a modern, customer-friendly traffic station with integrated retail and service center. Leipzig's main station – distinguished with architectural awards – is deemed to be one of the nicest train stations worldwide today.

SHOPPING CENTERS AS A BRAND

In general, the architecture of the centers became more and more important. First-generation shopping centers frequently were simple prefab buildings and applied the classic concept of having one anchor tenant at both ends and the mall between them. Today, successful shopping centers are unique properties integrated into the cities in both architectural and functional terms even though functional strategies and urban development approaches continuously evolve. They do not only sell brands – the shopping malls also position themselves as brands. They are places with a strong emotional content and ensure customer loyalty through their distinctive design, tailor-made branch mix and premium experiences.

For example, Istanbul's Marmara Park stands out by its futurist design: The "galaxy" design theme visually shapes the entire center. Planet models and illumination create a spectacular outer space atmosphere. With a leasable area of 100,000 m², including 250 shops, a food court seating 2,000 people, movie theater, and bowling center, it is the

The "galaxy" design theme visually dominates the entire Marmara Park opened in Istanbul in 2012.



“As undisputed leaders in the shopping center space, ECE – privately owned – and Unibail-Rodamco – publicly traded – work very hard to deliver an outstanding experience to shopping center visitors every day. ECE is a friendly but formidable competitor, which we profoundly respect, even more so since we started operating in Germany!”



IMAGE: UNIBAIL-RODAMCO

CHRISTOPHE CUVILLIER
Chief Executive Officer and Chairman of the Management Board of Unibail-Rodamco

biggest center developed by ECE to date. Thereby Marmara Park also meets the special entertainment demands of Turkish consumers.

Controversially discussed, but definitely striking, Alexa shopping center developed by Sonae Sierra is popular among customers in Berlin. The five-story building clad in a pink and red facade already catches the eye from afar. The trademarks of the center opened in 2007 are its high-grade interior design, numerous connecting bridges from one side of the mall to the other and one of the first generous food courts in Germany.

In addition to customized architecture, shopping centers increasingly focus on comprehensive services. To hold its own in the more and more digital world and compete with online trade, Unibail-Rodamco enhances advisory and other services offered and strengthens the experience dimension of its shopping centers by its 4-star initiative. ECE, too, broadens its service range and tests innovative technologies at the Future Labs (see article on page 80-83).

Shopping centers are a mirror of society and its consumption patterns. Being as unpredictable as fashion and consumption of the future, long-term trends for the next generation of shopping centers cannot be foretold today. Only one thing is certain: Stagnancy is not an option.



24/7 ONLINE-SHOPPING
DOUGLAS.DE



ECE is celebrating 50 years of shopping fun – and we're joining in the celebration!

Douglas

Douglas

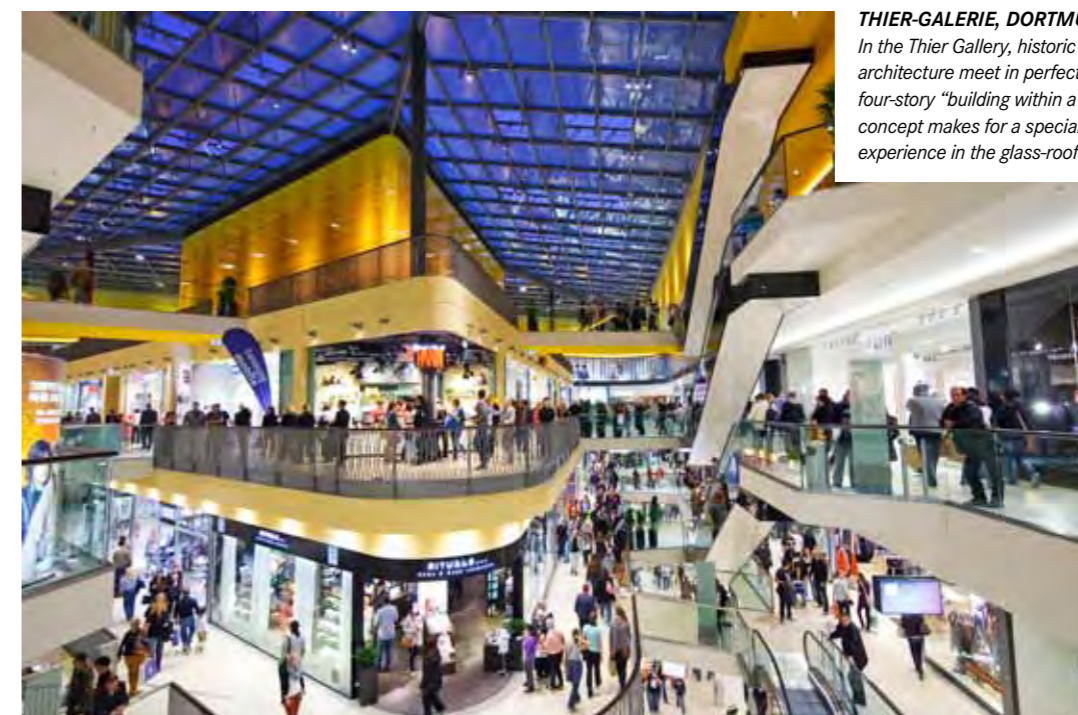
YOUR PARTNER IN BEAUTY

UNIQUE ARCHITECTURE

A reconstructed castle, a shopping mall perfectly integrated into the city center, and a corporate headquarters for several thousand employees. The architectural spectrum of ECE projects ranges from unobtrusive to spectacular designs. A selection.



LIMBECKER PLATZ, ESSEN
 Limbecker Platz in Essen sets accents: The interior includes four themed malls. They are designed to create associations to Amsterdam, Paris, Rome, and Essen.



THIER-GALERIE, DORTMUND
 In the Thier Gallery, historic and modern architecture meet in perfect form. The four-story "building within a building" concept makes for a special spatial experience in the glass-roofed interior.

“ In competitive markets, it is not enough to build a shopping center like everyone else. Only with an individual architectural concept custom-fit for the site can a center develop into a strong brand and survive over the long term.” ”



MARKUS LENTZLER
 Managing Director
 Architecture & Construction

EUROPA-GALERIE, SAARBRÜCKEN
 Integrated into the center: the historic Bergwerksdirektion (mining offices).



GALERIA KASKADA, SZCZECIN
 A perfect fit: a young, modern architectural concept, located in downtown Szczecin.



SCHLOSS-ARKADEN, BRUNSWICK
Shopping and culture in a unique setting: The facade of Brunswick Castle was rebuilt by ECE, partly with original building parts.



VOLKSBANK-ARENA, HAMBURG
Unique illumination: The membrane of the exterior facade of the ice and ball-sport arena lights up in the dark.



SKYLINE PLAZA, FRANKFURT
Located in the heart of the new European quarter of Frankfurt, Skyline Plaza is an urban meeting place for spending free time. The changing colors of the facade's metal lamellae bring the building to life for passers-by.

Thank you for 50 years of partnership.

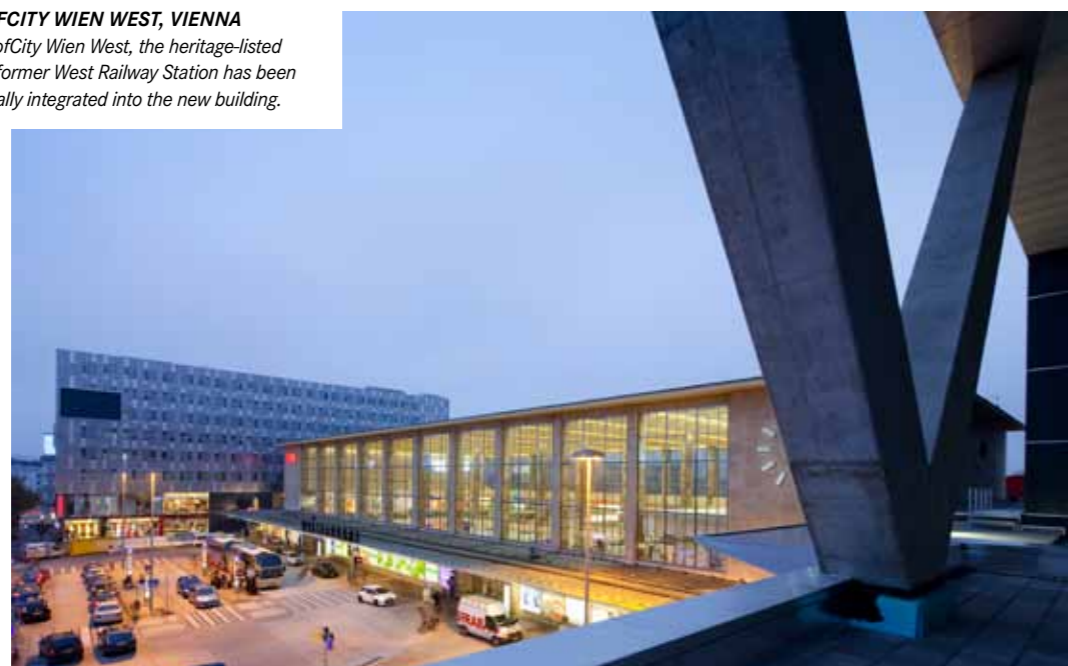
dm-drogerie markt congratulates ECE on its anniversary. We look forward to future ECE projects.



HIER BIN ICH MENSCH
HIER KAUF ICH EIN

BAHNHOFCITY WIEN WEST, VIENNA

For BahnhofCity Wien West, the heritage-listed hall of the former West Railway Station has been professionally integrated into the new building.



ETTLINGER TOR, KARLSRUHE

The cathedra-like interior, with a glass dome and steel arches, gives the center a spacious and bright atmosphere.



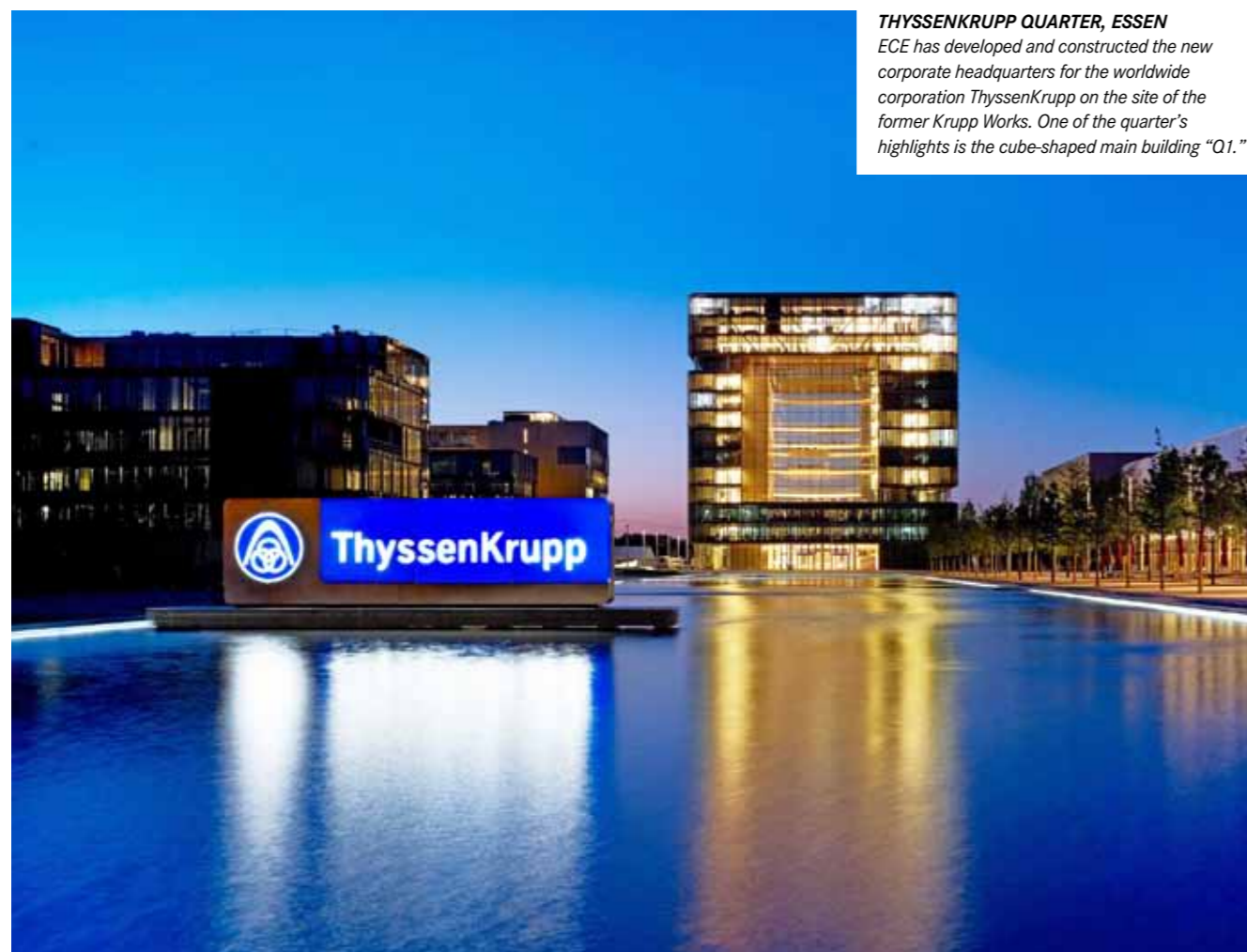
SCHLOSSHÖFE, OLDENBURG

A lively meeting place for leisure, culture, and retail – just a stone's throw from Oldenburg Castle.



THYSSENKRUPP QUARTER, ESSEN

ECE has developed and constructed the new corporate headquarters for the worldwide corporation ThyssenKrupp on the site of the former Krupp Works. One of the quarter's highlights is the cube-shaped main building "Q1."

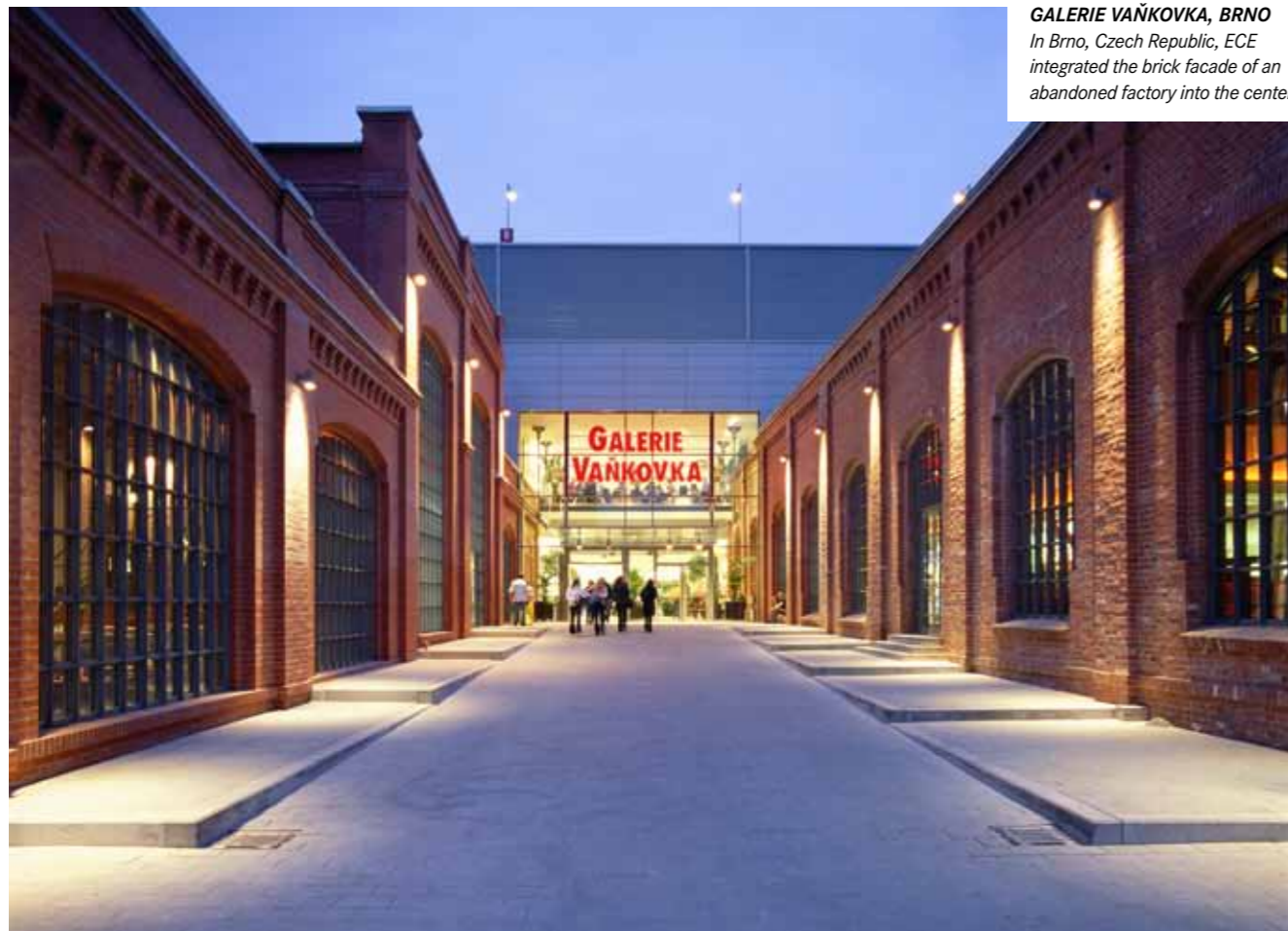


MOTEL ONE

50 YEARS ECE

CONGRATULATIONS!

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GALERIE VAŇKOVKA, BRNO
In Brno, Czech Republic, ECE integrated the brick facade of an abandoned factory into the center.

A SIZABLE PIPELINE

The shopping centers that ECE is currently building impress onlookers with their optimal architectural designs. A selection.



AQUIS PLAZA, AACHEN
Unique interior design: The shop facades on the shopping street partially extend over two floors and give the Aquis Plaza a unique feeling of space.



HOLSTEN-GALERIE, NEUMÜNSTER
This northern German city is receiving a harmonious link between the established commercial center Großflecken and the ICE train station: the new center Holsten-Galerie.



RHEIN-GALERIE, LUDWIGSHAFEN
The attractive, newly built Rhine promenade, created by the center, invites passersby to linger.



ALSTERTOR 21, HAMBURG
In the city of Hamburg, ECE's architects planned a prestigious office building with spectacular views over the Alster lake.



ZIELONE ARKADY, BYDGOSZCZ
The largest shopping center in the Polish city of Bydgoszcz stands out with its atrium, which stretches almost 30 meters into the air and is built in the form of an upwardly projecting crystal.

“ 50 years of ECE – that is 50 years of expertise and experience in the innovative development and successful management of attractive shopping centers. DG HYP has maintained a business partnership based on mutual trust with the European market leader for more than two decades. Like our cooperative financial group, the ECE Group stands for stability and sustainability. We would like to continue the good and constructive cooperation in the future and congratulate ECE on its 50-year anniversary! ”



IMAGE: DG HYP

DR. GEORG REUTTER
Chairman of the Board of DG HYP





FINAL SPRINT TO THE GRAND OPENING

The countdown is on: In two days, Milaneo is due to open its doors to its first visitors, but things still seem chaotic inside. A look behind the scenes at an almost-finished center.



Noise from all sides: Alarms sound, drills howl, from the left comes the steady hum of a cleaning machine, and on top of it all, an announcement from the center management that a van is blocking access. Boxes, barrels, cleaning utensils, and shelves clutter the mall. Most washrooms are closed, garbage cans and places to sit are still missing entirely. Amid the chaos, service staff hang posters or rush to shops in a zigzag in order to stock and hang goods.

It's late morning on Tuesday, October 7, 2014. In two days, Milaneo shopping center in Stuttgart is scheduled to open. It's just two more days until the center is to open its gates and welcome visitors to its 200 perfectly equipped shops. Is that really possible? At least all the heavy work is already complete – half a year faster than originally planned. Up to 1,200 construction workers brought the three-story shopping mall in Stuttgart's European Quarter to fruition. They dug



The countdown is on: Milaneo two days before opening.

together spell “Milaneo.” A wooden beehive perches right next to the two creatures. It has small peep slots through which the children can follow the action in the center outside.

The theater painter’s gaze wanders to a few craftsmen sitting on the floor enjoying a pretzel. They are not the only ones. On the way through as-yet unopened Milaneo, one constantly encounters people with pretzels in hand. The source of the baked goods is located on the first floor: The Bakery Shop “Maurer Brezel & Co” has already begun selling its homemade specialties. As it does not yet face any competition, it is making a roaring trade.

MILA THE BEE, NEO THE LADYBUG

Now, two days before the opening, engineer Daniel Warthemann dryly says just two words: “network problems.” That is the reason, the casually dressed expert explains, why the BW Bank ATM on the first floor cannot be filled with money yet. Deutsche Telekom plans to solve the problem soon. In fact, it will take more than 24 hours before the words “out of order” disappear from the machine’s screen.

Just one floor below, theater painter Christine makes final improvements to the playground. Paintbrush in hand, she explains: “We have taken up the design of the shopping center and implemented it in a way appropriate for children.” The little playground is located in the “Nature” area, which draws on forest and nature themes, with lots of wood and natural colors. A spring rider bee named Mila awaits little explorers, accompanied by ladybug spring rider named Neo, which



Technician Daniel Warthemann in the fight against network problems. Only when these are resolved can the BW Bank ATM on the first floor be filled with money.

SEVENTEEN BOXES STILL MISSING

“I stood in line for half an hour for a pretzel earlier,” says Evangelos Passenidis, seemingly completely relaxed. The passionate runner works at Runner’s Point. Compared to several other stores, the sporting goods store already looks perfect: The shoes are lined up rank and file on the shelves, the running apparel in assorted colors hangs from hooks, the window displays are great. “Yes, our shop already looks like a painting,” Passenidis’s colleague Michael Aeugle agrees. Nevertheless, 17 boxes of merchandise and the large treadmill that will be placed in the



Theater painter Christine makes a few final improvements to the small playground in the “Nature” area.





The “urban” part of Milaneo reflects the vibrant life of a modern city.

Each building has its own unique look inside: In addition to “Nature” and “Urban,” there is the “Modern” area, which sports a futuristic design.

NIGHT SHIFT IS IMMINENT

At the moment, noise, dirt, and mountains of goods dull the effect of the impressive architecture. A night shift should help several retailers to meet the prescribed deadline the next morning. Very few shops have yet been completed. On the contrary: In most of them, employees are still working furiously. Some retailers have received their goods just a few hours before and are busy unpacking. Others are even further behind: still waiting for shelves and storage furniture.

Roland Wolf, however, is ready for a toast. The retail manager surveys the finished Digel shop contentedly: suits, shirts, coats, and accessories lie and hang in their places, the light floor is as shiny as a mirror. “Everything actually went so like clockwork that we thought we would be done even earlier,” he says. “This was overly optimistic, as some furniture was then delivered late and there were problems with the water supply.” But now he wants to toast the successful store with his staff. He calls it the “home game,” as the men’s fashion label has its corporate headquarters in the nearby town of Nagold.

“LESSONS LEARNED” FROM THE CENTER MANAGEMENT

Meanwhile, Florian Brosing, project manager at 3d berlin, goes through the entire mall point by point. The young man photographs all the shopfronts for Milaneo’s guidance system. Heimatliebe, Reserved, Primark, Pull & Bear, tegut, Starbucks, Linas Köttbullar – all the mall’s 200 shops will be easy to find using Milaneo’s 3-D guidance system with both bird’s-eye and walking perspective. “The photos I’m shooting will significantly improve the walking version,” explains Brosing. “In about two weeks, they will replace the visualizations that the guidance system currently uses.”

It is now 5 pm. The ostensible chaos in and in front of Milaneo has been noticeably reduced. It’s time for a “lessons learned” in the premises of the



middle of the store are still missing. The latter is due the next morning at 7 o’clock – exactly one hour before the deadline that ECE has set for tenants to be finished with their stores.

This strict deadline is essential because a little later, journalists and television crews are expected at a press conference followed by a tour of the three sales levels. They shouldn’t end up stumbling over mops or trolleys full of goods. A reception for 1,400 invited guests is planned for the evening. Dominik Tempelfeld, managing director of the concept and decoration company dquadrat, attends the press conference and the evening reception with 12 others. “We have been working since the early hours on setting up the stage, the style, the decorations, and everything that goes with it,” says Tempelfeld. “We’ll also definitely need a night shift to take everything down again.” While his staff builds the stage in the spacious food court next to the Nordsee restaurant and Tokyo Sushi, other members of his staff are working on the decorations one floor below. They’re tying together small table arrangements of white tumeric flowers, the themed flower for the evening gala at Milaneo.

The celebration will focus on the “urban” part of the shopping center, which reflects the vibrant life of a modern city, with lots of glass, lively squares and terraces, as well as a variety of cafes and restaurants. Milaneo stretches over three levels with approximately 43,000 m² of retail space, apportioned into three closely connected buildings.

IN A NUTSHELL: MILANEO

In July 2012, construction began on the new Milaneo in Stuttgart’s European quarter, just a short walk from the main train station. It celebrated its grand opening on October 9th, 2014. Since then, it has been home to approximately 43,000 m² of retail space spread over 200 shops, such as Primark, Zara, Pull & Bear, Media Markt, Calzedonia, crocs, and tegut. The Milaneo quarter also includes 415 rental apartments, a hotel with 165 rooms, and offices with approximately 7,400 m² of gross floor area, scheduled to be built on the floors above the shopping center by summer 2015. ECE developed the quarter together with its partners Hamburg Trust, Strabag Real Estate, and Bayerische Hausbau with an investment of about €550 million.



QUALITY OUR INVESTORS ARE CONVINCED OF 99 % occupancy rate, 6 % annual payout¹

The real estate specialists

Hamburg Trust is a fund and asset manager for international real estate investments. We focus on downtown shopping centers, housing complexes and office properties in economically sound conurbations and prosperous, growing medium-sized cities.

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¹ 2014 payouts of funds „shopping edition 2“ and „shopping edition 2.2“, both investing in „Thier Galerie“ Dortmund





Roland Wolf of Digel is in a celebratory mood. He is about to toast to the successful store with his staff.

120 PAGES OF CHECKLISTS

“That’s nothing. Yesterday, we worked through 120 pages of checklists,” confides Axel Diewald, Regional Director Southwest & Switzerland at ECE, during the briefing. “Of the 100,000 details to be taken care of before opening a shopping center, we have completed almost all of them. We are officially on the home stretch. We can do it!” Diewald speaks from experience: This will be his 13th ribbon-cutting.



Bustling activity – even with heavy equipment – until the very last minute.

And he was right. Milaneo celebrated its grand opening on October 9, 2014. 134,000 visitors stormed the center that day, shoppers clustered in front of stores like Primark and Snipes. Once again, shop and center staff had their hands full.



center management, which, by the way, is easy to find thanks to the 3-D guidance system. Full of concentration, center manager Andrea Poul discusses the events of the day as well as some issues yet to be resolved with the opening team of about 40 people as well, of course, as the challenges still to come, of which there are enough. For example, one of the shops on the first floor will definitely not be ready by the deadline. There is still much to be done there. Poul allows an exception as that area is not affected by the evening reception. The four bicycle rickshaws, which are supposed to advertise for the new shopping center in downtown Stuttgart, are still awaiting official approval. Obtaining the permit is just a formality, one employee assures them. The customer parking spaces haven’t been numbered. It has been contracted out, but will not happen for another two weeks, according to an in-house technician. And so it goes on...



Visitors crowd Milaneo for the first time on October 9, 2014.



Here’s wishing all the best. As one of Germany’s leading project development companies, also established in 1965, we know the level of effort and discipline that goes into writing 50 years of success stories. ECE has done just that, and we congratulate them wholeheartedly. We have had the pleasure of walking a section of this path together. The results include renowned projects such as Forum Mittelrhein in Koblenz and MILANEO in Stuttgart. In the future, we hope to continue to write joint success stories together with ECE.

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STRABAG
TEAMS WORK.



In Kaiserslautern, public discussions led to a referendum with a veritable campaign for votes.

GETTING THE CITIZENS ON BOARD

ECE wants to ensure that the public is enthusiastic about its shopping center projects and, therefore, takes care to inform and involve the citizens early on – not only when local referendums are held.



Distributing bread roll bags and flyers, ECE employees canvassed at public transport nodes in Kaiserslautern. There as well as at information desks and events in the city center, they promoted the planned new shopping center “K in Lautern.” They also had independent, active regional supporters in the initiative “Für Lautern e.V.” “Its members were persons who were highly accepted in their own city. They were able to credibly convince people that our project was good for Kaiserslautern,” explains Dr. Jan Röttgers, Director Development at ECE. The

cause of this extensive campaign: The citizens of Kaiserslautern were called upon to decide in a referendum in 2011 whether municipal land should be sold or not. That sale was to kick off the overall project “Neue Stadtmitte Kaiserslautern”, including the construction of a new shopping center.

CONVINCING EFFORTS

Referendums like the one in Kaiserslautern are the exception. Nevertheless, shopping center

developments are critically discussed in many cities because they arouse diverse fears among citizens and retailers. Therefore, it is important first of all to obtain an expert opinion on the impact of new projects. Restrictions of floor space and product ranges that are to protect existing retailers render new developments more difficult for investors. “It is our task to convince the people of something that has not been built yet,” Röttgers illustrates the challenge faced by ECE. “We have to present plans and visuals to the people early on to show them what the new quarter or shopping mall will look like. Size and dimensions play a significant role here. We also have to communicate how a project can be integrated into the city and which impetus it can provide to urban development.”

Dr. Jan Röttgers considers it an added benefit that many citizens specifically focus on the urban fabric in their city for the first time in these discussion processes. A case in point is Schlosshöfe Oldenburg: There was an unused indoor pool in downtown Oldenburg. The main square degenerated into an eyesore. In developing Schlosshöfe, ECE created a completely new square with new paving, lighting, etc., next to the shopping center. This square is now one of the central meeting places in Oldenburg. “It is not only a matter of solely pushing through our own interests,” says Röttgers. “In fact, we build a part of the city.”



Schlosshöfe Oldenburg emerged on the premises of an unused indoor swimming pool.



Bagged arguments: In the referendum a two-thirds majority ultimately voted in favor of “K in Lautern.”

A NEW OLD CASTLE

Cooperation with the city also paid off in Brunswick – on an initially highly contentious project. Many citizens longed for the reconstruction of the castle that had been destroyed by war, but this project lacked funding. Other people, however, rejected the reconstruction of the castle in principle. When ECE put forward the idea of a shopping center for this location, this initiative again faced much opposition. In particular, architecture critics did not like the plans of retail usage behind the historical facade. After the project was completed in 2007, however, Schloss-Arkaden Braunschweig turned out to be a stroke of luck for the city. It strengthened the identity and attractiveness of Brunswick, plus the city profited

WHY DOWNTOWN?

Major construction projects trigger lively debates on the pros and cons especially when they are planned for inner-city locations where the number of residents is high. Moreover, new retail properties have a significant impact on the cityscape and affect the interests of established retailers. Nevertheless, downtown sites are the preferred choice for ECE when it comes to the development of new shopping centers: on the one hand, because the catchment area and accessibility are ideal and only top locations ensure sustainable sales – even in economically difficult times; on the other hand, because well integrated inner-city shopping centers re-attract purchasing power from the surrounding region and boost urban retail trade as a whole. Therefore ECE already pioneered the development of inner-city shopping malls in the early 1980s. Ever since, it has paid special attention to integrating centers into existing structures by appealing architecture and a fine-tuned branch mix. ECE demonstrated that this can also work perfectly well in a historic city center, for example, at Stadt-Galerie in Hameln and Altmarkt-Galerie in Dresden.





Together with the citizens, ECE gathers ideas for the design and integration of a new shopping center in many cities.



from high follow-on investments in the neighborhood of the castle. ECE had built the facade completely anew and integrated more than 600 original elements that had been preserved. Today the castle houses cultural institutions such as the Castle Museum, the Office of Vital Records, and the City Library, while visitors can enjoy the diverse offering of 150 shops in the adjacent shopping mall.

INVOLVING CITIZENS AND STAKEHOLDER GROUPS

In contrast to Oldenburg and Brunswick, public discussions led to a local referendum in Kaiserslautern. What is important in the “campaign” before

such a vote? Röttgers explains: “At first, critics are very conspicuous in most cases, and much more visible than the supporters. Therefore it is decisive to activate the silent, usually approving majority.” Informative events, promotional campaigns and discussion platforms on the internet serve to involve the citizens. In this context, it is also essential to make the benefits of the project for the entire inner-city development visible to the public. If you fail to do so, you may well end up losing out.

The involvement of diverse stakeholder groups currently runs in an exemplary fashion in Singen am Hohentwiel where ECE also wants to build a shopping center. Numerous working groups, some of which the head mayor chairs himself, have representatives of inner-city retailers and the region’s chambers of industry and commerce among their members in addition to the political groups of the City Council and administration. As a result, concerns as well as suggestions and ideas can directly influence the planning process. Such processes are challenging but worthwhile for cities and investors alike. At any rate, the efforts made in Kaiserslautern were successful: In the referendum, a two-thirds majority voted for “K in Lautern” that has already been completed.



“50 years of ECE – that’s a half-century success story. We are overjoyed to congratulate them on that! We are very pleased that we could contribute to this success through several joint projects in recent years, such as the Forum Mittelrhein Koblenz and Milaneo Stuttgart. We are of course also pleased at the prospect of bringing many more successful projects to fruition together in the future.”



THOMAS HOHWIELER
CEO of STRABAG
Real Estate GmbH

THE CATHEDRAL HAD ALREADY BEEN BUILT!
BUT ECE CREATES ROOM FOR TRADE FOR US.



REWE Group says “Thank you!” and congratulates ECE on its 50th anniversary.

The Cologne-based REWE Group is one of Germany’s and Europe’s leading trade and tourism groups with an annual revenue of around 51 billion euros and 330,000 employees in 12 countries. For years now, we have been a partner of ECE at more than 80 locations: In Germany with our REWE and PENNY stores as well as our DER travel agencies, in Austria and Eastern Europe with BILLA, MERKUR and BIPA.



Unattractive, unprofitable, and 60% vacancies – that is how the old “Hamburger Strasse” mall in Hamburg looked before ECE took it over in 2007 and turned it into the lively Hamburger Meile.

BEFORE

THE MODERNIZATION PROFESSIONALS



AFTER

For ECE, continuous upgrades, adaptations, and extensions of shopping centers are a core competency.



“The Hamburger Strasse shopping center in Hamburg wasn’t just old. We found some of its areas in a shocking state of disrepair,” Nikolaus Thätner recalls. The building from the 1970s looked in some places as if it had been left to its own devices for 20 years without repairing or replacing anything. “That happens a lot,” Thätner now knows from his experience as a project manager at ECE.

The owners skimmed on investment in maintaining and improving value and still assumed rents would rise forever. It was only when it was “five minutes to midnight,” or even already too late, that the investors looked at the portfolio and determined that they needed to sell, since

the costs for tackling the maintenance backlog were now formidable. There was an additional difficulty in the case of “Hamburger Strasse”: The many different owners could not agree on joint steps for modernization.

BRANCH AND TENANT MIX COMPLETELY REALIGNED

In a joint venture, ECE thus invested around €200 million to purchase and completely remodel the center after years of steady decline. The result was the attractive new “Hamburger Meile.” The branch and tenant mix was completely realigned towards a young, trend-conscious audience. The 600-m-long mall was creatively divided into different themes like “neighborhood”, “port,” and “sports.” The dominant dining feature is the new, 360-seat food court—the first of its kind in Hamburg. Since opening in 2010, the center is full of life again. According to the latest figures, an average of 25,000 people visit the new Hamburger Meile each day, and the trend is upwards.



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BEFORE



AFTER

ECE is completely redesigning Marstall Center in Ludwigsburg, which was erected in the '70s. When it reopens in autumn 2015, it will offer around 60 shops and indoor and outdoor dining with plenty of restaurants and cafes on 25,700 m².



“The revitalization of Hamburger Meile has encouraged us to look around in Germany for well-located major shopping centers that are getting old and from which we think we can make something new with our know-how,” says Thätner.

Another example is the City-Passage in Bielefeld: This shopping location has been incorporated into the city center since 1977. ECE’s first fund purchased the center in 2011 and ECE is now turning it into an attractive, modern shopping center with around 100 shops on 26,000 m² of retail space. The restructuring and expansion are due to be completed in 2017.

The design concept for the modernization spans tradition and modernity and alludes to the historical significance of the “Canvas City,” which was the inspiration for the center’s new name “Loom.” The €120 million project’s show-piece is an elliptical plaza spanned by an impressive glass dome.

REVITALIZATION IN HIGH DEMAND

The Association for Market and Sales Research (GMA) had already found in a study in 2010 that 48% of all shopping centers in Germany were in need of revitalization. This is not just about a new coat of paint on the facade, but a complete reinvention of the retail property. According to the study, the reasons for sluggish modernization extend from insufficient awareness of the need to revitalize, through complicated ownership structures and inadequate funding, to a lack of know-how. Those who react too late very quickly slip into a downward spiral of falling visitor numbers, loss of revenue, vacancies, and a loss of value for the entire property. Once the anchor tenants have moved out, many smaller retailers cannot survive the low footfall and attractive new tenants can hardly be convinced to move into the outdated shopping center.

GOOD CENTER OPERATORS ARE ALWAYS PROACTIVE

Good center operators are thus always proactive and continuously adjust their centers in small increments to meet current requirements. At least every 10 years, however, a larger-scale modernization is usually required. Proactive investors account for these ongoing modernization costs from the beginning. Thätner explains the dynamic that is characteristic of a shopping center: “A center is constantly subject to adjustments and optimizations. Thus, although leases are generally concluded for 10 years, for example, retailers’ space requirements often change in that time or entire retail chains can slip into bankruptcy. Such events always provide ECE with the possibility to bring new and trendy concepts into the center. ECE finds flexible solutions together with tenants.” Technology is also subject to change, particularly in the area of lighting and energy technology and a building’s energy requirements.



Peek & Cloppenburg

THERE ARE TWO INDEPENDENT PEEK & CLOPPENBURG COMPANIES WITH THEIR RESPECTIVE HEADQUARTERS IN DÜSSELDORF AND HAMBURG. THIS INFORMATION IS VALID EXCLUSIVELY AT PEEK & CLOPPENBURG KG DÜSSELDORF. STORES CAN BE FOUND AT WWW.PEEK-CLOPPENBURG.DE



Europa-Galerie in Saarbrücken is an example of a successful refurbishment. ECE integrated the historic mining management building into the center.



Alstertal-Einkaufszentrum in Hamburg shows how a center can reinvent itself again and again. It opened in 1970 as one of the first indoor shopping centers in Germany. Over the years, ECE adapted the center repeatedly to meet the changing demands of the market. During the last major refurbishment in 2006, ECE not only renewed and extended the center, but also invested in the surrounding neighborhood. The outdated urban concept from the 1960s disappeared and made room for attractive city squares, sculptures, cafes, water features, and greenery. Today, Alstertal-Einkaufszentrum is one of the most beautiful shopping centers in Europe and has received numerous international awards.

Another example of a successful refurbishment is Europa-Galerie in Saarbrücken. ECE integrated a historic mining management building into the center: Its facade and historically listed installations remained intact and became visible to the general public for the first time following extensive restoration.

THOROUGH INDIVIDUAL REVIEW BEFORE PROJECT LAUNCH

When buying existing centers that have not been modernized or adapted in a long time, a complete restart is often necessary. Before ECE professionals renovate a center, they first check whether the location of the object allows a sustainable and successful repositioning in the first place. Secondly, they consider whether the existing size would allow it to become a market-dominant center or whether it must be extended. Third, they must examine whether there are fundamental problems such as serious structural defects or a complicated ownership structure. Last but not least, it is also important to consult the market, especially potential anchor tenants, to determine whether they would move into the site and, if so, on what terms. “For it is only when we see a positive response from the market that we will do it,” says Thätner.



MY, HOW YOU'VE GROWN!

For years, we've worked together very successfully with ECE. Since 2011, we've been raising our baby, the MEC METRO-ECE Centermanagement joint venture, and we're proud that it has become the national market leader in speciality centre operations. This year, we share something else as well—METRO GROUP turns 50. So from one birthday boy to another: congratulations, and here's to many more years of shared success!

METRO PROPERTIES is the real estate entity of METRO GROUP. Working in 30 countries, it manages the world's most international retail property portfolio. More at www.metro-properties.com.



Of course, ECE centers have the great advantage of already enjoying the basic trust of the market. This confidence that the ECE can turn a center around pays off. Hamburger Meile is a case in point: Tenants that had already terminated their contracts wanted to stay when they learned of ECE's refurbishment plans. The challenge of this reputation, of course, is that ECE cannot afford any flops so as not to lose that confidence.

A ONE-STOP SHOP

For ECE, continuous shopping center upgrades, adaptations, and extensions are a core competency today. ECE assembles interdisciplinary teams to perform a precise analysis and plan a revitalization. These teams bring together the expertise of project developers; landlords; center managers; architects; and marketing, financial, and legal experts. The recipe for success is described as "one-stop shopping": Each team has expertise in construction law, experience in re-designing and re-branding, and in "design to cost." A research department carries out market analysis and leasing experts develop a site-specific branch and tenant mix. Whether it's project development, finance, or marketing, for all these aspects, ECE can draw on decades of experience in the development of shopping centers and numerous refurbishment projects.

It is thus prepared for any type of refurbishment, whether for a comprehensive modernization, management takeover, or expanding or

“ The topic of refurbishment plays a central role mostly in mature markets because it offers excellent opportunities for sustainable investments and expansion. Via its own fund company, ECE has therefore already launched two funds that focus on the acquisition of existing shopping centers with upside potential. ”



HENRIE W. KÖTTER
Chief Investment Officer



redeveloping retail space – or for complex projects where everything comes together to adjust the center to the consumer and retail trends of the 21st century.

CAPABLE OF FAST ACTION

It has become ever more common that one of ECE's funds to take on the financing of acquisitions and the subsequent refurbishment. ECE has specially set up these funds to take over existing properties and take advantage of value-added potential. Examples include City-Passage Bielefeld, Marstall in Ludwigsburg, and Haid Center in Linz, Austria. "Thanks to the funds, we can respond very quickly," Thätner says. This is a major advantage of the funds because the real estate market today is dominated by very well funded players that invest billions of dollars in the market and are able to act very quickly.

Another promising object that the ECE European Prime Shopping Centre Fund I has purchased was Rosengårdcentret in Odense, Denmark. This brought ECE into the Scandinavian market. In the course of its refurbishment, ECE is completely restructuring the second-largest shopping center in Denmark and is implementing a totally new design concept – a combination of modern Scandinavian architecture and a graphical interpretation of the fairy tales of Danish writer Hans Christian Andersen.



“ The shopping centers managed by ECE stand for lasting quality. Their yields are highly stable, making them important stability anchors in our real estate funds. The 100 years of experience that ECE and Union Investment Real Estate together can bring to this investment thus pays dividends for our investors as well. ”



VOLKER NOACK
Executive Management,
Union Investment Real Estate GmbH



Deichmann – trend meets tradition

In 1913, Heinrich Deichmann opened a shoemaker's shop in a working-class district of Essen.

Lots of things have changed since then.

Two generations and nearly a hundred years later, the company has become the market leader in the European shoe retail trade.

Deichmann now has about 3,600 branches in 24 countries and employs around 35,000 people.

But some things always stay the same.

Like our promise to offer high-quality, fashionable shoes for all age groups at reasonable prices.



Because we love shoes.



For Otto-Versand, ECE served as the general contractor and project manager of the company's headquarters in Hamburg that was completed in 1982.

SOLUTIONS FOR DISCERNING CUSTOMERS

With a current construction and planning volume of €1.5 billion, ECE's business areas Office, Traffic, and Industries form an important pillar of the real estate group. From modest beginnings, ECE developed an impressive project portfolio.



It was forty years ago, at the outset of the oil crisis, when the development of shopping centers also became a risk because of the general economic situation. There and then, ECE founder Werner Otto decided to stop expanding and to consolidate the company. The existing centers were to be optimized first of all. Otto entrusted this task to Dr. Heinrich Kraft who took the helm as chairman of the ECE Management Board in 1974. Kraft completely re-organized the team of ECE and expanded the portfolio by the development of office and logistics property. Thereby, he laid the foundation for today's business areas Office, Traffic, and Industries.

THE START IN FRANKFURT

The first opportunities emerged in the banking hub of Frankfurt where many office buildings were vacant or stranded in the construction phase on account of the oil crisis. "For example, we acquired the Frankfurt Büro-Center at Mainzer Landstrasse between Christmas Eve and New Year's Eve while everybody else enjoyed their skiing vacations," remembers Dr. Heinrich Kraft. "We had to pay the craftspeople who had been left with open invoices and then we completed the office building. This is how we learned the office business." In parallel to

the project in Frankfurt, ECE served as general contractor and project manager in the construction of the headquarters of Otto-Versand in Hamburg that was completed in 1982. Further office buildings and corporate headquarters followed, including the construction of the new head office of Mannheimer Versicherungen in 1991 and again its general renovation in 2004.

Furthermore, ECE broadened its project portfolio to include logistics projects, for example for Heine Versand in Karlsruhe and Schwab Versand in Langenselbold. Together with the future users, specialists designed efficient, functional buildings for optimized workflows. In addition to logistics centers, ECE demonstrated its competence also in other business areas. The company drew up master plans for clients like Airbus, Beiersdorf, and Munich Airport. As a European pilot project for the refurbishment of railroad stations, ECE also realized "Promenaden" at Leipzig Central Station in 1997, followed by further railroad stations in Cologne, Hanover, and Vienna.

SEPARATE BUSINESS AREA SINCE 2007

The volume of projects eventually increased so much that Alexander Otto, who became chairman of the ECE Management Board in 2000, pooled them in a dedicated business area. Its scope initially covered the construction and leasing out of large office properties as well as the development and implementation of goods distribution centers and retail areas at large railroad stations. However, further business segments and complex large-scale projects were to follow as Otto's objective was to further extent the portfolio of the company.

"We want to develop continuously," says Dr. Andreas Mattner, Managing Director Office, Traffic, Industries & Corporate Communications. In this context, it is not the size of a project that counts but its quality. "We intend to broaden the existing portfolio in the business areas Office, Traffic, and Industries. We want to grow moderately, generate good profit margins also in future, and further develop this area as a strong pillar of ECE."

With a well-functioning team of many highly specialized experts, ECE is ideally positioned to tackle all development tasks – be it a state-of-the-art



ECE also has expertise in the refurbishment of transport properties as demonstrated, for example, at Hanover Central Station.

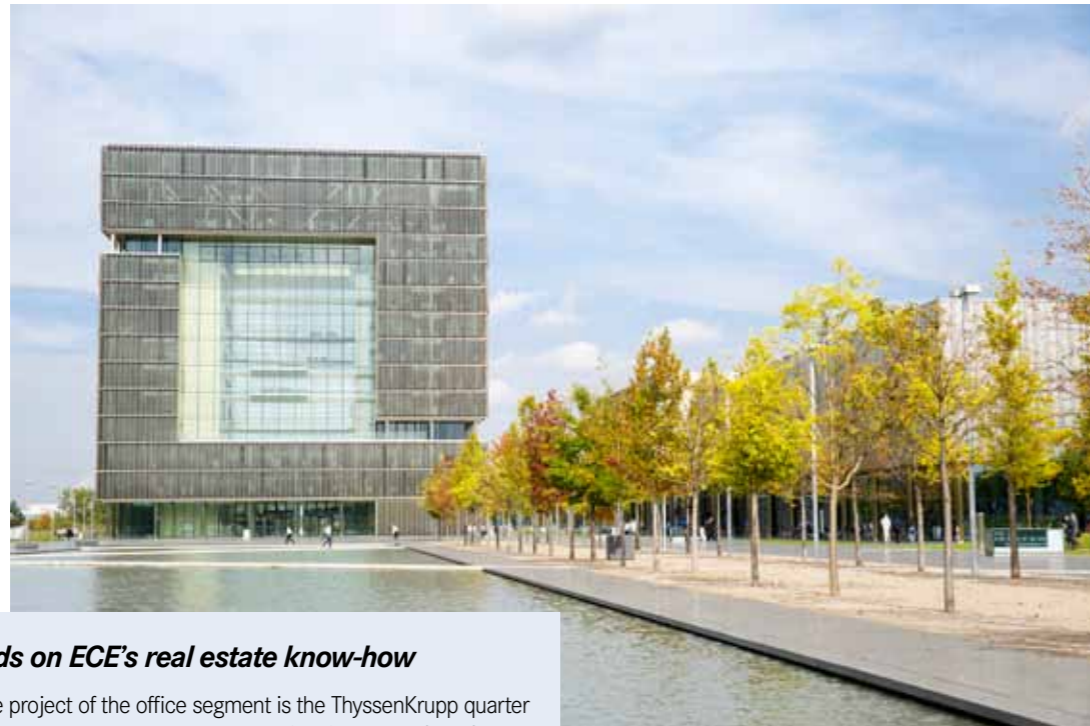
logistics center such as Hermes' northern hub, a residential building project such as "Mitte Altona" in Hamburg or corporate headquarters like the ThyssenKrupp quarter in Essen, the Philips Germany headquarters in Hamburg or the "dm" campus in Karlsruhe. The customers of ECE are discerning and do not seek off-the-shelf solutions. Hence, the ECE experts engage in a partnership dialog with the customer to create premises that strengthen the core business, generate a competitive edge and, at the same time, are highly cost-effective. And they follow the Hanseatic tradition of reputable business-people: in terms of quality, compliance with budgets and deadlines as well as reliability, fairness, and sustainability. As a result, the construction and planning volume in those fields has almost caught up with the shopping segment.



“Especially in complex projects, it is important to develop customized and economical solutions. When you want to build tailor-made properties, you must be able to listen to your customers and have all the know-how needed from planning to finance in-house. We give top priority to delivering projects on time and on budget.”



DR. ANDREAS MATTNER
Managing Director Office, Traffic, Industries & Corporate Communications

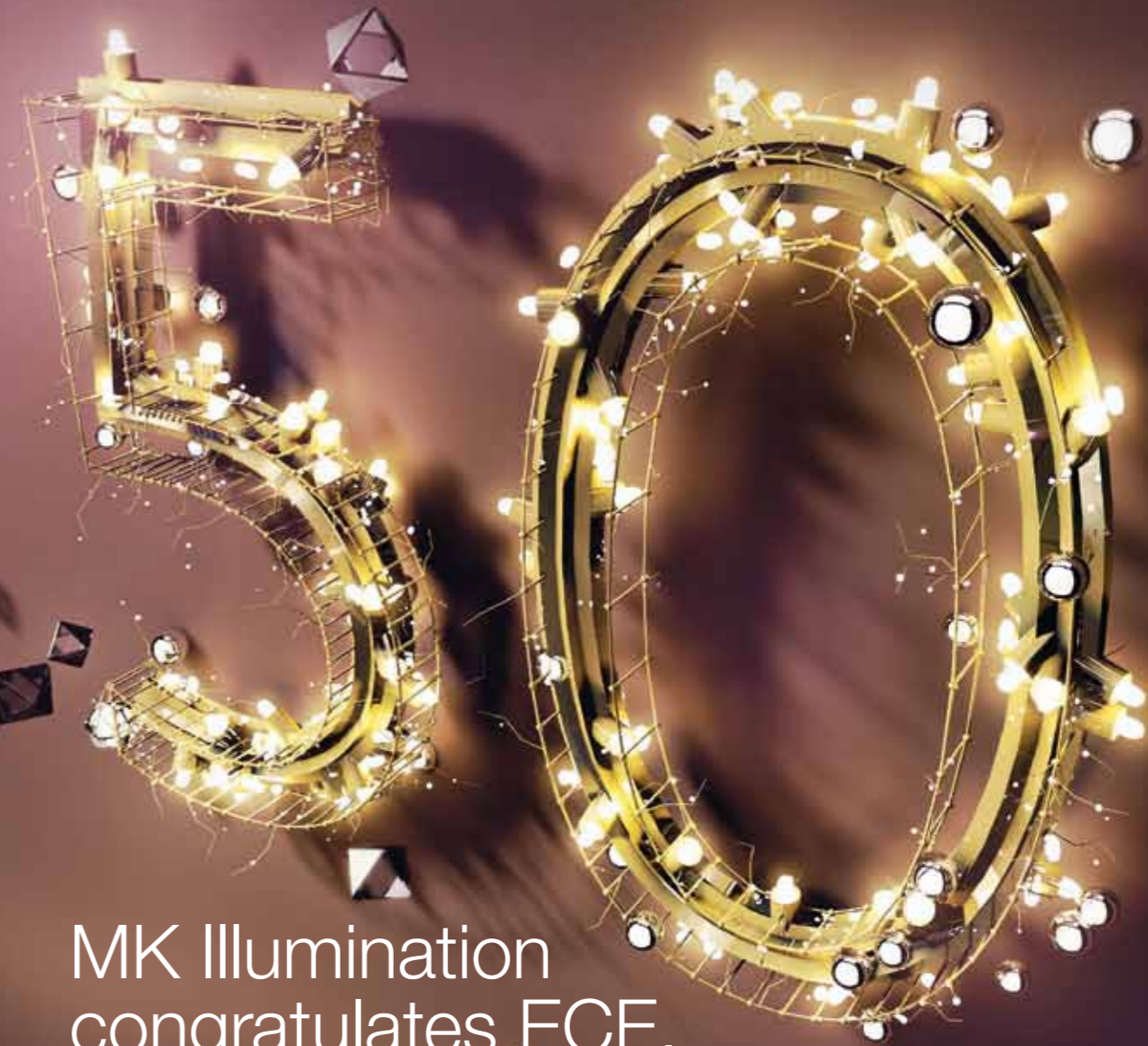


Global player builds on ECE's real estate know-how

An outstanding reference project of the office segment is the ThyssenKrupp quarter completed in Essen in 2010. The quarter located at the historical area of the former Krupp factory comprises the new headquarters, further office buildings, and a forum with conference rooms and restaurants. "On the one hand, the architecture is very spectacular," explains Thomas Perschel who heads the construction and architecture field in the Office, Traffic, and Industries segment of ECE. "On the other hand, it was a high-grade development as the client was also very demanding and invested in cutting-edge technology." Moreover, the quarter is future-oriented as regards sustainability owing to its high energy efficiency and the use of geothermal energy.

Philips as a regular customer

The new German headquarters of Philips will be completed in Hamburg in 2015. In this project, ECE's services ranged from project development to implementation. "We already built the previous headquarters for Philips 10 years ago. The company's office requirements, however, changed much in the meantime," explains Florian Sauer who is in charge of development and leasing out in the Office, Traffic, and Industries area. "It is really terrific that Philips again opted for ECE. This shows that the customer is very satisfied with our work." The new six-story building stands out by its generous glass facades and a roof terrace.



MK Illumination
congratulates ECE.
Thanks for an illuminating partnership.

References
RETAIL REAL ESTATE

- BahnhofCity Wien Hauptbahnhof, Austria • BahnhofCity Wien West, Austria • City Arkaden Klagenfurt, Austria • DEZ Innsbruck, Austria • Rosengårdcentret, Danmark • The Mall Athen, Denmark • Milaneo Stuttgart, Germany • Skyline Plaza Frankfurt, Germany • Schloss-Arkaden Braunschweig, Germany • Arkad Győr, Hungary • Árkád Szeged, Hungary • Silesia City Center, Kattowitz, Poland • Poznan City Center, Poland • Zielone Arkady, Bydgoszcz, Poland • Olympia Brünn, Czech Republic • Stücker Einkaufszentrum Basel, Switzerland • Acity Ankara, Turkey • ANKA mall Ankara, Turkey • Antalya Migros Shopping Center, Turkey • Beylikdüzü Migros Shopping Center Istanbul, Turkey • CarrefourSA Karsiyaka Izmir, Turkey • Espark Eskisehir, Turkey • Maltepe Park Istanbul, Turkey • Marmara Park Istanbul, Turkey • Neomarin Istanbul, Turkey •

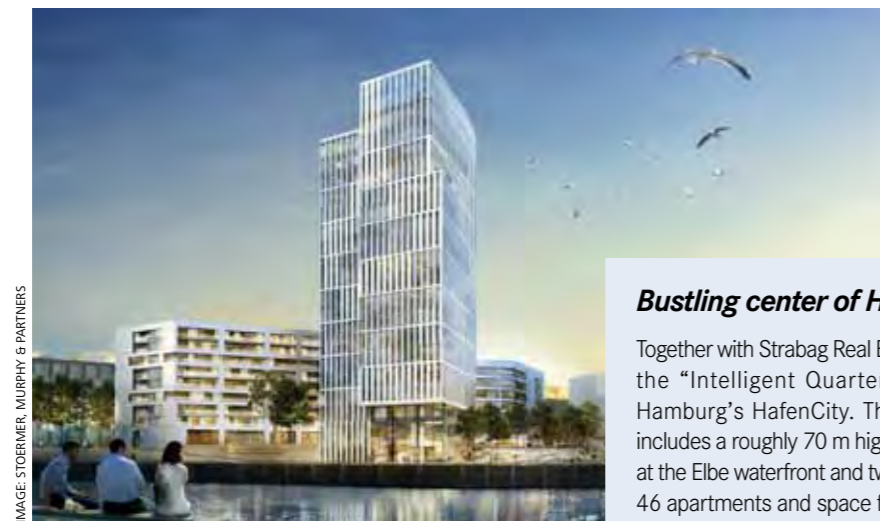


IMAGE: STÖRMER, MURPHY & PARTNERS

Bustling center of HafenCity

Together with Strabag Real Estate, ECE constructs the “Intelligent Quarters” in the heart of Hamburg’s HafenCity. The building complex includes a roughly 70 m high office tower located at the Elbe waterfront and two other buildings with 46 apartments and space for other uses. Shops, restaurants, and cafés located at the ground level are to ensure the vibrancy of the quarter. “By positioning high-quality architecture close to the water and a mix of residential, office and recreational uses, the Intelligent Quarters are a key element in the future center of HafenCity,” states project developer Nicole Tuttas.

Apartments on former railroad area

“Mitte Altona” is Hamburg’s biggest urban development project after HafenCity. The first construction phase includes the building of approximately 1,600 apartments in total, a 2.7 ha park, four day care centers, and a district school. Together with partners, ECE is developing a total of 1,200 residential units on the land acquired and will hand them over to partners, municipal companies, and building cooperatives. The project is considered a model of modern inclusion strategies in urban development.



“ With ECE, I associate the construction of the large Hermes central HUB in Friedwald in 2009. There, 400 employees currently sort 75 million consignments per year or 280,000 parcels per day. The entire building project was managed by ECE – highly professionally from planning to turn-key handover. As a result, it was easy to select the partner who should build the northern HUB for Hermes in Langenhagen in 2010. ECE, of course. ”



IMAGE: HERMES EUROPE GMBH

HANJO SCHNEIDER
Member of the Executive Board of Otto Group and CEO of Hermes Europe GmbH

New corporate campus for “dm”

Flexible and expandable: ECE is the general contractor and project manager implementing the new corporate headquarters of the drugstore chain “dm” in Karlsruhe. The drugstore operator plans to unite the business divisions, which were previously scattered across seven locations, at the new “dm” Campus in the city district of Durlach. The honeycomb-shaped new complex has a modular design and can be expanded at any time. Besides approximately 32,000 m² of office space and parking spaces for around 1,100 cars in the underground car park and the parking garage, planning comprises, among other things, a medical practice, a “dm” market, and possibly a nursery.



What do you give someone who has everything?



A bag full of good wishes for the future. The Otto Group congratulates the sister company ECE on its anniversary and wishes all the best for the next 50 years.



First congress center awarded DGNB certificate in gold

Kap Europa that ECE implemented together with CA Immo opened in May 2014 and was the first congress center that received a certificate of the German Sustainable Building Council (DGNB) in gold. Its owner and operator is the Frankfurt trade fair company. With a hall accommodating 1,000 persons, a divisible hall for 600 guests, and 12 further meeting rooms, Kap Europa offers flexible and multifunctional rooms for diverse events on four stories. "We are proud that we – the ECE architects – were able to design this functionally excellent building with its succinct impact on the urban fabric," says Niels-Christian Otzen, head architect of the Office, Traffic, and Industries areas.



TEAMS WORK.

Second Motel One in Vienna

ECE realizes a 60 m high hotel tower with around 530 rooms and panoramic windows directly at the new Vienna Central Station. The Motel One Group will lease the hotel and operate it for at least 25 years. The hotel tower designed by the renowned Viennese architecture firm Holzbauer & Partner is planned to undergo certification by the Austrian Society for Sustainable Real Estate (ÖGNI). ECE already completed the Motel One hotel located at Vienna's Western Station for the hotel operator in 2011.



IMAGE: FAUSTMANN RENDERINGS

"We have come to appreciate the professionalism and excellent market expertise of ECE in many years of cooperation. In addition to the strong background of the company, it is above all the fairness and reliability of the actors that impresses us. ECE and Motel One are linked by large-scale hotel developments that we jointly implemented at Vienna's Western and Central Stations. We wish you a happy 50th anniversary."



IMAGE: MOTEL ONE GROUP

DIETER MÜLLER
CEO of Motel One Group

Central storage facility for Siemens in record time

For Siemens, ECE completed a new storage and logistics center in Krefeld in 2014. The special challenge of this project: There were only six months between the signature of the lease and handover. "The customer was rather enthusiastic that we nevertheless were able to hand over the building on time. That only works with a well-coordinated and highly professional team," says Ulrich Rössing who is in charge of project management in the Office, Traffic, and Industries areas. The 32,000 m² large building complex serves as central storage facility for the adjacent Siemens main manufacturing plant and comprises two halls and an approximately 1,000 m² large office and social building.



Our success is built on mutual trust. Ensuring quality, on-time delivery and on-budget completion of even the most complex projects requires enormous expertise, perfect logistics, creative ideas, and plenty of hard work and dedication – but above all it requires all involved to work together as partners.

The Züblin teamconcept emphasises optimised planning, cooperative contract agreements, constant target monitoring, risk and conflict minimisation, and an open style of communication. The result is increased transparency, efficiency and success. We can proudly look back on many interesting projects all over Germany which we have successfully completed in partnership with ECE. Because we believe in the strength of the team. And that this makes the difference for our clients when it comes to making amazing things possible.

www.zueblin.de



ZÜBLIN

TEAMS WORK.

“ALL OF ECE DID FIT IN TWO COACH BUSES”

25 years ago, the staff headed out by bus for the big anniversary tour. Today, ECE employs approximately 3,600 people in Germany and abroad who are often connected to the Hamburg-based company by more than just their jobs.

“One of the secret of success at ECE is interdisciplinary teamwork. As an architect here, you work together with dedicated colleagues from different areas. This enables us to look at the project from all angles and to create innovative design concepts and products for new and existing buildings. That is always exciting. In the Department Retail Services, we respond to the changing tenant market and pool our planning, support, and other services for the leasing division and our tenants. I myself have thereby been given the chance to take on more responsibility and to shape our path together with my team.”



IRIS SENG
Head of Department Retail Services – Architecture & Construction

“I have spent twelve varied years at ECE and I hope more are to come!! like ECE’s internationality and communicating with colleagues from our offices abroad. Some real highlights for me are the annual summer and Christmas party. Together with colleagues, I organized the Christmas event with the motto ‘40 Years of ECE’ in 2005, including producing short, humorous video clips with co-workers from all levels of the hierarchy, which we showed later at the party - a complete success.”



JAN GESCHE
Application Engineer, IT



SUSANNA SOJKA
Corporate Controlling Manager

“I particularly value the open and reliable cooperation with local colleagues at the headquarters and with international colleagues from the national subsidiaries at ECE. The company does not just pretend to be a good employer, it takes a number of measures to improve the well-being of employees. ECE should plan to do this for the next fifty years as well.”

“Each new task requires a certain level of respect. This was particularly true when I took over my first center after training: Anger 1 in Erfurt. Fortunately, there is always someone there at ECE whom you can ask for advice or assistance. Everyone is very friendly and cooperative. I have been a center manager in Italy for three years now. I have always wanted to work abroad. The expat managers at ECE were very supportive in this. (Almost) all I had to do was pack my bags, which allowed me to concentrate on getting started in Italy: Learning the language, gaining the confidence of staff, and getting to know the center and its tenants. That was and is super exciting.”



SANDRA OERTEL
Center Manager in Megalò in Chieti



ANKE UTKE
Expert Corporate Relations & Sustainability

“I’ve been with ECE for ten years and it has never been boring! I started as an assistant in the then-new ‘Russia’ team in the ‘International Project Development’ department. I helped build the Moscow subsidiary from Hamburg. The best in all those years was getting to know so many different colleagues, for example while training international staff in Hamburg. There was once a Greek colleague here and, full of enthusiasm, we wanted to show him the entire city. What made him most happy, though, was when we finally sat down comfortably and had something to eat. If I saw him and the others today, I would still give them a hug.”

“As a long-time employee, it is impressive how ECE has developed continuously into a large, successful company during my time here. The great challenge for the future is to keep our market position and even expand it. I am confident that ECE will successfully master this task and will celebrate many more birthdays.”



WOLFGANG KAUMANN
Associate General Counsel, Legal

“I have worked for ECE for seven years and have spent the last three years in Qatar. My tasks here are more diverse than in Germany: For example, I handle store handovers and have responsibility for human resources. The tenants are more international because there is no long history of local retail and everything has to be ‘imported.’ You have the chance to get a completely different perspective here. I now have a particular appreciation for ECE’s reliability and stability.”



HENRY GEBAUER
Leasing Manager in Doha

The best way to predict the future is to invent it.

Alan Kay, American computer scientist



Hamburg, Jungfernstieg 1965

Cityscapes, the retail industry and the property market have all undergone enormous change in the last 50 years. But thanks to creative ideas and professional project management, ECE has remained successful throughout – in Hamburg and beyond.

We would like to congratulate you, ECE, and say thank you for your commitment and trust during our joint projects.



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“What makes ECE special is the very high proportion of very friendly colleagues with a high level of professional expertise. This makes working here efficient and pleasant. But we don’t just work, we also celebrate! When the development division recently hosted the ECE Christmas party, we chose the ‘1970s’ as the theme. I was thrilled that so many people actually dressed in ‘70s style, even the whole Management Board.”



DR. SANDRA HARMS
Senior Development Manager

“I had my first experiences with ECE in the 1990s. As a student, I worked for a consulting firm in Potsdamer Platz. When I started at ECE in 2001, I actually thought I was going to build shopping centers in Germany. To my surprise, my first project was the master plan for an Airbus production site. It seems that my experience with aircraft impacted my next professional activity. I thus ‘landed’ in Istanbul. The broad range of business activities and the familial environment at ECE are unique and hold many challenges. Whatever the future might bring – I am confident that ECE will have a safe ‘flight!’”



ANDREAS HOHLMANN
Managing Director of ECE Türkiye



JÖRG SMOLNY
Project Manager Architecture & Construction

“Where else is it possible to be responsible for implementing regular projects on a scale like that of an ECE shopping center?! For me, it’s always a special moment when customers flock into a building the first time, through which I myself have passed countless times during various stages of construction. The collaboration and teamwork at the construction site are also impressive. We sit together with the general contractor in a joint project office: planning coordination, project management, secretariat, tenant services, technicians, etc. The short distances between us lead to rapid problem solving and close personal cooperation.”



MAMEN JIMENEZ
Regional Manager
Center Management at Auxideico Gestión

“Perhaps my most exciting event with ECE was when we won the management contract for As Termas in Lugo. It was one of the first tenders for which Auxideico acted as a subsidiary of ECE, and we competed against some of the best-known national and international competitors.

I experienced the best teamwork in my career so far during that project. I appreciate being part of an international company that is able to remain a family firm while simultaneously upholding a high quality standard.”



FRED BERTHOLD
Technician in the Franken-Center Nuremberg

“I have always worked at Franken-Center and it is still not boring, even after 34 years. Dealing with customers and tenants is a lot of fun. I am responsible for everything from lighting, to the fire alarm system, to building up exhibitions. Many years ago, we had an exhibition called ‘On the Farm,’ with real animals, including pigs. People found it funny that it also smelled like being on a farm. A lot has changed in the meantime, but despite ECE’s current size, you always have a contact person. And you can’t complain as far as what ECE offers its employees, everything from social services to parties and more.”

“I remember the 25-year anniversary well: All of ECE fit into two coach buses. The destination was top secret; so secret, in fact, that one bus headed off towards Warder near Flensburg, while the other drove towards Warder near Segeberg. Eventually we came together and it was a great day with boat ride in Malente, jazz, a buffet, and a live show in the evening. After the fall of the Berlin wall, ECE expanded and it was an exciting time. We had to squeeze together with the many new colleagues since the new office building was not yet finished. Dr. Kraft ‘sweetened’ up the situation at the time with Lübeck marzipan, which we found one morning lying on the desks.”



GABRIELE KRIZ
Specialist Facility Management

“When I started at ECE as an (IT) operator in 1980, everything was still small and straightforward: There were five property companies, we had eight centers under management, and we still met with the directors in the kitchen. It then grew every year. Now we have almost 200 centers. I enjoy working here, otherwise I would not have stayed so long.

ECE is a generous company, my colleagues are nice, and my team leader will sometimes personally sit down and help when several hundred invoices and account assignments are to be booked on a stressful day. When people ask me where I work, I reply with no small amount of pride: I work for ECE.”



MONIKA BRINKMANN
Accountant



STEFFEN ROJAHN
Specialist HR Service

“The only constant is change, they say, and this certainly applies to my work here. I have worked in payroll, in the Department of Labor & Policy Issues, and HR controlling. Now I’m on the HR Hotline – this has been the most fun for me. I now know many colleagues from the phone. Our team answers questions about billing and HR systems, and we can advise on company retirement plans for example. I especially appreciate working together with everyone and the team spirit – we have a lot of fun at work.”





FLEXIBLE AND FAMILY FRIENDLY

Motivated employees guarantee a company's success. ECE therefore promotes equal opportunity through measures such as mentoring programs, flexible working hours, and the compatibility of work and family life to convince experts from various fields to come work for ECE.



Anyone who asks around among the staff quickly notices: collegiality and friendly cooperation are among ECE's major assets. This is likely due to the fact that ECE is still a family-owned, tradition-conscious company that relies on partnership and sustainability even after 50 years that included some rapid growth phases. "ECE is a service company. The first order of business is the service orientation, both in internal and external cooperation," CEO Alexander Otto summarizes.

FLEXIBLE WORKING HOURS

In order to be attractive as an employer and encourage employee loyalty, ECE also lays great emphasis on making work compatible with family and free time. In order to improve continuously in that regard, ECE underwent a successful "career and family" audit by the Hertie Foundation in 2012. Its certificate is a seal of quality for family-friendly human resource



Our sincere congratulations to fifty successful years of ECE

Ralf Wittenberg, General Manager





EMPLOYEE RECRUITING

With approximately 3,600 employees in 16 countries, ECE is a heavyweight among European property companies. The same is true for their projects, the complexity of which presents employees with all kinds of challenges. Job descriptions within ECE are thus accordingly diverse. As a versatile company, it speaks to different occupational groups. Experts are sought from a broad array of areas in addition to real estate specialists. They range from project developers, architects, and engineers, to letting specialists and center managers, to asset managers, lawyers, and IT experts.

To recruit qualified personnel, ECE cooperates with colleges, universities, and professional associations and is present at industry and job fairs. "We need people who like to think outside the box and can operate in networks. Applicants must therefore show both technical expertise and be generalists" Barbara Hatzler says, describing the selection criteria. And they should be willing to keep learning, as real estate and retail markets change continuously. For this purpose, ECE offers its employees a wide range of internal development and training programs, enabling them to develop themselves further.

policies. As a result, ECE addressed, among other things, flexible working hours: Work should focus on results rather than on strict attendance and schedules. Thanks to flexible working hours, employees now have the opportunity to plan their time according to their own assessments of current project needs – provided they are not otherwise bound to shift schedules or service times. "What's important for the job is the results, not where and when the services are rendered. We have therefore abolished core working hours," explains Barbara Hatzler, Head of Human Resource Development at ECE. More and more ECE staff are also practicing mobile working from a home office.

SUPPORT FOR PARENTS AND CARERS

The care allowance that ECE grants under certain conditions to employees who have placed their kids in childcare facilities is a great and long-established support for parents. But even small actions send big signals – such as the parent-child office in the Hamburg headquarters, which has a colorful play area in addition to the standard computer station. Parents and employees with care responsibilities also receive support from the PME family service, which is available to advise employees or help in finding suitable childcare facilities.



“ The work-life balance has gained a great deal of importance in recent years. Services such as home office, part-time, sabbatical, and job sharing are now an important part of our corporate culture. ”



DR. LOTHAR KAPPICH
Managing Director
HR & Corporate Services

DIVERSITY AT ECE

ECE has some plans for the future as well – including specific measures to improve equality of opportunity. By 2017, the number of women in ECE's upper-management is set to double: Alexander Otto set this goal in 2013. The management board already has two women. Personnel decisions are of course still made based on merit, however. "Careers for men at ECE are thus not automatically coming to an end," Otto says smilingly.

To promote the development of the company's female talent, ECE has initiated the mentoring program "Compass." The participants receive support from competent mentors from the executive and vice president levels and comprehensive insight into the everyday leadership. The program aims to help them to integrate into professional networks and enhance their career opportunities.

CULTURAL CHANGE IS UNDERWAY

Diversity Manager Ulrike Menzel is thrilled how much has changed in recent years in ECE's work culture: "managers and employees have begun to rethink things. There are more women in leadership positions in many departments and the HR department receives more questions – increasingly from men – about parental leave." Of course, change is not always free of conflict and not all wishes can be fulfilled, but Menzel is sure things are headed in the right direction.



Shopping keeps you young!

50 years old and in top form: We congratulate ECE on its remarkable anniversary and would like to express our thanks for the faithful cooperation at the joint location Schweinfurt. As the owner of Stadtgalerie our open-ended real estate fund hausInvest focuses, just like ECE, on what ensures the success of shopping centres and real estate portfolios alike: Quality, far-sightedness, value-generating management and, not least of all, an unmistakable sense for a sustainably attractive asset mix. On this note we wish you happy shopping!

www.hausinvest.de/en



COMMERZ REAL
Commerzbank Group

AT WORK

The activities and personalities of ECE employees are as diverse and inspiring as the company itself. Here some of them present themselves.



JUSTYNA KOPEĆ
Receptionist

Justyna Kopeć always makes her first announcement right on time at 9 o'clock: "Ladies and gentlemen! We welcome you to Galeria Krakowska and wish you a nice day and successful shopping." Her main task is to help visitors to find certain stores in the mall. She also has information on bus times, sightseeing, and more. And the phone rings incessantly. But that's not all: The 31-year-old also sells gift certificates, keeps a list of lost-and-found items, rents kid cars, and more. Sometimes Ms. Kopeć receives flowers or chocolates from satisfied Galeria Krakowska visitors, but genuine "thank yous" are more common.

"It all happened very quickly," Alina Aydt replies happily when asked about her career at ECE. At the age of 24, the Karlsruhe native recently took over the center management at Stern Center in Lüdenschheid (North Rhine-Westphalia), which is visited by 27,000 customers every day! She now leads a team of 12 employees and is the contact for customers, tenants, service companies, and the local press... Aydt previously studied commercial management in an integrated degree program. During the three years of study, she alternated between three months at the European University of Applied Sciences in Brühl near Cologne and three months at an ECE center – diversity from the beginning.



ALINA AYDT
Center Manager



HEIKO WASSER
Technical Manager

Always go through the mall with your eyes open. This is Heiko Wasser's working motto. He is the Technical Manager at Phoenix Center in Hamburg. He begins inspecting the center from 8 o'clock to organize any repairs on the same day and does an opening round with the center manager at 9:30. The native of Swabia and his team of five ensure uninterrupted operation of the shopping center – so that lighting, air conditioning, escalators, etc. always function properly. Wasser currently also has weekly construction meetings because of the ongoing center extension. In particularly stressful moments, the 41-year-old takes a few deep breaths on the top-floor parking deck.

The passionate runner Gergely László benefits in his profession from his sporting hobby. The Hungarian swears: "Running is the best way to get to know a city." After all, as a member of ECE's New Market team, the Senior Development Manager's essential task is to explore new countries and cities. László has run through Helsinki, Verona, and Milan, among others. The 37-year-old then develops feasibility studies for the ECE board, supplemented with tangible information such as purchasing power and developments in the competitive situation. The only place he didn't do this was Moscow: "Unfortunately, the air in the city is too polluted for running."

GERGELY LÁSZLÓ
Senior Development Manager



SARAH-CHRISTIN JAHNKE
Specialist Lease Contract Manager

Sarah-Christin Jahnke grew up in Hamburg near Alstertal-Einkaufszentrum. She has thus been in close contact with ECE centers essentially since her childhood. It is thus fitting that the 28-year-old Specialist Lease Contract Manager now creates utility cost calculations for investors and feeds lease contracts and data into ECE's internal object management program. This data is used to generate sales statistics, for example, and are also essential for other departments such as Asset Controlling. Although Jahnke's work is largely paperless, she still has to file the original paper leases and related documents such as guarantees.

IRA FEUERBERG
Development Manager

"There's no such thing as a typical work day for me. This variety is precisely what I like about my job," says Ira Feuerberg, Development Manager at ECE. Feuerberg takes care of all tasks that come up in the development phase, from land acquisition and planning rule creation, to looking for operators, lease negotiations, and coordinating internal project teams. Her focus is on hotels like Motel One, which opens in mid-2015 at Vienna Central Station. When the Project Manager Construction inherits the project management at the construction phase, Feuerberg can turn to new tasks – such as exploratory talks with hotel operators for new Germany-wide projects.



UWE VOLLMER

Clerk Technical & Conference Services

His more or less tense colleagues very much appreciate the ergonomic sitting training that Uwe Vollmer leads once or twice a week. In addition, the 45-year-old is one of many first aid responders at ECE. Yet his business card says "Clerk Technical & Conference Services." In this function, Vollmer takes care of the technical equipment in the meeting rooms, small repairs done at the company headquarters, runs errands, and manages internal relocations. The Hamburg native is particularly proud of the fact that he has for 10 years now handled setting up ECE's summer festival together with colleagues and external service providers.



OLIVER KOHNKE

Head of Information Management, IT

Oliver Kohnke celebrates his fifth anniversary at ECE this year. As Head of Information Management, he coordinates a team that takes all the data ECE requires and provides it in a context-based and targeted manner. When asked about his current major project, the 41-year-old replies enthusiastically "the Property File." It will make all the relevant information about a property easily available as a permanent data room for all stakeholders at the press of a button. Before that happens, Kohnke must conduct many interdepartmental meetings and check scheduling and budget requirements. And away from work? There, the Kassel native devotes his full attention to his family, especially his twin boys.



Christina Franzenburg especially appreciates that her job allows her to look behind the scenes of innovative retail concepts and to have contact with people of different nationalities. The Leasing Manager Key Account deals with international retailers (from acquisition to expansion planning) that ECE is bringing to Germany or the ECE World for the first time. She has worked with successful

brands like Reserved, Forever 21, Parfois, Clas Ohlson, and Indiska. The 27-year-old studied all these and many more in their home countries. "You can only truly understand the concepts and their needs if you see them in the field," she says.

CHRISTINA FRANZENBURG

Leasing Manager Key Account Management



ULUÇ ÖZGÜL

Tenant Coordinator

The ANKA mall in the Turkish capital Ankara has undergone an extension and renovation over the last two years while remaining open for business. Uluç Özgül, the Tenant Coordinator, can always be found at the various construction sites



within the shopping center. Özgül is in constant contact with the new retailers. These include Victoria's Secret, L'Occitane, Crocs, Timberland, and The North Face, to name just a few. Using a checklist, he makes sure that progress on construction complies with lease agreements and, if necessary, steps in to provide support. He also plays an active role in the exchange of information between the center's investor and ECE Türkiye. Whatever happens, Özgül is solution-oriented, "My job is to coordinate people. I do that well – and with pleasure!"

"Everything but shopping centers," Jörn Grimberg answers with a smile when asked about his operational area at ECE. For each of his projects, the 37-year-old Project Manager Construction manages a team that looks after, among other things, tenders, quality and schedule control, claim management, and reports to clients. After Kap Europa in Frankfurt, Grimberg's current project is "Intelligent Quarters": a 70-meter-high office tower in Hamburg's Hafencity to be

completed by the end of 2016. Then it's on to the next major project. Grimberg, who was born in Cologne, is already looking forward to the new challenge.

JÖRN GRIMBERG

Project Manager Construction



CAROLIN BÖGE

Asset Manager

Carolin Böge's main tasks as an Asset Manager at ECE are to improve the centers further, together with the Leasing and Center Management,

always to have the economic situation in view, and to convince investors. She does this for five existing properties, including BahnhofCity Wien West, Phoenix-Center Hamburg, and the A10 Center in Brandenburg. The more stressful it gets, the more the business administrator finds her inner calm – like when an important presentation has to be prepared by the end of today. The Hamburg native's secret? "I play golf and jog recreationally," the 41-year-old reveals.



Marc Blum enjoys his creative work, wherein he ponders solutions together with colleagues from around the world. The Director Creative Design says: "Every opinion counts because initially unlikely ideas often lead to surprising results." The 48-year-old's main task is to enhance ECE shopping centers with unique architecture. Blum swears by a mixture of function and emotion. Meeting places and event spaces give each project a distinctive sense of drama. Where does he draw his creativity from?

"Lots of trips and my long stays in the US and Japan were very inspiring and influence me to this day," says Blum. "But many ideas just come to me while doing things I love to do, like taking pictures, playing guitar, or romping in the garden with my three little boys."

MARC BLUM

Director Creative Design



ECE's Sustainability Report appears every two years. Sustainability Manager Jutta Kornath

JUTTA KORNATH
Sustainability Manager

ensures that the next one is ready as planned at end of 2015. She is also involved in its content: "I enjoy asking uncomfortable questions at times." In addition, the architect is developing a tool that prepares standardized information for all subsequent sustainability reports and investor reporting. For this purpose, she is currently collecting data such as electricity and water consumption, volume of waste, etc. from every mall. "This look behind the scenes is extremely exciting for me," says Kornath. The goal is, among other things, to determine benchmarks for centers' energy efficiency.





Thirty international bikers ventured on the escalators and jumped from the first floor to the ground floor at the "Down Mall!" event at Eastgate Berlin.

OPTIMAL SETTING FOR GREAT SALES

ECE offers its tenants not only top locations in 16 countries. It also creates perfect conditions for strong sales through a highly attractive branch mix and professional marketing.



Shopping centers are modern, multifunctional marketplaces and mirrors of current retail structures. If you wish to successfully operate a shopping center and offer your tenants high footfall and sales in the long term, you need diverse expertise. ECE has specialized in the operation of commercial premises for many decades and provides targeted qualifications for its Center Managers and leasing experts in inhouse training programs. That alone, however, is not enough for ensuring the sustainable success of a shopping mall. All the elements required have to be seamlessly attuned to one another to maintain the center's appeal to

customers – for example, perfectly matching development, planning and leasing. The ECE experts design a contemporary shopping atmosphere, take care of the right mix of tenants, manage the property's smooth operation and, what is more, they always stay abreast of new developments thanks to their flexibility and innovativeness.

ECE already started enhancing the attractiveness of its shopping centers by activities and events early on. "The world's most beautiful butterflies," for example, adorned the Alstertal-Einkaufszentrum in Hamburg in the early 1970's. Children received

butterfly coloring sheets and thousands of their masterpieces were exhibited in the shopping mall. "Parents came with their young artists to see their butterflies. The mall was crowded," recalls Dr. Heinrich Kraft. The former chairman of the ECE Management Board also remembers another promotion that caused a sensation at that time: A completely disassembled Citroën tin snail, also known as Citroën 2CV, waited for being assembled into a functioning car in the shopping center. The first person who managed to do so within one week received the car.

EVENTS AS CUSTOMER ATTRACTIONS

Nowadays spectacular exhibitions and events have long become the tried-and-tested pillars of ECE's center marketing. Mathias Sander, Director Center Marketing, explains: "We regularly launch events – also ones that have little to do with shopping proper. The spectrum ranges from street art exhibitions and antiques markets to technology exhibitions and from classic car meetings to funfairs and beach parties. In this way, the malls become meeting places and we entertain our numerous regular customers anew time and again." And Steffen Friedlein, Senior Director Leasing, adds: "Of course, this also benefits our tenants who can generate strong sales owing to the high footfall. It is our task to pull the people living in the catchment area to our centers. That is the core competence of ECE."

The other pillars of ECE's center marketing are the innovations developed in the Future Labs (see article on pages 80-83) as well as advertising in classic and new media. "Online ads are becoming more and more important. The reverse is true for printed media, especially since the circulation of German dailies continues to decrease," says Sander.



ECE promotes its centers in campaigns tailored to specific target groups – in this case in the run-up to the opening of Milaneo in Stuttgart in 2014.



Bijou Brigitte congratulates ECE on the occasion of their jubilee and wishes every success for the next 50 years!



As advertising budgets and the local media landscape vary from center to center, ECE decides together with its tenants on marketing activities on a case-by-case basis for each site. In Turkey and Poland, for example, there are hardly any dailies suitable for the target group. In Hungary, in contrast, outdoor advertising is so glutted that you have to select locations very carefully in order to achieve an impact. The question of how to handle online marketing, however, is not fully clarified yet according to Sander: "Banner advertising alone is definitely not a cure-all." The issue rather is to provide relevant contents that can be placed in a targeted way in different online and mobile channels.

NEW SERVICES AND PERFECT TENANT MIX

Regardless of the media used, advertising messages frequently focus on new services offered by the malls today. One example is: ECE offered gift advice at 18 selected centers in Germany, Hungary, and Poland during the pre-Christmas season 2014. For that purpose, trend scouts had looked for exciting Christmas gifts for various target groups in local shops. They had gathered and categorized thousands of ideas. Special advisors were able to actively help the visitors in finding suitable presents before Christmas.

In addition to professional marketing, a suitable tenant mix plays a key role when a center operator wishes to ensure high footfall for the retailers. The

Highly popular among the shoppers: With hot brands like Apple, ECE creates the perfect tenant mix for its centers.



“ For our customers, we are always looking for new concepts because our centers thrive on the diversity and uniqueness of their retailers. Supported by our committed marketing activities, the right mix generates sustainably high footfall and, hence, reliable revenues. ”



KLAUS STRIEBICH
Managing Director Leasing



strategy is to locate those shops in a mall that the customers expect to find there. As a rule, this is a mix of well-known brands and smaller, local retailers. The shares of individual segments – clothing, electronics, food, etc. – have to be right, too. Although ECE already has much experience in this field, its experts closely scrutinize the catchment area with regard to competitors and purchasing power before a new shopping center opens.

CHANGING CUSTOMER REQUIREMENTS

The mix of tenants also has to be continuously reviewed and optimized after opening because consumption behaviors and demands of customers change constantly. While almost each mall had at least one CD shop or large CD departments in electric outlets up until a few years ago, this business has shifted to iTunes or – as in book selling – to online shops. Instead, new shoe and fashion concepts, such as CCC, Reserved, and Uniqlo, conquer the European market and the catering share has markedly increased in recent years (see article on pages 78-79). Large furniture stores that used to be a fixture of the tenant mix sought larger floor spaces and opted for building their own premises – usually on greenfield sites. Instead, smaller shops offering home accessories, such as Depot and Zara Home, moved into the centers. And department stores are increasingly replaced as anchor tenants by leading textile outlets such as Primark.

CURTAIN CALL FOR POP-UP STORES

At the recently opened Milaneo located in Stuttgart, ECE presents “pop-up stores” for innovative



Innovative gift advice at the mall: Customers received assistance in finding fancy presents for their loved ones in the past pre-Christmas season.

Sander considers this retail format to be highly interesting: “ECE also welcomes pop-up kiosks in the malls. I find it particularly spectacular when brands like adidas or Nike sell innovative products in this format for a very short period.”

With regard to the retailers that, in contrast to the pop-up stores, are permanently established in one of their centers, ECE differentiates the rents by sectors: Depending on the performance of the segment or shop size, the price per square meter may be higher or lower. “Thereby we guarantee fair rents. As a rule, the cost is higher, for example, for textile shops that usually have higher margins than supermarkets that cannot afford expensive rents,” explains Friedlein. After all, when the tenant is well, the center is well, too.



www.wisag.de



Congratulations!

Our congratulations go to Alexander Otto and his employees on 50 years of successfully developing and managing commercial properties.

We would like to thank ECE for choosing our facility management solutions and promise to keep going the extra mile in the future, so that the ECE centre managers always remain a step ahead of the market.

WISAG is all about appreciation! WISAG is all about commitment! WISAG is all about being colourful!





DISCUSSION WITH SENIOR DECISION-MAKERS

Once a year, ECE invites retail representatives to a dialog. ECE's Retail Meeting is now one of the most important industry events in Germany.



Information and direct exchanges are in the focus at the ECE Retail Meeting.



It is Europe's biggest industry event for retailers: With over 500 German and international guests, from CEOs to expansion managers, the annual ECE Retail Meeting is a must-attend event in the calendar of top retail representatives. "We launched the event 12 years ago to enhance communication with our top tenants," recalls Klaus Striebich, Managing Director Leasing. "Traditionally, the Retail Meeting is held at the Hamburg fish auction hall. Retailers love the charm and enjoy the atmosphere of the harbor." They come in droves to the industry event in the Hanseatic city, which like no other European city represents the joy of commerce.

PLANNING FUTURE COOPERATION

The focus of the Retail Meetings are communication and information. ECE's top management reports on industry trends, new projects, management takeovers, and center restructuring. Guest presentations by respected experts are part of the program as well.

In addition, all participants have the opportunity to discuss topics in an informal atmosphere and talk directly about current retail requirements or possible joint activities. Lease renewals, extensions of shop space, and new services provided by center management are also on the agenda, as is a general exchange of views.

THE ECE RETAILER AWARD

A highlight of the Retail Meetings is the presentation of the annual ECE Retailer Awards. The most outstanding retailers of the past year are chosen and assessed by an independent jury in the categories "Best Performance," "Most Innovative Concept," and "Newcomer of the Year." Deichmann, Hunkemöller, Uniqlo, Calzedonia, and Lego have joined Gerry Weber, Superdry, Frooters, Bestseller, Primark, and Rituals on the list of winners in recent years. Finally, the international brand representatives have sufficient time for networking and getting to know each other at an exclusive evening program. The successful Retail Meeting concept has already been implemented in Turkey and Poland on several occasions.

"ECE RETAIL TECHNICAL MEETING"

The recently launched "ECE Retail Technical Meeting" is, as one might guess, far more technical. This is where construction managers and tenants' technical contact partners meet with ECE specialists and representatives of cooperating planning offices and shop construction companies. They discuss technology trends, certification criteria (particularly for the sustainable use and management of centers), future concepts for shopfitting, and much more.



Thank you for bringing shopping into shape. 50 years and going strong.

www.canda.com



IMAGE: INTERSPORT

KIM ROETHER
Chairman of
INTERSPORT

"50 years of ECE and almost 50 Intersport locations – that's a perfect fit. Particularly for us as a composite group, it is important always to be able to offer our retailers the best locations. The shopping worlds offered by ECE's shopping centers create the perfect experience for many of our Intersport customers."



IMAGE: BIJOU BRIGITTE

ROLAND WERNER
Chairman of
Bijou Brigitte modische
Accessoires AG

"We opened our second Bijou Brigitte store, and our first in a center, on July 1, 1977 in AEZ in Hamburg. For nearly forty years, the two success stories have evolved in parallel. Bijou Brigitte congratulates ECE on its birthday and wishes the best of luck for the next fifty years!"



IMAGE: ALEX STIEBRITZ

PROF. GÖTZ W. WERNER
Founder and member of
the Supervisory Board of
dm-drogerie markt

"Shopping centers are works of art and ECE is an artist of the century, not least because the people at ECE are experts. I am impressed by their ability to put together factors such as site selection, development, tenant mix, and continuous renewal into a coherent whole. Congratulations on fifty years of successful high achievement."



IMAGE: DESIGUAL

JOAN ROURAS
Head of Global Real
Estate at Desigual

"One of the reasons why Desigual and ECE are a good fit is innovation. It is very difficult to be innovative when you are at the top, but both companies invest time and money in being innovative and creative. I still remember my first meeting with Mr. Striebich when we were talking about opening our first store in Germany one day. Desigual now has 60 stores in Germany. It was a dream that has become a reality today!"

WHAT THE TENANTS ARE SAYING

ECE has around 20,000 shops at its shopping centers. Here retailers speak about what they associate with ECE and what they appreciate about their cooperation.



IMAGE: INDITEX

MATTHIAS ALIPASS
CEO of Inditex Germany

"ECE is an inseparable part of the world of retail. Together, we are right where we need to be as retailers – close to the customers."



IMAGE: GÖRTZ

LUDWIG GÖRTZ

"ECE and Goertz are linked by fifty years of close partnership. Both brands have reinvented themselves time and again in this long period. Innovation has accompanied our common path and it is only with the courage to innovate that we can also master the future. For where there is no courage to try new things, there is no room for innovation and thus none for progress, either."



IMAGE: PECK & CLOPPENBURG

DR. HORST CLEMENS
CEO of Peek & Cloppenburg KG

"We have come to appreciate ECE as a reliable, competent, and innovative developer of shopping centers during our now 26-year collaboration. ECE's professionalism makes us confident that our future path together will be successful despite new competition models like online retail and factory outlet centers."



IMAGE: LPP

PIOTR DYKA
Member of the Supervisory
Board at LPP

"With ECE's experience and portfolio across Europe we have created a great partnership with a win-win approach. At the beginning of our cooperation and after a relatively weak season for LPP, ECE was not just interested in the rent levels, but also in our situation from a retailer's point of view. This helped us a lot and it was a good foundation for good mutual cooperation and understanding. In ECE, we have also found a strategic partner for the development of our flagship brand 'Reserved' in Germany."



IMAGE: THALIA

KLAUS ORTNER
CEO of Thalia Holding GmbH

"Thalia's growth has always and immediately coincided with that of ECE. There has been no center opening in recent decades that has not kept us very busy and hardly any that we have not directly supported as a tenant. With its successful center concepts, ECE has helped us, a nationwide chain store, to be present throughout the Federal Republic – even in cities and neighborhoods that wouldn't necessarily be our focus due to their size."



IMAGE: DOUGLAS

DR. HENNING KREKE
Chairman,
DOUGLAS HOLDING AG

"Like Douglas, ECE focuses on prime locations, stylish ambiance, and an atmosphere in which customers feel at home. That's what matters. That is why ECE has been a professional and valued partner to us for many years."



IMAGE: ESSANELLE

DIETER BONK
Member of the Board
of HairGroup AG

"We already have over 110 stores in ECE projects with our various salon and shop concepts (essanelle Ihr Friseur, HairExpress, Super Cut, and beauty/hair-shop) and appreciate the open, honest, and almost intimate communication with the ECE management. Its years of experience provide a stable foundation for our successful collaboration."



IMAGE: DEICHMANN

HEINRICH DEICHMANN
Chairman of the Board,
Deichmann SE

"50 years of ECE, 100 years of Deichmann – we have been treading a common path to success for a long time. A look behind both brands reveals family businesses that plan for the long term – they think in generations, not quarters. What I remember well is the cooperation with ECE when we entered unusual markets like Lithuania and Turkey, which require a lot of country-specific expertise. Then, we found with ECE very helpful contacts and a foundation we could build upon."



IMAGE: REWE

STEPHAN KOOF
Head of Full-Range National
Expansion at REWE GROUP

"Authentic, cooperative, and creative! That is what makes up the REWE-ECE chemistry."



Milaneo's food court, where some 10,000 meals a day fly over the counters, is located in the heart of the mall in Stuttgart.

DINING WITH A CONCEPT

Until a few years ago, foodservice spaces in shopping centers led a rather shadowy existence. Nowadays, food courts are one of a center's main frequency maximizers. The gastronomic trends are bold, fast, and fresh.



It's about more than just hot dogs and French fries: Anyone who wants to extend customer stays in centers cannot ignore the issue of foodservice. Nowadays, a stop at a restaurant or cafe, or a between-meal snack, are part of a relaxed shopping experience. Shopping center operators have recognized this and are responding to the trend with sophisticated foodservice spaces and diverse offerings. Prime examples like Milaneo in Stuttgart and Skyline Plaza in Frankfurt show that sophisticated gastronomy offers can even develop into strong frequency charms.

Nevertheless, food courts are still a fairly recent phenomenon in many countries. For a long time, the subject of foodservice was considered incidental. Daylight, an appealing design, trendy seating, and beautifying elements in dining areas were considered to be "extra credit" tasks, at best. Those days are over.

CASUAL DINING ON THE RISE

As an alternative to online retail, shopping centers are becoming destinations with ever more experiential and amenity value. "The place to be," in other words. The culinary diversity of centers is thus increasing accordingly, along with the proportion of foodservice space. While around five percent of the total lettable area in ECE centers was devoted to foodservice around the turn of the millennium, this has risen to about eight to ten percent for new centers today – already almost twice as much.

Klaus Rethmeier, Director Key Account Management International at ECE, explains what is important for food spaces: "Customers demand a comfortable atmosphere. We're pursuing two strategies in this regard. On one hand, we ensure the food courts have engaging architecture and a varied selection. On the other hand, we are accelerating the expansion of

'casual dining,' i.e. high-quality restaurants with outdoor connections and sometimes extended opening hours." An example of casual dining is Alex in Frankfurt's Skyline Plaza. The restaurant in the Skyline Garden, the huge rooftop garden atop the shopping center, offers 500 seats in the open air. A number of small cafes and coffee shops also enriches the shopping center's atmosphere.

But what do hungry visitors to shopping centers want now? Rethmeier notes three trends: "Asian concepts are extremely popular. Guests love freshly prepared Thai, Vietnamese, and Chinese wok dishes and sushi. Gourmet burgers are also on the rise under the banner of 'quick casual dining.' Thirdly, Italian food is enjoying unabated popularity." According to the ECE expert, the gastronomic mix in shopping centers must provide this culinary trinity, coupled with "local heroes" such as, in Germany, the best curried sausage stand in each city.

LEARNING FROM SUCCESSFUL CONCEPTS

From abstract concepts to concrete trends currently in the race for customers' palates. The German restaurant chain asiahung exemplifies the mood for Asian cuisine. The founder, Thi Xuan Pham Than, launched the first restaurant in Schlosspark-Center in Schwerin in 1998. asiahung now counts over forty locations throughout Germany. This gastronomic success story is closely linked to ECE, which believed in the company and rented it appropriate spaces.

Italian is always good. Vapiano embodies the passion for pizza, pasta, and dolce vita. The restaurant chain founded in Hamburg in 2002 is synonymous with interactive front cooking and now has some 150 locations in 29 countries.



IMAGE: VAPIANO



Alex, in Frankfurt's Skyline Plaza, is an example of casual dining. The restaurant in the Skyline Garden, the huge rooftop garden atop the shopping center, offers 500 seats in the open air.

The same is true for "Hans in Glück," which reflects the trend towards "quick casual dining." The restaurant chain differentiates itself quite intentionally from other burger grills and focuses on fresh, natural fare, as well as locations in prestigious shopping centers such as Milaneo in Stuttgart and Weserpark in Bremen. The passion for Italian pizza, pasta, and dolce vita is in turn embodied by Vapiano, which can be found in Forum Mittelrhein, among other places. The restaurant chain founded in Hamburg in 2002 is synonymous with interactive front cooking – all its dishes are prepared in front of guests according to their wishes.

The industry has also learned to respond to fast-moving trends like bubble tea and donuts. Thanks to the flexible use of mall kiosks, it can try out new and exciting concepts easily. Those that work can later move on to shop spaces if appropriate.

VISITORS ARE EVER MORE DEMANDING

The bottom line is that the foodservice offer in shopping centers is becoming ever higher quality and is increasing in originality and diversity. Food courts' architecture and ambiance also fulfill visitors' increasing demands. The foodcourt in Stuttgart's Milaneo, for example, where some 10,000 meals a day fly over the counters, is located in the heart of the mall in the "urban" area, where streets, squares, green spaces, and corresponding materials recreate the aura of a busy city. Klaus Rethmeier explains: "Customers are increasingly demanding. This is also because we are 'educating' them in this direction. When a visitor to a mall finds a sensational food court, her expectations of other centers rise in equal measure. There is thus a constant need to innovate in foodservice areas. The concepts are also becoming ever more professional and customer-oriented. ECE has the resources to handle these market changes."





One project developed by ECE's Future Labs to integrate online and offline is the Click & Collect function, which can be integrated into the center app.

SHOPPING CENTER RELOADED

Easier parking, same-day delivery services, digital navigation capabilities, and online ordering by "Click&Collect" are just some of the services that ECE is providing to make its centers fit for the future.



"Trade signifies change" goes a memorable expression, and this is true today more than ever: Globalization is progressing, the issue of sustainability is gaining importance, and demographic changes require a rethink. The biggest challenge for "classic" bricks-and-mortar retail, however, is likely to be e-commerce, which continuously records higher revenue and is thus becoming an important driver of transformation in retailing. Nothing can happen in the future without strategies that take account of this development. How does a mall of the future look like one which adapts to new customer needs and can compete in an increasingly digital world? Sebastian Baumann, innovation and project manager of ECE's "Future Labs," explains: "The boundaries between online and offline are increasingly disappearing. In the future,

customers will expect a barrier-free, multichannel experience and services such as Click & Collect. Mobile payment and the ability to check the availability of goods online will also play a significant role. In general, innovation cycles will get shorter and their jumps even bigger due to the increasingly rapid pace of technological development."

FUTURE LABS FOR TESTING NEW SERVICES

In order to be a leader in these jumps and merge the advantages of the online world with the benefits of "real" shopping, ECE launched the "Future Labs" in the spring of 2013. Limbecker Platz in Essen and Alstertal-Einkaufszentrum in Hamburg serve as test laboratories for new technologies and services.

Offers that customers take up are then rolled out at other ECE shopping centers. Services that do not meet expectations (so far, this has included an avatar as a virtual provider of customer information and a social media check-in) are dropped on a trial-and-error basis.

Examples of activities that are very popular are the free center apps. They are at the heart of the Future Labs and have been rolled out in 27 other ECE shopping centers due to their great success under the name "Love to Shop." Center apps allow users to receive personalized and relevant information on deals in the center only when they approach the respective shop. They have already been downloaded by over 130,000 customers. Other Future Labs services that are being rolled out include a 3D orientation system, digital playgrounds, and free Wi-Fi access.

Another project for the integration of online and offline is the Click&Collect function, which can be integrated into the center app. Customers can now use PayPal to buy selected products at participa-

"We have to reinvent ourselves again and again to continue to meet the expectations of our customers. We are therefore picking up the latest trends and testing, in our Future Labs for example, new technologies for a more personalized shopping experience."



JOANNA FISHER
Managing Director
Center Management



ting stores via the apps from Alstertal shopping center and Limbecker Platz and can then pick them up on the same day or at another desired time.

CONVENIENT PARKING

It is not only the shopping experience itself that influences the joys and sorrows of offline



Congratulations!

25,000 SQM, 51 STORES AND ALMOST 20 YEARS OF JOINT COLLABORATION. ESPRIT SAYS HAPPY 50TH BIRTHDAY.



"Same Day Delivery" enables customers to get purchases from the center transported home the same evening.



Center staff answer visitors' questions via live video stream at the Info Gate.



customers, but the entire customer journey; for motorists, this begins with parking. The Future Labs have recently developed an innovation for this, too: the contactless parking card with RFID chip (Radio Frequency Identification). Sensors in the center parking garage recognize the RFID card placed behind the sun visor so that the driver does not have to roll down the window in wind and stormy weather to take a parking ticket. The amount to be paid is then automatically deducted when the visitor drives out. Say "goodbye" to waiting at the ticket machine and fumbling around with coins.

in practice. Customers can search for products, brands, and shops using the touchscreen and are then shown the shortest route to the desired store in a 3D view. In the future, this will be even easier: By using their own smartphones and the center app, customers will be able to use this system from any location in the center, thanks to so-called iBeacons. Sebastian Baumann explains the fledgling concept: "The iBeacons are small transmitters based on Bluetooth. If a customer has installed the corresponding center app on her smartphone, the app can communicate with the beacons situated throughout the center and determine the user's position, allowing location-based messages – for example about special offers – to be sent accurately as well."

SERVICE GAINING IMPORTANCE

Speaking of special offers: According to the large-scale multichannel study "On customers' trail," in which ECE, together with Roland Berger Strategy Consultants, interviewed 42,000 consumers, price is not the decisive factor for the choice of shopping channels. Offline customers will at times happily pay more for goods that are immediately available or to obtain professional advice. What they like to avoid, however, is cumbersome hauling larger purchases home. This is remedied by the "same

3D guiding systems form part of the services that were well received by the customers and, as a result, have been rolled out in other centers since 2014.



day delivery" offer, which was first introduced at the new Milaneo in Stuttgart and some other centers. The service enables customers to get purchases from the mall transported home the same evening. Customers leave their bags at the so-called "drop-off point" in the center, leave a requested delivery address, and get the goods delivered the same day for a small fee. This attracts great interest among center visitors in Stuttgart. Each delivery customer has an average of three shopping bags delivered. Electronics, fashion, and food predominate.

WITH ALL SENSES

As important as service is, in bricks-and-mortar retail, in particular, it's about winning customers through emotions. After all, the internet cannot yet come close to providing a shopping experience for all the senses. ECE is therefore experimenting with light, sound, and smells to make their shopping centers very special places. Baumann and ECE's architects are already planning the first application in practice at the new Aquis Plaza, which will open its door in Aachen in the autumn.



Highly popular: The "Mall Wall," a giant interactive screen with the latest offers in the center, entertainment facilities, and infotainment

There are diverse possibilities for shopping centers to retain customers, even in times of rapid change. The aim is to exploit synergies with the digital world and focus on its strengths: Centers are thus more than just places of consumption.



Connect with the Spirit of Retailing

SES develops, builds, and operates large-scale retail real estate and creates urban, vibrant, and popular shopping destinations in the form of timeless, modern marketplaces with the very highest-quality environment. SES currently manages 28 shopping centers in Central, Southern, and Eastern Europe. In Austria and Slovenia, SES is the market leader.

We congratulate market participant ECE on its anniversary.

SES Spar European Shopping Centers GmbH
T: +43 662 44 71-7041, development@ses-european.com



SUSTAINABILITY IN DIALOG

The German Sustainable Building Council (DGNB) has awarded Skyline Plaza in Frankfurt with a certificate in gold for its sustainable design and urban integration.



From efficient lighting to e-mobility, renewable energy, and certification procedures: To make real estate sustainable, you have to take action from several angles. ECE is tackling the issue together with tenant partners, investors, and academics.



ECE's business model itself includes the concept of sustainability. After all, ECE doesn't just develop shopping centers, it remains their lessor and manager on site for the long term and thus assumes permanent responsibility for the property. In addition, ECE is a family company in which the responsibility for future generations is anchored in the corporate culture. "We see sustainability as a holistic approach encompassing environmental, social, and economic aspects," explains Maria Hill, ECE's Head of Corporate Relations & Sustainability.

ROOTED WITHIN THE COMPANY

The topic has been anchored in the corporate structure since 2007: A sustainability team with representatives from all divisions promotes the exchange of expertise in the company and documents progress, including in the Sustainability Report, which ECE publishes every two years. ECE is also supported in its commitment by an external "Sustainability Advisory Board," the first such body in the real estate industry. It consists

of five members from business, science, and politics. Their different skills cover the key areas of economics, ecology, and society. Its members include Andreas Wentz (formerly Philips), Ole von Beust (former First Mayor of Hamburg) and polar explorer Arved Fuchs. In dialog with the management, the Advisory Board provides critical and constructive suggestions on the further development of the sustainability strategy and carries impulses from society into the company. The board reviews all ECE projects.

ECE's first strategic focus is on the topic of cooling. "Cooling consumes the most energy in shopping centers," says Hill, "because all the light and people in centers create a lot of heat." A natural ventilation system is standard in ECE centers today, as well as varying lighting control systems based on current needs. "In cooperation with Philips, we have also started to use new LED technology to light the malls, which makes lighting more energy efficient and reduces the heat problem at the same time." To do this, it was important to convince all the tenant partners one after another with pilot projects on new lighting concepts and specially designed lighting manuals.

IN A DIALOG WITH RETAILERS

Seeking solutions together with retail tenants through intensive dialog is another cornerstone of ECE's sustainability strategy. Topics such as energy efficiency and sustainability concepts in shopfitting are the focus of the annual "ECE Retail Technical Meeting". ECE also invited its tenant partners to the so-called "Sustainability Forge" for the first time in 2013. In the workshop, participants developed ideas on how shop owners and ECE can face the challenges posed by certification systems and legal requirements, for example. A lot of ideas came up on the subject of lighting as well. "We constantly investigate the potential of new permanent lighting technologies to make us even better and more efficient," says Dr. Stephanie Dutzke-Wittneben, who heads ECE's sustainability team as Chief Sustainability Officer. ECE has also begun to offer new "Green Leases." These commit ECE and the tenant partners to exchange ideas on sustainability issues and advises them, among other things, on the use of natural materials, eco-power, and LEDs.



ECE promotes sustainable mobility, inter alia with electric car charging stations in several center parking garages.

RESPONSIBILITY FOR URBAN DEVELOPMENT AND DISTRICT PLANNING

In addition to the tenant partners, ECE maintains an intensive exchange with stakeholders like investors and city representatives. An ideal forum for this is the Sustainability Congress, which the Executive Board regularly hosts and in which also staff and external experts participate. "Cities and Climate Change – Humans and Value Change" was the theme in 2013. The agenda included the future concept of "sustainable mobility" – with good public transport possibilities intelligently networked with car-sharing concepts and e-mobility. The second item was "Retail change, modern concepts for the consumers of tomorrow," while the third was "future-oriented urban development": energy efficient, with innovative financing models and in dialog with all stakeholders in the planning process.



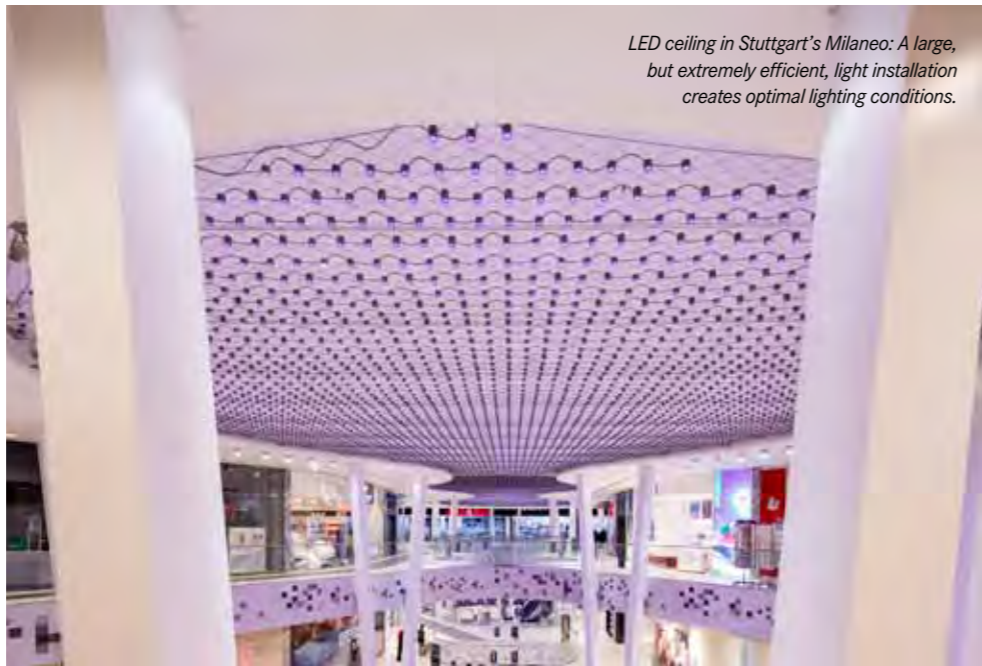
"The DGNB warmly congratulates ECE on its 50-year anniversary and wishes it further great success in disseminating sustainable construction. ECE not only has a sustainable business philosophy, but has achieved DGNB certifications for more than 20 buildings in recent years. The company is thus sending important signals for greater sustainability in the construction industry. The specially developed manual 'Sustainable Shopping Centers' also speaks to this by setting important signals for constructing retail buildings. We greatly appreciate this commitment."



IMAGE: DGNB

DR. CHRISTINE LEMAÎTRE
Executive Board Member
of the German Sustainable
Building Council – DGNB e.V.





LED ceiling in Stuttgart's Milaneo: A large, but extremely efficient, light installation creates optimal lighting conditions.



RESEARCH FOR THE FUTURE

To find concrete solutions for sustainable centers, ECE commissioned three research projects, most recently “cost and emissions-optimized shopping centers” in collaboration with the Technical Universities of Karlsruhe and Zwickau. It will explore possibilities in the field of renewable energy. To make sustainability a self-evident part of daily work, ECE also developed the “Sustainable Shopping Center Handbook” together with scientists from the Technical University of Karlsruhe and ECE experts from diverse sections. The manual deals with the development of centers and lists about 40 essential sustainability criteria for the fields of eco-logy, economics, technology, processes, location, and social/functional aspects.

It also provides numerous recommendations for action and is guided by criteria set out by the German Sustainable Building Council (DGNB). It is complemented by the manual “Operating Shopping Centers Sustainably”: Its topics and checklists are meant to raise awareness among employees in existing centers and give them concrete and practical recommendations for sustainable operation.

WORKING ON NUMEROUS DETAILS

In another current project entitled “Green Opportunities,” the company examines its investors’ property portfolios with regard to sustainability criteria. “We provide this as an advisory service with an eye to certification and develop measures to optimize properties’ sustainability criteria,” explains Thomas Lehmann, Director of Special Engineering Services. ECE also supports owners of offices, logistic buildings, hotels, and other types of property in the certification process. Kap Europa, a conference center in Frankfurt, for example, recently attained the “gold” level of the main DGNB certificate.

Sustainability means working on a lot of details, Hill sums up. “There is no big button you can push to become CO2 neutral. It is not enough, for example, to use energy-efficient technologies. Employees must also be trained to use such facilities properly. Constant dialog and fresh impetus from outside are the most important thing, however.”

In 2014, the the German Working Group for Environmental Management (BAUM) e.V. awarded ECE CEO Alexander Otto with its annual Environmental Award.



IMAGES: ARVED FUCHS EXPEDITIONEN, ECE

“A VERY CRITICAL CONVERSATION PARTNER”

The polar researcher and explorer Arved Fuchs is a permanent member of the ECE Sustainability Advisory Board. In the interview, he explains the work of this panel and the role he personally plays in it.



ACROSS: MR. FUCHS, YOU ARE PART OF ECE'S SUSTAINABILITY ADVISORY BOARD. WHAT IS THE SUSTAINABILITY ADVISORY BOARD AND WHAT DOES IT DO?

ARVED FUCHS: The issue of sustainability should in principle be anchored in any large enterprise. This idea is taken very seriously at ECE. For that reason, it established a Sustainability Advisory Board about four years ago. The Advisory Board is made up of different people who do not necessarily come from the real estate industry. It acts as a kind of think tank. We meet at least once a year, and communicate and publish continuously. In general, ECE Projects are presented at our meetings in the form of specialist lectures. Then we discuss and comment on the projects. The Advisory Board is a melting pot of ideas and critical perspectives to bridge the gap between theory and the practical implementation of construction projects. We think into the future.

ACROSS: WHAT DOES THAT MEAN IN PRACTICE?

FUCHS: Take the example of lighting. Lighting efficiency is a huge issue and heat dissipation is often a central problem at shopping centers. How can new lighting technologies help? How can we create incentives for tenants to participate in energy saving measures? We consider current developments and what is technically possible. The Board makes recommendations, for example on how the supply chain can be integrated into a certification. It's about sketching out ambitious flagship projects. The Board can and should be a very critical conversation partner. In summary, the Board is a forum within which people from different walks of life can develop thoughts freely in cooperation with the ECE building experts, which are then implemented accordingly in practice – if feasible, of course.

ACROSS: WHY ARE YOU AS A POLAR EXPLORER DEALING WITH REAL ESTATE PROJECTS?

FUCHS: For me, the Sustainability Advisory Board is an excellent way to reach key decision makers. It makes no sense to keep your knowledge to yourself and just complain. I get involved. I have directly experienced the effects of climate change on my polar expeditions for many years now. The climate is heating up in the Arctic twice as fast as in the rest of the world. It's like nature's early warning system. What happens there happens elsewhere with a little delay. If you live in an urban environment, the effects of climate change may not always be evident. I therefore try to convey my knowledge and experience without getting too scientific. For example, I explain that a small town in northern Alaska has to be relocated because it is simply being eroded away due to global warming. My job is to convey the impact of climate change within a sustainability advisory board.

ACROSS: ONLY A HANDFUL OF BIG COMPANIES HAVE A SUSTAINABILITY ADVISORY BOARD. IS IT JUST WINDOW DRESSING OR IS IT A MODEL FOR THE INDUSTRY?

FUCHS: The ECE Sustainability Advisory Board is a role model – a real landmark project! I know Alexander Otto personally and I know that the issue it is an immediate concern to him. The Sustainability Advisory Board really does work and leads controversial, but also very constructive, discussions. Mr. Otto and other ECE executives are always at our advisory board meetings. If I had the feeling that the Sustainability Advisory Board were just for show, I wouldn't be there – nor, I think, would most of its other members.



The Hamburger Kunsthalle can be modernized thanks to the "Dorit & Alexander Otto Foundation."



Due to its redesign, the Jungfernstieg boulevard on the Inner Alster in Hamburg has regained its attractiveness.



The "Alexander Otto Sports Foundation" supported wheelchair basketball by purchasing new sport wheelchairs.

MEANINGFUL FOUNDATIONS

Company CEO Alexander Otto and ECE live up to their social responsibilities. The focus is on different foundations that initiate and promote a variety of projects.



When the term "Corporate Social Responsibility" first appeared in a European Commission green paper in 2001, the Otto family had long been an example of community involvement. Very early on, ECE founder Werner Otto shared his entrepreneurial success with society and took responsibility by championing the socially disadvantaged. For his son Alexander Otto, ECE's current executive chairman, it was "a matter of principle to continue his father's involvement – either personally, through his company, or via foundations close to ECE," says Rando Aust, Head of Corporate Citizenship at ECE. Alexander Otto himself says: "Social engagement is extremely important for social cohesion and so I understand it not only as part of corporate responsibility, but also as a very personal matter."

BRINGING CITIES TO LIFE

In 2000, Alexander Otto founded "Lebendige Stadt" foundation which seeks to increase the attractiveness and diversity of inner cities. "Politicians, architects, urban planners, entrepreneurs, scientists, and artists all contribute their counsel to the Foundation and make it into a 'round table' for the cities," says Aust.

The Foundation – under the chairmanship of ECE Board member Dr. Andreas Mattner – supports and initiates best-practice projects. Since its inception, the Foundation has set in motion a project volume of around €28 million. These include, for example, the artistic illuminations in Hamburg's Speicherstadt, the Reichstag building in Berlin, and the banks of the Rhine in Cologne, as well as, most recently, the illumination of about 30 rail underpasses in 24 German cities. The foundation initiated another project in cooperation with the City of Hamburg: the redesign of the Jungfernstieg, thanks to which the old boulevard on the Inner Alster has regained its attractiveness. The Foundation sometimes also engages in "urban repair," for example with the greening of Essen's Krupp-Park, which was created from a former industrial wasteland.

"The goal of the Foundation is to sniff out ideas and projects with best practice character, draw attention to them, and recommend other cities to emulate them," says Aust. "This includes the Foundation Prizes that we offer every year on a different topic." In 2014, for example, best practice concepts were sought that helped cities

to enliven their histories and thus establish identities. In 2013, the Foundation initiated the national competition "Livable City" together with the German Environmental Foundation (Deutsche Umweltstiftung), which generated many creative approaches on how the planning and shaping of green spaces could have a positive impact on the quality of cities.

KUNSTHALLE, KATHARINEN CHURCH, JERUSALEM HOSPITAL

In 2011, Alexander Otto and his wife Dorit called the "Dorit & Alexander Otto Foundation" into being, which promotes, among other things, medicine, science, art, and culture. For example, the Foundation is enabling the complete modernization of the 150-year-old Hamburg Kunsthalle with a donation of €15 million. As an experienced property developer, ECE is managing the planning and construction of that project. In addition, some of the largest projects funded by the Foundation are the Outpatient Center for Traditional Chinese Medicine at the Mammazentrum of the Jerusalem Hospital and the restoration of Hamburg's main Church, St Katharinen.

PASSION FOR PROMOTING SPORTS

As an avid sports fan, Alexander Otto also founded the "Alexander Otto Sports Foundation" in 2006, which focuses on the promotion of youth and disabled sports. Active sports strengthen children and young people in their social development and optimal training conditions promote their talent. In addition to Otto, and under the chairmanship of Rando Aust, many experts from the Hamburg sports scene are involved in the Foundation. The endowment is funded by Hamburg's Volks-

bank-Arena, which combines ice and ball sports under one roof and was planned and developed by ECE. It not only offers training opportunities for the young, schools, and the professionals of the Hamburg Freezers and HSV Handball, but the revenue it generates also provides the funds that the Sports Foundation uses to support projects.

For Alexander Otto, the Foundation's work provides "meaning and joy," especially because small contributions can make such a big difference. "Promoting people who are themselves highly motivated and committed, but lack the financial means, is very important to me." ECE also gets involved outside of the foundations in many ways: With funds provided by Alexander Otto, it is planning the HSV (Hamburg Sports Association) Campus in Volkspark as a youth training center and boarding school for the HSV, funding a chair at the IREBS International Real Estate Business School at the University of Regensburg and a degree program at the Hafen-City University Hamburg, supports the work of the Urban Land Institute, and much more.



"How can you sum up the 50-year history of a company in a text of hardly more than 300 characters? For ECE, this is quite easy. You write: Whenever the real estate industry thinks of shopping centers, they think of ECE. After five decades that is true not only in Hamburg but also in Berlin, Augsburg, Stuttgart, Karlsruhe, Frankfurt, and Schwerin. Congratulations!"



THOMAS PORTEN
Editor-in-chief of
Immobilien Zeitung

IMAGE: IMMOBILIEN ZEITUNG

DEVELOPER – MANAGER – INNOVATOR



ECE's service portfolio covers the entire life cycle of a property – this differentiates the company from many others specializing only in the development or leasing or operation of premises. By issuing its own two real estate funds, ECE created new and flexible investment vehicles in the past few years – in addition to long-standing cooperation with its investor partners.



The one-stop-shop philosophy offers customers numerous advantages. The long-term perspective means that the development of real estate already anticipates future usage as well as potential restructuring and adjustment to new requirements. In particular, ECE does not “abandon” its shopping centers after opening them, but manages them for decades – frequently the Otto family also stays on board keeping its share as an investor. Hence, ECE always looks at its real estate projects through the eyes of an investor right from the start.

A project always begins with an idea. If market data are favorable for developing real estate in

a specific city, if suitable land is available and if owners and city representatives are ready to talk, an interdisciplinary ECE team starts working. In parallel to negotiations on the sale of land, they discuss the application for planning approval. Leasing managers launch a market survey among potential tenants for the property. When all lights are set to green, the large construction and architecture division of ECE initiates the detailed planning phase. All specialists needed are available in-house so that the team can constantly rely on the know-how gathered in 50 years. After planning is completed, ECE usually selects a general contractor or implements the project by awarding individual contracts. Up to the time when construction starts, ECE and the Otto family fully bear the economic risk. It is only in the construction phase and when a certain pre-lease rate is reached, investment partners may join in some projects.

COMPREHENSIVE SERVICE PORTFOLIO

After completion, ECE turns from developer into service provider. Against a fee, it conducts the operations of the shopping centers on behalf of the owners, i.e. it takes charge of leasing and management. Asset management for investors is a complex service that has become more and more important in recent years.

Upon request, ECE also renders numerous other services to its clients. Based on its unparalleled shopping center expertise, the company consults them during purchase and sales processes; for users of office buildings, hotels or logistic centers, it also takes over funding, bears development risks or markets and sells properties.

For properties that are past their best, the development competence of ECE applies again: The refurbishment and complete reinvention of a center is increasing in importance as a mainstay of ECE's value-added chain. The company comprehensively upgrades its own centers as a matter of routine and updates their branch and tenant mix

more or less every ten years. Third-party properties that already have a larger investment backlog as well as many vacancies are a special challenge. In those cases, refurbishment usually unlocks considerable potential for an increase in value – thus ECE turns from a developer into an innovator for the redevelopment of properties.

MANIFOLD INVESTMENT OPPORTUNITIES

Owning the Otto Group and ECE and holding interests in the North American Paramount Group, Inc. as well as the Canadian Park Property, the Otto family has a strong financing position. The entrepreneur family itself acts as an investor in numerous projects and holds them in its portfolio for decades. As a result, ECE can finance a part of its building and planning volume from own funds.

In addition, ECE projects also offer opportunities for investment partners that can participate in the success of the properties. Long-standing partners include managers of open-ended real estate funds such as Union Investment and Deutsche Asset & Wealth Management, insurance companies like Allianz, pension funds as well as listed Deutsche EuroShop AG. Individuals may also acquire interests in the centers by purchasing shares, through open-ended funds or specialized funds for individual centers, such as those of Hamburg Trust.



THE ECE EUROPEAN PRIME SHOPPING CENTRE FUNDS

In 2011 ECE issued its first own real estate fund – the ECE European Prime Shopping Centre Fund. The fund manager ECE Real Estate Partners raised €775.5 million of equity from international institutional investors. The fund shareholders include leading global investors such as international sovereign wealth funds, pension funds and insurance companies. As a result, a portfolio of 12 shopping centers worth in excess of €2 billion was built. The fund focused on the Europe-wide acquisition of existing shopping centers with potential for increases in value that is exploited by expanding, repositioning or optimizing the tenant and branch mix. ECE took over the management and leasing of all the centers. Meanwhile, another fund with a similar objective was issued that was already able to raise around €750 million until its second closing.



CLAUDIA PLATH
Chief Financial Officer

“ Many investors have more stringent requirements today, for example for reporting, risk management and the sustainability of projects. Being an experienced project developer, lessor and manager, ECE has the know-how needed for meeting all those different demands. ”



At ECE, experts of diverse specializations collaborate in a team to achieve the best results possible for the customer.

AT A GLANCE: 50 YEARS OF ECE

Milestones in the company's history.



ECE founded
by mail order pioneer
Prof. Dr. h.c. Werner Otto



Opening of **Alstertal-Einkaufszentrum** at its headquarters in Hamburg

Diversification of area of operations, first into office properties: completion of Cityhaus in Frankfurt



Conversion of former **department stores** in Brunswick and Bochum into modern shopping centers

First **train station project**: restructuring of Leipzig Central Station into a transport hub with an integrated retail and service center



Internationalization: The first self-development outside of Germany opens: Galeria Dominikańska in Wrocław

Completion of the **ThyssenKrupp Quarter** in Essen



Creation of an independent executive area for real estate in the business units **Office, Traffic, and Industries**

1965

1969

1970

1974

1979

1984

1988/89

1994

1997

2000

2001

2002

2007

2008

2010

2011

2012

2015

2014

2013

Opening of the **first ECE shopping center** – Franken-Center in Nuremberg



Dr. Heinrich Kraft becomes ECE's new chairman

Opening of Löhner-Center in Koblenz – the first **inner-city shopping center**



Expansion into the new German states: Opening of Oder-Center in Schwedt



Alexander Otto becomes ECE's new chairman



Opening of **Altmarkt-Galerie** in the heart of Dresden's Old City

ECE celebrates the opening of its **100th center** – Arkady Pankrac in Prague



ECE and METRO PROPERTIES jointly establish the **joint venture MEC METRO-ECE** Centermanagement

Opening of the **MIPIM-Award-winning Marmara Park** in Istanbul



In its **anniversary year**, ECE will open five new centers, among them Aquis Plaza in Aachen

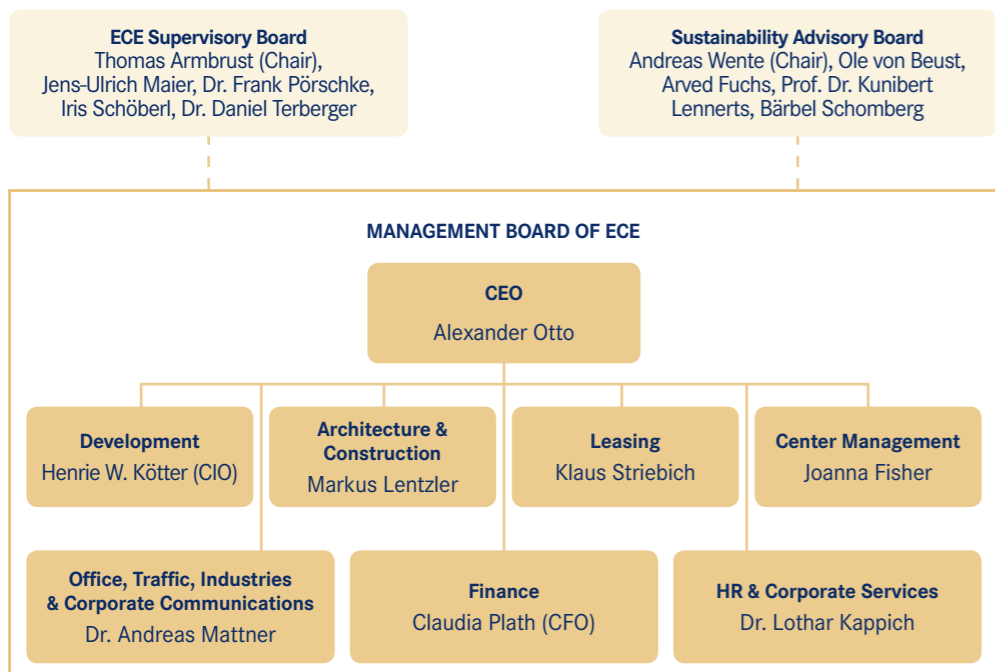


Opening of **Milaneo** in Stuttgart – one of the largest district developments in Germany



ECE meets the challenge of the increasing online commerce with its **"Future Labs"**

COMPETENT LINEUP



ACTIVE IN 16 COUNTRIES



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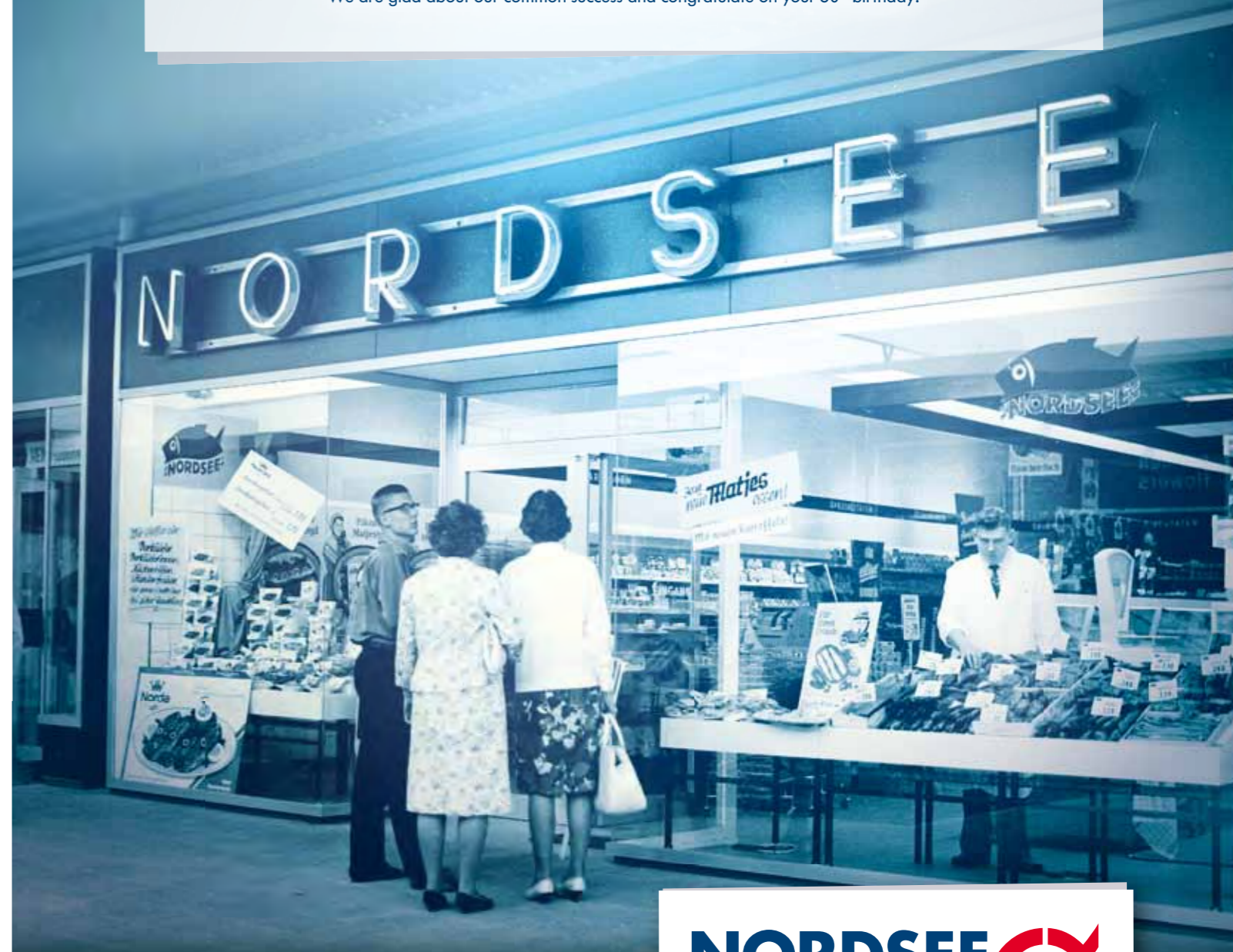
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- SINCE 1969 -

HAPPY BIRTHDAY

An innovative business concept, a strong partnership and a proper amount of farsightedness.
This successful draught connects us since 1969 with the ECE: With the opening of the
branch in Sulzbach we were the first system catering partner of the ECE in Germany.
We are glad about our common success and congratulate on your 50th birthday!



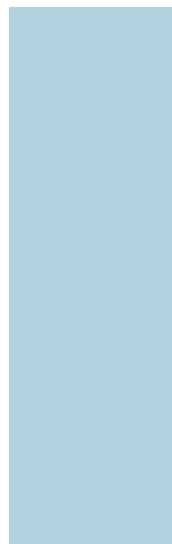
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