Deutsche EuroShop

H1

INTERIM REPORT FOR THE FIRST HALF OF 2010

Letter from the Executive Board

DEAR SHAREHOLDERS, DEAR READERS,

The first six months of 2010 went entirely according to plan for Deutsche EuroShop. At €70.4 million, revenue from our 17 shopping centers was nearly 12% up on the first six months of 2009. Net operating income (NOI) improved by around 13% to almost €63.0 million, while EBIT also climbed 13% to €60.8 million. A key factor behind this growth in earnings was the A10 Center in Wildau near Berlin, which we purchased at the beginning of 2010.

Earnings before taxes and measurement came to €31.2 million, almost 20% higher than in the same period last year. Consolidated profit totalled just under €26 million. That corresponds to earnings per share of €0.60 (2009: €0.83). It should be noted here that consolidated profit was boosted in the previous year by positive exceptional and currency effects on measurement gains. FFO (funds from operations), which is an indicator of operating performance, improved from €0.71 to €0.72 per share.

Moving on to the news from our shopping center portfolio, we can report that all construction activities (A10 Center Wildau, Altmarkt-Galerie Dresden and Main-Taunus-Zentrum in Sulzbach) are progressing extremely well and pre-letting levels are vindicating our positive expectations.

Just after the end of the period under review, we announced the acquisition of additional shareholdings in three shopping centers that already formed part of our portfolio. With effect from 1 July 2010, shareholdings in the shopping centers in Wuppertal (City-Arkaden, 25%) and Dresden (Altmarkt-Galerie, 17%) were transferred to Deutsche EuroShop from various shareholders.

These acquisitions are being paid for with new shares, for which a price of €22.88 per share has been agreed. We have also resolved to increase the Company's share capital by €1,780,000.00 (corresponding to around 4% of the share capital) by means of a partial utilisation of authorised capital through the issue of 1,780,000 new registered shares against non-cash contributions, shareholders' pre-emptive rights being excluded. Once the non-cash capital increase is entered in the commercial register, which we expect to take place by mid-August, the total number of shares in the Company in issue will rise to 45,894,578.

In addition, we have acquired further shareholdings in City-Arkaden Wuppertal KG (3%) and in Objekt City-Point Kassel GmbH & Co. KG (10%) against payment of cash purchase prices totalling €6.5 million.

The Deutsche EuroShop Group therefore owns 100% (City-Arkaden Wuppertal and City-Point Kassel) and 67% (Altmarkt-Galerie Dresden) of the shares in these shopping center property companies.

In the interim report on the first quarter, we expressed confidence that we would once again be able to pay a tax-free dividend of at least €1.05 per share for the current financial year. Now that the first six months have passed, we are in a position to reaffirm this confident view.

Hamburg, August 2010

Claus-Matthias Böge Olaf G. Borkers

KEY GROUP DATA in € million	01.01.– 30.06.2010	01.01.– 30.06.2009	+/-
Revenue	70.4	63.0	12 %
EBIT	60.8	53.8	13 %
Net finance costs	-29.6	-27.7	-7 %
EBT before valutation	31.2	26.1	19 %
Consolidated profit	26.0	30.5	-15 %
FFO per share (€)	0.72	0.71	1 %
EPS (€)	0.60	0.83	-28 %
	30.06.2010	31.12.2009	
Equity*	1,139.4	1,044.4	9 %
Liabilities	1,211.4	1,067.8	13 %
Total assets	2,350.8	2,112.1	11 %
Equity ratio (%)*	48.5	49.5	
LTV-ratio (%)	47	46	
Gearing (%)*	106	102	
Cash and cash equivalents	80.5	81.9	-2 %

* incl. minority interest

Business and Economic Conditions

GROUP STRUCTURE AND OPERATING ACTIVITIES

Activities
Deutsche EuroShop is the only public company in Germany to invest solely in shopping centers in prime locations. It currently has investments in 17 shopping centers in Germany, Austria, Poland and Hungary. The Group generates the reported revenue from rental income on the space let in its shopping centers.

Group's legal structure
Due to its lean personnel structure and concentration on just two reportable segments (domestic and international), the Deutsche EuroShop Group is centrally organised. The Group managing company is Deutsche EuroShop AG. It is responsible for corporate strategy, portfolio and risk management, financing and communication.

The Company's registered office is in Hamburg. Deutsche EuroShop is an Aktiengesellschaft (public company) under German law. The individual shopping centers are managed as separate companies. Depending on the share of the nominal capital, these are included in the consolidated financial statements either fully, proportionally or using the equity method.

The share capital is €44,114,578.00 and is composed of 44,114,578 no-par-value registered shares (as at 30 June 2010). The notional value of each share is €1.00.

MACROECONOMIC AND SECTOR-SPECIFIC CONDITIONS

Concerns about the government finances of a number of eurozone countries led to financial market volatility in the second quarter of 2010. Even following the announcement of a support package by the European Union and the International Monetary Fund, uncertainty was still in evidence on the markets, and the euro weakened.

The economic outlook for Germany has improved further in recent months. This can mainly be attributed to a strong cyclical recovery in export growth. Private consumption has remained stable, in spite of the savings programmes announced, and has been supported by the extremely robust labour market and declining unemployment. For the current year, the German government has thus far maintained its forecast of GDP growth in excess of 1.5%, while some economic research institutes are already assuming that a greater increase will be achieved.

We have still observed no significant changes in the purchasing behaviour of consumers in our shopping centers. The retail sales trends of our tenants are positive by and large. Given that the economy is in recovery, we anticipate a positive revenue and earnings performance in 2010.

Results of Operations, Financial Position and Net Assets

Acquisition of the A10 Center in Wildau
On 6 January 2010, A10 Center Wildau KG, a subsidiary of Deutsche EuroShop AG, purchased the A10 Center in Wildau near Berlin for around €205 million (including ancillary acquisition costs). The transfer of benefits and encumbrances took place on 1 February 2010. The center will be partially restructured and modernised. We anticipate a total additional investment volume of around €60 million.

To refinance the equity component of €115 million, Deutsche EuroShop AG increased its capital in February 2010 through a rights issue at a ratio of 6:1. The new shares were acquired in full by existing shareholders through the exercise of their subscription right and an oversubscription right granted by the Company. A total of 6.3 million new shares were issued at a subscription price of €19.50 per share. Around €123 million flowed into the Company as a result.

RESULTS OF OPERATIONS

12% revenue growth thanks to the acquisition of the A10 Center
Revenue in the first six months of 2010 totalled €70.4 million, representing a rise of just under 12% year-on-year (from €62.9 million). This development can largely be attributed to the acquisition of the shopping center in Wildau and the restructuring that took place in Kassel last year. In the other portfolio properties revenue increased by 1.1% year-on-year.

Operating and administrative costs for property: 10.6% of revenue
Center operating costs were €7.4 million in the first six months of 2010, compared with €7.5 million in the same period of the previous year. Costs therefore stood at 10.6% of revenue (previous year: 11.8%).

Other operating expenses up €0.3 million
Other operating expenses climbed €0.3 million to €2.7 million (previous year: €2.4 million).

13% increase in EBIT
EBIT increased by €7.0 million (+13%), from €53.8 million to €60.8 million. This was chiefly due to the contribution to earnings from the A10 Center.

Net finance costs slightly higher
Net finance costs totalled €29.6 million, €1.9 million more than the €27.7 million recorded the previous year. This was mainly the result of interest expense incurred for the A10 Center.

19% rise in earnings before taxes and measurement
Earnings before taxes and measurement rose from €26.1 million to €31.2 million (+19%), which was due partly to the initial consolidation of the center in Wildau and partly to higher contributions from the existing properties.

Measurement gains without currency effects
At the reporting date of 31 December 2009, the currency translation method at our property companies abroad was changed, with the result that currency effects are no longer recognised in income but instead directly in equity. In the same period of the previous year, the measurement gains included a one-off effect from the first-time full consolidation of the property in Kassel and unrealised currency gains (€10.8 million).

Consolidated profit: €26.0 million; earnings per share: €0.60
Consolidated profit totalled €26.0 million, up €4.4 million (20%) after adjustment for the measurement gains (€8.9 million, after taxes) that were still included in consolidated profit in the first six months of 2009. Earnings per share fell from €0.83 to €0.60, although adjusted for the measurement gains they rose by more than 3% from €0.58 to €0.60.

Rise in funds from operations (FFO)
FFO rose by 19.2%, from €26.1 million to €31.1 million. Due to the higher number of shares, the increase per share was lower: €0.72 compared to €0.71 in the previous year.

FINANCIAL POSITION AND NET ASSETS

Net assets and liquidity
During the reporting period, the Deutsche EuroShop Group's total assets increased by €238.6 million to €2,350.8 million. Non-current assets rose by €235.2 million, due in particular to the acquisition and expansion of the A10 Center in Wildau and the construction work at the Altmarkt-Galerie Dresden. Receivables, other assets and other financial investments were up €4.8 million. After payment of the dividend, cash and cash equivalents were €1.4 million lower than on 31 December 2009, at €80.5 million.

Equity ratio of 48.5%
The equity ratio including minority interests decreased from 49.5% to 48.5%.

Liabilities
As at 30 June 2010, bank loans and overdrafts stood at €1,059.1 million, which was €124.9 million higher than at the end of 2009. This increase was due almost entirely to a bank loan of €125 million that was taken out in connection with the acquisition of the A10 Center. Non-current deferred tax liabilities rose by €4.3 million to €89.9 million. Other liabilities and provisions were increased by €14.3 million.

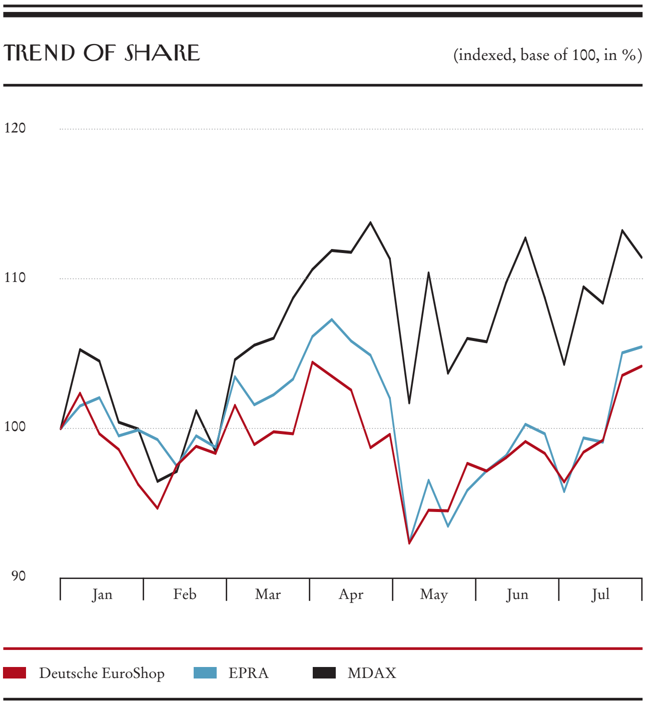
The Shopping Center Share

The Deutsche EuroShop share began 2010 on an upward trajectory. From a year-end closing price for 2009 of €23.67, it quickly rose to €25.13, its high for the period, on 14 January 2010. In a negative environment, particularly for property stocks, the share then declined, and on 7 May 2010 it reached €21.86, its low for the first six months of the year. The Deutsche EuroShop share closed the first half of 2010 at €22.23. Taking the dividend of €1.05 per share paid on 18 June 2010 into consideration, this corresponds to a decrease of 1.7% in the first six months of financial year 2010. The MDAX gained 6.7% over the same period. Deutsche EuroShop's market capitalisation stood at €981 million on 30 June 2010.

KEY SHARE DATA	
Sector / industry group	Financial services / Real estate
Share capital on 30 June 2010	44,114,578.00 €
Number of shares on 30 June 2010 (no-par value registered shares)	44,114,578
Dividend 2009	€1.05
Share price on 30 December 2010	€23.67
Share price on 30 June 2010	€22.23
Low/high in the period under review	€21.86 / €25.13
Market capitalisation on 30 June 2010	€1.1 billion
Prime Standard	Frankfurt and Xetra
OTC trading	Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart
Indices	MDAX, EPRA, GPR 250, EPIX 30, HASPAX
ISIN	DE 000748 020 4
Ticker symbol	DEQ, Reuters: DEQGn.DE

Deutsche EuroShop vs. MDAX and EPRA

Comparison, January to July 2010



Roadshows, conferences and property visits

Between April and June, we presented Deutsche EuroShop at conferences in Amsterdam, Frankfurt, Hamburg, London and Nice. Roadshows were also held in Helsinki and Zurich. In addition, within the context of property tours, we gave institutional investors on-site introductions to our shopping centers in Berlin, Dresden and Hamburg.

Annual General Meeting

The Annual General Meeting of Deutsche EuroShop was held on 17 June 2010. As in 2006, the venue was the Handwerkskammer Hamburg. Almost 300 shareholders attended, representing 61.5% of the share capital. The items on the agenda included the creation of new authorised capital. All agenda items were approved by a large majority. A wide range of information relating to the Annual General Meeting can be found at www.deutsche-euroshop.com/AGM.

Further awards for investor relations work

The IR work of Deutsche EuroShop was honoured through further awards with industry-wide recognition: in May we came first in the MDAX category of the German Investor Relations Award 2010, which is presented jointly by the German Investor Relations Association (DIRK), WirtschaftsWoche and Thomson Reuters. This was followed in June by third place in the MDAX category of the "Capital Investor Relations Award 2010 from Capital magazine and the Society of Investment Professionals in Germany (DVFA).

Coverage

At present, 27 financial analysts from various securities houses assess Deutsche EuroShop's business performance. This includes the regular publication of reports on the Company. The investment recommendations resulting from these are currently positive for the most part (16), with eight analysts adopting a neutral position and three issuing negative opinions (as at 2 August 2010). Other institutions have also indicated that they would like to initiate coverage of our stock in future. A list of analysts and current reports can be found at www.deutsche-euroshop.com/ir.

Report on Post-Balance-Sheet-Date Events

At the beginning of July 2010, the Executive Board and Supervisory Board of Deutsche EuroShop AG resolved to increase the Company's share capital by €1,780,000.00 (corresponding to around 4% of the share capital) by means of a partial utilisation of authorised capital through the issue of 1,780,000 new (no-par-value) registered shares against non-cash contributions, shareholders' pre-emptive rights being excluded. Once the non-cash capital increase is entered in the commercial register, the total number of shares in the Company in issue will rise to 45,894,578.

Acquisition of shares in Dresden center

With effect from 1 July 2010, Deutsche EuroShop AG increased its shareholding in Altmarkt-Galerie Dresden KG from 50% to 67%. The purchase price for the limited partner's shares was €28.9 million, paid by means of the issue of new shares mentioned above. The purchase price exceeded the fair value of the assets acquired and liabilities assumed by €0.3 million.

	Fair value
Assets acquired in € thousands	
Property assets	55.024
Cash and cash equivalents	3.765
Receivables and other assets	304
Deferred taxes	56
Total	**59.149**
Liabilities assumed in € thousands	
Other provisions	1.110
Loan liabilities	28.336
Trade payables and other liabilities	22
Interest rate swaps	1.038
Total	**30.506**
Net assets acquired	28.643
Purchase price of the shares	28.943
Excess of cost of acquisition over identified net assets acquired	**300**

Although Deutsche EuroShop AG now holds more than half of the voting rights, the company is still included proportionally in the consolidated financial statements as, due to contractual arrangements, Deutsche EuroShop AG does not exercise control over it.

Acquisition of shares in Wuppertal

With effect from 1 July 2010, Deutsche EuroShop AG increased its shareholding in City-Arkaden Wuppertal KG from 72% to 97%. The purchase price for the shares in the limited partnership was €11.8 million, paid by means of the issue of new shares mentioned above.

In addition, with effect from 1 July 2010, 3% of the shares in the limited partnership City-Arkaden Wuppertal KG were acquired within the framework of a purchase and transfer contract at a purchase price of €1.4 million, which was paid in cash. Deutsche EuroShop AG therefore holds 100% of the shares in this company.

Acquisition of shares in Kassel

Also with effect from 1 July 2010, Deutsche EuroShop Verwaltungs GmbH acquired 10% of the shares in the limited partnership City-Point Kassel KG within the framework of a purchase and transfer contract at a purchase price of €5.1 million, which was paid in cash. Deutsche EuroShop Verwaltungs GmbH therefore holds 100% of the shares in this company.

Risk Report

There have been no significant changes since the beginning of the financial year with regard to the risks associated with future business development. We do not believe the Company faces any risks capable of jeopardising its continued existence. The information provided in the risk report of the consolidated financial statements as at 31 December 2009 is therefore still applicable.

Report on Opportunities and Outlook

ECONOMIC CONDITIONS

Buoyed by the resurgence in foreign trade, the German economy has been growing since the end of 2009. While the economic outlook has obviously brightened, the systemic risks are persisting due to the high levels of debt of some EU member states It remains difficult to issue a reliable prediction concerning future economic developments given the uncertainty on the financial and capital markets. Nevertheless, the ifo Business Climate Index and the GfK Consumer Confidence Index suggest there is reason to be hopeful of a stable upward trend. Provided that inflation does not increase significantly, the mood among consumers should continue to be relatively buoyant.

Due to our good operational position, we expect Deutsche EuroShop's business to perform positively and according to plan in 2010.

EXPECTED RESULTS OF OPERATIONS AND FINANCIAL POSITION

Construction projects coming along well

The **A10 Center** will feature the "A10 Triangle" by spring 2011; construction is on schedule. The negotiations with existing tenants were brought to a successful conclusion by entering into new leases under terms that are more favourable from the Company's perspective. Negotiations on new leases are currently being conducted with potential tenants for the Triangle. As things stand, we are assuming that the total rent realisable following completion of the new building will exceed the calculation made at the time of the purchase.

The expansion of the **Altmarkt-Galerie Dresden** is progressing well and is on budget. More than 75% of the planned income from tenants has been hedged through long-term leases. The new center extension is scheduled to open in spring 2011.

The completion date for the expansion of the **Main-Taunus-Zentrum** has been set for late autumn 2011, but the pre-letting level already stands at around 60% almost one and a half years ahead of scheduled opening. The first phase of the construction work has now been successfully concluded with the completion of a new car park.

Foundations laid for long-term growth

At the beginning of July 2010, we entered into a strategic partnership running until mid-2020 with the Hamburg-based asset management company KG CURA, the sole shareholder of the ECE Group. KG CURA has given Deutsche EuroShop an undertaking to participate in all future rights issues over the next ten years and in each case to subscribe for 20% of the volume of the issue to a total maximum amount of €150 million. At the same time, Deutsche EuroShop's business relationship with the ECE Group is to be intensified. An agreement is in place under which the center management contracts with the ECE Group for the 17 shopping centers in Deutsche EuroShop's portfolio will be extended when they expire on or before 30 June 2020. In each case the extension will be for a period of ten years on usual market terms and conditions.

When it comes to borrowing we can also count on the support of strong partners: Commerzbank AG, DZ Bank AG and Deutsche Postbank International S.A. have granted us a syndicated, revolving credit line of €150 million running until 31 July 2013. This credit line will enable us to seize investment opportunities that arise in the short term. Our banks have confidence in the solid position of our Company and have therefore extended our existing credit line by €50 million.

No change to revenue and earnings forecasts

The acquisition of the shareholdings in City-Arkaden Wuppertal, City-Point Kassel and Altmarkt-Galerie Dresden did not have any significant impact on revenue (+€1.1 million in 2010). Earnings before taxes in 2010 will rise by around €1.0 million as a result of these shareholdings being bought. We are therefore standing by our forecasts for the time being and expect:

- revenue of between €139 million and €142 million
- earnings before interest and taxes (EBIT) of between €118 million and €121 million
- earnings before taxes (EBT) without measurement gains/losses of between €58 million and €60 million
- funds from operations (FFO) per share of between €1.33 and €1.38.

Dividend policy

We intend to maintain our long-term dividend policy geared towards continuity and to distribute a dividend of at least €1.05 per share to our shareholders again in 2010.

Consolidated Balance Sheet

ASSETS in € thousand	30.06.2010	31.12.2009
Assets		
Non-current assets		
Intangible assets	20	24
Property, plant and equipment	36	48
Investment properties	2,226,657	1,990,980
Non-current financial assets	24,755	24,755
Investments in equity-accounted associates	3,337	3,532
Other non-current assets	625	865
Non-current assets	**2,255,430**	**2,020,204**
Current assets		
Trade receivables	1,838	2,557
Other current assets	12,990	5,870
Other financial investments	0	1,600
Cash and cash equivalents	80,505	81,914
Current assets	**95,333**	**91,941**
Total assets	**2,350,763**	**2,112,145**

EQUITY AND LIABILITIES

in € thousand	30.06.2010	31.12.2009
Equity and liabilities		
Equity and reserves		
Issued capital	44,114	37,812
Capital reserves	725,477	609,364
Retained earnings	247,343	274,149
Total equity	**1,016,934**	**921,325**
Non-current liabilities		
Bank loans and overdrafts	1,046,264	921,170
Deferred tax liabilities	89,913	85,600
Right to redeem of limited partners	122,443	123,035
Other liabilities	27,691	19,845
Non-current liabilities	**1,286,311**	**1,149,650**
Current liabilities		
Bank loans and overdrafts	12,869	13,025
Trade payables	568	1,071
Tax provisions	1,988	1,981
Other provisions	26,282	19,688
Other liabilities	5,811	5,405
Current liabilities	**47,518**	**41,170**
Total equity and liabilities	**2,350,763**	**2,112,145**

Consolidated Income Statement

in € thousand	01.04.–30.06.2010	01.04.–30.06.2009	01.01.–30.06.2010	01.01.–30.06.2009
Revenue	35,830	31,216	70,408	62,990
Property operating costs	-1,818	-1,705	-3,531	-3,636
Property management costs	-1,991	-1,831	-3,914	-3,815
Net operating income (NOI)	**32,021**	**27,680**	**62,963**	**55,539**
Other operating income	126	435	610	695
Other operating expenses (corporate costs)	-1,441	-1,330	-2,727	-2,385
Earnings before interest and taxes (EBIT)	**30,706**	**26,785**	**60,846**	**53,849**
Income from investments	462	557	779	884
Interest income	283	219	389	379
Interest expense	-13,577	-12,266	-26,677	-24,981
Profit/loss attributable to limited partners	-2,061	-2,017	-4,130	-4,014
Net finance costs	**-14,893**	**-13,507**	**-29,639**	**-27,732**
Earnings before tax and valuation (EBT before valuation)	**15,813**	**13,278**	**31,207**	**26,117**
Measurement gains/losses	**0**	**-5,957**	**0**	**10,821**
Earnings before tax (EBT)	**15,813**	**7,321**	**31,207**	**36,938**
Income tax expense	-2,642	-1,230	-5,234	-6,480
Consolidated profit	**13,171**	**6,091**	**25,973**	**30,458**
Basic earnings per share (€)	0.29	0.17	0.60	0.83
Diluted earnings per share (€)	0.29	0.17	0.60	0.83

Consolidated Statement of Comprehensive Income

in € thousand	01.04.–30.06.2010	01.04.–30.06.2009	01.01.–30.06.2010	01.01.–30.06.2009
Consolidated profit	**13,171**	**6,091**	**25,973**	**30,458**
Change due to currency translation effects	808	6,639	540	-6,146
Change in cash flow hedge	-8,425	4,496	-8,020	2,881
Deferred taxes on valuation adjustments offset directly against equity	199	0	1,021	0
Total earnings recognised directly in equity	**-7,418**	**11,135**	**-6,459**	**-3,265**
Total profit	**5,753**	**17,226**	**19,514**	**27,193**
Profit attributable to Group shareholders	5,753	17,226	19,514	27,193

Consolidated Cash Flow Statement

in € thousand	01.01. – 30.06.2010	01.01. – 30.06.2009
Profit after tax	**25,973**	**30,458**
Income from the application of IFRS 3	0	-8,075
Profit/loss attributable to limited partners	4,130	6,096
Depreciation of property, plant and equipment	12	12
Other non-cash income and expenses	0	-4,828
Deferred taxes	5,166	6,419
Operating cash flow	**35,281**	**30,082**
Changes in receivables	-6,161	-31,455
Changes in other financial investments	1,600	140
Changes in non-current tax provisions	-852	0
Changes in current provisions	6,601	8,175
Changes in liabilities	7,748	-7,989
Cash flow from operating activities	**44,217**	**-1,047**
Payments to acquire property, plant and equipment/investment properties	-26,168	-22,170
Inflows and outflows for investments in non-current financial assets	0	18
Payments to acquire consolidated companies	-209,510	0
Income from equity-accounted associates	195	0
Cash flow from investing activities	**-235,483**	**-22,152**
Changes in interest-bearing financial liabilities	124,939	44,584
Payments to minority shareholders	-46,320	0
Contributions of Group shareholders	122,415	0
Payments to minority shareholders	-4,052	-4,173
Cash flow from financing activities	**196,982**	**40,411**
Net change in cash and cash equivalents	**5,716**	**17,212**
Cash and cash equivalents at beginning of period	**81,914**	**41,671**
Currency related changes	71	-596
Other changes	-7,196	2,998
Cash and cash equivalents at end of period	**80,505**	**61,285**

Consolidated Statement of Changes in Equity

in € thousand	Share capital	Capital reserves	Other retained earnings	Legal reserve	Total
01.01.2009	34,375	546,213	277,862	2,000	860,450
Change in cash flow hedge			2,881		2,881
Change due to currency translation effects			-6,146		-6,146
Total earnings recognised directly in equity	0	0	-3,265	0	-3,265
Consolidated profit			30,458		30,458
Total profit			305,055		887,643
30.06.2009	34,375	546,213	305,055	2,000	887,643
01.01.2010	37,812	609,364	272,149	2,000	921,325
Change in cash flow hedge			-8,020		-8,020
Change due to currency translation effects			540		540
Change in deferred taxes			1,021		1,021
Total earnings recognised directly in equity	0	0	-6,459	0	-6,459
Consolidated profit			25,973		25,973
Total profit			19,514		19,514
Dividend payment			-46,320		-46,320
Capital increase from own funds	6,302	116,113	0		122,415
30.06.2010	44,114	725,477	245,343	2,000	1,016,934

Disclosures

Basis of presentation

These financial statements of the Deutsche EuroShop Group as at 30 June 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS).

The management report and the abridged financial statements were not audited in accordance with section 317 of the Handelsgesetzbuch (HGB – German Commercial Code), nor were they reviewed by a person qualified to carry out audits. In the opinion of the Executive Board, the report contains all of the necessary adjustments required to give a true and fair view of the results of operations as at the interim report date. The performance of the first six months up to 30 June 2010 is not necessarily an indication of future performance.

The accounting policies applied correspond to those used in the last consolidated financial statements as at the end of the financial year. A detailed description of the methods applied was published in the notes to the consolidated financial statements for 2009.

The FFO and EPS ratios for the same period of the previous year were adjusted to reflect the increase in the weighted number of shares to 36,799,402 as a result of the capital increase in July 2009.

SEGMENT REPORTING
(01.01. – 30.06.2010)

As a holding company, Deutsche EuroShop AG holds equity interests in shopping centers in the European Union. The investees are pure shelf companies without staff of their own. Operational-management is contracted out to external service providers under agency agreements, meaning that the companies' activities are exclusively restricted to asset management. Due to the Company's uniform business activities within a relatively homogeneous region (the European Union), separate segment reporting is presented only in the form of a breakdown by domestic and international results.

Deutsche EuroShop AG assesses the performance of the segments on the basis of factors including the revenue and profits for the period of the individual property companies.

Breakdown by geographical segment

in € thousand	Domestic	International	Total
Revenue	**59,155**	**11,253**	70,408
(Previous year's figures)	(52,029)	(10,961)	(62,990)

Around 10% of rental income was generated in Poland. In the year under review, these revenues came to €6,742 thousand (previous year: €6,493 thousand).

in € thousand	Domestic	International	Reconciliation	Total
EBIT	**51,134**	**10,089**	**-377**	60,846
(Previous year's figures)	(44,926)	(9,925)	-(1,002)	(53,849)

in € thousand	Domestic	International	Reconciliation	Total
EBT (before measurement gains/losses)	**25,573**	**5,270**	**364**	31,207
(Previous year's figures)	(20,929)	(3,374)	(1,814)	(26,117)

in € thousand	Domestic	International	Total
Segment assets	**2,013,771**	**336,992**	**2,350,763**
(Previous year's figures)	(1,775,305)	(336,840)	(2,112,145)
of which investment properties	**1,898,998**	**327,658**	**2,226,656**
(Previous year's figures)	(1,663,951)	(327,029)	(1,990,980)

OTHER DISCLOSURES

Dividend
A dividend of €1.05 per share was distributed for financial year 2009 on 18 June 2010.

Share options
The variable components of the remuneration of the members of the Executive Board and Supervisory Board do not include any share options or similar securities-based incentive schemes.

Responsibility statement by the Executive Board
To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Hamburg, August 2010

Claus-Matthias Böge

Olaf G. Borkers

Financial Calendar 2010

12.08.	Interim report H1 2010
16.–19.08.	Roadshow USA, Berenberg
16.08.	Roadshow London, UniCredit
17.08.	Roadshow Dublin, UniCredit
18.–19.08.	Bankhaus Lampe Conference for Retail and Consumption, Frankfurt
25.08.	Commerzbank Real Estate Conference, Frankfurt
14.09.	Roadshow Copenhagen, UniCredit
21.09.	UniCredit German Investment Conference, Munich
23.09.	Supervisory Board meeting, Hamburg
04.–06.10.	Expo Real, München
12.10.	Credit Suisse Global Real Estate Conference, London
19.10.	Initiative Immobilien-Aktie, Frankfurt
06.11.	Hamburg Exchange Convention
11.11.	Interim report 9M 2010
12.11.	Roadshow Brussels, WestLB
16.11.	Roadshow Zurich, Deutsche Bank
18.11.	Supervisory Board meeting, Hamburg
30.11.	Roadshow Berlin, Berenberg
30.11.	DSW Aktienforum, Berlin
01.12.	UBS Global Real Estate Conference, London
02.12.	Berenberg Pennyhill Conference, London

Our financial calendar is updated continuously.
Please check our website for the latest events:
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