Deutsche EuroShop

DES H1

INTERIM REPORT
FOR THE FIRST HALF OF 2011

LETTER FROM THE EXECUTIVE BOARD

DEAR SHAREHOLDERS,
DEAR READERS,

We are delighted and satisfied to be able to report that the first half of 2011 went well and once again according to plan for Deutsche EuroShop.

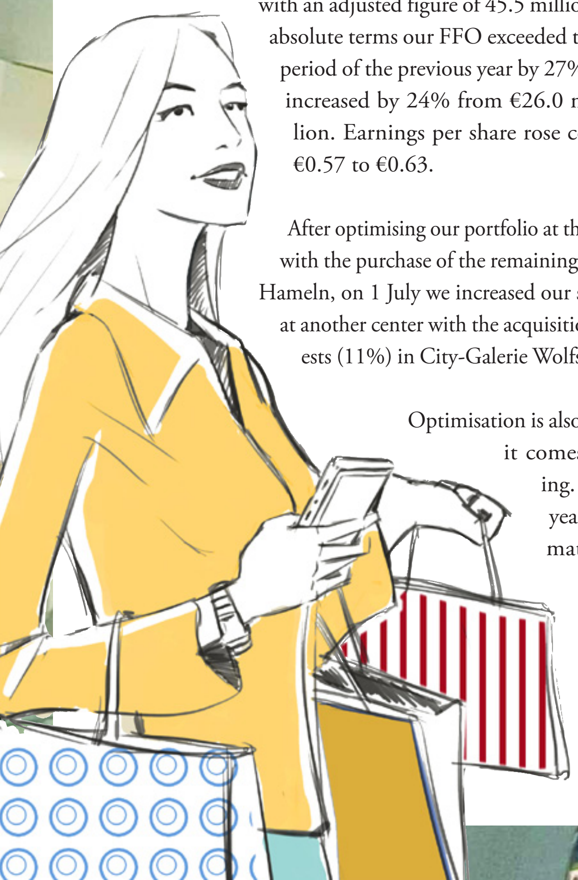
With revenue at €91.1 million, we exceeded the figure for the first half of 2010 by 29%. Net operating income (NOI) also improved by 29% to €81.5 million, while EBIT too climbed 29% to €78.4 million.

These increases can be attributed to a number of different reasons: compared with the first half of 2010, the Billstedt-Center (since the beginning of 2011), the shareholding in the Altmarkt-Galerie Dresden, which has been increased to 67%, and the now fully consolidated centers in Sulzbach (Main-Taunus-Zentrum) and Hamburg (Phoenix-Center) are having a positive impact in 2011. In addition, the newly constructed and expanded sections of the Altmarkt-Galerie and A10 Center were opened at the beginning of the second quarter. The completion of the expansion work at the Main-Taunus-Zentrum will lead to a further improvement in earnings in the fourth quarter.

Our funds from operations (FFO) rose in line with expectations by 13% from €0.68 to €0.77 per share (51.6 million shares compared with an adjusted figure of 45.5 million shares in 2010) – in absolute terms our FFO exceeded the figure for the same period of the previous year by 27%. Consolidated profit increased by 24% from €26.0 million to €32.3 million. Earnings per share rose correspondingly from €0.57 to €0.63.

After optimising our portfolio at the beginning of the year with the purchase of the remaining 5.1% in Stadt-Galerie Hameln, on 1 July we increased our shareholding to 100% at another center with the acquisition of third-party interests (11%) in City-Galerie Wolfsburg for €6.5 million.

Optimisation is also our watchword when it comes to external financing. In the first half of the year we have already prematurely extended five loans with a volume of €212 million for a period of ten years. This has made it possible to reduce the average interest rate of our loan portfolio from 5.03% as at the end of 2010 to its current level of 4.83%. At present we are negotiating the premature extension of three other loans and also expect to conclude this financing at more favourable interest rate conditions.



As far as new investments are concerned, we are currently examining various propositions within Germany and abroad. We have reached an advanced stage of the bidding process for a German shopping center, which would be an attractive addition to our portfolio.

In the interim report for the first quarter, we expressed optimism that we would also be able to pay a dividend of €1.10 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 2011

Claus-Matthias Böge   Olaf G. Borkers

KEY GROUP DATA in € million	01.01. – 30.06.2011	01.01. – 30.06.2010	+/-
Revenue	91.1	70.4	29%
EBIT	78.4	60.8	29%
Net finance costs	-38.8	-29.6	-31%
EBT before valutation	39.6	31.2	27%
Measurement gains/losses	-0.9	0.0	
EBT	38.7	31.2	24%
Consolidated profit	32.3	26.0	24%
FFO per share in €	0.77	0.68	13%
EPS in €	0.63	0.57	11%
	30.06.2011	31.12.2010	
Equity*	1,502.7	1,527.4	-2%
Liabilities	1,507.5	1,436.1	5%
Total assets	3,010.2	2,963.6	2%
Equity ratio in %*	49.9	51.5	
LTV-ratio in %	47	47	
Gearing in %*	100	94	
Cash and cash equivalents	69.9	65.8	6%

* 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 18 shopping centers in Germany, Austria, Poland and Hungary. The Group generates its reported revenue from rental income on the space which it lets in the shopping centers.

Group's legal structure

Due to a lean personnel structure and focus on just two reportable segments (domestic and international), the Deutsche EuroShop Group is centrally organised. The parent company, Deutsche EuroShop AG, is responsible for corporate strategy, portfolio and risk management, financing and communication.

The Company's registered office is in Hamburg. Deutsche EuroShop is a public company under German law. The individual shopping centers are managed as separate companies and, depending on their share of the nominal capital, are included in the consolidated financial statements either fully, pro rata or according to the equity method.

The share capital amounts to €51,631,400.00 and is composed of 51,631,400 no-par value registered shares. The notional value of each share is €1.00.

Macroeconomic and Sector-Specific Conditions

Due in particular to a sound domestic economy and flourishing foreign trade, the German economy is growing strongly once again this year, with the labour market continuing to report a very high degree of stability. On a seasonally adjusted basis, employment and employment subject to social insurance contributions increased substantially in 2011. Early indications are, however, pointing towards a slowdown in the economy in the second half of the year. The revenue trend in the retail sector and consumer sentiment were better than in the first six months of 2010.

The first half of 2011 saw the German real estate investment market continue to demonstrate the momentum it had gained in 2010. Retail properties dominated with a 55% share of transactions. According to Jones Lang LaSalle, these had a total volume of more than €11.3 billion and were consequently up 19% on the comparable period of the previous year. The sustained high demand is continuing to exert pressure on the returns that can be realised; on average the so-called top returns for shopping centers stood at 5.10%.

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Acquisition of the Billstedt-Center in Hamburg

Deutsche EuroShop acquired the Billstedt-Center in Hamburg with effect from 1 January 2011 after having paid the purchase price of €148.4 million at the end of the previous year. The fair value of the acquired property was €156.0 million, which resulted in a €7.7 million excess of identified net assets acquired over cost of acquisition, which was recognised in income. It is offset by ancillary acquisition costs in connection with the acquisition of the property amounting to €8.3 million, which are recognised under measurement gains / losses.

in € thousand	Carrying amount	Fair value
Purchase price	148,375	148,375
Acquired property assets	155,977	155,977
Deferred taxes	-116	-116
Excess of identified net assets acquired over cost of acquisition	**-7,718**	**-7,718**

Shareholding in Stadt-Galerie Hameln increased to 100%

With effect from 1 January 2011 Deutsche EuroShop acquired 5.1% of the limited partnership shares in Stadt-Galerie Hameln at a purchase price of €4.9 million, thereby increasing its shareholding to 100%. The acquisition of the shares resulted in an excess of identified net assets acquired over cost of acquisition of €0.3 million, which was recognised in income.

Results of Operations

Revenue growth of 29%

Revenue in the first half of 2011 totalled €91.1 million, representing a rise of just under 29% year-on-year (€70.4 million). The Billstedt-Center was incorporated into the consolidated financial statements for the first time. Due to its acquisition date of 1 February 2010, the A10 Center in Wildau had been included in revenue for five months. The increase in the Company's shareholding in the Altmarkt-Galerie Dresden by 17% effective from 1 July 2010 meant that this center was also included in total revenue with higher rental income in the reporting period. Since the beginning of 2011, the Phoenix-Center Hamburg and the Main-Taunus-Zentrum have been fully consolidated, rather than on a pro-rata basis as was previously the case. Rental income from the other portfolio properties increased by 1.3% compared with the same period last year.

Operating and administrative costs for property: 10.5% of revenue

Center operating costs were €9.6 million in the reporting period, compared with €7.4 million in the same period of the previous year. Costs therefore stood at 10.5% of revenue (first six months of 2010: 10.6%).

Other operating expenses up €0.6 million
Other operating expenses climbed €0.6 million to €3.3 million (same period of previous year: €2.7 million).

EBIT up 29%
EBIT increased by €17.6 million (+29%) from €60.8 million to €78.4 million.

Net finance costs down €9.1 million
At €-38.8 million, net finance costs deteriorated by €9.1 million. This can largely be attributed to the fact that the interest expense (€+4.9 million) and the profit share for third-party shareholders (€+3.4 million) have risen substantially as a result of the expanded group of consolidated companies and expansion measures.

27% rise in earnings before taxes and measurement
Earnings before taxes and measurement increased from €31.2 million to €39.6 million (+27%), which is attributable to the positive contribution to earnings by recent investments.

Measurement gains / losses
The measurement loss of €0.9 million in the reporting period is the result of the first-time consolidation of the Billstedt-Center and of the acquisition of the shareholding in Stadt-Galerie Hameln KG. It includes the excess of cost of acquisition over identified net assets under IFRS 3, as well as the ancillary acquisition costs relating to the Hamburg property. On the other hand, investment costs of €0.5 million were incurred in the shopping centers in the second quarter of 2011.

Consolidated profit: €32.3 million; earnings per share: €0.63
Consolidated profit amounted to €32.3 million, up €7.2 million (+28%) after adjustment for the measurement loss. Earnings per share increased from €0.57 to €0.63. After adjustment for the measurement loss, earnings per share amounted to €0.64, compared with €0.57 in the same period of the previous year.

Increase in funds from operations (FFO)
FFO rose by 28%, from €31.1 million to €39.6 million or by €0.68 to €0.77 per share (+12%).

Financial Position and Net Assets

Net assets and liquidity
During the reporting period, the Deutsche EuroShop Group's total assets increased by €46.6 million on the figure as at the end of 2010 to €3,010.2 million. Non-current assets rose by €197.3 million, which can be attributed to the first-time fair value accounting of the Billstedt-Center and to the expansion measures at our centers in Wildau, Dresden and Sulzbach. Receivables and other current assets fell by €154.8 million, as the purchase price already paid for the Billstedt-Center had been recognised under other assets in the previous year. Cash and cash equivalents were €4.1 million higher than as at 31 December 2010, at €69.9 million.

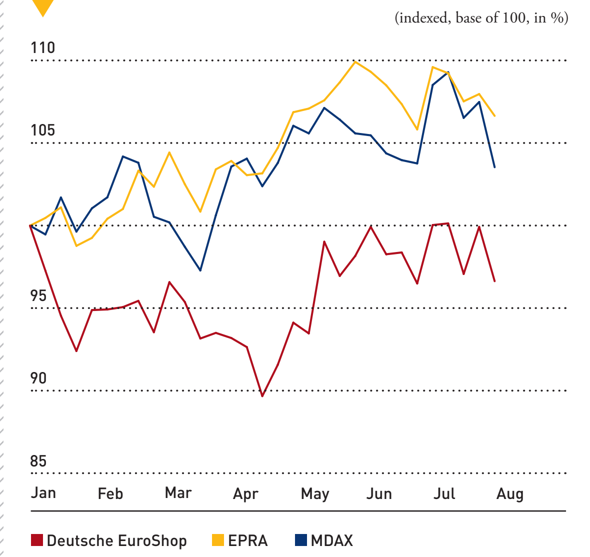
Equity ratio at just under 50%
Due to the dividends paid to shareholders in June, the equity ratio (incl. shares of third-party shareholders) dropped from 51.5% to 49.9%.

Liabilities
As at 30 June 2011, bank loans and overdrafts stood at €1,362.1 million, which was €73.9 million higher than at the end of 2010. This increase resulted from the financing of the construction projects in Sulzbach and Wildau and from the increase in the City-Galerie Wolfsburg shareholding effective from 1 July 2011. Additions to the current profit and items recognised directly in equity caused non-current deferred tax liabilities to rise by €6.7 million to €107.8 million. Meanwhile, profit shares for third-party shareholders fell by around €2.5 million as a result of the increase in the shareholding in Stadt-Galerie Hameln and dividend distribution. Other liabilities and provisions declined by €5.9 million.

THE SHOPPING CENTER SHARE

After achieving a year-end closing price of €28.98 in 2010, our share initially hovered close to the €27.00 mark for a few weeks at the start of 2011. On 14 April 2011 it dropped to €25.96, its low for the period, before recovering rapidly from this temporary weakness to achieve its record level of €29.06 for the first six months of the current financial year on 1 June 2011. The closing price at the end of the reporting period on 30 June 2011 was €27.30. Taking into account the dividend of €1.10 paid out on 17 June 2011, this represents a performance of -2.0% over the first half of the year. The MDAX rose by 7.9% over the same period. Deutsche EuroShop's market capitalisation stood at €1.4 billion as at 30 June 2011. The Company therefore has the highest market capitalisation of all listed German real estate companies.

DEUTSCHE EUROSHOP VS. MDAX AND EPRA
Comparison, January to August 2011



Roadshows and conferences
During the second quarter we presented our company at conferences in Frankfurt and Hamburg. We also took part in roadshows in Munich, Helsinki, Copenhagen, Luxembourg, Oslo, Paris, Stockholm and Vienna. At these events we held various one-on-one and group discussions and also visited existing and potential investors. On 6 April 2011, within the context of a property tour organised by Deutsche Bank, we presented the A10 Triangle, which opened that same day, to a group of investors. The Hamburg Investment Conference on 21 June 2011, which was organised by Bankhaus Lampe, included a visit to the Phoenix-Center in Hamburg as part of the programme.

Awards for 2010 annual report
At the “LACP 2010 Vision Awards Annual Competition“, organised by the League of American Communications Professionals LLC, our 2010 annual report, the theme of which was “10”, received a gold award in the “real estate“ category and therefore ranked amongst the top 50 entries from Europe, the Middle East and Africa. In addition, our annual report has also been nominated for the “2012 German Design Award“, one of the most prestigious German awards for communication and product design.

Annual General Meeting
The Annual General Meeting of Deutsche EuroShop was held on 16 June 2011. As in the previous year, the venue was the Handwerkskammer Hamburg. Approximately 300 shareholders attended, representing 55.6% of share capital. The agenda included the resolution on authorisation to issue convertible bonds, the creation of new conditional capital and the approval of the system used for the remuneration of the members of the Executive Board. 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.de/HV, including a video webcast of the speech given by Claus-Matthias Böge, Executive Board Spokesman.

Broad coverage
At present, 27 financial analysts from various institutions assess Deutsche EuroShop’s business performance. This includes the regular publication of reports on the Company. The investment recommendations resulting from these reports are currently neutral for the most part (13), with eleven analysts adopting a positive position and three issuing negative opinions (as at 9 August 2011). In June, Munich-based Baader Bank commenced coverage of our share as part of a sector report. It issued a “hold” recommendation with a price target of €29.50. Other institutions have also indicated that they would like to initiate coverage of our share in the future. A list of analysts and current reports can be found at www.deutsche-euroshop.com/ir.

KEY SHARE DATA

Sector/industry group	Financial Services/Real Estate
Share capital on 30 June 2011	€51,631,400.00
Number of shares on 30 June 2011 (no-par value registered shares)	51,631,400
Dividend 2010 (17 June 2011)	€1.10
Share price on 30 December 2010	€28.98
Share price on 30 June 2011	€27.30
Low/high in the period under review	€25.96/€29.06
Market capitalisation on 30 June 2011	€1.4 billion
Prime Standard	Frankfurt and Xetra
OTC trading	Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart
Indices	MDAX, EPRA, GPR 250, EPIX 30, HASPAX, F.A.Z.-Index
ISIN	DE 000748 020 4
Ticker symbol	DEQ, Reuters: DEQGn.DE

REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

With effect from 1 July 2011, Deutsche EuroShop acquired 11% of the limited partnership shares in City-Galerie Wolfsburg at a purchase price of €6.5 million, thereby increasing its shareholding to 100%. The cost of the shares exceeded the identified net assets acquired by approximately €1.1 million. This will be incorporated into measurement gains/losses in the third quarter of 2011.

No further significant events occurred between the balance sheet date of 30 June 2011 and the date of preparation of the financial statements.

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 2010 is therefore still applicable.

REPORT ON OPPORTUNITIES AND OUTLOOK

Economic Conditions

This year the economy has again continued to register steady growth, with sound domestic demand and strong exports providing the greatest stimuli. In 2011 the German government anticipates a rise of 2.6% in real gross domestic product.

Over the first six months of 2011 the German retail sector saw sales rise by 2.9% in nominal terms. This corresponds to an increase of 1.3% on a price-adjusted basis. The expectations of the Hauptverband des deutschen Einzelhandels (German Retail Federation), which considers the sector to be continuing its upward trend and anticipates a 1.5% rise in revenue for 2011, were therefore met. After adjustment for prices, the sector is expected to achieve revenues in line with the previous year's period.

Risks are currently emanating from the energy and commodities markets. High prices are driving up inflation further and increasingly eroding consumer purchasing power. Furthermore, in recent weeks the European and US debt crisis has increasingly become the focus of attention of the financial markets. Dwindling confidence in politicians' ability to take the necessary action has sent stock markets worldwide into a tailspin and the impact that the state bailouts will have on the financial system remains to be seen.

Due to our good operational position, we nevertheless expect Deutsche EuroShop's business to perform positively and according to plan this year and in the coming year.

Expected Results of Operations and Financial Position

Expanded Main-Taunus-Zentrum fully let

The expansion measures at the Main-Taunus-Zentrum are running according to schedule and are due to be completed by November 2011. Almost all of the approx. 80 new shops have now been let. Rental income is likely to be well above expectations, while investment costs are within budget. Of this amount, €37.0 million is likely to be attributable to the current financial year.

Scheduled reletting at two centers

We expect to see stable growth across our portfolio properties. Many rental agreements are due to expire on schedule in 2011 in the City-Arkaden Wuppertal and the City-Galerie Wolfsburg. Measures to relet the space in question have largely been completed at these two centers too.

No change to revenue and earnings forecasts

We stand by our forecasts for financial year 2011, as published at the end of April, and expect:

- revenue of between €184 million and €188 million
- earnings before interest and taxes (EBIT) of between €157 million and €161 million
- earnings before taxes (EBT) without measurement gains / losses of between €75 million and €78 million
- funds from operations (FFO) per share of between €1.48 and €1.52.

Dividend policy

We intend to maintain our long-term dividend policy geared towards continuity and to distribute a dividend of €1.10 per share to our shareholders again in 2011.

CONSOLIDATED BALANCE SHEET

ASSETS

in € thousand	30.06.2011	31.12.2010
Assets		
Non-current assets		
Intangible assets	25	29
Property, plant and equipment	149	30
Investment properties	2,898,482	2,700,697
Non-current financial assets	23,326	23,885
Investments in equity-accounted associates	4,143	4,094
Other non-current assets	482	605
Non-current assets	**2,926,607**	**2,729,340**
Current assets		
Trade receivables	1,544	3,481
Other current assets	12,138	164,971
Cash and cash equivalents	69,863	65,784
Current assets	**83,545**	**234,236**
Total assets	**3,010,152**	**2,963,576**

EQUITY AND LIABILITIES

in € thousand	30.06.2011	31.12.2010
Equity and liabilities		
Equity and reserves		
Issued capital	51,631	51,631
Capital reserves	890,130	890,130
Retained earnings	285,641	307,891
Total equity	**1,227,402**	**1,249,652**
Non-current liabilities		
Bank loans and overdrafts	1,245,125	1,227,096
Deferred tax liabilities	107,835	101,052
Right to redeem of limited partners	275,256	277,780
Other non-current liabilities	18,369	21,839
Non-current liabilities	**1,646,585**	**1,627,767**
Current liabilities		
Bank loans and overdrafts	116,942	61,060
Trade payables	3,131	6,145
Tax provisions	389	450
Other provisions	5,608	7,329
Other current liabilities	10,095	11,173
Current liabilities	**136,165**	**86,157**
Total equity and liabilities	**3,010,152**	**2,963,576**

CONSOLIDATED INCOME STATEMENT

in € thousand	01.04.–30.06.2011	01.04.–30.06.2010	01.01.–30.06.2011	01.01.–30.06.2010
Revenue	46,695	35,830	91,093	70,408
Property operating costs	-2,687	-1,818	-4,428	-3,531
Property management costs	-2,640	-1,991	-5,153	-3,914
Net operating income (NOI)	**41,368**	**32,021**	**81,512**	**62,963**
Other operating income	66	126	145	610
Other operating expenses	-1,720	-1,441	-3,301	-2,727
Earnings before interest and taxes (EBIT)	**39,714**	**30,706**	**78,356**	**60,846**
Income from investments	0	462	0	779
Interest income	291	283	377	389
Interest expense	-16,302	-13,577	-31,627	-26,677
Profit/loss attributable to limited partners	-3,607	-2,061	-7,510	-4,130
Net finance costs	**-19,618**	**-14,893**	**-38,760**	**-29,639**
Earnings before taxes and measurement (EBT before measurement)	**20,096**	**15,813**	**39,596**	**31,207**
Measurement gains/losses	**-463**	**0**	**-859**	**0**
Of which differences recognised under IFRS 3: €7,982 thousand (previous year: €8,631 thousand)				
Earnings before tax (EBT)	**19,633**	**15,813**	**38,737**	**31,207**
Income tax expense	-3,260	-2,642	-6,408	-5,234
Consolidated profit	**16,373**	**13,171**	**32,329**	**25,973**
Basic earnings per share (€)	0.32	0.29	0.63	0.57
Diluted earnings per share (€)	0.32	0.29	0.63	0.57

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € thousand	01.04.–30.06.2011	01.04.–30.06.2010	01.01.–30.06.2011	01.01.–30.06.2010
Consolidated profit	**16,373**	**13,171**	**32,329**	**25,973**
Changes due to currency translation effects	92	808	28	540
Changes in cash flow hedge	-3,326	-8,425	2,598	-8,020
Deferred taxes on changes in value offset directly against equity	515	199	-410	1,021
Total earnings recognised directly in equity	**-2,719**	**-7,418**	**2,216**	**-6,459**
Total profit	**13,654**	**5,753**	**34,545**	**19,514**
Share of Group shareholders	13,654	5,753	34,545	19,514

CONSOLIDATED CASH FLOW STATEMENT

in € thousand	01.01. – 30.06.2011	01.01. – 30.06.2010
Profit after tax	**32,329**	**25,973**
Expenses/income from the application of IFRS 3	-7,982	0
Profit/loss attributable to limited partners	7,491	4,130
Depreciation of property, plant and equipment	14	12
Reconciliation of cash flow from operating activities	8,338	0
Deferred taxes	6,439	5,166
Operating cash flow	**46,629**	**35,281**
Changes in receivables	154,769	-6,282
Changes in other financial investments	0	1,600
Changes in current provisions	-1,781	6,601
Changes in liabilities	-4,761	-427
Cash flow from operating activities	**194,856**	**36,773**
Payments to acquire property, plant and equipment/investment properties	-41,935	-26,168
Payments to acquire shareholdings in consolidated companies and business units	-156,713	-209,510
Inflows/outflows for equity-accounted companies	0	195
Inflows/outflows for non-current financial assets	508	0
Cash flow from investing activities	**-198,140**	**-235,483**
Changes in interest-bearing financial liabilities	73,911	124,939
Payments to Group shareholders	-56,795	-46,320
Contributions of Group shareholders	0	122,415
Inflows/outflows for third-party shareholders	-9,771	-4,052
Cash flow from financing activities	**7,345**	**196,982**
Net change in cash and cash equivalents	**4,061**	**-1,728**
Cash and cash equivalents at beginning of period	**65,784**	**81,914**
Currency-related changes	18	71
Other changes	0	248
Cash and cash equivalents at end of period	**69,863**	**80,505**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € thousand	Number of shares outstanding	Share capital	Capital reserves	Other retained earnings	Statutory reserve	Total
1 January 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 payments				-46,320		-46,320
Capital increase		6,302	116,113	0		122,415
30 June 2010	**0**	**44,114**	**725,477**	**245,343**	**2,000**	**1,016,934**
1 January 2011	**51,631,400**	**51,631**	**890,130**	**305,891**	**2,000**	**1,249,652**
Change in cash flow hedge				2,598		2,598
Change due to currency translation effects				28		28
Change in deferred taxes				-410		-410
Total earnings recognised directly in equity		0	0	2,216	0	2,216
Consolidated profit				32,329		32,329
Total profit			0	34,545		34,545
Dividend payments				-56,795		-56,795
30 June 2011	**51,631,400**	**51,631**	**890,130**	**283,641**	**2,000**	**1,227,402**

DISCLOSURES

Basis of Presentation

These financial statements of the Deutsche EuroShop Group as at 30 June 2011 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 2011 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 2010.

As a result of the capital increases in 2010 the weighted number of shares for 2010 has been increased to 45,544,976 in accordance with IAS 33. The FFO and EPS figures for the same period of the previous year have been adjusted accordingly.

Within the cash flow statement some of the previous year's figures as at 30 June 2010 have been reclassified. Adjustments have been made to operating cash flow and cash flow from investing activities in connection with the presentation of the acquisition of the A10 Center in Wildau. In addition, cash flow from operating activities and the other changes item have been adjusted by the changes previously presented under these positions relating to non-current provisions recognised directly in equity and the amounts of interest rate swaps.

Segment Reporting

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. The companies are operated individually.

Due to the Company's uniform business activities within a relatively homogeneous region (the European Union), for reasons of simplification and in accordance with IFRS 8.12, 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 primarily on the EBIT of the individual property companies. The valuation principles for the segment reporting correspond to those of the Group. Eliminations of intra-Group ties between the segments are summarised in the reconciliation.

Breakdown by geographical segment

in € thousand	Domestic	International		Total
Revenue	**79,552**	**11,541**		**91,093**
(previous year's figures)	(59,155)	(11,253)		(70,408)

in € thousand	Domestic	International	Reconciliation	Total
EBIT	**70,386**	**10,348**	**-2,378**	**78,356**
(previous year's figures)	(52,949)	(10,089)	-(2,192)	(60,846)

in € thousand	Domestic	International	Reconciliation	Total
Net interest income	**-26,733**	**-3,797**	**-720**	**-31,250**
(previous year's figures)	-(22,550)	-(3,805)	(67)	-(26,288)

in € thousand	Domestic	International	Reconciliation	Total
EBT (before measurement gains/losses)	**39,385**	**5,489**	**-5,278**	**39,596**
(previous year's figures)	(29,518)	(5,270)	-(3,581)	(31,207)

in € thousand	Domestic	International		Total
Segment assets	**2,668,507**	**341,645**		**3,010,152**
(previous year's figures)	(2,621,311)	(342,265)		(2,963,576)
of which investment properties	**2,565,497**	**332,985**		**2,898,482**
(previous year's figures)	(2,367,696)	(333,001)		(2,700,697)

Other Disclosures

Dividend

A dividend of €1.10 per share was distributed for financial year 2010 on 17 June 2011.

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 remainder of the financial year.

Hamburg, August 2011

Claus-Matthias Böge   Olaf G. Borkers

FINANCIAL CALENDAR 2011

11.08.	Interim report H1 2011
13.09.	Silvia Quandt German Real Estate Conference, London
15.–16.09.	Deutsche EuroShop Real Estate Summer
22.09.	Supervisory Board meeting, Hamburg
27.–29.09	UniCredit German Investment Conference, Munich
04.–06.10.	Expo Real, Munich
19.10.	Real Estate Share Initiative, Frankfurt
05.11.	Hamburg Exchange Convention
10.11.	Interim report 9M 2011
14.11.	Roadshow Zurich, Rabo
16.–17.11.	WestLB Deutschland Conference, Frankfurt
17.11.	Supervisory Board meeting, Hamburg
23.11.	Roadshow Brussels, Petercam
29.11.–02.12.	Berenberg European Conference, Pennyhill

Our financial calendar is updated continuously. Please check our website for the latest events:
http://www.deutsche-euroshop.com/ir.

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