DES Deutsche EuroShop

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INTERIM REPORT
FOR THE FIRST HALF OF 2012

LETTER FROM THE EXECUTIVE BOARD

DEAR SHAREHOLDERS,
DEAR READERS,

The first half of 2012 went completely according to plan for Deutsche EuroShop. The center expansions that opened in 2011 in Dresden (Altmarkt-Galerie), Wildau (A10 Center) and Sulzbach (Main-Taunus-Zentrum) as well as the shopping center in Magdeburg (Allee-Center), a new addition to the portfolio, contributed to a considerable increase in revenue of around 15% from the same period the previous year.

In the first six months, we generated revenue of €104.5 million compared to the previous year's figure of €91.1 million. Net operating income (NOI) climbed by 15% to €93.6 million while earnings before interest and tax (EBIT), at €91.2 million, were 16% higher than the figure in the same period last year (€78.4 million).

Consolidated profit experienced an increase year-on-year of just around 20% to €47.2 million. This pushed earnings per share up to €0.63; and EPRA earnings per share adjusted for valuation effects were higher by 22% at €0.66. Funds from operations (FFO) also improved by 22% from €0.74 to €0.90 per share.

The considerable increases are mainly attributable to the center expansions and the new addition to the portfolio mentioned above. Moreover, the refinancing of several existing loans at better terms had a positive impact during the reporting period.

The transaction market for shopping centers was more turbulent in the second half of the year than it had been at the start of the year. We were ultimately not able to take advantage of two larger investment opportunities in Germany and abroad due to our required returns. We do not currently expect to be able to announce a new center acquisition in the near future.


Shimmering blazer, ESPRIT


Skinny jeans, C&A


Weekender bag with print, Marc Cain

We paid a dividend of €56.8 million to our shareholders in June for the 2011 financial year. Following a successful first six months, we are standing by our forecast which we increased in May and are confident that we will also be able to pay out a stable dividend of €1.10 per share for 2012.

Hamburg, August 2012

Claus-Matthias Böge Olaf Borkers

KEY GROUP DATA in € million	01.01.– 30.06.2012	01.01.– 30.06.2011	+ / -
Revenue	104.5	91.1	15%
EBIT	91.2	78.4	16%
Net finance costs	-42.1	-38.8	-9%
Measurement gains / losses	-1.9	-0.8	
EBT	47.2	38.8	22%
Consolidated profit	32.6	27.2	20%
FFO per share (€)	0.90	0.74	22%
EPRA Earnings per share (€)	0.66	0.54	22%
	30.06.2012	30.06.2011	**+ / -**
Equity*	1,434.6	1,473.1	-3%
Liabilities	1,809.3	1,752.0	3%
Total assets	3,243.9	3,225.1	1%
Equity ratio (%)*	44.2	45.7	
LTV-ratio (%)	48	47	
Gearing (%)*	126	119	
Cash and cash equivalents	**91.5**	**64.4**	**42%**

* European Public Real Estate Association
** incl. non controlling interests

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. As of the reporting date, it had investments in 19 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 its lean personnel structure, 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 the share of nominal capital owned, are either fully or proportionally consolidated or accounted for using 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

The EU debt crisis has further intensified in the last few months and is now making its mark on the real economy. Economic growth is tailing off noticeably. In its economic forecasts for Germany this year, the German government anticipates growth of only 0.7%. That puts its estimate far behind the good growth rates experienced during the past two years when gross domestic product grew by more than 3%.

We still expect the job market to remain stable, however. The key stimuli for 2012 are expected to come from domestic demand, particularly from investments and private consumption. An inflation rate of around 2% is predicted.

Retail sales developed positively in the reporting period. Following a slightly lower figure at the beginning of the year, it rose over the last few months. Cumulative retail sales were nominally higher by 2.8% in the first half-year.

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Increasing our shopping center shareholdings

With effect from 1 January 2012, Deutsche EuroShop AG acquired 5.1% of the Rathaus-Center Dessau KG, thus taking its shareholding to 100%. The purchase price of €5.9 million was paid in early 2012. In addition, with effect from 1 January 2012, around 11% of the Allee-Center Hamm KG (purchase price €8.9 million) and 0.1% of the Rhein-Neckar-Zentrum KG (purchase price €0.2 million) were acquired. Deutsche EuroShop AG now holds 100% of the shares in these properties as well. The purchase prices were paid at the end of 2011. These acquisitions resulted in an excess of identified net assets acquired over cost of acquisition in accordance with IFRS 3 in the amount of €0.3 million, which were reported as an expenditure in measurement gains / losses.

Results of Operations

Revenue increased by 15%

Revenue amounted to €104.5 million as at 30 June 2012. This represents an increase of just under 15% from the same period the previous year (€91.1 million) which can be primarily attributed to the higher revenue percentages contributed by the center expansions completed last year in Dresden, Wildau/Berlin and Sulzbach/Frankfurt as well as the acquisition of the Allee-Center in Magdeburg (1 October 2011). Revenue also rose accordingly by 2.2% year-on-year.

Operating and administrative costs for property: 10.4%

Center operating costs were €10.9 million in the reporting period, compared with €9.6 million in the same period of the previous year. Costs therefore stood at 10.4% of revenue (previous year: 10.5%).

Other operating expenses of €3.1 million

Other operating expenses amounted to €3.1 million, slightly below the previous year's level (€3.3 million) which is largely the result of lower ancillary financing costs.

EBIT up 16%

Earnings before interest and tax (EBIT) increased by €12.9 million (+16%) from €78.4 million to €91.2 million.

Net finance costs down €3.4 million

At €-42.1 million, net finance costs fell by €3.4 million. This can be attributed to the fact that both the interest expense (€+1.3 million) and the profit share for third-party shareholders (€+2.0 million) have risen substantially as a result of the expansion measures. In addition, a loan related to the acquisition of the Billstedt-Center in Hamburg was only paid out in the third quarter of 2011.

EBT excluding measurement gains / losses up 24%

Earnings before taxes and measurement increased from €39.6 million to €49.1 million to end 24% higher than the same period of the previous year.

Measurement gains / losses

The measurement losses of €-1.9 million during the reporting period stemmed from the excess of identified net assets acquired over cost of acquisition in accordance with IFRS 3 which resulted from the increase in shareholdings in our centers in Dessau, Hamm and Viernheim, as well as investment costs incurred by the portfolio properties.

Tax ratio at 31%

Income tax expenses rose from €11.6 million to €14.6 million due to better performance. €2.7 million of this was attributable to income taxes to be paid and €11.9 million to deferred taxes. The tax ratio of 31% is thus slightly above the previous year (30%).

20% increase in consolidated profit

Consolidated profit amounted to €32.6 million, €5.4 million (+20%) higher year-on-year. Earnings per share amounted to €0.63, compared with €0.53 last year. EPRA earnings per share rose 22% from €0.54 per share to €0.66.

Earnings per share

	30.06.2012		30.06.2011	
	in € thousand	Per share	in € thousand	Per share
Consolidated profit	**32,578**	**0.63**	**27,210**	**0.53**
Measurement gains / losses	1,867	0.04	790	0.01
Deferred taxes	-503	-0.01	-162	0.00
EPRA* Earnings	**33,942**	**0.66**	**27,838**	**0.54**

* European Public Real Estate Association

Funds from operations (FFO) up 22%

FFO rose from €38.1 million to €46.4 million, or by €0.74 to €0.90 per share (+22%).

in € thousand	30.06.2012	30.06.2011	adjustment	30.06.2011 after adjustment
Consolidated profit	**32,578**	32,329	-5,119	**27,210**
Measurement gains / losses	1,867	859	-69	790
Deferred taxes	11,957	6,439	3,682	10,121
FFO	**46,402**	39,627	-1,506	**38,121**
FFO per share	**0.90**	0.77	-0.03	**0.74**

Financial Position and Net Assets

Net assets and liquidity

During the reporting period, the Deutsche EuroShop Group's total assets increased by €18.8 million on the figure at the end of 2011 to €3,243.9 million. Non-current assets increased by €4.3 million. Receivables and other current assets, on the other hand, fell by €12.6 million. At €91.5 million, cash and cash equivalents were €27.1 million higher than on 31 December 2011 (€64.4 million).

Equity ratio of 44.2%

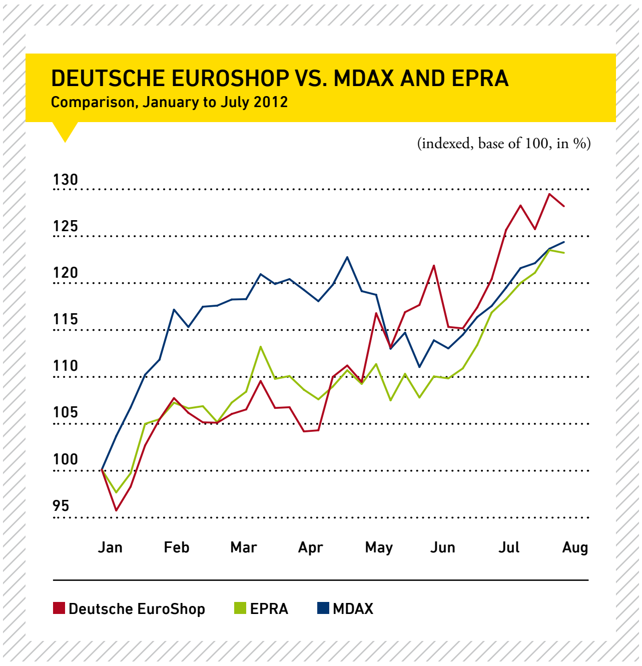
The equity ratio (incl. shares held by third-party shareholders) was down as a result of the dividend paid in June. As of the reporting date, it amounted to 44.2%.

Liabilities

Bank loans and overdrafts amounted to €1,515.5 million on 30 June 2012, €43.4 million higher than at the end of 2011. This is mainly the result of the dividend payment in June and the significantly higher level of cash and cash equivalents. Non-current deferred tax liabilities increased from €10.0 million to €220.6 million due to additional provisions. Meanwhile, redemption entitlements for third-party shareholders fell by around €9.4 million as a result of the increase in the shareholding in our properties in Hamm, Viernheim and Dessau and dividend distributions. Other liabilities and provisions increased by €4.0 million.

THE SHOPPING CENTER SHARE

Following a year-end closing price of €24.80 in 2011, a slight downward trend caused the Deutsche EuroShop shares to hit €23.72 on 12 January 2012, their lowest level for the period. In a positive environment, the price stabilised around the €26.00 mark between late January and mid-April and then climbed to over €28.00. It reached its highest closing price of €30.19 during the first half of the year on 8 June 2012. This was also the highest closing price that our share has ever reached. The price at the end of the reporting period was €27.96. Taking into account the dividend of €1.10 that we paid to our shareholders on 22 June 2012, this corresponds to a performance of 17.2% in the first six months. The MDAX rose by 16.3% over the same period. Deutsche EuroShop's market capitalisation stood at €1.4 billion on 30 June 2012.



Roadshows and conferences

In the second half of the year, we presented our company at conferences in Baden-Baden, Frankfurt, Amsterdam and London and attended a roadshow of Austrian institutional investors in Vienna. On 4 May 2012, we gave a tour of the Main-Taunus-Zentrum in Sulzbach near Frankfurt to a group of investors as part of a property tour organised by the Deutsche Bank and showcased in particular the expansion that opened there at the end of 2011.

2011 Annual Report

In the "LACP 2011 Vision Awards Annual Competition" organised by the League of American Communications Professionals LLC, which, with more than 5,500 entries from 24 countries, is one of the largest competitions for annual reports in the world, our 2011 annual report, the theme of which was "From clicks to bricks", was awarded gold in the "Real Estate" category and was also among the top 50 entries from Germany. We also won another prize for the Best of Corporate Publishing Award which is one of the biggest corporate publishing competitions in Europe and was awarded this year already for the 10th time. Prizes were awarded in 35 different categories in this competition. Our 2011 annual report received silver in the category "Specials and Annuals - Annual Report Services/Retail". If you are interested in receiving a printed copy of our annual report, please send an e-mail to info@deutsche-euroshop.com.

Award for our IR work

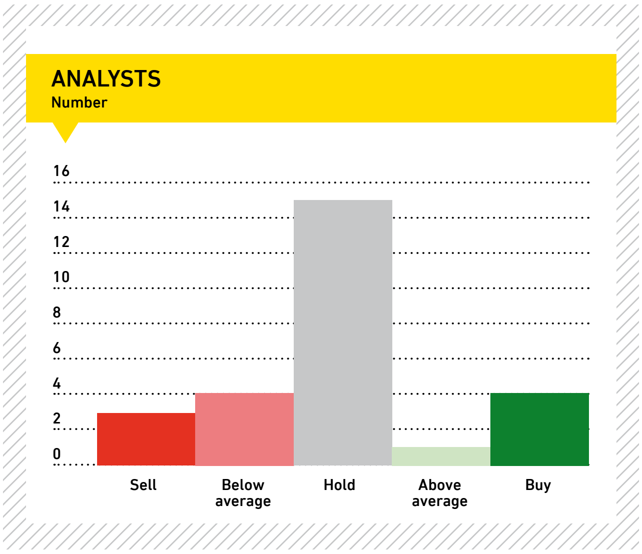
In the Thomson Reuters Extel Pan European Survey 2012 where more than 2,100 institutional investors, 2,500 analysts and 270 brokers and research companies voted on, among other things, the IR work of listed companies between March and May 2012, the Deutsche EuroShop team was ranked an impressive 7th in the Real Estate category.

Annual General Meeting

The Annual General Meeting of Deutsche EuroShop was held on 17 June 2010. As in previous years, the venue was the Handwerkskammer Hamburg. Roughly 300 shareholders attended, representing 63.2% of share capital. Items on the agenda included a change to the Articles of Incorporation and the election of three new Supervisory Board members. Karin Dohm, Reiner Strecker and Klaus Striebich were elected 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, CEO.

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 for the most part neutral (15), with five analysts adopting a positive position and seven issuing negative opinions (as at 3 August 2012). Another institution has also indicated that it 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.de/ir



KENNZAHLEN DER AKTIE

Sector / industry group	Financial services / Real estate
Share capital on 30.06.2012	€ 51,631,400.00
Number of shares on 30.06.2012 (no-par value registered shares)	51,631,400
Dividend 2011 (22.06.2012)	€ 1.10
Share price 30.12.2011	€ 24.80
Share price 29.06.2012	€ 27.96
Low/high in the period under review	€ 23.72 / € 30.19
Market capitalisation on 30.06.2012	€ 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, MSCI Small Cap, EURO STOXX, STOXX Europe 600, HASPAX, F.A.Z.-Index
ISIN	DE 000748 020 4
Ticker symbol	DEQ, Reuters: DEQGn.DE

REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

No further significant events occurred between the balance sheet date of 30 June 2012 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 2011 is therefore still applicable.

REPORT ON OPPORTUNITIES AND OUTLOOK

Economic conditions

Thanks to stable domestic demand and a robust job market, the German economy is currently in good shape. The gross domestic product (GDP) grew by 0.5% in the first quarter of 2012. The IFO Business Climate Index suggests that GDP growth will be moderate over the course of the year. The German Ministry of Economics recently announced that domestic demand is currently the most important pillar of economic growth in Germany. The German Retail Federation (HDE) is holding on to its prediction of a 1.5% growth in sales for 2012 and expects consumer spending and confidence to be predominantly positive.

To what extent Germany's neighbours will be more affected by the crisis cannot currently be foreseen. The most recent measures to stabilise southern European banks, the ever more deeply entrenched recessions in Spain and Greece and the ongoing danger that other euro member states will need financial assistance have significantly and noticeably increased the risks to future economic growth in Germany. In addition, the slowdown in global economic momentum, particularly in China and the USA, could adversely affect the German economy and the job market.

Even though inflation was more than 2% at the beginning of the year, it has dropped somewhat over the last few months and levelled off in June at 1.7%. This development is mainly attributable to the lower cost of raw materials and energy.

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

Expected Results of Operations and Financial Position

Forecast confirmed

We stand by our forecasts for financial year 2012, as published in May, and expect:

- revenue of between €207 million and €211 million
- earnings before interest and taxes (EBIT) of between €177 million and €181
- earnings before tax (EBT) excluding measurement gains / losses of between €94 and €97 million and
- funds from operations (FFO) per share of between €1.70 and €1.74.

Dividend policy

We intend to maintain our long-term dividend policy geared towards continuity and are optimistic that we will be able to again distribute a dividend of €1.10 per share to our shareholders in 2012.

CONSOLIDATED BALANCE SHEET

ASSETS

in € thousand	30.06.2012	31.12.2011
Assets		
Non-current assets		
Intangible assets	14	20
Property, plant and equipment	124	137
Investment properties	3,112,022	3,106,832
Non-current financial assets	27,060	27,815
Investments in equity-accounted associates	4,549	4,514
Other non-current assets	324	459
Non-current assets	**3,144,093**	**3,139,777**
Current assets		
Trade receivables	2,593	5,606
Other current assets	5,786	15,334
Cash and cash equivalents	91,460	64,408
Current assets	**99,839**	**85,348**
Total assets	**3,243,932**	**3,225,125**

EQUITY AND LIABILITIES

in € thousand	30.06.2012	31.12.2011
Equity and liabilities		
Equity and reserves		
Issued capital	51,631	51,631
Capital reserves	890,482	890,482
Retained earnings	221,789	250,928
Total equity	**1,163,902**	**1,193,041**
Non-current liabilities		
Bank loans and overdrafts	1,422,062	1,335,986
Deferred tax liabilities	220,560	210,587
Right to redeem of limited partners	270,693	280,078
Other liabilities	44,713	38,451
Non-current liabilities	**1,958,028**	**1,865,102**
Current liabilities		
Bank loans and overdrafts	93,439	136,163
Trade payables	1,728	2,835
Tax liabilities	8,255	5,935
Other provisions	6,639	8,859
Other liabilities	11,941	13,190
Current liabilities	**122,002**	**166,982**
Total equity and liabilities	**3,243,932**	**3,225,125**

CONSOLIDATED INCOME STATEMENT

in € thousand	01.04.–30.06.2012	01.04.–30.06.2011 after adjustment
Revenue	52,541	46,695
Property operating costs	-3,048	-2,687
Property management costs	-2,490	-2,640
Net operating income (NOI)	**47,003**	**41,368**
Other operating income	10	66
Other operating expenses	-1,670	-1,720
Earnings before interest and taxes (EBIT)	**45,343**	**39,714**
Interest income	197	291
Interest expense	-16,208	-16,302
Profit / loss attributable to limited partners	-4,738	-3,607
Net finance costs	**-20,749**	**-19,618**
Measurement gains / losses	**-1,000**	**-463**
of which excess of identified net assets acquired over cost of acquisition in accordance with IFRS 3: -€ 308 thousand (previous year: € 8,051 thousand)		
Earnings before tax (EBT)	**23,594**	**19,633**
Income tax expense	-7,559	-5,806
Consolidated profit	**16,035**	**13,827**
Earnings per share (€), basic	0.31	0.27
Earnings per share (€), diluted	0.31	0.27

in € thousand	01.01.–30.06.2012	01.01.–30.06.2011 before adjustment	01.01.–30.06.2011 adjustment	01.01.–30.06.2011 after adjustment
Revenue	104,476	91,093		91,093
Property operating costs	-5,529	-4,428		-4,428
Property management costs	-5,367	-5,153		-5,153
Net operating income (NOI)	**93,580**	**81,512**	**0**	**81,512**
Other operating income	765	145		145
Other operating expenses	-3,123	-3,301		-3,301
Earnings before interest and taxes (EBIT)	**91,222**	**78,356**	**0**	**78,356**
Interest income	297	377		377
Interest expense	-32,911	-31,627		-31,627
Profit / loss attributable to limited partners	-9,532	-7,510		-7,510
Net finance costs	**-42,146**	**-38,760**	**0**	**-38,760**
Measurement gains / losses	**-1,867**	**-859**	**69**	**-790**
Earnings before tax (EBT)	**47,209**	**38,737**	**69**	**38,806**
Income tax expense	-14,631	-6,408	-5,188	-11,596
Consolidated profit	**32,578**	**32,329**	**-5,119**	**27,210**
Earnings per share (€), basic	0.63	0.63	-0.10	0.53
Earnings per share (€), diluted	0.63	0.63	-0.10	0.53

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € thousand	01.04.–30.06.2012	01.01.–30.06.2011 after adjustment
Consolidated profit	**16,035**	**13,827**
Changes due to currency translation effects	0	92
Changes in cash flow hedge	-5,501	-3,326
Deferred taxes on changes in value offset directly against equity	1,759	1,047
Total earnings recognised directly in equity	**-3,742**	**-2,187**
Total profit	**12,293**	**11,640**
Share of Group shareholders	12,293	11,640

in € thousand	01.01.–30.06.2012	01.01.–30.06.2011 before adjustment	01.01.–30.06.2011 adjustment	01.01.–30.06.2011 after adjustment
Consolidated profit	**32,578**	**32,329**	**-5,119**	**27,210**
Changes due to currency translation effects	0	28	0	28
Changes in cash flow hedge	-6,760	2,598	0	2,598
Deferred taxes on changes in value offset directly against equity	1,838	-410	42	-368
Total earnings recognised directly in equity	**-4,922**	**2,216**	**42**	**2,258**
Total profit	**27,656**	**34,545**	**-5,077**	**29,468**
Share of Group shareholders	27,656	34,545	-5,077	**29,468**

CONSOLIDATED CASH FLOW STATEMENT

in € thousand	01.01.–30.06.2012	01.01.–30.06.2011
Profit after tax	**32,578**	**27,210**
Expenses / income from the application of IFRS 3	308	-8,051
Profit / loss attributable to limited partners	9,497	7,491
Depreciation of property, plant and equipment	19	14
Expenses from investment activities to be allocated to the cash flow	0	8,338
Other non-cash income	-411	0
Deferred taxes	11,957	10,121
Operating cash flow	**53,948**	**45,123**
Changes in receivables*	12,598	154,769
Changes in current provisions	100	-1,781
Changes in liabilities	-2,370	-3,255
Cash flow from operating activities	**64,276**	**194,856**
Payments to acquire property, plant and equipment / investment properties	-5,190	-41,935
Expenses from investment activities to be allocated to the cash flow*	0	-8,338
Payments to acquire shareholdings in consolidated companies and business units	0	-148,375
Inflows / outflows to / from the financial assets	719	508
Cash flow from investing activities	**-4,471**	**-198,140**
Changes in interest-bearing financial liabilities	43,354	73,911
Payments to Group shareholders	-56,795	-56,795
Payments to third-party shareholders	-19,312	-9,771
Cash flow from financing activities	**-32,753**	**7,345**
Net change in cash and cash equivalents	**27,052**	**4,061**
Cash and cash equivalents at beginning of period	**64,408**	**65,784**
Currency-related changes	0	18
Cash and cash equivalents at end of period	**91,460**	**69,863**

* The purchase price including the ancillary acquisition costs (€156.7 million) for the acquisition of the Billstedt-Center Hamburg was recognised in the cash flow from operating activities in 2010. In order to achieve a meaningful cross-period presentation of this transaction, changes connected with the initial consolidation are recognised gross in the previous year's figures.

STATEMENT OF CHANGES IN EQUITY

in € thousand	Number of shares outstanding	Share capital	Capital reserves	Other retained earnings	Statutory reserve	Total
01.01.2011	**51,631,400**	**51,631**	**890,615**	**219,491**	**2,000**	**1,163,737**
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				34,545		34,545
Dividend payment				-56,795		-56,795
Trade tax (IAS 8 – Error Corrections)			485	-5,562		-5,077
30.06.2011	**51,631,400**	**51,631**	**890,615**	**191,679**	**2,000**	**1,136,410**
01.01.2012	**51,631,400**	**51,631**	**890,482**	**248,928**	**2,000**	**1,193,041**
Change in cash flow hedge				-6,760		-6,760
Change in deferred taxes				1,838		1,838
Total earnings recognised directly in equity		0	0	-4,922	0	-4,922
Consolidated profit				32,578		32,578
Total profit		0	0	27,656	0	27,656
Dividend payments				-56,795		-56,795
30.06.2012	**51,631,400**	**51,631**	**890,482**	**219,789**	**2,000**	**1,163,902**

DISCLOSURES

Reporting principles

These interim financial statements of the Deutsche EuroShop Group as at 30 June 2012 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 date of the interim report for the first half of the year. The performance of the first six months up to 30 June 2012 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 2011.

Adjustment of previous year's values in accordance with IAS 8 (correction of an error)

Following the decision in the third quarter of 2011 to adjust the previous year's figures in light of trade tax risks and the need to create trade tax provisions for the first three quarters of 2011, pursuant to IAS 8.41 ff. (correction of an error) the tax expenses for the same quarter of the previous year have now been adjusted accordingly in connection with the preparation of these quarterly financial statements.

A trade tax provision in the amount of €5.2 million was created and recognised in expenses on 30 June 2011 that will cover current earnings of the property companies as well as the measurement differences for properties arising from differences between the tax accounts and the IFRS consolidated financial statements. Meanwhile, trade tax provisions of €0.1 million for negative interest rate hedges and costs of capital increases are recognised directly in equity (OCI).

Please also refer to the detailed explanations provided in the published consolidated financial statements for 2011.

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), and in accordance with IFRS 8.12, separate segment reporting is presented in the form of a breakdown by domestic and international results.

As the Group's main decision-making body, the Deutsche EuroShop AG Executive Board largely assesses the performance of the segments based on the EBIT of the individual property companies. The valuation principles for the segment reporting correspond to those of the Group. Intra-Group activities between the segments are eliminated in the reconciliation statement.

In view of the geographical segmentation, no further information pursuant to IFRS 8.33 is given.

The previous year's figures have been restated in the reconciliation statement for earnings before tax (EBT).

Breakdown by geographical segment

in € thousand	Domestic	International	Reconciliation	Total
Revenue	**92,652**	**11,604**	**0**	**104,256**
(previous year's figures)	(79,552)	(11,541)	(0)	(91,093)

in € thousand	Domestic	International	Reconciliation	Total
EBIT	**83,735**	**10,784**	**-3,297**	**91,222**
(previous year's figures)	(70,386)	(10,348)	-(2,378)	(78,356)

in € thousand	Domestic	International	Reconciliation	Total
Net interest income	**-28,093**	**-3,711**	**-810**	**-32,614**
(previous year's figures)	-(27,140)	-(3,797)	-(313)	-(31,250)

in € thousand	Domestic	International	Reconciliation	Total
Earnings before tax (EBT)	**47,856**	**5,870**	**-6,517**	**47,209**
(previous year's figures)	(38,147)	(5,489)	-(4,830)	(38,806)

in € thousand	Domestic	International	Total
Segment assets	**2,894,342**	**349,590**	**3,243,932**
(previous year's figures)	(2,874,224)	(350,901)	(3,225,125)
of which investment properties	2,768,665	343,357	3,112,022
(previous year's figures)	(2,763,626)	(343,206)	(3,106,832)

Other disclosures

Dividend

A dividend of €1.10 per share was distributed on 22 June 2012 for the financial year 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 2012

Claus-Matthias Böge

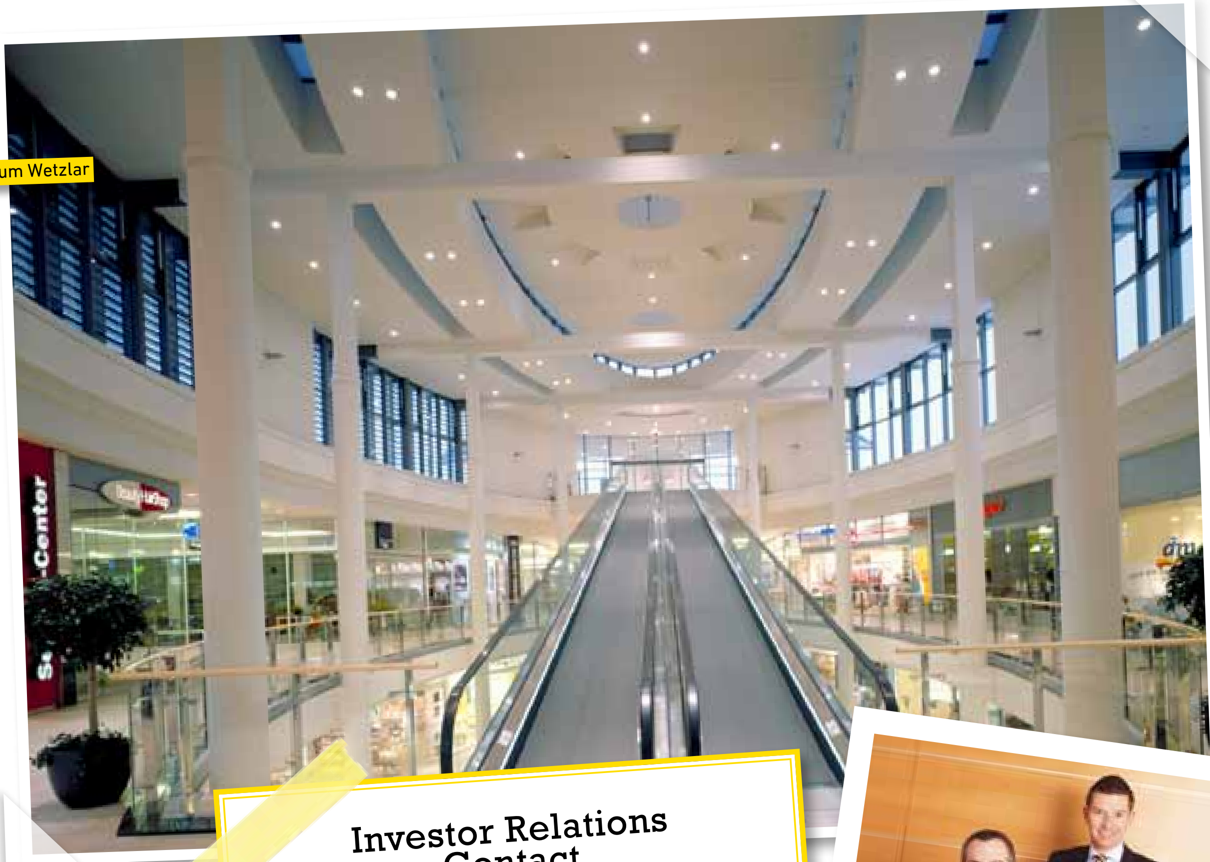
Olaf Borkers

FINANCIAL CALENDAR 2012

14.08.	Interim report H1 2012
16.08.	Roadshow Edinburgh, M.M. Warburg
04.–05.09.	Kempen & Co. German Property Seminar, Berlin
05.09.	Bank of America Merrill Lynch pre-EPRA Event, Berlin
06.–07.09.	EPRA Annual Conference, Berlin
13.09.	Roadshow Amsterdam, Rabo
18.09.	Roadshow Helsinki/Stockholm, Berenberg
19.09.	Roadshow Copenhagen, equinet
26.09.	UniCredit Kepler German Investment Conference, Munich
27.09.	Baader Investment Conference, Munich
09.10.	ExpoREAL, Munich
17.10.	Roadshow Brussels, ING
17.10.	Roadshow Zurich, Deutsche Bank
18.10.	Roadshow Geneva, Deutsche Bank
13.11.	Nine-month report 2012
15.11.	Roadshow Paris, Metzler

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

Forum Wetzlar



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DES Deutsche EuroShop

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