



Interim Report H1 2013



Letter From the Executive Board

**DEAR SHAREHOLDERS,
DEAR READERS,**

The business model of Deutsche EuroShop has again proven its reliability in the first six months of 2013, enabling results that are fully consistent with our plans.

With revenue at € 88.8 million, we exceeded the figure for the first half of 2012 by 14%. Net operating income (NOI) improved by 16% to € 80.2 million, while earnings before interest and taxes (EBIT) climbed 15% to € 77.2 million.

There are two main reasons behind these increases: firstly, the Herold-Center in Norderstedt contributed to the results for the first time. Its contribution applies since the start of the year. Secondly, we increased our shareholding in the Altmarkt-Galerie in Dresden to 100% at the end of April. This investment, including the proportionate liabilities assumed in the amount of € 62 million, has a volume of some € 132 million.

Our funds from operations (FFO) rose by 15% from € 0.89 to € 1.02 per share (53.9 million shares compared with an adjusted figure of 51.9 million shares in 2012) – in absolute terms our FFO exceeded the figure for the same period of the previous year by 16%. Consolidated profit increased by 28% from € 32.6 million to € 41.8 million. Earnings per share correspondingly increased from € 0.63 to € 0.77. EPRA (earnings per share), i.e. the result adjusted for valuation effects, rose from € 0.65 to € 0.83 per share, which corresponds to an increase of 28%.

We further optimised our portfolio over the first six months of the year: besides increasing the shareholding in the Altmarkt-Galerie in Dresden, as mentioned, we sold our 33.33% stake in the Galeria Dominikanska in Wroclaw, Poland. We are expecting to finalise the sale in the next few weeks once the conditions precedent of the purchase contract have been satisfied. We will inform you of the details in the next interim report in mid November.

Our forecast for the entire year remains unchanged. We envisage being able to pay you a dividend of at least € 1.20 per share for the current financial year and thank you for placing your trust in Deutsche EuroShop.

Hamburg, August 2013

Claus-Matthias Böge

Olaf Borkers

Note: We explained in the interim report on the first quarter of 2013 that Deutsche EuroShop has been applying IFRS 11 (Joint Arrangements) on a voluntary early basis since the start of the current financial year. This means that the proportionate consolidation method previously applied has been replaced by the equity method for some of the Group companies. As a result, the assets, liabilities, expenses and income of these companies are no longer included in the consolidated financial statements. From 2013 onward, the financial statements for the reporting period as well as those of the respective periods for year-on-year comparisons will be presented using the equity method. We provide a detailed description of how this impacts the consolidated balance sheet and the income statement in the Notes.

Key group data

in € million	01.01.– 30.06.2013	01.01.– 30.06.2012	+ / -
Revenue	88.8	77.8	14%
EBIT	77.2	67.0	15%
Net finance costs	-22.6	-18.2	-24%
Measurement gains / losses	-2.5	-1.6	-50%
EBT	52.2	47.2	11%
Consolidated profit	41.8	32.6	28%
FFO per share (€)	1.02	0.89	15%
EPRA Earnings per share (€, undiluted)	0.83	0.65	28%
	30.06.2013	31.12.2012	+ / -
Equity**	1,509.7	1,528.4	-1%
Liabilities	1,833.2	1,630.9	12%
Total assets	3,343.0	3,159.3	6%
Equity ratio (%)**	45.2	48.4	
LTV-ratio (%)	46	40	
Gearing (%)**	121	107	
Cash and cash equivalents	85.5	158.2	-46%

* 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 at the reporting date, it had investments in 20 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 or voting rights, are either fully consolidated or accounted for using the equity method.

The share capital amounts to € 53,945,536.00 and is composed of 53,945,536 no-par value registered shares. The notional value of each share is € 1.00.

★ MACROECONOMIC AND SECTOR-SPECIFIC CONDITIONS

Despite the continuing recession in several eurozone countries, Germany has weathered the crisis well so far. While growth rates remain at a low level, Germany still benefits from sound foreign trade and stable demand on the domestic front. The job market is similarly robust. Uncertainty on the financial markets has noticeably receded, though this has yet to make a visible impact on the real economy. Economic prospects remain very mixed at the macroeconomic level. While the US economy has gained momentum since the start of the year, growth in China and in emerging market economies has declined.

From January to June 2013, the German retail sector saw a nominal 1.3 % increase, but a 0.1 % decrease in real terms compared to the first six months of 2012.

The economic conditions for private consumption remain favourable: the situation on the job market is positive; there have been relatively high increases in incomes; and prices are stable. As a result, private consumer spending should continue to provide a solid basis for domestic demand over the rest of the year.

Results of Operations, Financial Position and Net Assets

★ RESULTS OF OPERATIONS

🔊 REVENUE INCREASED BY 14 %

Revenue amounted to € 88.8 million as at 30 June 2013. This is nearly 14 % higher than in the same period of the previous year (€ 77.8 million). Following the increase in the shareholding in the Altmarkt-Galerie Dresden on 1 May 2013, the property is now fully consolidated and the center's revenue is included in the financial statements for two months. The Herold-Center is also included in 2013 for the first time. Revenue rose accordingly by 1.0 % year-on-year.

🔊 OPERATING AND ADMINISTRATIVE COSTS FOR PROPERTY: 9.7 % OF REVENUE

Center operating costs were € 8.7 million in the reporting period, compared with € 8.6 million in the same period of the previous year. Costs therefore stood at 9.7 % of revenue (previous year: 11 %).

🔊 OTHER OPERATING EXPENSES OF € 3.5 MILLION

The other operating expenses of € 3.5 million exceeded those of the previous year (€ 2.9 million) due to one-off costs (€ 0.5 million) incurred in connection with the exit from the DB 12 Immobilienfonds.

🔊 EBIT UP 15 %

Earnings before interest and tax (EBIT) increased by € 10.2 million from € 67.0 million to € 77.2 million.

🔊 NET FINANCE COSTS DOWN € 4.4 MILLION

At € 22.6 million, net finance costs were down € 4.4 million, which can be attributed to the issue of a convertible bond at the end of the previous year as well as the higher profit share for third-party shareholders. Income from equity-accounted companies was also down on the previous year because of the full consolidation of the Altmarkt-Galerie Dresden since 1 May.

🔊 MEASUREMENT GAINS / LOSSES

The measurement loss amounted to € 2.5 million and included investment costs incurred in our portfolio properties as well as an excess of identified net assets acquired over cost of acquisition in accordance with IFRS 3 resulting from the first-time full consolidation of the Altmarkt-Galerie Dresden.

🔊 EBT EXCLUDING MEASUREMENT GAINS / LOSSES UP 11 %

Earnings before taxes (EBT) increased from € 47.1 million to € 52.2 million (+ 11 %), while the earnings before taxes and measurement rose from € 49.0 million to € 54.6 million to end 11 % higher than over the same period of the previous year as well.

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INCOME TAXES DOWN ON PREVIOUS YEAR

As a result of last year's restructuring, taxes on income and earnings declined and can therefore not be readily compared with the same period of the previous year. Overall, the tax ratio fell from 30% to 21%. Tax expense amounted to €10.4 million. €0.8 million of this was attributable to taxes to be paid and €9.6 million to deferred taxes.

28% INCREASE IN CONSOLIDATED PROFIT

Consolidated profit amounted to €41.8 million, €9.2 million (+28%) higher year-on-year. Earnings per share (basic) amounted to €0.77, compared with €0.63 in the previous year. EPRA earnings per share rose 28% from €0.65 per share to €0.83.

EARNINGS PER SHARE

	01.01.– 30.06.2013		01.01.– 30.06.2012	
	IN € THOUSAND	PER SHARE IN €	IN € THOUSAND	PER SHARE IN €
Consolidated profit	41,776	0.77	32,578	0.63
Measurement gains / losses	2,462	0.05	1,644	0.03
Measurement gains / losses for equity-accounted companies	1,391	0.03	223	0.00
Deferred taxes	-1,020	-0.02	-503	-0.01
EPRA* earnings	44,609	0.83	33,942	0.65
Weighted no. of shares in thousands		53,945		51,935

* European Public Real Estate Association

FUNDS FROM OPERATIONS (FFO) UP 15%

FFO rose from €46.4 million to €55.3 million, or from €0.89 to €1.02 per share (+15%).

	30.06.2013		30.06.2012	
	IN € THOUSAND	PER SHARE IN €	IN € THOUSAND	PER SHARE IN €
Consolidated profit	41,776	0.77	32,578	0.63
Measurement gains / losses	2,462	0.05	1,644	0.03
Measurement gains / losses for equity-accounted companies	1,391	0.03	223	0.00
Deferred taxes	9,637	0.18	11,957	0.23
FFO	55,266	1.02	46,402	0.89

FINANCIAL POSITION AND NET ASSETS

NET ASSETS AND LIQUIDITY

The Deutsche EuroShop Group's total assets increased by €183.6 million compared with the year-end figure in 2012 to €3,343.0 million. Non-current assets increased by €257.1 million. The main reason for this was the first-time full consolidation of the Altmarkt-Galerie Dresden. Receivables and other current assets fell by €0.7 million.

At €85.5 million, cash and cash equivalents were €72.7 million lower than on 31 December 2012 (€158.2 million).

EQUITY RATIO OF 45.2%

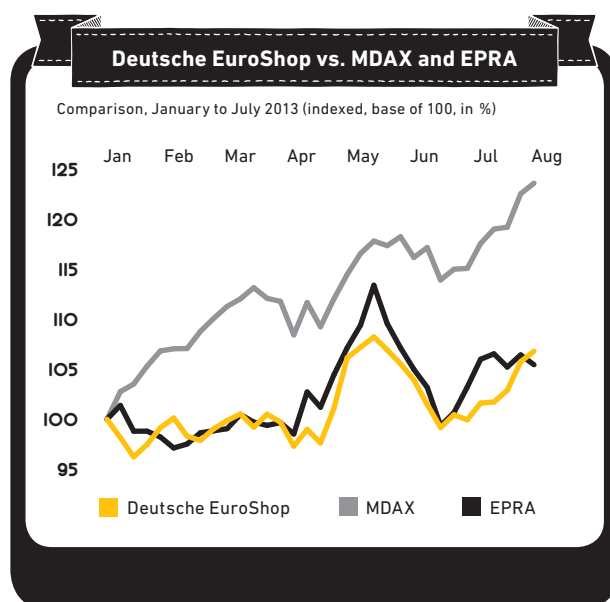
As a result of the dividend paid in June (€64.7 million), the equity ratio (incl. shares held by third-party shareholders) was down 3.2 percentage points. It amounted to 45.2% on the reporting date compared to 48.4% on 31 December 2012.

LIABILITIES

As at 30 June 2013, financial liabilities stood at €1,564.4 million and were therefore €206.7 million higher than at the end of 2012. This increase is also largely the result of the first-time full consolidation of the Altmarkt-Galerie Dresden. Non-current deferred tax liabilities increased by €11.4 million to €191.9 million due to additional provisions. Redemption entitlements for third-party shareholders fell by around €0.3 million. Other liabilities and provisions were reduced by €15.7 million, primarily due to tax payments made.

The Shopping Center Share

Following a year-end closing price of €31.64 in 2012, Deutsche EuroShop shares experienced an initial slight decline until the middle of January before stabilising a short time later within a range of between €31.00 and €31.80. The price then began to rise in mid April, reaching levels above €33.00 over the course of May. On 20 May 2013, the share climbed to €34.48, not only its high for the period but also a new all-time high. The price at the end of the first six months was €30.58. Taking into account the dividend of €1.20 per share paid on 21 June 2013, this corresponds to a performance of 0.4% in the first six months of the year. The MDAX recorded a 15.0% gain over the same period. Deutsche EuroShop's market capitalisation stood at €1.6 billion on 28 June 2013.



✦ **ROADSHOWS AND CONFERENCES**

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From April to June, we presented Deutsche EuroShop at roadshows in Frankfurt, Milan and Paris, and at conferences in Baden-Baden, Hamburg and Amsterdam, where we also held various individual and group meetings with analysts and representatives of institutional investors. On 22 May 2013, we presented the City-Arkaden Wuppertal to a group of international investors.

✦ **ANNUAL GENERAL MEETING**

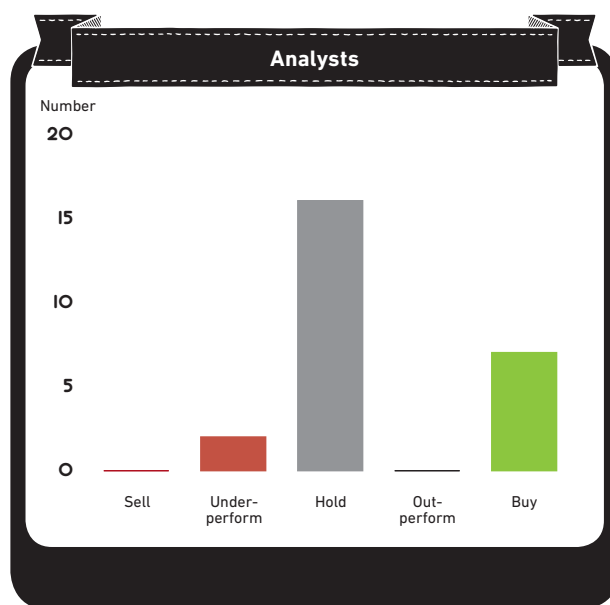
The Annual General Meeting of Deutsche EuroShop was held on 20 June 2013. Roughly 200 shareholders were present at the Handwerkskammer Hamburg, representing 56.7% of the share capital. The agenda included the re-election of Manfred Zaß and Alexander Otto as members of the Supervisory Board. Dr Henning Kreke was newly elected to this body, with Dr Jörn Kreke stepping down from the Supervisory Board after more than ten years' service. The Annual General Meeting also approved the distribution of a dividend of € 1.20 per share, a portion of which (€0.28) was subject to tax this year for the first time for private shareholders based in Germany. Detailed information on the Annual General Meeting can be found at www.deutsche-euroshop.de/HV.

✦ **AWARDS FOR 2012 ANNUAL REPORT**

Our 2012 annual report with its motto "Hamburg³" was honoured with two renowned awards. The "red dot award: communication design 2013" is one of the world's leading awards for communication design. We have now won the red dot award no fewer than three times for our annual reports. In the "LACP 2012 Vision Awards Annual Competition" organised by the League of American Communications Professionals, our annual report received a platinum award in the "Real Estate" category and was among the top 50 of more than 6,000 entries worldwide.

✦ **COVERAGE**

At present, 25 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 (16), with seven analysts adopting a positive position and two issuing negative opinions (as at 7 August 2013). In April, Kepler Chevreux resumed coverage of our share as part of a sectoral study with the recommendation "Buy". This was followed in May by a study conducted by J.P. Morgan Cazenove. The analyst's verdict was "Neutral". A list of analysts and current reports can be found at www.deutsche-euroshop.de/ir



Key share data

Sector/industry group	Financial Services/ Real Estate
Share capital on 30 June 2013	€ 53,945,536.00
Number of shares on 30 June 2013 (no-par value registered shares)	53.945.536
Dividend 2012 (21.06.2013)	€ 1.20
Share price on 30 December 2011	€ 31.64
Share price on 28 June 2013	€ 30.58
Low/high in the period under review	€ 29.45 / € 34.48
Market capitalisation on 28 June 2013	€ 1,6 Mrd.
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 significant events occurred between the balance sheet date of 30 June 2013 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 2012 is therefore still applicable.

Report on Opportunities and Outlook

✦ ECONOMIC CONDITIONS

The German Bundesbank and the federal government continue to expect Germany's gross domestic product (GDP) to rise by 0.4% or 0.5% in 2013. The German Council of Economic Experts, however, is forecasting growth of just 0.3%. Positive stimuli are expected to come from private consumer spending, in particular, which will probably continue its stable development in light of the sustained positive situation on the job market.

Experts anticipate that the number of unemployed could rise slightly by 50,000 to 2,949 million, which would correspond to an unemployment rate of 6.9% (2012: 6.8%). According to the opinion of the German Council of Economic Experts, the inflation rate is likely to settle at 1.7% this year after averaging 2.0% in 2012.

In light of this, we expect Deutsche EuroShop's business to once again perform positively and according to plan this year.

✦ EXPECTED RESULTS OF OPERATIONS AND FINANCIAL POSITION

🔊 FORECAST IS CONFIRMED

For financial year 2013, we confirm the improved forecast that we issued in May and continue to expect the following:

- revenue of between € 186 million and € 189 million,
- earnings before interest and taxes (EBIT) of between € 162 million and € 165 million,
- earnings before tax (EBT) excluding measurement gains/ losses of between € 113 million and € 116 million, and
- funds from operations (FFO) per share unchanged at between € 1.99 and € 2.03.

The forecast does not take account of proceeds from the sale of Deutsche EuroShop's stake in Galeria Dominikanska. We expect net proceeds of € 32-33 million compared with the carrying amount of € 30.3 million.

🔊 DIVIDEND POLICY

We intend to maintain our long-term dividend policy and to distribute a dividend of at least € 1.20 per share to our shareholders again for financial year 2013.

Consolidated balance sheet

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Assets

in € thousand	30.06.2013 READJUSTED	31.12.2012 READJUSTED	01.01.2012 READJUSTED
ASSETS			
Non-current assets			
Intangible assets	13	16	20
Property, plant and equipment	427	112	137
Investment properties	2,882,186	2,490,763	2,262,611
Non-current financial assets	29,925	30,293	27,815
Investments accounted for using the equity method	336,271	470,483	475,348
Other non-current assets	204	283	459
Non-current assets	3,249,026	2,991,950	2,766,390
Current assets			
Trade receivables	2,365	3,199	4,358
Other current assets	6,093	5,975	13,821
Cash and cash equivalents	85,478	158,194	54,487
Current assets	93,936	167,368	72,666
	3,342,962	3,159,318	2,839,056

Total assets

Equity and liabilities

in € thousand	30.06.2013 READJUSTED	31.12.2012 READJUSTED	01.01.2012 READJUSTED
EQUITY AND LIABILITIES			
Equity and reserves			
Issued capital	53,945	53,945	51,631
Capital reserves	961,970	961,987	890,482
Retained earnings	287,628	305,982	250,928
Total equity	1,303,543	1,321,914	1,193,041
Non-current liabilities			
Financial liabilities	1,397,225	1,167,864	1,076,274
Deferred tax liabilities	191,911	180,525	210,587
Right to redeem of limited partners	206,170	206,510	202,793
Other liabilities	44,281	42,684	32,288
Non-current liabilities	1,839,587	1,597,583	1,521,942
Current liabilities			
Bank loans and overdrafts	167,169	189,865	96,565
Trade payables	1,469	2,048	2,363
Tax liabilities	8,218	24,569	5,913
Other provisions	10,870	12,372	8,169
Other liabilities	12,106	10,967	11,063
Current liabilities	199,832	239,821	124,073
	3,342,962	3,159,318	2,839,056

Total assets

Consolidated income statement

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in € thousand	01.04.– 30.06.2013 RE- ADJUSTED	01.04.– 30.06.2012 RE- ADJUSTED	01.01.– 30.06.2013 RE- ADJUSTED	01.01.– 30.06.2012 RE- ADJUSTED
Revenue	46,437	39,136	88,844	77,764
Property operating costs	-2,468	-2,610	-4,042	-4,638
Property management costs	-2,389	-1,766	-4,620	-3,929
Net operating income (NOI)	41,580	34,760	80,182	69,197
Other operating income	84	0	561	692
Other operating expenses	-1,718	-1,580	-3,541	-2,913
Earnings before interest and taxes (EBIT)	39,946	33,180	77,202	66,976
Interest income	129	178	233	263
Interest expense	-14,061	-12,757	-27,414	-25,768
Profit / loss attributable to limited partners	-3,899	-3,634	-7,818	-7,315
Share of the profit or loss of associates and joint ventures accounted for using the equity method	5,330	7,468	12,428	14,661
Net finance costs	-12,501	-8,745	-22,571	-18,159
Measurement gains/losses	-1,065	-859	-2,462	-1,644
of which excess of identified net assets acquired over cost of acquisition in accordance with IFRS 3: € 603 thousand (previous year: -€ 308 thousand)				
Earnings before tax (EBT)	26,380	23,576	52,169	47,173
Income tax expense	-4,720	-7,541	-10,393	-14,595
Consolidated profit	21,660	16,035	41,776	32,578
Earnings per share (€), basic	0.40	0.31	0.77	0.63
Earnings per share (€), diluted	0.39	0.31	0.75	0.63

Consolidated statement of comprehensive income

in € thousand	01.04.– 30.06.2013	01.04.– 30.06.2012	01.01.– 30.06.2013	01.01.– 30.06.2012
Consolidated profit	21,660	16,035	41,776	32,578
Changes in cash flow hedge	3,824	-5,501	6,117	-6,760
Deferred taxes on changes in value offset directly against equity	-632	1,759	-1,428	1,838
Total earnings recognised directly in equity	3,192	-3,742	4,689	-4,922
Total profit	24,852	12,293	46,465	27,656
Share of Group shareholders	24,852	12,293	46,465	27,656

Consolidated cash flow statement

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in € thousand	01.01.– 30.06.2013	01.01.– 30.06.2012
Profit after tax	41,776	32,578
Expenses / income from the application of IFRS 3	-603	308
Profit / loss attributable to limited partners	7,601	7,281
Depreciation of property, plant and equipment	27	19
Other non-cash income and expenses	1,471	-101
Profit / loss for the period of equity-accounted companies	244	265
Deferred taxes	9,637	11,957
Operating cash flow	60,153	52,307
Changes in receivables	2,057	2,440
Changes in current provisions	-18,731	38
Changes in liabilities	-2,938	-1,964
Cash flow from operating activities	40,541	52,821
Payments to acquire property, plant and equipment / investment properties	-71,198	-5,050
Inflows / outflows to / from the financial assets	368	692
Cash flow from investing activities	-70,830	-4,358
Outflow from the repayment of financial liabilities	19,837	41,980
Payments to limited partners	-6,726	-7,895
Payments to Group shareholders	-64,735	-56,795
Cash flow from financing activities	-51,624	-22,710
Net change in cash and cash equivalents	-81,913	25,753
Cash and cash equivalents at beginning of period	158,194	54,487
Changes in the financial resources fund due to consolidation changes	9,197	0
Cash and cash equivalents at end of period	85,478	80,240

Statement of changes in equity

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in € thousand	NUMBER OF SHARES OUTSTANDING	SHARE CAPITAL	CAPITAL RESERVES	OTHER RETAINED EARNINGS	STATUTORY RESERVE	TOTAL
01.01.2012	51,631,400	51,631	890,482	248,928	2,000	1,193,041
Total earnings recognised directly in equity				-4,922		-4,922
Consolidated profit				32,578		32,578
Total profit				27,656		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
01.01.2013	53,945,536	53,945	961,987	303,982	2,000	1,321,914
Total earnings recognised directly in equity			0	4,689		4,689
Consolidated profit				41,776		41,776
Total profit		0	0	46,465	0	46,465
Dividend payments				-64,735		-64,735
Other changes			-17	-84		-101
30.06.2013	53,945,536	53,945	961,970	285,628	2,000	1,303,543

Disclosures

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REPORTING PRINCIPLES

These interim financial statements of the Deutsche EuroShop Group as at 30 June 2013 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 2013 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 2012. Changes made to the accounting policies after 1 January 2013 are explained in the following.

CHANGES IN ACCOUNTING POLICIES

SWITCH TO THE EQUITY METHOD AS OF 1 JANUARY 2013

Joint ventures in which Deutsche EuroShop AG has a majority of the voting rights together with third parties were previously proportionately included as joint ventures in the consolidated financial statements in accordance with the option granted by IAS 31. Proportional consolidation is now discontinued given the adoption of the new IFRS 11. In future, joint ventures will always be accounted for using the equity method.

Adoption of this standard is compulsory as of 1 January 2014. In our 2011 annual report, we had already announced the early adoption of IFRS 11 as of 2013.

The transition from proportional to equity accounting has an impact on the structure of our consolidated financial statements. Under the equity method, assets, liabilities, expenses and income are no longer recognised proportionally in the corresponding balance sheet or income statement items. The balance sheet only shows equity interest as a carrying amount and the profit share is recorded as investment income in the income statement (financial result). This affects the following companies:

- Altmarkt-Galerie Dresden KG, Hamburg (until 30 April 2013)
- Allee-Center Magdeburg KG, Hamburg
- CAK City Arkaden Klagenfurt KG, Hamburg
- EKZ Eins Errichtungs- und Betriebs Ges.m.b.H. & Co OG, Vienna
- Einkaufs-Center Arkaden Pécs KG, Hamburg

CONSOLIDATED BALANCE SHEET – SWITCH TO EQUITY ACCOUNTING

ASSETS in € thousands	01.01.2012 PRE- ADJUSTED	01.01.2012 ADJUST- MENT	01.01.2012 RE- ADJUSTED
ASSETS			
Non-current assets			
Intangible assets	20	0	20
Property, plant and equipment	137	0	137
Investment properties	3,106,832	-844,221	2,262,611
Non-current financial assets	27,815	0	27,815
Investments accounted for using the equity method	4,514	470,834	475,348
Other non-current assets	459	0	459
Non-current assets	3,139,777	-373,387	2,766,390
Current assets			
Trade receivables	5,606	-1,248	4,358
Other current assets	15,334	-1,513	13,821
Cash and cash equivalents	64,408	-9,921	54,487
Current assets	85,348	-12,682	72,666
	3,225,125	-386,069	2,839,056

Total assets

EQUITY AND LIABILITIES in € thousands	01.01.2012 PRE- ADJUSTED	01.01.2012 ADJUST- MENT	01.01.2012 RE- ADJUSTED
EQUITY AND LIABILITIES			
Equity and reserves			
Issued capital	51,631	0	51,631
Capital reserves	890,482	0	890,482
Retained earnings	250,928	0	250,928
Total equity	1,193,041	0	1,193,041
Non-current liabilities			
Financial liabilities	1,335,986	-259,712	1,076,274
Deferred tax liabilities	210,587	0	210,587
Right to redeem of limited partners	280,078	-77,285	202,793
Other liabilities	38,451	-6,163	32,288
Non-current liabilities	1,865,102	-343,160	1,521,942
Current liabilities			
Bank loans and overdrafts	136,163	-39,598	96,565
Trade payables	2,835	-472	2,363
Tax liabilities	5,935	-22	5,913
Other provisions	8,859	-690	8,169
Other liabilities	13,190	-2,127	11,063
Current liabilities	166,982	-42,909	124,073
	3,225,125	-386,069	2,839,056

Total equity and liabilities

ASSETS in € thousands

	31.12.2012 PRE- ADJUSTED	31.12.2012 ADJUST- MENT	31.12.2012 RE- ADJUSTED
ASSETS			
Non-current assets			
Intangible assets	16	0	16
Property, plant and equipment	112	0	112
Investment properties	3,330,289	-839,526	2,490,763
Non-current financial assets	30,293	0	30,293
Investments accounted for using the equity method	4,109	466,374	470,483
Other non-current assets	316	-33	283
Non-current assets	3,365,135	-373,185	2,991,950
Current assets			
Trade receivables	4,738	-1,539	3,199
Other current assets	7,115	-1,140	5,975
Other financial investments	4,355	-4,355	0
Cash and cash equivalents	167,511	-9,317	158,194
Current assets	183,719	-16,351	167,368
	3,548,854	-389,536	3,159,318

Total assets**EQUITY AND LIABILITIES** in € thousands

	31.12.2012 PRE- ADJUSTED	31.12.2012 ADJUST- MENT	31.12.2012 RE- ADJUSTED
EQUITY AND LIABILITIES			
Equity and reserves			
Issued capital	53,945	0	53,945
Capital reserves	961,987	0	961,987
Retained earnings	305,982	0	305,982
Total equity	1,321,914	0	1,321,914
Non-current liabilities			
Financial liabilities	1,463,097	-295,233	1,167,864
Deferred tax liabilities	180,525	0	180,525
Right to redeem of limited partners	284,176	-77,666	206,510
Other liabilities	51,242	-8,558	42,684
Non-current liabilities	1,979,040	-381,457	1,597,583
Current liabilities			
Bank loans and overdrafts	194,137	-4,272	189,865
Trade payables	2,331	-283	2,048
Tax liabilities	24,572	-3	24,569
Other provisions	12,749	-377	12,372
Other liabilities	14,111	-3,144	10,967
Current liabilities	247,900	-8,079	239,821
	3,548,854	-389,536	3,159,318

Total equity and liabilities**CONSOLIDATED CASH FLOW STATEMENT – SWITCH TO EQUITY ACCOUNTING**

in T€

	01.01.– 30.06.2012 PRE- ADJUSTED	01.01.– 30.06.2012 RE- ADJUSTED
Revenue	104,476	77,764
Property operating costs	-5,529	-4,638
Property management costs	-5,367	-3,929
Net operating income (NOI)	93,580	69,197
Other operating income	765	692
Other operating expenses	-3,123	-2,913
Earnings before interest and taxes (EBIT)	91,222	66,976
Interest income	297	263
Interest expense	-32,911	-25,768
Profit / loss attributable to limited partners	-9,532	-7,315
Share of the profit or loss of associates and joint ventures accounted for using the equity method	0	14,661
Net finance costs	-42,146	-18,159
Measurement gains / losses	-1,867	-1,644
Earnings before tax (EBT)	47,209	47,173
Income tax expense	-14,631	-14,595
Consolidated profit	32,578	32,578
Earnings per share (€), basic	0.63	0.63
Earnings per share (€), diluted	0.63	0.63

In addition, voting agreements existed with a co-shareholder of Immobilien Kommanditgesellschaft FEZ Harburg and a co-shareholder of Stadt-Galerie Passau KG until 31 December 2012, which granted Deutsche EuroShop a controlling interest in these companies. These voting agreements were terminated by mutual agreement as per 31 December 2012. As a result, Deutsche EuroShop no longer has the necessary majority voting interest. The two companies, in which Deutsche EuroShop AG holds a 50% and 75% stake, respectively, were previously fully consolidated. They also switched over to the equity method as of 1 January 2013, with the result that the following asset and liability items from the consolidated balance sheet as of 31 December 2012 are no longer shown:

in € thousand

Investment properties	333,370
Receivables and other assets	1,114
Cash and cash equivalents	2,812
Provisions	124
Financial liabilities	109,872
Other liabilities	581
Minority interests	77,666

WITHDRAWAL OF DEUTSCHE EUROSHOP AG FROM DB 12 IMMOBILIENFONDS

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As of 31 December 2012, Deutsche EuroShop withdrew as limited partner from DB Immobilienfonds 12 Main-Taunus-Zentrum KG (DB 12 KG). As compensation, Deutsche EuroShop received its limited partnership interest in Main-Taunus-Zentrum KG, which had previously been held indirectly via DB 12 KG, plus a proportionate share of cash and cash equivalents in the amount of € 1.4 million. DB 12 KG had previously been fully consolidated. The company was deconsolidated on 1 January 2013, with the result that the following asset and liability items from the consolidated balance sheet as of 31 December 2012 are no longer shown:

in € thousand	
Cash and cash equivalents	-2,973
Provisions and liabilities	155
Deconsolidation amount	-2,818

This event did not have an impact on earnings. It increases the Company's direct shareholding in Main-Taunus-Zentrum KG from 5.74 % to 52.01 %.

INCREASE IN THE SHAREHOLDING IN ALTMARKT-GALERIE DRESDEN KG

With effect from 30 April 2013, Deutsche EuroShop AG acquired 33 % of Altmarkt-Galerie Dresden KG, thus taking its shareholding to 100 %. The purchase price was € 70.2 million. The property company is fully consolidated from 1 May 2013. The first-time consolidation resulted in an excess of identified net assets acquired over cost of acquisition of € 603 thousand, which was recognised under measurement gains/losses.

in € thousand	CARRYING AMOUNT	FAIR VALUE
Purchase price		70,216
Fair value net assets prior to effective control	109,745	109,745
Full amount of consideration	179,961	179,961
Net assets acquired:		
Property assets	390,785	390,785
Cash and cash equivalents	10,778	10,778
Receivables and other assets	1,342	1,342
Loan liabilities	187,107	187,107
Deferred taxes		21,428
Provisions		885
Other liabilities	12,921	12,921
	180,564	180,564
Excess of identified net assets acquired over cost of acquisition	-603	-603

★ SEGMENT REPORTING

{ 13 }

As a holding company, Deutsche EuroShop AG holds equity interests in shopping centers in the European Union. The investees are pure property 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.

📍 BREAKDOWN BY GEOGRAPHICAL SEGMENT

in € thousand	DOMESTIC	INTERNATIONAL	RECONCILIATION	TOTAL
Revenue	81,652	7,192	0	88,844
(previous year's figures)	(70,740)	(7,024)	(0)	(77,764)

in € thousand	DOMESTIC	INTERNATIONAL	RECONCILIATION	TOTAL
EBIT	74,481	5,858	-3,137	77,202
(previous year's figures)	(63,703)	(6,570)	-(3,297)	(66,976)

in € thousand	DOMESTIC	INTERNATIONAL	RECONCILIATION	TOTAL
Net interest income	-23,576	-1,959	-1,646	-27,181
(previous year's figures)	-(22,810)	-(1,935)	-(760)	-(25,505)

in T€	DOMESTIC	INTERNATIONAL	RECONCILIATION	TOTAL
Earnings before tax (EBT)	52,719	5,309	-5,859	52,169
(previous year's figures)	(35,906)	(3,432)	(7,835)	(47,173)

in € thousand	DOMESTIC	INTERNATIONAL	TOTAL
Segment assets	3,123,845	219,117	3,342,962
(previous year's figures)	(2,940,536)	(218,782)	(3,159,318)
of which investment properties	2,667,629	214,557	2,882,186
(previous year's figures)	(2,276,740)	(214,023)	(2,490,763)

★ OTHER DISCLOSURES

📄 DIVIDEND

A dividend of € 1.20 per share was distributed for financial year 2012 on 21 June 2013.

📄 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 2013



Claus-Matthias Böge



Olaf Borkers

FINANCIAL CALENDAR 2013

14.08. Interim report H1 2013

22. – 23.08. Deutsche EuroShop Real Estate Summer,
Klagenfurt

11. – 12.09. Bank of America Merrill Lynch Global Real
Estate Conference, New York

16.09. UBS Best of Germany Conference, New York

23.09. Berenberg Bank and Goldman Sachs German
Corporate Conference, Munich

25.09. Supervisory Board meeting, Hamburg

25.09. UniCredit German Investment Conference,
Munich

26.09. Baader Investment Conference, Munich

24.10. Roadshow Amsterdam, ABN AMRO

13.11. Nine-month report 2013

14.11. Roadshow London, Bank of America
Merrill Lynch

19.11. DZ BANK Equity Conference, Frankfurt

21.11. Roadshow Paris, M.M. Warburg

26.11. Supervisory Board meeting, Hamburg

27. – 28.11. Bankhaus Lampe Hamburg Investment
Conference, Hamburg

**OUR FINANCIAL CALENDAR IS UPDATED CONTINUOUSLY.
PLEASE CHECK OUR WEBSITE FOR THE LATEST EVENTS:**

www.deutsche-euroshop.com/ir

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