

## Letter from the Executive Board

DEAR SHAREHOLDERS,  
DEAR READERS,

The third-quarter results confirm the trend of the first six months. Our shopping center portfolio has achieved all targets and expectations, thanks to excellent locations, high visitor numbers and an attractive mix of tenants. Revenue increased year-on-year by just under 13% to €106.6 million. Net operating income (NOI) and EBIT also improved by around 13% to €94.9 million and €91.5 million respectively. The A10 Center in Wildau near Berlin, which was added to the portfolio at the start of the year, is primarily responsible for these improved results.

Earnings before taxes and measurement came to €46.9 million, almost 20% higher than in the same period last year. Consolidated profit totalled €38.3 million (prior-year period: €38.5 million), which corresponds to earnings per share of €0.87 (2009: €1.05). It should be noted that consolidated profit was boosted in the previous year by positive exceptional and currency effects on measurement gains. The weighted number of shares also increased by 20%. FFO (funds from operations) improved by 18% to €46.5 million (€1.06 per share).

In the interim first-half report we were optimistic about making new acquisitions in the second half-year. We can now report on a promising investment: Deutsche EuroShop will take over the Billstedt-Center in Hamburg at the beginning of 2011. The investment volume is around €160 million, the initial rate of return about 6%. As a result of this acquisition, our portfolio will increase to 18 shopping centers, with a market value of €3.3 billion.

The solid, long-established Billstedt-Center is a perfect fit our portfolio. Built on two levels, with a retail space of around 40,000m<sup>2</sup>, it houses some 110 specialist shops, all of which are let to well-known retailers. In addition, the shopping center boasts around 3,500m<sup>2</sup> of residential and office space as well as over 1,500 parking spaces. The Billstedt-Center is located on the east side of the city of Hamburg, approximately eight kilometres from the city centre. The shopping center has been managed by the ECE Group since 1990 and 735,000 people live in its catchment area. Up to 40,000 customers visit the Billstedt-Center daily.

Our shopping center portfolio is also growing in other respects: construction and expansion activities in the A10 Center Wildau, the Altmarkt-Galerie Dresden and the Main-Taunus-Zentrum in Sulzbach are all running according to plan, including pre-lets, which currently stand at 90%, 85% and 70% respectively.

Based on the results for the first nine months, we are optimistic about increasing the dividend to €1.10 per share, thereby enabling you to share in Deutsche EuroShop's business success. We intend to continue along the same path and thank you for placing your trust in EuroShop.

Hamburg, November 2010



Claus-Matthias Böge



Olaf G. Borkers

KEY GROUP DATA € million	01.01.– 30.09.2010	01.01.– 30.09.2009	+/-
Revenue	106.6	94.4	13%
EBIT	91.5	80.9	13%
Net finance costs	-44.6	-41.6	-7%
EBT before valuation	46.9	39.3	20%
Consolidated profit	38.3	38.5	0%
FFO per share (€)	1.06	1.07	-1%
EPS (€, undiluted)	0.87	1.05	-17%
	30.09.2010	31.12.2009	
Equity*	1,172.4	1,044.4	12%
Liabilities	1,238.0	1,067.8	16%
Total assets	2,410.4	2,112.1	14%
Equity ratio (%)*	48.6	49.5	
LTV-ratio (%)	47	46	
Gearing (%)*	106	102	
Cash and cash equivalents	48.2	81.9	-41%

\* incl. minority interest

## Business and Economic Conditions

### GROUP STRUCTURE AND OPERATING ACTIVITIES

#### Activities

Deutsche EuroShop is the only public company in Germany to invest solely in shopping centers in prime locations. It currently has investments in 17 shopping centers in Germany, Austria, Poland and Hungary. The Group generates 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 an Aktiengesellschaft (stock corporation) 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 €45,894,578.00 and is composed of 45,894,578 no-par-value registered shares (as at 30 September 2010). The notional value of each share is €1.00.

### MACROECONOMIC AND SECTOR-SPECIFIC CONDITIONS

The German economy continued to rebound in the third quarter of 2010. Higher revenues from retailing, and consumer sentiment, point to a sustained upswing in household consumption.

The purchasing behaviour of consumers in our shopping centers confirms these indicators. Overall, the retail sales trends of our rental partners are positive.

The real estate market is also showing brisk activity. According to a survey by real estate services company Jones Lang LaSalle, 270 retail property transactions (with a volume in excess of €5 million) were conducted in Europe in the first nine months of 2010 and had a total value of around €15.2 billion. This is practically double the prior-year figure (€7.8 billion). Of this, the German market accounted for €3.9 billion. Shopping centers accounted for the biggest share (58%) of the transaction volume Europe-wide, resulting in a further fall in returns.

## Results of Operations, Financial Position and Net Assets

### Acquisition of the A10 Center in Wildau

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

### Launch of rights issue in February

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

### Non-cash capital increase in July

At the beginning of July 2010, the Executive Board and Supervisory Board of Deutsche EuroShop AG resolved to increase the Company's share capital by €1,780,000.00 (equivalent to around 4% of the share capital) by means of a partial utilisation of authorised capital through the issue of 1,780,000 new (no-par-value) registered shares against non-cash contributions, shareholders' pre-emptive rights being excluded. Following entry of the non-cash capital increase in the commercial register on 13 August 2010, the total number of shares issued in the Company rose to 45,894,578. Within the framework of the non-cash capital increase, 17% of the shares in the limited partnership Altmarkt-Galerie Dresden KG and 25% of the shares in the limited partnership City-Arkaden Wuppertal KG were acquired with effect from 1 July 2010.

### Acquisition of shares in Dresden

As a result, the shareholding in Altmarkt-Galerie Dresden increased from 50% to 67%. The shares in the limited partnership were valued at €28.9 million. The purchase price exceeded the fair value of the assets acquired and liabilities assumed by €0.4 million.

	Fair value
<b>Assets acquired</b> in € thousands	
Property assets	55.024
Cash and cash equivalents	3.765
Receivables and other assets	304
<b>Total</b>	<b>59.093</b>
<b>Liabilities assumed</b> in € thousand	
Other provisions	1.110
Loan liabilities	28.336
Trade payables and other liabilities	22
Interest rate swaps	1.038
<b>Total</b>	<b>30.506</b>
Net assets acquired	28.587
Purchase price of the shares	28.943
<b>Excess of cost of acquisition over identified net assets acquired</b>	<b>356</b>

Altmarkt-Galerie Dresden KG continues to be consolidated pro rata since, under the articles of association, the Company does not exercise control.

### Acquisition of shares in Wuppertal

Incorporation of 25% of the limited-partnership shares of City-Arkaden Wuppertal KG increased the stake from 72% to 97%. The shares in the limited partnership were valued at €11.8 million.

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

In accordance with IFRS 3, the purchase of the two limited partnership shares resulted in an excess of cost of acquisition over identified net assets acquired amounting to €0.1 million.

### Acquisition of shares in Kassel

Also with effect from 1 July 2010, Deutsche EuroShop Verwaltungs GmbH acquired 10% of the limited partnership shares in City-Point Kassel KG within the framework of a purchase and transfer contract at a cash purchase price of €5.1 million. Deutsche EuroShop Verwaltungs GmbH therefore holds 100% of the shares in this company. In accordance with IFRS 3, the purchase of the shares resulted in an excess of cost of acquisition over identified net assets acquired amounting to €0.2 million.

## RESULTS OF OPERATIONS

### A10 Center increases revenue by 13%

Revenue in the first nine months of 2010 totalled €106.6 million, representing a rise of just under 13% year-on-year (from €94.4 million). This development can largely be attributed to the acquisition of the shopping center in Wildau and the restructuring measures carried out last year in Kassel. Rental income from the other portfolio properties increased by 1.1% compared with the same period last year.

### Operating and administrative costs for property: 11% of revenue

Center operating costs were €11.7 million in the reporting period, compared with €10.7 million in the same period of the previous year. Costs therefore stood at 11.0% of revenue (previous year: 11.3%).

### Other operating expenses up €0.4 million

Other operating expenses increased by €0.4 million to €4.0 million (previous year: €3.6 million).

### EBIT up 13%

EBIT grew by €10.6 million, from €80.9 million to €91.5 million (+13%). This was chiefly due to the contribution to earnings by the A10 Center.

### Net finance costs down €3.0 million

Net finance costs totalled €-44.6 million, €3.0 million lower than the €-41.6 million recorded the previous year. This was mainly the result of interest expense incurred for the A10 Center.

### 20% rise in earnings before taxes and measurement

Earnings before taxes and measurement rose from €39.3 million to €46.9 million (+20%), which was due partly to the initial consolidation of the center in Wildau and partly to higher contributions from existing properties.

### Measurement gains without currency effects

At the reporting date of 31 December 2009, the currency translation method for our property companies abroad was changed, with the result that currency effects are no longer recognised in income but instead directly in equity. In the same period of the previous year, the measurement gains included a one-off effect from the first-time full consolidation of the property in Kassel and unrealised currency gains (€6.9 million). The measurement loss of €0.7 million in the reporting period resulted from the acquisition of shares for the properties in Dresden, Wuppertal and Kassel, and contains the differences recognised under IFRS 3.

### Consolidated profit: €38.3 million; earnings per share: €0.87

Consolidated profit totalled €38.3 million, up €7.2 million (+22%) after adjustment for the measurement gains (€5.8 million), after tax, that were still included in consolidated profit in the prior-year period. Earnings per share fell from €1.05 to €0.87, but adjusted for the measurement gains fell from €0.89 to €0.88.

### Increase in funds from operations (FFO)

FFO rose by 18%, from €39.3 million to €46.5 million. As a result of the significant increase in the number of shares, FFO per share fell slightly: to €1.06 from €1.07 in the previous year.

## FINANCIAL POSITION AND NET ASSETS

### Net assets and liquidity

During the reporting period, the Deutsche EuroShop Group's total assets increased by €298.3 million to €2,410.4 million. Non-current assets rose by €315.0 million, due in particular to the acquisition and expansion of the A10 Center in Wildau and construction work at the Altmarkt-Galerie Dresden. Receivables, other assets and other financial investments were up €17.0 million. Cash and cash equivalents were €33.7 million lower than on 31 December 2009, at €48.2 million.

### Equity ratio of 48.6%

The equity ratio including minority interests decreased from 49.5% to 48.6%.

### Liabilities

As at 30 September 2010, bank loans and overdrafts stood at €1,091.0 million, which was €156.8 million higher than at the end of 2009. This increase was largely due to a bank loan of €125 million taken out in connection with the acquisition of the A10 Center. At the same time, the expansion measures in Dresden and the increased shareholding in the company resulted in an increase in proportionate liabilities compared with the end of 2009. Non-current deferred tax liabilities rose by €4.8 million to €90.4 million. On the other hand, the acquisitions resulted in a reduction in the partner's redemption entitlements of around €15 million. Other liabilities and provisions increased by €7.4 million.

## The Shopping Center Share

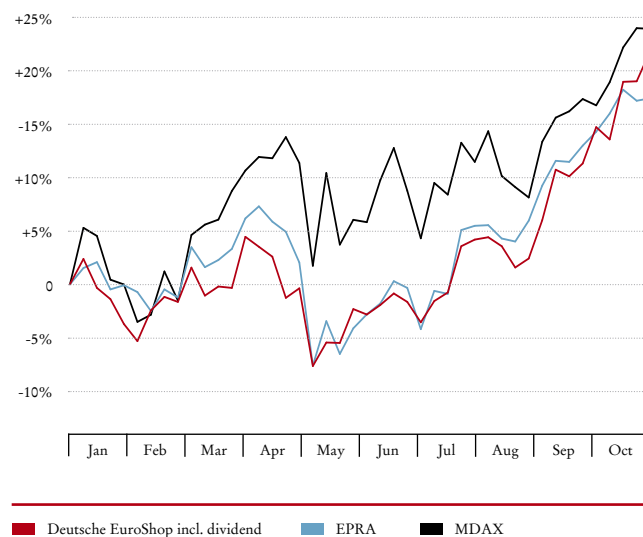
After a 2009 year-end closing price of €23.67 and a positive start to the new year, our share remained largely within a stable corridor of between €22.00 and €24.00 (with a few exceptions), hitting a low for the first nine months of €21.72 on 1 July 2010. In the positive September environment, the Deutsche EuroShop share reached €26.00 on 30 September, its highest price for the period. Taking into account the dividend of €1.05 per share paid out on 18 June 2010, this represents an increase of 14.3% for the first nine months of the current year. The MDAX, on which the Deutsche EuroShop share is listed, rose in the same period by 16.8%. Deutsche EuroShop's market capitalisation stood at €1.2 billion on 30 September 2010.

### Deutsche EuroShop vs. MDAX and EPRA

Comparison, January to October 2010

#### TREND OF SHARE

(indexed, base of 100, in %)



### Roadshows and conferences

Between July and September we presented Deutsche EuroShop at conferences in Frankfurt and Munich and held one-to-one and group discussions with investors and analysts. We also participated in roadshows in the United States as well as in Dublin, London and Luxembourg, visiting existing and potential investors and answering their questions on the company's operations.

### "The EuroShopper" annual report receives the "red dot" award

Deutsche EuroShop was awarded the highly acclaimed "red dot" in the category "communication design" for its 2009 annual report. The "red dot design award" is one of the largest and most prestigious design awards in the world. This is the second "red dot" that Deutsche EuroShop has received: the previous one was in 2007 for the "Feel Estate" report.

### Coverage

A total of 29 financial analysts from various banks and investment institutions regularly follow Deutsche EuroShop's business performance and also publish studies including concrete investment recommendations. Between July and September ABN AMRO began coverage of our share (price target €27.00, recommendation "hold"). Rabobank, another Dutch bank, also resumed its research with a price target of €23.80 ("hold"). Other institutions have also announced plans to take up coverage of our share in the future. For a list of analysts as well as an extract from the current studies and an archive, visit [www.deutsche-euroshop.com/ir](http://www.deutsche-euroshop.com/ir).

KEY SHARE DATA	
Sector/industry group	Financial services/Real estate
Share capital on 30.09.2010	45,894,578.00€
Number of shares on 30.09.2010 (no-par value registered shares)	45,894,578
Dividend 2009	€1.05
Share price on 30.12.2010	€23.67
Share price on 30.09.2010	€26.00
Low/high in the period under review	€21.72 / €26.00
Market capitalisation on 30.09.2010	€1,2 billion
Prime Standard	Frankfurt and Xetra
OTC trading	Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart
Indices	MDAX, EPRA, GPR 250, EPIX 30, HASPAX
ISIN	DE 000748 020 4
Ticker symbol	DEQ, Reuters: DEQGn.DE

## Report on Post-Balance-Sheet-Date Events

At the beginning of 2011, Deutsche EuroShop will acquire the Billstedt-Center in Hamburg from Prime Commercial Properties plc. The investment volume is around €160 million and the expected initial rate of return is approximately 6%. We expect the leasing of the A10 Center to contribute around €11.0 million to revenue in 2011.

No further significant events occurred between the balance sheet date 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 2009 is therefore still applicable.

## Report on Opportunities and Outlook

### ECONOMIC CONDITIONS

Improvements in the business outlook prompted the German federal government to revise its growth forecast for 2010 and 2011 in October: with a forecast of 3.4% growth in gross domestic product in the current year and 1.8% in the coming year, Germany looks set to drive the economy in Europe. The jobless total is expected to fall below the three million mark as early as this autumn – a positive trend, which is also expected to continue into 2011.

The federal government anticipates an increase in gross salaries of 2.1% in 2010, while net salaries are expected to go up by as much as 3.9%. The forecasts for private consumption are accordingly positive: with price stability remaining high (September 2010: 1.3% increase in consumer price index), private consumption is expected to rise this year by 1.2% and in 2011 by 1.1%. In 2010 the Handelsverband Deutschland (HDE – German Retail Federation) raised its retail sales forecast to a nominal +1.5%.

Due to our good operational position, we 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

#### Construction and expansion projects running according to plan

The "A10 Triangle" in the A10 Center is scheduled to be completed by March 2011. Construction work is running according to plan. Pre-lets for the Triangle currently stand at about 90%. We expect total rental income following completion of the new building to exceed our calculation made at the time of purchase.

Expansion of the Altmarkt-Galerie in Dresden is also making good headway. Around 85% of the budgeted rental income is hedged by long-term leases. The new center extension is also due to open in March 2011.

Expansion of the Main-Taunus-Zentrum is scheduled to be completed in late autumn 2011. The first phase of construction (new multistorey car park) is already successfully completed and the pre-let level – just under a year before it is due to be opened – is currently at around 70%.

#### Long-term partnership

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

#### Higher revenue and earnings forecast

We will also achieve our revenue and earnings targets for this year. Based on the results for the first nine months, we have lifted our full-year forecast for 2010. We expect:

- » revenue between €140m and €144m (until now: between €139m and €142m; 2009: €127.6m),
- » earnings before interest and taxes (EBIT) between €120m and €123m (until now: between €118m and €121m; 2009: €110.7m),
- » earnings before taxes (EBT), without measurement gains/losses, between €61 and €63m (until now: between €58m and €60m; 2009: €54.9m), and
- » funds from operations (FFO) per share between €1.37 and €1.40 (until now: between €1.33 and €1.38; 2009: €1.49).

#### Dividend increase

On the basis of the successful business performance in the first three quarters we expect to be able to propose at next year's Annual General Meeting an increase in dividend for the 2010 financial year to €1.10 per share.

## Consolidated Balance Sheet

ASSETS in € thousand	30.09.2010	31.12.2009
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	18	24
Property, plant and equipment	32	48
Investment properties	2,306,377	1,990,980
Non-current financial assets	24,754	24,755
Investments in equity-accounted associates	3,387	3,532
Other non-current assets	631	865
<b>Non-current assets</b>	<b>2,335,199</b>	<b>2,020,204</b>
<b>Current assets</b>		
Trade receivables	2,170	2,557
Other current assets	24,840	5,870
Other financial investments	0	1,600
Cash and cash equivalents	48,196	81,914
<b>Current assets</b>	<b>75,206</b>	<b>91,941</b>
<b>Total assets</b>	<b>2,410,405</b>	<b>2,112,145</b>

<b>EQUITY AND LIABILITIES</b> in € thousand	30.09.2010	31.12.2009
<b>Equity and liabilities</b>		
<b>Equity and reserves</b>		
Issued capital	45,894	37,812
Capital reserves	764,375	609,364
Retained earnings	254,092	274,149
<b>Total equity</b>	<b>1,064,361</b>	<b>921,325</b>
<b>Non-current liabilities</b>		
Bank loans and overdrafts	1,077,912	921,170
Deferred tax liabilities	90,406	85,600
Right to redeem of limited partners	108,058	123,035
Other liabilities	35,800	19,845
<b>Non-current liabilities</b>	<b>1,312,176</b>	<b>1,149,650</b>
<b>Current liabilities</b>		
Bank loans and overdrafts	13,112	13,025
Trade payables	2,343	1,071
Tax provisions	2,491	1,981
Other provisions	4,150	19,688
Other liabilities	11,772	5,405
<b>Current liabilities</b>	<b>33,868</b>	<b>41,170</b>
<b>Total equity and liabilities</b>	<b>2,410,405</b>	<b>2,112,145</b>



## Consolidated Income Statement

in € thousand	01.07.–30.09.2010	01.07.–30.09.2009	01.01.–30.09.2010	01.01.–30.09.2009
Revenue	36,201	31,457	106,609	94,447
Property operating costs	-2,061	-1,345	-5,592	-4,981
Property management costs	-2,240	-1,900	-6,154	-5,715
<b>Net operating income (NOI)</b>	<b>31,900</b>	<b>28,212</b>	<b>94,863</b>	<b>83,751</b>
Other operating income	65	-18	675	677
Other operating expenses (corporate costs)	-1,312	-1,177	-4,039	-3,562
<b>Earnings before interest and taxes (EBIT)</b>	<b>30,653</b>	<b>27,017</b>	<b>91,499</b>	<b>80,866</b>
Income from investments	317	329	1,096	1,213
Interest income	82	97	471	476
Interest expense	-13,562	-12,373	-40,239	-37,354
Profit/loss attributable to limited partners	-1,750	-1,924	-5,880	-5,938
<b>Net finance costs</b>	<b>-14,913</b>	<b>-13,871</b>	<b>-44,552</b>	<b>-41,603</b>
<b>Earnings before tax and valuation (EBT before valuation)</b>	<b>15,740</b>	<b>13,146</b>	<b>46,947</b>	<b>39,263</b>
Measurement gains/losses	-673	-3,914	-673	6,907
<b>Earnings before tax (EBT)</b>	<b>15,067</b>	<b>9,232</b>	<b>46,274</b>	<b>46,170</b>
Income tax expense	-2,735	-1,214	-7,969	-7,694
<b>Consolidated profit</b>	<b>12,332</b>	<b>8,018</b>	<b>38,305</b>	<b>38,476</b>
Basic earnings per share (€)	0.27	0.22	0.87	1.05
Diluted earnings per share (€)	0.27	0.22	0.87	1.05

## Consolidated Statement of Comprehensive Income

in € thousand	01.07.–30.09.2010	01.07.–30.09.2009	01.01.–30.09.2010	01.01.–30.09.2009
<b>Consolidated profit</b>	<b>12,332</b>	<b>8,018</b>	<b>38,305</b>	<b>38,476</b>
Change due to currency translation effects	-310	4,679	230	-1,467
Change in cash flow hedge	-6,868	-1,938	-14,888	943
Deferred taxes on valuation adjustments offset directly against equity	1,595	0	2,616	0
<b>Total earnings recognised directly in equity</b>	<b>-5,583</b>	<b>2,741</b>	<b>-12,042</b>	<b>-524</b>
<b>Total profit</b>	<b>6,749</b>	<b>10,759</b>	<b>26,263</b>	<b>37,952</b>
Profit attributable to Group shareholders	6,749	10,759	26,263	37,952

## Consolidated Cash Flow Statement

in € thousand	01.01.–30.09.2010	01.01.–30.09.2009
<b>Profit after tax</b>	<b>38,305</b>	<b>38,476</b>
Income/expenses from the application of IFRS 3	673	-8,075
Profit/loss attributable to limited partners	5,880	6,298
Depreciation of property, plant and equipment	17	18
Other non-cash income and expenses	0	808
Deferred taxes	7,522	7,730
<b>Operating cash flow</b>	<b>52,397</b>	<b>45,255</b>
Changes in receivables	-18,044	2,950
Changes in other financial investments	1,600	-30
Changes in non-current tax provisions	-2,715	0
Changes in current provisions	-16,138	3,571
Changes in liabilities	22,532	-6,583
<b>Cash flow from operating activities</b>	<b>39,632</b>	<b>45,163</b>
Payments to acquire property, plant and equipment/investment properties	-50,789	-26,680
Inflows and outflows for investments in non-current financial assets	-50	579
Payments to acquire consolidated companies	-205,744	0
Income from equity-accounted associates	195	0
<b>Cash flow from investing activities</b>	<b>-256,388</b>	<b>-26,101</b>
Changes in interest-bearing financial liabilities	128,493	-16,024
Payments to Group shareholders	-46,320	-36,094
Contributions of Group shareholders	122,367	66,505
Payments to minority shareholders	-12,427	-5,858
Contributions of minority shareholders	3,750	0
<b>Cash flow from financing activities</b>	<b>195,863</b>	<b>8,529</b>
<b>Net change in cash and cash equivalents</b>	<b>-20,893</b>	<b>27,591</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>81,914</b>	<b>41,671</b>
Currency related changes	233	-146
Other changes	-13,058	947
<b>Cash and cash equivalents at end of period</b>	<b>48,196</b>	<b>70,063</b>

## Consolidated Statement of Changes in Equity

in € thousand	Share capital	Capital reserves	Other retained earnings	Legal reserve	Total
01.01.2009	34,375	546,213	277,862	2,000	860,450
Change in cash flow hedge			943		943
Change due to currency translation effects			-1,467		-1,467
Total earnings recognised directly in equity	0	0	-524	0	-524
Consolidated profit			38,476		38,476
Total profit			37,952		37,952
Dividend payment			-36,094		-36,094
Capital increase	3,437	63,594			67,031
Transaction costs capital increase		-526			-526
Deferred taxes transaction costs		84			84
30.09.2009	37,812	609,365	279,720	2,000	928,897
01.01.2010	37,812	609,364	272,149	2,000	921,325
Change in cash flow hedge			-14,888		-14,888
Change due to currency translation effects			230		230
Change in deferred taxes			2,616		2,616
Total earnings recognised directly in equity	0	0	-12,042	0	-12,042
Consolidated profit			38,305		38,305
Total profit			26,263		26,263
Dividend payment			-46,320		-46,320
Capital increase	8,082	155,535	0		163,617
Transaction costs capital increase		-622	0		-622
Deferred taxes transaction costs		98	0		98
30.09.2010	45,894	764,375	252,092	2,000	1,064,361

## Disclosures

### BASIS OF PRESENTATION

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

The management report and the abridged financial statements were not audited in accordance with section 317 of the Handelsgesetzbuch (HGB – German Commercial Code), nor were they

reviewed by a person qualified to carry out audits. In the opinion of the Executive Board, the report contains all of the necessary adjustments required to give a true and fair view of the results of operations as at the interim report date. The performance of the first nine months as at 30 September 2010 is not necessarily an indication of future performance.

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

As a result of the capital increases in July 2009 and February 2010 the weighted number of shares for 2009 has been increased to 36,799,402. The FFO and EPS figures for the prior-year period have been adjusted accordingly.

## SEGMENT REPORTING

(01.01.-30.09.2010)

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

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

### Breakdown by geographical segment

in € thousand	Domestic	Inter-national	Total
<b>Revenue</b>	<b>89,716</b>	<b>16,893</b>	<b>106,609</b>
(Previous year's figures)	(77,926)	(16,521)	(94,447)

Around 10% of rental income was generated in Poland. In the year under review, these revenues came to €10,140 thousand (previous year: €9,791 thousand).

in € thousand	Domestic	Inter-national	Recon-ciliation	Total
<b>Revenue</b>	<b>76,272</b>	<b>14,931</b>	<b>-377</b>	<b>90,826</b>
(Previous year's figures)	(66,730)	(14,888)	-(752)	(80,866)

in € thousand	Domestic	Inter-national	Recon-ciliation	Total
<b>Revenue</b>	<b>44,293</b>	<b>7,697</b>	<b>-5,043</b>	<b>46,947</b>
(Previous year's figures)	(38,907)	(7,706)	-(7,350)	(39,263)

in € thousand	Domestic	Inter-national	Total
<b>Segment assets</b>	<b>2,073,882</b>	<b>336,523</b>	<b>2,410,405</b>
(Previous year's figures)	(1,775,304)	(336,841)	(2,112,145)
<b>of which investment properties</b>	<b>1,978,739</b>	<b>327,638</b>	<b>2,306,377</b>
(Previous year's figures)	(1,663,950)	(327,029)	(1,990,979)

## OTHER DISCLOSURES

### Dividend

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

### Share options

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

### Responsibility statement by the Executive Board

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

Hamburg, November 2010



Claus-Matthias Böge



Olaf G. Borkers

## Financial Calendar

### 2010

- 04.11. Nine-month report 2010
- 15.11. Roadshow Brussels, WestLB
- 16.11. Roadshow Zurich, Deutsche Bank
- 17.11. Roadshow Paris, Macquarie
- 18.11. Supervisory Board meeting, Hamburg
- 18.11. WestLB Deutschland Conference, Frankfurt
- 25.11. HSBC Vienna Conference
- 30.11. Roadshow Berlin, Berenberg
- 30.11. DSW Aktienforum, Berlin
- 01.12. UBS Global Real Estate Conference, London
- 02.12. Berenberg Pennyhill Conference, London

### 2011

- 22.02. Roadshow Paris, Bankhaus Lampe
- 01.03. HSBC S&M Real Estate & Construction Conference, Frankfurt
- 12.04. WestLB German Property Day, London
- 27.04. Supervisory Board meeting, Hamburg
- 29.04. Annual earnings press conference, Hamburg
- 13.05. Interim report Q1 2011
- 19.05. Metzler Real Estate Day, Frankfurt
- 25.–26.05. Kempen & Co European Property Seminar, Amsterdam
- 16.06. Annual General Meeting, Hamburg
- 16.06. Supervisory Board meeting, Hamburg
- 21.–22.06. Bankhaus Lampe Hamburg Investment Conference
- 11.08. Interim report H1 2011
- 22.09. Supervisory Board meeting, Hamburg
- 06.–07.10. Société Générale Pan European Real Estate Conference, London
- 19.10. Real Estate Share Initiative, Frankfurt
- 10.11. Nine-month report 2011
- 17.11. Supervisory Board meeting, Hamburg

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



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