



## Letter from the Executive Board

### DEAR SHAREHOLDERS, DEAR READERS,

We are delighted to be able to report that the first half of 2014 went well and according to plan for Deutsche EuroShop.

We generated revenue of €99.7 million compared to the previous year's figure of €88.8 million. Net operating income (NOI) climbed by 13% to €90.5 million, while earnings before interest and tax (EBIT), at €88.3 million, were 14% higher than the figure in the same period in 2013 (€77.2 million). The considerable increases can largely be attributed to the Altmarkt-Galerie Dresden, which has been fully consolidated since 1 May 2013.

Consolidated profit experienced an increase year-on-year of just around 23% to €46.3 million. This pushed earnings per share up to €0.86; and EPRA earnings per share adjusted for valuation effects were 19% higher at €0.91. Funds from operations (FFO) improved by 16% from €0.94 to €1.09 per share.

Plus there is another piece of good news regarding the shopping center portfolio: The building permit for the expansion of the Phoenix-Center in Hamburg has been issued. We aim to reach a realisation decision with our co-shareholders by the end of August. Work on the expansion, which would cost a total of around €25 million, is then scheduled to begin in the coming weeks. According to plans, 17-20 new shops will move into an area covering around 5,000 m<sup>2</sup>. We expect the expansion to be completed for autumn 2015.

We paid a dividend of €67.4 million or €1.25 per share in June for the 2013 financial year. After the first six months of the year have gone according to plan, we confirm our forecast for the year as a whole. We plan to pay a dividend of €1.30 per share for the 2014 financial year, another 5 cents higher than the previous year.

Hamburg, August 2014

Claus-Matthias Böge

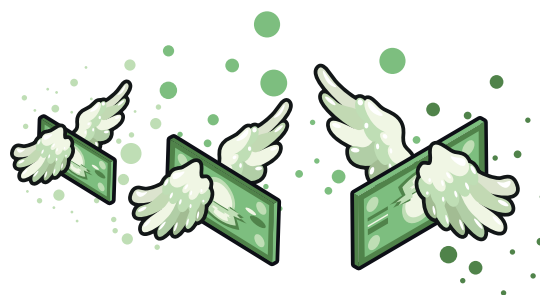
Olaf Borkers

### KEY GROUP DATA

IN € MILLION	01.01.–	01.01.–	+/-
	30.06.2014	30.06.2013	
Revenue	99.7	88.8	12%
EBIT	88.3	77.2	14%
Net finance costs	-28.0	-27.7	-1%
Measurement gains / losses	-2.9	-3.1	-6%
EBT	57.4	46.4	24%
Consolidated profit	46.3	37.7	23%
FFO per share (€)	1.09	0.94	16%
Earnings per share (€, undiluted)	0.86	0.70	23 %
	30.06.2014	31.12.2013	+/-
Equity*	1,613.3	1,642.4	-2%
Liabilities	1,771.4	1,752.5	1%
Total assets	3,384.7	3,394.9	0%
Equity ratio (%)*	47.7	48.4	
LTV-ratio (%)	43	43	
Gearing (%)*	110	107	
Cash and cash equivalents	71.8	40.8	76 %

\* incl. non controlling interests

# Basic Information about the Group



## GROUP STRUCTURE AND OPERATING ACTIVITIES

### BUSINESS MODEL

Deutsche EuroShop AG is the only public company in Germany to invest solely in shopping centers in prime locations. On 30 June 2014, the Company held 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.

Due to its lean personnel structure, 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 (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 consolidated or accounted for using the equity method.

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

### OBJECTIVES AND STRATEGY

The management focuses on investments in high-quality shopping centers in city centers and established locations offering stable long-term value growth. Another key investment target is the generation of high surplus liquidity from long-term leases in shopping centers, which is paid out to shareholders in the form of an annual dividend. In order to achieve these targets, the Company invests its capital in shopping centers in different European regions in accordance with the principle of risk diversification. Germany is the main focus for investment. Indexed and turnover-linked commercial rent ensure that we achieve our high earnings targets.

The Company may invest up to 10% of equity in joint ventures in shopping center projects in the early stages of development.

New investments should be financed through a balanced mix of equity and borrowing, whereby external financing may not exceed 55% of the Group's total assets over the long term. As a general rule, long-term interest rates are fixed when loans are taken out or renewed with the goal of keeping the duration (average fixed interest period) at over five years.

### MANAGEMENT SYSTEM

The Executive Board of Deutsche EuroShop manages the Company in accordance with the provisions of German company law. The Executive Board's duties, responsibilities and business procedures are laid down in its rules of procedure and in its schedule of responsibilities.

The management indicators are based on the targets of having shopping centers with sustainable and stable value growth and a high liquidity surplus generated by long-term leases. These indicators are revenue, EBT (earnings before taxes) excluding valuation gains / losses and FFO (funds from operations).

## Economic Review

### MACROECONOMIC AND SECTOR-SPECIFIC CONDITIONS

Germany continued to be Europe's economic dynamo. The German economy grew by 0.8% in the first quarter of 2014, primarily due to a good investment ratio. The companies largely rate their business situation as positive and benefit from continued stability in terms of domestic demand, not least as a result of pleasing salary developments and low interest rates on investments. Retail sales grew in real terms by 1.5% in the first six months of the year. Unemployment levelled off at a relatively low level of 6.5%. The mild winter brought less pronounced growth in unemployment figures at the beginning of the year and this increase was also reduced again sooner and at an even faster rate. 2.83 million people were registered as unemployed in June.

All in all, last year's positive showing appears to be persisting. Tension in the Middle East and Ukraine, however, could cause economic developments to deteriorate.

## RESULTS OF OPERATIONS

### REVENUE INCREASED BY 12%

Revenue during the first half of the year came in at €99.7 million. This is more than 12% higher than in the same period of the previous year (€88.8 million) and can largely be attributed to the Altmarkt-Galerie in Dresden, which has been fully consolidated since 1 May 2013. Revenue from our shopping center portfolio rose accordingly by 2.7% year-on-year.

### OPERATING AND ADMINISTRATIVE COSTS FOR PROPERTY: 9.2% OF REVENUE

Center operating costs were €9.2 million in the reporting period, compared with €8.7 million in the same period of the previous year. Costs therefore stood at 9.2% of revenue (previous year: 9.7 %).

### OTHER OPERATING EXPENSES OF €2.9 MILLION

Other operating expenses of €2.9 million were slightly below those of the previous year (€3.5 million), as one-off costs were incurred in the previous year in connection with the withdrawal from DB Immobilienfonds.

### EBIT UP 14%

Earnings before interest and taxes (EBIT) increased by around 14% or €77.2 million, from €11.1 million to €88.3 million.

### NET FINANCE COSTS NEARLY UNCHANGED

At €-28.0 million, net finance costs were just slightly lower than in the previous year (€-27.7 million), which can largely be attributed to the effects of first-time consolidation of the Altmarkt-Galerie in Dresden on 1 May 2013. As a result, interest expense during the first half of 2014 was nearly €2.0 million over the previous year and the profit share of consolidated companies accounted for using the equity method fell €2.0 million short of the previous year's figure. On the other hand, other financial expenses were down €4.1 million due to a swap for an Altmarkt-Galerie loan which was recognised in income. Moreover, the profit share for third-party shareholders rose by €0.4 million from €7.8 million to €8.2 million.

### VALUATION GAINS / LOSSES

Valuation losses were €2.9 million (previous year: €-3.1 million) and included investment costs for the existing properties in our portfolio.

### ADJUSTED EBT EXCLUDING VALUATION GAINS / LOSSES UP 19%

Earnings before taxes (EBT) climbed €11.0 million, from €46.4 million to €57.4 million. After adjustment for valuation gains, this amount rose from €50.9 million to €60.6 million (+19%).

### INCOME TAXES

Taxes on income and earnings came to €11.1 million (previous year: €8.7 million). €2.4 million of this (previous year: €0.8 million) was attributable to taxes to be paid and €8.7 million (previous year: €7.9 million) to deferred taxes.

### 23% INCREASE IN CONSOLIDATED PROFIT

Consolidated profit amounted to €46.3 million, 23% higher year-on-year. Basic earnings per share were €0.86, compared with €0.70 in the previous year. EPRA earnings per share rose 19% from €0.76 per share to €0.91.

	30.06.2014		30.06.2013	
	in € thousand	per share (€)	in € thousand	per share (€)
<b>EPRA EARNINGS</b>				
Consolidated profit	46,345	0.86	37,693	0.70
Valuation gains / losses	2,882	0.05	3,065	0.05
Valuation gains / losses for equity-accounted companies	307	0.01	1,391	0.03
Deferred taxes	-596	-0.01	-1,020	-0.02
<b>EPRA Earnings</b>	<b>48,938</b>	<b>0.91</b>	<b>41,129</b>	<b>0.76</b>
Weighted number of shares	53,945,536		53,945,536	

### FUNDS FROM OPERATIONS (FFO) UP 16%

FFO rose from €50.7 million to €58.9 million, or from €0.94 to €1.09 per share (+16%).

	30.06.2014		30.06.2013	
	in € thousand	per share (€)	in T€	per share (€)
<b>FUNDS FROM OPERATIONS</b>				
Consolidated profit	46,345	0.86	37,693	0.70
Bond conversion expense	578	0.01	542	0.01
Valuation gains / losses	2,882	0.05	3,065	0.06
Valuation gains / losses for equity-accounted companies	307	0.01	1,391	0.03
Deferred taxes	8,756	0.16	7,978	0.15
<b>FFO per share</b>	<b>58,868</b>	<b>1.09</b>	<b>50,669</b>	<b>0.94</b>

## FINANCIAL POSITION AND NET ASSETS

---

### NET ASSETS AND LIQUIDITY

The Deutsche EuroShop Group's total assets decreased by €10.2 million compared with the year-end figure in 2013 to €3,384.7 million. Whereas non-current assets have decreased by €32.8 million and other current assets by €5.5 million, cash and cash equivalents have risen €31.0 million to €71.8 million since 31 December 2013 (€40.8 million).

### EQUITY RATIO OF 47.7%

The equity ratio (including the shares of third-party shareholders) was 47.7%, 0.7 percentage points lower than on the last balance sheet date (48.4%) as a result of the dividend payment made in June.

### LIABILITIES

As at 30 June 2014, current and non-current financial liabilities stood at €1,498.0 million on the balance sheet date and were thus €11.3 million higher than at the end of 2013. Non-current deferred tax liabilities increased by €5.9 million to €204.4 million due to additional provisions. Redemption entitlements for third-party shareholders, on the other hand, fell by around €0.1 million. Other current and non-current liabilities and provisions were increased by €1.7 million.

## Report on Events after the Balance Sheet Date

No further significant events occurred between the balance sheet date of 30 June 2014 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 2013 is therefore still applicable.

## Outlook

### ECONOMIC CONDITIONS

---

The economic review produced by the federal government predicts positive growth for Germany in 2014, although economic imbalances are expected to persist within the eurozone. Gross domestic product (GDP) is forecast to grow by 1.8%. Growth is likely to be driven by sustained strong domestic demand and a sharp rise in exports. The unemployment rate is set to remain at the current level, while inflation will be modest. The labour force participation rate could rise slightly again – to 42.1 million people in employment – and salaries may increase slightly. The German Retail Federation (HDE) predicts that retail sales will advance by 1.1%.

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

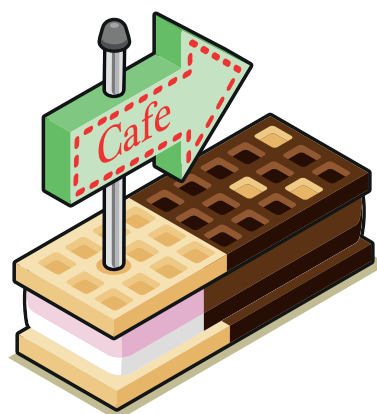
---

After the first half of the year was on track, we stand by our forecasts for financial year 2014 and expect:

- revenue of between €198 million and €201 million
- earnings before interest and taxes (EBIT) of between €174 million and €177 million
- earnings before taxes (EBT) excluding valuation gains / losses of between €120 million and €123 million
- funds from operations (FFO) per share of between €2.14 and €2.18

### DIVIDEND POLICY

We intend to maintain our long-term, reliable dividend policy and anticipate that we will be able to pay a dividend of €1.30 per share to our shareholders for 2014.



# Consolidated balance sheet

ASSETS IN € THOUSAND	30.06.2014	31.12.2013
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	19	8
Property, plant and equipment	428	413
Investment properties	2,963,099	2,962,163
Investments accounted for using the equity method	342,523	341,907
Other financial assets	274	34,519
Other non-current assets	91	155
<b>Non-current assets</b>	<b>3,306,434</b>	<b>3,339,165</b>
<b>Current assets</b>		
Trade receivables	2,940	5,595
Other current assets	3,485	6,293
Other financial investments	0	3,000
Cash and cash equivalents	71,836	40,810
<b>Current assets</b>	<b>78,261</b>	<b>55,698</b>
<b>Total assets</b>	<b>3,384,695</b>	<b>3,394,863</b>

EQUITY AND LIABILITIES IN € THOUSAND	30.06.2014	31.12.2013
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Issued capital	53,945	53,945
Capital reserves	961,970	961,970
Retained earnings	384,116	413,034
<b>Total equity</b>	<b>1,400,031</b>	<b>1,428,949</b>
<b>Non-current liabilities</b>		
Financial liabilities	1,383,390	1,389,552
Deferred tax liabilities	204,401	198,491
Right to redeem of limited partners	213,282	213,422
Other liabilities	52,662	41,096
<b>Non-current liabilities</b>	<b>1,853,735</b>	<b>1,842,561</b>
<b>Current liabilities</b>		
Financial liabilities	114,648	97,207
Trade payables	1,690	3,351
Tax liabilities	582	1,357
Other provisions	4,826	6,804
Other liabilities	9,183	14,634
<b>Current liabilities</b>	<b>130,929</b>	<b>123,353</b>
<b>Total equity and liabilities</b>	<b>3,384,695</b>	<b>3,394,863</b>

# Consolidated income statement

IN € THOUSAND	01.04.– 30.06.2014	01.04.– 30.06.2013	01.01.– 30.06.2014	01.01.– 30.06.2013
Revenue	49,702	46,437	99,704	88,844
Property operating costs	-2,121	-2,468	-3,834	-4,042
Property management costs	-2,667	-2,389	-5,321	-4,620
<b>Net operating income (NOI)</b>	<b>44,914</b>	<b>41,580</b>	<b>90,549</b>	<b>80,182</b>
Other operating income	638	84	693	561
Other operating expenses	-1,419	-1,718	-2,913	-3,541
<b>Earnings before interest and taxes (EBIT)</b>	<b>44,133</b>	<b>39,946</b>	<b>88,329</b>	<b>77,202</b>
Interest income	153	129	195	233
Interest expense	-14,773	-14,061	-29,385	-27,414
Other financial expenses	-477	-5,139	-1,009	-5,139
Share of the profit or loss of associates and joint ventures accounted for using the equity method	5,066	5,330	10,393	12,428
Profit / loss attributable to limited partners	-4,154	-3,899	-8,209	-7,818
<b>Net finance costs</b>	<b>-14,185</b>	<b>-17,640</b>	<b>-28,015</b>	<b>-27,710</b>
<b>Valuation gains / losses</b>	<b>-1,828</b>	<b>-1,668</b>	<b>-2,882</b>	<b>-3,065</b>
<b>Earnings before tax (EBT)</b>	<b>28,120</b>	<b>20,638</b>	<b>57,432</b>	<b>46,427</b>
Income tax expense	-4,366	-3,061	-11,087	-8,734
<b>Consolidated profit</b>	<b>23,754</b>	<b>17,577</b>	<b>46,345</b>	<b>37,693</b>
Earnings per share (€), basic	0.44	0.33	0.86	0.70
Earnings per share (€), diluted	0.43	0.32	0.84	0.68

# Consolidated statement of comprehensive income

IN € THOUSAND	01.04.– 30.06.2014	01.04.– 30.06.2013	01.01.– 30.06.2014	01.01.– 30.06.2013
<b>Consolidated profit</b>	<b>23,754</b>	<b>17,577</b>	<b>46,345</b>	<b>37,693</b>
<b>Items which under certain conditions in the future will be reclassified into the income statement:</b>				
Changes in cash flow hedge	-5,909	6,366	-10,677	8,659
Change in investments accounted for using the equity method	0	7,519	0	7,519
Deferred taxes on changes in value offset directly against equity	1,608	-3,879	2,846	-4,675
<b>Total earnings recognised directly in equity</b>	<b>-4,301</b>	<b>10,006</b>	<b>-7,831</b>	<b>11,503</b>
<b>Total profit</b>	<b>19,453</b>	<b>27,583</b>	<b>38,514</b>	<b>49,196</b>
Share of Group shareholders	19,453	27,583	38,514	49,196

# Consolidated cash flow statement

IN € THOUSAND

01.01. – 30.06.2014

01.01. – 30.06.2013

<b>Profit after tax</b>	<b>46,345</b>	<b>37,693</b>
Expenses from the application of IFRS 3	0	0
Profit / loss attributable to limited partners	7,833	7,601
Depreciation of intangible assets and property, plant and equipment	38	27
Net loss from derivatives	1,009	5,139
Other non-cash income and expenses	854	1,471
Profit / losses of joint ventures and associates	-617	244
Deferred taxes	8,756	7,978
<b>Operating cash flow</b>	<b>64,218</b>	<b>60,153</b>
Changes in receivables	5,473	2,057
Change in other financial investments	3,000	0
Changes in current provisions	-2,752	-18,731
Changes in liabilities	-7,192	-2,938
<b>Cash flow from operating activities</b>	<b>62,747</b>	<b>40,541</b>
Outflows for the acquisition of property, plant and equipment / investment properties	-1,000	-60,420
Inflows from changes in financial assets	34,245	368
<b>Cash flow from investing activities</b>	<b>33,245</b>	<b>-60,052</b>
Outflows from the repayment of financial liabilities	10,425	19,837
Payments to limited partners	-7,959	-6,726
Payments to Group shareholders	-67,432	-64,735
<b>Cash flow from financing activities</b>	<b>-64,966</b>	<b>-51,624</b>
<b>Net change in cash and cash equivalents</b>	<b>31,026</b>	<b>-71,135</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>40,810</b>	<b>158,194</b>
Changes in the financial resources fund due to consolidation changes	0	-1,581
<b>Cash and cash equivalents at end of period</b>	<b>71,836</b>	<b>85,478</b>



# Statement of changes in equity

IN € THOUSAND	Number of shares outstanding	Share capital	Capital reserves	Other retained earnings	Statutory reserve	Available for sale reserve	Cash flow hedge reserve	Total
<b>01.01.2013</b>	<b>53,945,536</b>	<b>53,945</b>	<b>961,987</b>	<b>323,134</b>	<b>2,000</b>	<b>12,193</b>	<b>-31,345</b>	<b>1,321,914</b>
Total earnings recognised directly in equity				5,092			6,411	11,503
Consolidated profit				37,693				37,693
<b>Total profit</b>				<b>42,785</b>	<b>0</b>	<b>0</b>	<b>6,411</b>	<b>49,196</b>
Dividend payments				-64,735				-64,735
Other changes			-17	-84				-101
<b>30.06.2013</b>	<b>53,945,536</b>	<b>53,945</b>	<b>961,987</b>	<b>301,100</b>	<b>2,000</b>	<b>12,193</b>	<b>-24,934</b>	<b>1,306,274</b>
<b>01.01.2014</b>	<b>53,945,536</b>	<b>53,945</b>	<b>961,970</b>	<b>434,031</b>	<b>2,000</b>	<b>0</b>	<b>-22,997</b>	<b>1,428,949</b>
Total earnings recognised directly in equity				0			-7,831	-7,831
Consolidated profit				46,345				46,345
<b>Total profit</b>		<b>0</b>	<b>0</b>	<b>46,345</b>	<b>0</b>	<b>0</b>	<b>-7,831</b>	<b>38,514</b>
Dividend payments				-67,432				-67,432
Other changes				0				0
<b>30.06.2014</b>	<b>53,945,536</b>	<b>53,945</b>	<b>961,970</b>	<b>412,944</b>	<b>2,000</b>	<b>0</b>	<b>-30,828</b>	<b>1,400,031</b>

## Disclosures

### REPORTING PRINCIPLES

These interim financial statements of the Deutsche EuroShop Group as at 30 June 2014 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. The performance of the first six months up to 30 June 2014 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 2013.

### ADJUSTMENT IN ACCORDANCE WITH IAS 8 (CHANGE TO PREVIOUS YEAR'S FIGURES AS OF 30 JUNE 2013)

With effect from 30 April 2013, Deutsche EuroShop AG increased its shareholding in Altmarkt-Galerie Dresden from 67% to 100%. Since the first-time consolidation produced effects which had an impact on net finance costs and valuation gains/losses, these were reported differently in the financial statements for the same period of the previous year.

The purchase of these shares made it necessary to recognise in income the negative present value of an interest rate hedge (swap) in the amount of €6.8 million. The change in value between 30 April and 30 June 2013 amounted to €+1.7 million with the result that other financial expenses in the amount of €5.1 million and their corresponding tax effects will be recognised in the income statement from this point on. Furthermore, this transaction did not result in any excess of identified net assets acquired over cost of acquisition in accordance with IFRS 3. The amount originally recognised (€0.6 million) was removed from the valuation gains and losses.



## CONSOLIDATED BALANCE SHEET

	01.01.– 30.06.2013 before adjustment	01.01.– 30.06.2013 adjustment	01.01.– 30.06.2013 after adjustment
<b>ASSETS</b> in € thousand			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	13		13
Property, plant and equipment	427		427
Investment properties	2.882.186	2.731	2.884.917
Non-current financial assets	29.925		29.925
Investments accounted for using the equity method	336.271		336.271
Other non-current assets	204		204
<b>Non-current assets</b>	<b>3.249.026</b>	<b>2.731</b>	<b>3.251.757</b>
<b>Current assets</b>			
Trade receivables	2.365		2.365
Other current assets	6.093		6.093
Cash and cash equivalents	85.478		85.478
<b>Current assets</b>	<b>93.936</b>	<b>0</b>	<b>93.936</b>
<b>Total assets</b>	<b>3.342.962</b>	<b>2.731</b>	<b>3.345.693</b>
<b>EQUITY AND LIABILITIES</b> in € thousand			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
Issued capital	53.945		53.945
Capital reserves	961.970		961.970
Retained earnings	287.628	2.731	290.359
<b>Total equity</b>	<b>1.303.543</b>	<b>2.731</b>	<b>1.306.274</b>
<b>Non-current liabilities</b>			
Financial liabilities	1.397.225		1.397.225
Deferred tax liabilities	191.911		191.911
Right to redeem of limited partners	206.170		206.170
Other liabilities	44.281		44.281
<b>Non-current liabilities</b>	<b>1.839.587</b>	<b>0</b>	<b>1.839.587</b>
<b>Current liabilities</b>			
Bank loans and overdrafts	167.169		167.169
Trade payables	1.469		1.469
Tax liabilities	8.218		8.218
Other provisions	10.870		10.870
Other liabilities	12.106		12.106
<b>Current liabilities</b>	<b>199.832</b>	<b>0</b>	<b>199.832</b>
<b>Total equity and liabilities</b>	<b>3.342.962</b>	<b>2.731</b>	<b>3.345.693</b>

## CONSOLIDATED INCOME STATEMENT

	01.01.– 30.06.2013 before adjustment	01.01.– 30.06.2013 adjustment	01.01.– 30.06.2013 after adjustment
<b>IN € THOUSAND</b>			
Revenue	88.844		88.844
Property operating costs	-4.042		-4.042
Property management costs	-4.620		-4.620
<b>Net operating income (NOI)</b>	<b>80.182</b>		<b>80.182</b>
Other operating income	561		561
Other operating expenses	-3.541		-3.541
<b>Earnings before interest and taxes (EBIT)</b>	<b>77.202</b>		<b>77.202</b>
Interest income	233		233
Interest expense	-27.414		-27.414
Other financial expenses	0	-5.139	-5.139
Profit / loss attributable to limited partners	-7.818		-7.818
Share of the profit or loss of associates and joint ventures accounted for using the equity method	12.428		12.428
<b>Net finance costs</b>	<b>-22.571</b>	<b>-5.139</b>	<b>-27.710</b>
<b>Valuation gains / losses</b>	<b>-2.462</b>	<b>-603</b>	<b>-3.065</b>
<b>Earnings before tax (EBT)</b>	<b>52.169</b>	<b>-5.742</b>	<b>46.427</b>
Income tax expense	-10.393	1.659	-8.734
<b>Consolidated profit</b>	<b>41.776</b>	<b>-4.083</b>	<b>37.693</b>
Earnings per share (€), basic	0,77	-0,07	0,70
Earnings per share (€), diluted	0,75	-0,07	0,68

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.– 30.06.2013 before adjustment	01.01.– 30.06.2013 adjustment	01.01.– 30.06.2013 after adjustment
<b>IN € THOUSAND</b>			
<b>Consolidated profit</b>	<b>41.776</b>	<b>-6.814</b>	<b>34.962</b>
Changes in cash flow hedge	6.117	2.542	8.659
Change in investments accounted for using the equity method	0	7.519	7.519
Deferred taxes on changes in value offset directly against equity	-1.428	-3.247	-4.675
<b>Total earnings recognised directly in equity</b>	<b>4.689</b>	<b>6.814</b>	<b>11.503</b>
<b>Total profit</b>	<b>46.465</b>	<b>0</b>	<b>46.465</b>
Share of Group shareholders	46.465	0	46.465

## SEGMENT REPORTING

As a holding company, Deutsche EuroShop AG holds equity interests in shopping centers in the European Union. The investees are pure real-estate shelf companies without staff of their own. Operational management is contracted out to external service providers under agency agreements, with the result 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 EBT 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
<b>Revenue</b>	<b>92,410</b>	<b>7,294</b>	<b>0</b>	<b>99,704</b>
(previous year's figures)	(81,652)	(7,192)	(0)	(88,844)

IN € THOUSAND	Domestic	International	Reconciliation	Total
<b>EBIT</b>	<b>83,952</b>	<b>6,389</b>	<b>-2,012</b>	<b>88,329</b>
(previous year's figures)	(74,481)	(5,858)	(-3,137)	(77,202)

IN € THOUSAND	Domestic	International	Reconciliation	Total
<b>Net interest income</b>	<b>-25,488</b>	<b>-1,877</b>	<b>-1,825</b>	<b>-29,190</b>
(previous year's figures)	(-23,576)	(-1,959)	(-1,646)	(-27,181)

IN € THOUSAND	Domestic	International	Reconciliation	Total
<b>Earnings before tax (EBT)</b>	<b>50,248</b>	<b>3,275</b>	<b>3,909</b>	<b>57,432</b>
(previous year's figures)	(42,779)	(2,821)	(827)	(46,427)

Profits and losses for equity-accounted companies in the amount of €10,393 thousand are disclosed in the reconciliation statement, of which €8,046 thousand are domestic profit and losses and €2,347 thousand international profit and losses.

IN € THOUSAND	Domestic	International	Total
<b>Segment assets</b>	<b>3,161,734</b>	<b>222,961</b>	<b>3,384,695</b>
(previous year's figures)	(3,172,348)	(222,515)	(3,394,863)
<b>of which investment properties</b>	<b>2,772,911</b>	<b>216,188</b>	<b>2,989,099</b>
(previous year's figures)	(2,746,320)	(215,843)	(2,962,163)

## OTHER DISCLOSURES

### DIVIDEND

A dividend of €1.25 per share was distributed for the financial year 2013 on 19 June 2014.

### 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 2014



Claus-Matthias Böge



Olaf Borkers



## The Shopping Center Share

Following a year-end closing price for 2013 of €31.83, Deutsche EuroShop shares started the new year on an upward trend. Late January brought a slight drop in the share price which reached €30.71 on 4 February 2014, its low for the first six months of the year. After this, the share price stabilised within a corridor between €31.00 and €33.00 and then rose out of this corridor in late March. The share reached €37.84 on 12 June 2014, its high not only for the period but also a new all-time high. The price at the end of the first half of the year was €36.10. Taking into account the dividend of €1.25 per share paid on 19 June 2014, this corresponds to a performance of 17.3% in the first six months of the year. The MDAX gained 1.5% over the same period. Deutsche EuroShop's market capitalisation stood at €1.9 billion on 30 June 2014.

### ROADSHOWS AND CONFERENCES

From April to June, we presented Deutsche EuroShop at roadshows in Hamburg and London, and at conferences in Frankfurt, Hamburg, Amsterdam and Paris, where we also held various individual and group meetings with analysts and representatives of institutional investors. On 9 May 2014, we gave a tour of the Main-Taunus-Zentrum in Sulzbach to a group of international investors.

### ANNUAL GENERAL MEETING

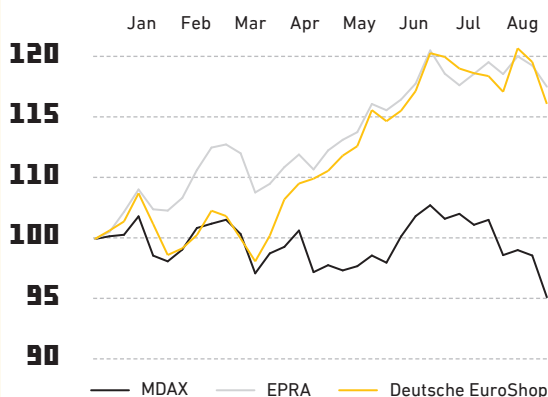
The Annual General Meeting of Deutsche EuroShop was held on 18 June 2014 at the Handwerkskammer Hamburg. Around 230 shareholders attended, representing 60.8% of the share capital. Items on the agenda included the re-election of Thomas Armbrust as a member of the Supervisory Board. Beate Bell and Manuela Better were newly elected to the Supervisory Board following the departures of Dr Michael Gellen and Dr Bernd Thiemann who had each served on the Board for more than 10 years. The Annual General Meeting also decided on the distribution of a dividend of €1.25 per share; as in the previous year, a portion of this (€0.45) was again subject to tax for private shareholders with a residence in Germany. For more detailed information about the Annual General Meeting, please refer to [www.deutsche-euroshop.de/HV](http://www.deutsche-euroshop.de/HV).

### AWARD FOR 2013 ANNUAL REPORT

Our 2013 Annual Report under the theme "Shopping experience of the future – Life doesn't just happen online" was honoured with a high-profile prize: At the "LACP 2013 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 thus ranked among the world's best, coming in at 7th place from among over 1,000 entries.

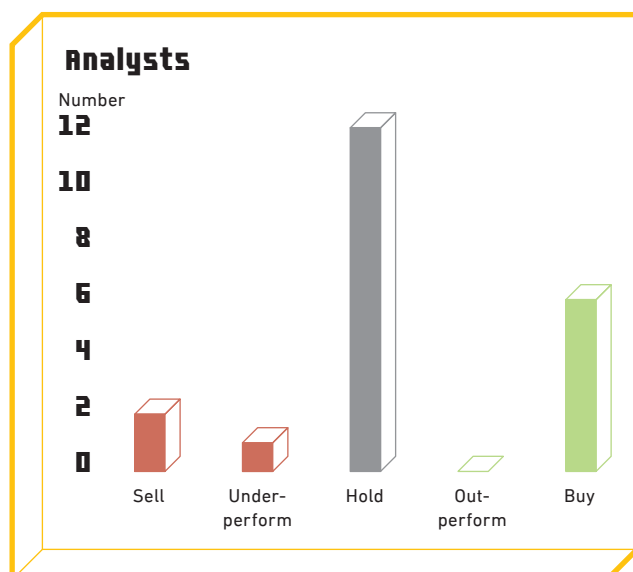
### Deutsche EuroShop vs. MDAX and EPRA

Comparison, January to August 2014 (indexed, base of 100, in %)



## COVERAGE

At present, 21 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 (twelve), with six analysts adopting a positive position and three issuing negative opinions (as at 5 August 2014). Other banks have also announced plans to take up coverage of our company. A list of analysts and current reports can be found at [www.deutsche-euroshop.de/ir](http://www.deutsche-euroshop.de/ir)



## KEY SHARE DATA

Sector / industry group	Financial Services / Real Estate
Share capital on 30 June 2014	€53,945,536.00
Number of shares on 30 June 2014 (no-par value registered shares)	53,945,536
Dividend 2013 (19 June 2014)	€1.25
Share price on 30 December 2013	€31.83
Share price on 30 June 2014	€36.10
Low / high in the period under review	€30.72 / €37.84
Market capitalisation on 30 June 2014	€1.78 billion
Prime Standard	Frankfurt and Xetra Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart
OTC trading	MDAX, EPRA, GPR 250, EPIX 30, MSCI Small Cap, EURO STOXX, STOXX Europe 600, HASPAX, F.A.Z.-Index
Indices	
ISIN	DE 000748 020 4
Ticker symbol	DEQ, Reuters: DEQGn.DE



# Financial calendar 2014

## 12.08. INTERIM REPORT H1 2014

- 11.09. ESN European Conference, Frankfurt
- 17.09. Roadshow Luxembourg, Bankhaus Lampe
- 22.09. Berenberg Bank and Goldman Sachs German Corporate Conference, Munich
- 23.09. Baader Bank Investment Conference, Munich
- 24.09. Supervisory Board meeting, Hamburg
- 30.09. Roadshow London, Berenberg Bank
- 01.10. Societe Generale Real Estate Conference, London
- 06.10. ExpoREAL, Munich

## 13.11. NINE-MONTH REPORT 2014

- 17.11. Roadshow Paris, Deutsche Bank
- 18.11. Roadshow Amsterdam, Kempen & Co.
- 19.11. Roadshow Zurich, Baader Bank
- 26.11. Supervisory Board meeting, Hamburg
- 27.11. Roadshow Dusseldorf / Cologne, DZ Bank
- 01.12.–02.12. Berenberg European Conference, Pennyhill



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

<http://www.deutsche-euroshop.com/ir>



## Investor Relations contact

### PATRICK KISS AND NICOLAS LISSNER

Tel.: +49 (0)40 - 41 35 79 20/-22

Fax: +49 (0)40 - 41 35 79 29

E-Mail: [ir@deutsche-euroshop.de](mailto:ir@deutsche-euroshop.de)

Internet: [www.deutsche-euroshop.com/ir](http://www.deutsche-euroshop.com/ir)



**DES**  
Deutsche EuroShop

### FORWARD-LOOKING STATEMENTS

This Management Report contains forward-looking statements based on estimates of future developments by the Executive Board. The statements and forecasts represent estimates based on all of the information available at the current time. If the assumptions on which these statements and forecasts are based do not materialise, the actual results may differ from those currently being forecast.

### ROUNDING AND RATES OF CHANGE

Percentages and figures stated in this report may be subject to rounding differences. The rates of change are based on economic considerations: improvements are indicated by a plus (+), deterioration by a minus (-).