LETTER FROM THE EXECUTIVE BOARD

DEAR SHAREHOLDERS, DEAR READERS,

For Deutsche EuroShop, the first six months of 2019 were in line with expectations and stable in terms of operations. Like-for-like revenue grew 0.3%, from €111.6 million to €111.9 million. At €100.4 million, net operating income (NOI) was practically on a par with the previous year, while earnings before interest and taxes (EBIT) improved to €98.2 million.

Including the positive non-recurring effects from tax refunds for previous years reported in the first quarter of 2019, which we expect in connection with a current ruling by the Grand Senate of the Federal Finance Court (BFH), earnings before taxes and measurement gains/losses (EBT excluding measurement gains/losses) rose by 3.8% to €81.9 million in the first half of the year (excluding non-recurring effects +0.4%). For this reason, consolidated profit also increased significantly by 19.8% to €66.2 million (excluding non-recurring effects +2.2%), and EPRA earnings also rose by 14.5% to € 84.3 million (excluding non-recurring effects +1.3%). Funds from operations (FFO) adjusted for measurement gains/losses and non-recurring effects were €0.5 million down on the first half of the previous year at €75.0 million (-0.7%), which equates to FFO per share of €1.21.

We paid a dividend of €92.7 million or €1.50 per share on 17 June 2019 for financial year 2018. As the first six months of the year have been positive and have gone according to plan, we confirm our forecast for the year as a whole. We plan to pay a dividend of €1.55 per share for financial year 2019, five cents higher than for the previous year, and intend to raise this even further to €1.60 per share for 2020, as we already communicated at the end of April.

Hamburg, August 2019

Wilhelm Wellner   Olaf Borkers

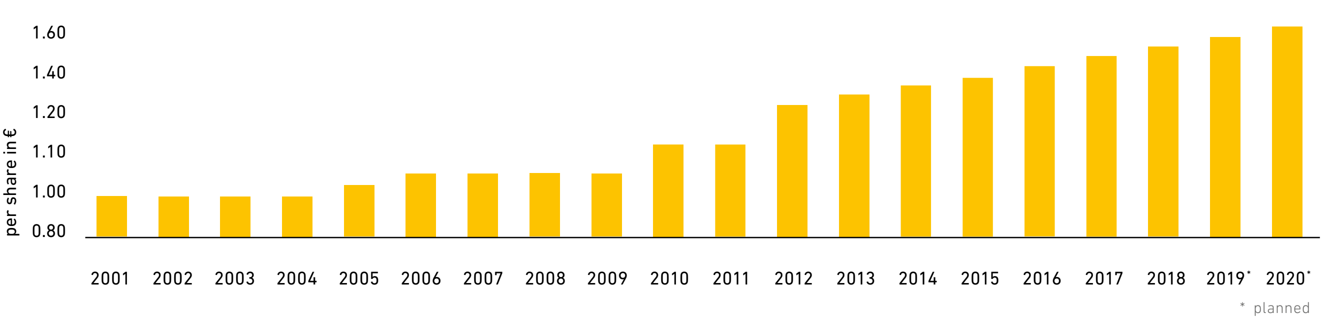
KEY CONSOLIDATED FIGURES

in € million	01.01.– 30.06.2019	01.01.– 30.06.2018	+/-
Revenue	111.9	111.6	0.3%
Net operating income (NOI)	100.4	100.5	-0.1%
EBIT	98.2	98.0	0.2%
EBT (excluding measurement gains/losses[1])	81.9	78.9	3.8%
EPRA[2] earnings[5]	84.3	73.6	14.5%
FFO	75.0	75.5	-0.7%
Consolidated profit	66.2	55.3	19.8%
in €	**01.01.– 30.06.2019**	**01.01.– 30.06.2018**	**+/-**
EPRA[2] earnings per share[5]	1.37	1.19	15.1%
FFO per share	1.21	1.22	-0.8%
Earnings per share	1.07	0.89	20.2%
Weighted number of no-par-value shares issued	61,783,594	61,783,594	0.0%
in € million	**30.06.2019**	**31.12.2018**	**+/-**
Equity[3]	2,545.6	2,573.4	-1.1%
Liabilities	2,046.7	2,036.8	0.5%
Total assets	4,592.3	4,610.2	-0.4%
Equity ratio in %[3]	55.4	55.8	
LTV ratio in %[4]	32.3	31.8	
Cash and cash equivalents	88.0	116.3	-24.4%

[1] Including the share attributable to equity-accounted joint ventures and associates
[2] European Public Real Estate Association
[3] Incl. third-party interests in equity
[4] Loan-to-value ratio (LTV ratio): ratio of net financial liabilities (financial liabilities less cash and cash equivalents) to non-current assets (investment properties and investments accounted for using the equity method)
[5] EPRA earnings include a one-off tax refund in the period under review, including interest accrued for previous years. Without this tax refund, EPRA earnings would total €74.5 million (+1.3%) million or €1.21 per share.

DEUTSCHE EUROSHOP'S DIVIDEND PAYMENTS

for the fiscal year



BASIC INFORMATION ABOUT THE GROUP

GROUP BUSINESS MODEL

Deutsche EuroShop is an Aktiengesellschaft (public company) under German law. The Company's registered office is in Hamburg. Deutsche EuroShop is the only public company in Germany to invest solely in shopping centers in prime locations. A total of 21 shopping centers in Germany, Austria, Poland, Hungary and the Czech Republic are held in the real estate portfolio. The Group generates its reported revenue from rental income on the space it lets in the shopping centers.

The shopping centers are held by independent companies, with Deutsche EuroShop holding stakes of 100% in twelve of them and between 50% and 75% in the other nine. The operational management of the shopping centers is contracted out to external service providers under agency agreements.

The Group managing company is Deutsche EuroShop AG. It is responsible for corporate strategy, portfolio and risk management, financing and communication. The Deutsche EuroShop Group has a central structure and lean personnel organisation.

The share capital amounted to €61,783,594 on 30 June 2019 and was composed of 61,783,594 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. A key investment target is the generation of high surplus liquidity from long-term leases in shopping centers, much of which is paid out to shareholders in the form of an annual dividend. To this end, 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 rents ensure that high earnings targets are achieved.

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 from a balanced mix of sources, and borrowing may not account for more than 55% of financing across the Group 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 and with its rules of procedure. 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, EBIT (earnings before interest and taxes), EBT (earnings before taxes) excluding measurement gains/losses and FFO (funds from operations).

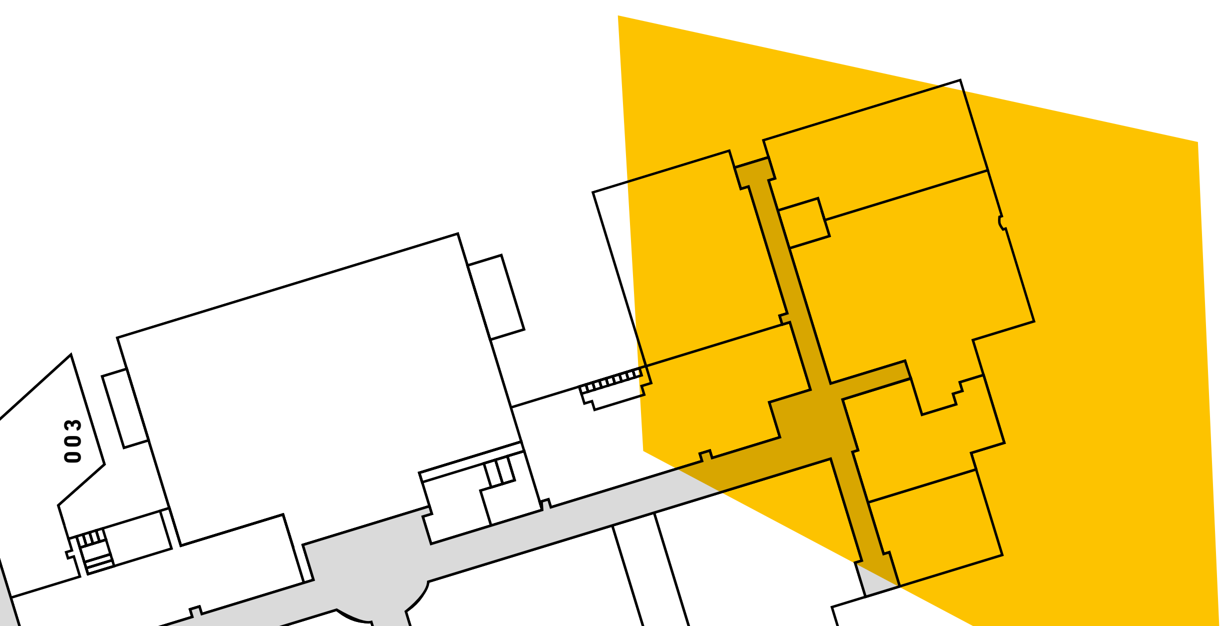
ECONOMIC REVIEW

MACROECONOMIC AND SECTOR-SPECIFIC CONDITIONS

Employment in Germany continued to pick up in the first half of 2019 despite cyclical weakening and limited momentum. The unemployment rate at the end of July 2019 stood at 5.0%. Rising employment, increasing salaries and fiscal relief at the start of the year have fuelled significant growth in household income and are maintaining private consumption at a high level. According to the Federal Statistical Office, German retail sales (including online spending) rose by 2.2% year-on-year in real terms in the first six months of 2019. Online retail continued to make a significant contribution towards growth in this context. In contrast, brick-and-mortar retail operations recorded a markedly slower rate of growth and also drops in revenue in some segments.

RESULTS OF OPERATIONS

in € thousand		01.01.–30.06.2019		01.01.–30.06.2018	Change +/-	Change in %
Revenue		111,884		111,585	299	0.3
Operating and administrative costs for property		-11,471		-11,117	-354	-3.2
NOI		**100,413**		**100,468**	**-55**	**-0.1**
Other operating income		712		541	171	31.6
Other operating expenses		-2,920		-2,993	73	2.4
EBIT		**98,205**		**98,016**	**189**	**0.2**
At-equity profit/loss	*14,092*		*14,331*			
Measurement gains/losses (at equity)	*1,248*		*702*			
Deferred taxes (at equity)	*93*		*77*			
At-equity (operating) profit/loss		15,433		15,110	323	2.1
Interest expense		-25,132		-26,583	1,451	5.5
Profit/loss attributable to limited partners		-9,320		-9,191	-129	-1.4
Other financial gains or losses		2,687		1,508	1,179	78.2
Financial gains or losses (excl. measurement gains/losses)		**-16,332**		**-19,156**	**2,824**	**14.7**
EBT (excl. measurement gains/losses)		**81,873**		**78,860**	**3,013**	**3.8**
Measurement gains/losses	*-7,143*		*-8,933*			
Measurement gains/losses (at equity)	*-1,248*		*-702*			
Measurement gains/losses (including at-equity profit/loss)		-8,391		-9,635	1,244	12.9
Income taxes		2,942		-3,408	6,350	186.3
Deferred taxes	*-10,095*		*-10,470*			
Deferred taxes (at equity)	*-93*		*-77*			
Deferred taxes (including at equity)		-10,188		-10,547	359	3.4
CONSOLIDATED PROFIT		**66,236**		**55,270**	**10,966**	**19.8**



Revenue slightly up on the previous year

Revenue rose slightly in the reporting period by 0.3% to €111.9 million, thus meeting our expectations.

Operating and administrative costs for property on target

Center operational costs in the reporting period, comprising mainly center management fees, non-allocable ancillary costs, maintenance and write-downs of rent receivables, rose by a moderate €0.4 million to €11.5 million. The reason for this was higher write-downs of rent receivables. The cost ratio for the half-year was 10.3% and is thus in line with the budget.

Other operating income and expenses

Other operating income, stemming primarily from the reversal of provisions and income from rental receivables written down in previous years, amounted to €0.7 million and was therefore slightly higher than in the previous year. Other operating expenses, which mainly comprise general administrative costs and personnel costs, were practically the same year-on-year at €2.9 million.

EBIT on the up

Earnings before interest and taxes (EBIT) at €98.2 million were slightly above the figure for the previous year (€98.0 million), largely due to the rise in revenue and other operating income.

Improved financial gains or losses due to interest savings and one-off interest income

Financial gains or losses (excluding measurement gains/losses) improved by €2.9 million from €-19.2 million to €-16.3 million. The at-equity profit recognised in financial gains or losses, at €15.4 million, was €0.3 million above the prior-year level. The interest expense of the Group companies declined by €1.5 million in total due to scheduled repayments and more favourable refinancing for the Altmarkt-Galerie Dresden.

Other financial gains or losses of €2.7 million are largely attributable to the interest refund for an anticipated trade tax reimbursement, which we expect to receive over the course of 2019. We already reported on the background to this in the first quarter and refer to our comments in section "38. Events after the reporting date" on page 172 of our Annual Report 2018.

EBT (excluding measurement gains/losses) up

The growth in EBIT, the interest savings for the ongoing financing as well as the one-off interest refund led to an increase in EBT (excluding measurement gains/losses) from €78.9 million to €81.9 million (+3.8%).

Measurement gains/losses influenced by modernisation investments

The measurement loss of €-8.4 million (previous year: €-9.6 million) includes investment costs incurred by our portfolio properties (including the at-equity share) mainly in relation with our "At Your Service" and "Mall Beautification" investment programmes. In the first half of 2019, the main measures were implemented in the Rhein-Neckar-Zentrum Viernheim, the Herold-Center Norderstedt and the Billstedt-Center Hamburg.

Income taxes

Taxes on income and earnings amounted to €2.9 million (previous year: €-3.4 million) and include the expected trade tax reimbursement of €7.1 million as well as the €4.2 million in taxes to be paid (previous year: €3.4 million). Deferred taxes resulting mainly from the amortisation of the tax balance sheet for our real estate assets totalled €10.2 million (previous year: €10.6 million).

EPRA earnings and consolidated profit significantly higher

EPRA earnings, which exclude measurement gains/losses, were significantly boosted by the trade tax reimbursement, including accrued interest income of €9.8 million. EPRA earnings thus increased from €73.6 million to €84.3 million or from €1.19 to €1.37 per share. Even without this one-off effect, EPRA earnings would have increased to €74.5 million or €1.21 per share.

At €66.2 million, consolidated profit was €10.9 million higher than the previous year (€55.3 million) and earnings per share increased from €0.89 to €1.07.

EPRA EARNINGS

	01.01.–30.06.2019		01.01.–30.06.2018	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	66,236	1.07	55,270	0.89
Measurement gains/losses investment properties[1]	8,391	0.14	9,635	0.16
Measurement gains/losses derivative financial instruments[1]	-141	0.00	-1,668	-0.03
Deferred tax adjustments pursuant to EPRA[2]	9,820	0.16	10,335	0.17
EPRA earnings[3]	**84,306**	**1.37**	**73,572**	**1.19**
Weighted number of no-par-value shares issued		61,783,594		61,783,594

[1] Including the share attributable to equity-accounted joint ventures and associates

[2] Affects deferred taxes on investment properties and derivative financial instruments

[3] EPRA earnings include a one-off tax refund in the period under review, including interest accrued for previous years. Without this tax refund, EPRA earnings would total €74.5 million (+1.3%) million or €1.21 per share.

Development of funds from operations (FFO)

Funds from operations (FFO) are used to finance our ongoing investments in portfolio properties, scheduled repayments on our long-term bank loans and the distribution of dividends. Major non-recurring effects that are not part of Group operations are eliminated. FFO fell slightly from €75.5 million to €75.0 million, i.e. a €0.01 decline to €1.21 per share. This was due to an increase in tax payments of €0.8 million.

FUNDS FROM OPERATIONS

	01.01.–30.06.2019		01.01.–30.06.2018	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	66,236	1.07	55,270	0.89
Measurement gains/losses investment properties[1]	8,391	0.14	9,635	0.16
Tax refund for previous years	-9,770	-0.16	0	0.00
Deferred taxes[1]	10,188	0.16	10,547	0.17
FFO	**75,045**	**1.21**	**75,452**	**1.22**
Weighted number of no-par-value shares issued		61,783,594		61,783,594

[1] Including the share attributable to equity-accounted joint ventures and associates

FINANCIAL POSITION AND NET ASSETS

Net assets and liquidity

The Deutsche EuroShop Group's total assets decreased by €17.9 million to €4,592.3 million compared with the last reporting date. In particular, cash and cash equivalents declined by €28.4 million following the payment of the dividend for the 2018 financial year in June 2019.

Equity ratio of 55.4%

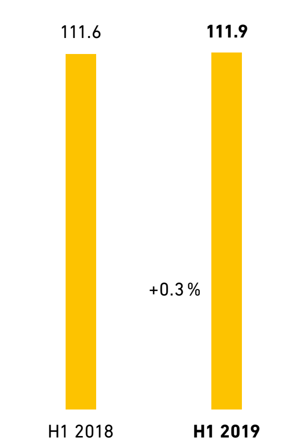
The equity ratio (including the shares of third-party shareholders) was 55.4%, slightly down compared to the last reporting date (55.8%) and still at a very healthy level.

Liabilities

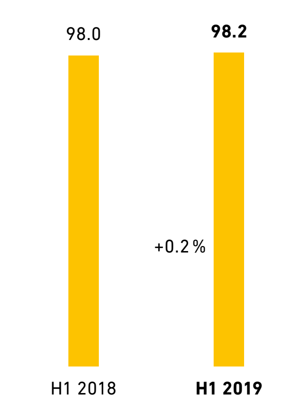
As at 30 June 2019, current and non-current financial liabilities stood at €1,518.4 million, which was €4.0 million lower than at the end of 2018. The scheduled repayments were offset by the extra €2.5 million loan to finance investment measures as well as repayment and interest obligations, which were not collected by the banks until after the reporting date.

Non-current deferred tax liabilities increased by €9.6 million to €462.2 million due to further additions. Redemption entitlements for third-party shareholders were virtually unchanged at € 344.1 million. Other current and non-current liabilities and provisions increased by €4.4 million.

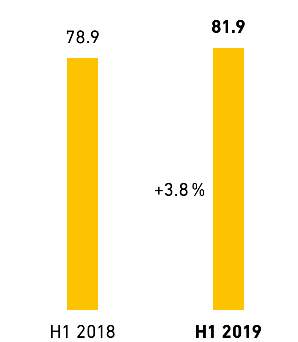
REVENUE
in € million



EBIT
in € million

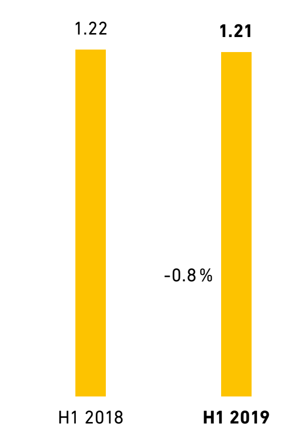


EBT *
in € million



* excluding measurement gains / losses

FFO PER SHARE
in €



REPORT ON EVENTS AFTER THE REPORTING DATE

No significant events occurred between the reporting date of 30 June 2019 and the date of preparation of the financial statements.

OUTLOOK

ECONOMIC CONDITIONS

In the second half of 2019, German economic growth will continue to be driven primarily by private consumption. At the same time, the global economy is increasingly losing momentum, and the contribution made by foreign demand to economic growth consequently declining.

There are still major uncertainties outside of Germany. For example, the smouldering international trade conflicts have not yet been resolved, and the outcome of Brexit remains uncertain. According to the GfK market research institute, a small deterioration in consumers' economic expectations is already evident. In contrast to this, income expectations have not changed and remain positive thanks to a labour market that remains robust. The GfK therefore reaffirms its forecast and expects a real increase in consumer spending in Germany of 1.5%. In terms of revenues in the bricks-and-mortar retail trade, the GfK anticipates real growth of 0.8% in Germany, 1.7% in Austria, 3.9% in Poland, 3.4% in the Czech Republic and 3.3% in Hungary.

In light of the largely stable economic conditions in our core market of Germany, we remain cautiously optimistic and expect that Deutsche EuroShop's business will continue to perform according to plan this year.

EXPECTED RESULTS OF OPERATIONS AND FINANCIAL POSITION

Following a performance in the first half in line with projections, we can reaffirm our forecast for financial year 2019:

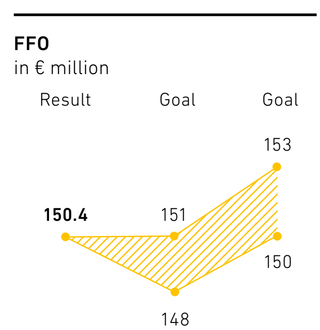
- revenue of between €222 million and €226 million
- earnings before interest and taxes (EBIT) of between €194 million and €198 million
- earnings before taxes (EBT) excluding measurement gains/losses of between €159 million and €162 million
- funds from operations (FFO) of between €148 million and €151 million or between €2.40 and €2.44 per share

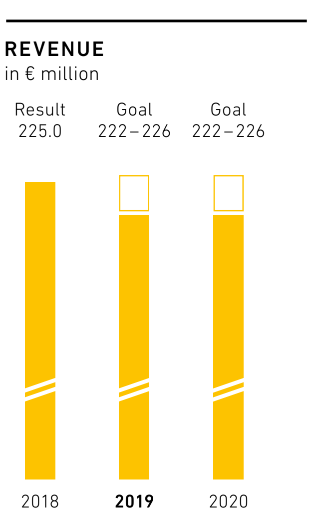
DIVIDEND FOR 2019

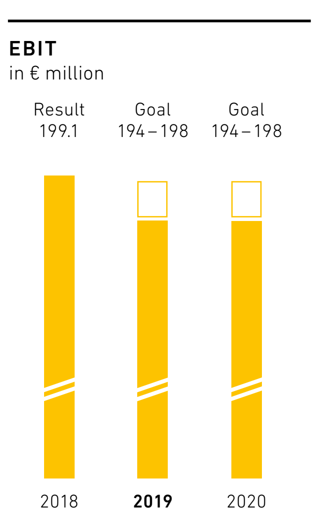
We intend to distribute a dividend of €1.55 per share to our shareholders for 2019.

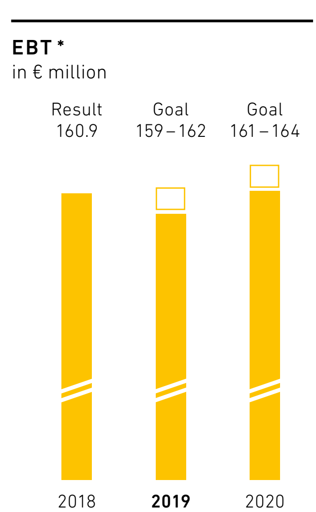
RISK REPORT

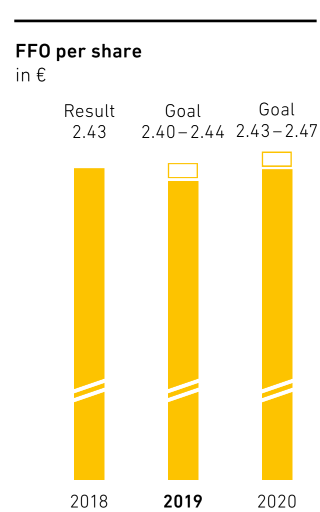
There have been no significant changes since the beginning of the financial year with regard to the risks associated with future business development. We do not believe that the Company currently faces any risks capable of jeopardising its continued existence. The information provided in the risk report of the consolidated financial statements as at 31 December 2018 is therefore still applicable (2018 Annual Report, pg. 128 ff.).











* excluding measurement gains / losses

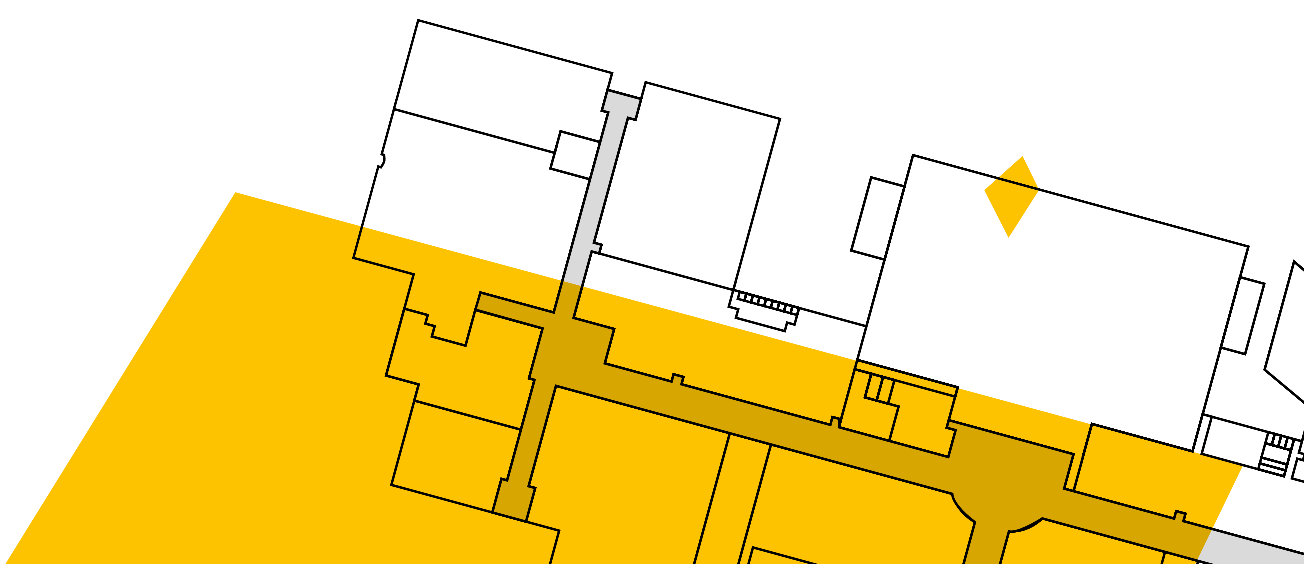
CONSOLIDATED BALANCE SHEET

ASSETS

in € thousand	30.06.2019	31.12.2018
ASSETS		
Non-current assets		
Intangible assets	53,754	53,736
Property, plant and equipment	450	213
Investment properties	3,891,700	3,891,700
Investments accounted for using the equity method	532,032	531,044
Other financial assets	31	31
Non-current assets	**4,477,967**	**4,476,724**
Current assets		
Trade receivables	4,951	6,643
Other current assets	21,469	10,526
Cash and cash equivalents	87,953	116,335
Current assets	**114,373**	**133,504**
TOTAL ASSETS	**4,592,340**	**4,610,228**

LIABILITIES

in € thousand	30.06.2019	31.12.2018
EQUITY AND LIABILITIES		
Equity and reserves		
Issued capital	61,784	61,784
Capital reserves	1,217,560	1,217,560
Retained earnings	922,175	950,404
Total equity	**2,201,519**	**2,229,748**
Non-current liabilities		
Financial liabilities	1,489,760	1,496,313
Deferred tax liabilities	462,199	452,642
Right to redeem of limited partners	344,088	343,648
Other liabilities	36,303	34,297
Non-current liabilities	**2,332,350**	**2,326,900**
Current liabilities		
Financial liabilities	28,594	26,080
Trade payables	3,421	3,543
Tax liabilities	3,323	2,384
Other provisions	8,037	7,413
Other liabilities	15,096	14,160
Current liabilities	**58,471**	**53,580**
TOTAL EQUITY AND LIABILITIES	**4,592,340**	**4,610,228**

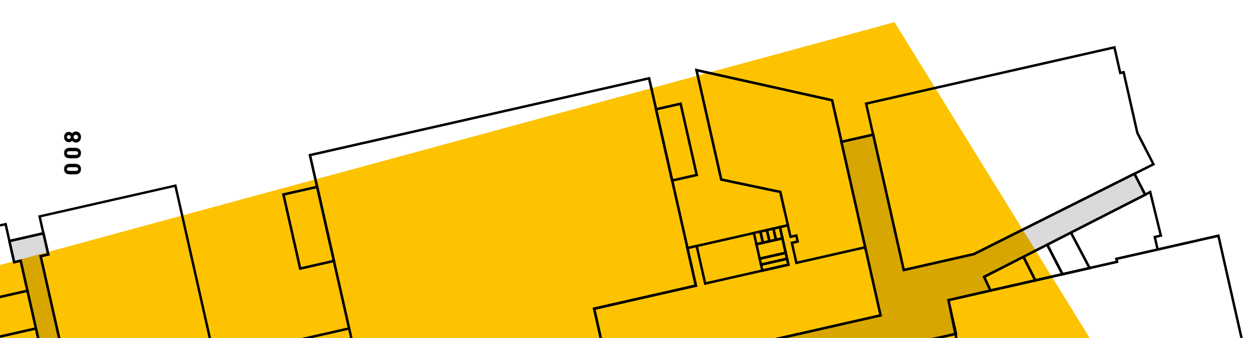


CONSOLIDATED INCOME STATEMENT

in € thousand	01.04.– 30.06.2019	01.04.– 30.06.2018	01.01.– 30.06.2019	01.01.– 30.06.2018
Revenue	55,650	55,541	111,884	111,585
Property operating costs	-2,965	-2,647	-5,922	-5,937
Property management costs	-2,900	-2,532	-5,549	-5,180
Net operating income (NOI)	**49,785**	**50,362**	**100,413**	**100,468**
Other operating income	561	285	712	541
Other operating expenses	-1,429	-1,614	-2,920	-2,993
Earnings before interest and taxes (EBIT)	**48,917**	**49,033**	**98,205**	**98,016**
Share in the profit or loss of associated companies and joint ventures accounted for using the equity method	7,119	6,824	14,092	14,331
Interest expense	-12,602	-13,290	-25,132	-26,583
Profit/loss attributable to limited partners	-4,676	-4,658	-9,320	-9,191
Other financial income and expenditure	0	756	0	1,496
Interest income	111	7	2,687	12
Financial gains or losses	**-10,048**	**-10,361**	**-17,673**	**-19,935**
Measurement gains/losses	**-5,226**	**-7,761**	**-7,143**	**-8,933**
Earnings before tax (EBT)	**33,643**	**30,911**	**73,389**	**69,148**
Income taxes	-6,812	-6,004	-7,153	-13,878
CONSOLIDATED PROFIT	**26,831**	**24,907**	**66,236**	**55,270**
Earnings per share (€), undiluted and diluted	0.43	0.40	1.07	0.89

STATEMENT OF COMPREHENSIVE INCOME

in € thousand	01.04.– 30.06.2019	01.04.– 30.06.2018	01.01.- 30.06.2019	01.01.- 30.06.2018
Consolidated profit	**26,831**	**24,907**	**66,236**	**55,270**
Items which under certain conditions in the future will be reclassified to the income statement:				
Actual share of the profits and losses from instruments used to hedge cash flows	-829	-95	-2,330	1,620
Deferred taxes on changes in value offset directly against equity	196	28	540	-345
Total earnings recognised directly in equity	**-633**	**-67**	**-1,790**	**1,275**
TOTAL PROFIT	**26,198**	**24,840**	**64,446**	**56,545**
Share of Group shareholders	26,198	24,840	64,446	56,545



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € thousand	Number of shares outstanding	Share capital	Capital reserves	Other retained earnings	Statutory reserve	Cash flow hedge reserve	**Total**
01.01.2018	**61,783,594**	**61,784**	**1,217,560**	**984,675**	**2,000**	**-28,643**	**2,237,376**
Total profit		0	0	55,270	0	1,275	56,545
Dividend payments		0	0	-89,586	0	0	-89,586
30.06.2018	**61,783,594**	**61,784**	**1,217,560**	**950,359**	**2,000**	**-27,368**	**2,204,335**
01.01.2019	**61,783,594**	**61,784**	**1,217,560**	**974,484**	**2,000**	**-26,080**	**2,229,748**
Total profit		0	0	66,236	0	-1,790	64,446
Dividend payments		0	0	-92,675	0	0	-92,675
30.06.2019	**61,783,594**	**61,784**	**1,217,560**	**948,045**	**2,000**	**-27,870**	**2,201,519**

CONSOLIDATED CASH FLOW STATEMENT

in € thousand	**01.01.–30.06.2019**	**01.01.–30.06.2018**
Consolidated profit	**66,236**	**55,270**
Income taxes	7,153	13,878
Financial gains or losses	17,673	19,935
Amortisation/depreciation of intangible assets and property, plant and equipment with a finite life	89	28
Unrealised changes in fair value of investment property and other measurement gains/losses	7,143	8,933
Distributions and capital repayments received	13,104	13,117
Changes in trade receivables and other assets	519	3,981
Changes in current provisions	624	844
Changes in liabilities	167	-2,046
Cash flow from operating activities	**112,708**	**113,940**
Interest paid	-25,132	-26,583
Interest received	7	12
Income taxes paid	-3,209	-3,869
Net cash flow from operating activities	**84,374**	**83,500**
Outflows for the acquisition of investment properties	-7,239	-5,128
Outflows for the acquisition of intangible assets and property, plant and equipment	-19	-25
Cash flow from investing activities	**-7,258**	**-5,153**
Inflows from financial liabilities	2,500	0
Outflows from the repayment of financial liabilities	-6,539	-8,573
Payments to limited partners	-8,784	-8,065
Payments to Group shareholders	-92,675	0
Cash flow from financing activities	**-105,498**	**-16,638**
Net change in cash and cash equivalents	**-28,382**	**61,709**
Cash and cash equivalents at beginning of period	**116,335**	**106,579**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**87,953**	**168,288**

DISCLOSURES

REPORTING PRINCIPLES

These interim financial statements of the Deutsche EuroShop Group as at 30 June 2019 have been prepared in compliance with IAS 34 (Interim Financial Reporting) in an abridged form. The abridged interim financial statements are to be read in conjunction with the consolidated financial statements as at 31 December 2018.

The interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as they must be applied in the EU. The accounting policies applied correspond to those used in the last consolidated financial statements as at the end of the financial year, with the exception of the changes from IFRS 16 listed below. For a detailed description of the methods applied, please refer to the notes to our consolidated financial statements for 2018 (2018 Annual Report, pg. 152 ff.).

The new accounting standards and interpretations for which application became compulsory on 1 January 2019 were observed and had the following impacts on the presentation of the financial statements:

IFRS 16 – Leases

The new IFRS 16 replaces IAS 17 and essentially stipulates that lessees must recognise the assets and liabilities arising from their leases in their balance sheets. Lessees are thus required to recognise lease liabilities for future lease payment obligations in their balance sheets for all leases. At the same time, lessees must capitalise the right to use the underlying asset, generally at the present value of the future lease payments plus any directly attributable costs. During the term of the lease, the lease liability is carried in accordance with the effective interest rate method, while the right-of-use asset is depreciated according to schedule, which leads to higher expenses at the beginning of a lease.

The Group's main lease liabilities arise from the leasing of office space in Heegbarg 36 in Hamburg and the leasing of cars. As part of the first-time adoption of IFRS 16, right-of-use assets with corresponding lease liabilities amounting to €324,000 were booked as of 1 January 2019. Right-of-use assets and lease liabilities are reported in the consolidated balance sheet under "Property, plant and equipment" or "Other liabilities". In the consolidated income statement for the first half of 2019, depreciation on the right-of-use assets totalling €56,000 is included under other operating expenses, and interest from the compounding of the lease liability amounting to €32,000 is included under interest expense.

The prior-year figures were not adjusted.

DISCLOSURES ON THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED INCOME STATEMENT

Investment properties

Property held as a financial investment (IAS 40) is measured at fair value. In the absence of special events (such as a new acquisition), fair values are determined by an external appraiser on an annual basis as at the 31 December reporting date.

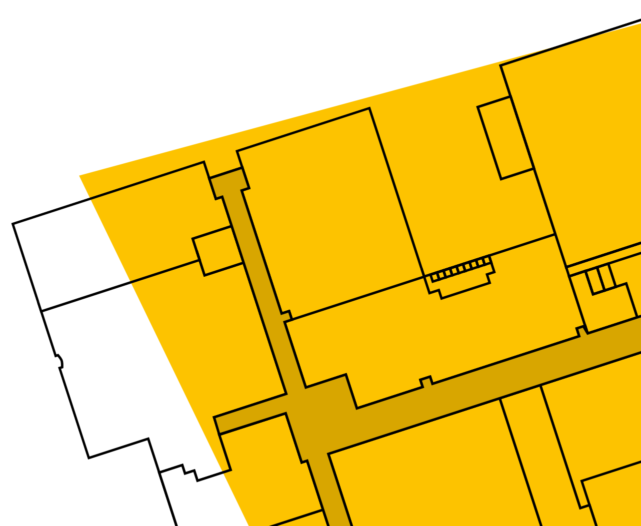
Jones Lang LaSalle GmbH performed this appraisal as at 31 December 2018 using the discounted cash flow method (DCF). The approach used under this method as well as the related valuation parameters are explained in the consolidated financial statements as at 31 December 2018 (2018 Annual Report, pp. 153 and 155 ff.). This is a valuation method from Level 3 of the fair value hierarchy as set out in IFRS 13.

Financial instruments

With the exception of derivative financial instruments and other financial investments measured at fair value, financial assets and liabilities are measured at amortised cost. Due to the predominantly short-term nature of trade receivables, other assets and other liabilities and cash and cash equivalents, the carrying amounts on the reporting date do not deviate significantly from the fair values.

The fair values of financial liabilities measured at amortised cost correspond to the present values of debt-related payments based on current interest rate yield curves (Level 2 in accordance with IFRS 13) and amounted to €1,603.2 million as at 30 June 2019 (31 December 2018: €1,601.0 million).

The derivative financial instruments measured at fair value are interest rate hedges. Here the fair value is equivalent to the cash value of future net payments expected to be received from hedging transactions (Level 2 in accordance with IFRS 13) based on current interest rate yield curves. Liabilities from interest rate hedges totalled €35.9 million as at 30 June 2019 (31 December 2018: €33.5 million).

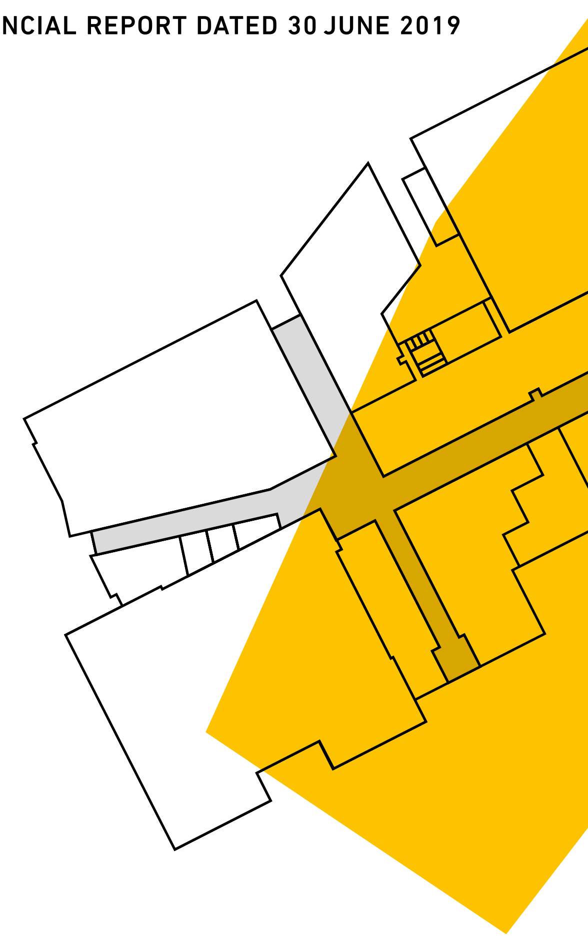


SEGMENT REPORTING

Segment reporting by Deutsche EuroShop AG is carried out on the basis of internal reports that are used by the Executive Board to manage the Group. Internal reports distinguish between shopping centers in Germany ("domestic") and other European countries ("abroad").

As the Group's main decision-making body, the Deutsche EuroShop AG Executive Board first and foremost assesses the performance of the segments based on revenue, EBIT and EBT excluding measurement gains/losses. The measurement principles for segment reporting correspond to those of the Group.

In order to assess the contribution of the segments to the individual performance indicators as well as to the Group's success, the income, expenditure, assets and liabilities of the joint ventures are included in internal reporting in proportion to the Group's share therein. Similarly, for subsidiaries in which the Group is not the sole shareholder, income, expenditure, assets and liabilities are likewise only consolidated proportionately according to the corresponding Group share. This results in the segments being divided as follows:



BREAKDOWN BY SEGMENT

in € thousand	Domestic	Abroad	Total	Reconciliation	01,01.–30.06.2019
Revenue (01.01.–30.06.2018)	**97,449** (97,201)	**21,670** (21,290)	**119,119** (118,491)	**-7,235** (-6,906)	**111,884** (111,585)
EBIT (01.01.–30.06.2018)	**85,741** (85,697)	**20,507** (19,927)	**106,248** (105,624)	**-8,043** (-7,608)	**98,205** (98,016)
EBT excl. measurement gains/losses (01.01.–30.06.2018)	**64,355** (64,347)	**16,972** (16,386)	**81,327** (80,732)	**546** (-1,872)	**81,873** (78,860)
					30.06.2019
Segment assets (31.12.2018)	**3,406,127** (3,397,969)	**767,588** (771,629)	**4,173,715** (4,169,598)	**418,625** (440,630)	**4,592,340** (4,610,228)
of which investment properties (31.12.2018)	**3,346,684** (3,346,684)	**741,558** (741,558)	**4,088,242** (4,088,242)	**-196,542** (-196,542)	**3,891,700** (3,891,700)

The adjustment of the proportionate consolidation of the joint ventures and subsidiaries in which the Group does not own a 100% stake is carried out in the reconciliation column. Deferred tax liabilities are considered by the Executive Board of Deutsche EuroShop AG in a cross-segment manner and are therefore included in the reconciliation column of the segment liabilities. Accordingly, the goodwill from the acquisition of Olympia Brno was allocated to the reconciliation column of the segment assets. The reconciliation column also contains the companies which are not allocated to either of the two segments (Deutsche EuroShop AG, DES Management GmbH).

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

RELATED PARTIES FOR THE PURPOSES OF IAS 24

With regard to disclosures related to related parties, please refer to the consolidated financial statements as at 31 December 2018 (2018 Annual Report, p. 169), which did not undergo any material changes up to 30 June 2019.

OTHER DISCLOSURES

Dividend

On 12 June 2019, distribution of a dividend of €1.50 per share that was paid out on 17 June 2019 was approved for financial year 2018.

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, 15 August 2019

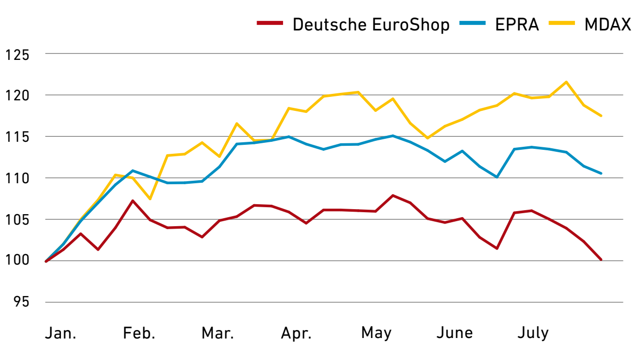
Wilhelm Wellner   Olaf Borkers

THE SHOPPING CENTER SHARE

Following a year-end closing price for 2018 of €25.34, Deutsche EuroShop shares started the new year on a slight uptrend despite the persistently difficult global market environment for shopping center shares and then hovered initially between €26.00 and €27.40. On 21 May 2019, the share closed on Xetra at €27.44, its highest level in the first six months of the year. This was followed by a negative trend due to the dividend payout. The lowest level of €24.00 was reached on 27 June 2019. The closing price on 28 June 2019 was €24.30. Taking into account the dividend of €1.50 paid on 17 June 2019, this corresponds to a performance of +1.6%. The MDAX rose by 18.7% over the same period. Deutsche EuroShop's market capitalisation stood at €1.50 billion at the end of the first half-year of 2019.*

DEUTSCHE EUROSHOP VS. MDAX AND EPRA COMPARISON, JANUARY TO AUGUST 2019

indexed, base of 100, in %



KEY SHARE DATA

Sector/industry group	Financial services/real estate
Share capital as at 30.06.2019	€61,783,594.00
Number of shares as at 30.06.2019 (no-par-value registered shares)	61,783,594
Dividend for 2018 (paid on 17.06.2019)	€1.50
Share price on 28.12.2018*	€25.34
Share price on 28.06.2019*	€24.30
Low/high for the period under review*	€24.00/€27.44
Market capitalisation on 28.06.2018*	€1.50 billion
Prime Standard	Frankfurt and Xetra
OTC markets	Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart
Indices	MDAX, EPRA, GPR 250, EPIX 30, MSCI Small Cap, HASPAX, F.A.Z.-Index
ISIN	DE 000748 020 4
Ticker symbol	DEQ, Reuters: DEQGn.DE

* Unless otherwise specified, all information and calculations are based on Xetra closing prices.

FINANCIAL CALENDAR 2019

15.08.	**Half-year Financial Report 2019**
22.08.	Montega Hamburg Investment Day, Hamburg
29.08.	Commerzbank Sector Conference, Frankfurt
05.09. – 06.09.	Deutsche EuroShop Real Estate Summer, Frankfurt
20.09.	Societe Generale Pan European Real Estate Conference, London
23.09.	Goldman Sachs & Berenberg German Conference, Munich
26.09.	Baader Investment Conference, Munich
28.10. – 29.10.	Tel Aviv Roadshow, Smartteam
13.11.	**Quarterly statement 9M 2019**
18.11.	DZ Bank Equity Conference, Frankfurt
21.11.	Paris Roadshow, M. M. Warburg

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

WOULD YOU LIKE ADDITIONAL INFORMATION?

Then visit us online or call us:

Patrick Kiss and **Nicolas Lissner**
Phone: +49 (0)40 - 41 35 79 20 / -22
Fax: +49 (0)40 - 41 35 79 29

www.deutsche-euroshop.de / ir
E-Mail: ir@deutsche-euroshop.de

Forward-looking statements

This quarterly statement 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 (-).