

Convenience Translation – the German version is the only legally binding version

**Joint Declaration by the Executive Board and the Supervisory Board
of Deutsche EuroShop AG
With Regard to the Recommendations of the Government Commission
'German Corporate Governance Code', in accordance with section 161 of the
German Public Limited Companies Act (*Aktiengesetz* – "AktG")**

The Executive Board and the Supervisory Board of Deutsche EuroShop AG declare that the Company has complied with, and will continue to comply with, the recommendations of the Government commission 'German Corporate Governance Code' (as published by the German Federal Ministry of Justice in the official section of the electronic Federal Gazette (*Bundesanzeiger*) on 4 July 2003, and as amended on 6 June 2008), subject to a limited number of exceptions, as indicated below:

1. Deutsche EuroShop AG does not broadcast the Annual General Meeting via modern communications media, such as the internet. (Section 2.3.4 of the Code)

The Company has decided not to broadcast the Annual General Meeting via modern communications media, taking into account the need for confidentiality expressed by numerous shareholders, as well as the low demand that is expected (due to the size of the Company and the number of shareholders) in relation to the costs involved.

2. The existing D&O insurance policy taken out for the members of the Executive Board and the Supervisory Board does not provide for any deductible. (Section 3.8 (2) of the Code)

The Executive Board and the Supervisory Board of Deutsche EuroShop AG have acted in a responsible manner, managing and supervising the Company in line with the principles of creating enterprise value ever since the Company was established, preceding the official introduction of corporate governance guidelines. The Company therefore believes that the agreement of a deductible is not necessary, in particular as this has no effect on the level of the insurance premium.

3. The remuneration of the members of the Executive Board does not include stock options. (Section 4.2.3 (3) of the Code)

The Company's share price performance depends on various factors, which are not necessarily consistent with the Company's actual business performance, or with the personal performance of Executive Board members. As such factors might neutralise the long-term incentive effect of a stock option programme, the Company has not implemented any stock-option programmes or similar securities-based incentive schemes to date.

4. There is no stipulated age limit for a Member of the Executive Board.

(Section 5.1.2 (2) of the Code)

The Supervisory Board believes that professional qualification and skills represent the key criteria for members of the Executive Board. An age limit policy might force the retirement of a qualified and successful Executive Board member.

**5. The Supervisory Board did not establish a nomination committee.
(Section 5.3.3 of the Code)**

The Company's Supervisory Board consists of only six members, all of whom are shareholder representatives. Given the size and the structure of the Supervisory Board, the Executive Committee has assumed the duties of a nomination committee.

**6. There is no stipulated age limit for a Member of the Supervisory Board.
(Section 5.4.1 (1) of the Code)**

The Company believes that professional qualification and skills represent the key criteria for members of the Supervisory Board. An age limit policy would restrict the options available to shareholders in selecting members - and might, in fact, force the retirement of a qualified and successful Supervisory Board member.

7. The remuneration of Supervisory Board members does not take into account the performance of duties as a member of Supervisory Board committees (Section 5.4.7 (1) of the Code) and does not comprise performance-based remuneration components. (Section 5.4.7 (2) of the Code)

The Company believes that a fixed remuneration package for members of the Supervisory Board best reflects the Company's business model. The selection of shopping centres to be acquired and held, plus the quality of long-term leases, represent the key factors determining the Company's long-term success.

8. The consolidated financial statements are published within 120 days of the end of the financial year. (Section 7.1.2 of the Code)

It is important to the Company to publish audited financial statements that have been approved by the Supervisory Board. An earlier publication date is not feasible due to the schedules for the preparation, auditing, and adoption of the financial statements.

Hamburg, 2 December 2008

**The Executive Board and the Supervisory Board
Deutsche EuroShop AG**