

CONSUMPTION IN 2012

TRENDS & INFLUENCES

INVESTOR STUDY

SPOTLIGHT ON PRIVATE INVESTORS

LIGHTED

CUSTOMER SURVEY AT A10 CENTER

SUSTAINABILITY

ECONOMY MEETS ECOLOGY

FROM CLICKS TO BRICKS

WHAT THE FUTURE SHOP WILL LOOK LIKE



Deutsche EuroShop

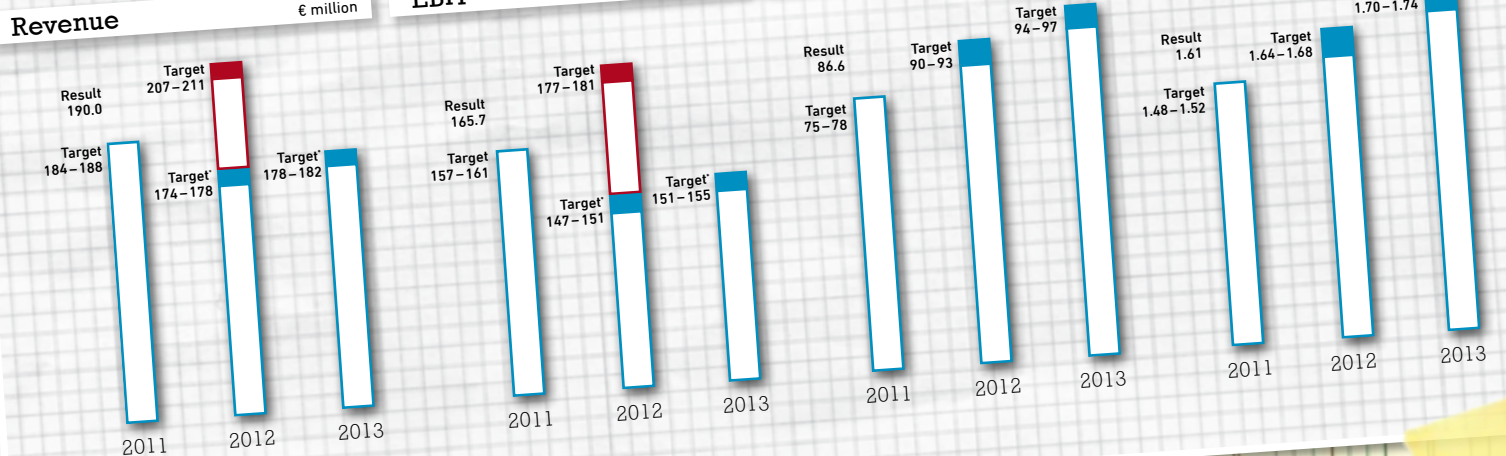
OVERVIEW

Key Data

€ million	2011	2010	Difference
Revenue	190.0	144.2	32%
EBIT	165.7	124.0	34%
Net finance costs	-79.1	-60.2	-31%
Measurement gains/losses	41.9	33.1	26%
EBT	128.4	97.0	32%
Consolidated profit	93.4	-7.8	
FFO per share (€)	1.61	1.35	19%
Earnings per share (€)*	1.81	-0.17	
Equity*	1,473.1	1,441.5	2%
Liabilities	1,752.0	1,522.1	15%
Total assets	3,225.1	2,963.6	9%
Equity ratio (%)*	45.7	48.6	
LTV-ratio (%)	47	47	
Gearing (%)*	119	106	
Cash and cash equivalents	64.4	65.8	-2%
Net asset value (EPRA)	1,427.3	1,361.1	5%
Net asset value per share (€, EPRA)	27.64	26.36	5%
Dividend per share (€)	1.10**	1.10	0%

* incl. non controlling interests

** proposal



* at-equity consolidation

EDITORIAL



Claus-Matthias Böge
CEO

Dear Readers,

For many of you, this annual report is unlikely to come as a big surprise: We always strive to offer you something truly interesting and entertaining rather than dry compulsory reading material. A magazine all about Deutsche EuroShop.

In keeping with this tradition, the following pages contain a colourful blend of information on the topics of shopping and real estate that we put together for your enjoyment. We have compiled everything you need to know about our 2011 financial year in an extra booklet so that, for the first time, our annual report consists of two parts. There is one thing that hasn't changed, however: as always, you can expect a solid outlook for the future..

We would like to express a special word of gratitude to our tenants: They guarantee the success of our shopping centers and have contributed a large number of beautiful advertisements to enhance the visual appeal of this publication. We were happy to provide the pages for this at no charge. The ads stand for the colourful diversity found in our centers which attract several hundred thousand visitors every day.

I would like to warmly invite you to visit our properties and see for yourself. The doors are open, and that is one of the great advantages of our shopping centers – you are always welcome to stop by. And of course we wouldn't have anything against you making a few purchases during your visit.

Of course if you should have any suggestions or questions regarding this report, your feedback is welcome at any time. For the time being, however, I hope that you find this report both enjoyable and informative!

Best regards,

Claus-Matthias Böge
CEO

Val-
Goals

OUR VALUES

We are the only public company in Germany that invests solely in shopping centers in prime locations. We invest only in carefully chosen- properties. High quality standards and a high degree of flexibility are just as important to us as sustained earnings growth from index- and turnover-linked rental contracts. In addition, we boast a higher than average occupancy rate of around 99% and professional center-management – these are the pillars of our success.

OUR GOALS

Deutsche EuroShop does not seek short-term success, but rather the stable increase in the value of our portfolio. Our objective is to generate a sustainably high surplus liquidity from the longterm leasing of our shopping centers to distribute an attractive dividend to our shareholders every year. In order to achieve this, we shall acquire further prime properties and hence establish ourselves as one of the largest companies in Europe focusing on retail properties.

2011

HIGHLIGHTS



January

Increase of the shareholding in Stadt-Galerie Hameln to 100%

March

Opening of the extension of the Altmarkt-Galerie Dresden

April

Opening of the A10 Triangle

June

Annual General Meeting
Distribution of a dividend of €1.05 per share

July

Increase of the shareholding in City-Galerie Wolfsburg to 100%

September

2nd Deutsche EuroShop Real Estate Summer with visits to City-Galerie Wolfsburg, Allee-Center Magdeburg and A10 Center in Wildau

October

Acquisition of 50%-interest in Allee-Center Magdeburg

November

Opening of the north extension of the Main-Taunus-Zentrum

December

Admission to EURO STOXX an STOXX Europe 600
Increase of the shareholdings in Rhein-Neckar-Zentrum, Rathaus-Center Dessau and Allee-Center Hamm to 100%



NIRVANA Ring



SWAROVSKI



TOM TAILOR

2

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INTERVIEW

with the Executive Board



“We plan conservatively and flexibly.”

In 2011, Deutsche EuroShop pursued all three opportunities for growth: new acquisitions, increased shareholdings and center expansions. Business is going according to plan and the earnings are impressive. Yet there were a few unexpected developments, as well. Interview with Claus-Matthias Böge and Olaf Borkers of the Executive Board.



Deutsche EuroShop just keeps growing and growing. Where is this growth coming from?

Claus-Matthias Böge: In principle, there are three ways that we can grow: acquiring new shopping centers, increasing shareholdings and expanding existing, successful centers. Like the previous year, we were able to pursue all three opportunities for growth in 2011. We acquired a stake in Allee-Center Magdeburg, increased our shareholdings in the facilities in Hameln and Wolfsburg to 100% and completed the expansions to Altmarkt-Galerie Dresden, the A10 Center and Main-Taunus-Zentrum.

Olaf Borkers: And with the start of the 2012 financial year, we also increased our shareholdings in the centers in Viernheim, Hamm and Dessau to 100%. These may have been smaller investments, yet all were done with the aim of optimising our portfolio.

Will the shopping center company continue to grow so strongly in the future, as well?

Claus-Matthias Böge: At least that's our goal. But conditions have to be right and the growth has to be profitable. While we don't have a plan in the drawer, there's definitely a list of centers that we'd acquire if the price were right. There's no center that we absolutely have to have, however. Our portfolio is on sound footing and will continue to put a smile on our shareholders' faces for the next few years.

Where do your greatest opportunities lie?

Claus-Matthias Böge: On the German market because of the volume. But we still consider Poland and Austria interesting and we've also already taken a look at Italy. It always depends on the price, though, as well as the future prospects of each individual center.

The market just can't be predicted. But opportunities will always arise for us to grow successfully. Our last three acquisitions were good examples of this. Whether the A10 Center, the Billstedt-Center or Allee-Center Magdeburg: Our flexible, opportunistic approach combined with the ability to conduct these transactions swiftly make us a speedboat on our market.

How was growth in 2011 reflected in the results?

Olaf Borkers: Very satisfactorily. One year ago we planned for revenue of €184–188 million and increased this forecast to €188–190 million after three quarters. In the end we hit €190 million - right at the upper edge of the range. That represents an increase of 32%.

The other results were similar: The earnings before interest and taxes, EBIT for short, were supposed to fall between €157–161 million, in November we boosted the forecast to €160–163 million and in the end we managed a 34% increase to €165.7 million.

Without the unforeseeable impact of the measurement gains and losses, we initially expected the EBT, or the earnings before taxes, to lie around €75–79 million and increased this to €79–82 million. In the end it reached €86.5 million, 35% higher than the previous year.

Lastly, we originally anticipated that funds from operations, or FFO for short, would be around €1.48–1.52 per share. In fall we adjusted our prediction to €1.49–1.54 and in the end this figure settled at €1.61 per share.

Then the question is: Were you too cautious in your predictions?

Claus-Matthias Böge: We plan conservatively and flexibly. Although I wouldn't say that the predictions we made were too cautious. Nevertheless we're happy that lost rent, for instance, which we incorporate into our calculations, hasn't actually been as high as expected in the past few years. We'll stick to this approach. After all, our calculated pessimism could turn out to be right one of these years. We're happy to "err" on this point.

Some figures have popped up in the annual report that Deutsche EuroShop has never used before. What's up with EPRA earnings, EPRA NAV and NNNAV?

Claus-Matthias Böge: We always strive for transparency and like to be compared against our European competitors. These figures will help with that comparison. EPRA stands for European Public Real Estate Association, the association of listed real estate companies in Europe. EPRA has made recommendations on how real estate companies and REITs should calculate and adjust their results so that they can be compared without special items and one-off effects.

EPRA earnings is the real estate-specific result per share. The net asset value or EPRA NAV is equity adjusted for deferred taxes and the present value of swaps. To determine NNNAV on the other hand, also called a triple-net-NAV, the NAV is adjusted for deferred taxes, the present value of swaps and additionally for the difference between the market value of bank loans and overdrafts and their carrying amounts. The result is supposed to approximate the company's liquidation value.

I'm pleased to say that we were able to boost all of the figures: EPRA earnings by 21%, NAV by 4.9% and triple-net NAV by 1.2%.

About valuation: Which centers stood out – both positively and negatively?

Olaf Borkers: Our center in Pécs, Hungary, was devalued by about 7.4%. That came as no surprise to us due to the economic developments in Hungary. It's also the first center in our portfolio with vacant stores, at present some 7% of the retail space without a tenant. In light of that, the devaluation is justified. But we also think that the center will stabilise.

Main-Taunus-Zentrum, City-Galerie Wolfsburg and Galeria Balticka stood out positively with each having increased in value by around €10 million.

Taxes – a complicated topic. Could you explain briefly which changes were made with regard to trade tax?

Claus-Matthias Böge: A practice that has been in use for decades and was recognised by the tax authorities was suddenly, and to the great surprise of most experts, declared inadmissible in a ruling by the German Federal Fiscal Court (BFH).

As an asset management holding company, we're now afraid that we will no longer be able to avail ourselves of the "extended trade tax deduction". In a case concerning a limited company involved in a general partnership, the BFH ruled that the company was not entitled to apply the extended trade tax deduction in connection with its participation in an asset-managing real estate partnership.

Consequently, there's a chance that all of our domestic earnings could also be subject to trade tax. And this concerns past financial years as well as the hidden reserves of non-current domestic assets.

We corrected the 2010 consolidated financial statements and adjusted our forecasts taking the worst case scenario into account. While the whole thing is extremely aggravating, only €2.4 million in tax payments had an impact on cash in 2011. Our dividend is not at risk. This amount will increase over time, however, so we're therefore working hard to find a long-term solution for the problem. That will take some time, though.

How does Deutsche EuroShop look on the financing side?

Olaf Borkers: Very good. Our debt finance terms are fixed at 4.59% for an average period of 6.6 years. Based on the previous year's average of 5.03%, we succeeded in considerably reducing the average interest rate while also improving the maturity and interest rate structure of our bank loans and overdrafts. Existing loans had a significant impact on this with a total residual volume of €304.7 million which we prematurely extended or replaced with new loans. The new loans have an average residual term of 8.6 years at an average interest rate of 4.07%. Previously the figures were a 2.4-year residual term and an average interest rate of 5.42%. That alone reduces our interest expense by nearly €4 million a year.

What can shareholders expect from Deutsche EuroShop in 2012?

Claus-Matthias Böge: Further improvements in performance, a reliable dividend and untroubled sleep. We'll continue to optimise our portfolio and try to bring about profitable growth.

Thank you for talking to us.

Interview: Patrick Kiss





Claus-Matthias Böge

CEO

After successfully qualifying as a bank clerk and completing a business administration degree, Mr. Böge began his professional career in 1987 at the Düsseldorf-based Privatbankhaus Trinkaus & Burkhardt in Mergers & Acquisitions. His work, for which he was made a Prokurist (authorised signatory) in 1989, focused on advising small and medium-sized companies on buying and selling companies and equity interests. In 1990, Mr. Böge was appointed to the management of KST Stahltechnik GmbH, a subsidiary of the Austrian industrial plant construction group VA Technologie AG, where he was responsible for the financial control, personnel, legal, tax and administration departments. In autumn 1993, Mr. Böge moved to ECE Projektmanagement G.m.b.H. & Co. KG in Hamburg, the European market leader for the development, realisation, leasing and long-term management of shopping centers. It was here that he first became fascinated with the world of shopping centers. In addition to a series of management positions at subsidiaries in the ECE group, his work focused on concept planning, financing and ongoing profitability optimisation of property investments. Mr. Böge joined the Executive Board of Deutsche EuroShop AG in October 2001. He is married and has two children.

Olaf Borkers

CFO

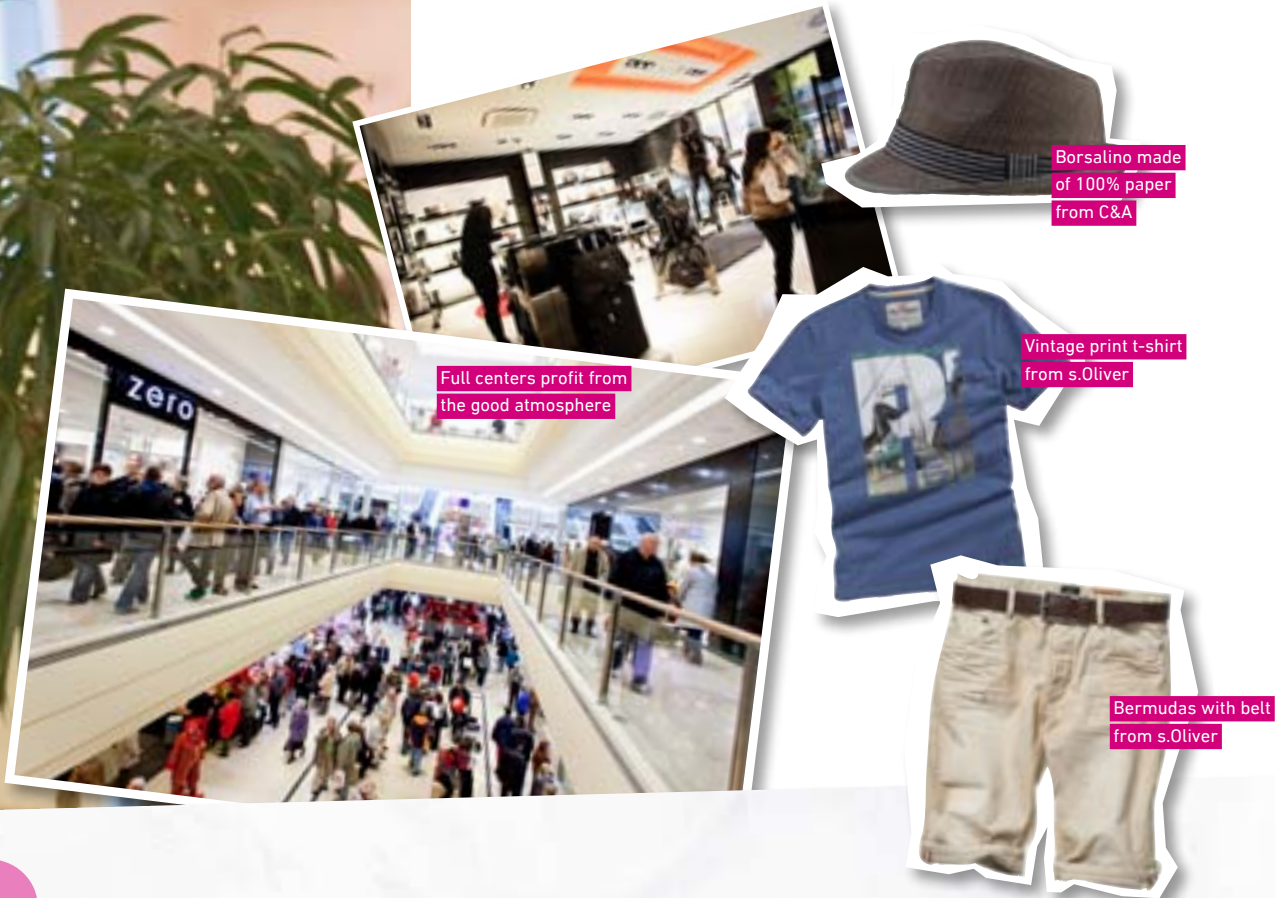
After serving as a ships officer with the German Federal Navy, Mr. Borkers qualified as a bank clerk with Deutsche Bank AG in 1990. He then studied business administration in Frankfurt/Main. From 1995, Mr. Borkers worked as a credit analyst for Deutsche Bank AG in Frankfurt and Hamburg. In 1998, he joined RSE Grundbesitz und Beteiligungs-AG, Hamburg, as assistant to the Executive Board. In 1999, Mr. Borkers was appointed to the Executive Board of TAG Tegernsee Immobilien und Beteiligungs-AG, Tegernsee and Hamburg, where he was responsible for finances and investor relations until September 2005. In addition, Mr. Borkers held various Supervisory Board and management positions within the TAG Group. Olaf G. Borkers joined the Executive Board of Deutsche EuroShop AG in October 2005. He is married and has two children.



SHOPPER ENTHUSIASM

replaces crisis fears

CONSUMPTION IN
2012



2

2011 proved to be an emotional roller coaster for Germans, with the crisis in the eurozone and stark warnings of a potential global economic collapse making headlines. At the same time, unemployment fell to a record low of under three million and the German economy grew significantly, with GDP up 3.0%.

Fears of a potential recession and the threat of some countries and banks going bankrupt had a marked negative effect on the economic expectations of German consumers. The indicator went into freefall over the course of the year, although at +30, the overall picture in Germany remained positive compared with its European neighbours. By way of comparison, economic expectations ran at an average of -30 in France, -34 in Italy and as low as just -49 points in Portugal and Greece.

FROM PANIC SAVING TO CONSUMER OPTIMISM

Unlike in the rest of Europe, the stable job market stimulated German hopes for rising incomes. In the past, the expectation would have been that under the prevailing circumstances, Germans would have been very keen

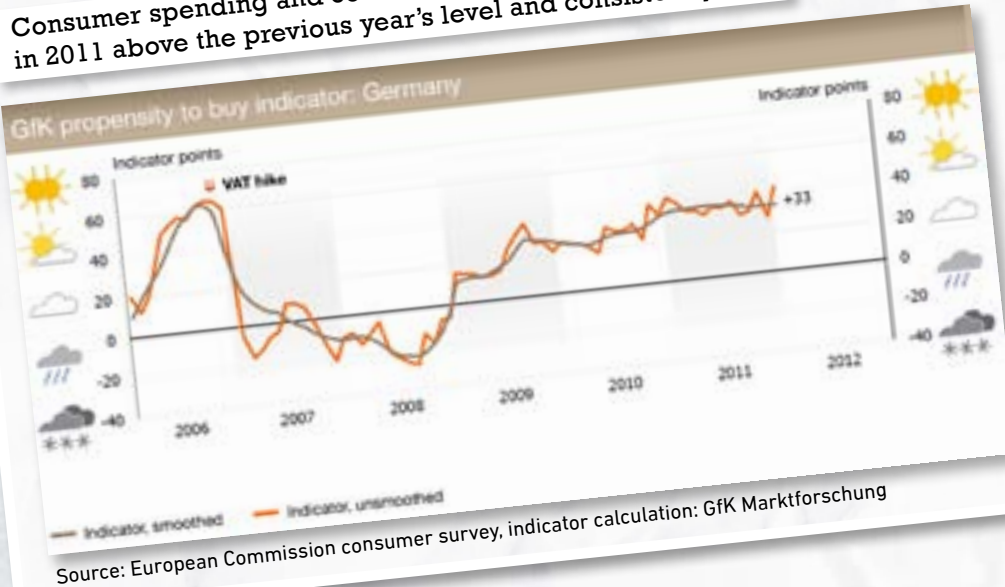
on saving to give themselves a buffer against the threatened economic downturn. However, record-low rates of interest and a severe loss of confidence in the financial markets drastically curtailed German consumer inclinations to save.

Clear decline in the propensity of Germans to save, due to the debt and banking crisis and low interest rates



Source: European Commission consumer survey, indicator calculation: GfK Marktforschung

Consumer spending and confidence among Germans in 2011 above the previous year's level and consistently high



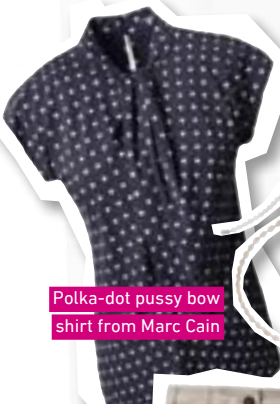
By contrast, the willingness to buy continued to grow and remained at a consistently high level. The index average in Germany for the year stood at +34 points, a value unequalled anywhere else in Europe. Although in former times, Germans were regarded as panic savers, they have now become Europe's most optimistic consumers. They are investing their money in capital assets, such as real estate, cars and consumer durables, and this has given the economy a considerable boost.

THE END OF HIGH-VOLUME GROWTH IN FOOD RETAILING

Retail also benefited from the positive consumer mood. According to GfK calculations, German food retail and drugstore sales rose last year by a nominal 1.7% to €157 billion. However, in light of the marked rise in the price of raw materials, the real growth rate was rather modest. The current winners are the full-range retailers and drugstores, while the discounters' share of sales has stagnated at around 43% of the total market.

As GfK analyses show, this signals the end of high-volume growth for food retailing. In future, success is likely to be achieved by value-added strategies and here, retailing can benefit from the growing consumer focus on quality, particularly in the younger generation. For 2012, GfK is anticipating a moderate rise in sales by a nominal 1.3% for food retailing and drugstores. But the increase may well be below inflation, and this would entail another reduction in volume.

In non-food retailing, which includes electrical goods, textiles, furniture and DIY merchandise, sales increased by about 1.0% last year to reach €148 billion. In view of the market saturation affecting many segments, this is still a good figure. In the past year, there was another significant rise in the e-commerce share among non-food merchandise groups, with online sales achieving growth in excess of 18% to record a total of just under



Polka-dot pussy bow shirt from Marc Cain



Collier with matching rings from Bijou Brigitte



3/4 chinos from Marc Cain





orsay

orsay.com



50s-style triangle bikini at Lascana



Stylish sunglasses from Bijou Brigitte



Scarf with butterflies from Orsay

€21 billion. For 2012, GfK is anticipating another nominal rise in sales of around 1.0% for non-food retailing.

CONSUMPTION IN 2012 – SHOPPER ENTHUSIASM REPLACES CRISIS FEARS

As a result of the growth in private consumption and competitive export business, German GDP rose by 3.0% last year, which is markedly higher than most of its European neighbours. This gave the job market a considerable boost, which has been sustained this year. German income expectations are accordingly high.

However, these positive signals for private consumption are curbed by economic forecasts which are decidedly more negative. Based on the weakened global economy and resulting

fall in exports, German GDP is not expected to rise more than 0.6% this year.

Nor is there any quick solution for the euro and sovereign debt crisis on the horizon.

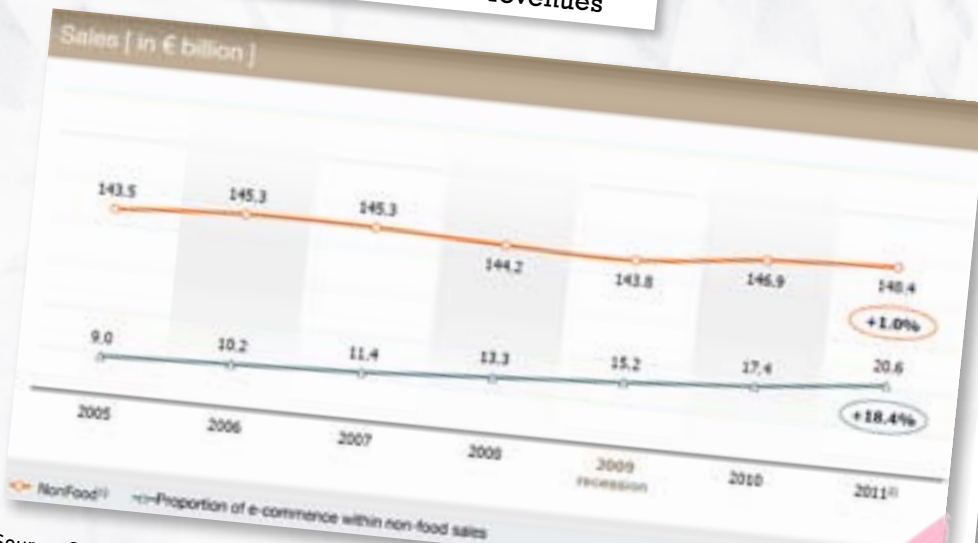
For 2012, GfK is forecasting a real-terms rise of 1.0% for private consumption in Germany. The sustained positive situation on the job market and expectations of higher incomes have given German consumers security in their planning for major purchases. The loss of confidence in the financial system is giving further impetus to the trend towards higher-value purchases. Consequently, private consumption is making a stable contribution to the economy and preventing a backslide into recession.



Private consumption in 2012

- ★ supportive labour market and the expectations of higher incomes are giving consumers security in their planning for major purchases
- ★ Low rates of interest on savings and worries about inflation are also boosting the urge to consume
- ★ Compared with the rest of Europe, Germans have moved from being reluctant consumers to optimistic consumers
- ★ The trend towards higher-value purchases continues to gather pace
- ★ There is a continuing trend towards a greater focus on quality
- ★ Real growth of 1.0% expected
- ★ Consequently, private consumption is making a stable contribution to the economy and preventing a backslide into recession

Moderate growth in non-food retailing – significant surge in e-commerce revenues



Source: GG Symphony|RI Group, GfK ConsumerScope
 1) Non-food: electronics/textiles/hardware/DIY (excl. pet care/coins) 2) GfK forecast



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STATISTICS

Customer Survey at A10 Center, Wildau/Berlin in November 2011



48%
come to window shop

64%
are women

Gender

Female 64%
Male 36%

Age:

Up to 19 years 8%
20 – 29 years 21%
30 – 39 years 16%
40 – 49 years 23%
50 – 59 years 18%
Over 60 years 14%

Lives in the local or core catchment area:

43% very good 22%
good 55%
satisfactory 16%
sufficient 5%
poor 2%

For what reason do you generally come to the A10 Center?

Shopping 71%
Loafing 48%
Eating out 11%
Other 6%

Which school grade would you give to the A10 Center overall?

28% very good 62%
good 8%
satisfactory 2%
sufficient 0%
poor 0%

Means of transport

87% Car 9%
Public transport 1%
By foot 3%
Other

How often do you visit the A10 Center?

51% At least twice per month
39% Once a month
6% Less frequently
4% First visit



51%
visit the A10 every 14 days

77%
rate the range of fashions as good to very good



ESPRIT

CHARTS

2011

Cinema charts 2011

1

Harry Potter and the Deathly Hallows: Part 2

2

Pirates of the Caribbean - On Stranger Tides

3

Hangover: Part 2

4

Kokowääh

5

Transformers 3



Perfume charts 2011 For her

1

Chanel No 5, Chanel

2

Coco Mademoiselle, Chanel

3

Alien, Thierry Mugler

4

Lady Million, Paco Rabanne

5

Boss Orange, Hugo Boss

Source:

KINOPOLIS
Main-Taunus

Source:

my Douglas.de

Multimedia charts: Music albums

(23.12.2011-05.01.2012):

1

Adele
"21"

2

Michael Bublé
"MTV Unplugged"

3

Udo Lindenberg
"MTV Unplugged"

4

David Guetta
"Nothing But The Beat"

5

Amy Winehouse
"Lioness: Hidden Treasures"

Source:

Media Markt

Multimedia charts Films on DVD

(19.12.2011)

1

Harry Potter
and the Deathly Hallows:
Part 2

2

Transformers 3

3

Kokowääh

4

Pirates of the Caribbean –
On Stranger Tides

5

Ice Age –
A Mammoth Christmas

Multimedia charts DVD boxed sets

(19.12.2011)

1

Stromberg: Limited Pop-Up
Edition of the Fifth Season

2

The Big Bang Theory:
The Complete Third Season

3

The Big Bang Theory:
The Complete Second Season

4

The Vampire Diaries:
The Complete Second Season

5

Loriot – Die vollständige
Fernsehdition
(complete TV edition)

Perfume charts 2011 for him

1

Le Male, Jean Paul Gaultier

2

Million Men, Paco Rabanne

3

Boss Orange Man, Hugo Boss

4

Armani Code Homme, Giorgio Armani

5

Acqua di Gió, Giorgio Armani





Book charts 2011 Fiction

(hardback and paperback)

1

David Nicholls
"One Day"

2

Charlotte Link
"Der Beobachter"
("The Observer")

3

Lucinda Riley
"Hothouse Flower"

4

Jussi Adler-Olsen
"Erlösung" ("Redemption")

5

Jussi Adler-Olsen
"Erbarmen" ("Mercy")

Book charts 2011 Non-fiction

1

Stéphane Hessel
"Time for Outrage!"

2

Walter Isaacson
"Steve Jobs"

3

Manfred Lütz
"Irre!"
("Crackpots!")

4

Dr. Heribert Schwan
"The Woman At His Side – The Life And
Suffering Of Hannelore Kohl"

5

Walter Kohl
"Leben oder gelebt werden"
("Live Or Be Lived")

Source:





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"My friends recently gave me a bag with the logo "Shopping Queen", so of course trying to pick out my "buy of the year" was pretty hard for someone like me! Nevertheless, I remain impressed with the new induction hob I have in the new kitchen I bought last year. It makes cooking much faster, saving me not only energy and money, but time too – which leaves me more time to shop!"

Maria Hill, Head of Sustainability, ECE Project management

"In 2011 I indulged my body and spirit. One thing I bought was a new bike (and also a helmet, to set a good example to my kids), and the other thing was that I discovered a new asset class: art. I started with 3D constructions by the US pop artist James Rizzi, who sadly passed away at the end of 2011."

Patrick Kiss, Head of Investor & Public Relations, Deutsche EuroShop



"In 2011 I needed to overhaul my wardrobe. It's good when clothes last, but there comes a time when you've just had enough of them. I enjoyed shopping for new ones!"

Claus-Matthias Böge, Executive Board Spokesman, Deutsche EuroShop



What I bought

IN 2011

"We made more use of our terrace by getting a Weber gas grill. It's incredible what it can do. We are using it morning, noon and night, when the weather's good. The best thing about it is how easy it is to clean and the space where you can put your glass of beer or wine."

Olaf Borkers, Member of the Executive Board, Deutsche EuroShop



"Just in time for the start of winter and the breakdown of our central heating, we bought a Danish wood-burning stove for our home. It produces plenty of heat, is a practical example of sustainability and ensures that the house is lovely and warm."

Dr Stephanie Dutzke-Wittneben, Sustainability Team, ECE Projektmanagement



"My new Stevens trekking bike is perfect for cycling around town with its fantastic features. Every day in the summer, its lightweight aluminium frame and high-quality Shimano gears transport me safely between home and work."

Kirsten Kaiser, Head of Accounting, Deutsche EuroShop



"I'd worked my way through all the varieties of muesli that the supermarket stocked and wanted something new for breakfast: at mymuesli.de I can create my own customised muesli exactly as I like it online and two days later, it arrives in the post. The only thing missing is collection stations in our centers!"

Nicolas Lissner, Manager Investor & Public Relations, Deutsche EuroShop



"My car lacked a navigation system and I decided this year that it needed one. My new Garmin nüvi is small and handy, wonderfully easy to operate and has made getting to where I want to go reliable and relaxing. A good, useful buy!"

Birgit Schäfer, Secretary to the Executive Board, Deutsche EuroShop



"Leaving aside a few gadgets, the thing I bought in 2011 that gave me the most pleasure was my bike. It may not be from Chanel, Gucci or Hermès and doesn't have Swarovski crystals on its handlebars – no joke, since bikes became a status object, things like that exist. But it's a no-frills bike and that's what I like about it."

Dr Martina Kühne, Senior Researcher, GDI Gottlieb Duttweiler Institute



"My buy was a Scott mountain bike. My aim is to add more variety to my endurance training, because just running gets pretty boring. Cycling is better for your bones and muscles too, which at my age (50) is becoming more and more important."

Rolf Bürkl, Senior Research Consultant Business & Technology, GfK Marktforschung



"As I like to swim and try to avoid queues wherever possible, I bought an SWM swimming pool card. The prepaid system saves me 17% and I also get bonus points via my M- card, enabling me to swim as many lengths as I want from 7.30 a.m. to 11 p.m. 365 days a year :-). Enjoyment doesn't have to be expensive!"

Wolfgang Gruschwitz, Managing Director, Gruschwitz GmbH, General Director of OOO NICK Project



"Stamps – from the Vatican City, Stockholm and London – for postcards to my great-grandmother. She is 94 and used to love travelling, but has unfortunately had to give up that pleasure in recent years for health reasons. As a result, she really enjoys receiving images and good wishes from her great-granddaughter from afar."

Kristin Köhler, Research Associate, Communication Management in Politics and Science, University of Leipzig



COSMETIC

Tips

for
HIM

1 Women's skin care products for men?

Just borrow your wife's jar of cream? Dermatologists advise against that. Putting a rich cream on a man's robust, oily face can be like covering the skin with an impervious film. That not only feels uncomfortable but can also lead to pimples and blemishes.

2 Are daily showers really harmful?

Since frequent contact with water causes the skin to lose oil and moisture, only use high-quality shower gel. When in doubt choose the more expensive product because these generally contain lipid balancing substances.

3 Apply cream every day?

In comparison, the sebaceous glands of men's skin are larger and more numerous. That means that, by nature, their skin always produces sufficient amounts of oil and wrinkles generally develop later in life. When they do, however, they are much deeper. Yet men can suffer from dry, sensitive skin, too. In this case skin care products containing urea, hyaluronic acid or soothing panthenol can bring relief.

4 Do men need anti-wrinkle creams?

Men require more extensive care but at a later point in life. Starting around age 60, their robust skin starts becoming thinner, droops and is more sensitive. It can also feel tight or itchy after washing. Good skin care products are currently available for men of any age. A good chemist's or perfumery can advise you best.

5 The most frequent problems of men's skin?

Men most frequently suffer from blemishes and skin irritations after shaving. The right shaving foam or gel in combination with an aftershave lotion can soothe skin quickly, however.



Foto: Tommy Hilfiger

for
HER



Foto: Tommy Hilfiger

1 Smudged mascara

Mascara rubs off when it touches moist skin. If waterproof, it can smudge when it comes in contact with the skin's natural oils. Lightly dabbing transparent powder around your eyes before applying mascara can make those black rings under your eyes history. Guaranteed. The powder absorbs oil and moisture so that your skin remains dry and the colour stays on your lashes.

2 Shadows for droopy eyelids

A little trick makes eyes with droopy lids large and expressive: Apply dark brown or dark green eye shadow in the fold. Complement that with a light colour on the eyelid and below the eyebrow.

3 Cold Cream

"Cold cream" is a blend of beeswax, oil and water. It forms a thick layer over stressed skin which is ideal for protecting sensitive lips against sun and wind. Cold cream also offers wonderful protection in the winter against the dry air of heated rooms and cold, windy weather.

4 Wash off skin irritants

If skin feels tight and irritated after washing, this is often caused by an imbalance in the protective layer of the skin. Relief can be found through skin care products that help maintain the skin's protective layer (with a PH value of 5.5). A washing lotion that contains the active ingredient phytantriol removes irritating bacteria and restores balance to the skin.

5 Gentle deodorants

Deodorant has no place on freshly-shaven skin. If speed happens to be of the essence, a gentle, alcohol-free deodorant can help. If underarm skin is constantly stressed, a perfume-free deodorant cream from the chemist's could offer an ideal solution.

BOOK

RECOMMEN- DATIONS

The One Hundred: An A-to-Z Guide
to the 100 Items Every Stylish Woman Must Own by Nina Garcia

Do you have items of clothing that always make you look good? Or just bad buys? Fashion writer Nina Garcia presents in engaging, light-hearted fashion her top 100 classic garments that every woman needs and how to develop your individual style. This list – which can be seen as a buying guide or reference work – acts as a barometer of stylish items that defy time and trends.

Publisher: Collins, 304 pages, English
ISBN: 978-0061664632,
price: approx €18.99



The ONE HUNDRED

Late Night Shopping
by Carmen Reid

Fashion is Annie's great passion and her dream is to have her own shoe shop! But there are three problems: firstly, Annie is not that good with her finances, secondly, she owes more than GBP 10,000 in taxes, and thirdly, her wonderful boyfriend thinks everything is fine...

Publisher: Corgi, 400 pages, English,
ISBN: 978-0552154833, price: approx. €8.99



Weißbuch Innenstadt – Starke Zentren für unsere Städte und Gemeinden
by the German Federal Ministry of Transport, Building and Urban Development

Inner cities have historically been locations for commerce. A varied range of shops tends to create lively city centres and high streets. However, current trends, such as the structural shift in retailing, the crisis in department stores and the increasing loss of owner-run shops, are threatening the attractiveness and diversity of our city centres. One of the greatest challenges in urban planning is to incorporate inner-city shopping centers into the architectural and spatial city environment. One approach to strengthening city centres as places of commerce could, for instance, be to adjust the land use policy for municipalities. Regional retail policies are also needed, as are innovative concepts for changes of use or incorporating large vacant buildings into the urban structure.

German Federal Ministry of Transport, Building and Urban Development, 274 pages, German, download for free (PDF, 12.9 MB) from http://bit.ly/weissbuch_innenstadt



Gross Misconduct: My Year of Excess in the City
by Venetia Thompson

Venetia began working as a broker in the Square Mile at the age of just 23. Overwhelmed by the power and fast pace, she threw herself into an aggressive, male-dominated world in which greed, luxury, sex and alcohol reigned supreme. That proved fun for a while but quickly gave way to self-doubt. Venetia has written a brutally frank article on London's financial scene that shook the industry, and quickly found herself out of a job. This story of scandal lays bare the excesses of the financial industry – the true story of a former female broker.

Publisher: Pocket Books, 288 pages, English
ISBN: 978-1847397706,
price: approx €8.95



Die guten Seiten des Lesens

... und vieles mehr!



Allee-Center, Hamm · Allee-Center, Magdeburg · Altmarkt-Galerie, Dresden · Billstedt-Center, Hamburg · City-Arkaden, Wuppertal
City-Galerie, Wolfsburg · City-Point, Kassel · Forum, Wetzlar · Main-Taunus-Zentrum, Frankfurt · Phoenix-Center, Hamburg · Rathaus-
Center, Dessau · Rhein-Neckar-Zentrum, Viernheim · Stadt-Galerie, Hameln · Stadt-Galerie, Passau · City Arkaden, Klagenfurt

Weltbild

Our PORTFOLIO



Galeria Baltycka, Gdansk



A10 Center, Wildau / Berlin

W

We enlarged our portfolio considerably in 2011: After extended planning phases we were able to open up the expansion to Altmarkt-Galerie Dresden (March), the new triangle in the A10 Center in Wildau (April) as well as the new mall in the Main-Taunus-Zentrum in Sulzbach (November). In September we announced the purchase of a new center, the Allee-Center in Magdeburg. In addition, 2011 saw us boost our shareholdings in Stadt-Galerie Hameln, City-Galerie Wolfsburg, Rhein-Neckar-Zentrum, Allee-Center Hamm and Rathaus-Center Dessau to 100% each.

Our 15 centers in Germany, two in Poland and one each in Hungary and Austria have a market value of around € 3.6 billion. With over 900,000 m² of leasable area, they offer space for over 2,300 shops. The focus of our investment activities lies firmly in Germany at 89%. The fact that our occupancy rate has remained at a constant level of 99% in the retail sector for over ten years bears witness to the quality of our portfolio.

LOCATION, LOCATION, LOCATION

We want to offer our tenants the location they need to reach their target group. Yet there are no compromises when it comes to quality: Each of our 19 shopping centers is in its own prime location. The majority of our properties are located in city centers, usually directly connected to the local pedestrian zone. In other words, in the locations which have historically provided a home to the retail sector. We own shopping centers at well-established locations outside the city limits, as well, which are important outside the region and also have a larger catchment area compared to the locations in city centers.

Undoubtedly one key factor for the success of an individual property is its transport links: In city centers, we seek out locations close to local public transport hubs such as central bus stops or train stations. The central bus stations in Passau and Hameln, for instance, are directly incorporated into our shopping centers and in Wuppertal both the central station for the overhead railway and



	Domestic	International	Total
Leasable space in m ²	751,200	153,700	904,900
No. of shops	1,770	543	2,313
Occupancy rate*	99%	98%	99%
Inhabitants in catchment area in millions	12.9	3.5	16.4
No. of centers	15	4	19



A10 Center, Wildau / Berlin

the main train station are in the immediate vicinity of our shopping center. Our facilities outside the city centers are primarily visited by people driving cars and are each in easily-accessible locations along motorways.

Each of our properties is equipped with a sufficient number of parking spaces to guarantee customers' maximum convenience. In city centers, parking spaces are offered at low prices. At locations outside city limits, visitors

can choose from a large number of parking spaces at no charge. Of course spaces for disabled people and women are also offered.

QUALITY WITHOUT ANY COMPROMISES

Each of our 19 centers is unique. The tenant structure is always the result of an intense process aimed specifically at supplementing the offerings of the city center in question. We want to work together with neighbouring merchants to increase the appeal of city centers to benefit the entire city. That also means that center managers participate actively in city marketing and even initiate it. Our focus is always on working with others in a spirit of fairness and partnership.

The architecture of each property is specifically designed to meet the demands of the location. And of course the functionality of such a complex building must be guaranteed. We value both the facility's integration into the urban landscape as well as its architectural design. Whenever possible, historical buildings can also be incorporated into the center



A10 Center, Wildau / Berlin

and preserved. This was the case with the listed Intecta building, for example, which now forms an integral part of the Altmarkt-Galerie in Dresden and represents a particularly impressive example of an amalgamation of old and new.

The high demands we place on our properties also apply to the interior: There our objective is to offer visitors, customers and the employees of our tenants an enjoyable shopping



Unendlich viele Ideen für ein schönes Zuhause.

DEPOT – eine Marke auf Erfolgskurs.

Mit unseren beiden starken Marken DEPOT und ipuro Dufträume haben wir uns als Ideengeber für innovatives Einrichten und Anbieter von Wohnraum-Accessoires, Möbel-, sowie Geschenk- und Dekorationsartikel auf dem Markt etablieren können.

Der Erfolg gibt uns recht: Rund 1,1 Mio. Käufer entscheiden sich jeden Monat für uns. Und es werden ständig mehr, genau wie unsere Mitarbeiter, deren Anzahl 2012 auf über 5.000 steigen wird.

Die flächendeckende Präsenz in Deutschland, Österreich und der Schweiz konnten wir gemeinsam mit der Schweizer Migros-Gruppe erreichen, dem größten Handelsunternehmen der Schweiz. Gemeinsam forcieren wir die weitere Expansion. Allein dieses Jahr sind 100 Flächen in den schon bestehenden Ländern geplant und eine Expansion in weitere europäische Länder wird folgen.

Erfahren Sie mehr über Filialstandorte und unser Unternehmen auf

www.gries-deco-company.com

DEPOT
depot-online.com



**Main-Taunus-Zentrum
Sulzbach / Frankfurt**

experience and a pleasant environment. Intelligent lighting systems create the right atmosphere in the mall to suit the time of day and state-of-the-art climate control technology guarantees a comfortable temperature all year round. Quiet rest areas and fountains give people an opportunity to relax for a moment. Everybody should feel good and want to keep coming back. And that regardless of age: wide malls, escalators and lifts make it possible to explore every part of the center without too much effort, even with a pushchair or wheelchair. Play areas await our smallest visitors and invite shoppers to take some time out; relaxing massage chairs are available for customers to use for a small fee.

**BEAUTIFUL ON THE OUTSIDE,
GREEN ON THE INSIDE**

As a long-term investor, we regard sustainability as a matter of course. Ongoing modernisation ensures that our centers remain competitive and retain their value. All of our shopping centers in Germany have been powered by green electricity since 2011. A change to energy from renewable sources is planned for our foreign properties, as well.

Moreover, we aim is to reduce energy consumption in our centers even further and thus reduce CO₂ emissions. To achieve this aim, we invest in ultramodern technologies during construction such as heat exchangers and the latest generation of environmentally friendly lighting. Center management communicates closely with our tenants on the topic of environmental protection with the goal that they also steadily reduce the energy consumed in individual shops.

PREPARED FOR TOMORROW - TODAY

The retail sector has always been in a constant process of change. One aspect of that change is that many retailers need to adapt their spaces over time to meet new requirements and thus enlarge or even scale them down. We are able to provide customised solutions to meet the demand for ever more varied spaces: Each tenant receives the floor space they need to implement their individual retail concept. Internal walls can be shifted without any major effort or expense. Reducing a larger retail space can open up an opportunity to integrate a new shop concept into the center.

This flexibility sets our centers apart from classical business premises in city centers and represents a clear strategic advantage. For many retailers, this is a prerequisite for entering the market in a city where, due to its special property structure and inflexible layouts in the premier locations, e.g. in a mediaeval-style pedestrian zone, no suitable spaces could be found. The whole of the retail sector in the city center can benefit through this addition to the city's offering.

Increasingly, shops are shifting from being pure retail areas to experience arenas. Through lavish shop interiors, extensive consultations and the opportunity to thoroughly test the product in the shop, the experience of shopping itself is elevated to event status. Examples of this include Hollister, an American



Phoenix-Center, Hamburg

fashion company that propels its mostly young customers into a Californian surf shop atmosphere or computer manufacturer Apple which offers free in-store workshops for its product lines to anybody interested and thus makes its devices accessible to people who are not as technically savvy.

**OVER A HALF A MILLION VISITORS –
EVERY DAY**

The catchment areas around our centers are home to over 16 million people in all, nearly 13 million of them in Germany. In theory at least, that means we reach about one of every 6 German citizens. The catchment area is ascertained according to standardised rules for each of our properties and updated on an annual basis. On any given workday, our centers are visited by an average of around 600,000 people.

OUR TOP 10 TENANTS

With a share of 6.0%, the Metro Group continues to be our biggest tenant. As one of the most important international retailers, it is represented in a large number of our centers by its distribution channels Media Markt and Saturn (consumer electronics), Real-SB-Warenhaus and Galeria Kaufhof Warenhaus. Behind this in second place with 4.4% is the Douglas Group, one of Europe's leading retailers with Douglas perfumeries, Thalia bookshops, Christ jewellery shops, Hussel confectioners and an AppelrathCüpper fashion store.



**Pillows in cheery
colours at DEPOT**

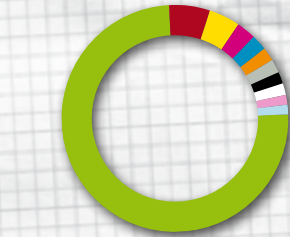


**Artificial flower
at DEPOT**

Stadt-Galerie
Passau

The ten largest tenants

(share of rental income in %)



Other tenants: 74.7%

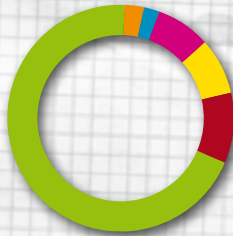
Metro Group	6.0%
Douglas Group	4.4%
H&M	2.7%
New Yorker	2.3%
Deichmann	1.9%
Peek & Cloppenburg	1.9%
C&A	1.7%
REWE	1.6%
Inditex Group	1.4%
Esprit	1.4%

Total of top 10 tenants: 25.3%

As at: 31 December 2011

Terms of rental contracts

(term of contracts, share in %)



2012	3%
2013	2%
2014	8%
2015	8%
2016	10%
2017 et sqq.	69%

As at: 31 December 2011

Overall, our 10 largest tenants are only responsible for one quarter of our rental incomes which shows that there is no major dependency on individual tenants.

LONG-TERM RENTAL CONTRACTS

Our standard rental contracts have a ten-year term. The weighted residual term at 31 December 2011 was 7.4 years with 69% of our rental contracts being secured until at least 2017.

EXTERNAL CENTER MANAGEMENT

Our long-term partner ECE Projektmanagement has been engaged to manage our 19 shopping centers. In addition, ECE implemented the development of the A10 Triangle

as well as the expansions of the Main-Taunus-Zentrum in Sulzbach and the Altmarkt-Galerie in Dresden on our behalf.

ECE was founded in 1965 by mail-order pioneer Werner Otto and is held by the Otto family. It develops, plans, rents and manages



Slim-fit knit jumper from Marc Cain

Ballerinas with golden toe from Görtz

Jeans skirt with a star print from Marc Cain



Altmarkt-Galerie, Dresden

shopping centers and develops other special properties. With 137 facilities currently under its management and around 3,000 employees, the company is Europe's market leader in the area of inner-city shopping centers.

Deutsche EuroShop benefits from this experience both inside Germany and abroad. Thanks to our streamlined structure, we are therefore able to focus on our core business and competence, portfolio management.

www.ece.com

COOPERATIVE TEAMWORK

One of the core tasks of center management is putting together the right combination of retailers, service providers and catering outlets to suit the property and the local area. The mix of tenants and sectors is tailored to the location and refined over time as tenants change. The retail sector in the vicinity is analysed and monitored on a continuous basis, as well.

Targeted customer surveys are employed in the center to identify customers' needs and wishes. These are conducted on a regular basis and help us determine which sector or which product customers would like to see in the center in question. The center's management also strives to make space for retailers from sectors which have practically disappeared from city centers on account of current rents in prime locations yet which form part of an attractive retail mix such as specialist toy shops or pet stores.

As long-term real estate investors, the rental activities focus on permanent rent optimisation rather than short-term maximisation of rental income. Here we set ourselves apart from building owners in the classical pedestrian zone. We want to offer customers and visitors an attractive mix. Rather than focus on each shop space in isolation, we look at the tenant mix as a whole. The rent in each case is calculated primarily on the basis of the sales potential of the sector to which the tenant belongs as well as of its location within the shopping center. This system also makes it possible to offer an opportunity to new businesses and niche concepts.

The intention is that everybody will benefit from this system: As the landlord, we are able to build a relationship of trust with our tenants for the long term. Our tenants, in turn, benefit from the high volume of visitors, a key prerequisite for achieving adequate sales. And last but not least, our customers can enjoy a wide range of diverse products in each Deutsche EuroShop shopping center. This diversity extends from a wide variety of fashion concepts to shops for electronics and specialty foods through to services such as dry cleaner's, banks and post offices. Dining facilities top off the offering: cafés, (fast-food) restaurants and ice-cream parlours provide refreshment or nourishment in-between shopping.



Stadt-Galerie, Passau

REAL DIVERSITY AMONG TENANTS

The fashion industry dominates our retail mix at 50%. Our customers, too, confirm the particular fashion expertise in our centers time and again in customer surveys. It is one reason why customers are sometimes even willing to travel long distances from the surrounding area to enjoy the wide selection and the quality of the professional advice.

To lend each of our properties their own individual character, care is taken to ensure that there is a balanced blend of regional traders and individual merchants as well as national and international chains. And this is where we differ from classical shopping streets in Germany where the percentage of chains sometimes exceeds 90%.

RETAILING BASICS

Our tenants are the pillar of our success. In addition to many regional dealers and individual merchants, they include Aldi, Apple, Bench, Bijou Brigitte, Breuninger, Burger King, C&A, Christ, dm-drogerie markt, Deutsche Post, Deutsche Telekom, Douglas, Esprit, Fielmann, Foot Locker, Galeria Kaufhof, Gerry Weber, Görtz, H&M, Hollister, Jack&Jones, Karstadt, Lacoste, Marc Cain, Media Markt, Marc O'Polo, New Yorker, Nordsee, Peek & Cloppenburg, REWE, Saturn, Starbucks, s.Oliver, Subway, Swarovski, Thalia, Timberland, TK Maxx, Tom Tailor, Tommy Hilfiger, Vero Moda, Vodafone, WMF and Zara.



Sun hat from s.Oliver

Retro sunglasses from Marc Cain

Handbag from Görtz



Ihr Lieblingskaffee
wartet schon auf Sie!



STARBUCKS®

Shopping-Spaß
in der Stadt-Galerie



Billstedt-Center, Hamburg

A NEW SHOPPING EXPERIENCE EVERY DAY

Unlike in the traditional city centre where each individual retailer decides for itself how long it will be open, visitors can always rely on standard opening hours at our centers. This advantage is appreciated by customers who have to come a long way since they can depend on every tenant leaving the shop open until the last minute.

There is a Service Point manned by friendly staff who can answer any questions about the facility. Increasingly popular gift vouchers can be purchased here and frequently push-chairs can also be hired. Security staff ensure that visitors can feel safe at all times. Baby changing rooms, customer toilets and cash machines complete the offering. We pay special attention to cleanliness and have cleaning crews on duty throughout the day.

Each of our properties has its own marketing association and membership is automatic for all tenants. This gives them the opportunity to join a committee and actively contribute to the center's marketing strategy. That includes planning

and organising events that transform the mall into a lively marketplace time and again. Fashion shows, casting shows, art exhibitions and job fairs provide visitors with a welcome change and new impressions. Local associations and charitable organisations are also invited to present themselves in our shopping centers. Last but not least, events surrounding the Easter and Christmas seasons as well as lavish decorations are among the projects undertaken by a marketing association.



Jersey blazer
from ESPRIT



Maritime ankle-strap
wedge sandal from C&A

White skinny jeans
from ESPRIT

Regional tenant mix

(in % of space)

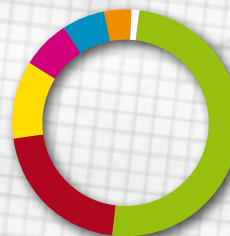


(Inter)national chains	47%
Individual merchants	29%
Regional chains	24%

As at: 31 December 2011

Retail mix

(in % of space)



Clothing	50%
Hardware/electronics	21%
Department stores	11%
Groceries	7%
Health products sector	6%
Catering	4%
Service providers	1%

As at: 31 December 2011



Forum, Wetzlar



Moreover, the marketing association coordinates the center's coherent advertising presence and edits the center newspaper. The paper is published several times per year and is distributed throughout the catchment area as an individual insert in regional daily newspapers. It provides readers with regular updates on news relating to the center such as new tenants, special sales and upcoming events. All of our centers also offer a great deal of information on their own websites and most actively participate in social media with their own channels. The classical advertising measures employed include radio ads, adverts on and inside local public transport, and illuminated advertising posters; targeted distribution ensures that these reach a large audience.



50s-style bathing costume at Lascana



Retro-style sunglasses from s.Oliver



Straw summer hat from Marc Cain

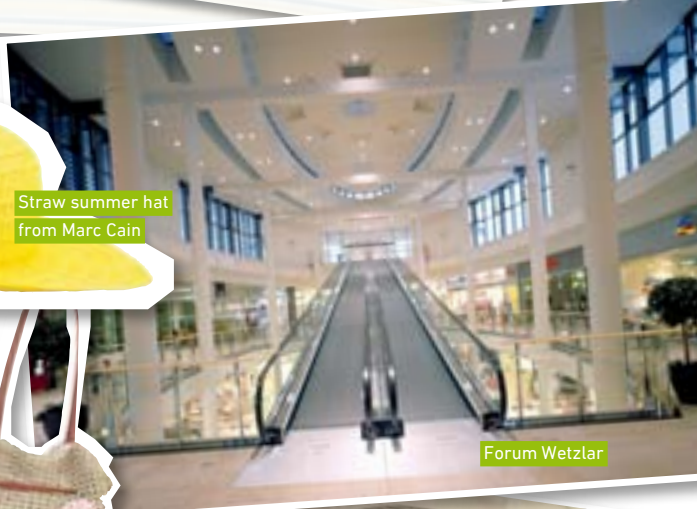


Denim shopper handbag from Douglas

Investment Guidelines

Deutsche EuroShop's key investment guidelines can be summarised as follows:

- ★ Deutsche EuroShop invests exclusively in shopping centers.
- ★ The minimum property size is 15,000 m² of which no more than 15% may be office space or other non-commercial usage.
- ★ The locations must feature a catchment area of at least 300,000 inhabitants.
- ★ Shopping center projects are only purchased when an executable construction authorization can be produced and 40% of the leasable space is secured by long-term legally binding lease contracts.
- ★ Project developments without the right to build or that cannot facilitate pre-letting can be taken over as a joint venture. Project development costs may not exceed 5% in individual cases or 10% in total of the Deutsche EuroShop equity.
- ★ The main country of investment is Germany. In the long-term, investments in the rest of Europe may not exceed 25% of the total investment volume.



Forum Wetzlar



Galeria Balticka

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FROM CLICKS TO BRICKS

Why there will always
be a place for shops

In its study „The Story of Unstoring“, the Gottlieb Duttweiler Institute examines how online shopping is changing the retail environment, how „bricks“ and “clicks“ complement each other in a way that leaves open a future for traditional retailing, and what exactly the shop of the future will look like.



The internet is more of a preoccupation for bricks-and-mortar retailing than ever. But what does the triumphal success of the internet really mean for supermarkets, shopping centers and corner shops? An article by Dr Martina Kühne

TK

„Kiss your Mall Goodbye,“ ran an influential story in „Time Magazine“ back in summer 1998: „online shopping is faster, cheaper and better.“ The headline created shockwaves throughout the world of retail. A good few years have passed since then, and most shopping centers are still there. Much has of course changed in that time, such as the way in which consumers obtain information, how they interact with one another and how they buy. And there is no sign of a change in this dynamism over the coming years. On the contrary, three relative newcomers – Apple, Google and Amazon – have already forced the 500-year-old book printing industry and its distribution channels to find new business models. And this development has the potential to shake up other sectors too.

„UNSTORING“ MEANS RETHINKING WHAT A SHOP IS

To understand the future of shops, you need to know something of history and how bricks-and-mortar shops took on the role of marketplaces of old as social meeting places fostering contact between people. You also need to understand what was happening immediately before: the first unstoring tendencies could be seen when global brands such as Nike, Prada and Apple began to position their own flagship stores as accessible advertising spaces, in which the brand experience became more important than actually selling products. The world of the shop has been constantly reimagined. This is borne out by a few recent developments: The online department store eBay is now establishing a physical presence – at least temporarily – close to Oxford Street. The online giant Amazon is also pursuing plans

for its own shops. Music retailing, on the other hand, is almost completely disappearing from the high street and taking place predominantly in cyberspace, or more specifically the iTunes store. Tesco – the poster boy for UK retailing – has in the last few months been creating a stir in South Korea, where it has transferred supermarket shelves to billboards. Travellers

on the underground can use their waiting time to scan product barcodes with their mobile phones and have the goods conveniently delivered to them at home.

So who can say what a shop



Leather shopper handbag from Marc Cain



Necklace with star pendant from CHRIST



Satin wedges from s.Oliver



JETTE – the new Eau de Parfum at Douglas

At the centers, service is of utmost importance



means today? Or what it will mean tomorrow? One thing is clear: the online and offline worlds are increasingly converging. As mobile phone use spreads further, digital technologies are increasingly moving in on the physical world. Instead of two distinct spheres – the virtual and the tangible – mobiles are blurring the boundaries. Although it will always be human nature to want to use the senses of touch, smell and hearing and humans are herd animals, they also want to use the innovations offered by web-based technology. They want to compare prices from home. They want to see products and adapt them to their own personal preferences. And they want to access product information or read about the experiences and opinions of other consumers while on the move.

Although experience shows that the impact of technological innovations tends to be overestimated in the short term, we know that the medium to long-term impact is regularly underestimated. And if new giants such as Amazon, Google, Apple and Facebook are turning the retail industry on its head with their behind-the-scenes machinations, then bricks-and-mortar retailers need to remain very alert and anticipate changes in good time.

Conventional retailers that had previously concentrated on the provision of parking spaces, rent costs, opening hours and employees now need to learn to separate the hype from the evolutionary shift taking place.



propositions on the future of the shop

1

He who hesitates is lost

For too long, shop owners have sat back and waited for their customers to walk through the doors. Now they are increasingly adopting mobile technology and shoehorning their way into their customers' schedules and day-to-day lives. Some are using fast-growing online discount services such as Groupon and Germany's DeinDeal to get onto price-sensitive customers' mobile phones and lure them back into the shop with attractive bargains. Particularly smart mobile services time these alluring offers to coincide precisely with very quiet periods. Companies that offer tailored mobile services have the edge over their conventional rivals on the high street.

2

Shops are becoming clickable

In future, there will be a digital layer, supplementing products and ranges with additional information (product origin, descriptions, price comparisons, etc.) from the digital world. Apps such as GoodGuide and Barcoo that can be downloaded onto any mobile phone enable products to be located and extra information to be obtained. In this way, the tactile and theatrical side of shopping is blended with the convenience factor that today's mobile applications offer. This ties in with the new augmented reality applications promoted by brands such as Lego, Adidas and Shiseido, which link the real shopping experience to virtual elements. Any business that fails to recognise the potential of the mobile phone as a personal shopping assistant or to optimise its customers' service experience has a problem on its hands.



4 Anything that can be digitised will be digitised away

Digitisation is an unstoppable process. Now that it has music and media in its grasp, the sights are trained on bookselling. But other physical retailers will be fearing for their business models in future as well, as ground-breaking 3D technology is on the advance. If "The Economist" magazine is to be believed, it will turn every sector with which it comes into contact on its head. So-called 3D printers will enable new products to be designed and then printed out relatively quickly as tangible objects. The technology is still expensive and not really for end-users, but that could change soon. The MakerBot, a 3D printer costing around USD 1,000, already allows keen hobbyists to print out simple objects such as plates, cups and toys at home. Sceptics should check out the "Thingiverse.com" platform, where DIYers are busy exchanging digital designs. That sounds like a gloomy outlook for shop owners, unless shops can set up their own 3D workshops in which customers can "print out" their own individual designs with professional support

3 The world is turning into a giant shopping center

However, it is not just in-store shopping that is changing. The world itself is increasingly becoming a gigantic shopping center, in which products can be bought anywhere, at any time and right away, where consumers can click on any item – be it on a shelf, in a window or being carried by a passerby – scan the bar code and purchase it. Applications such as ScanLife already incorporate a bar code scanner into mobile phones, used to identify coveted items in shop windows. This makes it possible to buy the item online right away, regardless of opening hours. However, round-the-clock availability of goods will quickly usher in a counter-trend of certain products being made available in limited runs, with an exclusive cachet.

That will certainly arouse keen interest among cyber nomads – a group with many resemblances to shopping Neanderthals.

5 All traders are only temporary

When retail businesses disappeared off the radar in the past, it was usually because they went bust, were bought out or ceased trading without any succession arrangements in place. In future, shops will disappear simply because their function as a store room or location for selling alone is just no longer needed. Some shops will cease to be required by a generation that has grown up with the mobile internet in its pocket. The message for retailers that are in business today, and that want to remain so in future, is that no shop – online or offline – is built for perpetuity any longer. More than ever, retail never stands still. That is highlighted, for example, by the growing number of pop-up shops that are opened at the right place and the right time and then disappear a while later.

**BRICKS
OR
CLICKS?
BOTH!**

Greater differentiation of formats and an unending variety of shop concepts can be expected in the future: from nostalgic book shops to personalised high-tech stores, and from local weekly markets to virtual shopping centers. The challenge shared by all retailers is to have an awareness of what the function of a shop really is. The days of simply holding stock in a prime location are definitely over. And the likelihood is that we will need less straightforward retail space. Instead, shops must increasingly play to their original strength as social meeting places, a local first port of call and a real showroom in a world that consumers increasingly perceive as a virtual one. That will of course always be a balancing act, as even the “third place” offering a high quality of experience must

ultimately pay the rent. Will people in 10 or 20 years’ time really be content to only interact online when they shop? Despite the growth in online shopping, that appears unrealistic from today’s vantage point. Nevertheless, we cannot deny the reality of the online evolution. Rather, retailers need to find intelligent strategies for supplementing “clicks” with “bricks”. If in future consumers can photograph any item (such as the shoes or handbags of passers by) they see on the street using their mobile phone, then for traditional retailers the route to the store could become their greatest enemy. There is only one solution: to seize the new technologies, but intelligently so. There is a great deal that is already technically feasible today. But the more important question is what really makes sense from a customer perspective. And if 21st century consumers find it too isolating to shop with a pixellated basket, if time is too short to compare prices online, if social media

recommendations become too confusing, then they will learn to value the local corner shop again – retailers that do not waste customers’ time but instead add value by enriching or simplifying their lives. However, shop owners should not hope for too much in the way of nostalgia. Although a handful of small, high-end record shops are popping up on the streets again, farmers’ markets are proving popular and weekly markets are delivering an inspiring shopping experience, these are profitable niches, but remain marginal. Retailers that are able to meld the real and the virtual at least as well as their customers are already doing have the greatest potential.

**GDI
Gottlieb
Duttweiler
Institute**

The GDI is a leading Swiss economic and social thinktank. It regularly conducts research into and publishes papers on consumer and retail issues. The GDI hosts international conferences and also acts as an event venue. You can find more information and photographs at www.gdi.ch



TIP

Further reading
Martina Kühne,
“The Story of Unstoring –
Weshalb der Laden kein
Laden mehr ist” (The Story of
Unstoring – Why a Shop Is No
Longer a Shop), GDI study no.
33, 2010, www.gdi.ch

NAH BEI DEINEN
TRÄUMEN.
NÄHER BEI DEINEN
WÜNSCHEN.




PALMERS
BEI DIR.

Summertime fun in Pécs

In summer 2011, the Árkád Pécs was once again transformed into a real paradise for children and youngsters: the large rotunda had something for everyone, from traditional games such as chess and nine men's morris through to modern alternatives such as electronic games consoles and Lego. An American Indian village and a pirate ship provided fun and entertainment. There was a lot of craftwork, fishing and even more jumping, as the real highlight was a giant bouncy castle in the centre of the play area. Due to the hugely successful response, the activities were extended: the bad weather in July and the difficult economic situation in Hungary at the time meant that visits to the center were a kind of substitute summer holiday for many families.



The highlight of the special event – the big inflatable castle in the center of the play area

ACTIVITIES

2011

in the centers



An unforgettable experience – touching snakes at Stadt-Galerie, Passau



Reptiles in Passau

A glimpse into the heart of a spider's nest. Venomous reptiles in the middle of the mall. These and many other things were featured at the Terra Fauna exhibition, which made a guest appearance at the Stadt-Galerie Passau at the beginning of July 2011. Visitors had a chance to see the creatures up close through the walls of seven glass cases. Many school classes from the region took the opportunity to make their biology lessons a little different, and individual tours were provided for this purpose. The children were even allowed to touch some exhibits – a unique experience for many of them. A photographic memento with a real snake is sure to have produced some astonished faces at home!

Easter baking for a good cause in Hamburg-Billstedt

Kneading, stirring, decorating: in early April 2011 some well-known actors and singers got together in the Billstedt-Center in Hamburg to bake and sell delicacies made from pastry and icing in support of the Heinz Hoenig childrens' aid initiative "Heinz der Stier". Customers could eat their purchases straight away or take them home for their nearest and dearest. The profits went to support children and young people across the whole of Germany suffering psychological trauma as a result of being a victim of or witnessing violence. The programme uses imaginative projects, adventure tours and experiences where they can learn about their own strengths in a supportive community to help these children rediscover self-belief and a joy for life. This marked the fourth time that this unique charity event had been held.

Baking with celebrities
for a good cause



promod



Exterior of
Altmarkt-GalerieThe first Apple Store
in Eastern Germany

ALTMARKT-GALERIE

Dresden

Altmarkt-Galerie in Dresden expanded: On 31 March 2011, Dresden's first mayor, Dirk Hilbert, and center manager Thorsten Kemp opened the extension to the Altmarkt-Galerie by symbolically cutting the red ribbon. The new three-storey mall, with some 18,000 m² of additional retail space, is home to around 100 new specialist shops, cafes, restaurants and service providers. The extension also includes more than 3,300 m² of office space and an Etap hotel with over 200 rooms, which began operating in July 2011. The listed Intecta building has been extensively renovated and incorporated into the center's overall concept. Approximately €165 million was invested in the expansion. In total, the Altmarkt-Galerie now boasts more than 200 shops spread over approximately 44,000 m² of retail space. It now employs around 2,000 people, some 800 more than before. The project partners are Deutsche EuroShop, TLG Immobilien and ECE.

Demand from retailers for the new shops in the Altmarkt-Galerie was enormous. For more than half of the specialist retailers, this is their first store in Dresden. The new tenants include the first Apple Store in eastern Germany and the cult US label Hollister, together with major international retail names such as Hugo Boss, Gant, Marc Cain, Tommy Hilfinger, Guess, Promod, O'Neill, shirt specialists

Eterna and Olymp, and John Baker & Son, a London-based purveyor of hand-sewn shoes. The new Altmarkt-Galerie tenants also include numerous large regional players, such as Parfümerie Thiemann (a perfumery with a nostalgic store design), a "Pralineum" by the Halloren chocolate makers and Café Kreuzkamm, a traditional 20s-style coffee shop on the ground floor of the former Intecta building. Another major attraction of the expanded space is the new fine foods area, covering roughly 800 m², with a diverse selection of speciality and delicatessen products.

Many shops in the existing part of the Altmarkt-Galerie, which opened in 2002, have undergone refits. The clothing and sports stores Sinn Leffers and SportScheck, for example, have been given complete facelifts. Shops such as Deichmann and Street One have also been revamped and celebrated their reopening together with those in the extension. As a result of the successful development of the center, various shops have increased their floor space, including New Yorker, Kult and Tchibo. The entertainment electronics retailer Saturn, which already had a 5,000 m² store in the existing center, took the opportunity of the expansion to add a further 3,000 m² to its space. At 8,000 m², this is now one of the largest Saturn branches in Germany.

The Altmarkt-Galerie extension, clad in light natural stone, makes a distinctive architectural statement and sets a tone of quality urban design in this part of central Dresden. The Altmarkt-Galerie opens out onto Wilsdruffer Strasse and the historic old town with a frontage broken up into multiple sections. Four new entrances located at Dresden's public transport hub, Postplatz, and on Altmarkt, Wilsdruffer Strasse and Tuchmachergasse now provide the Altmarkt-Galerie with even better transport links to the historic heart of Dresden's city centre and, at the same time, create attractive routes for pedestrians.

The interior of the center extension is elegant and inviting. A three-storey avenue of shops runs through it, offering shopping at basement, ground and upper ground levels. The bright and welcoming mall is dominated by high-quality materials: light natural stone combined with dark wood and stainless steel. All levels can be easily accessed by escalators and lifts.

2,000
new jobs

€165
million
invested



GÖRTZ


**SHOP
ONLINE**

www.goertz.de

A new addition in Wildau near Berlin: A ceremonial opening on 6 April 2011 officially inaugurated the new shopping promenade at the A10 Center on Berlin's southern ring road, adding more than 60 extra shops, cafes and restaurants. The modernised A10 Center now has around 200 specialist shops and catering and service outlets in total, across some 66,000 m² of retail space. More than 1,000 people are now employed at the center – some 400 more than before. Around €60 million was invested in the construction and the modernisation of the existing center. The A10 Center, which opened in 1996, has been owned by Deutsche EuroShop since the start of 2010, since when it has been managed by the European market leader in shopping centers, ECE. It is one of the largest and best-known shopping centers in Berlin and Brandenburg.

center, which is being gradually refurbished until autumn 2012, the mix of sectors and tenants at the A10 Center is changing radically. In addition to existing specialist shops such as Real, Karstadt Sports, Peek & Cloppenburg, C&A, H&M, Esprit, MediMax and Bauhaus, a variety of new retailers have now been added. The letting policy has placed particular emphasis on young and high-end fashion. The new tenants in the fashion sector include Tommy Hilfiger, Jack Wolfskin, Jack & Jones, Kookai, Mexx, Marc O'Polo, s.Oliver, Street One, Cecil, G-Star Raw, Bench and Zero. Other specialist retailers such as Tamaris (shoes), Triumph (lingerie), Rossmann (chemist), Fielmann (optician), myToys (toys), Depot (home accessories) and a Nordsee restaurant have also been added.

Some of the existing A10 Center tenants have considerably expanded their space, such as the bookseller Thalia, the shoe chain Görtz, the Douglas perfumery, the jewellers Christ and the optician Apollo.

In addition to retailers, the A10 also has ample leisure facilities such as a cinema, a bowling alley, a fitness centre and, for children, "Bambooland".

The modern interior of the new part of the center is particularly spectacular, with a large oval entrance hall and two smart "streets" depicting stylised images of sights in Berlin and Brandenburg. The contemporary mall design also features an innovative colour and lighting concept and comfortable relaxation zones.

The catchment area of the A10 Center, which will have some 4,000 free parking spaces following its completion, is home to more than 1.2 million people. It is very close to the new Berlin Brandenburg International Airport (BBI), which will begin operating on 3 June 2012.

66
thousand m²
of retail
space

€60
million
invested

A10 CENTER

Wildau / Berlin



Entrance to the A10 Center



Elliptical-shaped entrance hall



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Jeden Tag ein bisschen besser. **REWE**

Shopping fun in the open air



The Main-Taunus-Zentrum was one of Germany's first shopping centers, opening in May 1964. It has a potential catchment area of 2.2 million people and attracts an average of 39,000 shoppers per day, making it one of the most visited retail locations in the country. It is

MAIN-TAUNUS-ZENTRUM

Sulzbach / Frankfurt

The Main-Taunus-Zentrum is now the largest shopping center in the state of Hessen, following the opening of its new extension on 17 November 2011. Some 12,000 m² of retail space has been added, to give a total of around 91,000 m². Around 70 new businesses have opened, and the center now holds 170 specialist shops, cafes, restaurants and service outlets. There are around 4,500 visitor parking spaces, up by about 500, and 540 new jobs have been created, with the result that some 2,800 people are now employed at the Main-Taunus-Zentrum. Around €75 million was invested in the modernisation and expansion, which was conducted by the project

partners DWS, Deutsche EuroShop and ECE. The expansion and modernisation measures have made the center into a high-quality piece of retail real estate. In order to widen the tenant mix and make it more attractive, the center urgently needed a larger supply of retail space. In order to achieve this, it had to build over the north car park between Bundesstrasse 8, the existing multi-storey car park and the center. A mall was created on the ground floor which transformed the existing row of shops into a circular route. The two floors above are used as parking levels. With the new four-storey car park to the south side, the Main-Taunus-Zentrum now has 4,500 free parking spaces. Like the existing center, the extension's energy needs are met through green electricity and district heating.

regarded as a textbook example of how a retail property can be successfully managed over the decades with the help of continual modernisation and adaptations to the market.

The center's anchor tenants are Galeria Kaufhof, Breuninger, Media Markt, Karstadt, Peek & Cloppenburg, C&A, AppelrathCüpper, Zara, Anson's and Rewe. H&M and New Yorker have both increased their floor space following the extension, while new additions include an Apple Store, Thalia, the fashion labels Hollister, Bench, G-Star and Kookai, and Weinkellerei Höchst, a regional wine merchant and quality grocer.

91 thousand m² of retail space

€75 million invested



Aktiva ...
Passiva ...
Aloha ...



Exterior of Allee-Center in Magdeburg



ALLEE-CENTER

Magdeburg

€118
million invested

TWe acquired a 50% share in the Allee-Center Magdeburg in October 2011. The investment volume was approximately €118 million. This acquisition took the Deutsche EuroShop portfolio to 19 shopping centers, with a market value of €3.6 billion.

and a supermarket (REWE). In addition, the center boasts around 1,800 m² of residential and 7,300 m² of office space, plus over 1,300 free parking spaces.

shopping center is managed by ECE Projektmanagement, and some 720,000 people live in its catchment area. Around 35,000 customers visit the Allee-Center each day.

The Allee-Center originally opened in 1998, with more than 110 shops and speciality shops across 25,000 m² of retail space. Following an expansion from two to three levels in March 2006, “Magdeburg’s market place” has offered more than 150 speciality stores in an area of 35,000 m². The center’s key tenants are a consumer electronics store (Saturn), the clothing stores SinnLeffers and H&M, a sporting goods store (SportScheck)

The Allee-Center is located right in the city centre and is very accessible either by public transport (tram and bus stops are located right in front of the center) or by car. The

35
thousand m²
of retail space



Shopping experience on three storeys

A photograph of two cyclists riding on a mountain trail. The cyclist in the foreground is wearing a green jersey and a black helmet, riding a white mountain bike. The cyclist in the background is wearing a white jersey and purple shorts, riding a black mountain bike. The background shows a mountain range under a sunset sky.

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Merchandising shop, Ludwig Maximilian University, Munich / Germany
 (Cube-shaped cut-outs in the façade provide tantalising glimpses into the shop)
 Design & implementation: Gruschwitz GmbH; photos: Anja Walther

EMOTIONAL

retail design

How a shop becomes a brand and a customer becomes a devotee

D Modern customers are mobile and they make comparisons. Focusing solely on the product is far too limited, too aggressive and too predictable. So how can you win over customers who are becoming more and more indulged and sophisticated and fill them with enthusiasm? You need to offer something unique to make your customers remember you. In essence, you need to transform your shop into a brand, and turn your customers into devotees.

Alongside verbal selling (well-trained staff), non-verbal selling techniques play a particularly decisive role these days and should no longer be neglected.

Every person has three basic needs: stimulus (discovery, curiosity, spontaneity), balance (tradition, maintenance, security) and dominance (achievement, prestige, status). If these needs are stimulated correctly, they trigger a good gut feeling that prompts consumption. The key is in the way our emotions are played with and in the telling of an authentic and interesting story.

Customers have to be emotionally engaged, with their curiosity awakened and a sense of identification created. This gives a product a subjective value and generates desirability.

DESIGN FUNDAMENTALS: A. I. D. A.



ATTRACTION

From outside on the street, the design of the façade and the entrance must make customers want to stop – my shop must penetrate their consciousness. Customers must perceive me in a positive, attractive and engaging way. If cleverly used, light, scent, cleanliness, anti-reflective glass, window displays, images, A boards or pavement signs, carpets, plants and special service facilities can all play a part in this.



Bracelet with bow from Orsay



Pinstriped shorts from ESPRIT



Red Bull Fan Shop, Walz-Siezenheim / Germany

(A stadium-like atmosphere is created by means of special effects on the ceiling and floor, including a light installation with changing colours over the till area and steam coming from a drain in the floor)

Design & implementation: Gruschwitz GmbH; photos: XL – Photodesign



I NTEREST

As soon as customers slow down, you have the opportunity to show them that you have something of interest to them. Design parameters include lighting at the entrance and inside the shop, flooring, dirt trapping mats, a door that is heavy or easy to open, clear arrangement or initial contact with the product (using a table or a stand), but also a cheerful welcome by your staff.

People have a natural urge to move

Coral blazer from C&A



to the right, in an anti-clockwise direction, but tend to look to the left, so particular attention should be paid to creating an especially attractive area on the left. Offers should be publicised in the “check-in zone”, but you should avoid too many written words, placards or information – overloading quickly causes confusion.

D ESIRE

Desire is the longing for more: once the customer has perceived (seen, touched, tasted or smelled) the product, and if the trigger is stimulated correctly, there is an explosion of hormones, followed by the “must-have” feeling.

Within the retail area, you must support this “I want” feeling by providing anything that generates a feeling of wellbeing: seating, chill-out zones, music or multimedia facilities. Elements that work subconsciously but should not be underestimated in their effect on the sensation of wellbeing include humidifying fountains and water features or, as a more expensive option, a “green wall”.

Maritime cotton dress with drawstring from s.Oliver



If a customer perceives a shop to be engaging, the likelihood that they will make a purchase is very high. Now it is time to activate the second "A".

ACTION

Here you need to guide the customer towards their decision to make a purchase but without creating a feeling of pressure. Well-trained,

service-oriented staff and cleverly structured service packages provide added value.

By creating a positive environment, the shop interior can increase decisiveness.

Confronted with smiling, happy people, our brain is beguiled into feeling much more positive. Active images of young, successful people speed up customers' pace and make them demonstrably faster and more active. After making a purchase, customers must

be encouraged to come back, so the check-out zone must be not be neglected. This area must be well thought out, positively decorated, and designed in an diverting way, because the customer's final impression is an important memory.

Mangold, jeans & fashion, Ulm, Germany
 (An old 1950s petrol pump catches the eye and links to the story of an old filling station)
 Design & implementation: Gruschwitz GmbH; photos: XL – Photodesign



About the author

Wolfgang Gruschwitz is the founder and managing director of an international design and implementation agency with its head office in Munich and a subsidiary in Moscow. His clients include FC Bayern, Red Bull, Mango and all Inditex Group brands (such as Zara). In 2005, Gruschwitz drew international attention with his design and expansion of the brand environment within the Allianz Arena in Munich.



Wolfgang Gruschwitz

TIP

Only those who have rough edges, establish an identity and admit their weaknesses will achieve recognition and, most importantly, stand out. If you fit this description as well, then you as a retailer have already achieved a great deal.

Barbados tunic from Palmers

Leather purse from Marc Cain

White skinny jeans from s.Oliver

Brogue sandal with ankle strap



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Display window of Max Kreuzkamm's confectioner's shop and café around 1925



Altmarkt-Galerie Dresden **CAFÉ KREUTZKAMM**

The former supplier to the Royal Court of Saxony has developed into a specialist patisserie and confectioner that sends its wares around the world. Founded by Heinrich Jeremias Kreuzkamm in Dresden in 1825, the company is now run by the fifth generation of the same family.

The story started with an advertisement in the "Dresdner Anzeiger" newspaper at the end of 1825: extolling their "Particularly fine French bonbons and all manner of Swiss patisserie at the most reasonable prices", and recommending to "the nobility and worshipful public" their "flavourful sweetmeats, which are perfectly suited to the decoration of Christmas trees".

The company had far from an easy start, however, and it took nearly 50 years before its patisserie goods became known across Dresden and it was awarded the prestigious title of supplier to the Royal Court in 1873. Shortly thereafter, the company moved to its new headquarters in the city's Altmarkt, where infinite patience and extreme skill were used to create many specialities which would be unaffordable to make today.



Counter at Max Kreuzkamm's confectioner's shop and café around 1925

Particular ambition was devoted to the quality of their Christmas stollen. Initially only known and loved in Dresden, stollen first spread throughout Germany and then started to be sent abroad around the end of the 19th century. Shipments to tropical countries and the US were soldered into individual tin crates by a master tinsmith.



Dining area of Max Kreutzkamm's confectioner's shop and café around 1925

The First World War presented the patisserie with major problems, including a lack of specialist employees and an acute shortage of raw materials. Nevertheless, the company celebrated its centenary in 1925 with many tributes. When the Second World War ended in 1945, the Kreutzkamm family were left with the almost total destruction of

everything they owned, as they were especially hard hit by the bombing of Dresden.

After the war it was impossible to return to occupied Dresden, and so production eventually restarted in Munich in 1950. The company established itself rapidly here and very soon was making cheese straws for the Hofbräuhaus and supplying the Oktoberfest, alongside its traditional products. All the signs pointed to growth, so new production facilities were set up outside the city.

When the Berlin Wall came down in autumn 1989, the Conditorei Kreutzkamm was faced with a completely unexpected new situation. It quickly became clear to the family that they wanted to continue their traditions in their old home, and a suitable shop was found very close to where their old headquarters had

been. After extensive renovation the premises were opened in 1991, so now a family member was back in Dresden, looking after the business and its many customers and visitors from Saxony and the rest of the world.

The company now produces some 800 different items, which are supplied to department stores such as KaDeWe in Berlin and Harrods in London. In spring 2011, a very special café was opened in the Altmarkt-Galerie Dresden: it was created with a great deal of attention to historical detail, as a reminder of the company's early beginnings, and was incorporated into the expansion of the shopping center. Visitors can also see a small collection of objects from the company's early years.



Kreutzkamm's traditional café today at Altmarkt-Galerie in Dresden



Main-Taunus-Zentrum,
Sulzbach / Frankfurt

KIEHL'S

Irving Morse, who took over Kiehl's
from John Kiehl in 1921



K

Kiehl's is a New York-based of high-quality skin and hair care products with a long heritage. The company was founded as a traditional pharmacy in 1851 in New York's East Village, and the original flagship store can still be found on the corner of 3rd Avenue and 13th Street.

The founding family of Kiehl's sets particular store by meeting the individual needs of each and every customer. Their customers always included their neighbours, so they were always more than just "business partners". When the Morse family took over the pharmacy in the early 20th century, they too continued this tradition.



Kiehl's Store
in the 70's

Kiehl's stores today – still a guaranteed source of top-notch products and professional advice

Thus the founding fathers of Kiehl's and their pharmacists and chemists laid the keystone for a level of personalised service that the company is now renowned for the world over.

They soon developed their own range of perfumes which rapidly became known and loved all over Manhattan.

After the Second World War, the pharmacy developed into a renowned manufacturer of natural cosmetics, and the New York store changed from being an insider tip to a trendy rendezvous. Kiehl's products are set apart by their formulas, which are still unique today, and the high concentration of natural ingredients. Global superstars including Madonna are reported to swear by them. Interestingly, though, these days almost half their customers are men.

In 1988, Aaron's daughter Jami Morse Heidegger took over the management of the company. As a marketing specialist and amateur pharmacist, she preferred word of mouth and generous distribution of product testers to expensive advertising. The company still pursues this same policy today.

Kiehl's has been a part of the L'Oréal group since 2000. The aim of the acquisition was to increase the visibility of the brand, which was practically only known in the north-eastern US, while maintaining the exclusivity and high quality of the products.

Today, the company operates worldwide. Around 80% of its marketing budget is still devoted to product testers, which are extensively distributed in shops. "Mr Bones", a traditional human skeleton who has become the mascot of the Kiehl's chain, also stands in each store as a reminder of times past. The same goes for the white smocks worn by the sales staff and the antique store fittings. Since November 2011, Kiehl's has been a tenant in the north extension of the Main-Taunus-Zentrum.



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Midnight Recovery Concentrate



Ultra Facial Cream –
gentle moisturiser



Smooth skin
with Clearly Corrective™
Dark Spot Solution

WORKING

on the details

Maria Hill, Head
of Sustainability,
ECE Projekt-
management

Sustainability

- ★ **Future project:** Sustainability in the building stock. A manual is being developed for the sustainable operation of shopping centers, employee training and the creation of a sustainability benchmark.
- ★ **District heating** supply and green electricity reduce CO₂ emissions — the conversion of most of the Deutsche EuroShop shopping centers to green electricity alone saves 23,400 tonnes of CO₂ per year, on conservative calculations.
- ★ **In the** waste disposal process, waste is separated into paper/cardboard, lightweight packaging, glass, food remains and residual waste.
- ★ **Green areas** on roofs act as valuable biotopes in cities. They also help balance out fluctuations in temperature and further minimise energy consumption.
- ★ **An intelligent** drinking water and wastewater concept saves valuable resources.
- ★ **The centers** are ventilated exclusively via energy-efficient drives with low SFP (specific fan power) values. The large heat exchangers with a recovery rate of 70% reduce heating and cooling needs.
- ★ **Intelligent control** systems ensure natural ventilation via the roofs. This does away with the need for mechanical cooling systems, as the excess pressure in the shops is reduced and the cool night air is currently sufficient to achieve pleasant temperatures.
- ★ **The areas** for low-loss cast resin transformers are generally on the exterior walls, thus dispensing with the need for a separate mechanical cooling system.
- ★ **Compact locations** that have previously been developed reduce the amount of natural land that is lost.

Construction activities

Lighting

- ★ **At night**, emergency lights are deactivated via a time-delay switch.
- ★ **In order to fulfil** the requirements of modern design and sustainable utilisation of energy in equal measure, new LEDs have been developed for facade illumination.
- ★ **Energy-saving lights**, motion detectors and light intensities that change throughout the day all help to save electricity.
- ★ **Solar control glass** reduces the need for air-conditioning and the intensity of light required in the shops.

- ★ **Detailed floor plans** and logistics concepts are developed for each construction site to ensure that they operate as smoothly as possible. Where possible, sites are supplied and dispose of their waste by rail or waterway. We also check whether it is possible to use a static concrete mixing plant, with the aim of reducing traffic.
- ★ **Special rubble collection** points ensure that waste is separated right from the construction phase.
- ★ **Enclosed construction** equipment is used to cut noise and protect residents and workers on sites during the construction period.
- ★ **Resources are conserved** by means of reusable system form-works.
- ★ **The use of durable** German materials (marble from the Jura mountains, regional sandstone, domestic wood) reduces transport volumes. Unlike when materials from China, South America or Egypt are chosen, it is also guaranteed that the quarries will be recultivated.
- ★ **The insulating material** used for thermal insulation must meet the highest requirements. Foam glass, also known as cellular glass, is used in many Deutsche EuroShop centers. This material is predominantly made from recycled glass, which is ground, heated, mixed with carbon and expanded.

Flexibility

- ★ **Due to the fact** that systems with a static design (no prestressed structures or continuous beams) and a sufficient load reserve are used, retail space can be divided up and redeployed with a high degree of flexibility.
- ★ **Most locations** are not greenfield, but rather brown-field sites. This means that no new natural land is lost. Comprehensive construction and groundwater surveys ensure that no problems of water table reduction arise and the land does not have to be decontaminated, which could be very costly.
- ★ **The performance** and consumption of the heating, ventilation and cooling systems are continuously checked and adjusted dynamically to current requirements by means of modern, computer-assisted control systems (DDC systems).
- ★ **Reserves have** been planned in the building's technical systems for future changes of use. As part of this planning, power rails with a variable connected load are used as an energy supply system.

Surroundings & traffic

- ★ **Our centers have** good bus and rail links, making for convenient and environmentally friendly travel.
- ★ **There are bike** parking facilities for customers who cycle.
- ★ **Inner-city locations** reduce transport distances.
- ★ **City locations** also fit into existing structures and strengthen them.



Ready to refurbish

Mag ein Shopping-Center auch noch so schön sein, irgendwann kommt es in die Jahre. Und dann sind wir für Sie da: Die ECE ist Experte für die Revitalisierung, Modernisierung und Erweiterung von Einkaufszentren – mit dem Gespür, Trends zu setzen. 2011 haben wir drei Center aus dem Portfolio der Deutschen EuroShop erweitert und einer Verjüngungskur unterzogen: das Main-Taunus-Zentrum in Sulzbach, das A10 Center bei Berlin und die Altmarkt-Galerie in Dresden. Das überzeugt Mieter – nicht ohne Grund eröffnete der erste Apple Store Ostdeutschlands in der Altmarkt-Galerie.

Shopping | Office | Traffic | Industries

ECE Projektmanagement G.m.b.H. & Co. KG
Heegbarg 30, 22391 Hamburg
Telefon: (040) 60606-0, Fax: (040) 60606-6230
www.ece.de, info@ece.de



THE FUTURE

lies in the existing

BUILDING STOCK

Operating sustainable shopping centers

Future project: Sustainability in the building stock – An article by Maria Hill, Head of Sustainability, ECE Projektmanagement

A central objective of European policy is to reduce the heating requirements of the building stock over the long term. By 2050, buildings should be as close to climate-neutral as possible. This means that buildings will have very low energy requirements, and the residual requirement will be met mainly by renewable forms of energy.

Statistics show that the potential for reducing the energy requirements of existing buildings is very high:

60% of German commercial properties are over 25 years old, and the figure for all existing building stock is even higher. In the seven largest

German cities (in terms of office space)

there is 77.4 million m² of existing space, and just 1.15 million m² in new-builds.

The implementation of sustainable

measures for existing buildings is complicated, however, and will require intensive focus on the substance.

This is sufficient cause for ECE to take a more active approach to the portfolio properties it manages. In addition to measures such as ECO Online, green electricity and new lighting technologies, it aims to save even more CO₂ in its existing centers. The objective is to ensure that existing properties are economically and environmentally sustainable in the future as well, which is why the ECE Sustainability Team has developed the concept for the future project “Sustainability in the building stock”.

In November 2010, an interdisciplinary team was formed to work with an external partner to draw up a “Handbook for Center Operation”, a model SWOT analysis of existing centers and a sustainability benchmark.

The ongoing refinement of an all-encompassing sustainability strategy within ECE is detailed in the handbook entitled “Sustainability in building stock – practised by sustainable shopping centers”. The



handbook is intended as a supplement to the manual “Sustainable planning, construction and operation of shopping centers”, which was published in 2010. It provides center managers and technical managers on site with assistance and practical recommendations, based on best practice examples, for the sustainable operation of shopping centers. The first training sessions and specialist presentations for staff based on this handbook have been taking place since autumn 2011.

In addition to raising awareness among staff in the centers, the handbook and training will contribute to creating common environmental standards across all ECE (and as such all Deutsche EuroShop) centers.

Sweatshirt with hood
made of organic cotton
from C&A

Bermudas with
cargo pockets
made of organic
cotton from C&A

Econom-
izing

ecolo-
gically

@

Deutsche
EuroShop

ECONOMY ECOLOGY

meets



**Environmentally friendly
and economic thinking are not
mutually exclusive**

Three questions for Heiko Wasser, Technical Manager at the Phoenix-Center, Harburg – the man responsible for implementing the ECO Online pilot project, in which he has demonstrated that you can be environmentally conscious and save money at the same time.



Between 2009 and 2010 you made energy cost savings in the region of EUR 126,000 at the Phoenix-Center. How did you manage that at one existing property?

We implemented the ECO Online system from Vattenfall as a pilot project for ECE. The system enables us to monitor energy use every 15 minutes via a PC. We used the power curves to determine when rises in demand happen and what they are like. We then matched this to our users and power requirements.

What particular issues did you identify?

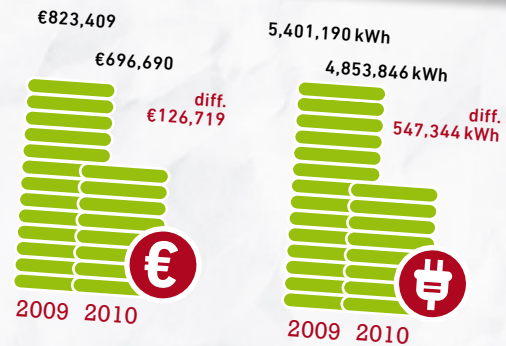
Initially, we were amazed that some facility components were still running at night even though they should have been completely switched off. Some components also came on automatically on Sundays, even though this was not planned or necessary. The success of this measure is reflected very clearly in the night-time tariffs, as we have been able to reduce our consumption more and more over time. We also examined the load curves of our cooling systems. Here we identified that the automatic system initially selected the facility or option that was apparently "cheaper". However, if we do not use the automatic system under certain conditions and operate the turbo manually right from the start, we save energy at the end of the day because the load is distributed more evenly and the cooling recovery process is markedly better. There are then no peaks in either case. We were able to identify this only by means of very precise observation and testing, and we then optimised our processes accordingly.

What additional measures have been implemented?

We have implemented a whole range of measures. These include converting lighting in secondary passageways to motion detectors and optimising the lighting components within certain areas. We reviewed when the lighting in question was actually used and adapted it more closely to actual demand, particularly in secondary passageways. We also reviewed the lighting scenes again, and here too we were able to take further optimisation measures, in relation to the wall lighting, the unloading ramps and similar areas. We also optimised the bulbs that we use, for example changing the fountain lights from 70W halogen bulbs to 3.9W LED lights.

Interview by Maria Hill, Head of Sustainability, ECE Projektmanagement

Success story Phoenix-Center



Dress made of 100% organic cotton from C&A



Borsalino-style hat from Marc Cain



Ballerinas made of floral print fabric from C&A



Shopper handbag with a trendy tassel from Orsay



Heiko Wasser, Technical Manager at Phoenix-Center, Harburg

Shopping to suit all the **GENERATIONS**

Living responsibly

An article by Dr Stephanie Dutzke-Wittneben, Sustainability Team, ECE Projektmanagement

DThe Altmarkt-Galerie Dresden, managed by ECE, is one of the first shopping centers in the country to be awarded the “Generation-Friendly Shopping” quality certificate by the German Trade Association (Handelsverband Deutschland, HDE).

The “Generation-Friendly Shopping” quality certificate is awarded to retailers and shopping centers where shopping is convenient and easily accessible for people of all age groups, families, single people and people with disabilities. The aim is to provide a pleasant experience for older people, wheelchair users and parents with pushchairs. The Altmarkt-Galerie Dresden is located in a very lively area with a wide range of age groups. Young and old come together here to shop and appreciate the quality of the environment that the center provides. The center also has outstanding transport links and can be accessed easily by people with limited mobility.

The German Trade Association joined together with various retailers, associations and institutions and the “Wirtschaftsfaktor Alter” initiative to create a standard procedure for certifying retailers and shopping centers that are designed to meet the required cross-generational criteria. Shopping centers and retailers are checked against a list of requirements by trained testers.

The requirements for certifying a shopping center include accessibility to the center, accessibility within the center, center design including signposting and anti-slip flooring, the range of services provided and the service behaviour of staff. For a shopping center to receive certification, at least 70% of the shops within the center must also be certified in accordance with the HDA’s requirements.

The objective of the “Generation-Friendly Shopping” certification initiative is to create a standard national symbol for shops that are accessible to all the generations, to position retail as a model and pioneer for a generation-friendly future, to raise awareness of changing customer needs among businesses and to define a standard procedure. Many Deutsche-EuroShop centers already meet the majority of the certification criteria. Following on from the Altmarkt-Galerie Dresden, other Deutsche EuroShop centers likely to be awarded the quality certificate in the near future include the Main-Taunus-Zentrum, the Rathaus-Center Dessau and the Stadt-Galerie Passau.



Altmarkt-Galerie
in Dresden

Tightening facial gel
available at Douglas



Moisturising fluid
available at Douglas



Classical watches
from CHRIST

Natürlich Fisch genießen

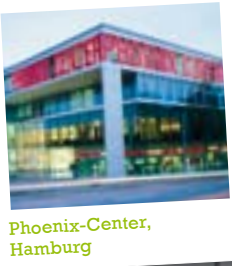
Seit mehr als 100 Jahren ist guter Geschmack und die Liebe zum Fisch unser Erfolgsrezept. Wir stellen hohe Anforderungen an die Qualität und an unsere Lieferanten, damit Sie kontinuierlich frische und erlesene Zutaten genießen können.

Qualität, die man schmeckt!



THE CENTERS

4 countries
19 locations



Phoenix-Center,
Hamburg



Billstedt-Center,
Hamburg



City-Galerie,
Wolfsburg



Allee-Center,
Magdeburg



Stadt-Galerie,
Hameln



City-Point,
Kassel



Allee-Center,
Hamm



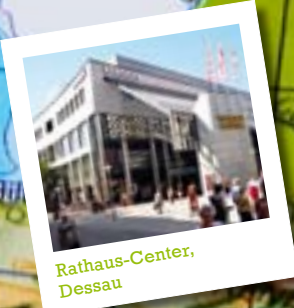
A10 Center
Wildau/Berlin



City-Arkaden,
Wuppertal



Forum,
Wetzlar



Rathaus-Center,
Dessau



Main-Taunus-Zentrum,
Sulzbach/Frankfurt



Rhein-Neckar-Zentrum,
Viernheim



Altmarkt-Galerie,
Dresden



Stadt-Galerie,
Passau



Galeria Bałtycka,
Gdansk, Poland



Galeria Dominikanska,
Wrocław, Poland



Árkád,
Pécs, Hungary



City Arkaden,
Klagenfurt, Austria



A10 CENTER

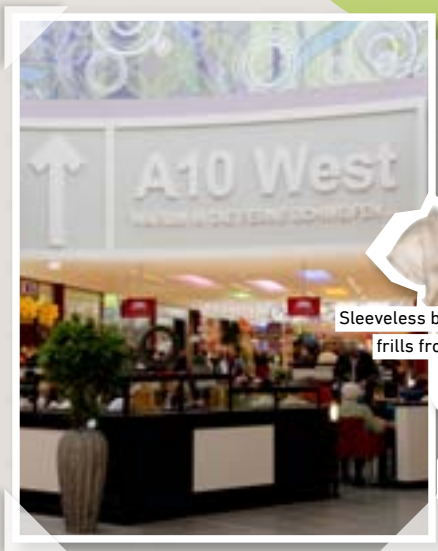
Wildau / Berlin

Investments	100%
Leasable space	approx. 118,500 m ²
Of which retail space	66,000 m ²
Parking	4,000
No. of shops	200
No. of Occupancy rate	100%
Catchment area	1.2
Purchased by DES	January 2010
Grand opening	1996
Restructuring / Modernisation	2010-2011
Anchor tenants	Bauhaus, C&A, H&M, Karstadt Sports, Peek & Cloppenburg, real

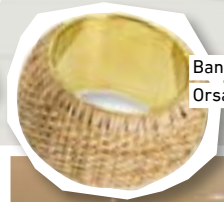
approximately
41
thousand

Visitors
per day

Chausseestr. 1, 15745 Wildau



Summer hat
from C&A



Bangle from
Orsay



Sleeveless blouse with
frills from s.Oliver



Shiny trousers
from Orsay



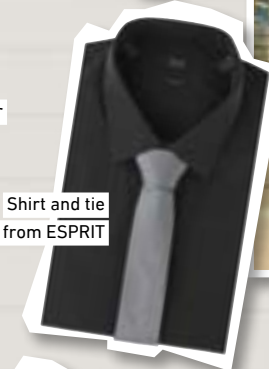
www.a10center.de



Chronograph with leather strap from CHRIST



Full-grain cowhide leather weekender from C&A



Shirt and tie from ESPRIT

approximately
39
thousand

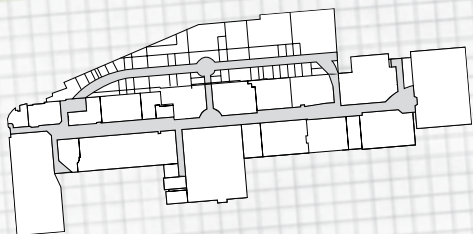


Men's brogue shoes from C&A

Visitors per day

Investments	52%
Leasable space	approx. 117,900 m ²
Of which retail space	91,000 m ²
Parking	4,500
No. of shops	170
No. of Occupancy rate	100%
Catchment area	2.2
Purchased by DES	September 2000
Grand opening	1964
Restructuring / Modernisation	2004
Expansion	2011
Anchor tenants	Apple, Breuninger, Galeria Kaufhof, H&M, Hollister, Karstadt, Media Markt, REWE

Königsteiner Straße,
65843 Sulzbach (Taunus)



MAIN-TAUNUS-ZENTRUM

Sulzbach / Frankfurt

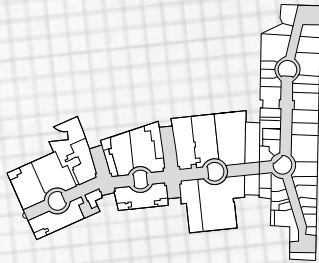
ALTMARKT-GALERIE

Dresden



Investments	67%
Leasable space	approx. 77,000 m ²
Of which retail space	44,000 m ²
Parking	500
No. of shops	200
No. of Occupancy rate	93%
Catchment area	1.0
Purchased by DES	September 2000
Grand opening	2002
Expansion	2011
Anchor tenants	Apple, Hollister, Saturn, SinnLeffers, SportScheck, Zara

Webergasse 1, 01067 Dresden



approximately
41
thousand

Visitors
per day

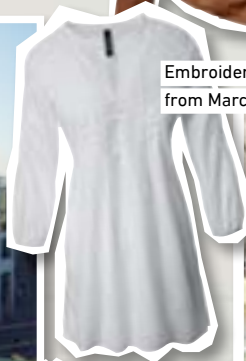
Leather jacket from
Marc Cain



Large shopper handbag
from Marc Cain



Embroidered tunic
from Marc Cain



Ankle-strap sandal
from C&A



www.altmarkt-galerie.de

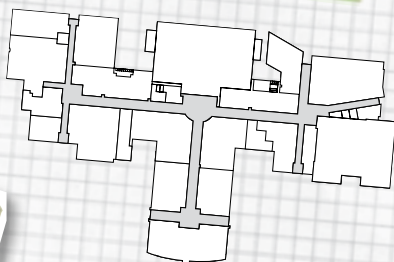


RHEIN-NECKAR-ZENTRUM

Viernheim

Investments	
Leasable space	100%
Of which retail space	approx. 64,400 m ²
Parking	60,000 m ²
No. of shops	3,800
No. of Occupancy rate	110
Catchment area	100%
Purchased by DES	1.2
Grand opening	September 2000
Restructuring / Expansion	1972
Anchor tenants	2002
	Engelhorn Active Town, Peek & Cloppenburg, H & M, TK Maxx, Zara

Robert-Schumann-Str. 8,
68519 Viernheim



approximately
23
thousand

Visitors
per day



Summery halter dress
from s.Oliver



Maritime purse
from s.Oliver



Ankle-strap
wedge sandal

www.allee-center-magdeburg.de



Short sleeve shirt
from Orsay

Metallic nail polish
from Douglas

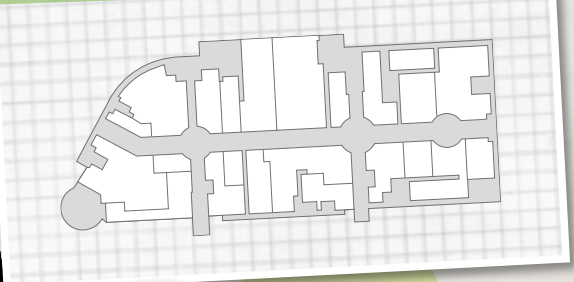
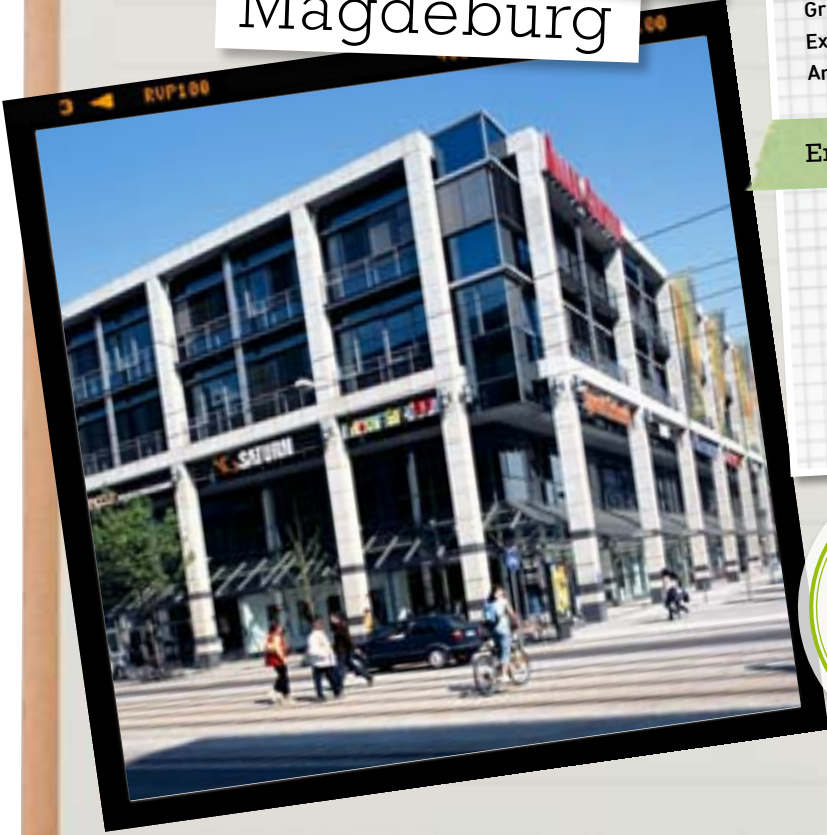
Flowered hot pants
from ESPRIT

Ankle-strap sandal
from C&A

ALLEE-CENTER Magdeburg

Investments	50%
Leasable space	approx. 51,300 m ²
Of which retail space	35,000 m ²
Parking	1,300
No. of shops	150
No. of Occupancy rate	98%
Catchment area	0.7
Purchased by DES	October 2011
Grand opening	1998
Expansion	2006
Anchor tenants	H&M, Saturn, SportScheck, REWE

Ernst-Reuter-Allee 11, 39104 Magdeburg



approximately
35
thousand

Visitors
per day

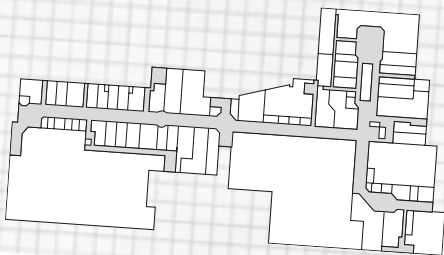
BILLSTEDT-CENTER

Hamburg



Investments	100%
Leasable space	approx. 42,800 m ²
Of which retail space	40,000 m ²
Parking	1,500
No. of shops	110
No. of Occupancy rate	100%
Catchment area	0.7
Purchased by DES	January 2011
Grand opening	1969 / 1977
Restructuring	1996
Anchor tenants	C & A, H & M, Media Markt, TK Maxx, Toom

Möllner Landstr. 3,
22111 Hamburg



www.billstedt-center.de

approximately
40
thousand

Visitors
per day



Sleeveless blouse with
gathers from s.Oliver



Slim jeans
from C&A



Retro handbag
from Görtz



Woven leather belt
from s.Oliver



www.phoenix-center-harburg.de

PHOENIX-CENTER

Hamburg

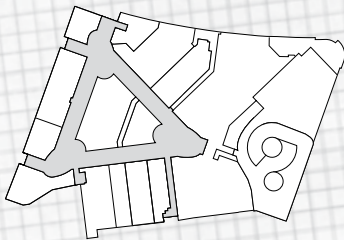


approximately
34
thousand

Visitors
per day

Investments	50%
Leasable space	approx. 39,200 m ²
Of which retail space	26,500 m ²
Parking	1,600
No. of shops	110
No. of Occupancy rate	100%
Catchment area	0.6
Purchased by DES	August 2003
Grand opening	2004
Anchor tenants	C&A, H&M, Karstadt Sports, Media Markt, New Yorker, REWE, SinnLeffers

Hannoversche Str. 86, 21079 Hamburg



Band rings in three gold tones from CHRIST



Silver ankle-strap sandal with buckle from Görtz



Small shoulder bag from C&A

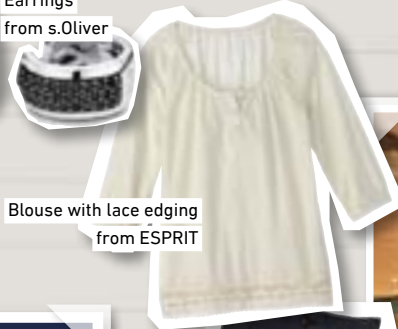
50s-style halter dress from s.Oliver



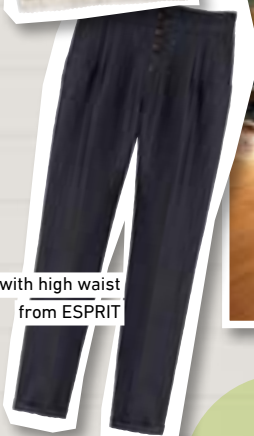
Shopper handbag with contrasting lining from s.Oliver



Earrings from s.Oliver



Blouse with lace edging from ESPRIT



Trousers with high waist from ESPRIT

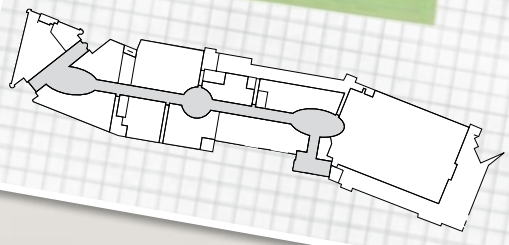


Investments	65%
Leasable space	approx. 34,400 m ²
Of which retail space	23,500 m ²
Parking	1,700
No. of shops	110
No. of Occupancy rate	100%
Catchment area	0.5
Purchased by DES	Oktober 2003
Grand opening	2005
Anchor tenants	Kaufland, Media Markt, Thalia

approximately
22
thousand

Visitors per day

Am Forum 1, 35576 Wetzlar



FORUM
Wetzlar



www.forum-wetzlar.de

www.allee-center-hamm.de



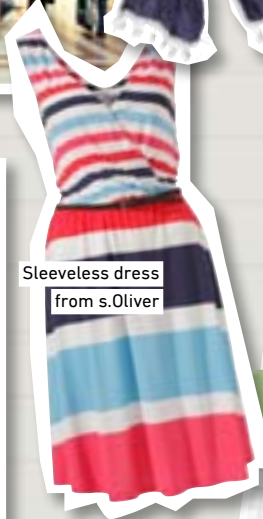
Crinkle scarf
from C&A



Pea coat
from Orsay



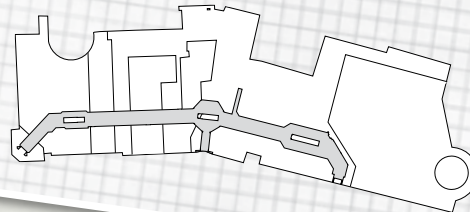
Red suede shopper
handbag from Görtz



Sleeveless dress
from s.Oliver

Investments	100%
Leasable space	approx. 33,900 m ²
Of which retail space	21,000 m ²
Parking	1,250
No. of shops	90
No. of Occupancy rate	100%
Catchment area	1.0
Purchased by DES	April 2002
Grand opening	1992
Renovation / Restructuring	2003, 2009
Anchor tenants	C&A, H&M, Peek & Cloppenburg, REWE, Saturn

Richard-Matthaei-Platz 1, 59065 Hamm



approximately
25
thousand

Visitors
per day

ALLEE-CENTER
Hamm





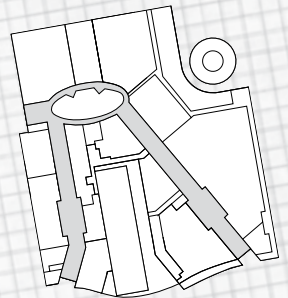
approximately
26
 thousand

Visitors
 per day

CITY-GALERIE Wolfsburg

Investments	100%
Leasable space	approx. 30,800 m ²
Of which retail space	20,000 m ²
Parking	800
No. of shops	100
No. of occupancy rate	100%
Catchment area	0.5
Purchased by DES	September 2000
Grand opening	2001
Restructuring	2011
Anchor tenants	Hempel, New Yorker, REWE, Saturn

Porschestr. 45, 38440 Wolfsburg



Military-style jacket
 from Vero Moda



Pullover with bateau
 neck from Vero Moda



Jean shorts
 from Vero Moda



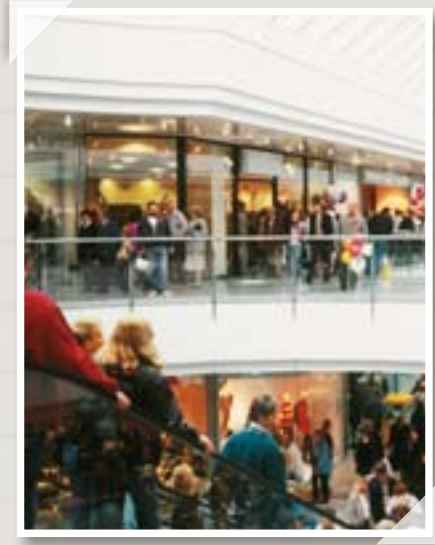
Ankle-strap sandal
 with tassels from Görtz

www.rathaus-center-dessau.de

Slim-fit blazer
from Orsay

Ballerinas
from ESPRIT

Linen trousers
from ESPRIT



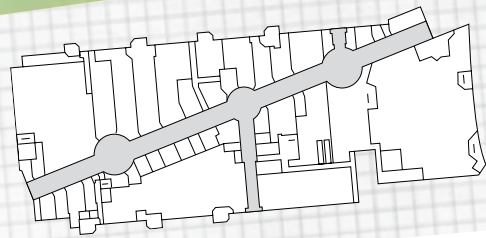
RATHAUS-CENTER

Dessau



Investments	100%
Leasable space	approx. 30,400 m ²
Of which retail space	20,000 m ²
Parking	850
No. of shops	90
No. of Occupancy rate	98%
Catchment area	0.6
Purchased by DES	November 2005
Grand opening	1995
Anchor tenants	H & M, Modehaus Fischer, Thalia, TK Maxx

Kavalierstraße 49, 06844 Dessau-Roßlau



approximately
17
thousand

Visitors
per day



CITY-ARKADEN

Wuppertal



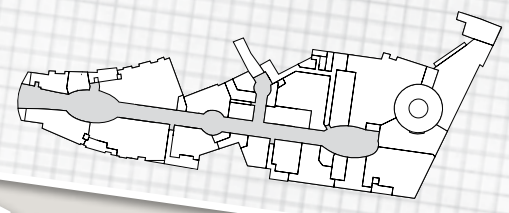
approximately
26
thousand

Visitors
per day



Investments	100%
Leasable space	approx. 28,700 m ²
Of which retail space	20,000 m ²
Parking	650
No. of shops	80
No. of Occupancy rate	100%
Catchment area	0.8
Purchased by DES	September 2000
Grand opening	2001
Restructuring	2011
Anchor tenants	Akzenta, H & M, MediMax, Thalia, Zara

Alte Freiheit 9, 42103 Wuppertal



Hawaiian shirt
from s.Oliver

Flip-flops
from C&A

Jean shorts
from s.Oliver

www.city-arkaden-wuppertal.de

approximately
35
thousand

Visitors
per day



CITY-POINT
Kassel



Large suede shopper handbag from Görtz

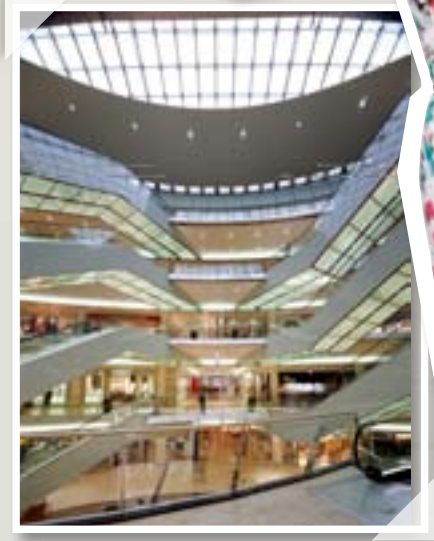


Retro sunglasses from s.Oliver



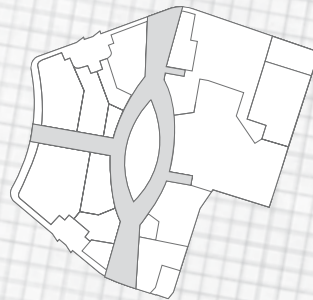
Flowered sheath from s.Oliver

Pointed-toe patent pumps from s.Oliver



Investments	100%
Leasable space	approx. 28,300 m ²
Of which retail space	20,000 m ²
Parking	220
No. of shops	60
No. of Occupancy rate	100%
Catchment area	0.8
Purchased by DES	September 2000
Grand opening	2002
Restructuring	2009
Anchor tenants	H&M, New Yorker, Saturn, Sport Voswinkel

Königsplatz 61, 34117 Kassel



www.city-point-kassel.de

www.stadtgalerie-passau.de

Dress with pleated skirt
from Orsay



Beaded wooden
bracelet from C&A



Leather gloves
from C&A



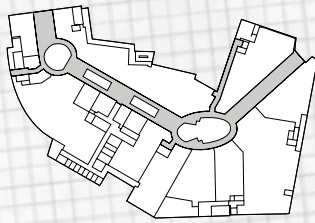
Ankle-strap sandal
from Görtz



Investments	75%
Leasable space	approx. 27,600 m ²
Of which retail space	21,000 m ²
Parking	500
No. of shops	90
No. of Occupancy rate	100%
Catchment area	0.7
Purchased by DES	December 2006
Grand opening	2008
Anchor tenants	C & A, Esprit, Saturn, Thalia



Bahnhofstr. 1, 94032 Passau



approximately
25
thousand

Visitors
per day



STADT-GALERIE

Passau

www.stadt-galerie-hameln.de



Printed t-shirt from s.Oliver

Facial cleanser from Douglas

Sunglasses from s.Oliver

Casual chronograph from s.Oliver

Chinos with drawstring from s.Oliver

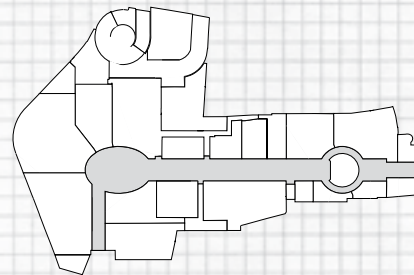


Investments	100%
Leasable space	approx. 26,000 m ²
Of which retail space	19,000 m ²
Parking	500
No. of shops	100
No. of Occupancy rate	99%
Catchment area	0.4
Purchased by DES	November 2005
Grand opening	2002
Restructuring	2008
Anchor tenants	Müller Dorgerie, New Yorker, real, Thalia

Pferdemarkt 1, 31785 Hameln

STADT-GALERIE

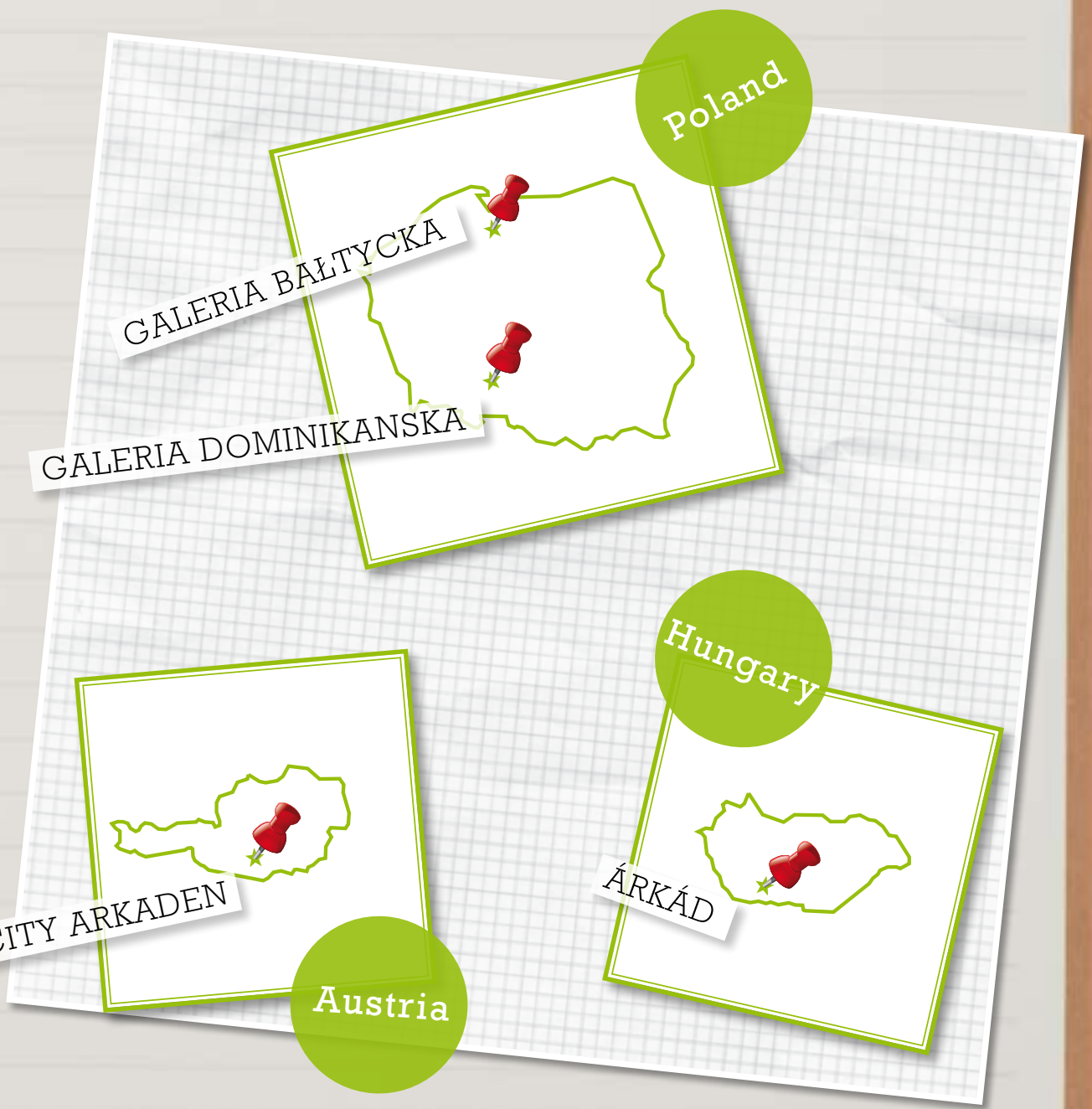
Hameln



approximately
19
thousand

Visitors
per day

SHOPPINGCENTER ABROAD



GALERIA BALTYCKA

Gdansk / Poland

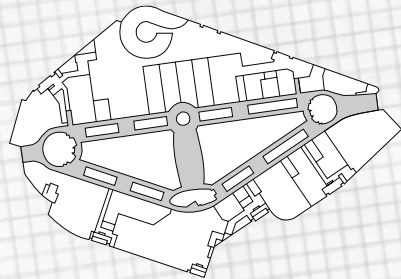


approximately
18
thousand

Visitors
per day

Investments	74%
Leasable space	approx. 48,600 m ²
Of which retail space	39,500 m ²
Parking	1,050
No. of shops	193
No. of Occupancy rate	100%
Catchment area	1.1
Purchased by DES	August 2006
Grand opening	2007
Anchor tenants	Carrefour, H & M, Peek & Cloppenburg, Saturn, Zara

al. Grunwaldzka 141,
80-264 Gdansk, Poland



Stylish sunglasses
from Bijou Brigitte



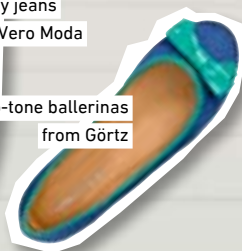
Biker-style jacket
from Vero Moda



Skinny jeans
from Vero Moda



Two-tone ballerinas
from Görtz



www.galeriabaltycka.pl

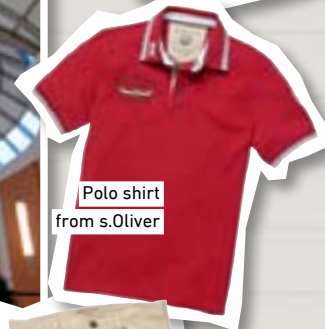
www.city-arkaden.at



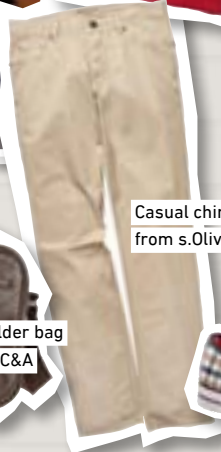
Straw hat
from C&A



Polo shirt
from s.Oliver



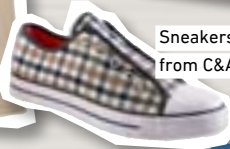
Casual chinos
from s.Oliver



Shoulder bag
from C&A

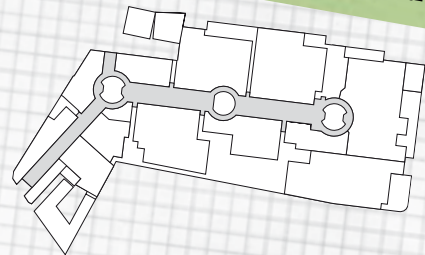


Sneakers
from C&A



Investments	50%
Leasable space	approx. 36,900 m ²
Of which retail space	30,000 m ²
Parking	880
No. of shops	120
No. of Occupancy rate	100%
Catchment area	0.4
Purchased by DES	August 2004
Grand opening	2006
Anchor tenants	C & A, Peek & Cloppenburg, Saturn, Zara, H & M

Heuplatz 5, 9020 Klagenfurt, Austria



CITY ARKADEN

Klagenfurt / Austria



approximately
21
thousand

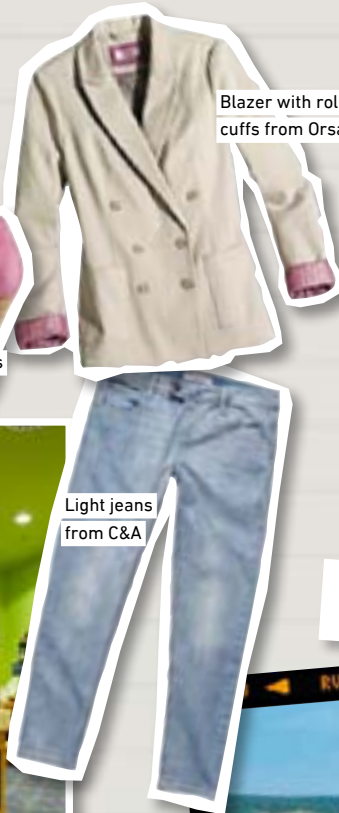
Visitors
per day



Straw hat from C&A



Lace-up brogue pumps from Görtz



Blazer with rolled-up cuffs from Orsay

Light jeans from C&A



ÁRKÁD

Pécs / Hungary



Investments	50%
Leasable space	approx. 35,300 m ²
Of which retail space	35,000 m ²
Parking	850
No. of shops	130
No. of Occupancy rate	93%
Catchment area	1.0
Purchased by DES	November 2002
Grand opening	2004
Anchor tenants	C&A, H&M, Media Markt, Spar

Bajcsy Zs. U. 11/1,
7622 Pécs, Hungary



approximately
32
thousand

Visitors
per day

www.arkadpecs.hu

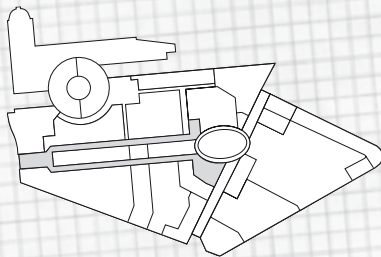
GALERIA DOMINIKANSKA

Wroclaw / Poland



Investments	33.3%
Leasable space	approx. 32,900 m ²
Of which retail space	26,000 m ²
Parking	900
No. of shops	100
No. of Occupancy rate	99%
Catchment area	1.0
Purchased by DES	December 2003
Grand opening	2001
Restructuring	2011
Anchor tenants	C&A, Carrefour, Media Markt, van Graaf, Zara

Plac Dominikanski 3,
50159 Wroclaw, Poland



approximately
32
thousand

Visitors
per day



Large beach bag
from C&A



Triangle scarf
from C&A



Elegant blazer
from C&A

Relaxed fit chinos
from Orsay





MARCCAIN

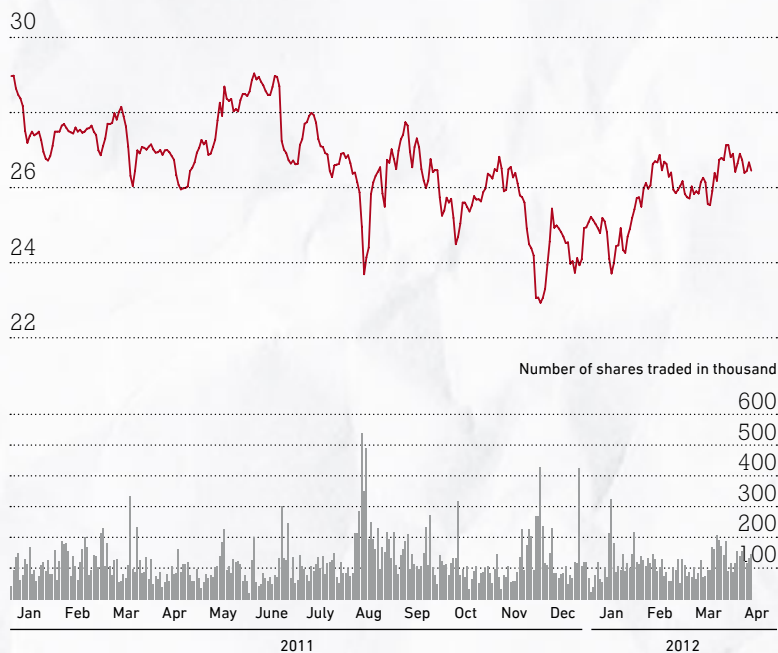
Marc Cain Collections



The Shopping Center **SHARE**

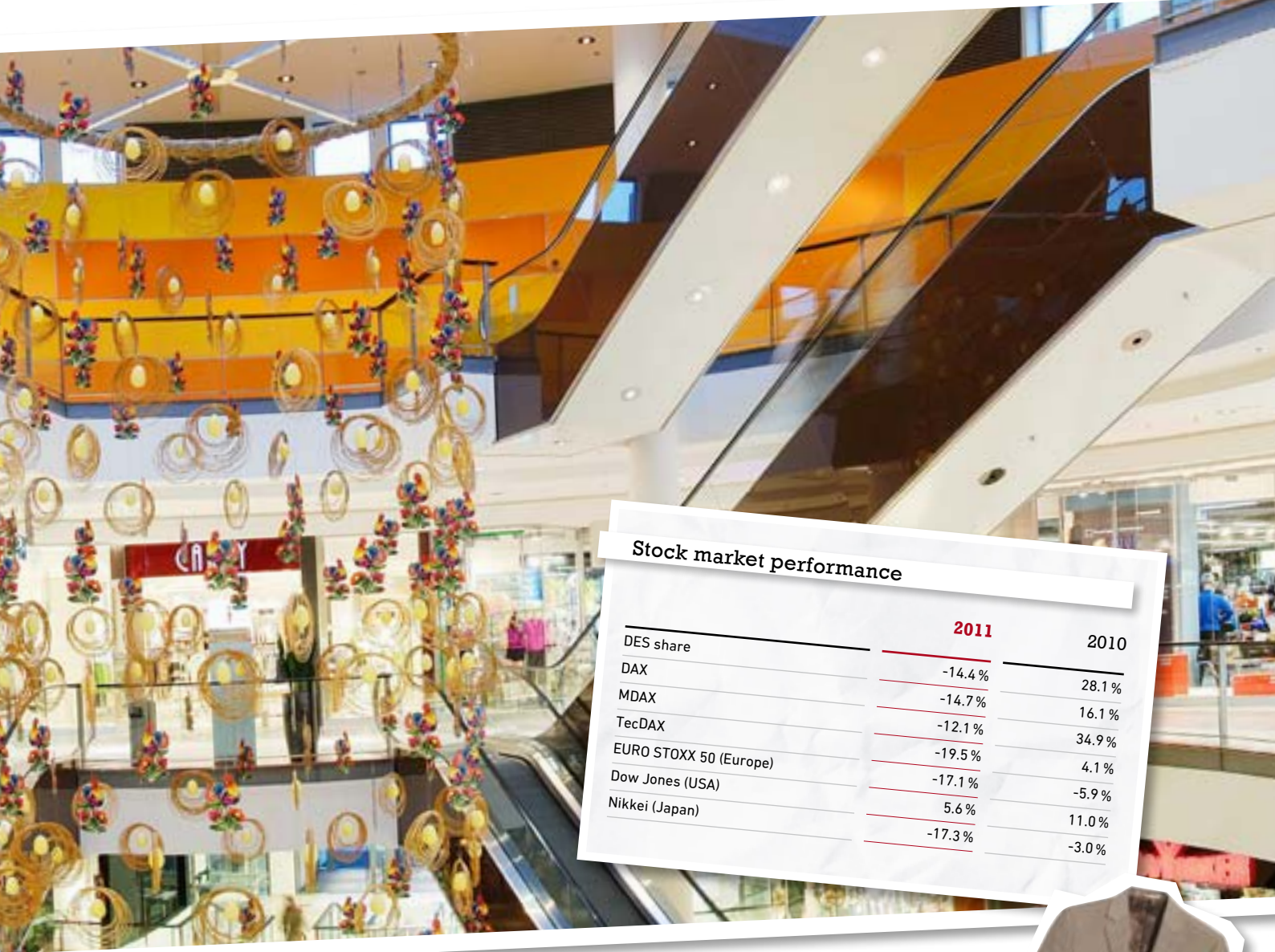
Trend of share

in €



SHARE PRICE:
"SELL IN MAY AND GO AWAY"

The bar was high last year. Our share began the year at €28.98 and suffered early losses to reach €26.00 by mid-April. A typical price pattern emerged in the run-up to the Annual General Meeting and the subsequent dividend payment: the DES stock rallied, mainly in May, to stand at an annual high (Xetra closing price basis) of €29.06 on 1 June. The summer and autumn saw price volatility and in some cases panicked price falls on the world's stock exchanges, which DES was unable to wholly



Stock market performance

	2011	2010
DES share		28.1%
DAX	-14.4%	16.1%
MDAX	-14.7%	34.9%
TecDAX	-12.1%	4.1%
EURO STOXX 50 (Europe)	-19.5%	-5.9%
Dow Jones (USA)	-17.1%	11.0%
Nikkei (Japan)	5.6%	-3.0%
	-17.3%	

escape. As in 2010, the share price hit its low for the year in November, closing at €22.94 on the 23rd. Although the stock staged a significant recovery in December, it still finished the year in the red, at €24.80. Deutsche EuroShop's market capitalisation decreased by around €216 million (-14%) in 2011, from €1,496 million to €1,280 million.

KEEPING PACE WITH THE EUROPEAN BENCHMARK AND PEER GROUP

Taking into account the dividend paid of €1.10 per share, the performance of Deutsche EuroShop shares was -11.1% year-on-year (2010: +28.1%). The share price fell by 14.4%. As such, our share price performance was below that of the European benchmark for listed real estate companies, the EPRA index, in 2011 (-9.2%; 2010: +18.6%) and was mid-ranking within the European peer group.

German open-ended property funds achieved an average performance of 1.5% in the past year (2010: -1.3%) and attracted cash inflows of around €1.2 billion (2010: €1.6 billion).

* Corio, Eurocommercial Properties, Klepierre, Mercialys and Unibail-Rodamco

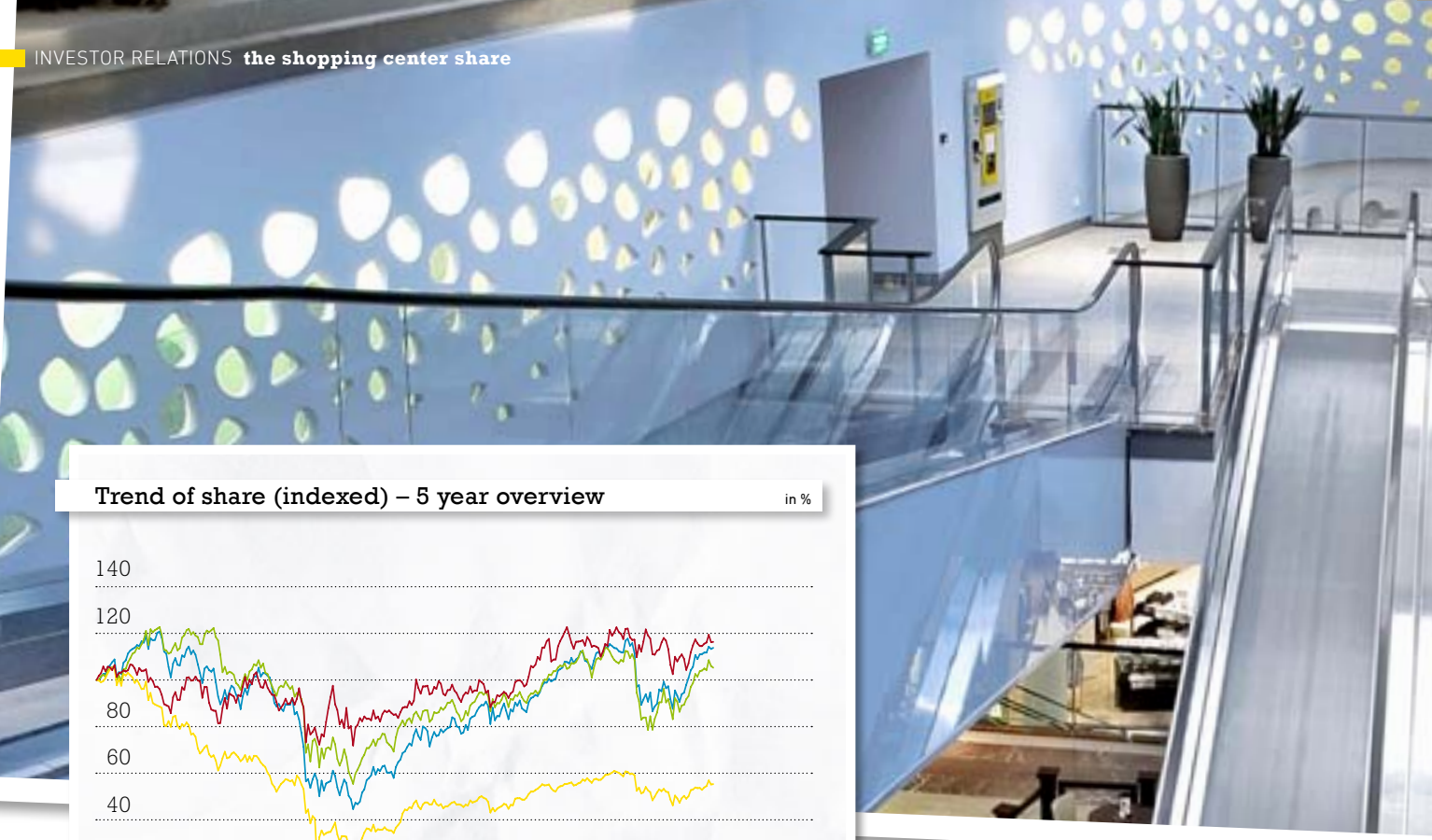
Business suit from s.Oliver



Brown men's cowhide leather shoe from C&A

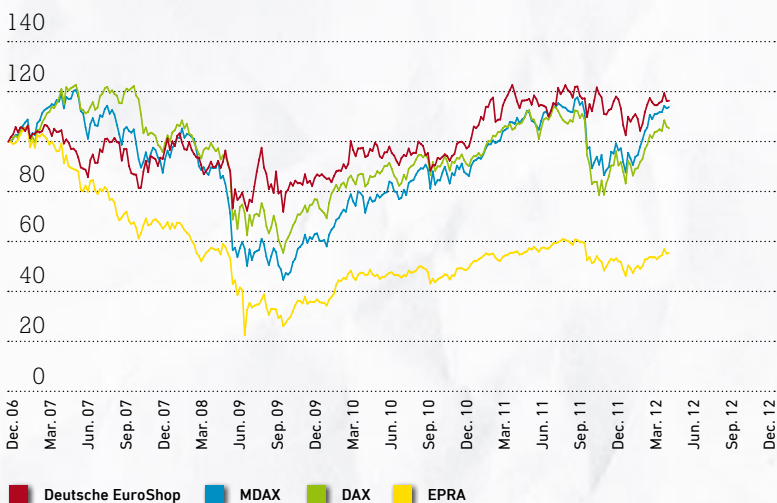


Cotton canvas weekender from s.Oliver



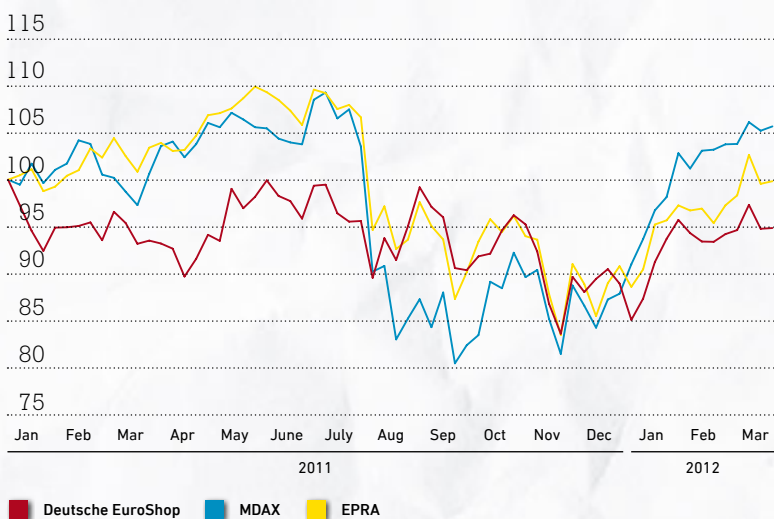
Trend of share (indexed) – 5 year overview

in %



Trend of share (indexed)

in %



LOWER ATTENDANCE AT ANNUAL GENERAL MEETING

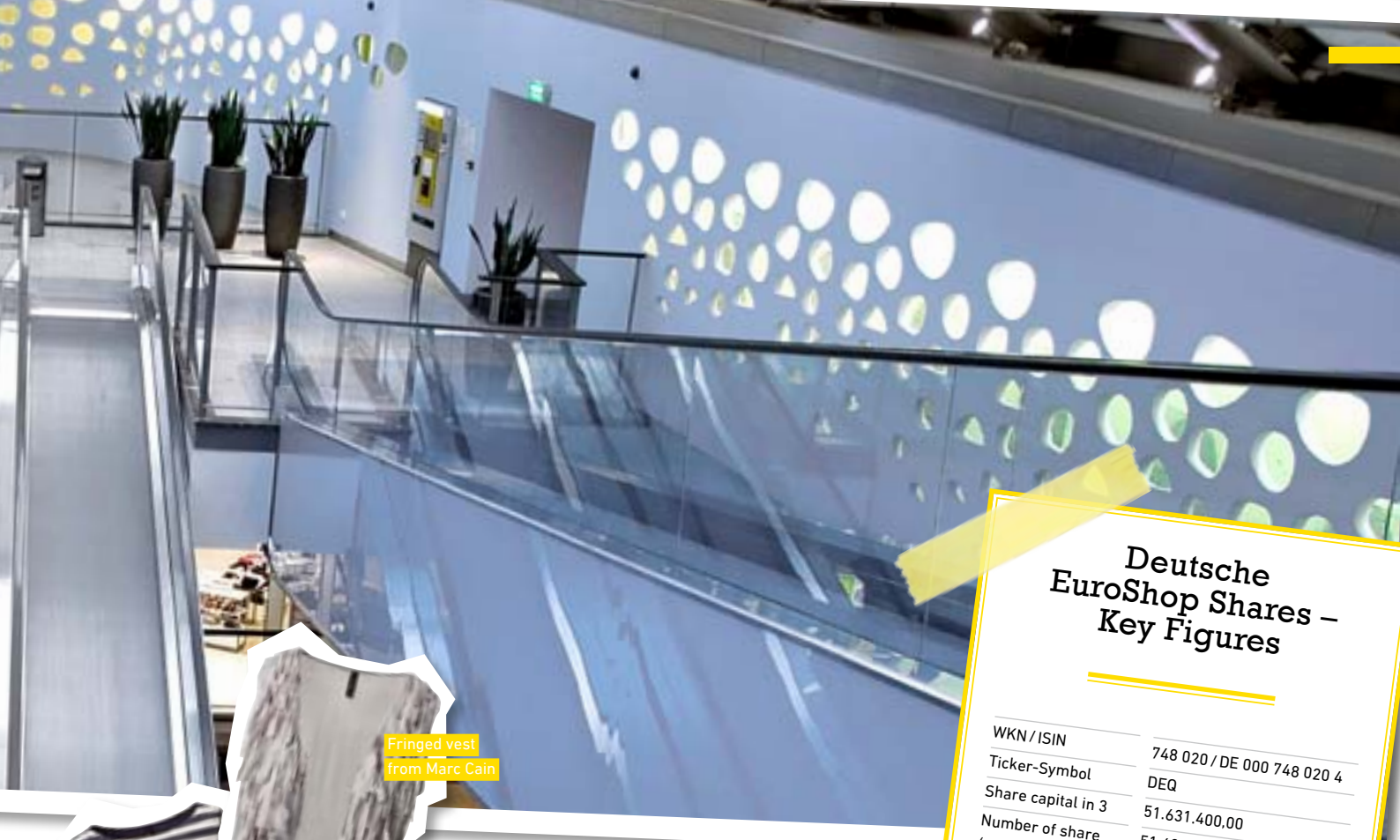
The Annual General Meeting was held in Hamburg on 16 June 2011. Nearly 300 shareholders were in attendance at the Handwerkskammer, representing 55.6% (previous year: 61.5%) of the capital, and they approved all the items on the agenda.

BROAD COVERAGE OF THE SHARE

Our shares are now regularly followed by 28 analysts (as at 31 March 2012) from respected German and international financial institutions, and their recommendations introduce us to new groups of investors. This makes Deutsche EuroShop one of the property companies in Europe with the best coverage, and it also stands up to comparison with the MDAX (average of 22 analysts). Information on the recommendations can be found available at www.deutsche-euroshop.com/research.

The analysts are fairly positive about the prospects for the DES share (as at 31 March 2012).

* ABN Amro, Aurel, Baader Bank, Bankhaus Lampe, Bank of America Merrill Lynch, Berenberg Bank, Close Brothers Seydler, Commerzbank, Credit Suisse, Deutsche Bank, DZ Bank, Edge Capital, equinet, Green Street Advisors, Hamburger Sparkasse, HSBC, ING, Kempen, Kepler Capital Markets, Metzler, M.M. Warburg, Natixis, Oddo, Petercam Bank, Rabobank, Societe Generale, UBS, WestLB



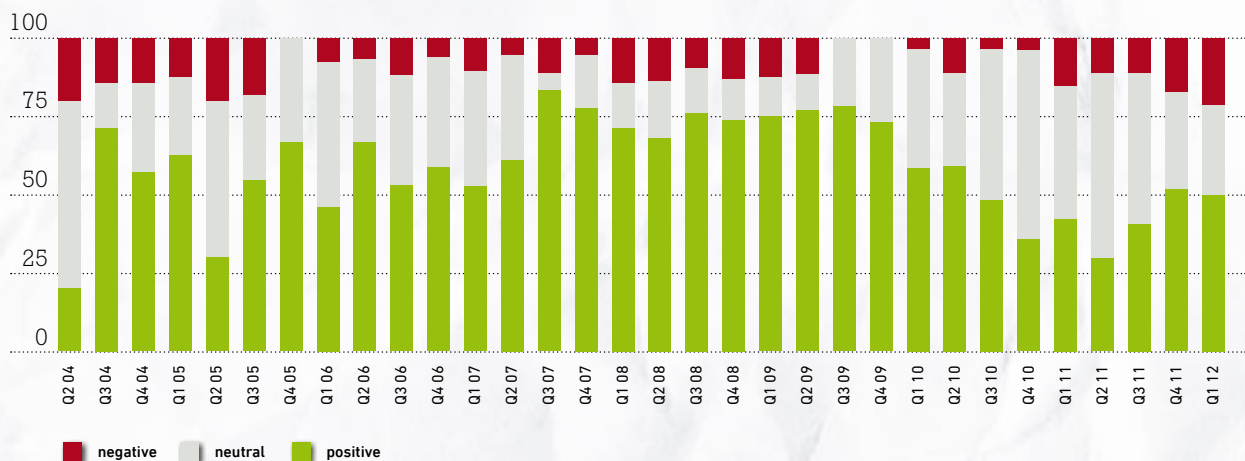
Deutsche EuroShop Shares – Key Figures

WKN / ISIN	748 020 / DE 000 748 020 4
Ticker-Symbol	DEQ
Share capital in 3	51.631.400,00
Number of share (non-par value registered shares)	51.631.400
Indices	MDAX, EPRA, GPR 250, MSCI Small Cap, EPIX 30, HASPAX, HDAX, DAX International Mid 100, MSCI Small Cap, F.A.Z.-Index, DivMSDAX, EURO STOXX, STOXX Europe 600
Official market	Prime Standard Frankfurter Wertpapierbörse and Xetra
OTC markets	Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart



Diversity of analyst's opinion

in %





VERO MODA®

JACK & JONES®

ONLY®

BESTSELLER TEXTILHANDELS GMBH
MODERING 1 · 22457 HAMBURG

AWARDS FOR IR WORK

Deutsche EuroShop once again came second in the MDAX category of “BIRD 2011” (Beste Investor Relations Deutschland – Germany’s Best Investor Relations), having finished in the same spot in 2010. For the ninth time, the investor magazine Börse Online honoured those companies whose capital market communication is considered particularly open, honest and fair by private investors. Our investor relations activities also earned us second place in the overall assessment of 160 companies from the DAX, MDAX, SDAX and TecDAX.

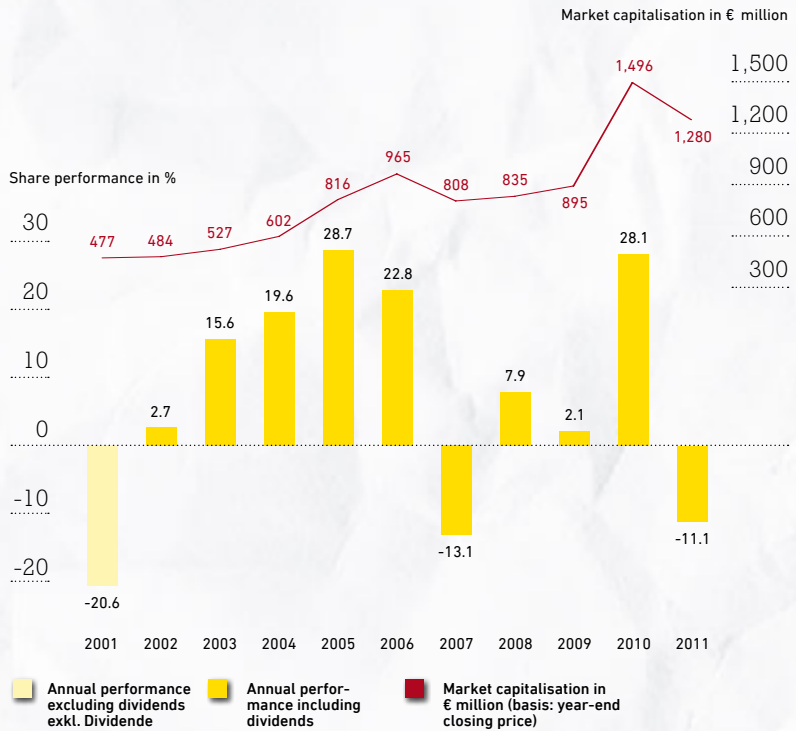
In addition, the international specialist magazine Institutional Investor awarded Deutsche EuroShop’s IR managers second prize for “Best European Investor Relations”. We were also shortlisted in two categories of the UK Investor Relations Society’s “Best Practice Awards 2011”.

In the pan-European “Extel Survey”, we are pleased to announce that our capital market team was consistently placed among the top 15 in the sector in the relevant categories.

PLATINUM AWARD FOR ANNUAL REPORT

In the “LACP 2011 Vision Awards Annual Competition” of the LACP (League of American Communications Professionals), our 2010 annual report was awarded gold in the “Real Estate” category, with

Share performance and market capitalisation since the IPO



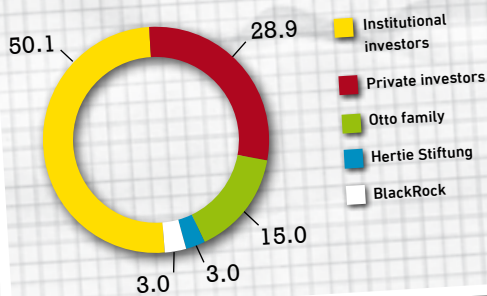
98 out of a possible 100 points. It then emerged as the victor in the public vote and was awarded the platinum “Communicators’ Choice Award” as the best of 5,000 annual reports.

Further awards for our capital market communication can be found on our website at <http://www.deutsche-euroshop.com/ircommunication>.

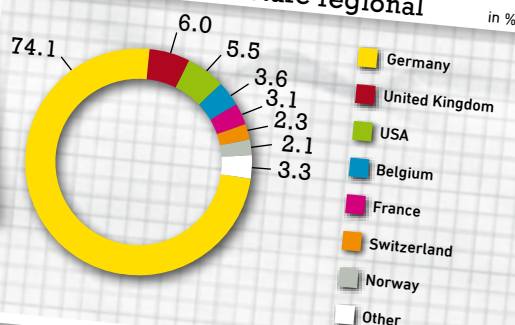
STABLE SHAREHOLDER STRUCTURE

The number of investors rose slightly in 2011; Deutsche EuroShop now has around 10,150 shareholders (as at 31 March 2012, previous year: 10,000, +1.5%). The structural breakdown has barely changed: institutional investors hold around 50.1% (previous year: 52.5%) of the shares, and private investors around 28.9% (previous year: 29.2%). The Otto family’s stake is 15%. The charitable Hertie Foundation and BlackRock report that they currently hold 3.02% of the shares.

Shareholder’s structure



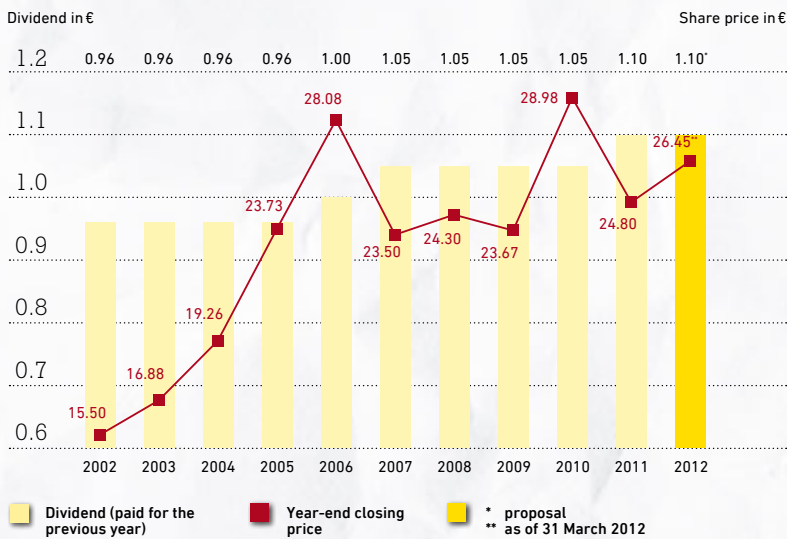
Shareholder’s structure regional



GOOD DIVIDENDS – A GOOD SIGN!

The Executive and Supervisory Boards will once again propose payment of a dividend of €1.10 per share for financial year 2011 to the Annual General Meeting in Hamburg on 21 June 2012. With our long-term strategy of a dividend policy based on continuity and a yield of 4.4% (based on the 2011 year-end closing price of €24.80), we hope to cement further the confidence of our existing shareholders and attract new investors. We also intend to distribute a dividend of at least €1.10 per share in future.

Dividend



Tax free dividend

Dividends paid to shareholders domiciled in Germany are generally subject to income or corporation tax. Private investors are charged with the definitive withholding tax at a flat rate of 25% plus the solidarity surcharge as from 2009. Exceptions may be made under certain circumstances for dividend payments that are regarded as equity repayments for tax purposes (distributions from EK04 – equity class 04 – or, since 2001, from the tax-recognised contribution account). Deutsche EuroShop's dividend fulfils this requirement. The dividend payment constitutes untaxable (i.e. tax-free) income for shareholders in accordance with section 20 (1) clause 1 sentence 3 of the Einkommensteuer gesetz (German Income Tax Act).

However since 2009 these distributions are taxable due to the new legal status, as capital gains from securities are subject to tax if they are bought after 31 December 2008. In this case the acquisition costs are reduced by the dividends and lead to higher capital gains at the time of the disposal.

Would you like further information?

Then please visit our website or call us:

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.com

Web: www.deutsche-euroshop.com/ir



Patrick Kiss and Nicolas Lissner



**Bijou Brigitte -
die Nummer 1 für Modeschmuck und
modische Accessoires in Europa!**

www.bijou-brigitte.com

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Market capitalisation (basis: year-end closing price) (€ m)	1,280	1,496	895	835	808	965	816	602	527	484	477
Number of shares (year-end)	51,631,400	51,631,400	37,812,496	34,374,998	34,374,998	34,374,998	34,374,998	31,250,000	31,250,000	31,250,000	31,250,000
Weighted average number of shares	51,631,400	45,544,976	36,799,402	34,374,998	34,374,998	34,374,998	31,575,340	31,250,000	31,250,000	31,250,000	31,250,000
High (€)	29.06 (01.06.11)	28.98 (30.12.10)	26.00 (06.01.09)	28.40 (13.05.08)	30.09 (23.04.07)	29.12 (31.03.06)	25.25 (27.07.05)	19.44 (29.12.04)	17.35 (18.11.03)	18.58 (28.05.02)	19.75 (12.03.01)
Low (€)	22.94 (23.11.11)	21.72 (01.07.10)	18.66 (06.03.09)	18.50 (20.11.08)	23.22 (20.08.07)	23.89 (02.01.06)	19.12 (05.01.05)	16.45 (12.08.04)	14.85 (03.03.03)	13.90 (31.10.02)	15.00 (21.09.01)
Year-end closing price (31 Dec) (€)	24.80	28.98	23.67	24.30	23.50	28.08	23.73	19.26	16.88	15.50	15.25
Dividend per share (€)	1.10 ¹⁾	1.10	1.05	1.05	1.05	1.05	1.00	0.96	0.96	0.96	0.96
Dividend yield (31 Dec) (%)	4.4	3.8	4.4	4.3	4.5	3.7	4.2	5.0	5.7	6.2	6.3
Annual performance excl./incl. dividend	-14.4 %/ -11.1 %	22.4 %/ 28.1 %	-2,6 %/ 2,1 %	3,4 %/ 7,9 %	-16,3 %/ -13,1 %	18,4 %/ 22,8 %	23,2 %/ 28,7 %	14,1 %/ 19,6 %	8,9 %/ 15,6 %	1,6 %/ 2,7 %	-20,6 %/ -
Average daily trading volume (shares)	125,400 (incl. Dark Pools >210,000)	116,084	113,008	143,297	144,361	93,744	76,786	36,698	12,438	3,558	5,512
EPS (€) (undiluted)	1.81	-0.17	0.93	2.00	2.74	2.92	1.55	0.89	0.61	-0.09 ²⁾	-0.48 ²⁾
CFPS (€) (undiluted)	1.91	1.54	1.72	1.60	1.18	1.08	0.96	0.70	0.67	-	-

All share price information up to 2002 relates to the Frankfurt Stock Exchange; all information from 2003 onwards relates to Xetra

1) proposal 2) HGB accounting



CHRIST

MOMENTE DES GLÜCKS SEIT 1863

CHRIST JUWELIERE UND UHRMACHER SEIT 1863 GMBH



24h Shopping-Glück @
www.christ.de



CONFERENCES & ROADSHOWS

Roadshows

A roadshow involves a team, usually consisting of an Executive Board member and an Investor Relations manager of Deutsche EuroShop, travelling together with representatives of the organising bank (such as analysts and client advisors) to a financial centre to visit existing or interested, potential investors in person and inform them about the Company's current development and strategy. Investors have the opportunity to meet the management personally and put questions to them. This allows up to 10 meetings to be held in one city on a single day.

In order to keep existing investors informed about news and developments at Deutsche EuroShop and to present the Company to potential new investors, the Executive Board and Investor Relations team participated in various conferences last year. As in previous years, we also hosted numerous roadshows.

Direct contact with our investors is very important to us: we seek to gear our communications to the needs and expectations of the capital market by engaging in frank discussions with analysts and fund and portfolio managers. From an investment company perspective, it can often be a requirement to regularly meet the Executive Board members of companies in which they invest.

In 2011, we held roadshows in Amsterdam, Brussels, Copenhagen, Edinburgh, Helsinki, London, Luxembourg, Munich, Oslo, Paris, Stockholm, Vienna and Zurich. We also attended conferences in Frankfurt, Hamburg, Munich, London and New York.

All in all, we held 14 roadshows and took part in 11 capital market conferences last year. During these events, we conducted in the region of 300 individual discussions. We also held numerous teleconferences. These are organised regularly for the publication of the annual and quarterly figures, for example.

Many investors also visited the Deutsche EuroShop head offices in Hamburg, often in combination with visits to our Bilstedt and Harburg properties, also in Hamburg. We also gave investors tours of our centers in Sulzbach, Frankfurt and Wildau, Berlin, organised in conjunction with banks.

Capital market conferences

These are conferences, generally organised by banks, at which both investors and companies are given the opportunity to hold as many meetings as possible in a day. This makes it possible to address questions in detail during one-to-one and group discussions. Company presentations enable the company to present itself to a wider specialist audience.

We are once again planning a diverse range of investor relations activities for 2012, in order to cultivate contacts with our existing investors and tap new investor groups. You can find an overview in our financial calendar on page 123. A constantly updated version is available on our website, at www.deutsche-euroshop.de/ir.



„Die Menschen im Ruhrgebiet sind uns ans Herz gewachsen. Hier fühlen wir uns wohl.“

Dr. Heinz-Horst Deichmann

1913 eröffnete Deichmann sein erstes Geschäft im Ruhrgebiet.

Vieles hat sich seitdem verändert.

2012 ist Deichmann in 22 Ländern mit über 3.100 Filialen und rund 30.000 Mitarbeitern aktiv.

Es gibt aber auch die Dinge die bleiben.

Seine Wurzeln hat das Familienunternehmen immer noch in Essen –

Was man auch am Flagship-Store am Limbecker Platz sehen kann.

SPOTLIGHT

on private investors



Private investors characteristically have a long-term interest in companies and can bring stability even at times of crisis. Carefully targeted communication based around specific needs and information demands can play a significant role in developing the investor relationship. The results of the 2012 investor study show clearly that a great deal of trust is placed in the information provided by companies, and there is strong demand for this.

W

What requirements do private investors have of public companies? What information do they want, and how do they want it? Where are there shortcomings in companies' financial communications? These were questions addressed by the University of Leipzig's Institute of Communication and Media Studies, in conjunction with the Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW), Schutzgemeinschaft der Kapitalanleger (SdK) – both associations protecting the interests of investors – and Deutsche EuroShop AG. More than 500 private investors were questioned about how they

use information and their information needs in an online survey. The findings of the 2012 investor survey open up options for communication with this key target group.

Private investors seek out information both offline and online. Companies need to use both



Dynamic sunglasses
from s.Oliver



Classical
chronograph
from s.Oliver



Business suit
from ESPRIT



Summer scarf
from C&A



Lace-up shoe with
contrasting sole
from s.Oliver

channels if they are to satisfy private investors' information requirements. The investor relations website is the main jumping-off point on the internet, and investors expect it to provide presentations, live events (e.g. teleconferencing, webcasts, online AGMs) and audio and video content. There is also a lot of interest in online annual reports. Social media are most relevant for communicating with younger people below the age of 40 and are used to obtain information on their investments and financial topics, with investor forums, online knowledge portals and blogs currently the most popular forms. It has been shown, however, that users of these applications are not focused on a single channel, but on social media more widely. There is also very strong demand for online presentations, which can be found on IR websites and on platforms such as SlideShare.

In the offline world, annual reports and printed shareholder magazines and letters are important media in communication with private investors. Online editions can make a useful addition to these printed products. They are in greater demand than live events such as the annual general meeting, financial trade fairs, investor forums and open

days. Private investors also make ample use of information and advice from investor protection associations. Contrary to expectations, little use is made of tips from friends and acquaintances or even advice from banks and investment advisors in learning about investments and making decisions. Companies enjoy a lot of trust, exceeded only by journalists (print and online financial publications, and also online portals).

Nevertheless, private investors are only moderately satisfied with the information provided by companies: IR websites enjoy the greatest recognition, and at the same time online communication is regarded as having the most potential for improving the way in which it addresses private investors. The survey respondents want a trustworthy, free, professional IR information policy, under which they receive the same information as institutional investors. In addition to hard facts such as share price information and key data, private investors mainly want information on products, the company's strategic direction and the quality of management.

The study shows that private investors differ in the way they access information based on their age and affinity with the internet and social media. Investment behaviour, encompassing factors such as risk appetite, investment experience, involvement and portfolio diversification, has less of an influence on how information is obtained. The survey findings presented here give an insight into private shareholders' investor relations needs, and so could provide valuable stimuli for targeted group-specific, transparent, comprehensive communication.



triangle bikini at Lascana



Oriental Ankle-strap sandal from Görtz



Translucent tunic from Palmers



Summer hat from Görtz



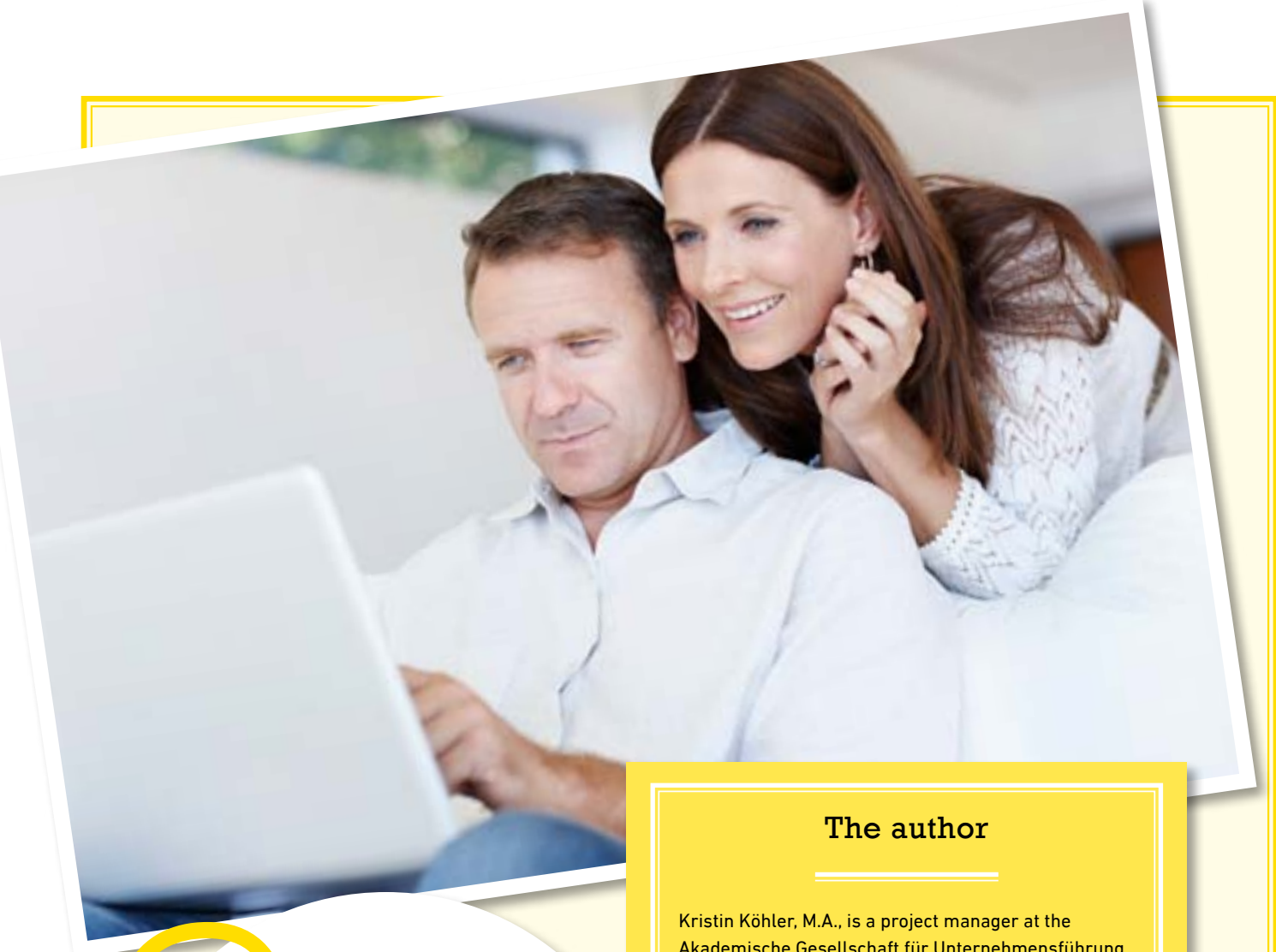
Information requested by private investors

Share price performance	86.9%
Key corporate data (e.g. revenue, profit, investments)	81.3%
General information on the company	81.1%
Products made by the company	79.7%
Quality of management quality/corporate leadership	77.9%
Corporate strategy	71.4%
Ad hoc and corporate news	56.2%
Customer and industrial relationships	55.6%
Corporate culture and industrial relations	48.0%
Sustainability	36.4%
Analysts' assessments	32.4%
Corporate governance	29.5%

www.anlegerstudie.com; n = 525; F4: What information would you consider it important to have in relation to your current investments and when deciding whether to buy or sell? Grade the information on a scale from 1 (very important) to 5 (not important at all). The responses "very important" and "important" are grouped together. All information is given as a percentage.

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The University of Leipzig

The University of Leipzig, no. 1 in the course rankings for communications management/PR in Germany, is one of the leading European research institutions for strategic communications. The department's research output has fed into more than 70 books in German and English, more than 300 specialist articles and numerous studies, driving forward research and knowledge transfer. Contact: www.communicationmanagement.de

The author

Kristin Köhler, M.A., is a project manager at the Akademische Gesellschaft für Unternehmensführung und Kommunikation and a research associate at the University of Leipzig. She specialises in research into investor relations and financial communications.

Contact: kristin.koehler@uni-leipzig.de



Kristin Köhler



Ballerinas from C&A



Ice Watch from Bijou Brigitte



Printed t-shirt from Marc Cain



Jean hotpants from Marc Cain



Small Purse from Bijou Brigitte



Slim belt from s.Oliver



WWW.SOLIVER.COM

s.Oliver

Real Estate

SUMMER



V

The second Deutsche EuroShop Real Estate Summer took place on 15-16 September 2011, after an inaugural event was held in summer 2009. The aim is to give our investors and analysts an in-depth insight into the Deutsche EuroShop portfolio. The 2009 Deutsche EuroShop Real Estate Summer in Dresden not only included a visit to the Altmarkt-Galerie and the expansion that was then in progress, but also featured various presentations.

The attendees at last year's event on 15 September in Wolfsburg – around 15 private shareholders from the region – came to the City-Galerie center, where CFO Olaf Borkers kicked off proceedings. They then had the opportunity to put their questions directly to the Executive Board, which they seized with open arms.

The following day, the financial analysts that currently cover our stock and institutional investors were invited to visit our shopping centers in Wolfsburg, Magdeburg and Wildau (Berlin) and attend

Menschen

Mehr als eine Million Kunden kaufen täglich bei dm ein.

Räume

In den freundlichen und großzügig gestalteten dm-Märkten wird das Einkaufen zum Wohlfühlerlebnis.

dm ist Deutschlands beliebtester





CFO Olaf Borkers giving his presentation to Deutsche EuroShop shareholders from the Wolfsburg region

Executive Board Chairman Claus-Matthias Böge giving his presentation to analysts and institutional investors

Klaus Striebich, Managing Director Leasing, ECE

Allee-Center Magdeburg

topical presentations. Executive Board Spokesman Claus-Matthias Böge began by describing the latest issues to the more than 25 participants, focusing in particular on the acquisition of the Allee-Center in Magdeburg, which had just recently been announced. This was followed by a presentation by Olaf Borkers on the Group's current financing structure.

After a tour of the City-Galerie, the participants moved on to Magdeburg in glorious weather for another guided visit of the shopping

center by its management team. Wildau, near Berlin, was the final stop on the programme. Following a talk on the subject of "Trends in the retail industry" by Klaus Striebich, Managing Director Leasing, ECE, there was a final visit to the A10 Center, featuring the "Triangle" opened in spring 2011.

We plan to host further similar events in future, to enable analysts and investors to gain an insight into the unique quality of our properties and locations. We also want to continue to involve private investors.



Vielfalt

Mit den Kernkompetenzen Gesundheit und Schönheit umfasst das dm-Sortiment rund 12.500 Artikel.

HIER BIN ICH MENSCH
HIER KAUF ICH EIN

überregionaler Drogeriemarkt

1

The only public company in Germany to invest solely in shopping centers

2

Prime locations

3

Proven, conservative strategy

4

Stable cash flow with long term visibility

6

Experienced management team

7

Excellent track record

5

Shareholder-friendly dividend policy

8

Centers almost 100% let

10

Solidity combined with growth potential

9

Inflation-protected rental agreements

10 REASONS

to invest in

Deutsche EuroShop shares

Führendes SR-Waschanhalt-
unternehmen, Mitglied
bei Payback, bietet mehrere
Millionen Kundenkontakte
für gemeinsame Marketing-
Aktionen. Bitte melden
Sie sich, wenn wir
zusammen im Center
mal was losmachen
sollen.

real
E-Mail: heike.doeren@real.de
Tel.: 02161/403-944

real
E-Mail: iris.knur@real.de
Tel.: 02161/403-529

real
E-Mail: heike.doeren@real.de
Tel.: 02161/403-944

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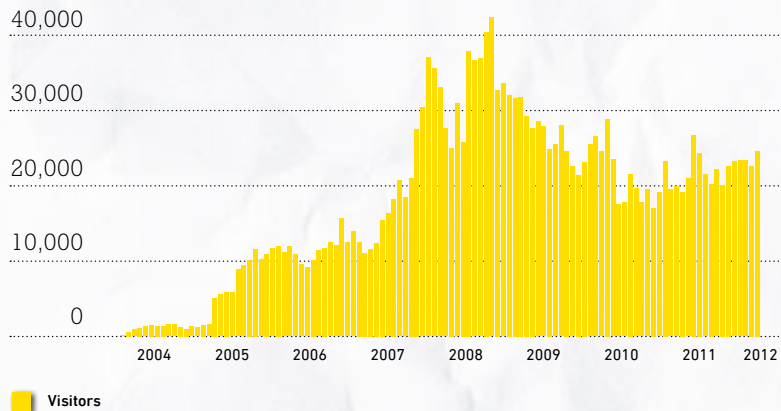
real
E-Mail: iris.knur@real.de
Tel.: 02161/403-529

Large 14 x 9 metre blow-up on Main-Taunus-Zentrum



MARKETING

Website visitors per month



LARGE VINYL BANNER ON MAIN-TAUNUS-ZENTRUM

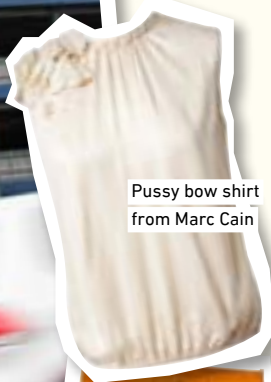
Our giant poster was mounted on the exterior of the car park just in time for the grand opening of the north extension of the MTZ. With its oversized dimensions of 14 x 9 metres, this poster is clearly visible to the passengers of thousands of cars that pass by every day. It can even be read from the nearby A66 motorway. The play on words in the German text “Main Taunus, Mein Zentrum, Meine Aktie” (which translates to Main Taunus, My Center, My Share) establishes a humorous association between the shopping center and shares of Deutsche EuroShop. Resonance has extremely positive and a well-known national daily newspaper from Frankfurt



Large printed bag from Marc Cain



Shimmering blazer from ESPRIT



Pussy bow shirt from Marc Cain



7/8 trousers with zip fastening from s.Oliver



Casual ballerinas from s.Oliver

Investor Relations remains a key section. Deutsche EuroShop is one of the first companies in Germany to offer a blog, which we have named "IR Mall" (www.ir-mall.com). The plan is for it to become the central information and discussion platform for the IR section.

The "Shopping Centers" section contains detailed information about our shopping centers, which can be accessed using an interactive map. Popular platforms such as Facebook, Google+, Twitter, Flickr, SlideShare and YouTube have now also been integrated in the social media newsroom.

Our website can be found at www.deutsche-euroshop.de

MEDIA ATTENTION DECLINING YET "MORE VALUABLE"

After increasing continuously during the three previous years, media attention has declined 30% over the past year. The print circulation of the reporting media decreased from its previous peak in 2010 of 31.5 million to 22.1 million in 2011. The equivalent advertising value through reports in newspapers and magazines, however, rose from nearly €3.8 million to about €4.2 million (+11%). In addition, diverse television channels, radio stations and online publications all devoted reports and interviews to Deutsche EuroShop.

even published a report with a photo about this unconventional way of advertising shares in the company.

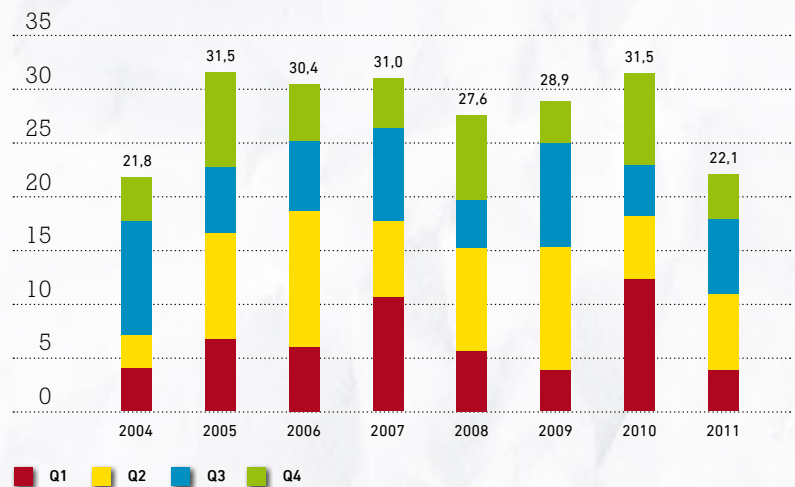
REDESIGNED WEBSITE

We relaunched our website in early March 2011. The new Internet site relies greatly on interactive content. It also focuses heavily on dialogue, offering ways of contacting us through various social media channels.

The website is maintained entirely by Deutsche EuroShop's communications team, which keeps it constantly up to date. Over 300 modern, clearly-designed pages containing information on all aspects of the company are available to online visitors in German and English.

Trend in media presence

Circulation of newspapers and magazines containing reports in millions



// GUT AUSSEHEN MIT UNSEREN TOP-MARKEN.

SOUVERÄN IM BUSINESS



BOSS
HUGO BOSS

RIANI

SinnLeffers

Invitation

IR-

2011

EVENTS

1 Annual General Meeting

The Annual General Meeting of Deutsche EuroShop was held on 16 June 2011 in the historic rooms of the Handwerkskammer Hamburg.

Nearly 300 shareholders were in attendance to hear Executive Board Spokesman Claus-Matthias Böge talk in depth about the events of the previous financial year. His speech also covered Deutsche EuroShop's tenth anniversary and new developments such as the purchase of the Bilstedt-Center in Hamburg.

The agenda included the resolution on authorisation to issue convertible bonds and the approval of the system used for the remuneration of the members of the Executive Board ("Say on Pay"). With an attendance rate of 55.6% at the time of the vote, all items on the agenda were approved with a substantial majority.

Attendees had the opportunity to mingle with Executive Board members and employees before the annual general meeting and at the refreshments that followed.

You can find a videocast recording of the speech and detailed information on the event at the website below. You can also access an extensive archive of presentations, speeches and information relating to our recent annual general meetings and this year's event. The Annual General Meeting for financial year 2011 will be held on the afternoon of 21 June 2012, once again at Handwerkskammer Hamburg.

www.deutsche-euroshop.de/hv

3 Exchange Convention

The Hamburg Exchange Convention – Germany's biggest one-day financial trade fair – was held for the 17th time on 5 November 2011. Each autumn, it brings together investors and other interested parties together in the attractive surroundings of Hamburg's old stock exchange. The event is organised by students of the Hanseatischer Börsenkreis of the University of Hamburg, in conjunction with the Hamburg Securities Exchange and Hamburg Chamber of Commerce.

In 2011, more than 6,000 attendees seized the opportunity to gather information here, right on the trading floor. There were more than 100 booths and numerous specialist presentations on financial topics. Alongside traditional investing, there was particular interest in the subject of retirement provision.

Like many other listed companies from the Hamburg area, Deutsche EuroShop AG had its own stand. As in previous years, there was brisk interest in our Company and we welcomed numerous investors and shareholders to our stand. They were able to put their questions directly to Executive Board members and obtain information materials and our annual report.

www.boersentag.de

2 Real Estate Share Initiative

The 11th annual "Real Estate Investment Share Initiative" conference took place on 19 October 2011. Its aim is to promote public awareness of listed real estate investment companies and REITs. Real estate companies, analysts, investors, service providers and journalists use this platform to pursue dialogue and share information.

Workshops, podium discussions and company presentations provided information on the latest trends and developments in relation to real estate stocks once again in 2011. Deutsche EuroShop's Executive Board and Investor Relations team conducted numerous discussions with analysts, investors and journalists and cultivated contacts at the Frankfurt event, attended by some 200 participants.

www.initiative-immobilien-aktie.de



1



2



3

Readers' LETTERS

2011

Dear Mr Böge,

It is a shame that the Annual General Meetings are now held in Hamburg instead of Frankfurt, so we do not have the opportunity to meet in person.

However, I would like to take this opportunity to congratulate you on the outstanding design of the 2010 Annual Report.

Packed with ideas and very forward-looking – and with the figures set out wonderfully, of course – the Annual Report is unparalleled. Once again, I congratulate you on this and the excellent figures.

Hopefully I will manage to come to Hamburg some time for the Annual General Meeting.

Maximilian L., Frankfurt*

Dear employees

Why has the reply coupon on page 151 of the 2010 Annual Report been attached in such a ridiculous way? If you cut out the coupon, you destroy the calendar on page 152.

One other point that I wanted to make: if we are going to talk so much about sustainability (from page 38 onwards), I wonder why this Annual Report is so unsustainable?

Ralf F., Trebur*

Dear Mr F.,

Many thanks for your postcard and for the points you raised.

Our financial calendar is always available in an up-to-date form on our website at www.deutsche-euroshop.de/ir. For this reason, we considered it acceptable to use it as the reverse of the reply coupon. If you wish, we would of course be happy to send you an undamaged copy of the calendar at any time.

Over recent years we have managed to reduce the scale of the printed version of our Annual Report quite considerably, not least by means of a full version provided online on our website for shareholders and interested parties. The printed version of our Annual Report also bears the FSC seal, which indicates that the paper used comes from responsibly managed forests and has not been combined with any uncertified wood or paper on its way along the entire processing chain before reaching your hands. Products bearing this seal ensure that forests are managed in accordance with the social, economic and environmental needs of current and future generations. We have also received confirmation from the climate protection consultancy ClimatePartner that all CO₂ emissions generated in the production of this report have been offset by CO₂ emission certificates.

Dear Sir/Madam,

I was very happy to receive your good wishes on the occasion of my 90th birthday, and I would like to thank you for this. Let us hope that the company continues to remain true to the stock market saying "When dividends are good, all is good".

Rainer B., Mainz*

* = Name altered
by the editorial
team

Dear Mr Kiss,

The good wishes that I received from Deutsche EuroShop AG on the occasion of my 70th birthday both surprised and delighted me. This shows excellent class and is also good investor relations!

Annemarie R., Travemünde*



**Dear Mr Kiss,
dear Mr Lissner,**

I would like to thank you for sending me a copy of the 2010 Annual Report and congratulate you and your colleagues on your considerable success in developing the company over the last ten years.

Harald P., Hamburg*

Send a letter to the editor by e-mailing editor@des.ag or faxing +49 (0)40 - 41 35 79 - 29.

You may also mail your letter to:

Deutsche EuroShop AG
Letter to the Editor
Oderfelder Straße 23
D-20149 Hamburg
Germany

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Confiserie



Genuss vom Feinsten

Hussel verwöhnt Liebhaber feinsten Confiserie mit Pralinen, Trüffeln, Gebäck und frischen Fruchtgummis sowie einer großen Auswahl exklusiver Präsentideen. Hussel heißt Sie zu einem genussvollen Einkaufsbummel willkommen: freuen Sie sich auf die kompetente Beratung und auf das sympathische Confiserie-Team.



hussel.de

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PUBLISHED BY

Deutsche EuroShop AG
Oderfelder Strasse 23
20149 Hamburg
Germany
Tel.: +49 (0)40 - 41 35 79 0
Fax: +49 (0)40 - 41 35 79 29
www.deutsche-euroshop.com
ir@deutsche-euroshop.com

EDITOR IN CHIEF

Patrick Kiss

EDITORIAL MANAGEMENT

Nicolas Lissner

GUEST EDITORS

Rolf Bürkl
Wolfgang Gruschwitz
Maria Hill
Dr Stephanie Dutzke-Wittneben
Martina Kühne
Kristin Köhler

CONCEPT

Deutsche EuroShop AG

ART DIRECTION

Whitepark GmbH & Co.

LAYOUT

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Nicolas Lissner

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AUTHORED ARTICLES

Bylined texts do not necessarily represent the views of Deutsche EuroShop AG. The respective authors are responsible for the content of their own texts.

FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements based on estimates of future developments by the Executive

Board. The statements and forecasts represent estimates made on the basis of all available information at the present time. If the assumptions on which the statements and forecasts are based do not materialise, actual results may differ from those currently expected.

TRADEMARKS

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PUBLICATIONS FOR OUR SHAREHOLDERS

- ★ Annual Report (German and English)
- ★ Interim Reports Q1, H1 and 9M (German and English)

ONLINE ANNUAL REPORT

Deutsche EuroShop's Annual Report is available online at www.deutsche-euroshop.com in PDF format and as an interactive online version.

This annual report is also available in German. In the event of conflicts the German-language version shall prevail.

A special thank you to our tenants
Bijou Brigitte, C&A, Christ, DEPOT,
Douglas, ESPRIT, Görtz, Kiehl's,
Lascana, Marc Cain, Orsay, Palmers,
s.Oliver, Tommy Hilfiger and Vero
Moda for kindly providing pictures.

THANK

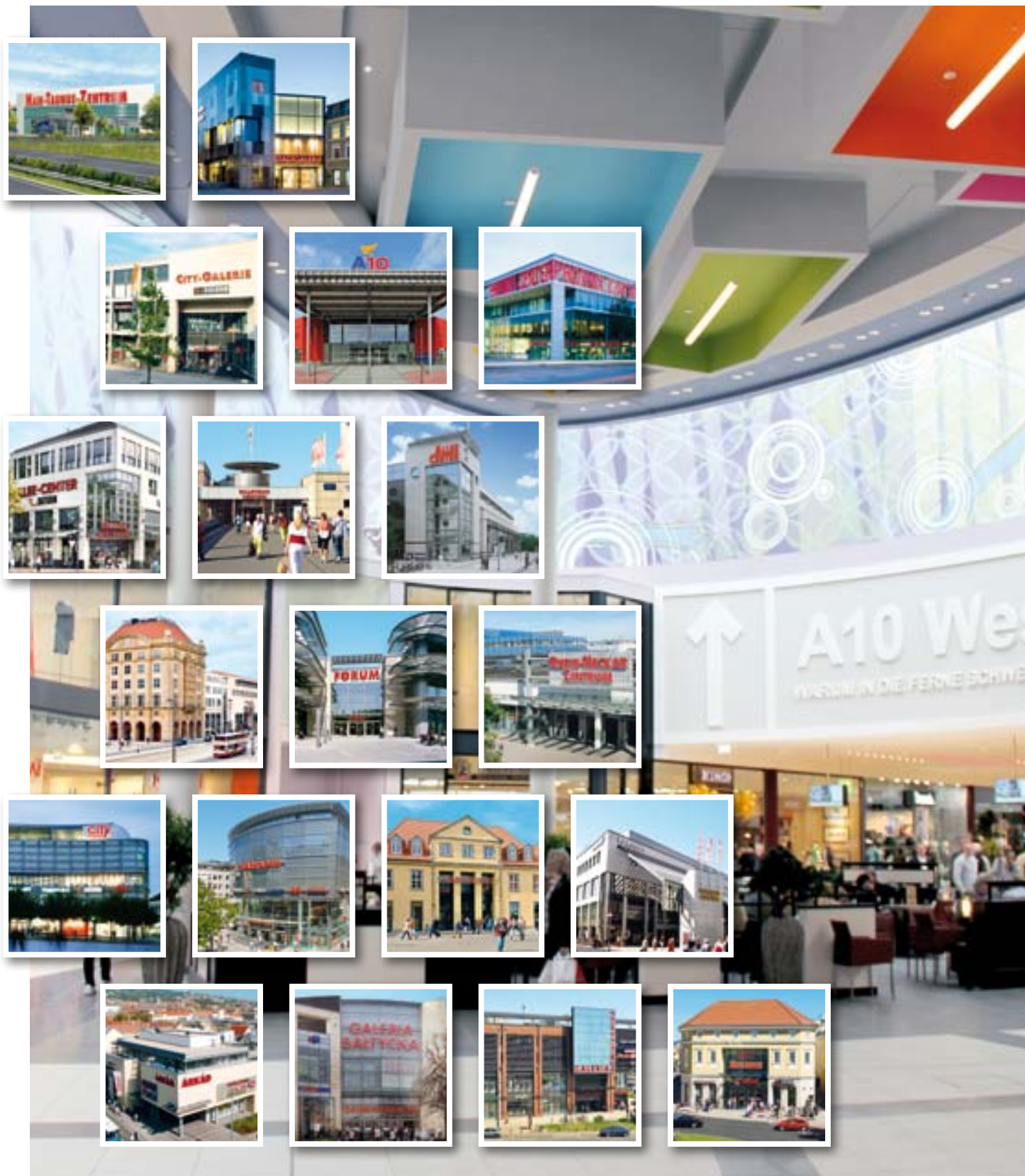


FINANCIAL Calendar

- 09.03. **Preliminary Results FY2011**
- 15.–16.03. **Kempen & Co. Property Seminar, New York**
- 20.03. **Roadshow Munich, Baader Bank**
- 21.03. **Roadshow Zurich, WestLB**
- 22.03. **Roadshow Amsterdam, Commerzbank**
- 22.03. **Roadshow Paris, Kepler**
- 23.03. **Roadshow London, Bank of America Merrill Lynch**
- 27.03. **Roadshow Hamburg, equinet**
- 03.–04.04. **Deutsche Bank's VIP Real Estate Event, Frankfurt**
- 18.04. **Credit Suisse Global Real Estate Conference, London**
- 19.04. **Commerzbank Corporate Day, London**
- 26.04. **Supervisory Board meeting, Hamburg**
- 26.–27.04. **Bankhaus Lampe Deutschland-Konferenz, Baden-Baden**
- 27.04. **Publication of the Annual Report 2011**
- 15.05. **Interim report Q1 2012**
- 22.05. **Metzler Property Day, Frankfurt**
- 30.05. **Kempen & Co. European Property Seminar, Amsterdam**
- 11.06. **Roadshow Vienna, Berenberg**
- 21.06. **Annual General Meeting, Hamburg**
- 21.06. **Supervisory Board meeting, Hamburg**
- 14.08. **Interim report H1 2012**
- 16.08. **Roadshow Edinburgh, M.M. Warburg**
- 04.–05.09. **Kempen & Co. German Property Seminar, Berlin**
- 05.09. **Bank of America Merrill Lynch pre-EPRA Event, Berlin**
- 06.–07.09. **EPRA Annual Conference, Berlin**
- 13.09. **Roadshow Amsterdam, Rabo**
- 18.09. **Roadshow Copenhagen, equinet**
- 19.09. **Roadshow Helsinki / Stockholm, Berenberg**
- 20.09. **Supervisory Board meeting, Hamburg**
- 26.09. **UniCredit Kepler German Investment Conference, Munich**
- 27.09. **Baader Investment Conference, Munich**
- 09.10. **ExpoREAL, Munich**
- 17.10. **Roadshow Brussels, ING**
- 17.10. **Roadshow Zurich, Deutsche Bank**
- 18.10. **Roadshow Geneva, Deutsche Bank**
- 13.11. **Nine-month report 2012**
- 15.11. **Roadshow Paris, Metzler**
- 27.11. **Supervisory Board meeting, Hamburg**

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





**4 COUNTRIES
19 LOCATIONS**

DES
Deutsche EuroShop