Interim Report Q1 2013

Letter from the Executive Board

DEAR SHAREHOLDERS,
DEAR READERS,

The year 2013 began with a change in accounting methods at Deutsche EuroShop. Since the start of the current financial year, we have been applying IFRS 11 (Joint Arrangements) on a voluntary early basis. This means that the proportionate consolidation method previously applied will be replaced by the equity method for a portion of the Group companies. As a result, the assets, liabilities, expenses and income of these companies will no longer be included in the consolidated financial statements. From 2013 onward, the financial statements for the reporting period as well as those of the respective periods for year-on-year comparisons will be presented using the equity method. We will provide a detailed description of how this impacts the consolidated balance sheet and the income statement in the Notes.

But now let us move on to operational aspects: We started the year as expected. At €42.4 million, revenue in the first three months was 10% higher than in the previous quarter. Net operating income climbed 12% to €38.6 million while EBIT rose 10% to €37.3 million.

Consolidated profit grew 22% to €20.1 million. Earnings per share increased from €0.32 to €0.37. EPRA (earnings per share), i.e. the result adjusted for valuation effects, rose from €0.34 to €0.40 per share which corresponds to an increase of 18%. FFO (funds from operations) – an important ratio for real estate companies – improved by 11% from €0.45 to €0.50 per share.

This growth can essentially be attributed to the contribution made by the Herold-Center in Norderstedt which has been a part of our portfolio since the beginning of the year.

Shortly after the end of the reporting period, we were able to acquire third-party interests in another shopping center. Following our acquisition of the remaining 33% of shares from TLG Immobilien, the Altmarkt-Galerie is now also wholly owned by Deutsche EuroShop since the start of May. Including the proportionate liabilities assumed (€62 million), the investment volume amounts to some €132 million.

The Altmarkt-Galerie is one of our best centers and, for more than ten years, has proven to be a popular attraction for visitors in Dresden's city centre – 16 million people in the past year alone. No other center in our portfolio could boast a higher number of visitors and the floor space productivity achieved by the center's retailers is far above the average. So everybody is happy with the Altmarkt-Galerie: customers, tenants and owners.

Following the acquisition of these additional shares in Dresden, we adjusted our early forecast for the year as a whole. We envisage being able to pay you a dividend of at least €1.20 per share for the current financial year and thank you for placing your trust in Deutsche EuroShop.

Hamburg, May 2013

Claus-Matthias Böge   Olaf Borkers

Key group data

in € million	01.01.–31.03.2013	01.01.–31.03.2012	+/-
Revenue	42.4	38.6	10%
EBIT	37.3	33.8	10%
Net finance costs	-10.1	-9.4	-7%
Measurement gains / losses	-1.4	-0.8	-75%
EBT	25.8	23.6	9%
Consolidated profit	20.1	16.5	22%
FFO per share (€)	0.50	0.45	11%
EPRA* Earnings per share (€)	0.40	0.34	18%
	31.03.2013	31.12.2012	+/-
Equity**	1,550.2	1,528.4	1%
Liabilities	1,536.5	1,630.9	-6%
Total assets	3,086.6	3,159.3	-2%
Equity ratio (%)**	50.2	48.4	
LTV-ratio (%)	43	40	
Gearing (%)**	99	107	
Cash and cash equivalents	82.0	158.2	-48%

* European Public Real Estate Association   ** incl. non controlling interests

Business and Economic Conditions

GROUP STRUCTURE AND OPERATING ACTIVITIES

ACTIVITIES

Deutsche EuroShop is the only public company in Germany to invest solely in shopping centers in prime locations. As at the reporting date, it had investments in 20 shopping centers in Germany, Austria, Poland and Hungary. The Group generates its reported revenue from rental income on the space which it lets in the shopping centers.

GROUP'S LEGAL STRUCTURE

Due to its lean personnel structure, the Deutsche EuroShop Group is centrally organised. The parent company, Deutsche EuroShop AG, is responsible for corporate strategy, portfolio and risk management, financing and communication.

The Company's registered office is in Hamburg. Deutsche EuroShop is an Aktiengesellschaft (stock corporation) under German law. The individual shopping centers are managed as separate companies and, depending on the share of nominal capital or voting rights, are either fully consolidated or accounted for using the equity method.

The share capital amounts to €53,945,536.00 and is composed of 53,945,536 no-par value registered shares. The notional value of each share is €1.00.

MACROECONOMIC AND SECTOR-SPECIFIC CONDITIONS

Despite the deepening recession in several Eurozone countries, Germany has weathered the crisis well so far. While growth rates remain at a low level, Germany still benefits from sound foreign trade and stable demand on the domestic front. The job market is similarly robust. However, the overall economic picture is not uniformly positive. New orders in construction and German automobile sales, for instance, have slumped.

Debt levels in some countries across the EU continue to rise despite every effort to cut spending. Reforms have triggered social unrest in some places. Unemployment is at a record high in the member states of Southern Europe. It remains to be seen whether Germany will be able to continue along its growth path in light of these negative developments.

Retail sales did not perform as well as expected during the first quarter of 2013. Year-on-year, the German retail sector saw a nominal 0.4 % increase, but a 1.0 % decrease in real terms. The average rate of inflation was at 1.5 %.

Results of Operations, Financial Position and Net Assets

RESULTS OF OPERATIONS

REVENUE INCREASED BY 10 %

Revenue amounted to €42.4 million as at 31 March 2013. This is nearly 10 % higher than in the same period of the previous year (€38.6 million), which can largely be attributed to the initial consolidation of the Herold-Center in Norderstedt. Revenue also rose accordingly by 1.1 % year-on-year.

OPERATING AND ADMINISTRATIVE COSTS FOR PROPERTY: 9 %

Center operating costs were €9.6 million in the reporting period, compared with €7.4 million in the same period of the previous year. Costs therefore stood at 9.0 % of revenue (previous year: 10.9 %).

OTHER OPERATING EXPENSES OF €1.8 MILLION

The other operating expenses of €1.8 million exceeded those of the previous year (€1.4 million) due to one-off costs (€0.5 million) incurred in connection with the corporate restructuring of two subsidiaries.

EBIT UP 10%

EBIT increased by €3.5 million (+10 %) from €33.8 million to €37.3 million.

NET FINANCE COSTS DOWN €0.7 MILLION

At €-10.1, net finance costs fell by €0.7 million which can be attributed to the issue of a convertible bond at the end of the previous year as well as the higher profit share for third-party shareholders.

MEASUREMENT GAINS / LOSSES

The measurement gain amounted to €-1.4 million and included investment costs incurred by our portfolio properties.

EBT EXCLUDING MEASUREMENT GAINS / LOSSES UP 14 %

Earnings before taxes (EBT) increased from €23.6 million to €25.8 million (+12 %) while the earnings before taxes and measurement rose from €24.5 million to €27.9 million to end 14 % higher than over the same period of the previous year.

INCOME TAXES DOWN ON PREVIOUS YEAR

As a result of last year's restructuring, taxes on income and earnings declined and cannot be compared with the same quarter of the previous year. Overall, the tax ratio fell from 30 % to 22 %. Tax expense amounted to €5.7 million. €1.0 million of this was attributable to income taxes to be paid and €4.7 million to deferred taxes.

22 % INCREASE IN CONSOLIDATED PROFIT

Consolidated profit amounted to €20.1 million, €3.6 million (+22 %) higher year-on-year. Earnings per share (basic) amounted to €0.37, compared with €0.32 last year. EPRA earnings per share rose 18 % from €0.34 per share to €0.40.

EARNINGS PER SHARE

	01.01.–31.03.2013		01.01.–31.03.2012	
	IN € THOUSANDS	PER SHARE (€)	IN € THOUSANDS	PER SHARE (€)
Consolidated profit	**20,116**	**0.37**	**16,543**	**0.32**
Measurement gains / losses	1,397	0.03	785	0.02
Measurement gains / losses for equity accounted companies	741	0.01	82	0.00
Deferred taxes	-525	-0.01	-181	0.00
EPRA* earnings	**21,729**	**0.40**	**17,229**	**0.34**
Weighted no. of shares in thousands		53,945		51,935

* European Public Real Estate Association

FUNDS FROM OPERATIONS (FFO) UP 11 %

FFO rose from €23.2 million to €26.9 million, or from €0.45 to €0.50 per share (+11 %).

in € thousands	01.01.–31.03.2013	01.01.–31.03.2012
Consolidated profit	**20,116**	**16,543**
Measurement gains / losses	1,397	785
Measurement gains / losses for equity accounted companies	741	82
Deferred taxes	4,646	5,742
FFO	**26,900**	**23,152**
per share (€)	**0.50**	**0.45**

FINANCIAL POSITION AND NET ASSETS

NET ASSETS AND LIQUIDITY

The Deutsche EuroShop Group's total assets decreased by €72.6 million compared with the year-end figure in 2012 to €3,086.6 million. Non-current assets increased by €1.9 million. Receivables and other current assets increased by €1.6 million. At €82.0 million, cash and cash equivalents were €76.2 million higher than on 31 December 2012 (€158.2 million).

EQUITY RATIO OF 50.2 %

The equity ratio (incl. shares held by third-party shareholders) improved by 1.8 percentage points. It amounted to 50.2 % on the reporting date compared to 48.4 % on 31 December 2012.

LIABILITIES

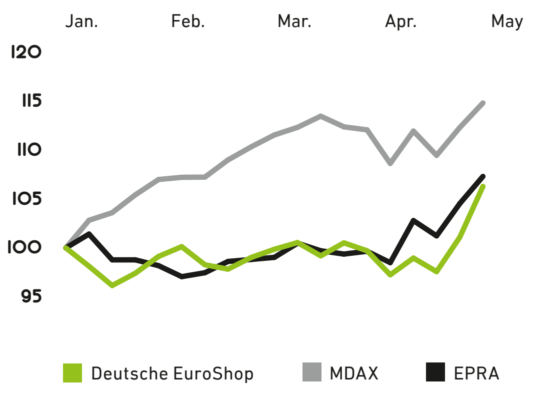
As at 31 March 2013, financial liabilities stood at €1,274.0 million and were thus €83.7 million lower than at the end of 2012. Non-current deferred tax liabilities increased by €5.4 million to €186.0 million due to additional provisions. Redemption entitlements for third-party shareholders fell by around €0.4 million. Other liabilities and provisions were reduced by €16.1 million, primarily due to tax payments made.

The Shopping Center Share

Following a year-end closing price of €31.64 in 2012, a slight downward trend caused Deutsche EuroShop shares to hit €30.40 on 14 January 2013, their lowest level for the period. A short time later, they stabilised within a corridor of between €31.00 and €31.80. The share reached its highest closing price of €32.17 in the first three months of 2013 on 5 March. This was also a new all-time high. The price at the end of the reporting period was €31.56. This is equivalent to a performance of -0.3 % during the first three months. The MDAX rose by 11.8 % over the same period. Deutsche EuroShop's market capitalisation stood at €1.6 billion at the end of the first quarter of 2013.

Deutsche EuroShop vs. MDAX and EPRA

Comparison, January to April 2013 (indexed, base of 100, in %)



ROADSHOWS AND CONFERENCES

From January to March, we presented Deutsche EuroShop at roadshows in Geneva, London and Munich, and at conferences in Frankfurt and Lyon, where we also held various individual and group meetings with analysts and representatives of institutional investors.

FINANCIAL YEAR 2012

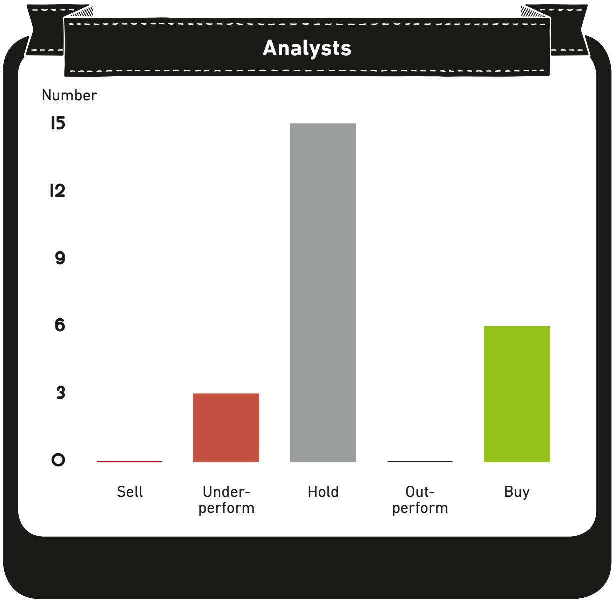
On 21 March 2013, we presented our preliminary figures for financial year 2012 in detail during a teleconference broadcast on our website. We published the corresponding annual report on 26 April 2013. The report was prepared under the motto "Hamburg³" and, as always, offers "colourful" information on the subjects of shopping and real estate. It also contains portraits of our three shopping centers in and around Hamburg and introduces the Hanseatic city as the home of the Company's registered office. The report can be downloaded from our website at www.deutsche-euroshop.de/ir and is also available in e-paper format. The printed edition will be sent out during the second half of May.

AWARD FOR OUR IR WORK

After second place last year, Deutsche EuroShop successfully regained its first place ranking in the MDAX category of the "BIRD 2012" (Beste Investor Relations Deutschlands – Germany's Best Investor Relations). In the overall ranking of the 160 DAX, MDAX, SDAX and TecDAX companies, Deutsche EuroShop took second place. For the tenth time, "Börse Online" used the BIRD 2012 questionnaire to look into the question of how private investors feel about how well the IR departments of Germany's large listed corporations keep them informed. As in past years, the focus of this study was on the credibility and comprehensibility of corporate communications.

COVERAGE

At present, 24 financial analysts regularly follow Deutsche EuroShop's business performance and also publish studies including concrete investment recommendations. In March 2013, NORD / LB began covering our stock. It has issued a "hold" recommendation with a price target of €31.00. The majority of analysts' opinions is currently neutral (14), with four adopting a negative position and six issuing positive opinions (as at 8 May 2013). A list of analysts and current reports can be found at www.deutsche-euroshop.de/ir.



Key share data

Sector / industry group	Financial services / Real estate
Share capital on 31 March 2013	€ 53,945,536.00
Number of shares on 31 March 2013 (no-par value registered shares)	53,945,536
Dividend 2012 (proposal)	€ 1.20
Share price on 30 December 2011	€ 31.64
Share price on 28 March 2013	€ 31.56
Low / high in the period under review	€ 30.40 / € 32.17
Market capitalisation on 28 March 2013	€ 1.7 billion
Prime Standard	Frankfurt and Xetra
OTC trading	Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart
Indices	MDAX, EPRA, GPR 250, EPIX 30, MSCI Small Cap, EURO STOXX, STOXX Europe 600, HASPAX, F.A.Z.-Index
ISIN	DE 000748 020 4
Ticker symbol	DEQ, Reuters: DEQGn.DE

Report on Events after the Balance Sheet Date

With effect from 1 May 2013, Deutsche EuroShop AG acquired a 33 % stake in the Altmarkt-Galerie Dresden, thus taking its shareholding to 100 % for this shopping center.

No further significant events occurred between the balance sheet date of 31 March 2013 and the date of preparation of the financial statements.

Risk Report

There have been no significant changes since the beginning of the financial year with regard to the risks associated with future business development. We do not believe the Company faces any risks capable of jeopardising its continued existence. The information provided in the risk report of the consolidated financial statements as at 31 December 2012 is therefore still applicable.

Report on Opportunities and Outlook

ECONOMIC CONDITIONS

The German Bundesbank and the federal government expect Germany's gross domestic product (GDP) to rise by 0.4 % or 0.5 % in 2013. The five economic experts lowered their growth forecasts from 0.8 % to 0.3 % in March. Positive stimuli are expected to come from private consumer spending, in particular, which will probably continue its robust development in light of the sustained positive situation on the job market.

Experts anticipate that the number of unemployed could rise slightly by 50,000 to 2.949 million, which would correspond to an unemployment rate of 6.9 % (2012: 6.8 %).According to the opinion of the Experts' Council, the inflation rate is likely to settle at 1.7 % this year after averaging 2.0 % in 2012.

In light of this, we expect Deutsche EuroShop's business to once again perform positively and according to plan this year.

EXPECTED RESULTS OF OPERATIONS AND FINANCIAL POSITION

FORECAST ADJUSTED FOLLOWING ACQUISITION

Following the acquisition of shares in the Altmarkt-Galerie in Dresden, we are now adjusting the forecast for financial year 2013, published in March, and now anticipate:

- revenue of between €186 million and €189 million (previously: €170 – €173 million)
- earnings before interest and taxes (EBIT) of between€162 million and €165 million (previously: €148 – €151 million)
- earnings before taxes (EBT) without measurement gains / losses of between €113 million and €116 million (previously: €112 – €115 million) and
- funds from operations (FFO) per share unchanged at between €1.99 and €2.03.

DIVIDEND POLICY

We intend to maintain our long-term dividend policy geared towards continuity. We therefore aim to distribute a dividend of at least €1.20 per share to our shareholders again in financial year 2013.

Consolidated balance sheet

Assets

in € thousands	31.03.2013 AFTER SWITCH	31.12.2012 AFTER SWITCH
ASSETS		
Non-current assets		
Intangible assets	16	16
Property, plant and equipment	256	112
Investment properties	2,490,772	2,490,763
Non-current financial assets	30,293	30,293
Investments in equity-accounted associates	472,175	470,483
Other non-current assets	289	283
Non-current assets	**2,993,801**	**2,991,950**
Current assets		
Trade receivables	2,707	3,199
Other current assets	8,102	5,975
Cash and cash equivalents	82,033	158,194
Current assets	**92,842**	**167,368**
Total assets	**3,086,643**	**3,159,318**

Equity and liabilities

in € thousands	31.03.2013 AFTER SWITCH	31.12.2012 AFTER SWITCH
EQUITY AND LIABILITIES		
Equity and reserves		
Issued capital	53,945	53,945
Capital reserves	961,970	961,987
Retained earnings	328,179	305,982
Total equity	**1,344,094**	**1,321,914**
Non-current liabilities		
Financial liabilities	1,215,862	1,167,864
Deferred tax liabilities	185,960	180,525
Right to redeem of limited partners	206,095	206,510
Other liabilities	40,399	42,684
Non-current liabilities	**1,648,316**	**1,597,583**
Current liabilities		
Bank loans and overdrafts	58,138	189,865
Trade payables	999	2,048
Tax liabilities	12,805	24,569
Other provisions	11,058	12,372
Other liabilities	11,233	10,967
Current liabilities	**94,233**	**239,821**
Total equity and liabilities	**3,086,643**	**3,159,318**

Consolidated income statement

in € thousands	01.01. – 31.03.2013 AFTER SWITCH	01.01. – 31.03.2012 AFTER SWITCH
Revenue	**42,407**	38,628
Property operating costs	-1,574	-2,028
Property management costs	-2,231	-2,163
Net operating income (NOI)	**38,602**	**34,437**
Other operating income	477	715
Other operating expenses	-1,823	-1,356
Earnings before interest and taxes (EBIT)	**37,256**	**33,796**
Interest income	104	85
Interest expense	-13,353	-13,011
Profit/loss attributable to limited partners	-3,919	-3,681
Income from equity-accounted associates	7,098	7,193
Net finance costs	**-10,070**	**-9,414**
Measurement gain / loss	**-1,397**	**-785**
of which excess of identified net assets acquired over cost of acquisition in accordance with IFRS 3: € 0,00 thousand (previous year: €-308 thousand)		
Earnings before tax (EBT)	**25,789**	**23,597**
Income tax expense	-5,673	-7,054
Consolidated profit	**20,116**	**16,543**
Earnings per share (€), basic	0.37	0.32
Earnings per share (€), diluted	0.36	0.32

Consolidated statement of comprehensive income

in € thousands	01.01. – 31.03.2013	01.01. – 31.03.2012
Consolidated profit	**20,116**	**16,543**
Changes in cash flow hedge	2,293	-1,259
Deferred taxes on changes in value offset directly against equity	-796	79
Total earnings recognised directly in equity	**1,497**	**-1,180**
Total profit	**21,613**	**15,363**
Share of Group shareholders	21,613	15,363

Consolidated cash flow statement

in € thousands	01.01.– 31.03.2013	01.01.– 31.03.2012
Profit after tax	**20,116**	**16,543**
Expenses / income from the application of IFRS 3	0	308
Profit / loss attributable to limited partners	3,555	3,662
Depreciation of property, plant and equipment	11	10
Other non-cash income and expenses	806	-58
Profit / loss for the period of equity-accounted companies	-1,022	-1,470
Deferred taxes	4,638	5,742
Operating cash flow	**28,104**	**24,737**
Changes in receivables	-1,637	2,072
Changes in current provisions	-13,070	-1,191
Changes in liabilities	-629	-1,139
Cash flow from operating activities	**12,768**	**24,479**
Payments to acquire property, plant and equipment / investment properties	-181	-2,406
Inflows / outflows to / from the financial assets	0	315
Cash flow from investing activities	**-181**	**-2,091**
Reduction of financial liabilities	-84,535	-3,540
Payments to limited partners	-2,778	-6,581
Cash flow from financing activities	**-87,313**	**-10,121**
Net change in cash and cash equivalents	**-74,726**	**12,267**
Cash and cash equivalents at beginning of period	**158,194**	**54,487**
Changes in the financial resources fund due to consolidation changes	-1,435	0
Cash and cash equivalents at end of period	**82,033**	**66,754**

Statement of changes in equity

in € thousands	NUMBER OF SHARES OUTSTANDING	SHARE CAPITAL	CAPITAL RESERVES	OTHER RETAINED EARNINGS	STATUTORY RESERVE	TOTAL
01.01.2012	**51,631,400**	**51,631**	**890,482**	**248,928**	**2,000**	**1,193,041**
Change in cash flow hedge				-1,259		-1,259
Change in deferred taxes				79		79
Total earnings recognised directly in equity		0	0	-1,180	0	-1,180
Consolidated profit				16,543		16,543
Total profit				15,363		15,363
31.03.2012	**51,631,400**	**51,631**	**890,482**	**264,291**	**2,000**	**1,208,404**
01.01.2013	**53,945,536**	**53,945**	**961,987**	**303,982**	**2,000**	**1,321,914**
Change in cash flow hedge				2,293		2,293
Change in deferred taxes				-796		-796
Total earnings recognised directly in equity		0	0	1,497	0	1,497
Consolidated profit				20,116		20,116
Total profit		0	0	21,613	0	21,613
Other changes			-17	584		567
31.03.2013	**53,945,536**	**53,945**	**961,970**	**326,179**	**2,000**	**1,344,094**

Disclosures

REPORTING PRINCIPLES

These interim financial statements of the Deutsche EuroShop Group as at 31 March 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS).

The management report and the abridged financial statements were not audited in accordance with section 317 of the Handelsgesetzbuch (HGB – German Commercial Code), nor were they reviewed by a person qualified to carry out audits. In the opinion of the Executive Board, the report contains all of the necessary adjustments required to give a true and fair view of the results of operations as at the date of the interim report. The performance of the first three months up to 31 March 2013 is not necessarily an indication of future performance.

The accounting policies applied correspond to those used in the last consolidated financial statements as at the end of the financial year. A detailed description of the methods applied was published in the notes to the consolidated financial statements for 2012. Changes made to the accounting policies after 1 January 2013 are explained in the following.

CHANGES IN ACCOUNTING POLICIES

SWITCH TO THE EQUITY METHOD AS OF 1 JANUARY 2013

Joint ventures in which Deutsche EuroShop AG has a majority of the voting rights together with third parties were previously proportionately included as joint ventures in the consolidated financial statements in accordance with the option granted by IAS 31. Proportional consolidation will be abolished with the adoption of the new IFRS 11. In future, joint ventures will always be accounted for using the equity method.

Adoption of this standard is compulsory as of 1 January 2014. In our 2011 annual report, we had already announced the early adoption of IFRS 11 as of 2013.

The transition from proportional to equity accounting has an impact on the structure of our consolidated financial statements. Under the equity method, assets, liabilities, expenses and income will no longer be recognised proportionally in balance sheet or income statement items. The balance sheet will only show equity interest as a carrying amount and the profit share will be recorded as investment income in the income statement (financial result). This affects the following companies:

- Altmarkt-Galerie Dresden KG, Hamburg (until 30 April 2013)
- Allee-Center Magdeburg KG, Hamburg
- CAK City Arkaden Klagenfurt KG, Hamburg
- EKZ Eins Errichtungs- und Betriebs Ges.m.b.H. & Co OG, Vienna
- Einkaufs-Center Arkaden Pécs KG, Hamburg

CONSOLIDATED BALANCE SHEET – SWITCH TO EQUITY ACCOUNTING

ASSETS in € thousands	31.03.2012 BEFORE SWITCH	31.03.2012 AFTER SWITCH	01.01.2012 AFTER SWITCH
ASSETS			
Non-current assets			
Intangible assets	17	17	20
Property, plant and equipment	130	130	137
Investment properties	3,109,257	2,265,017	2,262,611
Non-current financial assets	27,438	27,438	27,815
Investments in equity-accounted associates	4,576	476,348	475,348
Other non-current assets	427	427	459
Non-current assets	**3,141,845**	**2,769,377**	**2,766,390**
Current assets			
Trade receivables	2,911	2,070	4,358
Other current assets	5,942	4,974	13,821
Cash and cash equivalents	78,051	66,754	54,487
Current assets	**86,904**	**73,798**	**72,666**
Total assets	**3,228,749**	**2,843,175**	**2,839,056**

EQUITY AND LIABILITIES in € thousands	31.03.2012 BEFORE SWITCH	31.03.2012 AFTER SWITCH	01.01.2012 AFTER SWITCH
EQUITY AND LIABILITIES			
Equity and reserves			
Issued capital	51,631	51,631	51,631
Capital reserves	890,482	890,482	890,482
Retained earnings	266,291	266,291	250,928
Total equity	**1,208,404**	**1,208,404**	**1,193,041**
Non-current liabilities			
Financial liabilities	1,330,841	1,070,701	1,076,274
Deferred tax liabilities	216,105	216,105	210,587
Right to redeem of limited partners	268,718	191,229	202,793
Other liabilities	39,493	32,583	32,288
Non-current liabilities	**1,855,157**	**1,510,618**	**1,521,942**
Current liabilities			
Bank loans and overdrafts	137,471	98,595	96,565
Trade payables	3,250	3,061	2,363
Tax liabilities	7,095	7,073	5,913
Other provisions	6,520	5,818	8,169
Other liabilities	10,852	9,606	11,063
Current liabilities	**165,188**	**124,153**	**124,073**
Total equity and liabilities	**3,228,749**	**2,843,175**	**2,839,056**

CONSOLIDATED CASH FLOW STATEMENT – SWITCH TO EQUITY ACCOUNTING

in € thousands	01.01.– 31.03.2012 BEFORE SWITCH	01.01.– 31.03.2012 AFTER SWITCH
Revenue	51,935	38,628
Property operating costs	-2,481	-2,028
Property management costs	-2,877	-2,163
Net operating income (NOI)	**46,577**	**34,437**
Other operating income	755	715
Other operating expenses	-1,453	-1,356
Earnings before interest and taxes (EBIT)	**45,879**	**33,796**
Interest income	100	85
Interest expense	-16,703	-13,011
Profit/loss attributable to limited partners	-4,794	-3,681
Income from equity-accounted associates	0	7,193
Net finance costs	**-21,397**	**-9,414**
Measurement gain / loss	**-867**	**-785**
of which excess of identified net assets acquired over cost of acquisition in accordance with IFRS 3: € 0,00 thousand (previous year: €-308 thousand)		
Earnings before tax (EBT)	**23,615**	**23,597**
Income tax expense	-7,072	-7,054
Consolidated profit	**16,543**	**16,543**
Earnings per share (€), basic	0.32	0.32
Earnings per share (€), diluted	0.32	0.32

In addition, a voting agreement was in place with a co-shareholder of Immobilien Kommanditgesellschaft FEZ Harburg and Stadt-Galerie Passau KG until 31 December 2012 which granted Deutsche EuroShop controlling interest of these companies. These voting agreements were terminated by mutual agreement as per 31 December 2012. As a result, Deutsche EuroShop no longer has the necessary majority voting interest. The two companies, in which Deutsche EuroShop AG holds a 50 % and 75 % stake, respectively, were previously fully consolidated and have also been switched over to the equity method as of 1 January 2013, which resulted in the following asset and liability items no longer figuring in the consolidated balance sheet as of 31 December 2012:

in € thousands	
Investment properties	333,370
Receivables and other assets	1,114
Cash and cash equivalents	2,812
Provisions	124
Financial liabilities	109,872
Other liabilities	581
Minority interests	77,666

WITHDRAWAL OF DEUTSCHE EUROSHOP AG FROM DB 12 IMMOBILIENFONDS

As of 31 December 2012, Deutsche EuroShop withdrew as limited partner from DB Immobilienfonds 12 Main-Taunus-Zentrum KG (DB 12 KG). As compensation, Deutsche EuroShop received its limited partnership interest in the Main-Taunus-Zentrum KG, which had previously been held directly via DB 12 KG, plus a proportionate share of cash and cash equivalents in the amount of €1.4 million. DB 12 KG had previously been fully consolidated. The company was deconsolidated on 1 January 2013, which resulted in the following asset and liability items no longer figuring in the consolidated balance sheet as of 31 December 2012:

in € thousands	
Cash and cash equivalents	-2,973
Provisions and liabilities	155
Deconsolidation amount	**-2,818**

This event did not have an impact on earnings. It increases the Company's direct shareholding in Main-Taunus-Zentrum KG from 5.74 % to 52.01 %.

EQUITY-ACCOUNTED SEGMENT REPORTING

As a holding company, Deutsche EuroShop AG holds equity interests in shopping centers in the European Union. The investees are pure shelf companies without staff of their own. Operational management is contracted out to external service providers under agency agreements, meaning that the companies' activities are exclusively restricted to asset management. The companies are operated individually.

Due to the Company's uniform business activities within a relatively homogeneous region (the European Union), and in accordance with IFRS 8.12, separate segment reporting is presented in the form of a breakdown by domestic and international results.

As the Group's main decision-making body, the Deutsche EuroShop AG Executive Board largely assesses the performance of the segments based on the EBIT of the individual property companies. The valuation principles for the segment reporting correspond to those of the Group. Intra-Group activities between the segments are eliminated in the reconciliation statement.

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

BREAKDOWN BY GEOGRAPHICAL SEGMENT

in € thousands	DOMESTIC	INTERNATIONAL	RECONCILIATION	TOTAL
Revenue	**40,431**	**1,976**	**0**	**42,407**
(previous year's figures)	(35,089)	(3,539)	(0)	(38,628)

in € thousands	DOMESTIC	INTERNATIONAL	RECONCILIATION	TOTAL
EBIT	**35,418**	**3,038**	**-1,200**	**37,256**
(previous year's figures)	(31,397)	(3,648)	-(1,249)	(33,796)

in € thousands	DOMESTIC	INTERNATIONAL	RECONCILIATION	TOTAL
Net interest income	**-11,921**	**-498**	**-830**	**-13,249**
(previous year's figures)	-(11,462)	-(1,015)	-(449)	-(12,926)

in € thousands	DOMESTIC	INTERNATIONAL	RECONCILIATION	TOTAL
Earnings before tax (EBT)	**26,049**	**2,724**	**-2,984**	**25,789**
(previous year's figures)	(17,668)	(1,951)	(3,978)	(23,597)

in € thousands	DOMESTIC	INTERNATIONAL	TOTAL
Segment assets	**2,867,385**	**219,258**	**3,086,643**
(previous year's figures)	(2,940,536)	(218,782)	(3,159,318)
of which investment properties	2,276,777	213,995	2,490,772
(previous year's figures)	(2,276,740)	(214,023)	(2,490,763)

OTHER DISCLOSURES

DIVIDEND

No dividend was distributed in the first quarter of 2013.

RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD

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

Hamburg, May 2013

Claus-Matthias Böge　　Olaf Borkers

FINANCIAL CALENDAR 2013

15.05.	**Interim report Q1 2013**
29.05.	Kempen & Co. European Property Seminar, Amsterdam
04.06.	Roadshow Paris, Bankhaus Metzler
06.06.	Roadshow Milan, Société Générale
06.–07.06.	M.M. Warburg Highlights Conference, Hamburg
20.06.	**Annual General Meeting, Hamburg**
20.06.	Supervisory Board meeting, Hamburg
14.08.	**Interim report H1 2013**
11.–12.09.	Bank of America Merrill Lynch Global Real Estate Conference, New York
16.09.	UBS Best of Germany Conference, New York
23.09.	Berenberg Bank and Goldman Sachs German Corporate Conference, Munich
25.09.	Supervisory Board meeting, Hamburg
26.09.	Baader Investment Conference, Munich
24.10.	Roadshow Amsterdam, ABN AMRO
13.11.	**Nine-month report 2013**
14.11.	Roadshow London, Bank of America Merrill Lynch
26.11.	Supervisory Board meeting, Hamburg
27.–28.11.	Bankhaus Lampe Hamburg Investment Conference, Hamburg

OUR FINANCIAL CALENDAR IS UPDATED CONTINUOUSLY.
PLEASE CHECK OUR WEBSITE FOR THE LATEST EVENTS:

www.deutsche-euroshop.com/ir

Investor relations contact

Patrick Kiss and Nicolas Lissner
Tel.: +49 (0)40 - 41 35 79 20 / -22
Fax: +49 (0)40 - 41 35 79 29
E-Mail: ir@deutsche-euroshop.com
Internet: www.deutsche-euroshop.com/ir

Deutsche EuroShop