

DEAR SIR/MADAM,

Can you please tell me what percentage was assigned to orders for purchasing oversubscription shares during the capital increase in January 2010? I'm not sure whether the order I placed with my bank was billed correctly.

Helmut Ungerich, Schweinfurt

DES: The attractive conditions of our capital increase in January 2010 have stimulated high demand among our shareholders. Oversubscription was therefore only assigned a rate of 2.3%. This means that for every 1,000 shares ordered, effectively you would have been entitled to 23 shares. In the case of theoretical allocations of less than one share, the number of shares is rounded up to the nearest share and for all other differences, it is commercially rounded either up or down. You'll find further information about the capital increase on page 54.

DEAR SIR/MADAM,

Is it possible to obtain cancelled or invalid actual share certificates from Deutsche EuroShop AG? I am a keen collector of shares and would be delighted if you could let me know.

Frank Schmitt, Leipzig

DES: Unfortunately Deutsche EuroShop does not/has never issued actual share certificates and is therefore unable to contribute to your collection.

READERS' LETTERS

HELLO,

What is the tax situation regarding the payment of dividends on shares acquired during the course of the capital increase in January 2010?

Alfons Zentendorf, Braunschweig

DES: The shares that you acquired during the capital increase in January 2010 qualify in full for a dividend for 2009. Payment of the dividends is handled in the same way from a tax point of view as all shares which have been acquired since 1 January 2009. This means that as a private investor, you initially get the dividend paid "tax free". In return, your bank will reduce your purchase price by the dividend received so that this is classified as a gain in the event of a future sale and flat-rate tax will therefore be charged on it. You'll find further information on this on page 59.

DEAR IR TEAM,

I am keen to attend your Annual General Meeting in person this year and would like to book my hotel early. Can you tell me the exact date and venue of the meeting? Many thanks.

Dr. Ursula Hummel, Stuttgart

DES: Our Annual General Meeting will take place on 17 June 2010 in Hamburg. The meeting will be held at the Handwerkskammer (Holstenwall 12, opposite "Planten un Blumen"), where the 2007 Annual General Meeting was held. As a shareholder, we will send you an invitation together with additional information by post in due course.

GLOSSARY

Advertising Value Equivalence ★ Index number for the assessment of the monetary value of an editorial article. It is based on the advertising rate of the medium.

Anchor tenant ★ The key tenant used to attract other tenants. Its high customer footfall attracts increased traffic to the entire shopping center. The smaller tenants clustered around the anchor tenant profit from the higher customer footfall of their larger neighbour. A rational center structure in terms of the organisation of the shops and the range of goods offered is crucial to its success.

Annual financial statements ★ Under German (HGB) accounting principles, the annual financial statements consist of a company's balance sheet, profit and loss account, the notes to the financial statements and the management report. The annual financial statements of a public company are prepared by its executive board, audited by a certified public accountant (in Germany: Wirtschaftsprüfer) and adopted by the supervisory board.

Cash flow per share (CFPS) ★ The cash flow per share is calculated by dividing the cash flow by the number of shares issued by a company. The cash flow per share is taken as the basis for calculating the price/cash flow ratio.

Class of assets ★ Division of the capital and real estate market into different classes of assets or asset segments.

Consumer price index ★ Also called the cost-of-living index, this is calculated in Germany by the Federal Statistical Office on a monthly basis. The CPI is the most important statistical indicator of a change in prices; the price of a basket of goods during a given period is compared with the price of the same basket during the base year. This change is also known as the inflation rate.

Corporate governance ★ The rules for good, value-driven corporate management. The objective is to control the company's management and to create mechanisms to oblige executives to act in the interests of their shareholders.

Coverage ★ Information provided on a listed public company by banks and financial analysts in the form of studies and research reports.

DAX ★ Germany's premier equity index. The composition of the DAX is established by Deutsche Börse AG on the basis of the share prices of the 30 largest German companies listed in the Prime Standard in terms of market capitalisation and market turnover.

Discounted cash flow model (DCF) ★ Method for the assessment of companies which is used to determine the future payments surpluses and discount them to the valuation date.

Dividend ★ The share of the distributed net profit of a company to which a shareholder is entitled in line with the number of shares he or she holds.

EBIT ★ Earnings before interest and taxes.

EBT ★ Earnings before taxes.

E-commerce ★ Direct commercial relationship between supplier and buyer via the internet including the provision of services.

EPRA ★ European Public Real Estate Association. Based in Amsterdam, the EPRA is an organisation that represents the interests of the major European property management companies and supports the development and market presence of European public property companies. The well-known international index named after it, the EPRA index, tracks the performance of the largest European and North American listed property companies.

EPS ★ Earnings per Share

Fair value ★ According to IFRS, a potential market price under ideal market conditions for which an asset value may be traded or an obligation between competent and independent business partners, willing to make a contract, may be settled.

FERI-Rating ★ Short for FERI real estate rating. A science-based system for the determination of an achievable sustained market value (criteria: predicted net earnings, taking into account the location's and property's attractiveness) and property rating (risk/return ratio).

Food Court ★ Catering area of a shopping center, in which different vendors sell food at stations about a common seating area.

Free cash flow ★ The surplus cash generated from operating activities recognised in the profit and loss account. This expresses a company's internal financing power, which can be used for investments, the repayment of debt, dividend payments and to meet funding requirements.

Funds from Operations (FFO) ★ Cash flows from operating activities. DES-calculation: net income for the period adjusted for measurement gains/losses and deferred income tax expense.

Gearing ★ Ratio which shows the relationship between liabilities and equity.

Hedge accounting ★ Financial mapping of two or more financial instruments that hedge one another.

ifo Business Climate Index ★ The ifo Business Climate Index is an important forward indicator for economic development in Germany. In order to calculate the index, the ifo Institute asks approximately 7,000 companies every month for their assessment of the economic situation and their short-term corporate planning.

Interest rate swap ★ Exchange of fixed and variable interest payable on two nominal amounts of capital for a fixed period. By means of an interest rate swap, interest rate risks may be controlled actively.

International Financial Reporting Standards (IFRSs) ★ International Financial Reporting Standards are based on International Accounting Standards (IASs). Since 1 January 2005, listed companies have been required to apply IFRSs. IASs/IFRSs focus on the decision-usefulness of accounts. The key requirement with regard to the annual financial statements is fair presentation that is not qualified by aspects of prudence or risk provision.

Loan to value ★ Ratio that expresses the amount of a mortgage as a percentage of the market value of real property.

Mall ★ Row of shops in a shopping center.

Market capitalisation ★ The current quoted price for a share multiplied by the number of shares listed on the stock.

MDAX ★ German mid-cap index comprising the 50 most important securities after the DAX members. exchange. Market capitalisation is calculated for individual companies, sectors, and entire stock markets, thus enabling comparisons between them.

Multi channelling ★ Using a combination of online and offline communication tools in marketing.

Net asset value (NAV) ★ The value of an asset after deduction of liabilities. With regard to shares, the NAV constitutes their intrinsic value. The net net asset value (NNAV) is calculated by deducting deferred taxes from the NAV.

Peer group ★ A share price performance benchmark consisting of companies from similar sectors, put together on the basis of individual criteria.

Performance ★ The term performance describes the percentage appreciation of an investment or a securities portfolio during a given period.

REIT ★ REIT stands for "Real Estate Investment Trust". REITs are listed real estate corporations that are exempt from tax at the company level. To qualify, a minimum of 75% of their income must come from real estate rental, leasing and sales and 90% of profits must be distributed to shareholders as dividends.

Retail space ★ Space in a building and/or an open area that is used for sales by a retail operation and that is accessible to customers. Service areas required for operational and legal purposes are not taken into account, nor are stairways or shop windows. The retail space is part of the leasable space of a business.

Roadshow ★ Corporate presentations to institutional investors.

Savings ratio ★ Share of savings of the income available in households.

Subprime ★ Mortgage loan to borrower with a low degree of creditworthiness.

TecDAX ★ The successor to the NEMAX 50, comprising the 30 largest German listed technology securities in terms of market capitalisation and market turnover.

Volatility ★ Statistical measure for price fluctuations. The greater the fluctuations in the price of a security, the higher its volatility.

Xetra ★ An electronic stock exchange trading system that, in contrast to floor trading, uses an open order book, thus increasing market transparency. The trading hours are currently 9.00 a.m. to 5.30 p.m.

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MULTI-YEAR-OVERVIEW

| in € million | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 01/09 | 02/09 | 03/09 | 04/09 | 2009 |
|-------------------------------|---------|---------|---------|---------|---------|---------|-------|-------|-------|-------|---------|
| Revenues | 57.9 | 61.4 | 72.1 | 92.9 | 95.8 | 115.3 | 31.8 | 28.3 | 31.2 | 36.3 | 127.6 |
| EBIT | 39.5 | 49.8 | 57.5 | 86.3 | 78.5 | 98.1 | 27.1 | 23.5 | 26.8 | 33.3 | 110.7 |
| Net finance costs | -22.0 | -25.3 | -31.4 | -41.0 | -39.6 | -49.4 | -14.2 | -12.2 | -13.5 | -16.0 | -55.9 |
| EBT | 26.9 | 37.3 | 81.1 | 117.7 | 77.8 | 87.0 | 29.6 | 14.0 | 7.3 | -10.8 | 40.1 |
| Consolidated profit | 19.0 | 27.7 | 48.7 | 100.3 | 94.2 | 68.9 | 24.4 | 11.4 | 6.1 | -7.5 | 34.4 |
| Earnings per share (€) | 0.82 | 0.86 | 0.97 | 1.08 | 1.12 | 1.38 | 0.35 | 0.36 | 0.36 | 0.42 | 1.49 |
| FFO per share (€) | 0.61 | 0.89 | 1.55 | 2.92 | 2.74 | 1.96 | | | | | 0.93 |
| Equity* | 695.3 | 684.4 | 787.4 | 897.9 | 974.0 | 977.8 | 0.66 | 0.17 | 0.22 | -0.12 | 1,044.4 |
| Liabilities | 545.2 | 685.8 | 756.1 | 898.3 | 1,002.3 | 1,029.1 | | | | | 1,067.8 |
| Total assets | 1,240.5 | 1,370.2 | 1,543.6 | 1,796.2 | 1,976.3 | 2,006.8 | | | | | 2,112.1 |
| Equity ratio (%)* | 56.1 | 49.9 | 51.0 | 50.0 | 49.3 | 48.7 | | | | | 49.4 |
| Gearing (%)* | 78 | 100 | 96 | 100 | 103 | 105 | | | | | 102 |
| Cash and cash equivalents | 102.0 | 150.3 | 197.2 | 94.2 | 109.0 | 41.7 | | | | | 81.9 |
| Net asset value | 682.5 | 686.8 | 794.5 | 877.4 | 925.1 | 942.8 | | | | | 1,006.9 |
| Net asset value per share (€) | 21.84 | 21.98 | 23.11 | 25.53 | 26.91 | 27.43 | | | | | 26.63 |
| Dividend per share in (€) | 0.96 | 0.96 | 1.00 | 1.05 | 1.05 | 1.05 | | | | | 1.05** |

* incl. minority interest ** proposal

FINANZKALENDER 2010

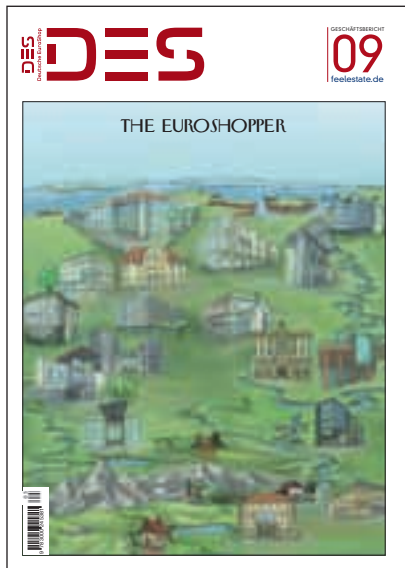
Our financial calendar is updated continuously. Please check our website for the latest events: <http://www.deutsche-euroshop.com/ir>

| | | | |
|------------|---|------------|---|
| 19.01. | CA Cheuvreux German Corporate Conference, Frankfurt | 10.06. | Morgan Stanley European Property Conference, London |
| 17.02. | Roadshow Frankfurt, Close Brothers Seydler Bank | 17.06. | Annual General Meeting, Hamburg |
| 18.–19.02. | Roadshow London, Kempen & Co. | 17.06. | Supervisory Board meeting, Hamburg |
| 19.02. | Roadshow Zurich, Silvia Quandt Bank | 30.06. | Roadshow Luxembourg, DZ Bank |
| 25.02. | Roadshow Dusseldorf, Cologne, WestLB | 06.07. | Roadshow Copenhagen, UniCredit |
| 02.03. | Roadshow Geneva, Metzler | 12.08. | Interim report H1 2010 |
| 03.03. | Roadshow Milan, Deutsche Bank | 16.–19.08. | Roadshow USA, Berenberg |
| 09.03. | Roadshow Paris, Aurel | 16.08. | Roadshow London, UniCredit |
| 10.03. | Roadshow Vienna, M.M. Warburg | 17.08. | Roadshow Dublin, UniCredit |
| 16.03. | Roadshow Munich, Bank of Amerika Merrill Lynch | 18.–19.08. | Bankhaus Lampe Conference for Retail and Consumption, Frankfurt |
| 22.03. | Roadshow Madrid, Bankhaus Lampe | 02.–03.09. | EPRA Annual Conference, Amsterdam |
| 23.03. | Roadshow Lisbon, Bankhaus Lampe | 21.09. | UniCredit German Investment Conference, Munich |
| 20.04. | Audit Committee meeting, Hamburg | 23.09. | Supervisory Board meeting, Hamburg |
| 28.04. | Supervisory Board meeting, Hamburg | 04.–06.10. | Expo Real, Munich |
| 30.04. | Annual earnings press conference, Hamburg | 12.10. | Roadshow Amsterdam, Rabo |
| 03.05. | Roadshow Zurich, UBS | 19.10. | Initiative Immobilien-Aktie, Frankfurt |
| 05.05. | Roadshow Helsinki, equinet | 06.11. | Hamburg Exchange Convention |
| 06.05. | M.M. Warburg Northern Highlights Conference, Hamburg | 11.11. | Interim report 9M 2010 |
| 12.05. | Interim report Q1 2010 | 12.11. | Roadshow Brussels, WestLB |
| 26.05. | Kempen & Co European Property Seminar, Amsterdam | 16.11. | Roadshow Zurich, Deutsche Bank |
| 27.05. | Société Générale European Mid and Small Caps Conference, Nice | 18.11. | Supervisory Board meeting, Hamburg |
| 09.06. | Metzler Property Day, Frankfurt | | |

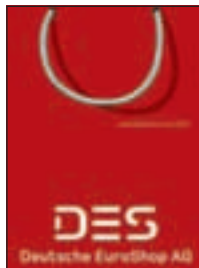
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Concept
Deutsche EuroShop

Art Direction & Layout
IR-One AG & Co,

Illustration
Alexander Wohlrab, Mucca Matta

Pictures
Deutsche EuroShop. ECE

★
Print
Hartung Druck und Medien

Digital Prepress
NELLESmedia GmbH

Responsible for the editorial content
Deutsche EuroShop AG, Hamburg

English translation
CLS Communication AG

★
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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.

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