



Letter from the Executive Board

Dear Shareholders,
dear Readers,

The first quarter of 2018 proceeded well in operational terms and according to plan. Revenue of €56.0 million exceeded the prior-year quarter by 10.5%, chiefly owing to the positive performance of the Olympia Center in Brno, Czech Republic, which was not included in the results of the results of the prior-year quarter. Like-for-like revenue increased by 0.4%. Net operating income (NOI) rose by 9.3% to €50.1 million, while earnings before interest and taxes (EBIT) were 10.7% higher than the previous year, at €49.0 million.

Consolidated profit likewise increased, from €27.5 million to a current figure of €30.4 million, which equated to earnings per share of €0.49 after €0.50 in the prior-year period. EPRA earnings per share, which do not include the measurement gains / losses, were unchanged at €0.60. Funds from operations (FFO) also recorded growth and were up €3.3 million at €37.8 million, which represents FFO per share of €0.61, compared with €0.62 in the previous year.

When considering per-share figures, the increase in the number of shares from 55.1 million to 61.8 million (capital increase in March 2017 and conversion of the convertible bond in November 2017) needs to be borne in mind.

We can reaffirm our full-year guidance. We envisage being able to pay a dividend of €1.50 per share for the current financial year, which would once again be 5 cents higher than in the previous year. Furthermore, we also intend to increase the dividend for financial year 2019 by €0.05 to €1.55 per share. In this way we wish to continue with our sustainable dividend policy and thereby enable our shareholders to continue to benefit from the success of our shopping center portfolio, which is at almost full occupancy.

Hamburg, May 2018

Wilhelm Wellner

Olaf Borkers

Consolidated key figures

in € million	01.01.– 31.03.2018	01.01.– 31.03.2017	+ / -
Revenue	56.0	50.7	10.5%
Net operating income (NOI)	50.1	45.8	9.3%
EBIT	49.0	44.3	10.7%
EBT (excluding measurement gains / losses*)	39.5	35.3	12.0%
Consolidated profit	30.4	27.5	10.4%
EPRA** earnings per share in €	0.60	0.60	0.0%
FFO per share in €	0.61	0.62	-1.6%
Earnings per share in €	0.49	0.50	-2.0%

in € million	31.03.2018	31.12.2017	+ / -
Equity***	2,607.8	2,574.9	1.3%
Liabilities	2,051.1	2,052.1	-0.1%
Total assets	4,658.9	4,627.0	0.7%
Equity ratio in %***	56.0	55.6	
LTV ratio (%)****	31.5	32.4	
Cash and cash equivalents	139.9	106.6	31.3%

* including the share attributable to equity-accounted joint ventures and associates

** European Public Real Estate Association

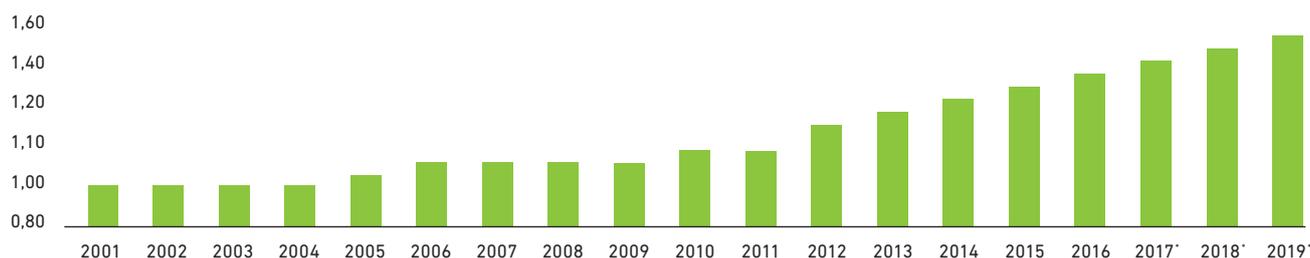
*** incl. third-party interests in equity

**** loan-to-value ratio (LTV ratio): ratio of net financial liabilities (financial liabilities less cash and cash equivalents) to non-current assets (investment properties and investments accounted for using the equity method)

DEUTSCHE EUROSHOP'S DIVIDEND PAYMENTS

for the fiscal year

per share in €



* Proposal

RESULTS OF OPERATIONS

in € thousand	01.01. – 31.03.2018	01.01. – 31.03.2017	+ / -	Change in %
Revenue	56,044	50,727	5,317	10.5%
Operating and administrative costs for property	-5,938	-4,881	-1,057	-21.7%
NOI	50,106	45,846	4,260	9.3%
Other operating income	256	301	-45	-15.0%
Other operating expenses	-1,379	-1,892	513	27.1%
EBIT	48,983	44,255	4,728	10.7%
At-equity profit / loss	7,507	7,574		
Measurement gains / losses (at equity)	16	11		
Deferred taxes (at equity)	77	60		
At-equity (operating) profit / loss	7,600	7,645	-45	-0.6%
Interest expense	-13,293	-12,753	-540	-4.2%
Profit / loss attributable to limited partners	-4,533	-4,655	122	2.6%
Other financial gains or losses	745	777	-32	-4.1%
Financial gains or losses (excl. measurement gains / losses)	-9,481	-8,986	-495	-5.5%
EBT (excl. measurement gains / losses)	39,502	35,269	4,233	12.0%
Measurement gains / losses	-1,172	-736		
Measurement gains / losses (at equity)	-16	-11		
Measurement gains / losses (including at-equity profit / loss)	-1,188	-747	-441	-59.0%
Income taxes	-1,704	-1,053	-651	-61.8%
Deferred taxes	-6,170	-5,902		
Deferred taxes (at equity)	-77	-60		
Deferred taxes (including at equity)	-6,247	-5,962	-285	-4.8%
CONSOLIDATED PROFIT	30,363	27,507	2,856	10.4%

Revenue growth thanks to portfolio expansion

Revenue rose in the reporting period by 10.5% to €56.0 million, thus meeting our expectations. This growth was attributable in the main to the Olympia Center in Brno, which has been included in the consolidated figures since 31 March 2017 and contributed €5.1 million.

Operating and administrative costs for property on target

Center operational costs in the reporting period, comprised mainly of center management fees, non-allocable ancillary costs, maintenance and write-downs of rent receivables, rose by €1.1 million to €5.9 million and were in line with the projection.

Other operating expenses of €1.4 million

Other operating expenses totalled €1.4 million, €0.5 million lower than the previous year's level. In the prior-year period, higher consultancy costs in particular were recorded in connection with the acquisition of the Olympia Center in Brno.

EBIT grows at same rate as revenue

At €49.0 million, earnings before interest and taxes (EBIT) were greater than the figure for the previous year (€44.3 million) due to the acquisition of the Olympia Center, which generated EBIT of €5.1 million.

Financial gains or losses excluding measurement effects down slightly

Net finance costs (excluding measurement gains / losses) changed by €0.5 million from €-9.0 million to €-9.5 million. The at-equity profit recognised in financial gains or losses, at €7.6 million, remained at the prior-year level. The interest expense of Group companies rose by €0.5 million. Lower interest costs due to loan repayments and the cessation of interest payments on the convertible bond stood in contrast to the additional interest expense for the financing of the Olympia Center.

EBT (excluding measurement gains / losses) up significantly by 12.0%

EBT (excl. measurement gains / losses) rose from €35.3 million to €39.5 million (+12.0%) owing in particular to the addition of the Olympia Center in Brno to the portfolio.

Measurement gains / losses influenced by investments

The measurement loss of €-1.2 million (previous year: €-0.7 million) includes investment costs incurred by our portfolio properties (including the at-equity portion).

Increase in income taxes

Taxes on income and earnings amounted to €8.0 million (previous year: €7.0 million). Of this, €1.7 million (previous year: €1.1 million) was attributable to taxes paid and €6.3 million (previous year: €5.9 million) to deferred taxes.

Consolidated profit and earnings up

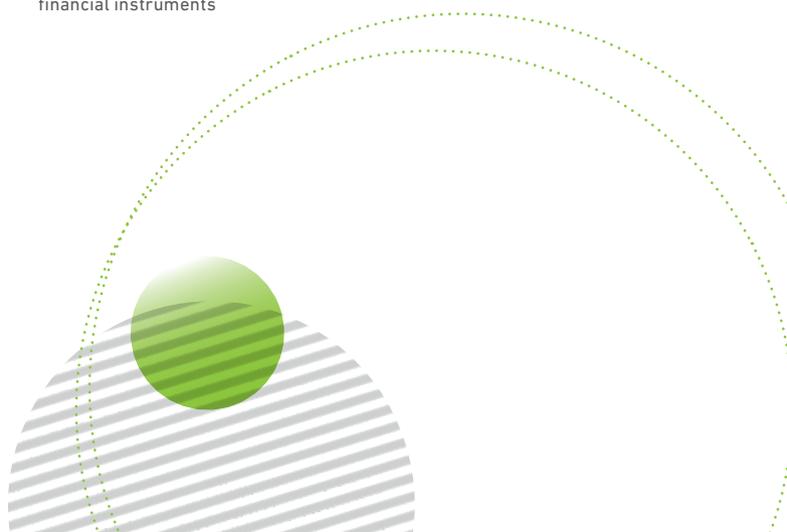
At €30.4 million, consolidated profit was up by €2.9 million compared with the previous year (€27.5 million). Because of the higher number of no-par-value shares issued, earnings per share, at €0.49 (previous year: €0.50), and EPRA earnings per share, at €0.60 (previous year: €0.60), remained at the prior-year level.

EPRA EARNINGS

	01.01.–31.03.2018		01.01.–31.03.2017	
	in € thou- sand	per share in €	in € thou- sand	per share in €
Consolidated profit	30,363	0.49	27,507	0.50
Measurement gains / losses investment properties*	1,188	0.02	747	0.01
Measurement gains / losses derivative financial instruments*	-840	-0.01	-910	-0.02
Acquisition costs	0	0.00	319	0.01
Deferred taxes in respect of EPRA adjustments**	6,141	0.10	5,454	0.10
EPRA EARNINGS	36,852	0.60	33,117	0.60
Weighted number of no-par-value shares issued		61,783,594		55,085,176

* including the share attributable to equity-accounted joint ventures and associates

** affects deferred taxes on investment properties and derivative financial instruments



Positive development of funds from operations (FFO)

Funds from operations (FFO) are used to finance the distribution of dividends, scheduled repayments on our long-term bank loans and ongoing investments in portfolio properties. FFO rose from €34.5 million to €37.8 million, while FFO per share declined slightly from €0.62 to €0.61 because of the higher number of shares.

FUNDS FROM OPERATIONS

	01.01. – 31.03.2018		01.01. – 31.03.2017	
	in € thou- sand	per share in €	in € thou- sand	per share in €
Consolidated profit	30,363	0.49	27,507	0.50
Bond conversion expense	0	0.00	242	0.00
Measurement gains / losses investment properties*	1,188	0.02	747	0.01
Deferred taxes*	6,247	0.10	5,962	0.11
FFO	37,798	0.61	34,458	0.62
Weighted number of no-par-value shares issued	61,783,594		55,085,176	

* including the share attributable to equity-accounted joint ventures and associates

FINANCIAL POSITION AND NET ASSETS

Net assets and liquidity

The Deutsche EuroShop Group's total assets rose by €31.9 million to €4,658.9 million compared with the last reporting date, primarily due to the increase in cash and cash equivalents (€33.3 million).

Equity ratio of 56.0%

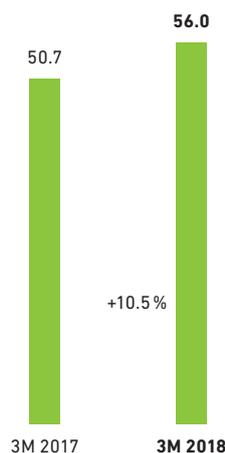
The equity ratio (including the shares of third-party shareholders) was 56.0%, slightly up compared to the last reporting date (55.6%).

Liabilities

As at 31 March 2018, financial liabilities stood at €1,543.4 million, which was €3.2 million lower than at the end of 2017. Non-current deferred tax liabilities increased by €6.5 million to €446.3 million due to additional provisions. The redemption entitlements for third-party shareholders increased by around €1.3 million to €338.7 million. Other current and non-current liabilities and provisions were reduced by €4.3 million.

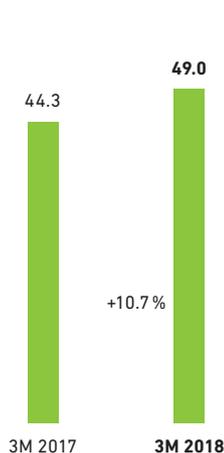
REVENUE

in € million



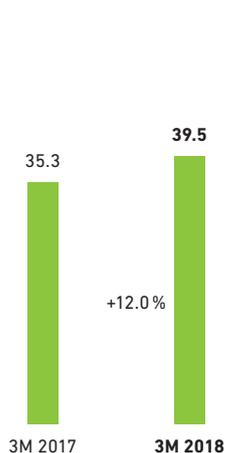
EBIT

in € million



EBT *

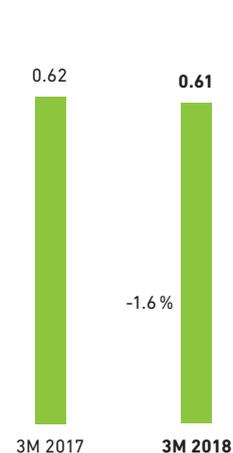
in € million



* excluding measurement gains/losses

FFO PER SHARE

in €



Number of shares

55,085,176 61,783,594

REPORT ON EVENTS AFTER THE REPORTING DATE

No significant events occurred between the balance sheet date of 31 March 2018 and the date of preparation of the financial statements.

OUTLOOK

EXPECTED RESULTS OF OPERATIONS AND FINANCIAL POSITION

Following a performance in the first quarter in line with projections, we can reaffirm our forecast for financial year 2018:

- revenue of between €220 million and €224 million
- earnings before interest and taxes (EBIT) of between €193 million and €197 million
- earnings before taxes (EBT) excluding measurement gains / losses of between €154 million and €157 million
- funds from operations (FFO) of between €145 million and €148 million or between €2.35 and €2.39 per share

DIVIDEND 2018

We intend to distribute a dividend of €1.50 per share to our shareholders for 2018.

RISK REPORT

There have been no significant changes since the beginning of the financial year with regard to the risks associated with future business development. We do not believe that the Company currently faces any risks capable of jeopardising its continued existence. The information provided in the risk report of the consolidated financial statements as at 31 December 2017 is therefore still applicable (2017 Annual Report, pg. 134 ff.).

REVENUE

in € million

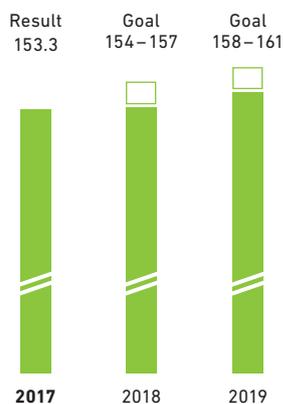


EBIT

in € million

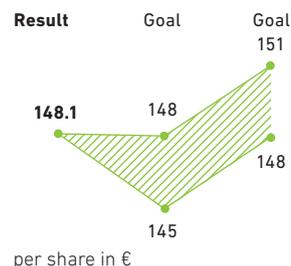
EBT *

in € million

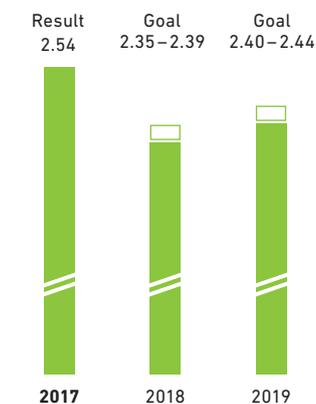


FFO

in € million



per share in €



* excluding measurement gains / losses

Number of shares in million

58.25 61.78 61.78

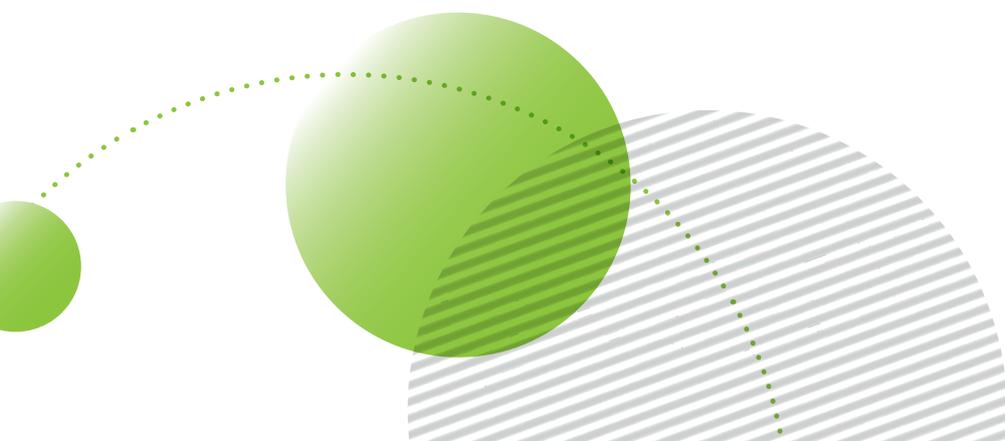
CONSOLIDATED BALANCE SHEET

ASSETS

in € thousand	31.03.2018	31.12.2017
ASSETS		
Non-current assets		
Intangible assets	53,744	53,746
Property, plant and equipment	201	208
Investment properties	3,924,310	3,924,157
Investments accounted for using the equity method	528,736	526,728
Other financial assets	39	39
Non-current assets	4,507,030	4,504,878
Current assets		
Trade receivables	2,349	5,268
Other current assets	9,636	10,274
Cash and cash equivalents	139,919	106,579
Current assets	151,904	122,121
TOTAL ASSETS	4,658,934	4,626,999

LIABILITIES

in € thousand	31.03.2018	31.12.2017
EQUITY AND LIABILITIES		
Equity and reserves		
Issued capital	61,784	61,784
Capital reserves	1,217,560	1,217,560
Retained earnings	989,737	958,032
Total equity	2,269,081	2,237,376
Non-current liabilities		
Financial liabilities	1,513,509	1,517,773
Deferred tax liabilities	446,344	439,800
Right to redeem of limited partners	338,748	337,479
Other liabilities	36,116	37,919
Non-current liabilities	2,334,717	2,332,971
Current liabilities		
Financial liabilities	29,871	28,899
Trade payables	2,394	2,242
Tax liabilities	2,771	2,201
Other provisions	6,587	6,354
Other liabilities	13,513	16,956
Current liabilities	55,136	56,652
TOTAL EQUITY AND LIABILITIES	4,658,934	4,626,999



CONSOLIDATED INCOME STATEMENT

in € thousand	01.01.– 31.03.2018	01.01.– 31.03.2017
Revenue	56,044	50,727
Property operating costs	-3,290	-2,348
Property management costs	-2,648	-2,533
Net operating income (NOI)	50,106	45,846
Other operating income	256	301
Other operating expenses	-1,379	-1,892
Earnings before interest and taxes (EBIT)	48,983	44,255
Share in the profit or loss of associated companies and joint ventures accounted for using the equity method	7,507	7,574
Interest expense	-13,293	-12,753
Profit / loss attributable to limited partners	-4,533	-4,655
Other financial income and expenditure	740	760
Interest income	5	17
Financial gains or losses	-9,574	-9,057
Measurement gains / losses	-1,172	-736
Earnings before tax (EBT)	38,237	34,462
Income taxes	-7,874	-6,955
CONSOLIDATED PROFIT	30,363	27,507
Earnings per share (€), undiluted	0.49	0.50
Earnings per share (€), diluted		0.48

STATEMENT OF COMPREHENSIVE INCOME

in € thousand	01.01.– 31.03.2018	01.01.– 31.12.2017
Consolidated profit	30,363	27,507
Items which under certain conditions in the future will be reclassified to the income statement:		
Actual share of the profits and losses from instruments used to hedge cash flows	1,715	2,459
Deferred taxes on changes in value offset directly against equity	-373	-535
Total earnings recognised directly in equity	1,342	1,924
TOTAL PROFIT	31,705	29,431
Share of Group shareholders	31,705	29,431

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € thousand	Number of shares outstanding	Share capital	Capital reserves	Other retained earnings	Statutory reserve	Available-for-sale reserve	Cash flow hedge reserve	Total
01.01.2017	53,945,536	53,945	961,970	932,109	2,000	-22	-33,854	1,916,148
Total profit		0	0	27,507	0	0	1,924	29,431
Capital increase	4,459,460	4,460	159,583	0	0	0	0	164,043
Dividend payments		0	0	0	0	0	0	0
31.03.2017	58,404,996	58,405	1,121,553	959,616	2,000	-22	-31,930	2,109,622
01.01.2018	61,783,594	61,784	1,217,560	984,675	2,000	0	-28,643	2,237,376
Total profit		0	0	30,363	0	0	1,342	31,705
Dividend payments		0	0	0	0	0	0	0
31.03.2018	61,783,594	61,784	1,217,560	1,015,038	2,000	0	-27,301	2,269,081

CONSOLIDATED CASH FLOW STATEMENT

in € thousand	01.01. – 31.03.2018	01.01. – 31.03.2017
Consolidated profit	30,363	27,507
Income taxes	7,874	6,955
Financial gains or losses	9,574	9,057
Amortisation / depreciation of intangible assets and property, plant and equipment with finite life	14	15
Unrealised changes in fair value of investment property and other measurement gains / losses	1,172	736
Distributions and capital repayments received	5,498	5,717
Changes in trade receivables and other assets	3,557	4,537
Changes in current provisions	233	-541
Changes in liabilities	-2,637	-1,894
Cash flow from operating activities	55,648	52,089
Interest paid	-12,387	-11,888
Interest received	5	17
Income taxes paid	-1,134	-1,003
Net cash flow from operating activities	42,132	39,215
Outflows for the acquisition of investment properties	-1,354	-1,426
Inflows from disposal of intangible assets and property, plant and equipment	0	27
Outflows for the acquisition of intangible assets and property, plant and equipment	-5	-9
Acquisition of a subsidiary less acquired cash and cash equivalents	0	-201,573
Cash flow from investing activities	-1,359	-202,981
Inflows from financial liabilities	0	130,000
Outflows from the repayment of financial liabilities	-4,198	-33,830
Payments to limited partners	-3,235	-3,723
Inflows from capital increases	0	163,587
Payments to Group shareholders	0	0
Cash flow from financing activities	-7,433	256,034
Net change in cash and cash equivalents	33,340	92,268
Cash and cash equivalents at beginning of period	106,579	64,046
CASH AND CASH EQUIVALENTS AT END OF PERIOD	139,919	156,314

SEGMENT REPORTING

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

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

In order to be able to assess the contribution of the segments to the individual performance indicators as well as to the Group's success, the income, expenditure, assets and liabilities of the joint ventures are included in internal reporting in proportion to the Group's share therein.

Similarly, for subsidiaries in which the Group is not the sole shareholder, income, expenditure, assets and liabilities are not consolidated in their entirety but only proportionately according to the corresponding Group share. This results in the segments being divided as followed:

BREAKDOWN BY SEGMENT

in € thousand	Domestic	Abroad	Total	Reconciliation	01.01.– 31.03.2018
Revenue (01.01.-31.03.2017)	48,879 (-48,996)	10,584 (-5,285)	59,463 (-54,281)	-3,419 (-3,554)	56,044 (-50,727)
EBIT (01.01.-31.03.2017)	42,771 (-43,613)	10,022 (-4,732)	52,793 (-48,345)	-3,810 (-4,090)	48,983 (-44,255)
EBT excl. measurement gains / losses (01.01.-31.03.2017)	32,113 (-32,130)	8,245 (-4,258)	40,358 (-36,388)	-856 (-1,119)	39,502 (-35,269)
					31,03,2018
Segment assets (31.12.2017)	3,441,906 (-3,430,425)	770,991 (-767,148)	4,212,897 (-4,197,573)	446,037 (-429,426)	4,658,934 (-4,626,999)
of which investment properties (31.12.2017)	3,388,432 (-3,388,343)	735,475 (-735,415)	4,123,907 (-4,123,758)	-199,597 (-199,601)	3,924,310 (-3,924,157)

The adjustment of the proportionate consolidation of the joint ventures and subsidiaries in which the Group does not own a 100% stake is carried out in the reconciliation column. Deferred tax liabilities are considered by the Executive Board of Deutsche EuroShop AG in a cross-segment manner and are therefore included in the reconciliation column of the segment liabilities. Accordingly, the goodwill from the acquisition of Olympia Brno was allocated to the reconciliation column of the segment assets. Further, this still includes the elimination of intra-Group activities between the segments.

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



OTHER DISCLOSURES

Responsibility statement by the Executive Board

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

Hamburg, 15 May 2018



Wilhelm Wellner



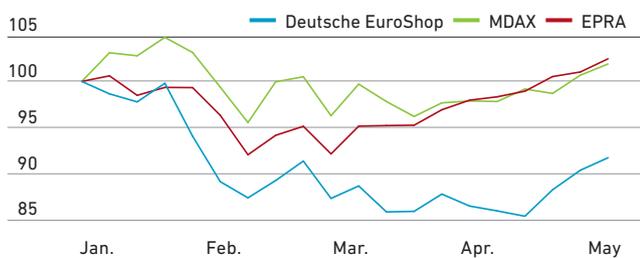
Olaf Borkers

THE SHOPPING CENTER SHARE

Following a year-end closing price for 2017 of €33.96, Deutsche EuroShop shares started the new year in a weak market overall with an ongoing downward trend, particularly for commercial real estate stocks. This meant that the high for the reporting period was recorded on 2 January 2018 at €33.96. On 16 March 2018 the share closed on Xetra at €29.14, the lowest price in the first three months of the year. The closing price on 29 March 2018 was €29.80. Deutsche EuroShop's market capitalisation stood at €1.84 billion at the end of the first quarter of 2018. This equates to a performance of -12.3% for the reporting period. The MDAX fell by 2.3% over the same period.

DEUTSCHE EUROSHOP VS. MDAX AND EPRA COMPARISON, JANUARY TO MAY 2018

indexed, base of 100, in %



KEY SHARE DATA

Sector / industry group	Financial services / real estate
Share capital as at 31.03.2018	€61,783,594.00
Number of shares as at 31.03.2018 (no-par-value registered shares)	61,783,594
Dividend for 2017 (proposed)	€1.45
Share price on 29.12.2017	€33.96
Share price on 29.03.2018	€29.80
Low / high for the period under review	€29.14 / €33.90
Market capitalisation on 31.03.2018	€1.84 billion
Prime Standard	Frankfurt and Xetra
OTC markets	Berlin-Bremen, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart
Indices	MDAX, EPRA, GPR 250, MSCI Small Cap, EPIX 30, HASPAX, F.A.Z.-Index, DivMSDAX
ISIN	DE 000748 020 4
Ticker symbol	DEQ, Reuters: DEQGn.DE

FINANCIAL CALENDAR 2018

15.05.	Quarterly statement 3M 2018	28.09.	Société Générale Pan European Real Estate Conference, London
17.05.	Roadshow Copenhagen, equinet	28.09.	Supervisory Board meeting, Hamburg
23.05.	Berenberg European Conference, Tarrytown	08.–10.10.	Expo Real, Munich
29.05.	Kepler Cheuvreux German Property Day, Paris	23.10.	Roadshow Madrid, M.M. Warburg
30.05.	Kempen & Co European Property Seminar, Amsterdam	24.10.	Roadshow Paris, Natixis
08.06.	Deutsche Bank dbAccess Conference, Berlin	14.11.	Quarterly statement 9M 2018
19.06.	Roadshow London, Société Générale	20.11.	DZ Bank Equity Conference, Frankfurt
28.06.	Annual General Meeting, Hamburg	29.11.	Supervisory Board meeting, Hamburg
28.06.	Supervisory Board meeting, Hamburg	03.12.	Berenberg European Conference, Pennyhill
14.08.	Half-year Financial Report 2018		
29.08.	Berenberg Real Estate Seminar, Helsinki		
30.08.	Commerzbank Sector Conference, Frankfurt		
04.–06.09.	EPRA Annual Conference, Berlin		
24.09.	Goldman Sachs & Berenberg German Conference, Munich		
25.09.	Baader Investment Conference, Munich		

Our financial calendar is updated continuously. Please check our website for the latest events:

www.deutsche-euroshop.com/ir

**WOULD YOU LIKE ADDITIONAL INFORMATION?**

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Patrick Kiss and **Nicolas Lissner**

Phone: +49 (0)40 - 41 35 79 20 / -22

Fax: +49 (0)40 - 41 35 79 29

www.deutsche-euroshop.com/ir

E-Mail: ir@deutsche-euroshop.de

Forward-looking statements

This quarterly statement contains forward-looking statements based on estimates of future developments by the Executive Board. The statements and forecasts represent estimates based on all of the information available at the current time. If the assumptions on which these statements and forecasts are based do not materialise, the actual results may differ from those currently being forecast.

Rounding and rates of change

Percentages and figures stated in this report may be subject to rounding differences. The rates of change are based on economic considerations: improvements are indicated by a plus (+); deterioration by a minus (-).