

**Joint Declaration by the Executive Board and the Supervisory Board
of Deutsche EuroShop AG
on the recommendations of the Government Commission
on the German Corporate Governance Codex in accordance with section 161 of
the AktG (German Public Companies Act)**

The Executive Board and the Supervisory Board of Deutsche EuroShop AG declare that the Company has conformed and will conform with the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice in the official section of the Federal Gazette on July 4, 2003, as amended on June 2, 2005, with the following few exceptions:

1. **Deutsche EuroShop AG will not broadcast the Annual General Meeting via modern communication media, e.g. the Internet (section 2.3.4).**

The Company has decided not to broadcast the Annual General Meeting via modern communication media as a result of the need for confidentiality expressed by a large number of shareholders and the low demand in relation to the costs that is expected due to the size of the Company and the number of shareholders.

2. **The D & O insurance does not include a deductible for the Executive Board and the Supervisory Board (section 3.8 (2)).**

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

3. **The compensation of the Executive Board members does not include stock options (section 4.2.3).**

4. **No stock option programmes or similar securities-based incentive systems are currently in place at the Company (section 7.1.3).**

Share price performance is dependent on various factors that do not necessarily reflect the Company's actual business performance. This could counteract the long-term incentive effect of stock option programmes. For this reason, the Company has not launched any stock option programmes or similar securities-based incentive systems to date.

5. **The compensation of the Supervisory Board is specified by resolution of the Annual General Meeting. Membership in committees is not taken into account when determining the compensation of the Supervisory Board (section 5.4.7 (1)). The compensation does not contain any performance-related components (section 5.4.7 (2)).**

Additional (performance-related) compensation of the Supervisory Board means that it is not possible, in the Company's opinion, to ensure that Supervisory Board and committee work are independent of financial interests.

6. **The consolidated financial statements are publicly accessible within 120 days of the end of the financial year (section 7.1.2).**

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

Hamburg, December 2005

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