Interim Report Q1
Fiscal Year 2011/12

DOUGLAS HOLDING

Excellence in Retailing

An Overview of the DOUGLAS Group

Fig. 1 · Key figures

		Q1 (10/01–12/31) 2011/12	2010/11	Change (in %)
Sales	EUR m	1,193.6	1,178.3	1.3
National	EUR m	814.0	782.2	4.1
International	EUR m	379.6	396.1	–4.2
EBITDA	EUR m	173.6	199.0	–12.8
Margin	in %	14.5	16.9	–
EBT	EUR m	140.6	142.1	–1.1
Margin	in %	11.8	12.1	–
Net income	EUR m	91.7	93.9	–2.3
Earnings per share	EUR	2.32	2.38	–2.5
Share price (December 31)	EUR	27.80	42.00	–33.8
Free Cash Flow	EUR m	206.7	278.3	–25.7
Capital expenditure	EUR m	27.2	26.4	3.0

		12/31/2011	12/31/2010	09/30/2011
Equity	EUR m	898.2	864.9	803.0
Equity ratio	in %	46.5	44.4	48.3
Balance sheet total	EUR m	1,929.3	1,948.2	1,661.7
Working capital [1]	EUR m	422.5	380.5	438.0
Net bank credit [2]	EUR m	157.0	154.0	–49.6
Employees		24,856	25,150	24,323
Stores		1,944	1,983	1,928
Sales area	1,000 m^2	598.6	606.9	594.9

[1] Inventories and trade accounts receivable less trade accounts payable
[2] Liquid funds less liabilities to banks

Key developments in the first quarter of 2011/12:

Group sales up 1.3 percent on prior year

- Pleasing like-for-like sales performance in Germany
- Continued dynamic growth in Internet sales
- Like-for-like sales outside of Germany fall again slightly
- Like-for-like sales at Thalia down slightly on the prior year

EBITDA on par with the prior year at 173.6 million EUR (excluding Douglas Russia)

- Prior-year figure boosted by non-recurring income from the divestiture of the perfumery companies in Russia (22.3 million EUR)
- Christ's earnings improved significantly
- Thalia's earnings impacted by ongoing shifts to Internet sales

Solid financing and capital structure

- Free Cash Flow down on the prior year due to a rise in working capital
- Cash inflow of 50.6 million EUR from the divestiture of Russian perfumery activities in the comparable prior-year period
- Net bank credit on par with the prior year at 157.0 million EUR

Annual forecast confirmed

- Slight sales increase to more than 3.4 billion EUR
- EBITDA (earnings before interest, taxes, depreciation and amortization) between 200 to 250 million EUR

Interim Group Management Report

Business activities and operation environment

A leading European specialty retailer

Fig. 2 The DOUGLAS Group consists of five decentralized retailing divisions with more than 1,900 specialty stores and approximately 25,000 employees in 17 countries throughout Europe. The brands Douglas, Thalia, Christ, and Hussel are market leaders in their sectors, and AppelrathCüpper is one of the leading fashion houses at its respective locations. All operating divisions stand for excellent service, first-class products, and a stimulating shopping ambiance in their respective specialty stores. Furthermore, with the development of the multi-channel concept, a forward-looking strategy continues for all five corporate divisions.

Fig. 2 · The DOUGLAS Group Brands

Douglas	Douglas is represented in 17 Europe countries with 1,184 perfumeries. The Douglas brand is synonymous with high expertise in the areas of perfumes, cosmetics and care at both the perfumery stores and online. www.douglas.de
Thalia	The Thalia book retail group is a market leader in German-speaking countries with its multi-channel portfolio—comprising 294 bookstores, online shops, and an impressive e-book collection. www.thalia.de
CHRIST	The 208 Christ jewelry stores lead the market in Germany in the mid to upper price range for jewelry and watches. By expanding its online shop, Christ is also continuing to promote its move to becoming a multi-channel provider. www.christ.de
AppelrathCüpper	The 13 AppelrathCüpper women's fashion stores and the AC online shop are held in high esteem by their customers as an expert premium seller of high quality women's clothing. www.appelrath.de
HUSSEL Confiserie	The 245 Hussel confectionery shops enjoy an outstanding market position in Germany with innovative confectionery creations and attractive own brands and are also expanding their expertise in online selling. www.hussel.de

Weak development in the Euro zone

According to calculations made by the European Commission, the Euro zone's real gross domestic product rose by 1.5 percent in 2011. Among the key sales regions for the DOUGLAS Group in the Euro zone, Germany, Austria, the Netherlands and France performed above average in the 2011 calendar year, while Spain and Italy only saw moderate gross domestic product growth. According to preliminary estimates by the European research institutes ifo, INSEE, and ISTAT, Euro zone real gross domestic product recorded a slight 0.7 percent year-on-year increase in the fourth quarter of calendar year 2011, with a slight 0.2 percent decline expected for the first quarter of 2012. This weak development is mainly the result of the continuing government consolidation measures in place in a number of countries as well as a decline in external demand—particularly from the United States. Austerity measures implemented by several governments as well as a poor labor market situation also put the brake on private consumption in the Euro zone in the fourth quarter of 2011. According to calculations by ifo, INSEE, and ISTAT, private consumer spending was down 0.4 percent on the prior-year quarter, with a similar decline expected for the first quarter of 2012. According to the European Commission, Euro zone unemployment was at 10.3 percent in November 2011, up 0.3 percentage points on the prior year. The highest level of unemployment was recorded in Spain at 22.9 percent.

German economy slows

During the course of the second half of 2011, the German economy lost significant momentum in the face of the debt and confidence crisis in Europe. Estimates by the Institut für Weltwirtschaft (IfW—Institute for the World Economy) show that the real gross domestic product for the fourth quarter of 2011 declined by 1.1 percent against the previous quarter. This was primarily due to a fall in external demand and investment. Private consumer spending, however, was supported by the ongoing favorable labor market situation. Based on the preliminary results of the Federal Statistical Office, German retail sales in 2011 were up 2.6 percent in nominal and 0.9 percent in real terms. According to information from the German Retail Association (Handelsverband Deutschland), retailers were satisfied with trading during the sector's all-important Christmas business in 2011. The Association had expected a sales increase of a nominal 1.5 percent for November and December.

Net assets, financial position and result of operations

Pleasing sales performance in Germany, ongoing difficult sales performance in some foreign markets

Overall, the DOUGLAS Group's sales performance in the first three months of fiscal year 2011/12 was satisfactory. Group sales for the period from October 1 to December 31, 2011 were up 1.3 percent (currency-adjusted: 1.4 percent) to 1.19 billion EUR (prior year: 1.18 billion EUR). Adjusted for the divested perfumeries in Russia sales were up 2.8 percent on the prior year. Like-for-like sales (including online sales) exceeded those of the prior year by 2.1 percent. Fig. 3

Internet sales continued to develop dynamically with a 21 percent year-on-year increase. They contributed some 7 percent to Group sales in the reporting period.

Sales performance in the domestic market, Germany, was positive. Sales reached 814.0 million EUR, thus improving by 4.1 percent on the prior year. Like-for-like sales were up 3.8 percent. As a result of the divestment of perfumeries in Russia and continuing weak consumer spending in some markets, foreign sales, on the other hand, were down 4.2 percent on the prior year (excluding perfumeries in Russia: up 0.3 percent), amounting to 379.6 million EUR. Like-for-like sales were down slightly on the prior year at –1.1 percent. The share of foreign sales in Group sales declined from 33.6 percent to 31.8 percent.

In the first quarter of fiscal year 2011/12, the **Douglas perfumeries** recorded sales of 657.6 million EUR, almost on par with the prior-year level, despite the divestiture of the Russian perfumeries (excluding Russia: + 2.5 percent). Like-for-like sales (stationary and online) were up 2.1 percent on the prior year. German perfumeries developed positively, increasing sales by 4.9 percent (like-for-like: 4.4 percent) to 357.9 million EUR. Foreign Douglas perfumeries generated sales of 299.7 million EUR, a 5.9 percent decline, which is mainly a result of the divestiture of the Russian store network. Adjusted for this effect, sales were on par with the prior year. Sales increases at Douglas perfumeries in Austria, the Netherlands, Turkey, and in the Baltic States almost completely offset unsatisfactory developments in Italy, Spain, Portugal and Switzerland. The share of international activities in total perfumery sales declined from 48.3 to 45.6 percent.

The **Thalia Group** increased its sales in the reporting period by 1.0 percent to 321.2 million EUR. German stores contributed to this development with a 0.5 percent rise in sales and the companies in Austria and Switzerland with a 2.8 percent sales increase. However, currency-adjusted foreign sales fell by 0.6 percent. In like-for-like terms, the Thalia Group experienced a 0.7 percent decline in sales. While like-for-like German sales were on par with the prior year, like-for-like foreign sales fell by 3.5 percent due to the unsatisfactory performance given by Switzerland. Online trading rose by 3 percent above the high prior-year figure. In the first quarter of fiscal year 2011/12, the Thalia Group generated about 15 percent of its sales via the Internet sales channel. The sector's increasing shift in book purchases to the Internet resulted in a 1.4 percent decline in like-for-like stationary book retailing.

During the reporting period, the **Christ jewelry stores** generated sales in the amount of 137.5 million EUR, thus surpassing the high prior year figure by 10.6 percent. Like-for-like sales were significantly up on the prior year (+10.2 percent). The successful trend label and exclusive brand strategy meant that Christ's sales development continued to exceed the sector average in the first quarter of fiscal year 2011/12.

In the first quarter, the **AppelrathCüpper fashion stores** generated sales of 35.3 million EUR, almost on par with the prior year. Like-for-like sales, i.e. excluding the fashion store Solingen which was closed in January 2011, were up 2.4 percent.

The **Hussel confectionery shops** increased sales in the first three months of fiscal year 2011/12 by 2.0 percent to 41.3 million EUR. Adjusted for store closures, sales were up 4.3 percent year-on-year thanks to healthy Christmas trading.

Number of stores down on the prior year

Fig. 3 As of the end of December, the DOUGLAS Group comprised of 1,944 specialty stores (prior year: 1,983). The opening of a total of 63 new stores in the past twelve months (prior year: 68) was offset by 69 store closures (prior year: 97) as well as 33 divestitures. The optimization of the store network mainly concerned the Perfumeries and Confectionery divisions.

Fig. 3 · Net sales by division and store network development

	Net sales (in EUR m)		Change (in %)		Stores		Change
	Q1 2011/12	Q1 2010/11	Total	Like-for-like	12/31/2011	12/31/2010	Absolute
Perfumeries	657.6	659.4	–0.3	2.1	1,184	1,212	–28
National	357.9	341.0	4.9	4.4	447	448	–1
International	299.7	318.4	–5.9	–0.5	737	764	–27
Books	321.2	318.0	1.0	–0.7	294	294	0
National	243.1	242.0	0.5	0.2	233	235	–2
International	78.1	76.0	2.8	–3.5	61	59	2
Jewelry	137.5	124.3	10.6	10.2	208	205	3
Fashion	35.3	35.5	–0.4	2.4	13	14	–1
Confectionery	41.3	40.5	2.0	4.3	245	258	–13
National	39.5	38.8	1.9	4.1	232	244	–12
International	1.8	1.7	2.6	9.2	13	14	–1
Services	0.7	0.6	–	–	–	–	–
DOUGLAS Group	1,193.6	1,178.3	1.3	2.1	1,944	1,983	–39
National	814.0	782.2	4.1	3.8	1,133	1,146	–13
International	379.6	396.1	–4.2	–1.1	811	837	–26

EBITDA excluding Douglas Russia effect on par with the prior year level

Fig. 4

The DOUGLAS Group achieved earnings before interest, taxes, depreciation and amortization (EBITDA) of 173.6 million EUR in the first quarter of fiscal year 2011/12, compared to 199.0 million EUR in the prior year. Accordingly, the EBITDA margin—the ratio of EBITDA to sales—declined from 16.9 percent to 14.5 percent. However, the prior-year figure was boosted by non-recurring income from the divestiture of perfumery activities in Russia (EUR 22.3 million). Excluding the prior year's positive one-off effect, EBITDA was on par with the prior-year level.

The Douglas perfumeries matched the prior year's EBITDA level, excluding the non-recurring income from the divestiture of the Russian perfumeries. The Thalia Group's EBITDA was impacted by the continuing shift to less profitable online sales. The Christ jewelry stores again further increased EBITDA as a result of solid sales performance as well as the successful exclusive and private label strategy. A lower gross profit margin resulting from price reductions due to the sector-wide weak start to the fall/winter season meant that the AppelrathCüpper fashion stores' EBITDA was slightly down on the prior year, while the Hussel confectionery shops matched that of the prior year.

The DOUGLAS Group's EBT (earnings before taxes) totaled 140.6 million EUR during the reporting period compared to 142.1 million EUR the year before. The figure for the prior year includes non-recurring income in the amount of 22.3 million EUR as well as special effects from extraordinary write-downs in the amount of 22.9 million EUR. The return on sales—the ratio of EBT to sales—reached 11.8 percent in the reporting period compared to 12.1 percent in the prior year.

Tax expenses rose slightly from 48.2 million EUR to 48.9 million EUR, with the tax rate rising from 33.9 percent in the prior year to 34.8 percent.

Fig. 4 · EBITDA and EBITDA margins

	Q1 (10/01–12/31)			
	EBITDA (in EUR m)		EBITDA margin (in %)	
	2011/12	2010/11	2011/12	2010/11
Perfumeries	90.9	114.8	13.8	17.4
Books	38.7	43.3	12.1	13.6
Jewelry	33.2	30.1	24.2	24.2
Fashion	4.4	5.1	12.5	14.3
Confectionery	9.8	9.8	23.2	23.7
Services	–3.4	–4.1	–	–
DOUGLAS Group	173.6	199.0	14.5	16.9

The DOUGLAS Group closed the first three months of fiscal year 2011/12 with Group net income of 91.7 million EUR compared to 93.9 million EUR in the prior-year period. Accordingly, earnings per share declined from 2.38 EUR to 2.32 EUR.

Capital expenditure matches that of the prior year

In the first quarter of fiscal year 2011/12, the DOUGLAS Group invested 27.2 million EUR in the opening of 24 new stores (prior year: 25) as well as expanding store sales space and upgrading the store network. The capital expenditure volume was therefore up by a slight 0.8 million EUR on the same period last year. The focus here was on the largest division, Perfumeries, where 19 (prior year: 17) new specialty stores were opened, 17 (prior year: 13) of which abroad, especially in Poland, France and Romania. An investment volume of approximately 120 million EUR has been earmarked for the 2011/12 fiscal year.

Free Cash Flow down on the prior year

At the close of the first three months of fiscal year 2011/12, Free Cash Flow amounted to 206.7 million EUR compared to 278.3 million EUR in the prior-year period. Cash inflows from operating activities declined to 233.4 million EUR from 252.9 million EUR in the prior year, mainly as a result of a rise in working capital. The prior year's Cash Flow from investing activities had been boosted by the divestiture of the Russian perfumery companies.

Continued solid net assets and capital structure

Fig. 5/6

The balance sheet total fell to 1.93 billion EUR year-on-year, with the equity ratio up from 44.4 percent on the prior year's reporting date to 46.5 percent as of the reporting date. Working capital rose on account of higher book and jewelry inventories. As of December 31, 2011, net bank credit totaled 157.0 million EUR, thus remaining at about the prior year's level.

Fig. 5 · Consolidated balance sheet: assets

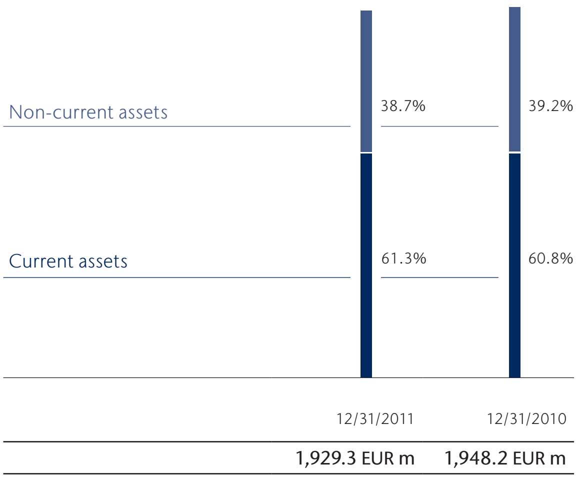
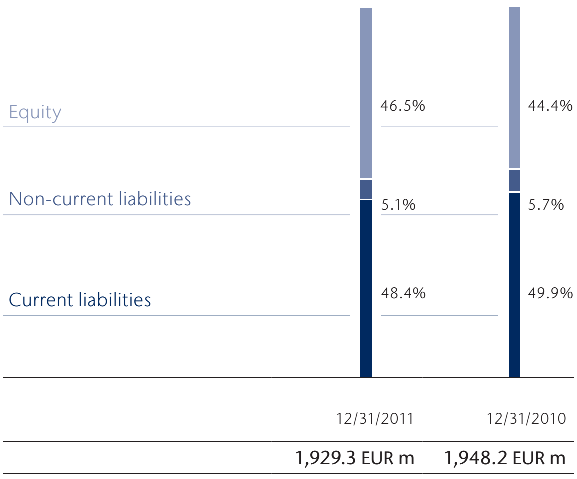


Fig. 6 · Consolidated balance sheet: equity and liabilities



Number of employees down slightly year-on-year

As of December 31, 2011, the DOUGLAS Group employed a total of 24,856 employees (prior year: 25,150), a slight 1.2 percent year-on-year decline, which is mainly due to the divestiture of the Russian store network. As of the balance sheet date, the number of employees outside of Germany totaled 9,392 (prior year: 9,863) plus 15,464 employees in Germany (prior year: 15,287), of which 1,729 were trainees (prior year: 1,491). Personnel expenses rose from 189.8 million EUR to 196.7 million EUR, with a personnel expense ratio as of the reporting date of 16.5 percent, up slightly on the prior year.

The DOUGLAS share

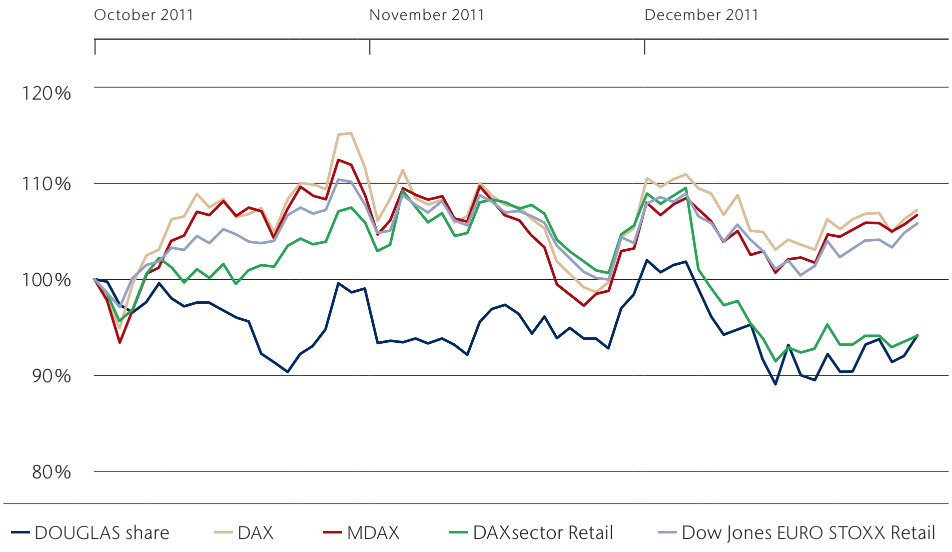
At the end of XETRA trading on December 30, 2011, the DOUGLAS share closed at 27.80 EUR after opening the fiscal year at 29.52 EUR. This represented a loss of 5.8 percent in the first quarter. The benchmark DAXsector Retail index also fell by the end of the reporting quarter (–5.9 percent). In contrast, the MDAX climbed by 6.7 percent and the DAX by 7.2 percent in the same period. The same also applies to the Dow Jones EURO STOXX Retail, which rose by 5.8 percent. The average daily XETRA trading volume of DOUGLAS shares during the reporting period stood at 89,453 shares. The volume-weighted average share price came in at 28.23 EUR. According to Deutsche Börse AG's indexing system, which only takes free float into account when calculating market capitalization, the DOUGLAS share ranked 38th on the MDAX as of the end of December 2011 (prior year: 33rd).

Fig. 7/8

Fig. 7 · The DOUGLAS share

		12/31/2011	12/31/2010
Shares issued	m	39.4	39.4
Capital stock	EUR m	118.3	118.1
Market capitalization	EUR m	1,096.3	1,653.8
Stock quotation	EUR	27.80	42.00
XETRA—highest stock quotation (10/01–12/30)	EUR	30.70	43.36
XETRA—lowest stock quotation (10/01–12/30)	EUR	25.32	36.70

Fig. 8 · Indexed price of the DOUGLAS share for the first three-month period 2011/12



No change in the opportunities and risk situation

There have been no material changes in the opportunities and risks with respect to the Group's future business development since the start of fiscal year 2011/12. There are no risks for the going concern of the company, nor are there any currently discernible risks that might endanger its existence in the future. For this reason, the conclusions reached in the opportunities and risks situation report—as presented on pages 59 to 65 of the Annual Report as of September 30, 2011—remain unchanged.

Subsequent events after the balance sheet date

No material events occurred after the balance sheet date.

Forecast

Euro zone stagnation

The leading European economic research institutions that make up the EUROFRAME group do not expect to see any real Euro zone gross domestic product growth in 2012. They believe that domestic demand will be significantly impacted in the first half of 2012 by restrictive fiscal measures as well as tightened lending standards. However, the easing of the negative impact of fiscal policies and a relaxation on the financial markets is expected to have a positive effect on economic growth from mid-2012, with gross domestic product growth of 1.4 percent predicted for 2013. According to the European Commission, the Euro zone's real gross domestic product will rise by 0.5 percent in 2012 and 1.3 percent in 2013. Among the key sales regions for the DOUGLAS Group in the Euro zone, Germany, the Netherlands, France, and Spain will grow in line with the above forecast. The European Commission expects Italy to experience below-average growth in 2012 and 2013, while Austria will see above-average growth. EUROFRAME forecasts private consumption in the Euro zone to climb by 1.9 percent in 2012 and 1.4 percent in 2013. Unemployment rate will remain high at 10.5 percent in 2012 and 10.2 percent in 2013.

Development of German economy

According to Deutsche Bundesbank's estimate, the country's economy is not expected to continue its economic upturn in 2012. Although internal economic prospects for a long upturn are good, the European financial crisis and resulting uncertainty as well as falling demand from the country's main trading partners are a burden on the economy. Provided the sovereign debt crisis is not further exacerbated, Deutsche Bundesbank expects Germany's real gross domestic product to experience moderate growth of 0.6 percent in 2012. Backed by ongoing expansionary monetary policies and a return to stronger global economic growth, the real gross domestic product could rise by 1.8 percent in 2013. The momentary economic slowdown is unlikely to negatively affect private consumer demand which, according to Deutsche Bundesbank, will profit from low unemployment (7.0 percent in 2012 and 6.8 percent in 2013) as well as rising incomes. Deutsche Bundesbank therefore predicts real private consumption growth of 1.2 percent in 2012 and 1.4 percent in 2013. According to the German Retail Association (Handelsverband Deutschland—HDE), retail sector sales will be stable in 2012. The HDE expects a slight sales increase of a nominal 1.5 percent. According to the market research company GfK, consumer confidence as well has been rising slightly as of late.

Overall assessment of the Executive Board on the economic situation and expected development of the DOUGLAS Group

The Executive Board views the DOUGLAS Group's situation as being satisfactory overall. Despite the challenges it faces in the Books division, the DOUGLAS Group is generally well-positioned and has solid net assets, financial position and result of operations positions. It will continue to pursue its strategic direction. The aim is for all corporate divisions to gain additional market share to reach or secure a leading market position in their sector. The Group's sales markets continue to remain in Europe. New markets are not expected to be tapped in the current or coming fiscal year. From today's standpoint, the DOUGLAS Group will continue with its investment portfolio, while evaluating and utilizing optimization potential on an ongoing basis. Furthermore, the Group-wide implementation of the multi-channel concept means that a forward-looking strategy has been developed for all five divisions.

An investment volume of approximately 120 million EUR has been earmarked for fiscal year 2011/12. The focus of investments in the current and coming fiscal year will continue to lie on the **Douglas perfumeries**. This year, approximately 75 million EUR will be invested in the opening of 40 new stores, the modernization of the existing store network as well as the expansion of online activities. The expansion of the sales network abroad will focus on Poland and Italy. The share of exclusive and private labels in total sales is expected to increase from 14 percent to about 20 percent within the next two to three years. Another key strategic focus is on further developing multi-channel activities in Germany and abroad.

The **Thalia Group** intends to further strengthen its market position. To this end, the Thalia Group is consistently pushing ahead with its restructuring in fiscal year 2011/12. The shift towards Internet sales and the increasing importance of e-books present major challenges for Thalia and stationary book retailers around the world. In order to adapt its business model in response to changing market conditions, Thalia has initiated a large number of measures whose success will be reviewed on an ongoing basis in fiscal year 2011/12 (e.g. expanding its non-book range, reducing store sales space, subleases, and store closures). The value of the assets in the balance sheet is materially impacted by the effectiveness of these measures. In the multi-channel area, Thalia will advance the integration of bookstores with the Internet. The range of digital books will be expanded.

In fiscal year 2011/12, **Christ jewelry stores** will invest approximately 15 million EUR in the opening of at least five jewelry stores, additional specialty stores and the existing network of stores and e-commerce activities. A great deal of importance will continue to be attached to the development of new store concepts. The successful product mix strategy remains an important aspect setting it apart from the competition. This means that the share of exclusive and private labels in total sales will be further expanded.

AppelrathCüpper will continue to consistently pursue the successful repositioning of its 13 fashion stores. For this purpose, some 3 million EUR have been set aside for shop fitting, merchandise presentation and the relaunch of the www.appelrath.com online shop. In addition, AppelrathCüpper focuses on expanding its accessories range.

The **Hussel confectionery** shops will continue with the successfully started new conception of the product-mix and store design. An investment budget of 5 million EUR has been set aside to implement the new shop concept as part of the planned modernization of numerous stores as well as for the opening of up to five confectionery shops.

Annual forecast confirmed

The DOUGLAS Group's first quarter performance in the current fiscal year proved satisfactory on the whole. On the basis of the sales and earnings performance to-date, the Executive Board is therefore confirming the forecast given in the Annual Report 2010/11 for fiscal year 2011/12. Despite the ongoing major structural challenges facing the entire book sector, the Executive Board predicts a slight sales increase for the DOUGLAS Group to more than 3.4 billion EUR and an EBITDA (earnings before interest, taxes, depreciation and amortization) of between 200 to 250 million EUR for the current fiscal year. The forecast takes into account all those events known at the time of preparing the interim financial statements which might impact the DOUGLAS Group's business development.

Consolidated income statement

for the period from October 1, 2011 to December 31, 2011

Consolidated income statement

		10/01/2011 to 12/31/2011 (in EUR m)	10/01/2010 to 12/31/2010 (in EUR m)
1.	**Sales**	**1,193.6**	**1,178.3**
2.	Cost of raw materials, consumables and supplies and merchandise	–640.1	–631.6
3.	**Gross profit from retail business**	**553.5**	**546.7**
4.	Other operating income	56.8	77.0
5.	Personnel expenses	–196.7	–189.8
6.	Other operating expenses	–240.0	–234.9
7.	**EBITDA**	**173.6**	**199.0**
8.	Amortization/depreciation	–28.9	–52.6
9.	**EBIT**	**144.7**	**146.4**
10.	Financial income	0.6	0.6
11.	Financial expenses	–4.7	–4.9
12.	Financial result	–4.1	–4.3
13.	**Earnings before taxes (EBT)**	**140.6**	**142.1**
14.	Income taxes	–48.9	–48.2
15.	**Net income for the period**	**91.7**	**93.9**
16.	Profit attributable to minority interests	–0.1	–0.1
17.	**Profit attributable to Group shareholders**	**91.6**	**93.8**
		(in EUR)	(in EUR)
	Earnings per share	**2.32**	**2.38**

Statement of comprehensive income

Statement of comprehensive income

	10/01/2011 to 12/31/2011 (in EUR m)	10/01/2010 to 12/31/2010 (in EUR m)
Net income for the period	**91.7**	**93.9**
Foreign currency translation differences from translating the financial statements of a foreign operation	–0.8	–0.1
Effective portion of net investments hedges	0.0	1.6
Effective portion of Cash Flow hedges	0.0	0.2
Total comprehensive income	**90.9**	**95.6**
Total comprehensive income attributable to Group shareholders	90.8	95.4
Total comprehensive income attributable to non-controlling interests	0.1	0.2

Consolidated balance sheet

as of December 31, 2011

Consolidated balance sheet

	12/31/2011 (in EUR m)	12/31/2010 (in EUR m)	09/30/2011 (in EUR m)
Assets			
A. Non-current assets			
I. Intangible assets	239.9	244.1	240.2
II. Property, plant and equipment	457.7	469.0	459.7
III. Tax receivables	7.1	8.0	7.0
IV. Financial assets	5.0	5.0	5.3
V. Investment in associates	0.4	0.0	0.0
VI. Deferred tax assets	35.9	36.6	39.7
	746.0	**762.7**	**751.9**
B. Current assets			
I. Inventories	712.9	677.2	675.4
II. Trade accounts receivable	73.4	71.0	50.8
III. Tax receivables	19.7	28.0	12.8
IV. Financial assets	130.1	121.8	97.6
V. Other assets	26.3	25.1	27.4
VI. Cash and cash equivalents	220.9	262.4	43.3
	1,183.3	**1,185.5**	**907.3**
C. Assets held for sale	**0.0**	**0.0**	**2.5**
	1,929.3	**1,948.2**	**1,661.7**
Equity and liabilities			
A. Equity			
I. Capital stock	118.3	118.1	118.1
II. Additional paid-in capital	223.7	222.3	222.3
III. Retained earnings	543.6	509.4	453.9
IV. Minority interests	12.6	15.1	8.7
	898.2	**864.9**	**803.0**
B. Non-current liabilities			
I. Provisions for pensions	32.3	31.7	32.3
II. Other non-current provisions	21.2	23.5	20.8
III. Financial liabilities	27.3	41.5	27.3
IV. Other liabilities	4.3	4.8	4.7
V. Deferred tax liabilities	13.6	12.5	13.5
	98.7	**114.0**	**98.6**
C. Current liabilities			
I. Current provisions	114.5	122.5	124.8
II. Trade accounts payable	363.8	367.7	288.2
III. Tax liabilities	143.1	139.4	47.7
IV. Financial liabilities	142.6	180.7	166.4
V. Other liabilities	168.4	159.0	133.0
	932.4	**969.3**	**760.1**
D. Liabilities held for sale	**0.0**	**0.0**	**0.0**
	1,929.3	**1,948.2**	**1,661.7**

Consolidated Cash Flow statement

Consolidated Cash Flow statement

			10/01/2011 to 12/31/2011 (in EUR m)	10/01/2010 to 12/31/2010 (in EUR m)
1.		EBIT	144.7	146.4
2.	+	Amortization/depreciation of non-current assets	28.9	52.6
3.	–/+	Increase in provisions	–9.8	–9.9
4.	+/–	Other non-cash income/expense	0.7	0.8
5.	–/+	Profit/loss on the disposal of non-current assets	–0.4	–22.4
6.	+/–	Changes in inventories, trade receivables and other assets not classifiable to investing or financing activities	–91.8	–83.8
7.	+/–	Changes in trade payables and other liabilities not classifiable to investing or financing activities	175.2	183.0
8.	–	Interest paid	–1.8	–1.4
9.	+	Interest received	0.1	0.2
10.	–	Taxes paid	–12.4	–12.6
11.	**=**	**Net Cash Flow from operating activities**	**233.4**	**252.9**
12.	+	Proceeds from the disposal of non-current assets and disposal of stores	0.9	1.2
13.	–	Investments in non-current assets	–27.2	–26.4
14.	+	Proceeds from the disposal of consolidated companies	0.0	50.6
15.	–	Payments for acquisition of consolidated companies and other business units	–0.4	0.0
16.	**=**	**Net Cash Flow from investing activities**	**–26.7**	**25.4**
17.		**Free Cash Flow (sum of 11 and 16)**	**206.7**	**278.3**
18.	+	Receipts from appropriations to equity	0.9	1.1
19.	–	Payments for the repayment of financial liabilities	–29.1	–67.3
20.	+	Proceeds from borrowings	0.0	0.0
21.	+/–	Other financial changes	–0.6	0.0
22.	**=**	**Net Cash Flow from financing activities**	**–28.8**	**–66.2**
23.	=	Net change in cash and cash equivalents (total of rows 11, 16 and 22)	177.9	212.1
24.	+/–	Net change in cash and cash equivalents due to currency translation	–0.1	0.6
25.	+	Cash and cash equivalents as of 10/01	43.4	51.7
26.	**=**	**Cash and cash equivalents as of 12/31**	**221.2**	**264.4**

Segment reporting

October 1 to December 31 (Q1)

Information by geographic region

	Perfumeries		Books		Jewelry		Other	
	2011/12 (in EUR m)	2010/11 (in EUR m)	2011/12 (in EUR m)	2010/11 (in EUR m)	2011/12 (in EUR m)	2010/11 (in EUR m)	2011/12 (in EUR m)	2010/11 (in EUR m)
Sales								
Germany	357.2	340.0	243.1	242.0	137.5	124.3	75.5	74.9
International	300.4	319.4	78.1	76.0	0.0	0.0	1.8	1.7
	657.6	**659.4**	**321.2**	**318.0**	**137.5**	**124.3**	**77.3**	**76.6**
Non-current assets								
Germany	120.4	112.6	205.2	210.1	35.1	30.8	112.3	118.2
International	192.3	209.0	31.6	31.3	0.0	0.0	1.0	1.2
	312.7	**321.6**	**236.8**	**241.4**	**35.1**	**30.8**	**113.3**	**119.4**
Capital expenditure								
Germany	10.1	7.6	3.9	5.2	1.5	3.0	2.4	1.7
International	8.3	7.6	1.0	1.3	0.0	0.0	0.0	0.0
	18.4	**15.2**	**4.9**	**6.5**	**1.5**	**3.0**	**2.4**	**1.7**

Segment reporting

October 1 to December 31 (Q1)

Information by operating segments

		Perfumeries		Books		Jewelry	
		2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
Sales (net)	in EUR m	657.6	659.4	321.2	318.0	137.5	124.3
Intersegment sales	in EUR m	0.0	0.0	0.0	0.0	0.0	0.0
Sales	in EUR m	657.6	659.4	321.2	318.0	137.5	124.3
EBITDA	in EUR m	90.9	114.8	38.7	43.3	33.2	30.1
EBITDA margin	in %	13.8	17.4	12.1	13.6	24.2	24.2
Scheduled amortization/depreciation	in EUR m	14.5	15.2	7.3	7.6	2.4	2.1
Impairments	in EUR m	0.0	22.9	0.0	0.0	0.0	0.0
EBIT	in EUR m	76.4	76.7	31.4	35.7	30.8	28.0
Interest expense	in EUR m	2.3	3.0	3.7	4.3	0.5	0.7
Interest income	in EUR m	0.5	0.4	0.1	0.2	0.1	0.1
EBT	in EUR m	74.6	74.1	27.8	31.6	30.4	27.4
Capital expenditure	in EUR m	18.4	15.2	4.9	6.5	1.5	3.0
Average annual number of employees (FTEs)		12,100	12,515	4,384	4,312	1,982	1,854
Sales area	1,000 m^2	281	283	246	251	23	22
Number of stores (December 31)		1,184	1,212	294	294	208	205

Statement of changes in Group equity

Statement of changes in Group equity

			Retained earnings				
	Capital stock (in EUR m)	Additional paid-in capital (in EUR m)	Other retained earnings (in EUR m)	Results from Cash Flow hedges (in EUR m)	Differences from currency translation (in EUR m)	Minority interest (in EUR m)	Total (in EUR m)
10/01/2010	**118.0**	**220.2**	**418.9**	**–1.1**	**–6.1**	**14.9**	**764.8**
Currency translation					–0.2	0.1	–0.1
Hedge accounting				0.2	1.6		1.8
Net income for the period			93.8			0.1	93.9
Total comprehensive income	0.0	0.0	93.8	0.2	1.4	0.2	95.6
Capital increase (employee shares)	0.1	2.1					2.2
Transactions with shareholders	0.1	2.1	0.0	0.0	0.0	0.0	2.2
Changes in the scope of consolidation					2.3	0.0	2.3
12/31/2010	**118.1**	**222.3**	**512.7**	**–0.9**	**–2.4**	**15.1**	**864.9**
10/01/2011	**118.1**	**222.3**	**460.9**	**0.0**	**–7.0**	**8.7**	**803.0**
Currency translation					–0.8		–0.8
Hedge accounting							0.0
Net income for the period			91.6			0.1	91.7
Total comprehensive income	0.0	0.0	91.6	0.0	–0.8	0.1	90.9
Capital increase (employee shares)	0.2	1.4				4.7	6.3
Acquisition of shares			–1.1			–0.9	–2.0
Transactions with shareholders	0.2	1.4	–1.1	0.0	0.0	3.8	4.3
12/31/2011	**118.3**	**223.7**	**551.4**	**0.0**	**–7.8**	**12.6**	**898.2**

Fashion		Confectionery		Services		Reconciliation		DOUGLAS Group	
2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
35.3	35.5	41.3	40.5	0.7	0.6	0.0	0.0	1,193.6	1,178.3
0.0	0.0	0.8	0.8	9.7	9.1	–10.5	–9.9	0.0	0.0
35.3	35.5	42.1	41.3	10.4	9.7	–10.5	–9.9	1,193.6	1,178.3
4.4	5.1	9.8	9.8	–3.4	–4.1	0.0	0.0	173.6	199.0
12.5	14.3	23.2	23.7	–	–	0.0	0.0	14.5	16.9
1.4	1.6	0.7	0.7	2.6	2.5	0.0	0.0	28.9	29.7
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.9
3.0	3.5	9.1	9.1	–6.0	–6.6	0.0	0.0	144.7	146.4
0.2	0.3	0.1	0.1	1.2	1.1	–3.3	–4.5	4.7	5.0
0.0	0.0	0.0	0.0	3.2	4.5	–3.3	–4.5	0.6	0.7
2.8	3.2	9.0	9.0	–4.0	–3.2	0.0	0.0	140.6	142.1
0.3	0.2	0.5	0.7	1.6	0.8	0.0	0.0	27.2	26.4
616	616	775	799	551	506	0	0	20,408	20,602
35	36	14	15	0	0	0	0	599	607
13	14	245	258	0	0	0	0	1,944	1,983

Notes to the Q1 interim financial report of DOUGLAS HOLDING AG for the fiscal year 2011/12

The consolidated financial statements for the first three months of the 2011/12 fiscal year have been prepared in compliance with IAS 34 (Interim Financial Reporting). They have not been audited. The accounting and valuation principles as well as the consolidation principles are consistent with those applied to the consolidated financial statements as of September 30, 2011. Any sales-related, seasonal or cyclical issues have been deferred during the fiscal year in accordance with sound business judgment.

The financial statements of the domestic and foreign subsidiaries included in the consolidated financial statements were prepared uniformly using IFRS classification, accounting and valuation principles. Any accounting and valuation methods varying from the Group's uniform standards have been accounted for in separate balance sheets (HB II).

By resolution of the Executive Board and with the approval of the Supervisory Board, DOUGLAS HOLDING AG's capital stock was increased by 169,485 EUR from the issuance of 56,495 new shares to employees, by virtue of the authorization from the Shareholders' Meeting held on March 12, 2008. Including the share premium, DOUGLAS HOLDING AG received funds in the amount of 903,920 EUR from the issuance of the employee shares.

In the Perfumeries division, the newly established French company DPB achats was included in the consolidated financial statements for the first time. An additional 25.0 percent stake was bought in the Croatian subsidiary IRIS d.d. The Books division acquired shares in Pocket Shop GmbH, Berlin, including it in the consolidated financial statements as part of an equity valuation. In the course of a capital increase, the interest held in buch.de internetstores AG, Münster rose to 79.9 percent.

There are no risks identified at the present time that might endanger the going concern of the DOUGLAS Group. A detailed presentation of business risks and a description of the risk management system can be found on pages 59 to 65 of the Annual Report for the 2010/11 fiscal year. Statements made there still apply to a material extent.

Hagen, February 6, 2012
DOUGLAS HOLDING AG

Der Vorstand

Dr. Henning Kreke | Dr. Burkhard Bamberger | Anke Giesen

Financial calendar	
March 21, 2012	Annual Shareholders' Meeting, Hagen
May 9, 2012	Interim Report H1 2011/12
August 8, 2012	Interim Report 9M 2011/12
October 9, 2012	Trading Statement for the fiscal year 2011/12 (10/01/2011–09/30/2012)

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Further information and the latest corporate communications can be found on our website at www.douglas-holding.com.

Forward-looking statements: This Interim Report contains statements that refer to future developments. These statements are based on estimations made according to information available at the time this report was prepared. Should the assumptions applied in these statements not prove accurate or should risks occur, actual results could differ from the currently forecast results.

The accompanying Interim Report was published on February 8, 2012.

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