Interim Report Q1
Fiscal Year 2012/13

DOUGLAS HOLDING

Excellence in Retailing

An overview of the DOUGLAS Group

Fig. 1 · Key figures

		Q1 (10/01–12/31) 2012/13	Q1 (10/01–12/31) 2011/12	Change (in %)
Sales	EUR m	1,211.6	1,193.6	1.5
National	EUR m	816.5	814.0	0.3
International	EUR m	395.1	379.6	4.1
EBITDA	EUR m	171.7	173.6	–1.1
Margin	in %	14.2	14.5	-
EBT	EUR m	144.5	140.6	2.8
Margin	in %	11.9	11.8	-
Net income	EUR m	95.7	91.7	4.4
Earnings per share	EUR	2.41	2.32	3.9
Share price (as of end of reporting period)	EUR	38.00	27.80	36.7
Free Cash Flow	EUR m	225.0	206.7	8.9
Capital expenditure	EUR m	14.7	27.2	–46.0

		12/31/2012	12/31/2011	09/30/2012
Equity	EUR m	754.8	898.2	659.1
Equity ratio	in %	39.5	46.5	43.1
Balance sheet total	EUR m	1,910.6	1,929.3	1,528.0
Working capital [1]	EUR m	471.9	422.5	508.7
Net bank credit [2]	EUR m	100.4	157.0	–124.5
Employees		24,441	24,856	24,221
Stores		1,953	1,944	1,944
Sales area	1,000 m^2	601.1	598.6	603.3

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

Key developments in the first quarter of 2012/13

Group sales up 1.5 percent

- Sales increased at Douglas in Germany
- Consumer environment in some foreign markets continues to be challenging
- Solid growth in online sales at Douglas and Christ

EBITDA matches that of the prior year

- Douglas, AppelrathCüpper and Hussel earnings on par with prior year
- Higher earnings contribution from Thalia, Christ down year on year

Solid financing and capital structure

- Free Cash Flow rises from 206.7 million EUR to 225.0 million EUR
- Net bank credit falls from 157.0 million EUR to 100.4 million EUR

Forecast up on prior year

- Sales up slightly year on year
- EBITDA up on prior year

Squeeze out announced

- Submission of a formal request of squeeze out under German Stock Corporation Act by main shareholder Beauty Holding Three AG on January 15, 2013

Interim Group Management Report

Business activities and operating environment

A leading European specialty retailer

The DOUGLAS Group consists of five decentralized retailing divisions with more than 1,900 specialty stores, numerous online shops and approximately 24,000 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 multichannel concept, a forward-looking strategy continues for the corporate divisions.

Fig. 2

Fig. 2 · The DOUGLAS Group Brands

Douglas	Douglas is represented in 17 European countries with 1,197 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 their multi-channel offerings – comprising of 293 bookstores, online shops and an impressive eBook collection. www.thalia.de
CHRIST	The 215 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 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 235 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 demand in the Euro zone

According to calculations made by the European Commission, the Euro zone's real gross domestic product (GDP) fell by 0.4 percent year on year in 2012. The performance of the DOUGLAS Group's major sales regions varied. Continued recession in Italy, Spain and Portugal and a slight decline in real GDP in the Netherlands were offset by economic growth in Germany, France and Austria. Initial estimates by the Ifo, INSEE and ISTAT institutes show that the real Euro zone GDP declined by 0.7 percent against the prior year in the period from October to December 2012 as a result of the ongoing debt crisis. Continuingly restrictive lending conditions, ongoing consolidation measures in some member states as well as weak foreign demand, in particular, all curbed economic developments. Private Euro zone consumption was down 1.1 percent year on year in the reporting period and was negatively influenced by high unemployment. According to the European Commission, Euro zone unemployment was at 11.8 percent in November 2012, up 1.2 percentage points on the prior year. The highest level of unemployment was recorded in Spain at 26.6 percent.

Slow momentum in Germany

According to calculations made by the German Institute for Economic Research (DIW), the German economy saw real GDP growth of 0.8 percent in 2012. However, economic growth in the second half of 2012 was hampered by the intensification of the debt crisis in the Euro zone in mid-2012 and the global economic slowdown, resulting in growth for the period from June to December 2012 amounting to a mere 0.4 percent. In view of the uncertainty regarding future economic developments, many companies significantly reduced capital expenditure—despite favorable financing conditions. Private households curbed spending at the same time. Although private consumption rose by a slight 0.4 percent year on year in the second half of the year, this was still down on the 1.1 percent recorded in the first half of 2012. Based on the preliminary results of the Federal Statistical Office, German retail sales in 2012 are expected to be up 1.9 percent in nominal and down 0.3 percent in real terms. According to surveys conducted among retailers, trading during the sector's all-important Christmas business was regarded as predominantly satisfactory.

Net assets, financial position and result of operations

Christmas business sales slightly lower than expected

The DOUGLAS Group's sales performance in the first three months of fiscal year 2012/13 was as follows: Group sales for the period from October 1 to December 31, 2012 were up 1.5 percent to 1.21 billion EUR, against 1.19 billion EUR in the prior year. Currency adjusted Group sales were up 1.2 percent. Fig. 3

At 816.5 million EUR, sales in Germany were only up by a slight 0.3 percent (prior year: 814.0 million EUR). The DOUGLAS Group increased foreign sales by 4.1 percent (currency adjusted: 3.0 percent) to 395.1 million EUR (prior year: 379.6 million EUR). Nevertheless, sales developments were impacted by continuing weak consumer spending in some European markets. The share of foreign sales in Group sales increased slightly from 31.8 percent to 32.6 percent. Online sales contributed some 7 percent to Group sales in the reporting period.

The **Douglas perfumeries** recorded sales of 684.3 million EUR in the first quarter of the current fiscal year, 4.1 percent above the prior-year figure. Germany recorded a solid

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

	Net sales (in EUR m)		Change (in %)	Stores		Change
	Q1 2012/13	Q1 2011/12	Total	12/31/2012	12/31/2011	Absolute
Perfumeries	684.3	657.6	4.1	1,197	1,184	13
National	370.0	357.9	3.4	446	447	–1
International	314.3	299.7	4.9	751	737	14
Books	313.0	321.2	–2.5	293	294	–1
National	234.0	243.1	–3.7	234	233	1
International	79.0	78.1	1.2	59	61	–2
Jewelry	136.7	137.5	–0.6	215	208	7
Fashion	35.1	35.3	–0.5	13	13	0
Confectionery	41.8	41.3	1.2	235	245	–10
National	40.0	39.5	1.2	223	232	–9
International	1.8	1.8	–0.3	12	13	–1
Services	0.7	0.7	-	-	-	
DOUGLAS Group	1,211.6	1,193.6	1.5	1,953	1,944	9
National	816.5	814.0	0.3	1,131	1,133	–2
International	395.1	379.6	4.1	822	811	11

sales performance, with an increase of 3.4 percent to 370.0 million EUR. Foreign sales rose by 4.9 percent to 314.3 million EUR. Sales in Spain, Italy, Portugal and Croatia remained poorer. However, sales rose in Austria, Poland, the Czech Republic, Romania and Turkey. The share of international activities in total perfumery sales increased slightly from 45.6 to 45.9 percent.

The **Thalia Group** generated sales of 313.0 million EUR in the reporting period, corresponding to a year-on-year drop of 2.5 percent. While sales in Germany declined by 3.7 percent compared to the prior year, foreign sales by the Thalia bookstores rose by a slight 1.2 percent on account of positive developments.

The **Christ jewelry stores** generated sales of 136.7 million EUR in the first quarter of fiscal year 2012/13, falling just short of the high prior-year level (-0.6 percent).

The **AppelrathCüpper fashion stores** generated sales of 35.1 million EUR in the reporting period, almost on par with the level seen in the prior year (-0.5 percent).

Thanks to a successful Christmas holiday business, the **Hussel confectionery shops** increased their sales in the reporting period by 1.2 percent to 41.8 million EUR.

Number of stores up on the prior year

As of the end of December 2012, the DOUGLAS Group comprised of 1,953 specialty stores (prior year: 1,944). The opening of a total of 49 new stores in the past twelve months (prior year: 63) was offset by 40 store closures (prior year: 69). The closures mainly concerned the Perfumeries and Confectionery divisions.

EBITDA matches that of the prior year

Fig. 4

The DOUGLAS Group achieved earnings before interest, taxes, depreciation and amortization (EBITDA) of 171.7 million EUR in the first three months of fiscal year 2012/13, compared to 173.6 million EUR in the prior year. The EBITDA margin—the ratio of EBITDA to sales—remained almost unchanged at 14.2 percent, after 14.5 percent in the same period last year.

The Douglas perfumeries almost matched the prior year's EBITDA level. The Thalia Group increased its EBITDA on the back of lower expenses. The Christ jewelry stores did not quite achieve the prior-year's EBITDA due to weaker sales and a lower gross profit margin. The AppelrathCüpper fashion stores slightly increased their EBITDA, while that generated by the Hussel confectionery shops was almost on par with the prior-year level.

The DOUGLAS Group's earnings before taxes (EBT) totaled 144.5 million EUR during the reporting period compared to 140.6 million EUR the year before. Return on sales—the ratio of EBT to sales—increased to 11.9 percent (prior year: 11.8 percent).

Tax expenses decreased from 48.9 percent to 48.8 million EUR, resulting in a tax rate of 33.6 percent, after 34.8 percent in the prior year.

The DOUGLAS Group's net income totaled 95.7 million EUR during the reporting period compared to 91.7 million EUR the year before. Accordingly, earnings per share increased from 2.32 EUR to 2.41 EUR.

Capital expenditure down on the prior year

From October to December 2012, the DOUGLAS Group invested 14.7 million EUR in the opening of 20 new stores (prior year: 24) as well as expanding store sales space and upgrading the store network. Investments fell considerably year-on-year by 12.5 million EUR. The focus was on the largest division, Perfumeries, where 12 (prior year: 19) new specialty stores were opened, 10 (prior year: 17) of which abroad, including in Austria, the Netherlands and Poland. Despite the drop in the first quarter resulting from two major projects in the prior year, the investment volume earmarked for the current fiscal year is expected to match that of last year.

Fig. 4 · EBITDA and EBITDA margins

	Q1 (10/01–12/31)			
	EBITDA (in EUR m)		EBITDA margin (in %)	
	2012/13	2011/12	2012/13	2011/12
Perfumeries	90.4	90.9	13.2	13.8
Books	40.5	38.7	12.9	12.1
Jewelry	28.1	33.2	20.6	24.2
Fashion	4.6	4.4	13.1	12.5
Confectionery	9.7	9.8	22.9	23.2
Services	–1.6	–3.4	-	-
DOUGLAS Group	**171.7**	**173.6**	**14.2**	**14.5**

Fig. 5 · Consolidated balance sheet: assets

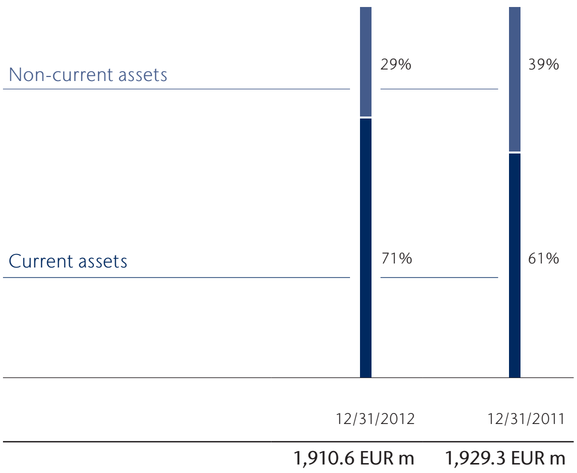
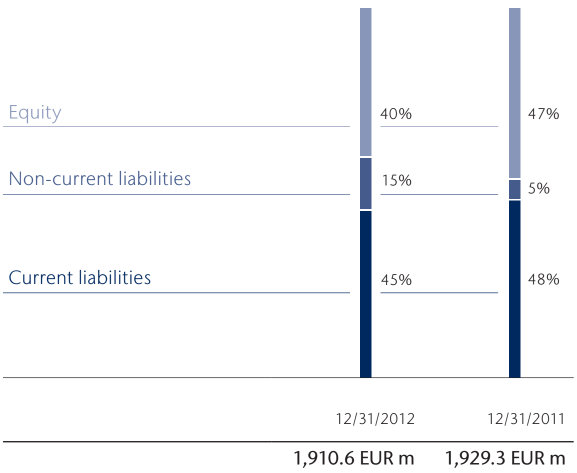


Fig. 6 · Consolidated balance sheet: equity and liabilities



Free Cash Flow up on the prior year

At the close of the first three months of fiscal year 2012/13, Free Cash Flow amounted to 225.0 million EUR, exceeding the prior-year figure of 206.7 million EUR. The net cash flow from operating activities rose slightly to 239.4 million EUR (prior year: 233.4 million EUR). The net cash outflow for investing activities declined to 14.4 million EUR from 26.7 million EUR in the prior year as a result of lower investments.

Continued solid net assets and capital structure

Fig. 5/6

The balance sheet total remained almost unchanged year on year at 1.91 billion EUR. Equity came in at 754.8 million EUR after 898.2 million EUR in the prior year. Accordingly, the equity ratio decreased, but remained at a solid 39.5 percent. Both non-current financial liabilities and cash and cash equivalents rose as of the reporting date due to the Group entering into new financing agreements and replacing existing loans in December 2012, at the same time reducing current financial liabilities.

Number of employees at prior year's level

As of December 31, 2012, the DOUGLAS Group employed a total of 24,441 staff (prior year: 24,856). This translates to a slight drop of 1.7 percent over the prior year. As at the end of the reporting period, the number of employees outside of Germany totaled 9,383 (prior year: 9,392) plus 15,058 employees in Germany (prior year: 15,464); of which 1,863 were trainees. Personnel expenses increased to 199.3 million EUR after 196.7 million EUR the year before, with a personnel expense ratio as of the reporting date of 16.4 percent, down slightly on the prior year.

The DOUGLAS share

Fig. 7/8

The DOUGLAS share closed on XETRA at 38.00 EUR on December 28, 2012 after starting at 35.32 EUR at the beginning of the reporting period, up 7.6 percent. In the same period, the MDAX climbed by 8.5 percent and the DAX by 5.5 percent, while the benchmark DAXsector Retail index declined by 5.2 percent. The average daily turnover of DOUGLAS shares on XETRA stood at 134,479 shares. On October 31, 2012, Beauty Holding Three AG submitted a voluntary public takeover offer for all outstanding shares in DOUGLAS HOLDING AG at an offer price of 38.00 EUR per share. 92.57 percent of shares were offered by the end of the Acceptance Period on December 4, 2012. Thus, the DOUGLAS share no longer possessed the minimum free float required to be listed on the MDAX and has therefore not been listed on the index since December 12, 2012. During the Additional Acceptance Period the offer was accepted for a further 1.16 percent of the share capital and voting rights. Including additional share purchases which the bidder made outside the tender offer, Beauty Holding Three AG thus acquired 96.11 percent of the share capital in DOUGLAS HOLDING AG. In accordance with section 39c WpÜG (German Securities Acquisition and Takeover Act) DOUGLAS shareholders can tender their shares for the price of 38.00 EUR per share in cash during a further tender period ending on March 20, 2013.

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 2012/13. 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 55 to 62 of the Annual Report as of September 30, 2012—remain unchanged.

Fig. 7 · Indexed price of the DOUGLAS share for the first three-month period 2012/13

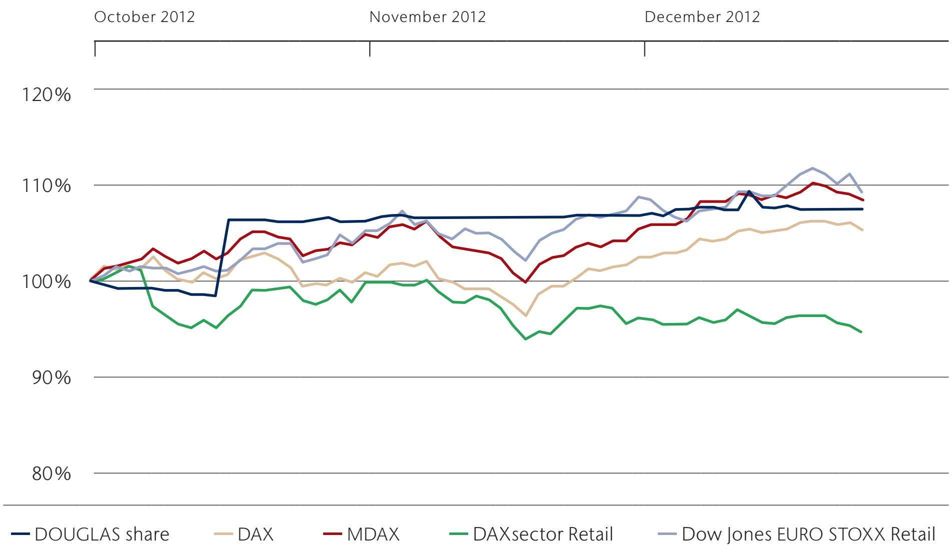


Fig. 8 · The DOUGLAS share

		12/31/2012	12/31/2011
Shares issued	m	39.4	39.4
Capital stock	EUR m	118.3	118.3
Market capitalization	EUR m	1,498.5	1,096.3
Stock quotation	EUR	38.00	27.80
XETRA—highest stock quotation (10/01–12/31)	EUR	38.62	30.70
XETRA—lowest stock quotation (10/01–12/31)	EUR	34.80	25.32

Subsequent events after the balance sheet date

On January 15, 2013, Beauty Holding Three AG submitted to DOUGLAS HOLDING AG the formal request pursuant to Section 327a (1) sentence 1 AktG that the Group shareholders' meeting shall resolve upon the transfer of the shares of the remaining shareholders (minority shareholders) to Beauty Holding Three AG as main shareholder in return for payment of an adequate cash consideration. The transfer resolution shall be passed at the next annual general meeting of DOUGLAS HOLDING AG.

No other material events occurred after the balance sheet date.

Forecast

Euro zone economy is stabilizing

The Kiel Institut für Weltwirtschaft (IfW) is of the opinion that the risks posed by the ongoing sovereign debt crisis in the Euro zone will gradually decline over the course of the current fiscal year. This will be due to both the successes in fiscal consolidation in some member states and the European Central Bank's (ECB) announcement that it would support the market of government bonds of distressed economies, if necessary, by buying unlimited amounts. The IfW predicts that real Euro zone gross domestic product (GDP) is likely to stabilize as a result, only falling by 0.2 percent in 2013 and rising by 0.9 percent year on year in 2014. Economic developments in the DOUGLAS Group's largest sales regions are expected to remain mixed. While economic performance in Germany, France, Austria and the Netherlands is forecast to rise, Spain, Italy and Portugal are likely to remain in recession. However, the IfW expects economic growth in all of the above-mentioned regions in 2014. Accordingly, private consumption is expected to drop by 0.5 percent in 2013, before climbing by 0.5 percent in 2014. Euro zone unemployment is likely to remain high at 12.4 percent in 2013 and 12.7 percent in 2014, while the figures in Spain and Portugal are expected to be much higher.

Positive impulses for the German economy

According to the German Institute for Economic Research (DIW), the German economy is likely to pick up momentum over the course of the year following a sluggish start to 2013. Overall, real GDP is forecast to rise by 0.9 percent in 2013. The DIW predicts a considerable rise of 2.2 percent for 2014. The most significant impulses will come from domestic demand. Foreign trade is also expected to make a positive contribution, as the institute believes that exports will increase to the USA as well as to Asian and Eastern European countries. Unemployment rate is expected to reach 7.0 percent in the current year and then drop to 6.7 percent next year. Due to favorable employment and income prospects, private consumption is forecast to rise in real terms by 1.1 percent in 2013 and 1.5 percent in 2014 (by 2.6 percent and 3.2 percent respectively in nominal terms). According to retail trading index surveys, most stationary retailers expect stable to positive business developments for 2013. The German Retail Association (HDE) predicts that online trade will continue to deliver a dynamic performance, rising by 12 percent year-on-year.

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

Despite the challenges being faced in the Books division, the Executive Board assesses the DOUGLAS Group as being well-positioned on the whole, with solid net assets, financial and result of operations positions. It will continue to pursue its strategic direction. The aim is for the corporate divisions to gain market shares to attain or secure a leading market position. The geographical sales markets of the DOUGLAS Group currently focus on Europe. 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 will consistently push ahead with its forward-looking multichannel strategy.

The focal point of investment activities within the DOUGLAS Group in the current and coming fiscal years will continue to be on the **Douglas perfumeries**. In Germany, Douglas primarily focuses on modernizing numerous stores and increasing existing sales space. New stores will be opened abroad, particularly in Italy, Poland and Turkey. The proportion of private labels and exclusive brands of the product mixes that are managed by a professional category management will be successively increased further. A strategic success factor is the further development of the cross channel activities. The expansion of the online business abroad adds extra sales potential.

The **Thalia Group** will consistently pursue the restructuring measures implemented as part of the strategic realignment of the brick-and-mortar business. Most of the measures intended by the restructuring plan pertain to the brick-and-mortar business (store closures, shop floor reductions, sub-lets and product line optimizations) and are expected to be completed to a large extent by the end of fiscal year 2013/14. This will adjust the business model to the changed market conditions. The online and digital selling channels are being developed or expanded as an important addition to the brick-and-mortar business.

The **Christ jewelry stores** will continue to further secure their leading market position in Germany and open new stores and lifestyle boutiques in fiscal year 2012/13 as well as modernize numerous stores. The company also plans to expand its online activities. Plans are to create an even closer link between the online business and brick-and-mortar specialty stores by setting up further multi-channel functionalities. The product mix strategy of trend brands, exclusive brands, and private labels remains a mainstay of the company's success.

AppelrathCüpper is consistently carrying on its realignment and will invest in product mix changes, product presentations and store design in fiscal year 2012/13. AppelrathCüpper will place a special focus on the "Modern Woman" segment when designing its product mix. The company also plans to consistently continue expanding its range of accessories.

The **Hussel confectionery shops** will continue the successfully launched new store design concept in fiscal year 2012/13 and modernize numerous stores correspondingly. The company also plans to expand the successful seasonal products and gifts lines. The www.hussel.de online shop will also expand its product mix.

Forecast up on prior year

From today's standpoint, the Executive Board predicts a slight sales increase for the DOUGLAS Group and an EBITDA (earnings before interest, taxes, depreciation and amortization) that exceeds that of the prior year for the current fiscal year 2012/13. An investment budget on previous year's level has been set aside. Further forecasts have not been made as yet due to the current takeover by Beauty Holding Three AG. The forecast takes into account all those events known at the time of preparing the financial statements that might impact the business developments of the DOUGLAS Group.

Consolidated statement of comprehensive income

for the period from October 1, 2012 to December 31, 2012

Consolidated statement of comprehensive income

		10/01/2012 to 12/31/2012 (in EUR m)	10/01/2011 to 12/31/2011 (in EUR m)
1.	**Sales**	**1,211.6**	**1,193.6**
2.	Cost of raw materials, consumables and supplies and merchandise	–652.1	–640.1
3.	**Gross profit from retail business**	**559.5**	**553.5**
4.	Other operating income	58.4	56.8
5.	Personnel expenses	–199.3	–196.7
6.	Other operating expenses	–246.9	–240.0
7.	Income from other investments	0.0	0.0
8.	**EBITDA**	**171.7**	**173.6**
9.	Amortization/depreciation	–27.0	–28.9
10.	**EBIT**	**144.7**	**144.7**
11.	Financial income	0.8	0.6
12.	Financial expenses	–1.0	–4.7
13.	Financial result	–0.2	–4.1
14.	**Earnings before taxes (EBT)**	**144.5**	**140.6**
15.	Income taxes	–48.8	–48.9
16.	**Net income for the year**	**95.7**	**91.7**
17.	Profit attributable to non-controlling interests	–0.7	–0.1
18.	**Profit attributable to the Group shareholders**	**95.0**	**91.6**
		(in EUR)	(in EUR)
	Earnings per share	**2.41**	**2.32**

Reconciliation of income of the period to comprehensive income

	10/01/2012 to 12/31/2012 (in EUR m)	10/01/2011 to 12/31/2011 (in EUR m)
Net income for the year	**95.7**	**91.7**
Foreign currency translation differences arising from translating the financial statements of a foreign operation	0.0	–0.8
Effective portion of net investment hedges	0.0	0.0
Effective portion of Cash Flow hedges	0.0	0.0
Total comprehensive income	**95.7**	**90.9**
Total comprehensive income attributable to Group shareholders	95.0	90.8
Total comprehensive income attributable to non-controlling interests	0.7	0.1

Consolidated balance sheet

as of December 31, 2012

Consolidated balance sheet

		12/31/2012 (in EUR m)	12/31/2011 (in EUR m)	09/30/2012 (in EUR m)
Assets				
A.	Non-current assets			
I.	Intangible assets	102.7	239.9	104.2
II.	Property, plant and equipment	397.2	457.7	408.4
III.	Tax receivables	6.7	7.1	6.7
IV.	Financial assets	4.4	5.0	4.5
V.	Shares in associated companies	0.5	0.4	0.5
VI.	Deferred tax assets	45.3	35.9	46.6
		556.8	**746.0**	**570.9**
B.	Current assets			
I.	Inventories	739.8	712.9	699.6
II.	Trade accounts receivable	111.7	73.4	65.7
III.	Tax receivables	39.7	19.7	28.4
IV.	Financial assets	131.7	130.1	89.3
V.	Other assets	21.6	26.3	25.8
VI.	Cash and cash equivalents	309.3	220.9	48.3
		1,353.8	**1,183.3**	**957.1**
Total		**1,910.6**	**1,929.3**	**1,528.0**
Equity and liabilities				
A.	Equity			
I.	Capital stock	118.3	118.3	118.3
II.	Additional paid-in capital	17.2	223.7	17.2
III.	Retained earnings	603.5	543.6	508.5
IV.	Non-controlling interests	15.8	12.6	15.1
		754.8	**898.2**	**659.1**
B.	Non-current liabilities			
I.	Provisions for pensions	34.8	32.3	34.7
II.	Other non-current provisions	50.9	21.2	50.8
III.	Financial liabilities	199.4	27.3	18.9
IV.	Other liabilities	1.4	4.3	1.5
V.	Deferred tax liabilities	7.9	13.6	7.9
		294.4	**98.7**	**113.8**
C.	Current liabilities			
I.	Current provisions	114.3	114.5	130.1
II.	Trade accounts payable	379.6	363.8	256.6
III.	Tax liabilities	152.7	143.1	50.2
IV.	Financial liabilities	36.6	142.6	177.5
V.	Other liabilities	178.2	168.4	140.7
		861.4	**932.4**	**755.1**
Total		**1,910.6**	**1,929.3**	**1,528.0**

Consolidated Cash Flow statement

Consolidated Cash Flow statement

			10/01/2012 to 12/31/2012 (in EUR m)	10/01/2011 to 12/31/2011 (in EUR m)
1.		EBIT	144.7	144.7
2.	+	Amortization/depreciation of non-current assets	27.0	28.9
3.	+/–	Increase in provisions	–15.6	–9.8
4.	+/–	Other non-cash income/expense	1.1	0.7
5.	+/–	Loss/profit on the disposal of non-current assets	0.3	–0.4
6.	+/–	Changes in inventories, trade receivables and other assets not classifiable to investing or financing activities	–134.3	–91.8
7.	+/–	Changes in trade payables and other liabilities not classifiable to investing or financing activities	232.8	175.2
8.	–	Interest paid	–1.7	–1.8
9.	+	Interest received	0.2	0.1
10.	–	Taxes paid	–15.1	–12.4
11.	**=**	**Net Cash Flow from operating activities**	**239.4**	**233.4**
12.	+	Proceeds from the disposal of non-current assets and disposal of stores	0.3	0.9
13.	–	Investments in non-current assets	–14.7	–27.2
14.	–	Payments for investments in associated companies	0.0	–0.4
15.	**=**	**Net Cash Flow for investing activities**	**–14.4**	**–26.7**
16.		**Free Cash Flow (sum of 11 and 15)**	**225.0**	**206.7**
17.	+	Receipts from appropriations to equity	0.0	0.9
18.	–	Payments for the repayment of financial liabilities	–163.8	–29.1
19.	+	Proceeds from borrowings	200.0	0.0
20.	–/+	Other financial changes	0.0	–0.6
21.	**=**	**Net Cash Flow from financing activities**	**36.2**	**–28.8**
22.	=	Net change in cash and cash equivalents (total of rows 11, 15 and 21)	261.2	177.9
23.	+/–	Net change in cash and cash equivalents due to currency translation	–0.1	–0.1
24.	+	Cash and cash equivalents at beginning of the year	48.4	43.4
25.	**=**	**Cash and cash equivalents as of 12/31**	**309.5**	**221.2**

Segment reporting

October 1 to December 31 (Q1)

Segmentation by geographic region

	Perfumeries		Books		Jewelry		Other	
	2012/13 (in EUR m)	2011/12 (in EUR m)	2012/13 (in EUR m)	2011/12 (in EUR m)	2012/13 (in EUR m)	2011/12 (in EUR m)	2012/13 (in EUR m)	2011/12 (in EUR m)
Sales								
Germany	368.3	357.2	234.0	243.1	136.7	137.5	75.8	75.5
International	316.0	300.4	79.0	78.1	0.0	0.0	1.8	1.8
	684.3	**657.6**	**313.0**	**321.2**	**136.7**	**137.5**	**77.6**	**77.3**
Non-current assets								
Germany	111.2	120.4	80.5	205.2	40.7	35.1	99.7	112.3
International	143.3	192.3	24.1	31.6	0.0	0.0	0.8	1.0
	254.5	**312.7**	**104.6**	**236.8**	**40.7**	**35.1**	**100.5**	**113.3**
Capital expenditure								
Germany	3.6	10.1	2.5	3.9	2.4	1.5	1.0	2.4
International	4.7	8.3	0.5	1.0	0.0	0.0	0.0	0.0
	8.3	**18.4**	**3.0**	**4.9**	**2.4**	**1.5**	**1.0**	**2.4**

Segment reporting

October 1 to December 31 (Q1)

Segmentation by operating segments

		Perfumeries		Books		Jewelry	
		2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
Sales (net)	in EUR m	684.3	657.6	313.0	321.2	136.7	137.5
Intersegment sales	in EUR m	0.0	0.0	0.0	0.0	0.0	0.0
Sales	in EUR m	684.3	657.6	313.0	321.2	136.7	137.5
EBITDA	in EUR m	90.4	90.9	40.5	38.7	28.1	33.2
EBITDA margin	in %	13.2	13.8	12.9	12.1	20.6	24.2
Scheduled amortization	in EUR m	13.7	14.5	6.3	7.3	2.6	2.4
EBIT	in EUR m	76.7	76.4	34.2	31.4	25.5	30.8
Interest expense	in EUR m	1.2	2.3	0.8	3.7	0.4	0.5
Interest income	in EUR m	0.6	0.5	0.1	0.1	0.1	0.1
EBT	in EUR m	76.1	74.6	33.5	27.8	25.2	30.4
Capital expenditure	in EUR m	8.3	18.4	3.0	4.9	2.4	1.5
Average annual number of employees (FTEs)		11,760	12,100	4,024	4,384	2,033	1,982
Sales area	1,000 m^2	286	281	242	246	24	23
Number of stores (December 31)		1,197	1,184	293	294	215	208

Statement of changes in Group equity

Statement of changes in Group equity

	Capital stock (in EUR m)	Additional paid-in capital (in EUR m)	Retained earnings			Non-controlling interests (in EUR m)	Total (in EUR m)
			Other retained earnings (in EUR m)	Results from Cash Flow hedges (in EUR m)	Differences from currency translation (in EUR m)		
10/01/2011	118.1	222.3	460.9	0.0	–7.0	8.7	803.0
Currency translation					–0.8		–0.8
Net income of the year			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	0.2	1.4				4.7	6.3
IAS 32						0.0	0.0
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
Change in scope of consolidation							0.0
12/31/2011	118.3	223.7	551.4	0.0	–7.8	12.6	898.2
10/01/2012	118.3	17.2	512.4	0.0	–3.9	15.1	659.1
Currency translation							0.0
IAS 39 Hedge Accounting							0.0
Net income of the year			95.0			0.7	95.7
Total comprehensive income	0.0	0.0	95.0	0.0	0.0	0.7	95.7
Capital increase							0.0
Transactions with shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes							0.0
12/31/2012	118.3	17.2	607.4	0.0	–3.9	15.8	754.8

Fashion		Confectionery		Services		Consolidation		DOUGLAS Group	
2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
35.1	35.3	41.8	41.3	0.7	0.7	0.0	0.0	1,211.6	1,193.6
0.0	0.0	0.7	0.8	10.3	9.7	–11.0	–10.5	0.0	0.0
35.1	35.3	42.5	42.1	11.0	10.4	–11.0	–10.5	1,211.6	1,193.6
4.6	4.4	9.7	9.8	–1.6	–3.4	0.0	0.0	171.7	173.6
13.1	12.5	22.9	23.2	–	–	0.0	0.0	14.2	14.5
1.3	1.4	0.7	0.7	2.4	2.6	0.0	0.0	27.0	28.9
3.3	3.0	9.0	9.1	–4.0	–6.0	0.0	0.0	144.7	144.7
0.1	0.2	0.0	0.1	0.7	1.2	–2.2	–3.3	1.0	4.7
0.0	0.0	0.0	0.0	2.2	3.2	–2.2	–3.3	0.8	0.6
3.2	2.8	9.0	9.0	–2.5	–4.0	0.0	0.0	144.5	140.6
0.1	0.3	0.3	0.5	0.6	1.6	0.0	0.0	14.7	27.2
577	616	729	775	568	551	0	0	19,691	20,408
35	35	14	14	0	0	0	0	601	599
13	13	235	245	0	0	0	0	1,953	1,944

Notes to the Q1 interim financial report of DOUGLAS HOLDING AG for the fiscal year 2012/13

The consolidated financial statements for the first three months of the 2012/13 fiscal year have been prepared in conformity 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 principles applied to the consolidated financial statements as of September 30, 2012. 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 measurement principles. Any accounting and valuation principles varying from the Group uniform standards have been accounted for in the separate preparation of the HGB balance sheet (HB II).

The companies Kober & Thalia Buchhandelsgruppe GmbH & Co. KG, Mannheim/Germany, and Buch & Kunst GmbH & Co. KG Dresden, Dresden/Germany, left the group of consolidated companies after being absorbed by Reinhold Gondrom GmbH & Co. KG.

There are no risks identified at the present time that might endanger the going concern of the DOUGLAS Group. A detailed presentation of the business risks and a description of the risk management system can be found on pages 55 to 62 of the Annual Report for the 2011/12 fiscal year. Statements made there still apply to a material extent.

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Timetable

Current dates can be found at www.douglas-holding.com under the menu bar button "Timetable."

The Interim Report is published in German (original version) and in English (non-binding translation) and is subject to German law.

Further information and the latest corporate communications can be found on our website 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.

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