Interim Report H1
Fiscal Year 2012/13

DOUGLAS HOLDING

Excellence in Retailing

An overview of the DOUGLAS Group

Fig. 1 · Key figures

		H1 (10/01–03/31)			Q2 (01/01–03/31)		
		2012/13	2011/12	Change (in %)	2012/13	2011/12	Change (in %)
Sales	in EUR m	1,950.2	1,916.4	1.8	738.6	722.8	2.2
National	in EUR m	1,316.5	1,297.1	1.5	500.0	483.1	3.5
International	in EUR m	633.7	619.3	2.3	238.6	239.7	–0.4
EBITDA	in EUR m	180.7	143.7	25.8	9.0	–29.9	–
Margin	in %	9.3	7.5	–	1.2	–4.1	–
EBT	in EUR m	120.5	–45.4	–	–24.0	–186.0	87.1
Margin	in %	6.2	–2.4	–	–3.2	–25.7	–
Net income/loss	in EUR m	80.0	–63.3	–	–15.7	–155.0	89.9
Earnings per share	in EUR	2.01	–1.53	–	–0.40	–3.86	89.6
Share price as of 03/31	in EUR	38.15	33.40	14.2			
Free Cash Flow	in EUR m	112.9	5.6	–			
Capital expenditure	in EUR m	26.3	54.7	–51.9			

		03/31/2013	03/31/2012	09/30/2012
Equity	in EUR m	736.3	703.1	659.1
Equity ratio	in %	43.9	42.8	43.1
Balance sheet total	in EUR m	1,676.7	1,643.5	1,528.0
Working capital [1]	in EUR m	558.2	530.7	508.7
Net bank credit [2]	in EUR m	15.2	88.8	124.5
Employees		23,623	24,047	24,221
Stores		1,910	1,937	1,944
Sales area	1,000 m²	588.8	600.8	603.3

[1] Inventories and trade accounts receivable less trade accounts payable
[2] Liabilities to banks less liquid funds

Sales performance in the first seven months of 2012/13

- Sales at the end of April up 0.9 percent on prior year
- Germany +0.5 percent; foreign +1.9 percent

Key developments in the first half of 2012/13

Group sales up 1.8 percent

- Sales in the second quarter of the year under review benefited from early Easter business
- Sales rise at Douglas and Hussel
- Consumer climate continues to be difficult in some foreign markets
- Solid online sales growth for Douglas and Christ

EBITDA on par with adjusted prior-year figures

- Higher earnings contributions from Douglas and Hussel
- Christ and AppelrathCüpper down on the prior year
- Thalia up on adjusted prior-year figures

Solid financing and capital structure

- Free Cash Flow rises from 5.6 million EUR to 112.9 million EUR
- Net bank debt declines from 88.8 million EUR to 15.2 million EUR

Annual forecast confirmed

- Slight sales growth year-on-year
- EBITDA up on the prior year

Squeeze-out announced

- Squeeze-out initiated pursuant to German stock corporation law
- Cash compensation set at 37.64 EUR per share

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 1,174 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 283 bookstores, online shops and an impressive eBook collection. www.thalia.de
CHRIST	The 213 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 227 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

Weakening demand in the Euro zone

In the reporting period, the economic situation in the Euro zone was marked by weak domestic and foreign demand. As a result, real gross domestic product (GDP) decreased by 0.9 percent year-on-year from October to December 2012 according to the calculations of ifo, INSEE, and Istat. This trend continued from January to March 2013. Real GDP fell 0.8

percent short of the prior-year figure during this period. Austria recorded slight growth among the largest sales regions of the DOUGLAS Group in the Euro zone. GDP in Germany and France was almost on par with the prior-year level, and it decreased in Portugal, Italy, Spain, and the Netherlands. Particularly in Italy and Spain, the restrictive financing conditions encountered by companies had a negative effect. The continuing fiscal consolidation measures in several countries also subdued consumer spending, dropping by 1.2 percent year-on-year respectively in the last quarter of calendar year 2012 and the first quarter of calendar year 2013. According to the European Commission, Euro zone unemployment rate was at 12.0 percent in February 2013 (prior year: 10.9 percent).

Slow momentum in Germany

The German economy lost much of its momentum during the period under review due to investments and exports developing weakly. Whereas real GDP still stagnated in the fourth quarter of calendar year 2012, the leading economic research organizations [1] calculated a 1.0 percent loss year-on-year for the first quarter of calendar year 2013. However, they expect the economy to recover during the remainder of the year. This forecast is based on an anticipated further relaxation in the financial markets, less uncertainty about the future of the Euro zone, and the gradual expansion of the global economy. The German companies' forecasts for future business developments – according to the ifo Business Climate Index – remained positive despite the index value dropping month-on-month in April. The Business Climate Index had risen steeply from January to March. In the last quarter of 2012, consumer spending rose slightly by 0.6 percent in real terms, and the research organizations expect further growth in the first quarter of 2013. Based on the preliminary results of the Federal Statistical Office, sales by German retailers in the period from January to March 2013 were up merely 0.4 percent year-on-year in nominal and down 1.0 percent in real terms. According to a survey conducted by German Retail Association (HDE), just under two third of all retailers nevertheless viewed the current business outlook as satisfactory or positive in March 2013.

Net assets, financial position and result of operations

Stable sales development in Germany; weak sales development in some foreign markets

In the first six months of fiscal year 2012/13, the DOUGLAS Group generated Group sales of 1.95 billion EUR. This figure was also boosted by the early Easter business. This translates to an increase of 1.8 percent over the same period last year (prior year: 1.92 billion EUR). Currency-adjusted Group sales rose by 1.6 percent. Fig. 3

Sales in Germany increased by 1.5 percent to 1.32 billion EUR year-on-year in the first half of 2012/13 (prior year: 1.30 billion EUR). Foreign Group sales increased by 2.3 percent to 633.7 million EUR (prior year: 619.3 million EUR). The share of foreign sales in Group sales amounted to 32.5 percent compared with 32.3 percent in the prior year. Online sales accounted for approximately 8 percent in the period under review.

The **Douglas perfumeries** recorded sales of 1.10 billion EUR in the first six months of the fiscal year, 3.4 percent above the prior-year figure of 1.07 billion EUR. Sales at the German perfumeries grew by 4.2 percent to 601.7 million EUR. Foreign sales increased by 2.5 percent

[1] Ifo Institut, Institute of World Economy (IfW), Institute for Economic Research Halle (IWH), Rhine Westphalia Institute for Economic Research (RWI)

to 499.8 million EUR. Positive sales performance in Austria, Poland, the Czech Republic, Romania, Turkey, and the Baltic states was offset by sales decreases in Spain, Italy, Portugal, and Croatia. The share of international activities in total perfumery sales declined slightly from 45.8 percent to 45.4 percent.

The **Thalia Group** recorded sales of 511.5 million EUR in the first half of the year, almost on par with the prior-year level (prior year: 513.3 million EUR). While sales in Germany decreased by 1.0 percent year-on-year, foreign sales at Thalia bookstores increased by 1.6 percent.

The **Christ jewelry stores** generated sales of 210.2 million EUR in the period under review, thus almost on par with the prior-year figure (prior year: 211.1 million EUR).

In the first half of the year, sales at the **AppelrathCüpper fashion stores** were 6.0 percent down year-on-year to 60.7 million EUR (prior year: 64.5 million EUR) due to unfavorable weather conditions for the industry.

The **Hussel confectionery shops** increased sales in the reporting period by 7.1 percent to 65.2 million EUR (prior year: 60.8 million EUR) thanks to a successful Christmas and Easter business.

Fig. 3 · Net sales by division

	Net sales (in EUR m)		Change (in %)	Net sales (in EUR m)		Change (in %)
	H1 2012/13	H1 2011/12	Total	Q2 2012/13	Q2 2011/12	Total
Perfumeries	1,101.5	1,065.4	3.4	417.2	407.8	2.3
National	601.7	577.7	4.2	231.7	219.8	5.4
International	499.8	487.7	2.5	185.5	188.0	–1.3
Books	511.5	513.3	–0.3	198.5	192.1	3.4
National	380.5	384.4	–1.0	146.5	141.3	3.7
International	131.0	128.9	1.6	52.0	50.8	2.3
Jewelry	210.2	211.1	–0.4	73.5	73.6	–0.1
Fashion	60.7	64.5	–6.0	25.6	29.2	–12.5
Confectionery	65.2	60.8	7.1	23.4	19.5	19.5
National	62.3	58.1	7.0	22.3	18.6	19.3
International	2.9	2.7	8.0	1.1	0.9	24.6
Services	1.1	1.3	–	0.4	0.6	–
DOUGLAS Group	1,950.2	1,916.4	1.8	738.6	722.8	2.2
National	1,316.5	1,297.1	1.5	500.0	483.1	3.5
International	633.7	619.3	2.3	238.6	239.7	–0.4

Number of stores down on the prior year

Fig. 4 As of the end of March 2013, the DOUGLAS Group comprised of 1,910 specialty stores (prior year: 1,937). The opening of a total of 43 new stores in the past twelve months (prior year: 64) was offset by 70 store closures (prior year: 54). The closures mainly concerned the Perfumeries and Books divisions.

Fig. 4 · Store network development

	Stores		Change
	03/31/2013	03/31/2012	Absolute
Perfumeries	1,174	1,184	–10
National	440	444	–4
International	734	740	–6
Books	283	295	–12
National	225	235	–10
International	58	60	–2
Jewelry	213	208	5
Fashion	13	13	0
Confectionery	227	237	–10
National	215	224	–9
International	12	13	–1
Services	–	–	–
DOUGLAS Group	**1,910**	**1,937**	**–27**
National	1,106	1,124	–18
International	804	813	–9

EBITDA on par with adjusted prior-year figures

The DOUGLAS Group achieved earnings before interest, taxes, depreciation and amortization (EBITDA) of 180.7 million EUR in the first six months of fiscal year 2012/13, compared to 143.7 million EUR in the prior year. The EBITDA margin – the ratio of EBITDA to sales – was 9.3 percent (prior year: 7.5 percent). Fig. 5

The Douglas perfumeries managed to increase EBITDA year-on-year on account of sales growth. The Thalia Group exceeded the prior-year figures adjusted for restructuring costs. EBITDA at Christ jewelry stores was down on the prior-year level due to weak sales and margin development. At the AppelrathCüpper fashion stores, the drop in sales had a negative effect on results. The result of the Hussel confectioneries increased thanks to positive sales performance.

The DOUGLAS Group's EBT (earnings before taxes) totaled 120.5 million EUR during the reporting period compared to -45.4 million EUR the year before. Return on sales – the ratio of EBT to sales – increased to 6.2 percent (prior year: -2.4 percent).

In the prior year, restructuring costs for Thalia reduced the EBITDA of the DOUGLAS Group by 36.3 million EUR. In addition, extraordinary write-downs had to be carried out in the Books division, which reduced earnings before taxes by a further 128.8 million EUR. Adjusted for these one-off effects, both figures in the reporting period would have been on par with the prior-year figures.

Tax expenses rose from 17.9 million EUR to 40.5 million EUR. The corresponding tax rate is 33.6 percent.

The DOUGLAS Group generated Group net income of 80.0 million EUR in the reporting period compared with Group net loss of 63.3 million EUR in the prior year. Earnings per share increased correspondingly to 2.01 EUR after -1.53 EUR last year.

Fig. 5 · EBITDA and EBITDA margins

	H1 (10/01–03/31)				Q2 (01/01–03/31)			
	EBITDA (in EUR m)		EBITDA margin (in %)		EBITDA (in EUR m)		EBITDA margin (in %)	
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
Perfumeries	117.2	111.8	10.6	10.5	26.8	20.9	6.4	5.1
Books	31.5	–9.6	6.2	–1.9	–9.0	–48.3	–4.5	–25.2
Jewelry	25.3	32.5	12.0	15.4	–2.8	–0.7	–3.8	–1.0
Fashion	3.4	3.9	5.6	6.1	–1.2	–0.5	–4.8	–1.6
Confectionery	9.9	8.3	14.9	13.3	0.2	–1.5	0.7	–7.5
Services	–6.6	–3.2	–	–	–5.0	0.2	–	–
DOUGLAS Group	180.7	143.7	9.3	7.5	9.0	–29.9	1.2	–4.1

Capital expenditure down on the prior year

From October 2012 to March 2013, the DOUGLAS Group invested 26.3 million EUR in the opening of 24 new stores (prior year: 34) as well as expanding store sales space and upgrading the store network. Investments fell by 28.4 million EUR year-on-year. The drop in the period under review resulted, among other things, from two large projects in the prior year as well as a change in the way the investments were spread across the fiscal year compared with the prior year. The focus here was on the largest division, Perfumeries, where 15 (prior year: 25) new specialty stores were opened, 13 (prior year: 21) of which were opened abroad, including in Austria, the Netherlands, and Poland.

Free Cash Flow up on the prior year

After the first six months of fiscal year 2012/13, Free Cash Flow came to 112.9 million EUR, therefore clearly exceeding the prior-year value of 5.6 million EUR. Cash inflows from operating activities rose to 138.6 million EUR from 59.1 million EUR in the prior year, mainly as a result of a lesser increase in working capital. The Easter business, which was earlier than in the prior year, and the corresponding reduction of inventories had a positive effect. The cash outflows for investing activities decreased to 25.7 million EUR (prior year: 53.5 million EUR) due to a lower investment volume.

Continued solid net assets and capital structure

Fig. 6/7

The balance sheet total went up to 1.68 billion EUR year-on-year (prior year: 1.64 billion EUR). Equity amounted to 736.3 million EUR compared with 703.1 million EUR in the prior year. The equity ratio remained at a solid level of 43.9 percent. Non-current financial liabilities as well as cash and cash equivalents increased as of the balance sheet date on account of the conclusion of new financing agreements and the redemption of existing loans in December 2012. Current financial liabilities decreased at the same time.

Fig. 6 · Consolidated balance sheet: assets

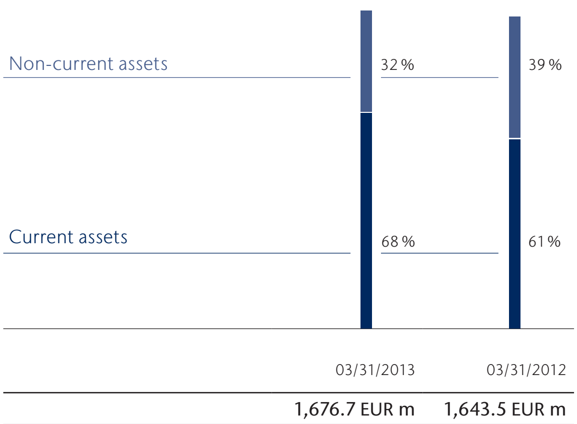
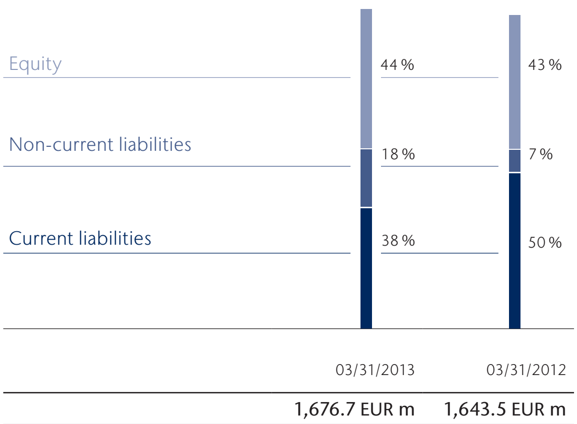


Fig. 7 · Consolidated balance sheet: equity and liabilities



Number of employees down year-on-year

As of March 31, 2013, the DOUGLAS Group employed a total of 23,623 employees (prior year: 24,047). This translates to a slight drop of 1.8 percent over the prior year. As at the end of the reporting period, the number of employees outside of Germany totaled 8,841 (prior year: 9,002) plus 14,782 employees in Germany (prior year: 15,045), of which 1,757 were trainees. Personnel expenses amounted to 384.5 million EUR compared with 388.7 million EUR in the prior year, with a personnel expense ratio as of the reporting date of 19.7 percent, down slightly on the prior year.

The DOUGLAS Share

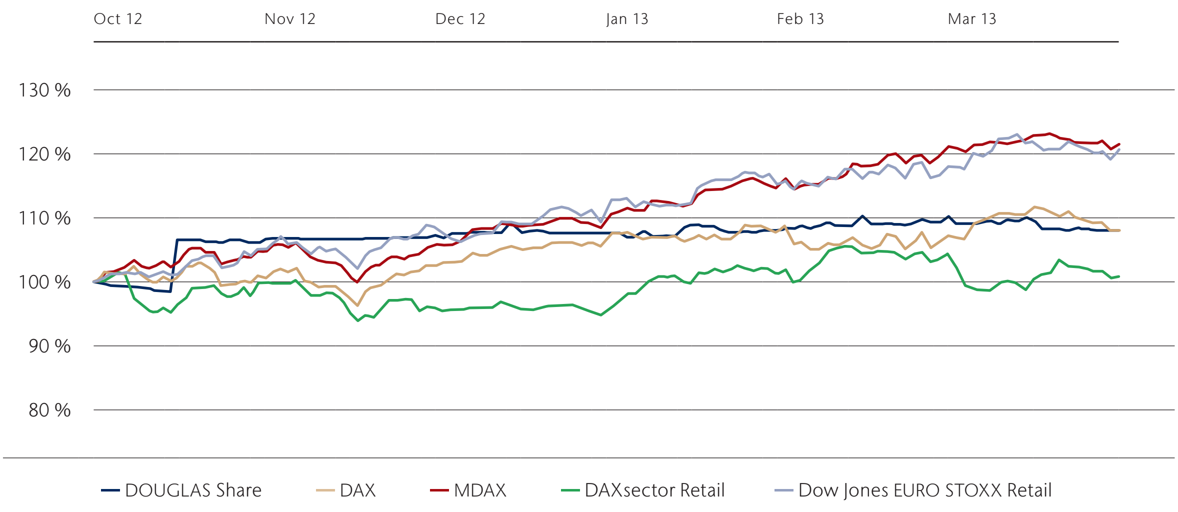
Fig. 8/9

At the end of XETRA trading on March 28, 2013, the DOUGLAS share closed at 38.15 EUR after opening the reporting period at 35.32 EUR. The value of the share therefore increased by 8.0 percent in the first six months of fiscal year 2012/13. The average daily turnover of DOUGLAS shares on XETRA stood at 71,283 shares during the reporting period. The free float decreased considerably due to the high acceptance rate from the takeover bid of Beauty Holding Three AG (legal predecessor of Beauty Holding Two GmbH). The average daily trading volume dropped correspondingly to 8,086 shares in the period from January to March 2013. On January 15, 2013, the main shareholder of DOUGLAS HOLDING AG announced its request pursuant to Section 327a (1) Sentence 1 of the German Stock Corporation Act (AktG) for the company's Annual Shareholders' Meeting to resolve to transfer the shares of the remaining shareholders to the main shareholder in return for an appropriate cash compensation (so-called squeeze-out under stock corporation law). The resolution regarding the transfer will be made at the next Annual Shareholders' Meeting of DOUGLAS HOLDING AG on May 28, 2013. The transfer request was defined on March 15, 2013 and the main shareholder specified cash compensation at 37.64 EUR per share.

Fig. 8 · The DOUGLAS Share

		03/31/2013	03/31/2012
Shares issued	m	39.4	39.4
Capital stock	EUR m	118.3	118.3
Market capitalization	EUR m	1,504.4	1,317.1
Stock quotation	EUR	38.15	33.40
XETRA—highest stock quotation (10/01–03/31)	EUR	38.96	36.89
XETRA—lowest stock quotation (10/01–03/31)	EUR	34.80	25.26

Fig. 9 · Indexed price of the DOUGLAS share for the first six-month period 2012/13



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.

Subsequent events after the balance sheet date

No material events occurred after the balance sheet date.

Forecast

Stabilization of the economic situation in the Euro zone

The Institut für Weltwirtschaft (IfW – Institute for the World Economy) anticipates the recession in the Euro zone to only slowly resolve itself in 2013. The continuing consolidation of government budgets in several countries and the negative sales prospects in the domestic market are still slowing down economic development. However, an increase in exports to countries outside the Euro zone, particularly the USA and Asia, is expected to create positive momentum. In the current year, total real gross domestic product (GDP) in the Euro zone is expected to drop by another 0.2 percent in real terms. For 2014, on the other hand, the IfW forecasts a 1.0 percent rise year-on-year. The economies of the large sales regions of the DOUGLAS Group are likely to still develop at different paces. Stable developments are expected for Germany, Austria, and France in 2013, whereas the recession in Spain, Italy, Portugal, and the Netherlands is anticipated to continue. The IfW expects domestic markets in all of the above regions to grow in 2014, however. Consumer spending is therefore forecast to continue decreasing by 0.9 percent in 2013 and to increase again slightly by 0.6 percent in 2014. The unemployment rate in the Euro zone is expected to still be high at 12.3 percent in the current year and 12.4 percent in the following year. The unemployment rate in Spain and Portugal will be considerably higher than this average.

Upswing of the German economy

According to the leading economic research organizations [1)], the conditions for total economic growth are good in Germany. In addition to low interest rates and favorable lending conditions, German companies are also profiting from their keen competitive edge on the global market, particularly thanks to their large presence in the high-growth emerging markets. Total real GDP is expected to rise by just 0.8 percent in real terms year-on-year in 2013 due to the slow start to the year. The research organizations forecast 1.9 percent growth in 2014. This upturn is primarily boosted by the German economy itself. Unemployment rate is expected to come to 6.7 percent in the current year and then drop to 6.4 percent next year. Consumer spending is anticipated to increase in real terms by 0.8 percent and 1.2 percent respectively in 2013 and 2014 (by a nominal 2.3 percent and 3.0 percent respectively). The German Retail Federation (Handelsverband Deutschland – HDE) forecasts nominal retail sales growth of 1 percent in 2013. In price-adjusted terms, however, sales are likely to be down year-on-year. Online trade is expected to continue growing dynamically with a nominal 12 percent rise in sales.

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 multi-channel strategy.

1) Ifo Institut, Institute of World Economy (IfW), Institute for Economic Research Halle (IWH), Rhine Westphalia Institute for Economic Research (RWI)

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 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.

Annual forecast confirmed

Based on sales and earnings performance up to now, 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 the previous year's level has been set aside. 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 March 31, 2013

Consolidated statement of comprehensive income

		H1 2012/13 10/01/2012 to 03/31/2013 (in EUR m)	H1 2011/12 10/01/2011 to 03/31/2012 (in EUR m)	Q2 2012/13 01/01/2013 to 03/31/2013 (in EUR m)	Q2 2011/12 01/01/2012 to 03/31/2012 (in EUR m)
1.	**Sales**	**1,950.2**	**1,916.4**	**738.6**	**722.8**
2.	Cost of raw materials, consumables and supplies and merchandise	–1,037.1	–1,016.2	–385.0	–376.1
3.	**Gross profit from retail business**	**913.1**	**900.2**	**353.6**	**346.7**
4.	Other operating income	104.8	102.4	46.4	45.6
5.	Personnel expenses	–384.5	–388.7	–185.2	–192.0
6.	Other operating expenses	–452.7	–470.2	–205.8	–230.2
7.	Income from other investments	0.0	0.0	0.0	0.0
8.	**EBITDA**	**180.7**	**143.7**	**9.0**	**–29.9**
9.	Amortization/depreciation	–54.0	–187.3	–27.0	–158.4
10.	**EBIT**	**126.7**	**–43.6**	**–18.0**	**–188.3**
11.	Financial income	1.3	1.1	0.5	0.5
12.	Financial expenses	–7.5	–2.9	–6.5	1.8
13.	Financial result	–6.2	–1.8	–6.0	2.3
14.	**Earnings before taxes (EBT)**	**120.5**	**–45.4**	**–24.0**	**–186.0**
15.	Income taxes	–40.5	–17.9	8.3	31.0
16.	**Net result for the period**	**80.0**	**–63.3**	**–15.7**	**–155.0**
17.	Profit attributable to non-controlling interests	–0.7	2.9	0.0	3.0
18.	**Profit attributable to the Group shareholders**	**79.3**	**–60.4**	**–15.7**	**–152.0**
		(in EUR)	(in EUR)	(in EUR)	(in EUR)
	Earnings per share	**2.01**	**–1.53**	**–0.40**	**–3.86**

Reconciliation of income of the period to comprehensive income

	H1 2012/13 10/01/2012 to 03/31/2013 (in EUR m)	H1 2011/12 10/01/2011 to 03/31/2012 (in EUR m)	Q2 2012/13 01/01/2013 to 03/31/2013 (in EUR m)	Q2 2011/12 01/01/2012 to 03/31/2012 (in EUR m)
Net result for the period	**80.0**	**–63.3**	**–15.7**	**–155.0**
Foreign currency translation differences arising from translating the financial statements of a foreign operation	–1.8	2.5	–1.8	3.3
Effective portion of net investment hedges	0.0	0.3	0.0	0.3
Effective portion of Cash Flow hedges	–0.9	0.0	–0.9	0.0
Total comprehensive income	**77.3**	**–60.5**	**–18.4**	**–151.4**
Total comprehensive income attributable to Group shareholders	76.6	–57.6	–18.4	–148.4
Total comprehensive income attributable to non-controlling interests	0.7	–2.9	0.0	–3.0

Consolidated balance sheet

as of March 31, 2013

Consolidated balance sheet

	03/31/2013 (in EUR m)	03/31/2012 (in EUR m)	09/30/2012 (in EUR m)
Assets			
A. Non-current assets			
I. Intangible assets	101.5	133.0	104.2
II. Property, plant and equipment	381.9	435.4	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	0.5	0.5
VI. Deferred tax assets	44.4	57.2	46.6
	539.4	**638.2**	**570.9**
B. Current assets			
I. Inventories	700.9	713.2	699.6
II. Trade accounts receivable	81.7	64.1	65.7
III. Tax receivables	45.2	44.6	28.4
IV. Financial assets	91.7	105.0	89.3
V. Other assets	23.5	24.9	25.8
VI. Cash and cash equivalents	194.3	53.5	48.3
	1,137.3	**1,005.3**	**957.1**
Total	**1,676.7**	**1,643.5**	**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	585.1	351.5	508.5
IV. Non-controlling interests	15.7	9.6	15.1
	736.3	**703.1**	**659.1**
B. Non-current liabilities			
I. Provisions for pensions	34.7	32.4	34.7
II. Other non-current provisions	50.8	51.5	50.8
III. Financial liabilities	200.6	27.3	18.9
IV. Other liabilities	1.4	3.8	1.5
V. Deferred tax liabilities	7.5	6.6	7.9
	295.0	**121.6**	**113.8**
C. Current liabilities			
I. Current provisions	117.8	121.9	130.1
II. Trade accounts payable	224.4	246.6	256.6
III. Tax liabilities	101.6	81.8	50.2
IV. Financial liabilities	31.7	213.5	177.5
V. Other liabilities	169.9	155.0	140.7
	645.4	**818.8**	**755.1**
Total	**1,676.7**	**1,643.5**	**1,528.0**

Consolidated Cash Flow statement

Consolidated Cash Flow statement

			10/01/2012 to 03/31/2013 (in EUR m)	10/01/2011 to 03/31/2012 (in EUR m)
1.		EBIT	126.7	–43.6
2.	+	Amortization/depreciation of non-current assets	54.0	187.3
3.	+/–	Increase/decrease in provisions	–12.3	27.9
4.	+/–	Other non-cash income/expense	–1.9	1.4
5.	+/–	Profit/loss on the disposal of non-current assets	0.4	–0.3
6.	+/–	Changes in inventories, trade receivables and other assets not classifiable to investing or financing activities	–31.3	–103.3
7.	+/–	Changes in trade payables and other liabilities not classifiable to investing or financing activities	19.9	17.8
8.	–	Interest paid	–4.3	–2.1
9.	+	Interest received	0.4	0.5
10.	–	Taxes paid	–13.0	–26.5
11.	**=**	**Net Cash Flow from operating activities**	**138.6**	**59.1**
12.	+	Proceeds from the disposal of non-current assets and disposal of stores	0.6	1.6
13.	–	Investments in non-current assets	–26.3	–54.7
14.	–	Payments for investments in associated companies	0.0	–0.4
15.	**=**	**Net Cash Flow for investing activities**	**–25.7**	**–53.5**
16.		**Free Cash Flow (sum of 11 and 15)**	**112.9**	**5.6**
17.	+	Receipts from appropriations to equity	0.0	0.9
18.	–	Dividends payed to DOUGLAS shareholders	0.0	–43.4
19.	–	Payments for the repayment of financial liabilities	–163.3	–29.1
20.	+	Proceeds from borrowings	200.0	78.3
21.	–/+	Other financial changes	–3.2	–2.2
22.	**=**	**Net Cash Flow from financing activities**	**33.5**	**4.5**
23.	=	Net change in cash and cash equivalents (total of rows 11, 15 and 22)	146.4	10.1
24.	+/–	Net change in cash and cash equivalents due to currency translation	–0.2	0.1
25.	+	Cash and cash equivalents at beginning of fiscal year	48.4	43.4
26.	**=**	**Cash and cash equivalents as of 03/31**	**194.6**	**53.6**

Statement of changes in Group equity

Statement of changes in Group equity

	Capital stock (in EUR m)	Additonal paid-in capital (in EUR m)	Retained earnings: Other retained earnings (in EUR m)	Retained earnings: Results from Cash Flow Hedges (in EUR m)	Retained earnings: Differences from currency translation (in EUR m)	Non-controlling interests (in EUR m)	Total (in EUR m)
10/01/2011	**118.1**	**222.3**	**460.9**	**0.0**	**–7.0**	**8.7**	**803.0**
Currency translation					2.5		2.5
IAS 39 Hedge Accounting					0.3		0.3
Net result for the period			–60.4			–2.9	–63.3
Total comprehensive income	**0.0**	**0.0**	**–60.4**	**0.0**	**2.8**	**–2.9**	**–60.5**
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
Dividend payment			–43.4			0.0	–43.4
Transactions with shareholders	**0.2**	**1.4**	**–44.5**	**0.0**	**0.0**	**3.8**	**–39.1**
Change in scope of consolidation					–0.3		–0.3
03/31/2012	**118.3**	**223.7**	**356.0**	**0.0**	**–4.5**	**9.6**	**703.1**
10/01/2012	**118.3**	**17.2**	**512.4**	**0.0**	**–3.9**	**15.1**	**659.1**
Currency translation					–1.8		–1.8
IAS 39 Hedge Accounting				–0.9			–0.9
Net result for the period			79.3			0.7	80.0
Total comprehensive income	**0.0**	**0.0**	**79.3**	**–0.9**	**–1.8**	**0.7**	**77.3**
Capital increase							0.0
Dividend payment						–0.1	–0.1
Transactions with shareholders	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–0.1**	**–0.1**
Other changes							0.0
03/31/2013	**118.3**	**17.2**	**591.7**	**–0.9**	**–5.7**	**15.7**	**736.3**

Segment reporting

Segmentation by geographic region – October 1 to March 31 (H1)

	Perfumeries		Books		Jewelry		Other	
	H1 2012/13 (in EUR m)	H1 2011/12 (in EUR m)	H1 2012/13 (in EUR m)	H1 2011/12 (in EUR m)	H1 2012/13 (in EUR m)	H1 2011/12 (in EUR m)	H1 2012/13 (in EUR m)	H1 2011/12 (in EUR m)
Sales								
Germany	598.5	576.3	380.5	384.4	210.2	211.1	124.1	123.9
International	503.0	489.1	131.0	128.9	0.0	0.0	2.9	2.7
	1,101.5	**1,065.4**	**511.5**	**513.3**	**210.2**	**211.1**	**127.0**	**126.6**
Non-current assets								
Germany	108.8	123.6	76.6	75.4	39.7	38.7	96.3	110.1
International	138.6	189.7	23.1	30.4	0.0	0.0	0.8	0.9
	247.4	**313.3**	**99.7**	**105.8**	**39.7**	**38.7**	**97.1**	**111.0**
Capital expenditure								
Germany	7.4	20.3	3.5	8.1	4.1	7.5	2.2	4.8
International	8.1	12.7	1.0	1.3	0.0	0.0	0.0	0.0
	15.5	**33.0**	**4.5**	**9.4**	**4.1**	**7.5**	**2.2**	**4.8**

Segment reporting

Segementation by operating segments – October 1 to March 31 (H1)

		Perfumeries		Books		Jewelry	
		H1 2012/13	H1 2011/12	H1 2012/13	H1 2011/12	H1 2012/13	H1 2011/12
Sales (net)	in EUR m	1,101.5	1,065.4	511.5	513.3	210.2	211.1
Intersegment sales	in EUR m	0.0	0.0	0.0	0.0	0.0	0.0
Sales	in EUR m	1,101.5	1,065.4	511.5	513.3	210.2	211.1
EBITDA	in EUR m	117.2	111.8	31.5	–9.6	25.3	32.5
EBITDA margin	in %	10.6	10.5	6.2	–1.9	12.0	15.4
Scheduled amortization	in EUR m	27.5	29.6	12.6	14.7	5.2	4.8
Impaiments	in EUR m	0.0	0.0	0.0	128.8	0.0	0.0
EBIT	in EUR m	89.7	82.2	18.9	–153.1	20.1	27.7
Interest expense	in EUR m	4.9	4.0	1.4	1.9	1.3	0.8
Interest income	in EUR m	0.9	0.7	0.2	0.2	0.2	0.1
EBT	in EUR m	85.7	78.9	17.7	–154.8	19.0	27.0
Capital expenditure	in EUR m	15.5	33.0	4.5	9.4	4.1	7.5
Average annual number of employees (FTEs)		11,614	11,879	3,933	4,273	2,020	1,974
Sales area	1,000 m^2	284	281	239	247	24	23
Number of stores (March 31)		1,174	1,184	283	295	213	208

Segmentation by divisions – January 1 to March 31 (Q2)

		Perfumeries		Books		Jewelry	
		Q2 2012/13	Q2 2011/12	Q2 2012/13	Q2 2011/12	Q2 2012/13	Q2 2011/12
Sales (net)	in EUR m	417.2	407.8	198.5	192.1	73.5	73.6
EBITDA	in EUR m	26.8	20.9	–9.0	–48.3	–2.8	–0.7
Capital expenditure	in EUR m	7.2	14.6	1.5	4.5	1.7	6.0

Fashion		Confectionery		Services		Consolidation		DOUGLAS Group	
H1 2012/13	H1 2011/12	H1 2012/13	H1 2011/12	H1 2012/13	H1 2011/12	H1 2012/13	H1 2011/12	H1 2012/13	H1 2011/12
60.7	64.5	65.2	60.8	1.1	1.3	0.0	0.0	1,950.2	1,916.4
0.0	0.0	1.2	1.2	20.7	19.5	−21.9	−20.7	0.0	0.0
60.7	64.5	66.4	62.0	21.8	20.8	−21.9	−20.7	1,950.2	1,916.4
3.4	3.9	9.9	8.3	−6.6	−3.2	0.0	0.0	180.7	143.7
5.6	6.1	14.9	13.3	–	–	0.0	0.0	9.3	7.5
2.6	2.8	1.4	1.5	4.7	5.1	0.0	0.0	54.0	58.5
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	128.8
0.8	1.1	8.5	6.8	−11.3	−8.3	0.0	0.0	126.7	−43.6
0.5	0.3	0.2	0.1	5.7	2.2	−6.5	−6.4	7.5	2.9
0.0	0.0	0.0	0.0	6.5	6.5	−6.5	−6.4	1.3	1.1
0.3	0.8	8.3	6.7	−10.5	−4.0	0.0	0.0	120.5	−45.4
0.5	0.5	0.8	1.3	0.9	3.0	0.0	0.0	26.3	54.7
568	590	720	741	560	555	0	0	19,415	20,012
34	35	14	14	0	0	0	0	595	600
13	13	227	237	0	0	0	0	1,910	1,937

Fashion		Confectionery		Services		Consolidation		DOUGLAS Group	
Q2 2012/13	Q2 2011/12	Q2 2012/13	Q2 2011/12	Q2 2012/13	Q2 2011/12	Q2 2012/13	Q2 2011/12	Q2 2012/13	Q2 2011/12
25.6	29.2	23.4	19.5	0.4	0.6	0.0	0.0	738.6	722.8
−1.2	−0.5	0.2	−1.5	−5.0	0.2	0.0	0.0	9.0	−29.9
0.4	0.2	0.5	0.8	0.3	1.4	0.0	0.0	11.6	27.5

Notes to the H1 interim financial report of DOUGLAS HOLDING AG for the fiscal year 2012/13

The consolidated financial statements for the first six 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).

In the perfumeries division, the newly established Dutch company Douglas Franchise B.V. with headquarters in Nijmegen was included in the consolidated financial statements for the first time. The remaining 25 percent stake in the Croatian subsidiary IRIS DOUGLAS d.d. and an additional 25 percent stake in the Bulgarian subsidiary Parfumerie Douglas Bulgaria ood were acquired due to contractual obligations. 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, Kaiserslautern/Germany.

In the first half of fiscal year 2012/13 and in the same period in the prior year, the DOUGLAS Group had the following business relationships with related parties from delivery and supply relationships concluded in the past:

Related companies and related persons

	Deliveries and services received		Deliveries and services provided	
	H1 2012/13 (in EUR m)	H1 2011/12 (in EUR m)	H1 2012/13 (in EUR m)	H1 2011/12 (in EUR m)
Related companies	0.0	0.0	0.0	0.0
Related persons	3.0	0.7	0.1	0.2
Total	**3.0**	**0.7**	**0.1**	**0.2**

Receivables from related companies/persons came to 0.0 million EUR on the balance sheet date (March 31, 2012: 0.3 million EUR) and the corresponding liabilities to 0.5 million EUR (March 31, 2012: 0.3 million EUR). Business relationships with related persons are effected under the same conditions as with third parties (arm's length transaction).

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.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and result of operations of the Group, and the combined management report of the company and the Group and 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.

Hagen, May 13, 2013
DOUGLAS HOLDING AG

The Executive Board

Dr. Henning Kreke

Dr. Dennis Schulze

Manfred Kroneder

Michael Busch

Contact

Communications
Phone (+49) 23 31/690–466
Fax (+49) 23 31/690–690
pr@douglas-holding.com

Investor Relations
Phone (+49) 23 31/690–5301
Fax (+49) 23 31/690–8760
ir-info@douglas-holding.com

Credits

Publisher
DOUGLAS HOLDING AG
Kabeler Straße 4
58099 Hagen, Germany
Phone (+49) 23 31/690–0
Fax (+49) 23 31/690–271
info@douglas-holding.com

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.

The accompanying Interim Report was published on May 15, 2013.

Douglas
www.douglas.de

Thalia
www.thalia.de · www.buch.de

CHRIST
www.christ.de

AppelrathCüpper
www.appelrath.de

HUSSEL
Confiserie
www.hussel.de

DOUGLAS HOLDING
www.douglas-holding.com