Interim Report H1
Fiscal Year 2009/10

DOUGLAS HOLDING

Excellence in Retailing

AN OVERVIEW OF THE DOUGLAS GROUP

Key figures

		H1 (10/01 – 03/31)			Q2 (01/01 – 03/31)		
		2009/10	**2008/09**	**Change (in %)**	**2009/10**	**2008/09**	**Change (in %)**
Sales	EUR m	1,834.6	1,777.6	3.2	706.5	655.5	7.8
national	*EUR m*	*1,199.1*	*1,154.5*	*3.9*	*457.0*	*422.2*	*8.3*
international	*EUR m*	*635.5*	*623.1*	*2.0*	*249.5*	*233.3*	*6.9*
EBITDA	EUR m	202.2	178.1	13.5	23.3	5.3	-
margin	*in %*	*11.0*	*10.0*	-	*3.3*	*0.8*	-
EBT	EUR m	136.3	111.1	22.7	-5.4	-22.0	-
margin	*in %*	*7.4*	*6.3*	-	*-0.8*	*-3.4*	-
Net income	EUR m	91.4	74.8	22.2	-4.9	-13.4	-
Earnings per share	EUR	2.32	1.90	22.1	-0.13	-0.34	-
Free Cash Flow	EUR m	102.0	52.9	92.8			
Capital expenditure	EUR m	45.5	67.4	-32.5			
		03/31/2010	**03/31/2009**	**09/30/2009**			
Equity	EUR m	771.8	710.9	710.9			
Equity ratio	*in %*	*44.8*	*39.8*	*42.1*			
Balance sheet total	EUR m	1,723.3	1,788.1	1,688.6			
Working capital [1]	EUR m	463.5	481.6	455.0			
Net bank debt [2]	EUR m	107.9	199.8	165.3			
Employees		24,076	24,151	24,190			
Stores		1,972	1,993	2,005			
Sales area	1,000 sqm	592.4	582.4	590.6			

[1] Inventories and trade accounts receivable less trade accounts payable
[2] Liabilities due to banks less cash and cash equivalents

SALES PERFORMANCE DURING THE FIRST SEVEN MONTHS OF THE 2009/10 FISCAL YEAR

- Sales increased by 2.8 percent by the end of April (domestic: 3.4 percent; foreign: 1.6 percent)
- Like-for-like sales at previous year's level (domestic: 1.2 percent; foreign: -2.4 percent)

HALF YEAR FIGURES BENEFITED FROM SHIFT IN EASTER BUSINESS

Group half year sales up by 3.2 percent over prior year:

- Sales performance positively impacted by full consolidation of buch.de internetstores AG
- Solid sales performance in Germany
- Decrease in like-for-like sales abroad due to difficult economic conditions

Earnings before taxes (EBT) increased to 136.3 million EUR:

- Earnings benefited from earlier Easter business and the revaluation of the buch.de shares (6.1 million EUR)
- Prior year's earnings affected by closing costs of 12 million EUR
- Earnings of all divisions at or above previous year's level

Solid financing and capital structure:

- Free Cash Flow increased by 49 million EUR to 102 million EUR
- Net bank debt decreased from 200 million to 108 million EUR

Annual forecast specified:

- Sales growth at upper end of target range of 0 to 2 percent
- Earnings before taxes at upper end of target range of 120 to 130 million EUR

INTERIM GROUP MANAGEMENT REPORT

BUSINESS ACTIVITIES AND OPERATING ENVIRONMENT

A leading European specialty retailer

The DOUGLAS Group is a leading European retail group. With its five decentralized retailing divisions, it is currently represented with over 1,900 specialty stores spanning across 21 countries.

About 24,000 employees assure that our customers experience competent advice, excellent service and first-class products at fair prices in an attractive shopping ambiance each and every day.

Stable consumer demand in Germany

With a slight rise of 0.4 percent in 2009, private consumption has proven to be an important support factor for the German economy. Private consumption was particularly driven through state environmental premiums and the associated revival in demand for automobiles. According to a survey of the Federation of German Retailers (Handelsverband Deutschland (HDE)), the German retail sector posted a nominal sales drop of 1.6 percent and 1.9 percent in real terms; representing only a comparatively moderate decline over the 2009 crisis year. The share of retail sales from private consumer spending fell to a historical low of 27.5 percent.

Retail sector sales for the first two months of 2010 were at the prior year's low level. Although the mood in the retail environment has improved markedly according to an economic survey conducted by HDE in the spring of 2010, the association does not expect a significant increase in sales for the full year.

The DOUGLAS Group Brands

Douglas	The Douglas Perfumeries are currently represented in 21 countries. As the European market leader, Douglas stands for competence in the areas of perfume, cosmetics and body care.
Thalia	Thalia bookstores also enjoy a leading position in Germany, Austria and Switzerland, offering an extensive and sophisticated assortment of products.
CHRIST	The Christ jewelry stores lead the market in Germany in the mid to upper price range of the jewelry and watches segment.
AppelrathCüpper	The AppelrathCüpper women's fashion stores are held in high esteem at all their locations for the excellent quality of the clothing offered.
HUSSEL Confiserie	The confectionery specialist – Hussel – leads the market in the German confectionery sector and since 2005 is present in Austria as well.

NET ASSETS, FINANCIAL POSITION AND RESULT OF OPERATIONS

Satisfying sales performance in Germany compensates weak sales development in some foreign markets

Given the on-going challenging consumption environment, the DOUGLAS Group's first half year period of the 2009/10 fiscal year (October 1, 2009 to March 31, 2010) developed satisfactory on the whole. In particular, the sales performance in Germany benefitted from the earlier Easter business. In the previous year, the Easter sales fell largely in April and therewith into the third reporting quarter. Sales generated in foreign

Net sales development by division

	Net sales (in EUR m)		Change (in %)		Net sales (in EUR m)		Change (in %)	
	H1 2009/10	H1 2008/09	Total	Like-for-like	Q2 2009/10	Q2 2008/09	Total	Like-for-like
Perfumeries	1,034.9	1,019.4	1.5	-0.6	393.3	372.2	5.7	1.8
national	*518.5*	*504.3*	*2.8*	*1.8*	*193.0*	*181.8*	*6.2*	*5.3*
international	*516.4*	*515.1*	*0.3*	*-3.1*	*200.3*	*190.4*	*5.2*	*-1.6*
Books	498.0	455.7	9.3	2.0	200.8	177.0	13.5	1.9
national	*381.7*	*350.5*	*8.9*	*1.8*	*152.6*	*135.0*	*13.1*	*2.3*
international	*116.3*	*105.2*	*10.5*	*2.6*	*48.2*	*42.0*	*14.7*	*0.6*
Jewelry	173.6	168.8	2.9	3.9	60.5	56.2	7.7	8.7
Fashion	64.6	71.2	-9.3	-1.8	29.7	30.2	-2.0	-0.4
Confectionery	62.1	60.9	1.8	2.3	21.5	19.2	11.6	12.2
national	*59.3*	*58.1*	*2.0*	*2.5*	*20.5*	*18.3*	*12.1*	*12.8*
international	*2.8*	*2.8*	*-0.6*	*-0.6*	*1.0*	*0.9*	*2.9*	*2.9*
Services	1.4	1.6	-	-	0.7	0.7	-	-
DOUGLAS Group	**1,834.6**	**1,777.6**	**3.2**	**0.5**	**706.5**	**655.5**	**7.8**	**2.5**
national	*1,199.1*	*1,154.5*	*3.9*	*1.9*	*457.0*	*422.2*	*8.3*	*4.5*
international	*635.5*	*623.1*	*2.0*	*-2.0*	*249.5*	*233.3*	*6.9*	*-1.1*

markets were, however, predominantly marked by the weak performances delivered in Eastern Europe.

The DOUGLAS Group's sales saw a 3.2 percent jump to 1.83 billion EUR. Besides the shift in Easter business, the half year sales profited from the full consolidation of buch.de internetstores AG, Münster (buch.de). After having attained a majority shareholding of 60.2 percent in buch.de, this company has been consolidated since December 1, 2009. But also on a comparative basis (hereinafter referred to as "like-for-like"), which reflects only those stores that operated during both the reporting and the comparable prior periods, net sales slightly increased by 0.5 percent. Consequently, the weak demand in certain foreign markets was pleasingly offset by the solid sales development in Germany.

In Germany, first half year sales improved by 3.9 percent. On a like-for-like basis, the prior year's sales were surpassed by 1.9 percent.

In the foreign markets, sales did however rise by a total of 2.0 percent despite the continued difficult economic conditions suffered in several foreign markets. On a like-for-like basis, sales missed the prior year's sales figure by 2.0 percent. The share of foreign subsidiaries in Group sales declined from 35.1 percent to 34.6 percent.

Not taking buch.de's sales into account, the DOUGLAS Group achieved a sales gain of 1.1 percent for the first half year period, with like-for-like sales reaching the previous year's level. In Germany, sales improved by 1.2 percent (like-for-like: 1.1 percent).

Net sales development without buch.de

	H1 2009/10 Change (in %)		Q2 2009/10 Change (in %)	
	Total	Like-for-like	Total	Like-for-like
DOUGLAS Group	**1.1**	**0.0**	**4.2**	**1.7**
national	*1.2*	*1.1*	*3.8*	*3.3*
international	*0.8*	*-2.1*	*4.8*	*-1.2*
Books	**1.0**	**0.0**	**0.1**	**-1.1**
national	*0.3*	*-0.7*	*-0.7*	*-1.5*
international	*3.4*	*2.2*	*2.6*	*0.4*

Foreign sales increased by 0.8 percent over the previous year (like-for-like: -2.1 percent).

The 1,207 Douglas Perfumeries generated sales of 1.03 billion EUR, and therefore a slight increase of 1.5 percent. On a like-for-like basis, the respectable performance given in Germany offset the weak sales performance delivered abroad only in part, so that the prior year's sales fell short by just 0.6 percent. Benefitting from the earlier Easter business, the 446 German Perfumeries posted a satisfying sales performance. They registered a sales increase of 2.8 percent, with like-for-like sales also rising by 1.8 percent.

Following lower sales in the first reporting quarter, the 761 Perfumeries outside of Germany recorded a sales gain in the second quarter. At the end of the first half year, a sales gain of 0.3 percent or sales of 516.4 million EUR were recorded. Like-for-like sales were 3.1 percent behind the previous year. Sales growth recorded by the Douglas Perfumeries in Poland, Italy and France could not offset the lower turnover posted in the Baltic States, Spain, Hungary and Portugal. The share of sales from foreign subsidiaries to total Perfumery sales declined from 50.5 percent last year to 49.9 percent.

The 288 Thalia bookstores improved their sales - supported by the sales contribution from buch.de and the earlier Easter sales - by 9.3 percent to 498.0 million EUR. Like-for-like sales were also up 2.0 percent over the prior year. Excluding buch.de, sales were higher by 1.0 percent year-on-year; like-for-like sales matched the prior year's level.

Sales at the 232 bookstores in Germany jumped 8.9 percent, reaching 381.7 million EUR. On a like-for-like basis, a sales gain of 1.8 percent was achieved. Sales at the 56 Thalia bookstores outside of Germany surpassed the prior year's sales by 10.5 percent, coming in at 116.3 million EUR. Like-for-like sales were up 2.6 percent. The solid sales performance posted in Austria largely contributed to the sales gain.

In the Jewelry division, the 203 Christ stores increased their sales by 2.9 percent to 173.6 million EUR, with like-for-like Christ sales also surpassing the prior year's high sales figure by 3.9 percent. Accordingly, Christ continued with its gratifying performance thanks to their successful realization of the exclusive and trend labels strategy.

In a persistently tough market environment, the 14 AppelrathCüpper fashion stores registered a like-for-like sales decline of 1.8 percent. The total sales drop of 9.3 percent to 64.6 million EUR is largely due to the store closure in Berlin, which included sales until the end of January last year.

Despite numerous closures undertaken as part of the store network streamlining, the 260 Hussel confectionery shops achieved sales of 62.1 million EUR for a sales gain of 1.8 percent – thanks to the respectable Easter sales. Like-for-like sales were also up by 2.3 percent.

Fewer stores following the store network streamlining

The DOUGLAS Group's store network as of the end of March 2010 fell by 21 to 1,972 specialty retail stores compared to the same period last year. This was the consequence of the store closures conducted as part of the special store network streamlining program passed already in the past fiscal year. During the first half year, nearly half of the 50 planned closures were conducted and dealt exclusively with the Perfumery division. On a year-on-year comparison, there were 85 new openings (prior year: 140), two acquisition-related additions (prior year: 53) and a total of 108 closures (prior year: 75).

Store network development

	Stores		Change
	03/31/2010	**03/31/2009**	**Absolute**
Perfumeries	1,207	1,210	-3
national	*446*	*451*	*-5*
international	*761*	*759*	*2*
Books	288	290	-2
national	*232*	*236*	*-4*
international	*56*	*54*	*2*
Jewelry	203	202	1
Fashion	14	14	0
Confectionery	260	277	-17
national	*246*	*261*	*-15*
international	*14*	*16*	*-2*
DOUGLAS Group	**1,972**	**1,993**	**-21**
national	*1,141*	*1,164*	*-23*
international	*831*	*829*	*2*

Pre-tax earnings (EBT) rise to 136.3 million EUR

The DOUGLAS Group's earnings before taxes (EBT) increased to 136.3 million EUR in the first half year following 111.1 million EUR one year earlier. In addition to the earlier Easter business, the one-off valuation effect arising from the revaluation of shares previously held in buch.de in the amount of 6.1 million EUR in the first quarter also contributed to this increase. Furthermore, the prior year's quarter was impacted by an amount of 12 million EUR arising from the subleasing of the AppelrathCüpper fashion store in Berlin and the planned store network streamlining. The return on sales – the ratio of EBT to sales – stood at 7.4 percent in the reporting period after 6.3 percent in the previous year (excluding buch.de: 7.2 percent).

The Douglas Perfumeries succeeded in increasing their earnings thanks to the solid sales performance delivered by the Perfumeries in Germany. The Thalia bookstores improved their prior year's earnings mainly through the revaluation of the buch.de shares. The

EBT and EBT margins

	H1 (10/01 – 03/31)				Q2 (01/01 – 03/31)			
	EBT (in EUR m)		EBT margin (in %)		EBT (in EUR m)		EBT margin (in %)	
	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Perfumeries	76.6	66.2	7.4	6.5	6.0	-5.6	1.5	-1.5
Books[1]	33.5	26.9	6.7	5.9	-5.1	-4.2	-2.5	-2.3
Jewelry	20.1	18.9	11.6	11.2	-4.1	-5.2	-6.8	-9.3
Fashion	0.2	-4.4	0.3	-6.2	-3.1	-6.9	-10.3	-22.9
Confectionery	7.5	6.1	11.8	9.8	-1.4	-3.1	-6.7	-16.0
Services	-1.6	-2.6	-	-	2.3	3.0	-	-
DOUGLAS Group[1]	**136.3**	**111.1**	**7.4**	**6.3**	**-5.4**	**-22.0**	**-0.8**	**-3.4**

[1] Including one-off valuation effects of 6.1 million EUR from the revaluation of shares previously held in buch.de according to IFRS 3

Christ jewelry stores surpassed the prior year's high earnings as a consequence of the solid sales performance given. The earnings registered by the AppelrathCüpper women's fashion stores – adjusted by the subleasing costs of the Berlin store – reached the prior year's level. The Hussel confectionery shops increased their earnings thanks to the earlier Easter business.

Earnings before interest, taxes, depreciation and amortization (EBITDA) of the DOUGLAS Group improved from 178.1 million EUR to 202.2 million EUR largely from the earlier Easter business and the one-off effect from the revaluation of previously held shares in buch.de. Moreover, the prior year's earnings were impacted by closing costs in the amount of 12 million EUR. The EBITDA margin – the ratio of EBITDA to sales – reached 11.0 percent after 10.0 percent in the same period last year (excluding buch.de: 10.9 percent).

Tax expenses for the reporting period increased to 44.9 million EUR after 36.3 million EUR in the prior year as a consequence of the improved earnings. The tax ratio stood at 32.9 percent, marginally above the prior year's tax ratio of 32.7 percent. A tax ratio of between 35 percent and 37 percent is anticipated for the entire 2009/10 fiscal year.

The first six-month period of the 2009/10 fiscal year closed with Group net income of 91.4 million EUR after 74.8 million EUR last year. Correspondingly, the earnings per share improved to 2.32 EUR versus 1.90 EUR one year before.

Lower capital expenditure

The capital expenditure volume at the end of the reporting period came in at 45.5 million EUR after 67.4 million EUR in the same period last year. All in all, investments comprised of 49 new openings in the first six months (prior year: 68) as well as the expansion and modernization of existing locations. In the largest division Perfumeries, Douglas opened 31 new stores in the reporting period (prior year: 55), including 26 outside of Germany (prior year: 48).

Adjusted EBT in H1 (10/01 – 03/31)

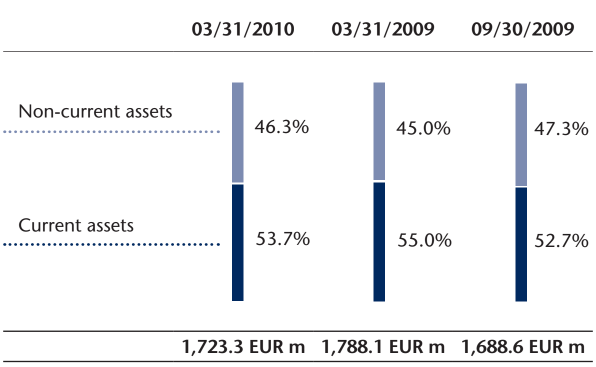
	2009/10	2008/09	Change (in EUR m)
EBT before adjustments	**136.3**	**111.1**	**25.2**
Revaluation effect buch.de	6.1	0.0	6.1
Closing costs	0.0	12.0	-12.0
EBT after adjustments	**130.2**	**123.1**	**7.1**

Free Cash Flow significantly above the prior year

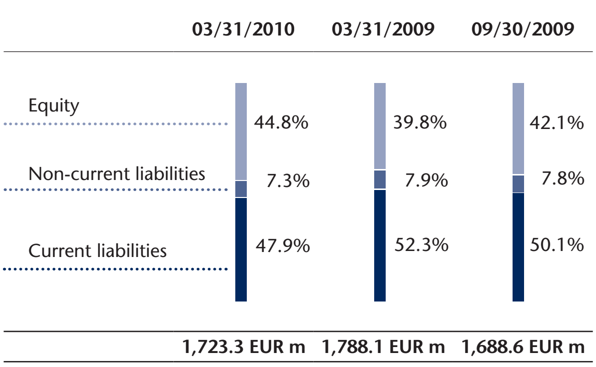
At the end of the first half of the 2009/10 fiscal year, the free cash flow came in at 102.0 million EUR, which was significantly above the prior year's figure of 52.9 million EUR. This was largely due to the higher cash inflow from operating activities. Besides the higher operating earnings, the lower working capital also contributed to this.

The cash outflow for investing activities increased to 88.3 million EUR after 65.0 million EUR last year. The purchase price payments for the acquisition of buch.de shares and for minority interests in two Group subsidiaries substantially exceeded the previous year's low figure. This was offset only in part by the lower capital spending on stores.

Consolidated balance sheet: assets



Consolidated balance sheet: equity and liabilities



Continued solid net assets and capital structure

Compared with the previous half year balance sheet date (March 31), the balance sheet total fell to 1.7 billion EUR as a result of lower capital spending, store closures and the reduced working capital. The equity ratio improved to 44.8 percent after 39.8 percent in the same period last year.

Compared to March 31, 2009, the working capital dropped as a consequence of lower inventory balances due to the shift in the Easter business.

The reduction in net bank debt of 91.9 million EUR to 107.9 million EUR compared with the same period last year, predominantly arose from lower cash employed in working capital and fewer investments conducted in the first half year.

Number of employees at prior year's level

As of March 31, 2010, the DOUGLAS Group employed a total of 24,076 persons (prior year: 24,151). As of the end of the first six-month period, the number of employees outside of Germany totaled 9,501 plus 14,575 employees in Germany; of which 1,321 represented trainees or apprentices.

Personnel expenses slightly increased to 356.7 million EUR after 352.4 million EUR the year before. The personnel expense ratio however fractionally dropped from 19.8 to 19.4 percent.

The DOUGLAS Share

The DOUGLAS shares closed on XETRA at 34.21 EUR on March 31, 2010, registering a share gain of 8.7 percent in the first half of the 2009/10 fiscal year. As of the same period, the MDAX rose by 10.5 percent, with the DAX rising by 8.3 percent. In the reporting period, the average daily turnover of the DOUGLAS shares in XETRA trading came in at 89,000 shares. The average share price stood at 33.27 EUR. According to Deutsche Börse AG's index system, which only takes the free float into account when calculating market capitalization, the DOUGLAS shares ranked 28th place in the MDAX at the end of March 2010 (prior year: 18th).

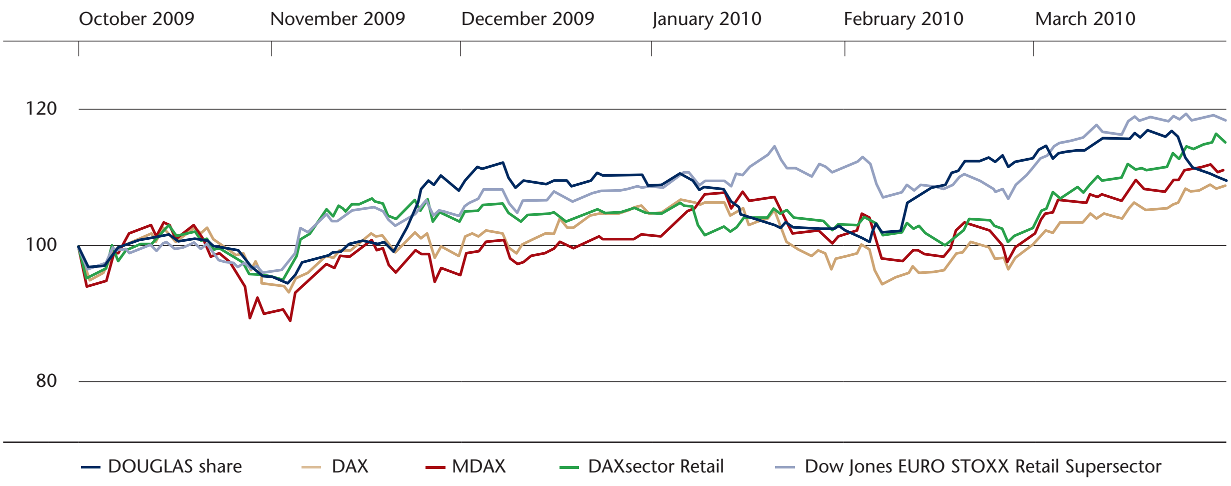
No change in opportunities and risks situation

Since the start of the 2009/10 fiscal year, there have been no significant changes to the opportunities

DOUGLAS share – Market overview

		03/31/2010	03/31/2009
Shares issued	m	39.3	39.2
Capital stock	EUR m	118.0	117.8
Market capitalization	EUR m	1,345.0	1,170.1
Stock quotation	EUR	34.21	29.79
XETRA – highest stock quotation (10/01 - 03/31)	EUR	36.46	33.80
XETRA – lowest stock quotation (10/01 - 03/31)	EUR	29.56	27.27

Indexed price of the DOUGLAS share for the first six-month period 2009/10 (in %)



and risks with respect to the Group's business development in the future. 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 Report – as presented on pages 50 to 53 in the Annual Company Report as of September 30, 2009 – remain unchanged.

SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

Important events subsequent to the balance sheet date did not arise.

FORECAST

Hardly any growth perspectives in retail in 2010

According to the German Retail Association (Handelsverbands Deutschland (HDE)), a tense situation will continue to lie ahead for the German retailers in 2010. Correspondingly, the HDE projects that sales in the retail sector for the year 2010 will remain at the weak level reported in 2009. Price-adjusted, this would translate into a sales decline in Germany of 0.5 percent.

Following slightly lower retail prices in 2009, the HDE expects that the inflation rate for the German retailers will stand at 0.5 percent in 2010. Furthermore, a greater increase in the savings rate is anticipated in 2010.

General statement by the Executive Board on the economic situation and future development of the DOUGLAS Group

DOUGLAS HOLDING AG's Executive Board still assesses the DOUGLAS Group's situation as positive. The DOUGLAS Group is well-positioned and possesses a solid net assets, financial position and result of operations. It will continue to pursue its current strategic direction. The aim is to grow further in a controlled manner and to secure and expand its status as a leading European lifestyle Group in the retail sector. New markets are not expected to be entered in the current fiscal year. The unchanged product portfolio will be continued at first and the firm market positions of Douglas, Thalia, Christ, AppelrathCüpper and Hussel will be further expanded. For this purpose, a total investment volume of up to 120 million EUR has been set aside for the 2009/10 fiscal year.

The focus of investments will lie on the further value-oriented growth of the Douglas Perfumeries. All in all, approximately 40 new stores are scheduled to open their doors throughout Europe, whereby the expansion focus will be placed on Italy and Poland. In addition, Douglas will largely invest in Germany with the aim of modernizing a number of existing perfumeries. In the product-mix area, priorities will be set on expanding exclusive and private labels.

In the Books division, the focus will be to expand the multichannel strategy and to raise profitability. The Thalia bookstores will secure its leading market position in German-speaking Europe through the opening of five to ten bookstores and numerous modernization programs.

The Jewelry division will aim to further expand Christ's leading market position in Germany. To this end, up to ten new openings and various remodeling work will be scheduled. Moreover, the service expertise and the successful mix of exclusive and private labels will be strengthened.

The goal in the Fashion division is to position AppelrathCüpper as a profiled premium brands seller of women's fashion clothes in the mid to upper genre at attractive prices. The alterations introduced for improved service, more modern product lines and modern merchandise are largely complete. The challenge now lies in advertising the new directions undertaken.

Hussel aims to expand its quality and innovative leadership on the German confectionery market. That is why Hussel will refine its product structure and optimize market penetration. In addition, the shop design will be refreshed and successively introduced through new openings and modernization work.

Annual forecast specified

Given the ongoing tense consumption environment, the first half of the fiscal year 2009/10 performed quite satisfactorily for the DOUGLAS Group. Benefiting from the earlier Easter business, the home market registered a solid sales performance in the reporting period. Unfortunately, the foreign business fell short of expectations due to the persistently difficult macroeconomic conditions in several foreign markets.

On the basis of the sales and earnings performances delivered in the first seven months of the 2009/10 fiscal year, the Executive Board now assumes that the annual forecast will reach the upper end of the target range. So far, a sales gain of between 0 to 2 percent and earnings before taxes of between 120 to 130 million EUR have been projected.

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 OF DOUGLAS HOLDING AG

for the period from October 1, 2009 to March 31, 2010

Income Statement

		H1 2009/10	H1 2008/09	Q2 2009/10	Q2 2008/09
		10/01/2009 to 03/31/2010	10/01/2008 to 03/31/2009	01/01/2010 to 03/31/2010	01/01/2009 to 03/31/2009
		EUR m	EUR m	EUR m	EUR m
1.	**Sales**	**1,834.6**	**1,777.6**	**706.5**	**655.5**
2.	Cost of raw materials, consumables and supplies and merchandise	-978.8	-943.6	-370.5	-340.0
3.	**Gross profit from retail business**	**855.8**	**834.0**	**336.0**	**315.5**
4.	Other operating income	100.4	107.1	44.2	53.1
5.	Personnel expenses	-356.7	-352.4	-175.6	-171.4
6.	Other operating expenses	-397.3	-411.0	-181.3	-192.1
7.	Income from other investments in associates	0.0	0.4	0.0	0.2
8.	Income from other investments	0.0	0.0	0.0	0.0
9.	**EBITDA**	**202.2**	**178.1**	**23.3**	**5.3**
10.	Amortization/depreciation	-57.5	-57.5	-29.2	-29.3
11.	**EBIT**	**144.7**	**120.6**	**-5.9**	**-24.0**
12.	Financial income	1.3	3.1	0.6	2.6
13.	Financial expenses	-9.7	-12.6	-0.1	-0.6
14.	Financial result	-8.4	-9.5	0.5	2.0
15.	**Earnings before taxes (EBT)**	**136.3**	**111.1**	**-5.4**	**-22.0**
16.	Income taxes	-44.9	-36.3	0.5	8.6
17.	**Net income for the year**	**91.4**	**74.8**	**-4.9**	**-13.4**
18.	Profit attributable to minority interests	-0.2	-0.1	-0.1	-0.1
19.	**Profit attributable to the Group shareholders**	**91.2**	**74.7**	**-5.0**	**-13.5**
		EUR	EUR	EUR	EUR
	Earnings per share	**2.32**	**1.90**	**-0.13**	**-0.34**

STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income

	H1 2009/10	H1 2008/09	Q2 2009/10	Q2 2008/09
	10/01/2009 to 03/31/2010	10/01/2008 to 03/31/2009	01/01/2010 to 03/31/2010	01/01/2009 to 03/31/2009
	EUR m	EUR m	EUR m	EUR m
Net income for the period	**91.4**	**74.8**	**-4.9**	**-13.4**
Foreign currency translation differences arising from translating the financial statements of a foreign operation	6.1	-17.2	5.3	-4.7
Effective portion of gains and losses on hedging instruments in a cash flow hedge	0.0	-1.7	0.0	-0.7
Total comprehensive income	**97.5**	**55.9**	**0.4**	**-18.8**
Total comprehensive income attributable to Group shareholders	97.3	56.0	0.5	-18.7
Total comprehensive income attributable to minority interests	0.2	-0.1	-0.1	-0.1

CONSOLIDATED BALANCE SHEET OF DOUGLAS HOLDING AG

as of March 31, 2010

Assets

		03/31/2010	03/31/2009	09/30/2009
		EUR m	EUR m	EUR m
A.	**Non-current assets**			
I.	Intangible assets	273.8	268.6	265.5
II.	Property, plant and equipment	472.9	506.3	478.6
III.	Tax receivables	7.7	0.0	7.7
IV.	Financial assets	5.3	4.7	5.8
V.	Investment in associates	0.0	8.0	7.9
VI.	Deferred tax assets	36.2	18.7	33.3
		795.9	**806.3**	**798.8**
B.	**Current assets**			
I.	Inventories	673.4	692.4	667.1
II.	Trade accounts receivable	51.5	44.3	42.7
III.	Tax receivables	31.3	44.4	24.3
IV.	Financial assets	90.9	110.2	94.9
V.	Other assets	32.1	34.0	25.0
VI.	Cash and cash equivalents	48.2	56.5	35.8
		927.4	**981.8**	**889.8**
		1,723.3	**1,788.1**	**1,688.6**

Equity and liabilities

		03/31/2010	03/31/2009	09/30/2009
		EUR m	EUR m	EUR m
A.	**Equity**			
I.	Capital stock	118.0	117.8	117.8
II.	Additional paid-in capital	220.2	218.9	218.9
III.	Retained earnings	427.6	374.1	374.0
IV.	Minority interests	6.0	0.1	0.2
		771.8	**710.9**	**710.9**
B.	**Non-current liabilities**			
I.	Provisions for pensions	29.7	28.4	29.6
II.	Other non-current provisions	23.2	22.0	22.8
III.	Financial liabilities	60.0	79.2	65.1
IV.	Other liabilities	6.1	5.3	5.3
V.	Deferred tax liabilities	7.1	8.0	6.9
		126.1	**142.9**	**129.7**
C.	**Current liabilities**			
I.	Current provisions	124.9	111.8	133.3
II.	Trade accounts payable	261.4	255.1	254.8
III.	Tax liabilities	98.1	94.5	50.6
IV.	Financial liabilities	205.3	342.9	296.2
V.	Other liabilities	135.7	130.0	113.1
		825.4	**934.3**	**848.0**
		1,723.3	**1,788.1**	**1,688.6**

CASH FLOW STATEMENT

Cash Flow Statement

			10/01/2009 to 03/31/2010	10/01/2008 to 03/31/2009
			EUR m	EUR m
1.		EBIT	144.7	120.6
2.	+	Amortization/depreciation of non-current assets	57.5	57.5
3.	–	Decrease in provisions	-10.6	-2.9
4.	–	Other non-cash income/expense	-2.4	-4.6
5.	+/–	Profit/loss on the disposal of non-current assets	0.6	1.2
6.	+/–	Changes in inventories, trade receivables and other assets not classifiable to investing or financing activities	-16.7	-40.7
7.	+/–	Changes in trade payables and other liabilities not classifiable to investing or financing activities	37.2	17.1
8.	–	Interest paid	-3.0	-8.1
9.	+	Interest received	0.4	0.7
10.	–	Taxes paid	-17.4	-22.9
11.	=	**Net cash flow from operating activities**	**190.3**	**117.9**
12.	+	Proceeds from the disposal of non-current assets and disposal of stores	2.2	6.4
13.	–	Investments in non-current assets	-45.5	-68.0
14.	–	**Payments for acquisition and disposal of consolidated companies and other business units**	**-45.0**	**-3.4**
15.	=	**Net cash flow for investing activities**	**-88.3**	**-65.0**
16.		**Free cash flow (sum of 11 and 15)**	**102.0**	**52.9**
17.	+	Receipts from appropriations to equity	0.6	0.6
18.	–	Dividends paid to DOUGLAS shareholders	-43.3	-43.2
19.	–	Payments for the repayment of financial liabilities	-76.8	-15.5
20.	+	Proceeds from borrowings	31.1	11.8
21.	+/–	Other financial changes	-2.5	-1.4
22.	=	**Net cash flow from financing activities**	**-90.9**	**-47.7**
23.	=	**Net change in cash and cash equivalents (total of rows 11, 15 and 22)**	**11.1**	**5.2**
24.	+/–	Net change in cash and cash equivalents due to currency translation	0.5	-1.6
25.	+	Cash and cash equivalents at beginning of reporting period	36.7	53.2
26.	=	**Cash and cash equivalents at end of reporting period**	**48.3**	**56.8**

SEGMENT REPORTING

by geographical areas – October 1 to March 31 (H1)

	Perfumeries		Books		Jewelry		Other	
in EUR m	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Sales								
Germany	*518.5*	*504.3*	*381.7*	*350.5*	*173.6*	*168.8*	*125.3*	*130.9*
International	*516.4*	*515.1*	*116.3*	*105.2*	*0.0*	*0.0*	*2.8*	*2.8*
	1,034.9	**1,019.4**	**498.0**	**455.7**	**173.6**	**168.8**	**128.1**	**133.7**
Assets								
Germany	*107.1*	*119.6*	*186.5*	*183.0*	*30.1*	*26.7*	*119.4*	*124.2*
International	*274.4*	*301.8*	*27.8*	*25.6*	*0.0*	*0.0*	*1.5*	*2.0*
	381.5	**421.4**	**214.3**	**208.6**	**30.1**	**26.7**	**120.9**	**126.2**
Capital expenditure								
Germany	*9.0*	*12.6*	*8.0*	*14.3*	*6.5*	*3.3*	*4.8*	*11.7*
International	*13.6*	*24.4*	*3.6*	*1.1*	*0.0*	*0.0*	*0.0*	*0.0*
	22.6	**37.0**	**11.6**	**15.4**	**6.5**	**3.3**	**4.8**	**11.7**

SEGMENT REPORTING

Operating segments – October 1 to March 31 (H1)

	Perfumeries		Books		Jewelry	
in EUR m	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Sales (net)	1,034.9	1,019.4	498.0	455.7	173.6	168.8
Intersegment sales	0.0	0.0	0.0	0.0	0.0	0.1
Sales	**1,034.9**	**1,019.4**	**498.0**	**455.7**	**173.6**	**168.9**
Earnings from investments in associates	0.0	0.0	0.0	0.4	0.0	0.0
Earnings from other investments	0.0	0.0	0.0	0.0	0.0	0.0
Reversal of impairments	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	114.4	109.1	54.6	47.3	24.8	23.5
EBITDA margin in %	11.1	10.7	11.0	10.4	14.3	13.9
Scheduled amortization/depreciation	31.6	33.5	13.2	12.0	3.7	3.5
Impairments	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**82.8**	**75.6**	**41.4**	**35.3**	**21.1**	**20.0**
Interest expense	7.1	11.5	8.2	8.8	1.1	1.2
Interest income	0.9	2.1	0.3	0.4	0.1	0.1
EBT	**76.6**	**66.2**	**33.5**	**26.9**	**20.1**	**18.9**
Assets (March 31)	381.5	421.4	214.3	208.6	30.1	26.7
Capital expenditure	22.6	37.0	11.6	15.4	6.5	3.3
Average annual number of employees (FTEs)	12,202	12,472	4,272	4,157	1,726	1,715
Average annual sales area (1,000 m²)	280	271	242	240	21	20
Number of stores (March 31)	1,207	1,210	288	290	203	202

Operating segments – January 1 to March 31 (Q2)

	Perfumeries		Books		Jewelry	
in EUR m	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Sales (net)	393.3	372.2	200.8	177	60.5	56.2
EBITDA	24.9	14.7	1.2	2.0	-1.8	-3.1
Capital expenditure	10.1	16.8	7.6	5.9	4.6	0.9

STATEMENT OF CHANGES IN GROUP EQUITY

Statement of Changes in Group Equity

in EUR m	Capital stock	Additional paid-in capital	Retained earnings: Other retained earnings	Retained earnings: Results from cash flow hedges	Retained earnings: Differences from currency translation	Minority interests	Total
10/01/2008	**117.7**	**217.8**	**361.1**	**0.1**	**0.1**	**0.2**	**697.0**
Currency translation					-17.0	-0.2	-17.2
IAS 39				-1.7			-1.7
Net income for the period			74.7			0.1	74.8
Total comprehensive income	**0.0**	**0.0**	**74.7**	**-1.7**	**-17.0**	**-0.1**	**55.9**
Capital increase (employee shares)	0.1	1.1					1.2
Dividend payment			-43.2				-43.2
Transactions with shareholders	**0.1**	**1.1**	**-43.2**	**0.0**	**0.0**	**0.0**	**-42.0**
03/31/2009	**117.8**	**218.9**	**392.6**	**-1.6**	**-16.9**	**0.1**	**710.9**
10/01/2009	**117.8**	**218.9**	**386.2**	**-1.4**	**-10.8**	**0.2**	**710.9**
Currency translation					6.1		6.1
IAS 39							0.0
Net income for the period			91.2			0.2	91.4
Total comprehensive income	**0.0**	**0.0**	**91.2**	**0.0**	**6.1**	**0.2**	**97.5**
Capital increase (employee shares)	0.2	1.3					1.5
IAS 32			-0.4				-0.4
Dividend payment			-43.3				-43.3
Transactions with shareholders	**0.2**	**1.3**	**-43.7**	**0.0**	**0.0**	**0.0**	**-42.2**
Change in the scope of consolidation						5.6	5.6
03/31/2010	**118.0**	**220.2**	**433.7**	**-1.4**	**-4.7**	**6.0**	**771.8**

Fashion		Confectionery		Services		Reconciliation		DOUGLAS Group	
2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
64.6	71.2	62.1	60.9	1.4	1.6	0.0	0.0	1,834.6	1,777.6
0.0	0.0	1.0	0.9	16.6	14.1	-17.6	-15.1	0.0	0.0
64.6	**71.2**	**63.1**	**61.8**	**18.0**	**15.7**	**-17.6**	**-15.1**	**1,834.6**	**1,777.6**
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2	-1.7	8.9	7.7	-4.7	-7.8	0.0	0.0	202.2	178.1
6.5	-2.3	14.1	12.4	-	-	0.0	0.0	11.0	10.0
3.2	3.3	1.3	1.4	4.5	3.8	0.0	0.0	57.5	57.5
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.0	**-5.0**	**7.6**	**6.3**	**-9.2**	**-11.6**	**0.0**	**0.0**	**144.7**	**120.6**
0.8	1.0	0.1	0.2	2.5	6.4	-10.1	-16.5	9.7	12.6
0.0	1.6	0.0	0.0	10.1	15.4	-10.1	-16.5	1.3	3.1
0.2	**-4.4**	**7.5**	**6.1**	**-1.6**	**-2.6**	**0.0**	**0.0**	**136.3**	**111.1**
39.2	42.4	12.7	12.7	69.0	71.1	0.0	0.0	746.8	782.9
0.4	2.0	1.6	2.1	2.8	7.6	0.0	0.0	45.5	67.4
607	679	748	791	490	487	0	0	20,045	20,301
35	38	16	16	0	0	0	0	594	585
14	14	260	277	0	0	0	0	1,972	1,993

Fashion		Confectionery		Services		Reconciliation		DOUGLAS Group	
2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
29.7	30.2	21.5	19.2	0.7	0.7	0.0	0.0	706.5	655.5
-1.1	-7.0	-0.7	-2.3	0.8	1.0	0.0	0.0	23.3	5.3
0.0	1.7	0.8	1.1	1.3	4.8	0.0	0.0	24.4	31.2

NOTES TO THE INTERIM H1 REPORT 2009/10 OF DOUGLAS HOLDING AG

The consolidated financial statements for the first six months of the 2009/10 fiscal year have been prepared in conformity with IAS 34 (Interim Financial Reporting). A review of the consolidated financial statements by the independent Group auditors has not been performed. 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, 2009. Any sales-related, seasonal or cyclical factors have been deferred during the fiscal year in accordance with sound business judgement.

IFRS 8 (Operating Segments) has been applied for the first time by the DOUGLAS Group to the interim financial report ending December 31, 2009. In addition to the previous presentation of the segments, the service segment of the Group is now shown separately from the reconciliation column. The segment assets shown contain non-current assets not classifiable to either the tax position or financial assets. The relevant segment amounts for the 2008/09 fiscal year have been accordingly restated for purposes of assuring comparability. The accompanying interim financial report has been expanded for the first time to show other comprehensive income in addition to the presentation of net income or loss in the income statement. In conformity with the amended IAS 1 (Presentation of Financial Statements), both of these items together depict the total comprehensive income and are shown separately in a statement of comprehensive income. At the same time, the statement of changes in Group equity shows the amount attributable to total comprehensive income as a separate line item.

The financial statements of the domestic and foreign subsidiaries included in the consolidated financial statements have been prepared in a uniform manner according to the IFRS classification, accounting and measurement principles. 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).

According to a resolution of the Executive Board and the approval of the Supervisory Board by application of authorization from the shareholders' meeting held on March 12, 2008, DOUGLAS HOLDING AG's capital stock was increased by 124,740 EUR from the issuance of 41,580 new shares to employees. Including the share premium, the DOUGLAS HOLDING AG received funds in the amount of 623,700 EUR from issuance of the employee shares. As in the previous year, a dividend was distributed in the total amount of 43.3 million EUR to the shareholders of DOUGLAS HOLDING AG.

In the Books division, another 24.7 percent interest was acquired in buch.de internetstores AG, Münster, with effect from December 1, 2009. Consequently, the shareholding increased to 60.2 percent of the capital stock. Accordingly, buch.de internetstores AG has been included in full in the consolidated financial statements since December 1, 2009 on the basis of a preliminary initial consolidation. Subsequently, assets in the amount of 29.3 million EUR and liabilities of 14.2 million EUR have been included in the consolidated financial statements. The purchase price of this acquisition amounted to 8.4 million EUR. Moreover, the remaining 0.5 percent shareholding in Thalia Bücher AG with its head office in Basel/Switzerland was acquired effective December 17, 2009. Furthermore, in the Fashion division the remaining shares of 25.0 percent in Reiner Appelrath-Cüpper Nachfolge GmbH, Cologne, were acquired with effect from October 1, 2009. The newly formed company, OOO Parfümerie International Company, with its head office in Moscow/Russia has been included for the first time in the consolidated financial statements as of March 31, 2010. The Estonian subsidiary, OU Douglas Estonia, was liquidated in February 2010 and therefore has been removed from the scope of consolidation.

In the first half-year of the 2009/10 fiscal year and the corresponding prior year's period, the DOUGLAS Group had the following related party transactions with companies and/or persons arising from delivery and service relations conducted in the past:

Related party transactions

	Deliveries and services received		Deliveries and services provided	
in EUR m	2009/10	2008/09	2009/10	2008/09
Related companies	0.0	2.8	0.0	1.8
Related persons	2.1	2.0	0.1	0.0
Total	**2.1**	**4.8**	**0.1**	**1.8**

The receivables due from related party transactions with companies and/or persons amounted to 0.0 million EUR on the balance sheet date (March 31, 2009: 4.3 million EUR), with corresponding payables due to related party transactions with companies and/or persons amounting to 0.7 million EUR (March 31, 2009: 31.3 million EUR). Business relationships with related persons are effected under the same conditions as with third parties (arm's length transactions).

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 50 to 53 of the Annual Report for the 2008/09 fiscal year. Statements made there still apply to a material extent.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report 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 5, 2010
DOUGLAS HOLDING AG

The Executive Board

Dr. Henning Kreke   Dr. Burkhard Bamberger   Anke Giesen

FINANCIAL CALENDAR

August 11, 2010
Interim Report 9M 2009/10

October 7, 2010
Trading Statement for
the fiscal year 2009/10
(10/01/2009 – 09/30/2010)

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

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. Such statements constitute assessments that have been taken in the light of the information available. Should the assumptions on which they are based not prove accurate, or should risks occur, the actual results may differ from those anticipated.

The accompanying interim financial report was published on May 11, 2010.

Douglas Thalia CHRIST AppelrathCüpper HUSSEL Confiserie

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