Interim Report 9M
Fiscal Year 2009/10

DOUGLAS HOLDING

Excellence in Retailing

AN OVERVIEW OF THE DOUGLAS GROUP

Key figures

		9M (10/01 – 06/30)			Q3 (04/01 – 06/30)		
		2009/10	**2008/09**	**Change (in %)**	**2009/10**	**2008/09**	**Change (in %)**
Sales	EUR m	2,556.6	2,476.2	3.2	722.0	698.6	3.4
national	*EUR m*	*1,664.6*	*1,601.0*	*4.0*	*465.5*	*446.5*	*4.3*
international	*EUR m*	*892.0*	*875.2*	*1.9*	*256.5*	*252.1*	*1.7*
EBITDA	EUR m	228.3	207.1	10.2	26.1	29.0	-10.0
margin	*in %*	*8.9*	*8.4*	-	*3.6*	*4.2*	-
EBT	EUR m	134.7	110.6	21.8	-1.6	-0.5	-
margin	*in %*	*5.3*	*4.5*	-	*-0.2*	*-0.1*	-
Net income	EUR m	89.0	75.3	18.2	-2.4	0.5	-
Earnings per share	EUR	2.26	1.92	17.7	-0.06	0.01	-
Free Cash Flow	EUR m	75.1	42.8	75.5			
Capital expenditure	EUR m	72.7	88.7	-18.0			
		06/30/2010	**06/30/2009**	**09/30/2009**			
Equity	EUR m	770.1	717.1	710.9			
Equity ratio	*in %*	*45.3*	*41.0*	*42.1*			
Balance sheet total	EUR m	1,701.7	1,747.3	1,688.6			
Working capital [1]	EUR m	450.9	470.6	455.0			
Net bank debt [2]	EUR m	135.5	207.5	165.3			
Employees		24,008	23,916	24,190			
Stores		1,977	1,999	2,005			
Sales area	1,000 sqm	595.0	586.7	590.6			

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

MAIN DEVELOPMENTS IN THE FIRST NINE MONTHS OF THE 2009/10 FISCAL YEAR

Group sales up 3.2 percent in the first nine months:

- Sales increase positively impacted by full consolidation of buch.de internetstores AG
- Solid sales performance in Germany
- Further decrease in like-for-like sales abroad

Earnings before taxes (EBT) increased to 134.7 million EUR:

- Earnings contribution of 6.1 million EUR from revaluation of buch.de shares
- Prior year's earnings affected by closing costs of 12 million EUR
- Earnings of all divisions at or above previous year's level
- Weaker third quarter due to shift in Easter business

Solid financing and capital structure:

- Free Cash Flow increased by 32.3 million to 75.1 million EUR
- Net bank debt reduced by 72.0 million to 135.5 million EUR

Annual forecast confirmed:

- 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.

Uneven retail consumer environment in Europe – Economic recovery continues in Germany

According to surveys from Eurostat, the Statistical Agency of the European Union, the retail sales performance declined in most European countries in 2009. With up to 30 percent, the Baltic States reported the highest drop. In all, retail sales in the European Union fell by 1.7 percent. At the end of June 2010, European retail sales were slightly up by 0.5 percent over the prior year.

Based on the estimations of the Statistical Federal Agency, retail sales in Germany for the first half of 2010 were up by a nominal 0.5 percent; however in real terms, it remained 0.4 percent behind the previous year. However, the positive employment market performance and rising consumer spending by private households indicate with positive confidence that private demand will continue to stabilize.

The DOUGLAS Group Brands

Douglas	The Douglas Perfumeries are represented in 21 countries and being an European leader stands for expertise 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

Solid sales performance in Germany compensates unsatisfying sales development in foreign markets

The DOUGLAS Group's nine-month period of the 2009/10 fiscal year (October 1, 2009 to June 30, 2010) developed satisfactorily on the whole, with sales rising by 3.2 percent to 2.56 billion EUR. Alongside the solid sales performance delivered in Germany, the full consolidation of buch.de internetstores AG as of December 1, 2009 contributed to sales growth. By contrast, the weak performance outside of Germany was impacted

Net sales development by division

	Net sales (in EUR m)		Change (in %)		Net sales (in EUR m)		Change (in %)	
	9M 2009/10	9M 2008/09	Total	Like-for-like	Q3 2009/10	Q3 2008/09	Total	Like-for-like
Perfumeries	1,465.4	1,441.7	1.6	-0.6	430.5	422.3	1.9	-0.7
national	*736.2*	*713.4*	*3.2*	*2.4*	*217.7*	*209.1*	*4.2*	*3.8*
international	*729.2*	*728.3*	*0.1*	*-3.7*	*212.8*	*213.2*	*-0.2*	*-5.2*
Books	672.7	618.6	8.8	0.5	174.7	162.9	7.3	-3.0
national	*513.6*	*475.7*	*8.0*	*0.3*	*131.9*	*125.2*	*5.3*	*-3.2*
international	*159.1*	*142.9*	*11.3*	*1.2*	*42.8*	*37.7*	*13.8*	*-2.1*
Jewelry	241.3	229.7	5.1	5.3	67.7	60.9	11.1	9.2
Fashion	94.1	100.9	-6.8	-1.5	29.5	29.7	-0.8	-0.8
Confectionery	81.1	83.0	-2.4	-1.8	19.0	22.1	-14.1	-13.5
national	*77.4*	*79.0*	*-2.1*	*-1.7*	*18.1*	*20.9*	*-13.5*	*-13.3*
international	*3.7*	*4.0*	*-7.6*	*-4.1*	*0.9*	*1.2*	*-25.0*	*-17.9*
Services	2.0	2.3	-	-	0.6	0.7	-	-
DOUGLAS Group	**2,556.6**	**2,476.2**	**3.2**	**0.1**	**722.0**	**698.6**	**3.4**	**-0.9**
national	*1,664.6*	*1,601.0*	*4.0*	*1.6*	*465.5*	*446.5*	*4.3*	*1.2*
international	*892.0*	*875.2*	*1.9*	*-2.8*	*256.5*	*252.1*	*1.7*	*-4.7*

by the ongoing difficult economic conditions in Eastern Europe.

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 saw a slight gain of 0.1 percent, thus reaching the prior year's level.

In Germany, nine-month sales increased by 4.0 percent. On a like-for-like basis, sales improved by 1.6 percent.

In the foreign markets, sales did however rise by a total of 1.9 percent despite the continued difficult economic conditions suffered in several foreign markets. However, like-for-like sales missed the prior year's sales figure by 2.8 percent. The share of foreign subsidiaries in Group sales slightly declined from 35.3 percent to 34.9 percent.

Not taking buch.de's sales into account, the DOUGLAS Group achieved a sales gain of 0.9 percent in the reporting period. On a like-for-like basis, this translated into a sales decline of 0.5 percent. In Germany, sales rose by 1.1 percent (like-for-like: 0.8 percent). Foreign sales increased by 0.5 percent over the previous year (like-for-like: -2.9 percent).

In the third reporting quarter Group sales rose by 3.4 percent to 722.0 million EUR (April 1 to June 30, 2010). In contrast, sales declined by 0.9 percent on a like-for-like basis. This was the result of the earlier Easter business, which primarily fell in full in the second reporting quarter. The prior year's Easter sales were mainly generated in the third reporting quarter.

Net sales development without buch.de

	9M 2009/10 Change (in %)		Q3 2009/10 Change (in %)	
	Total	Like-for-like	Total	Like-for-like
DOUGLAS Group	**0.9**	**-0.5**	**0.4**	**-1.8**
national	*1.1*	*0.8*	*0.7*	*0.0*
international	*0.5*	*-2.9*	*-0.1*	*-5.0*
Books	**-0.7**	**-1.9**	**-5.4**	**-6.9**
national	*-1.8*	*-2.6*	*-7.4*	*-8.0*
international	*2.9*	*0.6*	*1.3*	*-3.5*

The 1,211 Douglas Perfumeries generated sales of 1.47 billion EUR in the first nine months – an increase of 1.6 percent. On a like-for-like basis, the respectable sales performance given in Germany offset the weak sales performance delivered abroad only in part, so that the prior year's sales fell short by 0.6 percent. The 443 German Perfumeries registered a pleasing sales gain of 3.2 percent, with like-for-like sales growth of 2.4 percent.

The 768 foreign perfumeries generated sales of 729.2 million EUR in the reporting period, thus reaching the previous year's level. However, like-for-like sales fell significantly by 3.7 percent. The solid sales performance given by the Douglas Perfumeries in Poland, Italy and France could not offset the lower turnover posted in Spain, Portugal, Hungary, Russia and in the Baltic States. The share of sales from foreign subsidiaries to total perfumery sales stood at 49.8 percent versus 50.5 percent the year before.

The 288 Thalia bookstores increased their sales by 8.8 percent to 672.7 million EUR. Like-for-like sales were also up 0.5 percent over the prior year. This benefited considerably from the full consolidation of buch.de internetstores AG since December 1, 2009. Excluding buch.de, prior year sales were missed by 0.7 percent, with like-for-like sales falling by 1.9 percent.

Sales at the 232 bookstores in Germany jumped 8.0 percent to 513.6 million EUR. On a like-for-like basis, a slight sales gain of 0.3 percent was achieved. Sales at the 56 Thalia bookstores outside of Germany surpassed the prior year's sales by 11.3 percent, coming in at 159.1 million EUR. Like-for-like sales were up 1.2 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 5.1 percent to 241.3 million EUR, with like-for-like Christ sales also surpassing the prior year's high sales figure by 5.3 percent. Thanks to their successful realization of the exclusive and trend labels strategy, Christ continued to detach itself considerably from the overall stagnating market performance.

The 14 AppelrathCüpper fashion stores still registered a slight like-for-like sales decline of 1.5 percent. At 94.1 million EUR, total sales were 6.8 percent behind the previous year. This was largely due to the store closure in Berlin, which included sales until the end of January last year.

On the basis of store closures, the 261 Hussel confectionery shops posted a sales decline of 2.4 percent to 81.1 million EUR. Like-for-like sales were down 1.8 percent.

Fewer stores compared to last year

The DOUGLAS Group's store network as of the end of June 2010 fell by 22 to 1,977 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 in the past fiscal year. During the first nine months, roughly half of the planned closures were conducted and dealt exclusively with the Perfumery division. A total of 102 closures (prior year: 74) in the last twelve months were offset by 78 new openings (prior year: 125) and two acquisition-related additions (prior year: 46).

Pre-tax earnings (EBT) rise to 134.7 million EUR

The DOUGLAS Group's earnings before taxes (EBT) increased from 110.6 million EUR to 134.7 million EUR. The one-off valuation effect arising from the revaluation of shares previously held in buch.de in the amount of 6.1 million EUR contributed to this increase. In contrast, the previous year was impacted by one-off expenses of 12 million EUR (sub-leasing of the AppelrathCüpper fashion store in Berlin and adjustments to the perfumery store network). The return on sales – the ratio of EBT to sales – stood at 5.3 percent after the first three quarters versus 4.5 percent in the previous year.

Store network development

	Stores		Change
	06/30/10	**06/30/09**	**Absolute**
Perfumeries	1,211	1,217	-6
national	*443*	*451*	*-8*
international	*768*	*766*	*2*
Books	288	291	-3
national	*232*	*237*	*-5*
international	*56*	*54*	*2*
Jewelry	203	202	1
Fashion	14	14	0
Confectionery	261	275	-14
national	*247*	*259*	*-12*
international	*14*	*16*	*-2*
DOUGLAS Group	**1,977**	**1,999**	**-22**
national	*1,139*	*1,163*	*-24*
international	*838*	*836*	*2*

The Douglas Perfumeries succeeded in increasing their earnings thanks to the solid sales performance delivered in Germany. The Thalia bookstores improved their earnings from the revaluation of the buch.de shares. Excluding this one-off income, earnings however remained 2.2 million EUR behind the prior year. The Christ jewelry stores still surpassed the prior year's high earnings as a consequence of the solid sales performance given. The AppelrathCüpper women's fashion stores – adjusted by the subleasing costs of the Berlin store – almost reached the prior year's level. The Hussel confectionery shops registered earnings at the prior year's level despite sales declines from the store network optimization efforts.

Earnings before interest, taxes, depreciation and amortization (EBITDA) of the DOUGLAS Group improved from 207.1 million EUR to 228.3 million EUR largely from the positive impact of the one-off income

EBT and EBT margins

	9M (10/01 – 06/30)				Q3 (04/01 – 06/30)			
	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	88.6	75.9	6.0	5.3	12.0	9.7	2.8	2.3
Books	22.2[1]	18.3	3.3	3.0	-11.3	-8.6	-6.4	-5.3
Jewelry	19.8	17.1	8.2	7.4	-0.3	-1.8	-0.5	-3.0
Fashion	0.6	-3.5	0.7	-3.5	0.4	0.9	1.4	2.9
Confectionery	4.9	4.9	5.9	5.8	-2.6	-1.2	-13.5	-5.3
Services	-1.4	-2.1	-	-	0.2	0.5	1.6	6.6
DOUGLAS Group	**134.7[1]**	**110.6**	**5.3**	**4.5**	**-1.6**	**-0.5**	**-0.2**	**-0.1**

[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

from the revaluation of previously held shares in buch.de (6.1 million EUR). In contrast, 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 8.9 percent after 8.4 percent in the same period last year.

Tax expenses for the reporting period increased from 35.3 million EUR to 45.7 million EUR as a consequence of the improved earnings. Because of non-period effects, the tax ratio stood at 34.0 percent, which was above the prior year's tax ratio of 31.9 percent. A tax ratio of between 35 and 37 percent is still anticipated for the entire 2009/10 fiscal year.

The first nine-month period of the 2009/10 fiscal year closed with Group net income of 89.0 million EUR after 75.3 million EUR last year. Correspondingly, the earnings per share improved by 17.7 percent from 1.92 to 2.26 EUR.

Capital expenditure below prior year's level

In the reporting period, the DOUGLAS Group has invested 72.7 million EUR in 62 new openings (prior year: 88) as well as the expansion and modernization of existing locations, or 16.0 million EUR less than in the prior year. The Douglas Perfumeries were the main investment focus, opening 41 new specialty stores (prior year: 69); of which 36 were outside of Germany (prior year: 61).

Free Cash Flow above the prior year

At the end of the first nine months, the free cash flow came in at 75.1 million EUR, thus surpassing the prior year's figure by 32.3 million EUR. Besides the lower working capital requirement, lower tax payments and improved earnings led to higher cash inflow from operating activities.

Adjusted EBT in 9M (10/01 – 06/30)

	2009/10	2008/09	Change (in EUR m)
EBT before adjustments	**134.7**	**110.6**	**24.1**
Revaluation effect buch.de	6.1	0.0	6.1
Closing costs	0.0	12.0	-12.0
EBT after adjustments	**128.6**	**122.6**	**6.0**

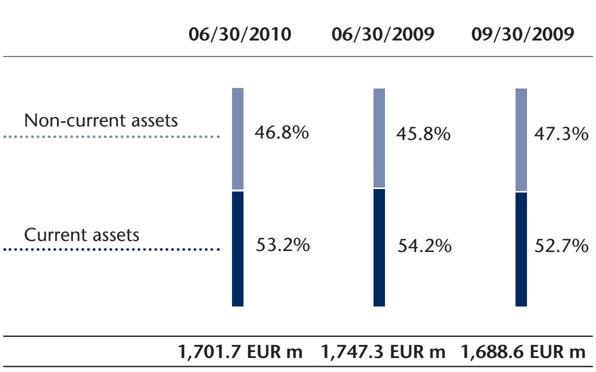
The cash outflow for investing activities increased from 86.3 million EUR to 115.4 million EUR as a consequence of the purchase price payments for the acquisition of buch.de shares and for minority interests in two Group subsidiaries. This was offset only in part by the lower capital spending on stores.

Continued solid net assets and capital structure

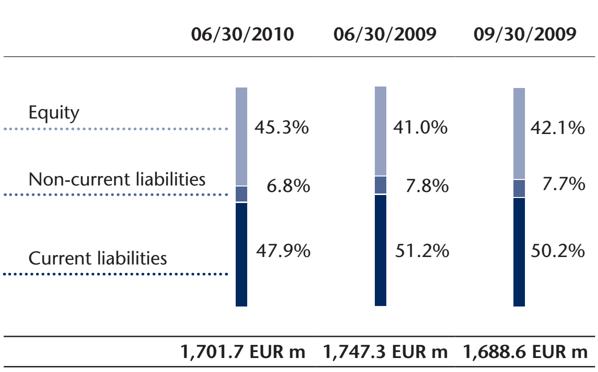
Compared with the previous nine-month balance sheet date (June 30), the balance sheet total fell by 45.6 million EUR to 1.7 billion EUR as a result of lower capital spending, store closures and the reduced working capital. Year-on-year, working capital declined due to lower inventory balances. The equity ratio improved to 45.3 percent after 41.0 percent in the same period last year.

The reduction in net bank debt of 72.0 million EUR to 135.5 million EUR compared with the previous year, predominantly arose from higher free cash flow.

Consolidated balance sheet: assets



Consolidated balance sheet: equity and liabilities



Workforce number slightly higher

As of June 30, 2010, the DOUGLAS Group employed a total of 24,008 persons (prior year: 23,916); of which 14,559 were in Germany and 9,449 abroad. This figure also includes 1,109 trainees or apprentices.

Personnel expenses slightly increased to 532.3 million EUR after 520.4 million EUR the year before. The personnel expense ratio – the ratio of personnel expenses to sales – remained at the prior year's level.

The DOUGLAS Share

The DOUGLAS shares closed on XETRA at 34.29 EUR on June 30, 2010 after 31.25 EUR at the beginning of the fiscal year; thus registering a share gain of 9.7 percent for the first three quarters. In the same period, the MDAX rose by 8.7 percent, with the DAX rising by 5.0 percent. The average daily turnover of the DOUGLAS shares in XETRA trading came in at 95,000 shares. The average share price stood at 33.88 EUR. According to the Deutsche Börse AG's index system, which only takes the free float into account when calculating market capitalization, the DOUGLAS shares ranked 32nd place in the MDAX at the end of June 2010 (prior year: 25th).

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 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.

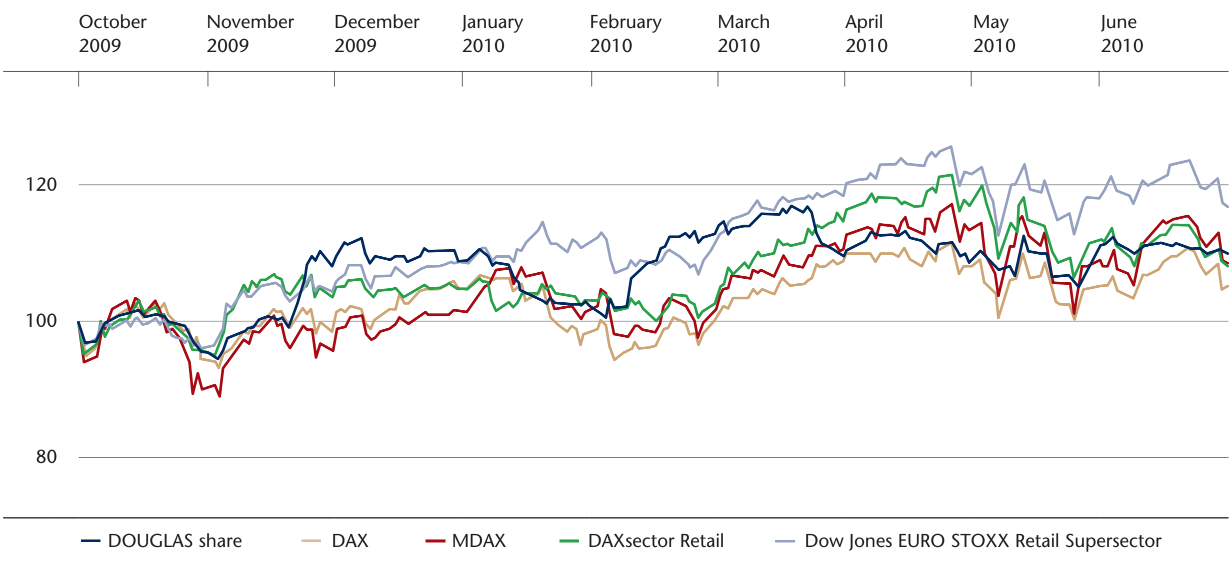
SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

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

DOUGLAS share

		06/30/2010	06/30/2009
Shares issued	m	39.3	39.2
Capital stock	EUR m	118.0	117.8
Market capitalization	EUR m	1,348.1	1,060.6
Stock quotation	EUR	34.29	27.00
XETRA – highest stock quotation (10/01 - 06/30)	EUR	36.46	34.09
XETRA – lowest stock quotation (10/01 - 06/30)	EUR	29.56	25.36

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



FORECAST

Slight recovery in the European retail economy – German retail business without any material growth impulses

According to predictions of the GfK GeoMarketing, rising nominal retail sales of an average of two percent are anticipated in most European countries in 2010. In contrast, retail sales in other countries – especially in Eastern Europe – are likely to decline further. The highest drop is projected to occur in the Baltic States with a minus of up to 15 percent.

The German Retail Association (Handelsverband Deutschland (HDE)) continues to predict the stabilization of the German retail trade; adhering to its growth projection published in the spring. Accordingly, German retail sales for 2010 are expected to reach the prior year's level. Price-adjusted, this would translate into a sales decline of 0.5 percent.

Contrary to the restrained development for retailers, the overall economic outlook has improved considerably. Therefore, the German Institute for Economic Research (Deutsches Institut für Wirtschaftsforschung (DIW)) projects a 2.1 percent rise in economic performance for 2010. At the end of 2011, Germany is expected to regain the performance level that was in place before the onset of the economic crisis.

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 profitably 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 carried forward and the firm market positions of Douglas, Thalia, Christ, AppelrathCüpper and Hussel will be further expanded. The multi-channel strategy is being developed more and more in all divisions. In addition to online shopping, the combination of stationary retailing and the mobile Internet will open up new business opportunities. At the beginning of the 2009/10 fiscal year, a total investment volume of up to 120 million EUR has been set aside. In all likelihood this amount is expected to total 100 to 110 million EUR.

The focus of investments will lie on the value-oriented growth of the Douglas Perfumeries. All in all, approximately 50 new stores are scheduled to open their doors by the end of the fiscal year, 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.

The Thalia bookstores' focus will be to secure its leading market position in German-speaking Europe through the opening of five to ten bookstores, numerous modernization programs and the consequent implementation of the multichannel strategy. The aim is to be optimally-placed in the tense area between printed books and the trend towards digitization and to raise profitability.

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 by means of new openings and modernization programs. With the relaunch of its internet appearance at the end of June 2010, Hussel has also strengthened its online shopping.

Annual forecast confirmed

Thanks to the respectable sales performance delivered in Germany, the first nine months of the 2009/10 fiscal year were satisfactory for the DOUGLAS Group. 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 nine months of the 2009/10 fiscal year, the Executive Board confirms that the annual forecast will reach the upper end of the target range. A sales gain of between 0 to 2 percent and earnings before taxes of between 120 to 130 million EUR are anticipated for the current 2009/10 fiscal year.

The forecast takes into account all those events known at the time of preparing the interim financial statements which might impact the DOUGLAS Group's business development.

CONSOLIDATED INCOME STATEMENT OF DOUGLAS HOLDING AG

for the period from October 1, 2009 to June 30, 2010

Income Statement

		9M 2009/10	9M 2008/09	Q3 2009/10	Q3 2008/09
		10/01/2009 to 06/30/2010	10/01/2008 to 06/30/2009	04/01/2010 to 06/30/2010	04/01/2009 to 06/30/2009
		EUR m	EUR m	EUR m	EUR m
1.	**Sales**	**2,556.6**	**2,476.2**	**722.0**	**698.6**
2.	Cost of raw materials, consumables and supplies and merchandise	-1,358.9	-1,310.7	-380.1	-367.1
3.	**Gross profit from retail business**	**1,197.7**	**1,165.5**	**341.9**	**331.5**
4.	Other operating income	147.4	149.1	47.0	42.0
5.	Personnel expenses	-532.3	-520.4	-175.6	-168.0
6.	Other operating expenses	-584.5	-587.4	-187.2	-176.4
7.	Income from other investments in associates	0.0	0.3	0.0	-0.1
8.	Income from other investments	0.0	0.0	0.0	0.0
9.	**EBITDA**	**228.3**	**207.1**	**26.1**	**29.0**
10.	Amortization/depreciation	-86.9	-87.2	-29.4	-29.7
11.	**EBIT**	**141.4**	**119.9**	**-3.3**	**-0.7**
12.	Financial income	1.5	4.4	0.2	1.3
13.	Financial expenses	-8.2	-13.7	1.5	-1.1
14.	Financial result	-6.7	-9.3	1.7	0.2
15.	**Earnings before taxes (EBT)**	**134.7**	**110.6**	**-1.6**	**-0.5**
16.	Income taxes	-45.7	-35.3	-0.8	1.0
17.	**Net income for the period**	**89.0**	**75.3**	**-2.4**	**0.5**
18.	Profit attributable to minority interests	-0.2	-0.1	0.0	0.0
19.	**Profit attributable to the Group shareholders**	**88.8**	**75.2**	**-2.4**	**0.5**
		EUR	EUR	EUR	EUR
	Earnings per share	**2.26**	**1.92**	**-0.06**	**0.01**

STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income

	9M 2009/10	9M 2008/09	Q3 2009/10	Q3 2008/09
	10/01/2009 to 06/30/2010	10/01/2008 to 06/30/2009	04/01/2010 to 06/30/2010	04/01/2009 to 06/30/2009
	EUR m	EUR m	EUR m	EUR m
Net income for the period	**89.0**	**75.3**	**-2.4**	**0.5**
Foreign currency translation differences arising from translating the financial statements of a foreign operation	4.0	-11.5	-2.1	5.7
Effective portion of gains and losses on hedging instruments in a cash flow hedge	0.1	-1.6	0.1	0.1
Total comprehensive income	**93.1**	**62.2**	**-4.4**	**6.3**
Total comprehensive income attributable to Group shareholders	92.8	62.1	-4.5	6.1
Total comprehensive income attributable to minority interests	0.3	0.1	0.1	0.2

CONSOLIDATED BALANCE SHEET OF DOUGLAS HOLDING AG

as of June 30, 2010

Assets

		06/30/2010	06/30/2009	09/30/2009
		EUR m	EUR m	EUR m
A.	**Non-current assets**			
I.	Intangible assets	275.5	269.8	265.5
II.	Property, plant and equipment	471.9	500.0	478.6
III.	Tax receivables	7.7	0.0	7.7
IV.	Financial assets	5.4	4.8	5.8
V.	Investments in associates	0.0	7.8	7.9
VI.	Deferred tax assets	36.6	18.4	33.3
		797.1	**800.8**	**798.8**
B.	**Current assets**			
I.	Inventories	631.3	655.5	667.1
II.	Trade accounts receivable	45.5	41.6	42.7
III.	Tax receivables	48.3	53.4	24.3
IV.	Financial assets	96.8	109.6	94.9
V.	Other assets	40.1	35.3	25.0
VI.	Cash and cash equivalents	42.6	51.1	35.8
		904.6	**946.5**	**889.8**
		1,701.7	**1,747.3**	**1,688.6**

Equity and liabilities

		06/30/2010	06/30/2009	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	423.1	380.2	374.0
IV.	Minority interests	8.8	0.2	0.2
		770.1	**717.1**	**710.9**
B.	**Non-current liabilities**			
I.	Provisions for pensions	30.0	28.4	29.6
II.	Other non-current provisions	23.4	23.0	22.8
III.	Financial liabilities	48.8	70.1	65.1
IV.	Other liabilities	5.8	6.6	5.3
V.	Deferred tax liabilities	7.8	8.1	6.9
		115.8	**136.2**	**129.7**
C.	**Current liabilities**			
I.	Current provisions	126.9	113.9	133.3
II.	Trade accounts payable	225.9	226.5	254.8
III.	Tax liabilities	97.8	77.3	50.6
IV.	Financial liabilities	234.4	353.5	296.2
V.	Other liabilities	130.8	122.8	113.1
		815.8	**894.0**	**848.0**
		1,701.7	**1,747.3**	**1,688.6**

CASH FLOW STATEMENT

Cash Flow Statement

			10/01/2009 to 06/30/2010	10/01/2008 to 06/30/2009
			EUR m	EUR m
1.		EBIT	141.4	119.9
2.	+	Amortization/depreciation of non-current assets	86.9	87.2
3.	–/+	Decrease/increase in provisions	-8.2	0.3
4.	–	Other non-cash income/expense	-5.2	-3.7
5.	+/–	Profit/loss on the disposal of non-current assets	0.7	1.9
6.	–	Changes in inventories, trade receivables and other assets not classifiable to investing or financing activities	-0.1	-11.0
7.	+/–	Changes in trade payables and other liabilities not classifiable to investing or financing activities	1.1	-9.0
8.	–	Interest paid	-4.0	-10.7
9.	+	Interest received	0.7	1.0
10.	–	Taxes paid	-22.8	-46.8
11.	=	**Net cash flow from operating activities**	**190.5**	**129.1**
12.	+	Proceeds from the disposal of non-current assets and disposal of stores	2.3	6.4
13.	–	Investments in non-current assets	-72.7	-89.3
14.	–	Payments for acquisition and disposal of consolidated companies and other business units	-45.0	-3.4
15.	=	**Net cash flow for investing activities**	**-115.4**	**-86.3**
16.		**Free cash flow (sum of 11 and 15)**	**75.1**	**42.8**
17.	+	Receipts from appropriations to equity	0.6	0.6
18.	–	Dividends paid to DOUGLAS shareholders	-43.3	-43.2
19.	–	Dividends paid to minority interests	-0.2	-0.1
20.	–	Payments for the repayment of financial liabilities	-79.7	-21.4
21.	+	Proceeds from borrowings	55.4	20.3
22.	–/+	Other financial changes	-2.5	0.2
23.	=	**Net cash flow from financing activities**	**-69.7**	**-43.6**
24.	=	**Net change in cash and cash equivalents (total of rows 11, 15 and 23)**	**5.4**	**-0.8**
25.	+/–	Net change in cash and cash equivalents due to currency translation	0.6	-1.0
26.	+	Cash and cash equivalents at beginning of reporting period	36.7	53.2
27.	=	**Cash and cash equivalents at end of reporting period**	**42.7**	**51.4**

SEGMENT REPORTING

Operating segments – October 1 to June 30 (9M)

	Perfumeries		Books		Jewelry	
in EUR m	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Sales (net)	1,465.4	1,441.7	672.7	618.6	241.3	229.7
Intersegment sales	0.0	0.0	0.0	0.0	0.0	0.1
Sales	**1,465.4**	**1,441.7**	**672.7**	**618.6**	**241.3**	**229.8**
Earnings from investments in associates	0.0	0.0	0.0	0.3	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	**145.3**	**138.5**	**48.7**	**44.6**	**26.9**	**23.9**
EBITDA margin in %	9.9	9.6	7.2	7.2	11.1	10.4
Scheduled amortization/depreciation	47.3	49.6	20.2	18.6	5.6	5.3
Impairments	0.0	0.6	0.1	0.0	0.0	0.0
EBIT	**98.0**	**88.3**	**28.4**	**26.0**	**21.3**	**18.6**
Interest expense	10.4	16.3	6.6	8.3	1.7	1.6
Interest income	1.0	3.9	0.4	0.6	0.2	0.1
EBT	**88.6**	**75.9**	**22.2**	**18.3**	**19.8**	**17.1**
Assets incl. investments (June 30)	378.4	419.3	218.6	205.1	28.1	26.0
Capital expenditure	36.1	49.5	19.0	18.6	6.5	4.8
Average annual number of employees (FTEs)	12,142	12,348	4,249	4,112	1,730	1,709
Average annual sales area (1,000 m²)	280	273	242	240	21	20
Number of stores (June 30)	1,211	1,217	288	291	203	202

Operating segments – April 1 to June 30 (Q3)

	Perfumeries		Books		Jewelry	
in EUR m	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Sales (net)	430.5	422.3	174.7	162.9	67.7	60.9
EBITDA	30.9	29.4	-5.9	-2.7	2.1	0.4
Capital expenditure	13.5	12.5	7.4	3.2	0.0	1.5

SEGMENT REPORTING

by geographical areas – October 1 to June 30 (9M)

	Perfumeries		Books		Jewelry		Others	
in EUR m	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Sales								
Germany	*736.2*	*713.4*	*513.6*	*475.7*	*241.3*	*229.7*	*173.5*	*182.2*
International	*729.2*	*728.3*	*159.1*	*142.9*	*0.0*	*0.0*	*3.7*	*4.0*
	1,465.4	**1,441.7**	**672.7**	**618.6**	**241.3**	**229.7**	**177.2**	**186.2**
Assets								
Germany	*105.4*	*116.2*	*189.0*	*179.7*	*28.1*	*26.0*	*121.1*	*125.1*
International	*273.0*	*303.1*	*29.6*	*25.4*	*0.0*	*0.0*	*1.2*	*2.0*
	378.4	**419.3**	**218.6**	**205.1**	**28.1**	**26.0**	**122.3**	**127.1**
Capital expenditure								
Germany	*13.2*	*15.6*	*13.5*	*16.3*	*6.5*	*4.8*	*11.1*	*15.8*
International	*22.9*	*33.9*	*5.5*	*2.3*	*0.0*	*0.0*	*0.0*	*0.0*
	36.1	**49.5**	**19.0**	**18.6**	**6.5**	**4.8**	**11.1**	**15.8**

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
94.1	100.9	81.1	83.0	2.0	2.3	0.0	0.0	2,556.6	2,476.2
0.0	0.0	1.2	1.1	25.1	21.2	-26.3	-22.4	0.0	0.0
94.1	**100.9**	**82.3**	**84.1**	**27.1**	**23.5**	**-26.3**	**-22.4**	**2,556.6**	**2,476.2**
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
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
6.4	**1.4**	**7.1**	**7.2**	**-6.1**	**-8.5**	**0.0**	**0.0**	**228.3**	**207.1**
6.8	1.4	8.7	8.6	-	-	0.0	0.0	8.9	8.4
4.8	4.9	2.0	2.0	6.8	6.2	0.0	0.0	86.7	86.6
0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.6
1.6	**-3.5**	**5.0**	**5.2**	**-12.9**	**-14.7**	**0.0**	**0.0**	**141.4**	**119.9**
1.1	1.4	0.1	0.3	3.6	8.6	-15.3	-22.9	8.2	13.6
0.1	1.4	0.0	0.0	15.1	21.2	-15.3	-22.9	1.5	4.3
0.6	**-3.5**	**4.9**	**4.9**	**-1.4**	**-2.1**	**0.0**	**0.0**	**134.7**	**110.6**
37.9	43.0	12.7	12.5	71.7	71.7	0.0	0.0	747.4	777.6
0.8	4.5	2.6	2.8	7.7	8.5	0.0	0.0	72.7	88.7
603	653	745	798	490	485	0	0	19,959	20,105
36	37	15	16	0	0	0	0	594	586
14	14	261	275	0	0	0	0	1,977	1,999

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
29.5	29.7	19.0	22.1	0.6	0.7	0.0	0.0	722.0	698.6
2.2	3.1	-1.8	-0.5	-1.4	-0.7	0.0	0.0	26.1	29.0
0.4	2.5	1.0	0.7	4.9	0.9	0.0	0.0	27.2	21.3

STATEMENT OF CHANGES IN GROUP EQUITY

Statement of Changes in Group Equity

			Retained earnings				
in EUR m	Capital stock	Additional paid-in capital	Other retained earnings	Results from Cash Flow Hedges	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					-11.5		-11.5
IAS 39				-1.6			-1.6
Net income for the period			75.2			0.1	75.3
Total comprehensive income	**0.0**	**0.0**	**75.2**	**-1.6**	**-11.5**	**0.1**	**62.2**
Capital increase (employee shares)	0.1	1.1					1.2
Dividend payment			-43.2			-0.1	-43.3
Transactions with shareholders	**0.1**	**1.1**	**-43.2**	**0.0**	**0.0**	**-0.1**	**-42.1**
06/30/2009	**117.8**	**218.9**	**393.1**	**-1.5**	**-11.4**	**0.2**	**717.1**
10/01/2009	**117.8**	**218.9**	**386.2**	**-1.4**	**-10.8**	**0.2**	**710.9**
Currency translation					3.9	0.1	4.0
IAS 39				0.1			0.1
Net income for the period			88.8			0.2	89.0
Total comprehensive income	**0.0**	**0.0**	**88.8**	**0.1**	**3.9**	**0.3**	**93.1**
Capital increase (employee shares)	0.2	1.3					1.5
IAS 32			-0.4				-0.4
Dividend payment			-43.3			-0.2	-43.5
Transactions with shareholders	**0.2**	**1.3**	**-43.7**	**0.0**	**0.0**	**-0.2**	**-42.4**
Change in the scope of consolidation						8.5	8.5
06/30/2010	**118.0**	**220.2**	**431.3**	**-1.3**	**-6.9**	**8.8**	**770.1**

NOTES TO THE INTERIM 9M REPORT 2009/10 OF DOUGLAS HOLDING AG

The consolidated financial statements for the first nine 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 judgment.

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. In March 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 shareholdings 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 on the basis of a preliminary initial consolidation. 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. Buch Kaiser GmbH, with its head office in Karlsruhe, has also been removed from the scope of consolidation as a result of its merger to Thalia Universitätsbuchhandlung GmbH.

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.

FINANCIAL CALENDAR

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

January 12, 2011
Balance Sheet Press Conference
for the fiscal year 2009/10

January 13, 2011
Analysts' Conference

February 9, 2011
Interim Report Q1 2010/11

March 23, 2011
Annual Shareholders' Meeting

May 11, 2011
Interim Report H1 2010/11

August 10, 2011
Interim Report 9M 2010/11

October, 10 2011
Trading Statement for
the fiscal year 2010/11
(10/01/2010 – 09/30/2011)

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

Forward-looking statements: This interim report contains statements that refer to future developments. 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 August 11, 2010.

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