



*Financial Statements of
DOUGLAS HOLDING AG
Fiscal Year 2008/09*

DOUGLAS  HOLDING

Excellence in Retailing

FINANCIAL STATEMENTS

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INCOME STATEMENT OF DOUGLAS HOLDING AG

for the period from October 1, 2008 to September 30, 2009

<i>Income Statement</i>			
		10/01/2008 to 09/30/2009	10/01/2007 to 09/30/2008
	Notes	in EUR m	in EUR m
1. Other operating income	4	40.7	33.9
2. Personnel expenses	5	-10.5	-10.0
3. Depreciation and write-downs on tangible and intangible assets		-8.4	-1.6
4. Other operating expenses	6	-38.5	-39.5
5. Income from investments	7	111.2	95.6
6. Net interest	8	13.5	24.7
7. Result from ordinary business activities		108.0	103.1
8. Income taxes	9	-32.0	-25.3
9. Other taxes		-0.1	-0.1
10. Net income		75.9	77.7
11. Profit carried forward from previous year		0.8	0.8
12. Change in revenue reserves		-32.7	-34.5
13. Accumulated earnings		44.0	44.0

BALANCE SHEET OF DOUGLAS HOLDING AG

as of September 30, 2009

Assets			
		09/30/2009	09/30/2008
	Notes	in EUR m	in EUR m
A. Fixed assets	10		
I. Intangible assets		0.1	0.0
II. Tangible assets		14.8	18.9
III. Financial assets		494.7	434.6
		509.6	453.5
B. Current assets			
I. Accounts receivable and other assets	11	427.0	550.1
II. Cash and cash equivalents	12	2.8	7.3
		429.8	557.4
C. Prepaid expenses and deferred charges	13	2.0	2.0
		941.4	1,012.9
Equity and liabilities			
		09/30/2009	09/30/2008
	Notes	in EUR m	in EUR m
A. Equity			
I. Capital stock	14	117.8	117.7
II. Additional paid-in capital	15	216.1	215.6
III. Revenue reserves	16	354.5	321.8
IV. Accumulated earnings		44.0	44.0
		732.4	699.1
B. Special reserves	17	5.6	12.6
C. Provisions	18	54.8	71.3
D. Liabilities	19	148.4	229.6
E. Deferred income		0.2	0.3
		941.4	1,012.9

NOTES TO THE FINANCIAL STATEMENTS OF DOUGLAS HOLDING AG FOR THE FISCAL YEAR 2008/09

1. General principles

The annual financial statements of DOUGLAS HOLDING AG as of September 30, 2009 have been prepared in conformity with the regulations of the German Commercial Code ("HGB") and Stock Corporation Law ("AktG") and in accordance with the relevant tax legislation. The explanations given are guided by the principles of clarity, transparency and materiality.

The accounting and valuation principles have not changed materially from those applied in the previous year. Any exceptions to this general rule – along with their impact on the net results – are noted separately.

Individual items in the balance sheet and income statement have been combined to achieve greater transparency. These items are shown separately in the Notes.

All figures in the balance sheet and income statement are shown in millions of EUR (EUR m).

2. Accounting and valuation principles

Fixed assets

Tangible and intangible assets acquired are carried at their acquisition or production costs less scheduled and non-scheduled amortization/depreciation. The straightline method was generally applied, the only exception being parts of an administrative building which were depreciated in accordance with the declining balance method. As a rule, the shortest useful life allowed according to tax law is used. Low-value items with acquisition costs of more than 150 EUR but less than 1,000 EUR are depreciated over five years in a collective account.

Non-scheduled depreciation was recognized where a permanent impairment in value is anticipated.

Financial assets include shares in affiliated companies, loans to affiliated companies and shareholdings stated at cost or the lower fair value. The interest-bearing loans were stated at nominal value.

Current assets

Receivables and other assets are stated at nominal value. Where required, value adjustments were performed to cover any discernible risks.

Provisions and liabilities

Provisions for pensions and similar obligations are based on actuarial calculations using the latest Mortality Tables from Dr. Heubeck and applying a discount rate of 4.0 percent according to the part-value method (Teilwert).

The valuation of congruent employee-funded pension commitments was based on an interest rate of 5.9 percent, which was implemented to compute the reinsurance value. Provisions for taxes and other provisions adequately cover all discernible risks, uncertain liabilities and pending losses as determined by prudent business judgment.

As a general rule, liabilities are carried at their repayment amounts.

3. Currency conversion

Foreign currency receivables and liabilities were translated using the rate at the transaction date or at the lower and, respectively, higher rates prevailing at the balance sheet date.

NOTES TO THE INCOME STATEMENT

4. Other operating income

<i>Other operating income</i>		
in EUR m	2008/09	2007/08
Income from rental and sub-rental	27.7	27.6
Income from costs passed on to Group companies	2.2	1.8
Other income	10.8	4.5
Total	40.7	33.9

Other income mainly relates to the reversal of special reserves with an equity portion amounting to 7.1 million EUR. Furthermore, this line item includes an amount of 2.5 million EUR from income from the reversal of provisions.

5. Personnel expenses

<i>Personnel expenses</i>		
in EUR m	2008/09	2007/08
Wages and salaries	8.4	8.0
Social security, pensions and other benefits costs	2.1	2.0
<i>thereof for pensions: 1.3 EUR m (2007/08: 1.2 EUR m)</i>		
Total	10.5	10.0

6. Other operating expenses

<i>Other operating expenses</i>		
in EUR m	2008/09	2007/08
Rent and energy costs	26.7	25.0
Advertising costs	1.1	0.7
Other services	2.3	2.2
Repair costs	0.9	1.0
Voluntary social security contributions and additional personnel costs	0.9	0.7
Office costs and postage	0.3	0.3
Other expenses	6.3	9.6
Total	38.5	39.5

In the previous year, expenses amounting to 2.1 million EUR were incurred for expenses of anticipated losses related to tenancies and losses from the disposal of fixed assets amounting to 0.9 million EUR.

7. Income from investments

Income from investments		
in EUR m	2008/09	2007/08
Income from profit transfer agreements	83.5	74.1
Income from investments	0.4	0.3
<i>thereof from affiliated companies: 0.3 EUR m (2007/08: 0.2 EUR m)</i>		
Taxes recharged to controlled companies	31.2	21.2
Expenses from loss transfer agreements	-3.9	0.0
Total	111.2	95.6

Income from profit transfer agreements from the Perfumery division increased by 18.9 million EUR to 63.3 million EUR. This is mostly attributable to the positive one-time effect from the new organization of the German Perfumery goods business, which is now processed by Douglas Einkaufs- und Service GmbH & Co. KG, Zossen. The Books division contributed 8.8 million EUR from income arising from profit transfer agreements following 6.0 million EUR in the previous year. Expenses for loss transfer agreements relate to the Fashion division and mainly resulted from the write-down of the investment carrying value of Appelrath Cüpper Nachf. GmbH; by contrast, the previous year profited from the merger of inter-moda GmbH with Appelrath-Cüpper Holding GmbH and contained an income amount of 11.1 million EUR. The investment income comprises of 0.1 million EUR for the investment in Hapag Lloyd Reisebüro GmbH & Co. KG and 0.3 million EUR from Douglas Immobilien GmbH & Co. KG.

8. Net interest

Net interest		
in EUR m	2008/09	2007/08
Other interest and similar income	12.5	28.8
Income from long-term loans	8.5	8.0
Interest and similar expenses	-7.5	-12.1
Total	13.5	24.7

Within the scope of Group clearing, income from interest totaling 11.8 million EUR (2007/08: 22.8 million EUR) and interest paid in the amount of 2.3 million EUR (2007/08: 4.0 million EUR) from affiliated companies are included. The income of 8.4 million EUR (2007/08: 7.9 million EUR) from long-term loans applied to affiliated companies.

9. Income taxes

Income taxes include corporate income taxes, the solidarity surcharge and trade taxes payable by DOUGLAS HOLDING AG in its capacity as the controlling enterprise for the subsidiaries in the Group. Expenses were offset against income from the reversal of provisions for taxes and tax refunds.

NOTES TO THE BALANCE SHEET

10. Fixed assets

Intangible assets

in EUR m	Industrial property rights and similar rights
Acquisition and production costs	
as of 10/01/08	1.2
Additions	0.1
Disposals	0.0
as of 09/30/09	1.3
Accumulated amortization	
as of 09/30/09	1.2
Net figures	
as of 09/30/09	0.1
as of 09/30/08	0.0
Amortization for the year ended	0.0

Tangible assets

in EUR m	Land, leasehold rights and buildings, incl. buildings on third-party land	Other equip- ment, fixtures, fittings and equipment	Payments on account and assets under construction	Total
Acquisition and production costs				
as of 10/01/08	55.1	5.8	3.3	64.2
Additions	3.8	0.5	0.0	4.3
Disposals	0.0	0.2	0.0	0.2
Reclassifications	3.3	0.0	-3.3	0.0
as of 09/30/09	62.2	6.1	0.0	68.3
Accumulated depreciation				
as of 09/30/09	48.4	5.1	0.0	53.5
Net figures				
as of 09/30/09	13.8	1.0	0.0	14.8
as of 09/30/08	14.8	0.8	3.3	18.9
Depreciation for the year ended	8.1	0.3	0.0	8.4

Financial assets

in EUR m	Shares in affiliated companies	Loans due from affiliated companies	Investments	Other loans and advances	Total
Acquisition and production costs					
as of 10/01/08	285.1	153.2	1.2	1.2	440.7
Additions	42.6	45.8	0.0	0.0	88.4
Disposals	0.0	27.9	0.0	0.4	28.3
as of 09/30/09	327.7	171.1	1.2	0.8	500.8
Accumulated write-downs					
as of 09/30/09	5.8	0.0	0.3	0.0	6.1
Net figures					
as of 09/30/09	321.9	171.1	0.9	0.8	494.7
as of 09/30/08	279.3	153.2	0.9	1.2	434.6
Write-downs in the year ended	0.0	0.0	0.0	0.0	0.0

11. Receivables and other assets**Receivables and other assets**

in EUR m	09/30/2009	Payable within more than 1 year	09/30/2008
Receivables from affiliated companies	403.3		524.5
Other assets	23.7	8.7	25.6
Total	427.0	8.7*	550.1

* Previous year: 0.3 million EUR

Receivables from affiliated companies mainly include short-term loans, profits transferred, and costs and taxes allocated to subsidiaries. Other assets primarily include corporate income tax credits owing to DOUGLAS HOLDING AG and tax refund claims in the amount of 10.2 million EUR (09/30/08: 16.0 million EUR).

12. Cash and cash equivalents

The cash and cash equivalents consist of cash deposited in banks.

13. Prepaid expenses

At the balance sheet date, this item primarily contained advance rental payments and advance pension payments.

14. Capital stock

As a result of the issue of employee shares, subscribed capital rose by 0.1 million EUR to 117.8 million EUR. It is divided into 39,279,312 no-par value bearer shares. The proportion of share capital corresponding to each share is 3.00 EUR. The bearer shares have full voting and dividend rights for

the 2008/09 fiscal year. The DOUGLAS HOLDING AG shares are admitted to official trading and quotation on four German stock exchanges.

The authorized share capital developed as follows during the year under review:

Authorized share capital

in EUR m	Capital authorized for issue I	Capital authorized for issue II	Total
as of 10/01/08	25.0	1.5	26.5
Utilization for employee shares 2008	-	-0.1	-0.1
as of 09/30/09	25.0	1.4	26.4

There was no conditional capital as of the balance sheet date.

15. Additional paid-in capital

As a result of the issue of employee shares, capital reserves rose by 0.5 million EUR to 216.1 million EUR.

16. Revenue reserves

Revenue reserves were as follows:

Revenue reserves

in EUR m	
as of 10/01/08	321.8
Transfer to other revenue reserves	32.7
as of 09/30/09	354.5

The legal reserve of 0.3 million EUR remains the same as in the previous year.

17. Special reserves

The special reserves with an equity portion carried pursuant to Section 6 b of the [German] Income Tax Law consist of income from the sale of a property.

18. Provisions

Provisions

in EUR m	09/30/2009	09/30/2008
Provisions for pensions and similar obligations	16.6	16.4
Provisions for taxes	25.7	42.1
Other provisions	12.5	12.8
Total	54.8	71.3

Pension obligations are based on actuarial computation and, as such, are covered in full by pension provisions. Pension payments during the year under review totaled 1.0 million EUR.

Provisions for taxes have been formed for expected tax payments, in particular for corporate income taxes, the solidarity surcharge and trade taxes. Other provisions mostly include provisions for personnel and for anticipated losses from tenancies.

19. Liabilities

Liabilities				
in EUR m	09/30/2009	Payable in less than 1 year	Payable in more than 5 years	09/30/2008
Liabilities due to banks	92.1	49.1	8.5	193.8
Trade accounts payable	0.8	0.8		1.0
Accounts due to affiliated companies	43.0	43.0		32.3
Other liabilities	12.5	12.5		2.5
Total	148.4	105.4	8.5	229.6
Previous year		177.1	17.0	

The reduction of liabilities due to banks mostly results from the transferring of foreign subsidiary financing from DOUGLAS HOLDING AG to Douglas Finance B.V.. By way of the revolving credit line of 500 million EUR, the provision of credit is sufficiently assured for at least three years and is available for both DOUGLAS HOLDING AG and Douglas Finance B.V.. As of the balance sheet date, the credit line was predominantly utilized by Douglas Finance B.V..

Other liabilities include tax obligations of 0.2 million EUR (09/30/08: 0.2 million EUR). The other liabilities also include liabilities from short-term loans and amounts due to landlords.

20. Other explanatory notes

Contingent liabilities

Maximum guarantees and letters of comfort assumed on behalf of Group companies totaling 50.7 million EUR (09/30/08: 64.6 million EUR) were valued at 21.5 million EUR (09/30/08: 33.7 million EUR) at the date of the balance sheet. The company has declared a cumulative assumption of debt vis-à-vis the owner of one property for fulfillment of the rental obligations for a subsidiary. The minimum annual rent is between 2.1 million EUR and 2.6 million EUR. The agreement is valid until the year 2038.

Other financial commitments

Other financial commitments consist of long-term leases for shop premises operated by Group companies in which DOUGLAS HOLDING AG is generally a party. Tenancy expenses within the Group totaled 314.4 million EUR (2007/08: 289.0 million EUR).

There is an obligation to Douglas Immobilien KG to pay-in the liable capital totaling 1.9 million EUR. The obligation had not been called up as of the balance sheet date.

Lease payments totaling 0.1 million EUR (2007/08: 0.1 million EUR) were made to an affiliated company.

Risks from derivative financial instruments

As of the balance sheet date, the interest-rate swaps with a nominal volume amounts to 25.0 million EUR (09/30/2008: 65.9 million EUR). Due to the current interest rate development, these swaps have a market value of -1.9 million EUR (09/30/2008: 0.0 million EUR). An interest rate swap with a nominal volume of 40.9 million EUR matured according to plan in the year under review. The provision for anticipated losses recognized for this swap in the amount of 0.1 million EUR as of September 30, 2008 and shown under other provisions was derecognized in the year under review and amounted to nil as of the balance sheet date.

Impact of tax valuation principles

As a result of applying tax valuation principles, tax depreciation pursuant to Section 6 b of the German Income Tax Law was effected in the year under review and previous years, and special reserves with an equity portion were recognized and released accordingly. In the year under review the depreciation pursuant to Section 6 b of the German Income Tax Law amounts to 7.1 million EUR. Effects on net income in coming years will be of minor significance.

Average number of employees

The average number of employees for the year is as follows:

<i>Average number of employees</i>		
	2008/09	2007/08
Salaried employees and wage earners	76	80
Apprentices	24	19
Total	100	99

Shareholdings

The list of shareholdings provides an overview of the most important directly and indirectly held affiliated companies and other investments. A complete list of shareholdings is submitted to the online version of the German Federal Gazette ("Bundesanzeiger").

Executive bodies and the corporate governance code

Total remuneration paid to the Executive Board of DOUGLAS HOLDING AG is presented in the following table:

<i>Executive Board remuneration</i>			
in EUR '000	2008/09		Total
	Non performance-based	Performance-based	
Dr. Henning Kreke, President and CEO	533.8	590.0	1,123.8
Dr. Burkhard Bamberger	366.8	365.7	732.5
Gabriele Traude-Stopka	381.1	275.2	656.3
Total	1,281.7	1,230.9	2,512.6

The performance-based components of the Executive Board's remuneration are identified in line with earnings. There are no share-price based models, such as stock options.

Total remuneration of the Executive Board of DOUGLAS HOLDING AG during the fiscal year 2007/08 amounted to 2,768 thousand EUR. Former members of the Executive Board and their surviving dependents received pensions totaling 902 thousand EUR (2007/08: 879 thousand EUR). The pension provisions for members of the Executive Board totaled 1,432 thousand EUR following 1,336 thousand EUR in the previous year.

The pension provisions for former members of the Executive Board and their surviving dependents totaled 11,806 thousand EUR following 11,978 thousand EUR in the previous year.

Pension commitments for members of the Executive Board provide a retirement pension after the attainment of a fixed retirement age as well as benefits for their surviving dependants. The amount of monthly benefits to be granted is based on a non-income-related fixed amount totaling 6,135.50 EUR for Dr. Henning Kreke, 3,000 EUR for Dr. Bamberger and 3,067.75 EUR for Mrs. Traude-Stopka. This amount increases by 5.0 percent, respectively, for each pensionable year of service. Furthermore, the amounts are adjusted index-based for the development in the cost of living. Additional commitments like severance payments, bridge money and leave benefits etc. do not exist.

The total remuneration paid to members of the Supervisory Board of DOUGLAS HOLDING AG is as follows:

Supervisory Board remuneration

in EUR '000	2008/09			2007/08		
	Fixed	Variable	Total	Fixed	Variable	Total
Dr. Dr. h.c. Jörn Kreke, Chairman	81.6	26.4	108.0	87.7	28.9	116.6
Margarete Pinkowski, Vice Chairwoman	55.8	19.8	75.6	56.1	21.6	77.7
Prof. Dr. Wolfgang Bernhardt (until March 12, 2008)	0.0	0.0	0.0	15.0	7.2	22.2
Detlef Bierbaum	40.8	13.2	54.0	41.1	14.3	55.4
Ulrike Grabe (from March 12, 2008)	30.0	13.2	43.2	17.5	8.4	25.9
Isabelle Harth	30.0	13.2	43.2	30.0	14.3	44.3
Solveig Hasse (from March 12, 2008)	30.0	13.2	43.2	17.5	8.4	25.9
Astrid Kitschler (until March 12, 2008)	0.0	0.0	0.0	15.0	7.2	22.2
Henning R. Kreke	30.0	13.2	43.2	30.0	14.3	44.3
Petra Lügger	30.0	13.2	43.2	30.0	14.3	44.3
Bernd M. Michael (from March 12, 2008)	30.0	13.2	43.2	17.5	8.4	25.9
Dr. h.c. August Oetker	40.8	13.2	54.0	41.1	14.3	55.4
Heinz Schmidt (until March 12, 2008)	0.0	0.0	0.0	20.5	7.2	27.7
Dr. Ernst F. Schröder	51.6	13.2	64.8	52.2	14.3	66.5
Elke Vahldiek (until March 12, 2008)	0.0	0.0	0.0	20.5	7.2	27.7
Malene Volkers	30.0	13.2	43.2	30.0	14.3	44.3
Dr. Ulrich Wolters (from March 12, 2008)	40.8	13.2	54.0	24.0	8.4	32.4
Prof. Dr. Mark Wössner	30.0	13.2	43.2	30.0	14.3	44.3
Christine Wrobel	30.0	13.2	43.2	30.0	14.3	44.3
Sabine Zimmer	30.0	13.2	43.2	30.0	14.3	44.3
Total	611.4	231.0	842.4	635.7	255.9	891.6

Provisions of 842 thousand EUR (2007/08: 892 thousand EUR) have been set up for remuneration to be paid to Supervisory Board members; of this figure, 611 thousand EUR is fixed and 231 thousand EUR is a variable component. The variable components of the Supervisory Board's remuneration is based on earnings per share. There were no share-price based models, such as stock options.

Transactions pursuant to section 15 a of the [German] Securities Trading Law ("WpHG")

Dr. Jörn Kreke, Chairman of the Supervisory Board, acquired a total of 25,000 DOUGLAS shares during the year under review via a company controlled by him at prices ranging from 29.64 Euro to 29.94 EUR per share and sold 150,000 DOUGLAS shares at prices ranging from 28.70 and 31.08 EUR per share

Dr. Jörn Kreke, Chairman of the Supervisory Board and Dr. Henning Kreke, President and CEO, acquired a total of 50,000 DOUGLAS shares during the year under review via a company controlled by them at a price of 29.78 EUR per share. In addition, 184,000 DOUGLAS shares were tendered through put options transacted at prices ranging from 34.50 and 40.00 EUR per share. Moreover, this company purchased 116,000 put options for DOUGLAS shares with a strike price of between 34.00 and 38.00 EUR per option maturing between March 6, 2009 and April 17, 2009 at prices ranging between 4.50 and 9.95 EUR per option. Furthermore, 100,000 put options for DOUGLAS shares were sold in June 2009 with a strike price of 25.00 EUR per option and maturing on June 16, 2010 at prices ranging between 1.05 and 1.12 EUR per option.

Dr. August Oetker Finanzierungs- und Beteiligungs-Gesellschaft mbH, Bielefeld, as a related legal entity of the Supervisory Board members Dr. August Oetker and Dr. Ernst F. Schröder, purchased a total of 200,000 put options on DOUGLAS shares with strike prices ranging between 32.70 and 32.80 EUR per share and expiry dates falling between January 26, 2009 and January 27, 2009 at prices ranging between 1.82 to 1.94 EUR per option. In addition, a total of 1,500,000 shares of DOUGLAS shares were acquired at prices ranging between 29.50 and 40.50 EUR per share, as a result of put options sold from the tendering by Dr. August Oetker Finanzierungs- und Beteiligungs-Gesellschaft mbH.

Dr. Ulrich Wolters, a member of the Supervisory Board, purchased a total of 1,650 DOUGLAS shares in 2008 at prices ranging between 29.80 and 31.03 EUR per share.

Reportable investments according to section 21 (1) of the German WpHG (Securities Trading Act)

As required under Section 21 (1) WpHG, Dr. August Oetker Finanzierungs- und Beteiligungs-Gesellschaft mbH and Dr. August Oetker KG, both based in Bielefeld, informed us on January 22, 2009 of the following: the voting rights share of Dr. August Oetker Finanzierungs- und Beteiligungs-Gesellschaft mbH, Bielefeld, in DOUGLAS HOLDING AG (ISIN DE0006099005), exceeded the 25 percent limit in voting rights on January 22, 2009 and now totals 25.2 percent (9,898,296 voting rights). Thereof, Dr. August Oetker KG will be allotted 25.2 percent (9,898,296 voting rights) via Dr. August Oetker Finanzierungs- und Beteiligungs-Gesellschaft mbH, a company controlled by it, pursuant to Section 22 (1) clause 1 no. 1 WpHG.

As required under Section 21 (1) WpHG, Governance for Owners LLP, London, informed us on April 29, 2009 that its voting rights share in DOUGLAS HOLDING AG (ISIN DE0006099005) was below the 5 percent limit and now totals 4.93 percent (1,936,929 voting rights).

As required under Section 21 (1) WpHG, the Bank Sarasin & Cie, Basel, informed us on July 17, 2009 that its voting rights share in DOUGLAS HOLDING AG (ISIN DE0006099005) exceeded the 10 percent limit and now totals 10.8 percent (4,242,041 voting rights).

As required under Section 21 (1) WpHG, Goldman Sachs International, London, The Goldman Sachs Holdings (UK), London, The Goldman Sachs Group Holdings (UK), London, The Goldman Sachs (UK) L.L.C., Wilmington und The Goldman Sachs Group Inc., New York, informed us on February 23, 2009 that its voting rights share in DOUGLAS HOLDING AG (ISIN DE0006099005) was below the 3 and 5 percent limits and totaled 0.06 percent on this date (22,009 voting rights). Thereof, 0.06 percent (22,009 voting rights) was allotted to the Goldman Sachs Group Inc., New York.

Declaration of conformity pursuant to section 161 of the German Stock Corporation Law ("AktG")

In December 2009 DOUGLAS HOLDING AG published an updated statement of compliance in accordance with Section 161 of the [German] Stock Corporation Law ("AktG"). This statement is available on the Internet at www.douglas-holding.com.

21. Proposal for the appropriation of profit

Net income for the 2008/09 fiscal year was 75,907,243.20 EUR. Profit carried forward totaling 792,756.80 EUR and transfers to the revenue reserves of 32,700,000.00 EUR resulted in accumulated earnings of 44,000,000.00 EUR.

The Executive Board proposes the following profit appropriation to the Shareholders' Meeting:

Proposal for the appropriation of profit

in EUR

Dividend payout of 1.10 EUR per share based on share capital of 117,962,676.00 EUR *	43,252,981.20
Profit carried forward	747,018.80
Total	44,000,000.00

* Including employee shares issued in November 2009

Expenses for auditor's fees

The fees of the auditors, Susat & Partner oHG, for preparing the financial statements for the fiscal year amounted to 0.1 million EUR. This amount relates in full to audit expenses (2007/08: 0.1 million EUR). There have been no expenses for attestation and valuation services, tax advice and other services, neither in the current fiscal year nor in the previous year.

Significant shareholdings

No.	Name and Location	Group interest in percent	Stockholders' equity in EUR '000 or in foreign currencies '000	Net sales in EUR '000 or in foreign currencies '000	Employees
DOUGLAS HOLDING AG			732.467	0	101
Perfumeries					
1.	Parfümerie Douglas GmbH, Hagen	100	250,378	37,273	219
2.	Parfümerie Douglas Deutschland GmbH, Hagen	100	39,874	862,772	6,149
3.	HELA Kosmetik Handels GmbH & Co. Parfümerie KG, Munich	100	566	18,749	110
4.	Parfümerie Douglas International GmbH, Hagen	100	247,068	0	37
5.	Parfümerie Douglas Ges.m.b.H., Vienna/Austria	100	30,660	70,815	563
6.	Parfumerie Douglas Nederland B.V., Nijmegen/The Netherlands	100	50,663	175,621	1,371
7.	Parfumerie Douglas France S.A., Lille/France	100	30,199	131,188	1,010
8.	Profumerie Douglas S.P.A., Bologna/Italy	100	33,144	158,474	1,069
9.	Parfümerie Douglas S.A., Baar/Switzerland	CHF 100	8,279	51,921	194
10.	Parfumerie Douglas Inc., Westport, CT/U.S.A.	USD 100	-11,026	16,895	83
11.	Douglas Spain S.A., Madrid/Spain	100	325	77,702	669
12.	Douglas Portugal Ltd., Lisbon/Portugal	100	11,005	26,402	185
13.	Douglas Ungarn Kft., Budapest/Hungary	HUF 100	2,703,361	5,911,958	251
14.	Douglas Polska SP.z.o.o., Warsaw/Poland	PLN 100	55,708	305,289	911
15.	Parfumerie Douglas Monaco S.A.M., Monaco/Monaco	100	1,618	2,839	12
16.	OOO Douglas Rivoli, Moscow/Russia	RUB 100	573,812	2,325,344	617
17.	Parfumerija Douglas d.o.o., Maribor/Slovenia	100	288	2,158	24
18.	Parfumeri Douglas ApS., Copenhagen/Denmark	DKK 100	2,961	29,809	35
19.	Parfumerie Douglas s.r.o., Prague/Czech Republic	CZK 100	5,974	301,393	123
20.	Parfümerie Douglas Limited Sirketi, Istanbul/Turkey	TRY 100	14,178	15,402	95
21.	SIA "Douglas Latvia", Riga/Latvia	LVL 51	1,766	10,723	219
22.	UAB "Douglas Lithuania", Vilnius/Lithuania	LTL 51	3,818	50,669	227
23.	Parf. Douglas S.R.L., Bucharest/Romania	RON 100	1,679	22,139	61
24.	Parfumerie Douglas Bulgaria ood, Sofia/Bulgaria	BGN 51	7,095	19,689	98
25.	IRIS d.d., Zagreb/Croatia	HRK 51	28,321	153,811	245
Books					
26.	Thalia Universitätsbuchhandlung GmbH, Hagen	100	20,723	271,951	1,502
27.	Thalia Buchh. Erich Könnecke GmbH & Co. KG, Hamburg	100	7,937	143,924	965
28.	Thalia Holding GmbH, Hamburg	75	70,924	151,834	133
29.	Kober & Thalia Buchhandelsgruppe GmbH & Co. KG, Mannheim	75	267	19,982	105
30.	Reinhold Gondrom GmbH & Co. KG, Kaiserslautern	100	5,551	68,320	449
31.	Grüttefien GmbH, Varel	50	4,470	27,285	168
32.	Buch & Kunst GmbH & Co. KG, Dresden	100	2,167	36,052	389
33.	G.D. Baedeker GmbH, Dresden	100	5,840	7,773	52
34.	Buch Kaiser GmbH, Karlsruhe	100	566	7,104	45
35.	Thalia Buch & Medien GmbH, Linz/Austria	100	16,186	112,750	710
36.	Thalia Bücher AG, Basel/Switzerland	CHF 100	16,607	96,102	468
37.	ZAP*Zur Alten Post AG, Brig/Switzerland	CHF 67	1,789	11,225	49
38.	buch.de internetstores AG, Münster (Values as at December 31, 2008)	36	21,131	70,161	111
Jewelry					
39.	Christ Juweliere und Uhrmacher seit 1863 GmbH, Hagen	100	51,969	292,549	2,025
Fashion					
40.	Reiner Appelrath-Cüpper Nachf. GmbH, Cologne	75	10,024	131,007	757
Confectionery					
41.	Hussel Süßwarenfachgeschäfte GmbH, Hagen	100	3,856	88,369	889
42.	Cerrini Confiserie GmbH, Hagen	100	678	14,590	143

- Membership of supervisory boards required by law
- Membership of comparable advisory bodies
- * Employee representative

HONORARY CHAIRMAN

Dr. Dr. h.c. Guido Sandler

SUPERVISORY BOARD

Dr. Dr. h.c. Jörn Kreke

Chairman

Merchant, Hagen

- Deutsche EuroShop AG, Hamburg
- Capital Stage AG, Hamburg
- Kalorimeta AG & Co. KG, Hamburg
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Margarete Pinkowski*

Vice Chairwoman

Commercial employee, Hagen

Parfümerie Douglas GmbH, Hagen

Detlef Bierbaum

Banker, Cologne

- Sal. Oppenheim jr. & Cie. AG, Vienna/Austria
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- IVG Institutional Funds GmbH, Wiesbaden (Chairman)
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- LVM Landwirtschaftlicher Versicherungsverein, Münster a.G.
- LVM Lebensversicherungs-AG, Münster
- LVM Pensionsfonds-AG, Münster
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- Lloyd George Management Ltd., British Virgin Islands
- Oppenheim Asset Management Services S.á.r.l., Luxembourg (Vice Chairman)
- Tertia Handelsbeteiligung mbH, Düsseldorf
- The Central European and Russia Fund, Inc., New York/U.S.A.
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Head of section, Münster

Parfümerie Douglas Deutschland GmbH, Hagen

Isabelle Harth*

Secretary, Munich

Parfümerie Douglas Deutschland GmbH, Hagen

Solveig Hasse*

Bookseller, Hamburg

Thalia Buchhandlung Erich Könnecke

GmbH & Co. KG Boysen & Maasch, Hamburg

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Petra Lügger*

Administration, Münster

Thalia Universitätsbuchhandlung GmbH, Hagen

Bernd M. Michael

Merchant, Düsseldorf

- Loyalty Partner Holding GmbH, Munich
- 12snap AG, Munich (Chairman)
- Uniplan GmbH & Co. KG, Cologne
- Duisport AG, Duisburg (advisory-board)
- Board of Directors WE Marketing Company Limited, Hong Kong

Dr. h.c. August Oetker

General Partner at

Dr. August Oetker KG, Bielefeld

Chairman of Management Board

Dr. Oetker GmbH

- Damm S. A., Barcelona/Spain
- B. Braun AG, Melsungen
- Martin Braun KG, Hannover (Chairman)
- Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft KG, Hamburg (Chairman)
- Henkell & Co. Sektkellerei KG, Wiesbaden
- Chemische Fabrik Budenheim KG, Budenheim

Dr. Ernst F. Schröder

General Partner at

Dr. August Oetker KG, Bielefeld

- Gerry Weber International AG, Halle (Chairman)
- S. A. Chateau du Domaine St. Martin, Vence/France (Chairman)
- S. A. Hôtel du Cap Eden Roc, Antibes/France (Chairman)
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Malene Volkerts*

Trade union secretary, Berlin

Ver.di Bundesverwaltung, Berlin

- Danzas Deutschland Holding, Frankfurt a. M.

Dr. Ulrich Wolters

Corporate consultant, Mülheim a. d. Ruhr

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- Novotergum AG, Mülheim a. d. Ruhr
- Heinrich Deichmann-Schuhe GmbH & Co. KG, Essen

Prof. Dr. Mark Wössner

Entrepreneur, Member of Supervisory Boards, Munich

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- Heidelberger Druckmaschinen AG, Heidelberg (Chairman)
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- Berger Lahnstein Middelhoff & Partners LLP, London/Great Britain
- Germany 1 Acquisition Limited, Guernsey/Great Britain

Christine Wrobel*Deputy Director of Logistics, Hemer
Christ Juweliers und Uhrmacher seit 1863
GmbH, Hagen**Sabine Zimmer***Trade union secretary, Berlin
Ver.di, Berlin district, Berlin

- real,- SB Warenhaus-GmbH, Mönchengladbach

EXECUTIVE BOARD

Dr. Henning Kreke (President and CEO)**Dr. Burkhard Bamberger****Anke Giesen** (from November 1, 2009)**Gabriele Traude-Stopka** (until September 30, 2009)

DIVISION DIRECTORS

Michael Busch**Manfred Kroneder****Reiner Unkel**

SUPERVISORY BOARD COMMITTEES

Executive Committee**Dr. Jörn Kreke** (Chairman)**Margarete Pinkowski** (Vice Chairwoman)**Dr. h.c. August Oetker** (Assessor)**Arbitration Committee****Dr. Jörn Kreke****Dr. h.c. August Oetker****Margarete Pinkowski****Petra Lügger****Audit & Finance Committee****Dr. Ernst F. Schröder** (Chairman)**Detlef Bierbaum****Dr. Ulrich Wolters****Nomination Committee****Dr. Jörn Kreke****Dr. h.c. August Oetker****Dr. Ernst F. Schröder****Responsibility statement**

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

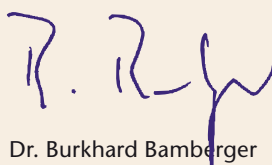
Hagen, January 4, 2010

DOUGLAS HOLDING AG

The Executive Board



Dr. Henning Kreke



Dr. Burkhard Bamberger



Anke Giesen

AUDITOR'S REPORT

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the Company and the Group of DOUGLAS HOLDING AG, Hagen, for the business year from October 1, 2008 to September 30, 2009. The maintenance of the books and records and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the Company's Board of Management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the management report of the Company and Group based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 HGB [Handelsgesetzbuch – German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting, and in the management report of the Company and Group are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and management report of the Company and Group are examined primarily on a test basis within the framework of the audit.

The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the annual financial statements and the management report of the Company and Group. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report of the Company and Group is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Hamburg, January 5, 2010

Susat & Partner oHG
Wirtschaftsprüfungsgesellschaft

Rudolph
German Accountant

Schulz-Danso
German Accountant

Douglas

 **Thalia**

CHRIST

AppelrathCüpper



www.douglas-holding.com

