

Invitation to the 2011 Annual General Meeting



Headquarters in Hagen/Westfalen

Security Identification Number (WKN): 609 900

ISIN: DE 000 609 900 5

Dear DOUGLAS Shareholders!

You are hereby cordially invited to attend the Annual General Meeting on

March 23, 2011 at 10.30 a.m. (CET)

at Stadthalle Hagen, 58093 Hagen, Wasserloses Tal 2.

AGENDA

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements, the combined management report for DOUGLAS HOLDING AG and the Group for the financial year from October 1, 2009 to September 30, 2010 (including explanatory comments on the disclosures made under § 289 (4) and (5) and § 315 (4) of the German Commercial Code – HGB), and the report of the Supervisory Board

2. Resolution on the appropriation of net income for the financial year from October 1, 2009 to September 20, 2010

The Executive Board and the Supervisory Board propose that the unappropriated net income amounting to Euro 44,000,000.00 be appropriated as follows

a. One amount of Euro 43,314,944.20 to be distributed as a dividend of Euro 1.10 per share entitled to dividends

and

b. The remaining amount of Euro 685,055.80 to be carried forward.

The dividend is due for payment from March 24, 2011.

3. Resolution on the approval of the actions of the Executive Board for the financial year from October 1, 2009 to September 30, 2010

The Executive Board and the Supervisory Board propose the approval of the actions of the members of the Executive Board for the financial year from October 1, 2009 to September 30, 2010.

4. Resolution on the approval of the actions of the Supervisory Board for the financial year from October 1, 2009 to September 30, 2010

The Executive Board and the Supervisory Board propose the approval of the actions of the members of the Supervisory Board for the financial year from October 1, 2009 to September 30, 2010.

5. Resolution on the approval of the compensation system for Executive Board members

§ 120 (4) of the German Stock Corporation Act (AktG) provides for the possibility of the Annual General Meeting adopting a resolution approving the compensation system for Executive Board members. Such resolution is not legally binding. In the interests of broadening the acceptance for Executive Board compensation and since the compensation system for Executive Board members has been amended since the previous Annual General Meeting, the Executive Board and the Supervisory Board deem it expedient to seek approval from the shareholders for the new Executive Board compensation system.

Details of the compensation system can be found in the company's 2009/10 Annual Report. Furthermore, the compensation system will be presented in detail by the Supervisory Board Chairman at the Annual General Meeting.

The Executive Board and the Supervisory Board propose the adoption of the following resolution:

“The compensation system for members of the company's Executive Board is approved.”

6. Election of Supervisory Board members

Pursuant to § 6 (1) of the Articles of Association in conjunction with § 96 (1) of the German Stock Corporation Act (AktG) and § 7 (1) Sentence 1 No. 3 of the German Codetermination Act of May 4, 1976 (MitbestimmG), the company's Supervisory Board consists of 16 members, of whom eight members are elected by shareholders pursuant to § 96 (1) and § 101 (1) of the German Stock Corporation Act (AktG).

In terms of its composition, the Supervisory Board should ensure an adequate number of female members, thus accounting for one of the basic aspects of diversity considerations.

Furthermore, when determining its composition the Supervisory Board should ensure that its members as a whole have the necessary knowledge, skills and specialist experience to perform their duties correctly.

These considerations have also been accounted for in the current election of four shareholder representatives. The candidates proposed have outstanding knowledge, skills and experience in fields of great relevance to the company in its capacity as a specialist retailer. The scope thereby

covered ranges from international marketing expertise via strategy planning and corporate management through to areas such as real estate management and capital market experience.

By offering suitable expertise, experience and advice, the aim is to provide the best possible support to the Executive Board in performing its challenging duties. This is particularly the case for matters resulting from new developments where it is not possible for members to draw solely on their own previous experience.

Consistent with the proposal submitted by its Nomination Committee, the Supervisory Board proposes the election of the following individuals as shareholder representatives on the Supervisory Board:

- a) **Karen Heumann**,
Advertising Consultant, Hamburg
Member of Executive Board of Jung von Matt Aktiengesellschaft

Current membership of statutory supervisory boards:

auFeminin.com S. A., Paris/France

- b) **Dr. Michael H. Hinderer**,
Businessman, Munich
Chairman and Member of Advisory Board of Altium Capital AG, Zürich, Zollikon/Switzerland,
Altium Group Ltd., London/UK

Current membership of statutory supervisory boards:

Channel 21 Holding AG, Munich

Current membership of comparable company supervisory bodies in Germany and abroad:

Capital Dynamics Holding AG, Zug/Switzerland

- c) **Dr. h.c. August Oetker**,
Businessman, Bielefeld
Chairman of Advisory Board of Dr. August Oetker KG, Bielefeld

Current membership of statutory supervisory boards:

Damm S. A., Barcelona/Spain

B. Braun AG, Melsungen

Ebro Foods S.A., Madrid/Spain

Current membership of comparable company supervisory bodies in Germany and abroad:

Dr. August Oetker KG, Bielefeld (Advisory Board)

d) **Dr. Ernst F. Schröder,**

Businessman, Bielefeld

Personally liable partner in Dr. August Oetker KG, Bielefeld

Current membership of statutory supervisory boards:

Gerry Weber International AG, Halle (Chairman)

S. A. S. Chateau du Domaine St. Martin, Vence/France (Chairman)

S. A. S. Hôtel du Cap Eden Roc, Antibes/France (Chairman)

S. A. S. Hôtel Le Bristol, Paris/France (Chairman)

Damm S.A., Barcelona/Spain

Current membership of comparable company supervisory bodies in Germany and abroad:

Bankhaus Lampe KG, Düsseldorf (Chairman)

These candidates are proposed for election for a term lasting until the conclusion of the Annual General Meeting passing resolution on the approval of the actions of these Supervisory Board members for the fourth financial year after the beginning of the term. The financial year in which the term in office begins is not included in this calculation.

Bernd M. Michael will retire from his position on the Supervisory Board upon the conclusion of the Annual General Meeting on March 23, 2011. The Supervisory Board proposes that the Annual General Meeting should elect

Claus-Matthias Böge,

Graduate in Business Administration, Hamburg

Spokesman of the Executive Board of Deutsche Euroshop AG, Hamburg

to succeed Bernd M. Michael for his remaining term in office, i.e. until the Annual General Meeting held in 2013.

In its choice of shareholder representatives, the Annual General Meeting is not restricted to these election proposals.

Consistent with the recommendation made by the German Corporate Governance Code, members are elected to the Supervisory Board on an individual basis.

7. Election of the auditor for the financial year from October 1, 2010 to September 30, 2011

Consistent with the recommendation made by its Audit Committee, the Supervisory Board proposes the election of Susat & Partner oHG Wirtschaftsprüfungsgesellschaft, Domstrasse 15, 20095 Hamburg, as auditors for the financial year from October 1, 2010 to September 30, 2011. This audit company will also perform audit reviews of interim financial reports, should any such audit reviews be commissioned.

Participation in the Annual General Meeting:

To be entitled to participate in the Annual General Meeting and exercise their voting rights, shareholders must register in written form (§ 126b BGB) and submit documentary evidence of their shareholding at the central registration office of DOUGLAS HOLDING AG at the following address by the end of **March 16, 2011**:

DOUGLAS HOLDING AG
c/o WestLB AG
represented by dwpbank
"Annual General Meeting/Hauptversammlung"
Wildunger Straße 14
60487 Frankfurt am Main
Germany
Fax: +49(0)69/ 5099 1110
E-mail: hv-eintrittskarten@dwpbank.de

The documentary evidence for the shareholding must refer to the beginning of **March 2, 2011 (evidence date)**. It is to be submitted as a confirmation from an institution accredited with the custodianship of securities. Such confirmation must be provided in written form (§ 126b BGB) and formulated in German or English.

Only those shareholders who provide documentary evidence of their shareholding shall be deemed to be shareholders for the purposes of participating in the Annual General Meeting and exercising their voting rights. Alongside the registration requirement, entitlement to participate in the Annual General Meeting and the scope of voting rights shall be based exclusively on the shareholding as of the evidence date. The evidence date does not involve any restriction on the disposal of shares. Even in the event of the full or partial disposal of shares following the evidence date, participation and voting rights shall be based exclusively on the shareholding as of the evidence date. Persons not owning any shares on the evidence date and only becoming shareholders subsequently are not entitled to participate in or exercise any voting rights at the Annual General Meeting. The evidence date has no implications for dividend entitlement.

To register, shareholders should fill in the admissions ticket order forms forwarded to them via their account-holding bank and return them to their bank in good time and in accordance with the bank's requirements. The account-holding bank will undertake the registration and simultaneously forward the documentary evidence of the shareholding to the central registration office of DOUGLAS HOLDING AG referred to above, which will then forward such registration and the documentary evidence of the shareholding to the company.

Each shareholder thereby registered will receive an admissions ticket, which will also include a form for issuing a power of attorney for casting votes at the Annual General Meeting.

Proxy voting:

Shareholders not wishing to attend the Annual General Meeting in person may have their voting rights exercised by a voting proxy, or by a bank or shareholders' association, on the basis of a corresponding authorization.

In cases where shareholders authorize persons other than a bank, a shareholders' association or the other persons or institutions listed in § 135 (8) AktG or § 135 (10) in conjunction with § 125 (5) AktG, the issuing of such power of attorney, its revocation and documentary evidence of such authorization must be provided to the company in written form (§ 126b BGB) in accordance with the requirements of German stock corporation law.

The power of attorney and its revocation may either be forwarded to the aforementioned registration address (including fax) or issued to the authorized party. When the power of attorney is issued to the authorized party, documentary evidence of such authorization must be provided to the company in written form (§ 126b BGB). This may be provided by presenting the power of attorney at the entrance on the day of the Annual General Meeting, by forwarding the documentary evidence to the aforementioned registration address (including fax), or by forwarding the documentary evidence of such authorization to the following e-mail address:

hv2011@douglas-holding.com.

We would point out that in cases where powers of attorney are to be issued to banks, shareholders' associations or other persons or institutions listed in § 135 (8) AktG or § 135 (10) in conjunction with § 125 (5) AktG such persons or institutions may require a special form of power of attorney as they are obliged by § 135 AktG to retain verifiable proof of such power of attorney. Should you wish to issue powers of attorney to a bank, a shareholders' association or any other equivalent institution or person pursuant to § 135 (8) AktG or § 135 (10) in conjunction with § 125 (5) AktG, please therefore agree the respective approach with the institution or person concerned. No separate evidence of such authorization is required in this case.

As in previous years, as a special service the company provides its shareholders with the opportunity of issuing powers of attorney in advance of the Annual General Meeting to a voting proxy appointed by the company and required to act on shareholders' instructions.

Shareholders wishing to issue such powers of attorney to voting proxies appointed by the company will require an admissions ticket for the Annual General Meeting to do so. This may be obtained from the account-holding bank. To ensure that admissions tickets are received on time, orders should be submitted to the account-holding bank as early as possible.

When powers of attorney are issued to voting proxies appointed by the company, these must in all cases be provided with instructions as to how the voting rights are to be exercised. The voting proxies are obliged to vote in line with such instructions. To enable the voting proxy to act in accordance

with the respective powers of attorney and instructions at the Annual General Meeting, these must be submitted to the voting proxy in good time, if possible by the end of **March 22, 2011**. Powers of attorney and instructions to voting proxies must also be forwarded to the address stated in the “Participation in the Annual General Meeting” section.

Shareholders wishing to authorize voting proxies are requested to issue their powers of attorney on the form provided by the company for this purpose. The form for issuing powers of attorney and second-level proxies can be found on the reverse side of the admissions tickets. Furthermore, shareholders may download the form required to issue powers of attorney from the company’s website at **www.dhag-hv.com** or request the form free of charge from the company. Should a shareholder authorize more than one person, the company may reject one or several such persons. Shareholders will receive further information about voting proxies from their account-holding banks along with the admissions ticket for the Annual General Meeting. Information about proxy voting is also available to our shareholders at the internet address **www.dhag-hv.com**.

Documents for the Annual General Meeting and information pursuant to § 124a AktG:

The documents referred to in Agenda Item 1 and the information provided pursuant to § 124a AktG are available at the internet address **www.dhag-hv.com**. Furthermore, the documents referred to in Agenda Item 1 will also be available at the venue for inspection during the Annual General Meeting.

Inquiries and shareholder motions:

Shareholders are requested to address any inquiries they may have regarding the Annual General Meeting, as well as any motions, to the following address:

DOUGLAS HOLDING AG
c/o Haubrok Corporate Events GmbH
Landshuter Allee 10
80637 Munich
Germany

Fax: +49 (0)89 21027 298

E-mail: *gegenantraege@haubrok-ce.de*

Shareholder motions pursuant to § 126 (1) AktG; shareholder election proposals pursuant to § 127 in conjunction with § 126 AktG

Shareholders may submit countermotions to the company concerning any proposal made by the Executive and Supervisory Boards in respect of any specific agenda item. Countermotions and election proposals must be directed exclusively to the aforementioned address. Countermotions and election proposals sent to other addresses will not be considered.

Counter motions and election proposals will be published on the internet at the address www.dhag-hv.com, together with any statement by the management, immediately upon receipt, provided that they are received by the company not later than midnight on March 8, 2011 and the further requirements for publication set out in § 126 and § 127 AktG are also met.

Petitions for additions to the agenda pursuant to § 122 (2) AktG

Shareholders whose combined shares represent one twentieth of the share capital or a prorated amount of Euro 500,000 are entitled to request that items be included in the agenda and announced. Such requests must be addressed to the company's Executive Board (**address: DOUGLAS HOLDING AG, Vorstand, Kabeler Strasse 4, 58099 Hagen**) in written form (§ 126b BGB) and must have been received by the company at the latest by midnight on February 20, 2011. Each new item must be accompanied by a substantiation or a proposed resolution. The petitioners must provide documentary evidence that the shares have been in their ownership for at least three months prior to the date of the Annual General Meeting (i.e. at least since December 23, 2010).

Right to information pursuant to § 131 (1) AktG

Any shareholder or shareholder representative may request the Executive Board to provide information on company matters at the Annual General Meeting, provided that such information is necessary for the appropriate assessment of the respective agenda item. This duty to provide information also includes the company's legal and business relationships with associated companies, provided that the information is necessary for the appropriate assessment of the respective agenda item. Requests for information must generally be made verbally during the discussion at the Annual General Meeting. The Executive Board may refuse to provide information for the reasons set out in § 131 (3) AktG.

Reference is made to the duties of notification set out in § 21 et seq. of the German Securities Trading Act (WpHG) and to the legal consequences provided for in § 28 of the German Securities Trading Act (WpHG), involving the suspension of all rights relating to the shares, in the event of any duty of notification being infringed.

Further explanations of shareholders rights as provided for in § 122 (2), § 126 (1), § 127 and § 131 AktG can be found on the company's internet site at **www.dhag-hv.com**.

Internet broadcast of the Annual General Meeting

Company shareholders and interested parties may follow the opening of the Annual General Meeting by the Chairman of the Meeting and the presentation by the CEO to the Annual General Meeting live on the internet from 10.30 a.m. (CET) on March 23, 2011. It will also be possible to access the recording after the Annual General Meeting at the internet address **www.dhag-hv.com**.

Total number of shares and voting rights upon the convening of the Annual General Meeting:

Upon the Annual General Meeting being convened, the company has share capital of Euro 118,131,666.00, which is divided into 39,377,222 individual non-par shares with a prorated amount in the share capital of Euro 3.00 per share. Each share entitles its bearer to one vote. The company did not own any treasury stock upon the meeting being convened. The total number of shares with participation and voting entitlement amounts to 39,377,222.

Donation:

As in previous years, we would like to take the 2011 Annual General Meeting as an opportunity to make cash donations to support the work of the following institutions:

The Lutheran Foundation in Volmarstein (*Evangelische Stiftung Volmarstein*) will receive a donation of Euro 12,500.00 to support its important work.

Hagen Soup Kitchen (*Suppenküche Hagen e.V.*) and the Hagen Branch of the German Child Protection League (*Deutsche Kinderschutzbund, Ortsverband Hagen e.V.*) will be supported with donations of Euro 6,250.00 each.

Hagen, February 2011

DOUGLAS HOLDING AG

THE EXECUTIVE BOARD