Interim Financial Report

Beauty Holding Zero GmbH

as at June 30th 2015

Content

The consolidated statements have been prepared in millions of euros (EUR m). Rounding differences may arise when individual amounts or percentages are added together.

Important Notice

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Disclosure Regarding Forward-Looking Statements

This financial report includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “aims,” “targets,” “anticipates,” “expects,” “intends,” “may,” “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this financial report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate, other statements relating to our future business performance and general economic, regulatory and market trends and other circumstances relevant to our business.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity and the development of the industry in which we operate may differ materially from those made in or suggested by the forward- looking statements contained in this financial report. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this financial report, those results or developments may not be indicative of results or developments in subsequent periods. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to:

- our future financial position and developments in international financial markets;
- our ability to implement our strategic plans and the impact of those plans on our financial position and results of operations;
- macroeconomic trends and developments in the markets in which we operate;
- our ability to successfully compete in our markets;
- our ability to obtain quality selective and exclusive products from our suppliers;
- risk of rising labor costs, as well as work stoppages, strikes or other collective actions, supply shortages and interruptions in our supply chain;
- developments in the distribution of our products, including acceptance of internet retailing, user behavior on mobile devices, our ability to attract more internet traffic and translate such traffic into purchases;
- the risk of interruption to our operations as a result of failures in our information technology systems;
- technological advances and our ability to successfully expand our multi- and cross-channel capabilities;
- our ability to effectively integrate acquired businesses, including Nocibé, and achieve expected synergies as well as manage unexpected liabilities;
- our ability to anticipate and effectively respond to consumer tastes and trends and to offer our customers an inspirational and attractive purchasing experience online and in our stores;
- changes in the strength of our brands, the brands of our suppliers, our private label products or our reputation;
- our ability to identify suitable sites for our future stationary stores and our ability to negotiate, terminate or extend store leases on acceptable terms;
- demographic changes;
- changes in the competitive environment;
- changes in law and regulations and compliance with laws;
- protection of our and our suppliers’ intellectual property rights, including trademarks and domain names;
- currency effects;
- our ability to attract and retain key management and personnel;

- misappropriation of funds and products in our stores, warehouses and logistics centers and of customer data;
- the availability of consumer credit;
- the impact of changes in credit and debit card provider requirements or applicable regulations;
- legal proceedings;
- seasonality;
- our substantial leverage and ability to generate sufficient cash to service our debt and to refinance these borrowings upon maturity; and
- risks associated with our structure and our other borrowings

We undertake no obligation, and do not expect, to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this financial report.

Management's Discussion and Analysis

Investors should read the following "Management's Discussion and Analysis of Financial Condition and Results of Operations" together with the additional financial information contained elsewhere in this financial report including the financial statements and the related notes thereto. The historical results are not necessarily indicative of the results that should be expected in the future, and interim results are not necessarily indicative of the results that should be expected for the full year or any other period.

All of the financial data presented in the text and tables below are shown in millions of Euro, except as otherwise stated. Certain financial data (including percentages) in the following tables have been rounded according to established commercial standards, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation) are calculated based on the underlying unrounded amounts. As a result, the aggregate amounts in the following tables may not correspond in all cases to the corresponding rounded amounts contained in the following tables. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables. In respect of financial data set out in this financial report, a dash ("—") signifies that the relevant figure is not available or not applicable, while a zero ("0") signifies that the relevant figure is available but has been rounded to or equals zero.

As a result of the acquisition of Beauty Holding Zero GmbH ("Douglas" or the "Target") by Kirk Beauty Zero GmbH on August 13, 2015 (the "Acquisition"), the actual results of Kirk Beauty Zero GmbH would not show meaningful operational figures for the nine months ended June 30, 2015. Therefore, all financial information discussed in this Management's Analysis of Interim Consolidated Financial Condition and Results of Operations are based on consolidated Target financials only.

Under IFRS 3 "Business Combinations," the cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred and the equity interests issued by the acquirer, including the fair value of any asset or liability incurred and the equity interests issued by the acquirer, including the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair market values at the acquisition date. The excess of the consideration transferred over the fair value if the acquirer's share of the identifiable net assets acquired is recorded as goodwill. Since the Acquisition had not been consummated as of June 30, 2015, we have not identified the fair value of assets acquired and liabilities to be assumed at the date of the Acquisition. In accordance with IFRS, we have up to 12 months from the completion of the Acquisition to finalize the allocation of the purchase price.

The Company

Kirk Beauty Zero GmbH (the "Company", the "Group") is a German limited liability company (Gesellschaft mit beschränkter Haftung) incorporated on January 16, 2015, and has its registered office at Im Zollhafen 24, 50678 Cologne/Germany.

On August 13, 2015 Kirk Beauty Zero GmbH acquired all shares in Beauty Holding Zero GmbH, a German limited liability company that owns all shares in the Douglas Group ("Douglas").

Douglas is a European specialist retailer of selective beauty and personal care products. It generates the vast majority of its sales in the selective beauty distribution channel, which requires the formal approval by a supplier to carry a selective product, as opposed to the mass market channel. As of June 30, 2015 Douglas was operating stationary stores in 19 European countries and had e-commerce operations in 15 countries. The head office of Douglas is located in Hagen/Germany.

In the fiscal year ending September 30, 2014 and the current fiscal year the Douglas Group had a complex financial history consisting of a series of divestitures and acquisitions. At the beginning of the fiscal year ending September 30, 2014 Douglas consisted of the following five operating businesses:

- Selective beauty and personal care retail
- Confectionary retail ("Hussel")
- Book retail ("Thalia")
- Jewelry retail ("Christ")
- Fashion retail ("AppelrathCüpper").

While Hussel was sold and deconsolidated with effective date on April 30, 2014, Thalia, Christ and AppelrathCüpper were sold and deconsolidated on the first day of the current fiscal year, i.e. on October 1, 2014.

Douglas also acquired the French perfumery chains Groupe Nocibé SAS and Clin d'Oeil with effective dates on July 1, 2014 and February, 2015, respectively. In addition, Douglas acquired the German perfumery chain Himmer effective on January 1, 2015.

We refer to the Confectionary business, the Book business, the Jewelry business and the Fashion business as the "Disposal Businesses".

Result of Operations

The following table summarizes our financial performance for the periods indicated:

Income Statement

		01/10/2014 - 30/06/2015[1]	01/10/2013 - 30/06/2014[2]
		(in EUR m)	(in EUR m)
1.	Sales	2,043.8	1,559.3
2.	Cost of raw materials, consumables and supplies and merchandise	-1,084.5	-805.5
3.	**Gross profit from retail business**	**959.3**	**753.8**
4.	Other operating income	163.7	134.7
5.	Personnel expenses	-406.1	-346.3
6.	Other operating expenses	-530.0	-442.5
7.	Income from other investments	0.1	0.1
8.	**EBITDA**	**187.1**	**99.8**
9.	Amortization/depreciation	-63.6	-51.4
10.	**EBIT**	**123.5**	**48.4**
11.	Financial income	1.8	6.0
12.	Financial expenses	-72.8	-83.9
13.	Financial result	-71.0	-77.9
14.	**Earnings before tax (EBT)**	**52.5**	**-29.5**
15.	Income taxes	-25.1	-4.0
16.	**Result from continued operations**	**27.4**	**-33.5**
17.	Result from discontinued operations	143.2	34.5
18.	Profit attributable to non-controlling interests	*-0.1*	*-0.3*
19.	**Profit attributable to group shareholders**	**170.5**	**0.7**

[1] The Books Business, the Jewelry Business and the Fashion Business were separated as the first booking entry on October 1, 2014 and the Confectionery Business was sold and transferred to a third party with effect for accounting purposes on April 30, 2014 and, thus, were deconsolidated on the respective date. As a result, our Results of Operations for the nine months ended June 30, 2015 only account for the Books Business, the Jewelry Business and the Fashion Business with respect to this first booking entry and do not account reflect any operations of the Confectionery Business, while our Results of Operations for the nine months ended June 30, 2014 still account for the Books Business, the Jewelry Business and the Fashion Business for the whole period, i.e. from October 1, 2013 until June 30, 2014 and the Confectionary Business for the period October 1, 2013 until April 30, 2014. Therefore, our Results of Operations for the nine-months ended June 30, 2015 may not be directly comparable to our Results of Operations for the nine-months ended June 30, 2014. The disposal businesses were accounted for according to IFRS 5 and therefore the results of these businesses are shown in the separate line "Result from discontinued operations".

[2] With effect for accounting purposes as of July 1, 2014, we acquired the Nocibé Group. As a result, the Results of Operations for the nine months ended June 30, 2015 fully reflect the Nocibé Business for the entire period. The Results of Operations for the nine months ended June 30, 2014 do not reflect the operations of the Nocibé Business. Therefore, our Results of Operations for the nine-months ended June 30, 2015 may not be directly comparable to our Results of Operations for the nine-months ended June 30, 2014.

Segment Reporting

The segment reporting of the Group, prepared in conformity with the provisions of IFRS 8, reflects the internal management and reporting structure, which is based on geographical regions. For the purposes of segment reporting, the individual countries in which Douglas operates are allocated to the regions Germany (including as of October 30, 2014, Norway), France (including Monaco), South Western Europe (including Austria, Italy, the Netherlands, Portugal, Spain and Switzerland) and Eastern Europe (including Bulgaria, Croatia, the Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania and Turkey). Service and regional holding entities are allocated to the segments based on the region of their place of business. Transfers between our segments are conducted on an arm's length basis.

Segment sales (net) reflect the sales generated with third parties outside the Douglas Group while intersegment sales reflect any sales between our four regional segments. The key segmental performance indicator is Adjusted EBITDA. EBITDA is adjusted for non-recurring, one-off items or impacts limited to a certain period of time, non-operating items, as well as credit card fees. Segment inventory comprises finished goods and merchandise, raw materials, consumables and supplies as well as advances to suppliers for merchandise. Capital expenditure shown under segment reporting relates to additions made to intangible assets and property, plant and equipment. Segment assets generally comprise non-current assets. As a rule, segment assets do not include non-current tax positions.

Sales

The following table shows the external sales of our segments, which excludes sales between segments, for the periods indicated:

Sales by Segments

		01/10/2014 - 30/06/2015[1]	01/10/2013 - 30/06/2014[2]
Sales	EUR m	2,043.8	1,559.3
Segments			
Germany			
Sales (net)	*EUR m*	903.3	856.1
Intersegment sales	*EUR m*	15.6	13.1
Sales	*EUR m*	918.9	869.2
France			
Sales (net)	*EUR m*	558.5	145.0
Intersegment sales	*EUR m*	7.7	0.2
Sales	*EUR m*	566.2	145.2
South Western Europe			
Sales (net)	*EUR m*	394.4	382.0
Intersegment sales	*EUR m*	0.0	0.0
Sales	*EUR m*	394.4	382.0
Eastern Europe			
Sales (net)	*EUR m*	187.6	176.2
Intersegment sales	*EUR m*	0.0	0.0
Sales	*EUR m*	187.6	176.2

[1] The Books Business, the Jewelry Business and the Fashion Business were separated as the first booking entry on October 1, 2014 and the Confectionery Business was sold and transferred to a third party with effect for accounting purposes on April 30, 2014 and, thus, were deconsolidated on the respective date. As a result, our Sales Data for the nine months ended June 30, 2015 only accounts for the Books Business, the Jewelry Business and the Fashion Business with respect to this first booking entry and do not account reflect any operations of the Confectionery Business. The disposal businesses are accounted for according to IFRS 5 and therefore only the result of these businesses is shown in the separate line "Result from discontinued operations" in the income statement.

[2] With effect for accounting purposes as of July 1, 2014, we acquired the Nocibé Group. As a result, the Sales Data for the nine months ended June 30, 2015 fully reflect the Nocibé Business for the entire period. The Sales Data for the nine months ended June 30, 2014 do not reflect the operations of the Nocibé Business. Therefore, our Sales Data for the nine-months ended June 30, 2015 may not be directly comparable to our Sales Data for the nine-months ended June 30, 2014.

Adjusted EBITDA

We evaluate each of our business segments using a measure that reflects all the segment's sales and expenses. We believe the most appropriate measure in this regard is Adjusted EBITDA, a non-IFRS measure, as it is helpful for investors as a measurement of the segment's ability to generate cash and to service financing obligations. We adjust our EBITDA for one-off or non-operating extraordinary expenses and income as well as for credit card fees in order to obtain Adjusted EBITDA.

Because all companies do not calculate EBITDA and Adjusted EBITDA on a consistent basis, our presentation of these measures may not be comparable to measures under the same or similar names used by other companies. Accordingly, undue reliance should not be placed on these measures.

The following table shows our Adjusted EBITDA for the periods indicated:

EBITDA by Segments

		01/10/2014 - 30/06/2015[1]	01/10/2013 - 30/06/2014[2]
EBITDA	EUR m	187.1	99.8
EBITDA margin	%	9.2	6.4
Non-recurring effects/adjustments[3]	EUR m	54.1	50.9
Adjusted EBITDA	EUR m	241.2	150.7
Adjusted EBITDA margin	%	11.8	9.7
Segments			
Germany			
EBITDA	*EUR m*	101.3	66.4
EBITDA margin	*%*	11.2	7.8
Non-recurring effects/adjustments	*EUR m*	13.5	30.0
Adjusted EBITDA	*EUR m*	114.8	96.4
Adjusted EBITDA margin	*%*	12.7	11.3
France			
EBITDA	*EUR m*	40.7	-7.2
EBITDA margin	*%*	7.3	-5.0
Non-recurring effects/adjustments	*EUR m*	35.0	16.7
Adjusted EBITDA	*EUR m*	75.7	9.5
Adjusted EBITDA margin	*%*	13.6	6.6
South Western Europe			
EBITDA	*EUR m*	27.6	25.1
EBITDA margin	*%*	7.0	6.6
Non-recurring effects/adjustments	*EUR m*	4.2	3.2
Adjusted EBITDA	*EUR m*	31.8	28.3
Adjusted EBITDA margin	*%*	8.1	7.4
Eastern Europe			
EBITDA	*EUR m*	17.5	15.5
EBITDA margin	*%*	9.3	8.8
Non-recurring effects/adjustments	*EUR m*	1.4	1.0
Adjusted EBITDA	*EUR m*	18.9	16.5
Adjusted EBITDA margin	*%*	10.1	9.4

[1] The Books Business, the Jewelry Business and the Fashion Business were separated as the first booking entry on October 1, 2014 and the Confectionery Business was sold and transferred to a third party with effect for accounting purposes on April 30, 2014 and, thus, were deconsolidated on the respective date. As a result, our Results of Operations for the nine months ended June 30, 2015 only account for the Books Business, the Jewelry Business and the Fashion Business with respect to this first booking entry and do not account reflect any operations of the Confectionery Business, while our Results of Operations for the nine months ended June 30, 2014 still account for the Books Business, the Jewelry Business and the Fashion Business for the whole period, i.e. from October 1, 2013 until June 30, 2014 and the Confectionary Business for the period October 1, 2013 until April 30, 2014. Therefore, our Results of Operations for the nine-months ended June 30, 2015 may not be directly comparable to our Results of Operations for the nine-months ended June 30, 2014. The disposal businesses were accounted for according to IFRS 5 and therefore the results of these businesses are shown in the separate line "Result from discontinued operations".

[2] With effect for accounting purposes as of July 1, 2014, we acquired the Nocibé Group. As a result, the EBITDA and Adjusted EBITDA Data for the nine months ended June 30, 2015 fully reflect the Nocibé Business for the entire period. The EBITDA and Adjusted EBITDA Data for the nine months ended June 30, 2014 do not reflect the operations of the Nocibé Business. Therefore, our EBITDA and Adjusted EBITDA Data for the nine-months ended June 30, 2015 may not be directly comparable to our EBITDA and Adjusted EBITDA Data for the nine-months ended June 30, 2014

[3] Thereof consulting fees €11 million (2013/14: €27 million), restructuring costs €8 million (2013/14: €14 million), PPA €24 million, credit card fees €7 million (2013/14: €5 million), others €4 million (2013/14: €5 million)

Nine Months Ended June 30, 2015 Compared to Nine Months Ended June 30, 2014

Sales (net)

Sales (net) (i.e. sales generated from third parties) increased by €484.5 million, or 31.1%, to €2,043.8 million in the nine months ended June 30, 2015, from €1,559.3 million in the nine months ended June 30, 2014. This increase was due to both organic growth as well as the acquisition of Nocibé with effective date on July 1, 2014. Comparing sales for the nine months ended June 30, 2015 to pro forma sales including Nocibé for the nine months ended June 30 2014, the sales increase was €83.4 million or 4.2%. Comparing sales for the nine months ended June 30, 2015 to pro forma sales including Nocibé of €1,960.4 million for the nine months ended June 30, 2014, the sales increase was €83.4 million or 4.2%. On a like-for-like basis, sales (net) grew by 3.6%. This like-for-like sales increase was driven by organic growth of both our stationary and online businesses. While our stationary sales increased 1.2% on a like-for-like basis, our online business grew 29.2%. Overall, online sales accounted for 10.0% of sales in the nine months ended June 30, 2015. Sales in our segments developed as follows:

Sales in Germany increased €47.2 million, or 5.5%, to €903.3 million in the nine months ended June 30, 2015 from €856.1 million in the nine months ended June 30, 2014 and, as a percentage of total sales, decreased to 44.2% from 54.9%. The increase was primarily driven by significant customer growth which led to both higher stationary sales as well as increased online sales. Like-for-like sales growth in Germany was 5.4%.

Sales in France increased by €413.5 million to €558.5 million in the nine months ended June 30, 2015 from €145.0 million in the nine months ended June 30, 2014. As a percentage of total sales, our France segment increased to 27.3% in the nine months ended June 30, 2015 (compared to 9.3% in the nine months ended June 30, 2014). This increase is mainly attributable to the acquisition of Nocibé. Compared to pro forma sales including Nocibé for the nine months ended June 30, 2014, the sales increase was €12.0 million or 2.2%. On a like-for-like basis, sales in France increased by 1.1%.

Sales in South Western Europe increased by €12.4 million, or 3.2%, to €394.4 million in the nine months ended June 30, 2015 from €382.0 million in the nine months ended June 30, 2014 and, as a percentage of total sales, decreased to 19.3% from 24.5%. On a like-for-like basis sales grew by 2.7%. In particular our operations in the Netherlands, Austria and Italy contributed to that increase.

Sales in Eastern Europe increased by €11.4 million, or 6.5%, to €187.6 million in the nine months ended June 30, 2015 from €176.2 million in the nine months ended June 30, 2014 and, as a percentage of total sales, decreased to 9.2% from 11.3%. Like-for-like growth was 3.9%. The increase was driven by Poland, Czech Republic, Romania, Lithuania and Hungary.

Cost of raw materials, consumables and supplies and merchandise

Cost of raw materials, consumables and supplies and merchandise increased to €1,084.5 million in the nine months ended June 30, 2015 compared to €805.5 million in the nine months ended June 30, 2014, and slightly increased as a percentage of total sales (net) from 51.7% to 53.1%. The major driver for the increase in costs of raw materials, consumables, supplies and merchandise is the acquisition of Nocibé. In addition, the number for the nine months ended June 30, 2015 includes an increase of €24.3 million as a result of the Purchase Price Allocation following the Nocibé acquisition. Adjusted for the Purchase Price Allocation effect from the Nocibé acquisition, costs of raw materials, consumables and supplies and merchandise as a percentage of total sales (net) increased by 0.2 percentage points to 51.9%.

Other operating income

Other operating income increased by €29.0 million to €163.7 million in the nine months ended June 30, 2015 from €134.7 million in the nine months ended June 30, 2014. As a percentage of sales, other operating income decreased from 8.6% to 8.0%. The increase was mainly due to the acquisition of the Nocibé business which was not consolidated in the nine months ended June 30, 2014. Other operating income includes, in particular, refunds primarily for marketing costs, other costs recharged to related parties, income from leasing and subleasing largely resulting from leased stores that are not used and subleased to third parties, and income from customer cards.

Personnel expenses

Personnel expenses increased by €59.8 million, or 17.3%, to €406.1 million in the nine months ended June 30, 2015 from €346.3 million in the nine months ended June 30, 2014, and decreased as a percentage of total sales from 22.2% to 19.9%. The increase in personnel expenses was mainly due the acquisition of the Nocibé business. It was partly offset by a synergy effect in France from the integration of the Nocibé business and by a decrease in personnel expenses attributable to the personnel efficiencies which we realized across our German store portfolio, in particular through staff reduction measures implemented in May and June 2014 which came to full effect in the nine months ended June 30, 2015. Besides these measures in Germany, stationary store staff efficiency measures were implemented in certain other countries in the fiscal year ended September 30, 2014. These countries include in particular Spain and Croatia, where we closed a number of stationary stores, but also the Netherlands and to a smaller extent Austria and Italy. These measures showed positive effects on our personnel expenses in the nine months ended June 30, 2015, whereas personnel expenses in the nine months ended June 30, 2014 were affected by severance payments. Overall, such extraordinary expenses accounted for €12.5 million in the nine months ended June 30, 2014 and decreased to €0.8 million in the nine months ended June 30, 2015.

Other operating expenses

Other operating expenses increased €87.5 million to €530.0 million in the nine months ended June 30, 2015 from €442.5 million in the nine months ended June 30, 2014. A majority of this increase is attributable to the acquisition of Nocibé, which was not yet owned by Beauty Holding Zero GmbH in the nine months ended June 30, 2014.

EBITDA and Adjusted EBITDA

In the nine months ended June 30, 2015 EBITDA increased €87.3 million, or 87.5%, to €187.1 million compared to €99.8 million in the nine months ended June 30, 2014. As a percentage of sales (net), EBITDA increased from 6.4% in the nine months ended June 30, 2014 to 9.2% in the nine months ended June 30, 2015. This increase was attributable to our organic sales growth, numerous efficiency measures implemented in the fiscal year 2013/14 as well as the acquisition of the Nocibé business which, for accounting purposes, was not part of Douglas in the nine months ended June 30, 2014. Adjusted EBITDA increased €90.5 million, or 44.9%, to €241.2 million in the nine months ended June 30, 2015 from €150.7 million in the nine months ended June 30, 2014. Adjusted EBITDA increased in all our segments as a result of higher reported EBITDA thanks to both organic growth and the acquisition of Nocibé. As a percentage of sales (net), Adjusted EBITDA increased from 9.7% in the nine months ended June 30, 2014 to 11.8% in the nine months ended June 30, 2015. On a pro-forma basis, i.e. including Nocibé in the nine months ended June 30, 2014, Adjusted EBITDA in that period amounted to €213.6 million and increased by €27.6 million or 12.9% in the nine months ended June 30, 2015. Total adjustments for non-recurring or non-operating items as well as credit card fees increased slightly by €3.2 million to €54.1 million (thereof €24.3 million PPA effect) in the nine months ended June 30, 2015 compared to €50.9 million the nine months ended June 30, 2014.

On a segment level, EBITDA in Germany increased €34.9 million, or 52.6%, to €101.3 million in the nine months ended June 30, 2015 from €66.4 million in the nine months ended June 30, 2014. The increase was partly driven by significant scale benefits realized in Germany, in particular in light of the growing e-commerce business. Furthermore, positive effects from the centralization of purchasing functions, improved assortment management process, product mix effects as well as personnel efficiencies across the German store portfolio positively impacted the EBITDA of our German segment. Adjusted EBITDA of the German segment increased by €18.4 million to €114.8 million in the nine months ended June 30, 2015 from €96.4 million in the nine months ended June 30, 2014. Adjustments relating to the German segment totalled €13.5 million in the nine months ended June 30, 2015 and primarily consisted of consulting fees in connection with the proposed sale or IPO process and costs related to the implementation of certain efficiency measures.

EBITDA of the French segment increased by €47.9 million to positive €40.7 million in the nine months ended June 30, 2015 from negative €7.2 million in the nine months ended June 30, 2014, primarily due to the impact of the acquisition of Nocibé which was not part of Douglas in the nine months ended June 30, 2014. Adjusted EBITDA of the French segment increased by €66.2 million to €75.7 million in the nine months ended June 30, 2015 from €9.5 million in the nine months ended June 30, 2014. The adjustments of €35.0 million in the nine months ended June 30, 2015 mainly consist of the €24.3 million Purchase Price Allocation effects in connection with the acquisition of Nocibé. Other adjustments relate to restructuring costs, consulting fees, and credit card fees. Comparing Adjusted EBITDA for the nine months ended June 30, 2015 to pro forma Adjusted EBITDA including Nocibé for the nine months ended June 30 2014, the increase was €3.5 million or 4.8%.

EBITDA of the South-western Europe segment grew by €2.5 million to €27.6 million in the nine months ended June 30, 2015 from €25.1 million in the nine months ended June 30, 2014. This increase was mainly a result of the growing e-commerce business and efficiency programs implemented in the previous two fiscal years, improving the structural profitability of this segment across all relevant countries. Adjusted EBITDA of that segment increased by €3.5 million to €31.8 million in the nine months ended June 30, 2015 from €28.3 million in the nine months ended June 30, 2014. Adjustments in the nine months ended June 30, 2015 totalled €4.2 million and related primarily to credit card fees and the recognition of provisions in connection with certain legal disputes in Austria.

EBITDA of the Eastern Europe segment increased €2.0 million from €15.5 million in the nine months ended June 30, 2014 to €17.5 million in the nine months ended June 30, 2015. The main reasons for this improvement were continued sales growth driven by a continued store network expansion and increased e-commerce sales, as well as margin improvements. Adjusted EBITDA of the Eastern Europe segment increased €2.4 million or 14.5% to €18.9 million in the nine months ended June 30, 2015 from €16.5 million in the nine months ended June 30, 2014. Adjustments in the nine months ended June 30, 2015 amounted to €1.4 million and primarily consisted of credit card fees.

Amortization/Depreciation

Amortization and Depreciation expense increased €12.2 million to €63.6 million in the nine months ended June 30, 2015 from €51.4 million in the nine months ended June 30, 2014. This increase was mainly due to the consolidation of Nocibé which was not included in the nine months ended June 30, 2014.

Financial income

Financial income decreased €4.2 million to €1.8 million in the nine months ended June 30, 2015 from €6.0 million in the nine months ended June 30, 2014.

Financial expense

Financial expense decreased €11.1 million, or 13.2%, to €72.8 million in the nine months ended June 30, 2015 from €83.9 million in the nine months ended June 30, 2014. The decrease is mainly due to a change in the terms and size of our financing following the sale of our Hussel, Thalia, AppelrathCüpper and Christ subsidiaries as well as the acquisition of Nocibé.

In connection with the acquisition by Kirk Beauty Zero GmbH, we refinanced our existing indebtedness. On a pro forma basis after giving effect to the new financing in connection with the acquisition, for the nine months ended June 30, 2015 our financial expense would have been €105.2m, thereof cash interest on the Senior Notes, Senior Secured Notes and Senior Secured Credit Facilities would have been €93.2m and other recurring cash financial expense would have been €5.3 million.

Income taxes

Income taxes increased from €4.0 million in the nine months ended June 30, 2014 to €25.1 million in the nine months ended June 30, 2015, driven by the increase in pre-tax income.

Earnings from continued operations

As a result of the foregoing, our earnings from continued operations amounted to €33.5 million in the nine months ended June 30, 2015, compared to a loss of €59.4 million in the nine months ended June 30, 2014.

Earnings from discontinued operations

Earnings from discontinued operations which relate to our former subsidiaries Hussel, Thalia, AppelrathCüpper and Christ amounted to €143.2 million in the nine months ended June 30, 2015, compared to €34.5 million in the nine months ended June 30, 2014.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity on an ongoing basis are our operating cash flow and drawings under our €200.0 million senior secured multi-currency revolving credit facility (the "Revolving Credit Facility") entered into in connection with the financing of the Acquisition. The proceeds from the offering of the Notes, borrowings under our €1,220.0 million Term Loan B Facility (the Term Loan B Facility together with the Revolving Credit Facility, the "Senior Secured Credit Facilities") and drawings under our Revolving Credit Facility have been used to fund the purchase price for the Acquisition, consummate the related transactions and pay related fees and expenses. Our ability to generate cash depends on our operating performance, which in turn depends to some extent on general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond our control. We believe that, based on our current level of operations as reflected in our results of operations for the nine months ended June 30, 2015, our cash flows from operating activities, cash on hand and the availability of borrowings under our Revolving Credit Facility will be sufficient to fund our operations, capital expenditures and debt service for at least the next twelve months.

We have access to a Revolving Credit Facility under our Senior Secured Credit Facilities. As of August 13, 2015 the date of completing of the acquisition of the Target by Kirk Beauty Zero GmbH, we had approximately €166.6 million available for borrowings under the Revolving Credit Facility.

The ability of the subsidiaries to pay dividends and make other payments to Kirk Beauty Zero GmbH may be restricted by, among other things, legal prohibitions on such payments or otherwise distributing funds to us, including for the purpose of servicing debt.

We are and will be highly leveraged in the foreseeable future. Our high level of debt may have important negative consequences for you. There are also limitations on our ability to obtain additional debt or equity financing. In addition, any additional indebtedness that we do incur could reduce the amount of our cash flow available to make payments on our then existing indebtedness, and increase our leverage.

Net Working Capital

We define our net working capital as the sum of the sub-line items (i) inventories, (ii) trade accounts receivable, (iii) trade accounts payable, as well as (iv) other receivables and liabilities related to supplier receivables for rebates/bonuses and marketing subsidies, outstanding voucher liabilities, provisions for deliveries and services not yet invoiced. Our net working capital shows seasonal patterns with investments in inventory generally reaching a peak in October and November while our trade payables typically peak in December. The development of our net working capital is a key factor for our operating cash flow.

The following table summarizes our working capital as at the dates indicated:

Working Capital

	as of 30/06/2015	as of 30/09/2014
Inventories	535.3	542.6
Trade accounts receivable	41.9	39.2
Trade accounts payable	-232.6	-207.1
Others	-61.7	-55.9
Working capital	**282.9**	318.8

Working capital decreased €35.9 million to €282.9 million in the nine months ended June 30, 2015. This is largely attributable to a €24.3 million PPA effect in connection with the acquisition of Nocibé which was included in the book value of inventory as of September 30, 2014, as well as an increase in trade payables (improvement of €25.4 million from €207.1 million as at September 30, 2014 to €232.6 million as at June 30, 2015).

Capital Expenditures

The investments we made in the periods under review mainly relate to the expansion of our store network by way of acquisitions, new store openings, and investments in the refurbishment, maintenance, design and re-design of existing stores.

The main source of our historic, on-going and future investments has been, and is expected to continue to be the positive cash flow from operating activities and additional acquisition financing.

In the nine months ended June 30, 2015 capital expenditure payments increased €23.1 million to €52.0 million from €28.9 million in the nine months ended June 30, 2014. This increase was mainly driven by the acquisition of Nocibé business which was not part of Douglas in the nine month ended June 30, 2014. Focus segments of our payments for investments in the nine months ended June 30, 2015 were Germany and France with €24.0 million and €17.5 million in capital expenditures, respectively (€15.1 million and €2.4 million, respectively in the nine months ended June 30, 2014). South-Western Europe and Eastern Europe accounted for €6.2 million and €4.3 million, respectively in the same period (€6.6 million and €4.7 million, respectively in the nine months ended June 30, 2014). In the nine months ended June 30, 2015 we opened 22 new stores, closed 46 stores (thereof 13 closings due to anti-trust regulations) and acquired 43 stores in France and five stores in Germany.

Historical Consolidated Cash Flow Data

Consolidated Cash Flow Statement

			01/10/2014 - 30/06/2015[1] (in EUR m)	01/10/2013 - 30/06/2014[2] (in EUR m)
1.		EBIT	123.5	48.4
2.	+	Amortization/depreciation of non-current assets	63.6	51.4
3.	+/-	Increase/decrease in provisions	-11.1	27.1
4.	+/-	Other non-cash income/expense	-1.2	0.9
5.	+/-	Profit/loss on the disposal of non-current assets	-1.7	-15.4
6.	+/-	Changes in inventories, trade accounts receivable and other assets not classifiable to investing or financing activities	-9.4	-13.9
7.	+/-	Changes in trade accounts payable and other liabilities not classifiable to investing or financing activities	63.9	3.8
8.	-/+	Paid/reimbursed taxes	-26.6	-3.7
9.	+	Net Cash Flow from operating activities in discontinued operations	0.0	63.7
10.	=	**Net Cash Flow from operating activities**	**201.0**	162.3
11.	+	Proceeds from the disposal of non-current assets and the disposal of stores	7.3	3.1
12.	-	Investments in non-current assets	-52.0	-28.9
13.	+	Proceeds from the disposal of consolidated companies	0.0	41.9
14.	-	Payments for the acquisition of consolidated companies and other business units	-29.1	-214.5
15.	-	Net Cash Flow from investing activities in discontinued operations	-64.7	-17.8
16.	=	**Net Cash Flow from investing activities**	**-138.5**	-216.2
17.		Free Cash Flow (sum of 10 and 16)	**62.5**	-53.9
18.	-	Payments for the repayment of financial liabilities	-23.0	-18.5
19.	+	Proceeds from borrowings	14.1	261.5
20.	-	Interest paid	-47.4	-38.3
21.	+	Interest received	0.3	2.0
22.	+/-	Other financial changes	-3.6	-54.2
23.	-	Net Cash Flow from financing activities in discontinued operations	0.0	-1.5
24.	=	**Net Cash Flow from financing activities**	**-59.6**	151.0
25.	=	Net change in cash and cash equivalents (total of 10, 16 and 24)	2.9	97.1
26.	+/-	Net change in cash and cash equivalents due to currency translation	0.0	-0.1
27.	+	Cash and cash equivalents at the beginning of the fiscal year	283.5	226.3
28.	=	**Cash and cash equivalents as of 30/06**	**286.4**	323.3

[1] The Books Business, the Jewelry Business and the Fashion Business were separated as the first booking entry on October 1, 2014 and the Confectionery Business was sold and transferred to a third party with effect for accounting purposes on April 30, 2014 and, thus, were deconsolidated on the respective date. As a result, our Cash Flow Data for the nine months ended June 30, 2015 only accounts for the Books Business, the Jewelry Business and the Fashion Business with respect to this first booking entry and do not account reflect any operations of the Confectionery Business, while our Cash Flow Data for the nine months ended June 30, 2014 still account for the Books Business, the Jewelry Business and the Fashion Business for the whole period, i.e. from October 1, 2013 until June 30, 2014 and the Confectionary Business for the period October 1, 2013 until April 30, 2014. Therefore, our Cash Flow Data for the nine-months ended June 30, 2015 may not be directly comparable to our Cash Flow Data for the nine-months ended June 30, 2014. As the disposal businesses are accounted for according to IFRS 5 the cash impacts are shown in separate lines within the Cash Flow Statement.

[2] With effect for accounting purposes as of July 1, 2014, we acquired the Nocibé Group. As a result, the Cash Flow Data for the nine months ended June 30, 2015 fully reflect the Nocibé Business for the entire period. The Cash Flow Data for the nine months ended June 30, 2014 do not reflect the operations of the Nocibé Business. Therefore, our Cash Flow Data for the nine-months ended June 30, 2015 may not be directly comparable to our Cash Flow Data for the nine-months ended June 30, 2014.

Nine Months Ended June 30, 2015 Compared to Nine Months Ended June 30, 2014

Cash Flow from operating activities

Cash generated by operating activities increased €38.7 million, or 23.9%, to €201.0 million in the nine months ended June 30, 2015 from €162.3 million in the nine months ended June 30, 2014. This increase was mainly due to an increase in EBITDA by €87.4 million in the nine months ended June 30, 2015 compared to the nine months ended June 30, 2014 and higher cash generated by changes in working capital in the amount of €35.9 million, partly offset by higher income tax payments of €22.9 million in the nine months ended June 30, 2015 compared to the nine months ended June 30, 2014. In addition it was partly offset by the decrease in Net Cash Flow from operating activities in discontinued operations of €63.7 million due to the sale of the former Hussel, Thalia, AppelrathCüpper and Christ subsidiaries in the nine months ended June 30, 2015 compared to the nine months ended June 30, 2014. For a more detailed explanation of the changes in EBITDA and Working Capital please refer to the respective sections above.

Cash Flow from investing activities

Cash used for investing activities decreased by €77.7 million, to €138.5 million in the nine months ended June 30, 2015 from €216.2 million in the nine months ended June 30, 2014. This decrease was mainly due to a decrease in payments for the acquisition of consolidated companies and other business units. While the amount of €214.5 million paid in the nine months ended June 30, 2014 contains the purchase price for the acquisition of Nocibé, the amount of €29.1 million for the nine months ended June 30, 2015 comprises the smaller acquisitions of Himmer and Clin d'oeil. This decrease was partly offset by an increase of €23.1 million of investments in non-current assets as well as by an increase in cash outflow from investing activities in discontinued operations of €46.9 million which reflects the liquidity of the former Thalia, AppelrathCüpper and Christ subsidiaries that were sold during the nine months ended June 30, 2015.

Cash Flow from financing activities

Cash Flow from financing activities decreased by €210.6 million from a cash inflow of €151.0 million in the nine months ended June 30, 2014 to a cash outflow of €59.6 million in the nine months ended June 30, 2015. The decrease was primarily driven by the financing of the Nocibé acquisition during the nine months ended June 30, 2014.

Available Sources of Liquidity

Our principal sources of liquidity consist of cash generated from operating activities and cash from our short- and long-term borrowings.

Liquidity as at June 30, 2015

As at June 30, 2015 the actual cash balance amounted to €286.4 million. In connection with the Acquisition by CVC, borrowings under the Term Loan B Facility, the Revolving Credit Facility, and the Notes were used to fund a portion of the purchase price and repay our existing credit facilities. As of June 30, 2015, after giving pro forma effect to the financing in connection with the Acquisition, our total financial indebtedness would be:

Financing Agreements
as of 13/08/2015, the closing date of the acquisition of the Target by Kirk Beauty Zero GmbH

	Nominal amount (in EUR m)
Term Loan B Facility[1]	1,220.0
Senior Secured Notes[2]	300.0
Senior Notes[3]	335.0
Revolving Credit Facility[4]	200.0

[1] The Senior Secured Credit Facility provides for up to €1,420.0 million of committed borrowings, including a €1,220.0 million Term Loan B Facility, which was used to fund a portion of the purchase price of the acquisition of the Target.
[2] Kirk Beauty Zero GmbH issued €300.0 million aggregate principal amount of 6.25% Senior Secured Notes due 2022, which were used to fund a fund a portion of the purchase price of the acquisition of the Target.
[3] Kirk Beauty One GmbH issued €335.0 million aggregate principal amount of 8.75% Senior Notes due 2023, which were used to fund a fund a portion of the purchase price of the acquisition of the Target.
[4] The Senior Secured Credit Facilities provides for up to €1,420.0 million of committed borrowings, including a €200.0 million Revolving Credit Facility. As of August 13, 2015, approximately €23.5 million was drawn under the Revolving Credit Facility and the amount available for borrowings was also reduced by €9.9 million of outstanding letters of credit.

Consolidated Financial Statements

of Beauty Holding Zero GmbH

Consolidated Statement of Comprehensive Income

for the period from October 1, 2014 to June 30, 2015

Income Statement

		01/10/2014 - 30/06/2015 (in EUR m)	01/10/2013 - 30/06/2014 (in EUR m)
1.	Sales	2,043.8	1,559.3
2.	Cost of raw materials, consumables and supplies and merchandise	-1,084.5	-805.5
3.	**Gross profit from retail business**	**959.3**	**753.8**
4.	Other operating income	163.7	134.7
5.	Personnel expenses	-406.1	-346.3
6.	Other operating expenses	-530.0	-442.5
7.	Income from other investments	0.1	0.1
8.	**EBITDA**	**187.1**	**99.8**
9.	Amortization/depreciation	-63.6	-51.4
10.	**EBIT**	**123.5**	**48.4**
11.	Financial income	1.8	6.0
12.	Financial expenses	-72.8	-83.9
13.	Financial result	-71.0	-77.9
14.	**Earnings before tax (EBT)**	**52.5**	**-29.5**
15.	Income taxes	-25.1	-4.0
16.	**Result from continued operations**	**27.4**	**-33.5**
17.	Result from discontinued operations	143.2	34.5
18.	Profit attributable to non-controlling interests	*-0.1*	*-0.3*
19.	**Profit attributable to group shareholders**	**170.5**	**0.7**

Reconciliation of Income to Comprehensive Income

	01/10/2014 - 30/06/2015 (in EUR m)	01/10/2013 - 30/06/2014 (in EUR m)
Result from continued and discontinued operations	170.6	1.0
Components that will be reclassified to the profit or loss in the future		
Foreign currency translation differences arising from translating the financial statements of a foreign operation	0.8	-0.2
Effective portion of cash flow hedges	1.4	-1.7
Components that are not to be reclassified to the income statement		
Actuarial gains/losses from pension provisions	0.3	0.0
Other income		
Total comprehensive income	173.2	-0.9
Total comprehensive income attributable to group shareholders	173.1	-1.2
Total comprehensive income attributable to non-controlling interests	0.1	0.3

Consolidated Balance Sheet

as of June 30, 2015

Consolidated Balance Sheet

		30/06/2015 (in EUR m)	30/06/2014 (in EUR m)	30/09/2014 (in EUR m)
Assets				
A.	Non-current assets			
I.	Intangible assets	1,265.2	944.7	1,258.1
II.	Property, plant and equipment	249.8	321.2	250.5
III.	Tax receivables	3.7	6.7	3.7
IV.	Financial assets	3.4	218.7	9.5
V.	Shares in associated companies	0.0	11.9	0.0
VI.	Deferred tax assets	41.3	44.7	40.8
		1,563.5	1,547.9	1,562.6
B.	Current assets			
I.	Inventories	535.3	680.4	542.6
II.	Trade accounts receivable	41.9	49.4	39.3
III.	Tax receivables	50.1	33.6	26.4
IV.	Financial assets	87.7	149.6	90.8
V.	Other assets	29.7	27.7	22.6
VI.	Cash and cash equivalents	286.4	323.3	218.8
		1,031.1	1,264.1	940.5
C.	Assets held for sale	0.1	0.0	603.0
Total		**2,594.7**	2,812.1	3,106.1

Consolidated Balance Sheet

		30/06/2015 (in EUR m)	30/06/2014 (in EUR m)	30/09/2014 (in EUR m)
Equity and Liabilities				
A.	Equity			
I.	Capital stock	0.0	0.0	0.0
II.	Additional paid-in capital	639.7	639.7	639.7
III.	Reserves	-153.3	-230.6	-323.7
IV.	Non-controlling interests	0.0	0.3	0.3
		486.4	409.4	316.3
B.	Non-current liabilities			
I.	Pension provisions	32.9	38.4	32.8
II.	Other non-current provisions	16.2	31.8	16.1
III.	Financial liabilities	1,220.9	1,399.2	1,659.8
IV.	Other liabilities	0.8	1.2	0.8
V.	Deferred tax liabilities	231.9	215.5	248.1
		1,502.8	1,686.2	1,957.6
C.	Current liabilities			
I.	Current provisions	105.3	157.8	117.5
II.	Trade accounts payable	232.6	257.3	207.1
III.	Tax liabilities	78.4	54.7	39.7
IV.	Financial liabilities	48.5	78.6	46.0
V.	Other liabilities	140.8	167.9	136.0
		605.5	716.4	546.3
D.	Liabilities related to assets held for sale	0.0	0.0	285.9
Total		2,594.7	2,812.1	3,106.1

Statement of Changes in Group Equity

Statement of Changes in Group Equity

			Reserves					
	Capital stock (in EUR m)	Additional paid-in capital (in EUR m)	Other reserves (in EUR m)	Reserves for pension provisions (in EUR m)	Results from cash flow hedges (in EUR m)	Differences from currency translation (in EUR m)	Non-controlling interests (in EUR m)	Total (in EUR m)
01.10.2013	0.0	639.7	-211.5	0.9	-1.4	-3.1	10.0	434.6
Currency translation						-0.1		-0.1
Other comprehensive income				0.0	-1.7	-0.1		-1.8
Net result for the period			0.7				0.3	1.0
Total comprehensive income	0.0	0.0	0.7	0.0	-1.7	-0.2	0.3	-0.9
Dividends paid			0.0				-0.2	-0.2
Transactions with shareholders	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2
Acquisition of non-controlling interests			-14.2				-9.8	-24.0
30/06/2014	0.0	639.7	-225.0	0.9	-3.1	-3.3	0.3	409.4
01.10.2014	0.0	639.7	-314.7	-2.2	-3.2	-3.6	0.3	316.3
Currency translation						0.8		0.8
Other comprehensive income				0.3	1.4	0.0		1.8
Net result for the period			170.5				0.1	170.6
Total comprehensive income	0.0	0.0	170.5	0.3	1.4	0.8	0.1	173.2
Dividends paid			0.0				-0.3	-0.3
Transactions with shareholders	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.3
Other changes			-2.6				-0.2	-2.8
30/06/2015	0.0	639.7	-146.9	-1.9	-1.7	-2.8	0.0	486.4

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement

			01/10/2014 - 30/06/2015 (in EUR m)	01/10/2013 - 30/06/2014 (in EUR m)
1.		EBIT	123.5	48.4
2.	+	Amortization/depreciation of non-current assets	63.6	51.4
3.	+/-	Increase/decrease in provisions	-11.1	27.1
4.	+/-	Other non-cash income/expense	-1.2	0.9
5.	+/-	Profit/loss on the disposal of non-current assets	-1.7	-15.4
6.	+/-	Changes in inventories, trade accounts receivable and other assets not classifiable to investing or financing activities	-9.4	-13.9
7.	+/-	Changes in trade accounts payable and other liabilities not classifiable to investing or financing activities	63.9	3.8
8.	-/+	Paid/reimbursed taxes	-26.6	-3.7
9.	+	Net Cash Flow from operating activities in discontinued operations	0.0	63.7
10.	=	**Net Cash Flow from operating activities**	**201.0**	162.3
11.	+	Proceeds from the disposal of non-current assets and the disposal of stores	7.3	3.1
12.	-	Investments in non-current assets	-52.0	-28.9
13.	+	Proceeds from the disposal of consolidated companies	0.0	41.9
14.	-	Payments for the acquisition of consolidated companies and other business units	-29.1	-214.5
15.	-	Net Cash Flow from investing activities in discontinued operations	-64.7	-17.8
16.	=	**Net Cash Flow from investing activities**	**-138.5**	-216.2
17.		**Free Cash Flow (sum of 10 and 16)**	**62.5**	-53.9
18.	-	Payments for the repayment of financial liabilities	-23.0	-18.5
19.	+	Proceeds from borrowings	14.1	261.5
20.	-	Interest paid	-47.4	-38.3
21.	+	Interest received	0.3	2.0
22.	+/-	Other financial changes	-3.6	-54.2
23.	-	Net Cash Flow from financing activities in discontinued operations	0.0	-1.5
24.	=	**Net Cash Flow from financing activities**	**-59.6**	151.0
25.	=	Net change in cash and cash equivalents (total of 10, 16 and 24)	2.9	97.1
26.	+/-	Net change in cash and cash equivalents due to currency translation	0.0	-0.1
27.	+	Cash and cash equivalents at the beginning of the fiscal year	283.5	226.3
28.	=	**Cash and cash equivalents as of 30/06**	**286.4**	323.3

Segment Reporting

Segment Reporting

		Germany		France		South Western Europe		Eastern Europe		Consolidation		Beauty Holding Zero Group	
		01/10/2014 - 30/06/2015	01/10/2013 - 30/06/2014	01/10/2014 - 30/06/2015	01/10/2013 - 30/06/2014	01/10/2014 - 30/06/2015	01/10/2013 - 30/06/2014	01/10/2014 - 30/06/2015	01/10/2013 - 30/06/2014	01/10/2014 - 30/06/2015	01/10/2013 - 30/06/2014	01/10/2014 - 30/06/2015	01/10/2013 - 30/06/2014
Sales (net)	EUR m	903.3	856.1	558.5	145.0	394.4	382.0	187.6	176.2			2,043.8	1,559.3
Intersegment sales	EUR m	15.6	13.1	7.7	0.2	0.0	0.0	0.0	0.0	-23.3	-13.3	0.0	0.0
Sales	EUR m	918.9	869.2	566.2	145.2	394.4	382.0	187.6	176.2	-23.3	-13.3	2,043.8	1,559.3
EBITDA	EUR m	101.3	66.4	40.7	-7.2	27.6	25.1	17.5	15.5			187.1	99.8
EBITDA margin	%	11.2	7.8	7.3	-5.0	7.0	6.6	9.3	8.8			9.2	6.4
Non-recurring effects/adjustments	EUR m	13.5	30.0	35.0	16.7	4.2	3.2	1.4	1.0			54.1	50.9
Adjusted EBITDA	EUR m	114.8	96.4	75.7	9.5	31.8	28.3	18.9	16.5			241.2	150.7
Adjusted EBITDA margin	%	12.7	11.3	13.6	6.6	8.1	7.4	10.1	9.4			11.8	9.7
Inventories	EUR m	205.4	185.1	137.8	38.1	120.7	124.9	71.3	73.0			535.3	421.1
Capital expenditure	EUR m	23.7	15.2	16.7	1.2	6.2	6.7	4.3	4.5			50.9	27.6

Non-current assets

	as of 30/06/2015	**as of 30/06/2014**	**as of 30/09/2014**
Germany	809.5	819.1	815.7
Other countries	705.5	191.3	682.3
Total	**1,515.0**	**1,010.4**	**1,498.0**

Reconciliation Segment Income

	01/10/2014 - 30/06/2015 (in EUR m)	01/10/2013 - 30/06/2014 (in EUR m)
Adjusted EBITDA	241.2	150.7
Non-recurring effects/adjustments	-54.1	-50.9
EBITDA	187.1	99.8
Amortization/depreciation	-63.6	-51.4
EBIT	123.5	48.4
Financial income	1.8	6.0
Financial expenses	-72.8	-83.9
EBT	52.5	-29.5
Taxes	-25.1	-4.0
Result from discontinued operations	143.2	34.5
Net income	170.6	1.0
Non-recurring effects/adjustments	-103.7	12.0
Adjusted net income	66.9	13.0

Notes to the Condensed Consolidated Interim Financial Statements

of Beauty Holding Zero GmbH

for the period October 01, 2014 to June 30, 2015

General principles

The consolidated financial statements of the retailing group Beauty Holding Zero GmbH and its subsidiaries for the first nine months of the fiscal year 2014/15 from October 1, 2014 to June 30, 2015, have been prepared in conformity with IAS 34 (Interim Reporting) according to International Financial Reporting Standards (IFRS). 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, 2014 included in the offering memorandum. Any sales-related, seasonal or cyclical issues have been deferred during the fiscal year in accordance with sound business judgement.

The financial statements of the domestic and foreign subsidiaries included in the consolidated financial statements were prepared uniformly using IFRS classification, accounting and measurement principles. Any accounting and valuation principles varying from the Group uniform standards have been accounted for in the separate preparation of the HGB balance sheet (HBII).

On June 1, 2015 Kirk Beauty Zero GmbH entered into an acquisition agreement to acquire the outstanding capital stock of Beauty Holding Zero GmbH. This acquisition has been approved by antitrust authorities and is effective as of August 13, 2015.

At the end of the fiscal year 2013/14, management decided to restrict the operations of the Beauty Holding Zero Group to the Perfumery division (continued operation) and to sell off the Books, Jewelry and Fashion divisions (discontinued operations). The Confectionery division had already been sold on April 30, 2014. The discontinued segments Books (Thalia), Jewelry (Christ) and Fashion (AppelrathCüpper) were sold to a related company as of October 1, 2014. Jewelry was subsequently sold to a third-party company.

The companies of French perfumery chain Nocibé were acquired by the end of June 2014. The expenses and income of these companies were included in the Beauty Holding Group for the period from July 1 to September 30, 2014. The inclusion of the Nocibé companies also limits the comparability of figures with the previous year.

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

New IASB accounting standards

The consolidated financial statements of Beauty Holding Zero GmbH have been prepared taking into account all published standards and interpretations which have been adopted as part of the European Union (EU) endorsement process and for which application is mandatory for the fiscal year 2014/15.

Consolidation principles

Group of consolidated companies

All of the German and foreign companies over which Beauty Holding Zero GmbH has direct or indirect control are fully consolidated in the consolidated financial statements. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are deconsolidated on the date on which control ceases.

Group of consolidated companies

	Germany	Other countries	**Total**
as of October 1, 2014	49	40	89
of which held for sale	*19*	*3*	*22*
Companies consolidated for the first time	0	2	2
Deconsolidated companies	19	3	22
Merged companies	8	1	9
as of June 30, 2015	22	38	60

In order to strengthen the branch network and to extend the market share the Group acquired five perfumery stores of Himmer in Germany as of January 1, 2015. In France, it acquired 43 stores of the Clin d'Oeil chain in February 2015. Both acquisitions were conducted as asset purchases. The assets acquired primarily include property, plant and equipment (€1.6 million), inventory (€4.8 million), financial assets (€0.4 million), provisions (€0.1 million) and employees. Preliminary goodwill of €21.1 million has been capitalized. The purchase price allocations for both acquisitions were not yet finalized as of the balance sheet date. The purchase price for these acquisitions totaled €27.8 million. The sales of the newly acquired stores contributed €14.7 million to Group sales and generated EBT of €0.3 million.

The companies of the Books division, as well as Christ (Jewelry division) and AppelrathCüpper (Fashion division) were sold on October 1, 2014. In the consolidated financial statements as of September 30, 2014, the assets and liabilities of these companies are recognized as disposal groups in the balance sheet, while income and expenses are classified as discontinued operations and presented in accordance with the provisions of IFRS 5.

The equity method was not applied for five companies with different reporting dates as these are of minor importance for the Group's net assets, financial position and result of operations. These companies are carried at cost. Due to the business volume, these companies do not prepare interim financial statements. Therefore, information on assets, liabilities, revenues and earnings does not exist as of the balance sheet date. These investments encompass companies whose services are used by Group companies in limited cases. The Fair Value of these companies cannot be reliably measured.

Consolidation methods

The financial statements of the companies included in consolidation have been prepared as of June 30, 2015. The individual financial statements are combined based on the following principles:

Capital consolidation is conducted by offsetting acquisition costs against the Group's interest in the consolidated subsidiary's net assets at Fair Value on the acquisition date. Any positive differences that result are capitalized as goodwill and tested annually for impairment. Any negative differences are recognized directly in profit or loss. Any identifiable net assets including hidden reserves and liabilities due to minority shareholders are carried as non-controlling interests.

Receivables from and corresponding payables to consolidated companies are eliminated against each other. Material interim profits from intercompany goods and services within the Group were eliminated in the consolidated financial statements to the extent that these do not relate to sales realized with third parties. Sales and other income from intercompany deliveries of goods and services are offset against corresponding expenses.

Currency translation

The financial statements of the subsidiaries are translated to the Group currency according to the functional currency concept. The functional currency of the subsidiaries is the respective national currency. The functional currency of the parent company is the Euro.

The assets and liabilities of foreign companies whose functional currency is equivalent to the local currency and who are based in countries that do not participate in the European Monetary Union are translated to Euros using the exchange rate on the balance sheet date. Income and expenses are converted at the average exchange rate for the period. The resulting currency translation differences are recognized directly in equity under the currency translation line item.

The following exchange rates have been used for currency conversion for the foreign subsidiaries:

Exchange Rates

		2015 Average exchange rate (in EUR)	2015 Closing rate (in EUR)	2014 Average exchange rate (in EUR)	2014 Closing rate (in EUR)
BGN	Bulgarian Lev	0.5119	0.5114	0.5121	0.5150
CHF	Swiss Franc	0.9037	0.9650	0.8173	0.8228
CZK	Czech Koruna	0.0363	0.0367	0.0369	0.0364
DKK	Danish Krone	0.1342	0.1341	0.1341	0.1341
EEK	Estonian Kroon	0.0639	0.0639	0.0639	0.0639
HRK	Croatian Kuna	0.1310	0.1319	0.1312	0.1326
HUF	Hungarian Forint	0.0033	0.0032	0.0033	0.0032
LTL	Lithuanian Litas	0.2896	0.2896	0.2909	0.2897
PLN	Polish Zloty	0.2403	0.2387	0.2398	0.2411
RON	Romanian Lei	0.2253	0.2237	0.2244	0.2281
SKK	Slovak Koruna	0.0332	0.0332	0.0332	0.0332
TRL	Turkish Lira	0.3513	0.3345	0.3459	0.3455
USD	U.S. Dollar	0.8613	0.9014	0.7313	0.7329

Receivables and liabilities denominated in currencies other than the functional currency are translated to the functional currency by being recognized in profit or loss in the income statement.

Accounting and valuation principles

Intangible assets

Goodwill arising from capital consolidation, which represents the excess of acquisition cost over the Fair Value of identifiable net assets acquired, is recognized according to the requirements of IFRS 3 and tested for impairment annually or upon occurrence of a triggering event. For the purposes of the impairment test, goodwill is allocated to the group of cash-generating units (CGU) that are expected to profit from synergies arising from the acquisition. The Beauty Holding Zero Group views the individual retail store or online shop as the CGU. The ceiling for the allocation are generally the operating segments, which are Germany, France, South Western Europe or Eastern Europe. If as part of this impairment test, the company ascertains that the recoverable amount of the CGU is less than its carrying amount, the goodwill allocated to the CGU is written down and recognized in profit or loss. This continues to be recognized even if the reasons for impairment cease to exist in subsequent periods.

Other intangible assets are carried at cost. Borrowing costs are not included when calculating acquisition costs, because there are no qualifying assets in the Beauty Holding Group. Intangible assets with finite useful lives are subject to straight line amortization over their useful life. If they have an indefinite useful life, these intangible assets are not subject to scheduled amortization. Indefinite useful life assets are reviewed for impairment at least once a year. If the recoverable amount of the asset is less than its carrying amount, it is written down to its Fair Value. If the reasons for write-downs made in prior years no longer apply, the assets are written up. Intangible assets that are subject to scheduled amortization are only subject to an impairment test if there are triggering events indicating impairment.

Property, plant and equipment

Items of property, plant and equipment used for longer than one year are carried at cost less scheduled straight-line depreciation. Investment subsidies received reduce that asset’s cost for which the subsidy was granted. As a rule, borrowing costs are not included when calculating acquisition costs for property, plant and equipment, but are immediately expensed to the income statement, because there are no qualifying assets in the Beauty Holding Group. Since, based on experience, the Beauty Holding Group’s companies do not utilize restoration obligations, these obligations are generally not recognized in the acquisition costs of the leasehold improvements. In the year of purchase, property, plant and equipment are depreciated on a pro rata temporis basis. Where indications of impairment exist, an impairment test is conducted for the corresponding asset. Items of property, plant and equipment are derecognized when removed or further economic benefits are no longer expected from that asset’s use. The gain or loss from the disposal of the asset arises from the difference between its net realizable value and carrying amount.

The amortization and depreciation periods for intangible assets and property, plant and equipment are determined based on their useful lives as follows:

Useful Lives

	Years
Software	3-5
Leasehold rights that do not have indefinite useful lives	5-15
Customer bases	5-10
Buildings	10-50
Store fittings, office and operating equipment	3-10

Leases

The economic ownership of a leased asset is classified to that contractual party which bears substantially all the risks and rewards incident to ownership of the leased asset. Material lease arrangements predominantly relate to the leasing of company stores within the Beauty Holding Group. Leases are recognized in the balance sheet according to the requirements of IAS 17. In order to ensure the greatest possible flexibility, the Group generally aims to enter rental agreements with a fixed rental period of no more than ten years and single or multiple exercisable options to extend the lease. In classifying lease agreements, consideration is given to the base lease term and the exercise of any renewal options on the basis of best practice, which means that these agreements regularly qualify as operating leases as the fixed lease term plus one renewal option does not exceed the significant part of the economic useful life of the rented premises.

If, in cases of exception, the economic ownership of leased assets can be allocated to the Beauty Holding Group, the leased assets are capitalized at the inception of the lease and subject to scheduled straight-line depreciation in subsequent periods. At the commencement of the lease, the leased asset is recognized at the Fair Value of the asset or, if lower, the present value of the minimum lease payments. On the other hand, the financial obligations that result from future lease payments are recognized as a liability in the same amount. Depreciation is conducted over the estimated useful life or the shorter lease term. This liability is amortized proportionately over the lease term according to the effective interest rate method plus accrued interest.

Financial assets

Financial assets, including interests in unconsolidated companies that are not measured using the equity method, equity participations, securities and contractual receivables are accounted for according to IAS 39. Depending on their classification, these are either measured at Fair Value (securities and financial assets from derivative financial instruments) or amortized cost (trade accounts receivable and other contractual financial receivables). Financial assets are initially measured at Fair Value, although any transaction costs—with the exception of financial instruments measured at Fair Value and recognized to profit or loss—are included in the acquisition costs.

Financial assets are derecognized either upon settlement or when substantially all opportunities and risks are transferred.

Financial assets denominated in a foreign currency are translated to the functional currency at the date of acquisition. An adjustment is then made to the respective closing rate on each balance sheet date and recognized to profit or loss. Interest income and expense are matched to the period in the financial result.

Receivables and other financial assets

Trade accounts receivable and other financial assets are capitalized at amortized cost at the time of revenue recognition. Recognizable risks are taken into account via write-downs based on the age structure of the receivables. A major portion of receivables are overdue more than 60 days overdue is transferred to a collection agency. Necessary write-downs are in part conducted by using bad debt accounts. Receivables and other assets are generally derecognized when they are settled.

Securities

Securities are carried at their Fair Value according to the requirements of IAS 39. As a result, the Fair Value is adjusted and reflected directly in equity via a separate equity component, as securities have been classified to the “available for sale” category. As a rule, securities are initially recognized at the trade date.

Cash and cash equivalents

Cash and cash equivalents, which include money accounts and short term money deposits with banks, are stated at amortized cost.

Deferred taxes

Deferred taxes are identified using the liability method based on the requirements of IAS 12. Deferred taxes are thus recognized for temporary differences between the carrying amounts in the consolidated financial statements and the tax base to the extent that these differences will lead to tax refunds or charges in future. Deferred taxes are measured taking into account the tax rates and tax regulations that have been enacted on the balance sheet date or which are expected to be enacted when the differences are reversed. Deferred tax assets are only recognized to the extent that there is taxable income expected on the date the difference is reversed against which the difference can be offset.

If the future tax advantage from loss carryforwards can be utilized with sufficient certainty in future periods, deferred tax assets are capitalized. Deferred tax assets and liabilities are netted to the extent that the tax claims and tax liabilities are for the same tax authority.

Inventories

Merchandise is recognized at the lower of cost and net realizable value. In individual cases, acquisition costs are identified using the retail method based on the selling price using reasonable valuation allowance deductions as well as on the basis of a separate valuation of additions from the perspective of the procurement market. Interest on borrowings is not included in the acquisition costs as inventories are not qualifying assets. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Selling as well as fashion and other risks were taken into account, to the extent needed, as part of measurement at the net realizable value. Raw materials, consumables and supplies are recognized at their acquisition costs.

Provisions

Other provisions are accounted for in conformity with IAS 37. Provisions are recognized if there is a legal or constructive obligation to third parties arising from past events and the future cash outflow to fulfill this commitment can be reliably estimated. The carrying amount of the provision is based—for individual risks—on the best estimate of the settlement taking into account all recognizable risks, or—for a large population of risks—the amount computed according to the expected value method. Non-current provisions are carried on the balance sheet at their present value as of the balance sheet date. The maturity of long-term human resources commitments is based on the date of dismissal of the employee or forecasted cash outflows. The maturity of long-term real estate commitments is based on the duration of the lease contract or the estimated date of an early termination of the lease contract. Provisions for restructuring measures are recognized if a constructive obligation to restructure was formalized by means of the adoption of a detailed restructuring plan and its communication vis-à-vis those affected as of the closing date. Restructuring provisions comprise only obligatory restructuring expenses.

Provisions for pensions are accounted for in line with the requirements of IAS 19. Actuarial calculations of provisions for defined benefit plans use the projected unit credit method. As part of this measurement, the pensions and entitlements known on the balance sheet date are taken into account as well as the increases in salaries and pensions to be expected in future. For funded pension plans, the same interest rate chosen to determine interest expenses resulting from the measurement of obligations is also to be used to calculate interest income from plan assets. If changes to these calculation assumptions result in differences between the identified pension obligations and the pension obligations determined as of the balance sheet date, actuarial gains or losses will be incurred. These actuarial gains or losses as well as other actuarial valuation changes are recognized directly in equity under other comprehensive income.

Plan assets designated at Fair Value and liabilities from pension plans are presented in a net amount. Plan assets are maintained in qualified policies that are pledged to the employee. The interest portion included in the pension expense is presented as interest expense within the financial result. Further obligations similar to pension provisions such as part-time work schemes and termination benefits are also disclosed according to the requirements of IAS 19.

Financial liabilities

According to IAS 39, financial liabilities are generally recognized at amortized cost on the balance sheet. Acquisition costs are stated at Fair Value. Transaction costs attributable to the acquisition are included in cost. If there is a difference between the amount paid and the amount to be paid upon final maturity, this difference is amortized over the term according to the effective interest rate method. Financial liabilities that arise from leases are carried as a liability at their present values. Income and expense from non-derivative financial liabilities arise from interest income or expense or from currency translation adjustments. Financial liabilities are recognized at the inception of the contract and are derecognized when the obligation is extinguished or expired (limitation of time). All trade accounts payable have a maturity of less than one year and are non-interest bearing. Liabilities arising from financing leases are reported under other liabilities. The option to initially recognize financial liabilities at Fair Value through profit or loss was not applied by the Beauty Holding Group.

Accounting for derivative financial instruments and hedging relationships

Derivative financial instruments are used to reduce Cash Flow fluctuations that result from interest rate risks. Derivative financial instruments are neither used nor issued for speculative purposes. Derivative financial instruments are recognized at Fair Value, which correspond to market value, both upon initial and subsequent measurement in accordance with IAS 39 and can result in a positive or negative figure. Gains and losses from Fair Value measurement, to the extent that these are designated derivative financial instruments qualifying as hedged items to hedge against Cash Flow risks, are recognized directly in equity under a separate equity item in line with the rules for hedge accounting. Derivative financial instruments that do not qualify as hedged items are measured at Fair Value and recognized in the income statement. Deferred taxes arising from the difference between the IFRS carrying amounts and the tax base are also recognized directly to equity under a separate equity item if the Fair Value differences were also recognized directly in equity under a separate equity item. The amounts recorded under equity increase or reduce profit or loss as soon as the hedged Cash Flows from the underlying transaction are recognized in the income statement.

The Fair Value of derivative financial instruments corresponds to the amount either paid or received by the Group company upon termination of the financial instrument on the balance sheet date. The calculation of the Fair Value takes into account the interest rates and forward rates in effect as of the balance sheet date. The recording of changes in the Fair Value depends on the application of the derivative financial instrument. Where the derivative financial instrument is not used in an effective hedging relationship, the change in Fair Value is immediately recognized to profit or loss. If, on the other hand, an effective hedging relationship exists, then it is recorded as such. The Beauty Holding Group implements derivative financial instruments as hedging instruments only as part of Cash Flow hedges. By way of such Cash Flow hedges, the Beauty Holding Group hedges the exposure to future variability in Cash Flows attributable to interest rate risks. In the case of a Cash Flow hedge, the effective portion of the value change in the hedging instruments is recognized directly to equity until the result arising from the hedged items is recognized. In addition, non-derivative financial liabilities as part of a net investment hedge are implemented to cover currency rate risks arising from net investments in non-Group foreign currencies. Accounting for net investment hedges generally follows the rules of Cash Flow hedges.

Fair Value measurement

The input factors used to determine Fair Value are divided into three categories according to IFRS 13. Fair Value measurements based on input factors of the first category relate to price quotations in active markets that can be determined for the valuation object—such as quoted prices. Fair Value measurements based on factors whose value can be derived directly or indirectly from observable market data fall into the second category. The measurement of the third category is based on pricing models, which are based on inputs that cannot be observed in the market. The Beauty Holding Zero Group only measures interest rate swaps at Fair Value. The Fair Value measurement of interest rate swaps falls into the second category as the valuation of interest rate swaps is based on observable market interest rates.

Revenue recognition

As a rule, sales are only recognized on delivery of goods or after performance of a service is complete. Claims from customer loyalty programs are measured at the costs to be incurred therefrom and offset directly against sales. Sales arising therefrom are first recognized upon redemption of the bonus points. Deferred sales are reversed or utilized in line with the way customers redeem their gift vouchers and are also reported under sales. Interest income and interest expense are recognized in the financial result on an accrual basis.

Segment reporting

Segment reporting covers the four business segments whose financial key performance indicators are presented to the Executive Board of Douglas Holding AG as the chief operating decision-maker since September 2014 on a regular basis as part of the internal reporting and based on which the Executive Board makes decisions and allocates resources. These four operating segments correspond to the new regionally structured divisions of the Beauty Holding Group and at the same time represent the lower limit for the allocation of goodwill. Service and holding companies are allocated to the regional segments according to their place of registered business. With the decision not to pursue the Books, Jewelry and Fashion business operations, internal reporting has been adapted to the new regional structure. The prior-year amounts disclosed in the segment reporting have also been adapted to this structure.

The earnings of the operational business segments are determined in compliance with the accounting and valuation methods applied to the consolidated financial statements. Transfers between segments are at the same prices that would apply between third parties (arm’s length transactions).

Segment sales correspond to sales with non-Group third parties. Internal sales represent sales between the individual Douglas segments.

The segment performance indicator is Adjusted EBITDA. EBITDA has been adjusted for one off items and items which have an impact limited to a certain period of time determined by Douglas management. The adjustments mainly comprise effects from Nocibé purchase price allocation, deconsolidation of the Jewelry, Books and Fashion business, consulting fees in relation to the acquisition and the sale of businesses, the abandoned initial public offering, costs in connection with restructuring and efficiency programs as well as ongoing consulting costs In connection with financing agreements. Further adjustments concern ongoing, disputed lease contracts, revaluation effects of inventories and trade receivables and credit card fees.

Inventories shown under segment reporting include purchased raw materials, consumables and supplies and advances to suppliers for inventories.

Capital expenditure shown under segment reporting relate to additions made to intangible assets and property, plant & equipment. As a rule, sales are only recognized on delivery of goods or after performance of a service is complete. Claims from customer loyalty programs are measured at the costs to be incurred therefrom and offset directly against sales. Sales arising therefrom are first recognized upon redemption of the bonus points. Deferred sales are reversed or utilized in line with the way customers redeem their gift vouchers and are also reported under sales. Interest income and interest expense are recognized in the financial result on an accrual basis.

Use of assumptions and estimates

Assumptions have been made and estimates used in the preparation of these consolidated financial statements that impact the disclosure and amount of the assets and liabilities, income and expenses carried in these statements. These assumptions and estimates were used, in particular, in the determination of useful lives, classifying leases as operating or financing leases, valuing restoration obligations, assessing the impairment of goodwill, measuring provisions and estimating the probability that future tax refunds will be realized. In addition, assumptions and estimates are of significance in determining the Fair Values and acquisition costs associated with first time consolidation. Actual values may vary in individual cases from the assumptions and estimates made. Changes are recognized in income as soon as more detailed information is known.

Financial liabilities

Financial Liabilities

	as of 30/06/2015				as of 30/06/2014			
		Remaining items				Remaining items		
		< 1 year	1 to 5 years	> 5years		< 1 year	1 to 5 years	> 5years
		(in EUR m)	(in EUR m)	(in EUR m)		(in EUR m)	(in EUR m)	(in EUR m)
Liabilities to banks	1,084.4	13.0	250.1	821.2	869.4	57.0	144.8	667.6
Advance payments received	0.0	0.0	0.0	0.0	2.3	2.3	0.0	0.0
Financial liabilities from the valuation of options from minority interests	2.6	0.6	2.0	0.0	3.1	1.1	1.6	0.3
Derivative financial instruments	2.9	0.0	-0.9	3.9	4.7	0.0	0.0	4.7
Liabilities to third-party shareholders	144.6	0.0	0.0	144.6	580.1	0.0	0.0	580.1
Other financial liabilities	34.9	34.9	0.0	0.0	18.3	18.2	0.0	0.0
Total	1,269.4	48.5	251.3	969.7	1,477.9	78.6	146.5	1,252.7

As of June 30, 2015 the bank liabilities excluding current accounts and revolving credit facility comprised of the following tranches:

Liabilities to banks (without current accounts and revolving credit facility)

	as of 30/06/2015	
	Nominal amount (in EUR m)	**Carrying amount (in EUR m)**
Term Loan B Facility	410.5	392.7
Term Loan C1 Facility	273.0	260.5
Term Loan C2 Facility	191.3	184.1
Mezzanine Financing	240.6	238.6

Beauty Holding Two GmbH took out loans in October 2012 totaling €650 million as part of a senior facility agreement to finance the acquisition of Douglas Holding AG while its subsidiaries took out loans to finance the acquisitions of Douglas Holding AG and Douglas Finance B.V. This facility agreement was amended in October and December 2013 as well as in September 2014. Another tranche in the amount of €275 million was taken out to finance the acquisition of the French Nocibé Group; a total of €47 million was repaid. The interest rate for the loan was based on the EURIBOR plus a floating margin of between 3.75 percent and 5.5 percent in the fiscal year 2013/14. The margin for the senior facility agreement as of the end of the fiscal year 2013/14 stood at 4.0 percent. The loans covered by the senior facility agreement have terms of until December 2019 and June 2020. A further €200 million were financed via a mezzanine loan agreement as of December 1, 2012. The interest rate for these loans is based on the EURIBOR plus a margin of 11.5 percent; however, part of the interest is paid in kind, which increases the total loan amount. The mezzanine financing has a term until December 2020.

For this purpose, three interest rate swaps were concluded at the level of Douglas Holding AG to hedge against the risk of interest rate fluctuations over a total nominal volume of €567 million. All interest rate swaps have a term until February 22 or August 22, 2016 respectively, and the remaining Cash Flows from interest rate swaps will affect interest income during the period from October 1, 2014 to March 31 or June 30, 2016 respectively.

Interest Rate Swaps

	as of 30/06/2015			as of 30/06/2014		
	Reference amount (in EUR m)	Fair values: Financial assets (in EUR m)	Fair values: Financial liabilities (in EUR m)	Reference amount (in EUR m)	Fair values: Financial assets (in EUR m)	Fair values: Financial liabilities (in EUR m)
Interest rate swaps	567.0	0.0	2.9	567.0	0.0	4.7
of which within cash flow hedges	*567.0*	*0.0*	*2.9*	*567.0*	*0.0*	*4.7*

Beauty Holding One GmbH is also financed through fixed-interest shareholder loans repayable on maturity, which amounted to €144.6 million as of June 30, 2015 including accrued interest. Interest on these loans amounts to 9.68 percent. Accrued interest increases the original loan amounts every year and is due when the loans mature. As of June 30, 2014 the shareholder loans amounted to €580.1 million. In December 2014 it was agreed that the purchase prices realized from the sale of Christ, Thalia and AppelrathCüpper in the amount of €459.3 million would be used to redeem the shareholder loans.

As of June 30, 2015 Beauty Holding Zero and its subsidiaries have to meet certain obligations and key financial covenants, an interest cover (EBITDA in relation to financing expenses), a leverage cover (relation of net debt to Adjusted EBITDA), a Cash Flow cover (Cash Flow in relation to debt servicing), and a capex cover (ceiling for investments).

If these obligations are not met, the lenders are entitled to cancel the loan agreements with immediate effect and call upon all pledged collateral. The financial covenants are calculated on a quarterly basis and tested annually. All agreed financial covenants were adhered to in the fiscal year 2013/14. A compliance certificate was issued to the lenders in connection with financial statements as of September 30, 2014. The Executive Board of Douglas Holding AG estimated as of June 30, 2015 that the risk of any financial covenants not being adhered to in the fiscal year 2014/15 is low.

Events after Balance Sheet Date

On August 13, 2015, Kirk Beauty Zero GmbH acquired the shares of Beauty Holding Zero GmbH following the approval of the antitrust authorities. Beauty Holding Zero GmbH entered into new financing agreements for a total of €2,005 million. These agreements comprise a €1,220 million Term Loan B Facility, a €200 million Revolving Credit Facility, €300 million Senior Secured Notes and €335 million Senior Notes. The existing loans were replaced by the new financing on the acquisition date. A portion of the Group`s cash and cash equivalents were also used to repay the existing loans.

The new financing has the following maturities: six and half years for the Revolving Credit Facility and seven years for the Term Loan B Facility. The Senior Secured Notes mature 2022 and the Senior Notes mature 2023.

No other important events occurred after the balance sheet date.

Financing Agreements
as of 13/08/2015, the closing date of the acquisition of the Target by Kirk Beauty Zero GmbH

	Nominal amount (in EUR m)
Term Loan B Facility[1]	1,220.0
Senior Secured Notes[2]	300.0
Senior Notes[3]	335.0
Revolving Credit Facility[4]	200.0
thereof utilized	*23.5*

[1] The Senior Secured Credit Facility provides for up to €1,420.0 million of committed borrowings, including a €1,220.0 million Term Loan B Facility, which was used to fund a portion of the purchase price of the acquisition of the Target.
[2] Kirk Beauty Zero GmbH issued €300.0 million aggregate principal amount of 6.25% Senior Secured Notes due 2022, which were used to fund a fund a portion of the purchase price of the acquisition of the Target.
[3] Kirk Beauty One GmbH issued €335.0 million aggregate principal amount of 8.75% Senior Notes due 2023, which were used to fund a fund a portion of the purchase price of the acquisition of the Target.
[4] The Senior Secured Credit Facilities provides for up to €1,420.0 million of committed borrowings, including a €200.0 million Revolving Credit Facility. As of August 13, 2015, approximately €23.5 million was drawn under the Revolving Credit Facility and the amount available for borrowings was also reduced by €9.9 million of outstanding letters of credit.