Interim Financial Report

Kirk Beauty One GmbH

as at June 30, 2018

DOUGLAS

Content

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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.

We undertake no obligation, and do not expect, to publicly update or revise any forward-looking statement to reflect actual results, changes in assumptions based on 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.

We suggest you to read the section of this financial report entitled *“Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the section “Risk Factors” of our Financial Report as at September 30, 2017* for a more detailed discussion of the factors that could affect our future performance and the industry in which we are operating.

Management's Discussion and Analysis of Financial Condition and Results of Operations

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. Our historical results are not necessarily indicative of the results to be expected in the future, and our interim results are not necessarily indicative of the results to be anticipated for the full financial year ending September 30, 2018 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. This may lead to individual numbers presented throughout this report not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures. 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.

These Interim Consolidated Financial Statements have been prepared following IAS 34 Interim Financial Reporting and should be read in conjunction with the Company's last annual consolidated financial statements as at and for the financial year ended September 30, 2017 (last annual financial statements).

The results of operations and related cash flows in the following text and tables refer to nine months of the financial year 2017/18, i.e. from October 1, 2017 to June 30, 2018 compared to nine months of the financial year 2016/17, i.e. from October 1, 2016 to June 30, 2017.

The Company

Douglas ("Douglas Group", "Kirk Beauty One GmbH", the "Company", the "Group") is a German limited liability company (Gesellschaft mit beschränkter Haftung) incorporated on April 10, 2015 and has its registered office at Luise-Rainer-Straße 7-11, 40235 Düsseldorf/Germany.

Douglas is the leading European specialist retailer of selective beauty and personal care products who generates the vast majority of its sales via the selective beauty distribution channel, i.e. it requires the formal approval by a supplier to distribute a selective product, as opposed to the mass market channel. As of June 30, 2018, Douglas operated stores in 19 European countries and had e-commerce operations in 17 countries.

At the beginning of the financial year 2017/18 Tina Müller was appointed Chief Executive Officer (CEO) to the management board of Kirk Beauty One GmbH effective November 1, 2017. She took over from Isabelle Parize, who left the Company effective September 26, 2017.

In the course of the first nine months of the financial year 2017/2018, Douglas closed the acquisitions of "Limoni and La Gardenia" in Italy and "Perfumerías IF" in Spain. The acquisition of Bodybell was closed in July 2017 (financial year 2016/2017).

Limoni and La Gardenia each operate a network of perfumery stores in Italy. Their integration into the existing Douglas network makes us the market leader in the Italian perfume retail market.

Through the integration of the 103 Perfumerías IF and more than 200 Bodybell stores and their corresponding online shops into the existing branch network in Spain, Douglas is considerably strengthening its position in the Spanish perfume retail market.

In April 2018 Douglas has signed an agreement for the acquisition of a majority stake in German beauty retailer "Parfümerie Akzente" with its successful online shop "parfumdreams". Parfümerie Akzente, one of the leading independent retailers of premium beauty and skincare products in Germany, owns parfumdreams – an online shop founded in 2004 – as well as 27 brick-and-mortar stores, most of them in the south-western region of Germany. The closing date of this transaction was August 16, 2018. The financials presented herewithin do not reflect any contribution from this acquisition. Net Sales of Parfümerie Akzente for the last fiscal year, which equals calendar year, amounted to €75 million.

These transactions are important steps in the company's ongoing efforts to modernize Douglas in the context of its #FORWARDBEAUTY strategy - incorporating our five strategic pillars Douglas Brand, Stores, e-Commerce, Assortment and CRM, moving from a "push" to a "pull" strategy. Our overall aim is to create the customer centric No. 1 beauty destination and further expand and strengthen our position as the European market leader for beauty across channels with a modern and premium brand positioning.

We have already achieved some major milestones on our mission: such as the new brand language and in particular the new Douglas logo that we presented in early June 2018 and which will be rolled out over the next twelve to eighteen months across Europe, the decision for a reassortment of our margin-attractive owned brands by launching new and exciting trending brands as well as the integration and repositioning of our recent acquisitions, especially Spain (Bodybell and Perfumerías IF) by optimizing our store network and assortment focusing on the premium beauty market.

The development of the new brand language and strategy is taking place step-by-step. Since April we have been rolling out a new visual language across our store network and our online shops and are additionally investing into advertising. The new logo and brand language are part of our new store concept. Besides the refreshed look of our stores, we also continue to implement elements keeping our customers excited about shopping at Douglas, e.g. increasing services, consultation, treatments and events with influencers and celebrities. These measures are going along with a tailor-made CRM program and increased 1: 1 communication with customers. In addition, we continue to invest in our e-commerce infrastructure, i.e. with the introduction of responsive design for our online shops and the launch of a new app. With all these investments we aim to position Douglas more premium and modern.

The rebranding of our market appearance as well as the decision for a reassortment of our margin-attractive owned brands and the integration and repositioning of Spain, where we decided to close more than 50 stores, lead to necessary accounting measures especially the revaluation of inventories amounting to €80.5 million and restructuring costs amounting to €19.1 million, both non-recurring effects, hence adjusted.

Result of Operations

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

		10/01/2017 - 06/30/2018 EUR m	10/01/2016 - 06/30/2017 EUR m	04/01/2018 - 06/30/2018 EUR m	04/01/2017 - 06/30/2017 EUR m
1.	Sales	2,578.9	2,169.1	720.9	602.9
2.	Cost of raw materials, consumables and supplies and merchandise	-1,458.4	-1,139.1	-441.3	-300.6
3.	Gross profit from retail business	1,120.5	1,030.1	279.6	302.3
4.	Other operating income	206.6	166.5	72.7	51.1
5.	Personnel expenses	-472.7	-396.3	-154.6	-125.6
6.	Other operating expenses	-698.1	-548.5	-240.3	-171.9
7.	EBITDA	156.4	251.8	-42.6	55.9
	Effects non-recurring on a regular basis	*137.6*	*34.4*	*99.9*	*16.0*
	Adjusted EBITDA	*294.0*	*286.1*	*57.3*	*71.9*
8.	Amortization/depreciation	-90.6	-76.7	-30.8	-26.0
9.	EBIT	65.8	175.0	-73.4	29.9
10.	Financial income	20.3	46.1	6.7	12.8
11.	Financial expenses	-87.2	-96.9	-29.0	-29.5
12.	Financial result	-66.9	-50.8	-22.2	-16.7
13.	Earnings (loss) before tax (EBT)	-1.1	124.2	-95.6	13.2
14.	Income taxes	-29.2	-59.1	6.4	-10.0
15.	Profit (loss) for the period	-30.2	65.1	-89.2	3.2

Segment Reporting

In conformity with IFRS 8 "Operating Segments", the reporting segments are categorized on the basis of their organizational and decision-making structure and the content of the internal reporting to the chief operating decision-maker. Unchanged to the financial year ended September 30, 2017, the Douglas Group's countries are classified as operating segments which are allocated to the reportable segments Germany, France, South-Western Europe and Eastern Europe.

With the exception of the adjustments of the expenses and income that management considers to be "non-recurring effects on a regular basis" the segment results of the operating segments are determined in accordance with the IFRS accounting and valuation methods. Transfers between segments are generally performed at the same prices that would apply if the transaction were executed with third parties (arm's length transactions).

Segment sales represent sales with external third parties. Intersegment sales present sales between individual segments. The allocation of segment sales is based on the registered office of the selling unit. The segment performance indicator is Adjusted EBITDA. Adjusted EBITDA is the DOUGLAS Group's key performance indicator that is used to assess the performance of the segments and manage resource allocation. Adjusted EBITDA is also decisive for calculating the underlying covenants of loan financing. To calculate this key performance indicator, EBITDA is adjusted for items that the Kirk Beauty One management considers to be "non-recurring effects on a regular basis".

Sales

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

	10/01/2017 - 06/30/2018	10/01/2016 - 06/30/2017
	EUR m	EUR m
Sales	**2,578.9**	2,169.1
Segments		
Germany		
Sales (net)	899.1	936.4
Intersegment sales	55.9	31.9
Sales	955.0	968.3
France		
Sales (net)	612.9	593.7
Intersegment sales	0.0	0.1
Sales	612.9	593.8
South-Western Europe		
Sales (net)	826.2	421.0
Intersegment sales	0.0	0.0
Sales	826.2	421.0
Eastern Europe		
Sales (net)	240.7	218.0
Intersegment sales	0.0	0.0
Sales	240.7	218.0

EBITDA and Adjusted EBITDA

We evaluate each of our business segments using a measure that reflects all the segment's income and expenses. We believe the most appropriate measure in this regard is Adjusted EBITDA as it is helpful for investors as a measurement of the segment's ability to generate cash and to service financing obligations. EBITDA and Adjusted EBITDA are non-IFRS measures. To obtain Adjusted EBITDA, we adjust our EBITDA for either non-recurring items on a regular basis or impacts limited to a certain period of time. Non-recurring items on a regular basis include, but are not limited to PPA effects, consulting fees, restructuring costs, extraordinary financing costs such as fees and other extraordinary costs. The overall definition of items included in „non-recurring items on a regular basis" is unchanged compared to the Kirk Beauty One IFRS consolidated financial statements as per September 30, 2017.

Because not all companies that publish financial information 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 EBITDA and Adjusted EBITDA separated by segments for the periods indicated:

		10/01/2017 - 06/30/2018	10/01/2016 - 06/30/2017
EBITDA	EUR m	156.4	251.8
EBITDA margin	%	6.1	11.6
Effects non-recurring on a regular basis	EUR m	137.6	34.4
Adjusted EBITDA	EUR m	294.0	286.1
Adjusted EBITDA margin	%	11.4	13.2
Segments			
Germany			
EBITDA	EUR m	31.2	85.5
EBITDA margin	%	3.5	9.1
Effects non-recurring on a regular basis	EUR m	54.0	28.0
Adjusted EBITDA	EUR m	85.1	113.5
Adjusted EBITDA margin	%	9.5	12.1
France			
EBITDA	EUR m	95.3	92.2
EBITDA margin	%	15.5	15.5
Effects non-recurring on a regular basis	EUR m	3.0	3.6
Adjusted EBITDA	EUR m	98.3	95.8
Adjusted EBITDA margin	%	16.0	16.1
South-Western Europe			
EBITDA	EUR m	-6.6	43.2
EBITDA margin	%	-0.8	10.3
Effects non-recurring on a regular basis	EUR m	79.6	1.5
Adjusted EBITDA	EUR m	73.0	44.8
Adjusted EBITDA margin	%	8.8	10.6
Eastern Europe			
EBITDA	EUR m	37.7	31.9
EBITDA margin	%	15.7	14.6
Effects non-recurring on a regular basis	EUR m	1.1	1.3
Adjusted EBITDA	EUR m	38.8	33.2
Adjusted EBITDA margin	%	16.1	15.2

Nine Months Ended June 30, 2018 compared to Nine Months Ended June 30, 2017

Sales (net) (i.e. sales generated from third parties)

Total sales (net) increased versus previous year by 18.9 percent, mainly resulting from our recent acquisitions which were not included in the prior-year period, strong sales performance in Eastern Europe as well as from strong sales development of the Christmas business. All segments, except for Germany, managed to increase their previous year sales during the nine months ended June 30, 2018, driven by successful marketing campaigns, CRM as well as Christmas business and leading to a positive conversion rate from store visitors to customers in most countries. Adjusted for currency effects and for sales relating to our recent acquisitions, our sales exceeded prior-year level by 0.2 percent. On a like-for-like basis sales (net) decreased by 0.6 percent.

Our total online sales grew by 9.1 percent compared to the prior-year period with an increase in all geographic regions. Overall online sales during the nine months ended June 30, 2018 accounted for 12.8 percent of our total sales, slightly below previous year's level, due to dilution from lower online penetration of the acquired businesses.

Sales (net) in our four reporting segments – **Germany**, **France**, **South-Western Europe** and **Eastern Europe** – developed as follows:

Sales (net) in **Germany** decreased by €37.3 million or 4.0 percent versus the prior-year period. This decrease in sales is mainly attributable to the continued lower inner-city traffic as well as continued competitive pressure from price-aggressive pure play online retailers as well as drugstores. In addition, at the beginning of this fiscal year we decided to change our pricing and promotion strategy from a very aggressive price discount (i.e. "push") to a "pull" strategy, a more balanced and more long-term value-oriented strategy with a stronger focus on shopping experience, targeting the premium segment. Please note that the first nine months of this financial year had three missing sales days compared to the first nine months of the financial year 2016/17. The increase in online sales could not fully compensate the lower sales development in stores. However, we observe a positive trend from our various #FORWARDBEAUTY value creation initiatives, even though the majority of these measures will take until next financial year to fully materialize. On a like-for-like basis, sales in Germany decreased by 3.5 percent.

In **France** sales (net) exceeded the prior-year period by 3.2 percent, resulting from both a significant growth of online sales and good sales in stores. This strong increase reflects the attractive CRM offers and the increased owned brands ("Douglas Nocibé Collection") market share. On a like-for-like basis, sales in France increased by 1.6 percent.

Especially due to our acquisition of Limoni and La Gardenia in Italy and the acquired stores from Bodybell and Perfumerías IF in Spain in 2017 sales in **South-Western Europe** grew strongly versus previous year by 96.2 percent. Through these acquisitions we have achieved a market-leading position in both countries. Excluding the sales contribution relating to our recent acquisitions, our sales came in approximately on prior year level. On a like-for-like basis, sales in South-Western Europe decreased by 1.1 percent.

Sales (net) increased in **Eastern Europe** by 10.4 percent with all countries contributing to this positive sales development. The sales increase was driven by a strong store performance in each country as well as a significant increase in online sales. On a like-for-like basis, sales in Eastern Europe increased by 6.3 percent.

Cost of raw materials, consumables, supplies and merchandise

The cost of raw materials, consumables, supplies and merchandise for the first nine months of the financial year 2017/18 are significantly impacted by the revaluation of inventories in connection with focusing our assortment on the premium beauty market and a repositioning of our Douglas Nocibé Collection. Due to these measures write-offs in the amount of € 80.5 million have affected the expenditures, mainly in Spain – triggered by the realignment of assortment of the acquired businesses to Douglas standards - and Germany. Besides the PPA effects of the Bodybell acquisition slightly impacted the cost of merchandise. Adjusted for those non-recurring effects the adjusted cost of raw materials, consumables, supplies and merchandise for the nine months ended June 30, 2018 amounted to €1,376.0 million (53.4 percent of total sales) compared to €1,137.2 million (52.4 percent of total sales) for the nine months ended June 30, 2017. This increase is mainly due to our acquisitions, which were not included in the first nine months of the financial year 2016/17. The adjusted gross margin, decreased by 0.9 percentage points as a percentage of total sales, which is attributable to investments into pricing and promotional activities, especially in Germany.

Other operating income

Other operating income increased from 7.7 percent to 8.0 percent as a percentage of sales. The increase was mainly affected by higher marketing income in combination with our increased marketing spend. Adjusted for extraordinary effects resulting from our acquisitions, other operating income as a percentage of total sales accounted for 7.9 percent compared to 7.6 percent in the financial year 2016/17.

Personnel expenses

The increase of €76.4 million in personnel expenses was mainly attributable to our acquisitions. Adjusted for extraordinary effects in connection with the integration of our acquisitions and further adjustments relating to restructuring activities mainly in Spain, the personnel expenses as a percentage of total sales accounted for 18.2 percent as compared to 17.9 percent during the nine months ended June 30, 2017.

Other operating expenses

As a percentage of total sales, other operating expenses increased to 27.1 percent compared to 25.3 percent during the nine months ended June 30, 2017. The majority of this increase is due to our acquisitions and integration activities. Adjusted for extraordinary effects mainly in connection with our acquisitions and the restructuring in Spain, other operating expenses as a percentage of total sales accounted for 25.0 percent compared to 24.1 percent in the first nine months of the financial year 2016/17.

EBITDA and Adjusted EBITDA

The EBITDA decreased by 37.9 percent to €156.4 million during the first nine months of the financial year 2017/18. Adjusted EBITDA increased by 2.8 percent to €294.0 million during the nine months ended June 30, 2018 from €286.1 million during the nine months ended June 30, 2017. As a percentage of sales (net), adjusted EBITDA has been below prior-year level in line with lower adjusted EBITDA level of the acquired businesses and the ongoing investments into pricing, marketing and CRM in Germany. Total adjustments for non-recurring items as well as credit card fees increased by €103.3 million to €137.6 million during the first nine months of the financial year 2017/18 compared to €34.4 million during the first nine months of the financial year 2016/17. This significant increase is essentially caused by stock revaluation effects and restructuring costs due to the repositioning of Spain and the introduction of the new visual brand language and in particular the new Douglas logo plus consulting fees relating to the acquisitions and one off expenses for the implementation of the #FORWARDBEAUTY strategy.

EBITDA and Adjusted EBITDA in our four reporting segments – Germany, France, South-Western Europe and Eastern Europe – developed as follows:

Adjusted EBITDA in Germany decreased by €28.3 million to €85.1 million during the nine months ended June 30, 2018 from €113.5 million during the nine months ended June 30, 2017. Adjustments to EBITDA of the German reporting segment totaled €54.0 million during the nine months ended June 30, 2018, primarily resulting from stock revaluation due to the reassortment of our owned brands, the introduction of the new visual brand language and in particular new Douglas logo as well as from consulting fees. The decrease in Adjusted EBITDA mainly resulted from lower gross profit in connection with investment into pricing and higher marketing and CRM investments to maintain our market leading position in Germany in line with our #FORWARDBEAUTY initiatives. Adjusted EBITDA margin decreased by 2.6 percentage points from 12.1 percent to 9.5 percent.

Adjusted EBITDA in France increased by €2.4 million to €98.3 million during the nine months ended June 30, 2018 from €95.8 million during the nine months ended June 30, 2017. This improvement was primarily driven by the strong sales performance and stable cost level. The adjustments of €3.0 million during the nine months ended June 30, 2018 mainly relate to credit card fees.

Compared to prior-year period, Adjusted EBITDA in South-Western Europe significantly increased during the nine months ended June 30, 2018 by €28.2 million from €44.8 million to €73.0 million, resulting from sales development of the acquisitions. Excluding the EBITDA contribution of our recent acquisitions, our EBITDA has slightly decreased. The adjustments of €79.6 million during the nine months ended June 30, 2018 are primarily attributable to stock revaluation, restructuring costs and consulting fees in connection with the integration.

During the first nine months of the financial year 2017/18 adjusted EBITDA in the Eastern Europe segment grew above prior-year level by €5.6 million from €33.2 million to €38.8 million. A majority of this development benefits from higher traffic rates and higher sales per customer. The adjustments of €1.1 million during the nine months ended June 30, 2018 mainly resulted from credit card fees.

EBIT

In the first nine months of the financial year 2017/18, EBIT decreased by €109.2 million to €65.8 million from €175.0 million during the nine months ended June 30, 2017. This decrease mainly resulted from higher adjustments for non-recurring items (esp. revaluation of inventories and restructuring costs) as well as higher amortization and depreciation expenses in connection with our acquisitions.

Financial result

The financial result declined by €16.1 million to -€66.9 million during the nine months ended June 30, 2018 from -€50.8 million compared to the nine months of the financial year 2016/17. The difference resulted mainly from positive valuation effects of derivative financial instruments in the nine months ended June 30, 2017.

The decrease in interest expenses for our Term Loan B Facility results from two repricings, reducing the interest rate floor from 1.0 percent to 0.0 percent in February 2017 and reducing the margin from 3.75 percent to 3.50 percent per annum in August 2017. This effect was partially offset by an additional tranche of €300 million raised under the Term Loan B Facility in November 2017, for the funding of our Italian and Spanish acquisitions, with a margin of 3.25 percent per annum.

Income taxes

Income tax expenses amounted to € 29.2 million during the nine months ended June 30, 2018 compared to € 59.1 million during the nine months ended June 30, 2017, driven by the decrease of pre-tax income.

Profit and Adjusted Profit

As a result of the abovementioned, our loss for the nine months ended June 30, 2018 amounted to €30.2 million, compared to our profit amounting to €65.1 million during the nine months ended June 30, 2017. Adjusted profit during the nine months ended June 30, 2018 amounted to €58.5 million compared to €62.1 million in the prior-year period.

The adjustments in respect of EBITDA, already being disclosed above in the section "EBITDA and Adjusted EBITDA" and totaling €137.6million in the first nine months ended June 30, 2018 are partially compensated by credit card fees and effects from valuation of financial instruments totaling €6.8 million, impairment effects accounting for €0.3 million and income tax effects of €41.8 million.

Liquidity and Capital Resources

Overview

The main sources of liquidity on an ongoing basis are the operating cash flows and a liquidity reserve from our €200.0 million senior secured multi-currency revolving credit facility (the "Revolving Credit Facility" or "RCF"). 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, 2018, 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. As of June 30, 2018, there were no outstanding borrowings[1] under the Revolving Credit Facility.

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

We anticipate that we will continue to be leveraged in the foreseeable future. Our current level of debt may have negative consequences. 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.

[1] Available amount for borrowings is reduced by €11.3 million of outstanding letters of credit.

Net Working Capital

We define our net working capital as the sum of the 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 and outstanding voucher liabilities. 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 net working capital as at the dates indicated:

	06/30/2018 EUR m	06/30/2017 EUR m	09/30/2017 EUR m
Inventories	760.1	552.8	592.8
Trade accounts receivable	47.7	29.8	41.1
Trade accounts payable	-506.1	-295.7	-388.4
Others	-30.8	-68.5	-44.3
Net Working Capital	**270.9**	218.5	201.2

Net Working Capital increased by €52.4 million to €270.9 million as of June 30, 2018. The increase of inventories (after revaluation in connection with focusing our assortment on the premium beauty market and a repositioning of our Douglas Nocibé Collection) has been netted by higher trade accounts payables. Furthermore higher bonus receivables and timing effects at the cut-off date have affected our working capital.

Investments in non-current assets

The investments made during the nine months ended June 30, 2018 and prior-year 2017 mainly related to the expansion of our store network via acquisitions, new store openings and investments in the refurbishment, maintenance, design and re-design of existing stores.

The main source of funding for these investments has been and is expected to continue to be the positive cash flow from operating activities and additional acquisition financing under the Senior Facilities Agreement.

In the nine months ended June 30, 2018, our investment in non-current assets amounted to €300.5 million, significantly above prior-year payments of €53.7 million. Thereof €252.9 million payments arose from acquisitions of other business units particularly from "Limoni and La Gardenia" in Italy and "Perfumerias IF" in Spain.

The investments during the nine months of the financial year 2017/18 consisted of €48.5 million additions in tangible and intangible assets (CAPEX) as well as the allocations to provisions for outstanding invoices on fixed assets of € 0.8 million.

Consolidated Cash Flow Data

			10/01/2017 - 06/30/2018	10/01/2016 - 06/30/2017
			EUR m	EUR m
1.	=	EBITDA	156.4	251.8
2.	+/-	Increase/decrease in provisions	-7.5	-12.9
3.	+/-	Other non-cash expense/income	-3.0	0.1
4.	+/-	Loss/profit on the disposal of non-current assets	0.0	-0.3
5.	+/-	Changes in net working capital	-23.6	-16.2
6.	+/-	Changes in other assets/liabilities not classifiable to investing or financing activities	12.6	10.6
7.	-/+	Paid/reimbursed taxes	-18.8	-4.4
8.	=	Net cash flow from operating activities	116.0	228.5
9.	+	Proceeds from the disposal of non-current assets	1.9	1.4
10.	-	Investments in non-current assets	-47.7	-52.6
11.	-	Payments for the acquisition of consolidated companies and other business units	-252.9	-1.1
12.	=	Net cash flow from investing activities	-298.7	-52.3
13.		Free cash flow (total of 8. and 12.)	-182.6	176.2
14.	-	Payments for the repayment of financial liabilities	-9.3	-2.9
15.	+	Proceeds from borrowings	307.8	0.9
16.	-	Payments for the granting of borrowings	0.0	0.0
17.	-	Interest paid	-69.6	-72.1
18.	+	Interest received	0.0	0.0
19.	+	Proceeds from sale of interests to non-controlling shareholders	5.0	0.0
20.	-	Payments for the acquisition of derivative financial instruments	-0.8	0.0
21.	=	Net cash flow from financing activities	233.1	-74.0
22.		Net change in cash and cash equivalents (total of 8., 12. and 21.)	50.5	102.2
23.	+/-	Net change in cash and cash equivalents due to currency translation	-0.6	-0.2
24.	+	Cash and cash equivalents at the beginning of period	178.4	143.9
25.	=	Cash and cash equivalents at end of period	228.3	246.0

Nine months ended June 30, 2018 compared to nine months ended June 30, 2017

Cash Flow from operating activities

Cash provided by operating activities decreased by €112.5 million, to €116.0 million during the nine months ended June 30, 2018 from €228.5 million during the nine months ended June 30, 2017. This decrease was mainly the result of the decline of the EBITDA by €95.4 million, to €156.4 million during the nine months ended June 30, 2018 from €251.8 million during the nine months ended June 30, 2017, particularly due to the revaluation of inventories. Without the revaluation of inventories, working capital would have increased in connection with focusing our assortment on the premium beauty market and a repositioning of our Douglas Nocibé Collection. The tax payments increased about €14.4 million in the nine months ended June 30, 2018 compared to the nine months ended June 30, 2017.

Cash Flow from investing activities

Cash used for investing activities (cash outflows) increased by €246.3 million to €298.7 million during the nine months ended June 30, 2018 from €52.3 million during the nine months ended June 30, 2017. This increase was related to acquisitions of Limoni and La Gardenia as well as Perfumerias If in the nine months ended June 30, 2018.

Cash Flow from financing activities

During the nine months ended June 30, 2018, cash received from financing activities (cash inflows) amounted to €233.1 million compared to cash outflows of €74.0 million during the nine months ended June 30, 2017. The increase of €307.1 million primarily relates to the additional tranche of €300.0 million under the Term Loan B Facility for the funding of the Limoni and La Gardenia acquisitions.

Liquidity as at June 30, 2018

As at June 30, 2018 the cash balance amounted to € 228.3 million. Our net debt position includes the nominal values of the Term Loan B Facility and the Notes on June 30, 2018.

	06/30/2018 EUR m
Term Loan B	-1,670.0
Senior Notes	-335.0
Senior Secured Notes	-300.0
Accrued interests	-22.3
Other financial indebtedness	0.0
Total Debt	-2,327.3
Cash and cash equivalents	228.3
Net Debt	**-2,099.0**

Interim Consolidated Financial Statements

of Kirk Beauty One GmbH for the period from October 1, 2017 through June 30, 2018 and for the period from October 1, 2016 through June 30, 2017.

Interim Consolidated Statement of Profit or Loss

of Kirk Beauty One GmbH for the period from October 1, 2017 through June 30, 2018 and for the period from October 1, 2016 through June 30, 2017.

		10/01/2017-06/30/2018 EUR m	10/01/2016-06/30/2017 EUR m	04/01/2018 - 06/30/2018 EUR m	04/01/2017 - 06/30/2017 EUR m
1.	Sales	2,578.9	2,169.1	720.9	602.9
2.	Cost of raw materials, consumables and supplies and merchandise	-1,458.4	-1,139.1	-441.3	-300.6
3.	Gross profit from retail business	1,120.5	1,030.1	279.6	302.3
4.	Other operating income	206.6	166.5	72.7	51.1
5.	Personnel expenses	-472.7	-396.3	-154.6	-125.6
6.	Other operating expenses	-698.1	-548.5	-240.3	-171.9
7.	EBITDA	156.4	251.8	-42.6	55.9
8.	Amortization/depreciation	-90.6	-76.7	-30.8	-26.0
9.	EBIT	65.8	175.0	-73.4	29.9
10.	Financial income	20.3	46.1	6.7	12.8
11.	Financial expenses	-87.2	-96.9	-29.0	-29.5
12.	Financial result	-66.9	-50.8	-22.2	-16.7
13.	Earnings (loss) before tax (EBT)	-1.1	124.2	-95.6	13.2
14.	Income taxes	-29.2	-59.1	6.4	-10.0
15.	Profit (+) or Loss (-)	-30.2	65.1	-89.2	3.2

Interim Consolidated Reconciliation from Profit or Loss to Total Comprehensive Income

of Kirk Beauty One GmbH for the period from October 1, 2017 through June 30, 2018 and for the period from October 1, 2016 through June 30, 2017.

	10/01/2017-06/30/2018 EUR m	10/01/2016-06/30/2017 EUR m	04/01/2018 - 06/30/2018 EUR m	04/01/2017 - 06/30/2017 EUR m
Profit (+) or Loss (-)	-30.2	65.1	-89.2	3.2
Components that are or may be reclassified subsequently to the income statement				
Foreign currency translation differences arising from translating the financial statements of a foreign operation	-3.4	1.3	0.0	0.0
Components that will not be reclassified to profit or loss				
Actuarial gains/losses from pension provisions	0.0	0.0	0.0	0.0
Other comprehensive income	**-3.4**	1.3	**0.0**	0.0
Total comprehensive income	**-33.6**	66.4	**-89.2**	3.2
Total comprehensive income attributable to group shareholders	-33.6	66.4	-89.2	3.2
Total comprehensive income attributable to non-controlling interests	0.0	0.0	0.0	0.0

Interim Consolidated Statement of Financial Position

of Kirk Beauty One GmbH as of June 30, 2018 and 2017 and as of September 30, 2017.

Assets		06/30/2018 EUR m	06/30/2017 EUR m	09/30/2017 EUR m
A.	Non-current assets			
I.	Intangible assets	2,525.3	2,547.6	2,365.1
II.	Property, plant and equipment	267.5	250.7	262.9
III.	Tax receivables	0.0	0.0	0.0
IV.	Financial assets	15.1	6.4	12.1
V.	Shares in associated companies	0.0	0.1	0.0
VI.	Deferred tax assets	59.9	51.5	46.9
		2,867.7	2,856.3	2,687.1
B.	Current assets			
I.	Inventories	760.1	552.8	592.8
II.	Trade accounts receivable	47.7	29.8	41.1
III.	Tax receivables	49.3	34.2	16.5
IV.	Financial assets	616.2	489.7	567.3
V.	Other assets	30.8	22.5	25.2
VI.	Cash and cash equivalents	228.3	246.0	178.4
		1,732.4	1,375.1	1,421.2
Total		4,600.1	4,231.4	4,108.3

	Equity and Liabilities	06/30/2018 EUR m	06/30/2017 EUR m	09/30/2017 EUR m
A.	Equity			
I.	Capital stock*	0.0	0.0	0.0
II.	Additional paid-in capital	1,125.1	1,125.1	1,125.1
III.	Reserves	-64.0	123.1	-30.4
IV.	Non-controlling interests	0.0	0.0	0.0
		1,061.1	1,248.2	**1,094.7**
B.	Non-current liabilities			
I.	Pension provisions	35.2	43.9	35.6
II.	Other non-current provisions	32.2	28.0	26.7
III.	Financial liabilities	2,305.0	1,996.4	1,999.1
IV.	Other liabilities	0.5	0.6	0.6
V.	Deferred tax liabilities	205.3	210.3	212.7
		2,578.3	2,279.2	**2,274.7**
C.	Current liabilities			
I.	Current provisions	112.6	78.8	102.5
II.	Trade accounts payable	506.0	295.7	388.4
III.	Tax liabilities	97.9	116.3	48.4
IV.	Financial liabilities	28.5	24.8	12.7
V.	Other liabilities	215.8	188.5	186.9
		960.8	704.1	**739.0**
Total		**4,600.1**	4,231.4	**4,108.3**

Interim Statement of Changes in Group Equity

of Kirk Beauty One GmbH for the period from October 1, 2017 through June 30, 2018 and for the period from October 1, 2016 through June 30, 2017.

	Capital stock* EUR m	Additional paid-in capital EUR m	Other reserves EUR m	Reserves Reserves for pension provisions EUR m	Differences from currency translation EUR m	Non-controlling interests EUR m	Total EUR m
10/01/2017	0.0	1,125.1	-30.5	1.5	-1.4	0.0	1,094.7
Currency translation					-3.4		-3.4
Effects from valuation of IAS 19				0.0	0.0		0.0
Profit (+) or Loss (-)			-30.2			0.0	-30.2
Total comprehensive income	0.0	0.0	-30.2	0.0	-3.4	0.0	-33.7
Transactions with shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
06/30/2018	**0.0**	**1,125.1**	**-60.7**	**1.5**	**-4.8**	**0.0**	**1,061.1**

	Capital stock* EUR m	Additional paid-in capital EUR m	Other reserves EUR m	Reserves Reserves for pension provisions EUR m	Differences from currency translation EUR m	Non-controlling interests EUR m	Total EUR m
10/01/2016	0.0	1,125.1	63.0	-4.9	-1.4	0.0	1,181.8
Currency translation					1.3		1.3
Effects from valuation of IAS 19					0.0		0.0
Profit (+) or Loss (-)			65.1			0.0	65.1
Total comprehensive income	0.0	0.0	65.1	0.0	1.3	0.0	66.4
Transactions with shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
06/30/2017	0.0	1,125.1	128.1	-4.9	-0.1	0.0	1,248.2

Interim Consolidated Statement of Cash Flows

of Kirk Beauty One GmbH for the period from October 1, 2017 through June 30, 2018 and for the period from October 1, 2016 through June 30, 2017.

			10/01/2017-06/30/2018 EUR m	10/01/2016-06/30/2017 EUR m
1.		Profit (+) or Loss (-)	-30.2	65.1
2.	+	Income taxes	29.2	59.1
3.	+	Financial result	66.9	50.8
4.	+	Amortization/depreciation	90.6	76.7
5.	=	EBITDA	156.4	251.8
6.	+/-	Increase/decrease in provisions	-7.5	-12.9
7.	+/-	Other non-cash expense/income	-3.0	0.1
8.	+/-	Loss/profit on the disposal of non-current assets	0.0	-0.3
9.	+/-	Changes in net working capital	-23.6	-16.2
10.	+/-	Changes in other assets/liabilities not classifiable to investing or financing activities	12.6	10.6
11.	-/+	Paid/reimbursed taxes	-18.8	-4.4
12.	=	Net cash flow from operating activities	116.0	228.5
13.	+	Proceeds from the disposal of non-current assets	1.9	1.4
14.	-	Investments in non-current assets	-47.7	-52.6
15.	-	Payments for the acquisition of consolidated companies and other business units	-252.9	-1.1
16.	=	Net cash flow from investing activities	-298.7	-52.3
17.		Free cash flow (total of 12. and 16.)	-182.6	176.2
18.	-	Payments for the repayment of financial liabilities	-9.3	-2.9
19.	+	Proceeds from borrowings	307.8	0.9
20.	-	Payments for the granting of borrowings	0.0	0.0
21.	-	Interest paid	-69.6	-72.1
22.	+	Interest received	0.0	0.0
23.	+	Proceeds from sale of interests to non-controlling shareholders	5.0	0.0
24.	-	Payments for the acquisition of derivative financial instruments	-0.8	0.0
25.	=	Net cash flow from financing activities	233.1	-74.0
26.		Net change in cash and cash equivalents (total of 12., 17. and 25.)	50.5	102.2
27.	+/-	Net change in cash and cash equivalents due to currency translation	-0.6	-0.2
28.	+	Cash and cash equivalents at the beginning of period	178.4	143.9
29.	**=**	**Cash and cash equivalents at end of period**	**228.3**	**246.0**

Notes to the Interim Consolidated Financial Statements

of Kirk Beauty One GmbH for the period from October 1, 2017 through June 30, 2018 and for the period from October 1, 2016 through June 30, 2017.

Segment Reporting

Reportable Segments

		Germany 10/01/2017-06/30/2018	10/01/2016-06/30/2017	France 10/01/2017-06/30/2018	10/01/2016-06/30/2017	South-Western Europe 10/01/2017-06/30/2018	10/01/2016-06/30/2017
Sales (net)	EUR m	899.1	936.4	612.9	593.7	826.2	421.0
Intersegment sales	EUR m	55.9	31.9	0.0	0.1	0.0	0.0
Sales	EUR m	955.0	968.3	612.9	593.8	826.2	421.0
EBITDA	EUR m	31.2	85.5	95.3	92.2	-6.6	43.2
EBITDA margin	%	3.5	9.1	15.5	15.5	-0.8	10.3
Non-recurring effects/adjustments	EUR m	54.0	28.0	3.0	3.6	79.6	1.5
Adjusted EBITDA	EUR m	85.1	113.5	98.3	95.8	73.0	44.8
Adjusted EBITDA margin	%	9.5	12.1	16.0	16.1	8.8	10.6

		Eastern Europe 10/01/2017-06/30/2018	10/01/2016-06/30/2017	Consolidation 10/01/2017-06/30/2018	10/01/2016-06/30/2017	Kirk Beauty One GmbH 10/01/2017-06/30/2018	10/01/2016-06/30/2017
Sales (net)	EUR m	240.7	218.0			2,578.9	2,169.1
Intersegment sales	EUR m	0.0	0.0	-55.9	-32.0	0.0	0.0
Sales	EUR m	240.7	218.0	-55.9	-32.0	2,578.9	2,169.1
EBITDA	EUR m	37.7	31.9	-1.1	-1.1	156.4	251.8
EBITDA margin	%	15.7	14.6			6.1	11.6
Non-recurring effects/adjustments	EUR m	1.1	1.3			137.6	34.4
Adjusted EBITDA	EUR m	38.8	33.2	-1.1	-1.1	294.0	286.1
Adjusted EBITDA margin	%	16.1	15.2			11.4	13.2

Non-current assets

	06/30/2018 EUR m	06/30/2017 EUR m
Germany	1,405.5	1,622.2
Other countries	1,402.3	1,182.7
Total	**2,807.9**	2,804.8

Reconciliation segment income

	10/01/2017-06/30/2018 EUR m	10/01/2016-06/30/2017 EUR m
EBITDA	156.4	251.8
Purchase Price Allocations (PPA)	1.9	0.0
Restructuring costs and severance payments	23.1	8.6
Write-downs of inventories	80.5	1.8
Consulting fees	18.4	14.7
Credit card fees	9.0	7.7
Other non-recurring effects on a regular basis	4.8	1.6
Sum of adjustments	137.6	34.4
Adjusted EBITDA	294.0	286.1
Amortization/depreciation	-90.6	-76.7
Impairment of current and non-current assets	-0.3	-1.3
Adjusted EBIT	203.2	208.1
Financial result	-66.9	-50.8
Effects from valuation of financial instruments and credit card fees	-6.8	-37.4
Adjusted EBT	129.5	119.9
Income taxes	-29.2	-59.1
Income taxes on adjustments	-41.8	1.3
Adjusted Profit (+) or Loss (-)	**58.5**	**62.1**

General principles

Kirk Beauty One GmbH (Kirk Beauty One, parent company, company) is a German limited liability company (Gesellschaft mit beschränkter Haftung), has its registered office at Luise-Rainer-Str. 7-11, 40235 Düsseldorf, Germany and is registered in commercial register B of the district court of Düsseldorf under the registration number 79429.

Kirk Beauty One and Douglas GmbH issued Senior Secured Notes and Senior Notes at GEM segment of the Irish Stock Exchange in July 2015.

These Interim Consolidated Financial Statements cover the period of the first nine months of the financial year 2017/18 from October 1, 2017 through June 30, 2018 (interim period) as of June 30, 2018 (interim reporting date) and were prepared according to the International Financial Reporting Standards (IFRS) taking into account all mandatory accounting standards and interpretations in the European Union adopted at that time.

These Interim Consolidated Financial Statements have been prepared by following IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Company's last Annual Consolidated Financial Statements for the financial year ended September 30, 2017. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last (Interim) consolidated financial statements.

The accounting and valuation principles as well as the consolidation principles for the reporting period are substantially consistent with those applied for the Kirk Beauty One's Annual Consolidated Financial Statements as of September 30, 2017. All sales-related, seasonal or cyclical issues have been deferred during the financial year in accordance with sound business judgement.

This Interim Consolidated Financial Statements were authorized for issue by the Company's management board on August 21, 2018.

The Consolidated Financial Statements were prepared in euros (EUR/€). All figures are stated in millions of euros (EUR m) unless otherwise stated.

New accounting standards

The Interim Consolidated Financial Statements of Kirk Beauty One GmbH were prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union and mandatory for the financial year 2017/18.

Any of the new standards adopted have no material impact on the presentation of the Interim Consolidated Financial Statements of Kirk Beauty One.

A material impact on the presentation of financial statements of newly implemented or revised IASB accounting standards and interpretations that were not yet applied by Kirk Beauty One GmbH is expected for the first time adoption of IFRS 16 "Leases" (mandatory for the financial year 2019/20). The new IFRS 16 standard will replace the current IAS 17 (Leases) and IFRIC 4 (Determining Whether an Arrangement Contains a Lease). The scope of IFRS 16 generally covers the transfer of use of assets, rental and leasing contracts, sub-letting contracts and sale-and-lease-back transactions. The main new feature of IFRS 16 compared to IAS 17 concerns accounting principles for the lessee. The classification into operating leases and financial leases will no longer apply In the future. In fact, the lessee must recognize a lease liability and a corresponding right-of-use asset for the leasing object upon the commencement of the asset lease.

The probable impact of IFRS 15 “Revenue from Contracts with Customers” is considered immaterial, but further analysis is required (mandatory for the financial year 2018/19). The new IFRS 15 will replace IAS 18 (Revenue) and IAS 11 (Construction Contracts) as well as associated interpretations and lays out a standardized and comprehensive model for recognizing revenue generated with customers. IFRS 15 also covers a number of particular issues such as how to treat rights of return, transactions on a commission basis, customer retention and customer loyalty programs. In addition, the required disclosures in the notes to the financial statements have been expanded considerably. IFRS 15 is effective for periods beginning on or after January 1, 2018. Kirk Beauty One GmbH will therefore apply this standard for the first time on October 1, 2018. The impact of the new standard will be analyzed during the period ending September 30, 2018 as part of an ongoing project on the introduction of IFRS 15 at Kirk Beauty One GmbH.

Consolidation principles

Group of consolidated companies

All of the German and foreign companies over which Kirk Beauty One GmbH has direct or indirect control are fully consolidated in the Consolidated Financial Statements.

Group of consolidated companies

	Germany	Other countries	Total
10/01/2017	18	37	55
companies consolidated for the first time	0	4	4
deconsolidated companies	0	0	0
merged companies	0	0	0
06/30/2018	18	41	59

In the course of the first three months of the financial year 2017/2018, Douglas closed the acquisitions of “Limoni and La Gardenia” in Italy and “Perfumerias IF” in Spain.

The Douglas Group concluded an agreement for the purchase of all shares and voting rights in Limoni S.p.A., Milan/Italy and La Gardenia Beauty S.p.A., Grosseto/Italy on May 17, 2017. The closing of the transfer of shares took place after the fulfillment of all contractual conditions and approval by the antitrust authorities on November 15, 2017.

With the purchase agreement dated July 27, 2017, the Douglas Group acquired during the month of November 2017 a total of 103 stores and the online shop of the perfumery chain that operates under the “Perfumerias IF” brand in Spain and Andorra. The five perfumeries that operate in Andorra are combined into one company, the shares of which were wholly acquired on November 8, 2017.

Currency translation

The Interim Consolidated Financial Statements are presented in euros (Group currency), the functional currency of the parent company. The annual financial statements of foreign subsidiaries whose functional currency is not the same as the Group currency are translated into euros according to the functional currency concept.

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

		Average exchange rate 10/01/2017-06/30/2018 EUR	Closing rate 06/30/2018 EUR	Average exchange rate 10/01/2016-06/30/2017 EUR	Closing rate 06/30/2017 EUR
Bulgarian Lev	BGN	0.51130	0.51130	0.51194	0.51130
Swiss Franc	CHF	0.86334	0.86438	0.92565	0.91491
Czech Koruna	CZK	0.03894	0.03843	0.03717	0.03817
Croatian Kuna	HRK	0.13424	0.13539	0.13384	0.13495
Hungarian Forint	HUF	0.00321	0.00303	0.00323	0.00324
Polish Zloty	PLN	0.23629	0.22867	0.23187	0.23664
Romanian Lei	RON	0.21609	0.21445	0.22176	0.21967
U.S. Dollar	USD	0.83789	0.85778	0.91751	0.87627

Foreign currency transactions are recognized in the functional currency as translated at the applicable exchange rate at the time of the transaction. Assets and liabilities nominally denominated in such foreign currencies are translated at the exchange rate on the interim reporting date. All differences resulting from currency translation are recognized in profit or loss in the consolidated income statement.

Accounting and valuation principles

The accounting and valuation principles for the reporting period are substantially consistent with those applied for the Kirk Beauty One’s Annual Consolidated Financial Statements as of September 30, 2017. All sales-related, seasonal or cyclical issues have been deferred during the financial year in accordance with sound business judgement.

Use of judgements

Judgement was applied in particular in relation to the assessment of the level of control in determining the scope of consolidation and to determine whether leases were operating leases or finance leases.

Assumptions and estimates

Assumptions and estimates have been made in the preparation of this Interim 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, valuing provisions and pension provisions, assessing the impairment of goodwill, measuring provisions, uncertain tax positions and measuring instruments which are issued as part of share based payment programs as well as 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 business combinations. 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.

Borrowing liabilities

As of June 30, 2018, the borrowings comprise Senior Notes and bank liabilities, excluding current accounts and Revolving Credit Facility, as follows:

	06/30/2018		06/30/2017		09/30/2017	
	Nominal amount EUR m	Carrying amount EUR m	Nominal amount EUR m	Carrying amount EUR m	Nominal amount EUR m	Carrying amount EUR m
Senior Secured Notes	300.0	302.2	300.0	300.7	300.0	294.8
Senior Notes	335.0	340.2	335.0	338.5	335.0	330.0
Term Loan B Facility	1,670.0	1,670.2	1,370.0	1,351.3	1,370.0	1,281.2

Kirk Beauty One also has access to a Revolving Credit Facility in the amount of €200.0 million, which has not been utilized as of June 30, 2018.[2] Individual companies also have access to bilateral credit lines, of which €0.1 million had been utilized as of June 30, 2018.

Kirk Beauty One and its subsidiaries have to meet certain obligations and key financial covenants, in the event that 40.0 percent of the Revolving Credit Facility is drawn. Besides these financial covenants Kirk Beauty One also has to meet certain qualitative covenants. If the obligations are not met, the lenders are entitled to cancel the loan agreements with immediate effect and call upon all pledged collateral. As of June 30, 2018, the Company was in compliance with all covenants.

Hedging of financing liabilities

Interest rate caps are in place to hedge against the risk of interest rate fluctuations over a variable nominal volume of up to €1,100.0 million and a term until August 31, 2021. As of the balance sheet date, the nominal volume amounts to €1,100.0 million. The interest rate caps reduce the risk of an inclining EURIBOR to a maximum of 1.0 percent. The cash flows will affect interest income during the period from October 1, 2015 through August 31, 2021. The Term Loan B Facility agreement contains an interest rate floor at 0.0 percent EURIBOR.

		06/30/2018			06/30/2017	
	Reference amount EUR m	Fair values: Financial assets EUR m	Fair values: Financial liabilities EUR m	Reference amount EUR m	Fair values: Financial assets EUR m	Fair values: Financial liabilities EUR m
Interest rate caps	1,100.0	1.4		800.0	3.4	
of which not part of a hedge relationship	1,100.0	1.4		800.0	3.4	
Interest rate floor	0.0		0.0	1,370.0		15.8
of which not part of a hedge relationship	0.0		0.0	1,370.0		15.8

[2]Available amount for borrowings is reduced by €11.3 million of outstanding letters of credit.

Events after the interim reporting date

In July 2018 the required merger control approval for the acquisition of a majority stake in Parfümerie Akzente was given from the merger control authorities. The transaction was closed on August 16, 2018.