

## Company Profile

The HORNBACH Group is characterized by its ability to respond to the challenges of trading in DIY, home improvement and garden products, and to set new standards in the process. Since 1877, five generations of the Hornbach family have been active in almost all areas of the construction sector – in the building trade, as manufacturers of prefabricated components and since 1900 as builders' merchants.

As one of the pioneers in Germany and Europe, HORNBACH opened its first DIY store in 1968 and combined it with a garden center – at its time unique in Europe. This combination has since developed to become a European standard in the DIY sector today.

In the second half of the 1980s, HORNBACH added a new dimension to the market with its concept of large DIY and home improvement megastores with garden centers. Today, an impressively presented range of around 50,000 top quality DIY and gardening articles is available to DIY customers in spacious stores and at permanently low prices. Well-trained, service-oriented employees make project customers and DIY enthusiasts, especially those on the lookout for solutions for extensive renovation and construction projects, the focus of their activities. At the balance sheet reporting date on February 28, 2009, HORNBACH-Baumarkt-AG operated 129 DIY megastores with garden centers across Europe (92 of which in Germany) with sales areas totaling around 1.45 million square meters.

The retail activities of the Group are supplemented by HORNBACH Baustoff Union GmbH, which is active in the construction materials and builders' merchants business and mainly has commercial customers. The development and utilization of first-class retail real estate constitutes a further business activity of HORNBACH HOLDING AG. These activities are undertaken in part by HORNBACH Immobilien AG, which owns much of the extensive real estate portfolio of the HORNBACH Group.

The consistent implementation of the company's concept, coupled with the high expectations it places in the quality of its locations, its stores, its product range and employees, have facilitated the dynamic growth witnessed by the company in recent years and form the basis for further expansion. With an average DIY sales area of more than 11,000 m<sup>2</sup>

per store, HORNBACH has underlined its unique position in the DIY megastore with garden center segment and also has the highest level of sales area productivity of any of the leading DIY companies in Germany. In the 2008/2009 financial year, HORNBACH HOLDING AG generated consolidated (net) sales of € 2,752 million.

Following the company's successful entry into the Austrian market in August 1996, it has consistently pressed ahead with its expansion into neighboring European countries. Stores were subsequently opened in the Netherlands, Luxembourg and the Czech Republic. The company's international growth was maintained with its expansion to Switzerland, Sweden and Slovakia. The entry into the Romanian market followed in the summer of 2007. As of February 28, 2009, the company was operating a total of 37 DIY megastores with garden centers in eight countries outside Germany.

HORNBACH HOLDING AG is the parent company of the HORNBACH Group. It is not itself an operating company, but has a number of major subsidiaries. By far the largest and most important subsidiary is HORNBACH-Baumarkt-AG, which operates DIY megastores in Germany and abroad. The shares of this company are admitted to the subsection of official trading of the German Stock Exchange which involves additional admissions obligations (Prime Standard). Of approximately 15.7 million ordinary shares in the company, 77.2 % are held by HORNBACH HOLDING AG, with 17.5 % being owned by independent shareholders. The British retail group Kingfisher plc. owned around 5.3 % of the shares at the reporting date.

The share capital of HORNBACH HOLDING AG is divided equally between ordinary and non-voting preference shares. Some 83 % of the four million preference shares (ISIN DE0006083439) are owned by independent shareholders and around 17 % are held by Kingfisher plc. The preference shares are listed in the Prime Standard of the German stock exchange. 75 % of the four million unlisted ordinary shares are owned by the Hornbach family. The Group's strategic partner, Kingfisher plc, holds 25 % plus one share of the voting capital.