

## Segment Report

Segment reporting is undertaken in compliance with the accounting and valuation methods used in the consolidated financial statements. The sales to external third parties represent net sales. Transfer prices between the segments are equivalent to those applied to external third parties.

### Segment delineation

The allocation of business fields (segments) corresponds to the internal reporting system used by the Board of Management of the HORNBACH HOLDING AG Group for managing the company. The primary reporting system is based on business fields, whereas the secondary reporting system makes a distinction between the regions of Germany and of Other European Countries. The “DIY Stores” segment includes the DIY megastores and garden centers, as well as the specialist garden centers, grouped together in the HORNBACH HOLDING AG Group. The activities of the HORNBACH Baustoff Union GmbH subgroup are reported in the “Builders’ Merchants” segment. The “Real Estate” segment includes the retail properties owned by companies in the HORNBACH-Baumarkt-AG Group and of HORNBACH Immobilien AG, which let and charge the properties to the “DIY Stores” segment (operating DIY megastores with garden centers) within the Group at normal market conditions. The “Miscellaneous and Consolidation” segment includes administration and consolidation items which are not attributable to the individual segments.

### Segment earnings

Earnings before interest and taxes (EBIT) have been taken to represent the segment earnings.

### Segment assets and liabilities

Assets and liabilities in the consolidated balance sheet have been directly allocated to the individual segments as far as possible. Remaining assets and liabilities have been allocated as appropriate. Liabilities in the consolidated balance sheet have been increased by liabilities to group companies in the individual segments and have been allocated to the individual segments. The resultant adjustments have been eliminated under the “Miscellaneous and Consolidation” item.

2008/2009 in € million 2007/2008 in € million	DIY stores	Builders' merchants	Real estate	Miscellaneous and consolidation	HORNBACH HOLDING AG Group
<b>Segment sales</b>	<b>2,598.0</b>	<b>152.8</b>	<b>171.4</b>	<b>(170.2)</b>	<b>2,752.0</b>
	2,468.2	148.6	162.7	(162.2)	2,617.3
Sales to third parties	2,597.9	150.5	0.0	0.0	2,748.4
	2,468.1	146.0	0.0	0.0	2,614.1
Sales to affiliated companies	0.1	2.3	0.0	(2.4)	0.0
	0.1	2.6	0.0	(2.7)	0.0
Internal rental income	0.0	0.0	167.8	(167.8)	0.0
	0.0	0.0	159.5	(159.5)	0.0
Rental income from external third parties	0.0	0.0	3.6	0.0	3.6
	0.0	0.0	3.2	0.0	3.2
<b>Segment earnings (EBIT)</b>	<b>84.1</b>	<b>1.2</b>	<b>114.6</b>	<b>(20.8)</b>	<b>179.1</b>
	66.7	0.2	56.2	(17.6)	105.5
of which: depreciation and amortization/write-ups	36.7	2.6	24.6	8.2	72.1
	38.9	2.9	24.6	9.1	75.5
<b>Segment assets</b>	<b>741.9</b>	<b>84.5</b>	<b>887.1</b>	<b>235.8</b>	<b>1,949.3</b>
	731.7	76.9	881.1	156.8	1,846.5
of which: credit balances at banks	40.6	0.6	8.7	196.8	246.7
	51.3	0.5	11.5	113.3	176.6
<b>Investments</b>	<b>31.9</b>	<b>9.9</b>	<b>84.6</b>	<b>5.0</b>	<b>131.4</b>
	33.9	14.7	147.6	5.9	202.1
<b>Segment liabilities</b>	<b>257.6</b>	<b>65.1</b>	<b>429.3</b>	<b>359.2</b>	<b>1,111.2</b>
	278.4	68.5	462.8	304.7	1,114.4
of which: financial debt	5.2	46.7	398.9	323.8	774.6
	2.0	42.2	411.5	323.9	779.6

**Delineation by geographical region**

The Other European Countries segment includes the Czech Republic, Austria, the Netherlands, Luxembourg, Switzerland, Sweden, Slovakia, and Romania.

Segment sales are allocated to the geographical regions in which the sales were generated. The sales for Other European Countries include segment sales of € 254.1 million requiring report pursuant to IAS 14.69 for our subsidiaries in Austria (2007/2008: € 255.0 million). The EBIT for Other European Countries include segment earnings of € 41.6 million (2007/2008: € 21.0 million) and of € 26.8 million (2007/2008: € 22.6 million) requiring report pursuant to IAS 14.69 for our subsidiaries in the Netherlands and our subsidiary in the Czech Republic respectively. Segment assets are allocated to the region in which they are located. Investments relate to non-current assets allocated to the respective segments.

2008/2009 in € million 2007/2008 in € million	Germany	Other European countries	Miscellaneous and consolidation	HORNBACH HOLDING AG Group
<b>Segment sales</b>	<b>1,844.2</b>	<b>1,064.9</b>	<b>(157.1)</b>	<b>2,752.0</b>
	1,793.5	962.5	(138.7)	2,617.3
Sales to third parties	1,684.8	1,063.6	0.0	2,748.4
	1,652.9	961.2	0.0	2,614.1
Sales to affiliated companies	156.9	0.2	(157.1)	0.0
	138.6	0.1	(138.7)	0.0
Rental income from external third parties	2.5	1.1	0.0	3.6
	2.0	1.2	0.0	3.2
<b>Segment assets</b>	<b>1,581.1</b>	<b>809.4</b>	<b>(441.2)</b>	<b>1,949.3</b>
	1,500.2	676.6	(330.3)	1,846.5
<b>Investments</b>	<b>48.3</b>	<b>83.5</b>	<b>(0.4)</b>	<b>131.4</b>
	82.6	121.8	(2.3)	202.1
<b>EBIT</b>	<b>48.7</b>	<b>129.6</b>	<b>0.8</b>	<b>179.1</b>
	37.5	68.0	0.0	105.5
<b>Depreciation and amortization/write-ups</b>	<b>49.5</b>	<b>22.6</b>	<b>0.0</b>	<b>72.1</b>
	52.5	23.0	0.0	75.5
<b>EBITDA</b>	<b>98.2</b>	<b>152.2</b>	<b>0.8</b>	<b>251.2</b>
	90.0	91.0	0.0	181.0