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Pleasing start to 2009/2010 financial year

Hornbach Group shows consistent growth

- Consolidated sales growth of 5.4 percent in 1st quarter
- German stores post like-for-like growth of 3.1 percent and contribute substantially to pleasing business performance – Like-for-like growth of 1.5 percent at Group
- No real estate transactions – unlike in 1st quarter of previous year
- Pleasing operating earnings performance – adjusted EBIT rises by 5.8 percent
- Forecast confirmed

Bornheim bei Landau, July 2, 2009. The Hornbach Group, one of Europe's largest operators of DIY stores and garden centers, can report a successful start to the 2009/2010 financial year. Despite the ongoing unfavorable macroeconomic framework, the Group increased both its sales and its operating earnings adjusted for one-off items in the previous year. In the first quarter (March 1 to May 31, 2009), the net sales of Hornbach Holding AG thus rose by 5.4 percent to €819.8 million (previous year: €777.7m). Sales at Hornbach-Baumarkt-AG, the largest operating subgroup, rose by 4.8 percent to €774.8 million (previous year: €739.2m). Like-for-like sales (excluding newly opened stores) improved by 1.5 percent across the Group. This development was chiefly due to the pleasing growth momentum seen in Germany, where the DIY stores with garden centers reported growth of 3.1 percent. Hornbach's stores in other European countries virtually maintained their level of like-for-like sales.

"In view of the ongoing difficult economic climate, we are very satisfied with the results for the first quarter", commented Albrecht Hornbach, Chairman of the Board of Management of Hornbach Holding AG. "We attribute this positive performance not least to our clear profile as the DIY store for projects in Europe and as an innovation leader in the sector." The first-class quality of the company's product ranges, its professional advice and consistent permanent low price policy with no discount campaigns were appreciated by DIY enthusiasts and professional tradesmen alike. In most regions where Hornbach operates, demand for building, home improvement and garden products and services had so far not been impeded by macroeconomic uncertainties, or only to a marginal extent.

Adjusted operating earnings boosted by 5.8 percent

In line with expectations, due to a base effect involving non-operating real estate gains in the previous year the earnings of the Hornbach Group fell short of the figures for the equivalent quarter in the previous year. Operating earnings (EBIT) reduced by 11.3 percent to €59.6 million (€ 67.2m). Consolidated earnings before taxes dropped by 13.9 percent to €50.4 million.

Basic earnings per preference share were reported at €3.72 (previous year: €4.87). Following adjustment for net non-operating earnings items of €10.8 million, however, the Group's earnings performance in the first three months of the current financial year was nevertheless pleasing. Adjusted operating earnings thus improved by 5.8 percent.

The company's consistent sales and earnings growth is particularly apparent in the quarterly figures of Hornbach-Baumarkt-AG, the most important operating subsidiary, as no non-operating real estate gains were generated here in the previous year either. Net sales at the Hornbach-Baumarkt-AG subgroup rose by 4.8 percent to €774.8 million (previous year: €739.2m), while operating earnings (EBIT) grew by 2.0 percent to €49.6 million (previous year: €48.6m). Net income for the period increased by 4.0 percent to €33.1 million (previous year: €31.8m). Basic earnings per Baumarkt share amounted to €2.10 (previous year: €2.03).

Hornbach continues to act as a guarantor of safe jobs, even in difficult times. In contrast to the overall trend, the number of employees across the Group rose by 0.7 percent to 13,262.

The Hornbach Group invested a total of €38.8 million in the first three months of the current financial year (previous year: €35.2m). Of these funds, around 72 percent were invested in land and buildings, while the remainder was mainly channeled into plant and office equipment. Investments were financed in full from the operating cash flow of €105.1 million (previous year: €116.7m). Shareholders' equity at the Hornbach Holding AG Group improved by 5.1 percent to €820.5 million (February 28, 2009: €780.5m), while the equity ratio continued to amount to a pleasing 39 percent.

Hornbach currently operates 130 DIY megastores with garden centers across nine European countries. The average store size is in excess of 11,000 m². There are 92 stores in Germany, while the international stores are located in Austria (11), the Netherlands (8), the Czech Republic (6), Switzerland (4), Sweden (3), Slovakia (2), Romania (3), and Luxembourg (1).

Cautious optimism for the 2009/2010 financial year as a whole

Hornbach will maintain its course of expansion even in the current crisis. Two new store openings are planned for the current financial year. The third Hornbach store in Romania was already opened in Brasov in March. The fifth store in Switzerland is expected to be opened in Galgenen in the Zurich area in the fourth quarter (December 1, 2009 to February 28, 2010). All in all, Hornbach expects to generate sales growth in a low to medium single-digit percentage range both on the level of the overall Group and of the Hornbach-Baumarkt-AG subgroup in the current financial year.

"We expect our DIY stores with garden centers in Germany to continue to outperform the sector average in terms of like-for-like sales," added Albrecht Hornbach. Sales at the Hornbach Baustoff Union GmbH subgroup should also outperform the builders' merchant segment in Germany. In other European countries, Hornbach expects the widespread distribution of risks

across its European DIY store network to enable reductions in sales in specific regions to be compensated for at least in part by sales growth in other regions.

Due mainly to significantly lower earnings in the real estate segment, operating earnings (EBIT) at the overall Hornbach Holding AG Group for the 2009/2010 financial year as a whole will fall significantly short of the previous year's figure, but are nevertheless expected to exceed the EBIT posted for the 2007/2008 financial year (€ 105.5m).

Hornbach campaign wins award at Cannes as well

Hornbach consistently focuses on its "project customer" target group. This is also true of the company's advertising, which presents key themes succinctly and unmistakably. The campaign "If you can imagine it, you can also build it" was awarded a Silver Lion at the advertising festival held in Cannes at the end of June. This is the first time that a German company has won one of the coveted awards in the supreme discipline in the competition, the Integrated Lions. The campaign had already received numerous awards previously, including one from the Art Directors Club. "That this motto should be singled out is at the same time also a great compliment to our project customers, who form the focal point of our concept," commented Jürgen Schröcker, Chief Marketing Officer.

The most important key figures can be found on the following page. The extensive interim reports of Hornbach Holding AG and Hornbach-Baumarkt-AG have been published in the investor relations section of the internet site of the Hornbach Group at www.hornbach-group.de.

About HORNBACH

The Hornbach Group is one of Europe's largest operators of DIY megastores with garden centers. In addition to the largest operating subgroup, Hornbach-Baumarkt-AG (DIY megastores with garden centers), the overall Hornbach Holding AG Group also comprises the subgroups Hornbach Baustoff Union GmbH (regional builders' merchant and construction materials business) and Hornbach Immobilien AG (real estate and location development). The Hornbach DIY megastores with garden centers have an average size of more than 11,000 square meters, a figure unmatched by any other competitor in Europe.

The Hornbach Group generated sales of € 2.75 billion in the past 2008/2009 financial year (March 1, 2008 to February 28, 2009). This is equivalent to growth of 5.1 percent on the previous year. The company's market share in Germany rose during the financial year from 8.3 percent to 8.5 percent. The 38 international stores contributed 41 percent of total DIY store sales.

Founded in 1877, the family-run company, which has its roots in the Palatinate region, was first publicly listed in 1987. Hornbach currently operates 130 DIY megastores with garden centers in nine countries, of which 92 stores are in Germany. The other countries are Austria, the Netherlands, the Czech Republic, Switzerland, Sweden, Slovakia, Luxembourg, and Romania.

Hornbach's sales concept and product range are entirely tailored to the needs of project and professional customers. Hornbach guarantees its customers permanently low prices and is thus the price leader in the sector. The high quality of advice and excellent service provided by the company have been attested in numerous independent tests and studies. Hornbach was awarded the German Retail Prize in 2006 for the management achievement of the year. A year later, Otmar Hornbach, pioneer and founder of the DIY company, received the top prize awarded by the Federal Association of German DIY, Home Improvement and Specialist Garden Stores (BHB) – the "Life Time Award" – for his life's achievement.

Pioneering achievements, such as the first combined DIY store with a garden center (1968), the first megastore (1980) and the first DIY store with a drive-in facility (2003), provide proof of Hornbach's ongoing innovative power. Since 2001, a strategic partnership has been in place with the British retail group Kingfisher. HORNBACH has acted as a "job machine" for decades, with more than 13,000 individuals now employed at the Group.

Overview of Key Figures for the 1st Quarter (March 1 to May 31)

Key Figures at the HORNBACH HOLDING AG Group (in € million unless otherwise stated)	1 st Quarter 2009/2010	1 st Quarter 2008/2009	Change in %
Net sales	819.8	777.7	5.4
of which in other European countries	312.6	294.6	6.1
Like-for-like sales growth (DIY)	1.5%	1.5%	
Gross margin (as % of net sales)	36.2%	36.1%	
EBITDA	77.1	84.4	-8.6
EBIT*	59.6	67.2	-11.3
Consolidated earnings before taxes	50.4	58.5	-13.9
Net income for the period**	37.1	45.9	-19.3
Earnings per preference share (in €)	3.72	4.87	-23.6
Investments	38.8	35.2	10.2

Misc. Key Figures at the HORNBACH HOLDING AG Group (in € million unless otherwise stated)	May 31, 2009	Feb. 28, 2009	Change in %
Total assets	2,103.2	1,995.8	5.4
Shareholders' equity	820.5	780.5	5.1
Shareholders' equity as % of total assets	39.0%	39.1%	
Number of employees	13,262	13,169	0.7

* includes non-operating earnings components from the real estate segment. Net non-operating accounting gains of € 10.7 million were reported in the first quarter of the previous year, while in line with the budget no disposal gains were generated on real estate transactions in the first quarter of 2009/2010. Following adjustment for non-operating earnings items, operating EBIT improved by 5.8 percent.

** including minority interests pursuant to IFRS.

Key Figures at the HORNBACH-Baumarkt-AG Subgroup (in € million unless otherwise stated)	1 st Quarter of 2009/2010	1 st Quarter of 2008/2009	Change in %
Net sales	774.8	739.2	4.8
of which in other European countries	312.6	294.5	6.1
Like-for-like sales growth	1.5%	1.5%	
Gross margin (as % of net sales)	36.8%	36.7%	
EBITDA	63.2	62.4	1.3
EBIT	49.6	48.6	2.0
Consolidated earnings before taxes	44.4	43.6	1.8
Net income for the period	33.1	31.8	4.0
Basic earnings per share (in €)	2.10	2.03	3.4
Investments	27.4	12.8	113.6

Misc. Key Figures at the HORNBACH-Baumarkt-AG Subgroup (in € million unless otherwise stated)	May 31, 2009	Feb. 28, 2009	Change in %
Total assets	1,518.7	1,425.2	6.6
Shareholders' equity	625.8	591.3	5.8
Shareholders' equity as % of total assets	41.2%	41.5%	
Number of stores	130	129	0.8
Sales area in 000 m ² (based on BHB)	1,464	1,447	1.2
Number of employees	12,679	12,576	0.8

Rounding up or down may lead to discrepancies between percentages and totals. Calculation of percentage figures based on € 000s.