

HORNBACH

HORNBACH-Baumarkt-Aktiengesellschaft
76878 Bornheim bei Landau/Pfalz

– ISIN DE0006084403 –

Invitation to the Annual General Meeting

We hereby invite our shareholders to attend our **Annual General Meeting**, to be held at Jugendstil-Festhalle Landau, Mahlastrasse 3, 76829 Landau in der Pfalz, at 11.00 a.m. on Thursday, July 7, 2011.

Agenda

- 1. Presentation of the adopted annual financial statements, the approved consolidated financial statements and the management report of HORNBACH-Baumarkt-Aktiengesellschaft and the Group for the 2010/2011 financial year, the report of the Supervisory Board, and the explanatory report of the Board of Management in respect of the disclosures made pursuant to § 289 (4) and § 315 (4) of the German Commercial Code (HGB)**

- 2. Resolution on the appropriation of net unappropriated profit for the 2010/2011 financial year**

The Board of Management and Supervisory Board propose to appropriate the net unappropriated profit reported for the 2010/2011 financial year amounting to

€ 15,944,077.51

as follows:

Distribution of a dividend of € 1.00 per ordinary share for 15,903,500 ordinary shares

€ 15,903,500.00

Balance carried forward

€ 40,577.51

Should HORNBACH-Baumarkt-Aktiengesellschaft hold any treasury stock upon such resolution being adopted by the Annual General Meeting, then pursuant to the German Stock Corporation Act (AktG) such shares have no dividend entitlement. Sums attributable to ordinary shares without dividend entitlement will also be carried forward.

- 3. Resolution releasing the Board of Management from responsibility for the 2010/2011 financial year**

The Board of Management and Supervisory Board propose to release the members of the Board of Management in the 2010/2011 financial year from responsibility for this period.

- 4. Resolution releasing the Supervisory Board from responsibility for the 2010/2011 financial year**

The Board of Management and Supervisory Board propose to release the members of the Supervisory Board in the 2010/2011 financial year from responsibility for this period.

5. Election of auditors and group auditors for the 2011/2012 financial year

The Supervisory Board proposes the election of KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as auditors and group auditors for the 2011/2012 financial year.

This proposal is based on a corresponding recommendation made by the Audit Committee.

6. Election of auditors for the audit review of the half-year financial report for the 2011/2012 financial year

The Supervisory Board proposes the election of KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, for the audit review of the abridged consolidated interim financial statements and interim management report for the first half of the 2011/2012 financial year pursuant to § 37w (5) and § 37y No. 2 of the German Securities Trading Act (WpHG).

This proposal is based on a corresponding recommendation made by the Audit Committee.

7. Resolution on the non-disclosure of the compensation of members of the Board of Management

The compensation paid to the management boards of publicly listed stock corporations must generally be disclosed on an individual basis in the notes to the annual and consolidated financial statements (§ 285 No. 9 Letter a) Sentences 5-8 and § 314 (1) No. 6 Letter a) Sentences 5-8 of the German Commercial Code – HGB). However, the Annual General Meeting may adopt a resolution waiving the requirement to disclose management board compensation on an individual basis for a period of up to 5 years (§ 286 (5), § 314 (2) Sentence 2 of the German Commercial Code – HGB).

The Annual General Meeting held on July 13, 2006 resolved not to disclose the compensation and other payments made to members of the Board of Management on an individual basis in the annual and consolidated financial statements from the 2006/2007 financial year up to and including the 2010/2011 financial year.

In view of the appropriate overall level of compensation for the Board of Management, the Board of Management and Supervisory Board still do not see any necessity for the individual disclosure of compensation. The Board of Management and Supervisory Board therefore propose the adoption of the following resolution:

The disclosures required by § 285 No. 9 Letter a) Sentences 5 to 8 and § 315a (1), § 314 (1) No. 6 Letter a) Sentences 5 to 8 of the German Commercial Code (HGB) (or required by corresponding successor regulations) shall be waived in the annual and consolidated financial statements from the 2011/2012 financial year up to and including the 2015/2016 financial year.

8. Resolution on the approval of the compensation system for members of the Board of Management

On May 18, 2011, the Supervisory Board approved an amended compensation system for members of the Board of Management to be applied upon the future appointment or reappointment of members of the Board of Management. Consistent with Point 4.2.2 Sentence 4 of the German Corporate Govern-

ance Code, the Supervisory Board sought advice from an independent external compensation expert commissioned to review the existing compensation system and to draft proposals for the enhancement of the compensation system for members of the Board of Management.

The existing compensation system for members of the company's Board of Management has been presented in detail in the Compensation Report published as a component of the Corporate Governance Report and in the Management Report of HORNBACH-Baumarkt-AG in the 2010/2011 Annual Report of the HORNBACH-Baumarkt-AG Group. This information has been published together with information about the amendment to the compensation system as of May 18, 2011 on the company's website at www.hornbach-gruppe.com/Hauptversammlung/HBM. Information about the amended compensation system will also be available at the Annual General Meeting, where it will be presented in greater detail.

The possibility of the Annual General Meeting adopting a resolution approving the compensation system for members of the Board of Management was created in § 120 (4) of the German Stock Corporation Act (AktG) upon the introduction of the Act on the Appropriateness of Management Board Compensation (VorstAG). This possibility is to be drawn on for the amended compensation system for members of the Board of Management.

The Supervisory Board and Board of Management propose approving the system for the compensation of members of the Board of Management adopted by the Supervisory Board on May 18, 2011.

9. Resolution on a capital increase from company funds by issuing bonus shares and on corresponding amendments to the company's Articles of Association

The Board of Management and Supervisory Board propose resolving:

a) an increase in the share capital from company funds

(a) The company's share capital shall be increased by € 47,710,500.00 from € 47,710,500.00 to

€ 95,421,000.00

(in words: ninety-five million, four hundred and twenty-one thousand euros)

from company funds by issuing 15,903,500 new non-par bearer shares (ordinary shares).

(b) The capital increase shall be executed by converted an amount of € 47,710,500.00 of the revenue reserves reported in the annual balance sheet of the company as of February 28, 2011 into share capital.

(c) The capital increase shall be executed by issuing 15,903,500 new non-par bearer shares (ordinary shares). Shareholders shall be entitled to the new shares at a ratio of 1:1, as a result of which one new ordinary share will be allocated for each existing ordinary share. The new ordinary shares shall enjoy profit participation rights from March 1, 2011.

- (d) The resolution on the capital increase shall be based on the adopted annual financial statements of the company as of February 28, 2011. These audited and adopted annual financial statements have been provided with an unqualified audit opinion by the company's auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.
 - (e) The Board of Management shall be authorized to determine the further details of the capital increase and its execution.
- b) § 4 (1) and (2) of the company's Articles of Association shall be reformulated as follows:
- “(1) The share capital amounts to € 95,421,000.00.
 - (2) It is divided into 31,807,000 ordinary shares.”
- c) § 15 (1) Sentences 1 and 2 of the company's Articles of Association shall be reformulated as follows:
- “(1) As well as the reimbursement of his or her expenses, each Supervisory Board member receives annual fixed compensation of € 6,000 payable upon the conclusion of the Annual General Meeting and a performance-related component dependent on the profit appropriation resolution adopted by the Annual General Meeting amounting to € 520.00 for every 1.0 % by which the dividend distributed to ordinary shareholders for the past financial year exceeds 5 %. Such calculation shall be based on the prorated amount of share capital attributable to individual ordinary shares pursuant to § 4 (1) of the Articles of Association.”
- d) § 23 (1) of the company's Articles of Association shall be reformulated as follows:
- “(1) Where non-voting preference shares have been issued, these will receive a preferential dividend payable from the annual unappropriated net profit equivalent to 2 % of their portion of the share capital.”
- § 23 (2) Sentence 1 of the company's Articles of Association shall be reformulated as follows:
- “(2) If the net profit is not sufficient in one or several financial years to distribute a preferential dividend of at least 2 % in advance on non-voting preference shares, the arrears are payable without interest from the net profit of the following financial years in such a way that the older arrears are settled before the more recent arrears and that the preferential payments to be made from the net profit of a given financial year are only to be made once all arrears have been settled.”
- § 23 (3) of the company's Articles of Association shall be reformulated as follows:
- “(3) Following the subsequent payment of any arrears of dividends on non-voting preference shares in connection with previous years (Paragraph 2) and the distribution of a preferential dividend of 2 % on the non-voting preference shares (Paragraph 1), a dividend is initially paid for ordinary shares from the remaining unappropriated net profit. This amounts to up to 2 % of their portion in the share capital. After the distribution of a dividend of 2 % on the

ordinary shares, the preference and ordinary shares participate in a further dividend distribution in the ratio of their respective portions of the share capital in such a way that the non-voting preference shares receive a further dividend of 1 % of their portion of the share capital over and above the dividend payable on ordinary shares.”

10. Resolution on the rescindment of existing Authorized Capital I (§ 4 (5) of the company's Articles of Association), the creation of new Authorized Capital I and the corresponding reformulation of the company's Articles of Association

By resolution of the Annual General Meeting on July 10, 2008, the Board of Management was authorized until July 10, 2013, subject to approval by the Supervisory Board, to increase the company's share capital by a total amount of up to € 7,500,000.00 by issuing new individual shares on one or several occasions in return for cash contributions (Authorized Capital I).

To adapt the Authorized Capital I provided for in § 4 (5) of the Articles of Association to the capital increase from company funds proposed in Agenda Item 9, the Board of Management and Supervisory Board propose adopting the following resolution:

- a) The authorization provided by the Annual General Meeting on July 10, 2008 to draw on Authorized Capital I pursuant to § 4 (5) of the company's Articles of Association shall be rescinded upon the entry of the resolutions provided for under Agenda Item 9 in the Commercial Register.
- b) The Board of Management shall at the same time be authorized until July 7, 2016, subject to approval by the Supervisory Board, to increase the company's share capital by a total amount of up to € 15,000,000.00 by issuing new individual shares on one or several occasions in return for cash contributions (Authorized Capital I).

The new shares may in each case be issued as ordinary shares with voting entitlement or as non-voting preference shares. New non-voting preference shares may have greater, equal or lesser priority than existing non-voting preference shares in terms of the distribution of profit and/or the company's assets; in the absence of any stipulation to the contrary in the resolution governing the capital increase, they shall be equal to existing preference shares. The Board of Management shall be authorized, subject to approval by the Supervisory Board, to lay down the further details for the execution of capital increases. When drawing on the authorized capital, the company shall generally grant subscription rights to shareholders. However, the Board of Management shall be authorized, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights:

- (a) to settle any residual amounts
- (b) to the extent required to grant subscription rights to bearers of conversion or option rights issued or to be issued by the company or by its direct or indirect wholly-owned subsidiaries to the extent to which they would be entitled having exercised their conversion or option rights
- (c) to offer new shares for subscription as employee shares by employees at the company and its subsidiaries up to a total volume of € 1,500,000.00

- (d) to the extent that the share of the company's share capital attributable to the new shares for which subscription rights are excluded does not exceed ten percent of the existing share capital either at the time at which this authorization is adopted or at the time at which this authorization takes effect or at the time at which this authorization is exercised and that the issue price of the new shares does not fall significantly short of the stock market price. Shares issued, sold or to be issued on account of another direct or corresponding application of § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) are to be imputed as appropriate to this limitation to ten percent of the share capital. This relates in particular to the disposal of treasury stock executed on the basis of an authorization to dispose of treasury stock pursuant to § 71 and § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) as well as to any shares issued or to be issued to service bonds with conversion and/or option rights in cases where the bonds were issued on the basis of an authorization pursuant to § 221 (4) and § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG).
- c) § 4 (5) of the Articles of Association be amended and reformulated as follows:
- “(5) The Board of Management is authorized, subject to approval by the Supervisory Board, to increase the company's share capital up to July 7, 2016 by up to a total of € 15,000,000.00 by issuing new shares on one or several occasions in return for cash contributions (Authorized Capital I). The new shares may in each case be issued as ordinary shares with voting entitlement or as non-voting preference shares. New non-voting preference shares may have greater, equal or lesser priority than existing non-voting preference shares in terms of the distribution of profit and/or the company's assets; in the absence of any stipulation to the contrary in the resolution governing the capital increase, they shall be equal to existing preference shares. The Board of Management is authorized, subject to approval by the Supervisory Board, to lay down the further details for the execution of capital increases. When drawing on the authorized capital, the company should generally grant subscription rights to shareholders. However, the Board of Management is authorized, subject to approval by the Supervisory Board, to exclude shareholders' subscription rights:
- (a) to settle any residual amounts
- (b) to the extent required to grant subscription rights to bearers of conversion or option rights issued or to be issued by the company or by its direct or indirect wholly-owned subsidiaries to the extent to which they would be entitled having exercised their conversion or option rights
- (c) to offer new shares for subscription as employee shares by employees at the company and its subsidiaries up to a total volume of € 1,500,000.00
- (d) to the extent that the share of the company's share capital attributable to the new shares for which subscription rights are excluded does not exceed ten percent of the existing share capital either at the time at which this authorization is adopted or at the time at which this authorization takes effect or at the time at which this authorization is exercised and that the issue price of the new shares does not fall significantly short of the stock market price. Shares issued, sold or to be issued on account of another direct or corresponding applica-

tion of § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) are to be imputed as appropriate to this limitation to ten percent of the share capital. This relates in particular to the disposal of own shares executed on the basis of an authorization to dispose of own shares pursuant to § 71 and § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) as well as to any shares issued or to be issued to service bonds with conversion and/or option rights in cases where the bonds were issued on the basis of an authorization pursuant to § 221 (4) and § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG).”

- d) The Board of Management shall be required to submit the aforementioned resolutions for entry in the Commercial Register such that they are only entered at the same time or after the coming into effect of the resolution on the capital increase from company funds proposed in Agenda Item 9 by way of entry in the Commercial Register.

11. Resolution on the rescindment of existing Authorized Capital II (§ 4 (6) of the company's Articles of Association), the creation of new Authorized Capital II and the corresponding reformulation of the company's Articles of Association

By resolution of the Annual General Meeting on July 10, 2008, the Board of Management was authorized until July 10, 2013, subject to approval by the Supervisory Board, to increase the company's share capital by a total amount of up to € 15,000,000.00 by issuing new individual shares on one or several occasions in return for cash or non-cash contributions (Authorized Capital II).

To adapt the Authorized Capital II provided for in § 4 (6) of the Articles of Association to the capital increase from company funds proposed in Agenda Item 9, the Board of Management and Supervisory Board propose adopting the following resolution:

- a) The authorization provided by the Annual General Meeting on July 10, 2008 to draw on Authorized Capital II pursuant to § 4 (6) of the company's Articles of Association shall be rescinded by way of entry in the Commercial Register upon the entry of the resolutions provided for under Agenda Item 9 in the Commercial Register.
- b) The Board of Management shall at the same time be authorized until July 7, 2016, subject to approval by the Supervisory Board, to increase the company's share capital by a total amount of up to € 30,000,000.00 by issuing new individual shares on one or several occasions in return for cash or non-cash contributions (Authorized Capital II). The new shares may in each case be issued as ordinary shares with voting entitlement or as non-voting preference shares. New non-voting preference shares may have greater, equal or lesser priority than existing non-voting preference shares in terms of the distribution of profit and/or the company's assets; in the absence of any stipulation to the contrary in the resolution governing the capital increase, they shall be equal to existing preference shares. The Board of Management shall be authorized, subject to approval by the Supervisory Board, to lay down the further details for the execution of capital increases. When drawing on the authorized capital, the company shall generally grant subscription rights to shareholders. However, the Board of Management shall be authorized, subject to approval by the Supervisory Board, to exclude shareholders' subscription rights to the extent that the capital increases are executed in return for non-cash contributions in order to acquire companies or shareholdings in companies. The Board of Management shall further be authorized,

subject to approval by the Supervisory Board, to exclude shareholders' subscription rights to the extent required to grant subscription rights to bearers of conversion or option rights issued or to be issued by the company or its direct or indirect wholly-owned subsidiaries to the extent to which they would be entitled having exercised their conversion or option rights. Moreover, residual amounts may be excluded from shareholders' subscription rights.

c) § 4 (6) of the Articles of Association be amended and reformulated as follows:

“(6) The Board of Management is authorized, subject to approval by the Supervisory Board, to increase the company's share capital up to July 7, 2016 by up to a total of € 30,000,000.00 by issuing new shares on one or several occasions in return for cash or non-cash contributions (Authorized Capital II). The new shares may in each case be issued as ordinary shares with voting entitlement or as non-voting preference shares. New non-voting preference shares may have greater, equal or lesser priority than existing non-voting preference shares in terms of the distribution of profit and/or the company's assets; in the absence of any stipulation to the contrary in the resolution governing the capital increase, they shall be equal to existing preference shares. The Board of Management is authorized, subject to approval by the Supervisory Board, to lay down the further details for the execution of capital increases. When drawing on the authorized capital, the company should generally grant subscription rights to shareholders. However, the Board of Management is authorized, subject to approval by the Supervisory Board, to exclude shareholders' subscription rights, to the extent that the capital increases are executed in return for non-cash contributions in order to acquire companies or shareholdings in companies. The Board of Management is further authorized, subject to approval by the Supervisory Board, to exclude shareholders' subscription rights to the extent required to grant subscription rights to bearers of conversion or option rights issued or to be issued by the company or its direct or indirect wholly-owned subsidiaries to the extent to which they would be entitled having exercised their conversion or option rights. Moreover, residual amounts may be excluded from shareholders' subscription rights.”

d) The Board of Management is required to submit the aforementioned resolutions for entry in the Commercial Register such that they are only entered at the same time or after the coming into effect of the resolution on the capital increase from company funds proposed in Agenda Item 9 by way of entry in the Commercial Register.

Report of the Board of Management to the Annual General Meeting in respect of Agenda Item 10

We provide the following report in accordance with § 186 (4) Sentence 2 of the German Stock Corporation Act (AktG) in respect of Agenda Item 10 (Resolution authorizing the Board of Management to increase the share capital – Authorized Capital I):

The resolution is intended to create new authorized capital amounting to € 15,000,000.00. This should enable the Board of Management to adjust the company's equity base in line with business and legal requirements in future as well. The new shares should generally be offered to shareholders for subscription. In this case, however, the terms of conversion and option rights issued or to be issued by the company or a direct or indirect wholly-owned subsidiary may provide for subscription rights to new shares as protection against dilution. The Board of Management should therefore be authorized (Para-

graph b) to exclude shareholders' subscription rights to the extent necessary to grant subscription rights to bearers of conversion or option rights.

The Board of Management should further be authorized (Paragraph a) to exclude shareholders' subscription rights for residual amounts. These involve residual amounts arising due to the determination of the volume of the capital increase and the presentation of a feasible subscription ratio. Residual amounts are exercised in all cases at the respective stock market prices.

Finally, the Board of Management should be authorized (Paragraph c) to exclude shareholders' subscription rights to a limited extent to grant shares to employees of the company or its subsidiaries. Enabling employees to participate with shares enhances their identification with the company and thus contributes to increasing the share's market price. The exclusion of subscription rights is therefore in the interests of the company and its shareholders.

The Board of Management will only act on the authorization proposed in Paragraph d) to the extent that the 10 % limit of share capital provided for in § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) in terms of the exclusion of subscription rights is not exceeded. Furthermore, it is not permitted to draw on various authorizations to exclude shareholders' subscription rights with direct or corresponding application of § 186 (3) Sentence 4 if this leads to any exceeding of the overall 10 % limit of share capital.

The possibility of excluding subscription rights pursuant to § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) proposed in Paragraph d) is intended to provide the Board of Management with adequate flexibility in terms of timing and its scope for action. A capital increase from authorized capital to the exclusion of shareholders' subscription rights pursuant to § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) enables the Board of Management to implement a share placement at short notice, i.e. to set the price close to market rates. The issue amount generated in this way results in a substantially higher inflow of funds than in the case of a share placement with subscription rights.

When acting on the proposed authorization, the Board of Management will, subject to approval by the Supervisory Board, set the issue amount at a level as close to the current stock market price as permitted by conditions on the capital market. The link to the stock market price enables any significant economic disadvantage for the shareholders excluded from subscription rights to be avoided. When acting on the authorization, the Board of Management will endeavor to ensure that the new shares resulting from the capital increase are issued in such a way as to protect the stock market price.

Shareholders wishing to maintain their level of shareholding in the event of a capital increase undertaken to the exclusion of shareholders' subscription rights have the opportunity of acquiring the necessary number of shares in the company via the stock market.

Report of the Board of Management to the Annual General Meeting in respect of Agenda Item 11

We provide the following report in accordance with § 186 (4) Sentence 2 of the German Stock Corporation Act (AktG) in respect of Agenda Item 11 (Resolution authorizing the Board of Management to increase the share capital – Authorized Capital II):

The proposed creation of authorized capital with the additional possibility of excluding subscription rights in the event of a capital increase undertaken in return for non-cash contributions is intended to enable the Board of Management, subject to approval by the Supervisory Board, to acquire companies or shareholdings in companies in appropriate individual cases by offering shares in the company.

The exclusion of subscription rights provides the possibility of offering shares in the company as consideration to a seller. This procedure is increasingly in demand. To be able to act on any potential favorable acquisitions opportunities, the company must have the possibility of increasing its capital in return for non-cash considerations to the exclusion of subscription rights. Offering new shares to acquire companies or shareholdings in companies can be more favorable than paying cash, as it protects the company's liquidity. This procedure is therefore also in the interests of shareholders. The proposed authorization will enable the Board of Management to seize any opportunities arising in the market and to acquire companies or shareholdings in companies.

The Board of Management will review each individual case carefully to ascertain whether it is necessary to act on the authorization and whether the value of the new shares stands in a suitable relationship to the value of the company or shareholding to be acquired. The issue amount for the new shares will be determined by the Board of Management, subject to approval by the Supervisory Board, taking due account of the interests of shareholders and the company. The proposed amount of up to € 30,000,000.00 in total means that the authorization to increase capital in return for non-cash contributions to the exclusion of subscription rights also provides a framework which allows the company also to acquire larger companies or shareholdings in suitable individual cases.

There are currently no specific acquisition projects whose execution would require any increase in the share capital in return for non-cash contributions to the exclusion of subscription rights. The Board of Management will report to the Annual General Meeting in the event of the proposed authorization being acted on.

The terms of conversion and options rights issued or to be issued by the company or a direct or indirect wholly-owned subsidiary of the company may provide for subscription rights to new shares as protection against dilution in the case of a capital increase undertaken in return for non-cash contributions as well. The proposed authorization therefore also includes the possibility of executing a capital increase in return for cash contributions to the exclusion of shareholders' subscription rights in order to grant subscription rights to the bearers of conversion or option rights.

Furthermore, the Board of Management should be authorized to exclude shareholders' subscription rights for residual amounts. These involve residual amounts arising due to the determination of the volume of the capital increase and the presentation of a feasible subscription ratio. Residual amounts are exercised in all cases at the respective stock market prices.

Requirements governing participation in the Annual General Meeting and the exercising of voting rights

To be entitled to participate in the Annual General Meeting and exercise their voting rights, shareholders must have registered and submitted documentary evidence of their shareholding to the company in good time ahead of the Annual General Meeting. Adequate evidence of shareholding involves a certification issued in text form in German or English by the account-holding financial institution and referring to the beginning of the 21st day prior to the Annual General Meeting, i.e.

Thursday, June 16, 2011, 00.00 (CET)
(so-called "evidence date")

Registration and the documentary evidence of shareholding must have been received by the company at least six days prior to the Annual General Meeting (not counting the date of the Annual General Meeting and the date of receipt), i.e. by the latest on

Thursday, June 30, 2011, 24.00 (CET)

at the following address, fax number or e-mail address:

HORNBACH-Baumarkt-Aktiengesellschaft
c/o PR IM TURM HV-Service AG
Römerstrasse 72-74
68259 Mannheim
Fax: +49 (0) 621-7177213
E-mail: eintrittskarte@pr-im-turm.de

The company is entitled to request further appropriate evidence should it harbor any doubts as to the correctness or authenticity of the certification. Should such evidence not be provided, or not in suitable form, then the company is entitled to reject the shareholder in question pursuant to § 17 (3) of the Articles of Association.

Relevance of the evidence date

From the perspective of the company, only those persons or institutions that have presented evidence of shareholding are deemed as shareholders entitled to participate in the Annual General Meeting and exercise their voting rights. The entitlement to participate in the Annual General Meeting and scope of voting rights are measured solely in terms of the shareholding held by the shareholder at the evidence date.

The evidence date does not involve any restriction on the disposability of such shareholding. Even when such shareholding is disposed of completely or in part following the evidence date, shareholders' participation and the scope of their voting rights are based solely on the shareholding held by the shareholder on the evidence date, i.e. disposals or other assignments of shares following the evidence date have no implications on their participation in the Annual General Meeting and the scope of their voting rights. The same applies for the acquisition of shares or any increase in the number of shares held following the evidence date.

Persons not holding any shares as of the evidence date and only becoming shareholders subsequently are not entitled to participate or exercise any voting rights, unless they have been authorized as proxies or empowered to exercise such rights.

The evidence date has no implications for dividend entitlement.

Proxy voting procedures

Shareholders not wishing to participate in the Annual General Meeting in person are entitled to have their voting rights exercised by an authorized party, e.g. their accounting-holding bank, a shareholders' association, or a person of their choice, or by the voting proxy appointed by the company. In these cases as well, shareholders must register for the Annual General Meeting on time and submit documentary evidence of their shareholding in accordance with the aforementioned requirements.

Any powers of attorney issued or revoked must be communicated to the company in text form, as must the documentary evidence of shareholding, unless the authorized party is a financial institution, a shareholders' association or any other equivalent person or institution as defined in § 135 of the German Stock Corporation Act (AktG).

Powers of attorney may be issued to the company or to the authorized party. When issued to the authorized party, documentary evidence of such must be provided to the company. This requirement may be met by the authorized party presenting the power of attorney at the entry desk on the date of the Annual General Meeting or by the documentary evidence of such authorization being communicated to the company by post or fax to the address or fax number used for registration. To communicate such documentary evidence in electronic form, please use the password-protected authorization platform at the internet address www.hv-vollmachten.de. The PIN number for the authorization platform is printed on the admissions ticket which will be sent to you following registration and submission of documentary evidence of your shareholding. Where the power of attorney is to be issued to the company, it should also be communicated to the company by post or fax to the address or fax number used for registration, or electronically using the aforementioned electronic authorization platform; the same applies for the revoking of any power of attorney issued to the company.

A form for issuing or revoking powers of attorney and submitting documentary evidence of such authorization is available for downloading from the HORNBACH Group's internet site under Investor Relations/Corporate Governance/Annual General Meeting at the internet address www.hornbach-gruppe.com/Hauptversammlung/HBM. Upon request, a printed version of this form can also be forwarded to each shareholder. Should a shareholder authorize more than one person, the company is entitled to reject one or more such person.

Financial institutions, shareholders' association and the other equivalent persons and institutions defined in § 135 of the German Stock Corporation Act (AktG) may stipulate different requirements for the form of power of attorney used to authorize them. Shareholders are therefore requested to agree the form and procedure for issuing powers of attorney in good time with the person or institution to be authorized.

As an additional service, we provide our shareholders with the option of being represented in accordance with their instructions at the Annual General Meeting by a voting proxy appointed by the company. This proxy exercises voting rights on the exclusive basis of the instructions issued by the shareholder. Please note that voting proxies cannot accept any instructions to make statements, pose questions or submit counter motions. Further details about the relevant procedures will be forwarded together with your admissions ticket. Powers of attorney issued to the voting proxy appointed by the company, as well as any revoking of such powers of attorney and instructions for the voting proxy, must have been received at the address, fax number or e-mail address used for registration purposes at the latest by

Wednesday, July 6, 2011, 24.00 (CET)

After this, it is no longer possible to amend those powers of attorney and voting instructions already issued.

In addition, shareholders who attend the Annual General Meeting but have to leave prior to voting have the possibility upon leaving of issuing a power of attorney and specific instructions for the exercising of their voting rights to a voting proxy appointed by the company. To do this, they should use the form included on the voting slip.

Shareholders' rights: minority motions pursuant to § 122 (2) AktG

Shareholders whose combined shareholdings are equivalent to one twentieth of the share capital or a prorated amount of € 500,000.00 are entitled to request pursuant to § 122 (2) of the German Stock Corporation Act (AktG) that items be added to the agenda and announced. Such requests must be received by the company at least 30 days prior to the Annual General Meeting (not counting the date of the Annual General Meeting and the date of receipt), and thus at the latest by

Monday, June 6, 2011, 24.00 (CET)

Such requests must be addressed in writing to the Board of Management of HORNBACH-Baumarkt-Aktiengesellschaft. Requests otherwise addressed cannot be considered. Each new agenda item must be accompanied by a substantiation or a proposed resolution.

Shareholders' rights: counter motions and election proposals pursuant to § 126 (1) and § 127 AktG

Shareholders may submit counter motions to any proposal made by the management concerning a specific agenda item. Shareholders may also propose candidates for election as auditors or Supervisory Board members. Counter motions must be substantiated. Shareholders are requested to communicate any counter motions and election proposals exclusively to the following address, fax number or e-mail address:

HORNBACH-Baumarkt-Aktiengesellschaft
Investor Relations/Hauptversammlung
Hornbachstrasse 11
76879 Bornheim bei Landau/Pfalz
Fax: +49 (0) 6348-60-4299
E-mail: gegenantraege.baumarkt@hornbach.com

The company will publish any counter motions and election proposals received at the aforementioned address, fax number or e-mail address at the latest on

Wednesday, June 22, 2011, 24.00 (CET)

together with the shareholder's name, any substantiation provided and any statement to be made by the management, on the HORNBACH Group's internet communications platform at www.hornbach-group.com.

The company may forego publication of a counter motion and its substantiation if the conditions set out in § 126 (2) of the German Stock Corporation Act (AktG) apply, specifically if publication of such by the Board of Management would constitute a criminal offense, if the counter motion would lead to a resolution at the Annual General Meeting that would infringe the law or the Articles of Association, if the substantiation con-

tains obviously incorrect or misleading information in material aspects, or if it contains insulting material, if a countermotion submitted by the shareholder on the same issue has already been published in connection with an Annual General Meeting of the company pursuant to § 125 of the German Stock Corporation Act (AktG), if the same countermotion submitted by the shareholder with basically the same substantiation has already been published by the company in connection with at least two Annual General Meetings pursuant to § 125 of the German Stock Corporation Act (AktG) in the past five years and such countermotion was subsequently supported by less than one twentieth of the share capital represented at the Annual General Meeting, if it is apparent that the shareholder does not intend to participate in or be represented at the Annual General Meeting, or if the shareholder did not propose a countermotion previously communicated, or have such countermotion proposed by others, at two Annual General Meetings in the past two years.

Substantiations of countermotions do not have to be published when they exceed a total of more than 5,000 characters in length.

The above paragraphs apply by analogy to proposals submitted by shareholders for the election of Supervisory Board members or auditors, with the exception that such proposals do not require substantiation. Apart from those cases set out in § 126 (2) of the German Stock Corporation Act (AktG), the Board of Management may also forego publication of election proposals submitted by shareholders when they do not include the name, profession exercised, or town/city of residence of the Supervisory Board members or auditors thereby proposed, as well as disclosures on their membership of other statutory supervisory bodies in the case of candidates proposed for election to the Supervisory Board. Disclosures on membership of comparable supervisory bodies at companies in Germany and abroad should also be appended.

Shareholders' rights: right to information pursuant to § 131 (1) AktG

Pursuant to § 131 (1) of the German Stock Corporation Act (AktG), each shareholder is entitled upon request to receive information from the Board of Management on matters relating to the company at the Annual General Meeting, provided that such information is necessary for the appropriate assessment of the respective agenda item. This duty to provide information also includes the company's legal and business dealings with associate companies, as well as the situation of the Group and the companies included in the consolidated financial statements, as the consolidated financial statements and group management report are also presented to the Annual General Meeting under Agenda Item 1.

For the reasons outlined in § 131 (3) of the German Stock Corporation Act (AktG), the Board of Management may refuse to answer individual questions, for example if the disclosure of such information may, based on reasonable commercial judgment, create a not inconsiderable disadvantage for the company or one of its associates. Pursuant to § 18 (3) of the Articles of Association, the Chairman of the Meeting may impose a reasonable limit on the time allocated to both statements and questions by shareholders. In particular, he may impose a reasonable limit on the duration of the entire Annual General Meeting, on the treatment of individual agenda items, and on individual statements and questions.

Further explanations and information at the company's internet site

The information for the Annual General Meeting required by § 124a of the German Stock Corporation Act (AktG) is available to shareholders at the HORNBACH Group's internet site under Investor Relations/Corporate Governance/Annual General Meeting (www.hornbach-gruppe.com/Hauptversammlung/HBM). As soon as the Annual General Meeting has been convened, the documents to be made available in

accordance with § 175 and § 176 of the German Stock Corporation Act (AktG) and the further explanations of shareholders' rights required by § 122 (2), § 126 (1), § 127 and § 131 (1) of the German Stock Corporation Act (AktG) are also available there. The documents to be made available in accordance with § 175 and § 176 of the German Stock Corporation Act (AktG) will also be available for inspection at the Annual General Meeting.

Total number of shares and voting rights upon the convening of the Annual General Meeting

The company's share capital of € 47,710,500 is divided into 15,903,500 individual ordinary shares upon the convening of the Annual General Meeting. Each ordinary share entitles its holder to one vote. In accordance with the Articles of Association, there are therefore 15,903,500 voting rights upon the Annual General Meeting being convened. The company is not entitled to exercise any voting rights attributable to treasury stock; the company did not hold any treasury stock upon the convening of the Annual General Meeting.

Bornheim, May 2011

HORNBACH-Baumarkt-Aktiengesellschaft

The Board of Management