

HORNBACH

HORNBACH HOLDING Aktiengesellschaft
67433 Neustadt an der Weinstrasse

– ISIN DE0006083405 and ISIN DE0006083439 –

Invitation to the Annual General Meeting

We hereby invite our shareholders to attend our **Annual General Meeting**, which is to be held at Jugendstil-Festhalle Landau, Mahlastrasse 3, 76829 Landau in der Pfalz, at 11.00 a.m. on Friday, July 11, 2008.

Agenda

- 1. Presentation of the approved annual financial statements of HORNBACH HOLDING Aktiengesellschaft and of the consolidated financial statements, the management report compiled by the Board of Management for HORNBACH HOLDING Aktiengesellschaft and the Group, the report of the Supervisory Board for the 2007/2008 financial year and the explanatory report of the Board of Management in respect of the disclosures made pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code (HGB)**

- 2. Resolution on the appropriation of profits for the 2007/2008 financial year**

The Board of Management and the Supervisory Board propose to appropriate the net earnings reported for the 2007/2008 financial year amounting to € 11,486,942.00 as follows:

Distribution of a dividend of € 1.08 per ordinary share for 4,000,000 ordinary shares	€ 4,320,000.00
Distribution of a dividend of € 1.14 per preference share for 4,000,000 preference shares	€ 4,560,000.00
Allocation to revenue reserve	€ 2,600,000.00
Balance carried forward	€ 6,942.00

Should HORNBACH HOLDING Aktiengesellschaft hold any own shares 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 allocable to shares without dividend entitlement will also be carried forward.

- 3. Resolution on releasing the Board of Management from responsibility for the 2007/2008 financial year**

The Board of Management and the Supervisory Board propose to release the members of the Board of Management from responsibility for the 2007/2008 financial year.

4. Resolution on releasing the Supervisory Board from responsibility for the 2007/2008 financial year

The Board of Management and the Supervisory Board propose to release the members of the Supervisory Board from responsibility for the 2007/2008 financial year.

5. Election of auditors, group auditors, and auditors for the audit review of half-year financial reports for the 2008/2009 financial year

The Supervisory Board proposes the election of KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as auditors, group auditors and auditors for the audit review of the half-year financial reports for the 2008/2009 financial year.

6. Election of members of the Supervisory Board

The term in office of all members of the Supervisory Board expires upon the conclusion of the Annual General Meeting. Pursuant to Section 96 (1) Final Subsection of the German Stock Corporation Act (AktG), the Supervisory Board consists exclusively of six members to be elected by the shareholders. The Annual General Meeting is not restricted to the candidates hereby proposed. The elections are to be held on an individual basis.

The Supervisory Board proposes the election of

- Richard Marshall Boyd, Head of Corporate Development der Kingfisher plc, London, Großbritannien
- Ian Cheshire, Chief Executive Officer der Kingfisher plc, London, Großbritannien
- Christoph Hornbach, School Director, Frankfurt
- Otmar Hornbach, Businessman, Annweiler
- Wolfger Ketzler, Lawyer, Haibach
- Dr. Wolfgang Rupf, Managing Director of AKV Altkönig Verwaltungs GmbH, Königstein

as members of the Supervisory Board. Pursuant to Section 9 (2) of the Articles of Association, such candidates are to be elected for a term lasting until the conclusion of the Annual General Meeting releasing them from responsibility for the fourth financial year following the beginning of their term in office, i.e. releasing them from responsibility for the 2012/2013 financial year. Should he be elected, Dr. Wolfgang Rupf intends to stand for election as Chairman of the Supervisory Board.

The candidates hereby proposed sit (a) on statutory supervisory boards or (b) on comparable company supervisory bodies at the following additional companies:

Richard Marshall Boyd

- (b) B&Q (China) Investment Co. Ltd
Koctas Yapi Marketleri Ticaret A.S.

Ian Cheshire

- (b) Kingfisher plc
B&Q plc
Kingfisher Information Technology Services (UK) Ltd
Bradford & Bingley plc
Medicinema Enterprises Ltd

Otmar Hornbach

- (a) HORNBAACH Immobilien AG, Chairman
Wasgau Produktions & Handels AG, Deputy Chairman

Dr. Wolfgang Rupf

- (a) HORNBAACH-Baumarkt-AG, Deputy Chairman
GC Corporate Finance AG
- (b) Transmeridian Exploration Inc., Houston, USA

7. Resolution on an amendment to the Articles of Association in respect of the compensation of the Supervisory Board

From the point of view of the Board of Management and the Supervisory Board, the regulations currently governing Supervisory Board compensation in Section 16 (1) of the Articles of Association do not take adequate account of the different duties of individual members of the Supervisory Board. By increasing the compensation paid to the Chairman of the Supervisory Board, his deputies and committee chairmen, the company intends to take greater account of the differing workloads involved. The Board of Management and the Supervisory Board therefore propose the adoption of the following resolution:

Section 16 (1) of the Articles of Association be amended and reformulated as follows:

“In addition to the reimbursement of expenses, each member of the Supervisory Board shall receive annual fixed compensation of € 6,000 due for payment following the conclusion of the Annual General Meeting, as well as performance-related compensation dependent on the profit appropriation resolved by the Annual General Meeting and amounting to € 260.00 for every 1% dividend over and above 10% distributed to ordinary shareholders for the past financial year. The calculation shall be based on the prorated amount of share capital attributable to the individual ordinary shares pursuant to Section 4 (2) of the Articles of Association. The Chairman shall receive three times and his deputy two times the fixed and performance-related compensation.

Members of the Supervisory Board who sit on the Supervisory Board Audit Committee shall receive an additional sum of € 3,000. Members of the Supervisory Board who sit on one or more other Supervisory Board committees shall receive an additional sum of € 1,500 per committee. Members of the Supervisory Board who chair a Supervisory Board committee shall receive three times the respective committee compensation.”

Shareholder registration for the Annual General Meeting

Pursuant to Section 19 of the Articles of Association of our company, to be entitled to participate in the Annual General Meeting and to exercise their voting rights, shareholders must register with the company prior to the Annual General Meeting and provide documentary evidence of their shareholding. Such shareholding is to be documented in the form of a certification of shareholding compiled in text form in German or English and issued by the account-holding financial institution. This certification must refer to the beginning of the 21st day prior to the Annual General Meeting, i.e. to the **beginning of June 20, 2008** (12.00 a.m.). The registration and the certification must have been received by the company at the latest at the end of the seventh day prior to the Annual General Meeting, i.e. at the latest by midnight on **July 4, 2008**, at the following address:

HORNBACH HOLDING Aktiengesellschaft
c/o PR IM TURM HV-Service AG
Römerstrasse 72-74
68259 Mannheim
Fax: +49 (0) 621-7177213

Should the company harbor any doubts as to the correctness or genuineness of the documentary evidence, it is entitled to demand further appropriate evidence. In the event of such evidence not being provided, or not being provided in appropriate form, then the company is entitled to reject the shareholder in question pursuant to Section 19 (3) of the Articles of Association.

Shareholder rights in respect of participation in the Annual General Meeting

The share capital of the company, amounting to Euro 24,000,000, is divided into 4,000,000 individual ordinary shares and 4,000,000 individual non-voting preference shares upon the convening of the Annual General Meeting. Each individual ordinary share entitles its holder to one vote, with the result that there are 4,000,000 voting rights based on the Articles of Association upon the convening of the Annual General Meeting. The company is not entitled to exercise any voting rights resulting from own shares; the company does not hold any own ordinary shares upon the convening of the Annual General Meeting.

In certain circumstances defined in the German Stock Corporation Act (AktG), shareholders are entitled to demand additions to the agenda. Moreover, in accordance with the conditions outlined above (“Shareholder registration for the Annual General Meeting”), they are entitled to participate in the Annual General Meeting, to request information as to items on the agenda, to submit motions concerning the items on the agenda and concerning the procedures chosen and to cast their votes at the Annual General Meeting either in person or via proxies.

Voting proxies

Shareholders who are unable to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy, or by a financial institution or shareholders’ association. The power of attorney must be issued in written form and be presented upon request, unless the proxy is a financial institution or another commercial agent exempted from this requirement by Section 135 of the German Stock Corporation Act (AktG). Each shareholder is entitled upon request to receive a written form for issuing a power of attorney for the Annual General Meeting.

As an additional service, we provide our shareholders with the option of being represented in accordance with their instructions by a voting proxy appointed by the company. This proxy exercises the voting rights on the exclusive basis of the instructions issued by the shareholder. Further details concerning the authorization of the voting proxy and on the issuing of instructions will be provided with your admissions ticket,

which you must request in advance from your account-holding bank. We would point out that the preference shares are not entitled to voting rights, unless otherwise compulsorily stipulated by law. The power of attorney and instructions must have been received at the address stated for registration purposes at the latest by midnight on July 10, 2008. After this time, it is no longer possible to amend those powers of attorney and voting instructions already issued.

In addition, for those shareholders attending the Annual General Meeting who have to leave the meeting prior to voting, there will be the possibility upon leaving the meeting of issuing a voting proxy and instructions for the exercising of such votes to a proxy appointed by the company, using the form included on the voting slip.

The issuing of a power of attorney to the voting proxy appointed by the company does not exempt shareholders from the obligation to register and to provide certification of the shareholding from the account-holding financial institution correctly and on time in accordance with the requirements set out above.

Shareholder motions and election proposals

Countermotions to the proposals made by the Board of Management and the Supervisory Board in respect of a specific item on the agenda, applications for the inclusion of extra items in the agenda and proposals of candidates for election as auditors or for election to the Supervisory Board are requested to be forwarded exclusively to one of the following addresses:

1. HORNBAACH HOLDING AG
Investor Relations/Hauptversammlung
Le Quartier Hornbach 19
67433 Neustadt an der Weinstrasse
2. Fax: +49 (0) 6348-60-4299
3. E-mail: gegenantraege.holding@hornbach.com

Motions or election proposals forwarded to other addresses will not be taken into consideration.

We will publish those applications and election proposals received from shareholders to be made public, together with the name of the shareholder, the grounds for such motion or proposal and any statement to be made by the management, on the internet communications platform of the HORNBAACH Group at www.hornbach-group.com at the latest by midnight on June 27, 2008.

The documents referred to in Section 175 of the German Stock Corporation Act (AktG) will be available on the internet at www.hornbach-group.com from the convening of the Annual General Meeting onwards.

Neustadt, May 2008
The Board of Management