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Ad hoc: EBIT in Q2 2007/2008 11% down on previous year - net income benefits from corporate tax reform

Neustadt a. d. Weinstrasse, September 11, 2007.

The business performance of the HORN BACH HOLDING AG Group was unsatisfactory in the 2nd quarter of the current financial year (June 1 - August 31, 2007). Consolidated sales (net), which rose by 2.0 % to € 697 million (previous year: € 682.8m), fell short of expectations. This was due to a negative like-for-like sales performance in Germany. In particular, changeable weather conditions in summer 2007 led to a tangible downturn in sales in weather-dependent product groups, such as sun protection, air-conditioning equipment and most garden items. Net like-for-like sales at the DIY megastores with garden centers declined by 4.2 % (including sales tax: minus 1.8%) in Germany in the 2nd quarter. HORN BACH nevertheless outperformed the sector once again by a clear margin. According to the BHB sector association, like-for-like gross sales at German DIY stores and garden centers fell by up to 7 % in July and August 2007 alone. Consumer demand for DIY products was also said to have been additionally dampened by the sales tax increase, rising interest rates and higher costs of living (energy, gasoline, food).

HORN BACH continued to achieve pleasing growth rates at its stores outside Germany, at which like-for-like sales rose by 4.5 %. Based on initial preliminary figures, operating earnings (EBIT) amounted to more than € 47 million in the 2nd quarter, and were thus around 11 % down on the previous year (€ 53.5m), against minus 16.2% in the previous quarter.. Consolidated net income for the quarter nevertheless rose by around 28 % to almost € 40 million (previous year: € 31.3m). This is chiefly due to one-off tax-related income amounting to € 13.3 million resulting from the revaluation of deferred tax assets and liabilities required by the corporate tax reform.

The outlook for the financial year as a whole (March 1, 2007 - February 19, 2008) has been amended on account of the current business performance in Germany. Consolidated sales at HORN BACH HOLDING AG are expected to exceed € 2.6 billion. Operating earnings (EBIT) for the financial year as a whole will also fall significantly short of the previous year's figure (€ 119.1m).

Further details will be announced in the 2007/2008 half-year report, which will be published in the investor relations section of the company's website at www.hornbach-group.com on September 27, 2007.

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