

INTERIM REPORT

HORNBACH HOLDING AG GROUP

2008/2009

1st QUARTER (MARCH 1 – MAY 31, 2008)

HORNBACH HOLDING AG GROUP

Interim Report for the 1st Quarter of 2008/2009 (March 1 – May 31, 2008)

- **Successful start to the 2008/2009 financial year: consolidated sales up by 6.1 %**
- **German DIY stores with garden centers counter sector trend by posting like-for-like sales growth - ongoing highly dynamic sales performance in other European countries**
- **Major boost in operating earnings power**

The HORNBACH HOLDING AG Group can report a successful start to the 2008/2009 financial year. Net sales rose by 6.1 % to € 777.7 million (previous year: € 732.7m) in the first quarter (March 1 to May 31, 2008). Sales at the largest operating subgroup, HORNBACH-Baumarkt-AG, increased by 6.2 % to € 739.2 million (previous year: € 696.0m). Thanks to a substantial revival in demand in May 2008, during the period under report the Group was able to surpass the high level of comparable store sales posted for the equivalent quarter in the previous year (plus 1.5 % across the Group). Like-for-like sales at the DIY stores with garden centers in Germany rose by 0.6 %, thus countering the sector trend, and even grew by 2.9 % in other European countries.

In line with expectations, earnings developed very positively at the overall HORNBACH HOLDING AG Group during the reporting period from March to May 2008. Group operating earnings (EBIT) grew by 72.3 % to € 66.9 million (previous year: € 38.8m). Consolidated earnings before taxes jumped by 91.0 % to € 58.5 million (previous year: € 30.6m). Basic earnings per preference share are reported at € 4.87 (previous year: € 2.18). This pleasing growth in key earnings figures is chiefly due to like-for-like sales growth in Germany and abroad in conjunction with a slight rise in the gross margin, to improved store and administration cost ratios and to marked earnings growth in the real estate segment.

Key Figures of the HORNBACH HOLDING AG Group (in € million, unless otherwise stated)	1st Quarter 2008/2009	1st Quarter 2007/2008	Change in %
Net sales	777.7	732.7	6.1
of which in other European countries	294.6	260.7	13.0
Like-for-like sales growth	1.5%	4.6%	
Gross margin as % of net sales	36.1%	36.0%	
EBITDA	84.1	58.0	45.0
EBIT	66.9	38.8	72.3
Consolidated earnings before taxes	58.5	30.6	91.0
Consolidated net income *	45.9	21.4	114.1
Earnings per preference share in €	4.87	2.18	123.4
Number of employees	12,912	12,587	2.6
Investments	35.2	68.8	-48.8
Total assets	2,056.5	1,966.5	4.6
Shareholders' equity	736.9	652.9	12.9
Shareholders' equity as % of total assets	35.8%	33.2%	

* pursuant to IFRS including minority interests.

Rounding up or down may lead to discrepancies between totals.

Earnings, Financial and Asset Situation

Sales performance

The HORNBACH HOLDING AG Group comprises the HORNBACH-Baumarkt-AG, HORNBACH Baustoff Union GmbH and HORNBACH Immobilien AG subgroups.

In the first quarter of 2008/2009 (March 1 to May 31, 2008), the net sales of the HORNBACH Group rose by 6.1 % to € 777.7 million (previous year: € 732.7m).

The HORNBACH-Baumarkt-AG subsidiary operated 125 DIY megastores with garden centers across Europe at the reporting date on May 31, 2008 (previous year: 123). No new HORNBACH stores were opened in the first three months of the financial year. The total sales area of the retail outlets amounted to around 1,385,000 m² at the reporting date. Sales at the HORNBACH-Baumarkt-AG subgroup rose by 6.2 % in the first quarter to reach € 739.2 million (previous year: € 696.0m). Sales in Germany improved by 2.2 % to € 444.7 million (previous year: € 435.3m), while sales at the HORNBACH DIY megastores with garden centers outside Germany grew by 13.0 % to € 294.5 million (previous year: € 260.7m). As a result, the international share of sales at the subgroup rose from 37.5 % to 39.8 % in the first quarter.

The performance of the business in the quarter under report was diametrically opposed to that in the first quarter of the previous year. Unusually mild temperatures in the months of March and April 2007 meant that the spring business arrived prematurely. The resultant double-digit sales growth in some cases meant that a very high standard had been set for the current financial year. Significantly cooler, damper weather in March and April 2008, by contrast, meant that the spring season failed to get going in the current year. Our stores were thus unable to match the high performance seen in the previous year during this period. Our sails finally unfurled in May 2008. The sharp rise in demand for garden products and plants boosted sales in this month sufficiently to more than offset the negative figures in the two preceding months. All in all, this enabled us to improve our like-for-like sales across the Group by 1.5 % in the first quarter of 2008/2009. We countered the negative market trend in Germany, increasing our like-for-like sales by 0.6 % and thus outperforming the German sector average by around five percentage points. With like-for-like sales growth of 2.9 %, our stores in other European countries posted a very pleasing performance once again in the first quarter. Further details about the business performance can be found in the interim report of HORNBACH-Baumarkt-AG published separately.

Sales at the HORNBACH Baustoff Union GmbH (HBU) subgroup rose by 4.5 % from € 37.0 million to € 38.6 million in the first three months. HBU increased the number of its outlets in south-western Germany from 18 to 19 with the acquisition of a builders' merchant location in Landstuhl as of March 1, 2008.

Earnings performance

As forecast in the outlook provided in the 2007/2008 Annual Report published at the end of May, the earnings of the HORNBACH Group showed marked growth as a proportion of sales in the reporting period from March to May 2008. At the same time, this marks a continuation of the positive trend in sales and earnings which began in the fourth quarter of the past financial year (December 2007 to February 2008).

The earnings before interest, taxes, depreciation and amortization (EBITDA) of the overall Group increased by 45.0 % to € 84.1 million (previous year: € 58.0m). Operating earnings (EBIT) grew by 72.3 % to € 66.9 million (previous year: € 38.8m). This significant earnings growth was mainly driven by the DIY store segment and the real estate segment. In the DIY store segment, we improved our EBIT by 43.2 % to € 44.1 million (previous year: € 30.8m). One-off non-operating items in the real estate segment led operating earnings to more than double from € 13.0 million to € 28.6 million. Following adjustment for these non-recurring items, the EBIT of the HORNBACH HOLDING AG Group grew by 35.2 %. Consolidated earnings before taxes rose by 91.0 % to € 58.5 million (previous year: € 30.6m). Net income for the period showed growth of 114.1 % to € 45.9 million (previous year: € 21.4m). Basic IFRS earnings per preference share are reported at € 4.87 (previous year: € 2.18).

On the one hand, the pleasing growth in key earnings figures in the first quarter of 2008/2009 was very much due to like-for-like sales growth in Germany and abroad, accompanied by a slight increase in the gross margin, and to improved store and administration cost ratios. The gross profit at the overall Group showed a slight increase as a percentage of net sales from 36.0 % to 36.1 %. Lower personnel, advertising and general operating expenses meant that the Group's selling and store expenses rose to € 198.6 million (previous year: € 196.0m), thus declining as a proportion of sales. The store expense ratio therefore improved from 26.7 % to 25.5 %. Pre-opening expenses declined from € 3.3 million to € 1.8 million as, unlike in the first quarter of the previous year, no new stores were opened. The administration expense ratio could be reduced slightly from 3.9 % to 3.8 %.

On the other hand, one-off non-operating items in the real segment had a markedly positive impact on the Group's earnings performance. These were mainly attributable to profits generated on the sale of real estate companies in Austria. The profits on the disposal of this land were only partly offset by extraordinary depreciation on real estate projects. Overall, this resulted in a positive non-operating earnings item of € 10.7 million on the level of HORNBAACH HOLDING AG.

The development in key earnings figures at HORNBAACH-Baumarkt-AG in the first quarter of 2008/2009 was primarily driven by the strengthening of the subgroup's operating earnings power. Operating earnings (EBIT) at this company grew by 49.4 % to € 48.4 million (previous year: € 32.4m). The considerably more marked increase in key earnings figure at the overall HORNBAACH HOLDING AG Group was attributable to the substantial earnings growth at HORNBAACH Immobilien AG. Mainly as a result of the aforementioned disposal gains on the successful land development project in Austria, operating earnings (EBIT) at the HORNBAACH Immobilien AG subgroup improved from € 7.7 million to € 19.4 million.

The HORNBAACH Baustoff Union GmbH posted positive operating earnings of € 0.2 million in the first quarter of 2008/2009 (previous year: € 0.0m).

Financial and asset situation

A total of € 35.2 million was invested in the first three months of the current financial year (previous year: € 68.8m), mainly in land and buildings (69 %), and in plant and office equipment (31 %). The decline in investments by almost 50 % is a reflection of the fact that no new HORNBAACH DIY megastores with garden centers were opened in the first quarter of 2008/2009 (previous year: three). Investments were financed in full from the cash flow from operating activities, which amounted to € 116.7 million (previous year: € 56.8m). Information concerning the financing and investing activity of HORNBAACH HOLDING AG can be found in the cash flow statement in the notes to the financial statements.

Total assets amounted to € 2,056.5 million at the reporting date on May 31, 2008 (previous year: € 1,966.5m). Shareholders' equity as reported in the balance sheet increased from € 652.9 million to € 736.9 million as of May 31, 2008. As a result, the equity ratio improved from 33.2 % to 35.8 %. The Group's net financial debt fell from € 528.5 million in the previous year to € 491.8 million as of the reporting date.

Employees

At the reporting date on May 31, 2008, 12,912 individuals (previous year: 12,587) across Europe were in fixed employment at HORNBAACH HOLDING AG or one of its subsidiaries.

Outlook

We reported extensively on the macroeconomic, sector-specific and strategic opportunities facing the business activities of the HORNBAACH HOLDING AG Group in the outlook provided on Pages 65 to 70 of the 2007/2008 Annual Report. This basic assessment of the company's medium to long-term development potential is still valid upon the publication of this Interim Report. Based on the information currently available, we largely uphold the forecasts provided in the outlook for the Group (Pages 70-72 of the Annual Report). Accordingly, a total of up to five new stores are scheduled to be opened by the end of the current financial year (reporting date on February 28, 2009).

Net sales are expected to show growth in a medium single-digit percentage range both on the level of the overall HORNBAACH HOLDING AG Group and on the level of the HORNBAACH-Baumarkt-AG subgroup in the current 2008/2009 financial year. Both the German and the international businesses are expected to make sustainable growth contributions. We expect our DIY megastores with garden centers in Germany to achieve sales growth in both absolute terms and on a like-for-like basis compared with the weak basis provided by the previous year. We also expect to continue to outperform average growth rates in the sector. The HORNBAACH stores in other European countries will maintain their successful course. The high level of sales achieved in previous years is to be raised further, both in terms of like-for-like sales and by pressing ahead with the international expansion.

Operating earnings (EBIT) at the HORNBAACH HOLDING AG Group as a whole and at the HORNBAACH-Baumarkt-AG subgroup are expected to show markedly disproportionate growth compared with sales in the current financial year (2008/2009) and are in both cases expected to surpass the figures for the 2006/2007 financial year (€ 119m and € 96m respectively). We aim to achieve this on the one hand by enhancing the earnings power of our DIY store segment (core DIY business). On the other hand, we expect to see significant earnings growth in the real estate segment, largely as a result of the planned disposal of five HORNBAACH DIY megastores with garden centers outside Germany by means of sale and leaseback transactions in the further course of the financial year. Depending on the successful completion of the real estate transactions, this should generate disposal profits of between € 30 million and € 35 million and an inflow of funds expected to amount to between € 110 million and € 115 million.

HORNBACH HOLDING AG GROUP

Income Statement

€ million	1st Quarter 2008/2009	1st Quarter 2007/2008	Change in %
Sales	777,7	732,7	6,1
Cost of goods sold	497,0	469,3	5,9
Gross profit	280,7	263,4	6,6
Selling and store expenses	198,6	196,0	1,4
Pre-opening expenses	1,8	3,3	-45,6
General and administration expenses	29,7	28,2	5,2
Other income and expenses	16,2	2,8	477,4
Operating earnings (EBIT)	66,9	38,8	72,3
Financial income	2,7	2,4	13,1
Financial expenses	11,1	10,6	4,6
Net financial expenses	-8,3	-8,2	2,1
Consolidated earnings before taxes	58,5	30,6	91,0
Taxes on income	12,6	9,2	37,3
Consolidated net income	45,9	21,4	114,1
of which income allocable to shareholders	38,7	17,2	125,1
of which minority interests	7,2	4,2	69,3
Basic earnings per share (in €)	4,81	2,12	126,9
Basic earnings per preference share (in €)	4,87	2,18	123,4

Rounding up or down may lead to discrepancies between totals. Percentages calculated on basis of € 000s.

HORNBACH HOLDING AG GROUP

Balance Sheet

ASSETS	May 31, 2008 € million	%	May 31, 2007 € million	%	February 29, 2008 € million	%
Non-current assets	1,074.3	52.2	1,044.4	53.1	1,046.8	55.0
Intangible assets	21.7	1.1	26.1	1.3	22.4	1.2
Property, plant and equipment	965.4	46.9	912.7	46.4	944.7	49.7
Investment property	29.7	1.4	52.3	2.7	30.3	1.6
Financial assets	1.5	0.1	2.3	0.1	2.7	0.1
Other non-current assets	17.3	0.8	5.0	0.3	7.0	0.4
Non-current income tax receivables	18.1	0.9	19.4	1.0	17.9	0.9
Deferred tax assets	20.6	1.0	26.6	1.4	21.8	1.1
Current assets	982.2	47.8	922.1	46.9	855.2	45.0
Inventories	510.2	24.8	501.7	25.5	498.1	26.2
Accounts receivable and other assets	91.8	4.5	79.5	4.0	66.7	3.5
Income tax receivables	21.5	1.0	15.3	0.8	15.7	0.8
Cash and cash equivalents	298.9	14.5	282.5	14.4	196.0	10.3
Non-current assets and disposal groups held for sale	59.9	2.9	43.1	2.2	78.7	4.1
TOTAL ASSETS	2,056.5	100.0	1,966.5	100.0	1,902.0	100.0

EQUITY AND LIABILITIES	May 31, 2008 € million	%	May 31, 2007 € million	%	February 29, 2008 € million	%
Shareholders' equity	736.9	35.8	652.9	33.2	687.6	36.1
Share capital	24.0	1.2	24.0	1.2	24.0	1.3
Capital reserve	130.4	6.3	130.4	6.6	130.4	6.9
Retained earnings	458.2	22.3	392.0	19.9	416.5	21.9
Minority interests	124.4	6.0	106.5	5.4	116.7	6.1
Non-current liabilities	732.1	35.6	774.1	39.4	735.6	38.7
Long-term financial debt	639.5	31.1	665.0	33.8	648.9	34.1
Deferred taxes	71.7	3.5	93.3	4.7	71.1	3.7
Other non-current liabilities	20.9	1.0	15.8	0.8	15.6	0.8
Current liabilities	587.5	28.6	539.6	27.4	478.8	25.2
Short-term financial debt	151.2	7.4	146.0	7.4	130.7	6.9
Accounts payable and other liabilities	315.7	15.4	290.6	14.8	245.2	12.9
Income tax provisions	41.1	2.0	30.8	1.6	29.0	1.5
Other provisions and accruals	66.0	3.2	72.3	3.7	59.4	3.1
Disposal group liabilities	13.5	0.7	0.0	0.0	14.5	0.8
TOTAL EQUITY AND LIABILITIES	2,056.5	100.0	1,966.5	100.0	1,902.0	100.0

Rounding up or down may lead to discrepancies between totals. Percentages calculated on basis of € 000s.

HORNBACH HOLDING AG GROUP

Cash Flow Statement

€ million	1st Quarter 2008/2009	1st Quarter 2007/2008
Consolidated net income	45,9	21,4
Depreciation and amortization of non-current assets	17,2	19,2
Change in provisions	-0,6	0,7
Profits/losses on disposals of non-current assets and of non-current assets held for sale	-10,7	1,3
Change in inventories, accounts receivable and other assets	-30,8	-59,4
Change in accounts payable and other liabilities	94,8	73,2
Other non-cash income/expenses	1,0	0,4
Cash flow from operating activities	116,7	56,8
Proceeds from disposals of non-current assets and of non-current assets held for sale	8,7	0,5
Payments for investments in property, plant and equipment	-32,9	-67,7
Payments for investments in intangible assets	-0,5	-1,1
Payments for acquisitions of shareholdings and other business units	-1,9	0,0
Cash flow from investing activities	-26,5	-68,3
Proceeds from taking up of long-term debt	0,0	16,9
Repayment of long-term debt	-11,2	-11,0
Change in short-term debt	23,6	22,8
Cash flow from financing activities	12,4	28,7
Cash-effective change in cash and cash equivalents	102,6	17,1
Change in cash and cash equivalents due to changes in exchange rates	0,3	0,8
Cash and cash equivalents at March 1	196,0	264,6
Cash and cash equivalents at May 31	298,9	282,5

Rounding up or down may lead to discrepancies between totals.

The cash flow from operating activities was reduced by € 6.4 million on account of tax payments (previous year: € 5.3m) and by € 13.2 million on account of interest payments (previous year: € 14.5m) and increased by € 2.6 million on account of interest received (previous year: € 2.2m).

The non-cash income/expenses item for the current year largely consists of deferred taxes.

The payments for the acquisition of shareholdings and other business units relate to the acquisition of a builders' merchant location in Landstuhl.

HORNBACH HOLDING AG GROUP

Statement of income and expenses recognized directly in equity

€ million	1st Quarter 2008/2009	1st Quarter 2007/2008
Valuation of derivative financial instruments	3.6	2.9
Exchange differences arising on the translation of foreign subsidiaries	0.9	-0.4
Deferred taxes on gains and losses recognized directly in equity	-1.0	-0.9
Net income recognized directly in equity	3.4	1.6
Consolidated net income	45.9	21.4
Total income and expenses recognized in the financial statements	49.3	23.0
of which: allocable to shareholders	41.6	18.5
of which: allocable to minority interests	7.7	4.5

Rounding up or down may lead to discrepancies between totals.

HORNBACH HOLDING AG GROUP

Statement of Changes in Equity

1st Quarter 2007/2008 € million	Share Capital	Capital Reserve	Hedging Reserve	Cumulative Currency Translation	Other Retained Earnings	Equity Allocable to Shareholders	Minority Interests	Total Equity
Balance at March 1, 2007	24.0	130.4	-1.1	3.2	371.2	527.7	102.0	629.7
Consolidated net income					17.2	17.2	4.2	21.4
Valuation of derivative financial instruments, net after taxes			1.6			1.6	0.4	2.0
Currency translation				-0.3		-0.3	-0.1	-0.4
Total income and expenses recognized in the financial statements			1.6	-0.3	17.2	18.5	4.5	23.0
Capital increase from share option plans					0.2	0.2		0.2
Balance at May 31, 2007	24.0	130.4	0.5	2.9	388.6	546.4	106.5	652.9

1st Quarter 2008/2009 € million	Share Capital	Capital Reserve	Hedging Reserve	Cumulative Currency Translation	Other Retained Earnings	Equity Allocable to Shareholders	Minority Interests	Total Equity
Balance at March 1, 2008	24.0	130.4	-1.2	7.1	410.7	570.9	116.7	687.6
Consolidated net income					38.7	38.7	7.2	45.9
Valuation of derivative financial instruments, net after taxes			2.1			2.1	0.5	2.6
Currency translation				0.9		0.9		0.9
Total income and expenses recognized in the financial statements			2.1	0.9	38.7	41.6	7.7	49.3
Balance at May 31, 2008	24.0	130.4	0.8	7.9	449.4	612.5	124.4	736.9

Rounding up or down may lead to discrepancies between totals. This table forms part of the notes.

HORNBACH HOLDING AG GROUP

Notes to the Group Interim Report as of May 31, 2008

(1) Accounting principles

This group interim report of HORNBACH HOLDING AG and its subsidiaries for the first quarter as of May 31, 2008 has been compiled in accordance with Section 315a of the German Commercial Code (HGB) based on International Financial Reporting Standards (IFRS) in the form requiring mandatory application in the European Union.

The accounting principles applied in the compilation of this interim report correspond to those applied in the consolidated financial statements as of February 29, 2008. The Group has made additional application of IAS 34 "Interim Financial Reporting". This interim report is to be read in conjunction with the consolidated financial statements of HORNBACH HOLDING AG for the 2007/2008 financial year. Reference is made to these financial statements on account of the additional information they contain as to the specific accounting and valuation methods applied. The notes included therein also apply to this interim report, unless any amendments are expressly indicated. Moreover, this interim report also complies with German Accounting Standard No. 6 (DRS 6) – Interim Reporting – of the German Accounting Standards Committee (DRSC e.V.). The interim financial statements are neither audited nor subject to an audit review by the group auditor.

The interpretations IFRIC 12 "Service Concession Arrangements", IFRIC 13 "Customer Loyalty Programmes" and IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" require application from the beginning of the 2008/2009 financial year. As these interpretations have not yet been adopted by the European Union, they have also not been applied in the interim consolidated financial statements as of May 31, 2008. The first-time application of these interpretations is not expected to have any material impact on the consolidated financial statements. The implications of the standards and interpretations requiring mandatory application for the first time after the 2008/2009 financial year are currently under review.

(2) Scope of consolidation

The companies HY Immobilien Ypsilon GmbH, HN Immobilien Ny GmbH and HX Immobilien GmbH (all in Wiener-Neudorf, Austria) were sold in the first quarter of 2008/2009 and deconsolidated as of May 9, 2008.

(3) Seasonal influences

Due to weather conditions, the HORNBACH HOLDING AG Group generally generates lower sales in the autumn and winter months than in the spring and summer months. These seasonal fluctuations are reflected in the figures for the first quarter. The results of business operations for the first three months up to May 31, 2008 do not necessarily provide an accurate indication of the results to be expected for the financial year as a whole.

(4) Other income and expenses

Other income and expenses are structured as follows:

€ million	1st Quarter 2008/2009	1st Quarter 2007/2008	Change in %
Other income	21.5	9.5	126.2
Other expenses	5.3	6.7	-21.0
Other income and expenses	16.2	2.8	477.4

Percentages calculated on basis of € 000s.

Other operating income primarily relates to income from advertising grants and to income from exchange rate and payment differences. Furthermore, the other income for the first quarter of 2008/2009 also includes non-operating income of € 12.6 million (previous year: € 0m). This results from the disposal of three Austrian real estate companies (€ 11.3m), the release of a provision for onerous contracts (€ 0.8m), and the disposal of part of a piece of land (€ 0.6m).

Other operating expenses principally consist of exchange rate and currency differences, and losses incurred on the sale of non-current assets. The other expenses for the first quarter of the 2008/2009 financial year include non-operating expenses of € 1.9 million (previous year: € 2.8m). These result from the write-down of a piece of land held for sale to the expected net disposal proceeds of € 0.5 million (previous year: € 0m) and from the write-down of € 1.4 million on discontinued investment projects (previous year: € 1.3m). The previous year's figure also includes extraordinary depreciation of € 1.1 million on buildings under construction and an addition of € 0.4 million to provisions for onerous contracts. The non-operating expenses relate to the real estate segment.

(5) Taxes on income

€ million	1st Quarter 2008/2009	1st Quarter 2007/2008	Change in %
Current tax expenses	11.7	8.9	32.4
Deferred tax expenses/income	0.9	0.3	172.0
Taxes on income	12.6	9.2	37.3

Percentages calculated on basis of € 000s.

(6) Earnings per share

Basic earnings per share are calculated pursuant to IAS 33 (Earnings per Share) as the quotient of the income allocable to the shareholders of HORNBAACH HOLDING AG for the period under report and the weighted average number of shares outstanding.

Earnings per share

€ million	1st Quarter 2008/2009	1st Quarter 2007/2008
Consolidated net income	38.7	17.2
Additional dividend for preference shares	0.2	0.2
Consolidated net income adjusted to account for additional dividend claims	38.5	17.0
Number of ordinary shares issued	4,000,000	4,000,000
Number of preference shares issued	4,000,000	4,000,000
	8,000,000	8,000,000
Earnings per share (in €)	4.81	2.12
Additional dividend claim per preference share (in €)	0.06	0.06
Earnings per preference share (in €)	4.87	2.18

(7) Other disclosures

The personnel expenses of the HORNBAACH HOLDING AG Group amounted to € 115.8 million at the end of the first quarter as of May 31, 2008 (previous year: € 109.8m).

Depreciation and amortization totaling € 17.2 million was undertaken on intangible assets and property, plant and equipment at the HORNBAACH HOLDING AG Group in the first three months of the 2008/2009 financial year (previous year: € 19.2m).

(8) Share option plans

Within the framework of the 1999 share option plan of HORNBACH-Baumarkt-AG, a total of 27,990 subscription rights were conditionally exercised in accordance with the terms and conditions of the share option plan during the exercise window from May 28 to June 6, 2008. In addition, 800 share options were exercised within the share option plan of HORNBACH HOLDING AG over the same period. Furthermore, a total of 6,240 share options within the 2003 phantom stock plan of HORNBACH-Baumarkt-AG were exercised during the exercise window from May 28 to June 3, 2008.

(9) Contingent liabilities and other financial obligations

These mainly relate to rental, leasehold, heritable building right and leasing obligations for which the companies of the HORNBACH HOLDING Group do not constitute the economic owners of the assets thereby let pursuant to the requirements of IFRS (operating lease). There have been no material changes since February 29, 2008.

(10) Relationships to closely related companies and persons

In addition to the subsidiaries included in the consolidated financial statements, HORNBACH HOLDING AG also has direct or indirect relationships with associated companies when performing its customary business activities. Apart from the transactions reported in the annual financial statements, no major transactions were undertaken with closely related companies and persons during the first quarter of 2008/2009.

(11) Segment reporting

1st Quarter 2008/2009 in € million 1st Quarter 2007/2008 in € million	DIY Stores	Builders' Merchants	Real Estate	Miscellaneous and Consolidation	HORNBACH HOLDING AG Group
Segment sales	739.0	38.6	42.0	-41.9	777.7
	695.8	36.9	39.5	-39.5	732.7
Sales to third parties	739.0	37.9	0.0	0.0	776.9
	695.8	36.2	0.0	0.0	732.0
Sales to affiliated companies	0.0	0.7	0.0	-0.7	0.0
	0.0	0.7	0.0	-0.7	0.0
Rental income from affiliated companies	0.0	0.0	41.2	-41.2	0.0
	0.0	0.0	38.8	-38.8	0.0
Rental income from third parties	0.0	0.0	0.8	0.0	0.8
	0.0	0.0	0.7	0.0	0.7
Segment result (EBIT)	44.1	0.2	28.6	-6.0	66.9
	30.8	0.0	13.0	-5.0	38.8
Depreciation and amortization	9.3	0.8	5.0	2.1	17.2
	9.8	0.7	6.3	2.4	19.2
EBITDA	53.4	1.0	33.6	-3.9	84.1
	40.6	0.7	19.3	-2.6	58.0

Rounding up or down may lead to discrepancies between totals.

Neustadt an der Weinstrasse, June 26, 2008

The Board of Management of HORNBACH HOLDING Aktiengesellschaft

Financial Calendar 2008

June 26, 2008	Interim Report as of May 31, 2008
July 11, 2008	Annual General Meeting in Landau/Pfalz
September 30, 2008	Interim Report as of August 31, 2008
December 22, 2008	Interim Report as of November 30, 2008

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DISCLAIMER

This financial report contains forward-looking statements based on assumptions and estimates made by the Board of Management of HORNBACH. Statements referring to the future are always only valid at the time at which they are made. Although we assume that the expectations reflected in these forecast statements are realistic, the company can provide no guarantee that these expectations will also turn out to be accurate. The assumptions may involve risks and uncertainties which could result in actual results differing significantly from the forecast statements. The factors which could produce such variances include changes in the economic and business environment, particularly in respect of consumer behavior and the competitive environment in those retail markets of relevance for HORNBACH. Furthermore, they include a lack of acceptance of new sales formats or new product ranges, as well as changes to the corporate strategy. HORNBACH has no plans to update the forecast statements, neither does it accept any obligation to do so.