INTERIM REPORT

HORNBACH HOLDING AG GROUP

FIRST NINE MONTHS 2008/2009

(MARCH 1 – NOVEMBER 30, 2008)

HORNBACH HOLDING AG

HORNBACH HOLDING AG Group

Interim Report for the First Nine Months of 2008/2009

(March 1 – November 30, 2008)

Key Figures of the HORNBACH HOLDING AG Group (in € million, unless otherwise stated)	3rd Quarter 2008/2009	3rd Quarter 2007/2008	Change in %	Nine Months 2008/2009	Nine Months 2007/2008	Change in %
Net sales	**688.5**	**648.7**	**6.1**	**2,214.0**	**2,077.9**	**6.5**
of which in other European countries	271.2	240.5	12.8	855.9	756.8	13.1
Like-for-like sales growth (DIY)	1.5%	-4.1%		1.8%	0.0%	
Gross margin as % of net sales	34.8%	34.5%		35.5%	35.4%	
EBITDA	40.4	33.8	19.4	217.2	157.4	38.0
EBIT	**22.6**	**13.4**	**67.9**	**164.5**	**99.7**	**65.0**
Consolidated earnings before taxes	14.4	3.8	-	139.3	73.5	89.4
Consolidated net income *	9.3	1.8	-	105.0	63.2	66.0
Earnings per preference share in €	0.97	0.24	-	10.70	6.48	65.1
Investments	39.5	34.4	14.8	100.5	152.8	-34.2

Misc. Key Figures of the HORNBACH HOLDING AG Group (in € million, unless otherwise stated)	November 30, 2008	February 29, 2008	Change in %
Total assets	2,041.5	1,902.0	7.3
Shareholders' equity	781.3	687.6	13.6
Shareholders' equity as % of total assets	38.3%	36.1%	
Number of employees	13,255	12,710	4.3

* pursuant to IFRS including minority interests.

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

Summary

- Pleasing business performance continues into autumn
- Nine-month consolidated sales up by 6.5%
- DIY stores prove resistant to the crisis, reporting like-for-like sales growth of 1.8% (9M)
- EBIT shows clearly disproportionate growth of 65% to € 164.5 million – forecast upheld

The HORNBACH HOLDING AG Group successfully defied the deterioration in underlying conditions due to the global financial and economic crisis in the first nine months of its 2008/2009 financial year (March 1 to November 30, 2008). Thanks to a pleasing third-quarter business performance, earnings have continued to show clearly disproportionate growth compared with sales. The sales of the HORNBACH Group rose by 6.5% to € 2,214.0 million in the first nine months (previous year: € 2,077.9m). The downturn in consumer confidence in Germany and the eurozone in the wake of the financial crisis has so far not left any mark on the sales performance of the overall Group. Like-for-like sales in the DIY retail segment grew by 1.5% in the third quarter and by 1.8% in the first nine months. With like-for-like sales growth of plus 1.9% in the third quarter and of plus 1.7% in the first nine months of 2008/2009, the HORNBACH DIY megsatores with garden centers in Germany once again outperformed the DIY sector by a significant margin and acquired additional market share. The HORNBACH DIY megastores with garden centers in other European countries managed yet again to beat the high level of like-for-like sales already achieved in previous years.

In the reporting period from March to November 2008, the HORNBACH HOLDING AG Group significantly boosted its earnings power compared with the equivalent period in the previous year. This was chiefly driven by like-for-like sales growth at the DIY megastores with garden centers in Germany and abroad in conjunction with a slight increase in the gross margin, as well as by improved cost efficiency at the Group. The rise in earnings in the first nine months was driven not only by operating earnings growth in the DIY store segment, but also by higher earnings in the real estate segment, especially in the first two quarters. Operating earnings (EBIT) for the first nine months grew by 65.0% to € 164.5 million (previous year: € 99.7m). Basic earnings per preference share were reported at € 10.70 (previous year: € 6.48). A glance at the balance sheet also reveals the solid foundations on which the Group stands. The equity ratio amounted to 38.3% as of November 30, 2008 (February 29, 2008: 36.1%), while the significant increase in cash and cash equivalents led the Group's net financial liabilities to reduce by € 88.3 million to € 495.3 million (February 29, 2008: € 583.6m).

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 third quarter of 2008/2009 (September 1 to November 30, 2008), the net sales of the HORNBACH Group rose by 6.1% to € 688.5 million (previous year: € 648.7m). Sales for the first nine months as a whole increased by 6.5% to € 2,214.0 million (previous year: € 2,077.9m). Overall, 94% of the net sales of the HORNBACH Group as of November 30, 2008 were attributable to the most important operating subgroup, HORNBACH-Baumarkt-AG.

With its focus on project customers, our DIY retail format has so far proven resistant to the sharp deterioration in the macroeconomic climate since September. Particularly in economically difficult periods, consumers tend to set store by factors such as reliability and quality. We are convinced that HORNBACH has built up a successful, unmistakable and sustainable position for its project concept within the European DIY and home improvement sector. Customers have honored the combination of large-scale sales areas, broad product ranges, professional advice, accompanying support services and permanently low prices. We have also benefited from the fact that we are second to none in our sector when it comes to product ranges and advice required for topics relating to energy saving (especially insulation, windows, doors, heating boilers etc.), areas in which we also reported above-average growth rates. All these factors are positively reflected in our sales and customer statistics for the reporting period from March to November 2008.

* Unless otherwise stated, periods relating to HORNBACH are based on the company's financial year (March – February) rather than the calendar year.

The **HORNBACH-Baumarkt-AG** subsidiary operated 128 DIY megastores with garden centers across Europe as of November 30, 2008 (February 29, 2008: 125). In the third quarter, we opened our fourth HORNBACH DIY megastore with a garden center in Switzerland in Biel/Bienne. With total sales areas of around 1,431,000 m², the average HORNBACH DIY store now has a size of 11,179 m² (previous year: 11,079 m²). Net sales at the HORNBACH-Baumarkt-AG subgroup in the third quarter of 2008/2009 rose by 6.4% to € 644.2 million (previous year: € 605.7m). Cumulatively for the first nine months of 2008/2009, sales therefore grew by 6.6% to € 2,083.3 million (previous year: € 1,955.0m). Particularly pleasing in this respect is the consistent growth shown by like-for-like sales. Comparable store sales at the HORNBACH-Baumarkt-AG subgroup rose year-on-year by 1.5% in the third quarter. Cumulative like-for-like sales improved by 1.8% in the first nine months. As already in the previous quarter, the HORNBACH DIY megastores with garden centers in Germany made a disproportionate contribution to this development in the third quarter.

The unadjusted net sales of our 91 German stores in the third quarter (September to November 2008) increased by 2.1% to € 373.1 million (previous year: € 365.2m). Cumulatively, we reported sales growth of 2.4% in absolute terms to € 1,227.5 million in the first nine months (previous year: € 1,198.3m). The German stores' share of consolidated sales decreased from 61% to 59%, as a higher rate of growth was reported abroad due to the Group's expansion in other countries. On a like-for-like basis, sales improved year-on-year by 1.9% in the third quarter and by 1.7% cumulatively for the first nine months. In view of our substantially above-average business performance compared with our competitors, we acquired further market share in Germany in the period under report.

International sales, including the three stores newly opened in the current financial year, rose by 12.8% to € 271.2 million in the third quarter of 2008/2009 (previous year: € 240.5m). In the first nine months of 2008/2009, sales at the stores in other European countries grew by 13.1% to € 855.7 million (previous year: € 756.7m). Due to the expansion focusing on countries outside Germany, the international share of the consolidated sales of HORNBACH-Baumarkt-AG had risen from 38.7% to 41.1% by the end of the first nine months. Notwithstanding the marked deterioration in the economic climate in Europe, the international stores once again managed to top the very high level of like-for-like sales already achieved in previous years by a slight margin. Like-for-like sales grew by 0.8% in the third quarter of 2008/2009. The 37 international HORNBACH locations concluded the first nine months of the financial year with like-for-like sales growth of 1.8%. Further details about the business performance of the HORNBACH-Baumarkt-AG subgroup can be found in the interim report published separately by this subsidiary.

Given the deterioration in the economic climate, sales at the **HORNBACH Baustoff Union GmbH** subgroup (HBU) grew by 2.7% to € 44.2 million in the third quarter of 2008/2009 (previous year: € 43.1m), and thus failed to latch onto the dynamic performance posted for the previous quarter (plus 10.5%). Net sales for the first nine months of 2008/2009 increased by 6.0% to € 130.9 million (previous year: € 123.4m).

Earnings performance

The key earnings figures of the overall HORNBACH HOLDING AG Group continued to show consistently positive year-on-year developments in the reporting period from March to November 2008. More than anything, this was attributable to the increased earnings power in the DIY store segment. This in turn was primarily driven by like-for-like sales growth in Germany and abroad in conjunction with a slight increase in the gross margin, as well as by improved store cost efficiency. Moreover, the increase in earnings in the real estate segment, which already took effect in the first two quarters of the current 2008/2009 financial year, also contributed to the Group's earnings growth.

The gross margin improved slightly in the third quarter of 2008/2009. Across the Group as whole, the gross profit as a percentage of net sales rose from 34.5% to 34.8%. The earnings performance also benefited from more favorable cost ratios at the stores. As a percentage of net sales, selling and store expenses declined from 28.2% in the third quarter of the previous year to 27.5%. The pre-opening expense ratio rose on account of the Group's expansion from 0.2% to 0.4%. The administration expenses ratio crept up from 4.0% to 4.1%. Other income and expenses rose from € 0.2 million to € 3.2 million in the third quarter. This sharp growth was largely attributable to a positive base effect involving non-operating charges on earnings in the real estate segment in the previous year. The income of € 0.4 million in the third quarter of the current financial year contrasted in this respect with the negative figure of € 3.7 million reported for the equivalent quarter in the previous year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 19.4% to € 40.4 million in the third quarter (previous year: € 33.8m). Operating earnings (EBIT) surged by 67.9% to € 22.6million (previous year: € 13.4m). Consolidated earnings before taxes grew from € 3.8 million to € 14.4 million. Consolidated net income amounted to € 9.3 million (previous year: € 1.8m). Basic earnings per preference share were reported at € 0.97 for the third quarter (previous year: € 0.24).

The development in earnings in the first nine months of 2008/2009 benefited from the pleasing business performance in the third quarter. EBITDA for the period from March to November 2008 increased by 38.0% to € 217.2 million (previous year: € 157.4m). Operating earnings (EBIT) grew by 65.0% to € 164.5 million (previous year: € 99.7m). Consolidated earnings before taxes climbed by 89.4% to € 139.3 million (previous year: € 73.5m). Consolidated net income grew by 66.0% to € 105.0 million (previous year: € 63.2m). Basic earnings per preference share improved from € 6.48 to € 10.70.

The key earnings figures for the overall Group are largely dependent on the earnings performance of the largest operating subgroup, **HORNBACH-Baumarkt-AG**. Operating earnings (EBIT) at this company grew by 134.3% to € 14.6 million in the third quarter (previous year: € 6.2m) and cumulatively by 64.4% to € 129.0 million in the first nine months (previous year: € 78.5m).

Operating earnings (EBIT) at the **HORNBACH Immobilien AG** subgroup rose by 26.6% to € 9.7 million in the third quarter (previous year: € 7.7m). The factors contributing to this growth included the profit of € 1.2 million generated by the sale of a former garden center (Ludwigshafen). EBIT for the first nine months grew by 60.6% to € 37.8 million (previous year: € 23.5m).

Operating earnings at **HORNBACH Baustoff Union GmbH** rose by 21.1% to € 1.2 million in the third quarter (previous year: € 1.0m) and by 23.6% to € 3.3 million in the first nine months (previous year: € 2.7m).

Financial and asset situation

Due to the lower number of new store openings (three, as against five in the previous year), the investments made in the first nine months of the current 2008/2009 financial year dropped year-on-year from € 152.8 million to € 100.5 million. Around 66% of the funds were invested in land and buildings, while the remainder was channeled into plant and office equipment at new and existing stores, as well as into intangible assets (mostly IT software). Investments were financed in full from the cash flow of € 170.7 million from operating activities (previous year: € 86.8m). Information concerning the financing and investment activities of HORNBACH HOLDING AG can be found in the cash flow statement on Page 9.

Total assets rose by 7.3% from € 1,902.0 million as of February 29, 2008 to € 2,041.5 million as of November 30, 2008. This increase was largely due to the marked growth in cash and cash equivalents by € 97.1 million to € 293.1 million and in property, plant and equipment by € 40.1 million to € 984.8 million. Shareholders' equity as reported in the balance sheet rose by 13.6%, or € 93.7 million, compared with the previous reporting date to reach € 781.3 million. As a result, the equity ratio improved from 36.1% to 38.3%. Non-current financial debt fell from € 648.9 million to € 638.3 million, while current financial debt rose from € 130.7 million to € 150.1 million. The net financial liabilities of the HORNBACH HOLDING AG Group fell by 15.1% from € 583.6 million as of February 29, 2008 to € 495.3 million.

Employees

At the reporting date on November 30, 2008, the HORNBACH HOLDING AG Group had a total of 13,255 employees across Europe (February 29, 2008: 12,710).

Outlook

The opening of one further HORNBACH DIY megastore with a garden center is scheduled to take place by the reporting date on February 28, 2009. With the first store in Hamburg, which is set to open its doors in February, our store network will grow to a total of 129 locations by the end of the 2008/2009 financial year (February 29, 2008: 125).

Upon the completion of this interim report, there were still no signs of any negative impact on HORNBACH's business performance in the wake of the dramatic intensification in the financial crisis since mid-September 2008. Given the severity and duration of the recession forecast for the European economies, future developments are surrounded by considerable uncertainty. Of crucial importance in this respect will be the way in which consumer demand changes in the coming months in the light of these developments.

Notwithstanding these uncertainties, based on the information currently available we hereby affirm the key statements in our company forecast published three months ago. Accordingly, consolidated sales are expected to show growth in a medium single-digit percentage range both on the level of the overall HORNBACH HOLDING AG Group and of the HORNBACH-Baumarkt-AG subgroup in the current 2008/2009 financial year. We expect our DIY megastores with garden centers in Germany to achieve positive year-on-year sales growth both in absolute terms and on a like-for-like basis in the current financial year and to continue to exceed average growth rates in the sector. We also expect to see continued sales growth in other European countries. Operating earnings (EBIT) for the current financial year (2008/2009) are expected to show clearly disproportionate growth compared with sales both on the level of the overall HORNBACH HOLDING AG Group and of the HORNBACH-Baumarkt-AG subgroup and to exceed the figures reported for the 2006/2007 financial year (€ 119m and € 96m respectively). We aim to achieve this on the one hand by enhancing the earnings power in the 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 sale of five HORNBACH DIY megastores with garden centers located outside Germany by way of sale and leaseback transactions.
Upon this report being approved for publication in mid-December 2008, the outstanding sale of the four HORNBACH DIY megastores with garden centers outside Germany, which had been forecast in the half-year report to take place in the third quarter, had not yet been executed as a result of the financial crisis. We now expect it to be possible to complete two transactions with combined disposal gains of around € 20 million in the fourth quarter (December 1, 2008 to February 28, 2009). The sale of the two remaining DIY megastores with garden centers, involving disposal gains of around € 1.0 million, will be postponed to the first half of the coming 2009/2010 financial year. Of the inflow of funds of around € 104 million from the sale of the real estate package, half is expected to be received in the current 2008/2009 financial year and half in the 2009/2010 financial year.

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Income Statement

€ million	3rd Quarter 2008/2009	3rd Quarter 2007/2008	Change in %	Nine Months 2008/2009	Nine Months 2007/2008	Change in %
Sales	688.5	648.7	6.1	2,214.0	2,077.9	6.5
Cost of goods sold	448.8	424.7	5.7	1,427.1	1,342.8	6.3
Gross profit	**239.8**	**223.9**	**7.1**	**786.8**	**735.1**	**7.0**
Selling and store expenses	189.5	183.0	3.6	568.1	553.7	2.6
Pre-opening expenses	2.4	1.5	63.4	7.1	6.0	18.0
General and administration expenses	28.4	26.2	8.6	86.3	81.7	5.7
Other income and expenses	3.2	0.2	-	39.2	6.0	-
Operating earnings (EBIT)	**22.6**	**13.4**	**67.9**	**164.5**	**99.7**	**65.0**
Financial income	5.6	3.2	73.8	12.3	8.5	43.6
Financial expenses	13.7	12.9	6.3	37.5	34.7	8.1
Net financial expenses	**-8.1**	**-9.7**	**-16.0**	**-25.2**	**-26.1**	**-3.5**
Consolidated earnings before taxes	**14.4**	**3.8**	**-**	**139.3**	**73.5**	**89.4**
Taxes on income	5.2	1.9	-	34.3	10.3	-
Consolidated net income	**9.3**	**1.8**	**-**	**105.0**	**63.2**	**66.0**
of which income allocable to shareholders	7.5	1.7	-	85.4	51.6	65.3
of which minority interests	1.8	0.1	-	19.6	11.6	69.7
Basic earnings per share (in €)	0.91	0.18	-	10.64	6.42	65.7
Basic earnings per preference share (in €)	0.97	0.24	-	10.70	6.48	65.1

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

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Balance Sheet

ASSETS	November 30, 2008 € million	%	February 29, 2008 € million	%
Non-current assets	**1,100.8**	**53.9**	**1,046.8**	**55.0**
Intangible assets	20.6	1.0	22.4	1.2
Property, plant and equipment	984.8	48.2	944.7	49.7
Investment property	33.5	1.6	30.3	1.6
Financial assets	5.6	0.3	2.7	0.1
Other non-current assets	18.2	0.9	7.0	0.4
Non-current income tax receivables	16.0	0.8	17.9	0.9
Deferred tax assets	22.1	1.1	21.8	1.1
Current assets	**940.7**	**46.1**	**855.2**	**45.0**
Inventories	482.3	23.6	498.1	26.2
Accounts receivable and other assets	109.1	5.3	66.7	3.5
Income tax receivables	15.8	0.8	15.7	0.8
Cash and cash equivalents	293.1	14.4	196.0	10.3
Non-current assets and disposal groups held for sale	40.5	2.0	78.7	4.1
TOTAL ASSETS	**2,041.5**	**100.0**	**1,902.0**	**100.0**

EQUITY AND LIABILITIES	November 30, 2008 € million	%	February 29, 2008 € million	%
Shareholders' equity	**781.3**	**38.3**	**687.6**	**36.1**
Share capital	24.0	1.2	24.0	1.3
Capital reserve	130.4	6.4	130.4	6.9
Retained earnings	492.2	24.1	416.5	21.9
Minority interests	134.7	6.6	116.7	6.1
Non-current liabilities	**730.7**	**35.8**	**735.6**	**38.7**
Long-term financial debt	638.3	31.3	648.9	34.1
Deferred tax liabilities	70.1	3.4	71.1	3.7
Other non-current liabilities	22.3	1.1	15.6	0.8
Current liabilities	**529.4**	**25.9**	**478.8**	**25.2**
Short-term financial debt	150.1	7.4	130.7	6.9
Accounts payable and other liabilities	267.7	13.1	245.2	12.9
Income tax provisions	44.1	2.2	29.0	1.5
Other provisions and accruals	54.9	2.7	59.4	3.1
Disposal group liabilities	12.7	0.6	14.5	0.8
TOTAL EQUITY AND LIABILITIES	**2,041.5**	**100.0**	**1,902.0**	**100.0**

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

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Cash Flow Statement

€ million	Nine Months 2008/2009	Nine Months 2007/2008
Consolidated net income	**105.0**	**63.2**
Depreciation and amortization of non-current assets	52.7	57.7
Change in provisions	0.6	1.3
Profits/losses on disposals of non-current assets and of non-current assets held for sale	-26.9	1.9
Change in inventories, accounts receivable and other assets	0.6	-39.0
Change in accounts payable and other liabilities	40.0	16.0
Other non-cash income/expenses	-1.3	-14.4
Cash flow from operating activities	**170.7**	**86.8**
Proceeds from disposals of non-current assets and of non-current assets held for sale	30.1	41.8
Payments for investments in property, plant and equipment	-92.8	-150.3
Payments for investments in intangible assets	-1.7	-2.0
Payments for acquisitions of shareholdings and other business units	-1.9	-0.4
Payments for investments in other financial assets	-4.1	-0.2
Cash flow from investing activities	**-70.3**	**-111.0**
Proceeds from capital increases	1.3	4.4
Payment of dividend	-12.0	-11.8
Proceeds from taking up of long-term debt	25.2	33.8
Repayment of long-term debt	-35.2	-34.5
Change in short-term debt	17.4	17.0
Cash flow from financing activities	**-3.2**	**8.9**
Cash-effective change in cash and cash equivalents	97.1	-15.3
Change in cash and cash equivalents due to changes in exchange rates	0.0	-0.3
Cash and cash equivalents at March 1	196.0	264.6
Cash and cash equivalents at November 30	**293.1**	**249.0**

Rounding up or down may lead to discrepancies between totals.

The cash flow from operating activities was reduced by € 21.1 million on account of tax payments (previous year: € 19.4m) and by € 36.2 million on account of interest payments (previous year: € 37.1m) and increased by € 10.1 million on account of interest received (previous year: € 8.4m).

The non-cash income/expenses item reported for the previous 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	Nine Months 2008/2009	Nine Months 2007/2008
Valuation of derivative financial instruments	-2.1	1.8
Exchange differences arising on the translation of foreign subsidiaries	1.2	2.8
Deferred taxes on gains and losses recognized directly in equity	0.6	-0.6
Net income recognized directly in equity	**-0.3**	**4.0**
Consolidated net income	105.0	63.2
Total income and expenses recognized in the financial statements	**104.7**	**67.2**
of which: allocable to shareholders	85.1	54.7
of which: allocable to minority interests	19.6	12.5

Rounding up or down may lead to discrepancies between totals.

HORNBACH HOLDING AG GROUP

Statement of Changes in Equity

Nine Months 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					51.6	51.6	11.6	63.2
Valuation of derivative financial instruments, net after taxes			1.0			1.0	0.2	1.2
Currency translation				2.1		2.1	0.7	2.8
Total income and expenses recognized in the financial statements			**1.0**	**2.1**	**51.6**	**54.7**	**12.5**	**67.2**
Dividend distribution					-8.9	-8.9	-2.9	-11.8
Capital increase from share option plans					0.0	0.0	4.7	4.7
Changes in scope of consolidation					-0.8	-0.8	0.9	0.2
Balance at November 30, 2007	**24.0**	**130.4**	**-0.2**	**5.3**	**413.2**	**572.7**	**117.2**	**689.9**

Nine Months 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					85.4	85.4	19.6	105.0
Valuation of derivative financial instruments, net after taxes			-1.2			-1.2	-0.3	-1.5
Currency translation				1.0		1.0	0.2	1.2
Total income and expenses recognized in the financial statements			**-1.2**	**1.0**	**85.4**	**85.1**	**19.6**	**104.7**
Dividend distribution					-8.9	-8.9	-3.1	-12.0
Capital increase from share option plans						0.0	1.4	1.4
Changes in scope of consolidation					-0.5	-0.5	0.1	-0.4
Balance at November 30, 2008	**24.0**	**130.4**	**-2.5**	**8.1**	**486.6**	**646.6**	**134.7**	**781.3**

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

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Notes to the Group Interim Report as of November 30, 2008

(1) Accounting principles

This unaudited group interim report of HORNBACH HOLDING AG and its subsidiaries for the first nine months as of November 30, 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. 16 (DRS 16) – Interim Reporting – of the German Accounting Standards Committee (DRSC e.V.).

The interpretations IFRIC 12 "Service Concession Arrangements" 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 had not yet been adopted by the European Union as of November 30, 2008, they have also not yet been applied in the interim consolidated financial statements. 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 Xi GmbH (all in Wiener-Neudorf, Austria) were sold in the first nine months of 2008/2009 and deconsolidated as of May 9, 2008. Moreover, the companies HIAG Fastigheter i Karlstad AB (Sweden) and Hornbach Real Estate Breda B.V. (Netherlands) were included in the consolidated financial statements for the first time in the third quarter.

(3) Seasonal influences

Due to weather conditions, the HORNBACH HOLDING AG Group generally reports a weaker business performance in the autumn and winter months than in the spring and summer months. These seasonal fluctuations are reflected in the figures for the first nine months of the financial year. The results of business operations in the first nine months up to November 30, 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	3rd Quarter 2008/2009	3rd Quarter 2007/2008	Change in %
Other income	12.7	7.7	65.5
Other expenses	9.5	7.5	27.4
Other income and expenses	**3.2**	**0.2**	-

€ million	Nine Months 2008/2009	Nine Months 2007/2008	Change in %
Other income	56.5	25.9	118.3
Other expenses	17.3	19.9	-12.9
Other income and expenses	**39.2**	**6.0**	-

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

The other operating income for the first nine months of 2008/2009 consists of operating income of € 27.9 million (previous year: € 25.8m) and non-operating income of € 28.6 million (previous year: € 0.1m). Operating income primarily relates to advertising grants and to income from exchange rate and payment differences. Non-operating income results from the disposal of three Austrian real estate companies (€ 11.3m), one DIY store property and miscellaneous pieces of land not required for operations (€ 16.5m). The DIY store property was leased back on a long-term basis within the framework of an operating lease. There is a rental extension option following the expiry of the fixed-term basic rental period. This item also includes income of € 0.8 million from the release of a provision for onerous contracts. The non-operating income of € 0.1 million reported in the previous year resulted from the write-up of a piece of land in the real estate segment.

The other operating expenses for the first nine months of 2008/2009 consist of operating expenses of € 14.1 million (previous year: € 12.3m) and non-operating expenses of € 3.2 million (previous year: € 7.6m). Operating expenses chiefly consist of exchange rate and payment differences, as well as of write-downs of receivables. Non-operating expenses include an amount of € 0.7 million in connection with the extraordinary depreciation (IAS 40) of a piece of land no longer required for operations (previous year: € 0.2m) and an amount of € 0.5 million in connection with a piece of land held for sale (previous year: € 0m). Furthermore, this item also includes expenses of € 1.9 million (previous year: € 1.3m) due to discontinued investment projects and an amount of € 0.1 million due to an addition to provisions for onerous contracts (€ 2.2m). The extraordinary depreciation results from the difference between the carrying amount and the expected net sale proceeds. The previous year's figure also includes extraordinary depreciation of € 3.3 million on buildings under construction and land, and a loss of € 0.6 million on the retirement of non-current assets. The non-operating expenses relate to the real estate segment.

(5) Taxes on income

Taxes on income are structured as follows:

€ million	3rd Quarter 2008/2009	3rd Quarter 2007/2008	Change in %
Current tax expenses	6.6	3.1	111.5
Deferred taxes	-1.4	-1.2	16.9
Taxes on income	**5.2**	**1.9**	-

€ million	Nine Months 2008/2009	Nine Months 2007/2008	Change in %
Current tax expenses	35.8	24.7	45.0
Deferred taxes	-1.5	-14.4	-89.6
Taxes on income	**34.3**	**10.3**	-

Percentages calculated on basis of € 000s.

At its meeting on July 6, 2007, the Federal Council (*Bundesrat*) approved the 2008 Corporate Taxation Reform Act. As a result, the tax rate in Germany has been amended from its previous level of around 38% to around 30%. The adjustment of the deferred tax assets and liabilities stated up to that date to the lower tax rate resulted in tax income of € 13.3 million in the first nine months of the previous year.

(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 HORNBACH HOLDING AG for the period under report and the weighted average number of shares outstanding.

	3rd Quarter 2008/2009	3rd Quarter 2007/2008
Consolidated net income	7.5	1.7
Additional dividend for preference shares	0.2	0.2
Consolidated net income adjusted to account for additional dividend claims	7.3	1.5
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 €)	0.91	0.18
Additional dividend claim per preference share (in €)	0.06	0.06
Earnings per preference share (in €)	0.97	0.24

	Nine Months 2008/2009	Nine Months 2007/2008
Consolidated net income	85.4	51.6
Additional dividend for preference shares	0.2	0.2
Consolidated net income adjusted to account for additional dividend claims	85.1	51.4
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 €)	10.64	6.42
Additional dividend claim per preference share (in €)	0.06	0.06
Earnings per preference share (in €)	10.70	6.48

(7) Other disclosures

The personnel expenses of the HORNBACH HOLDING AG Group amounted to € 334.3 million at the end of the first nine months as of November 30, 2008 (previous year: € 311.0m).

Depreciation and amortization totaling € 52.7 million was undertaken on non-current intangible assets and property, plant and equipment at the HORNBACH HOLDING AG Group in the first nine months of the 2008/2009 financial year (previous year: € 57.7m).

(8) Dividends

As proposed by the Board of Management and Supervisory Board of HORNBACH HOLDING AG, following approval by the Annual General Meeting on July 11, 2008 dividends of € 1.08 per ordinary share and € 1.14 per preference share were distributed to shareholders for the 2007/2008 financial year.

(9) Share option plans

Within the framework of the 1999 share option plan of HORNBACH-Baumarkt-AG, a total of 53,360 subscription rights were exercised in accordance with the terms and conditions of the share option plan during the exercise windows in the first nine months of 2008/2009. In addition, a total of 8,120 share options within the 2003 phantom stock plan of HORNBACH-Baumarkt-AG and 1,280 share options within the share option plan of HORNBACH HOLDING AG were exercised over the same period.

(10) Employee shares

On September 1, 2008, the Board of Management of HORNBACH-Baumarkt-AG resolved pursuant to Section 71 (1) No. 2 of the German Stock Corporation Act (AktG) to acquire up to 20,000 treasury stock shares. The shares were to be acquired for the (annual) issue of employee shares scheduled to take place at the end of 2008. The share buyback was completed on November 26, 2008. A total of 10,072 treasury stock shares were acquired.

The repurchase of shares pursuant to this management board resolution is being undertaken in accordance with the safe harbor regulations set out in Section 20a (3) of the German Securities Trading Act (WpHG) in conjunction with Regulation (EC) No. 2273/2003 of the Commission dated December 22, 2003.

(11) Contingent liabilities and other financial obligations

These mainly involve rental, hiring, leasehold and leasing contracts for which the companies of the HORNBACH HOLDING AG Group do not constitute the economic owners of the assets thereby leased pursuant to IFRS regulations (Operating Lease). These amounted to € 923.0 million at the end of the first nine months of 2008/2009 (February 29, 2008: € 891.0m).

(12) 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 performed with closely related companies and persons during the first nine months of 2008/2009.

(13) Board of Management

Eduard Zimmerle, previously Deputy Chairman of the Board of Management of HORNBACH HOLDING AG, retired from his position on the Board as of October 31, 2008. His duties on the Board of Management of HORNBACH HOLDING AG have been assumed by Albrecht Hornbach.

(14) Events after the end of the quarter under report

In its Official Journal dated December 17, 2008, the European Union adopted the interpretation IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". The first-time application of this interpretation will not have any material impact on the consolidated financial statements.

(15) Segment reporting

Nine Months 2008/2009 in € million Nine Months 2007/2008 in € million	**DIY Stores**	**Builders' Merchants**	**Real Estate**	**Miscellaneous and Consolidation**	**HORNBACH HOLDING AG Group**
Segment sales	**2,082.6**	**130.9**	**128.2**	**-127.7**	**2,214.0**
	1,954.1	121.4	121.7	-119.3	2,077.9
Sales to third parties	2,082.5	128.9	0.0	-0.1	2,211.3
	1,954.0	121.5	0.0	0.0	2,075.5
Sales to affiliated companies	0.1	2.0	0.0	-2.1	0.0
	0.1	-0.1	0.0	0.0	0.0
Rental income from affiliated companies	0.0	0.0	125.5	-125.5	0.0
	0.0	0.0	119.3	-119.3	0.0
Rental income from third parties	0.0	0.0	2.7	0.0	2.7
	0.0	0.0	2.4	0.0	2.4
Segment result (EBIT)	**99.3**	**3.3**	**77.2**	**-15.3**	**164.5**
	71.2	2.7	42.0	-16.2	99.7
Depreciation and amortization	**27.7**	**2.4**	**16.4**	**6.2**	**52.7**
	29.4	2.2	19.1	7.0	57.7
EBITDA	**127.0**	**5.7**	**93.6**	**-9.1**	**217.2**
	100.6	4.9	61.1	-9.2	157.4

Neustadt an der Weinstrasse, December 22, 2008

The Board of Management of HORNBACH HOLDING AG

Financial Calendar

December 22, 2008	Interim Report as of November 30, 2008
March 18, 2009	Trading Statement for the 2008/2009 Financial Year
May 27, 2009	Publication of 2008/2009 Annual Report
July 2, 2009	Interim Report as of May 31, 2009
July 10, 2009	Annual General Meeting in Landau/Pfalz
September 30, 2009	Half-Year Financial Report as of August 31, 2009
	DVFA Analysts' Conference
December 22, 2009	Interim Report as of November 30, 2009

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