

INTERIM REPORT

HORNBACH HOLDING AG GROUP

1st QUARTER

2009/2010

(MARCH 1 – MAY 31, 2009)

HORNBACH HOLDING AG GROUP

Interim Report for the 1st Quarter of 2009/2010

(March 1 – May 31, 2009)

Key Figures of the HORNBACH HOLDING AG Group (in € million, unless otherwise stated)	1 st Quarter 2009/2010	1 st Quarter 2008/2009	Change %
Net sales	819.8	777.7	5.4
of which in other European countries	312.6	294.6	6.1
Like-for-like sales growth	1.5%	1.5%	
Gross margin as % of net sales	36.2%	36.1%	
EBITDA	77.1	84.4	(8.6)
EBIT*	59.6	67.2	(11.3)
Consolidated earnings before taxes	50.4	58.5	(13.9)
Consolidated net income**	37.1	45.9	(19.3)
Earnings per preference share in €	3.72	4.87	(23.6)
Investments	38.8	35.2	10.2

Misc. Key Figures of the HORNBACH HOLDING AG Group (in € million, unless otherwise stated)	May 31, 2009	February 28, 2009	Change %
Total assets	2,103.2	1,995.8	5.4
Equity	820.5	780.5	5.1
Shareholders' equity as % of total assets	39.0%	39.1%	
Number of employees	13,262	13,169	0.7

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

* includes non-operating earnings components from the real estate segment. Net non-operating accounting gains of € 10.7 million were reported in the first quarter of the previous year, while in line with the budget no disposal gains were generated on real estate transactions in the first quarter of 2009/2010. Following adjustment for non-operating earnings items, operating EBIT improved by 5.8%.

** including minority interests pursuant to IFRS.

Summary

- HORNBAACH Group maintains its growth course in first quarter of 2009/2010
- Consolidated sales up by 5.4% – DIY stores post like-for-like growth of 1.5% – builders' merchants sales up by 16.5%
- Germany contributes substantially to pleasing business performance
- Unlike in previous year, no substantial disposal gains in real estate segment
- Pleasing operating earnings performance – adjusted EBIT increases by 5.8%
- Forecast confirmed

The overall HORNBAACH HOLDING AG Group upheld its growth course in the first quarter of the 2009/2010 financial year as well. In spite of the ongoing unfavorable macroeconomic framework, the Group has posted increases both in sales and in operating earnings adjusted for one-off items in the previous year. The sales of the HORNBAACH Group grew by 5.4% to € 819.8 million in the period from March 1 to May 31, 2009 (previous year: € 777.7m).

Sales at the largest operating subgroup, HORNBAACH-Baumarkt-AG, rose by 4.8% to € 774.8 million (previous year: € 739.2m). Like-for-like DIY sales increased by 1.5% overall. This was chiefly attributable to pleasing growth momentum in Germany. The DIY megastores with garden stores in the company's home market improved their like-for-like sales by 3.1% year-on-year in the first quarter. The HORNBAACH stores outside Germany virtually maintained their level of like-for-like sales. Sales at the HORNBAACH Baustoff Union GmbH subgroup (builders' merchants) grew by 16.5% overall in the first quarter.

In line with expectations, due to a base effect involving non-operating real estate gains in the previous year, the earnings of the HORNBAACH Group fell short of the figures for the first quarter of the previous year. Operating earnings (EBIT) reduced by 11.3% to € 59.6 million (previous year: € 67.2m). Following adjustment for net non-operating earnings items of € 10.8 million, the Group posted a pleasing earnings performance for the first three months of the current financial year. Adjusted operating earnings thus improved by 5.8%

Earnings, financial and net asset situation*

Sales performance

The HORNBAACH HOLDING AG Group (HORNBAACH Group) comprises the subgroups of HORNBAACH-Baumarkt-AG, HORNBAACH Baustoff Union GmbH and HORNBAACH Immobilien AG.

The HORNBAACH Group successfully defied the difficult macroeconomic climate in the first three months of the 2009/2010 financial year as well (March 1 to May 31, 2009). The net sales of the HORNBAACH HOLDING AG Group increased by 5.4% to € 819.8 million in the first quarter (previous year: € 777.7m). To date, HORNBAACH has only been marginally affected by the implications of the financial and economic crisis. In most regions where HORNBAACH operates, demand for building, home improvement and garden products and services has so far not been impeded by macroeconomic uncertainties, or only to a very limited extent.

The **HORNBAACH-Baumarkt-AG subgroup** operated 130 DIY megastores with garden centers across Europe as of May 31, 2009 (February 28, 2009: 129). A new HORNBAACH DIY with a megastore was opened in Brasov (Romania) in March 2009. The total sales areas of the retail outlets amounted to around 1,464,000 m² at the reporting date. Sales at the HORNBAACH-Baumarkt-AG subgroup rose by 4.8% to € 774.8 million (previous year: € 739.2m). Our domestic business in particular proved to be pleasingly robust. In Germany, we boosted our sales overall by 3.9% to € 462.2 million (previous year: € 444.7m). On a like-for-like basis, i.e. excluding stores newly opened in the past twelve months, we improved our sales year-on-year by 3.1% in the first three months of the financial year. HORNBAACH further built up its head start over the sector in the period under report, acquiring additional market

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

share in the process. Sales at the international HORNBACH DIY megastores with garden centers rose by 6.1% to € 312.6 million (previous year: € 294.5m). With a slight reduction of 0.8% in like-for-like sales, we were able to virtually match the high level of sales built up in the eight countries outside Germany in the past. This was solely due to lower sales in Eastern Europe, i.e. in the Czech Republic, Slovakia and Romania. By contrast, all other countries in which we operate, namely Sweden, Luxembourg, the Netherlands, Austria and Switzerland, posted sales growth, in some cases significant, in the first three months of the current financial year. Further details on the business performance of HORNBACH-Baumarkt-AG can be found in the interim report published separately by this subgroup.

Sales at the **HORNBACH Baustoff Union GmbH subgroup** (HBU) grew by 16.5% to € 45.0 million in the first quarter of 2009/2010 (previous year: € 38.6m). By acquiring a medium-sized builders' merchant company as of March 1, 2009, HBU extended its network of builders' merchant outlets to 21 locations in south-western Germany.

Earnings performance

On an operating level, i.e. net of the accounting gains reported in the real estate segment in the previous year, the overall HORNBACH HOLDING AG Group reported a pleasing earnings performance in the reporting period from March to May 2009. In line with expectations, the earnings of the HORNBACH Group including these non-operating earnings items, which mainly related to the HORNBACH Immobilien AG subgroup, fell short of the previous year's figures.

The gross margin improved slightly in the first quarter of 2009/2010. Across the Group as whole, the gross profit rose as a percentage of net sales from 36.1% to 36.2%. Selling and store expenses at the Group grew to € 212.4 million (previous year: € 198.6m), and thus more rapidly than sales. The store expense ratio rose from 25.5% to 25.9%. This development was chiefly due to pay rises and to increased general operating expenses. The earnings performance benefited, by contrast, from pre-opening and administration expenses, which fell short of the respective previous year's figures. The pre-opening expense ratio thus dropped from 0.2% to 0.1%, while the administration expense ratio declined from 3.8% to 3.5%.

In line with expectations, the base effect of the real estate gains in the previous year impacted on the development in other income and expenses at the HORNBACH HOLDING AG Group. Net non-operating accounting gains of € 10.7 million were reported by the real estate segment in the first quarter of the previous year. These mainly resulted from the sale of real estate companies in Austria on the level of the HORNBACH Immobilien AG subgroup. In the first quarter of 2009/2010, by contrast, there were, as budgeted, no disposal gains from real estate transactions. This was the primary reason for the decline in other income and expenses from € 16.5 million to € 5.0 million. The key earnings figures for the period under report thus fell short of the previous year's figures.

Earnings before interest, taxes, depreciation and amortization (EBITDA) declined by 8.6% to € 77.1 million (previous year: € 84.4m). Operating earnings (EBIT) dropped by 11.3% to € 59.6 million (previous year: € 67.2m). Following adjustment for the non-operating base effect, however, EBIT rose by 5.8%. We thus even managed to improve the operating earnings power of the HORNBACH Group slightly in spite of the difficult macroeconomic climate.

Consolidated earnings before taxes reduced by 13.9% to € 50.4 million (previous year: € 58.5m). Net income for the period is reported at € 37.1 million (previous year: € 45.9m). Earnings per preference share for the first three months amounted to € 3.72 (previous year: € 4.87).

The stable earnings performance in the first quarter of 2009/2010 is more clearly reflected at **HORNBACH-Baumarkt-AG**, the largest operating subgroup, as no accounting gains were generated here from real estate transactions either in the quarter under report or in the previous year's quarter. Operating earnings (EBIT) rose by 2.0% to € 49.6 million (previous year: € 48.6m).

The **HORNBACH Baustoff Union GmbH subgroup** achieved considerably disproportionate earnings growth compared with sales in the first quarter. HBU's operating earnings improved from € 152k to € 683k. This pleasing earnings performance was chiefly due to the sales growth in conjunction with a slight increase in the gross margin, as well as to better cost ratios.

The EBIT of the **HORNBACH Immobilien AG subgroup**, by contrast, declined in line with expectations to € 9.9 million (previous year: € 19.6m) on account of the earnings items in the real estate segment outlined above.

Financial and net asset position

Investments amounted to € 38.8 million in the first three months of the current financial year (previous year: € 35.2m). Around 72% of these funds were invested in land and buildings, while the remainder was channeled into plant and office equipment, as well as into intangible assets. Investments were financed in full from the cash flow of € 105.1 million from operating activities (previous year: € 116.7m). Information concerning the financing and investment activities of the HORNBACH HOLDING AG Group can be found in the cash flow statement on Page 10.

Total assets amounted to € 2,103.2 million on the reporting date on May 31, 2009 (February 28, 2009: € 1,995.8m). Cash and cash equivalents were reported at € 335.6 million (February 28, 2009: € 275.2m). Shareholders' equity as reported in the balance sheet rose by 5.1% compared with the previous reporting date to reach € 820.5 million. At 39.0%, the equity ratio remained at a pleasing high level (February 28, 2009: 39.1%). The net financial debt of the overall HORNBACH HOLDING AG Group fell substantially from € 499.4 million as of February 28, 2009 to € 433.0 million as of May 31, 2009.

Employees

A total of 13,262 individuals were in fixed employment at the HORNBACH HOLDING AG Group at the reporting date on May 31, 2009 (February 28, 2009: 13,169).

Outlook

We reported extensively on the macroeconomic, sector-specific and strategic opportunities for the business activities of the HORNBACH Group in the outlook provided on Pages 67 to 76 of the 2008/2009 Annual Report. This basic assessment of the company's medium to long-term development potential remains valid upon publication of this interim report. Based on the information currently available, we therefore affirm the outlook formulated for the current financial year in the outlook of the 2008/2009 Annual Report (Pages 76 to 79).

Accordingly, we expect to open one further HORNBACH DIY megastore with a garden center by the balance sheet date on February 28, 2010 - the fifth HORNBACH DIY megastore with a garden center in Switzerland is scheduled to be opened at the Galgenen location in the Zurich area in the fourth quarter of the current financial year. The total number of locations across the Group will thus rise to 131 at the end of the financial year.

We expect consolidated sales, i.e. net sales including sales generated at newly opened stores, both on the level of the overall HORNBACH HOLDING AG Group and of the HORNBACH-Baumarkt-AG subgroup to grow in a low to medium single-digit percentage range in the current 2009/2010 financial year. Like-for-like sales at our DIY megastores with garden centers in Germany are expected to outperform the sector average by a clear margin once again in the coming months. Sales at the HORNBACH Baustoff Union GmbH subgroup are also expected to outperform the builders' merchant sector in Germany. In other European countries, we assume that the distribution of risks across our store network will allow the reduction in sales expected in specific regions to be compensated for at least in part by sales growth in other regions.

A total of up to three HORNBACH DIY megastores with garden centers are due to be refinanced by sale and leaseback transactions in the current financial year. Two transactions are expected to take place in the third quarter and one in the fourth quarter. The real estate segment is not expected to generate any substantial disposal gains, compared with net accounting profits of around € 45 million at the overall Group in the previous 2008/2009 financial year. The inflow of funds is budgeted at up to € 80 million and is to be reinvested in full.

Mainly as a result of the significantly lower earnings in the real estate segment, the operating earnings (EBIT) of the overall HORNBACH HOLDING AG Group for the 2009/2010 financial year as a whole are expected to fall considerably short of the level reported for the 2008/2009 financial year, but should nevertheless exceed the EBIT posted for the 2007/2008 financial year (€ 105.5m).

Income Statement

€ million	1 st Quarter 2009/2010	1 st Quarter 2008/2009	Change %
Sales	819.8	777.7	5.4
Cost of goods sold	523.3	497.0	5.3
Gross profit	296.5	280.7	5.6
Selling and store expenses	212.4	198.6	6.9
Pre-opening expenses	0.8	1.8	(53.6)
General and administration expenses	28.7	29.7	(3.4)
Other income and expenses	5.0	16.5	(69.6)
Earnings before interest and taxes (EBIT)	59.6	67.2	(11.3)
Other interest and similar income	1.3	2.6	(50.8)
Other interest and similar expenses	10.7	10.5	1.4
Other financial result	0.2	(0.7)	(124.0)
Net financial expenses	(9.2)	(8.7)	6.5
Consolidated earnings before taxes	50.4	58.5	(13.9)
Taxes on income	13.3	12.6	5.6
Consolidated net income	37.1	45.9	(19.3)
of which: income attributable to shareholders	29.5	38.7	(23.8)
of which: minority interests	7.6	7.2	5.3
Earnings per share in €	3.66	4.81	(23.9)
Earnings per preference share in €	3.72	4.87	(23.6)

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

Statement of Recognized Income and Expenses

€ million	1 st Quarter 2009/2010	1 st Quarter 2008/2009
Consolidated net income	37.1	45.9
Measurement of derivative financial instruments (cash flow hedge)		
Measurement of derivative hedging instruments directly in equity	(0.4)	3.9
Gains and losses from measurement of derivative financial instruments transferred to profit or loss	0.3	(0.3)
Exchange differences arising on the translation of foreign subsidiaries	3.0	0.9
Deferred taxes on gains and losses recognized directly in equity	0.0	(1.0)
Income and expenses recognized directly in equity	2.9	3.4
Total income and expenses recognized in the financial statements	40.0	49.3
of which: attributable to shareholders	32.1	41.6
of which: attributable to minority interests	7.9	7.7

Rounding up or down may lead to discrepancies between totals.

Balance Sheet

Assets	May 31, 2009		February 28, 2009	
	€ million	%	€ million	%
Non-current assets				
Intangible assets	19.7	0.9	20.3	1.0
Property, plant, and equipment	963.5	45.8	936.1	46.9
Investment property	49.2	2.3	48.9	2.5
Financial assets	5.3	0.3	5.1	0.3
Non-current receivables and other assets	18.6	0.9	23.8	1.2
Non-current income tax receivables	17.0	0.8	16.9	0.8
Deferred tax assets	20.8	1.0	21.1	1.1
	1,094.2	52.0	1,072.1	53.7
Current assets				
Inventories	515.2	24.5	516.2	25.9
Other receivables and assets	98.3	4.7	72.7	3.6
Income tax receivables	9.2	0.4	8.7	0.4
Cash and cash equivalents	335.6	16.0	275.2	13.8
Non-current assets held for sale and disposal groups	50.9	2.4	51.0	2.6
	1,009.1	48.0	923.7	46.3
	2,103.2	100.0	1,995.8	100.0

Equity and liabilities	May 31, 2009		February 28, 2009	
	€ million	%	€ million	%
Equity				
Share capital	24.0	1.1	24.0	1.2
Capital reserve	130.4	6.2	130.4	6.5
Revenue reserves	523.1	24.9	491.0	24.6
Minority interests	143.0	6.8	135.1	6.8
	820.5	39.0	780.5	39.1
Non-current liabilities				
Long-term financial debt	641.1	30.5	621.2	31.1
Deferred tax liabilities	71.5	3.4	71.7	3.6
Other non-current liabilities	21.3	1.0	20.0	1.0
	733.8	34.9	712.9	35.7
Current liabilities				
Short-term financial debt	127.5	6.1	153.3	7.7
Trade payables and other liabilities	303.1	14.4	248.2	12.4
Income tax liabilities	38.0	1.8	32.5	1.6
Other provisions and accrued liabilities	80.4	3.8	68.5	3.4
	548.9	26.1	502.4	25.2
	2,103.2	100.0	1,995.8	100.0

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

Statement of Changes in Equity

1 st Quarter 2008/2009 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves *	Equity attributable to shareholders	Minority interests	Total group equity
Balance at March 1, 2008	24.0	130.4	(1.2)	7.1	410.7	570.9	116.7	687.6
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

1 st Quarter 2009/2010	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves *	Equity attributable to shareholders	Minority interests	Total group equity
Balance at March 1, 2009	24.0	130.4	(4.0)	3.3	491.7	645.3	135.1	780.5
Total income and expenses recognized in the financial statements			0.0	2.6	29.5	32.1	7.9	40.0
Balance at May 31, 2009	24.0	130.4	(4.0)	5.9	521.1	677.5	143.0	820.5

Rounding up or down may lead to discrepancies between totals.

* the income and expenses recognized under other revenue reserves relate to the net income for the period attributable to shareholders.

Cash Flow Statement

€ million	1 st Quarter 2009/2010	1 st Quarter 2008/2009
Consolidated net income	37.1	45.9
Depreciation and amortization of non-current assets	17.5	17.2
Change in provisions	0.1	(0.6)
Gains/losses on disposals of non-current assets	(0.1)	(10.7)
Change in inventories, trade receivables and other assets	(20.9)	(30.8)
Change in trade payables and other liabilities	69.2	94.8
Other non-cash income/expenses	2.2	1.0
Cash flow from operating activities	105.1	116.7
Proceeds from disposals of non-current assets and of non-current assets held for sale	6.2	8.7
Payments for investments in property, plant, and equipment	(30.6)	(32.9)
Payments for investments in intangible assets	(0.6)	(0.5)
Payments for acquisitions of shareholdings and other business units	(7.6)	(1.9)
Cash flow from investing activities	(32.6)	(26.5)
Proceeds from taking up long-term debt	27.5	0.0
Repayment of long-term debt	(11.1)	(11.2)
Change in short-term debt	(28.9)	23.6
Cash flow from financing activities	(12.5)	12.4
Cash-effective change in cash and cash equivalents	60.0	102.6
Change in cash and cash equivalents due to changes in exchange rates	0.4	0.3
Cash and cash equivalents at March 1	275.2	196.0
Cash and cash equivalents at May 31	335.6	298.9

Rounding up or down may lead to discrepancies between totals.

Proceeds from disposals of non-current assets include purchase price payments of € 5.7 million in connection with the disposal of land not required for operations executed in the previous year.

The cash flow from operating activities was reduced by € 7.9 million on account of income tax payments (previous year: € 5.6m) and by € 14.4 million on account of interest payments (previous year: € 13.2m) and increased by € 1.3 million on account of interest received (previous year: € 2.6m).

The other non-cash income/expenses item largely consists of unrecognized foreign currency differences and deferred taxes.

The payments for acquisitions of shareholdings and other business units in the first quarter of 2009/2010 are the result of the acquisition of a new builders' merchant location.

Notes to the Group Interim Report as of May 31, 2009

(1) Accounting principles

This unaudited group interim report of HORNBAACH HOLDING AG and its subsidiaries for the first quarter as of May 31, 2009 has been prepared 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 HORNBAACH Group has implemented all International Financial Reporting Standards and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) requiring mandatory application in the European Union for the first time from the 2009/2010 financial year. Specifically, these involve:

- IAS 1 "Presentation of Financial Statements": the initial application of the new version of this standard has mainly resulted in a change in the presentation of components of the financial statements.
- IAS 23 "Borrowing Costs (revised)": the revised standard has abolished the previous option of not capitalizing borrowing costs. From January 1, 2009, borrowing costs directly or indirectly attributable to the acquisition, construction or production of qualifying assets must be capitalized as a cost component. As this option was already drawn on in the past, the initial application has not had any implications for the group interim report.
- IFRS 8 "Operating Segments" replaces IAS 14 and bases segment reporting on application of the management approach. The initial application of IFRS 8 has resulted in a restructuring of the segment report. The business segments of the HORNBAACH HOLDING AG Group requiring report correspond to the "DIY Stores", "Builders' Merchants" and "Real Estate" segments previously included in the primary segment report. Moreover, the transition from total segment earnings (EBIT) to consolidated earnings before taxes has been presented.

The application of the other International Financial Reporting Standards and Interpretations of the International Financial Reporting Interpretations Committee requiring initial application in the 2009/2010 financial year has not had any implications for the net asset, financial and earnings position of the Group.

Otherwise, the accounting principles applied when preparing the interim report correspond to those applied in the consolidated financial statements as of February 28, 2009. 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 HORNBAACH HOLDING AG for the 2008/2009 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).

(2) Adjustments to enhance presentation

Recognized foreign currency gains and losses and income and expenses from the measurement of primary receivables and liabilities denominated in foreign currencies were recognized under net financial expenses for the first time in the consolidated financial statements as of February 28, 2009. Previously, these items were presented under other income and expenses, while IFRS required the measurement of derivative foreign currency hedging instruments to be reported under net financial expenses. As these components of earnings are closely related in economic terms, the amended reporting method has led to a more accurate presentation of foreign currency gains and losses. Other income of € 21.5 million and other expenses of € 5.3 million were reported in the interim report for the first quarter of 2008/2009. These items included income of € 2.3 million and expenses of € 2.6 million from exchange differences. The net expenses of € 0.3 million have been reclassified in line with the new presentation. As a result, other income and expenses are € 0.3 million higher and net financial expenses are correspondingly lower than stated in the interim report for the first quarter of 2008/2009. Accordingly, EBIT and EBITDA for the first quarter of 2008/2009 are also € 0.3 million higher.

(3) Scope of consolidation

In the first quarter of 2009/2010, InterCora – invest a.s., Plzen (Czech Republic) was retrospectively merged with HORNBACH Baumarkt CS spol s.r.o., Prague (Czech Republic) as of March 1, 2009 by way of inclusion via transfer of the company's entire assets.

(4) Seasonal influences

Due to weather conditions, the HORNBACH HOLDING AG Group generally reports a weaker business performance in the autumn and winter than in the spring and summer months. These seasonal fluctuations are reflected in the figures for the first quarter. The business performance in the first three months as of May 31, 2009 does not necessarily provide an indication of the results to be expected for the financial year as a whole.

(5) Other income and expenses

Other income and expenses are structured as follows:

€ million	1 st Quarter 2009/2010	1 st Quarter 2008/2009	Change %
Other income	6.3	19.3	(67.2)
Other expenses	1.3	2.7	(52.3)
Other income and expenses	5.0	16.5	(69.6)

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

The other operating income reported for the first quarter of 2009/2010 includes operating income of € 6.3 million (previous year: € 6.7m), predominantly consisting of income from advertising grants and from the reversal of provisions. The other operating income for the first quarter of the previous year also included non-operating income of € 12.6 million. This was due to the sale of land not required for operations by way of the disposal of three Austrian real estate companies (€ 11.3m), the reversal of a provision for onerous contracts (€ 0.8m) and the disposal of part of a piece of land (€ 0.6m).

The other operating expenses reported for the first quarter of 2009/2010 consist of operating expenses of € 1.2 million (previous year: € 0.8m) and non-operating expenses of € 0.1 million (previous year: € 1.9m). Operating expenses mainly involve write-downs of receivables, and losses incurred for damages and on the disposal of non-current assets. The non-operating expenses in the first quarter of 2009/2010 relate to refurbishment measures. The previous year's figure related to a piece of land which was written down by € 0.5 million to its expected net disposal proceeds, and to an amount of € 1.4 million in connection with investment properties not subject to further development.

(6) Earnings per share

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

	1st Quarter 2009/2010	1 st Quarter 2008/2009
Consolidated net income in € million	29.5	38.7
Additional dividend for preference shares in € million	0.2	0.2
Consolidated net income adjusted to account for additional dividend claims in € million	29.3	38.5
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 €	3.66	4.81
Additional dividend claim per preference share in €	0.06	0.06
Earnings per preference share in €	3.72	4.87

(7) Other disclosures

The personnel expenses of the HORNBACH HOLDING AG Group amounted to € 121.7 million at the end of the first quarter as of May 31, 2009 (previous year: € 115.8m).

Depreciation and amortization totaling € 17.5 million was recognized on intangible assets and property, plant and equipment at the HORNBACH HOLDING AG Group in the first three months of the 2009/2010 financial year (previous year: € 17.2m).

(8) 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 € 881.4 million at the end of the first quarter of 2009/2010 (February 28, 2009: € 911.2m).

(9) 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. Following the transactions reported in the annual financial statements, no major transactions were undertaken with closely related companies and persons during the first quarter of 2009/2010.

(10) Segment report

1 st Quarter 2009/2010 in € million 1 st Quarter 2008/2009 in € million	DIY stores	Builders' merchants	Real estate	Miscellaneous and consolidation	HORNBACH- Baumarkt-AG Group
Segment sales	774.6	45.0	45.1	(44.9)	819.8
	739.0	38.6	42.0	(41.9)	777.7
Sales to third parties	774.6	44.3	0.0	0.0	818.9
	739.0	37.9	0.0	0.0	776.9
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	44.2	(44.2)	0.0
	0.0	0.0	41.2	(41.2)	0.0
Rental income from external third parties	0.0	0.0	0.9	0.0	0.9
	0.0	0.0	0.8	0.0	0.8
Segment earnings (EBIT)	44.2	0.7	18.9	(4.2)	59.6
	44.1	0.2	28.6	(5.7)	67.2
Depreciation and amortization	9.0	1.0	5.5	2.0	17.5
	9.3	0.8	5.0	2.1	17.2
EBITDA	53.2	1.7	24.4	(2.2)	77.1
	53.4	1.0	33.6	(3.6)	84.4
Segment assets	788.8	101.3	899.7	266.4	2,056.2
	755.9	85.4	889.9	265.1	1,996.3
of which: credit balances at banks	61.8	0.3	6.0	228.6	296.7
	42.5	0.4	2.9	215.8	261.6

Reconciliation in € million	1 st Quarter 2009/2010	1 st Quarter 2008/2009
Segment earnings (EBIT) before "Miscellaneous and consolidation"	63.8	72.9
Unallocated activities	(4.1)	(5.6)
Consolidation adjustments	(0.1)	(0.1)
Net financial expenses	(9.2)	(8.7)
Consolidated earnings before taxes	50.4	58.5

Rounding up or down may lead to discrepancies between totals.

Neustadt an der Weinstrasse, July 2, 2009

The Board of Management of HORNBACH HOLDING Aktiengesellschaft

FINANCIAL CALENDAR 2009

May 27, 2009	Annual Results Press Conference 2008/2009 Publication of Annual Report
July 2, 2009	Interim Report: 1 st Quarter of 2009/2010 as of May 31, 2009
July 10, 2009	Annual General Meeting Festhalle Landau, Landau/Pfalz
September 30, 2009	Half-Year Financial Report 2009/2010 as of August 31, 2009 DVFA Analysts' Conference
December 22, 2009	Interim Report: 3 rd Quarter of 2009/2010 as of November 30, 2009

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DISCLAIMER

This interim report contains forward-looking statements based on assumptions and estimates made by the Board of Management of HORNBACH. Statements referring to the future are in all cases 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 lead actual results to differ 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.