



Announcement

of the Change of Legal Form of

**Hornbach Holding Aktiengesellschaft
Neustadt an der Weinstraße**

into

**HORNBAACH Holding AG & Co. KGaA
Neustadt an der Weinstraße**

and

**the associated conversion of the nonvoting preference bearer shares of
Hornbach Holding Aktiengesellschaft
into ordinary bearer shares of HORNBAACH Holding AG & Co. KGaA**

and

**the admission and listing of the ordinary bearer shares of
HORNBAACH Holding AG & Co. KGaA on the stock exchange**

– ISIN DE0006083405 / securities identification number 608 340 –

Within the framework of the transformation resolution pursuant to section 193 (1) Transformation Act (*Umwandlungsgesetz* - UmwG) adopted by the Annual General Meeting of Hornbach Holding Aktiengesellschaft, Neustadt an der Weinstraße, which was held on 9 July 2015, simultaneously being a special resolution of the ordinary shareholders pursuant to section 65 (2) UmwG in conjunction with section 240 (1) sentence 1 UmwG and pursuant to section 179 (3) Stock Corporation Act (*Aktiengesetz* - AktG), to which the separate meeting of the Company's preference shareholders of 10 July 2015 consented with a special resolution consenting to the General Meeting's resolution of 9 July 2015, the following was resolved *inter alia*:

- Hornbach Holding Aktiengesellschaft, whose domicile is in Neustadt an der Weinstraße, shall be transformed into a partnership limited by shares (KGaA) by way of a change in legal form pursuant to the provisions of the Transformation Act (*Umwandlungsgesetz*).
- The entity in its new legal form will operate under the name HORNBAACH Holding AG & Co. KGaA.
- The entirety of the share capital of Hornbach Holding Aktiengesellschaft as of the date on which the Change of Legal Form is entered into the commercial register shall become the share capital of

HORNBACH Holding AG & Co. KGaA, and the shareholders of Hornbach Holding Aktiengesellschaft as of the date on which the Change of Legal Form is entered into the commercial register shall become limited shareholders in HORNBACH Holding AG & Co. KGaA. They will participate to the same extent and receive the same number of shares in HORNBACH Holding AG & Co. KGaA as they previously had in Hornbach Holding Aktiengesellschaft prior to the entry of the Change of Legal Form into effect. However, the preference shareholders will not be granted preference shares in the entity in its new legal form, but rather – as with the ordinary shareholders – they will only be granted voting no-par ordinary bearer shares in the KGaA. The exchange of the preference shares for ordinary bearer shares in the KGaA will be carried out at a ratio of 1:1. Ordinary shareholders will receive the same number of voting no-par ordinary bearer shares which they held prior to the Change of Legal Form of Hornbach Holding Aktiengesellschaft entered into effect. Preference shareholders will receive the number of voting no-par ordinary bearer shares that corresponds to the number of non-voting no-par preference bearer shares which they held prior to the Change of Legal Form of Hornbach Holding Aktiengesellschaft entered into effect. The proportionate interest that each no-par share represents in the share capital will not change.

- Preference shareholders of Hornbach Holding Aktiengesellschaft will receive for every non-voting no-par preference bearer share which they held prior to the Change of Legal Form of Hornbach Holding Aktiengesellschaft entered into effect a voting no-par ordinary bearer share in HORNBACH Holding AG & Co. KGaA. As compensation for the loss of preference status they will receive an additional cash payment of €0.38 per preference share (section 196 UmwG).
- The general partner of HORNBACH Holding AG & Co. KGaA will be HORNBACH Management AG which is domiciled in Annweiler am Trifels. Pursuant to section 245 (2) UmwG, the general partner shall replace the founder of the legal entity under the new legal form in application of the provisions of German stock corporation law governing the foundation of stock corporations. The general partner will not receive any interest in the share capital of HORNBACH Holding AG & Co. KGaA under the Change of Legal Form; it does not hold any interest in the assets or profit or loss of HORNBACH Holding AG & Co. KGaA.

On 9 October 2015 the Change of Legal Form was entered into the commercial register at the local court of Ludwigshafen and thus entered into effect.

The company has commissioned Joh. Berenberg, Gossler & Co. KG, Neuer Jungfernstieg 20, 20354 Hamburg, to assume the function of the central settlement centre in connection with the Change of Legal Form, the conversion of non-voting no-par preference bearer shares into voting no-par ordinary bearer shares in the KGaA, as well as the admission of all of the ordinary bearer shares in the KGaA to the stock exchange.

Once the change in legal form enters into force, the share capital of HORNBACH Holding AG & Co. KGaA, including the associated conversion of the non-voting preference shares into ordinary shares, will amount to EUR 48,000,000 and be divided into 16,000,000 no-par value ordinary bearer shares (*Stückaktien*) with a proportionate amount of the share capital of EUR 3.00 per share and full entitlement to participate in the profits for the financial year 2015/2016. The share capital is certificated exclusively in the form of global certificates which were deposited with Clearstream Banking AG, Frankfurt am Main. The shareholders of HORNBACH Holding AG & Co. KGaA will be co-owners in proportion to their shareholding of the collective security holdings of

HORNBACH Holding AG & Co. KGaA at Clearstream Banking AG. The shareholders have no right to demand securitization of their shareholdings, unless the rules applicable to a market to which the shares are admitted render securitization necessary.

With the conversion of the non-voting no-par preference bearer shares into voting no-par ordinary bearer shares at an exchange ratio of 1:1 in association with the Change of Legal Form, each no-par value preference share (*Stückaktie*) in Hornbach Holding Aktiengesellschaft with a proportionate share of the share capital in the amount of EUR 3.00 will be replaced by a non-par value ordinary share in HORNBACH Holding AG & Co. KGaA with a proportionate share of the share capital in the amount of EUR 3.00. Based on the shareholdings on the evening of 9 October 2015, Clearstream Banking AG, Frankfurt am Main, and the custodian banks have changed the security designation of the ordinary bearer shares of Hornbach Holding Aktiengesellschaft (ISIN DE0006083405 / WKN 608340) to ordinary bearer shares of HORNBACH Holding AG & Co. KGaA (retaining the same ISIN / WKN) and at the same time rebooked the securities deposits of non-voting preference bearer shares in Hornbach Holding Aktiengesellschaft (formerly ISIN DE0006083439 / WKN 608343) to ordinary bearer shares in HORNBACH Holding AG & Co. KGaA (ISIN DE0006083405 / WKN 608340) at a ratio of 1:1. The former preference shareholders of Hornbach Holding Aktiengesellschaft will be informed of the rebooking of their shareholdings by the custodian banks separately. The additional cash payment of €0.38 per preference share will be transferred to the custodian banks immediately after the new legal form has been entered into the commercial register of the company, based on the holdings of preference shares notified by the respective custodian banks via Clearstream Banking AG. With the payment of the additional cash payment to the respective custodian bank, the company will have fulfilled its obligation to pay the additional cash payment to the preference shareholders due to the loss of their claim to preferential dividends (advance and extra dividends). The respective custodian bank will be responsible for crediting the additional cash payment to the (former) preference shareholders.

Since all of the shares in Hornbach Holding Aktiengesellschaft are maintained in collective securities accounts and maintained by the custodian banks for the respective shareholders, the rebooking of the preference shares, as well as the conversion of the ordinary shares in Hornbach Holding Aktiengesellschaft into ordinary shares in HORNBACH Holding AG & Co. KGaA, will be effected exclusively by way of the collective security system. Thus, no steps are required of the shareholders.

It is recommended that the shareholders carefully read the description of the tax effects of the Change of Legal Form, including the associated conversion of the preference shares into ordinary shares in section “E.IV. *Steuerliche Auswirkungen für die Aktionäre*” of the transformation report of the Board of Management of Hornbach Holding Aktiengesellschaft (published at www.hornbach-holding.de), and additionally obtain advice from a tax consultant. This applies in particular for the shareholders who are domiciled abroad or are subject to foreign tax law.

Once the Change of Legal Form has been entered into the commercial register, the non-voting no-par preference shares in Hornbach Holding Aktiengesellschaft which were previously traded on the stock exchange will lose their admission to the stock exchange; the quotation of these shares will thereby end, and all stock exchange orders regarding these shares in Hornbach Holding Aktiengesellschaft which have not yet been carried out will extinguish at the end of the trading day.

On 9 October 2015, the ordinary bearer shares in HORNBACH Holding AG & Co. KGaA were, upon application of the company, admitted to the full extent of 16,000,000 shares to the regulated market with simultaneous admis-

sion to the sub-segment of the regulated market with additional post-admission requirements (Prime Standard) of the Frankfurt Stock Exchange.

The ordinary bearer shares of HORNBACH Holding AG & Co. KGaA admitted to the Frankfurt Stock Exchange were listed on 12 October 2015.

From this date on, only ordinary bearer shares of HORNBACH Holding AG & Co. KGaA may be traded on the stock exchange.

Neustadt an der Weinstraße, October 2015

HORNBACH Holding AG & Co. KGaA

**The general partner
HORNBACH Management AG**

The Board of Management