INTERIM REPORT

HORNBACH HOLDING AG GROUP

1st QUARTER 2011/2012

(MARCH 1 – MAY 31, 2011)

HORNBACH HOLDING AG

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Interim Report for the 1st Quarter of 2011/2012

(March 1 – May 31, 2011)

Key Figures of the HORNBACH HOLDING AG Group (in € million, unless otherwise stated)	1st Quarter 2011/2012	1st Quarter 2010/2011	Change %
Net sales	**918.1**	**826.6**	**11.1**
of which: in other European countries	359.4	326.3	10.1
Like-for-like sales growth	7.7%	(2.0)%	
Gross margin as % of net sales	36.9%	36.9%	
EBITDA	96.8	76.4	26.7
EBIT	**79.3**	**59.6**	**33.1**
Consolidated earnings before taxes	68.4	53.0	29.1
Consolidated net income*	49.4	37.8	30.6
Basic/diluted earnings per preference share (€)	4.90	3.76	30.3
Investments	58.1	19.4	198.8

Misc. key figures of the HORNBACH HOLDING AG Group (in € million, unless otherwise stated)	May 31, 2011	February 28, 2011	Change %
Total assets	2,400.1	2,233.3	7.5
Shareholders' equity	1,015.9	962.4	5.6
Shareholders' equity as % of total assets	42.3%	43.1%	
Number of employees	14,143	13,768	2.7

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

* including minority interests pursuant to IFRS.

Summary

- **HORNBACH Group begins 2011/2012 financial year with double-digit sales and earnings growth**
- **Consolidated sales up 11.1% in absolute terms**
  - **DIY megastores with garden centers post like-for-like sales growth of 7.7%, with double-digit growth in Germany**
  - **Builders' merchant business improves sales by 15.8%**
- **EBIT at overall Group surges 33.1% to € 79.3 million in first quarter of 2011/2012**

The HORNBACH HOLDING AG Group (HORNBACH Group) can report a successful start to the 2011/2012 financial year. Driven by a substantial year-on-year rise in demand from HORNBACH customers, consolidated sales for the first three months of the financial year (March 1 to May 31, 2011) rose by 11.1% to € 918.1 million (previous year: € 826.6 million). Sales at HORNBACH-Baumarkt-AG, the largest operating subgroup, increased by 10.7% to € 863.7 million (previous year: € 779.9 million). Like-for-like sales adjusted for currency items at this subgroup improved by 7.7%, with Germany and most West European countries within the company's network accounting for the greatest growth momentum. First-quarter sales at the HORNBACH Baustoff Union GmbH subgroup (builders' merchants) jumped by 15.8% to € 54.0 million (previous year: € 46.7 million). Earnings showed significantly disproportionate growth compared with sales in the first quarter. Operating earnings (EBIT) at the HORNBACH Group thus surged by 33.1% to € 79.3 million (previous year: € 59.6 million). Net income for the period increased by 30.6% to € 49.4 million (previous year: € 37.8 million). Earnings per preference share are reported at € 4.90 for the first quarter (previous year: € 3.76).

Earnings, Financial and Net Asset Situation

Sales performance

The HORNBACH HOLDING AG Group comprises the HORNBACH-Baumarkt-AG, HORNBACH Baustoff Union GmbH and HORNBACH Immobilien AG subgroups. Sales at the HORNBACH Group grew by 11.1% to € 918.1 million in the first quarter of the current 2011/2012 financial year (previous year: € 826.6 million).

HORNBACH-Baumarkt-AG subgroup

The first quarter of 2011/2012 witnessed the opening of a new HORNBACH DIY megastore with a garden center at the Plzeň location in the Czech Republic. The Czech store network thus grew to seven locations by the end of the quarter. As of May 31, 2011, HORNBACH operated a total of 134 retail outlets across the Group (February 28, 2011: 133). Of these, an unchanged total of 92 stores are in Germany, while 42 stores are located in other European countries. The HORNBACH-Baumarkt-AG Group had total sales areas of around 1,531,000 m² as of May 31, 2011, while the HORNBACH DIY megastores with garden centers have an average size of more than 11,400 m².

This subgroup can report a very pleasing sales performance for the first three months of its 2011/2012 financial year. This was chiefly due to the company's sustainable strategy, with its clear focus on its customers' needs when implementing construction, renovation and garden projects. In the period under report, HORNBACH also profited from the overwhelmingly positive macroeconomic climate within its network of country markets across Europe. Not only that, the beginning of the spring season also benefited from dry, mild weather, a factor reflected in above-average growth rates in the garden and construction materials/timber/prefabricated construction components product divisions.

Against this backdrop, the subgroup's sales for the first quarter grew by 10.7% to € 863.7 million (previous year: € 779.9 million). On a like-for-like basis, i.e. excluding sales at stores newly opened in the past twelve months, and adjusted for currency items, sales grew by 7.7%. Including currency items in the non-euro countries of Romania, Sweden, Switzerland and the Czech Republic, like-for-like sales even rose by 9.4%. As in the past financial year, the subgroup's sales performance varied from region to region at the beginning of the current financial year as well.

- **Germany**

In the period under report, the HORNBACH DIY megastores with garden centers in Germany posted the highest level of quarterly sales growth since the company's IPO in 1993. Unadjusted sales thus jumped by 11.2% to € 504.4 million (previous year: € 453.6 million). On a like-for-like basis, domestic sales soared by 11.9% (previous year: minus 2.3%). Growth was highly consistent in the months from March to May 2011, reaching double-digit percentage values in all three months. Together with the distinctly robust situation on the labor market, the strong economic upturn in spring 2011 laid the foundation for a pleasing level of consumer confidence in Germany, one not even impaired to any noticeable extent by the sharp rise in consumer prices for energy and food since the beginning of 2011. Demand in the retail sector, and in the residential construction and renovation markets in particular, was boosted by private households' improved income and employment situations, as well as by ongoing favorable financing terms. Within this market climate, HORNBACH was able to benefit from its positioning as a "project DIY store" and as a competent partner for more extensive renovation and new construction projects as well. In this, the company was also supported by its internet presence. The online shop launched in December 2010 has created even greater price transparency, thus additionally honing HORNBACH's profile as price leader with an uncompromising permanently low price strategy. In the period from March to May 2011, the HORNBACH stores in Germany outperformed the average performance of the German DIY sector by more than seven percentage points on a cumulative like-for-like basis.

- Other European countries

Driven by the subgroup's expansion, sales at the HORNBACH DIY megastores with garden centers in other European countries grew by 10.1% to € 359.3 million in the period under report (previous year: € 326.3 million). Given the disproportionate sales growth in Germany, the international share of consolidated sales at HORNBACH-Baumarkt-AG reduced slightly from 41.8% to 41.6%. On a like-for-like basis, other European countries posted currency-adjusted sales growth of 2.3% in the first quarter of 2011/2012, as against the downturn of 1.5% reported in the previous year's quarter. Sales in the countries outside Germany showed highly disparate developments in some cases, thus also reflecting the differing paces of macroeconomic growth within the European Union. HORNBACH thus continued to report growth, at very pleasing levels in some cases, in its like-for-like and currency-adjusted sales in West European regions. In its East European location network, by contrast, the moderate downturn in sales, markedly less severe than in the first quarter of 2010/2011, reflected the sluggish overall recovery from the economic crisis. The first quarter was affected by substantially positive currency items. Including these, like-for-like sales in other European countries grew by 6.2% in the first quarter.

HORNBACH Baustoff Union GmbH subgroup

Sales at the HORNBACH Baustoff Union GmbH (HBU) subgroup surged by 15.8% to € 54.0 million in the first quarter of 2011/2012 (previous year: € 46.7 million), thus once again showing disproportionate growth compared with the overall Group. At the beginning of the 2011/2012 financial year, this subgroup expanded its location network with new outlets in Ludwigshafen (Rheinland-Pfalz) and Viernheim (Hessen). Accounting for this location development, HORNBACH Baustoff Union GmbH was operating 24 outlets as of May 31, 2011.

Earnings performance

The following information refers to the earnings performance of the overall HORNBACH HOLDING AG Group.

The earnings of the HORNBACH Group showed disproportionate growth compared with sales in the period under report from March to May 2011. This was chiefly driven by substantial like-for-like sales growth in conjunction with a stable gross margin and more favorable store operating cost ratios. At 36.9%, the gross profit as a percentage of net sales matched the previous year's figure. Selling and store expenses rose by 4.0% to € 227.1 million, thus declining as a proportion of sales (previous year: € 218.3 million). As a result, the store expense ratio decreased from 26.4% to 24.7%. The Group's expansion meant that pre-opening expenses increased from € 0.6 million in the previous year's quarter to € 2.8 million in the period under report, thus rising from 0.1% to 0.3% as a percentage of net sales. The administration expenses ratio remained unchanged at 3.6%. As in the previous year's quarter, there were no material non-operating earnings items.

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 26.7% to € 96.8 million (previous year: € 76.4 million). Operating earnings (EBIT) surged by 33.1% to € 79.3 million (previous year: € 59.6 million). Due to exchange rate losses, net financial expenses deteriorated from minus € 6.6 million to minus € 10.9 million. Consolidated earnings before taxes rose by 29.1% to € 68.4 million (previous year: € 53.0 million). After taxes, net income for the period amounted to € 49.4 million (previous year: € 37.8 million). Earnings per preference share are reported at € 4.90 for the first quarter of 2011/2012 (previous year: € 3.76).

Earnings performance by segment

The largest operating subgroup, **HORNBACH-Baumarkt-AG**, reported a very pleasing earnings performance, thus shaping the earnings performance of the Group as a whole. Operating earnings (EBIT) here by 35.5% to € 67.2 million (previous year: € 49.6 million). Further details can be found in the interim report published separately by this subgroup.

The **HORNBACH Baustoff Union GmbH subgroup** can report a jump in earnings in the first quarter of 2011/2012. Driven by sales growth, a slight improvement in its gross margin and a reduction in costs as a proportion of sales, operating earnings at this subgroup virtually doubled from € 0.9 million to € 1.7 million.

Due mainly to the budgeted increase in rental income and lower operating expenses, EBIT at the **HORNBACH Immobilien AG subgroup** increased by 12.9% to € 11.0 million (previous year: € 9.7 million).

Financial and net asset position

Due to the Group's expansion, first-quarter investments rose from € 19.4 million to € 58.1 million. In the equivalent period in the previous year, no new stores were opened in the first three months of the financial year. Around 72% of funds were invested in land and buildings, with the rest being channeled into plant and office equipment at new and existing stores, as well as into intangible assets. Investments were fully financed by the cash flow of € 131.8 million from operating activities (previous year: € 106.8 million). Information about the financing and investment activities of the HORNBACH HOLDING AG Group can be found in the cash flow statement on Page 10.

Total assets grew to € 2,400.1 million as of May 31, 2011, up 7.5% on the balance sheet date on February 28, 2011. Cash and cash equivalents are reported at € 546.2 million (February 28, 2011: € 474.0 million). Shareholders' equity as reported in the balance sheet rose to € 1,015.9 million, up 5.6% on the previous reporting date. The equity ratio remained unchanged at a pleasing high level of 42.3% (February 28, 2011: 43.1%). The net financial debt of the HORNBACH HOLDING AG Group reduced from € 322.1 million as of February 28, 2011 to € 245.8 million as of May 31, 2011.

Employees

At the reporting date on May 31, 2011, 14,143 individuals across Europe were in fixed employment at the HORNBACH HOLDING AG Group (February 28, 2011: 13,768).

Outlook

We reported at length on the macroeconomic, sector-specific, and strategic opportunities involved in the business activities of the HORNBACH Group in the outlook on Pages 63 to 69 of the 2010/2011 Annual Report. This basic assessment of the Group's medium to long-term development potential was still largely valid upon publication of this interim report.

Expansion
On June 8, 2011, a HORNBACH DIY megastore with a garden center was opened in Ostrava-Vítkovice, marking the second store within the catchment area of the third-largest city in the Czech Republic. HORNBACH therefore now operates a total of eight stores in the Czech Republic. The standalone garden center in Neunkirchen (Saarland) was closed on schedule in June. The existing store at the Sinsheim location (Baden-Württemberg) is due to be replaced by a new larger store, most probably in the third quarter. Accounting for the location developments outlined above, the number of HORNBACH DIY megastores with garden centers is thus expected to remain unchanged at 134 by the end of the financial year (February 29, 2012).

Forecast
At the Annual Results Press Conference held at the end of May 2011, the management referred to a "very pleasing start" to the current 2011/2012 financial year, thus already providing an initial indication of the first-quarter sales performance. The resultant expectations concerning the Group's earnings performance are reflected in the key figures in this interim report. With regard to the outlook for the 2011/2012 financial year as a whole (please see Pages 69 to 72 of the 2010/2011 Annual Report), our business performance in the first quarter means that we see opportunities for our sales and earnings to develop more positively in the further course of the financial year than originally expected. However, these opportunities are currently countered by increased uncertainty given the macroeconomic risks resulting from the European sovereign debt crisis. Specifically, the recovery in private consumer spending in Eastern Europe seems to be progressing more slowly than expected. Overall, we are not making any changes to our sales forecast for the current financial year for the time being. We therefore still expect to generate sales growth in a medium single-digit percentage range both at the HORNBACH HOLDING AG Group and at the HORNBACH-Baumarkt-AG subgroup. In terms of our earnings forecast for the current 2011/2012 financial year, we expect operating earnings (EBIT) at the HORNBACH HOLDING AG Group to exceed the level reported for the 2010/2011 financial year (€ 159.1 million).

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income Statement

€ million	1st Quarter 2011/2012	1st Quarter 2010/2011	Change %
Sales	918.1	826.6	11.1
Cost of goods sold	579.2	521.5	11.1
Gross profit	**338.9**	**305.1**	**11.1**
Selling and store expenses	227.1	218.3	4.0
Pre-opening expenses	2.8	0.6	
General and administration expenses	33.4	30.0	11.5
Other income and expenses	3.6	3.4	5.9
Earnings before interest and taxes (EBIT)	**79.3**	**59.6**	**33.1**
Other interest and similar income	1.4	0.7	108.1
Other interest and similar expenses	10.3	9.8	5.0
Other financial result	(2.0)	2.6	
Net financial expenses	**(10.9)**	**(6.6)**	**65.0**
Consolidated earnings before taxes	**68.4**	**53.0**	**29.1**
Taxes on income	19.0	15.2	25.2
Consolidated net income	**49.4**	**37.8**	**30.6**
of which: income attributable to shareholders	39.0	29.8	30.8
of which: minority interests	10.4	8.0	30.2
Basic/diluted earnings per share (€)	**4.84**	**3.70**	**30.8**
Basic/diluted earnings per preference share (€)	**4.90**	**3.76**	**30.3**

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

Statement of Comprehensive Income for the Period

€ million	1st Quarter 2011/2012	1st Quarter 2010/2011
Consolidated net income	**49.4**	**37.8**
Measurement of derivative financial instruments (cash flow hedge)		
Measurement of derivative hedging instruments directly in equity	(1.3)	(1.0)
Gains and losses from measurement of derivative financial instruments transferred to profit or loss	0.9	1.1
Exchange differences arising on the translation of foreign subsidiaries	4.5	1.8
Deferred taxes on gains and losses recognized directly in equity	0.1	0.0
Other comprehensive income	**4.1**	**1.9**
Total comprehensive income	**53.5**	**39.7**
of which: attributable to shareholders	42.4	31.0
of which: attributable to minority interests	11.1	8.6

Rounding up or down may lead to discrepancies bewteen totals.

Balance Sheet

Assets	May 31, 2011 € million	%	February 28, 2011 € million	%
Non-current assets				
Intangible assets	20.3	0.8	20.8	0.9
Property, plant, and equipment	1,100.1	45.8	1,057.2	47.3
Investment property	44.3	1.8	44.0	2.0
Financial assets	2.6	0.1	2.6	0.1
Non-current receivables and other assets	5.6	0.2	5.7	0.3
Non-current income tax receivables	20.2	0.8	20.0	0.9
Deferred tax assets	14.5	0.6	15.1	0.7
	1,207.6	**50.3**	**1,165.4**	**52.2**
Current assets				
Inventories	527.1	22.0	488.7	21.9
Other receivables and assets	105.7	4.4	91.1	4.1
Income tax receivables	9.3	0.4	9.0	0.4
Cash and cash equivalents	546.2	22.8	474.0	21.2
Non-current assets held for sale and disposal groups	4.3	0.2	5.1	0.2
	1,192.5	**49.7**	**1,067.9**	**47.8**
	2,400.1	**100.0**	**2,233.3**	**100.0**

Equity and liabilities	May 31, 2011 € million	%	February 28, 2011 € million	%
Shareholders' equity				
Share capital	24.0	1.0	24.0	1.1
Capital reserve	130.4	5.4	130.4	5.8
Revenue reserves	677.9	28.2	635.5	28.5
Equity attributable to owners of the parent	**832.3**	**34.7**	**789.9**	**35.4**
Minority interests	183.6	7.6	172.5	7.7
	1,015.9	**42.3**	**962.4**	**43.1**
Non-current liabilities				
Non-current financial debt	593.5	24.7	602.7	27.0
Provisions for pensions	0.5	0.0	0.5	0.0
Deferred tax liabilities	64.0	2.7	64.4	2.9
Other non-current liabilities	21.4	0.9	21.2	0.9
	679.5	**28.3**	**688.7**	**30.8**
Current liabilities				
Current financial debt	198.5	8.3	193.5	8.7
Trade payables and other liabilities	371.0	15.5	276.8	12.4
Income tax liabilities	46.8	1.9	39.2	1.8
Other provisions and accrued liabilities	88.4	3.7	72.7	3.3
	704.7	**29.4**	**582.2**	**26.1**
	2,400.1	**100.0**	**2,233.3**	**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

1st Quarter 2010/2011 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to share-holders	Minority interests	Total group equity
Balance at March 1, 2010	**24.0**	**130.4**	**(4.4)**	**10.1**	**546.6**	**706.7**	**154.8**	**861.5**
Consolidated net income					29.8	29.8	8.0	37.8
Measurement of derivative financial instruments (cash flow hedge), net after taxes							0.1	0.1
Foreign currency translation				1.2		1.2	0.6	1.8
Total comprehensive income				**1.2**	**29.8**	**31.0**	**8.6**	**39.7**
Balance at May 31, 2010	**24.0**	**130.4**	**(4.4)**	**11.3**	**576.5**	**737.8**	**163.4**	**901.1**

1st Quarter 2011/2012 **€ million**	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to share-holders	Minority interests	Total group equity
Balance at March 1, 2011	**24.0**	**130.4**	**0.3**	**19.6**	**615.6**	**789.9**	**172.5**	**962.4**
Consolidated net income					39.0	39.0	10.4	49.4
Measurement of derivative financial instruments (cash flow hedge), net after taxes			(0.2)			(0.2)	(0.1)	(0.3)
Foreign currency translation				3.6		3.6	0.8	4.5
Total comprehensive income			**(0.2)**	**3.6**	**39.0**	**42.4**	**11.1**	**53.5**
Balance at May 31, 2011	**24.0**	**130.4**	**0.1**	**23.2**	**654.6**	**832.3**	**183.6**	**1,015.9**

Rounding up or down may lead to discrepancies bewteen totals.

Cash Flow Statement

€ million	1st Quarter 2011/2012	1st Quarter 2010/2011
Consolidated net income	**49.4**	**37.8**
Depreciation and amortization of non-current assets	17.9	16.8
Change in provisions	(0.3)	0.1
Gains/losses on disposals of non-current assets	(0.1)	(0.1)
Change in inventories, trade receivables, and other assets	(52.0)	(62.4)
Change in trade payables and other liabilities	114.3	115.6
Other non-cash income/expenses	2.5	(1.0)
Cash flow from operating activities	**131.8**	**106.8**
Proceeds from disposal of non-current assets and of non-current assets held for sale	1.1	44.9
Payments for investments in property, plant, and equipment	(56.5)	(17.1)
Payments for investments in intangible assets	(1.2)	(2.4)
Payments for acquisitions of shareholdings and other business units	(0.4)	0.0
Cash flow from investing activities	**(57.0)**	**25.4**
Repayment of long-term debt	(10.2)	(11.4)
Change in current financial debt	6.5	7.1
Cash flow from financing activities	**(3.7)**	**(4.3)**
Cash-effective change in cash and cash equivalents	71.1	128.0
Change in cash and cash equivalents due to changes in exchange rates	1.1	0.1
Cash and cash equivalents at March 1	474.0	335.1
Cash and cash equivalents at May 31	**546.2**	**463.2**

Rounding up or down may lead to discrepancies bewteen totals.

Cash and cash equivalents include cash on hand, credit balances at banks and other short-term deposits.

The cash flow from operating activities was reduced by € 11.9 million on account of income tax payments (previous year: € 5.9 million) and by € 13.9 million on account of interest payments (previous year: € 15.1 million) and increased by € 1.4 million on account of interest received (previous year: € 0.7 million).

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

Notes to the Group Interim Report as of May 31, 2011

(1) Accounting principles

This unaudited group interim report of HORNBACH HOLDING AG and its subsidiaries for the 1st quarter as of May 31, 2011 has been prepared in accordance with § 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 preparation of this interim report are basically consistent with those applied in the consolidated financial statements as of February 28, 2011. Furthermore, the HORNBACH Group has applied all of the new and revised International Financial Reporting Standards and Interpretations of the International Financial Reporting Interpretations Committee requiring application from the 2011/2012 financial year - to the extent that these are relevant for the HORNBACH HOLDING AG Group. These new or revised requirements requiring first-time application have not had any material implications for the Group's net asset, financial or earnings position. The Group has made additional application of IAS 34 "Interim Financial Reporting". Pursuant to IAS 34 "Interim Financial Reporting", income tax expenses for the 1st quarter have been calculated using the average annual tax rate expected for the financial year as a whole. This interim report is to be read in conjunction with the consolidated financial statements of HORNBACH HOLDING AG for the 2010/2011 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 is also consistent with German Accounting Standard No. 16 (DRS 16) - Interim Reporting - of the German Accounting Standards Committee (DRSC).

(2) Scope of consolidation

There were no changes in the scope of consolidation in the first quarter of 2011/2012.

(3) 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 results for the first three months as of May 31, 2011 do not necessarily provide an indication of the results to be expected for the year as a whole.

(4) Other income and expenses

Other income and expenses are structured as follows:

€ million	1st Quarter 2011/2012	1st Quarter 2010/2011	Change %
Other income	4.8	4.6	4.8
Other expenses	1.2	1.2	1.8
Other income and expenses	**3.6**	**3.4**	**5.9**

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

The other income reported for the first quarter consists of operating income of € 4.5 million (previous year: € 4.4 million) and non-operating income of € 0.3 million (previous year: € 0.2 million). Operating income mainly consists of income from advertising grants and other supplier credits, ancillary revenues at DIY megastores with garden centers, income from the disposal of non-current assets, and income in connection with damages payments. The non-operating income for the first quarter of 2011/2012 results from the write-up of a piece of land in the "HORNBACH-Baumarkt-AG subgroup" segment. The non-operating income for the first quarter of the previous year resulted from the sale of a DIY store property. This was leased back on a long-term basis together with the relevant land within the framework of an operating lease. There is the option of extending the letting period following expiry of the fixed term.

The other expenses consist of operating expenses of € 1.0 million (previous year: € 1.0 million) and non-operating expenses of € 0.2 million (previous year: € 0.2 million). Operating expenses mainly involve impairment losses recognized for receivables and losses incurred in connection with damages. Non-operating expenses for the first quarter of 2011/2012 relate to impairment losses of € 0.1 million in the "HORNBACH-Baumarkt-AG subgroup" segment due to the write-down of a property held for sale and to expenses of € 0.1 million for investment projects not subject to further development. The impairment losses were attributable to the difference between the carrying amount and the expected net sale proceeds. The non-operating expenses for the first quarter of the previous year resulted from the sale of a piece of land disposed of in the sale and leaseback transaction referred to above. The DIY store property and the land had previously been classified as held for sale.

(5) 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 issued. As in the previous year, no dilutive effects had to be accounted for when calculating earnings per share.

	1st Quarter 2011/2012	1st Quarter 2010/2011
Consolidated net income in € million	39.0	29.8
Additional dividend for preference shares in € million	0.2	0.2
Consolidated net income adjusted to account for additional dividend claims in € million	**38.7**	**29.6**
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 €	**4.84**	**3.70**
Additional dividend claim per preference share in €	0.06	0.06
Earnings per preference share in €	**4.90**	**3.76**

(6) Other disclosures

The personnel expenses of the HORNBACH HOLDING AG Group amounted to € 138.4 million at the end of the first quarter as of May 31, 2011 (previous year: € 125.0 million).

Depreciation and amortization totaling € 17.9 million was recognized on intangible assets and property, plant and equipment at the HORNBACH HOLDING AG Group in the first three months of the 2011/2012 financial year (previous year: € 16.8 million).

(7) Contingent liabilities and other financial obligations

These mainly involve obligations in connection with 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 € 717.3 million at the end of the first quarter of 2011/2012 (February 28, 2011: € 736.2 million).

(8) Related party disclosures

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 2011/2012.

(9) Segment report

1st Quarter 2011/2012 in € million 1st Quarter 2010/1011 in € million	HORNBACH-Baumarkt-AG subgroup	HORNBACH Baustoff Union GmbH subgroup	HORNBACH Immobilien AG subgroup	Headquarters and consolidation	HORNBACH HOLDING AG Group
Segment sales	**863.7**	**54.0**	**16.9**	**(16.5)**	**918.1**
	779.9	46.7	15.9	(15.8)	826.6
Sales to third parties	863.4	53.8	0.0	0.0	917.2
	779.6	46.1	0.0	0.0	825.7
Sales to affiliated companies	0.0	0.2	0.0	(0.3)	0.0
	0.0	0.5	0.0	(0.6)	0.0
Rental income from third parties	0.2	0.0	0.7	0.0	1.0
	0.2	0.0	0.7	0.0	0.9
Rental income from affiliated companies	0.0	0.0	16.2	(16.2)	0.0
	0.0	0.0	15.3	(15.3)	0.0
Segment earnings (EBIT)	**67.2**	**1.7**	**11.0**	**(0.6)**	**79.3**
	49.6	0.9	9.7	(0.6)	59.6
Depreciation and amortization/write-ups	**13.3**	**1.1**	**3.1**	**0.0**	**17.6**
	12.8	1.0	3.0	0.0	16.8
EBITDA	**80.5**	**2.9**	**14.1**	**(0.6)**	**96.8**
	62.4	1.9	12.7	(0.6)	76.4
Segment assets	**1,726.4**	**119.4**	**479.2**	**31.1**	**2,356.2**
	1,551.8	108.9	451.4	24.7	2,136.8
of which: credit balances at banks	488.6	1.3	5.2	29.1	524.2
	391.2	0.9	23.8	22.8	438.7

Reconciliation in € million	1st Quarter 2011/2012	1st Quarter 2010/2011
Segment earnings (EBIT) before "Headquarters and consolidation"	79.9	60.2
Headquarters	(0.5)	(0.5)
Consolidation adjustments	(0.1)	(0.1)
Net financial expenses	(10.9)	(6.6)
Consolidated earnings before taxes	**68.4**	**53.0**

Rounding up or down may lead to discrepancies between totals.

Neustadt an der Weinstrasse, June 30, 2011

The Board of Management of HORNBACH HOLDING Aktiengesellschaft

FINANCIAL CALENDAR 2011

June 30, 2011	Interim Report: 1st Quarter of 2011/2012 as of May 31, 2011
July 8, 2011	Annual General Meeting Festhalle Landau, Landau/Pfalz
September 29, 2011	Half-Year Financial Report 2011/2012 as of August 31, 2011 DVFA Analysts' Conference
December 22, 2011	Interim Report: 3rd Quarter of 2011/2012 as of November 30, 2011

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