INTERIM REPORT

HORNBACH HOLDING AG GROUP

1st QUARTER 2012/2013

(MARCH 1 – MAY 31, 2012)

HORNBACH HOLDING AG

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Interim Report for the 1st Quarter of 2012/2013

(March 1 – May 31, 2012)

Key Figures of the HORNBACH HOLDING AG Group (in € million, unless otherwise stated)	1st Quarter 2012/2013	1st Quarter 2011/2012	Change %
Net sales	**918.8**	**918.1**	**0.1**
of which: in other European countries	361.4	359.4	0.6
Like-for-like sales growth	(1.1)%	7.7%	
Gross margin as % of net sales	37.5%	36.9%	
EBITDA	93.5	96.8	(3.5)
EBIT	**75.4**	**79.3**	**(4.9)**
Consolidated earnings before taxes	65.1	68.4	(4.8)
Consolidated net income*	46.9	49.4	(5.1)
Basic/diluted earnings per preference share (€)	2.34	2.45	(4.5)
Investments	32.7	58.1	(43.7)

Misc. key figures of the HORNBACH HOLDING AG Group (in € million, unless otherwise stated)	May 31, 2012	February 29, 2012	Change %
Total assets	2,405.8	2,267.2	6.1
Shareholders' equity	1,083.4	1,041.3	4.0
Shareholders' equity as % of total assets	45.0%	45.9%	
Number of employees	14,476	14,320	1.1

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 maintains course and holds its ground compared with high previous year's results**
- **At € 919 million, consolidated sales for first quarter of 2012/2013 match record set in previous year**
- **Ongoing above-average demand from German project customers**
- **First-quarter earnings performance satisfactory and within range forecast for 2012/2013 financial year as a whole**
- **New store opening in Sweden boosts DIY store network to 135 DIY megastores with garden centers in nine countries**

Despite poor weather in April and fewer shopping days, in the first three months of the current financial year (March 1 to May 31, 2012) the HORNBACH HOLDING AG Group successfully held its ground compared with the high figures reported for the previous year's quarter. Consolidated sales showed slight growth of 0.1% to € 918.8 million in the first quarter of 2012/2013 (previous year: € 918.1m), thus matching the record set in the previous year. Sales at the largest operating subgroup, HORNBACH-Baumarkt-AG, grew by 0.2% to € 865.1 million (previous year: € 863.7m). Following a new store opening in Sweden, the number of DIY megastores with garden centers now totals 135. On a like-for-like basis, HORNBACH virtually matched the high level reported following the jump in DIY sales in the equivalent period in the previous year. Currency-adjusted comparable store sales across the Group thus fell 1.1% short of the previous year's figure. Supported by the strong performance of the German construction sector, project customers in the domestic business continued to generate the strongest demand within the Group. Sales at the 24 builders' merchants outlets at the HORNBACH Baustoff Union GmbH subgroup virtually matched the previous year's figure. Given challenging base effects, the HORNBACH Group's earnings for the first quarter of 2012/2013 fell short of the previous year's figures. Operating earnings (EBIT) at the Group thus declined by 4.9% to € 75.4 million (previous year: € 79.3m). Net income for the period amounted to € 46.9 million (previous year: € 49.4m). Earnings per preference share for the period were reported at € 2.34 (previous year: € 2.45). The full-year sales and earnings forecast has been confirmed.

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 showed slight growth of 0.1% to € 918.8 million in the first quarter of the current 2012/2013 financial year (previous year: € 918.1 million).

HORNBACH-Baumarkt-AG subgroup

Cumulative sales at the HORNBACH-Baumarkt-AG subgroup for the first three months of the 2012/2013 financial year (March 1 to May 31, 2012) matched the previous year's record level. Despite substantial negative base effects, first-quarter sales rose across the subgroup by 0.2% to € 865.1 million (previous year: € 863.7m). On a like-for-like basis, i.e. excluding sales at stores newly opened or closed in the past twelve months, and net of currency items the subgroup's sales were 1.1% down on the previous year's figure. Including currency items, this downturn reduced to 0.9%. It should be noted that the subgroup's like-for-like sales had risen more sharply in the first quarter of 2011/2012 than in any first quarter since the beginning of the company's expansion into other European countries in 1996.

In the first quarter of the current 2012/2013 financial year, in which the subgroup had to defend the high comparative figures reported in the previous year, underlying conditions were less favorable for our retail business in Germany and other European countries than one year earlier. On the one hand, April 2012 suffered from comparatively cool, rainy weather, which impacted negatively on the garden business, an important factor in the spring season. On the other hand, there were up to two fewer shopping days in Germany and parts of our international sales network than in the first quarter of the previous year. Given these factors, the subgroup's sales performance in the period under report from March to May 2012 can be termed successful.

Germany

The German economy as a whole has regained its growth course since the beginning of 2012. Following a slight dip in economic output in the final quarter of 2011, real-term gross domestic product (GDP) grew by 0.5% in the period from January to March 2012 compared with the previous quarter. Construction demand provided ongoing strong growth momentum. According to the Bundesbank, private consumer spending is also thought to have risen. Economic experts have discerned both an improvement in the business situation in the retail sector and persistently positive levels of consumer confidence in Germany, a factor that continues to be supported by the robust constitution of the labor market.

Against this backdrop, the year initially began on a positive note for the DIY store and garden center sector. According to the BHB sector association, gross sales in the period from January to March 2012 grew by 7.0%, and by 5.8% on a like-for-like basis. However, cool, rainy weather conditions in April 2012 then led to a severe downturn in sales (like-for-like: minus 13.9%). In May 2012, which had two shopping days fewer, the DIY sector is thought to have achieved like-for-like sales growth of around one percent. The original head start built up in terms of sales since the beginning of 2012 can therefore be assumed to have been lost once again. HORNBACH's DIY megastores with garden centers in Germany, by contrast, once again outperformed the sector average on a cumulative basis for the period under comparison from January to May 2012. What is remarkable here is that the base effects for HORNBACH were significantly more challenging than for the sector as a whole. Our like-for-like sales had shown double-digit growth rates in every month in the period from January to May 2011, while the DIY sector only managed to post average growth in a low to medium single-digit percentage range.

At € 503.8 million, sales at HORNBACH's stores in Germany for the first three months of the 2012/2013 financial year (March 1 to May 31, 2012) matched the previous year's figure (minus 0.1%). Like-for-like sales also showed a marginal decline of 0.1%, following the 11.9% jump in domestic sales reported one year earlier. The rates of like-for-like sales growth showed sharply disparate developments in the months from March to May 2012. Strong growth in March was followed in April by a weather-related downturn in a high single-digit percentage range. Like-for-like sales rose once again in May, notwithstanding the loss of two shopping days, thus contributing towards a balanced result for the quarter as a whole. Overall, thanks to our retail concept, which focuses in particular on the needs of project customers, we managed to draw above-average benefit once again from the high level of demand in the German residential construction and renovation business.

GDP growth rates in countries with HORNBACH DIY megastores and garden centers

Percentage change on previous quarter Source: Eurostat (calendar year figures)	2nd Quarter 2011	3rd Quarter 2011	4th Quarter 2011	**1st Quarter 2012**
Germany	0.3	0.6	-0.2	0.5
Luxembourg	-0.6	1.0	0.2	n.a.
Netherlands	0.1	-0.4	-0.7	-0.2
Austria	0.5	0.0	0.0	0.2
Romania	0.2	1.0	-0.2	-0.1
Slovakia	0.8	0.7	0.8	0.7
Sweden	1.1	0.7	-1.0	0.8
Switzerland	0.5	0.3	0.5	0.7
Czech Republic	0.3	-0.1	-0.1	-1.0
Euro area	**0.1**	**0.1**	**-0.3**	**0.0**
EU 27	**0.2**	**0.2**	**-0.3**	**0.0**

Other European countries

The macroeconomic malaise that set in both in the European Union and in the euro area in the fall of 2011 continued unabated in the first three months of the 2012 calendar year as well. Seasonally-adjusted real-term GDP stagnated in the first quarter of 2012 at the weaker level seen in the previous quarter. This was chiefly attributable to weak domestic demand in several EU countries, characterized among other factors by a decline in construction output and sluggish private consumer spending. Based on preliminary Eurostat figures, GDP growth rates in the nine countries in which HORNBACH's DIY stores and garden centers are located mostly exceeded the euro area average. In Germany, Austria, Slovakia, Sweden and Switzerland, economic output grew in a range of between 0.2% and 0.8% compared with the previous quarter. In Romania and the Netherlands, growth fell slightly short of the previous quarter's level. The 1.0% downturn in GDP in the Czech Republic showed that the recovery from the financial crisis remains a protracted process, particularly in parts of Eastern Europe.

All in all, in the quarter under report the underlying framework for our retail activities was less favorable in other European countries than in Germany. Due to the expansion, other European countries reported sales growth of 0.6% to € 361.4 million (previous year: € 359.3m). The international share of consolidated sales at the HORNBACH-Baumarkt-AG subgroup increased from 41.6% to 41.8%. On a like-for-like basis, currency-adjusted sales outside Germany reduced by 2.4% in the first quarter of 2012/2013; including currency items, like-for-like sales decreased by 1.8%. On average, the locations in our West European network (Luxembourg, Austria, Netherlands, Switzerland and Sweden) performed better than their East European counterparts. It is nevertheless pleasing to note that the negative sales trend in Eastern Europe has now noticeably slowed. Following a longer period of decline, Romania in particular has now for the first time reported positive like-for-like sales growth once again.

HORNBACH Baustoff Union GmbH subgroup

The significant jump in sales by almost 16% to € 54.0 million in the first quarter of the previous year meant that the basis for comparison was also very high at the HORNBACH Baustoff Union GmbH (HBU) subgroup. At € 53.2 million, the builders' merchants sales reported for the first quarter of 2012/2013 nevertheless almost matched the previous year's figure. HORNBACH Baustoff Union GmbH launched operations at a new outlet in Pirmasens in April 2012. To this end, a smaller outlet in the same catchment area was closed. Overall, HBU continues to operate an unchanged total of 24 builders' merchants outlets in South-Western Germany.

Earnings performance

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

In view of the seasonal and macroeconomic backdrop, the HORNBACH Group's earnings developed satisfactorily in the period under report from March to May 2012. Having said this, the Group failed to match the high level of earnings reported in the previous year. This was largely due to the lower volume of like-for-like sales at the DIY stores and garden centers on account of the negative base effects outlined above.

Earnings were positively affected by the improvement in the gross margin. Due largely to changes in the product mix and positive currency items, the gross profit rose as a percentage of net sales from 36.9% to 37.5%. Selling and store expenses increased by 2.8% to € 233.5 million (previous year: € 227.1m). The store expense ratio changed from 24.7% to 25.4%. The pre-opening expense ratio remained unchanged at 0.3%. The continuation of major innovative projects, such as the further expansion of our online store, led to an increase in administration expenses in the period under report as well. The administration expense ratio rose from 3.6% to 4.0%. The HORNBACH Group posted a positive non-operating accounting gain of € 0.6 million in the first quarter of 2012/2013 from the sale of a DIY megastore with a garden center no longer in use.

Earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 3.5% to € 93.5 million in the first quarter of 2012/2013 (previous year: € 96.8m). Operating earnings (EBIT) declined by 4.9% to € 75.4 million (previous year: € 79.3m). Thanks mainly to more favorable currency items than in the previous year's quarter, net financial expenses improved from minus € 10.9 million to minus € 10.3 million. Consolidated earnings before taxes fell by 4.8% to € 65.1 million (previous year: € 68.4m). The tax rate amounted to 28.0% (previous year: 27.8%). After taxes, net income for the period amounted to € 46.9 million (previous year: € 49.4m). Earnings per preference share are reported at € 2.34 for the period under report (previous year: € 2.45).

Earnings performance by segment

By analogy with the overall Group, the first-quarter earnings performance at the largest operating subgroup, **HORNBACH-Baumarkt-AG**, was also satisfactory. Operating earnings (EBIT) at this subgroup reduced by 7.4% to € 62.3 million (previous year: € 67.2m). Further details can be found in the interim report published separately by this subgroup.

Despite the slight decline in sales volumes, the **HORNBACH Baustoff Union GmbH subgroup** managed to increase its earnings in the first quarter of 2012/2013. Thanks mainly to an improvement in the gross margin, operating earnings at this subgroup rose from € 1.7 million to € 1.8 million.

Due mainly to higher rental income and gains on the disposal of a DIY store property no longer in use, EBIT at the **HORNBACH Immobilien AG subgroup** increased by 10.7% to € 12.2 million (previous year: € 11.0m).

Financial and net asset position

The Group invested a total of € 32.7 million in the first quarter of 2012/2013 (previous year: € 58.1m). Around 64% of these 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. Investments were financed in full from the cash flow of € 116.4 million from operating activities (previous year: € 131.8m). Information about the financing and investment activities of the HORNBACH HOLDING AG Group can be found in the cash flow statement on Page 11.

Total assets grew to € 2,405.8 million as of May 31, 2012, up by 6.1% compared with the balance sheet date as of February 29, 2012. Cash and cash equivalents are reported at € 504.4 million (February 29, 2012: € 422.3m). Shareholders' equity as reported in the balance sheet rose to € 1,083.4 million, up 4.0% on the previous reporting date. At 45.0%, the equity ratio remains high (February 29, 2012: 45.9%). The net financial debt of the HORNBACH HOLDING AG Group reduced from € 347.8 million as of February 29, 2012 to € 259.4 million as of May 31, 2012.

Employees

A total of 14,476 individuals across Europe were in fixed employment at the HORNBACH HOLDING AG Group at the reporting date on May 31, 2012 (February 29, 2012: 14,320).

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 84 to 92 of the 2011/2012 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

Deviating from the outlook provided in the 2011/2012 Annual Report (Page 92), the expansion planning at the HORNBACH-Baumarkt-AG subgroup for the 2012/2013 financial year was revised in the period under report. Accordingly, the store opening in Bratislava originally scheduled for February 2013 is now expected to be deferred to the first quarter of the 2013/2014 financial year. Work on the opening of four other locations in Germany and abroad, by contrast, is progressing on schedule. New HORNBACH stores are set to open their doors in Timisoara (Romania) and Riddes (Wallis Canton / Switzerland) in the second quarter (June 1 to August 31, 2012). In Germany, store openings in Oberhausen and Bremen (replacement location) are on the agenda for the fourth quarter (December 1, 2012 to February 28, 2013). Accounting for the updated location plan, the number of HORNBACH DIY megastores with garden centers is expected to total 138 by the end of the financial year (February 28, 2013).

Forecast

We published our forecast for the current 2012/2013 financial year at our Annual Results Press Conference on May 24, 2012. Details can be found in the outlook provided on Pages 92 to 95 of the 2011/2012 Annual Report. Following the end of the first quarter, the Board of Management is upholding its full-year sales and earnings forecast. Accordingly, we still expect sales both at the HORNBACH HOLDING AG Group and at the HORNBACH-Baumarkt-AG subgroup to grow in a medium single-digit percentage range in the current 2012/2013 financial year. With regard to our earnings forecast for the current 2012/2013 financial year, we expect operating earnings (EBIT) at the HORNBACH HOLDING AG Group to slightly exceed the level seen in the 2011/2012 financial year (€ 169m).

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income Statement

€ million	1st Quarter 2012/2013	1st Quarter 2011/2012	Change %
Sales	918.8	918.1	0.1
Cost of goods sold	573.9	579.2	(0.9)
Gross profit	**345.0**	**338.9**	**1.8**
Selling and store expenses	233.5	227.1	2.8
Pre-opening expenses	2.3	2.8	(18.7)
General and administration expenses	36.7	33.4	10.0
Other income and expenses	2.9	3.6	(19.1)
Earnings before interest and taxes (EBIT)	**75.4**	**79.3**	**(4.9)**
Other interest and similar income	0.8	1.4	(41.2)
Other interest and similar expenses	9.8	10.3	(4.9)
Other financial result	(1.3)	(2.0)	(33.8)
Net financial expenses	**(10.3)**	**(10.9)**	**(5.5)**
Consolidated earnings before taxes	**65.1**	**68.4**	**(4.8)**
Taxes on income	18.2	19.0	(4.0)
Consolidated net income	**46.9**	**49.4**	**(5.1)**
of which: income attributable to shareholders of HORNBACH HOLDING AG	37.2	39.0	(4.7)
of which: non-controlling interest	9.7	10.4	(6.6)
Basic/diluted earnings per share (€)	**2.31**	**2.42**	**(4.5)**
Basic/diluted earnings per preference share (€)	**2.34**	**2.45**	**(4.5)**

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 2012/2013	1st Quarter 2011/2012
Consolidated net income	**46.9**	**49.4**
Measurement of derivative financial instruments (cash flow hedge)		
Measurement of derivative hedging instruments directly in equity	(1.7)	(1.3)
Gains and losses from measurement of derivative financial instruments transferred to profit or loss	0.6	0.9
Exchange differences arising on the translation of foreign subsidiaries	(4.0)	4.5
Deferred taxes on gains and losses recognized directly in equity	0.3	0.1
Other comprehensive income	**(4.8)**	**4.1**
Total comprehensive income	**42.1**	**53.5**
of which: attributable to shareholders of HORNBACH HOLDING AG	33.1	42.4
of which: attributable to non-controlling interest	9.0	11.1

Rounding up or down may lead to discrepancies between percentages and totals.

Balance Sheet

Assets	May 31, 2012 € million	May 31, 2012 %	February 29, 2012 € million	February 29, 2012 %
Non-current assets				
Intangible assets	15.9	0.7	16.9	0.7
Property, plant, and equipment	1,147.3	47.7	1,138.8	50.2
Investment property	42.0	1.7	43.6	1.9
Financial assets	2.6	0.1	2.6	0.1
Non-current receivables and other assets	6.4	0.3	6.3	0.3
Non-current income tax receivables	18.0	0.7	17.9	0.8
Deferred tax assets	13.9	0.6	13.9	0.6
	1,246.0	**51.8**	**1,240.0**	**54.7**
Current assets				
Inventories	538.1	22.4	506.8	22.4
Other receivables and assets	106.1	4.4	86.9	3.8
Income tax receivables	10.8	0.4	9.7	0.4
Cash and cash equivalents	504.4	21.0	422.3	18.6
Non-current assets held for sale and disposal groups	0.4	0.0	1.5	0.1
	1,159.8	**48.2**	**1,027.2**	**45.3**
	2,405.8	**100.0**	**2,267.2**	**100.0**

Equity and liabilities	May 31, 2012 € million	May 31, 2012 %	February 29, 2012 € million	February 29, 2012 %
Shareholders' equity				
Share capital	48.0	2.0	48.0	2.1
Capital reserve	130.4	5.4	130.4	5.8
Revenue reserves	708.9	29.5	675.8	29.8
Equity of shareholders of HORNBACH HOLDING AG	887.2	36.9	854.2	37.7
Non-controlling interest	196.1	8.2	187.1	8.3
	1,083.4	**45.0**	**1,041.3**	**45.9**
Non-current liabilities				
Non-current financial debt	585.3	24.3	596.3	26.3
Deferred tax liabilities	63.3	2.6	63.8	2.8
Other non-current liabilities	25.7	1.1	25.9	1.1
	674.3	**28.0**	**686.0**	**30.3**
Current liabilities				
Current financial debt	178.6	7.4	173.8	7.7
Trade payables and other liabilities	336.4	14.0	257.0	11.3
Income tax liabilities	43.2	1.8	36.2	1.6
Other provisions and accrued liabilities	90.0	3.7	72.8	3.2
	648.1	**26.9**	**539.9**	**23.8**
	2,405.8	**100.0**	**2,267.2**	**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 2011/2012 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to share-holders	Non-controlling interest	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**

1st Quarter 2012/2013 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to share-holders	Non-controlling interest	Total group equity
Balance at March 1, 2012	**48.0**	**130.4**	**(3.7)**	**21.2**	**658.3**	**854.2**	**187.1**	**1,041.3**
Consolidated net income					37.2	37.2	9.7	46.9
Measurement of derivative financial instruments (cash flow hedge), net after taxes			(0.6)			(0.6)	(0.2)	(0.8)
Foreign currency translation				(3.5)		(3.5)	(0.5)	(4.0)
Total comprehensive income			**(0.6)**	**(3.5)**	**37.2**	**33.1**	**9.0**	**42.1**
Balance at May 31, 2012	**48.0**	**130.4**	**(4.3)**	**17.6**	**695.5**	**887.2**	**196.1**	**1,083.4**

Rounding up or down may lead to discrepancies between percentages and totals.

Cash Flow Statement

€ million	1st Quarter 2012/2013	1st Quarter 2011/2012
Consolidated net income	**46.9**	**49.4**
Depreciation and amortization of non-current assets	18.1	17.9
Change in provisions	0.0	(0.3)
Gains/losses on disposals of non-current assets and of non-current assets held for sale	(0.8)	(0.1)
Change in inventories, trade receivables, and other assets	(54.0)	(52.0)
Change in trade payables and other liabilities	107.4	114.3
Other non-cash income/expenses	(1.2)	2.5
Cash flow from operating activities	**116.4**	**131.8**
Proceeds from disposal of non-current assets and of non-current assets held for sale	2.4	1.1
Payments for investments in property, plant, and equipment	(32.3)	(56.5)
Payments for investments in intangible assets	(0.4)	(1.2)
Payments for acquisitions of shareholdings and other business units	0.0	(0.4)
Cash flow from investing activities	**(30.3)**	**(57.0)**
Proceeds from taking up long-term debt	2.4	0.0
Repayment of long-term debt	(10.4)	(10.2)
Change in current financial debt	4.3	6.5
Cash flow from financing activities	**(3.7)**	**(3.7)**
Cash-effective change in cash and cash equivalents	82.5	71.1
Change in cash and cash equivalents due to changes in exchange rates	(0.4)	1.1
Cash and cash equivalents at March 1	422.3	474.0
Cash and cash equivalents at May 31	**504.4**	**546.2**

Rounding up or down may lead to discrepancies between percentages and 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 € 12.5 million on account of income tax payments (previous year: € 11.9m) and by € 13.4 million on account of interest payments (previous year: € 13.9m) and increased by € 0.8 million on account of interest received (previous year: € 1.4m).

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

Notes to the Group Interim Report as of May 31, 2012

(1) Accounting principles

This unaudited group interim report of HORNBACH HOLDING AG and its subsidiaries for the 1st quarter as of May 31, 2012 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 abridged interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting".

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 29, 2012. Furthermore, the HORNBACH Group has applied all of the accounting regulations requiring first-time application from the 2012/2013 financial year – to the extent that these are relevant for the HORNBACH HOLDING AG Group. These regulations requiring first-time application have not had any implications for the Group's net asset, financial or earnings position.

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 2011/2012 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 2012/2013.

(3) Seasonal influences

Due to weather conditions, the HORNBACH HOLDING AG Group generally reports a weaker business performance in the fall 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, 2012 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 2012/2013	1st Quarter 2011/2012	Change %
Other income	4.6	4.8	(4.2)
Other expenses	1.7	1.2	38.4
Other income and expenses	**2.9**	**3.6**	**(19.1)**

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 € 4.0 million (previous year: € 4.5m) and non-operating income of € 0.6 million (previous year: € 0.3m). Operating income mainly consists of income from advertising grants and other supplier credits, ancillary revenues at DIY megastores with garden centers, income in connection with damages, and income from the disposal of non-current assets. The non-operating income for the first quarter of 2012/2013 results from the disposal of a DIY megastore with a garden center no longer in use, along with the relevant plant and office equipment. The non-operating income reported for the previous year related to the write-up of a piece of land in the "HORNBACH-Baumarkt-AG sub-group" segment.

The other expenses consist of operating expenses of € 1.6 million (previous year: € 1.0m) and non-operating expenses of € 0.1 million (previous year: € 0.2m). Operating expenses mainly involve expenses for legal disputes, impairments of receivables, and losses incurred in connection with damages. The non-operating expenses for the first quarter of 2012/2013 chiefly relate to losses in connection with real estate development. The non-operating expenses for the previous year resulted from an impairment loss of € 0.1 million recognized on a property held for sale in the "HORNBACH-Baumarkt-AG subgroup" segment, as well as to expenses of € 0.1 million incurred in connection with discontinued investment projects. The impairment loss corresponded to the difference between the carrying amount and the expected net sale proceeds.

(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.

Bonus shares were issued to all shareholders in HORNBACH HOLDING AG at a ratio of 1:1 on July 29, 2011. The total numbers of preference and ordinary shares doubled from 4,000,000 to 8,000,000 in each case. At the same time, preference shareholders' additional dividend claims remained unchanged overall. The additional dividend claim per share for preference shareholders thus halved from € 0.06 to € 0.03. The calculation of earnings per share has been retrospectively adjusted to account for this change.

	1st Quarter 2012/2013	1st Quarter 2011/2012
Consolidated net income in € million	37.2	39.0
Additional dividend for preference shares in € million	0.2	0.2
Consolidated net income adjusted to account for additional dividend claims in € million	**36.9**	**38.7**
Number of ordinary shares issued	8,000,000	8,000,000
Number of preference shares issued	8,000,000	8,000,000
	16,000,000	**16,000,000**
Earnings per share in €	**2.31**	**2.42**
Additional dividend claim per preference share in €	0.03	0.03
Earnings per preference share in €	**2.34**	**2.45**

Rounding up or down may lead to discrepancies between totals.

(6) Other disclosures

The personnel expenses of the HORNBACH HOLDING AG Group amounted to € 142.7 million at the end of the first three months as of May 31, 2012 (previous year: € 138.4m).

Depreciation and amortization totaling € 18.1 million was recognized on intangible assets, property, plant and equipment, and investment property at the HORNBACH HOLDING AG Group in the first three months of the 2012/2013 financial year (previous year: € 17.9m).

(7) Contingent liabilities and other financial obligations

These mainly involve obligations for 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 € 710.8 million at the end of the first quarter of 2012/2013 (February 29, 2012: € 725.8m).

(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 2012/2013.

(9) Segment report

1st Quarter 2012/2013 in € million 1st Quarter 2011/2012 in € million	HORNBACH-Baumarkt-AG subgroup	HORNBACH Baustoff Union GmbH subgroup	HORNBACH Immobilien AG subgroup	Headquarters and consolidation	HORNBACH HOLDING AG Group
Segment sales	**865.1**	**53.2**	**17.8**	**(17.4)**	**918.8**
	863.7	54.0	16.9	(16.5)	918.1
Sales to third parties	864.9	53.0	0.0	0.0	917.9
	863.4	53.8	0.0	0.0	917.2
Sales to affiliated companies	0.0	0.2	0.0	(0.2)	0.0
	0.0	0.2	0.0	(0.3)	0.0
Rental income from third parties	0.2	0.0	0.6	0.0	0.8
	0.2	0.0	0.7	0.0	1.0
Rental income from affiliated companies	0.0	0.0	17.2	(17.2)	0.0
	0.0	0.0	16.2	(16.2)	0.0
Segment earnings (EBIT)	**62.3**	**1.8**	**12.2**	**(0.9)**	**75.4**
	67.2	1.7	11.0	(0.6)	79.3
Depreciation and amortization/write-ups	**13.6**	**1.2**	**3.3**	**0.0**	**18.1**
	13.3	1.1	3.1	0.0	17.6
EBITDA	**75.9**	**2.9**	**15.5**	**(0.9)**	**93.5**
	80.5	2.9	14.1	(0.6)	96.8
Segment assets	**1,742.1**	**120.0**	**495.4**	**5.6**	**2,363.1**
	1,726.4	119.4	479.2	31.1	2,356.2
of which: credit balances at banks	462.0	1.2	12.0	5.0	480.2
	488.6	1.3	5.2	29.1	524.2

Reconciliation in € million	**1st Quarter 2012/2013**	1st Quarter 2011/2012
Segment earnings (EBIT) before "Headquarters and consolidation"	76.3	79.9
Headquarters	(0.8)	(0.5)
Consolidation adjustments	(0.1)	(0.1)
Net financial expenses	(10.3)	(10.9)
Consolidated earnings before taxes	**65.1**	**68.4**

Rounding up or down may lead to discrepancies between totals.

Neustadt an der Weinstrasse, June 27, 2012

The Board of Management of HORNBACH HOLDING Aktiengesellschaft

FINANCIAL CALENDAR FOR 2012

June 28, 2012	Interim Report: 1st Quarter 2012/2013 as of May 31, 2012
July 6, 2012	Annual General Meeting Festhalle Landau, Landau/Pfalz
September 27, 2012	Half-Year Financial Report 2012/2013 as of August 31, 2012 DVFA Analysts' Conference
December 21, 2012	Interim Report: 3rd Quarter 2012/2013 as of November 30, 2012

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