INTERIM REPORT

HORNBACH HOLDING AG GROUP

FIRST NINE MONTHS 2011/2012

(MARCH 1 – NOVEMBER 30, 2011)

HOLDING AG

HORNBACH HOLDING AG GROUP

Nine-Month Interim Report 2011/2012

(March 1 –November 30, 2011)

Key Figures of the HORNBACH HOLDING AG Group (in € million, unless otherwise stated)	3rd Quarter 2011/2012	3rd Quarter 2010/2011	Change %	Nine Months 2011/2012	Nine Months 2010/2011	Change %
Net sales	**801.7**	**765.4**	**4.7**	**2,581.9**	**2,422.2**	**6.6**
of which: in other European countries	314.9	299.7	5.1	1,025.4	953.2	7.6
Like-for-like sales growth	1.0%	4.3%		2.9%	1.8%	
Gross margin as % of net sales	35.7%	35.7%		36.5%	36.4%	
EBITDA	52.5	46.7	12.4	245.9	220.4	11.5
EBIT	**33.4**	**29.6**	**12.8**	**191.2**	**169.6**	**12.8**
Consolidated earnings before taxes	26.2	20.0	30.5	162.2	146.0	11.1
Consolidated net income[1)]	19.1	21.3	(10.2)	118.1	113.1	4.4
Basic/diluted earnings per preference share (€)[2)]	1.01	1.19	(15.1)	5.90	5.73	3.0
Investments	35.8	34.9	2.7	121.4	78.4	54.7

Misc. key figures of the HORNBACH HOLDING AG Group (in € million, unless otherwise stated)	November 30, 2011	February 28, 2011	Change %
Total assets	2,367.9	2,233.3	6.0
Shareholders' equity	1,060.8	962.4	10.2
Shareholders' equity as % of total assets	44.8%	43.1%	
Number of employees	14,314	13,768	4.0

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

1) including minority interests pursuant to IFRS.

2) The earnings per preference share figure accounts for the retrospective adjustment due to the issue of bonus shares (please see Note 5 in the notes to the financial statements).

INTERIM GROUP MANAGEMENT REPORT

Summary

- **HORNBACH Group with further significant earnings growth in third quarter of 2011/2012**
- **Consolidated sales up 4.7% in third quarter and 6.6% in first nine months**
- **DIY stores with garden centers beat high previous year's sales: Like-for-like sales up 2.9% in first nine months – Germany as key growth driver**
- **Pleasing sales and earnings growth in builders' merchant business as well**
- **Operating earnings (EBIT) show disproportionate growth: Up 12.8% to € 191.2 million in first nine months**

The HORNBACH HOLDING AG Group (HORNBACH Group) upheld its pleasing sales and earnings growth in the third quarter of 2011/2012 as well, thus further maintaining its successful growth course in the first nine months of the 2011/2012 financial year. Consolidated sales for the period from September 1 to November 30, 2011 grew by 4.7% to € 801.7 million (previous year: € 765.4m). In the first nine months, the Group boosted its sales by 6.6% to € 2,581.9 million (previous year: € 2,422.2m).

HORNBACH-Baumarkt-AG, the largest operating subgroup, increased its sales by 6.3% to € 2,409.8 million at its 134 locations in nine European countries (previous year: € 2,267.9m). On a like-for-like basis, i.e. excluding sales at newly opened stores and store closures, and net of currency items, HORNBACH improved its DIY sales by 1.0% in the third quarter (including currency items: plus 1.6%) and by 2.9% in the first nine months (including currency items: plus 4.3%). As in the first half already, the strongest growth momentum came from the store network in Germany in particular, which contributed like-for-like sales growth of 3.5% in the third quarter and of plus 6.0% on a cumulative basis. This clearly offset the decline in adjusted sales in parts of the Group's international sales network. The HORNBACH Baustoff Union GmbH subgroup, which operates in the regional builders' merchant business, also posted a pleasing sales and earnings performance in the period under report.

Operating earnings at the HORNBACH Group showed disproportionate growth compared with sales both in the third quarter and in the first nine months as a whole. This improved earnings performance was mainly driven by the like-for-like sales growth at the DIY megastores with garden centers in Germany in conjunction with an increase in the gross margin across the Group. The Group's operating earnings (EBIT) grew by 12.8% to € 191.2 million in the first nine months (previous year: € 169.6m).

The HORNBACH Group has confirmed its sales and earnings forecast for the 2011/2012 financial year as a whole. Accordingly, the Board of Management still expects the HORNBACH HOLDING AG Group to generate sales growth in a medium single-digit percentage range and to achieve operating earnings (EBIT) in excess of the level reported for the 2010/2011 financial year (€ 159.1m).

Macroeconomic Framework

The period under report was characterized by diffuse figures concerning the underlying macroeconomic framework and expectations as to future economic developments. While key macroeconomic figures in the third calendar quarter of 2011 (July to September) pointed to the global economy being in relatively robust shape, the picture presented by forward-looking confidence indicators deteriorated significantly towards the end of 2011. This was mainly triggered by the renewed intensification in the European sovereign debt crisis, which following countries on the periphery of the EU now also has the core of the euro area in its grip and recently peaked with the threat of downgrades even of countries with the top "AAA" rating - alongside Germany, these also include Finland, France, Luxembourg, the Netherlands and Austria.

According to Eurostat, in the third quarter the European economy maintained the shallow growth curve already seen in the second quarter. Real-term gross domestic product (GDP) thus grew in Q3 by 0.3% in the EU (Q2: 0.2%) and by 0.2% in the euro area (Q2: 0.2%). Consistent with the overall European context, the economies in those European countries in which the HORNBACH-Baumarkt-AG Group operates also showed disparate developments. Key growth contributions came from Germany, where real-term GDP picked up slightly to plus 0.5% in the third quarter following plus 0.3% in the second quarter.

Based on the country data available for the third quarter, macroeconomic output also improved compared with the previous quarter in Romania and Sweden. Economic developments in Slovakia and the Czech Republic remained stable. The positive growth rates slipped in Austria and Switzerland, while a 0.3% decline in real-term GDP was reported for the Netherlands in Q3.

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

Percentage change on previous quarter Source: Eurostat (calendar year figures)	4th Quarter 2010	1st Quarter 2011	2nd Quarter 2011	**3rd Quarter 2011**
Germany	0.5	1.3	0.3	0.5
Luxembourg	1.0	0.2	0.3	n.a.
Netherlands	0.6	0.7	0.2	-0.3
Austria	1.0	0.9	0.5	0.3
Romania	0.5	1.2	0.9	1.8
Slovakia	0.8	0.8	0.8	0.8
Sweden	1.2	0.7	1.0	1.6
Switzerland	0.4	0.4	0.5	0.2
Czech Republic	0.5	0.9	0.1	0.0
Euro area (EA17)	**0.3**	**0.8**	**0.2**	**0.2**
EU27	**0.2**	**0.7**	**0.2**	**0.3**

Earnings, Financial and Net Asset Situation*

Sales performance

The sales performance of the HORNBACH Group gained momentum once more in the third quarter of 2011/2012 compared with the previous quarter. Consolidated sales for the period from September 1 to November 30, 2011 grew by 4.7% to € 801.7 million (previous year: € 765.4m). The Group's sales for the first nine months (March 1 to November 30, 2011) increased by 6.6% to € 2,581.9 million (previous year: € 2,422.2m). The HORNBACH HOLDING AG Group (HORNBACH Group) comprises the HORNBACH-Baumarkt-AG, HORNBACH Baustoff Union GmbH and HORNBACH Immobilien AG subgroups.

HORNBACH-Baumarkt-AG subgroup

The Group's expansion program for the current financial year (March 1, 2011 to February 29, 2012) was completed with the opening of a new store at the Sinsheim location (Baden-Württemberg) in the third quarter of 2011/2012. This store replaces the nearby previous location no longer meeting the latest requirements. Including the stores newly opened this year in Plzeň und Ostrava (both in the Czech Republic) and the scheduled closure of the standalone garden center in Neunkirchen (Saarland), HORNBACH was operating a total of 134 retail outlets with total sales areas of around 1,548,000 m² across the Group as of November 30, 2011 (February 28, 2011: 133).

This subgroup's sales for the period from September 1 to November 30, 2011 rose by 4.1% to € 742.3 million (previous year: € 712.7m). On a like-for-like basis, i.e. excluding new store openings and closures, and adjusted for currency items HORNBACH's sales improved year-on-year by 1.0%. With growth of 4.3%, the previous year's quarter (Q3) had set a high standard to be matched in this respect. Including currency items for the non-euro countries of Romania, Sweden, Switzerland, and the Czech Republic, like-for-like sales improved by 1.6% in the third quarter of 2011/2012. Consolidated sales for the first nine months (March 1 to November 30, 2011) increased by 6.3% to € 2,409.8 million (previous year: € 2,267.9m). Like-for-like sales net of currency items showed cumulative growth of 2.9%. Including currency items, the HORNBACH-Baumarkt-AG Group reported like-for-like sales growth of 4.3%. As already in the first half, the Group's nine-month sales performance was characterized by disparate developments between regions.

- **Germany**

The German HORNBACH stores remained one of the Group's key growth drivers in the third quarter as well. Sales in Germany grew by 3.5% to € 427.4 million (previous year: € 413.0m), following growth of 1.0% in the previous quarter. The rate of like-for-like growth also picked up noticeably, rising from 2.2% in the second quarter to 3.5% in the quarter under report. HORNBACH thus managed to clearly exceed the high previous year's figure (plus 6.4%). The DIY business benefited from favorable weather conditions in the fall months. Sales in Germany for the first nine months of the current financial year grew by 5.3% to € 1,384.5 million (previous year: € 1,314.8m). Like-for-like, the Group's domestic sales rose by 6.0% over the same period.

So far, the negative news surrounding the European sovereign debt crisis has clearly not inhibited consumer confidence among German home builders, DIY enthusiasts and gardening fans. Residential construction has proven to be one of the factors driving the domestic economy to date. Given ever new lows in terms of mortgage financing rates, the strong level of demand for residential property has continued. The pleasing state of the German labor market and noticeable pay rises have also provided consumers with greater incentives to invest in new construction and renovation projects, and thus in inflation-proof assets. With its unmistakable retail format based on product range and service competence, HORNBACH focuses in particular on the needs of this project customer target group, and thus continued to benefit disproportionately from the positive overall trend in the nine-month reporting period. HORNBACH's domestic like-for-like sales exceeded the German sector average by more than five percentage points in the comparative period from March to November 2011.

*Unless otherwise stated, HORNBACH-related time periods refer to the company's financial year (March to February).

■ **Other European countries**

Sales at the HORNBACH DIY megastores with garden centers outside Germany grew by 5.1% to € 314.9 million in the third quarter of 2011/2012 (previous year: € 299.7m). Sales in other European countries for the first nine months of 2011/2012, including sales at newly opened stores, grew by 7.6% to € 1,025.3 million (previous year: € 953.1m). Due to the Group's expansion, the international share of consolidated sales at HORNBACH-Baumarkt-AG rose from 42.0% to 42.5% by the end of the first nine months.

Unlike the German DIY market, stores in other European countries proved less resistant to the crisis in the third quarter. The renewed decline in consumer confidence due to the effects of the financial and sovereign debt crisis was especially noticeable in those EU member states under great pressure to consolidate their public spending. Consumers were correspondingly cautious with their spending, a development also reflected in the Group's like-for-like sales performance. This reticence was clearly apparent in the East European countries within HORNBACH's network (Romania, Slovakia, Czech Republic), although the rate of decline slowed compared with the second quarter. In Western Europe (excluding Germany), HORNBACH largely managed to maintain the high level of sales built up in previous years in the third quarter as well.

Overall, like-for-like sales in other European countries net of currency items fell slightly short of the previous year's figure, and were reported at minus 2.4% for the third quarter and minus 1.1% for the first nine months. Including currency items, sales showed a decline of 0.9% in the third quarter and growth of 2.1% in the first nine months. Based on the sector data available, HORNBACH has also significantly outperformed its competitors in most countries outside Germany in the course of the 2011/2012 financial year to date, thus managing to acquire further market share even in a tough macroeconomic climate.

HORNBACH Baustoff Union GmbH subgroup

Thanks to its strong position in the regional builders' merchant business, the HORNBACH Baustoff Union GmbH subgroup also managed to increase its sales in the period under report. Sales here grew by 12.4% to € 59.1 million in the third quarter (previous year: € 52.6m), and by 11.0% to € 170.9 million in the first nine months (previous year: € 154.0m). As of November 30, 2011, HORNBACH Baustoff Union GmbH was operating an unchanged total of 24 outlets in south-western Germany.

Earnings performance

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

3rd quarter of 2011/2012

Driven by the pleasing development in sales, the HORNBACH Group further improved its earnings performance in the third quarter. Earnings before interest, taxes, depreciation and amortization (EBITDA) for the period from September to November 2011 increased by 12.4% to € 52.5 million (previous year: € 46.7m). Operating earnings (EBIT) rose by 12.8% to € 33.4 million (previous year: € 29.6m). Thanks to a lower interest charge and positive currency items, net financial expenses improved from minus € 9.6 million to minus € 7.2 million, leading earnings before taxes to surge by 30.5% to € 26.2 million (previous year: € 20.0m). The rate of change in net income for the period is distorted by a one-off item in the previous year. Earnings after taxes for the quarter under report fell by 10.2% to € 19.1 million (previous year: € 21.3m) due to the recognition of a tax refund claim of € 7.9 million in the previous year's quarter. At € 1.01, earnings per preference share for the quarter under report thus fell short of the previous year's figure (€ 1.19).

First nine months of 2011/2012

HORNBACH posted disproportionate operating earnings growth compared with sales in the first nine months of 2011/2012. This was chiefly driven by like-for-like sales growth at the DIY megastores with garden centers in Germany in conjunction with a group-wide improvement in the gross margin. As a percentage of net sales, the gross profit rose from 36.4% to 36.5%. This increase was chiefly due to the positive impact of exchange rate movements on international procurement, changes in the product range, and a slight rise in average retail prices. These factors more than compensated for increased procurement prices. The Group's selling and store expenses increased by 4.4% to € 653.4 million (previous year: € 626.0m), and thus less rapidly than consolidated sales. As a percentage of net sales (store expense ratio), selling and store expenses reduced from 25.8% to 25.3%. Due to the Group's expansion, pre-opening expenses grew by € 1.8 million to € 5.6 million (or 0.2% of sales). Driven mainly by expenses incurred for central forward-looking projects, such as online retail, the administration expense ratio of 3.8% was slightly up on the previous year's figure (3.7%).

EBITDA for the first nine months of 2011/2012 increased by 11.5% to € 245.9 million (previous year: € 220.4m). The Group's operating earnings (EBIT) increased by 12.8% to € 191.2 million (previous year: € 169.6m). Due mainly to negative currency items of € 3.4 million (previous year: plus € 4.7 m), the net financial expenses of the HORNBACH HOLDING AG Group deteriorated from minus € 23.5 million to minus € 28.9 million. Consolidated earnings before taxes rose by 11.1% to € 162.2 million (previous year: € 146.0m). Net income for the period grew by 4.4% to € 118.1 million (previous year: € 113.1m), while earnings per preference share for the first nine months were reported at € 5.90 (previous year: € 5.73).

Earnings performance by segment

The key earnings figures for the overall Group for the period under report were mainly shaped by the earnings performance of the HORNBACH-Baumarkt-AG subgroup. Nine-month operating earnings (EBIT) at this subgroup increased by 13.9% to € 154.3 million (previous year: € 135.5m). Further details about the earnings performance have been reported in the interim report published separately by the HORNBACH-Baumarkt-AG subgroup.

Earnings at the HORNBACH Baustoff Union GmbH subgroup also showed disproportionate growth compared with sales in the first nine months of the 2011/2012 financial year. EBIT increased by 13.2% to € 6.9 million (previous year: € 6.1m). Alongside pleasing sales growth in the builders' merchant business, this earnings growth was also driven by cost discipline at the subgroup's headquarters and outlets.

At the HORNBACH Immobilien AG subgroup, increased rental income and a relative reduction in real estate expenses led operating earnings to rise by 8.9% to € 32.3 million (previous year: € 29.7m).

Financial and net asset position

Due to the expansion program, the investments made by the HORNBACH Group in the first nine months of 2011/2012 increased year-on-year from € 78.4 million to € 121.4 million. Of this total, around 69% was invested in land and buildings, while the remainder was channeled into plant and operating equipment at new and existing stores, as well as into intangible assets (predominantly IT software). Investments were financed in full from the cash flow of € 210.2 million from operating activities (previous year: € 219.3m). Further details about the financing and investment activities of the HORNBACH HOLDING AG Group can be found in the cash flow statement on Page 13.

The total assets of the HORNBACH Group grew to € 2,367.9 million as of November 30, 2011, up 6.0% compared with the balance sheet date on February 28, 2011. This increase was mainly due to the substantial rise in cash and cash equivalents (plus € 60.5m to € 534.5m), property, plant and equipment (plus € 56.0m), and in receivables and other assets (plus € 21.7m). Equity posted grew by 10.2%, or € 98.4 million, compared with the balance sheet date to reach € 1,060.8 million. As a result, the equity ratio improved from 43.1% to 44.8%. As of November 30, 2011, the net financial debt of the HORNBACH Group amounted to € 242.6 million, down from € 322.1 million at the balance sheet date.

Employees

A total of 14,314 individuals across Europe were in fixed employment at the HORNBACH HOLDING AG Group at the reporting date on November 30, 2011 (February 28, 2011: 13,768).

Outlook

The assessment of the global economic outlook for 2012 has become notably more pessimistic compared with the forecasts made in mid-2011. Bank economists have repeatedly corrected their expectations downwards. The European Central Bank (ECB) expects the euro area economy to more or less stagnate, and at worst even to enter a slight recession, and has reduced its growth forecast for 2012 1.3% to 0.3%. The outlook is overshadowed by great insecurity and significant downward risks mainly resulting from the interaction between the euro debt crisis and resultant reactions on financial markets on the one hand and developments in the real economy and consumer confidence on the other.

Based on the information available in December 2011, it was difficult to assess the extent to which future levels of consumer confidence would be harmed by the crisis in confidence and doubts in the political problem-solving competence within the European Union. Opportunities for consumer spending were also apparent, however, not least on account of the decline in inflation, persistently low mortgage financing rates, and the trend towards acquiring assets of lasting value, developments from which the construction and renovation sectors and DIY retail stand to benefit in the coming months.

Accounting for the opportunities and risks identifiable upon the preparation of this report, the sales and earnings forecast for the 2011/2012 financial year as a whole, most recently affirmed in the 2011/2012 Half-Year Financial Report, remains valid. Accordingly, sales both at the HORNBACH HOLDING AG Group and at the HORNBACH-Baumarkt-AG subgroup are expected to show growth in a medium single-digit percentage range. The Board of Management continues to expect the operating earnings (EBIT) of the HORNBACH HOLDING AG Group to exceed the figure reported for the 2010/2011 financial year (€ 159.1m).

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income Statement

€ million	3rd Quarter 2011/2012	3rd Quarter 2010/2011	Change %	Nine Months 2011/2012	Nine Months 2010/2011	Change %
Sales	801.7	765.4	4.7	2,581.9	2,422.2	6.6
Cost of goods sold	515.7	491.8	4.9	1,639.5	1,540.8	6.4
Gross profit	**286.0**	**273.6**	**4.5**	**942.4**	**881.5**	**6.9**
Selling and store expenses	219.2	211.4	3.7	653.4	626.0	4.4
Pre-opening expenses	0.9	2.1	(57.8)	5.6	3.8	46.6
General and administration expenses	33.6	30.2	11.2	98.9	90.0	9.9
Other income and expenses	1.1	(0.2)		6.7	7.9	(15.2)
Earnings before interest and taxes (EBIT)	**33.4**	**29.6**	**12.8**	**191.2**	**169.6**	**12.8**
Other interest and similar income	2.0	1.2	59.8	5.2	2.9	79.6
Other interest and similar expenses	9.9	10.5	(5.7)	30.5	30.6	(0.3)
Other financial result	0.7	(0.3)	(362.2)	(3.6)	4.2	
Net financial expenses	**(7.2)**	**(9.6)**	**(24.4)**	**(28.9)**	**(23.5)**	**23.1**
Consolidated earnings before taxes	**26.2**	**20.0**	**30.5**	**162.2**	**146.0**	**11.1**
Taxes on income	7.0	(1.3)	(641.3)	44.2	32.9	34.2
Consolidated net income	**19.1**	**21.3**	**(10.2)**	**118.1**	**113.1**	**4.4**
of which: income attributable to shareholders	15.9	18.8	(15.4)	94.2	91.4	3.1
of which: minority interests	3.3	2.6	27.6	23.8	21.7	9.7
Basic/diluted earnings per share (€)	**0.98**	**1.16**	**(15.5)**	**5.87**	**5.70**	**3.0**
Basic/diluted earnings per preference share (€)	**1.01**	**1.19**	**(15.1)**	**5.90**	**5.73**	**3.0**

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	Nine Months 2011/2012	Nine Months 2010/2011
Consolidated net income	**118.1**	**113.1**
Measurement of derivative financial instruments (cash flow hedge)		
Measurement of derivative hedging instruments directly in equity	(7.5)	1.1
Gains and losses from measurement of derivative financial instruments transferred to profit or loss	1.9	3.1
Exchange differences arising on the translation of foreign subsidiaries	(1.3)	8.2
Deferred taxes on gains and losses recognized directly in equity	1.5	(1.2)
Other comprehensive income	**(5.5)**	**11.2**
Total comprehensive income	**112.6**	**124.3**
of which: attributable to shareholders	89.4	99.6
of which: attributable to minority interests	23.2	24.7

Rounding up or down may lead to discrepancies between totals.

Balance Sheet

Assets	November 30, 2011		February 28, 2011	
	€ million	%	€ million	%
Non-current assets				
Intangible assets	18.5	0.8	20.8	0.9
Property, plant, and equipment	1,113.2	47.0	1,057.2	47.3
Investment property	44.9	1.9	44.0	2.0
Financial assets	2.5	0.1	2.6	0.1
Non-current receivables and other assets	6.4	0.3	5.7	0.3
Non-current income tax receivables	16.5	0.7	20.0	0.9
Deferred tax assets	13.6	0.6	15.1	0.7
	1,215.6	**51.3**	**1,165.4**	**52.2**
Current assets				
Inventories	482.4	20.4	488.7	21.9
Other receivables and assets	112.8	4.8	91.1	4.1
Income tax receivables	17.2	0.7	9.0	0.4
Cash and cash equivalents	534.5	22.6	474.0	21.2
Non-current assets held for sale and disposal groups	5.4	0.2	5.1	0.2
	1,152.3	**48.7**	**1,067.9**	**47.8**
	2,367.9	**100.0**	**2,233.3**	**100.0**

Equity and liabilities	November 30, 2011		February 28, 2011	
	€ million	%	€ million	%
Shareholders' equity				
Share capital	48.0	2.0	24.0	1.1
Capital reserve	130.4	5.5	130.4	5.8
Revenue reserves	690.5	29.2	635.5	28.5
Equity attributable to owners of the parent	**868.9**	**36.7**	**789.9**	**35.4**
Minority interests	191.9	8.1	172.5	7.7
	1,060.8	**44.8**	**962.4**	**43.1**
Non-current liabilities				
Non-current financial debt	604.3	25.5	602.7	27.0
Provisions for pensions	0.5	0.0	0.5	0.0
Deferred tax liabilities	62.7	2.6	64.4	2.9
Other non-current liabilities	24.0	1.0	21.2	0.9
	691.6	**29.2**	**688.7**	**30.8**
Current liabilities				
Current financial debt	172.8	7.3	193.5	8.7
Trade payables and other liabilities	324.0	13.7	276.8	12.4
Income tax liabilities	56.6	2.4	39.2	1.8
Other provisions and accrued liabilities	62.2	2.6	72.7	3.3
	615.6	**26.0**	**582.2**	**26.1**
	2,367.9	**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

Nine Months 2010/2011 in € 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					91.4	91.4	21.7	113.1
Measurement of derivative financial instruments (cash flow hedge), net after taxes			2.4			2.4	0.6	3.0
Foreign currency translation				5.8		5.8	2.4	8.2
Total comprehensive income			**2.4**	**5.8**	**91.4**	**99.6**	**24.7**	**124.3**
Dividend distribution					(10.5)	(10.5)	(3.8)	(14.2)
Transactions with other shareholders					0.1	0.1	0.2	0.3
Balance at November 30, 2010	**24.0**	**130.4**	**(2.1)**	**15.9**	**627.7**	**795.9**	**175.9**	**971.8**

Nine Months 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					94.2	94.2	23.8	118.1
Measurement of derivative financial instruments (cash flow hedge), net after taxes			(3.2)			(3.2)	(0.9)	(4.1)
Foreign currency translation				(1.6)		(1.6)	0.3	(1.3)
Total comprehensive income			**(3.2)**	**(1.6)**	**94.2**	**89.4**	**23.2**	**112.6**
Dividend distribution					(10.5)	(10.5)	(3.8)	(14.2)
Transactions with other shareholders					0.1	0.1	0.0	0.1
Issue of bonus shares	24.0				(24.0)	0.0	0.0	0.0
Balance at November 30, 2011	**48.0**	**130.4**	**(2.9)**	**17.9**	**675.4**	**868.9**	**191.9**	**1,060.8**

Rounding up or down may lead to discrepancies between totals.

Cash Flow Statement

€ million	Nine Months 2011/2012	Nine Months 2010/2011
Consolidated net income	**118.1**	**113.1**
Depreciation and amortization of non-current assets	55.5	50.9
Change in provisions	3.2	0.7
Gains/losses on disposals of non-current assets and of non-current assets held for sale	(0.1)	(0.1)
Change in inventories, trade receivables, and other assets	(21.9)	(24.7)
Change in trade payables and other liabilities	54.5	84.5
Other non-cash income/expenses	1.0	(5.0)
Cash flow from operating activities	**210.2**	**219.3**
Proceeds from disposal of non-current assets and of non-current assets held for sale	4.1	45.5
Payments for investments in property, plant, and equipment	(110.0)	(70.9)
Payments for investments in intangible assets	(2.8)	(5.9)
Payments for acquisitions of shareholdings and other business units	(8.6)	(1.7)
Cash flow from investing activities	**(117.2)**	**(32.9)**
Dividends paid	(14.2)	(14.2)
Proceeds from taking up long-term debt	96.3	54.9
Repayment of long-term debt	(117.3)	(33.4)
Payments for transaction costs	(1.8)	(0.6)
Change in current financial debt	4.2	21.3
Cash flow from financing activities	**(32.8)**	**27.9**
Cash-effective change in cash and cash equivalents	60.1	214.3
Change in cash and cash equivalents due to changes in exchange rates	0.4	0.6
Cash and cash equivalents at March 1	474.0	335.1
Cash and cash equivalents at November 30	**534.5**	**550.0**

Rounding up or down may lead to discrepancies between 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 € 31.3 million on account of income tax payments (previous year: € 16.8m) and by € 34.5 million on account of interest payments (previous year: € 37.3m) and increased by € 5.2 million on account of interest received (previous year: € 2.9m).

The proceeds from disposal of non-current assets and of non-current assets held for sale reported for the previous year include purchase price payments of € 10.2 million in connection with the sale of land not required for operations by way of the disposal of three Austrian real estate companies executed in the 2008/2009 financial year.

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

The payments for acquisitions of shareholdings and other business units in the current year relate to the acquisition of a Romanian real estate company and a new planned builders' merchant location. The figures for the previous year relate to the acquisition of a replacement builders' merchant location.

NOTES TO THE GROUP INTERIM REPORT

Notes to the Interim Consolidated Financial Statements as of November 30, 2011

(1) Accounting principles

This unaudited group interim report of HORNBACH HOLDING AG and its subsidiaries for the first nine months as of November 30, 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 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 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.

Pursuant to IAS 34 "Interim Financial Reporting", income tax expenses for the first nine months 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

The companies Hornbach Real Estate Best B.V., Nieuwegein (Netherlands), Hornbach Real Estate Amsterdam-Sloterdijk B.V., Amsterdam (Netherlands), and TIM HB S.R.L., Timisoara Bd. (Romania), were included in the consolidated financial statements for the first time in the first nine months 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 nine months. The business results for the first nine months as of November 30, 2011 do not necessarily provide an indication of the results to be expected for the financial year as a whole.

(4) Other income and expenses

Other income and expenses are structured as follows:

€ million	3rd Quarter 2011/2012	3rd Quarter 2010/2011	Change %
Other income	5.2	4.5	16.3
Other expenses	4.0	4.7	(13.4)
Other income and expenses	**1.1**	**(0.2)**	

€ million	Nine Months 2011/2012	Nine Months 2010/2011	Change %
Other income	14.8	15.8	(6.5)
Other expenses	8.1	7.9	2.3
Other income and expenses	**6.7**	**7.9**	**(15.2)**

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

The other income reported for the first nine months of 2011/2012 consists of operating income of € 13.6 million (previous year: € 15.6m) and non-operating income of € 1.2 million (previous year: € 0.2m). Operating income chiefly consists of income from advertising grants and other supplier credits, ancillary revenues at the DIY stores with garden centers, income from disposals of non-current assets, and income in connection with damages payments. The non-operating income for the first nine months of 2011/2012 mainly consists of write-ups of € 0.9 million in the "HORNBACH-Baumarkt-AG subgroup" segment and an amount of € 0.2 million from the sale of land not required for operations. The write-ups have been based on contractually agreed sales price. Of total write-ups, an amount of € 0.7 million relates to two pieces of land sold in the current financial year, while € 0.2 million relates to a piece of land held for sale. The non-operating income for the first nine months of 2010/2011 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 DIY store property and land were previously classified as held for sale.

The other expenses for the first nine months of 2011/2012 consists of operating expenses of € 3.8 million (previous year: € 7.4m) and non-operating expenses of € 4.2 million (previous year: € 0.5m). Operating expenses mainly involve write-downs of receivables, losses incurred in connection with damages and disposals of non-current assets. The operating expenses for the previous year also included expenses of € 3.8 million in connection with the recognition of a provision for refund claims expected from an energy-related services provider. This item was attributable to a reassessment of the potential risk of this claim being drawn on. The non-operating expenses for the first nine months of 2011/2012 chiefly involve the allocation to a provision for refurbishment obligations in connection with a DIY store property sold and let back (€ 1.5m), impairment losses (€ 1.1m), and the redevelopment agreement intended for historic burdens in connection with a DIY property owned by the Group (€ 0.7m). The impairment losses have been based on contractually agreed sales prices. Of these, an amount of € 1.0 million relates to a piece of land held for sale in the "HORNBACH Immobilien AG subgroup" segment, while € 0.1 million relates to a property held for sale in the "HORNBACH-Baumarkt-AG subgroup" segment. Furthermore, this item also includes expenses of € 0.2 million for the remedying of defects in a piece of real estate already sold (previous year: € 0.4m), and expenses of € 0.6 million in connection with investment projects not subject to further development (previous year: € 0.1m).

(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 (please also see Note 8). The total numbers of preference and ordinary shares have doubled from 4,000,000 to 8,000,000 in each case. At the same time, preference shareholders' additional dividend claims have remained unchanged overall. The additional dividend claim per share for preference shareholders has thus halved from € 0.06 to € 0.03. The calculation of earnings per share has been retrospectively adjusted to account for this change.

	3rd Quarter 2011/2012	3rd Quarter 2010/2011
Consolidated net income in € million	15.9	18.8
Additional dividend for preference shares in € million	0.2	0.2
Consolidated net income adjusted to account for additional dividend claims in € million	**15.6**	**18.5**
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 €	**0.98**	**1.16**
Additional dividend claim per preference share in €	0.03	0.03
Earnings per preference share in €	**1.01**	**1.19**

	Nine Months 2011/2012	Nine Months 2010/2011
Consolidated net income in € million	94.2	91.4
Additional dividend for preference shares in € million	0.2	0.2
Consolidated net income adjusted to account for additional dividend claims in € million	**94.0**	**91.1**
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 €	**5.87**	**5.70**
Additional dividend claim per preference share in €	0.03	0.03
Earnings per preference share in €	**5.90**	**5.73**

Rounding up or down may lead to discrepancies between totals.

(6) Taxes on income

Due to the 2010 Tax Amendment Act, corporate income tax refund claims were capitalized in the first nine months of the previous year for items previously deemed irrecoverable. The discounted income of € 7.9 million resulting from the first-time capitalization of these claims has been recognized in the previous year's figure for taxes on income.

(7) Other disclosures

The personnel expenses of the HORNBACH HOLDING AG Group amounted to € 395.2 million at the end of the first nine months as of November 30, 2011 (previous year: € 370.5m).

Depreciation and amortization totaling € 55.5 million was recognized on intangible assets and property, plant and equipment at the HORNBACH HOLDING AG Group in the first nine months of the 2011/2012 financial year (previous year: € 50.9m).

(8) Shareholders' equity

One of the resolutions adopted by the Annual General Meeting of HORNBACH HOLDING AG held on July 8, 2011 involved increasing the company's share capital from company funds by issuing bonus shares. The resolution and corresponding amendment to the Articles of Association have since been entered in the Commercial Register. The bonus shares have been accounted for in the company's stock market listing since July 29, 2011.

Due to the issue of bonus shares at a ratio of 1:1, the total number of HORNBACH HOLDING AG shares has doubled. The share capital of HORNBACH HOLDING AG, now also doubled, amounts to € 48,000,000.00 and is divided into 8,000,000 individual preference shares and 8,000,000 individual ordinary shares, each with a prorated nominal value of € 3.00 per share.

(9) Dividends

As proposed by the Board of Management and Supervisory Board of HORNBACH HOLDING AG, following approval by the Annual General Meeting on July 8, 2011, dividends of € 1.28 per ordinary share and € 1.34 per preference share were distributed to shareholders for the 2010/2011 financial year.

(10) Financial debt

HORNBACH-Baumarkt-AG took up a syndicated credit line of € 250 million in the third quarter of the 2011/2012 financial year. This facility, which has a five-year term, serves to prematurely replace the existing syndicated credit line of € 200 million at HORNBACH-Baumarkt-AG scheduled to mature in June 2013. To ensure constant availability of credit lines, it was agreed that the new credit line would take effect within a period of 15 banking days, i.e. as of December 14, 2011, and that the termination of the former credit line would take effect as of the same date.

The credit line may also be drawn down up to an amount of € 25 million in foreign currencies, and particularly in CHF, SEK and CZK. Moreover, supplementary bilateral loan agreements of up to € 50 million may also be agreed (also in foreign currencies) within the credit framework.

Any amounts drawn down from the credit line are charged interest based on the 3-month or 6-month EURIBOR or the corresponding IBOR plus an interest margin. The relevant interest margin is determined based on the rating granted to HORNBACH-Baumarkt-AG by an internationally recognized rating agency. Margin premiums are charged for utilization rates above specified thresholds and for utilization in foreign currencies. A provision fee based on the respective interest margin is charged for the unutilized portion of the credit line.

Customary bank covenants were agreed for the syndicated loan. By analogy with the previous credit line, interest cover (EBITDA/gross interest expenses) of at least 2.25 and an equity ratio of at least 25% must be met on the level of the HORNBACH-Baumarkt-AG Group. Furthermore, alongside the warranties, guarantees and disclosure duties customary for such financial transactions, the Group also committed itself not to perform specified actions or measures. These relate in particular to compliance with maximum limits for the encumbrance of assets, financing facilities secured by land charges, and the taking up of financial debt by subsidiaries. There are also limits on the volume of loans which may be granted to third parties outside the HORNBACH-Baumarkt-AG Group.

In the first nine months of the previous year, the HORNBACH-Baumarkt-AG subgroup concluded promissory note bond agreements with a total volume of € 120 million in two tranches.

The first tranche involves two promissory note bonds with an equivalent value of € 20 million each, which were taken up in CZK and CHF respectively. These promissory note bonds have floating interest rates based on the 6-month CZK PRIBOR and CHF LIBOR, plus a bank margin, and are due for repayment at the end of a five-year term. The funds serve to refinance investments made in the respective currencies.

The second tranche relates to a syndicated credit line of € 80 million to be utilized in the form of a (forward) promissory note bond with a five-year term from June 30, 2011. The funds are to be used to refinance the existing promissory note bond. Commitment interest had to be paid for the period until this promissory note bond, which is repayable upon maturity, was drawn down. Following drawdown, the promissory note bond has a floating interest rate based on the 6-month EURIBOR, plus a bank margin. The syndicated credit line was drawn down by way of the aforementioned promissory note bond on schedule as of June 30, 2011.

Customary bank covenants were agreed for the promissory note bonds. By analogy with the existing syndicated credit line, interest cover (EBITDA/gross interest expenses) of at least 2.25 and an equity ratio of at least 25% must be met on the level of the HORNBACH-Baumarkt-AG Group. Furthermore, maximum limits were also agreed, particularly in respect of financing facilities secured by land charges and the taking up of financial debt by subsidiaries of HORNBACH-Baumarkt-AG.

To secure the level of interest, congruent swaps and a forward swap were also agreed upon the conclusion of the aforementioned promissory note bond agreements. These interest swaps enable the floating interest payments based on the 6-month CZK PRIBOR, CHF LIBOR and EURIBOR rates, payable in each case on a half-yearly basis throughout the terms, to be converted into fixed interest payments. As each of these promissory note bond transactions meets the requirements for hedge accounting, changes in the value of the swaps are reported in the hedging reserve.

All material obligations requiring compliance are regularly monitored within the Group's internal risk management framework, with suitable countermeasures being taken early should the relevant figures fall short of specified targets. The agreed covenants offer sufficient entrepreneurial room for maneuver and have to date been complied with at all times.

(11) Employee shares
On June 27, 2011, the Board of Management of HORNBACH-Baumarkt-AG resolved pursuant to § 71 (1) No. 2 of the German Stock Corporation Act (AktG) to acquire up to 25,000 treasury stock shares. Accounting for the aforementioned bonus shares (please see Note 8), this corresponds to 50,000 individual shares. The buyback of shares was begun on July 8, 2011 and ended on September 6, 2011, with 40,088 treasury stock shares being acquired in total. Of these, 35,320 shares were issued to employees in November 2011. The remaining shares were resold.

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

In connection with the employee share program at HORNBACH-Baumarkt-AG, HORNBACH HOLDING AG issued 100 shares in HORNBACH-Baumarkt-AG to employees of HORNBACH HOLDING AG.

(12) 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 € 708.5 million at the end of the first nine months of 2011/2012 (February 28, 2011: € 736.2m).

(13) 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 nine months of 2011/2012.

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

As of December 14, 2011, a syndicated credit line of € 200 million scheduled to mature in June 2013 was prematurely replaced by a new syndicated credit line of € 250 million. Further details about this can be found in Note 10.

(15) Segment report

Nine Months 2011/2012 in € million Nine Months 2010/2011 in € million	HORNBACH-Baumarkt-AG subgroup	HORNBACH Baustoff Union GmbH subgroup	HORNBACH Immobilien AG subgroup	Headquarters and consolidation	HORNBACH HOLDING AG Group
Segment sales	**2,409.8**	**170.9**	**51.4**	**(50.3)**	**2,581.9**
	2,267.9	154.0	47.7	(47.5)	2,422.2
Sales to third parties	2,409.1	170.1	0.0	0.0	2,579.2
	2,267.2	152.4	0.0	0.0	2,419.6
Sales to affiliated companies	0.1	0.7	0.0	(0.8)	0.0
	0.1	1.6	0.0	(1.7)	0.0
Rental income from third parties	0.7	0.1	1.9	0.0	2.7
	0.7	0.0	1.9	0.0	2.6
Rental income from affiliated companies	0.0	0.0	49.5	(49.5)	0.0
	0.0	0.0	45.8	(45.8)	0.0
Segment earnings (EBIT)	**154.3**	**6.9**	**32.3**	**(2.4)**	**191.2**
	135.5	6.1	29.7	(1.7)	169.6
Depreciation and amortization/write-ups	**40.5**	**3.5**	**10.6**	**0.0**	**54.7**
	39.3	3.1	9.1	(0.6)	50.9
EBITDA	**194.9**	**10.5**	**42.9**	**(2.4)**	**245.9**
	174.8	9.2	38.8	(2.3)	220.4
Segment assets	**1,688.8**	**122.8**	**493.1**	**15.9**	**2,320.6**
	1,619.9	116.3	475.9	21.3	2,233.3
of which: credit balances at banks	488.7	1.0	10.6	13.9	514.2
	478.0	1.8	31.5	19.2	530.5

Reconciliation in € million	Nine Months 2011/2012	Nine Months 2010/2011
Segment earnings (EBIT) before "Headquarters and consolidation"	193.6	171.3
Headquarters	(2.0)	(1.9)
Consolidation adjustments	(0.4)	0.2
Net financial expenses	(28.9)	(23.5)
Consolidated earnings before taxes	**162.2**	**146.0**

Rounding up or down may lead to discrepancies between totals.

Neustadt an der Weinstrasse, December 22, 2011

The Board of Management of HORNBACH HOLDING AG

FINANCIAL CALENDAR 2012

March 22, 2012	Trading Statement 2011/2012
May 24, 2012	Annual Results Press Conference 2011/2012 Publication of Annual Report
June 28, 2012	Interim Report: 1st Quarter of 2012/2013 as of May 31, 2012
July 6, 2012	Annual General Meeting of HORNBACH HOLDING AG Festhalle Landau, Landau/Pfalz
September 27, 2012	Half-Year Financial Report as of August 31, 2012 DVFA Analysts' Conference for HORNBACH HOLDING AG
December 21, 2012	Interim Report: 3rd Quarter of 2012/2013 as of November 30, 2012

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