INTERIM REPORT

HORNBACH-BAUMARKT-AG GROUP

1st QUARTER 2012/2013

(MARCH 1 – MAY 31, 2012)

HORNBACH
Es gibt immer was zu tun.

HORNBACH-BAUMARKT-AG GROUP

Interim Report for the 1st Quarter of 2012/2013

(March 1 – May 31, 2012)

Key figures of the HORNBACH-Baumarkt-AG Group (in € million, unless otherwise stated)	1st Quarter 2012/2013	1st Quarter 2011/2012	Change %
Net sales	**865.1**	**863.7**	**0.2**
of which: in other European countries	361.4	359.3	0.6
Like-for-like sales growth	(1.1)%	7.7%	
Gross margin as % of net sales	38.3%	37.7%	
EBITDA	75.9	80.5	(5.8)
Earnings before interest and taxes (EBIT)	**62.3**	**67.2**	**(7.4)**
Consolidated earnings before taxes	56.6	60.4	(6.3)
Consolidated net income	40.9	44.0	(7.1)
Basic/diluted earnings per share (€)	1.29	1.38	(6.5)
Investments	25.9	34.2	(24.2)

Misc. key figures of the HORNBACH-Baumarkt-AG Group (in € million, unless otherwise stated)	May 31, 2012	February 29, 2012	Change %
Total assets	1,762.7	1,628.1	8.3
Shareholders' equity	830.0	792.0	4.8
Shareholders' equity as % of total assets	47.1%	48.6%	
Number of stores	135	134	0.7
Sales area in 000 m² (based on BHB)	1,563	1,549	0.9
Number of employees	13,807	13,662	1.1

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

Summary

- **HORNBACH maintains course and holds its ground compared with high previous year's results**
- **At € 865 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 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-Baumarkt-AG Group successfully held its ground compared with the high figures reported for the previous year's quarter. Consolidated sales showed slight growth of 0.2% to € 865.1 million in the first quarter of 2012/2013 (previous year: € 863.7m), thus matching the record set in the previous year. Following a new store opening in Sweden, the Group now operates a total of 135 DIY megastores with garden centers in nine countries across Europe. On a like-for-like basis, HORNBACH virtually matched the high level reported following the jump in 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. Given challenging base effects, earnings for the first quarter of 2012/2013 fell short of the previous year's figures. Operating earnings (EBIT) thus declined by 7.4% to € 62.3 million (previous year: € 67.2m). Net income for the period amounted to € 40.9 million (previous year: € 44.0m). Basic earnings per share for the period were reported at € 1.29 (previous year: € 1.38). The full-year sales and earnings forecast has been confirmed.

Earnings, Financial and Net Asset Situation

Development in HORNBACH's store network

One new HORNBACH DIY megastore with a garden center was opened in Sundbyberg by Stockholm (Sweden) in the first quarter of 2012/2013. Our Swedish store network now comprises four locations. As of May 31, 2012, HORNBACH was operating 135 retail outlets across the Group (February 29, 2012: 134). Of these, an unchanged total of 91 stores are in Germany, and 44 stores are located in other European countries. Total sales areas at the HORNBACH-Baumarkt-AG Group most recently amounted to around 1,563,000 m², while the average size of a HORNBACH DIY megastore with garden center amounts to around 11,600 m².

Sales performance

Cumulative sales at the HORNBACH-Baumarkt-AG Group 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 Group 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 Group'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 Group'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 Group 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 Group'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 HORNBACH-Baumarkt-AG 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.

Earnings performance

The following information refers to the earnings performance of the HORNBACH-Baumarkt-AG Group in the first quarter of 2012/2013. Information about the performance of the "DIY stores" and "Real estate" segments can be found in the segment report in the notes to the financial statements (Page 14).

In view of the seasonal and macroeconomic backdrop, 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 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 37.7% to 38.3%. Selling and store expenses increased by 2.5% to € 233.7 million (previous year: € 227.9m). The store expense ratio changed from 26.4% to 27.0%. 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 3.7% to 4.1%. As in the first quarter of the previous year, there were no material non-operating earnings items.

Earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 5.8% to € 75.9 million in the first quarter of 2012/2013 (previous year: € 80.5m). Operating earnings (EBIT) declined by 7.4% to € 62.3 million (previous year: € 67.2m). Thanks mainly to more favorable currency items than in the previous year's quarter, net financial expenses improved from minus € 6.8 million to minus € 5.7 million. Consolidated earnings before taxes fell by 6.3% to € 56.6 million (previous year: € 60.4m). The tax rate amounted to 27.8% (previous year: 27.2%). After taxes, net income for the period amounted to € 40.9 million (previous year: € 44.0m). Basic earnings per share are reported at € 1.29 for the period under report (previous year: € 1.38).

Financial and net asset position

The Group invested a total of € 25.9 million in the first quarter of 2012/2013 (previous year: € 34.2m). Around 60% 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 € 112.3 million from operating activities (previous year: € 125.1m). Information about the financing and investment activities of the HORNBACH-Baumarkt-AG Group can be found in the cash flow statement on Page 10.

Total assets grew to € 1,762.7 million as of May 31, 2012, up by 8.3% compared with the balance sheet date as of February 29, 2012. Cash and cash equivalents are reported at € 486.0 million (February 29, 2012: € 404.3m). Shareholders' equity as reported in the balance sheet rose to € 830.0 million, up 4.8% on the previous reporting date. At 47.1%, the equity ratio remains high (February 29, 2012: 48.6%). Cash and cash equivalents exceeded financial debt by € 58.1 million as of May 31, 2012 (February 29, 2012: net financial debt of € 27.7m).

Employees

A total of 13,807 individuals across Europe were in fixed employment at the HORNBACH-Baumarkt-AG Group or one of its subsidiaries at the reporting date on May 31, 2012 (February 29, 2012: 13,662).

Outlook

We reported at length on the macroeconomic, sector-specific, and strategic opportunities involved in the business activities of the HORNBACH-Baumarkt-AG Group in the outlook on Pages 82 to 90 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 90), in the period under report the Group revised its expansion planning for the 2012/2013 financial year. 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 90 to 93 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 our consolidated sales 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-Baumarkt-AG Group to match the level seen in the 2011/2012 financial year (€ 128m).

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income Statement

€ million	1st Quarter 2012/2013	1st Quarter 2011/2012	Change %
Sales	865.1	863.7	0.2
Cost of goods sold	533.8	537.9	(0.8)
Gross profit	**331.3**	**325.8**	**1.7**
Selling and store expenses	233.7	227.9	2.5
Pre-opening expenses	2.9	2.8	6.2
General and administration expenses	35.3	32.2	9.7
Other income and expenses	2.9	4.3	(32.6)
Earnings before interest and taxes (EBIT)	**62.3**	**67.2**	**(7.4)**
Other interest and similar income	0.8	1.3	(36.3)
Other interest and similar expenses	5.8	6.3	(7.7)
Other financial result	(0.7)	(1.8)	(60.0)
Net financial expenses	**(5.7)**	**(6.8)**	**(16.3)**
Consolidated earnings before taxes	**56.6**	**60.4**	**(6.3)**
Taxes on income	15.7	16.4	(4.4)
Consolidated net income	**40.9**	**44.0**	**(7.1)**
Basic/diluted earnings per share (€)	1.29	1.38	(6.5)

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	**40.9**	**44.0**
Measurement of derivative financial instruments (cash flow hedge)		
Measurement of derivative hedging instruments directly in equity	(1.6)	(1.2)
Gains and losses from measurement of derivative financial instruments transferred to profit or loss	0.3	0.6
Exchange differences arising on the translation of foreign subsidiaries	(2.0)	3.5
Deferred taxes on gains and losses recognized directly in equity	0.4	0.1
Other comprehensive income	**(2.9)**	**3.1**
Total comprehensive income	**38.0**	**47.1**

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

Balance Sheet

Assets	May 31, 2012		February 29, 2012	
	€ million	%	€ million	%
Non-current assets				
Intangible assets	15.2	0.9	16.3	1.0
Property, plant, and equipment	655.0	37.2	644.4	39.6
Investment property	5.9	0.3	5.8	0.4
Financial assets	1.2	0.0	1.2	0.0
Non-current receivables and other assets	4.0	0.2	3.8	0.2
Non-current income tax receivables	8.0	0.5	8.0	0.5
Deferred tax assets	7.5	0.4	7.3	0.5
	696.8	**39.5**	**686.9**	**42.2**
Current assets				
Inventories	506.2	28.7	475.7	29.2
Other receivables and assets	68.6	3.9	57.2	3.5
Income tax receivables	5.1	0.3	4.1	0.2
Cash and cash equivalents	486.0	27.6	404.3	24.8
	1,065.8	**60.5**	**941.2**	**57.8**
	1,762.7	**100.0**	**1,628.1**	**100.0**

Equity and liabilities	May 31, 2012		February 29, 2012	
	€ million	%	€ million	%
Shareholders' equity				
Share capital	95.4	5.4	95.4	5.9
Capital reserve	143.6	8.1	143.6	8.8
Revenue reserves	590.9	33.5	553.0	34.0
	830.0	**47.1**	**792.0**	**48.6**
Non-current liabilities				
Non-current financial debt	403.6	22.9	407.3	25.0
Deferred tax liabilities	35.2	2.0	35.7	2.2
Other non-current liabilities	28.4	1.6	28.6	1.8
	467.2	**26.5**	**471.6**	**29.0**
Current liabilities				
Current financial debt	24.3	1.4	24.6	1.5
Trade payables and other liabilities	322.6	18.3	244.4	15.0
Income tax liabilities	34.0	1.9	27.8	1.7
Other provisions and accrued liabilities	84.7	4.8	67.6	4.2
	465.5	**26.4**	**364.5**	**22.4**
	1,762.7	**100.0**	**1,628.1**	**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	Total equity
Balance at March 1, 2011	**47.7**	**143.6**	**1.5**	**25.1**	**512.0**	**729.9**
Consolidated net income					44.0	44.0
Measurement of derivative financial instruments (cash flow hedge), net after taxes			(0.4)			(0.4)
Foreign currency translation				3.5		3.5
Total comprehensive income			**(0.4)**	**3.5**	**44.0**	**47.1**
Balance at May 31, 2011	**47.7**	**143.6**	**1.0**	**28.7**	**555.9**	**777.0**

1st Quarter 2012/2013 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Total equity
Balance at March 1, 2012	**95.4**	**143.6**	**(3.8)**	**30.0**	**526.8**	**792.0**
Consolidated net income					40.9	40.9
Measurement of derivative financial instruments (cash flow hedge), net after taxes			(0.9)			(0.9)
Foreign currency translation				(2.0)		(2.0)
Total comprehensive income			**(0.9)**	**(2.0)**	**40.9**	**38.0**
Balance at May 31, 2012	**95.4**	**143.6**	**(4.6)**	**28.0**	**567.6**	**830.0**

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	**40.9**	**44.0**
Depreciation and amortization of non-current assets	13.6	13.6
Change in provisions	0.0	(0.4)
Gains/losses on disposals of non-current assets	(0.2)	(0.1)
Change in inventories, trade receivables, and other assets	(45.2)	(44.2)
Change in trade payables and other liabilities	105.0	110.9
Other non-cash income/expenses	(1.8)	1.3
Cash flow from operating activities	**112.3**	**125.1**
Proceeds from disposal of non-current assets and of non-current assets held for sale	0.4	1.1
Payments for investments in property, plant, and equipment	(25.5)	(33.0)
Payments for investments in intangible assets	(0.4)	(1.1)
Cash flow from investing activities	**(25.5)**	**(33.1)**
Repayment of long-term debt	(3.1)	(3.1)
Change in current financial debt	(1.6)	(2.3)
Cash flow from financing activities	**(4.7)**	**(5.5)**
Cash-effective change in cash and cash equivalents	82.0	86.5
Change in cash and cash equivalents due to changes in exchange rates	(0.3)	1.0
Cash and cash equivalents at March 1	404.3	422.6
Cash and cash equivalents at May 31	**486.0**	**510.1**

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 € 11.0 million on account of income tax payments (previous year: € 9.2m) and by € 9.0 million on account of interest payments (previous year: € 9.5m) and increased by € 0.8 million on account of interest received (previous year: € 1.3m).

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

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

(1) Accounting principles

This unaudited group interim report of HORNBACH-Baumarkt-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-Baumarkt-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-Baumarkt-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-Baumarkt-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 performance in the first three months as of May 31, 2012 does not necessarily provide an indication 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	4.3	5.1	(16.3)
Other expenses	1.4	0.8	72.1
Other income and expenses	**2.9**	**4.3**	**(32.6)**

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 of 2012/2013 includes operating income of € 4.2 million (previous year: € 4.8m) and non-operating income of € 0.1 million (previous year: € 0.3m). Operating income mainly consists of advertising grants, ancillary revenues at DIY megastores with garden centers, and income from allocations within the HORNBACH HOLDING AG Group. The non-operating income for the first quarter of 2012/2013 consists of income of € 0.1 million due to the sale of plant and office equipment at a DIY megastore with a garden center no longer in use. The non-operating income for the first quarter of the previous year consisted of an amount of € 0.3 million due to the write-up of a piece of land in the real estate segment.

The other expenses for the first quarter of 2012/2013 consist of operating expenses of € 1.3 million (previous year: € 0.6m) and non-operating expenses of € 0.1 million (previous year: € 0.2m). Operating expenses mainly involve expenses for legal disputes, losses incurred in connection with damages, and impairments of receivables. The non-operating expenses for the first quarter of 2012/2013 relate to losses of € 0.1 million incurred in connection with real estate development. The non-operating expenses for the first quarter of the previous year resulted from the unscheduled write-down to its expected net sales proceeds of a property in the real estate segment that was sold in the fourth quarter of 2011/2012.

(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-Baumarkt-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-Baumarkt-AG at a ratio of 1:1 on July 29, 2011. The total number of shares in HORNBACH-Baumarkt-AG doubled from 15,903,500 to 31,807,000 as a result. The calculation of earnings per share has been retrospectively adjusted to account for this change.

Basic earnings per share

	1st Quarter 2012/2013	1st Quarter 2011/2012
Number of shares issued	31,807,000	31,807,000
Consolidated net income attributable to shareholders in HORNBACH-Baumarkt-AG in € million	40.9	44.0
Earnings per share in €	**1.29**	**1.38**

(6) Other disclosures

The personnel expenses of the HORNBACH-Baumarkt-AG Group amounted to € 134.8 million at the end of the first three months as of May 31, 2012 (previous year: € 131.2m).

Depreciation and amortization totaling € 13.6 million was recognized on intangible assets, property, plant and equipment, and investment property at the HORNBACH-Baumarkt-AG Group in the first three months of the 2012/2013 financial year (previous year: € 13.6m).

(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-Baumarkt-AG Group do not constitute the economic owners of the assets thereby leased pursuant to IFRS regulations (Operating Lease). These amounted to € 1,140.7 million at the end of the first quarter as of May 31, 2012 (February 29, 2012: € 1,122.8m).

(8) Related party disclosures

In addition to the subsidiaries included in the consolidated financial statements, HORNBACH-Baumarkt-AG also has direct or indirect relationships with associated companies when performing its customary business activities. These include the parent company, HORNBACH HOLDING AG, as well as its direct and indirect subsidiaries. Apart from the transactions performed in the usual course of business and 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	DIY stores	Real estate	Headquarters and consolidation	HORNBACH-Baumarkt-AG Group
Segment sales	**864.9**	**34.7**	**(34.5)**	**865.1**
	863.4	32.4	(32.1)	863.7
Sales to third parties	864.9	0.0	0.0	864.9
	863.4	0.0	0.0	863.4
Rental income from third parties	0.0	0.2	0.0	0.2
	0.0	0.2	0.0	0.2
Rental income from affiliated companies	0.0	34.5	(34.5)	0.0
	0.0	32.1	(32.1)	0.0
Segment earnings (EBIT)	**56.4**	**11.7**	**(5.8)**	**62.3**
	62.8	10.2	(5.8)	67.2
Depreciation and amortization/write-ups	**8.2**	**3.4**	**2.0**	**13.6**
	8.4	2.7	2.2	13.3
EBITDA	**64.6**	**15.1**	**(3.8)**	**75.9**
	71.2	12.9	(3.6)	80.5
Segment assets	**767.4**	**549.6**	**425.1**	**1,742.1**
	777.7	492.8	456.0	1,726.4
of which: credit balances at banks	78.4	0.0	383.6	462.0
	66.0	0.0	422.6	488.6

Reconciliation in € million	1st Quarter 2012/2013	1st Quarter 2011/2012
Segment earnings (EBIT) before "Headquarters and consolidation"	**68.1**	**73.0**
Headquarters	(5.8)	(5.8)
Net financial expenses	(5.7)	(6.8)
Consolidated earnings before taxes	**56.6**	**60.4**

Rounding up or down may lead to discrepancies between totals.

Bornheim, June 27, 2012

The Board of Management of HORNBACH-Baumarkt-Aktiengesellschaft

FINANCIAL CALENDAR FOR 2012

June 28, 2012	Interim Report: 1st Quarter 2012/2013 as of May 31, 2012
July 5, 2012	Annual General Meeting of HORNBACH-Baumarkt-AG Festhalle Landau, Landau/Pfalz
September 27, 2012	Half-Year Financial Report 2012/2013 as of August 31, 2012
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.