

Praktiker

Interim report

The Quarter

1/08

Key data

in € m	Q1 2008	Q1 2007	Change
Net sales	865.1	877.5	-1.4 %
Germany	626.5	671.0	-6.6 %
International	238.6	206.5	15.5 %
EBITDA	-4.7	-7.0	32.9 %
Germany	-12.9	-12.3	-4.9 %
International	8.2	5.3	54.7 %
EBITA	-20.8	-19.9	-4.3 %
Germany	-22.1	-20.0	-9.8 %
International	1.3	0.1	—
Capital expenditure	27.7	21.5	28.8 %
Net loss for the period	-23.5	-18.1	-29.8 %
Earnings per share in €	-0.41	-0.32	-28.1 %
Net cash / Net debt (-) (as of 03/31)	-153.7	-147.1*	-4.5 %

*as of 12/31/07

Operative data	03/31/2008	03/31/2007	Change
Number of stores Germany	337	344	-7
Number of stores International	90	74	16
Greece	10	8	2
Luxembourg	3	3	0
Poland	21	18	3
Hungary	17	15	2
Turkey	10	8	2
Romania	20	16	4
Bulgaria	8	6	2
Ukraine	1	0	1
Number of stores Praktiker Group	427	418	9
Selling space in sq m 1,000	2,729	2,639	3.4 %
Germany	2,099	2,120	-1.0 %
International	630	519	21.5 %
Employees, average on a full-time basis	23,068	21,696	6.3 %
Germany	13,051	13,619	-4.2 %
International	10,017	8,077	24.0 %

Contents

02 Management Report

02 Report on the Group's income, financial and asset position

04 Segment reporting Germany

05 Segment reporting International

06 Opportunity and Risk Report

06 Outlook

07 Consolidated Interim Financial Statements

07 Income statement

08 Balance sheet

10 Statement of changes in equity

11 Cashflow statement

12 Explanatory information relevant to notes

12 Accounting principles

12 Change in shareholder structure

13 Scope of consolidation

13 Earnings per share

14 Split in net financial income

14 Significant changes in contingent liabilities and other financial obligations

14 Related party disclosures

15 Segment reporting –
Notes to segment data

Summary of the first three months of 2008

Praktiker Group did not increase sales during the first three months of 2008. Although the international business continued to develop very dynamically, the Praktiker brand in Germany found itself in a transition phase towards a new marketing appearance. Because the number of 20 % campaigns had been reduced significantly, sales were noticeably lower than last year. Nevertheless, the earnings quality of sales increased considerably in line with expectations as the gross margin improved.

This did not, however, suffice to fully compensate for lost earnings in the first quarter, partly because the marketing campaigns planned to supplement and in some cases replace the 20 % campaigns had not yet been initiated during the first quarter, but were planned for the second.

Furthermore, the entire DIY sector was affected by the fact that winter came back at the end of March. The ensuing cold weather meant that the garden business was up to a very slow start. Another impediment was the fact that the first quarter had two trading days less than last year's on account of the early Easter holiday.

Under these preconditions the group operative result is encouraging – an improvement on last year in the international business and a slight deterioration in Germany. This is not only an indication that international business is growing profitably and at a sustainable rate. It is also indicative of the fact that realignment of the marketing strategy by the Praktiker brand in Germany is going in the right direction.

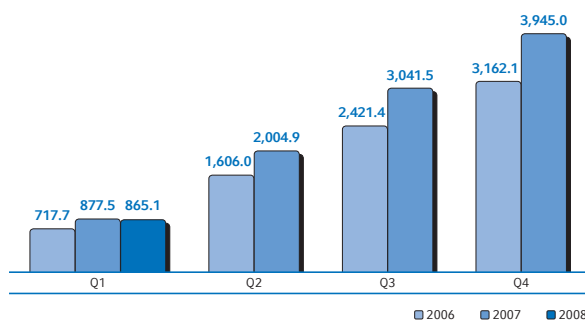
All figures for the first quarter are slightly distorted when compared to last year owing to full consideration of Max Bahr in this year's accounts as opposed to only February and March being included in the 2007 statement. The losses typically occurring in January have been included in the financial statements for the first time. On the other hand, there were no one-off expenses as incurred last year following the integration of Max Bahr. The costs involved in converting Praktiker stores to the Easy-to-Shop format were at the same level as last year during the first three months.

During the first quarter, the board passed modifications in the further implementation of the Easy-to-Shop concept. Only up to 30 stores will be converted in 2008 instead of 60 as originally planned. The reason for this postponement is that the concept has not yet fully met the original sales targets and is therefore currently being revised. Only after this "fine-tuning" phase will conversion of the stores be resumed.

Management repeats its estimates for 2008 which it had already presented at the annual press conference on April 2, 2008 in recognition of the general developments of the first quarter. For 2008, Praktiker anticipates a sales increase of a mid single-digit rate and primarily attributable to strong growth abroad. Operating earnings (EBITA) will be between 135 and 140 million euros, i.e. 10 to 15 million euros higher than the result achieved by Praktiker Group in 2007 prior to the conditions set by the Federal Cartel Office. Cash-relevant capital expenditure will account for a total of at least 150 million euros from today's perspective.

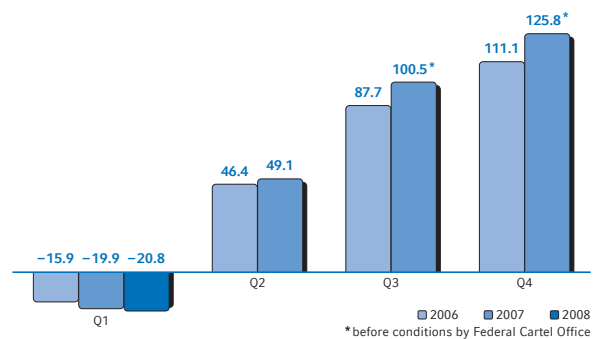
Net sales

cumulative (in € m)



EBITA

cumulative (in € m)



Report on the Group's income, financial and asset position

Income position

Net sales

Praktiker Group achieved total net sales of 865.1 million euros in the first quarter of 2008. This was 1.4 percent less than during the same period last year. In Germany, sales declined by 6.6 percent, partially resulting from the changes in the marketing appearance of the Praktiker brand. First-time inclusion of January sales of the Max Bahr brand had a positive effect. January sales were not included in 2007 as Max Bahr had not been consolidated into the Group until February. International sales, in contrast, increased by 15.5 percent.

Gross profit on sales

Gross profit on sales rose by 7.9 percent to 269.6 million euros. Gross profit margin increased by 2.7 percentage points to 31.2 percent. This positive development is linked in Germany to the same factor that made a negative contribution towards sales development: In the course of the changes in the marketing appearance of the Praktiker brand in Germany, the number of campaign days was significantly reduced with the result that the share of discounted sales declined and the earnings quality of sales improved. Furthermore, the increase in value-added tax last year had led to certain reductions in the gross profit margin as it was not possible at the time to pass it on to customers. In the international business, the gross profit margin was also slightly up on previous year's level.

Other operating income

Other operating income totalled 15.9 million euros and as such grew by 7.0 percent over the same period in the previous year. As was the case in the second half of the previous year already, other

operating income included insurance benefits compensating for expenses and lost income in the Praktiker store damaged by fire in Thessalonica, Greece. These accounted for approximately 1.5 million euros during the period under review.

Selling expenses

Selling expenses increased by 9.9 percent to 289.4 million euros in the first quarter. This increase can be primarily put down to the fact that Max Bahr was to be considered for the entire first quarter of 2008. Selling expenses abroad have increased more strongly than in the Group due to increased growth in this area.

General administrative expenses

General administrative expenses declined by 21.2 percent to 16.7 million euros as compared to the corresponding quarter of the previous year – mainly because one-off expenses were incurred for the integration of Max Bahr during the first quarter of last year, which did not recur in 2008.

Income before interest, tax, depreciation of fixed assets and amortization of goodwill (EBITDA)

EBITDA improved from minus 7.0 million euros to minus 4.7 million euros in the first quarter. This improvement does not become visible in the EBITA as Praktiker significantly upped capital expenditure in 2007 with accelerated expansion abroad making a considerable contribution. As a consequence, depreciation increased in the first quarter 2008 by 24.4 percent to 16.1 million euros (Q1 2007 12.9 million euros).

Operating earnings (EBITA)

The operating loss which seasonally occurs in the first quarter was reported at 20.8 million euros. In the first quarter of the previous year, EBITA had stood at minus 19.9 million euros.

This slight decline is essentially attributable to the Praktiker brand in Germany. The changes in the marketing appearance – and in particular the significant reduction in 20 % campaigns – led to a sales loss which could not be fully compensated for by improvements in the gross profit margin.

Income Statement

in € m (01/01–03/31)

	Q1 2008	Q1 2007	Change
Net sales	865.1	877.5	-1.4 %
Gross profit on sales	269.6	249.9	7.9 %
Gross margin on sales in %	31.2	28.5	2.7 PP
Other operating income	15.9	14.8	7.0 %
Selling expenses	289.4	263.2	9.9 %
General administrative expenses	16.7	21.2	-21.2 %
EBITDA	-4.7	-7.0	32.9 %
EBITA	-20.8	-19.9	-4.3 %
Net financial result	-11.4	-4.2	-7.2
Earnings before taxes (EBT)	-32.2	-24.1	-8.1
Net losses for the period	-23.5	-18.1	-5.4

Net financial income

Net financial income is reported at minus 11.4 million euros. The change as compared with the previous year (- 4.2 million euros) is attributable to lower interest income, higher interest on finance leases and in particular high exchange losses associated with the re-valuation of foreign currency liabilities as of the balance sheet date. Interest liabilities of 1.0 million euros resulting from the accumulation of liabilities in connection with the convertible bond and currency losses amounting to 3.5 million euros were not cash relevant.

Quarterly net loss

The net loss for the quarter came to 23.5 million euros. The net loss for the same quarter in the previous year was 18.1 million euros.

Earnings per share

Undiluted earnings per share are reported at -0.41 euros (previous year -0.32 euros).

Financial position

Net debt / net cash

Liquid funds amounted to 263.8 million euros as of March 31, 2008 with financial liabilities totalling 417.5 million euros. Of this, 282.4 million euros were attributable to liabilities from finance leases and 135.1 million euros were accounted for by liabilities from the convertible bond which was issued in 2006 with a term until 2011. As such, net debt came to 153.7 million euros. As of the end of financial year 2007, net debt stood at 147.1 million euros.

Net working capital

Net working capital increased by 64.3 million euros to minus 338.7 million euros as compared to the end of 2007. This was essentially due to a significantly higher increase in trade payables than in inventories.

Capital expenditure

Praktiker Group invested a total of 27.7 million euros (previous year 21.5 million euros) in the first quarter of the current financial year. As in the previous year, the focus was on expanding the store portfolio in Eastern Europe.

Asset position

Balance sheet

Praktiker Group's balance sheet changed significantly in only two positions compared to the end of the previous business year. Inventories have increased considerably in anticipation of the coming garden season. At the same time, trade payables have also increased significantly. All other positions on the balance sheet have only been subject to immaterial changes.

Equity

As compared with the balance sheet reporting date of the previous year (December 31, 2007), equity declined marginally to 912.7 million euros due to the losses incurred in the first quarter.

Equity ratio

The equity ratio stood at 40.0 percent. As of the end of the past financial year, it had been 43.7 percent. This decline is attributable to the losses in the first quarter and the lengthening of the balance sheet triggered by seasonal inventory increases.

Balance sheet

in € m

	03/31/2008	12/31/2007	Change
Equity	912.7	941.4	-3.1 %
Total assets	2,280.1	2,153.8	5.9 %
Net cash/net debt (-)	-153.7	-147.1	-4.5 %
Net working capital	-338.7	-403.0	16.0 %

Cashflow statement

in € m (01/01-03/31)

	Q1 2008	Q1 2007	Change
Earnings before taxes (EBT)	-32.2	-24.1	-8.1
Cashflow from operating activities	23.5	104.5	-81.0
Cashflow from investing activities	-23.5	-266.1	242.6
Cashflow from financing activities	-6.0	-4.2	-1.8
Cash and cash equivalents at 03/31	263.8	300.5	-36.7

Segment reporting: Germany

Net sales

Net sales generated by Praktiker Group in Germany amounted to a total of 626.5 million euros in the first quarter of the current financial year. As compared with the sales generated in the comparable quarter of the previous year, this equates to a decline of 6.6 percent. This development was exclusively attributable to the Praktiker brand while sales accounted for by the Max Bahr brand increased significantly owing to the first-time inclusion of its January sales. Adjusted for changes in sales area, sales in Germany declined by 13.1 percent. There are several reasons for this development: on account of the early Easter holiday, the first quarter of 2008 only had 75 trading days and thus two days less than the comparable quarter of the previous year. This technical effect alone explains a decline in sales amounting to more than 2 percentage points. Furthermore, weather conditions in March – the busiest month in the quarter – were noticeably worse than last year. Instead of mild spring temperatures like last year, winter weather reappeared at the most inopportune time shortly before Easter. This led to particularly extensive declines in sales for this month. In fact, fewer trading days and poor weather conditions had a negative impact on the entire DIY sector in Germany. The association for the German DIY industry BHB therefore described the situation as a slow start into the year.

Apart from these two factors which had a negative impact on the industry as a whole, there is also a company-specific explanation for the sales decline: the modified marketing appearance of the Praktiker brand. In Germany, Praktiker has set itself the goal of reducing the number of 20 % campaigns – a task with which it began in the first quarter of this year. This has translated into a negative effect on sales but a positive effect on the gross profit margin.

The traditional marketing measures are to be supplemented with new elements and in some cases replaced altogether during the rest of the year. The effects of these measures on net sales and profit, however, will not be visible until the second quarter at the earliest. The Praktiker brand therefore found itself in a transition phase in the first quarter, during which established marketing instruments were revised but not as yet replaced by new ones. A similar decline in sales as recorded for the first quarter should therefore not be recurring during the remainder of the year.

Operating earnings (EBITA)

In Germany, a contribution to operating earnings of minus 22.1 million euros was reported. In the previous year, losses had amounted to 20.0 million euros. Although no more one-off integration costs were incurred for Max Bahr in 2008, the financial statements included the losses incurred at Max Bahr in January for the first time. The expenses involved in the conversion to the Easy-to-Shop concept in 2008 were similar to those of 2007. The decline in the operating result is therefore closely linked to the realignment of the marketing appearance of the Praktiker brand. During the first quarter, the reduction in 20 % campaigns led to a decline in sales which could not be fully compensated for by the ensuing improvement in gross profit margin.

The ongoing expenses from the conversion of Praktiker stores to the Easy-to-Shop format will be lower in 2008 as a whole than in the previous year. This is due to Management's decision to convert a maximum of 30 stores in 2008. Original plans foresaw conversion of around 60 stores. These changes in plan had two different reasons: firstly, conversions during the peak season (March to July) in 2007 resulted in above-average sales losses during the conversion phase. In order to avoid this effect, no stores will be converted during the second quarter of 2008. Secondly, most of the stores converted to date have not yet achieved their target sales figures. For this reason, the concept is currently being revised in detail. Only after this fundamental analysis has been completed and the appropriate concept modifications implemented will the conversion phase be resumed.

Q1 Key data Germany

in € m (01/01–03/31)

	Q1 2008	Q1 2007	Change
Net sales	626.5	671.0	-6.6 %
like-for-like sales growth in %	-13.1	0.2	—
EBITA	-22.1	-20.0	-2.1
in % of net sales	-3.5	-3.0	—
Capital expenditure	9.5	15.4	-5.9
Number of stores (03/31)	337	344	-7
Selling space in sq m 1,000 (03/31)	2,099	2,120	-1.0 %
Employees, average on a full-time basis (01/01–03/31)	13,051	13,619	-4.2 %

Capital expenditure

Capital expenditure in domestic operations stood at 9.5 million euros in the first quarter of 2008 and was exclusively earmarked for changes in the store concept, modernisation and replacement activities. At 337, the number of stores has remained unchanged since the end of the last financial year, 76 of which were operated under the brand of Max Bahr.

Capital expenditure

In the first quarter, capital expenditure abroad reached 18.2 million euros. Two new stores were opened: one in Poland and one in Turkey.

Segment reporting: International

Net sales

In the international operations, Praktiker was able to successfully continue on its growth course. Net sales generated via international activities increased by 15.5 percent to 238.6 million euros (previous year 206.5 million euros). Although weather conditions abroad were less positive for business in 2008 than in 2007, like-for-like growth of 1.0 percent was recorded following the record improvement of 19.3 percent in the previous year. The largest absolute growth rates were recorded in Romania, Bulgaria and Poland although sales also increased in all other countries except Luxembourg. The share of the International segment in overall Group sales increased to 27.6 percent in the first quarter (previous year 23.5 percent).

Operating earnings (EBITA)

Internationally, the company generated a positive EBITA of 1.3 million euros in the first quarter of 2008. This equates to an improvement in operating earnings over the comparative quarter of the previous year of 1.2 million euros. Bulgaria, Greece, Poland and Romania in particular contributed to this improvement. In Hungary, operations have become more difficult owing to changes in the macro-economic settings while start-up losses were incurred as anticipated in the Ukraine and Albania.

Q1 Key data International

in € m (01/01–03/31)

	Q1 2008	Q1 2007	Change
Net sales	238.6	206.5	15.5 %
like-for-like sales growth in %	1.0	19.3	—
EBITA	1.3	0.1	1.2
in % of net sales	0.5	0.1	—
Capital expenditure	18.2	6.1	12.1
Number of stores (03/31)	90	74	16
Selling space in sq m 1,000 (03/31)	630	519	21.5 %
Employees, average on a full-time basis (01/01–03/31)	10,017	8,077	24.0 %

Report on risks and opportunities

Risks

In the 2007 Annual Report, Praktiker reported in detail on the various risks envisaged by the Group. Explanations were also provided as to the measures applied by the Group for each individual risk. No other essential risks have arisen beyond this list during the period under review.

Opportunities

A detailed estimate of opportunities was also depicted in the 2007 Annual Report. No essential changes have arisen here either.

Outlook

Praktiker Bau- und Heimwerkermärkte Holding AG was unable to improve its underlying operating earnings in the first three months of the current financial year. The reasons for this can be found exclusively in the German market and are closely linked to the realignment of the marketing appearance of the Praktiker brand.

Sales development in Germany over the remaining months of the year will essentially depend on how the new marketing measures are received by customers. Yet the overall economic settings in Germany remain inconsistent. High wage agreements in key industries on the one hand and rising inflation rates on the other could lead to persistent uncertainty among consumers.

In this context, Management anticipates that like-for-like sales recorded by the end of the year in Germany will fall short of those of the previous year. For this reason, all efforts are currently directed towards improving the gross profit margin by means of the new marketing appearance and thus compensate for any decline in sales.

2008 will once again see one-off expenses for the conversion of German Praktiker stores to the Easy-to-Shop concept. As only a maximum of half the number of stores will be converted as compared to last year, the expenses involved will not reach the same extent as in 2007.

In the international business, Praktiker anticipates continued growth in sales which should reach a double-digit rate following expansion of the store network. The operating earnings (EBITA) margin should benefit from improved results in some countries, it will, however, also be impacted by start-up expenses for the 15 to 20 new stores planned and for the new countries Ukraine and Albania.

Rising inflation rates and an end to the property boom could slow down growth in some countries. Nevertheless, in most countries where Praktiker maintains operations, continued positive growth of income and consumption can be expected. Praktiker also benefits from increasing market shares which arise from opening new stores particularly in such catchment areas abroad where DIY stores have only been represented to a minor degree or not at all to date.

Management repeats its estimates for 2008 which it had already presented at the annual press conference on April 2, 2008 in recognition of the general developments of the first quarter. For 2008, Praktiker anticipates a sales increase of a mid single-digit rate and primarily attributable to strong growth abroad. Operating earnings (EBITA) will be between 135 and 140 million euros, i.e. 10 to 15 million euros higher than the result achieved by Praktiker Group in 2007 prior to the conditions set by the Federal Cartel Office. Cash-relevant capital expenditure will account for a total of at least 150 million euros from today's perspective.

Income statement for the 1. quarter

in € thousands	Jan. 01 – Mar. 31, 2008	Jan. 01 – Mar. 31, 2007
Net sales	865,051	877,462
Cost of sales	-595,459	-627,551
Gross profit on sales	269,592	249,911
Other operating income	15,878	14,838
Selling expenses	-289,398	-263,296
General administrative expenses	-16,688	-21,185
Other operating expenses	-185	-220
Earnings before interest, taxes and amortization (EBITA)	-20,801	-19,952
Net interest result	-6,596	-4,488
Other financial result	-4,780	310
Net financial result	-11,376	-4,178
Earnings before taxes	-32,177	-24,130
Income taxes	8,688	6,032
Group net loss	-23,489	-18,098
of which attributable to minorities	247	196
of which attributable to group shareholders	-23,736	-18,294
	-23,489	-18,098

Earnings per share (€)		
- undiluted	-0.41	-0.32
- diluted	-0.37	-0.29

Balance sheet as at March 31, 2008

Assets in € thousands	Mar. 31, 2008	Dec. 31, 2007
Non-current assets		
Goodwill	214,676	214,621
Other intangible assets	69,019	68,943
Tangible assets	470,031	463,866
Financial assets	107	122
Miscellaneous receivables and other non-current assets	6,647	6,541
Deferred income tax assets	202,376	203,567
	962,856	957,660
Current assets		
Inventories	933,595	809,686
Trade receivables	16,916	24,993
Miscellaneous receivables and other current assets	91,550	89,255
Income tax receivables	11,339	1,420
Cash and cash equivalents	263,806	270,769
	1,317,206	1,196,123
Total assets	2,280,062	2,153,783

Balance sheet as at March 31, 2008

Liabilities in € thousands	Mar. 31, 2008	Dec. 31, 2007
Equity		
Share capital	58,000	58,000
Additional paid-in capital	701,090	705,231
Balance sheet profit	152,971	176,707
	912,061	939,938
Minority interests	665	1,504
	912,726	941,442
Non-current liabilities		
Provisions for pensions and similar commitments	702	695
Other provisions	48,574	49,666
Payable from convertible bonds	135,131	134,159
Payable under finance leases	265,567	266,815
Other liabilities	7,274	7,516
Deferred tax liabilities	108,919	109,467
	566,167	568,318
Current liabilities		
Other provisions	41,888	42,938
Payable under finance leases	16,785	16,851
Trade payables	636,418	463,806
Prepayments received on orders	12,286	7,229
Other liabilities	81,110	98,305
Current income tax liabilities	12,682	14,894
	801,169	644,023
Total liabilities	2,280,062	2,153,783

Statement of changes in equity

in € thousands	Share capital	Capital reserves	Other reserves	Balance sheet profit	Subtotal	Minority interest	Total
Dec. 31, 2006	58,000	822,685	-116,789	180,225	944,121	1,417	945,538
Currency translation			739		739		739
Group net loss				-18,294	-18,294		-18,294
Changes in minority interests						-794	-794
March 31, 2007	58,000	822,685	-116,050	161,931	926,566	623	927,189
Dec. 31, 2007	58,000	822,685	-117,454	176,707	939,938	1,504	941,442
Currency translation			-4,141		-4,141		-4,141
Payment to minority interests						-1,102	-1,102
Group net loss				-23,736	-23,736	247	-23,489
Other changes in minority interests						16	16
March 31, 2008	58,000	822,685	-121,595	152,971	912,061	665	912,726

Cash flow statement

in € thousands	Jan. 01 – Mar. 31, 2008	Jan. 01 – Mar. 31, 2007
Earnings before taxes	-32,177	-24,130
Depreciation and amortization (+)/Reversal of impairment losses (-)	15,894	12,822
Decrease (Increase) in provisions	-2,135	2,023
Loss (Gain) from the disposal of fixed and intangible assets	47	-3
Increase in inventories	-123,908	-57,962
Increase in trade payables	172,611	116,465
Loss (Gain) from foreign currencies	3,530	-311
Other non-cash transaction	-9,544	716
Decrease in other assets	5,676	53,145
Decrease in other liabilities	-11,052	-2,841
Income taxes paid	-3,812	-2,637
Interest result	6,596	4,488
Interest received	1,726	2,727
Cash flow from operating activities	23,452	104,502
Proceeds from disposal of fixed and intangible assets	827	504
Net cash used in investing activities	-24,352	-37,474
Net cash used in acquisition of Max Bahr	0	-229,170
Cash flow from investing activities	-23,525	-266,140
Interest paid	-191	-166
Payment to minorities	-1,102	-1,007
Principal of liabilities from finance leases	-4,668	-3,071
Cash flow from financing activities	-5,961	-4,244
Change in cash and cash equivalents	-6,034	-165,882
Effect of foreign exchange rate changes	-929	107
Cash and cash equivalents at beginning of period	270,769	466,251
Cash and cash equivalents at end of period	263,806	300,476

Notes to the cash flow statement

In accordance with IAS 7, the consolidated cash flow statement has been prepared according to the indirect method, broken down by cash flows from operating, investing and financing activities.

In the period under review, non-cash additions amounting to € 3,354,000 (previous year: € 460,000) from finance lease assets have been included. In the period under review as well as in the comparison period, there were no non-cash disposals from finance lease assets and no non-cash disposals from finance lease liabilities.

The cash and cash equivalents comprise bank balances and cash in hand.

Explanatory notes to the financial statements

Accounting principles

The interim report as of March 31, 2008 was drawn up in compliance with the provisions set out under IAS 34 and by applying § 315a of the German Commercial Code (HGB) in compliance with the provisions of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London valid on the balance sheet date and recognised by the European Union as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). With the exception of the matter described in greater detail below, the same accounting, valuation and calculation methods were applied as those used for the consolidated financial statements as of December 31, 2007. These are set out in the 2007 Annual Report on pages 52 and following.

Income tax expenses were deferred on the basis of the tax rate that would be applicable for the overall result of the year, i.e. the estimated average annual effective tax rate is applied on the pre-tax result of the interim reporting period under review.

Change in shareholder structure

The following essential changes in shareholder structure arose during the period under review:

Ivory Investment Management, L. P., Los Angeles (USA) – and therefore IIM GP, LLC, Los Angeles (USA) and Curtis G. Macnguyen, Los Angeles (USA) – fell short of the threshold of 3 % of voting rights on January 23, 2008.

In accordance with § 21 Section 1 of the German Securities Trading Act (WpHG), Odey Asset Management LLP, London, Great Britain announced on February 5, 2008 that its voting rights share in Praktiker Bau- und Heimwerkermärkte Holding AG, Kirkel, Germany had exceeded the threshold of 3 % on January 24, 2008 and now amounts to 3.95 % (corresponding with 2,292,900 voting rights). These voting rights can be attributed to Odey Asset Management LLP pursuant to § 22 Section 1 Sub-section 1 No. 6 of the WpHG. Odey Asset Management LLP is a fund company registered with the British Financial Services Authority and trades for various funds in its capacity as an investment manager.

In accordance with § 21 Section 1 of the WpHG, Gagner Partners LLP, London, Great Britain announced on March 7, 2008 that its voting rights share in Praktiker Bau- und Heimwerkermärkte Holding AG, Kirkel, Germany had exceeded the threshold of 3 % on March 3, 2008 and now amounts to 3.40 % (corresponding with 1,972,821 voting rights) which can be attributed to the company pursuant to § 22 Section 1 Sub-section 1 No. 6 of the WpHG.

During the period under review, the threshold of 5 % was exceeded or fallen short of several times by UBS AG, Zurich (Switzerland). As at the end of the period under review, the voting rights share of UBS AG in accordance with the announcement on March 26, 2008 was at 4.20 % (corresponding with 2,436,040 shares). These primarily involve shares owned by trade. The voting rights to be attributed to UBS AG pursuant to § 22 Section 1 Sub-section 1, No. 1 of the WpHG fall short of the voting rights share subject to notification.

As was the case at December 31, 2007, Capital Research and Management Company, Los Angeles (USA) continues to hold 5.59 % of voting rights (corresponding with 3,242,183 shares) with Lansdowne Partners Limited, London, Great Britain still holding 10.15 % of voting rights (corresponding with 5,888,920 voting rights). Lansdowne Partners Limited Partnership trades for the following funds:

- Lansdowne UK Strategic Investment Master Fund Limited; shares held: 473,349; percentage: 0.82 %
 - Lansdowne UK Fund Limited; shares held: 5,154,351; percentage: 8.89 %
 - Lansdowne UK Fund LP; shares held: 261,220; percentage: 0.45 %
 - Total shares held: 5,888,920; percentage in total: 10.15 %
- (please also refer to publication pursuant to § 26 of the WpHG as regards notification of August 2, 2007 (Lansdowne), available at: www.praktiker.com – Praktiker in the capital market – Shareholder structure)

As shares with a short-term investment strategy, none of the holdings referred to above were considered to be in fixed ownership pursuant to the definition set out by Deutsche Börse AG. As such, 100 % of the shares concerned of the company under review are considered to be in miscellaneous ownership as of March 31, 2008.

The possibility of conversion of the convertible bond transferred in August 2006 had not been availed of by the end of the period under review. As a result, there was no change in the shareholder structure.

Scope of consolidation

Sinco Trade Ltd., Hong Kong, China has been dissolved and deconsolidated as of March 31, 2008. The company had however already discontinued operative business during the course of 2007. Deconsolidation did not have any essential effects on the asset, financial or income position or cash flow of the group under review.

Earnings per share

Undiluted earnings per share are calculated by the ratio of profit attributable to equity donors and the average number of shares issued during the first quarter.

(a) Undiluted

Earnings per share	Jan. 01 – Mar. 31, 2008	Jan. 01 – Mar. 31, 2007
Earnings allocable to equity providers (in € thousands)	-23,736	-18,294
Average number of shares issued (in thousands)	58,000	58,000
Undiluted earnings per share (€)	-0.41	-0.32

When determining diluted earnings per share, the profit attributable to equity donors adjusted to account for changes in expenses and income is used that would arise from the conversion of potential ordinary shares with a diluting impact. The average number of shares issued during the first quarter is increased by the number of additional ordinary shares that would have been in circulation if all potential ordinary shares with a diluting impact had been converted.

(b) Diluted

Earnings per share	Jan. 01 – Mar. 31, 2008	Jan. 01 – Mar. 31, 2007
Earnings allocable to equity providers (in € thousands)	-23,278	-18,308
Average number of shares issued (in thousands)	62,419	62,419
Diluted earnings per share (€)	-0.37	-0.29

Split in net financial income

in € thousands	Jan. 01 – Mar. 31, 2008	Jan. 01 – Mar. 31, 2007
Financial income	8,711	6,191
Financial expenses	–20,087	–10,369
Financial result	–11,376	–4,178

Conversion of obligations from finance leasing by international subsidiaries resulted in the period under review in non-cash relevant exchange profits of € 4,283,000 (previous year: € 2,121,000) and non-cash relevant exchange losses of € 6,957,000 (previous year: € 1,468,000).

Significant changes in contingent liabilities and other financial obligations

Obligations from operating lease contracts will become due in the subsequent periods amounting to a total of € 2,584 million (previous year: € 2,713 million), of which € 277 million (previous year: € 271 million) within one year, € 1,006 million (previous year: € 990 million) between one and five years and € 1,301 million (previous year: € 1,452 million) after more than five years.

Obligations from finance lease contracts will become due in the subsequent periods amounting to a total of € 481 million (previous year: € 433 million), of which € 42 million (previous year: € 36 million) within one year, € 152 million (previous year: € 131 million) between one and five years and € 287 million (previous year: € 266 million) after more than five years.

Related party disclosures

As for the corresponding period in 2007, Praktiker Holding AG Group entertained no business relations to related parties in the first quarter of 2008.

Miscellaneous

As of March 21, 2008 the Supervisory Board appointed Karl-Heinz Stroh as an additional member of the Management Board. Mr. Stroh succeeds Michael Arnold as Human Resources Director as well as Director of Industrial Relations.

Segment reporting – Notes to segment data

In € thousands	Domestic operations Jan. 01– Mar. 31, 2008	Foreign operations Jan. 01– Mar. 31, 2008	Reconciliation Jan. 01– Mar. 31, 2008	Total Jan. 01– Mar. 31, 2008
Net sales	627,117	238,567	–633	865,051
Other operating income	13,821	4,731	–2,674	15,878
Earnings before interest, taxes, depreciation and amortization	–12,902	8,204	0	–4,698
All other amortization on fixed assets	–9,160	–6,943	0	–16,103
Earnings before interest, taxes and amortization	–22,061	1,260	0	–20,801
Earnings before interest and taxes	–22,061	1,260	0	–20,801
Financial result				–11,376
Earnings before taxes				–32,177
Income taxes				8,688
Net loss				–23,489

In € thousands	Domestic operations Jan. 01– Mar. 31, 2007	Foreign operations Jan. 01– Mar. 31, 2007	Reconciliation Jan. 01– Mar. 31, 2007	Total Jan. 01– Mar. 31, 2007
Net sales	671,661	206,493	–692	877,462
Other operating income	15,140	1,426	–1,728	14,838
Earnings before interest, taxes, depreciation and amortization	–12,318	5,314	0	–7,004
All other amortization on fixed assets	–7,777	–5,171	0	–12,948
Earnings before interest, taxes and amortization	–20,095	143	0	–19,952
Earnings before interest and taxes	–20,095	143	0	–19,952
Financial result				–4,178
Earnings before taxes				–24,130
Income taxes				6,032
Net loss				–18,098

No division of segment reporting into primary and secondary areas has been undertaken. As Praktiker Group runs its DIY market business almost exclusively, the only split made is a geographical one based on the location of the various DIY stores.

Transfers between the various regions occur at prices that would also be agreed with external third parties.

The impact of consolidation measures was reported separately in the “Reconciliation statement” column.

Kirkel, Germany, April 22, 2008

Werner Arnold Ghabel Stroh Warnking

Contact

Investor Relations

Praktiker Bau- und Heimwerkermärkte Holding AG

Am Tannenwald 2

D – 66459 Kirkel

Phone: + 49 (0) 6849 / 95 3702

Fax: + 49 (0) 6849 / 95 3709

E-Mail: investorrelations@praktiker.de

**All information relevant to Investor Relations
is available on: www.praktiker.com**

Design and PrePress

FIRST RABBIT GmbH, Cologne

Published

April 23, 2008

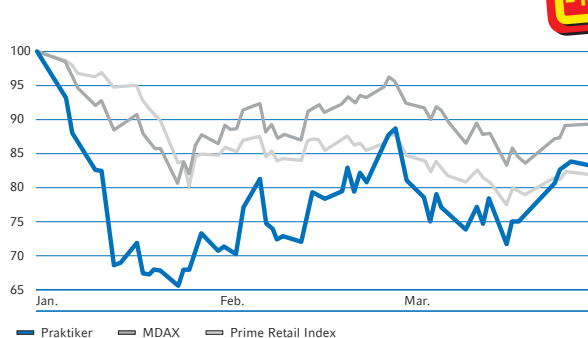
Disclaimer

This interim report contains certain statements that are neither reported financial results nor other historical information. These forward-looking statements are subject to risk and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Praktiker Group's ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. The Praktiker Group does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

Only the German version of this interim report is legally binding.

Share price development Q1 / 2008

in %



Financial calendar 2008

Annual general meeting 2008, Saarbruecken	May 30, 2008
Second quarter report 2008	July 23, 2008
Third quarter report 2008	October 23, 2008