



**Quarterly Report Q1/2007 by Praktiker Bau- und Heimwerkermärkte Holding AG
Telephone Conference with the Press, Thursday, 26 April 2007, 10:00 a.m.**

Statement by Wolfgang Werner, Chairman of the Management Board

Ladies and gentlemen,

I cordially welcome you to our telephone conference on the occasion of the presentation of our financial report for the First Quarter 2007. A good three weeks ago – on the occasion of our Business Press Conference in Frankfurt – we had presented our forecast for the current fiscal year. This outlook had of course been formulated with the knowledge of how the First Quarter was developing. It is important to bear this in mind as the Praktiker group has gained a new quality in the first quarter after the first-time consolidation of Max Bahr. Moreover, a series of one-off effects have had an impact on sales and earnings, which have to be considered when evaluating the “bare figures“.

As always, we have already published our Quarterly Report this morning at 7:30 a.m. This way you had the opportunity to look at the information ahead of our telephone conference and submit the figures to a first analysis.

Before coming to the key points of this report, please allow me to make one preliminary remark: Also after the integration of Max Bahr into the Praktiker Group we will continue to prepare our financial reports using the tried-and-tested segment structure which breaks down our activities into domestic and international business activities. This means that the contributions of Max Bahr to consolidated sales and earnings are reported under our domestic segment. Wherever necessary and possible, we will show the effects from the first-time consolidation of Max Bahr separately.

Let me now turn to our current Quarterly Report and in particular to the one-off effects mentioned at the beginning.

First, let us look at the sales trend. Compared against the First Quarter 2006, consolidated sales of the Praktiker Group climbed from EUR 717.7 million to EUR 877.5 million, which is equivalent to a 22.3 percent rise. Around three quarters of this growth are attributable to the integration of the operating business of Max Bahr, which has been fully integrated since 1 February 2007. Max Bahr's contribution to group sales in the months of February and March amounts to EUR 119.7 million. But even without this acquisition-related boost of sales Praktiker generated an organic sales plus of 5.6 percent

Domestic sales of the Praktiker Group came in at €671 million, which is nearly 20 percent more than during the same period last year. This growth is exclusively related to the first-time consolidation of Max Bahr since domestic sales of Praktiker alone dropped 1.6 percent to €551.3 million in the First Quarter 2007. In this context it must be borne in mind that we achieved this quarterly sales figure with seven locations less. Like-for-like, sales rose slightly by 0.2 percent. This is a satisfactory result when considering that we had a really poor start into the year 2006: As expected, the value added tax increase in Germany resulted in a temporary slump in demand despite our initial waiver to pass on the tax hike to our customers via price increases. We will come back to this issue when evaluating the earnings situation during the period under review.

The VAT-related consumer restraint, which gave us a very sluggish January, already vanished in February. We experienced a distinct revitalization of our German business activities, which continued also during the month of March. If we adopt the standard of the industry association BHB, for example, and use gross sales for comparisons, this would give a like-for-like growth in First Quarter sales of nearly three per cent. Max Bahr, our newly consolidated Hamburg-based subsidiary contributed €119.7 million to our Q1 consolidated sales which was above the prior year and above budget. This is also attributable to Max Bahr's distinct competence in gardening, which produced particularly good results in March 2007.

Growth of the Praktiker Group gained considerable momentum, in particular in Eastern Europe. Compared against the First Quarter 2006, net sales soared 31 percent to € 206.5 million. Even without the new outlets opened in the second half of last year, i.e. like-for-like, we were able to raise sales by 19.3 percent. This extraordinary growth is attributable to the uncommonly mild weather, which has stimulated demand for DIY products in our foreign outlets, on the one hand. It is also supported by the extremely good market performance of the Praktiker brand, in particular in Romania and Bulgaria. This growth impressively confirms the strategy and orientation of our internationalization.

Let us now turn to the second key financial, our EBITA. In order to rightly assess this key financial, a number of particularities have to be considered. Praktiker Group's EBITA as of 31 March 2007 stood at € -19.9 million. This is € 4 million less than one year ago. In Germany, our EBITA was slightly more negative, namely € -20.0 million. Let me explain the relevant factors for this development.

1. Our decision to refrain from passing the VAT hike to our customers weighed on our margin in Germany and thus resulted in non-recurrent losses of an almost double-digit million amount. This one-time effect has in the meantime been offset by the corresponding price adjustments while consumer restraint has vanished.
2. Also the launch of the nation-wide rollout of our innovative marketing concept Easy-to-Shop cost money. In this context, the first and also part of the second phase of the rollout involving a total of 24 locations fell within the period under review. The corresponding amount for the months from January through March is in the medium single-digit million euros range. That this is money well spent was demonstrated once again by the six pilot stores operating under the new concept since 1 August 2006. The positive trend of the last quarter 2006, which we reported in early February, was confirmed. Today I can say that sales of the pilot stores in the First Quarter 2007 have fully come up to our expectations despite the sluggish business in January. You will certainly remember: We anticipate that, after conversion to the Easy-to-Shop concept, a

store will generate an increase in sales of 10 percent within a period of two years.

3. Max Bahr in turn – despite the sales volume it added – contributed losses in the amount of around € seven million during the First Quarter. This was mainly attributable to the fact that expected integration expenses had already to be considered although the corresponding payments will only be effected in the further course of the year. These expenses mainly relate to provisions for the social plan that was agreed to compensate for any hardship in connection to the structural staff reductions required at the Hamburg head office.

As you can see, considerable one-off effects weighed on our earnings situation in Germany. Adjusted for these effects we achieved a very substantial improvement in EBITA.

There were no such negative effects in our international business. Our international segment, which reported a loss of € 4.4 for the same period last year, now shows an improvement of EBITA to € +0.1 million. This demonstrates how profitable our growth can be in Eastern Europe when the general economic conditions are right and the weather plays along.

Ladies and gentlemen,

Let me thus summarize the key financials:

- The Praktiker Group continued on its growth path also during the first three months of fiscal year 2007. Consolidated sales increased as forecast, also our EBITA trend is positive – when adjusted for the above-mentioned one-off effects and one-time expenses.
- We are highly satisfied with our business in Germany. We managed to raise sales of the Praktiker brand. The Max Bahr brand is above budget. However, the impact on earnings is not visible yet as it is concealed by one-off effects. This will change in the further course of the year.

- International business has been booming like never before at the beginning of the year. Nearly 20 percent like-for-like growth – it will be hard for anyone else to achieve the same result. The fact that also our EBITA were positive for the first time is paving the ground for the expansion offensive, the largest part of which is still lying ahead of us in the present fiscal year.

Ladies and gentlemen,

At our Annual Press Conference on April 3, we have presented our forecast for fiscal year 2007 by calling it a year of change and investments. Today, I can assure you: We are progressing well and fully on schedule. This is why it is a pleasure for me to repeat our outlook of April 3:

Including Max Bahr, the Praktiker Group expects to increase sales to over € 4 billion and achieve group EBITA of at least € 115 million. Abroad, we plan to step up expansion on a broad basis. Allow me to add the following: We want to become number one in Germany. This target, which has already been advertised in an attention-grabbing campaign launched in early April, is realistic and supported by the figures I was able to present to you today.

Thank you for your attention. Mr. Ghabel and myself will now answer your questions.