

# Praktiker Group

## Interim Report

1/09



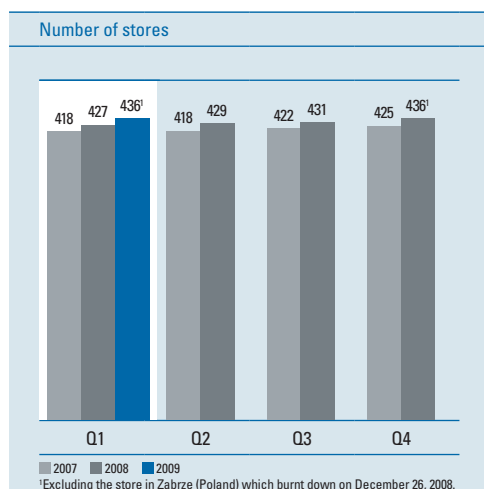
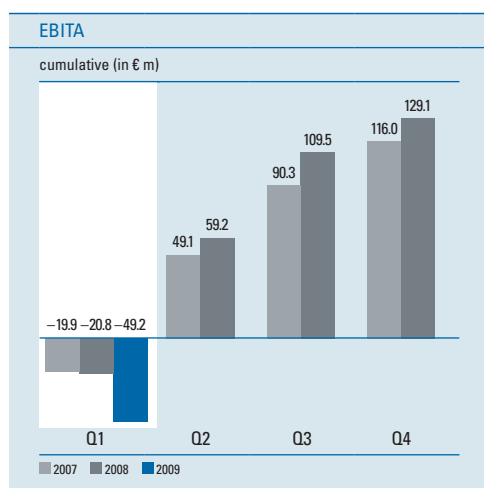
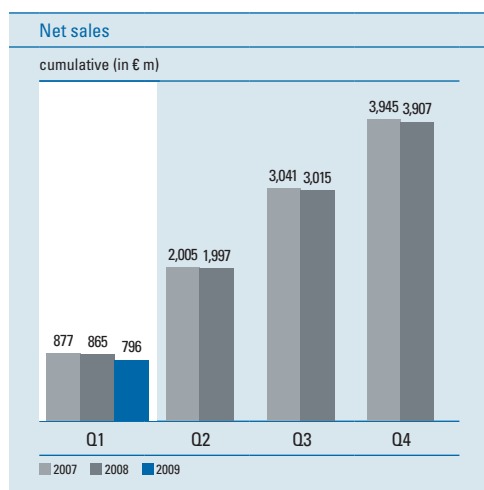
## KEY DATA

| in € m                                       | Q1 2009        | Q1 2008              | Change in % |
|--|----------------|----------------------|-------------|
| <b>Net sales</b>                             | <b>795.6</b>   | 865.1                | - 8.0       |
| Germany                                      | 589.5          | 626.5                | - 5.9       |
| of which Praktiker                           | 414.6          | 439.0                | - 5.6       |
| of which Max Bahr                            | 155.0          | 166.5                | - 6.9       |
| of which Miscellaneous                       | 19.9           | 21.0                 | - 5.0       |
| International                                | 206.1          | 238.6                | - 13.6      |
| <b>EBITA</b>                                 | <b>- 49.2</b>  | - 20.8               | - 136.4     |
| Germany                                      | - 39.2         | - 22.1               | - 77.6      |
| of which Praktiker                           | - 36.0         | - 19.2               | - 87.2      |
| of which Max Bahr                            | - 1.5          | - 1.7                | 7.4         |
| of which Miscellaneous                       | - 1.7          | - 1.2                | - 40.5      |
| International                                | - 10.0         | 1.3                  | -           |
| <b>Capital expenditure</b>                   | <b>19.0</b>    | 27.7                 | - 31.5      |
| <b>Net loss for the period</b>               | <b>- 36.8</b>  | - 23.5               | - 56.7      |
| <b>Earnings per share in €</b>               | <b>- 0.64</b>  | - 0.41               | - 56.1      |
| <b>Net cash / Net debt (-) (as at 03/31)</b> | <b>- 281.6</b> | - 189.3 <sup>1</sup> | - 48.8      |

<sup>1</sup>As at 12/31/2008.

| Operative data   | 03/31/2009             | 03/31/2008 | Change |
|--|------------------------|------------|--------|
| <b>Number of stores Germany</b>                                | <b>336</b>             | 337        | - 1    |
| of which Praktiker   | 241                    | 242        | - 1    |
| of which Max Bahr  | 76                     | 76         | 0      |
| of which Miscellaneous   | 19                     | 19         | 0      |
| <b>Number of stores International</b>                          | <b>100<sup>2</sup></b> | 90         | 10     |
| Luxembourg   | 3                      | 3          | 0      |
| Greece   | 11                     | 10         | 1      |
| Poland   | 20 <sup>2</sup>        | 21         | - 1    |
| Hungary  | 19                     | 17         | 2      |
| Turkey   | 10                     | 10         | 0      |
| Romania  | 25                     | 20         | 5      |
| Bulgaria   | 9                      | 8          | 1      |
| Ukraine  | 3                      | 1          | 2      |
| <b>Number of stores Praktiker Group</b>                        | <b>436<sup>2</sup></b> | 427        | 9      |
| <b>Selling space in sq m 1,000</b>                             | <b>2,799</b>           | 2,729      | 2.5%   |
| Germany  | 2,102                  | 2,099      | 0.1%   |
| of which Praktiker   | 1,420                  | 1,417      | 0.1%   |
| of which Max Bahr  | 612                    | 612        | 0.0%   |
| of which Miscellaneous   | 70                     | 70         | 0.0%   |
| International  | 697 <sup>2</sup>       | 630        | 10.7%  |
| <b>Employees, average on a full-time basis (01/01 – 03/31)</b> | <b>22,757</b>          | 23,068     | - 1.3% |
| Germany  | 12,265                 | 13,051     | - 6.0% |
| of which Praktiker   | 8,847                  | 9,415      | - 6.0% |
| of which Max Bahr  | 3,009                  | 3,218      | - 6.5% |
| of which Miscellaneous   | 409                    | 418        | - 2.2% |
| International  | 10,492                 | 10,017     | 4.7%   |

<sup>2</sup>Excluding the store in Zabrze (Poland) which burnt down on December 26, 2008.



## GROUP MANAGEMENT REPORT

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## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## THE FIRST THREE MONTHS 2009 – SUMMARY

### Clear signs of economic slowdown

In the first three months of 2009, the Praktiker Group clearly felt the effects of the economic slowdown, with business declining across almost all of the markets in which the company operates. The general restraint in customer spending was accompanied by a sharp currency devaluation in Eastern Europe, which additionally impacted sales and earnings in the Group currency, the euro. Above and beyond the reduction in demand due to the economic environment, the cool weather that lasted well into March delayed the start of the garden season. Due to these factors, the company's sales and operating earnings in the first quarter of 2009 were significantly lower than in the same period of the previous year.

However, the prospects of making up at least some of this deficit in the second quarter are good. Demand picked up significantly in the first weeks of spring, while sales of garden products in particular are expected to enjoy support from any period of warm and dry weather in the second quarter.

In addition, the measures initiated at an early stage with a view to securing the Group's earnings and liquidity are already bearing fruit. In March, short-time work was introduced at some of Praktiker's stores in Germany for the first time, with human resources planning adjusted to reflect the weak demand resulting from the economic downturn. The aim of making the Group's investments more flexible has already seen a reduction in capital expenditure. In the same way as the proposal to pay a reduced dividend, the objective of this measure was to ensure the Group's liquidity position, which amounted to 142.2 million euro at the end of the quarter.

Over recent months, the Praktiker Group has developed a package of measures aimed at making it more crisis-resistant, some of which were implemented in the first quarter of 2009; this is reflected in the reduction in selling expenses, among other things. Although business is expected to pick up in the second and third quarters, the sustained recession means that reduced sales are forecast for 2009 as a whole. The Management Board believes that, in a situation of this nature, the most important thing is to ensure that the Praktiker Group retains the highest possible level of liquidity and generates adequate earnings, thereby allowing it to retain its capacity to act even in times of crisis and thus be prepared for a quick start again when the economy recovers.

### Changes in reporting

With effect from the first quarter of 2009, the Group has made some changes to its reporting as a result of the new and amended accounting standards (IFRS) that were introduced at the start of the year. In accordance with these standards, operating segments are now classified in the same way as they are regularly presented to the chief operating decision-maker – in this case, the Management Board of Praktiker Bau- und Heimwerkermärkte Holding AG – at the corresponding meetings, thereby forming the basis for strategic decisions.

As a result, internal and external reporting have now been unified to an even greater extent. Instead of an overarching "Germany" segment, the following operating segments are now disclosed separately: "Praktiker Germany", "Max Bahr" and "Miscellaneous", a segment that mainly includes the third, comparatively insignificant German retail chain extra BAU+HOBBY. This brand was allocated to the German Praktiker brand in previous financial reports on account of its relative immateriality to the Group as a whole.

There were no changes to the existing "International" segment.

An additional component has been added to the quarterly financial statements, namely a reconciliation to total earnings. In particular, this presentation contains income and expense items that are not reported in the income statement but are set directly against equity instead.

## INCOME, FINANCIAL AND ASSET POSITION

### Income position

#### Net sales

The Praktiker Group generated total sales of 795.6 million euro in the first quarter of 2009, 8.0 percent less than in the same period of the previous year. In the German market, the brands Praktiker, Max Bahr and extra BAU+HOBBY recorded sales of 589.5 million euro, down 5.9 percent year-on-year. The Group's foreign activities were hit by the recessionary macroeconomic development to a greater extent, with sales declining by 13.6 percent to 206.1 million euro. This was partially attributable to the sharp devaluation in the currencies of the Eastern European countries in which the Group operates. Adjusted for these exchange rate effects, sales would have been 24.7 million euro higher and Group sales would only have fallen by 5.3 percent. In all countries, the cold weather conditions delayed the start of the building materials and garden products season, which traditionally begins in March.

#### Gross profit on sales

Gross profit on sales decreased by 14.0 percent to 231.8 million euro. This reflects the fact that the Group as a whole suffered from lower sales of building materials and garden products due to the weather conditions. The latter product group typically generates higher margins than the rest of the range and is traditionally the strongest product category in spring. Gross margin declined by around two percentage points to 29.1 percent (previous year 31.2 percent)

#### Other operating income

Other operating income amounted to 14.6 million euro, down 8.0 percent year-on-year. As in the previous year, other operating income for the first quarter of 2009 contained insurance payments primarily relating to expenses and loss of

earnings due to the destruction of a Praktiker store in Zabrze (Poland) following a fire. In the previous year, insurance payments were mainly incurred for fire damage at the store in Thessalonica. In the period under review, this item amounted to 1.0 million euro (previous year 1.5 million euro).

#### Selling expenses

Selling expenses fell by 4.1 percent to 277.6 million euro in the first quarter despite the fact that the Praktiker Group operated a total of 436 stores at the end of the quarter, nine more than one year ago. This clearly underlines the effectiveness of the Group's cost-cutting measures. Selling expenses in Germany declined slightly due to the introduction of short-time work at 81 Praktiker stores, among other things.

#### General administrative expenses

General administrative expenses totalled 17.2 million euro, up slightly on the same period of the previous year (16.7 million euro).

#### Operating earnings (EBITA)

Operating earnings were impacted by the downturn in sales, with the cost reductions implemented by the Group proving insufficient to offset the decline in gross profit. The seasonal operating loss recorded in the first quarter increased to 49.2 million euro (previous year loss of 20.8 million euro).

This deterioration is attributable to business development in Germany and abroad. Changes in exchange rates also had an impact on operating earnings. Adjusted for these exchange rate effects, EBITA would have been 1.4 million euro higher.

#### Net financial result

The net financial result in 2009 reflects the same factors as in the previous year. All in all, the Group generated a net financial result of minus 20.2 million euro (previous year minus 11.4 million euro). The change, compared with the previous year, is due to the lower level of interest income and, in particular, significant exchange rate losses due to the revaluation of foreign-currency liabilities at the reporting date. The interest expense of 1.0 million euro due to the increase in the financial liability resulting from the convertible bonds and the net currency losses in the amount of minus 9.6 million euro were non-cash.

#### Net loss for the period

In the first quarter of 2009, the Group recorded a net loss after taxes of 36.8 million euro, compared with 23.5 million euro in the same period of the previous year.

| Q1 Income statement         |         |         |          |
|-----------------------------|---------|---------|----------|
| in € m                      |         |         |          |
|                             | Q1 2009 | Q1 2008 | Change   |
| Net sales                   | 795.6   | 865.1   | - 8.0 %  |
| Gross profit on sales       | 231.8   | 269.6   | - 14.0 % |
| Gross margin on sales in %  | 29.1    | 31.2    | - 2.1 PP |
| Other operating income      | 14.6    | 15.9    | - 8.0 %  |
| Selling expenses            | 277.6   | 289.4   | - 4.1 %  |
| Administrative expenses     | 17.2    | 16.7    | 3.0 %    |
| EBITDA                      | - 32.4  | - 4.7   | - 27.7   |
| EBITA                       | - 49.2  | - 20.8  | - 28.4   |
| Net financial result        | - 20.2  | - 11.4  | - 8.8    |
| Earnings before taxes (EBT) | - 69.4  | - 32.2  | - 37.2   |
| Net loss for the period     | - 36.8  | - 23.5  | - 13.3   |

### Earnings per share

Undiluted earnings per share amounted to minus 0.64 euro (previous year minus 0.41 euro).

### Financial position

#### Net financial position

At the reporting date, cash and cash equivalents totalled 142.2 million euro (year-end 2008 233.3 million euro). Financial debt amounted to 423.7 million euro, of which 282.2 million euro related to finance lease liabilities and 139.1 million euro to the convertible bonds, which has a term until 2011. Accordingly, the Group's net financial position amounted to 281.6 million euro compared with minus 189.3 million euro at the end of 2008. The low level of sales due to the inclement weather conditions and the resultant increase in inventories had an adverse effect on cash and cash equivalents in the first quarter. By contrast, positive sales development in the second quarter is likely to result in a higher level of liquidity.

#### Net working capital

At minus 412.9 million euro, net working capital remained essentially unchanged as against year-end 2008 (minus 411.6 million euro). In line with seasonal developments, there was an increase in both inventories and trade payables. In the same way as for cash and cash equivalents, the unfavourable weather conditions had a negative impact on net working capital, but this situation will also improve significantly on the back of a positive second quarter.

#### Cash flow

The negative cash flow from operating activities of minus 70.2 million euro is mainly due to the reduced earnings before taxes. In contrast, the cash flow from investing activities has improved compared to the previous year because the international expansion was brought to a stop. There were no significant changes in the cash flow from financing activities.

#### Capital expenditure

In the first quarter of the current financial year, the Praktiker Group invested a total of 19.0 million euro (previous year 27.7 million euro). Capital expenditure in Germany focused

on replacement stores for the Praktiker brand and the conversion of 11 stores to the Easy-to-Shop concept, as well as changes to the product range at Max Bahr. In contrast, the Praktiker Group suspended any growth plans in Eastern Europe in the first quarter. accordingly, only 6.0 million euro were invested in the International business (previous year 18.2 million euro).

### Asset position

#### Balance sheet

There were substantial changes in some of the Praktiker Group's balance sheet items compared with the end of the last financial year. Inventories increased significantly in preparation for the start of the garden season, resulting in corresponding growth in trade payables and a decrease in cash and cash equivalents, while total assets increased slightly by 1.2 percent to 2,178.7 million euro.

#### Equity

Compared with the reporting date of the last financial year (December 31, 2008), equity decreased to 864.4 million euro on the back of the losses recorded in the first quarter.

#### Equity ratio

The equity ratio amounted to 39.7 percent compared with 42.2 percent at the end of the last financial year. This development is due to the losses in the first quarter and the slight increase in total assets resulting from the seasonal increase in inventories.

| Balance sheet           |            |            |        |
|-------------------------|------------|------------|--------|
| in € m                  |            |            |        |
|                         | 03/31/2009 | 12/31/2008 | Change |
| Equity                  | 864.4      | 907.9      | - 43.5 |
| Total assets            | 2,178.7    | 2,153.5    | 25.2   |
| Net cash / net debt (-) | - 281.6    | - 189.3    | - 92.3 |
| Net working capital     | - 412.9    | - 411.6    | - 1.3  |

| Cash flow statement                 |         |         |         |
|-------------------------------------|---------|---------|---------|
| in € m                              |         |         |         |
|                                     | Q1 2009 | Q1 2008 | Change  |
| Earnings before taxes (EBT)         | - 69.4  | - 32.2  | - 37.2  |
| Cash flow from operating activities | - 70.2  | 23.5    | - 93.7  |
| Cash flow from investing activities | - 17.0  | - 23.5  | 6.5     |
| Cash flow from financing activities | - 4.7   | - 6.0   | 1.3     |
| Liquid funds at 03/31               | 139.7   | 263.8   | - 124.1 |

## GERMAN MARKET ENVIRONMENT

### Contraction in the German market

According to the available data, the German DIY market contracted in the first quarter of 2009, with a rate of decline of around 7 percent in January and February. In light of the sustained cool weather, March is unlikely to have seen a significant improvement. Consumer spending as a whole has been curbed by the recession, while the garden sector has been impacted by the poor weather conditions. The car-scrap bonus may have also adversely affected retail sales.

## SEGMENT REPORTING PRAKTIKER GERMANY

### Net sales

In the first quarter of 2009, Praktiker Germany generated total net sales of 414.6 million euro. This was 5.6 percent lower than in the same period of the previous year, both in absolute terms and on a like-for-like basis. In a recessionary market environment, Praktiker focused on generating additional demand through particularly low-price offers, based on its experience that customer price sensitivity tends to increase in periods of economic difficulty. In March, the Group's marketing campaigns were bundled under the slogan "Ärmel hoch" ("Sleeves up"). With this motto, Praktiker intends to continue to fight the prevailing downbeat mood throughout the rest of the year, encouraging customers to take the opportunity to renovate and make over their homes at the lower prices currently available. Under the slogan of "Ärmel hoch" individual products or product groups are marketed creating a high degree of public awareness. Although the number of "20-percent-off" promotional days was higher in the first quarter than in the corresponding period last year, Praktiker has set itself the target to focus more on attractive prices than on discounts for the rest of the year.

### Operating earnings (EBITA)

In the first quarter, Praktiker recorded seasonal losses of 36.0 million euro, 16.8 million euro higher than in the same period of the previous year (minus 19.2 million euro). Gross profits on sales declined correspondingly, but also the gross margin came down. The cost-side measures implemented in the first quarter were insufficient to compensate for the reduction in gross profit. Operating earnings include the proportionate contributions to earnings reported as synergies from the integration of Max Bahr in the previous year.

In the first three months of the current financial year, Praktiker converted an additional 11 stores into its meanwhile optimised Easy-to-Shop concept, building on the progress made in the first quarter of the previous year, after which conversion work was temporarily halted. The resulting expenditure impacted the Group's operating earnings to the tune of 2.7 million euro.

The approval of short-time work for a total of 81 stores in March led to a moderate improvement in expenditure. Praktiker was the first retail group in Germany to submit the corresponding applications, triggering an extensive public debate. Praktiker is using this instrument with the aim of holding on to qualified employees even in times when the workload is reduced due to the economic environment, thereby helping to tie employees to the company in the longer term.

### Capital expenditure

In the first quarter, Praktiker opened two new stores as replacements for old stores that have been closed. This, together with store concept conversion and modernisation measures and replacement investments, resulted in total capital expenditure of 10.0 million euro (previous year 8.3 million euro). At 241, the number of stores remained unchanged as against the end of the previous financial year.

| Q1 Key data Praktiker Germany                                  |         |         |             |
|--|---------|---------|-------------|
| Net sales, EBITA and Capital expenditure in € m                |         |         |             |
|  | Q1 2009 | Q1 2008 | Change in % |
| Net sales  | 414.6   | 439.0   | - 5.6       |
| Like-for-like sales growth in %                                | - 5.6   | - 15.8  | -           |
| EBITA  | - 36.0  | - 19.2  | - 87.2      |
| In % of net sales  | - 8.7   | - 4.4   | -           |
| Capital expenditure  | 10.0    | 8.3     | 20.5        |
| Number of stores (03/31)                                       | 241     | 242     | - 0.4       |
| Selling space in sq m 1,000 (03/31)                            | 1,420   | 1,417   | 0.1         |
| Employees, yearly average on a full-time basis (01/01 – 03/31) | 8,847   | 9,415   | - 6.0       |
| Average sales ticket in €, like-for-like                       | 25.54   | 26.18   | - 2.4       |

## SEGMENT REPORTING MAX BAHR

### Net sales

In the first quarter of 2009, Max Bahr generated net sales of 155.0 million euro, down 6.9 percent on the same period of the previous year. On a like-for-like basis, this corresponds to a decline of 7.1 percent. As Max Bahr has a significantly higher share of garden products than Praktiker, the weather conditions affecting the garden sector had an even greater impact on its sales figures.

Max Bahr is celebrating its 130th anniversary in 2009 with a range of marketing campaigns that began in the first quarter. Despite this, the level of marketing activity in the first three months was lower than in the previous year, as Max Bahr started 2008 with significant price concessions in an effort to boost sales.

In the first quarter, Max Bahr continued to convert its product range to be more modern and attractive. One particularly prominent example was the launch of the “Traumbäder” (“Dream Baths”) concept, which is being successively rolled out in around one-third of Max Bahr’s stores. With “Traumbäder”, Max Bahr is offering attractive, high-quality bathroom fittings together with related services such as bathroom planning and full installation at the customer’s home. In accordance with the service-oriented nature of the Max Bahr brand, this move brings the company one step closer to a “Do-it-for-me” approach, allowing it to expand into customer segments that prefer professional service over DIY for whatever reason.

Max Bahr ensured that it has the necessary flexibility to reduce working hours by increasingly using temporary staff.

In mid-January, the Management Board decided to discontinue the “Max – der kleine Baumarkt” (“Max – the compact DIY store”) format. The 15 outlets that had previously been opened in city centre locations ceased trading at the end of February 2009.

### Operating earnings (EBITA)

Max Bahr recorded operating earnings of minus 1.5 million euro (previous year minus 1.7 million euro), including the proportionate earnings components reported as synergies in the past two years. This reflects the fact that the adjustments to the product range were made with a clear focus on an improved gross margin and marketing measures involving significant price concessions were avoided despite the anniversary campaigns. This helped to offset the fact that the high-margin garden business has yet to gain any real momentum. The losses include the closure costs for “Max - der kleine Baumarkt”.

### Capital expenditure

Max Bahr invested a total of 3.0 million euro in the first quarter, significantly more than in the same period of the previous year (1.1 million euro). The majority of this figure was attributable to the ongoing changes to the brand’s product range. Max Bahr operated a total of 76 stores as of March 31, the same number as one year previously.

## SEGMENT REPORTING MISCELLANEOUS

The segment Miscellaneous contains the German retail chain extra BAU+HOBBY and a cross-divisional service company of the Praktiker Group. extra BAU+HOBBY was previously reported as an integral component of Praktiker Germany.

Due to the relative immateriality of the sales, earnings and assets of this segment, no detailed comments on the segment are provided. The corresponding key data can be found in the notes.

### Q1 Key data Max Bahr

Net sales, EBITA and capital expenditure in € m

|  | Q1 2009 | Q1 2008 | Change in % |
|--|---------|---------|-------------|
| Net sales  | 155.0   | 166.5   | - 6.9       |
| Like-for-like sales growth in %                                | - 7.1   | - 4.1   | -           |
| EBITA  | - 1.5   | - 1.7   | 7.4         |
| In % of net sales  | - 1.0   | - 1.0   | -           |
| Capital expenditure  | 3.0     | 1.1     | 172.7       |
| Number of stores (03/31)                                       | 76      | 76      | 0.0         |
| Selling space in sq m 1,000 (03/31)                            | 612     | 612     | 0.0         |
| Employees, yearly average on a full-time basis (01/01 – 03/31) | 3,009   | 3,218   | - 6.5       |
| Average sales ticket in €, like-for-like                       | 26.34   | 27.05   | - 2.6       |

## MARKET ENVIRONMENT INTERNATIONAL

The Group's international activities were hit particularly hard by the effects of the global recession that was triggered by the financial crisis. The restraint in spending among customers of DIY stores that was observed in the fourth quarter of 2008 continued unabated in most countries.

In Eastern Europe, too, the weather conditions prevented an early start to the season for garden products and building materials.

## SEGMENT REPORTING INTERNATIONAL

### Net sales

Net sales totalled 206.1 million euro in the first quarter of 2009, down 13.6 percent on the previous year. On a like-for-like basis, this corresponds to a decline of 18.2 percent. Sales decreased significantly in almost all of the countries in which Praktiker operates. Only Ukraine saw sales growth on the back of an increase in the number of stores from one to three.

In countries not using the euro, sales were additionally impacted by the significant depreciation in most local currencies, with the Polish zloty, the Turkish lira and the Romanian leu suffering particularly substantial losses. Accordingly, the year-on-year decline in sales in these countries was greater than in countries using the euro or - like in Bulgaria- where the national currency is pegged to the euro.

This effect becomes particularly apparent when comparing the changes in sales in local currency with the figures in euro (see "International – the countries" table). Assuming unchanged exchange rates, sales in the International segment would have fallen by only 3.6 percent, meaning that 10 percent of the drop in sales was due to exchange rate changes.

The share of total Group sales attributable to the International segment declined to 25.9 percent in the first quarter (previous year 27.6 percent).

### Operating earnings (EBITA)

Measures aimed at stabilising the gross margin and cost adjustments were unable to offset the sharp downturn in sales. Accordingly, the International segment recorded an operating loss in the first quarter of 2009, with EBITA amounting to minus 10.0 million euro (previous year plus 1.3 million euro).

This development was primarily attributable to countries that experienced significant currency devaluation. Adjusted for these effects, the loss would have been 1.4 million euro lower. A year-on-year comparison should also take into account the fact that the Group's foreign activities were particularly successful in the first quarter of 2008, whereas they traditionally fail to generate an operating profit during this period.

### Capital expenditure

Due to the uncertain economic outlook, Praktiker resolved to suspend its international growth plans in 2009. Accordingly, only 6.0 million euro were invested outside Germany in the first quarter (previous year 18.2 million euro) and no new stores were opened.

| Q1 Key data International                                      |         |         |             |
|--|---------|---------|-------------|
| Net sales, EBITA and capital expenditure in € m                |         |         |             |
|  | Q1 2009 | Q1 2008 | Change in % |
| Net sales  | 206.1   | 238.6   | - 13.6      |
| Like-for-like sales growth in %                                | - 18.2  | 1.0     | -           |
| EBITA  | - 10.0  | 1.3     | -           |
| In % of net sales  | - 4.9   | 0.5     | -           |
| Capital expenditure  | 6.0     | 18.2    | - 66.9      |
| Number of stores <sup>1</sup> (03/31)                          | 100     | 90      | 11.1        |
| Selling space in sq m 1,000 (03/31)                            | 697     | 630     | 10.7        |
| Employees, yearly average on a full-time basis (01/01 – 03/31) | 10,492  | 10,017  | 4.7         |
| Average sales ticket in €, like-for-like                       | 24.88   | 29.35   | - 15.2      |

<sup>1</sup>Excluding the store in Zabrze (Poland) which burnt down on December 26, 2008.

| International – the countries |                  |                   |               |                                |               |                  |
|-------------------------------|------------------|-------------------|---------------|--------------------------------|---------------|------------------|
|                               | Net sales in € m | Change in %, in € |               | Change in %, in local currency |               | Number of stores |
|                               |                  | abso-lute         | like-for-like | abso-lute                      | like-for-like |                  |
| Luxembourg                    | 8.5              | - 5.8             | - 5.8         | - 5.8                          | - 5.8         | 3                |
| Greece                        | 54.7             | - 2.5             | - 10.1        | - 2.5                          | - 10.1        | 11               |
| Poland                        | 36.8             | - 21.7            | - 16.6        | - 1.5                          | 5.0           | 20 <sup>1</sup>  |
| Hungary                       | 26.1             | - 21.4            | - 26.2        | - 11.0                         | - 16.3        | 19               |
| Turkey                        | 15.4             | - 23.1            | - 25.0        | - 8.0                          | - 10.6        | 10               |
| Romania                       | 45.1             | - 15.6            | - 24.8        | - 2.6                          | - 13.2        | 25               |
| Bulgaria                      | 15.4             | - 8.9             | - 12.9        | - 8.9                          | - 12.9        | 9                |
| Ukraine                       | 4.0              | 48.0              | - 44.3        | 106.7                          | - 22.4        | 3                |
| International                 | 206.1            | - 13.6            | - 18.2        | - 3.6                          | - 9.0         | 100 <sup>1</sup> |

<sup>1</sup>Excluding the store in Zabrze (Poland) which burnt down on December 26, 2008.

## RISK REPORT

### Risks

Praktiker's 2008 Annual Report contains an extensive report on the various risks to which the Group is exposed and the measures implemented in order to counteract the individual risks. Above and beyond this risk catalogue, no evidence of additional material risks was identified in the period under review. At the same time, however, there were no signs of an improvement in the economic situation in the countries in which the Praktiker Group operates.

### Opportunities

The 2008 Annual Report also contains a comprehensive discussion of the opportunities available to the Praktiker Group. There were no significant changes in this area in the period under review. However, it appears that the exchange rate developments and, in particular, the sharp devaluation in Eastern European currencies that significantly impacted the Group's sales and earnings in the fourth quarter of 2008 and the first quarter of 2009 may have come to an end. In any case, the relevant exchange rates have now stabilised at a low level.

## OUTLOOK

In the first three months of the current financial year, Praktiker Bau- und Heimwerkermärkte Holding AG recorded a decline in sales and seasonally-weak operating earnings across all segments. This was due in part to the difficult macroeconomic environment, as well as to the depreciation in Eastern European currencies and unfavourable weather conditions.

Sales performance in Germany for the rest of 2009 will depend on a number of factors. Weather conditions will remain a key concern in the second quarter, the most important period of the year for the Praktiker Group. The second quarter began positively with the onset of warmer weather, allowing the Group's high-margin garden product business to benefit from the spring-like conditions.

The economic package resolved by the German Federal Government at the start of the year is aimed at helping the construction industry in general. This could also benefit the DIY sector to a certain extent. However, any effects are unlikely to be felt until the second half of the year. Until then, the retail industry as a whole will continue to suffer from the effects of the car-scrap bonus, which has provided auto manufacturers with an unexpected boost in demand and is absorbing a growing share of the purchasing power of private customers.

The impact of the economic downturn on the labour market will be another important issue. The situation in Germany is still relatively relaxed at present, thanks in part to the growing use of short-time work.

The Group's international markets are not expected to see a rapid recovery in the economy, and hence in private demand. In Eastern Europe, too, jobs are in danger, consumer sentiment is muted and available income is limited due to the high level of foreign-currency debt.

Exchange rate developments appear to have stabilised after the significant depreciation in the relevant Eastern European currencies had a strong impact on Praktiker's sales and earnings particularly in the fourth quarter of 2008 and the first quarter of 2009.

The Group's management quickly responded to this environment by focusing on reinforcing its earnings and liquidity situation. A comprehensive programme aimed at cutting costs by an amount in the low double-digit million euro region has been initiated, measures to stabilise the gross margin have been implemented, recruitment has been suspended at headquarters and the salaries of employees not covered by collective wage agreements have been frozen. At Praktiker Germany, short-time work has been introduced at a number of stores.

In order to ensure the Group's liquidity, cash capex will be significantly reduced as against the previous year to between 70 and 80 million euro at year-end. The Praktiker Group has limited further growth outside Germany to a handful of new stores, while the proposed dividend has been reduced to 10 cents per share in order to protect the Group's liquidity. All in all, these measures are aimed at making the Praktiker Group crisis-proof.

Praktiker intends to ensure that the company continues to generate positive operating earnings even when sales are in decline, thereby ensuring that it retains its financial capacity to act – and hence its ability to rapidly resume the expansion of its business once the recession ends.

Management believes that the current economic environment will provide opportunities – not in the area of expansion, but in terms of cost reductions and efficiency improvements within the company. If these measures are successful, Praktiker will have every chance of coming out of the crisis stronger than before.

The measures initiated should help the Group to again record a positive EBITA figure that is adequate in light of the wider economic environment, as well as ensuring that liquidity remains at the highest possible level.

## CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER 2009

| in € thousands                           | Jan. 1 –<br>Mar. 31, 2009 | Jan. 1 –<br>Mar. 31, 2008 |
|--|---------------------------|---------------------------|
| <b>Net sales</b>                         | <b>795,649</b>            | 865,051                   |
| Cost of goods sold                       | – 563,835                 | – 595,459                 |
| <b>Gross profit on sales</b>             | <b>231,814</b>            | 269,592                   |
| Other operating income                   | 14,604                    | 15,878                    |
| Selling expenses                         | – 277,605                 | – 289,398                 |
| General administrative expenses          | – 17,192                  | – 16,688                  |
| Other operating expenses                 | – 795                     | – 185                     |
| <b>Operating earnings (EBITA)</b>        | <b>– 49,174</b>           | – 20,801                  |
| Net interest result                      | – 8,206                   | – 6,596                   |
| Other financial result                   | – 12,057                  | – 4,780                   |
| <b>Net financial result</b>              | <b>– 20,263</b>           | – 11,376                  |
| <b>Earnings before taxes</b>             | <b>– 69,437</b>           | – 32,177                  |
| Income taxes                             | 32,635                    | 8,688                     |
| <b>Group net loss</b>                    | <b>– 36,802</b>           | – 23,489                  |
| of which allocable to minority interests | 228                       | 247                       |
| of which allocable to group shareholders | – 37,030                  | – 23,736                  |
|  | – 36,802                  | – 23,489                  |

|                            |        |        |
|----------------------------|--------|--------|
| Earnings per share (€)     |        |        |
| Basic earnings per share   | – 0.64 | – 0.41 |
| Dilutive effect            | –      | –      |
| Diluted earnings per share | – 0.64 | – 0.41 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2009

| in € thousands                     | Mar. 31, 2009    | Dec. 31, 2008 | Mar. 31, 2008 |
|------------------------------------|------------------|---------------|---------------|
| <b>Non-current assets</b>          |                  |               |               |
| Goodwill                           | 214,621          | 214,621       | 214,676       |
| Other intangible assets            | 69,859           | 71,027        | 69,019        |
| Property, plant and equipment      | 480,533          | 490,292       | 470,031       |
| Other financial assets             | 13               | 14            | 107           |
| Other receivables and other assets | 5,804            | 6,875         | 6,647         |
| Deferred income tax assets         | 152,009          | 153,654       | 202,376       |
|                                    | <b>922,839</b>   | 936,483       | 962,856       |
| <b>Current assets</b>              |                  |               |               |
| Inventories                        | 978,824          | 888,271       | 933,595       |
| Trade receivables                  | 17,022           | 16,282        | 16,916        |
| Other receivables and other assets | 82,521           | 77,178        | 91,550        |
| Income tax receivables             | 35,358           | 1,969         | 11,339        |
| Cash and cash equivalents          | 142,161          | 233,321       | 263,806       |
|                                    | <b>1,255,886</b> | 1,217,021     | 1,317,206     |
| <b>Total assets</b>                | <b>2,178,725</b> | 2,153,504     | 2,280,062     |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2009

| in € thousands                                  | Mar. 31, 2009    | Dec. 31, 2008 | Mar. 31, 2008 |
|---|------------------|---------------|---------------|
| <b>Equity</b>                                   |                  |               |               |
| Share capital                                   | 58,000           | 58,000        | 58,000        |
| Additional paid-in capital                      | 697,210          | 703,926       | 701,090       |
| Balance sheet profit                            | 107,485          | 144,515       | 152,971       |
|   | <b>862,695</b>   | 906,441       | 912,061       |
| Minority interest                               | 1,731            | 1,503         | 665           |
|   | <b>864,426</b>   | 907,944       | 912,726       |
| <b>Non-current liabilities</b>                  |                  |               |               |
| Provisions for pensions and similar commitments | 726              | 726           | 702           |
| Other provisions                                | 57,101           | 58,665        | 48,574        |
| Liabilities from convertible bonds              | 139,114          | 138,089       | 135,131       |
| Liabilities from finance leases                 | 265,325          | 267,998       | 265,567       |
| Other liabilities                               | 5,912            | 6,068         | 7,274         |
| Deferred income tax liabilities                 | 109,977          | 111,107       | 108,919       |
|   | <b>578,155</b>   | 582,653       | 566,167       |
| <b>Current liabilities</b>                      |                  |               |               |
| Other provisions                                | 32,589           | 34,268        | 41,888        |
| Bank overdrafts                                 | 2,430            | 0             | 0             |
| Liabilities from finance leases                 | 16,866           | 16,517        | 16,785        |
| Trade payables                                  | 600,074          | 519,402       | 636,418       |
| Prepayment received on orders                   | 8,527            | 7,218         | 12,286        |
| Other liabilities                               | 69,363           | 75,391        | 81,110        |
| Current income tax liabilities                  | 6,295            | 10,111        | 12,682        |
|   | <b>736,144</b>   | 662,907       | 801,169       |
| <b>Total equity and liabilities</b>             | <b>2,178,725</b> | 2,153,504     | 2,280,062     |

## STATEMENT OF COMPREHENSIVE INCOME

| in € thousands   | Jan. 1 –<br>Mar. 31, 2009 | Jan. 1 –<br>Mar. 31, 2008 |
|--|---------------------------|---------------------------|
| <b>Group net loss</b>  | <b>- 36,802</b>           | - 23,489                  |
| Loss from currency translation recognised directly in equity | - 6,716                   | - 4,141                   |
| <b>Other comprehensive income</b>                            | <b>- 6,716</b>            | - 4,141                   |
| <b>Comprehensive income</b>                                  | <b>- 43,518</b>           | - 27,630                  |
| of which allocable to minority interests                     | 228                       | 247                       |
| of which allocable to group shareholders                     | - 43,746                  | - 27,877                  |
|  | - 43,518                  | - 27,630                  |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| in € thousands                             | Share capital | Capital reserves | Other reserves             |                  |               |           | Balance sheet profit | Owners of the parent interests | Minority interests | Total          |
|--|---------------|------------------|----------------------------|------------------|---------------|-----------|----------------------|--------------------------------|--------------------|----------------|
|  |               |                  | Other comprehensive income |                  |               |           |                      |                                |                    |                |
|  |               |                  | Currency translation       | Cash flow hedges | Miscellaneous | Total     |                      |                                |                    |                |
| <b>Dec. 31, 2007</b>                       | <b>58,000</b> | <b>822,685</b>   | - 665                      | 0                | - 116,789     | - 117,454 | <b>176,707</b>       | <b>939,938</b>                 | <b>1,504</b>       | <b>941,442</b> |
| Transactions recognised directly in equity |               |                  | - 4,141                    |                  |               | - 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             |
| <b>Mar. 31, 2008</b>                       | <b>58,000</b> | <b>822,685</b>   | - 4,806                    | 0                | - 116,789     | - 121,595 | <b>152,971</b>       | <b>912,061</b>                 | <b>665</b>         | <b>912,726</b> |
| <b>Dec. 31, 2008</b>                       | <b>58,000</b> | <b>822,685</b>   | - 13,724                   | - 390            | - 104,645     | - 118,759 | <b>144,515</b>       | <b>906,441</b>                 | <b>1,503</b>       | <b>907,944</b> |
| Transactions recognised directly in equity |               |                  | - 6,716                    |                  |               | - 6,716   |                      | - 6,716                        |                    | - 6,716        |
| Group net loss                             |               |                  |                            |                  |               |           | - 37,030             | - 37,030                       | 228                | - 36,802       |
| <b>Mar. 31, 2009</b>                       | <b>58,000</b> | <b>822,685</b>   | - 20,440                   | - 390            | - 104,645     | - 125,475 | <b>107,485</b>       | <b>862,695</b>                 | <b>1,731</b>       | <b>864,426</b> |

## CONSOLIDATED CASH FLOW STATEMENT

| in € thousands  | Jan. 1 –<br>Mar. 31, 2009 | Jan. 1 –<br>Mar. 31, 2008 |
|---|---------------------------|---------------------------|
| Earnings before taxes   | – 69,437                  | – 32,177                  |
| Depreciation and amortisation (+)/Reversal of impairment losses (-) | 16,091                    | 15,894                    |
| Decrease in provisions  | – 3,243                   | – 2,135                   |
| Loss from the disposal of fixed and intangible assets               | 614                       | 47                        |
| Exchange-rate-related effects                                       | 8,225                     | 1,582                     |
| Increase in inventories   | – 90,553                  | – 123,908                 |
| Increase in trade payables  | 80,672                    | 172,611                   |
| Other non-cash transactions   | – 508                     | – 1,530                   |
| Increase (Decrease) in other assets                                 | – 5,013                   | 5,676                     |
| Decrease in other liabilities                                       | – 4,647                   | – 11,052                  |
| Income taxes paid   | – 5,007                   | – 3,812                   |
| Interest expenses from finance leases                               | – 6,307                   | – 6,066                   |
| Interest result   | 8,206                     | 6,596                     |
| Interest received   | 723                       | 1,726                     |
| <b>Cash flow from operating activities</b>                          | <b>– 70,184</b>           | <b>23,452</b>             |
| Proceeds from disposal of fixed and intangible assets               | 155                       | 827                       |
| Net cash used in investing activities                               | – 17,130                  | – 24,352                  |
| <b>Cash flow from investing activities</b>                          | <b>– 16,975</b>           | <b>– 23,525</b>           |
| Interest paid   | – 508                     | – 191                     |
| Payment to minority interests                                       | 0                         | – 1,102                   |
| Principal of liabilities from finance leases                        | – 4,186                   | – 4,668                   |
| <b>Cash flow from financing activities</b>                          | <b>– 4,694</b>            | <b>– 5,961</b>            |
| Change in cash, cash equivalents and bank overdrafts                | – 91,853                  | – 6,034                   |
| Effect of foreign exchange rate changes                             | – 1,737                   | – 929                     |
| Cash, cash equivalents and bank overdrafts at beginning of period   | 233,321                   | 270,769                   |
| <b>Cash, cash equivalents and bank overdrafts at end of period</b>  | <b>139,731</b>            | <b>263,806</b>            |

| <b>Composition of cash, cash equivalents and bank overdrafts from items of the consolidated balance sheet</b> |                |                |
|---|----------------|----------------|
| Cash and cash equivalents corresponding to consolidated balance sheet   | 142,161        | 263,806        |
| Bank overdrafts corresponding to consolidated balance sheet   | – 2,430        | 0              |
| <b>Cash, cash equivalents and bank overdrafts corresponding to cash flow statement</b>                        | <b>139,731</b> | <b>263,806</b> |

## Notes to the consolidated cash flow statement

The consolidated cash flow statement has been drawn up in accordance with the provisions set out under IAS 7 as per the indirect method and structured by cash flows arising from operating, investing and financing activities.

In the period under review, non-cash additions amounting to € 1,862 thousand (previous year € 3,354 thousand) were reported as fixed assets from finance leases. In the period under review and the equivalent period of the previous year, there were no non-cash disposals from finance lease assets and also no non-cash disposals from finance lease liabilities.

The cash and cash equivalents item comprises cash on hand, bank balances and overdrafts.

Last year, the cash flow from operating activities included a loss (gain) from foreign currencies item. This included only the amounts from changes caused by exchange rates, which were recognised in the income statement in the current financial year. Conversely, currency differences not affecting net income were included in the other non-cash transactions item. All currency effects are summarised in a separate item (exchange-rate-related effects) in the current consolidated cash flow statement.

Other non-cash transactions in the previous year also included the interest expenses from the finance leases, which are currently shown as an independent item within the cash flow from operating activities.

## EXPLANATORY NOTES

### Introductory remarks

Praktiker Bau- und Heimwerkermärkte Holding AG (Praktiker Holding AG) is a stock corporation under German law and is based in Kirkel, Saarland, Federal Republic of Germany. Praktiker Holding AG and its subsidiaries (together the Praktiker Group) operate as a supplier with a full assortment in the do-it-yourself market, offering goods for the areas of construction, renovation, home repairs, home improvement, gardening and leisure. Currently the Praktiker Group operates in Germany and eight other countries, primarily in eastern and south-eastern Europe.

The shares of Praktiker Holding AG have been traded publicly since November 2005.

### Accounting principles

In line with the regulations of Article 37x Section 3 of the German Securities Trading Act (WpHG), the quarterly financial report of Praktiker Holding AG as of March 31, 2009 contains consolidated interim financial statements and an interim Group management report. It was prepared in line with the regulations of IAS 34 and in accordance with Article 315a German Commercial Code (HGB) in line with the regulations of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) valid on the reporting date and recognised by the European Union. With the exception of the facts described in more detail below, the same accounting, valuation and calculation methods were applied as in the consolidated financial statements as of December 31, 2008. These are presented in the 2008 Annual Report from page 65 onwards.

### New standards, interpretations and amendments issued requiring mandatory application in 2009

The key following changes for financial reporting within the Praktiker Group result from the mandatory application of new standards, interpretations and amendments to existing standards as of the 2009 financial year:

The change of IAS 1 "Presentation of Financial Statements" relates primarily to the presentation of the income and expenses recognised directly in equity. Such income and expenses are now to be shown in a reconciliation from the result according to the income statement to the comprehensive result of the relevant period. Such a reconciliation is included in the current quarterly financial report for the first time.

As a result of the amendment of IAS 23 “Borrowing Costs”, borrowing costs which can be attributed directly to the acquisition, construction or production of a qualifying asset must be capitalised. This had no impact for the quarterly financial report of the Praktiker Group. However, in the future there could be individual cases of capitalising borrowing costs.

In addition, the initial application of IFRS 8 results in a realignment of reportable segments in the context of segment reporting. IFRS 8 “Operating Segments” must replace IAS 14 “Segment Reporting” for financial years commencing on or after January 1, 2009. According to IFRS 8, it is necessary to present the segment information in line with internal reporting to the entity’s chief operating decision makers (“management approach”). The result is that the number of reportable segments in the Praktiker Group increases from the first quarter of 2009.

With respect to the further context on new standards and interpretations as well as amendments to existing standards, we refer to our comments in the 2008 annual report on pages 66 to 70.

#### Valuation of the income tax expense

Income tax expenses were determined on the basis of the tax rate, which would be applicable for the overall result for the whole year, i.e. the estimated average annual effective tax rate is applied to the pre-tax result of the interim reporting period.

#### Change in shareholder structure

In the reporting period, the following material changes in the shareholder structure occurred:

On January 20, 2009, Deutsche Bank AG, London (Great Britain), notified us that the voting rights of their subsidiary, DWS Investment GmbH, Frankfurt am Main (Germany), exceeded the threshold of 3 percent of the voting rights on January 19, 2009 and is now 3.21 percent (this corresponds to 1,859,000 voting rights).

On January 26, 2009, UBS AG Zurich (Switzerland) notified us that its voting rights moved below the threshold of 3 percent of the voting rights on January 21, 2009, and was 0.18 percent on that date (this corresponds to 104,978 voting rights).

On January 26, 2009, Eric M. Mindich (USA), Eton Park Capital Management L.L.C., New York (USA), Eton Park Capital Management L.P., New York (USA), Eton Park Capital Limited, London (Great Britain) and Eton Park International LLP, London (Great Britain) notified us that their voting rights exceeded the 3 percent and 5 percent thresholds of the voting rights on January 21, 2009 and totalled 8.39 percent on this date (this corresponds to 4,863,330 voting rights). With respect to the attribution of the voting rights, we refer to the publication in line with Article 26 of the German Securities Trading Act with of January 26, 2009 (Eton Park). This can be accessed at: [www.praktiker.com](http://www.praktiker.com) – Investor Relations – Praktiker in the capital market – Shareholder structure.

On March 3, 2009, on behalf of Artisan Funds, Inc., Milwaukee (USA), we were notified that its voting rights exceeded the threshold of 3 percent of the voting rights on February 27, 2009, and was 3.05 percent on that date (this corresponds to 1,771,822 voting rights).

On March 5, 2009, Odey Asset Management LLP, London (Great Britain) notified us that its voting rights moved below the threshold of 5 percent of the voting rights on February 25, 2009, and was 4.72 percent on that date (this corresponds to 2,738,674 voting rights).

On March 24, 2009, Morgan Stanley, Wilmington (USA) notified us that its voting rights exceeded the 3 percent threshold of the voting rights on March 19, 2009 and totalled 3.23 percent on this date (this corresponds to 1,872,379 voting rights), attributable to it from Morgan Stanley & Co. Incorporated, New York (USA) and some other subsidiaries in line with Article 22 Section 1 Sentence 1 (1) of the German Securities Trading Act.

Unchanged to December 31, 2008, IGM Financial Inc., Winnipeg (Canada) holds 5.09 percent of the voting rights (this corresponds to 2,952,106 voting rights), Universities Superannuation Scheme Limited, Liverpool (Great Britain) holds 3.17 percent of the voting rights (this corresponds to 1,836,000 voting rights), Polar Capital LLP, London (Great Britain) 3.09 percent of the voting rights (this corresponds to 1,796,686 voting rights) and General Capital Group Fund Advisor N.V., Curacao (Netherlands Antilles) 3.01 percent of the voting rights (this corresponds to 1,747,000 voting rights). With respect to the attribution of the particular voting rights, we

refer to the publications in line with Article 26 of the German Securities Trading Act. These can be accessed at: [www.praktiker.com](http://www.praktiker.com) – Investor Relations – Praktiker in the capital market – Shareholder structure.

As shares subject to short-term investment strategies, all the investors named were not considered to be in permanent ownership as defined by Deutsche Börse AG. As such, 100 percent of the shares of the company under review were considered to be in free float as of March 31, 2009.

Up to the end of the period under review, no use was made of the conversion option for the convertible bonds issued in August 2006. There was thus no change in the number of shares issued by the company.

### Acquisition of real estate

In the first quarter of 2009, the Praktiker Group did not acquire any ownership to DIY store projects. In the first quarter of 2009, the development of DIY store projects taken into ownership in 2008 resulted in additions to tangible assets of € 3,540 thousand.

### Scope of consolidation

On February 13, 2009, BMH Baumarkt Holding GmbH, Kirkel, decided to establish wholly-owned subsidiary Praktiker DIJ DOOEL, Skopje, Macedonia. The company was founded on March 30, 2009, paying capital of € 5,000. The main purpose of the company is sales of DIY/hardware store products.

On February 13, 2009, Praktiker Grundstücksbeteiligungsgesellschaft mbH, Kirkel, decided to establish wholly-owned subsidiary Praktiker RES DOOEL, Skopje, Macedonia, which took place on March 30, 2009. The share capital of Praktiker RES DOOEL totals € 5,000. The main purpose of the company is the leasing, acquisition and sale of land and buildings.

### Seasonality

Trading with DIY and home improvement articles is subject to seasonal fluctuations. Demand is highest in the second and third quarter of the financial year. This is related to the favourable weather situation. Thus the result generated in the first quarter of 2009 is dominated by seasonal influences and is not necessarily an indicator for the expected result of the whole financial year.

### Earnings per share

#### (a) Basic

Basic undiluted earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue in the first quarter.

| Earnings per share                                    | Jan. 01. –<br>Mar. 31, 2009 | Jan. 01. –<br>Mar. 31, 2008 |
|---|-----------------------------|-----------------------------|
| Earnings allocable to equity holders (in € thousands) | - 37,030                    | - 23,736                    |
| Average number of shares issued (in thousands)        | 58,000                      | 58,000                      |
| <b>Basic earnings per share (€ per share)</b>         | <b>- 0.64</b>               | <b>- 0.41</b>               |

#### (b) Diluted

When determining the diluted earnings per share, the profit attributable to equity holders is adjusted to take account of changes in expenses and income, which would arise from the conversion of those potential ordinary shares with a diluting impact. The only potentially diluting effects concern the convertible bonds issued by the Praktiker Group in September 2006. The average number of shares issued during the first quarter is supplemented by the number of such additional ordinary shares that would have been in circulation if all those potential ordinary shares with a diluting impact had been converted.

In the first quarter of 2009, as in the corresponding period of the previous year, there would have been a higher result per share taking into account the potential common shares. The convertible bonds thus offer protection against dilution and have therefore not to be included in the determination of the diluted earnings per share in line with IAS 33.41. Diluted earnings per share thus correspond to basic earnings per share.

A diluted result per share of € -0.37 was inadvertently listed on page 13 of the quarterly finance report of Praktiker Holding AG for the first quarter of 2008.

### Breakdown of the net financial result

| in € thousands              | Jan. 01 –<br>Mar. 31 ,2009 | Jan. 01 –<br>Mar. 31, 2008 |
|-----------------------------|----------------------------|----------------------------|
| Financial income            | 8,398                      | 8,711                      |
| Financial expenses          | - 28,661                   | - 20,087                   |
| <b>Net financial result</b> | <b>- 20,263</b>            | <b>- 11,376</b>            |

In the reporting period, the translation of liabilities from finance leases of international subsidiaries resulted in non-cash exchange gains of € 3,395 thousand (previous year € 4,283 thousand) and non-cash exchange losses of € 10,303 thousand (previous year € 6,957 thousand).

### Material changes in contingent liabilities and other financial obligations

Obligations from operating leases due in subsequent periods amount to € 2,453,316 thousand (previous year € 2,583,859 thousand), € 282,805 thousand within one year (previous year € 277,203 thousand), € 1,002,449 thousand between one year and five years (previous year € 1,006,126 thousand) and € 1,168,062 thousand (previous year € 1,300,530 thousand) after more than five years.

Obligations from finance leases due in subsequent periods amount to € 474,579 thousand (previous year € 480,825 thousand), € 42,003 thousand within one year (previous year € 41,216 thousand), € 159,804 thousand between one year and five years (previous year € 152,305 thousand) and € 272,772 thousand (previous year € 287,304 thousand) after more than five years.

### Related party transactions

In the first quarter of 2009 – as in the equivalent period of 2008 – the Praktiker Holding AG Group had no reportable related party transactions.

## Segment information – notes to the segment data

| in € thousands   | Praktiker<br>Germany<br>Jan. 1 –<br>Mar. 31, 2009 | Max Bahr<br>Jan. 1 –<br>Mar. 31, 2009 | Segment<br>Miscel-<br>laneous<br>Jan. 1 –<br>Mar. 31, 2009 | International<br>Jan. 1 –<br>Mar. 31, 2009 | Recon-<br>ciliation<br>Jan. 1 –<br>Mar. 31, 2009 | Total<br>Jan. 1 –<br>Mar. 31, 2009 |
|--|---|---------------------------------------|--|--|--|------------------------------------|
| Net sales with third parties   | 414,576   | 155,004                               | 19,940   | 206,129                                    | 0  | 795,649                            |
| Net sales with other segments  | 1,857   | 0                                     | 0  | 0  | -1,857   | 0                                  |
| <b>Net sales total</b>   | <b>416,433</b>                                    | <b>155,004</b>                        | <b>19,940</b>  | <b>206,129</b>                             | <b>-1,857</b>                                    | <b>795,649</b>                     |
| Earnings before interest, taxes, deprecia-<br>tion and amortisation (EBITDA) | -29,126   | 1,274                                 | -1,545   | -3,018                                     | 0  | -32,415                            |
| Depreciation   | -6,840  | -2,812                                | -121   | -6,986                                     | 0  | -16,759                            |
| <b>Earnings before interest, taxes and<br/>amortisation (EBITA)</b>          | <b>-35,966</b>                                    | <b>-1,538</b>                         | <b>-1,666</b>  | <b>-10,004</b>                             | <b>0</b>   | <b>-49,174</b>                     |
| Earnings before interest and taxes (EBIT)                                    | -35,966   | -1,538                                | -1,666   | -10,004                                    | 0  | -49,174                            |
| Financial result   |   |                                       |  |  |  | -20,263                            |
| Earnings before taxes (EBT)  |   |                                       |  |  |  | -69,437                            |
| Income Taxes   |   |                                       |  |  |  | 32,635                             |
| <b>Net loss</b>  |   |                                       |  |  |  | <b>-36,802</b>                     |

| in € thousands   | Praktiker<br>Germany<br>Jan. 1 –<br>Mar. 31, 2008 | Max Bahr<br>Jan. 1 –<br>Mar. 31, 2008 | Segment<br>Miscel-<br>laneous<br>Jan. 1 –<br>Mar. 31, 2008 | International<br>Jan. 1 –<br>Mar. 31, 2008 | Recon-<br>ciliation<br>Jan. 1 –<br>Mar. 31, 2008 | Total<br>Jan. 1 –<br>Mar. 31, 2008 |
|--|---|---------------------------------------|--|--|--|------------------------------------|
| Net sales with third parties   | 438,989   | 166,511                               | 20,984   | 238,567                                    | 0  | 865,051                            |
| Net sales with other segments  | 1,770   | 0                                     | 0  | 0  | -1,770   | 0                                  |
| <b>Net sales total</b>   | <b>440,759</b>                                    | <b>166,511</b>                        | <b>20,984</b>  | <b>238,567</b>                             | <b>-1,770</b>                                    | <b>865,051</b>                     |
| Earnings before interest, taxes, deprecia-<br>tion and amortisation (EBITDA) | -13,357   | 1,500                                 | -1,045   | 8,204                                      | 0  | -4,698                             |
| Depreciation   | -5,858  | -3,160                                | -142   | -6,943                                     | 0  | -16,103                            |
| <b>Earnings before interest, taxes and<br/>amortisation (EBITA)</b>          | <b>-19,214</b>                                    | <b>-1,660</b>                         | <b>-1,187</b>  | <b>1,260</b>                               | <b>0</b>   | <b>-20,801</b>                     |
| Earnings before interest and taxes (EBIT)                                    | -19,214   | -1,660                                | -1,187   | 1,260                                      | 0  | -20,801                            |
| Financial result   |   |                                       |  |  |  | -11,376                            |
| Earnings before taxes (EBT)  |   |                                       |  |  |  | -32,177                            |
| Income Taxes   |   |                                       |  |  |  | 8,688                              |
| <b>Net loss</b>  |   |                                       |  |  |  | <b>-23,489</b>                     |

IFRS 8 “Operating Segments” replaces IAS 14 “Segment Reporting” for financial years commencing on or after January 1, 2009. According to IFRS 8, the operating segments are to be structured according to the reports which are regularly presented to the chief operating decision maker – the Management Board of Praktiker Holding AG – and which the Management Board uses to make its strategic decisions. In this internal reporting there is no classification of various product groups and services. Reporting takes place exclusively in line with the different retail chains in Germany and abroad.

From the first quarter of 2009, the following operating segments will thus be reported separately: “Praktiker Germany”, “Max Bahr” and “International”. Due to falling below the relevant size criteria, the “Extra integrated stores”, “Extra wholesale” and “Cross-divisional company Germany” units are combined into a compound account – the “Segment Miscellaneous” which currently is made up exclusively of German business activities. Here the “Extra integrated stores” unit is made up of the operating business of the 19 stores of the extra BAU+HOBBY retail chain. “Extra wholesale” bundles the franchise business of the extra BAU+HOBBY brand, which covers 8 franchisees with 10 locations as well as the activities for cooperation partners in purchasing and marketing. The “Cross-divisional company Germany” unit covers the part of Praktiker International AG relating to Germany, which assumes the settlement of supplier invoices. Within internal reporting, the predominant part of the results it generates is allocated to Germany.

The key earnings parameter for assessing the economic success and allocating resources is EBITA.

The effects of consolidation measures between the segments were stated separately in the column “Reconciliation”.

Transfers between the different segments are carried out at arm’s length prices. Management services are generally calculated as cost allocations with a relevant mark-up.

Kirkel, Germany, April 20, 2009

The Management Board

Wolfgang Werner    Michael Arnold    Thomas Ghabel    Karl-Heinz Stroh    Pascal Warnking

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**Design and PrePress**  
Lesch+Frei GmbH, Frankfurt

**Published**  
April 22, 2009

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