



**Interim Report Q1/2006 of Praktiker Bau- und Heimwerkermärkte Holding AG
Telephone Conference with the Press, Wednesday, 26. April 2006, 10:00 h**

Statement Wolfgang Werner, Chairman of the Board of Management

Ladies and gentlemen,

I cordially welcome you to the first telephone conference on the occasion of the presentation of our financial statements for the First Quarter 2006. Many of you will already have had the occasion to read our publications released this morning and make a first analysis. It is of particular importance for **u s** to inform you directly and comprehensively about the course of business of this quarter, which was characterized by very special, weather-related factors. I will come back to this in a minute.

Let me start with a brief presentation of the main aspects. After that, our CFO, Thomas Gabel, and I will gladly answer your questions.

1. At around € 718 million, group sales during the First Quarter 2006 came in at about last year's level. Overall, we can be satisfied with this result.
2. Domestic sales amounted to around € 560 million, which is equivalent to a four percent decline compared to the same quarter last year. This decline, which requires a separate explanation, was compensated by the continued dynamic growth of our international business. At the international level, sales climbed by more than 16 percent to around € 158 million.
3. EBITA of the Praktiker Group stood at € -15.9 million following € -8.4 million one year earlier. This was attributable to the slump in domestic sales. Abroad, however, EBITA improved.

What are the reasons for this development?

The reasons are obvious for those who are aware of how much the construction sector is dependent on weather conditions for its spring business. The gardening business accounts for 18.5 percent of Praktiker's annual sales – in Germany, this figure amounts to even 20 percent. In other words: Gardening accounts for every fifth euro that we make. And precisely this business was strongly affected during the first three months of 2006. Also construction materials that are used outdoors can only be sold if the weather plays along.

You will certainly remember: First, we had a longer winter than usual with ice and snow covering large parts of Germany and which in individual cases even resulted in the temporary closure of our stores, entailing a total loss in sales. Other stores were impossible or very difficult to reach for our customers on such days.

After that, the start of spring literally took a dive – and with it a major part of our seasonal gardening business. This business usually runs at full steam in March – nothing of the sort happened this year. Add to this the fact that the Easter business fell into the Second Quarter this year.

We can thus see, w h i c h special factors have affected domestic business during this First Quarter. The figures clearly support this:

The € 23.5 million drop in sales, which we had to cope with in Germany, corresponds more or less exactly to our losses in the gardening business. The non-seasonal business with home improvement and DIY supplies, by contrast, posted like-for-like growth.

If you know that good margins can be achieved in the gardening business, you will understand why this development is particularly painful. In fact, the deterioration of the earnings situation in the First Quarter 2006, too, can be attributed to this slump in domestic demand for plants and gardening supplies. Abroad, we have been able to distinctly boost not only our sales figures but also our EBITA.

Let me thus summarize the situation as follows:

A structurally weak quarter was additionally affected by the above-described special factors. This is why, overall, we can be satisfied with our quarterly result because:

- we made a good start into the new year. When looking at the first two months, we were able to raise sales by 4.2% compared with the same period last year, with domestic business growing 1.8 percent,
- we managed to maintain group sales at the prior-year level during the full First Quarter – despite the weather-related poor domestic business in March. Without the above-mentioned losses in our garden centers we would have been in the black also in Germany,
- we have achieved our international targets. We strengthened our market presence in Eastern Europe and accelerated our profitable growth.

Ladies and gentlemen,

When we presented our forecast at the Business Press Conference on 4 April, many of you thought that our targets set for the financial year 2006 were rather unspectacular. But at this point in time we already knew what we could possibly achieve in view of the foreseeable First Quarter development and the good perspectives for the remainder of the year. Therefore, I can now repeat our forecast from 4 April without having to correct myself:

In 2006, we plan to increase our sales in the lower single-digit percentage range and achieve EBITA above the previous year's level.

Thank you for your attention. Mr. Gabel and I will now gladly answer your questions.