

Praktiker Group Interim Report

Q2 2009

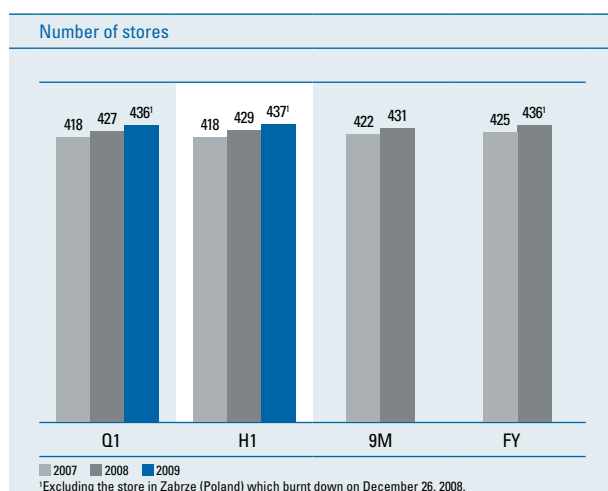
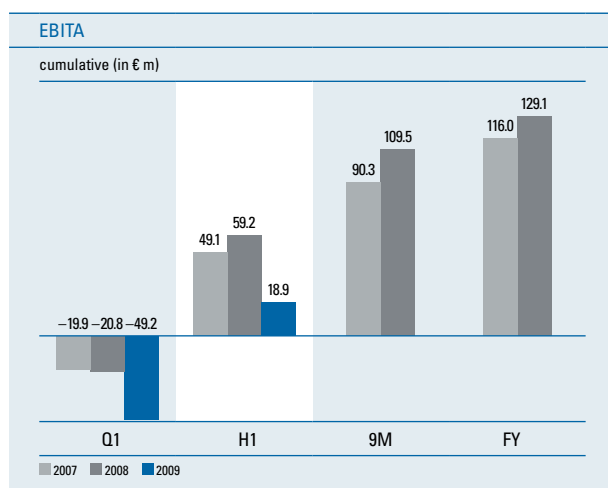
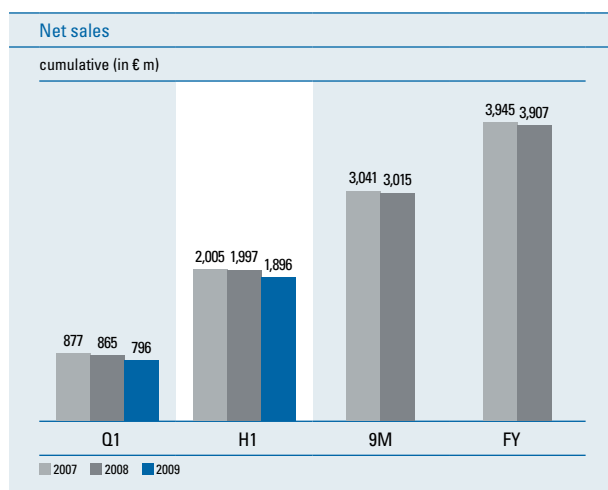
KEY DATA

in € m	Q2 2009	Q2 2008	Change in %	H1 2009	H1 2008	Change in %
Net sales	1,100.7	1,132.2	- 2.8	1,896.3	1,997.2	- 5.1
Germany	815.2	792.5	2.9	1,404.7	1,418.9	- 1.0
of which Praktiker	573.5	548.5	4.6	988.1	987.4	0.1
of which Max Bahr	213.3	214.3	- 0.5	368.3	380.8	- 3.3
of which Miscellaneous	28.3	29.7	- 4.5	48.3	50.7	- 4.7
International	285.5	339.7	- 16.0	491.6	578.3	- 15.0
EBITA	68.1	80.0	- 14.8	18.9	59.2	- 68.0
Germany	53.7	57.0	- 5.7	14.5	34.9	- 58.4
of which Praktiker	32.7	40.1	- 18.4	- 3.2	20.9	-
of which Max Bahr	18.9	15.8	19.6	17.3	14.1	22.8
of which Miscellaneous	2.1	1.0	100.8	0.4	- 0.2	-
International	14.4	23.0	- 37.4	4.4	24.3	- 81.8
Capital expenditure	10.5	29.9	- 64.7	29.5	57.6	- 48.7
Net profit / Net loss for the period	34.6	55.7	- 37.9	- 2.2	32.2	-
Earnings per share in €	0.59	0.95	- 37.9	- 0.05	0.54	-
Net cash / Net debt (-) (as at 06/30)	-	-	-	- 194.8	- 189.3 ¹	- 2.9

¹As at 12/31/2008.

Operative data	06/30/2009	06/30/2008	Change
Number of stores Germany	336	336	0
of which Praktiker	241	241	0
of which Max Bahr	76	76	0
of which Miscellaneous	19	19	0
Number of stores International	101²	93	8
Luxembourg	3	3	0
Greece	11	10	1
Poland	20 ²	21	- 1
Hungary	19	17	2
Turkey	10	10	0
Romania	26	22	4
Bulgaria	9	9	0
Ukraine	3	1	2
Number of stores Praktiker Group	437²	429	8
Selling space in sq m 1,000	2,803²	2,741	2.3 %
Germany	2,101	2,095	0.3 %
of which Praktiker	1,419	1,413	0.4 %
of which Max Bahr	612	612	0.0 %
of which Miscellaneous	70	70	0.0 %
International	702 ²	646	8.7 %
Employees, average on a full-time basis (01/01 – 06/30)	22,705	23,257	- 2.4 %
Germany	12,400	13,151	- 5.7 %
of which Praktiker	8,984	9,519	- 5.6 %
of which Max Bahr	3,006	3,213	- 6.4 %
of which Miscellaneous	410	419	- 2.1 %
International	10,305	10,106	2.0 %

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



GROUP MANAGEMENT REPORT

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THE FIRST SIX MONTHS 2009 – SUMMARY

In the first six months of the current financial year, the sales and earnings performance of the Praktiker Group were significantly impacted by the global economic crisis, albeit to varying degrees in the different countries. In Germany, for example, private consumption, general retail sales and sales in the DIY sector posted a more stable performance than expected given the circumstances of a significantly shrinking GDP. By contrast, in Eastern Europe, particularly in countries in which consumption has been a key pillar of economic growth in recent years, private expenditure decreased considerably – in line with rising unemployment and a decline in exchange rates.

In this difficult environment, the Praktiker Group resolved to ensure that all measures were geared towards securing earnings and liquidity and thereby maintaining a strong financial position. As a result, in the first six months, the focus was on controlling costs, restricting capital expenditure activity to the absolute necessary level and reducing the relatively high inventories as quickly as possible.

In the second quarter, to strengthen and secure the liquidity position further, the Praktiker Group took up a promissory note of 50 million euro. The interest to be paid on the promissory note has inevitably, though only slightly, impacted the financial result. In other areas, greater priority was also given to security than to profit, for example in the selection of suppliers. In a few cases, Praktiker deliberately did not capitalise on possible synergy potential – through bundling orders to a single cooperation partner so as to reduce the default risk – by ensuring a broad diversification of the supplier base. A similar situation applied with regard to reducing inventories. To achieve this as quickly as possible, extraordinary discounts were offered, particularly in Germany. The improvement in net working capital thus came partly at the expense of earnings.

These measures are reflected in the accounts. At the end of the second quarter, the level of cash and cash equivalents was 271.5 million euro, above the level of the previous year. By contrast, after the first six months, the level of inventories was practically unchanged year-on-year at 932.8 million euro, although the branch network after the first six months included 8 more stores than a year ago. This also means that inventories, which were significantly above the level of the previous year at the end of the first quarter, were reduced considerably in the second quarter.

In the first six months, as expected in the difficult economic environment, the previous year's sales were not achieved, despite the fact that in Germany the sales decline from the first three months was almost fully offset in the second quarter. Outside Germany, however, double-digit declines could not be avoided also in the second quarter. Overall, in the first half of 2009, the Praktiker Group posted a sales decline of 5.1 percent. However, adjusted for currency effects, the decline was only 2.0 percent.

It is clear that, with such a sales performance and a focus on putting financial strength before optimising earnings, operating earnings in the second quarter decreased year-on-year. All efforts made to control and reduce costs did not reverse this situation. Nevertheless, in the second quarter, EBITA (earnings before net interest, income tax and the amortisation of goodwill) amounted to 68.1 million euro. The year-on-year decline of almost 12 million euro was significantly lower than in the first quarter. At the end of the first half of 2009, EBITA amounted to 18.9 million euro. If exchange rates had remained stable, EBITA would have amounted to 24.8 million euro.

In the remaining months of the year, business will remain difficult. Although there are early indications that the lower ebb of the turning point in the economic cycle may already have been reached in a few countries – such as Germany or Greece – 2009 is still unlikely to benefit from positive economic developments. As a result, in the second half of the year, the management board expects that sales will continue to fall short of the previous year's level, although less significantly than in the first six months. In countries not using the euro, the negative currency effects could decrease by the end of the year. However, uncertainty regarding performance remains high because the economic development depends significantly on government measures such as economic stimulus packages or consolidation of state budgets. As a result of this high level of uncertainty, the management board of the Praktiker Group continues to maintain the current guidance that a reasonable, positive EBITA is expected for the full year.

REPORT ON THE INCOME, FINANCIAL AND ASSET POSITION

Income position

Net sales

Praktiker Group generated sales of 1,896.3 million euro in the first six months of the 2009 financial year. This was a decline of 5.1 percent on the comparable period of the previous year (1,997.2 million euro). Adjusted for currency effects, the decline was only 2.0 percent. In the German market, the brands Praktiker, Max Bahr and extra BAU+HOBBY recorded sales approaching previous year levels – at 1,404.7 million euro – down 1.0 percent year-on-year. In the German market, the sales downturn in the first quarter was almost entirely offset by higher sales in the second three-month period. In the international business, the recession triggered by the world economic crisis resulted in a considerably stronger decrease in sales. This applies primarily to the Eastern European countries. In the second quarter, no major change in the sales trend against the start of the year was evident. In the first six months, international sales declined by 15.0 percent to 491.6 million euro. A good two thirds of this decline was due to the sharp depreciation in the currencies of the Eastern European countries since the end of last year. In local currency, i.e. adjusted for currency changes, international sales would have declined by only 4.9 percent.

Gross profit on sales

In the first six months, gross profit on sales decreased by 11.6 percent to 588.4 million euro. The gross margin reached 31.0 percent, 2.3 percentage points less than in the comparable period of the previous year. A key factor here was that the Praktiker brand in Germany invested in prices during ongoing and strong marketing campaigns with the result that the share for price-reduced sales increased accordingly. In a recessionary environment when customer price

sensitivity generally increases, Praktiker thus further reinforced its image as a price aggressive brand. But at the same time, Praktiker also pursued the objective of reducing the comparatively high inventory levels as swiftly as possible, thus contributing to an improvement in net working capital. On the other hand, the gross margin of the Max Bahr margin was almost unchanged. In the international business the margin came under slight pressure, because there was little scope for making price adjustments in the tense economic environment and price concessions were more necessary as a buying stimulus than had previously been the case.

Other operating income

In the first half-year, other operating income amounted to 30.9 million euro, down 9.7 percent year-on-year. In comparison to the previous year, there was virtually no change in the structure of operating income. Central a/p clearing for sales divisions and subsidies to advertising costs constituted the major portion of this item. Other operating income included one-off insurance payments amounting to 2.0 million euro. Primarily they compensate expenses and the loss of income resulting from the fact that the Praktiker store in Zabrze (Poland) had been destroyed by fire. In the previous year, there had been comparable insurance payments of 3.2 million euro for the store in Thessalonica which was also destroyed by fire.

Selling expenses

Selling expenses fell by 6.4 percent to 565.8 million euro in the first half-year, despite the fact that the Praktiker Group operated a total of 437 stores at the end of the quarter, eight more than one year ago. This clearly underlines the effectiveness of the Group's cost-cutting measures. Personnel expenses were relieved slightly due to the temporary introduction of short-time work at German Praktiker

Q2 Income Statement			
in € m			
	Q2 2009	Q2 2008	Change
Net sales	1,100.7	1,132.2	- 2.8 %
Gross profit on sales	356.6	396.1	- 10.0 %
Gross margin on sales in %	32.4	35.0	- 2.6 PP
Other operating income	16.3	18.4	- 11.1 %
Selling expenses	288.2	315.3	- 8.6 %
Administrative expenses	16.6	19.1	- 13.2 %
EBITDA	85.1	96.7	- 11.6
EBITA	68.1	80.0	- 11.9
Net financial result	- 4.3	- 3.0	- 1.3
Earnings before taxes (EBT)	63.8	76.9	- 13.1
Net profit for the period	34.6	55.7	- 21.1

H1 Income Statement			
in € m			
	H1 2009	H1 2008	Change
Net sales	1,896.3	1,997.2	- 5.1 %
Gross profit on sales	588.4	665.7	- 11.6 %
Gross margin on sales in %	31.0	33.3	- 2.3 PP
Other operating income	30.9	34.2	- 9.7 %
Selling expenses	565.8	604.7	- 6.4 %
Administrative expenses	33.7	35.8	- 5.6 %
EBITDA	52.7	92.0	- 39.3
EBITA	18.9	59.2	- 40.2
Net financial result	- 24.5	- 14.4	- 10.1
Earnings before taxes (EBT)	- 5.6	44.7	- 50.3
Net loss / Net profit for the period	- 2.2	32.2	- 34.4

stores in March, April and May. However, the key reason for lower personnel expenses was the decline in the total number of employees in the Praktiker Group. In Germany, fewer staff than in the previous year were employed at both Praktiker and Max Bahr. While internationally the average number of employees did rise, by the end of the reporting period a lower number of employees was also employed outside Germany than at the same time of the previous year, despite the store network being expanded. Major savings were also made on advertising expenses and in rental costs thanks to the fact that total rent expenditure was maintained at the level of the previous year, despite a higher number of stores.

Administrative expenses

In the first six months, administrative expenses totalled 33.7 million euro, down 5.6 percent on the same period of the previous year (35.8 million euro). Factors contributing to this decline included savings at head office with lower personnel expenses and declining expenses for services and consulting.

Operating earnings (EBITA)

The decline in sales and gross margin noticeably impacted operating earnings, with the cost savings proving insufficient to offset the decline in gross profit. However, the operating loss which was generated in the first quarter due to seasonal factors was more than offset in the second three-month period. In the first six months of the financial year, the Praktiker Group posted operating earnings of 18.9 million euro (previous year 59.2 million euro). A not inconsiderable part of the decline was due solely to the effect of exchange rates. If exchange rates had remained unchanged, EBITA would have amounted to 24.8 million euro.

Most of the decline in earnings – almost three quarters – was generated in the first quarter. In the second quarter of 2009, the Praktiker Group generated EBITA of 68.1 million euro, only 11.9 million euro less than in the second quarter of the previous year (80.0 million euro). In the first quarter, earnings were down year-on-year by 28.4 million euro.

The decline in earnings in the first half-year is attributable to business development both in Germany and abroad. In the international segment, the sales decline resulted in a considerable decrease of sales density. Furthermore, the depreciation of the Eastern European currencies meant that operating earnings generated in local currencies had to be transferred to the Group currency – the euro – at less favourable exchange rates. Adjusted for these exchange rate effects, the EBITA generated outside Germany in the first six months would have been 5.9 million higher.

In Germany, on the other hand, the earnings decline was due largely to the lower gross margin for the Praktiker brand.

Despite lower sales Max Bahr increased operating earnings due to resulting from changes to the product range, the expansion of private labels and cost savings.

Net financial result

In the first half-year, a net financial result of minus 24.5 million euro was generated (previous year minus 14.4 million euro). The change in comparison to the previous-year's figure is due to several factors. In 2009, lower interest rates were achieved on deposits than a year previously. On the other hand, interest expenses rose slightly due to the promissory note. In addition, the net financial result was impacted by significant exchange rate losses due to the revaluation of foreign-currency liabilities at the reporting date. Once again, most of these expenses were incurred in the first quarter. Due to exchange rates stabilising, this effect was not repeated in the second quarter, leaving the other financial result at the level of the previous year.

Some expense items in the net financial result have little or no impact on the cash position. The accrued interest of 2.0 million euro to the financial liability resulting from the convertible bonds and the net currency losses in the amount of minus 4.8 million euro – a total of 6.8 million euro – were not cash effective.

Net result for the period

The tax rate increased sharply in comparison to the previous year. The fact that pre-tax earnings for the whole year are likely to be lower than in the previous year has the following key effects on the tax rate. The relative weight of deferred taxes from temporary differences, which are independent of the level of earnings, increases in the case of declining earnings before tax, resulting in the ratio of deferred taxes rising. The same applies in some cases, e.g. from currency exchange losses, to business expenses which are not tax-deductible following the respective national tax regulations, but are deducted from taxable earnings in the Group accounts, which are reported in line with IFRS. Another reason for the higher tax rates is the increase in the relative contribution to Group earnings before tax from countries which do not have tax loss carry-forwards and a comparatively high tax rate.

The tax rate expected for the whole year has thus increased to 60 percent and will be applied to the half-year result accordingly.

In the first six months of 2009, the Group recorded a net loss after taxes of 2.2 million euro, compared with a net income of 32.2 million euro in the same period of the previous year.

Earnings per share

For the first six months of the financial year, undiluted earnings per share amounted to minus 0.05 euro (previous year plus 0.54 euro).

Financial position

Net financial position

At the reporting date, cash and cash equivalents totalled 271.5 million euro. A major factor for the increase against the figure for the end of 2008 (233.3 million euro) was the promissory note for 50.0 million euro issued in the second quarter to achieve a general strengthening of the liquidity position and to diversify the financing structure. A further contribution to securing liquidity was cutting back capital expenditure sharply against the comparable period in the previous year.

Financial debt amounted to 466.3 million euro, made up primarily of finance lease liabilities (278.5 million euro), the convertible bonds which have a term until 2011 (137.4 million euro) and the promissory issued in the second quarter with a term to 2012 (50.0 million euro). Accordingly, the Group's net financial position amounted to minus 194.8 million euro compared to minus 189.3 million euro at the end of 2008.

Net working capital

At minus 382.2 million euro, net working capital improved as against year-end 2008 (minus 411.6 million euro). A key influence here was that in the second – and strongest – quarter, considerable progress was made in reducing inventory levels, primarily in Germany. After the first six months, inventories reached 932.8 million euro. This was 46.1 million euro less in comparison to the end of the first quarter and only 2.7 million euro more than at the comparable reporting date of the previous year, even though the Praktiker Group currently operates eight more stores than a year ago. At the same time, trade payables declined 2.7 percent year on year to 598.1 million euro.

Cash flow

Despite earnings before tax being down considerably, operating cash flow at 34.4 million euro was only moderately lower than in the previous year (49.8 million euro). This was due predominantly to the reduction of inventory levels in the second quarter. Cash flow from investing activities improved significantly, because capital expenditure, particularly outside Germany, was reduced considerably. Changes in cash flow from investing activities were largely due to the lower dividend distribution and the issue of the promissory note in the second quarter.

Capital expenditure

In the first six months of the current financial year, the Praktiker Group invested a total of 29.5 million euro (previous year 57.6 million euro), 10.5 million euro thereof in the second quarter (previous year 29.9 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, investments that were made primarily in the first quarter. In the first half of the year, Max Bahr invested in changes to the product range. Here too, the preponderant part of expenditure was made in the first quarter. In Eastern Europe, the Praktiker Group spent much less on capital expenditure than in the comparable period of the previous year. In the second quarter, a new store was opened in Romania and another store extended. The suspension of growth aims to preserve liquidity, thus increasing resistance against the crisis. 19.6 million euro of total capital expenditure was used for maintenance, 9.9 million euro for extending the store network.

Asset position

Balance sheet

In comparison to the end of the last financial year, the Praktiker Group's balance sheets was extended, due primarily to two reasons. The first was that again this year there was the normal seasonal build-up of inventories and trade payables. The second was that in the second quarter a 50.0 million euro promissory note was issued, thus increasing liabilities as well as cash and cash equivalents. As a result, net assets increased by 4.6 percent to 2,251.8 million euro in comparison to the end of 2008.

Equity

Compared with the reporting date of the last financial year (31 December 2008), equity decreased slightly from 907.9 million euro to 894.4 million euro.

Cash flow statement

in € m			
	H1 2009	H1 2008	Change
Earnings before taxes (EBT)	- 5.6	44.7	- 50.3
Cash flow from operating activities	34.4	49.8	- 15.4
Cash flow from investing activities	- 27.3	- 38.0	10.7
Cash flow from financing activities	31.9	- 36.7	68.6
Liquid funds at 06/30	271.1	247.2	23.9

Equity ratio

The equity ratio amounted to 39.7 percent compared to 42.2 percent at the end of the last financial year. This development is partly due to the profit decline in the first two quarters, and the extended balance sheet triggered by the seasonal increase in inventories and the promissory note.

Balance sheet			
in € m			
	06/30/2009	12/31/2008	Change
Equity	894.4	907.9	- 1.5 %
Total assets	2,251.8	2,153.5	4.6 %
Net cash / Net debt (-)	- 194.8	- 189.3	- 2.9 %
Net working capital	- 382.2	- 411.6	7.1 %

MARKET ENVIRONMENT GERMANY

By the end of the first half of the year, after a substantial decline in first-quarter sales, the German market had recovered considerably. In April, the growth rate even reached a double-digit figure. In the context of an overall economic recession and a high level of purchasing power absorbed by the car-scrap bonus, the German DIY Association calculates that sales in the German DIY market declined by between 1.5% and 2% in the first six months of 2009.

SEGMENT REPORTING PRAKTIKER GERMANY

Net sales

In the first half of 2009, Praktiker Germany generated total net sales of 988.1 million euro, a year-on-year increase of 0.1 percent. On a like-for-like basis, this corresponds to a decline of 0.2 percent. The sales decline in the first three months was completely offset by a 4.6 percent increase in sales to 573.5 million euro in the second quarter. On a like-for-like basis, sales increased by 4.1 percent in the second quarter. If the assessment of the industry association proves to be correct, Praktiker has again gained market share significantly, particularly in the second quarter. This is partly due to the fact that Praktiker generated additional demand through extended discount offers, based on its experience that customer price sensitivity tends

to increase in periods of recession. In March, the Group's marketing campaigns were grouped together under the slogan "Sleeves up". In the second quarter, using this motto, Praktiker pursued intensified marketing campaigns in Germany.

This strategy was not only aimed at further boosting the image of Praktiker as a competitive and discount-oriented brand. It was also designed to reduce inventories, deemed to be excessive in the actual economic context, to an appropriate level as quickly as possible. This way net working capital was approved, but short-term losses in the gross profit margin had to be accepted. As a result of these measures, the number of "20 percent off everything" promotions in the second quarter was slightly higher than in the previous year. Nevertheless, Praktiker continues to adhere to its objective of maintaining the number of these promotions for the full year at the level of the previous year.

The gardening range posted the strongest increase in sales. However, higher-priced items such as garden furniture barely sold at the normal price and had to be discounted heavily. As a result, the garden range contributed only to a limited extent to an improvement in the gross margin.

Operating earnings (EBITA)

In the first half of the year, the Praktiker brand generated operating earnings (EBITA) of minus 3.2 million euro in Germany. The substantial losses in the first three months were not completely offset by the profit of 32.7 million euro in the second quarter, since concessions in gross profit were too high. The sustained cost-saving measures alone were also not sufficient to compensate for the losses from the first quarter. Management estimates that the gross margin will recover again in the second half of the year, since the reduction in inventories is progressing well and, as a result, fewer special promotions and price concessions will be necessary. In addition, purchasing prices are expected to decrease. This supports the expectation that the Praktiker brand will conclude the current financial year with a positive result despite the losses at the start of the year.

In the first three months of the current financial year, Praktiker converted 11 stores in Germany to the optimised Easy-to-Shop concept. As planned, no further stores were converted in the second quarter. At the same time, Praktiker began to adopt the assortment structure of this innovative concept in stores that the management does not consider suitable for a complete conversion to Easy-to-Shop.

After short-time work was approved for 81 stores in March, the number of stores operating under short-time work was reduced again month by month. In June, short-time work was no longer in place in any store. Praktiker's experience with the use of this instrument has been wholly positive, and the Group has gained the necessary knowledge to implement it again without frictional losses should the need arise.

Q2 Key data Praktiker Germany			
Net sales, EBITA and Capital expenditure in € m			
	Q2 2009	Q2 2008	Change in %
Net sales	573.5	548.5	4.6
Like-for-like sales growth in %	4.1	-4.2	-
EBITA	32.7	40.1	-18.4
In % of net sales	5.7	7.3	-
Capital expenditure	3.1	4.4	-29.5

H1 Key data Praktiker Germany			
Net sales, EBITA and Capital expenditure in € m			
	H1 2009	H1 2008	Change in %
Net sales	988.1	987.4	0.1
Like-for-like sales growth in %	-0.2	-9.7	-
EBITA	-3.2	20.9	-
In % of net sales	-0.3	2.1	-
Capital expenditure	13.0	12.7	2.4
Number of stores (06/30)	241	241	0.0
Selling space in sq m 1,000 (06/30)	1,419	1,413	0.4
Employees, average on a full-time basis (01/01 – 06/30)	8,984	9,519	-5.6
Average sales ticket in €	26.19	26.20	0.0
Customer contacts in m	37.8	37.8	0.1

Capital expenditure

In the first quarter, Praktiker opened two new stores as replacements for old stores that had been closed down. In the second quarter, it did not open any additional new stores. The new stores, store concept conversions, refurbishment and replacement investments resulted in total capital expenditure of 13.0 million euro (previous year 12.7 million euro). At 241, the number of stores remained unchanged as against the end of the previous financial year.

SEGMENT REPORTING MAX BAHR

Net sales

In the first half of 2009, Max Bahr generated net sales of 368.3 million euro, down 3.3 percent on the same period of the previous year. On a like-for-like basis, this corresponds to a decline of 3.6 percent. This year, the gardening assortment, which regularly makes up approximately a third of net sales in the first half of the year, did not post an increase. This was partly due to the fact that net sales were particularly high in the previous year, and partly due to the fact that few price promotions were implemented. Owing to favourable weather conditions, particularly high sales increases were posted in April. In May, the high level of the previous year was not maintained, and in June, the previous year's level was surpassed again slightly. Overall, in the second quarter, Max Bahr's net sales of 213.3 million euro were one million euro or 0.5 percent below the previous year (214.3 million euro).

In the first six months of the current financial year, Max Bahr focused on restructuring selected product ranges and launching these in its stores. It proved to be successful. Changes to product groups and product presentation have produced new stimulus for the customers. The "Traumbäder" ("dream baths") concept introduced in the first quarter, through which Max Bahr has offered attractive, high-quality bathroom fittings together with related services such as bathroom

Q2 Key data Max Bahr

Net sales, EBITA and Capital expenditure in € m

	Q2 2009	Q2 2008	Change in %
Net sales	213.3	214.3	- 0.5
Like-for-like sales growth in %	- 0.8	- 5.0	-
EBITA	18.9	15.8	19.6
In % of net sales	8.9	7.4	-
Capital expenditure	2.0	0.8	150.0

H1 Key data Max Bahr

Net sales, EBITA and Capital expenditure in € m

	H1 2009	H1 2008	Change in %
Net sales	368.3	380.8	- 3.3
Like-for-like sales growth in %	- 3.6	- 4.6	-
EBITA	17.3	14.1	22.8
In % of net sales	4.7	3.7	-
Capital expenditure	5.0	1.9	163.2
Number of stores (06/30)	76	76	0.0
Selling space in sq m 1,000 (06/30)	612	612	0.0
Employees, average on a full-time basis (01/01 – 06/30)	3,006	3,213	- 6.4
Average sales ticket in €	26.77	26.15	2.4
Customer contacts in m	13.8	14.6	- 5.7

SEGMENT REPORTING MISCELLANEOUS

planning and full installation at the customer's home, has been successfully launched and will be established in all stores considered suitable in terms of size and customer structure during the second half of the year. The same applies for a number of other changes to product ranges, such as for parquet and laminate flooring and small-scale furniture.

As already seen in the first quarter, marketing activities of the Max Bahr brand in the second quarter were at a lower level than in the previous year. Although the 130th anniversary is the focus of this year's marketing campaign, it has not resulted in campaigns in excess of the previous year. At the end of the first half of the year, Max Bahr introduced a newly designed loyalty card. This is based on a bonus system and provides an exclusive range of special benefits and offers corresponding to the market position of the Max Bahr brand. In July, approximately 645,000 cardholders received their new Max Bahr card.

In April, Max Bahr was awarded a TÜV quality award for service quality and customer satisfaction, being the only German DIY operator receiving such a decoration. The official body "TÜV Süd" awarded this certification on the basis of a thorough assessment of a catalogue of criteria including service culture and reliability, professional handling of complaints, and staff skills. All these measures, as well as the Max Bahr private labels, are designed to position Max Bahr as a high-quality DIY store.

Operating earnings (EBITA)

In the first half of the year, Max Bahr posted operating earnings of 17.3 million euro (previous year 14.1 million euro). As a result, the losses posted in the first three months were more than offset by the profit of 18.9 million euro generated in the second quarter (previous year 15.8 million euro). Max Bahr benefited from the fact that the brand is consistently managed according to margins. The strengthened earnings position was based on the changes to the product range, the expansion of private labels and strict cost discipline. For the financial year as a whole, management expects EBITA to match the level of the previous year.

Capital expenditure

In the first half of the year, Max Bahr's capital expenditure amounted to 5.0 million euro, which represents an increase compared to the first half of the previous year (1.9 million euro). The majority of this figure was attributable to the ongoing changes to the brand's product range. As at 30 June 2009, Max Bahr operated a total of 76 stores, the same number recorded one year previously.

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.

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. All countries have seen a significant decline in overall economic growth and, in 2009, many countries can expect to see a drop – in some cases, quite substantial – in national income. Unemployment has increased in practically every country and sentiment indicators are falling, as is private consumption. As a result, the restraint in spending among customers of DIY stores that was observed since the final quarter of 2008 continues unabated.

The currency depreciations that were also seen in the final quarter of the previous year and continued into the first quarter of this year have, thankfully, come to an end in the second quarter and exchange rates have since stabilised at a comparatively low level.

The stabilisation of exchange rates also appears to reflect the hope that the economies of Eastern Europe will stabilise in the foreseeable future following the sharp downturn of the last few months. This cause for hope lies not only in the governments' efforts to confront their economic problems in a resolute manner – whether supported or forced by international organisations such as the International Monetary Fund – but also in the fact that early indications of stability in the key sales markets for Eastern European products are emerging.

In Greece, which is Praktiker's most important market in its international portfolio in terms of sales and earnings, sentiment indicators have already reversed their downward trend, which gives rise to the hope that the economic situation will improve in the foreseeable future.

SEGMENT REPORTING INTERNATIONAL

Net sales

In the first half of the year under review, sales of the international companies in the Praktiker Group reached 491.6 million euro, 15.0 percent down on the same period in the previous year. On a like-for-like basis, this corresponds to a decline of 19.0 percent. Except in the Ukraine where the number of stores increased from one to three, sales in all countries declined. In the second quarter, the negative sales performance of the first three months continued practically unchanged with a 16.0 percent fall to 285.5 million euro.

In countries that do not use the euro or where the national currency is not pegged to the euro (like in Bulgaria), the sharp devaluation of local currencies had, without exception, a negative impact on sales figures once they had been converted to euro. The Polish Zloty, Turkish Lira, Romanian Leu, Hungarian Forint and Ukrainian Hrywna all declined in value – in some cases, substantially – on the previous year. Accordingly, the year-on-year decline in sales in these countries was greater than in countries that are not exposed to exchange rate fluctuations against the euro. This situation that prevailed in the first quarter continued virtually unchanged into the second, although the negative impact of the exchange rates softened slightly in the second quarter thanks to the increasing stability of the Eastern European currencies following the sharp decline they experienced since the final quarter of 2008.

Q2 Key data International

Net sales, EBITA and Capital expenditure in € m

	Q2 2009	Q2 2008	Change in %
Net sales	285.5	339.7	- 16.0
Like-for-like sales growth in %	- 19.5	2.8	-
EBITA	14.4	23.0	- 37.4
In % of net sales	5.1	6.8	-
Capital expenditure	5.4	24.6	- 78.1

H1 Key data International

Net sales, EBITA and Capital expenditure in € m

	H1 2009	H1 2008	Change in %
Net sales	491.6	578.3	- 15.0
Like-for-like sales growth in %	- 19.0	2.1	-
EBITA	4.4	24.3	- 81.8
In % of net sales	0.9	4.2	-
Capital expenditure	11.4	42.8	- 73.3
Number of stores (06/30)	101 ¹	93	8.6
Selling space in sq m 1,000 (06/30)	702 ¹	646	8.7
Employees, average on a full-time basis (01/01 – 06/30)	10,305	10,106	2.0
Average sales ticket in €	26.97	31.52	- 14.5
Customer contacts in m	18.2	18.3	- 0.8

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

International – the countries

First half 2009	Net sales in € m	Change in %, in €		Change in %, in local currency		Number of stores
		absolute	like-for-like	absolute	like-for-like	
Luxembourg	19.1	- 4.4	- 4.4	- 4.4	- 4.4	3
Greece	129.2	- 0.6	- 8.5	- 0.6	- 8.5	11
Poland	85.6	- 30.9	- 25.8	- 11.5	- 4.5	20 ¹
Hungary	61.9	- 22.6	- 26.9	- 11.6	- 16.3	19
Turkey	42.1	- 11.8	- 11.6	0.4	- 0.1	10
Romania	110.1	- 14.3	- 23.1	- 1.3	- 11.6	26
Bulgaria	35.2	- 16.9	- 17.5	- 16.9	- 17.5	9
Ukraine	8.4	41.5	- 45.6	96.2	- 24.7	3
International	491.6	- 15.0	- 19.0	- 4.9	- 9.5	101 ¹

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

This currency effect becomes particularly apparent when comparing the changes in sales in local currency with the figures in euro (see “International – the countries” table). Assuming exchange rates had remained unchanged, sales in the international segment would have fallen by a mere 4.9 percent in the first half of the year. This means that around 10 percentage points of the changes in sales can be attributed to currency depreciations. On a like-for-like basis, sales in the local currency fell by 9.5 percent. Also in this respect, the trend at the half-year mark is not too different from that observed at the end of the first quarter.

The share in total Group sales attributable to the international segment fell to 25.9 percent (previous year 29.0 percent) due to the prolonged drop in sales.

At the store in Zabrze in Poland, which was destroyed by fire at the end of December 2008, sales of a limited product range were resumed at the beginning of July from a temporary point of sale.

Operating earnings (EBITA)

With a slightly diminished gross margin, the sharp drop in sales could be offset only to an extent by means of cost adjustments. Accordingly, operating earnings in the first half of the year were lower than in the same period in the previous year. EBITA of the international segment stands at 4.4 million euro (previous year 24.3 million euro). The first quarter saw a loss of 10.0 million euro, which was offset by EBITA of 14.4 million euro in the second quarter (previous year 23.0 million euro). Adjusted for the exchange rate effects, mid-year profits would have been 5.9 million euro higher.

Management expects that international business will generate a reasonable, positive EBITA in 2009 too, although it will certainly be down on last year. As cost-cutting measures become increasingly apparent over the course of the year, currency effects begin to diminish and Greece – the strongest profit contributor in the international portfolio – shows signs of stability with respect to sales and earnings, the earning slide in the second half of the year should be less pronounced than in the first six months.

Capital expenditure

Due to the uncertain economic outlook, Praktiker resolved to pause its international growth plans in 2009. Accordingly, just 11.4 million euro has been invested in the international market in the first half of the year (previous year 42.8 million euro). In Romania, a new store was opened in freehold and another one expanded.

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 the Group has implemented to counteract the individual risks. Above and beyond this risk catalogue, no evidence of additional material risks was identified in the period under review. Rather, it appears that a number of risks that arose on the back of the financial crisis have in fact declined. At the beginning of the year, many feared that some East European states could become bankrupt, dragging the economies ever further into a downward spiral. However, thanks to a range of support measures implemented by the International Monetary Fund, this anxiety has disappeared or, at least, diminished significantly. Moreover, the almost panicked depreciation of East European currencies has been followed by a period of stabilisation and, in some cases, slight appreciation. The economic situation in all the countries in which Praktiker operates may continue to be unsatisfactory, but experts are increasingly hopeful that this severe recession could be over next year at the latest.

Opportunities

The 2008 Annual Report also contains a comprehensive discussion of the opportunities available to the Praktiker Group. Since the recession in Eastern Europe has triggered a decline in property prices, this should result in greater opportunities to buy or rent new stores more cheaply in future. In addition, some competitors have temporarily suspended plans to expand into Eastern Europe – including Praktiker – or even scrapped them altogether. This generally means that competition becomes less intense or, at the very least, does not increase. It is impossible to establish whether the currently difficult economic climate will result in opportunities such that competitors are offered for sale, although the likelihood of such offers has certainly increased.

Opportunities also arise thanks to the fact that purchasing prices for many products have fallen compared to the previous year as a response to much lower prices for raw materials and as a result of the world economic recession. It is almost impossible to predict just how long this trend will last, but if the price advantage does not have to be passed on to the customer in full, this could benefit the gross margin, which came under pressure in the first half of the year.

OUTLOOK

In the first six months of the current fiscal year, Praktiker Bau- und Heimwerkermärkte Holding AG did not match the sales and earnings it achieved in the same period last year. The decline was largely due to the difficult economic climate. During times in which the economy is shrinking, unemployment rising and – as is the case in many Eastern European countries – currencies are undergoing rapid depreciation, people are less inclined to buy consumer goods. This affects the entire retail sector and DIY in particular. This trend looks set to continue through the rest of this year potentially slowing down in the final quarter as the basis effect becomes tangible, that is, when current sales are being compared with a weak quarter in the previous year.

The fact that sales in Germany in the first half of the year remained stable was not necessarily to be expected considering that sales in the industry declined slightly. Had it not been for the numerous marketing campaigns, sales of the Praktiker brand in Germany would also have been affected. Private consumption has so far played a key role in supporting economic development in 2009. Indeed, private consumption throughout the entire year is expected to decline only very slightly. The German Retail Association (HDE) expects retail sales for 2009 to come down by just one or two percent. Although the German DIY Association has not published numerical guidance for sales development in the DIY sector, it is nonetheless cautiously optimistic in light of this slight decline in the first half year.

Sales performance in Germany for the rest of 2009 will depend on a number of factors. The economic stimulus package resolved by the German Federal Government at the beginning of the year is designed mainly to support projects to improve infrastructure. The construction industry will benefit from this in the second half of the year, an opportunity that the DIY sector could potentially leverage. On top of this, the car-scrap bonus, which has provided vehicle manufacturers with an unexpected boost in demand and absorbed a growing share of the purchasing power of private customers, is also due to come to an end.

Customer sentiment is underpinned by consistently low inflation rates. Even though oil prices have risen again, inflation rates are not expected to be far above zero for the rest of the year, which is equal to a rise in the real income of consumers. Of course, a key factor in consumption is the question of whether the unemployment rate remains at a low level over the rest of the year due to extensive short-time work, for example.

There is no way of predicting the outcome of the Bundestag elections at the end of September and how it will affect private consumption. If plans are again discussed to increase VAT, this could stimulate consumer sentiment over the short term but would, over the medium term, become a burden to private consumption as was experienced in 2007.

In the Group's international markets there is no expectation of a rapid recovery of the economies, and hence in private demand. In most Eastern European countries, unemployment is rising dramatically, sentiment indicators do not point to any immediate improvement and disposable income remains restricted due to the high level of foreign-currency debt. On top of this, most countries have tackled their deficit problems by implementing largely restrictive measures which, although ideal for establishing a basis for future growth, do not offer any immediate impulse for the economy.

Exchange rates have since stabilised and depreciation appears to have come to an end. This reflects the hope that the countries will be able to solve their problems without even greater financial disruption.

Although medium-term prospects have brightened for most countries, no significant change in demand trends which have been experienced up till now can be expected in the current fiscal year. At best, demand could rise again in Greece. Here, consumers and companies are increasingly optimistic, indicating that the low point of the recession may already have been reached.

If the Eastern European currencies continue the trend towards greater stability in the rest of the year, this will have a positive impact on financial results insofar as currency losses would gradually decline. In previous quarters, negative currency trends had a correspondingly negative impact on the financial result.

In these – still uncertain – economic times, management is staying firm in its commitment to implement all measures with a view to safeguarding financial results and liquidity. As such, the comprehensive programme described earlier to reduce expenditure is still being pursued. The same is true of measures to safeguard liquidity, such as plans to significantly reduce cash capital expenditure compared with last year to around 80 million euro. To reduce capital expenditure to the target level, the Praktiker Group has suspended growth abroad. For the rest of the year, only two new stores are firmly planned.

In the second half of the year too, sales can be expected to remain down on the previous year. The gross margin, however, should recover slightly in comparison with the first half of the year. Finally, the influence of currency depreciation in Eastern Europe is gradually becoming less pronounced. In addition, the Praktiker brand is planning to cut back on marketing campaigns in Germany in the second half of the year. Falling purchasing prices should also help stabilise the gross margin.

Praktiker will continue to adhere to the cost-cutting measures as well as to the plans to optimise inventories by the end of the year. Praktiker intends to ensure that the company continues to generate reasonable, positive operating earnings

even when sales are in decline. A more important aim, however, is to retain the financial headroom and, in turn, the ability to rapidly resume the expansion of business once the recession ends. At the mid-year stage, there is no reason why a comfortable liquidity position should not be maintained.

CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER 2009

in € thousands	Apr. 1 – Jun. 30, 2009	Apr. 1 – Jun. 30, 2008
Net sales	1,100,678	1,132,157
Cost of goods sold	– 744,121	– 736,064
Gross profit on sales	356,557	396,093
Other operating income	16,331	18,371
Selling expenses	– 288,166	– 315,320
General administrative expenses	– 16,554	– 19,071
Other operating expenses	– 49	– 99
Operating earnings (EBITA)	68,119	79,974
Net interest result	– 7,774	– 6,541
Other financial result	3,506	3,492
Net financial result	– 4,268	– 3,049
Earnings before taxes	63,851	76,925
Income taxes	– 29,283	– 21,218
Group net income	34,568	55,707
of which allocable to minority interests	602	547
of which allocable to owners of the company	33,966	55,160
	34,568	55,707

Earnings per share (€)		
Basic earnings per share	0.59	0.95
Dilutive effect	– 0.01	– 0.04
Diluted earnings per share	0.58	0.91

CONSOLIDATED INCOME STATEMENT FOR THE FIRST HALF-YEAR 2009

in € thousands	Jan. 1 – Jun. 30, 2009	Jan. 1 – Jun. 30, 2008
Net sales	1,896,327	1,997,208
Cost of goods sold	– 1,307,956	– 1,331,523
Gross profit on sales	588,371	665,685
Other operating income	30,935	34,249
Selling expenses	– 565,771	– 604,718
General administrative expenses	– 33,746	– 35,759
Other operating expenses	– 844	– 284
Operating earnings (EBITA)	18,945	59,173
Net interest result	– 15,980	– 13,137
Other financial result	– 8,551	– 1,288
Net financial result	– 24,531	– 14,425
Earnings before taxes	– 5,586	44,748
Income taxes	3,352	– 12,530
Group net loss (income)	– 2,234	32,218
of which allocable to minority interests	830	794
of which allocable to owners of the company	– 3,064	31,424
	– 2,234	32,218
Earnings per share (€)		
Basic earnings per share	– 0.05	0.54
Dilutive effect	–	–
Diluted earnings per share	– 0.05	0.54

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2009

in € thousands	Jun. 30, 2009	Dec. 31, 2008	Jun. 30, 2008
Non-current assets			
Goodwill	214,621	214,621	214,676
Other intangible assets	69,195	71,027	69,135
Property, plant and equipment	479,304	490,292	488,953
Other financial assets	13	14	18
Other receivables and other assets	7,076	6,875	6,357
Deferred income tax assets	152,485	153,654	203,414
	922,694	936,483	982,553
Current assets			
Inventories	932,771	888,271	930,090
Trade receivables	18,845	16,282	16,657
Other receivables and other assets	98,555	77,178	111,606
Income tax receivables	7,430	1,969	2,639
Cash and cash equivalents	271,481	233,321	247,249
	1,329,082	1,217,021	1,308,241
Total assets	2,251,776	2,153,504	2,290,794

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2009

in € thousands	Jun. 30, 2009	Dec. 31, 2008	Jun. 30, 2008
Equity			
Share capital	58,000	58,000	58,000
Additional paid-in capital	699,523	703,926	706,901
Balance sheet profit	135,651	144,515	182,031
	893,174	906,441	946,932
Minority interests	1,247	1,503	1,212
	894,421	907,944	948,144
Non-current liabilities			
Provisions for pensions and similar commitments	725	726	708
Other provisions	54,068	58,665	47,854
Liabilities from convertible bonds	137,414	138,089	136,103
Liabilities from promissory note loan	50,000	0	0
Liabilities from finance leases	261,325	267,998	275,661
Other liabilities	5,963	6,068	6,127
Deferred income tax liabilities	110,334	111,107	109,636
	619,829	582,653	576,089
Current liabilities			
Other provisions	28,264	34,268	45,785
Bank overdrafts	397	0	0
Liabilities from finance leases	17,147	16,517	16,857
Trade payables	598,090	519,402	582,664
Prepayment received on orders	7,395	7,128	10,297
Other liabilities	80,829	75,481	91,189
Current income tax liabilities	5,404	10,111	19,769
	737,526	662,907	766,561
Total equity and liabilities	2,251,776	2,153,504	2,290,794

STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER

in € thousands	Apr. 1 – Jun. 30, 2009	Apr. 1 – Jun. 30, 2008
Group net income	34,568	55,707
Gain from currency translation recognised directly in equity	2,431	5,965
Loss from cash flow hedges recognised directly in equity	– 118	– 154
Other comprehensive income	2,313	5,811
Comprehensive income	36,881	61,518
of which attributable to minority interests	602	547
of which attributable to owners of the company	36,279	60,971
	36,881	61,518

STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST HALF-YEAR

in € thousands	Jan. 1 – Jun. 30, 2009	Jan. 1 – Jun. 30, 2008
Group net loss (income)	– 2,234	32,218
Loss (gain) from currency translation recognised directly in equity	– 4,285	1,824
Loss from cash flow hedges recognised directly in equity	– 118	– 154
Other comprehensive income	– 4,403	1,670
Comprehensive income	– 6,637	33,888
of which attributable to minority interests	830	794
of which attributable to owners of the company	– 7,467	33,094
	– 6,637	33,888

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € thousands	Share capital	Capital reserves	Other reserves				Balance sheet profit	Owners of the company	Minority interests	Total
			Other comprehensive income							
			Currency translation	Cash flow hedges	Miscellaneous	Total				
Dec. 31, 2007	58,000	822,685	- 665	0	- 116,789	- 117,454	176,707	939,938	1,504	941,442
Transactions recognised directly in equity			1,824	- 154		1,670		1,670		1,670
Payment to owners of the company							- 26,100	- 26,100		- 26,100
Payment to minority interests									- 1,102	- 1,102
Group net income							31,424	31,424	794	32,218
Other changes in minority interests									16	16
Jun. 30, 2008	58,000	822,685	1,159	- 154	- 116,789	- 115,784	182,031	946,932	1,212	948,144
Dec. 31, 2008	58,000	822,685	- 13,724	- 390	- 104,645	- 118,759	144,515	906,441	1,503	907,944
Transactions recognised directly in equity			- 4,285	- 118		- 4,403		- 4,403		- 4,403
Payment to owners of the company							- 5,800	- 5,800		- 5,800
Payment to minority interests									- 1,102	- 1,102
Group net loss							- 3,064	- 3,064	830	- 2,234
Other changes in minority interests									16	16
Jun. 30, 2009	58,000	822,685	- 18,009	- 508	- 104,645	- 123,162	135,651	893,174	1,247	894,421

CONSOLIDATED CASH FLOW STATEMENT

in € thousands	Jan. 1 – Jun. 30, 2009	Jan. 1 – Jun. 30, 2008
Earnings before taxes	– 5,586	44,748
Depreciation and amortisation (+)/reversal of impairment losses (–)	33,671	32,413
Decrease (increase) in provisions	– 10,603	1,049
Loss from the disposal of fixed and intangible assets	383	5
Exchange-rate-related effects	5,272	– 1,337
Increase in inventories	– 44,501	– 120,404
Increase in trade payables	78,688	118,857
Other non-cash transactions	1,586	– 3,027
Increase in other assets	– 24,141	– 13,831
Increase (decrease) in other liabilities	5,652	– 2,997
Income taxes paid	– 10,648	– 10,348
Interest expenses from finance leases	– 12,684	– 12,445
Interest result	15,980	13,137
Interest received	1,292	3,974
Cash flow from operating activities	34,361	49,794
Proceeds from disposal of fixed and intangible assets	30	1,763
Net cash used in investing activities	– 27,306	– 39,798
Cash flow from investing activities	– 27,276	– 38,035
Interest paid	– 805	– 530
Payment to minority interests	– 1,102	– 1,102
Payment to owners of the company	– 5,800	– 26,100
Principal of liabilities from finance leases	– 8,265	– 8,945
Received payment from promissory note loan	50,000	0
Repurchases from convertible bonds	– 2,149	0
Cash flow from financing activities	31,879	– 36,677
Change in cash, cash equivalents and bank overdrafts	38,964	– 24,918
Effect of foreign exchange rate changes	– 1,201	1,398
Cash, cash equivalents and bank overdrafts at beginning of period	233,321	270,769
Cash, cash equivalents and bank overdrafts at end of period	271,084	247,249

Composition of cash, cash equivalents and bank overdrafts from items of the consolidated statement of financial position

Cash and cash equivalents corresponding to consolidated statement of financial position	271,481	247,249
Bank overdrafts corresponding to consolidated statement of financial position	– 397	0
Cash, cash equivalents and bank overdrafts corresponding to cash flow statement	271,084	247,249

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 € 2,223 thousand (previous year € 17,797 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.

These half-year financial statements for the first six months of 2009 were subject to an audit review.

Due to rounding, there may be slight variations in the current report in totals and in calculating percentage figures.

Accounting principles

In line with the regulations of Article 37y in conjunction with Article 37w Section 2 of the German Securities Trading Act (WpHG), the half-year financial report of Praktiker Holding AG as of June 30, 2009 contains consolidated interim financial statements and an interim Group management report as well as the assurance of legal representatives in line with Article 297 Section 2 (4) and Article 315 Section 1 (6) of the German Commercial Code (HGB). It was prepared in line with the regulations of IAS 34 and in accordance with Article 315a of the German Commercial Code 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. In line with IAS 34, it was opted to publish a condensed scope of reporting in comparison with the consolidated financial statements as of December 31, 2008. These condensed consolidated financial statements should be examined in the context of the consolidated annual financial statements as of December 31, 2008 which were prepared in line with IFRS. 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).

Valuation of the income tax expense

A weighted average annual income tax is determined on a best estimate basis. This is applied to the pre-tax result of the reporting period resulting in the income tax expense.

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

The following key 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 half-year financial report on page 19.

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 half-year 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.

Change in shareholder structure

In the reporting period, the following material changes in the shareholder structure occurred. In respect to the attribution of the particular voting rights in the reporting period, we refer to the publications in line with Article 26 of the German Securities Trading Act. These can be accessed at: www.praktiker.com – Investor Relations – Praktiker in the capital market – Shareholder structure.

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 on this day totalled 3.21 percent (this corresponds to 1,859,000 voting rights). On April 17, 2009, we were notified that the voting rights of the company had again fallen below the threshold of 3 percent on April 15, 2009, and were 2.95 percent on that date (this corresponds to 1,710,535 voting rights).

On January 26, 2009, UBS, AG Zurich (Switzerland), notified us that its voting rights fell 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).

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 were 3.05 percent on that date (this corresponds to 1,771,822 voting rights). On June 12, 2009, we were notified of the following changes: On June 8, 2009, Artisan Partners Limited Partnership (previously operating as NewCo LP), Milwaukee (USA), exceeded the threshold of 3 percent of the voting rights and were 3.86 percent on that date (this corresponds to 2,241,210 voting rights). According to Article 22 Section 1 (1) No. 6 of the German Securities Trading Act, these voting rights are attributable to Artisan Partners Limited Partnership. 3.63 percent of the voting rights (this corresponds to 2,108,074 voting rights) are based on shares held by

Artisan Funds, Inc. On June 8, 2009, Artisan Investments GP LLC exceeded the threshold of 3 percent of the voting rights and was 3.86 percent on that date (this corresponds to 2,241,210 voting rights). According to Article 22 Section 1 (1) No. 6 in combination with Article 22 Section 1 (2) and (3) of the German Securities Trading Act, these voting rights are attributable to Artisan Investments GP LLC. 3.63 percent of the voting rights (this corresponds to 2,108,074 voting rights) are based on shares held by Artisan Funds, Inc. The limited partnership, which previously operated as Artisan Partners Limited Partnership, was renamed Artisan Partners Holdings LP and now directly control Artisan Investments GP LLC and indirectly controls Artisan Partners Limited Partnership (previously known as NewCo LP).

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

During the period under review, Morgan Stanley, Wilmington (USA), directly and indirectly exceeded and fell below the 3 percent and 5 percent limits of voting rights several times. On June 23, 2009, Morgan Stanley notified us that its voting rights exceeded the threshold of 3 percent of the voting rights on June 17, 2009, and were 3.10 percent on that date (this corresponds to 1,799,812 voting rights).

On June 25, 2009, Allianz Global Investors Kapitalanlagegesellschaft mbH, Frankfurt am Main (Germany), notified us that its voting rights exceeded the threshold of 3 percent of the voting rights on June 8, 2009, and were 3.31 percent on that date (this corresponds to 1,920,270 voting rights).

We did not receive any notifications of change from the other shareholders from whom we received the following notifications in a period before the period under review:

The reported share of voting rights of Mackenzie Financial Corporation, Winnipeg (Canada), was 5.09 percent of the voting rights (this corresponds to 2,952,106 voting rights), of Universities Superannuation Scheme Limited, Liverpool (Great Britain), 3.17 percent of the voting rights (this corresponds to 1,836,000 voting rights), of Polar Capital LLP, London (Great Britain), 3.09 percent of the voting rights (this corresponds to 1,796,686 voting rights) and of General Capital Group Fund Advisor N.V., Curaçao (Netherlands Antilles), 3.01 percent of the voting rights (this corresponds to 1,747,000 voting rights).

As shares subject to short-term investment strategies, all the investments 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 June 30, 2009.

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

Scope of consolidation

On February 13, 2009, BMH Baumarkt Holding GmbH, Kirkel, decided to establish the 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 the 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.

By memorandum of association dated May 18, 2009, Praktiker Real Estate Polska Sp. z o.o., Warsaw (Poland) was founded in which Praktiker Grundstücksbeteiligungsgesellschaft mbH, Kirkel holds a 99 percent stake and BMH Baumarkt Holding GmbH, Kirkel, a 1 percent stake. The share capital of Praktiker Real Estate Polska Sp. z o.o. totals PLN 5,000. The main purpose of the company is the leasing, acquisition and sale of land and buildings.

Other important events in the interim reporting period

Convertible bond repurchase

Convertible bonds with a nominal value of € 150 million was issued in 2006, and in April 2009 the Praktiker Group bought back a partial amount of this with a nominal value of € 2.9 million. The repurchase generated income of € 612 thousand in the period, which was posted to the financial result.

Promissory note loan taken up

To strengthen its capital basis and to diversify its financing structure, Praktiker Holding AG took up a promissory note loan for € 50 million in the period under review. This loan with a term of three years was placed with German and international investors in the banking sector. It bears interest at 400 basis points above 6-month Euribor.

To hedge the risk of increasing interest rates, in the period under review the Praktiker Group hedged the interest payments for part of the loan (€ 40 million) with interest swaps, designated as cash flow hedges. As of June 30, 2009, this resulted in financial liabilities of € 118 thousand. An equal amount was posted to reserves reducing equity.

Authorisation to acquire and deploy own shares and to deploy equity derivatives in the context of acquiring own shares

At the Praktiker Holding AG Annual General Meeting on May 27, 2009, the company was authorised to acquire shares of Praktiker Holding AG. The authorisation is limited to the acquisition of the company's own shares with a notional stake in share capital not exceeding € 5,800,000 and is valid up to November 26, 2010.

In addition, it was authorised to deploy equity derivatives in the context of acquiring own shares pursuant to Article 71 Section 1 No. 8 of the German Stock Corporation Act. The acquisition of own shares may be implemented using call or put options. The management board was authorised to sell put options, to buy call options and to buy own shares using a combination of put and call options. All share purchases using put options, call options or a combination of put and call options are limited to own shares with a notional share of the share capital not exceeding € 2,900,000. The duration of the options must be selected in such a way that the acquisition of own shares resulting from the exercise of options takes place before the end of November 26, 2010.

Random sampling by the German Financial Reporting Enforcement Panel

The Praktiker consolidated financial statements and the Praktiker Group management report for the 2007 financial year was subject to random sampling (audit without particular cause) by the German Financial Reporting Enforcement Panel (FREP). This resulted in findings which generally trigger a notification requirement by the German Federal Financial Supervisory Authority. The findings relate to the 2007 annual financial statements and have no more than an immaterial impact on the Praktiker consolidated financial statements for 2008 and 2009.

Acquisition of real estate

In the first half of 2009, the Praktiker Group commenced work on a new DIY store project in Greece. This project and the development of DIY store projects started in 2008 resulted in additions to tangible assets of € 5,118 thousand in the first six months of 2009.

Breakdown of the net financial result

in € thousands	Jan. 01 – Jun. 30, 2009	Jan. 01 – Jun. 30, 2008	Apr. 01 – Jun. 30, 2009	Apr. 01 – Jun. 30, 2008
Financial income	15,722	18,087	7,324	9,376
Financial expenses	-40,253	-32,512	-11,592	-12,425
Net financial result	-24,531	-14,425	-4,268	-3,049

In the reporting period, the translation of liabilities from finance leases of international subsidiaries resulted in non-cash exchange gains of € 5,959 thousand (previous year € 10,190 thousand) and non-cash exchange losses of € 11,292 thousand (previous year € 9,242 thousand).

Income taxes

On the basis of a revised estimate, the tax rate increased from 47 percent in the first quarter of 2009 to the current figure of 60 percent.

Earnings per share

(a) Basic

Basic earnings per share are calculated by dividing the earnings attributable to equity holders of the company by the weighted average number of ordinary shares in issue in the first half-year and the second quarter respectively.

Earnings per share	Jan. 01 – Jun. 30, 2009	Jan. 01 – Jun. 30, 2008	Apr. 01 – Jun. 30, 2009	Apr. 01 – Jun. 30, 2008
Earnings allocable to equity holders (in € thousand)	-3,064	31,424	33,966	55,160
Average number of shares issued (in thousand)	58,000	58,000	58,000	58,000
Basic earnings per share (€ per share)	-0.05	0.54	0.59	0.95

(b) Diluted

When determining the diluted earnings per share, the earnings which are 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 half-year and the second quarter respectively 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 half-year 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. In the first half-year diluted earnings per share thus correspond to basic earnings per share in each case.

By contrast, in the second quarter of 2009, as was the case in the second quarter of 2008, diluted earnings per share are lower than basic earnings per share. The convertible bond generates a dilution effect as can be seen in the following table.

Earnings per share	Apr. 01 – Jun. 30, 2009	Apr. 01 – Jun. 30, 2008
Earnings allocable to equity holders (in € thousand)	36,028	57,079
Average number of shares issued (in thousand)	62,356	62,419
Diluted earnings per share (€ per share)	0.58	0.91

Dividend payment

On May 27, 2009, the Annual General Meeting of the company under review resolved to deploy the Praktiker Holding AG balance sheet profit for the 2008 financial year of € 17,039,155.27 as follows: A dividend of € 0.10 per share shall be paid, resulting in a total dividend payment of € 5,800,000. An amount of € 11,000,000 shall be transferred to revenue reserves and the remaining amount of € 239,155.27 shall be carried forward to new account.

Material changes in contingent liabilities and other financial obligations

Obligations from operating leases due in subsequent periods amount to € 2,409,769 thousand (previous year € 2,583,356 thousand), thereof € 281,685 thousand within one year (previous year € 278,317 thousand), € 998,708 thousand between one year and five years (previous year € 1,003,689 thousand) and € 1,129,376 thousand (previous year € 1,256,350 thousand) after more than five years.

Obligations from finance leases due in subsequent periods amount to € 464,554 thousand (previous year € 502,738 thousand), thereof € 41,959 thousand within one year (previous year € 42,786 thousand), € 159,376 thousand between one year and five years (previous year € 160,354 thousand) and € 263,219 thousand (previous year € 299,598 thousand) after more than five years.

Related party transactions

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

Seasonality

Parts of the product portfolio traded by the Praktiker Group are subject to seasonal fluctuations. Sales for garden and building materials are highest in the second and third quarter of the financial year. This is due to the favourable weather situation.

Important events after the end of the interim reporting period

No events of any significance occurred after the end of the interim reporting period.

SEGMENT INFORMATION – NOTES TO THE SEGMENT DATA

Second quarter 2009

in € thousands	Praktiker Germany Apr. 1 – Jun. 30, 2009	Max Bahr Apr. 1 – Jun. 30, 2009	Segment Miscel- laneous Apr. 1 – Jun. 30, 2009	International Apr. 1 – Jun. 30, 2009	Recon- ciliation Apr. 1 – Jun. 30, 2009	Total Apr. 1 – Jun. 30, 2009
Net sales with third parties	573,549	213,283	28,341	285,505	0	1,100,678
Net sales with other segments	1,103	0	0	0	-1,103	0
Net sales total	574,652	213,283	28,341	285,505	-1,103	1,100,678
Earnings before interest, taxes, deprecia- tion and amortisation (EBITDA)	39,692	21,623	2,164	21,630	0	85,109
Depreciation	-6,951	-2,747	-87	-7,205	0	-16,990
Earnings before interest, taxes and amortisation (EBITA)	32,741	18,876	2,077	14,425	0	68,119
Earnings before interest and taxes (EBIT)	32,741	18,876	2,077	14,425	0	68,119
Financial result						-4,268
Earnings before taxes (EBT)						63,851
Income taxes						-29,283
Group net income						34,568

Second quarter 2008

in € thousands	Praktiker Germany Apr. 1 – Jun. 30, 2008	Max Bahr Apr. 1 – Jun. 30, 2008	Segment Miscel- laneous Apr. 1 – Jun. 30, 2008	International Apr. 1 – Jun. 30, 2008	Recon- ciliation Apr. 1 – Jun. 30, 2008	Total Apr. 1 – Jun. 30, 2008
Net sales with third parties	548,460	214,285	29,690	339,722	0	1,132,157
Net sales with other segments	1,344	0	0	0	-1,344	0
Net sales total	549,804	214,285	29,690	339,722	-1,344	1,132,157
Earnings before interest, taxes, deprecia- tion and amortisation (EBITDA)	46,134	18,882	1,174	30,517	0	96,707
Depreciation	-6,005	-3,102	-141	-7,486	0	-16,734
Earnings before interest, taxes and amortisation (EBITA)	40,129	15,780	1,034	23,031	0	79,974
Earnings before interest and taxes (EBIT)	40,129	15,780	1,034	23,031	0	79,974
Financial result						-3,049
Earnings before taxes (EBT)						76,925
Income taxes						-21,218
Group net income						55,707

First half-year 2009

in € thousands	Praktiker Germany Jan. 1 – Jun. 30, 2009	Max Bahr Jan. 1 – Jun. 30, 2009	Segment Miscel- laneous Jan. 1 – Jun. 30, 2009	International Jan. 1 – Jun. 30, 2009	Recon- ciliation Jan. 1 – Jun. 30, 2009	Total Jan. 1 – Jun. 30, 2009
Net sales with third parties	988,125	368,287	48,281	491,634	0	1,896,327
Net sales with other segments	2,960	0	0	0	-2,960	0
Net sales total	991,085	368,287	48,281	491,634	-2,960	1,896,327
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	10,566	22,897	619	18,612	0	52,694
Depreciation	-13,791	-5,559	-208	-14,191	0	-33,749
Earnings before interest, taxes and amortisation (EBITA)	-3,225	17,338	411	4,421	0	18,945
Earnings before interest and taxes (EBIT)	-3,225	17,338	411	4,421	0	18,945
Financial result						-24,531
Earnings before taxes (EBT)						-5,586
Income taxes						3,352
Group net loss						-2,234

First half-year 2008

in € thousands	Praktiker Germany Jan. 1 – Jun. 30, 2008	Max Bahr Jan. 1 – Jun. 30, 2008	Segment Miscel- laneous Jan. 1 – Jun. 30, 2008	International Jan. 1 – Jun. 30, 2008	Recon- ciliation Jan. 1 – Jun. 30, 2008	Total Jan. 1 – Jun. 30, 2008
Net sales with third parties	987,449	380,796	50,674	578,289	0	1,997,208
Net sales with other segments	3,114	0	0	0	-3,114	0
Net sales total	990,563	380,796	50,674	578,289	-3,114	1,997,208
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	32,777	20,382	130	38,721	0	92,010
Depreciation	-11,863	-6,262	-283	-14,429	0	-32,837
Earnings before interest, taxes and amortisation (EBITA)	20,914	14,120	-152	24,291	0	59,173
Earnings before interest and taxes (EBIT)	20,914	14,120	-152	24,291	0	59,173
Financial result						-14,425
Earnings before taxes (EBT)						44,748
Income taxes						-12,530
Group net income						32,218

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 financial year 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 comprises 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 mark-up which is usual in the market.

Responsibility statement

„To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.“

Kirkel, Germany, July 20, 2009

The Management Board

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

REVIEW REPORT

To Praktiker Bau- und Heimwerkermärkte Holding AG, Kirkel

We have reviewed the condensed consolidated interim financial statements – comprising the condensed statement of financial position, condensed statement of comprehensive income, condensed statement of cash flows, condensed statement of changes in equity and selected explanatory notes – and the interim group management report of Praktiker Bau- und Heimwerkermärkte Holding AG, Kirkel, for the period from January 1 to June 30, 2009, which are part of the half-year financial report pursuant to § (Article) 37w WpHG („Wertpapierhandelsgesetz“: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company’s Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Frankfurt am Main, July 20, 2009

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Design and PrePress
Lesch+Frei GmbH, Frankfurt

Published
July 22, 2009

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. The company cannot be held responsible for any misunderstandings or misinterpretations arising from this translation.