

Praktiker Group
Interim Report

3/09

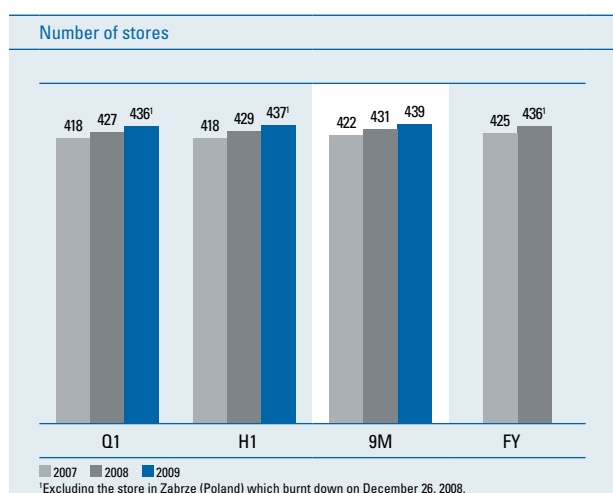
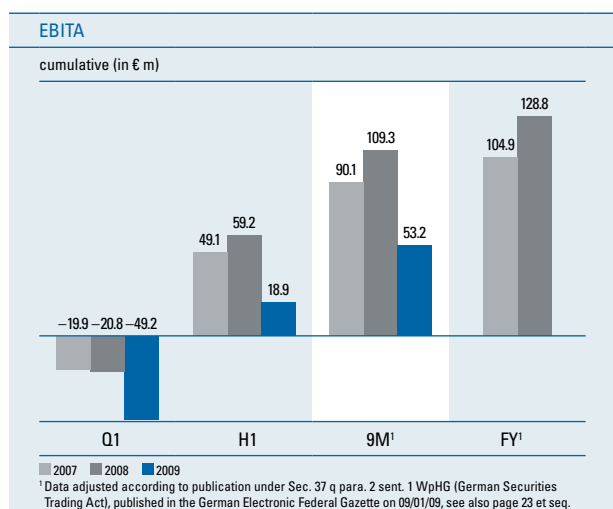
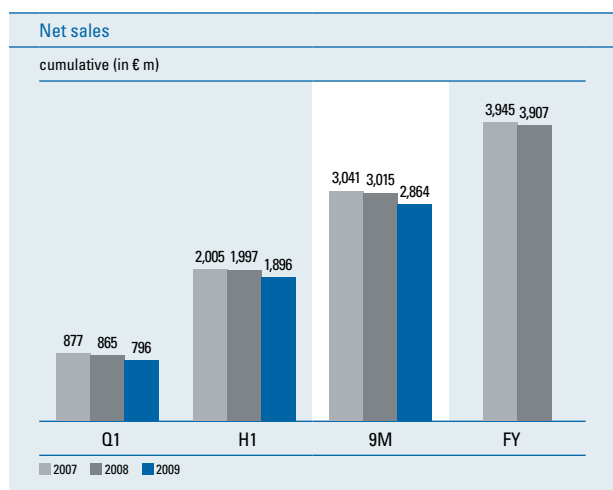


KEY DATA

in € m	Q3 2009	Q3 2008 ¹	Change in %	9M 2009	9M 2008 ¹	Change in %
Net sales	968.0	1,017.3	- 4.8	2,864.3	3,014.5	- 5.0
Germany	663.5	656.9	1.0	2,068.2	2,075.8	- 0.4
of which Praktiker	463.2	457.4	1.3	1,451.4	1,444.8	0.5
of which Max Bahr	177.8	175.6	1.3	546.1	556.4	- 1.9
of which Miscellaneous	22.4	23.8	- 6.0	70.7	74.5	- 5.1
International	304.5	360.4	- 15.5	796.1	938.7	- 15.2
EBITA	34.3	50.1	- 31.5	53.2	109.3	- 51.3
Germany	18.2	16.7	8.8	32.7	51.6	- 36.6
of which Praktiker	13.0	11.7	11.7	9.8	32.6	- 69.9
of which Max Bahr	5.0	4.6	6.7	22.3	18.8	18.8
of which Miscellaneous	0.2	0.4	- 52.5	0.6	0.2	145.3
International	16.1	33.4	- 51.7	20.5	57.7	- 64.4
Capital expenditure	12.6	18.1	- 30.3	42.1	75.7	- 44.3
Net profit for the period	9.8	28.0	- 65.2	7.5	60.3	- 87.5
Earnings per share in €	0.16	0.48	- 66.7	0.11	1.02	- 89.2
Net cash / Net debt (-) (as at 09/30)	-	-	-	-168.7	- 189.3 ²	10.9

¹ Data adjusted according to publication under Sec. 37 q para. 2 sent. 1 WpHG (German Securities Trading Act), published in the German Electronic Federal Gazette on 09/01/09, see also page 23 et seq.
² 12/31/08.

Operative data	09/30/2009	09/30/2008	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	103	95	8
Luxembourg	3	3	0
Greece	11	11	0
Poland	21	21	0
Hungary	19	17	2
Turkey	11	10	1
Romania	26	23	3
Bulgaria	9	9	0
Ukraine	3	1	2
Number of stores Praktiker Group	439	431	8
Selling space in sq m 1,000	2,815	2,759	2.0 %
Germany	2,101	2,094	0.3 %
of which Praktiker	1,419	1,412	0.5 %
of which Max Bahr	612	612	0.0 %
of which Miscellaneous	70	70	0.0 %
International	714	665	7.4 %
Employees, average on a full-time basis (01/01 – 09/30)	22,651	23,362	- 3.0 %
Germany	12,352	13,098	- 5.7 %
of which Praktiker	8,920	9,494	- 6.0 %
of which Max Bahr	3,011	3,186	- 5.5 %
of which Miscellaneous	421	418	0.7 %
International	10,299	10,264	0.3 %



GROUP MANAGEMENT REPORT

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THE FIRST NINE MONTHS 2009 – SUMMARY

In a persistently difficult overall economic environment, the Praktiker Group further stabilised its business in the third quarter. In Germany, both sales and operating earnings (EBITA) increased slightly in comparison to the previous year. In the international business, however, sales continued to decline sharply due to the ongoing negative impact of the financial crisis on consumption and exchange rates. However, comprehensive cost-saving measures helped to keep the decline in operating earnings in the third quarter, in percentage terms, significantly below the level of the first six months.

In the first nine months of the current financial year, the Praktiker Group posted a sales decline of 5.0 percent overall. It originates almost entirely from the decline in demand in Eastern Europe owing to adverse market conditions and exchange rates changes. Adjusted for currency effects, i.e. assuming unchanged exchange rates, Group sales would have fallen by a mere 1.6 percent. EBITA (earnings before net interest, income tax and the amortisation of goodwill) amounted to 53.2 million euro in the first nine month period and with that around half of the previous year's amount.

It had already been indicated in the report for the first half of the year that the measures of the Praktiker Group had been increasingly geared towards maintaining a solid financial position. In some cases, this goal was even placed ahead of maximising earnings – for example, through taking up a promissory note to strengthen liquidity or through foregoing increased bundling of suppliers to decrease the default risk. These standards continued to apply in the third quarter. The measures to reduce inventories primarily served the optimisation of net working capital. In the first six months, high inventories mainly in the Praktiker brand in Germany led to significant price concessions in a variety of promotional campaigns.

The cost-cutting measures introduced at the beginning of the year were also continued in the third quarter. They were noticeably reflected in a reduction of operating expenses. In the first nine month period, overall operating expenses were reduced in total by 5.6 percent.

In order to bundle and better coordinate the individual measures which have already been adopted in the current difficult environment a programme called “Praktiker 2013” was drawn up in September. This programme will integrate all measures into the continued development of processes and structures and thus strengthen profitability in the medium term. In the process, the changes in the overall economic environment will be considered and the opportunities arising from the already initiated change processes exploited. The programme is currently being drawn up and structured.

In the remaining months of the year, the demand trend in Germany is likely to remain relatively stable. The available indicators at least do not suggest a deterioration of customer

sentiment. Abroad, primarily in Eastern Europe, it might still be some time until demand stabilises again. In the coming months, however, the effects of exchange rates will decrease, provided that the Eastern European currencies continue to remain stable. Even if many economic experts are of the opinion that the recession is over in Germany and the low point of the economic cycle might soon be reached in many other countries, sales in the current financial year will not benefit any more. The Management Board expects that in the fourth quarter Group sales will again fall short of the previous year's level, but it also continues to expect that a reasonable, positive EBITA will be recorded in the current financial year.

INCOME, FINANCIAL AND ASSET POSITION

Introductory remarks

In the context of a routine spot check, the German Financial Reporting Enforcement Panel (FREP) came to diverging valuations of individual balance sheet positions in the consolidated financial statements for 2007 of Praktiker Bau- und Heimwerkermärkte Holding AG. They are predominantly related to the first time consolidation of Max Bahr. All resulting adjustments for 2007 and 2008 have no impact on the cash position. They relate primarily to inventories, goodwill and deferred taxes. Praktiker opines – also supported by the auditor's report of PricewaterhouseCoopers AG – that the original valuation was and is justifiable. Nevertheless, also taking into account the cost of opposition proceedings, the Management Board decided not to take legal action against the error findings and to make the amendments demanded by the FREP.

The figures used in this interim report for 2008 include the adjustments required by the FREP. They may therefore deviate from the figures which were included in the interim report of the previous year. The deviations are not material at any position. They are therefore also not mentioned individually in the Management Report. A detailed overview of the adjustments is found in the explanatory notes starting on page 23.

Income position

Net sales

Praktiker Group generated total net sales of 2,864.3 million euro in the first nine months of 2009. This was a decline of 5.0 percent on the comparable period of the previous year (3,014.5 million euro). At minus 4.8 percent in the third quarter, sales declined less sharply than in the first six months (minus 5.1 percent). Adjusted for currency effects, i.e. assuming exchange rates had remained unchanged, the

decline in the first three quarters was merely 1.6 percent. In absolute terms, sales adjusted for exchange rate effects would have been 102.9 million euro higher.

In the German market, the brands Praktiker, Max Bahr and extra BAU+HOBBY recorded sales approaching previous year levels reaching 2,068.2 million euro in the first nine months, 0.4 percent less than in the comparable period of the previous year. In the third quarter, both Praktiker and Max Bahr generated sales growth of 1.3 percent.

In the international business, the world economic crisis also made itself apparent in the third quarter with prolonged and sharp decreases in sales. Accordingly, sales generated outside Germany fell by 15.5 percent. Nevertheless, this was a slight improvement compared with the second quarter (Q2 minus 16.0 percent). In the first nine months, international sales were down by 15.2 percent less on the previous year and reached 796.1 million euro. A good two thirds of this decline were due to the sharp depreciation of Eastern European currencies since the end of last year. In local currencies, i.e. adjusted for currency changes, international sales would have declined by only 4.7 percent in the first nine months. In the third quarter, the comparable currency-adjusted figure was minus 4.5 percent.

Gross profit on sales

In the first nine months, gross profit on sales decreased by 10.3 percent to 906.6 million euro. The gross margin reached 31.6 percent, 1.9 percentage points less than in the comparable period of the previous year. This comparison is dominated, however, by the development of the first half of the year (minus 2.3 percentage points). In this period, the Praktiker brand was compelled to reduce excessive inventories in Germany and had discounted prices more than average for this purpose, thereby negatively impacting the gross margin. In the third quarter, the gross margin reached

Q3 Income Statement			
in € m			
	Q3 2009	Q3 2008	Change
Net sales	968.0	1,017.3	- 4.8 %
Gross profit on sales	318.2	345.2	- 7.8 %
Gross margin on sales in %	32.9	33.9	- 1.0 PP
Other operating income	15.9	18.2	- 12.4 %
Selling expenses	281.6	294.0	- 4.2 %
Administrative expenses	17.9	19.2	- 6.4 %
EBITDA	52.1	67.7	- 15.6
EBITA	34.3	50.1	- 15.8
Net financial result	- 9.9	- 11.2	1.3
Earnings before taxes (EBT)	24.4	38.9	- 14.5
Net profit for the period	9.8	28.0	- 18.2

9M Income Statement			
in € m			
	9M 2009	9M 2008	Change
Net sales	2,864.3	3,014.5	- 5.0 %
Gross profit on sales	906.6	1,010.9	- 10.3 %
Gross margin on sales in %	31.6	33.5	- 1.9 PP
Other operating income	46.9	52.4	- 10.6 %
Selling expenses	847.4	898.7	- 5.7 %
Administrative expenses	51.7	54.9	- 5.9 %
EBITDA	104.8	159.7	- 54.9
EBITA	53.2	109.3	- 56.1
Net financial result	- 34.4	- 25.6	- 8.8
Earnings before taxes (EBT)	18.8	83.7	- 64.9
Net profit for the period	7.5	60.3	- 52.8

32.9 percent, 1.0 percentage point below the previous year's figure. The decline was more or less evenly distributed across all segments, i.e. both among the activities in Germany and business abroad. The margins also came under pressure there because, without price concessions, sales would have suffered even more under the continuing difficult overall economic situation.

Other operating income

In the first nine months, other operating income amounted to 46.9 million euro, down 10.6 percent year-on-year. In comparison to the previous year, there was virtually no change in the structure of the other operating income. Central a/p clearing for sales divisions, income from sub-leasing and subsidies to advertising costs constituted the major portion of this item. Other operating income also included one-off insurance payments amounting to 3.4 million euro, which primarily compensated 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 5.9 million euro for the store in Thessalonica (Greece) which was also destroyed by fire.

Selling expenses

Selling expenses fell by 5.7 percent to 847.4 million euro in the first nine months, despite the fact that the Praktiker Group operated a total of 439 stores at the end of the third quarter, 8 more than one year ago. This clearly underscores the effectiveness of the Group's cost-cutting measures. The savings for the largest single expense item in selling expenses, personnel expenses, were significantly related to the fact, that during the reporting period, 3.0 percent fewer employees than last year were working in the Praktiker Group, measured by the annual average number of full-time employees.

As had already been the case in the first six months, all expense items continued to be worked on over the course of the year. As a percentage, the greatest savings resulted after nine months in the third largest position of selling expenses, the advertising expenses. However, there were also savings in rents, the second largest expense item. As a percentage they appear slight though because the number of stores increased in comparison to the previous year.

General administrative expenses

In the first nine months, administrative expenses totalled 51.7 million euro, down 5.9 percent on the same period of the previous year (54.9 million euro). Contributing significantly to this decline were savings at the head offices, e.g. through lower personnel expenses and through declining expenses for servicing and consulting.

Operating earnings (EBITA)

At the end of the third quarter, EBITA (earnings before net interest, income tax and the amortisation of goodwill) of 53.2 million euro is reported. With this, operating earnings virtually halved in comparison with those of the previous year (109.3 million euro). The substantial cost savings proved insufficient to offset the decline in gross profit. They were, however, comprehensive enough to maintain earnings at a reasonable level.

The earnings decline in the third quarter was significantly less than in the first half of the year. In Germany, EBITA was even increased for the first time again. While Max Bahr contributed EBITA of 5.0 million euro and thereby 0.4 million euro more than in the previous year, the Praktiker brand increased EBITA by 1.3 million euro to 13.0 million euro. Without cost savings, reduction of inventories and restriction of marketing activities, this increase in operating earnings would not have been possible. In the Group's international activities, a decline in EBITA in the third quarter could not be prevented despite comparable cost-saving efforts. The slump in demand was too strong and the currency changes also too pronounced. In view of the difficult conditions, Praktiker nevertheless generated respectable EBITA abroad in the third quarter with 16.1 million euro (previous year 33.4 million euro).

Overall, the Praktiker Group finished the third quarter with EBITA of 34.3 million euro, around a third less than in the previous year (50.1 million euro). In the first half of the year, the operating profit was still a good two thirds behind the previous year's level. If the negative currency effects are considered that have greatly impacted earnings generated abroad in all nine months, the comparison of results is noticeably more positive: In the third quarter, EBITA would have exceeded the reported figures by 5.1 million euro and in the first nine months by 11.0 million euro.

Net financial result

After the end of the first three quarters, the net financial result reached minus 34.4 million euro (previous year minus 25.6 million euro). The change in comparison to the previous year's figures is due to the same factors that were already mentioned in the half-year financial report: In 2009, lower interest rates were achieved on deposits than a year before. On the other hand, interest expenses rose due to taking up the promissory note. In addition, the other net financial result that is materially determined by currency gains and losses was lower than in the previous year. The currency losses are associated with the valuation of foreign-currency liabilities at the reporting date. However, most of these expenses were already incurred in the first quarter.

Some expense items in the net financial result have little or no impact on the cash position. The accrued interest of

3.1 million euro to the financial liability resulting from the convertible bonds and the net currency losses in the amount of minus 2.7 million euro – a total of 5.8 million euro – were not cash effective.

Net result for the period

The half-year report already stated that due to the declining operating earnings for the entire year, a considerably higher tax rate must be expected for the following reasons: 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 concerning the effective taxes on non-deductible business expenses which are calculated in accordance with the respective national tax regulations. For example, the Group incurs non-deductible business expenses for currency exchange losses, which, however, reduce the pre-tax result of the Group shown according to IFRS. Another reason for the higher tax rates is the increase in the relative contribution to Group earnings before taxes from countries which do not have tax loss carry-forwards and a comparatively high tax rate.

After the end of the third quarter, a nine month net income of 7.5 million euro was recorded. In the previous year, a considerably higher surplus of 60.3 million euro was stated, due to, amongst other factors, the lower tax rate.

Earnings per share

For the first nine months of the financial year, undiluted earnings per share amounted to 0.11 euro (previous year 1.02 euro).

Financial position

Net financial position

At the reporting date, cash and cash equivalents totalled 294.2 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 preserving liquidity was cutting back capital expenditure sharply against the comparable period in the previous year.

Financial debt amounted to 462.9 million euro, made up primarily of finance lease liabilities (274.4 million euro), the convertible bonds which have a term until 2011 (138.4 million euro) and the promissory note issued in the second quarter with a term to 2012 (50.0 million euro). Accordingly, the Group's net financial position amounted to minus 168.7 million euro compared to minus 189.3 million euro at the end of 2008.

Net working capital

At minus 384.3 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 quarter, vigorous progress was made in reducing inventory levels, primarily in Germany. At the end of the third quarter, the inventories reached 870.7 million euro. This was 17.5 million euro, or 2.0 percent, less in comparison to the beginning of the year, even though the Praktiker Group currently operates two more stores than at the beginning of the year. At the same time, trade payables increased 5.8 percent from the beginning of the year to 549.5 million euro. This increase mainly reflects the different procurement volumes during the various seasons, i.e. the seasonality of the business.

Cash flow

As operating earnings were down considerably, operating cash flow at 76.8 million euro was also significantly lower than in the previous year (133.3 million euro). Cash flow from investing activities improved significantly, because capital expenditure, particularly outside Germany, was reduced considerably. Changes in cash flow from financing 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 nine months of the current financial year, the Praktiker Group invested a total of 42.1 million euro (previous year 75.7 million euro), 12.6 million euro thereof in the third quarter (previous year 18.1 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 nine months, Max Bahr invested in changes to the product range. Here too, the preponderant part of expenditure was made in the first half of the year. In Eastern Europe, the Praktiker Group spent much less on capital expenditure with 18.4 million euro in the first three quarters than in the comparable period of the previous

Cash flow statement

in € m			
	9M 2009	9M 2008	Change
Earnings before taxes (EBT)	18.8	83.7	- 64.9
Cash flow from operating activities	76.8	133.3	- 56.5
Cash flow from investing activities	- 39.8	- 56.5	16.7
Cash flow from financing activities	24.3	- 44.5	68.8
Liquid funds at 09/30	294.1	303.6	- 9.5

year (52.3 million euro). In the second quarter, a new store was opened in Romania and another store expanded. A new store was rented in Istanbul (Turkey) in the third quarter. The suspension of growth aims to preserve liquidity, thus increasing resistance against crisis. 25.8 million euro of total capital expenditure was used for maintenance, 16.3 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 sheet total was extended by 3.1 percent to 2,213.8 million euro. Major changes occurred in a few positions only. The issue of the promissory note amounting to 50.0 million euro in the second quarter led to a new position on the liabilities side of corresponding value as well as to an increase in the cash and cash equivalents position. On the assets side, the position of other receivables increased markedly too. It contains, amongst others, the receivables against suppliers resulting from subsidies to advertising costs and bonus payments and is typically considerably higher at the end of the third quarter than at the beginning of the year. Inventories, however, have been materially reduced – owing to the reasons already mentioned in the report. On the liabilities side, the most material change – besides the promissory note – relates to the seasonal increase of trade payables.

Equity

Compared with the reporting date of the last financial year (December 31, 2008), equity decreased slightly from 899.1 million euro to 895.3 million euro.

Equity ratio

The equity ratio was 40.4 percent at the end of the third quarter. It had been 41.9 percent at the end of the last financial year.

Balance sheet			
in € m			
	09/30/2009	12/31/2008	Change
Equity	895.3	899.1	- 0.4 %
Total assets	2,213.8	2,146.3	3.1 %
Net financial position	- 168.7	- 189.3	10.9 %
Net working capital	- 384.3	- 411.6	6.6 %

MARKET ENVIRONMENT GERMANY

In the third quarter, the Praktiker Group achieved a 1.0 percent growth in sales in the German market. This represents a pleasing improvement in comparison with the first half of the year which still showed a decline of 1.0 percent. Despite the upturn in sales between July and September, sales in the first nine months are still slightly down from the previous year by 0.4 percent. Consumer sentiment continues to be robust, unemployment figures have only risen moderately and both private consumption and retail sales for 2009 are expected to be only slightly below the previous year's levels.

SEGMENT REPORTING PRAKTIKER GERMANY

Net sales

In the first nine months of 2009, Praktiker Germany generated total net sales of 1,451.4 million euro, a year-on-year increase of 0.5 percent. On a like-for-like basis, this corresponds to an increase of 0.2 percent. In the third quarter, sales of the Praktiker brand increased by 1.3 percent to 463.2 million euro (plus 0.9 percent like-for-like), thereby continuing the positive trend of the previous months. This growth was achieved although the number of promotional campaigns, as planned and announced, was considerably

reduced. While there were still 16 days of "20 percent off everything" promotions in the comparable quarter of the previous year, there were only eight days in the third quarter of 2009. The slogan "Sleeves up" which was first introduced in March of this year was also used intensively in the third quarter to convince customers of the priceworthiness of the products on offer, but just not as frequently as in the first half of the year.

Operating earnings (EBITA)

In the first three quarters, Praktiker generated operating earnings of 9.8 million euro in Germany. The losses of the first six months were thus more than offset by the operating gains in the third quarter (13.0 million euro). The return into positive territory was primarily possible because fewer promotional campaigns resulted in lower price discounts and thereby a better gross margin. The inventories, that had still been considerably too high at the end of the first quarter, had already been reduced to a normal level again by the end of the second quarter. Accordingly, the marketing tools could be used more sparingly again. However, the profitability of the Praktiker business in Germany also increased because savings were generated in virtually all expense items.

The fourth quarter in Germany is typically one with weaker earnings. Management nevertheless expects to realise positive operating earnings with the Praktiker brand in Germany in the course of the financial year.

Based on stable sales, Praktiker only needed to utilise the instrument of short-time work to a small extent in the third quarter. Praktiker's experience with the use of this working-model instrument in the second quarter has been positive, and the Group has gained the necessary knowledge to implement it again without frictional losses should the need arise.

Capital expenditure

In the first quarter, Praktiker opened two new stores as replacements for old stores that had been closed down. Since then, it has not opened any additional ones. The new stores, store concept conversions, refurbishment and replacement investments resulted in total capital expenditure of 16.7 million euro in the first nine months (previous year 18.7 million euro). At 241, the number of stores remained unchanged as against the end of the previous financial year. The opening of two new stores is planned in Munich in the fourth quarter. Both cases involve the replacement of existing stores.

Q3 Key data Praktiker Germany			
Net sales, EBITA and Capital expenditure in € m			
	Q3 2009	Q3 2008	Change in %
Net sales	463.2	457.4	1.3
Like-for-like sales growth in %	0.9	-13.7	-
EBITA	13.0	11.7	11.7
In % of net sales	2.8	2.6	-
Capital expenditure	3.7	5.9	-37.3

9M Key data Praktiker Germany			
Net sales, EBITA and Capital expenditure in € m			
	9M 2009	9M 2008	Change in %
Net sales	1,451.4	1,444.8	0.5
Like-for-like sales growth in %	0.2	-11.0	-
EBITA	9.8	32.6	-69.9
In % of net sales	0.7	2.3	-
Capital expenditure	16.7	18.7	-10.7
Number of stores (09/30)	241	241	0.0
Selling space in sq m 1,000 (09/30)	1,419	1,412	0.5
Employees, average on a full-time basis (01/01 – 09/30)	8,920	9,494	-6.0
Average sales ticket in €	26.20	26.07	0.5
Customer contacts in m	55.5	55.5	0.0

SEGMENT REPORTING MAX BAHR

Net sales

In the first nine months of 2009, Max Bahr generated net sales of 546.1 million euro, down 1.9 percent on the same period of the previous year. On a like-for-like basis, this corresponds to a decline of 2.3 percent.

In the third quarter, Max Bahr was in a position to make up a good portion of the sales backlog which had built up. Sales increased by 1.3 percent to 177.8 million euro (0.4 percent like-for-like) after having remained at minus 3.3 percent in the first half year.

The growth in sales is largely attributable to the fact that the changes made to the product range in the first months were now gradually paying off. Thus the “Traumbäder” (“dream baths”) concept introduced in the first quarter, through which Max Bahr offers attractive, high-quality bathroom fittings together with related services such as bathroom planning and full installation at the customer’s home has since been established in 10 stores. In addition, all Max Bar stores feature the complete paint, home, construction chemicals, lamps, lumber, auto accessories as well as parquet and laminate flooring product ranges in the revised format. More product ranges will be worked over until the end of 2010.

It also helped that in the third quarter Max Bahr stepped up sales promotions – e.g. through a summer clearance sale –

in comparison to the first half of the year. The new loyalty card introduced at the end of the first half of the year has received a good response but not yet resulted in noticeably higher sales.

Operating earnings (EBITA)

In the first three quarters, Max Bahr posted operating earnings of 22.3 million euro (previous year 18.8 million euro). Despite a slight drop in sales, an increase in earnings was achieved. This indicates that the brand is consistently managed according to margins. The strengthened earnings position was based on the changes to the product range, the reinforcement of private labels and strict cost discipline. With 5.0 million euro in the third quarter, EBITA was 6.7 percent above the previous year (4.6 million euro). For the financial year as a whole, management expects EBITA to match the level of the previous year (2008: 25.2 million euro).

Capital expenditure

In the first nine months, Max Bahr invested a total of 7.0 million euro. This was considerably more than in the comparable period of the previous year (4.6 million euro). The predominant part of this capital expenditure was used for the ongoing changes to the brand’s product range. As at September 30, 2009, Max Bahr operated a total of 76 stores, the same number recorded one year previously. In the fourth quarter, the opening of a new store in Regensburg, Germany, is planned.

Q3 Key data Max Bahr

Net sales, EBITA and Capital expenditure in € m

	Q3 2009	Q3 2008	Change in %
Net sales	177.8	175.6	1.3
Like-for-like sales growth in %	0.4	- 1.9	-
EBITA	5.0	4.6	6.7
In % of net sales	2.8	2.6	-
Capital expenditure	1.9	2.6	- 26.9

9M Key data Max Bahr

Net sales, EBITA and Capital expenditure in € m

	9M 2009	9M 2008	Change in %
Net sales	546.1	556.4	- 1.9
Like-for-like sales growth in %	- 2.3	- 3.8	-
EBITA	22.3	18.8	18.8
In % of net sales	4.1	3.4	-
Capital expenditure	7.0	4.6	52.2
Number of stores (09/30)	76	76	0.0
Selling space in sq m 1,000 (09/30)	612	612	0.0
Employees, average on a full-time basis (01/01 – 09/30)	3,011	3,186	- 5.5
Average sales ticket in €	27.04	26.24	3.1
Customer contacts in m	20.3	21.3	- 4.7

SEGMENT REPORTING MISCELLANEOUS

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

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

MARKET ENVIRONMENT INTERNATIONAL

The Group's international activities continue to be impacted hard by the effects of the global recession that was triggered by the financial crisis. They had already shown up in the first half of the year in a slump in economic growth, increasing unemployment, in substantial reduction in demand and in strong depreciation in the Eastern European currencies. Little has changed in this respect in the third quarter.

However, the prospects for improvement appear to have since brightened. The majority of economic researchers expect that, in 2010, economic development in the countries of Eastern Europe will stabilise at the present level or pick up slightly again. A continuation of the current recession is not expected, but neither is a quick return to high growth rates. This assessment is also reflected in the exchange rates of Eastern European currencies. Since their lowest level in March, they have either remained stable like the Romanian leu or risen again in value like the Hungarian forint. Moreover, after a persistent downward phase in some countries (e.g. Greece), sentiment indicators are again clearly pointing upwards.

Q3 Key data International			
Net sales, EBITA and Capital expenditure in € m			
	Q3 2009	Q3 2008	Change in %
Net sales	304.5	360.4	- 15.5
Like-for-like sales growth in %	- 18.9	2.9	-
EBITA	16.1	33.4	- 51.7
In % of net sales	5.3	9.3	-
Capital expenditure	7.0	9.5	- 26.7

9M Key data International			
Net sales, EBITA and Capital expenditure in € m			
	9M 2009	9M 2008	Change in %
Net sales	796.1	938.7	- 15.2
Like-for-like sales growth in %	- 19.0	2.4	-
EBITA	20.5	57.7	- 64.4
In % of net sales	2.6	6.1	-
Capital expenditure	18.4	52.3	- 64.9
Number of stores (09/30)	103	95	8.4
Selling space in sq m 1,000 (09/30)	714	665	7.4
Employees, average on a full-time basis (01/01 – 09/30)	10,299	10,264	0.3
Average sales ticket in €	27.57	32.18	- 14.3
Customer contacts in m	28.9	29.2	- 1.0

SEGMENT REPORTING INTERNATIONAL

Net sales

In the first nine months of the year under review, net sales of the international companies in the Praktiker Group reached 796.1 million euro, 15.2 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. Sales declined by various degrees in all countries except in the Ukraine where sales went up as the number of stores increased from one to three. On a like-for-like basis, sales declines in Luxembourg, Greece and Turkey were held in single digits.

In the third quarter, a slight improvement was noticeable in comparison to the previous quarter. While sales in the second quarter decreased by 16.0 percent (19.5 percent like-for-like), the third quarter saw 15.5 percent (18.9 percent like-for-like). Even though this comparison does not suggest a pronounced change for the better, the conclusion can still be drawn that the negative trend has since reached its low point – especially if one considers the gradual brightening of the overall economic development.

The stated sales declines clearly turn out to be less dramatic in consideration of the sharp depreciation of the Polish zloty, the Turkish lira, the Romanian leu, the Hungarian forint and the Ukrainian hryvna. Around 10 percentage points of the changes in sales can be attributed to depreciation of currencies relevant to Praktiker. Assuming exchange rates had remained unchanged, sales in the international segment would have fallen by a mere 4.7 percent in the first nine months. On a like-for-like basis, sales in local currencies declined by 9.1 percent, also around 10 percentage points above the level as stated in euro terms.

Operating earnings (EBITA)

With a slightly diminished gross margin, the sharp drop in sales was only partially offset by means of cost adjustments. Accordingly, operating earnings in the first nine months

International – the countries						
9 months 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	28.9	- 3.2	- 3.2	- 3.2	- 3.2	3
Greece	206.1	- 1.2	- 7.8	- 1.2	- 7.8	11
Poland	142.9	- 28.8	- 24.4	- 9.1	- 3.1	21
Hungary	95.3	- 26.0	- 30.0	- 15.3	- 19.6	19
Turkey	67.2	- 8.4	- 9.8	5.4	3.4	11
Romania	186.9	- 13.9	- 21.5	0.1	- 8.7	26
Bulgaria	56.4	- 20.2	- 20.1	- 20.2	- 20.1	9
Ukraine	12.7	28.1	- 51.6	90.9	- 27.5	3
International ¹	796.1	- 15.2	- 19.0	- 4.7	- 9.1	103

¹Consolidated.

were significantly lower than in the same period in the previous year. EBITA of the international segment stands at 20.5 million euro (previous year 57.7 million euro). In the third quarter, EBITA of 16.1 million euro was achieved, likewise clearly less than in the previous year (33.4 million euro). As a percentage, the decline of 51.7 percent in the third quarter was significantly less than in the first half of the year when it amounted to 81.8 percent.

The sharp depreciation of the Eastern European currencies also had a negative impact on operating earnings. Adjusted for the exchange rate effects, operating profits in the first nine months would have been 11.0 million euro higher. Of that, 5.1 million euro would have been accounted for in the third quarter.

Management expects that in the international business positive operating earnings can also be generated in the fourth quarter. However, as already seen in the first nine months of the current financial year, it will be significantly below the respective previous year's level, because a fundamental change in overall economic conditions cannot be expected any more for 2009. At best, the up to now extremely negative currency effects may decrease in the course of the fourth quarter.

Capital expenditure

Against the backdrop of the uncertain business development, Praktiker has suspended growth abroad to protect liquidity. Accordingly, only 18.4 million euro were invested outside Germany in the first three quarters (previous year 52.3 million euro). In the third quarter, a new, leased store was opened in Turkey. It reinforces the Praktiker presence in Istanbul. In the second quarter, a new store expanded the network of outlets in Romania. In the fourth quarter, the first store will be opened in Tirana, the capital of Albania, limiting the total number of new stores in 2009 to three.

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. Changes that had resulted in the evaluation of individual risks in the course of the first six months were commented on in the interim report for the half year. Since then, the economic uncertainties worldwide have further subsided. The assessment of the further development of the overall economy and consumption both in Germany and in Eastern Europe has grown discernibly more positive. Although they were still considered possible at the beginning of the year, scenarios of national bankruptcy and critical disruptions of the world economy are no longer being discussed.

A certain earnings risk results from those balance sheet items, where the value depends on anticipated future cash flows and therefore on planning data. The valuation of such positions responds sensitively, both in a positive and in a negative sense, to changes in the assessment of further economic development.

The, in historical comparison, low capital market valuation of the Praktiker Group still carries the risk of a takeover. So far, it was limited by the fact that potential takeover suitors experienced difficulties securing the necessary financing in the context of the tight situation in the financial markets. However, the more the financial markets normalise, the greater the probability of a takeover attempt of the Praktiker Group.

Opportunities

A comprehensive discussion of the opportunities available to the Praktiker Group was also contained in the 2008 Annual Report and supplemented in the interim report for the half year. It continues to hold true that in all countries where Praktiker is operating, the recession has resulted in a decline in the price of real estate – which is likely to continue. From this, opportunities could arise for acquiring stores that have until now been leased or for acquiring ownership of new stores should the option exist.

It also continues to hold true that the purchasing prices for many products have fallen compared to the previous year as a response to reduced raw materials prices and energy costs and as a result of the world economic recession.

The objective of being able to better and more systematically sound out the opportunities to improve sales and earnings is further served by the "Praktiker 2013" programme established in September. It will bundle and better coordinate the individual measures which have already been adopted in the current difficult environment. This programme will integrate all measures into the continued development of processes and structures and thus strengthen profitability in

the medium term. In the process, the changes in the overall economic environment will be considered and the opportunities arising from the already initiated change processes exploited. The program is currently being set-up and structured. The objective of this program is to maintain already existing ideas and initiatives for shaping the future and to supplement them with further measures in order to markedly increase sales and profitability again over the medium term.

OUTLOOK

In the first nine 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 but for now met its own targets for the current financial year – moderate sales decline and reasonable earnings. The same applies to the goal of preserving liquidity which the Management Board had placed at the top of the priority list next to the preservation of 2009 earnings. Cash and cash equivalents were on a comfortable level at the end of the third quarter. No refinancing is needed until September 2011.

The Management Board expects that the overall picture will also change little in the remaining months of the year. Therefore, the expectation already expressed earlier that sales will decline moderately – that is, at a rate similar to that at the end of the first three quarters – in the financial year 2009 also remains unchanged. The Management Board also continues to anticipate reasonable, positive EBITA for the entire financial year. According to today's estimate, as expected earlier, cash and cash equivalents will be between 200 and 250 million euro. Capital expenditure will not exceed the targeted 80 million euro mark.

From the management's point of view, achieving this set of figures at the end of the year would be quite respectable, considering that in almost all countries in which Praktiker operates economic output has decreased extraordinarily. Thus the decline of GDP in Germany is likely to be five percent, representing the upper end of the spectrum which extends to an anticipated decline of 14 percent in the Ukraine. Only in Poland slight growth in GDP is still expected.

In this environment, unemployment has increased in all countries. At the same time, private consumption decreased almost everywhere. Depreciation of exchange rates in the countries of Eastern Europe also limited purchasing power by making imports more expensive and increasing interest payables of credits, which many private individuals had made in foreign currency. Private consumption has not increased in any country in the Praktiker portfolio, with the exception again of Poland. On the contrary, in the course of the year it is expected to decline at rates between just under two percent in Germany, for example, and around 15 percent in the Ukraine.

A bright spot in this period of declining demand is that it is also associated with a significant decrease in the rate of inflation. Furthermore, because prices for raw materials follow the economic cycle and are at a significantly lower level than a year ago, there is some relief on the procurement side, but not enough to be able to offset the decline in demand.

Part of the hope for a better financial year in 2010 lies in these two points. And naturally in the expectation that the global economy will move out of recession in 2010 and that

the economies of the countries in which Praktiker is represented will start growing again, if only moderately.

However, Praktiker is not basing its trust only on the fact that a brightening economic environment will lead to an increase in sales and earnings. Rather, the cost-saving measures already initiated at the beginning of the year are being continued. Even more: In order to bundle and better coordinate the individual measures which have already been adopted in the current difficult environment a programme called "Praktiker 2013" was drawn up in September. This programme will integrate all measures into the continued development of processes and structures and thus strengthen profitability in the medium term. In the process, the changes in the overall economic environment will be considered and the opportunities arising from the already initiated change processes exploited. The programme is currently being set up and structured. In order to better coordinate the individual measures while at the same time also integrating them into the continued development of processes and structures, a programme called "Praktiker 2013" was set up in September.

CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER 2009

in € thousands	Jul. 1 – Sep. 30, 2009	Jul. 1 – Sep. 30, 2008
Net sales	968,004	1,017,280
Cost of goods sold	– 649,816	– 672,067
Gross profit on sales	318,188	345,213
Other operating income	15,939	18,198
Selling expenses	– 281,581	– 294,023
General administrative expenses	– 17,930	– 19,153
Other operating expenses	– 319	– 136
Operating earnings (EBITA)	34,297	50,099
Net interest result	– 8,982	– 6,210
Other financial result	– 913	– 4,953
Net financial result	– 9,895	– 11,163
Earnings before taxes	24,402	38,936
Income taxes	– 14,642	– 10,901
Group net income	9,760	28,035
of which allocable to minority interests	392	392
of which allocable to owners of the company	9,368	27,643
	9,760	28,035

Earnings per share (€)		
Basic earnings per share	0.16	0.48
Dilutive effect	–	–
Diluted earnings per share	0.16	0.48

Previous year partly adjusted (see page 23 et seq.).

CONSOLIDATED INCOME STATEMENT FOR THE FIRST NINE MONTHS 2009

in € thousands	Jan. 1 – Sep. 30, 2009	Jan. 1 – Sep. 30, 2008
Net sales	2,864,331	3,014,488
Cost of goods sold	– 1,957,772	– 2,003,590
Gross profit on sales	906,559	1,010,898
Other operating income	46,874	52,447
Selling expenses	– 847,352	– 898,741
General administrative expenses	– 51,676	– 54,912
Other operating expenses	– 1,163	– 420
Operating earnings (EBITA)	53,242	109,272
Net interest result	– 24,962	– 19,347
Other financial result	– 9,464	– 6,241
Net financial result	– 34,426	– 25,588
Earnings before taxes	18,816	83,684
Income taxes	– 11,290	– 23,431
Group net income	7,526	60,253
of which allocable to minority interests	1,222	1,186
of which allocable to owners of the company	6,304	59,067
	7,526	60,253
Earnings per share (€)		
Basic earnings per share	0.11	1.02
Dilutive effect	–	–
Diluted earnings per share	0.11	1.02

Previous year partly adjusted (see page 23 et seq.).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2009

in € thousands	Sep. 30, 2009	Dec. 31, 2008	Sep. 30, 2008
Non-current assets			
Goodwill	192,682	192,682	192,737
Other intangible assets	69,092	71,027	69,232
Property, plant and equipment	480,093	495,790	492,345
Other financial assets	14	14	18
Other receivables and other assets	9,946	6,875	6,116
Deferred income tax assets	161,837	162,928	215,068
	913,664	929,316	975,516
Current assets			
Inventories	870,749	888,271	906,855
Trade receivables	17,941	16,282	18,184
Other receivables and other assets	111,185	77,178	121,746
Income tax receivables	6,081	1,969	6,609
Cash and cash equivalents	294,170	233,321	306,139
	1,300,126	1,217,021	1,359,533
Total assets	2,213,790	2,146,337	2,335,049

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2009

in € thousands	Sep. 30, 2009	Dec. 31, 2008	Sep. 30, 2008
Equity			
Share capital	58,000	58,000	58,000
Additional paid-in capital	699,474	703,926	706,125
Balance sheet profit	136,173	135,669	203,534
	893,647	897,595	967,659
Minority interests	1,640	1,503	1,604
	895,287	899,098	969,263
Non-current liabilities			
Provisions for pensions and similar commitments	721	726	713
Other provisions	52,868	58,665	47,800
Liabilities from convertible bonds	138,429	138,089	137,065
Liabilities from promissory note loan	50,000	0	0
Liabilities from finance leases	257,303	267,998	271,460
Other liabilities	5,952	6,068	5,751
Deferred income tax liabilities	112,022	112,786	111,070
	617,295	584,332	573,859
Current liabilities			
Other provisions	26,785	34,268	43,292
Bank overdrafts	110	0	0
Liabilities from finance leases	17,072	16,517	16,647
Trade payables	549,493	519,402	597,096
Prepayment received on orders	9,247	7,128	10,147
Other liabilities	84,613	75,481	95,908
Current income tax liabilities	13,888	10,111	28,837
	701,208	662,907	791,927
Total equity and liabilities	2,213,790	2,146,337	2,335,049

Previous year consolidated statement of financial position partly adjusted (see page 23 et seq.).

STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER

in € thousands	Jul. 1, 2009 – Sep. 30, 2009	Jul. 1, 2008 – Sep. 30, 2008
Group net income	9,760	28,035
Gain (loss) from currency translation recognised directly in equity	248	– 892
Loss (gain) from cash flow hedges recognised directly in equity	– 297	116
Other comprehensive income	– 49	– 776
Comprehensive income	9,711	27,259
of which attributable to minority interests	392	392
of which attributable to owners of the company	9,319	26,867
	9,711	27,259

Previous year partly adjusted (see page 23 et seq.).

STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST NINE MONTHS

in € thousands	Jan. 1, 2009 – Sep. 30, 2009	Jan. 1, 2008 – Sep. 30, 2008
Group net income	7,526	60,253
Loss (gain) from currency translation recognised directly in equity	– 4,037	932
Loss from cash flow hedges recognised directly in equity	– 415	– 38
Other comprehensive income	– 4,452	894
Comprehensive income	3,074	61,147
of which attributable to minority interests	1,222	1,186
of which attributable to owners of the company	1,852	59,961
	3,074	61,147

Previous year partly adjusted (see page 23 et seq.).

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
Correction according to IAS 8							- 6,140	- 6,140		- 6,140
Dec. 31, 2007 adjusted	58,000	822,685	- 665	0	- 116,789	- 117,454	170,567	933,798	1,504	935,302
Transactions recognised directly in equity			932	- 38		894		894		894
Payment to owners of the company							- 26,100	- 26,100		- 26,100
Payment to minority interests									- 1,102	- 1,102
Group net income							59,236	59,236	1,186	60,422
Correction Group net income subject to IAS 8							- 169	- 169		- 169
Other changes in minority interests									16	16
Sep. 30, 2008	58,000	822,685	267	- 38	- 116,789	- 116,560	203,534	967,659	1,604	969,263
Dec. 31, 2008	58,000	822,685	- 13,724	- 390	- 104,645	- 118,759	144,515	906,441	1,503	907,944
Correction according to IAS 8							- 8,846	- 8,846		- 8,846
Dec. 31, 2008 adjusted	58,000	822,685	- 13,724	- 390	- 104,645	- 118,759	135,669	897,595	1,503	899,098
Transactions recognised directly in equity			- 4,037	- 415		- 4,452		- 4,452		- 4,452
Payment to owners of the company							- 5,800	- 5,800		- 5,800
Payment to minority interests									- 1,102	- 1,102
Group net income							6,304	6,304	1,222	7,526
Other changes in minority interests									17	17
Sep. 30, 2009	58,000	822,685	- 17,761	- 805	- 104,645	- 123,211	136,173	893,647	1,640	895,287

CONSOLIDATED CASH FLOW STATEMENT

in € thousands	Jan. 1 – Sep. 30, 2009	Jan. 1 – Sep. 30, 2008
Earnings before taxes	18,816	83,684
Depreciation and amortisation (+)/Reversal of impairment losses (–)	51,430	49,760
Decrease in provisions	– 13,285	– 1,493
Loss (gain) from the disposal of fixed and intangible assets	572	– 18
Exchange-rate-related effects	4,134	1,613
Decrease (increase) in inventories	17,521	– 97,169
Increase in trade payables	30,091	133,290
Other non-cash transactions	3,072	– 2,621
Increase in other assets	– 38,737	– 27,758
Increase (Decrease) in other liabilities	11,721	– 1,144
Income taxes paid	– 16,326	– 11,919
Interest expenses from finance leases	– 18,976	– 19,100
Interest result	24,962	19,347
Interest received	1,852	6,792
Cash flow from operating activities	76,847	133,264
Proceeds from disposal of fixed and intangible assets	121	1,851
Net cash used in investing activities	– 39,922	– 58,302
Cash flow from investing activities	– 39,801	– 56,451
Interest paid	– 4,324	– 4,288
Payment to minority interests	– 1,102	– 1,102
Payment to owners of the company	– 5,800	– 26,100
Principal of liabilities from finance leases	– 12,347	– 13,000
Received payment from promissory note loan	50,000	0
Repurchases from convertible bonds	– 2,149	0
Cash flow from financing activities	24,278	– 44,490
Change in cash, cash equivalents and bank overdrafts (aggregated)	61,324	32,323
Effect of foreign exchange rate changes	– 585	547
Cash, cash equivalents and bank overdrafts at beginning of period (aggregated)	233,321	270,769
Cash, cash equivalents and bank overdrafts at end of period (aggregated)	294,060	303,639

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	294,170	306,139
Pledged cash and cash equivalents at end of period	0	– 2,500
Bank overdrafts corresponding to consolidated statement of financial position	– 110	0
Cash, cash equivalents and bank overdrafts corresponding to cash flow statement	294,060	303,639

Previous year partly adjusted (see page 23 et seq.).

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 € 2,208 thousand (previous year € 17,441 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.

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 Sec. 37x para. 3 WpHG (German Securities Trading Act), the quarterly financial report of Praktiker Holding AG as of September 30, 2009 contains consolidated interim financial statements and an interim Group Management Report. It was prepared in line with the regulations of IAS 34 and in accordance with Sec. 315a HGB (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 quarterly 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 quarterly financial report of the Praktiker Group. However, in the future there could be individual cases of capitalising borrowing costs.

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

Correction in accordance with IAS 8

The Praktiker consolidated financial statements and the Praktiker Group Management Report for the 2007 financial year were subject to random sampling (audit without particular cause) by the German Financial Reporting Enforcement Panel (FREP). This resulted in findings which triggered a notification requirement by the German Federal Financial Supervisory Authority in accordance with Sec. 37q para. 2 sent. 1 WpHG. The publication was made on September 1, 2009 in the electronic Federal Gazette and in the *Börsen-Zeitung* on August 28, 2009.

The findings of the FREP lead to differing measurements of individual balance sheet items in the 2007 consolidated financial statements. Essentially they relate to the first-time consolidation of Max Bahr Holzhandlung GmbH & Co. KG (“Max Bahr”) as of February 1, 2007. The consolidated financial statements for the 2007 and 2008 financial years and the consolidated interim financial statements were thus changed in accordance with the regulations of IAS 8. They have only an immaterial impact on future consolidated financial statements.

The following findings were made, triggering an adjustment in accordance with the regulations of IAS 8:

- Inventories

In the context of the purchase price allocation in connection with the acquisition of Max Bahr, the measurement for inventories was € 10,776 thousand too low. As the goods acquired were entirely turned over in the course of the financial year, the measurement of the cost of goods sold was € 10,776 thousand too low in the 2007 income statement and the posted earnings before tax were correspondingly too high. The methodology used for measuring the merchandise acquired is not in accordance with IFRS 3. App B.16 (d).

- Leasing

When assessing the purchase price allocation from the acquisition of Max Bahr as of February 1, 2007, the measurement of leasing assets was € 6,098 thousand too low. The calculation of the value of the leasing assets was not in accordance with IFRS 3.36. Updating the leasing assets resulted in a measurement which was € 5,811 thousand too low as at December 31, 2007.

- Goodwill

As a result of the changed measurements of inventories and leasing assets, goodwill from the Max Bahr acquisition as of February 1, 2007 was too high. Considering tax effects, it was lower by a total of € 21,939 thousand.

- Income taxes

In the 2007 consolidated financial statements, tax expenses are too low and the deferred tax assets € 3,890 thousand too high, as expenses at Max Bahr were incorrectly considered in calculating tax expenses which was contrary to the regulations of IAS 12.12. In addition, the deferred tax expenses were € 2,214 thousand too low and the deferred tax assets were higher by the same amount, as deferred tax assets were recognised on a temporary difference which did not exist, contrary to the regulations of IAS 12.24. Furthermore, as of December 31, 2006, no deferred tax assets were recognised in connection with a provision for onerous rental agreements. As a result of the proportionate reversal of the subsequently posted deferred tax assets, tax expenses in 2007 were € 1,176 thousand too low and the deferred tax assets as well as the balance sheet profit as of December 31, 2007 € 9,103 thousand too low. This was an infringement of IAS 12.24.

As the income tax expenditure in the interim financial reporting is determined by multiplying earnings before taxes by the weighted average annual income tax rate, the change in earnings before taxes for the period between January 1, 2008 to September 30, 2008 also impacts the level of income taxes. This change is included in current income tax liabilities.

The quantitative impact of the adjustments on the financial statements is shown in the table below:

Correction consolidated statement of financial position according to IAS 8

in € thousands	Dec. 31, 2008 before correction	Correction according to IAS 8	Dec. 31, 2008 after correction	Sep. 30, 2008 before correction	Correction according to IAS 8	Sep. 30, 2008 after correction	Jan. 1, 2008 before correction	Correction according to IAS 8	Jan. 1, 2008 after correction
Assets									
Goodwill	214,621	- 21,939	192,682	214,676	- 21,939	192,737	214,621	- 21,939	192,682
Property, plant and equipment	490,292	5,498	495,790	486,769	5,576	492,345	463,866	5,811	469,677
Deferred income tax assets	153,654	9,274	162,928	203,306	11,762	215,068	203,567	11,762	215,329
Other non-current and current assets	1,294,937	0	1,294,937	1,434,899	0	1,434,899	1,271,729	0	1,271,729
Total assets	2,153,504	- 7,167	2,146,337	2,339,650	- 4,601	2,335,049	2,153,783	- 4,366	2,149,417
Equity and liabilities									
Equity	907,944	- 8,846	899,098	975,572	- 6,309	969,263	941,442	- 6,140	935,302
Deferred income tax liabilities	111,107	1,679	112,786	109,296	1,774	111,070	109,467	1,774	111,241
Current income tax liabilities	10,111	0	10,111	28,903	- 66	28,837	14,894	0	14,894
Other non-current and current liabilities	1,124,342	0	1,124,342	1,225,879	0	1,225,879	1,087,980	0	1,087,980
Total equity and liabilities	2,153,504	- 7,167	2,146,337	2,339,650	- 4,601	2,335,049	2,153,783	- 4,366	2,149,417

Correction consolidated income statement according to IAS 8

in € thousands	Jan. 1 – Dec. 31, 2008 before correction	Correction according to IAS 8	Jan. 1 – Dec. 31, 2008 after correction	Jan. 1 – Sep. 30, 2008 before correction	Correction according to IAS 8	Jan. 1 – Sep. 30, 2008 after correction
Selling expenses	- 1,187,224	- 313	- 1,187,537	- 898,506	- 235	- 898,741
Operating earnings (EBITA)	129,088	- 313	128,775	109,507	- 235	109,272
Earnings before taxes	79,771	- 313	79,458	83,919	- 235	83,684
Income taxes	- 72,634	- 2,393	- 75,027	- 23,497	66	- 23,431
Group net income	7,137	- 2,706	4,431	60,422	- 169	60,253
of which allocable to minority interests	1,085	0	1,085	1,186	0	1,186
of which allocable to owners of the company	6,052	- 2,706	3,346	59,236	- 169	59,067
	7,137	- 2,706	4,431	60,422	- 169	60,253

Earnings per share (€)						
Basic earnings per share	0.10	- 0.04	0.06	1.02	0.00	1.02
Dilutive effect	-	-	-	-	-	-
Diluted earnings per share	0.10	- 0.04	0.06	1.02	0.00	1.02

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 Sec. 26 WpHG. These can be accessed at: www.praktiker.com – Investor Relations – Praktiker in the capital market – Shareholder structure.

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 Sec. 22 para. 1 sent. 1 no. 6 WpHG, 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 Sec. 22 para. 1 sent. 1 no. 6 WpHG in combination with Sec. 22 para. 1 sent. 2 and 3 WpHG, 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 controls Artisan Investments GP LLC and indirectly controls Artisan Partners Limited Partnership.

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, DWS Investment GmbH, Frankfurt am Main (Germany) moved above and below the 3 percent reporting threshold. Most recently, on April 17, 2009, we were notified that the voting rights of the company had 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).

During the period under review, Morgan Stanley, Wilmington (USA), directly and indirectly exceeded and fell below the 3 percent limits of voting rights several times. Most recently on July 9, 2009, Morgan Stanley notified us that its voting rights moved below the threshold of 3 percent of the voting rights on July 6, 2009, and were 2.99 percent on that date (this corresponds to 1,732,071 voting rights).

During the period under review, Allianz Global Investors Kapitalanlagegesellschaft mbH, Frankfurt am Main (Germany) moved above and below the 3 percent reporting threshold. On September 1, 2009, the company notified us that its voting rights moved below the threshold of 3 percent of the voting rights on August 27, 2009, and were 2.98 percent on that date (this corresponds to 1,727,735 voting rights). In accordance with Sec. 22 para. 1 sent. 1 no. 6 WpHG, 0.35 percent of these voting rights (this corresponds to 200,821 voting rights) were attributable to the company.

On September 2, 2009, Polar Capital LLP, London (Great Britain), notified us that its voting rights fell below the threshold of 3 percent of the voting rights on August 27, 2009, and were 2.86 percent on that date (this corresponds to 1,656,686 voting rights).

On September 7, 2009, Universities Superannuation Scheme Limited, Liverpool (Great Britain), notified us that its voting rights moved below the threshold of 3 percent of the voting rights on September 2, 2009, and was 2.91 percent (this corresponds to 1,689,000 voting rights) on that date.

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) 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 September 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.

At the Extraordinary General Meeting of Praktiker Bau- und Heimwerkermärkte AG on July 28, 2009, it was resolved to transform Praktiker Bau- und Heimwerkermärkte AG into a limited liability company. The company is now called "Praktiker Deutschland GmbH". The relevant entries were recorded in the commercial register on September 11, 2009.

Other important events in the interim reporting period

Convertible bond repurchase

Convertible bonds with a nominal value of € 150 million were 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 September 30, 2009, this resulted in financial liabilities of € 415 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 Sec. 71 para. 1 no. 8 AktG (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.

Acquisition of real estate

In the first nine months 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 € 8,069 thousand in the first nine months of 2009.

Breakdown of the net financial result

in € thousands	Jan. 1 – Sep. 30, 2009	Jan. 1 – Sep. 30, 2008	Jul. 1 – Sep. 30, 2009	Jul. 1 – Sep. 30, 2008
Other interest and similar income	3,012	6,792	623	2,818
Interest and similar expenses	-27,974	-26,139	-9,605	-9,028
Interest income	-24,962	-19,347	-8,982	-6,210
Investment income	65	63	2	63
Foreign exchange price gains and losses	-2,699	-2,336	2,129	-3,950
Income from valuation results of derivatives	-3,420	-942	-2,134	-206
Other financial expenses	-3,523	-3,042	-989	-862
Other financial income	113	16	79	2
Other financial result (including investment income)	-9,464	-6,241	-913	-4,953
Net financial result	-34,426	-25,588	-9,895	-11,163

In the reporting period, the translation of liabilities from finance leases of international subsidiaries resulted in non-cash exchange gains of € 6,423 thousand (previous year € 14,358 thousand) and non-cash exchange losses of € 11,859 thousand (previous year € 16,098 thousand).

Income taxes

In the first quarter of 2009, the tax rate was 47 percent. However, on the basis of a revised estimate, it increased to 60 percent as of the second quarter.

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 nine months and the third quarter respectively.

Earnings per share	Jan. 1 – Sep. 30, 2009	Jan. 1 – Sep. 30, 2008	Jul. 1 – Sep. 30, 2009	Jul. 1 – Sep. 30, 2008
Earnings allocable to equity holders (in € thousand)	6,304	59,067	9,368	27,643
Average number of shares issued (in thousand)	58,000	58,000	58,000	58,000
Basic earnings per share (€ per share)	0.11	1.02	0.16	0.48

Previous year partly adjusted (see page 23 et seq.).

(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 nine months and the third 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 nine months of 2009 as well as in the third quarter 2009, as in the corresponding periods 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 concerning periods diluted earnings per share thus correspond to basic earnings per share in each case.

In the first nine months of 2008 and in the third quarter of 2008, diluted earnings per share were exactly the same as basic earnings per share. For this reason there was no dilutive effect.

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

Payments under finance and operating leases are due in subsequent periods as shown below:

in € thousands		Sep. 30, 2009	Sep. 30, 2008
Obligations from operating leases	< 1 year	284,743	278,024
	1 – 5 years	992,133	991,554
	> 5 years	1,107,252	1,206,780
	Total	2,384,128	2,476,358
Obligations from finance leases	< 1 year	41,505	42,235
	1 – 5 years	158,778	159,666
	> 5 years	253,565	289,758
	Total	453,848	491,659

Related party transactions

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

Seasonality

Parts of the assortment of goods 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 SEGMENT DATA

Third quarter 2009

in € thousands	Praktiker Germany Jul. 1 – Sep. 30, 2009	Max Bahr Jul. 1 – Sep. 30, 2009	Segment Miscel- laneous Jul. 1 – Sep. 30, 2009	International Jul. 1 – Sep. 30, 2009	Recon- ciliation Jul. 1 – Sep. 30, 2009	Total Jul. 1 – Sep. 30, 2009
Net sales with third parties	463,248	177,842	22,418	304,496	0	968,004
Net sales with other segments	739	0	0	0	- 739	0
Net sales total	463,987	177,842	22,418	304,496	- 739	968,004
Earnings before interest, taxes, deprecia- tion and amortisation (EBITDA)	20,331	8,029	272	23,463	0	52,095
Depreciation	- 7,305	- 3,070	- 87	- 7,336	0	- 17,798
Earnings before interest, taxes and amortisation (EBITA)	13,026	4,959	185	16,127	0	34,297
Earnings before interest and taxes (EBIT)	13,026	4,959	185	16,127	0	34,297
Net financial result						- 9,895
Earnings before taxes (EBT)						24,402
Income taxes						- 14,642
Group net income						9,760

Third quarter 2008

in € thousands	Praktiker Germany Jul. 1 – Sep. 30, 2008	Max Bahr Jul. 1 – Sep. 30, 2008	Segment Miscel- laneous Jul. 1 – Sep. 30, 2008	International Jul. 1 – Sep. 30, 2008	Recon- ciliation Jul. 1 – Sep. 30, 2008	Total Jul. 1 – Sep. 30, 2008
Net sales with third parties	457,383	175,631	23,843	360,423	0	1,017,280
Net sales with other segments	662	0	0	0	- 662	0
Net sales total	458,045	175,631	23,843	360,423	- 662	1,017,280
Earnings before interest, taxes, deprecia- tion and amortisation (EBITDA)	17,882	7,908	528	41,337	0	67,655
Depreciation	- 6,219	- 3,259	- 131	- 7,947	0	- 17,556
Earnings before interest, taxes and amortisation (EBITA)	11,663	4,649	397	33,390	0	50,099
Earnings before interest and taxes (EBIT)	11,663	4,649	397	33,390	0	50,099
Net financial result						- 11,163
Earnings before taxes (EBT)						38,936
Income taxes						- 10,901
Group net income						28,035

Amounts partly adjusted (see page 23 et seq.).

The first nine months 2009

in € thousands	Praktiker Germany Jan. 1 – Sep. 30, 2009	Max Bahr Jan. 1 – Sep. 30, 2009	Segment Miscel- laneous Jan. 1 – Sep. 30, 2009	International Jan. 1 – Sep. 30, 2009	Recon- ciliation Jan. 1 – Sep. 30, 2009	Total Jan. 1 – Sep. 30, 2009
Net sales with third parties	1,451,373	546,129	70,699	796,130	0	2,864,331
Net sales with other segments	3,699	0	0	0	-3,699	0
Net sales total	1,455,072	546,129	70,699	796,130	-3,699	2,864,331
Earnings before interest, taxes, deprecia- tion and amortisation (EBITDA)	30,897	30,926	891	42,075	0	104,789
Depreciation	-21,096	-8,629	-295	-21,527	0	-51,547
Earnings before interest, taxes and amortisation (EBITA)	9,801	22,297	596	20,548	0	53,242
Earnings before interest and taxes (EBIT)	9,801	22,297	596	20,548	0	53,242
Net financial result						-34,426
Earnings before taxes (EBT)						18,816
Income taxes						-11,290
Group net income						7,526

The first nine months 2008

in € thousands	Praktiker Germany Jan. 1 – Sep. 30, 2008	Max Bahr Jan. 1 – Sep. 30, 2008	Segment Miscel- laneous Jan. 1 – Sep. 30, 2008	International Jan. 1 – Sep. 30, 2008	Recon- ciliation Jan. 1 – Sep. 30, 2008	Total Jan. 1 – Sep. 30, 2008
Net sales with third parties	1,444,832	556,427	74,517	938,712	0	3,014,488
Net sales with other segments	3,776	0	0	0	-3,776	0
Net sales total	1,448,608	556,427	74,517	938,712	-3,776	3,014,488
Earnings before interest, taxes, deprecia- tion and amortisation (EBITDA)	50,659	28,290	658	80,058	0	159,665
Depreciation	-18,082	-9,521	-414	-22,376	0	-50,393
Earnings before interest, taxes and amortisation (EBITA)	32,577	18,769	244	57,682	0	109,272
Earnings before interest and taxes (EBIT)	32,577	18,769	244	57,682	0	109,272
Net financial result						-25,588
Earnings before taxes (EBT)						83,684
Income taxes						-23,431
Group net income						60,253

Amounts partly adjusted (see page 23 et seq.).

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.

Kirkel, Germany, October 21, 2009

The Management Board

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

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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.

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