

Quarterly Report 1/10 of Praktiker Bau- und Heimwerkermärkte Holding AG

Persistent Economic Weakness in Eastern Europe and Winter Weather Affect Start into the New Year

- **Group sales receded in the first quarter but improved in March**
- **Earnings negative due to seasonal effects and slightly lower than last year**
- **Moderate increase in sales and significant increase in earnings continue to be expected for 2010**

Kirkel – April 29, 2010. An extremely long winter and the economic weakness persisting in large parts of Eastern and South Eastern Europe have affected business of Praktiker Bau- und Heimwerkermärkte Holding AG also in the first quarter 2010. Group sales declined 6.0 percent to 747.9 million euro year on year. However, only the months of January and February were marked by receding sales. In March, sales could be increased in all segments. Despite improvements in the gross margin and on the cost side the usual seasonal operating losses increased slightly from 49.2 to 52.1 million euro year on year.

Wolfgang Werner, CEO of Praktiker Bau- und Heimwerkermärkte Holding AG, referred to the sales trend in March as an affirmation of the management's carefully optimistic forecast for the year communicated at the Annual Conference on March 26. "In Germany, the shifted focus on gross earnings is showing first positive effects. Abroad, we are expecting a stabilisation or slight recovery of the economic activity, especially in the second half of the year. In addition, Praktiker is for the first time again benefiting from the positive development of most exchange rates", stressed Werner. Against this backdrop he reiterated his expectations for financial year 2010 that group sales will increase moderately again and operating earnings (EBITA) will even increase significantly over the year-earlier values. In this context, all segments in Germany and abroad should contribute to this earnings increase.

Sales declined in January and February and rose in March

During the first three months of the year 2010 the overall economic development proved to be more robust again in Germany only. Abroad, the recession had not yet been overcome but the exchange rates stabilized further. In nearly all countries business development was affected by the unusually long, hard winter. Customer frequency in January and February suffered from massive traffic disruptions - individual outlets even had to close down their operations temporarily due to weather conditions.

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Against this backdrop first quarter sales of the Praktiker Group declined by 6.0 percent to come in at 747.9 million euro.

Praktiker in Germany contributed 388.1 million euro (minus 6.4 percent), Max Bahr 148.0 million euro (minus 4.5 percent). Negative sales were only reported in January and February. In March, the company succeeded in raising sales of both brands again as compared to the year-earlier period. Sales were driven by the belated pick-up of the gardening business which was supported by new assortments and gardening products sold under the Praktiker brand.

In the International segment, sales receded by 6.9 percent to 192.0 million euro. Here, too, the hard winter took its toll but also the fact that many countries where Praktiker is active are only slowly emerging from the recession. In some countries, a clearly positive trend could already be felt. In Greece, for example - although the country continues to be crisis-ridden - the first quarter 2010 figures showed only a moderate decline in sales with a minus of 5.2 percent. Sales in Poland climbed 8.8 percent over the prior-year period. Turkey reported the biggest leap with a plus in sales of 31.0 percent. Sales in Bulgaria, Romania, Hungary and – like-for-like – in the Ukraine continued to be distinctly negative.

Seasonal operating loss slightly up

Even if the gross margin was increased and the selling and administration expenses in Germany and abroad were curbed further, the decline in sales had its effects on operating earnings (EBITA). Due to seasonal influences losses can hardly be avoided in the first quarter. During the first three months of 2010 operating earnings came in at minus 52.1 million euro, which is slightly higher than during the same quarter one year earlier (minus 49.2 million euro). In Germany, the sales lines Praktiker and Max Bahr reported EBITA of minus 35.8 and minus 1.4 million euro, nearly unchanged against the corresponding quarter of the previous year. In the international business, the EBITA deteriorated slightly from minus 10.0 to minus 11.6 million euro.

Financial position strengthened further

All key financial indicators used for assessing the company's financial position have improved further during the first quarter 2010. The operating cash flow and the volume of liquid funds continued to rise over the year-earlier period/reporting date. The net debt and the working capital changed for the better compared to the year-earlier values as well.

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Quarterly Report – Q1 / 2010

in € m	Q1 / 2010	Q1 / 2009	Change in percent
Net sales	747.9	795.6	- 6.0
Germany	555.9	589.5	- 5.7
Praktiker	388.1	414.6	- 6.4
Max Bahr	148.0	155.0	- 4.5
Miscellaneous	19.8	19.9	- 0.9
International	192.0	206.1	- 6.9
EBITA	- 52.1	- 49.2	- 6.0
Germany	- 40.5	- 39.2	- 3.5
Praktiker	- 35.8	- 35.6	- 0.4
Max Bahr	- 1.4	- 1.4	3.4
Miscellaneous	- 3.4	- 2.1	- 60.7
International	- 11.6	- 10.0	- 15.7
Net income for the period	- 37.5	- 36.8	- 2.0
Earnings per share in €	- 0.65	- 0.64	- 1.6
Capital expenditure	16.1	19.0	- 15.2
Cash and cash equivalents*	247.7	142.2	74.3
Net cash / net debt (-) *	- 213.9	- 281.6	24.1
Net working capital*	342.9	412.9	- 17.0

* as of March 31

Operative data	31/03/2010	31/03/2009	Change
Number of stores Germany	336	336	0
Praktiker	239	241	- 2
Max Bahr	78	76	2
Miscellaneous (extra Bau+Hobby)	19	19	0
Number of stores International	105	100	5
Greece	11	11	0
Luxembourg	3	3	0
Poland	21	20	1
Hungary	19	19	0
Turkey	11	10	1
Romania	26	25	1
Bulgaria	9	9	0
Ukraine	4	3	1
Albania	1	0	1
Number of stores Group	441	436	5
Employees (full-time basis, quarterly average)	21,796	22,757	- 4.2%
Germany	11,937	12,265	- 2.7%
Praktiker	8,456	8,847	- 4.4%
Max Bahr	3,084	3,009	2.5%
Miscellaneous	397	409	- 2.9%
International	9,859	10,492	- 6.0%