



**Bau- und Heimwerkermärkte Holding AG**

**Speech by the CEO Wolfgang Werner**

**5<sup>th</sup> Ordinary Annual General Meeting  
of Praktiker Bau- und Heimwerkermärkte Holding AG**

**Friday, May 21, 2010,  
Saarbrücken, "Saarlandhalle"**

**Revisions reserved / Check for delivery**

Ladies and Gentlemen,

In the name of the Management Board, I cordially welcome you – the shareholders and shareholder representatives of Praktiker Bau- und Heimwerkermärkte Holding AG. With your attendance, you are expressing your commitment to the Praktiker Group – even and especially in difficult times. I thank you for this. I also welcome the media representatives as well as all those guests who are attending this event in person and on the Internet.

This is our fifth ordinary Annual General Meeting – but it is the first one held at this location. That we have to sit closer together here at the Congresshalle is owed to the fact that the Saarländhalle is currently being remodelled. But this closing of ranks could also serve as a symbol for the culture of cooperation needed between the management, the employees and the owners of our company. However, I believe that the spatial restrictions will by no means affect the quality of our discourse.

## **INTRODUCTION**

Before I get to the figures for financial year 2009 and then to the outlook, kindly allow me to make a preliminary remark. This event takes place at a time when the economic crisis that has more or less dominated our thoughts and actions during the last financial year is still on our minds. Most of all, today we are concerned with the question of what will become of Greece, which continues to be one of our most important international markets. I will come back to that later.

On the other hand, the German export industry is visibly recovering, the labour market has proven to be gratifyingly robust. And at the international level there are also signs in some countries suggesting that the recession should in the meantime have bottomed out. The overall picture is thus somewhat mixed.

In the first quarter, as we had already reported, sales dropped because half of Europe was covered by a thick blanket of snow in January and February. We have been waiting for spring ever since, especially here in Germany. But as long as the sunshine remains a rare guest also the important seasonal garden business remains sluggish. We hope that this will now sustainably improve. The current weather trend actually doesn't look all that bad. And in our international segment the example of the Ukraine demonstrates that the sales trend can also quickly reverse to the positive direction

Even though the present sales trend does not yet come up to our expectations we still expect our operating earnings to rise distinctly in 2010. This is what we announced as our guidance and this is what we continue to anticipate. Over and above this, our financial position will continue to be strong, liquidity will increase slightly and net debt will drop slightly. In total this should give us

the financial flexibility to realise measures which probably follow the programme “Praktiker 2013”. Of course these measures are not considered in our earning expectations mentioned above.

But our focus is not only on the earnings and financial situation for 2010. We also want to make sure that our company will embark on a sustainable and profitable growth course. To this effect we have to strengthen our strengths and eliminate our weaknesses – with dedication, creativity, courage and corporate responsibility. This is the goal we are pursuing with the programme “Praktiker 2013” which we launched in autumn 2009 and which is to gradually bring us back on a success track until the year 2013.

I will explain to you how we plan to achieve that in the second part of my speech.

### **2009: PRIORITY ON SECURING EARNINGS AND LIQUIDITY**

The first part of my speech is dedicated to a review of financial year 2009, which was characterized by very special events, namely by

- what was probably the most serious recession in the post-war period,
- by a massive collapse of exchange rates in nearly all countries where our sales are not generated in euro
- and, towards the end of the year, by an escalating debt crisis in Greece which represents a latent risk for the cohesion of the Eurozone also after the approval of the EU rescue package.

In this environment it proved to be right that we have made securing liquidity and earnings our top priority early on. We achieved a lot on both accounts and thereby maintained a sound financial position. We retained our full capacity to act and at the same time safeguarded our future. But we have to admit that not everything worked out well. Take sales, for example. Sales declined stronger than anticipated. You know the figures: we generated Group sales of around 3.66 billion euro, 6.2 percent less than one year earlier. If exchange rates had remained the same, however, sales would have dropped by only 3.3 percent. The difference reveals the impact of the massive devaluation of the East European currencies. This alone curbed our sales by around 120 million euro.

We cannot be satisfied with these results. On the other hand, however, we should also praise what we have achieved – always in relation to our own targets and the general economic situation.

Let us begin with earnings. As you know, we anticipated that we would achieve a reasonably positive result in 2009. In fact, EBITA of the Praktiker Group came in at 63 million euro. Compared with the record year 2008, our operating earnings have thus halved but in the light of the adverse general economic conditions this is to be regarded as entirely “reasonable” and comes up to our expectations. Others would have been glad if they had been able to retain this relative earnings strength in the crisis.

The fact that, at the end of the day, this did not translate into a Group net profit for the year but into a loss in our income statement is an entirely different matter. This is largely attributable to the tax expenses incurred in the financial year under review. They amounted to a total of 27.8 million euro and were thus higher than our earnings before taxes resulting in a net loss for the year of 9.3 million euro. There are many factors that lead to the tax rate of 150.6 percent. I will not try to explain this paradox to you here. Mr. Gabel can do this better. If you wish, he will give you more details in the subsequent discussion. Or you can read the corresponding explanations in the Annual Report. The only thing I want to point out here is that the tax expenses shown in the income statement are one thing and the cash-out triggered by this is something different. As a matter of fact only around 16 million euro of the tax expenses are cash-effective. More than one third of the tax expenses were thus non-cash.

The second point: liquidity. One year ago our credo was that we need liquidity to fully retain our capacity to act in the crisis and rapidly resume growth after the end of the cyclical slowdown. In this respect we achieved even more than we originally anticipated. Liquidity at the close of the financial year under review came in at 263 million euro which is roughly 30 million euro up from the year-earlier value and thus above the target range. Although in this regard we were supported by the issuance of a promissory note, also net of this loan our liquidity came in within the targeted range at the end of the year.

Net debt and equity are another two indicators for the crisis resistance of a company in economically difficult times. In this context we can report that, with 196.7 million euro, we succeeded in maintaining our net debt nearly at the prior year level. We did not need to refinance in 2009 and we will also not need to do so in the current financial year. And the equity ratio remained unchanged at over 40 percent.

All this, ladies and gentlemen, is worth a lot in times when others are suffering from the credit crunch and shrinking equity.

## **GERMANY**

Let me now take a closer look at the main pillars of our business. I will begin with our domestic activities. Here, we incurred a moderate loss in sales against the backdrop of a slightly higher

industry trend: 1.8 percent in absolute terms and 2.2 percent like-for-like. At the close of 2009 our two strong brands, Praktiker and Max Bahr, were roughly on par in terms of the drop in sales. In absolute figures, Praktiker generated sales of 1.84 billion euro during the year under review and Max Bahr a good 690 million euro.

The picture looks different when looking at operating earnings: the Praktiker brand was a bit weak, especially in the first half, but it was able to pick up in the further course of the year although it only managed to turn the losses accumulated during the first six months into a black zero. In absolute figures: at the close of the year under review Praktiker in Germany reported EBITA of only 0.2 million euro whereas, one year earlier, it had still contributed earnings of more than 20 million euro.

For our domestic business we thus completely relied on the earnings strength of the Max Bahr brand in 2009. With its strategy, which targets higher margins, the company managed to even top operating earnings once again: in financial year 2009, Max Bahr generated EBITA of over 31 million euro which is almost six million more than one year earlier. The drop in sales was thus more than compensated by a stable gross margin and by cost adjustments. If it had needed more proof to substantiate our decision to acquire this company, it would have been provided right there and then.

Here, it pays off that Max Bahr specifically addresses customers who set great store by assortment, quality, service and customer advice and who are willing to also pay a little more for this. This is a customer group that for the most part probably earns more, lives more stylishly and is less at risk of unemployment than the average Praktiker customers who expect even more price concessions than usual in economically difficult times. And this was precisely the problem during the first half of the year when the recession slashed consumption and Praktiker had to react to the situation by introducing short-time work at some of its stores. To stimulate sales and reduce the capital tie-up resulting from high inventory levels at the beginning of the year, a significantly larger number of discount campaigns were offered during this period than during the same period in 2008.

This is one side of the coin. The other side is that we set the course in the right direction in 2009 because last year two thirds of all investments – and thus a higher share than usual – went to our German operations, to new technologies and to the modernisation of our store portfolio. To the benefit of our customers.

In this context, two outdated and unappealing Praktiker stores in Marl and Munster and two in Munich were replaced by new ones, one profitable store in Unna was generously extended and one state-of-the-art store in Regensburg was created for Max Bahr. This is the kind of store portfolio management that promises to be successful also with a view to the future:

- modernise and standardise the heterogeneous store portfolio of Praktiker,
- move into so far untapped, economically strong regions with the Max Bahr brand.

But we did not just build new stores. We also equipped them with innovations, some of which are unique in our sector: in Marl and Munster this was a carbon-neutral geothermal heating system, in Munich and Regensburg an electronic price labelling system that had been tested in Hungary and then imported to Germany. The same kind of technology transfer that will also take place with regard to our new checkout system which will be rolled out Germany-wide from 2010 and offers added convenience, reliability and speed in the checkout zone – to our customer's benefit.

We also advanced the Easy-to-Shop concept: every German Praktiker store that was newly opened or extended in 2009 is an Easy-to-Shop store. At the close of the year already 94 stores had been converted to this customer-friendly sales concept. This is equivalent to almost 40 percent of our store portfolio. Moreover, numerous elements of this concept were also incorporated into the standard operations of all other stores. And we are staying on the ball.

But – and this may come as a surprise for you – as a working title 'Easy-to-Shop' will soon disappear from our vocabulary. This is because, for our customers and employees, this simple, fast and easy way to shop will simply become the standard. In the same way as it will be common practice that, in addition to best prices, our German stores will also offer a quality and service that easily match those offered by the competition. I will give you more details about this in the outlook.

## **INTERNATIONAL**

Ladies and Gentlemen,

I am now turning to the segment of our reporting that had always been very gratifying for us until the global economic crisis set in: our international business. In 2009 we had to cope with a serious blow in this segment. Sales dropped by 15.7 percent to around 1.05 billion euro, operating earnings receded to 32.6 million euro. One year earlier, we had still generated earnings of 83.9 million euro.

The reasons for this slump in sales and earnings are known. One essential reason is the weak demand resulting from the recession in basically all countries where Praktiker is active. Another reason is the massive devaluation of many East and Southeast European currencies. Had exchange rates remained the same, international sales would only have dropped by 6.8 percent. And we would have been able to report almost 13 million euro more under EBITA.

If – would – could. I am not a friend of such “if – then” figures. But in this case they help us understand how the operating strength of our international business and the performance of Praktiker in a specific market can be correctly rated. In Romania, for example, 2009 sales translated to euro declined by 15.3 percent while they only dropped by 2.6 percent in local currency. Since industry sales at the same time slumped by around 30 percent due to cyclical influences this means: we did not only defend our dominant position in this important foreign market but even significantly expanded it under challenging circumstances.

The comparison of the individual quarters in the international segment – unfortunately – only showed minor differences. I say ‘unfortunately’ because we had expected that business activity would pick up in some countries towards the end of the year and that the negative currency effects would slowly disappear. This expectation was only fulfilled to some extent. We are only seeing a real relief on the currency front since the beginning of 2010. And in Greece – the most important sales and earnings driver in our international portfolio – the overall economic situation even substantially deteriorated towards the end of the year. The national crisis affected consumer demand – and thus our sales volume in Greece and in the complete international segment.

So the whole year was overshadowed by a cloud of economic gloom. The skies were particularly dark in Romania, Bulgaria, Hungary and, most of all, in the Ukraine. But we also saw some sunrays that make us feel positive. Besides the small country of Luxembourg this mainly refers to Poland and Turkey. In Poland, a country with a relatively robust economic basis, sales only receded slightly in 2009. Turkey initially suffered very much from the recession but then visibly recovered. In euro terms, we still incurred a single-digit drop in sales for the whole year. But in Turkish lira we were able to boost sales by 8.4 percent year-on-year. Purposeful measures to promote sales and customer loyalty, assortment changes tailored to local demand and the fresh breeze that came along with the new country management all contributed to business picking up gradually in this country – resulting in double-digit growth rates also beyond the turn of the year. This demonstrates what Praktiker can achieve if the conditions are right.

Since late October 2009 Praktiker is now also represented in Albania. This expansion move at this point in time came as a surprise for many. But Albania is one of those few countries in Europe that have managed to escape the economic crisis prevailing on the rest of the continent and was able to report a growing gross domestic product also in 2009. This country may be small but its demand potential is large. This is demonstrated by the development of our first Albanian outlet: since its opening, the store in Tirana achieved nearly two million euro in sales during the last two months of the year. This corresponds approximately to the sales volume we generate with a well-established Praktiker store of the same size in Germany. Therefore the market entry into Albania was exactly the right decision – all the more so as the start-up costs are manageable and the store is expected to break even soon.

Albania is managed under a satellite concept from Greece. This saves administration expenses and leverages synergies in procurement and logistics. A concept originally intended for smaller countries but which was to some extent also realised in the Ukraine. The presently four Ukrainian stores are now managed from Poland. Since autumn 2009, both countries have been sharing central functions under the lead of one common country manager. This could also be a role model for other country organisations.

## **DIVIDEND**

Ladies and Gentlemen,

I have just given you an account of a financial year that was not a good year due to the extremely challenging general conditions. This notwithstanding, the Management Board and Supervisory Board propose a dividend for 2009 that corresponds exactly to the dividend paid in the previous year.

I will gladly repeat what I have already said in the past to explain this: our dividend policy follows the principle of the greatest possible continuity. This means that, every year, we have to strike a new, reasonable balance between the expectations of the capital markets, the economic interests of our shareholders, our present business situation, the anticipated financing needs and the company's debt situation. As a result of these considerations we propose to the Annual General Meeting to pay an unchanged dividend of 10 euro cent per share for financial year 2009. The net profit for the year and the net income shown in the balance sheet of the relevant individual annual statements of Praktiker Bau- und Heimwerkermärkte Holding AG allow for this. And there will still be unappropriated earnings left.

## **“PRAKTIKER 2013” AND OUTLOOK**

Ladies and Gentlemen,

The figures and performance records of financial year 2009 are one side of the coin. The fact that much has already been done in the Group to sustainably put our business on a better track in the medium term is the other side. As explained before, we have achieved an overall stable financial position. We curbed personnel and materials expenses, established a central purchasing function that is worth its name, reaped further benefits from the takeover of Max Bahr, and initiated a number of other measures to enhance efficiency that will take effect with a time lag. And we launched the already mentioned programme “Praktiker 2013” which is to bring us on a profitable growth course in the medium term and secure this growth course in the long term. How we want to achieve this is something I will explain to you in the next ten minutes.

Let us start with the question: What is “Praktiker 2013”, what is the underlying motivation and what are our goals?

Well: “Praktiker 2013” is a programme for the transformation of the whole Group. ‘Transformation’ simply means revitalisation, restructuring, remoulding. To this effect, we have bundled all existing measures and projects aimed at boosting sales and earnings, developed them further, and also gone far beyond them. In the framework of the programme “Praktiker 2013” we will put established practices to the test and venture into new territory: In a first step, with a focus on the Praktiker brand in Germany where the need to act is strongest and the change potential is greatest and in the following steps also at Max Bahr and at our international operations.

The targets of the programme are ambitious – at least this is what we have been told by the financial analysts after we put the cards on the table for the first time at our Press Conference. But they are clearly defined and timed. And they are achievable. The target is clear: latest by 2013, all entities of the Group are to again generate an EBITA margin corresponding to the one which the company had already achieved before when times were good. For our business operations in Germany this means that the following figures before the decimal point are to be achieved

- a three at Praktiker,
- at least a four again at Max Bahr, and
- in our international segment a six instead of a three like last time.

To get there we have to work all levers available for raising sales and earnings. In this context I would like to stress the fact that “Praktiker 2013” is not primarily a cost reduction programme let alone a programme to reduce personnel expenses. This lever is certainly part of it. But the focus of the programme for cost optimisation is mainly on leaner processes and more efficient workflows. And with regard to raising sales and earnings the issue at stake is nothing less than the strategic repositioning of our company, especially with a view to the Praktiker brand in Germany. I already mentioned this at the beginning: this is where we have the strongest need to act – and the largest potential for change.

And we will do so with professional meticulousness. In eight topic-related projects and numerous sub-projects, the discipline functions will develop measures that are to result in a distinct improvement of sales, gross margins or the cost situation. Of the eight projects, four are addressing the sales divisions and country organisations. They relate primarily to marketing topics and are processed separately. The other four projects are cross-company topics that address all sales divisions and countries alike and are therefore driven centrally. The work is coordinated and controlled by a dedicated Programme Office that systematically records all

measures initiated using special controlling tools, and stringently monitors them until they have been realised.

As already mentioned, "Praktiker 2013" will only show its full effect in the year 2013. But there will also be measures that will mature and materialise earlier. And there are measures that have already been implemented or initiated. One such measure related to the organisational and management structure of Praktiker in Germany which is now much leaner, better structured and, ultimately, also more efficient - and which also mirrors the structure of our subsidiary Max Bahr.

Another strategic measure related to the topic of own brands. Own brands are usually a key factor to improve margins. This is also the case at Praktiker. In this respect we have already made some progress in the year 2009: we succeeded in raising the own-brand share in net sales from 24 to 27 percent. We want to further accelerate this development and raise this figure to around 40 percent in the medium term. This would be a value which our subsidiary Max Bahr with its stringent brand hierarchy already achieves today.

In view of this target we developed a new own-brand concept whose supporting pillar will be the Praktiker brand. Up to now we had six different private labels with names that sounded good but could not be identified with the Praktiker brand: Budget, Sparkling, Outdoor, Faust, Fleurette, Homefit. This will soon be a thing of the past. Anything that contains Praktiker shall in future also be labelled with the name Praktiker save for a few exceptions. Only for the entry-level price segment we will consistently retain our Budget brand. In the midfield range, that is: below the A brand level, customers will soon almost exclusively find the Praktiker own brand meeting the highest demands in terms of price-performance ratio. This is why we are also referring to it as a performance brand that "offers brand quality at Praktiker prices". This means: A-brand-level quality, strictly controlled and certified, but offered at significantly better prices.

Since the beginning of the year we – or better said: our customers – have already made first positive experiences with the Praktiker own brand in the field of plants. Here, we guarantee top quality which is carefully monitored from sowing to delivery by our field agents at more than 400 contract nurseries across Europe. This puts us in a position to offer guarantees that are rare or even unique in our industry: a care instruction guarantee, a general growth guarantee and an exclusive Praktiker winter hardiness guarantee. The next assortments will be soils, fertilisers, pesticides and lawn seeds of the Praktiker brand followed by a small series of designer garden furniture. All of these products will be offered with controlled quality, not cheap but attractively priced and – depending on the product category – trendy, innovative or functional, or all of these together.

The sales figures of the newly introduced Praktiker products show that we are on the right track. As a next step, we therefore plan to offer the segments paints and laminate and/or parquet under the Praktiker brand. Over the next few years, the complete assortment will gradually be

interspersed with our own brand products. This will not only benefit margins but also the image of the umbrella brand Praktiker, which will thereby gain new value.

With this small digression I wanted to show you by way of an example that we are systematically developing ourselves further. Where this development is to take us has already been specified by the programme "Praktiker 2013". In the customer's perception it will take us from the position of price leader to that of leader in value for money. In other words: we want to continue outperforming our competitors in terms of prices but we want to become equally good in terms of product quality and service. This is the new business model for Praktiker in Germany towards which a large part of the programme work has been aligned. It essentially retains the existing core values of the brand, but upgrades it with respect to quality – 'Praktiker reloaded', if you like.

In view of the targeted new quality of Praktiker also an online shop could be a good match in the context of a multi-channel distribution concept. We are already selling products via Internet in Hungary, with Turkey and Greece to follow. Now, we are also examining such a concept for our domestic market. E-commerce is presently the retail segment offering the most dynamic growth perspectives. In 2009 alone and in spite of the weak consumption, online sales in Germany climbed by 14 percent to 15.5 billion euro. It would be negligent to disregard this distribution channel as a possible option. We yet have to take the final decision in this regard. But one thing is already clear now: if we open an online shop then it will also be designed along the lines of our future business model. This means: also in the Internet trade, we will position the Praktiker brand as a value-for-money leader - good and favourable priced, with a high technical standard but also simple, convenient and fast.

In parallel to raising the profile of the Praktiker brand also Max Bahr is developing further at a different level of demands: in terms of own brand sales, whose share in total sales is to be increased to 50 percent in the medium term. In terms of customer address, ambience and assortment with an increased focus on putting together comprehensive service packages. A service package, here, means that, in addition to customer advice and sales, also mounting and installation at the customer's home will be offered. With this move we are extending the traditional do-it-yourself concept by a service aspect that also addresses the do-it-for-me customers and which, in this form, used to be offered mostly by specialised retail stores. This is illustrated particularly well by the "Dream Baths" concept but also serves as a guideline for other product categories and for the further development of the entire assortment.

Ladies and Gentlemen,

For our domestic business operations at Praktiker and Max Bahr, the task at hand is to upgrade them with more service and product quality. But also abroad we are adapting our business

concept to the changing general conditions – only with a different thrust. In most countries where we are active, Praktiker has long since become known for its problem-solving competence, good customer advice and first-class products. So there is no need for action in this respect. Customer demand is changing, however. As a consequence of the economic crisis and the decreasing purchasing power, consumers in many countries have become more price-sensitive. We respond to these changes: in our advertisements by temporary marketing campaigns stressing Praktiker's favourable price-performance ratio, and also in the assortment by raising the own-brand share and increasing the range of entry-level price products. Here, we can draw on our expertise gained in Germany.

And while talking about assortments: we are of course keeping up with trends and catering to changed market demand. This means, for example, that we reduce the range of construction materials and construction chemicals in those countries where the basic demand for traditional DIY articles is almost saturated and extend our product range in the fields of sanitary equipment and flooring, decoration and gardening. It is this flexibility in aligning offer and demand that gives us a competitive edge over domestic and foreign competitors in many countries where we operate.

This is also how we succeeded in growing big and strong in Greece. And this is how we developed our own local identity in nearly 20 years of doing business in this country which greatly helped us this spring when German companies and products were the target of populist calls for a boycott. Praktiker Hellas is perceived as a Greek company and can count on a stable and loyal custom base. This is the reason why we have so far weathered the turbulences of the past few months relatively unscathed. Unfortunately, no one can say today how things will develop there. Whatever the austerity plans associated with the EU Rescue Programme, they will doubtlessly affect domestic economic activity and curb consumer spending. This is why I fear that we will have to live with a certain drop in sales in this crisis-ridden country for a while.

One more word about the topic of expansion: the Praktiker Group strongly restricted its international expansion last year, but it did not stop it. In total, three new stores were opened in 2009 – besides the store in Albania one store each was opened in Romania and Turkey. As a consequence of this, also the capital expenditure dropped significantly. Starting from 2010, however, we will again invest more into new stores and thereby consolidate our leading market position in the region or even expand it further. It is planned to open six new stores by the end of this year. Two of them – in the Ukraine and in Hungary – have already opened their gates. And there was also the promising re-opening of our store in the Polish town of Zabrze which caught fire in late 2008. New stores are to follow on Crete, in Romania and another two in Poland.

You can infer from these statements that the management invariably continues to pursue the expansion strategy of Praktiker. We are changing the speed but not the direction. The substantial backlog demand for rehabilitation, modernisation and home improvement in the

emerging countries in Eastern and South Eastern Europe did not vanish with the recession but was only masked by it. Pent-up demand is thus huge. It will therefore in all probability be consumption that will sooner or later lay the foundations for a new growth cycle in this region after the end of the economic crisis. What we have to do now is to position ourselves early on so that we emerge from the crisis stronger than before. This is what we set out to do. And this is why the years 2010 and 2011 will be crucial also for our international business even if the engine that drives economic growth should continue to splutter for a while.

Ladies and Gentlemen,

I have given you an overview on how our business developed in Germany and abroad under the impact of the global economic crisis in 2009, on what we have done in the meantime to stabilise this business and on what we still plan to do to sustainably bring the Praktiker Group on a profitable growth course in Germany and abroad. I deliberately say: what WE can do and what WE will do.

As already stressed, the external conditions under which this will happen is the big question. We have experienced the worst recession in the post-war period. The hurricane of financial, economic and national crises that wreaked havoc in Europe may already have died down. But its effects can still be felt in many markets. Despite our resistance to crises we cannot entirely escape these effects. What we can do is keep a cool head and do our homework. This means that we will continue to work on the cost side, optimise processes, modernise structures and – especially in Germany – improve our offers for the customers in such a way that we can recapture lost market share and win new customers. That we will succeed in this with the help of the programme “Praktiker 2013” is something I vouch for together with my colleagues on the Management Board. And in this endeavour we can count on our 27,000 employees in Germany and abroad. Without them, without their commitment, their flexibility and their identification with the company even the best programme would be worthless. It is their dedicated work that brings our strategies to life. It is they who implement them at the stores in the direct contact with the customers. It is they who make our success in the marketplace possible. I would like to use this occasion to extend a very cordial ‘thank you’ to our team. And I believe that I also speak on your behalf.

Ladies and Gentlemen, This brings me to the end of my report. The only thing I would like to ask you is: please support us as shareholders on the road taken, and continue to trust in us. Thank you for your attention. Together with my colleagues on the Management Board I will now gladly answer your questions.