

Praktiker Group

Interim report

Q1/12



KEY DATA

	Q1 2012	Q1 2011	Change in %
Profit & loss data			
Net sales in € m	663.0	666.4	-0.5
Germany	507.8	489.8	3.7
<i>thereof Praktiker Germany</i>	319.9	314.9	1.6
<i>thereof Max Bahr</i>	167.3	156.2	7.1
<i>thereof Miscellaneous</i>	20.6	18.7	9.9
International	155.2	176.6	-12.1
Like-for-like sales growth in %	-1.2	-11.6	-
Germany	3.8	-12.0	-
<i>thereof Praktiker Germany</i>	2.1	-18.6	-
<i>thereof Max Bahr</i>	7.1	5.1	-
International	-14.7	-10.6	-
Gross profit on sales in € m	213.0	205.2	3.8
Gross profit margin on sales in %	32.1	30.8	1.3 PP
EBITA in € m	-62.1	-71.6	13.3
Germany	-43.7	-52.7	17.0
<i>thereof Praktiker Germany</i>	-44.0	-49.3	10.8
<i>thereof Max Bahr</i>	2.7	-0.9	-
<i>thereof Miscellaneous</i>	-2.4	-2.5	3.0
International	-18.3	-18.9	3.0
Net financial result in € m	-7.8	-6.0	-29.3
Earnings before taxes in € m	-69.9	-77.6	10.0
Net loss in € m	-76.1	-15.5	-
Earnings per share in €	-1.32	-0.27	-
Balance sheet data			
Cash and cash equivalents in € m	81.3	341.5	-76.2
Net financial position in € m	-422.6	-305.6	-38.3
Net working capital in € m	297.4	405.3	-26.6
Further financial data			
Capital expenditure in € m	8.4	18.1	-53.7
Cashflow from operating activities in € m	-47.6	-100.1	52.4
Operative data			
Number of stores	440	439	0.2
Germany	329	331	-0.6
<i>thereof Praktiker Germany</i>	234	236	-0.8
<i>thereof Max Bahr</i>	78	78	0.0
<i>thereof Miscellaneous</i>	17	17	0.0
International	111	108	2.8
Number of employees, yearly average on a full-time basis	19,289	20,613	-6.4
Germany	11,000	11,242	-2.2
<i>thereof Praktiker Germany</i>	7,708	7,958	-3.1
<i>thereof Max Bahr</i>	2,881	2,924	-1.5
<i>thereof Miscellaneous</i>	411	360	14.2
International	8,289	9,371	-11.5

Due to rounding, slight discrepancies in totals and percentage figures may occur.

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THE FIRST THREE MONTHS 2012 – SUMMARY

The stabilisation in the German business of Praktiker AG that began at the end of 2011 has continued into the new year and even gathered momentum. Praktiker Germany continued its stabilisation with sales growth of 1.6 percent. Max Bahr performed even better with a sales increase of 7.1 percent. In total, German sales rose by 3.7 percent as against the same period of the previous year in the first quarter of 2012. In turn, this meant that sales at Group level were virtually unchanged year-on-year in spite of a 12.1 percent decline in international business. This segment was hit by the ongoing weakness in demand in Greece and negative exchange rate effects, which accounted for four percentage points alone and therefore a third of the decline in international sales. Had exchange rates remained unchanged, the Praktiker Group's sales would have risen by 0.6 percent in the first quarter.

Praktiker Germany increases sales

For the first time in more than two years, Praktiker Germany again posted a positive trend in sales. In addition, customer frequency also rose again in the first quarter by 2.0 percent. Both these facts show that the repositioning is beginning to take effect. Praktiker still means value-for-money shopping for customers. In order to further hone this existing brand profile, Praktiker has also revised its shelf prices and reduced them further where it deems necessary. Praktiker is therefore pursuing a price policy that relies more on permanently attractive shelf prices in addition to special offers.

Max Bahr continues growth

Max Bahr continued the positive sales trend of last year into the first quarter of 2012 as well. Thanks to its expertise in the garden area, the brand – and the industry as a whole – benefitted from the spring weather in March. Max Bahr underpinned the brand's profile by continuing to place an emphasis on service. Accordingly, new and innovative service elements were introduced on a pilot basis in two stores in the first quarter. If this is well received by customers they will gradually be established in all stores.

International business still difficult

The sales performance in international business was again inconsistent. In addition to the weakness in demand in Greece triggered by the general economic trends, business was also in decline in Bulgaria, Romania, Turkey and Hungary. In Luxembourg and Poland (in local currency) business was steady year-on-year. Only the Ukraine posted sales growth in the first quarter. In February in particular, many countries in Eastern Europe experienced extremely cold weather, leading to substantial declines in sales.

Operating earnings improve

With virtually stable consolidated sales, operating earnings (EBITA), which are typically negative in the first quarter, improved tangibly by 9.5 million euro to minus 62.1 million euro. The rise was even stronger before extraordinary effects. Most of the earnings improvement is due to an increase in the gross profit margin. Expenses remained stable at the previous year's level.

Investing in repositioning

Investments in the renovation and repositioning of the German Praktiker stores, product line revision and IT continued in the first quarter of 2012. However, capital expenditure was lower than in the same period of the previous year at 8.4 million euro.

Improvements in net working capital and cash flow

Net working capital amounted to 297.4 million euro as at the end of the first quarter and was therefore significantly lower than at the same date in the previous year. As a result of the smaller loss and the improvement in working capital, the operating cash flow improved significantly year-on-year in the first quarter, even though it was still in negative territory at 47.6 million euro.

2012 outlook unchanged

The objectives for 2012 were outlined with the publication of the 2011 consolidated financial statements. The development in sales and income in the first quarter provide no cause to change these targets: in the opinion of the management, the Praktiker Group's sales will be up slightly on the previous year in the 2012 financial year. Operating earnings, both reported and before extraordinary effects, will improve as against 2011.

RESTRUCTURING PROGRAMME STARTED

The initial measures of the extensive restructuring programme were implemented in the first quarter.

Repositioning of Praktiker Germany takes on shape

The first four Praktiker stores in Germany have been converted to the concept that will serve as a model for the expansion of the entire Praktiker store portfolio.

Category Management and Procurement merged

The newly founded Baumarkt Praktiker Warenhandels-gesellschaft mbH has commenced operations. All Category Management, Procurement and Marketing activities across the Praktiker and Max Bahr sales lines have been bundled in this company. It now represents the new heart of retail business in Germany.

Basis for shared Group headquarters established

The necessary requirements for combining the current headquarters of Praktiker in Kirkel and Max Bahr in Hamburg to create a single Group headquarters in Hamburg have been implemented. The reconciliation of interests agreed by the co-determination bodies responsible will determine the personnel changes. The compensation scheme that was also agreed regulates the compensation to be paid to all employees who move or leave the company.

First store closures completed

The restructuring programme includes the closing of unprofitable stores. One location was already shut down at the end of 2011, followed by another as at the end of the first quarter of 2012. A further eight German locations (six Praktiker stores, two extra-BAU+HOBBY stores) will also be closed over the coming year.

Bond creditors asked to waive interest

In order to support its ongoing restructuring process, Praktiker AG in February requested that the bearers of its corporate bonds contribute towards the company's redevelopment by waiving their interest. The first meeting of creditors, a vote without a meeting, was held at the end of March. The quorum needed for a resolution was not achieved.

Further extraordinary effects anticipated

In the first quarter, extraordinary effects from restructuring in the amount of 8.3 million euro were incurred that were attributed in full to the Praktiker Germany segment (first quarter 2011 4.9 million euro). 4.8 million euro of this related to administrative expenses and 3.5 million euro to selling expenses.

As the year progresses, extraordinary effects are anticipated to possibly reach a three-digit million euro amount in total. For instance, the closure of further unprofitable stores is still on the agenda, the changes already made in the four model stores have yet to be applied to the rest of the Praktiker Germany store portfolio, the headquarters merger still has to be completed and adjustments in the international portfolio must be examined and implemented.

In 2011, the extraordinary effects in connection with the restructuring activities and the "Praktiker 2013" programme amounted to 95.8 million euro.

Extraordinary effects			
in € m	Q1 2012	Q1 2011	change
Praktiker Germany	8.3	3.6	4.7
Max Bahr	0	0.3	-0.3
Miscellaneous	0	0.6	-0.6
Germany	8.3	4.5	3.8
International	0	0.4	-0.4
Praktiker Group	8.3	4.9	3.4

INCOME, FINANCIAL AND ASSET POSITION

Profit & loss data			
in € m	Q1 2012	Q1 2011	change in %
Net sales	663.0	666.4	-0.5
Gross profit on sales	213.0	205.2	3.8
Gross profit margin on sales in %	32.1	30.8	1.3 PP
Other operating income	15.2	14.1	8.1
Selling expenses	269.3	272.2	-1.0
Administrative expenses	20.9	18.5	12.9
EBITDA	-46.6	-53.4	12.7
EBITA	-62.1	-71.6	13.3
Net financial result	-7.8	-6.0	-29.3
Earnings before taxes	-69.9	-77.6	10.0
Net loss	-76.1	-15.5	-

Weighted selling space			
in 1,000 sq m	Q1 2012	Q1 2011	change in %
Praktiker Germany	1,413	1,424	-0.8
Max Bahr	628	628	0.0
extra BAU+HOBBY	64	64	0.0
Germany	2,105	2,116	-0.5
International	777	761	2.2
Praktiker Group	2,883	2,877	0.2

Income position

Store portfolio

At the end of the first quarter, the Praktiker Group operated a total of 440 stores, one more than at the same time in the previous year. Outside Germany, the store portfolio expanded by three locations; Praktiker Germany's portfolio was reduced by two. The Group's total selling space was virtually unchanged with an increase of 0.2 percent.

Number of stores			
	Q1 2012	Q1 2011	change in %
Praktiker Germany	234	236	-0.8
Max Bahr	78	78	0.0
extra BAU+HOBBY	17	17	0.0
Germany	329	331	-0.6
International	111	108	2.8
Praktiker Group	440	439	0.2

Net sales

In the first quarter of 2012, the Praktiker Group's net sales were nearly in the same amount as the same quarter of the previous year at 663.0 million euro (down 0.5 percent). In Germany, sales rose again for the first time after nine quarters of decline (up 3.7 percent). With growth of 7.1 percent in the first quarter, Max Bahr is expected to have outperformed the sector on average. Praktiker Germany continued its course of stabilisation as was already indicated in the fourth quarter of the previous year with sales growth of 1.6 percent. In international business, sales continued to decrease by 12.1 percent. This was due to the ongoing weakness in demand in Greece and negative exchange rate effects, which accounted for four percentage points in the International segment alone and therefore a third of the decline. Had exchange rates remained unchanged, Praktiker's consolidated sales would have risen by 0.6 percent in the first quarter.

Net sales			
in € m	Q1 2012	Q1 2011	change in %
Praktiker Germany	319.9	314.9	1.6
Max Bahr	167.3	156.2	7.1
Miscellaneous	20.6	18.7	9.9
Germany	507.8	489.8	3.7
International	155.2	176.6	-12.1
Praktiker Group	663.0	666.4	-0.5

Net sales			
Change in % against previous year		Q1 2012	Q1 2011
Praktiker Group	absolute (in €)	-0.5	-10.9
	like-for-like (in €)	-1.2	-11.6
	absolute (in local currency)	0.6	-10.7
	like-for-like (in local currency)	-0.2	-11.4
Germany	absolute	3.7	-11.9
	Praktiker Germany	1.6	-18.9
	Max Bahr	7.1	5.5
	like-for-like	3.8	-12.0
	Praktiker Germany	2.1	-18.6
	Max Bahr	7.1	5.1
International	absolute (in €)	-12.1	-8.0
	like-for-like (in €)	-14.7	-10.6
	absolute (in local currency)	-8.1	-7.4
	like-for-like (in local currency)	-11.3	-9.9

Customer contacts and average purchase				
	Customer contacts		Average purchase	
	in million	change in % to Q1/11	in €	change in % to Q1/11
Praktiker Germany	13.1	2.0	24.50	-0.4
Max Bahr	5.9	4.8	28.72	1.9
Miscellaneous	0.6	6.4	24.45	12.3
Germany	19.6	2.9	25.77	0.8
International	6.8	-5.1	22.67	-7.0
Praktiker Group	26.4	0.7	24.96	-1.1

Gross profit on sales

In the first quarter, the Praktiker Group reported a gross profit on sales of 213.0 million euro, 3.8 percent higher than in the same quarter of the previous year. The gross profit margin was 32.1 percent and therefore 1.3 percentage points higher than one year previously. While Praktiker continued to pursue an aggressive price policy in Germany, it increasingly focused its special offers on such product groups that benefit particularly from advertising. The change in the valuation method of inventories applied at the end of the previous year also had an effect on the gross margin.

Other operating income

Other operating income increased by more than 1 million euro as against the previous year to 15.2 million euro. This increase was solely due to higher advertising cost allowances from suppliers.

Selling expenses

Selling expenses fell by 1.0 percent in the first quarter to 269.3 million euro. Taking into account all extraordinary effects, they were down by 1.1 percent. Staff costs and depreciation expenses declined in particular.

Administrative expenses

Administrative expenses increased by 12.9 percent in the third quarter to 20.9 million euro. While wages and salaries were reduced significantly, this was not enough to offset the increase in consulting expenses, which in turn accounted for most of the extraordinary expenses in connection with the restructuring programme. Before extraordinary expenses, administrative costs were down by 4.5 percent in the first quarter of 2012.

Operating earnings improve

Operating earnings (EBITA), which are typically negative in the first quarter, improved tangibly. This was thanks to stable consolidated sales, an improved gross profit and a virtually unchanged cost base – in spite of rising extraordinary expenses. This applies to reported earnings, which were up 9.5 million euro to minus 62.1 million euro, and to EBITA before extraordinary effects, which improved by 12.9 million euro to minus 53.8 million euro.

Net financial result

While the net financial result was down on the same figure for the previous year at minus 7.8 million euro (minus 6.0 million euro), the deterioration was due solely to the fact that the – non-cash – positive balance of exchange rate effects in the first quarter of 2012 was 2.4 million euro lower than one year previously. Interest expenses in the first quarter amounted to 10.3 million euro, 0.9 million euro less than in the previous year when there had been interest on convertible bonds, promissory notes and, pro rata, the corporate bonds issued at the end of February. Of these, only the corporate bond bore interest in 2012, albeit for the full quarter.

Net financial result			
in € m	Q1 2012	Q1 2011	change
Financial assets	10.1	11.2	-1.2
thereof interest income	0.5	0.6	-0.1
thereof exchange gains and derivatives	9.6	10.5	-0.9
Financial expenses	17.9	17.3	0.6
thereof interest expenses from finance leases	5.5	5.8	-0.3
thereof accumulation of liabilities from convertible and corporate bonds	0.2	1.2	-1.0
thereof other interest and similar expenses	4.7	4.2	0.5
thereof exchange losses and derivatives	6.3	4.6	1.7
Net financial result	-7.8	-6.0	-1.8

Net loss for quarter

A tax rate of minus 9.0 percent is anticipated for 2012. Applying this forecast tax rate to earnings before taxes for the period under review results in a tax expense of 6.3 million euro. A tax rate of 80 percent was applied to the same period of the previous year. This had resulted in tax income of 62.1 million euro.

After taxes, the net loss for the quarter amounted to 76.1 million euro compared to a net loss of 15.5 million euro in the previous year.

Earnings per share

Undiluted earnings per share are reported at minus 1.32 (previous year minus 0.27).

Financial position

Capital expenditure

Capital expenditure in the first quarter of 2012 totalled 8.4 million euro (previous year 18.1 million euro). While investments in the renovation and repositioning of the German Praktiker stores, product line revision and IT continued, the majority of the investments intended for restructuring cannot be undertaken until external financing has been secured. One new store was opened in Lublin (Poland) and one in Alexandroupolis (Greece) in the first quarter. Total capital expenditure of 2.0 million euro has been provided for the purpose of expansion.

Capital expenditure			
in € m			
Total	8.4		
Germany	6.4	2.0	International
Cash	6.2	2.2	Non-cash
Maintenance	6.4	2.0	Expansion

Financing

At the end of the quarter, cash and cash equivalents amounted to 81.3 million euro. This is significantly less than in the previous year, partly because the corporate bond was issued in February of the previous year but was only used to repay the convertible bonds in autumn. The drop as against the end of the year reflects the seasonal effect due to the financing needed in the first quarter to raise inventory levels for forthcoming spring business.

Cash flow statement

In the first quarter, the operating cash flow was up significantly year-on-year at minus 47.6 million euro (previous year minus 100.1 million euro). This was due to the lower operating net loss and to the significant improvement in working capital. Net cash used in investing activities amounted to 5.7 million euro and was therefore down on the previous year's figure (16.3 million euro). Cash flow from financing activities amounted to minus 13.8 million euro, essentially as a result of the interest that fell due and was paid in February for the corporate bond and the reduction in finance lease liabilities recognised as repayment.

Cash flow statement			
in € m	Q1 2012	Q1 2011	change
Earnings before taxes	-69.9	-77.6	7.7
Cash flow from operating activities	-47.6	-100.1	52.5
Cash flow from investing activities	-5.7	-16.3	10.7
Cash flow from financing activities	-13.8	190.3	-204.1
Liquid funds at 31/03	81.3	340.3	-259.0

Net assets

Statement of financial position

Compared to the previous year, the Praktiker Group's total assets were down by 776.6 million euro as at 31 March 2012. The most considerable changes had already taken place as at the end of the previous financial year. Comparing the closing statement of financial position for 2011, total assets increased by 66.4 million euro. On the assets side, and in the line with every year, cash and cash equivalents declined to 81.3 million euro on account of – as every year – the funds needed to pre-finance inventories for the season. Inventories have risen by 114.5 million euro for this reason since the start of the year. Property, plant and equipment decreased slightly.

On the equity and liabilities side, trade payables – as is standard for this time of year – rose as against the end of the previous year, namely by 154.2 million euro. Financial liabilities changed only slightly as against the end of the year. Equity fell to 199.8 million euro on account of the net loss in the first quarter of 2012.

Balance sheet			
in € m	31/03/2012	31/03/2011	change
Equity	199.8	824.3	–624.5
Balance sheet total	1,580.4	2,357.0	–776.6
Net financial position	–422.6	–305.6	–117.0
Net working capital	297.4	405.3	–107.9

Net debt

Accordingly, net debt amounted to 422.6 million euro at the end of the reporting period, up significantly on the same period of the previous year (305.6 million euro). The reason for this increase was essentially that cash and cash equivalents fell more year-on-year than financial liabilities.

Financial liabilities totalled 503.9 million euro. They included finance lease liabilities of 244.3 million euro (previous year 254.3 million euro), the corporate bond placed in February 2011 (247.3 million euro) and current liabilities against banks of 12.2 million euro (previous year 1.2 million euro). Thus, financial liabilities were virtually unchanged as against the end of the previous financial year. They fell significantly as compared to the same period of the previous year (647.2 million euro).

Non-current and current liabilities			
in € m	31/03/2012	31/03/2011	change
Non-current liabilities	625.9	657.1	31.2
thereof financial liabilities	471.2	482.1	–10.9
thereof liabilities from finance leases	223.9	235.4	–11.5
Current liabilities	754.7	875.6	–120.9
thereof financial liabilities	32.7	165.0	–132.3
thereof liabilities from finance leases	20.4	18.9	1.5

Net working capital

Net working capital amounted to 297.4 million euro as at the end of the first quarter (previous year 405.3 million euro). This improvement was due to the fact that the increase in inventories typical for this time of year was implemented much more moderately in the first quarter of 2012 than in the previous year, while trade payables rose more sharply.

MARKET ENVIRONMENT GERMANY

German DIY market enjoys solid start to year

All indications to date show that the German DIY market grew again in the first quarter. Positive overall consumer sentiment, a mild January and spring weather for large parts of the country in March all supported the home improvement business.

SEGMENT REPORT PRAKTIKER GERMANY

Key data Praktiker Germany			
Net sales, EBITA and capital expenditure in € m	Q1 2012	Q1 2011	change in %
Net sales	319.9	314.9	1.6
Like-for-like sales growth in %	2.1	-18.6	-
Gross profit on sales	93.6	87.6	7.0
Gross profit margin on sales in %	29.3	27.8	1.5 PP
EBITA	-44.0	-49.3	10.8
in % of net sales	-13.8	-15.7	1.9 PP
Capital expenditure	5.8	11.5	-49.3
Number of stores (31/03)	234	236	-0.8
Selling space in 1,000 sq m (31/03)	1,413	1,424	-0.8
Number of employees, yearly average on a full-time basis (01/01 – 31/03)	7,708	7,958	-3.1

Net sales

For the first time in more than two years, Praktiker Germany posted a sales increase of 1.6 percent in the first quarter of 2012. In addition, customer frequency also rose again in the first quarter at 2.0 percent. Both these facts show that the repositioning is beginning to take effect – a repositioning which has reached the final stage of the new Praktiker in four select stores. Thus, the first model stores are now established in line with which the rest of the portfolio will be adapted as quickly as possible. These stores offer even easier navigation, a stronger presence of the “Praktiker” private label, new and more attractive product ranges and innovative offerings such as a tile terminal where customers can view a greatly expanded selection of tiles. The garden centre was also completely revised with goods presented more clearly and a customer-friendlier appeal.

Praktiker still means value-for-money shopping for customers. In order to further hone this existing brand profile, Praktiker has also revised its shelf prices and reduced them further where it deems necessary. Praktiker is therefore pursuing a price policy that relies more on permanently attractive shelf prices in addition to special offers.

Extraordinary effects

In the reporting period, Praktiker Germany incurred extraordinary expenses of 8.3 million euro to set up its model stores, revise its product lines and implement further measures as part of its repositioning, for the ongoing improvement of processes such as introducing automatic re-ordering and predominantly for external consulting in connection with the various measures of the restructuring concept. The intended closure of initially seven stores in the German Praktiker portfolio this year, one of which was already implemented in the first quarter, also contributed to these extraordinary expenses to a minor degree. In the same quarter of the previous year, extraordinary expenses had amounted to 3.6 million euro.

Operating earnings (EBITA)

The gross profit margin at Praktiker Germany was 29.3 percent and therefore 1.5 percentage points higher than in the same quarter of the previous year. While Praktiker continued to pursue an aggressive price policy in Germany, it increasingly focused its special offers on such product groups that benefit particularly from advertising.

The result in the first quarter was negative, which is normal for this time of year. It amounted to minus 44.0 million euro and was therefore 5.3 million euro or 10.8 percent better than in the same period of the previous year (minus 49.3 million euro).

Before extraordinary expenses, Praktiker Germany’s EBITA amounted to minus 35.7 million euro, an increase of 10.0 million euro or 21.8 percent as against the previous year.

Capital expenditure

Capital expenditure in the first quarter was also dominated by the preparations for the new market presence and the establishment of the new model stores. 5.2 million euro was invested in renovation, conversion and modernisation as part of the restructuring or in the IT infrastructure. A total of 0.6 million euro was spent on expansion.

In total, investments at Praktiker Germany therefore amounted to 5.8 million euro in the first quarter (previous year 11.5 million euro).

As at the end of the first quarter, Praktiker Germany operated 234 stores, two fewer than at the same date in the previous year.

SEGMENT REPORT MAX BAHR

Key data Max Bahr			
Net sales, EBITA and capital expenditure in € m	Q1 2012	Q1 2011	change in %
Net sales	167.3	156.2	7.1
Like-for-like sales growth in %	7.1	5.1	–
Gross profit on sales	62.7	57.4	9.2
Gross profit margin on sales in %	37.5	36.8	0.7 PP
EBITA	2.7	–0.9	–
in % of net sales	1.6	–0.6	2.2 PP
Capital expenditure	0.6	0.9	–36.6
Number of stores (31/03)	78	78	0.0
Selling space in 1,000 sq m (31/03)	628	628	0.0
Number of employees, yearly average on a full-time basis (01/01 – 31/03)	2,881	2,924	–1.5

Net sales

Max Bahr continued the positive sales trend of last year into the first quarter of 2012. Thanks to its expertise in the garden area, the brand – and the industry as a whole – benefitted from the spring weather in March. Max Bahr counted 4.8 percent more customer contacts in the first quarter than one year ago. Its sales increased by 7.1 percent to 167.3 million euro.

Max Bahr continued to hone the brand's service profile. Accordingly, new and innovative service elements were introduced on a pilot basis in two stores in the first quarter. These are areas where customers can try out certain products for themselves, areas where employees can practically explain to customers how certain products work, help points prominently displayed throughout the store so that customers can ask for personal assistance at any time, an extended range of brochures with tips and tricks for DIY and packing and loading assistance. This service offering also means increasing staff numbers in stores. If the new services are well received by customers, they will gradually be established in all stores. This way, Max Bahr intends to further distinguish itself from the competition.

Extraordinary effects

There were no extraordinary effects at Max Bahr in the first quarter (previous year 0.3 million euro).

Operating earnings (EBITA)

As Max Bahr maintained its gross profit margin at the same level as the previous year, the increase in sales not only resulted in an improvement in operating earnings, it also bucked the seasonal trend by posting positive EBITA of 2.7 million euro (previous year minus 0.9 million euro).

Capital expenditure

Max Bahr invested a total of 0.6 million euro in the first quarter. This was less than in the same quarter of the previous year (0.9 million euro). There were no construction measures or investments in product line revision in the first quarter. As at 31 March 2012, Max Bahr operated a total of 78 stores – exactly the same number as in the previous year.

SEGMENT REPORT MISCELLANEOUS

The Miscellaneous segment comprises the German sales-line extra BAU+HOBBY, one cross-divisional service company of the Praktiker Group and the Praktiker Online Shop in Germany.

Owing to the relatively minor significance of the sales, earnings and assets of this segment, no detailed commentary has been provided. The corresponding key data can be found in the notes to the financial statements.

MARKET ENVIRONMENT INTERNATIONAL

General settings difficult

International business again remained difficult overall in the first quarter of 2012. However, this ranges from countries such as Greece, where the economy and consumers are still shouldering the burdens of fiscal adjustment, to countries such as the Ukraine, where economic performance appears to be returning to former momentum.

SEGMENT REPORT INTERNATIONAL

Net sales

Against this backdrop, sales performance was again unsatisfactory overall. In addition to the weakness in demand in Greece triggered by the general economic trends, business was also in decline in Bulgaria, Romania, Turkey and Hungary. In Luxembourg and Poland (in local currency) business was steady year-on-year. Only the Ukraine posted sales growth in the first quarter.

In February in particular, many countries in Eastern Europe experienced extremely cold weather, leading to substantial declines in sales. While there were signs of a slight improvement in March, this did not amount to a turnaround. In total, the International segment's sales in the first quarter were 12.1 percent lower than in the same quarter of the previous year at 155.2 million euro (previous year 176.6 million euro).

However, four percentage points of this change were due to currency effects. Had exchange rates remained unchanged, the sales decline would have amounted to 8.1 percent. Customer frequency fell by 5.1 percent.

Key data International			
Net sales, EBITA and capital expenditure in € m	Q1 2012	Q1 2011	change in %
Net sales	155.2	176.6	-12.1
Like-for-like sales in %	-14.7	-10.6	-
Gross margin on sales	50.9	54.0	-5.8
Gross profit margin on sales in %	32.8	30.6	2.2 PP
EBITA	-18.3	-18.9	3.0
in % of net sales	-11.8	-10.7	-1.1 PP
Capital expenditure	2.0	5.4	-63.2
Number of stores (31/03)	111	108	2.8
Selling space in 1,000 sq m (31/03)	777	761	2.2
Number of employees, yearly average on a full-time basis (01/01 – 31/03)	8,289	9,371	-11.5

Extraordinary effects

There were no extraordinary effects in the International segment in the first quarter (previous year 0.4 million euro).

Operating earnings (EBITA)

The gross profit margin was up in international business as well. At the same time, the cost base was reduced further. Hence, the drop in sales did not affect operating earnings. At minus 18.3 million euro, EBITA in the International segment was even better than in the same quarter of the previous year (minus 18.9 million euro)

Capital expenditure

Praktiker's capital expenditure abroad totalled 2.0 million euro in the first quarter of 2012 (previous year 5.4 million euro). The majority of this went towards expansion. Maintaining and renovating existing stores accounted for 0.6 million euro.

One new store was opened in each of Lublin (Poland) and Alexandroupolis (Greece). At the end of the first quarter, Praktiker International operated 111 stores, three more than at the same date in the previous year.

International – the countries						
	Net sales in € m	change in %, in €		change in %, in local currency		Number of stores
		absolute	like-for-like	absolute	like-for-like	
Luxembourg	8.3	-0.2	-0.2	-0.2	-0.2	3
Greece	37.6	-19.0	-21.7	-19.0	-21.7	14
Poland	36.9	-6.8	-16.6	0.1	-10.9	25
Hungary	17.4	-12.8	-11.1	-5.0	-3.3	19
Turkey	18.4	-17.1	-17.1	-9.6	-9.6	10
Romania	23.1	-10.6	-11.2	-7.8	-8.3	27
Bulgaria	8.1	-4.3	-4.3	-4.3	-4.3	9
Ukraine	5.5	7.8	10.6	4.2	6.7	4
International¹	155.2	-12.1	-14.7	-8.1	-11.3	111

¹ Consolidated

RISK REPORT

Risks

The Praktiker Group reported extensively on the various risks to which the Group is exposed in its 2011 Annual Report including risks to the Group as a going concern. The measures taken by the Group to counter the individual risks were also discussed there. There was no evidence of material risks above and beyond this risk catalogue in the period under review.

Opportunities

The opportunities available to the Group were also described in detail in the 2011 Annual Report. There were no material changes in the period under review.

OUTLOOK

2012 outlook unchanged

The objectives for 2012 were outlined with the publication of the 2011 consolidated financial statements. The development in sales and income in the first quarter provide no cause to change these targets: in the opinion of the management, the Praktiker Group's sales will be up slightly on the previous year in the 2012 financial year. Operating earnings, both reported and before extraordinary effects, will improve as against 2011.

CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER 2012

Consolidated income statement		
in € k	01/01 – 31/03/2012	01/01 – 31/03/2011
Net sales	662,990	666,396
Cost of goods sold	–450,021	–461,167
Gross profit on sales	212,969	205,229
Other operating income	15,223	14,076
Selling expenses	–269,297	–272,150
Administrative expenses	–20,889	–18,500
Other operating expenses	–61	–233
Operating earnings (EBITA)	–62,055	–71,578
Financial income	10,092	11,247
Financial expenses	–17,895	–17,283
Net financial result	–7,803	–6,036
Earnings before taxes	–69,858	–77,614
Income taxes	–6,287	62,122
Group net loss for quarter	–76,145	–15,492
thereof allocable to non-controlling interests	240	228
thereof allocable to shareholders of Praktiker AG	–76,385	–15,720

Earnings per share		
in €	01/01 – 31/03/2012	01/01 – 31/03/2011
Basic earnings per share	–1.32	–0.27
Dilutive effect	–	–
Diluted earnings per share	–1.32	–0.27

STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER 2012

Statement of comprehensive income		
in € k	01/01 – 31/03/2012	01/01 – 31/03/2011
Group net loss	–76,145	–15,492
Loss from currency translation recognised directly in equity	–550	–448
Loss (previous year gain) from cash flow hedges recognised directly in equity (after taxes)	–1,130	339
Other comprehensive income	–1,680	–109
Comprehensive income	–77,825	–15,601
thereof allocable to non-controlling interests	240	228
thereof allocable to shareholders of Praktiker AG	–78,065	–15,829

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS AS AT 31 MARCH 2012

Consolidated statement of financial position – assets			
in € k	31/03/2012	31/12/2011	31/03/2011
Goodwill	33,228	33,228	192,682
Other intangible assets	72,860	73,459	72,725
Property, plant and equipment	383,277	388,849	486,367
Other financial assets	12	11	12
Other receivables and other assets	11,400	8,844	10,689
Deferred tax assets	129,423	129,331	133,039
Non-current assets	630,200	633,722	895,514
Inventories	768,697	654,246	961,595
Trade receivables	20,236	12,262	15,498
Other receivables and other assets	76,413	64,261	77,846
Income tax receivables	3,112	1,432	64,997
Cash and cash equivalents	81,310	148,042	341,526
Assets of disposal group classified as held for sale	434	0	0
Current assets	950,202	880,243	1,461,462
Total assets	1,580,402	1,513,965	2,356,976

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES AS AT 31 MARCH 2012

Consolidated statement of financial position – equity and liabilities			
in € k	31/03/2012	31/12/2011	31/03/2011
Share capital	58,000	58,000	58,000
Reserves	711,941	713,621	713,109
Balance sheet loss/profit	-570,791	-494,406	51,307
Equity allocable to shareholders of Praktiker AG	199,150	277,215	822,416
Non controlling interests	678	1,339	1,886
Equity	199,828	278,554	824,302
Provisions for pensions	527	521	529
Other provisions	86,376	85,205	59,829
Financial liabilities	471,247	474,187	482,123
Other liabilities	4,888	5,368	2,992
Deferred tax liabilities	62,885	63,023	111,589
Non-current liabilities	625,923	628,304	657,062
Other provisions	133,549	132,004	31,035
Financial liabilities	32,684	24,949	165,039
Trade payables	507,855	353,700	589,644
Other liabilities	74,293	94,897	86,278
Current income tax liabilities	6,270	1,557	3,616
Current liabilities	754,651	607,107	875,612
Total equity and liabilities	1,580,402	1,513,965	2,356,976

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity										
in € k	Share capital	Capital reserves	Other reserves				Balance sheet profit/loss	Equity allocable to the shareholders of Praktiker AG	Non-controlling interests	Total equity
			Other comprehensive income			Total				
			Currency translation	Cash flow hedges (after taxes)	Sundry other reserves					
31/12/2010	58,000	822,685	-15,980	-511	-92,976	-109,467	67,027	838,245	1,642	839,887
Transactions directly recognised in equity	-	-	-448	339	-	-109	-	-109	-	-109
Group net loss	-	-	-	-	-	-	-15,720	-15,720	228	-15,492
Other changes in non-controlling interests	-	-	-	-	-	-	-	-	16	16
31/03/2011	58,000	822,685	-16,428	-172	-92,976	-109,576	51,307	822,416	1,886	824,302
31/12/2011	58,000	822,685	-16,919	831	-92,976	-109,064	-494,406	277,215	1,339	278,554
Transactions directly recognised in equity	-	-	-550	-1,130	-	-1,680	-	-1,680	-	-1,680
Payments to non-controlling interests	-	-	-	-	-	-	-	-	-901	-901
Group net loss	-	-	-	-	-	-	-76,385	-76,385	240	-76,145
31/03/2012	58,000	822,685	-17,469	-299	-92,976	-110,744	-570,791	199,150	678	199,828

CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement		
in € k	01/01 – 31/03/2012	01/01 – 31/03/2011
Earnings before taxes	-69,858	-77,614
Depreciation, amortisation and reversal of impairment loss	15,436	18,182
Increase (previous year decrease) in provisions	2,723	-241
Gain (previous year loss) from the disposal of fixed assets	-68	71
Exchange-rate-related effects	-2,619	-5,015
Increase in inventories	-114,451	-172,255
Increase in trade payables	154,155	138,818
Other non-cash transactions	-3,815	-2,923
Changes in current other assets and liabilities	-28,087	-2,721
Changes in non-current other assets and liabilities	-3,697	543
Income taxes paid	-2,165	-2,329
Interest expenses from finance lease	-5,492	-5,815
Interest result	9,855	10,665
Interest received	489	581
Cash flow from operating activities	-47,594	-100,053
Proceeds from disposal of fixed assets	506	177
Cash outflow for investing activities	-6,195	-16,517
Cash flow from investing activities	-5,689	-16,340
Interest paid	-15,320	-1,875
Payments to non-controlling interests	-901	0
Principal of liabilities from finance leases	-4,944	-4,539
Received payments from borrowing	7,376	0
Received payments from corporate bonds	0	246,677
Repayment of promissory note loans	0	-50,000
Cash flow from financing activities	-13,789	190,263
Change in cash, cash equivalents and bank overdrafts (aggregated)	-67,072	73,870
Effect of foreign exchange rate changes	340	110
Cash and cash equivalents at beginning of period	148,042	266,292
Cash and cash equivalents at end of period (aggregated)	81,310	340,272

Reconciliation of liquid funds		
in € k	31/03/2012	31/03/2011
Liquid funds at beginning of period (total) according to consolidated cash flow statement	148,042	266,292
Change in cash and cash equivalents	-67,072	75,070
Change in bank overdrafts	0	-1,200
Effect of foreign exchange rate changes	340	110
Change in restraint on disposal of cash and cash equivalents	0	0
Liquid funds at end of period (total) according to consolidated cash flow statement	81,310	340,272
Restraint on disposal of cash and cash equivalents at end of period	0	54
Liquid funds at end of period (total) according to consolidated statement of financial position	81,310	340,326
thereof cash and cash equivalents	81,310	341,526
thereof bank overdrafts	0	-1,200

EXPLANATORY NOTES

Introductory remarks

Praktiker AG is a stock corporation under German law and is based in Kirkel, Saarland, Federal Republic of Germany. Praktiker AG and its subsidiaries (together the "Praktiker Group") operate DIY stores 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 Southeastern Europe.

The shares of Praktiker 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.

This quarterly financial report was approved for publication by the management board on 25 April 2012.

Accounting principles

Basic comments to the consolidated interim financial statements

In line with the regulations of Sec. 37x para. 3 WpHG (German Securities Trading Act), the quarterly financial report of Praktiker AG as of 31 March 2012 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. The consolidated interim financial statements must be read in context with the IFRS consolidated financial statements published by the Praktiker Group for the 2011 financial year. 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 31 December 2011 (these are presented in the 2011 Annual Report from page 49 onwards).

Valuation of the income tax expense

A weighted annual rate of income tax is calculated on the basis of the best possible estimate of forecast earnings before taxes and forecast income taxes, which are determined taking into account the individual earnings and tax rates of the individual countries. Individual effects that can be clearly assigned to individual periods are taken into account in the period in which they are incurred. This tax rate is applied to the earnings before income taxes for the period under review.

New standards, interpretations and amendments to published standards requiring mandatory application since 2012

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 2011 Annual Report on pages 50 and 51. The following interpretations and amendments to existing standards became mandatory for the Praktiker Group at the beginning of the 2012 financial year

- IFRS 7 (amendment), "Financial Instruments: Disclosures"

The application of the amended standard has no significant impact on the net assets, financial position and results of operations or the cash flow of the Praktiker Group.

No new standards, interpretations or amendments to existing standards have been endorsed by the EU since the preparation of the consolidated financial statements as of 31 December 2011.

Scope of consolidated companies

In addition to Praktiker AG, the consolidated interim financial statements also include the subsidiaries in which Praktiker AG directly or indirectly holds a majority of voting rights and controls the financial and operating policies.

No changes occurred to the scope of consolidated companies of the Praktiker Group in the reporting period.

Other important events in the interim reporting period

Category Management and Procurement merged in one company

From the start of the year, all Category Management, Procurement and Marketing activities in Germany were bundled in one company, Baumarkt Praktiker Warenhandels-gesellschaft mbH. This company therefore represents the heart of retail business for the Praktiker Germany and Max Bahr sales lines.

Real collateral granted

In order to hedge against possible spikes in financing requirements when building inventories for seasonal business in spring, Praktiker maintains lines of credit with various banks. In 2012, these have been combined in a joint facility managed by Commerzbank AG. To maintain the facility at its full amount, Praktiker agreed to provide real collateral. This also applies to the maintenance and needs-driven adjustment of facilities provided by credit insurance providers to suppliers. Thus, Praktiker has granted retentions of title to the inventories of the Germany companies to its creditor partners (€ 559,675 thousand as at 31 March 2012) and encumbered two German property locations with land charges of € 18,622 thousand. Furthermore, the Max Bahr

brand, which is recognised as an intangible asset with a carrying amount of € 56,766 thousand, has also been pledged as collateral, as have bank balances of € 10,000 thousand. The credit lines from banks provide short-term bridge finance for liquidity bottlenecks that can occur due to seasonal effects in the first quarter. Credit insurance providers guarantee that suppliers will be paid their trade receivables if Praktiker is unable to do so itself.

Reconciliation of interests/compensation scheme negotiated

At the beginning of February 2012, Praktiker agreed a reconciliation of interests with the responsible co-determination bodies. This sets out the personnel changes resulting from the merger of the two current headquarters to form the Group's new head office in Hamburg. The compensation scheme that was also agreed regulates the compensation to be paid to all employees who move or leave the company.

First store closures decided

The restructuring programme includes the closing of unprofitable stores in Germany. One store in Krefeld was already closed in the first quarter of 2012, eight more are scheduled for closure before the end of 2012.

Bond creditors asked to reduce interest

In February 2011, in order to support its ongoing restructuring process, Praktiker AG requested that the bearers of its corporate bonds contribute towards the company's redevelopment. This was to take the form of an extensive cut in the interest rate. To this end, the Management Board invited all bearers of the bond to participate in a public vote without meeting, which took place in the period from 22 to 25 March 2012 under notarial supervision. The proposal put to the vote was that the interest on the bond be reduced to 1.0 percent per year effective from 10 February 2012 until it matures in 2016. However, the quorum needed for a resolution was not achieved. The set interest rate will therefore remain at 5.875 percent per year.

Notes to the consolidated income statement

Selling and administrative expenses

In the first quarter 2012 the restructuring programme incurred expenses amounting to € 8,279 thousand (reporting period of the previous year € 4,902 thousand), thereof € 3,518 thousand (reporting period of the previous year € 3,284 thousand) are allocated within the selling expenses and € 4,761 thousand (reporting period of the previous year € 1,618 thousand) within the administrative expenses.

Breakdown of the net financial result

Net financial income breaks down as follows:

Breakdown net financial income		
in € k	01/01 – 31/03/2012	01/01 – 31/03/2011
Interest income	489	581
Exchange gains	9,585	10,014
Valuation gains from derivatives	7	513
Miscellaneous financial income	11	139
Other financial income	9,603	10,666
Financial income	10,092	11,247

The individual components of financial expenses are shown in the table below:

Breakdown financial expenses		
in € k	01/01 – 31/03/2012	01/01 – 31/03/2011
Interest expenses	10,344	11,246
Exchange losses	6,268	4,304
Valuation losses from derivatives	0	292
Miscellaneous financial expenses	1,283	1,441
Other financial expenses	7,551	6,037
Financial expenses	17,895	17,283

The netting of financial income and financial expenses lead to the following net financial result:

Breakdown net financial result		
in € k	01/01 – 31/03/2012	01/01 – 31/03/2011
Net interest result	-9,855	-10,665
Net other financial result	2,052	4,629
Net financial result	-7,803	-6,036

In the reporting period, the translation of liabilities from finance leases of international subsidiaries resulted in non-cash exchange gains of € 2,728 thousand (reporting period of the previous year € 5,092 thousand) and non-cash exchange losses of € 2,828 thousand (reporting period of the previous year € 1,910 thousand).

Income taxes

In total, a calculated income tax rate of – 9.0 percent is anticipated for 2012.

Estimates for the year as a whole assume that consolidated earnings before taxes will again be negative. Further expenses from restructuring activities that could reach a nine-figure amount are expected in 2012. The fact that tax expenses are predicted in spite of the negative forecast earnings is essentially due to the following:

- a tax expense from trade tax additions in Germany of € 6,468 thousand for the year as a whole is anticipated.
- the Group is forecasting a tax expense of € 61,083 thousand from the non-recognition of deferred taxes on corporation and trade tax loss carryforwards.

Earnings per share

a) Basic

Basic earnings per share are calculated by dividing the earnings allocable to the shareholders of Praktiker AG by the average number of shares issued during the reporting period.

Basic earnings per share		
	01/01 – 31/03/2012	01/01 – 31/03/2011
Earnings allocable to shareholders (in € k)	– 76,385	– 15,720
Average number of shares issued (in thousands)	58,000	58,000
Basic earnings per share (in €)	– 1.32	– 0.27

b) Diluted

When determining the diluted earnings per share, the profit allocable to the shareholders of Praktiker AG 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.

There are currently no affairs in the Praktiker Group that could have a dilutive effect. The diluted earnings per share are therefore equal to the basic earnings per share as shown in the table above.

Notes to the consolidated statement of financial position

Assets held for sale

In the first quarter of 2012, the Group reached an agreement with an interested party on the sale of unused land owned by the Unna location. The sale is expected to take place in the second quarter of the current year at the total carrying amount of € 434 thousand.

Breakdown of financial liabilities

Non-current financial liabilities have a term of more than one year and are broken down as follows:

Breakdown of non-current financial liabilities			
in € k	31/03/2012	31/12/2011	31/03/2011
Liabilities from bonds	247,349	247,200	246,757
Liabilities from finance leases	223,898	226,987	235,366
Non-current financial liabilities	471,247	474,187	482,123

Financial liabilities due within the next 12 months are reported as current liabilities. Current financial liabilities are broken down as follows:

Breakdown of current financial liabilities			
in € k	31/03/2012	31/12/2011	31/03/2011
Due to banks	12,241	4,865	1,200
Liabilities from bonds	0	0	144,913
Liabilities from finance leases	20,443	20,084	18,926
Current financial liabilities	32,684	24,949	165,039

Other notes

Acquisition of real estate

There was no project planning for new properties owned by the Group in the first quarter of 2012. The continued development of existing DIY store projects owned and those in planning resulted in additions to property, plant and equipment of € 609 thousand in the period under review.

Material changes in contingent liabilities and other financial obligations

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

Maturity of payments from leases			
in € k		31/03/2012	31/03/2011
Operating-Leases	< 1 year	285,286	290,656
	1 – 5 years	897,572	965,444
	> 5 years	877,270	954,021
	Total	2,060,128	2,210,121
Finance-Leases	< 1 year	41,821	41,518
	1 – 5 years	156,561	157,271
	> 5 years	173,431	201,073
	Total	371,813	399,862

Related party transactions

Concerning the related party transactions there have been no changes in the period under review compared to the previous year.

With regard to the Praktiker Group, related parties include the members of the management board and the members of the supervisory board.

Seasonality

Parts of the assortment of goods traded by the Praktiker Group are subject to seasonal fluctuations. Sales of garden and building materials in particular are highest in the second and third quarter of the financial year. This is due to the favourable weather conditions. The results achieved in the first quarter were dominated by seasonal effects and cannot necessarily be used as a basis for business forecasts over the rest of the year.

Important events after the end of the interim reporting period

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

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 payment flow arising from operating, investing and financing activities.

Liquid funds include cash and cash equivalents that can be used by the Group without restriction less the amount of bank overdrafts. The cash and cash equivalents item comprises bank balances and cash on hand.

In the period under review, non-cash additions amounting to € 2,213 thousand (period under review of the previous year € 1,632 thousand) were reported as fixed assets from finance leases. For the period under review and in 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.

Notes to the segment information

Segment information for the first quarter 2012 and the first quarter 2011 are shown in the following tables:

Segment data 2012							
in € k	Praktiker Germany 01/01 – 31/03/2012	Max Bahr 01/01 – 31/03/2012	International 01/01 – 31/03/2012	Total of reportable segments 01/01 – 31/03/2012	Miscel- laneous 01/01 – 31/03/2012	Recon- ciliation 01/01 – 31/03/2012	Total 01/01 – 31/03/2012
Net sales from external customers	319,903	167,314	155,190	642,407	20,583	0	662,990
Net sales from other segments	181	0	0	181	0	-181	0
Net sales total	320,084	167,314	155,190	642,588	20,583	-181	662,990
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-37,556	5,557	-12,349	-44,348	-2,271	0	-46,619
Depreciation and impairment	-6,448	-2,881	-5,959	-15,288	-148	0	-15,436
thereof depreciation	-6,448	-2,881	-5,959	-15,288	-148	0	-15,436
thereof asset impairment	0	0	0	0	0	0	0
Earnings before interest, taxes and amortisation (EBITA)	-44,004	2,676	-18,308	-59,636	-2,419	0	-62,055
Earnings before interest and taxes (EBIT)	-44,004	2,676	-18,308	-59,636	-2,419	0	-62,055
Net financial result	-	-	-	-	-	-	-7,803
Earnings before taxes (EBT)	-	-	-	-	-	-	-69,858
Income taxes	-	-	-	-	-	-	-6,287
Group net loss	-	-	-	-	-	-	-76,145

Segment data 2011							
in € k	Praktiker Germany 01/01 – 31/03/2011	Max Bahr 01/01 – 31/03/2011	International 01/01 – 31/03/2011	Total of reportable segments 01/01 – 31/03/2011	Miscel- laneous 01/01 – 31/03/2011	Recon- ciliation 01/01 – 31/03/2011	Total 01/01 – 31/03/2011
Net sales from external customers	314,898	156,218	176,560	647,676	18,720	0	666,396
Net sales from other segments	1,598	0	0	1,598	0	-1,598	0
Net sales total	316,496	156,218	176,560	649,274	18,720	-1,598	666,396
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-42,051	2,446	-11,435	-51,040	-2,356	0	-53,396
Depreciation and impairment	-7,255	-3,351	-7,437	-18,043	-139	0	-18,182
thereof depreciation	-7,255	-3,351	-7,437	-18,043	-139	0	-18,182
thereof asset impairment	0	0	0	0	0	0	0
Earnings before interest, taxes and amortisation (EBITA)	-49,306	-905	-18,872	-69,083	-2,495	0	-71,578
Earnings before interest and taxes (EBIT)	-49,306	-905	-18,872	-69,083	-2,495	0	-71,578
Net financial result	-	-	-	-	-	-	-6,036
Earnings before taxes (EBT)	-	-	-	-	-	-	-77,614
Income taxes	-	-	-	-	-	-	62,122
Group net loss	-	-	-	-	-	-	-15,492

The segment information is presented in line with IFRS 8. The operating segments were determined according to the reports which are regularly presented to the chief operating decision maker – the management board of Praktiker 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, nor of customer groups. Reporting takes place exclusively in line with the different retail chains in Germany and international business.

The basis for the sales revenues generated by all reportable operating segments is primarily the sale of goods for the areas of construction, renovation, home repairs, home improvement, gardening and leisure.

The following reportable operating segments are reported separately:

- “Praktiker Germany”: this segment comprises the activities of the Praktiker outlets operating in Germany (including Praktiker AG and Praktiker Services GmbH). In addition, the result of Praktiker Finance B.V. (Netherlands) is also allocated to this segment in line with internal reporting. From the start of the year, Category Management, Procurement and Marketing activities in Germany were bundled in one company, Baumarkt Praktiker Warenhandelsgesellschaft mbH. Basis for the treatment of these activities is a group-internal service agreement. This company has been assigned to the Praktiker Germany segment in line with internal reporting.
- “Max Bahr”: this segment covers the activities of the stores operated in Germany in this retail chain.

- “International”: the international segment comprises the operating activities in Luxembourg, Greece, Poland, Hungary, Turkey, Romania, Bulgaria and the Ukraine. Albania, Moldova and Macedonia, where there are currently no operating activities, are also allocated to this segment which contains furthermore the results of the cross-divisional service company Praktiker Group Buying HK Ltd. (Hongkong) attributable to countries outside Germany.
- On account of the fact that they do not match the relevant size criteria, the “Extra integrated stores”, “Extra wholesale” and “Praktiker Online GmbH” units are combined into a compound item “Miscellaneous”. The results of the cross-divisional service company Praktiker Group Buying HK Ltd. (Hongkong) attributable to Germany are also allocated to the compound item “Miscellaneous”.

The results of Praktiker International AG (Switzerland), which regulates supplier invoices, are distributed among the individual segments in line with their share in the central A/P clearing for sales divisions, as in amended internal reporting.

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.

The effects of consolidation measures between the segments are stated separately in the “Reconciliation” column.

The main income statement performance indicator by which the Praktiker Group measures the earnings strength of its segments is IFRS earnings before interest, taxes and amortisation (EBITA).

Kirkel, Germany, 25 April 2012

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Disclaimer

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