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**Successful 2009/2010 financial year:**

**Hornbach presents itself in strong shape**

- Consolidated sales growth of 3.7% to Euro 2.85 billion
- Further disproportionate increase in operating earnings strength of retail business
- DIY stores with garden centers: growth driven by Germany and Western Europe
- Solid financial foundation: equity ratio rises to 42%
- Dividend increase proposed

Frankfurt/Main, May 27, 2010. The Hornbach Group can report on a successful 2009/2010 financial year (February 28, 2010). Sales at the overall Hornbach Holding AG Group increased by 3.7% to Euro 2.85 billion. Operative EBIT showed disproportionate growth of 14% to Euro 152.5 million, marking the third consecutive year of earnings growth in the Group's core business (DIY retail and builders' merchants). Unlike in the previous year, yet consistent with the budget, no accounting gains were generated on real estate sales in the 2009/2010 year under report. As a result, all of the Hornbach Group's key earnings figures as reported were lower than in the previous year. At Euro 151.5 million, consolidated operating earnings (EBIT) thus fell short of the figure of Euro 179.1 million for the 2008/2009 financial year, but nevertheless significantly exceeded the 2007/2008 figure (Euro 105.5 million).

"The 2009/2010 financial year went very well. We once again earned more from our operating business than in the previous year. Given the equity ratio of 42% we have now attained and the renewed increase in liquidity, the overall Group is in splendid shape", commented Albrecht Hornbach, Chairman of the Board of Management, at today's annual results press conference in Frankfurt. In view of this, the management will be proposing an increase in the dividend for approval by shareholders at this year's Annual General Meeting.

**Consolidated sales rise by 3.7% to Euro 2.85 billion**

Net sales at the Hornbach Holding AG Group grew by 3.7% to Euro 2,853 million in the past financial year (2008/2009: Euro 2,752 million). The Hornbach-Baumarkt-AG subgroup, which operated 131 DIY megastores with garden centers across Europe at the balance sheet date, increased its sales by 3.4% to Euro 2,686 million (2008/2009: Euro 2,599 million). On a like-for-like basis, excluding newly opened stores, sales at the

DIY megastores with garden centers grew by 0.7% across the Group. This growth was driven above all by pleasing momentum in Germany and the West European countries as a whole, while the implications of the economic crisis prevented the East European business from matching the previous year's high figures. The Hornbach Baustoff Union GmbH (HBU) subgroup, which posted sales growth of 8.8% to Euro 166 million (2008/2009: Euro 153 million), also made a major contribution to the Group's successful performance in the 2009/2010 financial year.

### **Pleasing earnings performance**

The overall Hornbach Holding AG Group can look back on a pleasing earnings performance in the 2009/2010 financial year, and once again met its earnings forecast. "The Hornbach-Baumarkt-AG and Hornbach Baustoff Union GmbH subgroups posted further year-on-year growth in their operating earnings contributions", remarked Albrecht Hornbach. This increase was chiefly driven by like-for-like sales growth, a slight improvement in the gross margin and more favorable pre-opening and administration expense ratios.

EBIT amounted to Euro 151.5 million in the past financial year. The previous year's figure of Euro 179.1 million had included accounting gains of Euro 50.4 million due to real estate transactions. Net of these non-operating earnings components, EBIT increased by 14% in the core business in 2009/2010. Operative EBIT at the Hornbach-Baumarkt-AG subgroup rose by 13%. What's more, the Hornbach Baustoff Union GmbH subgroup also further boosted its earnings performance. EBIT here doubled from Euro 1.2 million to Euro 2.4 million.

### **Investments of Euro 97 million**

Given the high degree of macroeconomic uncertainty in Europe, the Hornbach Group scaled back its expansion in the 2009/2010 financial year compared with previous years. Two new Hornbach DIY megastores with garden centers were opened in the year under report, as against four new store openings one year earlier. The volume of cash-effective investments also reduced as a result, falling from around Euro 130 million to Euro 97 million in the past financial year. These were fully financed from the cash flow of Euro 184 million from operations (2008/2009: Euro 144 million).

### **Solid finances at Hornbach**

Further improvements were seen in the capital structure of the Hornbach Group in 2009/2010. The equity ratio rose from 39.1% to 42.4% at the Hornbach Holding AG Group, and from 41.5% to 45.5% at the Hornbach-Baumarkt-AG subgroup. Net debt at the overall Group was reduced by more than 15% to Euro 423 million. Cash and cash equivalents increased from Euro 275 million to Euro 335 million. Moreover, the

Hornbach Group can also draw on unutilized credit lines of around Euro 470 million. Disposable liquidity thus totaled more than Euro 800 million at the balance sheet date on February 28, 2010.

### **Increased dividend proposed to shareholders**

A higher level of dividend distribution is to be proposed to the Annual General Meetings of Hornbach-Baumarkt-AG on July 8, 2010 and of Hornbach Holding AG on July 9, 2010. The dividend on the publicly listed Baumarkt share (ISIN DE0006084403) should thus rise from Euro 0.87 to Euro 1.00. Hornbach Holding AG plans to increase its dividend from Euro 1.14 to Euro 1.34 per listed preference share (ISIN DE0006083439) and from Euro 1.08 to Euro 1.28 per ordinary share.

### **Outlook**

Albrecht Hornbach sees the overall Group maintaining its growth course in the current 2010/2011 financial year as well. Says Hornbach: "We are confident that we will achieve consolidated sales growth in a medium single-digit percentage range". Based on current budgets, the Hornbach Group's EBIT should fall slightly short of the 2009/2010 financial year. "We will be investing more in important projects in the current year so as to expand and sustainably boost our market position", stressed Albrecht Hornbach.

### **Note**

The Annual Reports of the HORNBACH HOLDING AG Group and the HORNBACH-Baumarkt-AG subgroup for the 2009/2010 financial year are available online at: [www.hornbach-group.com](http://www.hornbach-group.com)

### **Investor relations**

Axel Müller  
Tel: (+49) 0 63 48/ 60 - 2444  
Fax: (+49) 0 63 48/ 60 - 4299  
E-mail: [invest@hornbach.com](mailto:invest@hornbach.com)

## Key Figures for the 2009/2010 Financial Year (March 1, 2009 – February 28, 2010)

### Key Figures of the HORNBACH HOLDING AG GROUP

(in Euro million unless otherwise stated)	2009/2010	2008/2009	± %
Net sales	2,853	2,752	3.7
Gross margin (as % of sales)	36.1%	36.0%	
Operative EBIT <sup>1)</sup>	152.5	133.6	14.2
non-operating earnings components <sup>2)</sup>	-1.0	45.5	
EBIT	151.5	179.1	-15.4
Consolidated net income	82.1	112.9	-27.2
Number of employees at HORNBACH Group	13,214	13,169	0.3
Investments	96.5	129.8	-25.8
Total assets	2,032.9	1,995.8	1.9
Shareholders' equity	861.5	780.5	10.4
Shareholders' equity as % of total assets	42.4%	39.1%	

### Key Figures of the HORNBACH-Baumarkt-AG Subgroup

(in Euro million unless otherwise stated)	2009/2010	2008/2009	± %
Net sales	2,686	2,599	3.4
of which in Germany	1,577	1,534	2.8
of which in other European countries	1,109	1,065	4.2
Like-for-like sales growth	0.7%	1.4%	
Gross margin (as % of sales)	36.8%	36.6%	
Operative EBIT <sup>1)</sup>	114.9	101.7	12.9
Non-operating earnings components <sup>2)</sup>	0.1	34.8	
EBIT	114.9	136.5	-15.8
Consolidated net income	68.3	94.9	-28.1
Number of employees	12,640	12,576	0.5
Investments	68.2	81.7	-16.6
Total assets	1,439.4	1,425.2	1.0
Shareholders' equity	654.7	591.3	10.7
Shareholders' equity as % of total assets	45.5%	41.5%	

(Differences due to rounding up or down to nearest Euro million; percentage changes calculated on basis of Euro 000s)

<sup>1)</sup> EBIT net of non-operating earnings components

<sup>2)</sup> Accounting gains of Euro 50.4 million at the overall HORNBACH HOLDING AG Group and of Euro 37.4 million at the HORNBACH-Baumarkt-AG subgroup were generated from real estate disposals in the 2008/2009 financial year. Further details can be found under Note 6 (Other income and expenses) in the notes to the consolidated financial statements in the 2009/2010 Annual Reports.