

HORNBACH

HORNBACH HOLDING Aktiengesellschaft
67433 Neustadt an der Weinstrasse

– ISIN DE0006083405 and ISIN DE0006083439 –

Invitation to the Annual General Meeting

We hereby invite our shareholders to attend our **Annual General Meeting**, which is to be held at the Jugendstil-Festhalle Landau, Mahlastrasse 3, 76829 Landau in der Pfalz, at 11.00 a.m. on Friday, July 13, 2007.

Agenda

- 1. Presentation of the approved annual financial statements of HORNBACH HOLDING Aktiengesellschaft and of the approved consolidated financial statements, the management report compiled by the Board of Management for HORNBACH HOLDING Aktiengesellschaft and for the Group, as well as of the report of the Supervisory Board for the 2006/2007 financial year**

- 2. Resolution on the appropriation of profits for the 2006/2007 financial year**

The Board of Management and the Supervisory Board propose to appropriate the net income reported for the 2006/2007 financial year amounting to
as follows:

Distribution of a dividend amounting to € 1.08 per ordinary share for 4,000,000 ordinary shares	€ 4,320,000.00
Distribution of a dividend amounting to € 1.14 per preference share for 4,000,000 preference shares	€ 4,560,000.00
Additional allocation to retained earnings	€ 4,450,000.00
Balance carried forward	€ 32,532.94

In the event of HORNBACH HOLDING Aktiengesellschaft holding own shares at the time of such resolution being adopted by the Annual General Meeting, these shares shall not be entitled to any dividend pursuant to the German Stock Corporation Act (AktG). Partial amounts apportioned to shares not entitled to receive any dividend shall also be allocated to the balance carried forward.

- 3. Resolution on releasing the Board of Management from responsibility for the 2006/2007 financial year**

The Board of Management and the Supervisory Board propose to ratify the actions of the members of the Board of Management for the 2006/2007 financial year.

- 4. Resolution on releasing the Supervisory Board from responsibility for the 2006/2007 financial year**

The Board of Management and the Supervisory Board propose to ratify the actions of the members of the Supervisory Board for the 2006/2007 financial year.

5. Election of auditors and group auditors for the 2007/2008 financial year

The Supervisory Board proposes the election of KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as auditors, group auditors and auditors for the audit review of the half-year financial reports for the 2007/2008 financial year.

6. By-election of a member of the Supervisory Board

Dr. Susanne Wulfsberg will be retiring from her position as a member of the Supervisory Board of the company upon the conclusion of the Annual General Meeting. Her term in office will therefore expire upon the conclusion of the Annual General Meeting.

Pursuant to Section 96 (1) final sub-clause of the German Stock Corporation Act (AktG) in conjunction with Section 9 of the Articles of Association, the Supervisory Board consists exclusively of six members to be elected by the shareholders. The Annual General Meeting is not restricted to the candidates hereby proposed.

The Supervisory Board proposes the election of

Otmar Hornbach, Businessman, Annweiler am Trifels

as a member of the Supervisory Board. Pursuant to Section 9 (3) of the Articles of Association, such candidate is to be elected for the remainder of the term in office of the retiring member, i.e. until the conclusion of the Annual General Meeting adopting resolution on the release of the respective member from responsibility for the 2007/2008 financial year.

Otmar Hornbach is a member of the following statutory supervisory boards:

HORNBACH Immobilien AG (Chairman)

WASGAU Produktions und Handels AG (Deputy Chairman).

He is not a member of any comparable company supervisory body.

7. Resolution on the approval of the transmission of information to shareholders by means of data telecommunication and on a corresponding amendment to the Articles of Association

Pursuant to Section 30b (3) Figure 1 of the German Securities Trading Act (WpHG), newly added as a result of the entry into force of the Transparency Directive Implementing Act on January 20, 2007, stock corporations are entitled to transmit information to shareholders by means of data telecommunication, in cases where, in addition to obtaining the consent of the respective shareholder and meeting further conditions, the company obtains the approval of the Annual General Meeting. Corresponding amendments are to be made at the same time to the company's Articles of Association. The Board of Management and the Supervisory Board therefore propose the adoption of the following resolution:

- a) The transmission of information to shareholders of HORNBACH HOLDING AG by means of data telecommunication shall be approved pursuant to Section 30b (3) Figure 1a) of the German Securities Trading Act (WpHG).

- b) Section 3 of the Articles of Association shall be amended in respect of its heading, the previous Sentence 1 shall become Paragraph 1 and Paragraph 2 shall be added:

“§ 3
Announcements and Information

- (1) The announcements of the company shall be made solely in the electronic Federal Gazette, unless compulsorily stipulated otherwise by law.
- (2) Within the legally permitted framework, the company shall be entitled to transmit information to its shareholders by means of data telecommunication.”

Shareholder registration for the Annual General Meeting

Pursuant to Section 19 of the Articles of Association of our company, to be entitled to participate in the Annual General Meeting and to exercise their voting rights, shareholders must register prior to the Annual General Meeting and provide documentary evidence of their shareholding. Such shareholding is to be documented in the form of a certification of shareholding compiled in text form in German or English and issued by the account-holding financial institution. This certification must refer to the beginning of the 21st day prior to the Annual General Meeting, i.e. to the **beginning of June 22, 2007** (12.00 a.m.). The registration and the certification must have been received by the company at the latest at the end of the seventh day prior to the Annual General Meeting, i.e. at the latest by midnight on **July 6, 2007**, at the following address:

HORNBAACH HOLDING Aktiengesellschaft
c/o PR IM TURM HV-Service AG
Römerstrasse 72-74
68259 Mannheim
Fax: +49 (0) 621-7177213

Should the company harbor any doubts as to the correctness or genuineness of the documentary evidence, it is entitled to demand further appropriate evidence. In the event of such evidence not being provided, or not being provided in appropriate form, then the company is entitled to reject the shareholder in question pursuant to Section 19 (3) of the Articles of Association.

Shareholder rights in respect of participation in the Annual General Meeting

The share capital of the company, amounting to Euro 24,000,000, is divided into 4,000,000 individual ordinary shares and 4,000,000 individual non-voting preference shares upon the convening of the Annual General Meeting. Each individual ordinary share entitles its holder to one vote, with the result that there are 4,000,000 voting rights based on the Articles of Association upon the convening of the Annual General Meeting. The company is not entitled to exercise any voting rights resulting from own shares; the company does not hold any own ordinary shares upon the convening of the Annual General Meeting.

In certain circumstances defined in the German Stock Corporation Act (AktG), shareholders are entitled to demand additions to the agenda. Moreover, in accordance with the conditions outlined above (“Shareholder registration for the Annual General Meeting”), they are entitled to participate in the Annual General Meeting, to request information as to items on the agenda, to submit motions concerning the items on the agenda and concerning the procedures chosen and to cast their votes at the Annual General Meeting either in person or via proxies.

Voting proxies

Shareholders who are unable to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy, or by a financial institution or shareholders' association. The power of attorney must be issued in written form and be presented upon request, unless the proxy is a financial institution or another commercial agent exempted from this requirement by Section 135 of the German Stock Corporation Act (AktG). Each shareholder is entitled upon request to receive a written form for issuing a power of attorney for the Annual General Meeting.

As an additional service, we provide our shareholders with the option of being represented in accordance with their instructions by a voting proxy appointed by the company. This proxy exercises the voting rights on the exclusive basis of the instructions issued by the shareholder. Further details concerning the authorization of the voting proxy and on the issuing of instructions will be provided with your admissions ticket, which you must request in advance from your account-holding bank. We would point out that the preference shares are not entitled to voting rights, unless otherwise compulsorily stipulated by law. The power of attorney and instructions must have been received at the address stated (for registration purposes/for shareholder motions) at the latest by midnight on July 12, 2007. After this time, it is no longer possible to amend those powers of attorney and voting instructions already issued.

In addition, for those shareholders attending the Annual General Meeting who have to leave the meeting prior to voting, there will be the possibility upon leaving the meeting of issuing a voting proxy and instructions for the exercising of such votes to a proxy appointed by the company, using the form included on the voting slip.

The issuing of a power of attorney to the voting proxy appointed by the company does not exempt shareholders from the obligation to register and to provide certification of the shareholding from the account-holding financial institution correctly and on time in accordance with the requirements set out above.

Shareholder motions and election proposals

Countermotions to the proposals made by the Board of Management and the Supervisory Board in respect of a specific item on the agenda, applications for the inclusion of extra items in the agenda and proposals of candidates for election as auditors are requested to be forwarded exclusively to one of the following addresses:

1. HORNBAACH HOLDING AG
Investor Relations/Hauptversammlung
Le Quartier Hornbach 19
67433 Neustadt an der Weinstrasse
2. Fax: +49 (0) 6348-60-4299
3. E-mail: gegenantraege.holding@hornbach.com

Motions or election proposals forwarded to other addresses will not be taken into consideration.

We will publish those applications and election proposals received from shareholders to be made public, together with the name of the shareholder, the grounds for such motion or proposal and any statement to be made by the management, on the internet communications platform of the HORNBAACH Group at www.hornbach-group.com at the latest by midnight on June 29, 2007.

Each shareholder is entitled to receive upon request without delay and free of charge a copy of those documents which Section 175 of the German Stock Corporation Act (AktG) stipulates are to be displayed at the company's offices from the convening of the Annual General Meeting onwards. These documents are also available on the internet at www.hornbach-group.com. Furthermore, they will also be displayed at the Annual General Meeting on July 13, 2007.

Neustadt, May 2007
The Management Board