

REGISTERED NUMBER: 2961334

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 FEBRUARY 2005 TO 31 DECEMBER 2005
FOR
HOME DEPOT (U.K.) LIMITED**

Target Consulting Limited
Chartered Accountants
Registered Auditors
Oswald House
24-26 Queens Road
Reading
Berkshire
RG1 4AU



HOME DEPOT (U.K.) LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Period 1 February 2005 to 31 December 2005**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8
Profit and Loss Account	11

HOME DEPOT (U.K.) LIMITED
COMPANY INFORMATION
for the Period 1 February 2005 to 31 December 2005

DIRECTORS: F Blake
F Fernandez
C Tome

SECRETARY: R Nunez

REGISTERED OFFICE: Kings Wharf
20-30 Kings Road
Reading
Berkshire
RG1 3EX

REGISTERED NUMBER: 2961334

AUDITORS: Target Consulting Limited
Chartered Accountants
Registered Auditors
Oswald House
24-26 Queens Road
Reading
Berkshire
RG1 4AU

HOME DEPOT (U.K.) LIMITED

REPORT OF THE DIRECTORS for the Period 1 February 2005 to 31 December 2005

The directors present their report with the financial statements of the company for the period 1 February 2005 to 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of procurement services to Home Depot Services LLC and other entities in the group of companies controlled by The Home Depot ("The Home Depot Group"). During the year the German branch was closed and a branch in Italy was opened. During the year the accounting reference date was changed to 31 December.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2005.

FUTURE DEVELOPMENTS

The directors intend for the company to continue its current activities.

DIRECTORS

The directors during the period under review were:

F Blake
F Fernandez
C Tome

The directors holding office at 31 December 2005 did not hold any beneficial interest in the issued share capital of the company at 1 February 2005 or 31 December 2005.

No director had any beneficial interest in the share capital of the company. The directors are remunerated by Home Depot Inc. in respect of their service to Group companies

HOME DEPOT (U.K.) LIMITED
REPORT OF THE DIRECTORS
for the Period 1 February 2005 to 31 December 2005

DIRECTORS' INTERESTS

Given below are details of the directors' interests in the Common Stock of The Home Depot, Inc. at 31 December 2005

The Home Depot, Inc., US\$0.05 par value Common Stock

	Shares 31 December 2005	31 January 2005
Francis S Blake		
Direct holdings	200	200
Spousal/Childrens' holdings	333	333
Other Beneficial Ownership	320,431.6450	258,794.5059
Stock Options	533,000	470,000
Frank L Fernandez		
Retirement Trusts	0	1,668,5206
Other Beneficial Ownership	359,101.5103	301,077.6100
Stock Options	662,500	610,000
Carol B Tome		
Direct holdings	24,124.7258	24,124.7258
Retirement Trusts	2,151.7167	2,129.7530
Other Beneficial Ownership	299,849.5943	230,931.4549
Stock Options	558,538	577,888

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

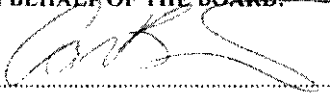
HOME DEPOT (U.K.) LIMITED

REPORT OF THE DIRECTORS
for the Period 1 February 2005 to 31 December 2005

AUDITORS

The auditors, Target Consulting Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



C Tome - Director

Date: 10.30.06

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
HOME DEPOT (U.K.) LIMITED**

We have audited the financial statements of Home Depot (U.K.) Limited for the period ended 31 December 2005 on pages six to ten. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Target Consulting Limited
Target Consulting Limited
Chartered Accountants
Registered Auditors
Oswald House
24-26 Queens Road
Reading
Berkshire
RG1 4AU

Date: *30 October 2006*

HOME DEPOT (U.K.) LIMITED
PROFIT AND LOSS ACCOUNT
for the Period 1 February 2005 to 31 December 2005

	Notes	Period 1.2.05 to 31.12.05 €	Year Ended 31.1.05 €
TURNOVER		237,564	166,437
Administrative expenses		<u>336,753</u>	<u>165,358</u>
OPERATING (LOSS)/PROFIT	3	(99,189)	1,079
Interest receivable and similar income		<u>2,335</u>	<u>1,895</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(96,854)	2,974
Tax on (loss)/profit on ordinary activities	4	<u>2,000</u>	<u>892</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>(98,854)</u>	<u>2,082</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current period and the profit for the previous year.

The notes form part of these financial statements

HOME DEPOT (U.K.) LIMITED

BALANCE SHEET 31 December 2005

	Notes	31.12.05 €	31.1.05 €
CURRENT ASSETS			
Debtors	5	12,762	6,256
Cash at bank		<u>268,960</u>	<u>265,037</u>
		281,722	271,293
CREDITORS			
Amounts falling due within one year	6	<u>505,747</u>	<u>396,464</u>
NET CURRENT LIABILITIES		<u>(224,025)</u>	<u>(125,171)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(224,025)</u>	<u>(125,171)</u>
CAPITAL AND RESERVES			
Called up share capital	7	1,636	1,636
Profit and loss account	8	<u>(225,661)</u>	<u>(126,807)</u>
SHAREHOLDERS' FUNDS	11	<u>(224,025)</u>	<u>(125,171)</u>

The financial statements were approved by the Board of Directors on 10/12/06 and were signed on its behalf by:


C Tome - Director

The notes form part of these financial statements

HOME DEPOT (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Period 1 February 2005 to 31 December 2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

Cash Flow Statement

The company have taken advantage of the exemption in Financial Reporting Standard 1 from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where more than 90% of the voting rights are controlled within the group.

Turnover

Turnover represents amounts receivable for services from other entities in the Home Depot group and relates to services provided in Europe.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Euros at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going Concern

The company is reliant on the continued financial support of its' parent undertaking The Home Depot Inc, to whom a loan totalling €465,720 (2005 - €378,836) is due at 31 December 2005.

As there is no formal agreement in place the loan has been classified in the accounts as due within one year. However, the directors are not intending to demand repayment of the loan within 12 months of the date of approval of the financial statements. This facility will remain in place for the foreseeable future and on this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

Currency

The Accounts have been prepared in Euros as this is the main operating currency of the company.

2. STAFF COSTS

	Period 1.2.05 to 31.12.05 €	Year Ended 31.1.05 €
Wages and salaries	138,449	120,649
Social security costs	13,439	8,041
	<u>151,888</u>	<u>128,690</u>

The average monthly number of employees during the period was as follows:

	Period 1.2.05 to 31.12.05	Year Ended 31.1.05
Administrative	<u>1</u>	<u>1</u>

HOME DEPOT (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Period 1 February 2005 to 31 December 2005

3. OPERATING (LOSS)/PROFIT

The operating loss (2005 - operating profit) is stated after charging:

	Period 1.2.05 to 31.12.05 €	Year Ended 31.1.05 €
Auditors remuneration	5,083	11,256
Auditors' remuneration for non audit work	-	866
Foreign exchange differences	19,154	-
	<u>24,237</u>	<u>12,122</u>
Directors' emoluments	-	-
	<u>-</u>	<u>-</u>

4. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the period was as follows:

	Period 1.2.05 to 31.12.05 €	Year Ended 31.1.05 €
Current tax:		
UK corporation tax	2,000	892
Tax on (loss)/profit on ordinary activities	2,000	892
	<u>2,000</u>	<u>892</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.05 €	31.1.05 €
Other debtors	10,870	6,256
Tax	1,892	-
	<u>12,762</u>	<u>6,256</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.05 €	31.1.05 €
Amounts owed to group undertakings	465,720	378,836
Tax	2,000	892
Accruals and deferred income	38,027	16,736
	<u>505,747</u>	<u>396,464</u>

7. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.05 €	31.1.05 €
1,000	Ordinary shares	1.636	1,636	1,636
			<u>1,636</u>	<u>1,636</u>

HOME DEPOT (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Period 1 February 2005 to 31 December 2005

8. RESERVES

	Profit and loss account €
At 1 February 2005	(126,807)
Deficit for the period	(98,854)
At 31 December 2005	<u>(225,661)</u>

9. RELATED PARTY DISCLOSURES

The turnover of €237,564 (2005: €166,437) was derived from entities controlled by The Home Depot Inc, its ultimate parent company. The balance due at 31 December 2005 was €465,720 (2005: €378,836)

10. ULTIMATE CONTROLLING PARTY

The ultimate parent company is the Home Depot Inc. and the company's immediate holding company is Home Depot International Inc. Both of these companies are organised under the laws of the State of Delaware, United States of America. Copies of the companies' consolidated financial statements may be obtained from 2455 Paces Ferry Road, Atlanta, Georgia 30339-4024, USA.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.05 €	31.1.05 €
(Loss)/Profit for the financial period	(98,854)	2,082
Net (reduction)/addition to shareholders' funds	(98,854)	2,082
Opening shareholders' funds	(125,171)	(127,253)
Closing shareholders' funds	<u>(224,025)</u>	<u>(125,171)</u>
Equity interests	<u>(224,025)</u>	<u>(125,171)</u>

HOME DEPOT (U.K.) LIMITED
PROFIT AND LOSS ACCOUNT
for the Period 1 February 2005 to 31 December 2005

	Period 1.2.05 to 31.12.05		Year Ended 31.1.05	
	€	€	€	€
Sales		237,564		166,437
Other income				
Deposit account interest		2,335		1,895
		<u>239,899</u>		<u>168,332</u>
Expenditure				
Wages	138,449		120,649	
Social security	13,439		8,041	
Sundry expenses	113,297		-	
Accountancy	6,239		-	
Legal fees	38,306		22,401	
Auditors remuneration	5,083		11,256	
Auditors' remuneration for non audit work	-		866	
Subscriptions & Donations	215		214	
Foreign exchange losses	19,154		-	
		<u>334,182</u>		<u>163,427</u>
		(94,283)		4,905
Finance costs				
Bank charges		2,571		1,931
NET (LOSS)/PROFIT		<u>(96,854)</u>		<u>2,974</u>

This page does not form part of the statutory financial statements