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**HD SUPPLY AND THE HOME DEPOT® REACH AGREEMENT ON WORKING  
CAPITAL ADJUSTMENT**

**ATLANTA, GA. – February 2, 2009** – HD Supply, one of the largest diversified and wholesale distributors in the infrastructure and energy, maintenance, repair and improvement and specialty construction markets, announced today that it has reached an agreement with The Home Depot related to post-closing purchase price adjustments resulting from the sale of HD Supply in August 2007.

HD Supply was sold in 2007 to three of the world's leading private equity firms: Bain Capital, The Carlyle Group and Clayton, Dubilier and Rice (CD&R) for \$8.5 billion, with The Home Depot retaining a 12.5% equity stake in the Company.

Under the terms of the agreement, HD Supply will receive a payment of \$22 million and other non-cash consideration.

"We are very pleased to have reached an agreement and to put this matter behind us," said Joe DeAngelo, HD Supply's Chief Executive Officer, "The Home Depot is a valued customer and minority investor of HD Supply, and we look forward to continuing our good relationship and to serve them."

In connection with its minority stake in HD Supply, The Home Depot recently announced that it would record a pre-tax charge of \$163 million for a write-down of its investment in the Company. The write-down reflects a lower valuation for its investment in HD Supply and is consistent with the decrease in the overall market since 2007. This accounting adjustment does not, in any way, impact HD Supply's operations, funding or access to capital.

HD Supply has a large customer base in highly diversified end markets, and holds market leadership positions in most of its businesses. The Company generates cash in excess of its operating needs, and has ample liquidity to fund its current operations, as well as long-term growth initiatives. Its solid capital structure is comprised of a combination of secured bank debt, unsecured notes, internally generated funds, and a cash balance of approximately \$700 million at year end, available for operating and investing activities.

Reflective of HD Supply's size, financial strength and creditworthiness, Dun & Bradstreet has assigned HD Supply a credit rating 5A2, the second highest rating possible.

Jim Berges, Operating Partner at CD&R and HD Supply's Chairman of the Board stated, "Despite the unprecedented market conditions, and in particular, the slowdown in the construction industry, the financial sponsors, Bain Capital, The Carlyle Group and CD&R, are fully committed to our investment in HD Supply. We are pleased with how the HD Supply associates have responded to the market, taking the appropriate cost actions, but never losing focus on the customers, which has enabled them to maintain profitability and generate cash even in these very challenging times."

**About HD Supply**

HD Supply ([www.hdsupply.com](http://www.hdsupply.com)) is a leading, privately held, wholesale distribution company, providing a broad range of products and services to professional customers in the infrastructure & energy, maintenance, repair & improvement and specialty construction markets. With a diverse portfolio of market-leading businesses, HD Supply is one of the largest diversified wholesale distributors in North America, with nearly 900 locations.

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