

PRN The Home Depot(R) to Acquire White Cap Construction Supply,  
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Inc.

### Acquisition Extends Reach into the Construction Market

ATLANTA, May 6 /PRNewswire-FirstCall/ -- The Home Depot, the world's largest home improvement retailer, announced today that it has entered into an agreement to acquire White Cap Construction Supply, Inc., a leading distributor of specialty hardware, tools and materials targeting large- and medium-sized construction contractors. The acquisition is part of Home Depot's strategy to expand its professional customer market base. Headquartered in Costa Mesa, Calif., White Cap will become part of The Home Depot Supply division.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20030502/HOMEDEPOTLOGO> )

The agreement is anticipated to close in the next 30 days, and terms were not disclosed. Completion of the transaction is subject to customary conditions.

"We remain committed to finding new business opportunities for The Home Depot, and this acquisition adds new customer channels and product selling opportunities," said Frank Blake, executive vice president -- business development, The Home Depot. "We were attracted to White Cap because of its leadership position in the industry, and because its customers and product lines complement our existing retail business. White Cap represents another step in offering professional customers products and services for the entire construction process."

The total professional contractor market is estimated to be a \$410 billion opportunity. White Cap's estimated annual sales are approximately \$500 million.

Founded in 1976, White Cap Construction Supply, Inc., operates 70 branch locations throughout the United States and employs 1,720 people.

Approximately 60 percent of White Cap's sales are delivered to the job site, while the remaining 40 percent are purchased at the branch locations. The company offers a wide array of more than 65,000 in-stock products including brand-name construction materials, hand tools, fasteners, safety equipment, power tools and equipment, work wear and landscape lighting.

"White Cap is the clear leader in this highly fragmented market, and we're pleased that its leadership team will continue to play an integral role in the organization," said Jim Stoddart, president of The Home Depot Supply. "We believe this acquisition will be accretive to earnings, and we are most excited about the opportunity it provides for future growth. White Cap's expertise will help The Home Depot Supply more fully satisfy its customers' needs."

The Home Depot Supply is a division of The Home Depot focused on serving the diverse needs of business-to-business customers. The division is part of The Home Depot's growth strategy to fulfill professional customers' needs by offering products and services that complement the retail store environment. The Home Depot Supply is part of the Company's planned strategy to serve homebuilders, facility maintenance professionals, construction contractors and

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landscape professionals.

J.P. Morgan Securities Inc. and Cleary, Gottlieb, Steen & Hamilton acted as financial and legal advisors, respectively, to The Home Depot in connection with this transaction.

Founded in 1978, The Home Depot(R) is the world's largest home improvement specialty retailer and the second largest retailer in the United States, with fiscal 2003 sales of \$64.8 billion. The company employs approximately 300,000 associates and has 1,740 stores in 50 states, the District of Columbia, Puerto Rico, eight Canadian provinces, and Mexico. Its stock is traded on the New York Stock Exchange (NYSE: HD) and is included in the Dow Jones Industrial Average and Standard & Poor's 500 Index.

Statements of The Home Depot's expectations for total sales growth and earnings performance in this release constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from the company's historical experience and its present expectations. These risks and uncertainties include, but are not limited to, fluctuations in and the overall condition of the U.S. economy, stability of costs and availability of sourcing channels, unanticipated weather conditions, and the impact of competition and regulatory and litigation matters. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made. Additional information regarding these and other risks is contained in the company's periodic filings with the Securities and Exchange Commission.

SOURCE The Home Depot

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