

Maxeda... Delivery With Passion!



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- **Results in the first half of 2008 compared to the first half of 2007:**
 - Net Sales (including concessionaire sales) increased by 1.2% to EUR 1,578 million
 - Same store sales down by 1.0%, but market share gains for most of Maxeda's formats and product categories
 - Operating EBITDA increased by 14.3% to EUR 102 million
 - Continuing High Gross Asset Investments of EUR 48 million, including:
 - 46 new stores (e.g. new V&D store in Venlo, new La Place restaurants, international expansion of Hunkemöller, M&S and Claudia Sträter and new DIY stores). Refurbishments of department stores and further roll out of A-brands, such as Sephora, Apple and Burberry
 - Further investments in IT-systems, distribution centres, head offices and new e-commerce channels
- **Number of Stores increased by 7.5% to 1,379 stores, since July 2007**
- **Working Capital Improvement of EUR 39 million**
- **Full time employees increased by 1.9% to 17,803**
- **Increased reputation amongst stakeholders with more nominations and prizes**

Foreword

Welcome to our half year results. I am pleased to report that Maxeda has performed well in the last six months, despite a tougher trading climate. The quality of our strategies, the quality of our brands and - last but not least - the quality of our people were evident in the progress we have made. Our investments are paying back. We have clearly shown resilience in challenging economic times.

In each of our formats customers can experience the changes we have made to drive our business forward - from improved marketing to CRM and internet initiatives to the opening of new stores and the introduction of new A-brands and products. They all support our ambition to realise retail leadership for all our formats in the markets in which we operate.

In Fashion, Bijenkorf is well on its way to full premiumship with the introduction of new top brands, successful marketing initiatives and an inspiring in store experience, including the opening of its new restaurant in Amsterdam. V&D opened its 62nd store, added new A-brands like Apple and Sephora and launched its new website. Hunkemöller continues to successfully expand internationally and opened its 400th store this year. Claudia Sträter expanded internationally by opening shop-in-shops in the UK and Ireland and is regaining its market position. M&S further invested in updating its total concept: from a more fashionable collection to a new store layout. La Place is an ongoing success story with 7 new restaurants and the introduction of new products grown organically and locally sourced. Schaap en Citroen maintained its strong market position.

In Do-It-Yourself, Praxis, Formido, Brico and Brico Plan-It continue to develop as multi brand and multi format retail leaders. Praxis further improved its assortment by introducing more decorative products and launching internet sales while Formido continued to grow the successful 'Deco Bouwmarkt' concept. Brico and Brico Plan-It, market leader in Belgium, opened new stores, including the third 'Brico City' store.

In summary, we continue to build better businesses.

However, we cannot control macro economic factors, which have shown a worsening trend. We have therefore focused our attention on the successful execution of our proven strategies and controlling those variables which we can more directly influence. Our strategy aims to establish retail leadership in each of our formats with a passion to serve our colleagues and customers. We are satisfying more customers. In fact, customers again rewarded most of Maxeda's formats with increased market share. Tight margin management and cost and cash control have delivered tangible financial results.

Maxeda had a number of other highlights to celebrate in the first half year. These included:

- The continuous investment in our formats opening 46 new stores and improving our logistics and systems infrastructures;
- Maxeda, being awarded 'Highly Commended' in the 'Employer of the Year' category during the 'World Retail Awards 2008' in April. A real credit to our philosophy of 'A Passion to Serve';
- Praxis celebrating its 30 year anniversary and Brico its 35 year anniversary;
- The increase in the reputation of Maxeda amongst its stakeholders as preferred employer, business partner and investment opportunity¹.

Our goal of retail leadership demands that we cannot be satisfied with our results. Sales were challenging across most of Maxeda's formats and countries. It is evident that our customers are feeling less able and willing to spend. The economies of many of our European markets are contracting, consumer confidence is significantly negative and many countries are experiencing declines in non food sales. In fact, the Dutch Retail Association² forecast a further decline in consumer spend, especially in non-food.

1) Source: Incompany 500, May 2008. Survey amongst high educated professionals and decision makers. Blauw research.

2) Raad Nederlandse Detailhandel

Foreword

We therefore expect the second half will be even more challenging. However, we remain confident in our ability to weather this economic storm. At Maxeda, we have developed clear strategic priorities and we will remain focused on executing these. We call these our '5 S' strategy. These are to increase Sales, Source more efficiently, Save costs, create Synergy and increase colleague and customer satisfaction through our fifth 'S'- Smile! We will need to adapt to the new market circumstances, but will retain our strategic focus. We will continue to control those elements that are controllable. Our formats will therefore further exploit opportunities to drive sales aggressively, to control margins and to manage costs and cash prudently.

Finally, there has been much recent debate about the impact of private equity on business. At Maxeda, we have certainly benefited from being under private equity ownership over the last four years. The business has been transformed from an underperforming business with a negative reputation to a business that has consistently delivered good financial results and market share out performance. More customers are now shopping in our stores and our people are happier than comparable companies. We have strengthened and motivated management teams, clear strategies driving future investment and growth and a strong governance structure.

We are convinced that our strong plans, our strong brands and the dedication of our people will continue to provide the basis for our success.

We will continue to deliver with passion.

Tony DeNunzio, Executive Chairman Maxeda

Financial commentary

As we anticipated at the end of last year, the economic environment in the first half of 2008 has been challenging. Our focus has therefore remained on the successful execution of our strategy and the control of those factors that are controllable.

We have demonstrated the resilience of our business. In a tough market environment, in which CBS reported a total sales growth in the Netherlands for non food retail of 0.8%, Maxeda's total sales increased by 1.2%. Same store sales were down by 1.0% but most of our formats and product categories gained marketshare. Our tight margin and cost control resulted in our profit (Operating EBITDA) increasing by 14.3%. We continued to invest in sustainable growth and we opened 46 new stores. We are now present in 16 countries³. Our focus on cash has led to an improvement in our working capital position of EUR 39 million.

Our robust performance in the first half year of 2008 was delivered as a result of our pro active approach to these changing market circumstances. Our Passion to Serve is even more important in encouraging our customers to shop in our stores and in keeping our colleagues motivated. We are glad our efforts were successful and that most of Maxeda's formats and product categories gained market share in the first half year. We further improved the flexibility of our supply chain leading to less obsolete stock and higher margins and we were able to control our costs and cash.

We expect the second half of the year will be even more challenging with consumer confidence in all the countries in which we are active at historically low levels. In this situation, it is important that all social parties take their responsibility to balance wage growth and costs whilst maintaining spending power. It is therefore a positive development that the Dutch government has taken measures on this point with its focus on controlling cost and wage inflation. The delayed increase in value added tax is also welcomed.

We will remain focused on the successful execution of our strategy, our Passion to Serve and our investments in sustainable growth. With the enthusiasm of our customers and help of our colleagues we are committed to manage this challenging period and to make sure we all can benefit from the next upturn in the market.

Ronald van der Mark, CFO Maxeda

³) Maxeda formats can be found in: the Netherlands, Belgium, Luxemburg, France, Spain, Germany, Poland, Denmark, UK, Ireland, Curaçao, Aruba, Saudi-Arabia, Egypt, Turkey and Russia.

Performance Formats

Maxeda Fashion

Overall, Maxeda Fashion had a positive first half year. Both department stores delivered good results as they invested successfully in inspiring shop environments, more international brands and improved private labels. However, sales in our apparel formats were impacted by the consumer downturn and lower customer traffic.

Bijenkorf

Bijenkorf, with stores in 12 cities, is the most exclusive department store in the Netherlands. Bijenkorf had a good first half year. It continued to build its premium format by introducing new top brands such as Karen Millen, Gant, Burberry, Stone Island and Van Laack. This summer, Bijenkorf opened 2 more Nespresso shops in Arnhem and Amstelveen. In March, Bijenkorf launched a brand new and exciting consumer event called the 'Mad Marathon'. Successful marketing of the Bijenkorf Card programme resulted in high customer traffic and spend. Investment programs continued in our Amsterdam and Rotterdam stores. A highlight in July was the introduction of 'Bijenkorf Kitchen' - a unique restaurant (one of Europe's largest department store restaurants) on the top floor of the Amsterdam flagship store overlooking the historical Amsterdam skyline.

V&D

V&D is the only national mid-market department store serving the Netherlands with 62 prime locations. In the first half year, V&D again delivered progress in its financial performance as a result of the successful execution of its recovery strategy. Its repositioning was enabled by the introduction of many new A-brands including Sephora, Apple, Desigual and Riviera Maison. The successful recovery of V&D also led to the opening in August of its 62nd store in Venlo. In September, V&D launched its website www.vd.nl, offering customers the possibility to purchase V&D's assortment online. In April, V&D and Sephora - one of the world's most renowned cosmetics companies - announced the start of their collaboration to introduce Sephora to the Dutch market via V&D stores. In June, the first Sephora store opened in V&D Utrecht and 9 more shops will follow this year. V&D also continued to roll out its new store design, which has already been executed in Amsterdam, Doetinchem, Tilburg, Eindhoven and Utrecht. By the end of this year, a total of 22 V&D stores will be rebranded in the new store design. In May, V&D was awarded the prestigious prize 'Professional Flyer' at the 11th edition of the 'National Day of Mail Box Advertising'.

Hunkemöller

Hunkemöller is one of Europe's largest chain stores specialising in lingerie, nightwear and swimwear. Hunkemöller sells exclusively under its own brand name. It is market leader in the Benelux and operates a total of 415 stores throughout Europe, the Middle East, Africa, the Caribbean and Eastern Europe. In the first half year, Hunkemöller continued to expand by opening 21 stores with its successful business model, both through own stores and franchise stores. In February, Hunkemöller opened its 400th store in Cologne (Germany). For expansion in new markets outside of the Benelux, Germany and Denmark, Hunkemöller opens new stores under the name of Bodique. The Bodique brand is also available as a premium range in all the stores.

M&S

M&S is one of Europe's largest chains of ladies apparel stores offering affordable fashion to women over 35. M&S has 436 stores operating in 6 countries. In the first half year, M&S had a challenging period, as a result of declining consumer confidence and traffic. Several new stores were opened, including locations in Madrid, Barcelona (Spain), Luik, Brasschaat (Belgium) and Laon (France). In June, M&S announced a cooperation with Dutch celebrity and stylist Rossana Lima to present a joint collection which is expected in stores in October. This autumn, M&S ranges will have a greater focus on key fashion looks supported by a new store layout, improved visual merchandising and a stronger marketing campaign.

Claudia Sträter

Claudia Sträter designs fashion for modern energetic women and is available through 31 own stores, as well as via shop-in-shops in leading department stores in the Netherlands, Belgium, Luxembourg, Germany, the UK and Ireland. Claudia Sträter is working hard to regain its market position. Claudia Sträter regularly introduces limited special collections. February saw the successful launch of the limited spring collection by Dutch couturier Jan Taminiau. In August, Claudia Sträter announced a limited autumn collection by Belgium couturier Cathy Pill. Claudia Sträter is also expanding into the UK and Ireland with the opening of 8 shop-in-shops in House of Fraser department stores during September.

Performance Formats

La Place

La Place is the second largest food service chain in the Netherlands offering high-quality freshly prepared food. La Place has more than 200 locations in the Netherlands and continues to be very successful. In the first half year, La Place opened 7 new restaurants including Batavia Stad, Lelystad and Roermond as well as in the National library of the Netherlands in The Hague. La Place also signed an agreement with ABN Amro to open 8 large company-restaurants. La Place continued its successful catering of large scale events such as Lowlands, North Sea Jazz and Libelle Summer week.

Schaap en Citroen

Schaap en Citroen is a high-end retailer of luxury watches and jewellery. In a challenging market Schaap en Citroen maintained its strong market position. In February, it was voted 'Top Shops entrepreneur of the Year 2007'. Schaap en Citroen can be found in 8 Dutch cities.

Maxeda DIY

Maxeda DIY Group is the Benelux region's leading DIY Group. With a portfolio of four retail businesses (Praxis, Formido, Brico and Brico Plan-It) the DIY Group has nearly 350 stores and is focused on developing as a multi brand, multi format retail leader.

In a year in which the Group celebrates the anniversaries of Praxis (30 years) and Brico (35 years), investment in growth has continued, with customers benefiting from new stores, new assortments and new customer service initiatives in all formats. Customers responded well to new private label products and there was strong growth in both products sourced from the Far East and from the Group's core Benelux suppliers.

Market conditions were challenging with reduced consumer confidence and willingness to buy in both the Netherlands and Belgium affecting DIY sales. However, the commitment of our colleagues, the underlying strength of our brands and good execution of our plans led to growth in market share and profit.

Brico

Brico is the market leader in the Belgian DIY market. Brico has a total of 121 large and medium-sized stores. It opened a new store in Roeselare, re-sited its store in Wilrijk to new, larger premises, and re-fitted a number of stores. The third Brico City store, aimed at customers in large city centers, was opened in Brussels. Assortment improvements were well received by customers, particularly in doors and flooring. SAP systems were introduced to head office colleagues and are being piloted in 6 stores. Three Kitchen and Bath Showroom pilots were opened in Jambes, Antwerp Borsbeek and Wilrijk.

Brico Plan-It

Brico Plan-It has 8 mega-stores. With an average store size of over 8,000 m² and over 40,000 products, Brico Plan-It offers customers a broad choice of DIY solutions in construction, decoration and gardening. The recently opened Norderlaan store in Antwerp continued its strong sales development.

Praxis

Praxis is one of the largest DIY formats in the Netherlands. It has nearly 140 shops including 26 mega-stores. Praxis customers responded well to improved assortments including improvements to paint, wallpaper and security products. New Tiles department were opened in 29 large stores offering customers a market beating range of top quality floor and wall tiles, together with product advice. Two Kitchen and Bath Showroom pilots were opened in Amsterdam Zuid-Oost and Nieuwegein. An expanded store opened in Roosendaal, and the Praxis website was relaunched. The rollout of new SAP systems was completed, leading to improved levels of availability for customers. Praxis also introduced a major programme to reduce energy usage in its stores. Over the summer months, the new Praxis Zomer Kluspas attracted a large number of customers.

Formido

Formido is focused on being the best local DIY store in the Netherlands and has 78 stores. Besides its regular DIY stores, Formido continued to grow the number of its new successful 'Deco Bouwmarkt' format through expansion or by transforming its existing stores. The Deco Bouwmarkt concept can already be found in 19 stores.

Maxeda Facts

Some facts about our company

- 30,000** Maxeda employs close to 30,000 people (end of July 2008)
- 2006** Was the year in which we became Maxeda and our philosophy 'A Passion to Serve' was introduced
- 695** Years of retail experience
- 50** Almost 50 percent of our stores are located outside the Netherlands
- 46** Stores were opened in the first half of 2008 throughout Europe and in new markets. Maxeda now has a total of 1,379 stores
- 16** Countries in Europe, Middle East, Africa and even the Caribbean where you can find our formats
- 5** Different nationalities within our group of 11 top managers
- 2** La Place is the second largest restaurant chain in the Netherlands
- 1** Maxeda is the largest non-food retailer in the Netherlands. Maxeda DIY is the largest DIY retailer in the Benelux

Key Numbers

Consolidated Figures⁴ (February – July) from continued activities

Maxeda Retail Group

Number of Stores
(incl. all shop-in-shops)

Stores



Net sales including concession sales

Million Euros



Operating EBITDA

Million Euros



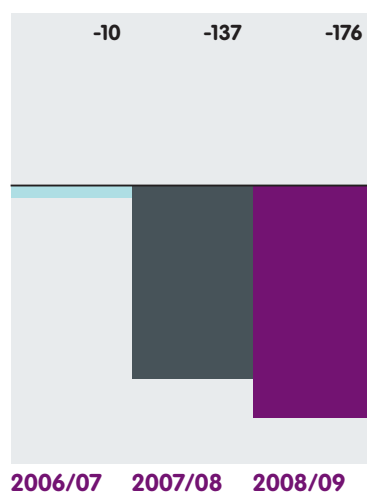
Average number FTE

FTE



Working Capital

Million Euros



Gross investments in fixed assets

Million Euros



4) The tables in this half year report have comparable unaudited figures based on IFRS (except for pension accounting). The number of FTE's in the tables are based on a work week of 38 hours for Dutch colleagues.

Key Numbers

Consolidated Figures (February – July) from continued activities

Maxeda Fashion

Number of Stores
(incl. all shop-in-shops)

Stores



Net sales including concession sales

Million Euros



Operating EBITDA

Million Euros



Average number FTE

FTE



Working Capital

Million Euros



Gross investments in fixed assets

Million Euros

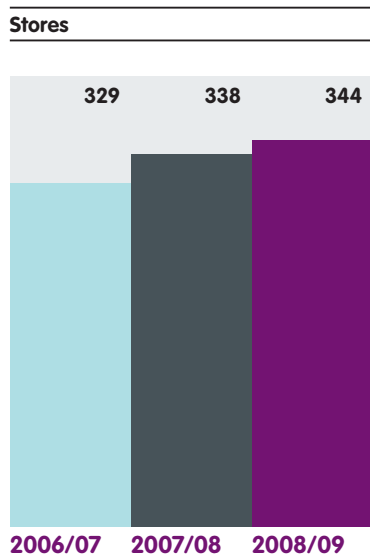


Key Numbers

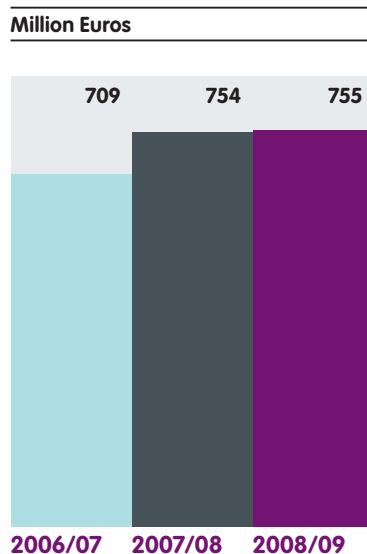
Consolidated Figures (February – July) from continued activities

Maxeda DIY

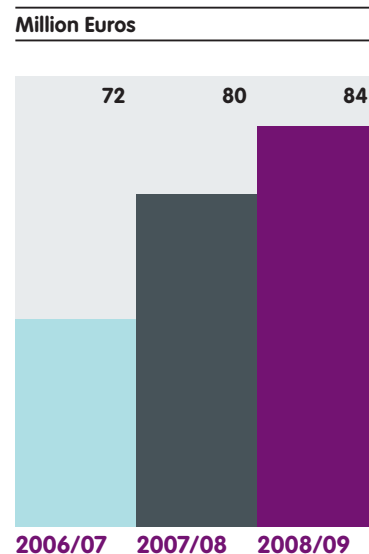
Number of Stores



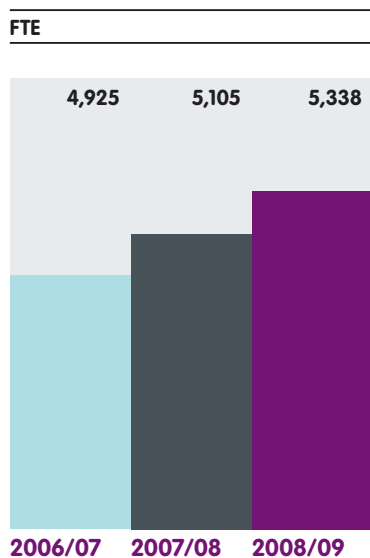
Net sales



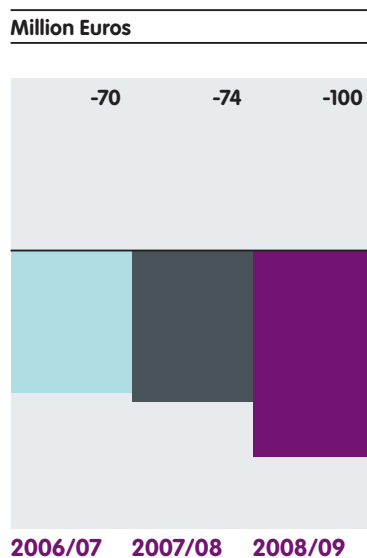
Operating EBITDA



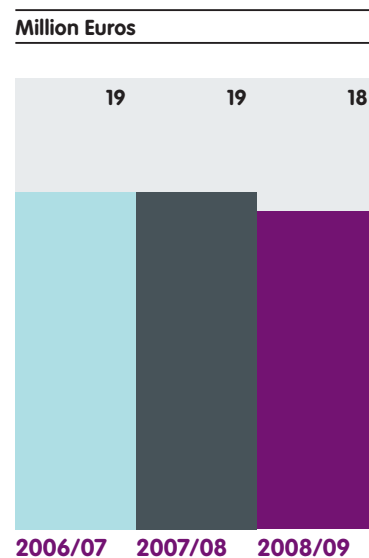
Average number FTE



Working Capital



Gross investments in fixed assets



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