

# Maxeda Outperforms!



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- **Results in the first half of 2010/11 compared to the first half of 2009/10:**
  - **Net Sales (including concessionaire sales) improved by 1.6% to EUR 1,573 million<sup>1</sup>. Same store sales increased by 0.3%**
  - **Gains in market share for Maxeda in total as well as in most formats and product categories**
  - **Operating EBITDA of EUR 118 million<sup>2</sup>, representing an increase of 18.3%**
  - **The Operating EBITDA of Maxeda Fashion was EUR 48 million, representing an increase of 88.4%.**
- **Over the past six months, EUR 50 million was invested in:**
  - **24 new stores, 9 of which were Do-It-Yourself stores and 15 Fashion stores, reflecting the international expansion of Hunkemöller and M&S Mode**
  - **Continued investments in the remodelling of existing stores and e-commerce**
  - **Renovation of existing department stores continued with the updating of 12 V&D stores.**

1) In December 2009, Schaap en Citroen was acquired by Leon Martens Juweliers. Therefore, these figures exclude the results of Schaap en Citroen and other minor discontinued activities.

2) Excludes the impact of unrealised results on foreign currency hedges

## Highlights of the Half Year

- The latest employee satisfaction survey (MTO) in the Netherlands and abroad showed an overall satisfaction score of 7.5, an improvement on the score of 7.3 reported last time, in 2008. Again, ahead of the average of Dutch and European scores in the sector.
- We received numerous nominations and prizes, including the 'Vrouw' award for Hunkemöller and the 'most trusted brand' award for V&D. Nominations were for 'Best Place to Work 2010' for Hunkemöller, Praxis, V&D, La Place and Formido. 'Employer of the Year' and 'Retailer of the Year' nominations for Hunkemöller. At the beginning of August, de Bijenkorf and Hunkemöller were nominated for the ING Retail Annual Prize 'Best Chain Store'.
- In February, a strategic review of the Fashion Group was initiated. Individual routes for each fashion format will now be reviewed.

## Foreword

### Outperforming the Market

Welcome to our Half Yearly report. Following the strong financial position in which we ended 2009/10, the first half of 2010/11 has been very encouraging. I am pleased to report that Maxeda has once again delivered strong results. Overall, in the first half of 2010/11, we delivered growth in sales and strong growth in Operating EBITDA.

After a tough year in 2009, with a reduction of 7.1%<sup>3</sup> in Dutch non-food retail sales, the first half of 2010 gave more grounds for optimism. Despite a reported overall decline in Dutch non-food retail sales of 3.2% and 2.3% during the first and the second quarter of 2010 respectively<sup>4</sup>, Maxeda reported a sales increase of 1.6% over the period February – July 2010. We have clearly outperformed the market and increased our market share.

Maxeda Fashion performed exceptionally well, almost doubling its Operating EBITDA to EUR 48 million. Sales growth was strong at over 5%. These excellent results were driven by a combination of excellent marketing campaigns, focused margin management and the benefits of our 'Fit for the Future' cost programme. All of the Maxeda fashion formats contributed to this excellent profit result, delivering 20% or higher EBITDA increases in each format.

The DIY market continued to be challenging, particularly in the Netherlands where the market declined by 9.4% in the first quarter and 3.8% in the second quarter of 2010<sup>5</sup>. Maxeda DIY was impacted by this downturn, but the company performed better than the competition and in line with its financial plan. Due to declining construction and building sectors and a deteriorating housing market, sales and Operating EBITDA were both down compared to last year. Despite these weaker results, Maxeda DIY remains one of the most profitable and best cash-generating DIY businesses in Europe.

Looking forward to the remainder of 2010/11, we are confident that this outperformance will continue. At the same time, we remain cautious, as the economic recovery is still fragile. CPB, the Netherlands Bureau for Economic Policy Analysis, projects 1.25%<sup>6</sup> growth for the Netherlands over the full year 2010.

### Flashback

In 2004, a consortium of private equity investors acquired Vendex KBB, delisting the company in August of that year. In June 2006, Vendex KBB was re-branded and re-launched to become the exciting new company Maxeda. Since then the company has been transformed. We distinguish three main phases:

#### Leadership in Every Format – Building Better Businesses (2004-2007)

Our goal at Maxeda has always been to create retail leaders through our 'Passion to Serve' philosophy. The objective was simple: by creating a great place to work and shop we could deliver great results for all stakeholders. We developed our six S's Strategy to achieve outperformance for each format.

We built better businesses by strengthening our management teams, refocusing our strategies on growth and retail leadership, and by ensuring excellent operational execution. The results were clear: enhanced employee engagement, higher customer satisfaction and market share, and stronger financial results. We delivered a strong cash flow and improved our profitability. We also achieved significant gains in working capital, completed the sale and leaseback of our real estate, and successfully transferred our pension scheme to the industry-wide plan. HEMA benefited from being part of Maxeda and successfully graduated.

Over time we have strengthened our market positions, demonstrated a track record of sound financial performance and developed exciting growth plans. We continued to invest for the long term and built our strongest management teams ever.

#### The Recession – Putting Maxeda to the Test (2008-2009)

The past two years have been very challenging, with the economic downturn also having an impact on Maxeda. We were however able to achieve resilient results in this difficult financial climate and in an increasingly competitive market. This has been achieved by successfully implementing our 'Fit for the Future' programme and by ensuring a strong operational focus across our business. This period was a test of our leadership and financial flexibility. Maxeda clearly demonstrated considerable robustness.

3) Source: CBS press release PB 10-027, 12 February 2010

4) Source: CBS press release PB 10-054, 13 August 2010

5) Source: CBS press release PB 10-054, 13 August 2010

6) Source: CPB Newsletter June 2010

## Foreword

### Entering the Next phase – Moving Forward (2010)

The recession is formally over. Although the fragile recovery brings with it some uncertainty, our strategies and investments over the past year are now paying off. This is reflected in the excellent results we achieved over the first half year of the period 2010/11. We have shown a clear ability to outperform the market. This has highlighted the underlying strength of our retail formats, the focus of our management teams and the passion of our colleagues.

In each phase we focused on our mission: achieving retail leadership in every format in all of the markets in which we operate. This was a major challenge, as some of the formats needed considerable renewal and investment.

In all three phases, our management teams have been successful in reacting to market conditions and creating leading retail formats with sustainable market positions. Our Fashion formats have demonstrated a consistent financial track record, developed exciting growth plans and all have passionate colleagues led by excellent management teams. They are now ready for the next step.

### Strategic Review of Maxeda Fashion

At the beginning of this year, we decided to launch a strategic review of the Maxeda fashion businesses in order to investigate the best options for facilitating the further growth of these market-leading formats. Based on the initial conclusions of the strategic review, we have decided that supporting the growth strategies of each of the formats can best be achieved by mapping out individual routes for them. We will review the best strategic options for each fashion format, reflecting its specific market specialisation and characteristics. The strategic option will be selected to ensure optimal support for each format's growth strategy. We anticipate that the reviews of the various formats will be finalized by the end of the year.

Our DIY formats have also developed well in recent years. We are making real progress in 'own label' penetration, category renewal and format development in both the Netherlands and Belgium and we are creating an integrated Benelux business. The DIY market has, however, been severely affected by the

economic crisis. Nevertheless, we believe there are many opportunities still to be explored. This was also reinforced by the partial repurchase of Maxeda DIY's debt last March, which was supported by our investors. By improving the balance sheet we have strengthened Maxeda DIY's financial structure. This stronger financial position enables us to further invest in both new and existing stores in order to support Maxeda DIY's retail leadership strategy.

Sustainable value creation, in the interest of all stakeholders – that's what Maxeda is all about.

### Our People

In May, we completed an employee satisfaction survey in the Netherlands and abroad. The results were overwhelming: 84% of all Maxeda employees shared their views, providing us with valuable feedback from more than 20,000 colleagues. The overall satisfaction score was 7.5, an improvement on the figure of 7.3 that was recorded last time (in 2008). Again, this exceeded the average Dutch and European scores in the sector. The high level of participation and honest feedback helps us make Maxeda an even better place: a better place to work for all employees at our stores and service centres and a better place to shop at for all of our customers. Recently, Hunkemöller, Praxis, V&D, La Place and Formido have all been nominated for the Best Place to Work award – a clear recognition of the impact of our 'Passion to Serve' culture.

I am very proud of the achievements of all of our formats in recent years – and in the last six months – and in particular I am proud of the people behind them. We continue to benefit from tremendous support from all our stakeholders: our investors, suppliers, customers and of course our people. After all, it's our people who enable us to carry out our mission. Our people have once again delivered an excellent result in the first half of 2010/11.

**Tony DeNunzio**  
**Executive Chairman, Maxeda**

## Financial Results

### Impressive Performance in a Challenging Economic Environment

We are very pleased with our excellent financial performance in the first half of the financial year 2010/11. In markets in which sales fell sharply (i.e. 3.2% in Q1 and 2.3% in Q2 in the Netherlands<sup>7</sup>) we were able to increase both our sales and our Operating EBITDA, thus significantly outperforming the market.

Our net sales (including concessionaire sales) increased in the first half of 2010/11 by 1.6% to EUR 1,573 million with same store sales slightly up (0.3%) on last year, leading to market share gains for most of our formats and product groups. This strong sales performance was driven by the focused strategic plans of our formats, our strong management teams, our dedicated people, the continued impact of our 'Fit for the Future' programme and increased investment in marketing. These value drivers also had a positive impact on our cost management and on our margins.

As a result, our Operating EBITDA increased by an impressive 18.3% to EUR 118 million, with our Fashion Group achieving an even higher Operating EBITDA growth (up 88.4%). It is important to mention that this strong growth in our Operating EBITDA has been driven by real improvements and is not the result of weaker performance last year. In the first half of last year, our Operating EBITDA fell by less than 3%, following an excellent first half year in 2008/09.

Our strong Operating EBITDA, together with a further improvement in our working capital position from EUR -213 million last year to EUR -242 million this year, has led to a significant increase in our operational cash flow. We used these funds to invest EUR 50 million in the first half of 2010/11, which is EUR 16 million (48.6%) more than last year. This reflects our strong financial position, our belief in the strategies and management of our formats. We are dedicated to our successful six S's strategy and to delivering long-term growth and sustainable results, even in very challenging markets.

In the first half of this year we opened (net) 3 stores (24 openings and 21 closures). We now operate in 12 countries with 1,366 stores, 50% of which are outside of the Netherlands. We have also invested in refurbishing stores, e-commerce, the continued rollout of new concepts and introducing new brands.

### Strong Performance of our Formats

Our impressive performance in the first half of 2010/11 reflects the strength of our strategies and the sound management of our formats. It is evident that we are building better businesses for the long term. Our fashion formats have significantly outperformed the results delivered last year, with strong increases in market share and the performance of our DIY formats was once again resilient, with increases in market share.

Our Maxeda Fashion Group, which consists of V&D/La Place, de Bijenkorf, M&S Mode and Hunkemöller, delivered an impressive performance in the first half of the financial year 2010/11. Total net sales increased by 5.0% to EUR 833 million and Operating EBITDA increased by 88.4% to EUR 48 million. This exceptional result, especially in light of challenging markets, was delivered thanks to excellent strategic plans, strong management teams and an increased focus on marketing. All formats delivered significant profit growth with V&D achieving the highest growth, demonstrating the continued success of its strategy. The strong focus of Hunkemöller on driving their core business, of de Bijenkorf on the continuous upgrading of their assortment and stores, and of M&S Mode on their products and supply chain also led to success. The Maxeda Fashion Group increased investments significantly by EUR 10 million to EUR 36 million in order to continue delivering long-term growth and a sustainably high level of profitability.

7) Dutch CBS Press Release 13 August 2010: Non-Food Retail Sales

## Financial Results

The performance of Maxeda DIY, which consists of Brico and Brico Plan-It in Belgium and Praxis and Formido in the Netherlands, was under pressure in the first half of 2010/11 because of a very challenging market environment, especially in the Netherlands. Total net sales, which were 2.0% lower than in the previous year, amounted to EUR 740 million, but both the Dutch and Belgium DIY formats have gained market share. Strong cost savings and a continued focus on margins limited the decline in Operating EBITDA to 5.4%, ending at EUR 77 million. Our Belgian DIY stores performed better than their Dutch equivalents, which faced tougher market conditions and more competition. The Maxeda DIY Group continued to invest in 2010/11, spending EUR 14 million on improving and growing the business.

In 2010/11 we completed the divestment of Schaap en Citroen to Leon Martens and were also able to improve the capital structure of our DIY Group, leading to a further improvement in the financial position of this group.

### **Outlook for the Second Half of 2010/11**

Our outlook for the second half of 2010/11 remains optimistic despite a challenging and uncertain economic environment. Maxeda is well positioned to continue to deliver positive results, thanks to the strategic plans of our formats, our strong management teams and our dedicated people.

Everyone at Maxeda can be very proud of the value we again added in the first half of 2010/11 for all our stakeholders. This demonstrates the success of our six S's strategy and 'Passion to Serve' philosophy, irrespective of the economic circumstances. I would therefore like to thank all colleagues for their huge efforts and for once again making a difference to all of our stakeholders.

**Ronald van der Mark**  
**CFO, Maxeda**

## Performance Formats

### Maxeda Fashion

Maxeda Fashion has a unique position in the fashion market, with two leading department stores and two apparel formats. Each business has its own unique identity and market positioning. The formats offer a wide range of clothing and non-food products in Europe and in new markets, selling both international brands and private labels. In cooperation with La Place, Maxeda Fashion also operates in the food service segment.

### V&D

V&D is the only national mid-market department store in the Netherlands. With 62 stores in prime locations. V&D serves women and their families with an international mix of fashion, home technology living and entertainment products. It also offers great quality fresh food that is produced in store at its La Place restaurants.

V&D has continued to successfully implement its repositioning strategy and the refurbishment of its stores. In the first half of this year, 12 stores were refurbished (a total of 52 stores now display the new house style). An important marketing relaunch took place with the introduction of a new TV campaign (Leef je uit; Live your life to the full), the introduction of the store on Twitter and a renewed webshop. As a result, V&D again delivered an impressive increase in market share in most product groups, thus outperforming the market. The Price Circus (Prijzencircus) in March was a big success. This also contributed to significant growth in sales and profitability (compared to the first half of 2009/10) and a positive Operating EBITDA for the combined V&D non-food and La Place businesses.

The shop-in-shops concept has been extended further, with the introduction of WMF (Kitchen & Dining Products) and Mango for men (He) in Utrecht, the launch in April of "New Look" within the restyled Young Fashion Floor of Den Haag Centrum, bringing the total shop-in-shops to over 3,500 nationally. Own label brands (Liv, Soho, Yes or No) were also strengthened and delivered impressive results in the first half year.

In eight stores a full re-branding will be completed by the end of August 2010 with further shop-in-shop roll outs for Apple, Desigual, Jack & Jones, Tamaris Shoes and new brands such as Monsoon and Wallis making their Dutch market debut in V&D this September.

Client satisfaction has further improved and the number of VIP clients has grown considerably (now over 770,000). In April V&D was voted 'most trusted brand' in the category Dutch department stores in a survey carried out by Reader's Digest.

V&D non-food has now reached the 'tipping' point and is positioned to deliver long term sustainable profitability. The successful renewal of V&D over the last few years has been driven by significant investments, improved products, marketing and store environment and is now delivering results. The board, led by Mark McKeon, and all our colleagues have been the architects of this outstanding renewal. They should be congratulated.

### De Bijenkorf

De Bijenkorf is the leading premium department store in the Netherlands with a dynamic, inspiring, trend-setting department store format. It retails a unique premium portfolio of international A-brands, leading private brands and luxury brands. De Bijenkorf is famous for its modern themes, its widely recognised promotion events such as the "Drie Dwaze Dagen" and "Maffe Marathon" and its innovative 'Bijenkorf Card', a unique customer loyalty programme. De Bijenkorf has 12 landmark stores in prime locations in the major Dutch cities and a successful webshop.

In the first half of this year, de Bijenkorf continued to build on its premium positioning by introducing new brands such as Sonia, DKNY, Ted Baker, Givenchy and Giuseppe Zanotti. In The Hague, a shop-in-shop with Bobbi Brown cosmetics was opened.

In April, the third edition of the 'Maffe Marathon' broke previous records in terms of customer numbers and sales. In the second half of April de Bijenkorf launched the nationwide 'Inspirat140n' campaign to celebrate the 140th anniversary of the department store. De Bijenkorf published a glossy magazine, hosted an inspiring catwalk show with unique designs, held an auction for UNICEF in the Beurs van Berlage and launched a limited edition, exclusively designed product range called Special Edit140n. Well-known A-brands, artists and style icons all contributed to the success of the anniversary.

## Performance Formats

De Bijenkorf has gone further in marketing innovation by successfully introducing an iMagazine; an interactive online magazine. The Membership programme of de Bijenkorf has grown strongly in the first half year. The introduction of a new webportal with segmented customer communication, online services, promotions and invoice information is a leap forward. The DeBijenkorf.nl webshop expanded its range of products in terms of brands and diversity. The webshop is already on track to deliver strong financial results.

In the second half year of 2010/11, de Bijenkorf is proud to announce the opening of a new luxury brands department in the Amsterdam flagship store. Store refurbishments in Eindhoven and Rotterdam will be completed in the coming months.

In the first half of 2010/11, de Bijenkorf delivered a strong financial performance, reporting both sales and significant Operating EBITDA growth. These results reinforce its consistent track record of sales growth, profitability and resilience throughout the economic cycle. This performance was delivered by a strong team and dedicated colleagues led by Jacob de Jonge.

### Hunkemöller

Hunkemöller, one of Europe's leading lingerie retailers, also supplies nightwear, swimwear and accessories. Hunkemöller is a branded lingerie business that targets the middle to top end of the high street, selling both the Hunkemöller and Bodique brands. The product offer encompasses leisure wear as well as seductive lingerie. Hunkemöller has 457 stores, is market leader in the Netherlands, Belgium and Luxemburg and operates in seven European countries: France, Spain, Denmark, the Netherlands, Belgium, Germany and Luxemburg. Hunkemöller also has a strong franchise business in the Netherlands and an international franchise business in Eastern Europe, Russia, Saudi Arabia, Egypt and the Netherlands Antilles.

The new team, led by Philip Mountford, has already achieved an impressive refocusing of the business and has developed an exciting growth plan transforming Hunkemöller/Bodique from a local high street retailer to an international brand.

In the first half of 2010/11, Hunkemöller delivered a very strong financial performance and increased its market share. A total of 13 new stores were opened, including

outlet stores in high end outlet shopping centres such as Batavia Stad and in Roermond.

The introduction of the innovative Shapewear product line, the further roll out of the Bodique premium line to a total of 150 stores, the launch of Bodique swimwear and the new e-commerce website in the Netherlands, Belgium and Germany were all very successful. Playful PR events such as the Beach Club on the Damrak, and the sponsoring of a beach club in Bloemendaal attracted a great deal of attention from consumers and the press.

In the first half of this year, Hunkemöller was nominated for the Employer of the Year and Retailer of the Year awards. Hunkemöller received the Vrouw award in June for its spring collection. In July, Hunkemöller participated in the Amsterdam International Fashion Week with an inspiring lingerie catwalk show, which received extremely positive reviews and PR.

The successful marketing campaigns, new product launches and excellent margin and cost control contributed to an outstanding increase in profitability in the first half year.

### M&S Mode

M&S Mode is an international retailer providing women over 35 with casual fashion in relaxed, classic and stylish looks. The size range from size 38 to 54 is offered at the same price, benefits from weekly deliveries of new lines and is focused on offering fashion, quality and fit at the best price in 420 stores across the Netherlands, France, Belgium, Luxembourg, Germany and Spain.

In the first six months of 2010/11, the M&S Mode stores in France benefited from a new window merchandising, a modernized facia and the introduction of the new M&S Mode logo. The stores in The Netherlands and Belgium will also be upgraded this autumn. New 'fast fashion' product ranges have been introduced with considerable success.

M&S Mode has continued to expand its webshop which was introduced in January 2010. M&S Mode webshops have now been launched in five countries in five months. The time customers spend on the webshop site, purchase volumes and purchase behaviour are all above target.

## Performance Formats

M&S Mode emphasizes the fashion focus of its products, benefiting from a new distribution centre, which significantly contributes to the speed of the supply chain. In partnership with TNT, M&S Mode opened a brand new, state-of-the-art pan-European distribution centre, which is fully equipped to supply all of the company's stores with the latest fast fashion.

The M&S Mode team led by Phil Auld delivered a strong improvement in profitability in the first half year.

### La Place

La Place is a Dutch leader in the food service sector and the second largest restaurant chain in the Netherlands. La Place has a passion for high-quality fresh food. All products are prepared in-house, from raw material to finished product, and many are locally sourced and organic. La Place has over 100 locations in the Netherlands, more than 40 of which are outside of V&D.

La Place has three formats: 'La Place Restaurants', 'La Place Café' and 'La Place Express'. At La Place Express, customers are offered a range of ready-meals, salads and soups for home consumption. To emphasize the new design of La Place, a new house style and logo were introduced and these are being rolled out during refurbishments. The new house style has also been used for La Place private label packaging, for which sustainable materials are used. A new marketing campaign was very successfully launched with targeted coupons resulting in a significant impact on customer traffic and spend.

On 11 March, La Place opened a new restaurant in Belgium, seating 360 guests, Rotterdam Binnenweg, saw a 400 seating Restaurant launch in April, and Maarsbergen and Arnhem (Post Office) will launch in October this year.

During the first half of this year, La Place introduced several new products such as vitamin-enriched waters, organic ice-tea and organic beer. In cooperation with GRO Mushrooms (Green Recycled Organics) and Vroegop-Windig, La Place has introduced the recycling of coffee grounds (220 tons annually), which are used as a substrate for growing mushrooms. In March, La Place also signed a declaration of intent for sustainable cocoa.

The La Place team led by Paul Bringmann and Walter Seib achieved a strong improvement in profitability and considerably outperformed the food service market.

## Performance Formats

### Maxeda DIY

Maxeda DIY (Do-It-Yourself) is a market leader in the DIY sector in the Benelux. Maxeda DIY's strategy is to grow and develop as a multi-brand, multi-format retail leader. The DIY group focuses on driving cross-format synergies, joint sourcing, a common IT platform and developing unique own brands that guarantee consumers the right price and quality. Our private label brands include Baseline, Sencys and Central Park.

Sustainability is very important for Maxeda DIY. The distribution centre, which opened last year, operates in a sustainable way, thanks to a number of environmental initiatives designed to reduce energy consumption, including inbound ship deliveries and the largest solar panel field in Belgium.

After four years as head of Maxeda DIY Nick Wilkinson has decided for personal and professional reasons that now is the right time to return to the UK. Nick leaves a Maxeda DIY business that is well placed for the future with a successful refinancing completed, and strong plans in place for the renewal of Praxis and the roll-out of next generation stores. Nick's successor will be announced shortly. We thank Nick for his significant contribution in building our DIY business over the last few years.

### Brico

The Brico Group is the market leader in the Belgian DIY sector with a multi-format and multi-channel strategy and is headed by Geert Verkest. Brico offers a wide range of DIY products, home decoration and gardening products, combining known brands with private labels. Brico, which has a network of 131 stores, continues to develop its product ranges, its own-label brands and retail formats. New ranges have recently been successfully relaunched in light bulbs, paint mixing, batteries, power tool accessories and chains/cords. In April the remodelled Brico store in Kraainem (near Brussels) was reopened. In this shop a pilot programme highlighting creativity and innovation was launched. In May, after a major remodelling, the Brico Depot store was reopened. In the beginning of the year, the seventh 'Brico City' store was opened in Liège.

In March 2009, both Brico and Brico Plan-It joined the successful 'Plus-Card' loyalty system, the leading customer loyalty programme in Belgium. Brico has already distributed more than 90,000 Plus Cards. In

March this year the first Brico Plus mailing was sent to around 500,000 people who have used a Plus card in one of Brico's stores.

### Brico Plan-It

Brico Plan-It is a chain of 9 DIY megastores offering the widest possible range of products for home improvement projects, from building materials through to home decoration and garden products. Brico Plan-It stores are very large – the average floor surface is over 8,000 m<sup>2</sup> and there are more than 40,000 products. In April, Brico Plan-It in Ternat, near Brussels, was opened. This store is a new-generation concept that includes ecological features such as a wind turbine, solar panels and water treatment. In March, the 'Sanitary decoration' catalogue became available at all Brico Plan-It stores. This catalogue, which is designed to be a source of inspiration, is dedicated entirely to the world of bathrooms and kitchens.

### Praxis

Praxis is one of the largest DIY brands in the Netherlands. Praxis supports the needs of both experienced and novice DIY enthusiasts, offering the best choice of products and prices, as well as the stores and advisers needed to help get the job done. Customers will find a complete assortment of products for both major projects and simple repair jobs. Praxis has 138 shops including 29 megastores of which 11 also have a garden centre.

In March Praxis launched a major new national media campaign and new brochures focusing on families. In the first half of this year, Praxis introduced, for the first time, a fully comprehensive DIY catalogue that covers the full range of summer goods – an excellent source of inspiration for customers. In addition, with its new gardening brochure, the company has highlighted the fact that, with Praxis, every job can be done. New product ranges in window decoration and door handles were successfully launched.

In the Northern part of Utrecht Praxis opened a 'store of the future' with a new look and feel. The first foundation stone for the construction of the new Praxis Vlaardingen Megastore has been laid. The new Praxis Megastore will feature an extensive product range, enabling customers to enjoy 6,000 m<sup>2</sup> of shopping experience and inspirational ideas.

## Performance Formats

### Formido

Formido is a chain of smaller DIY stores that supply the local needs of DIY enthusiasts in the Netherlands and is headed by Jan van den Ham. The 82 Formido stores are mostly franchised and located in the suburbs of larger cities and towns. Formido operates the successful Deco DIY store concept. In the first six months of this year, a new Deco DIY store was opened (in Bommel) and 3 were reformatted according to the latest concept. There are now 36 Deco stores. There was a joint promotion with Radio 100% NL at the Huishoudbeurs (Good Housekeeping Fair) in February. In addition, the 100% NL Formido 2010 Summer Tour has started and Formido is the chief sponsor of the Suzuki Formido Swift Cup.

## **Maxeda Facts**

Some facts about our company

- 26,000** Maxeda employs 26,000 people
- 2006** The year in which we became Maxeda and our philosophy (a Passion to Serve) was introduced
- 563** Years of retail experience
- 50** Percent of our stores are located outside the Netherlands
- 24** Stores were opened in the first half of 2010
- 12** Countries in Europe, Russia, the Middle East and the Caribbean where you can shop in our formats
- 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 a market leader in the Benelux.

# Key Figures

The key numbers that are presented on the following pages are, if applicable, based on IFRS (International Financial Reporting Standards), with the exception of the pensions. For a better insight, Maxeda Retail Group Continued uses certain alternative financial performance indicators, like Operating EBITDA. Operating EBITDA is operating profit before exceptional results and before tax, interest, depreciations and amortisation. An annual account comprises other performance indicators, so that other alternative financial performance indicators cannot be linked to items in an annual account. The Maxeda Retail Group comprises Maxeda Fashion and Maxeda DIY, as well as the holding company of the Maxeda Retail Group.

## Key Figures

Consolidated Figures<sup>1</sup> (February – July) from continued activities

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### Maxeda Retail Group

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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



1) The tables in this half year report have comparable unaudited figures based on IFRS (except for pension accounting). The number of FTEs in the tables is based on a work week of 38 hours for our Dutch colleagues.

2) Excluding the impact of unrealised results on foreign currency hedges (loss of EUR 1 million in the first half year 2010/11, loss of EUR 6 million in the first half year 2009/10 and EUR nil million in the first half year 2008/09).

## Key Numbers

Consolidated Figures<sup>1</sup> (February – July) from continued activities

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### Maxeda Fashion

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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



1) The tables in this half year report have comparable unaudited figures based on IFRS (except for pension accounting). The number of FTEs in the tables is based on a work week of 38 hours for our Dutch colleagues.

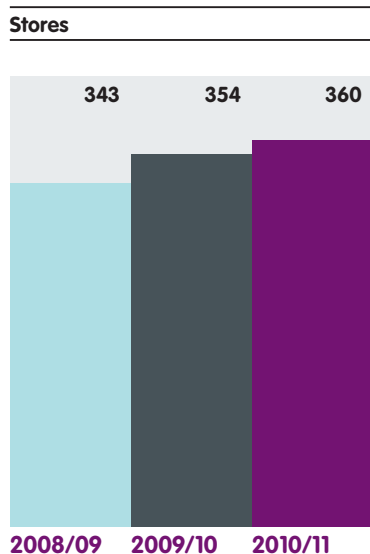
2) Excluding the impact of unrealised results on foreign currency hedges (loss of EUR nil million in the first half year 2010/11, loss of EUR 5 million in the first half year 2009/10 and EUR nil million in the first half year 2008/09).

## Key Numbers

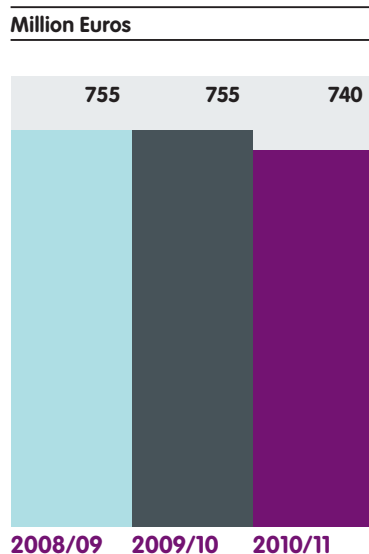
Consolidated Figures<sup>1</sup> (February – July) from continued activities

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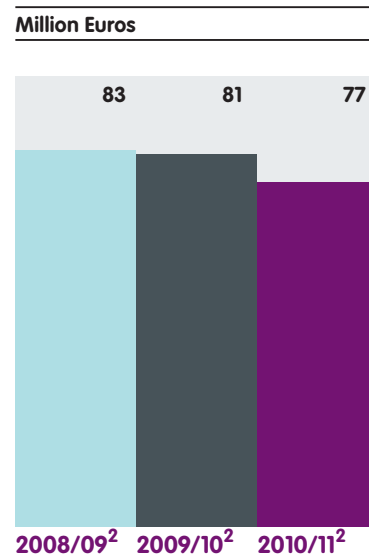
Number of Stores



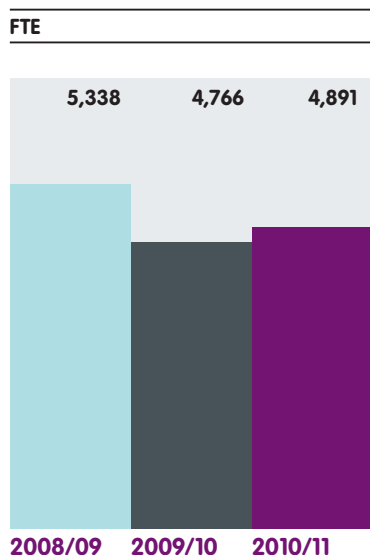
Net sales



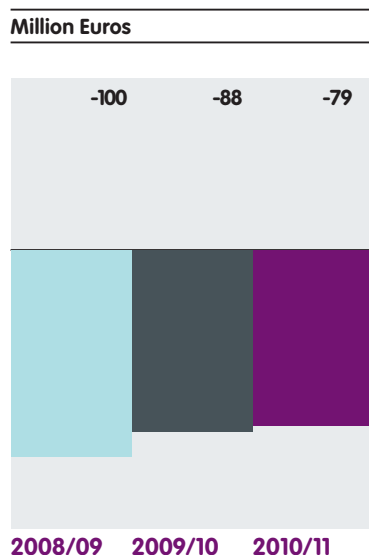
Operating EBITDA



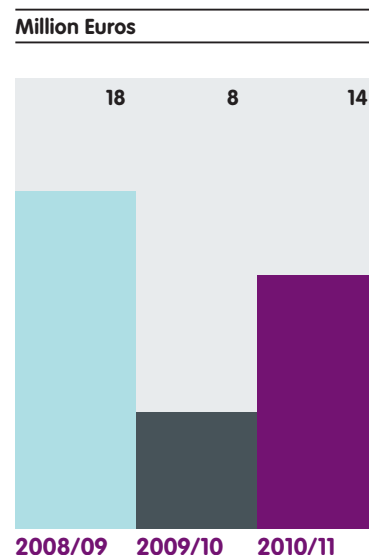
Average number FTE



Working Capital



Gross investments in fixed assets



1) The tables in this half year report have comparable unaudited figures based on IFRS (except for pension accounting). The number of FTEs in the tables is based on a work week of 38 hours for our Dutch colleagues.

2) Excluding the impact of unrealised results on foreign currency hedges (loss of EUR 1 million in the first half year 2010/11, loss of EUR 1 million in the first half year 2009/10 and EUR nil million in the first half year 2008/09).

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