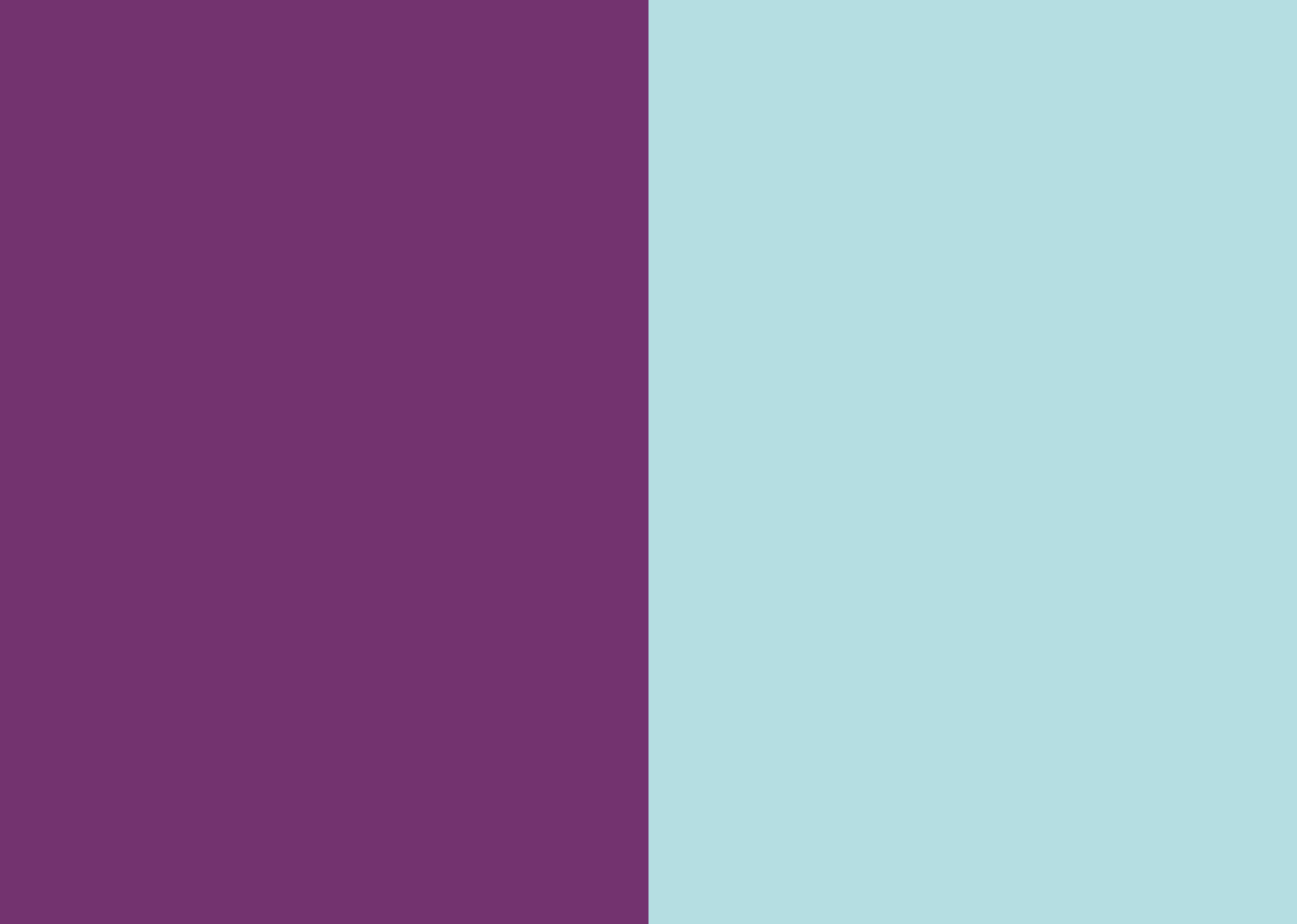


Making a Difference



maxeda



Making a Difference...

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Some facts about our company

- 30,000** Maxeda employs close to 30,000 people
- 2006** Was the year in which we became Maxeda and our philosophy 'A Passion to Serve' was introduced
- 695** Years of retail experience
- 134** Stores were opened in 2007 throughout Europe and in new markets
- 50** Percent of our stores is located outside the Netherlands
- 12** Countries in Europe, Middle East 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

Making a Difference... Financial Highlights

Maxeda's mission to achieve retail leadership in every format delivered good results.

Financial highlights in 2007/08

- Net Sales (including concessionaire sales) increased by 5,2% to EUR 3,181 million¹
Compared to same store sales up by 3,3%¹
- Operating EBITDA increased by 16,3% to EUR 228 million¹
- Gross Asset Investments amounted to EUR 126 million
- Working Capital Improvement of EUR 84 million
- Number of stores increased by 8,1% to 1,346 stores
- Market share gains for Maxeda overall and in most formats and product categories

¹ Comparable figures are 52 weeks

Making a Difference

Welcome to our Annual Review. Throughout the year, Maxeda made a difference in many ways. And it gives me great pleasure to describe our progress over the last twelve months to you as a colleague, customer, supplier or interested party.

Making a Difference...

Tony DeNunzio



Tony DeNunzio,
Executive Chairman Maxeda

At Maxeda, our goal is to achieve retail leadership in every format in all the markets in which we operate. To achieve this mission, we have developed clear strategic priorities. We call these our '5 S' strategy. We aim to increase Sales in existing stores and to grow our store network, to Source more efficiently both at home and abroad, to Save costs and improve cash flow and to generate Synergies across the group. Finally, we aim to increase colleague and customer satisfaction through our fifth 'S' – Smile! Maxeda's 'Passion to Serve'

philosophy underpins our mission and clear strategic plans. We firmly believe that we will only achieve great results if we are ready to serve the people who serve our customers.

Serving. Being of service. This is the secret of our success. Satisfied colleagues will in turn lead to satisfied customers and to satisfying results. It is this absolute focus across Maxeda that will make the real difference. In every part of our company, we strive to understand and exceed the expectations of our people and our customers.

It gives me great pleasure that this strategy is certainly working at Maxeda. This Annual Review describes the considerable progress we have once again made for all stakeholders during the last year.

Our Markets in 2007

Volatility is the word that springs to mind when looking back at our markets in 2007. Weather volatility and financial market volatility.

At times, 2007 reads like a weather report. The year started well. Up until May our formats experienced strong months, aided by the warm weather. However, May to August turned out to be more challenging with cooler weather and cooler results. In September, seasonally appropriate weather improved performance. The chill in the

Making a Difference...

Tony DeNunzio

financial markets was however felt during the last quarter. Reduced consumer confidence in all our European markets led to volatility.

However, the execution of our strategic growth plans delivered a strong year end. It is pleasing that Maxeda formats consistently outperformed the market in spite of this volatility.

Our Business in 2007

To summarise, 2007 was another good year for Maxeda. We made progress on many fronts. There are many highlights and many reasons to celebrate. We built stronger and more successful businesses together.

We accelerated our sales growth and opened a record number of 134 new stores throughout Europe and in new markets. We increased our international network - over 50% of our stores are now outside the Netherlands. We improved our sourcing, enhanced our supply chain and managed our markdowns creating higher margins. At the same time, we managed our costs and our cash prudently. The end result was that Maxeda achieved its financial plan for the year.

We also delivered on our Passion to Serve philosophy. Colleague satisfaction increased and customer satisfaction, as measured by higher market share, experienced improvements in nearly all

formats and in most product categories. Our people and our formats were widely recognised. We won many important awards.

The year will also be remembered for the successful graduation of HEMA from the 'Maxeda Academy' and the outsourcing of our IT Business to Capgemini. HEMA outperformed its original plan and with Lion Capital, their new partner, are focused on executing the next phase of development. After the sale of HEMA, we successfully restructured and refinanced the group into Maxeda DIY and Maxeda Fashion.

We certainly made a difference in 2007!

Making a Difference...

Tony DeNunzio

Looking Forward to 2008

Whilst we are pleased with the results in 2007, we still see significant potential in the group. We cannot afford to rest on our laurels. Good is the enemy of Great!

Each format has developed an exciting strategic plan to exploit its opportunities over the next years by continuing our absolute focus on people and customers.

However, it is likely that greater economic uncertainty will prevail impacting macro indicators as well as our customers ability and willingness to spend across Europe. Our challenge at Maxeda is to control those factors that are controllable and demonstrate the resilience of our business through the continued successful execution of our plans.

In addition, a number of regulatory changes may impact demand in the Netherlands. Reductions in disposable income on account of higher social security costs, the smoking ban in restaurants, higher VAT and discussions on restricted Sunday trading could all potentially reduce consumer spend.

I am convinced that the economic model of private equity which has contributed to the revitalisation of our formats can through its focus and drive deliver higher levels of performance. We have strong brands, strong plans, strong teams and a strong

focus on execution. With these ingredients, we are convinced we can maximise our opportunities and continue to build better businesses.

Finally, I would like to thank all of our stakeholders for making a difference at Maxeda during last year. Our people's dedication and hard work made a difference. Our customers' appreciation through higher sales made a difference. Our suppliers' new products and increased flexibility made a difference. Our investors support and wise counsel made a difference. All of our stakeholders help us make a difference.

**Tony DeNunzio, Executive Chairman
Maxeda**

**Maxeda,
a Different
Company...**

Maxeda

a Different company...

Our Company at a Glance

The history of Maxeda began over 120 years ago. V&D, Bijenkorf, Hunkemöller and Schaap en Citroen all opened stores at around this time. In 1995, Vendex became a listed company. In 1999, a merger was effected between the two major department store operators in the Netherlands, Vendex and KBB (re-named Vendex KBB). This created by far the largest non-food retailer in the Netherlands. In August 2004, a consortium of private equity investors led by KKR (other investors are Permira, Cinven and Alpinvest Partners) acquired Vendex KBB delisting the company. In June 2006, Vendex KBB was re-branded and re-launched to become the new and exciting Maxeda.

Our Markets and Business Environment

Maxeda is the leading non-food retailer and food service business in the Netherlands. Maxeda operates department stores, DIY, fashion stores and restaurants which are located in prime locations. All 11 formats have a unique identity and market positioning and span all market segments. Maxeda has almost 30,000 colleagues in the Netherlands, Belgium, Luxembourg, France, Spain, Germany, Denmark, Saudi Arabia, Egypt, Curaçao, Aruba and Turkey. Maxeda has close to 1,350 stores, 50% of which are located outside the Netherlands. The stores welcome 6 million visitors each week.

Our Strategy

At Maxeda our mission is to achieve retail leadership in every format in all markets in which we operate.

Our goals are to win by serving the needs of our people and our customers, to win by maximizing the opportunities of each format whilst optimizing group synergies and to win by delivering great results for all stakeholders.

To achieve our mission we set clear strategic priorities. We call these our '5 S' strategy. These are Sales, Sourcing, Saving, Synergy and Smile! All strategy related activities are carried out on the basis of our company philosophy of 'a Passion to Serve', which means having a true focus on what really matters; our people and our customers.

Our Performance

Each year Maxeda and its formats develop a three-year strategic plan including all major initiatives. This plan is then translated into a one-year operating budget. Performance is tracked each period against the company's key strategic value drivers and operating plan. The company has developed a sophisticated set of key performance indicators to further track progress. The most important indicators are sales (like for like and total), number of visitors and customers, average transaction values, margins, costs by department, capital spend, working capital changes and cash flow.

**Making a
Difference...
to our
Customers**

To all our Customers

Last year, our customers will have noticed many differences at Maxeda formats.

We opened new stores, we improved prices, we introduced many exciting products, and we launched great marketing campaigns and executed new service initiatives. Across Maxeda, customers experienced a more compelling and competitive offer at our stores. Our customers demonstrated their ultimate appreciation rewarding Maxeda with higher sales and increased market share.

Maxeda Fashion

For Maxeda Fashion, 2007 was a strong year. Sales increased significantly in both our department stores, Bijenkorf and V&D, and we outperformed the market in almost all product categories. We invested in more inspiring shop environments; we started new marketing campaigns and continued to introduce international brands, as well as upgrading our own private labels. In apparel, expansion was the keyword. Throughout Europe, as well as in new markets, we accelerated new store openings and franchise agreements. We introduced new exciting products delivered by more efficient supply chains and promoted by successful marketing initiatives. And while the wet weather in the summer impacted our apparel formats to some extent, we are pleased with our overall performance.

V&D



Mark McKeon
CEO

In 2007, the year of their 120th anniversary, V&D refocused their non-food offer under the banner of 'creating a world of difference'. With amazing team work, we developed a new corporate identity

which was introduced in the renovated store Amsterdam Kalverstraat, and our new store Doetinchem. The sales and market share progress has exceeded our expectations.

V&D is the only national mid-market department store serving the Netherlands with 61 prime locations. V&D targets women in the 30-60 age group and their families. They offer great quality fresh food products with their La Place formats.

For V&D, 2007 was a year to remember. There were many highlights to celebrate. Firstly, they delivered a strong financial performance achieving the best business results for many years. The customer refocus and repositioning of V&D drove the continued introduction of A-brands and the strengthening of its private labels offering a wider selection in non-food and fashion. In total, nearly 1,000 shop-in-shops have been introduced in the last three years – exciting new brands such as Jane Norman, Sapph, Blond and Biba –among others- were launched. V&D also continued their successful cooperation with Dutch

celebrities. Most notably with Holland's most popular TV star Wendy van Dijk. As a V&D ambassador, she launched her second collection of clothes and her personal lingerie line 'It's a Wendy' with great success.

V&D also introduced a new house-style, with a new logo, as well as a new in-store look & feel. In September, V&D re-launched their flagship store in the new house-style in Amsterdam. In November, V&D Doetinchem was opened in the 'new style', the first new store for many years. Both stores are trading successfully. This new refreshed look will be progressively rolled out in V&D stores across the Netherlands as stores are upgraded.

But there was more to remember. 2007 was also the year of V&D's 120th anniversary, which was celebrated throughout the year with colleagues and customers. At the beginning of the year, Mark McKeon was appointed CEO of V&D. Previously Mark has been COO at fashion brands Principles and Warehouse and CEO of Starbucks Europe.



Joke Bode (58)

I've bought a lot of winter sports gear and... a bikini!

Bijenkorf



Jacob de Jonge
CEO

On our way to premium status we made some important moves in 2007. We boosted service and efficiency and reduced old stock. We introduced new brands and opened renovated

departments. All of these efforts allow us to show our customers a fascinating and inspiring product range in our stores more frequently.

Bijenkorf, with branches in 13 major cities, is the most exclusive department store of the Netherlands. It is famous, because it is trend-setting and inspirational. Customers will find a wide range of products, innovative themes and a premium experience. The top international brands, together with their own exclusive brands, make Bijenkorf a market leader in fashion.

Bijenkorf had a record year building their premium format. Individual departments experienced refurbishments and new premium brands were introduced, such as Karl Lagerfeld, Moooi Boutique, Blue Blood and Gant. In September, Bijenkorf opened a completely restyled ladies fashion floor in The Hague, offering a great customer experience. The other flagship stores - Amsterdam and Rotterdam - were also upgraded. The famous 'Three Crazy Days', Holland's largest consumer event, was awarded the 'Retail Advertising Award'. LEGO celebrated their 50th anniversary in all Bijenkorf stores and the Dutch movie

'Alles is Liefde' (All is Love), in which Bijenkorf plays a central role, was a huge hit. Bijenkorf also managed to significantly reduce old stock last year and deliver new fashion products to customers more quickly, thereby opening the way to full premiumship.



Simone Toby (34) and Richard van Gelder (39) and Maud (1)

If there's a Bijenkorf in town, we always go in to take a look. The shops are really attractive. You can tell they take marketing seriously.

M&S



Philip Auld
CEO

Customers voted M&S 'Ladies Fashion Retailer of the Year', because we offer affordable high street fashion and friendly service. This is a great tribute to the

transformation of M&S and the dedication of our people.

M&S is an international chain of ladies apparel stores, offering affordable fashion to women over 35. The extended size range, from 36 to 54, is all offered at the same attractive price. M&S is growing and expanding throughout Europe. There are currently more than 430 M&S stores in the Netherlands, Belgium, Luxembourg, Germany, France and Spain.

M&S experienced a strong progress in 2007. This progress was driven by a refocused product offering, more flexible sourcing and improved in-store merchandising. M&S has invested substantially in (new) product lines that meet the needs and desires of the customers.

Last year, they opened 19 stores throughout Europe. M&S continued to expand in the Benelux, France and Spain, where they opened their 5th store in Madrid.

They also announced the construction of a new Distribution Centre in 2008 to facilitate their continued growth, and outsourcing of their logistics operations to TNT. The new Distribution Centre will allow M&S to shorten their lead times further and respond to emerging fashion trends more rapidly.

In 2007, M&S was also awarded 'Best Retailer of The Netherlands' in the ladies Fashion Category.



Pascale Gaillard (45)

I can always find something I want at M&S, just look at what I bought. When the weather improves a bit, we'll be able to wear all the nice spring fashions.

Hunkemöller



Martin Zieger
CEO

2007 was another record year for Hunkemöller. We continued our international expansion and started in four new countries. Our people voted us best employer of the Netherlands and

our customers voted us best lingerie retailer in the Netherlands and in Belgium which makes us very proud.

Hunkemöller is one of Europe's largest chain stores specialising in lingerie, nightwear and swimwear. Hunkemöller sells products exclusively under their own brand name and has well-tailored products that look attractive and seductive. Hunkemöller is the market leader in the Benelux with a total of 394 stores and is expanding in Germany, France, Spain, Turkey and the Middle East. They recently signed new franchise agreements in Eastern Europe and Russia.

In 2007, Hunkemöller continued to show progress, with innovative new product launches and more stores. In 2007, they opened a record number of new stores, almost one store per week in 12 countries, with Egypt, Spain, Aruba and Turkey as new market entries. Since the beginning of 2007, Hunkemöller has been operational in these new markets under their new brand name 'Bodique'. 'Hunkemöller' is a more difficult name to pronounce for most new markets, so the name Bodique is also an expression of Hunkemöller's international aspirations. E-commerce continued to be a strong sales channel for Hunkemöller. In 2007, they

therefore extended their successful online shopping to Germany. And what's more, Hunkemöller also launched their first male line: 'Hunke', a special range for men, which is only available via internet.

The strength of Hunkemöller was underlined by winning some impressive awards in 2007. They were awarded 'Best Lingerie Retailer' in both the Netherlands and Belgium. Hunkemöller won the 'Kiss of Approval' award in the category 'favourite lingerie store' of CosmoGirl magazine. Hunkemöller was also nominated by Thuiswinkel.org for the 'Home-shopping Award', a public prize for having the best online shopping possibilities.

In August, Hunkemöller also successfully launched their first Member Card for its customers, allowing them to benefit from attractive discounts, invites to special evening openings and previews of the latest collections. Last but not least, last year the well known Dutch singer 'Do' and Hunkemöller signed an agreement whereby Do became the new face of Hunkemöller. She will be featuring in key marketing campaigns in 2008 and 2009.



Milou Plug (20) and Anthony Pinas (23)

I saw a beautiful set of lingerie for Milou at the Hunkemöller shop in Alkmaar. I wanted to see if they have it here as well. It'll be my gift to her for being so wonderful.

Claudia Sträter



Philip Auld
CEO

Claudia Sträter had a challenging year in 2007. We have made a strong start in 2008 by refocusing on our core customers.

Claudia Sträter designs fashion for modern energetic women. They want to be able to identify with the product: the materials, the pattern and the design of every garment. Perfect in every detail and perfectly suited to the times. Claudia Sträter is a 100% Dutch fashion house with its own designers. The collection is available in our own shops as well as in shop-in-shops in leading fashion centres in the Netherlands, Belgium, Luxembourg and Germany, and from our retail partners worldwide.

2007 was a challenging year for Claudia Sträter. Claudia Sträter experienced problems with their collection, which impacted customer appeal and also their financial results.

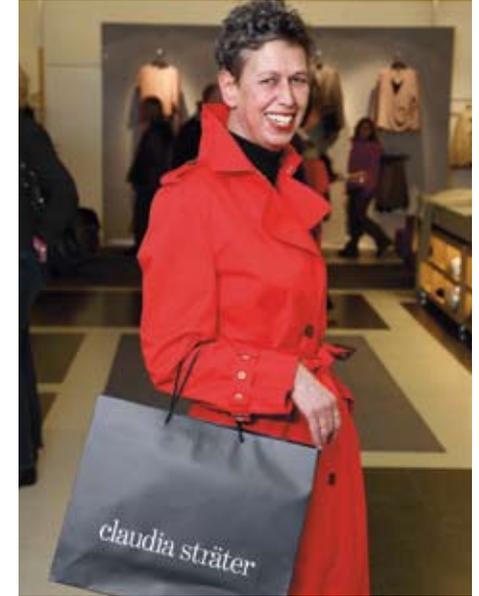
Later in the year, Claudia Sträter demonstrated some success with a new team and an inspirational limited edition party collection from Jan Taminiau, the talented Dutch couturier. The end of September saw the successful launch of the 'Claudia Sträter Fashion Card' which is available in all Claudia Sträter stores in the Netherlands. The card allows Claudia Sträter to build a stronger relationship with their key customers.

In January, Claudia Sträter opened its flagship store in Amsterdam and a new store in Zwolle. It opened several shop-in-shops in Belgium's most famous department store INNO, as well as one in

the largest department store of Europe, KaDeWe in Berlin. It closed its stores in Köln and Hamburg.

In the category 'mid-size organisations' Claudia Sträter won the Effactory Award 2006 for "Best Place to Work".

Overall, significant progress was made in laying solid foundations for a strong recovery in 2008.



Julia Lips (51)

The last time I shopped at Claudia Sträter was probably a year ago. Looking around now, I'm completely sold again. Beautiful summery clothes and pleasant employees. Nice shop.

La Place



Paul Bringmann
General Manager

2007 was a year of organic products, local buying and the realisation of our expansion plans, at home and abroad.

La Place is 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 – many are locally sourced and organic. La Place has more than 200 locations in the Netherlands, is a Dutch leader in the restaurant business and is one of our most successful formats. In 2007, La Place celebrated its 20th anniversary.

In October, La Place successfully opened its first store abroad, in Antwerp (Belgium). The store has the same set-up as in the Netherlands, with a few Belgian additions, such as bouillabaisse, crêpes and a wider selection of wines. It has already proven to be successful. In July, La Place opened a store in the largest library in the Netherlands, the Amsterdam Public Library, with an amazing view across Amsterdam. La Place makes the library more than just a 'lending centre'. La Place continued its successful catering of large-scale events, such as Lowlands, North Sea Jazz, Libelle Summer week and the Champions Hockey trophy.

La Place celebrated a number of awards in 2007. La Place won 'Best Retailer of The Netherlands' in the 'Food to go' category for the second year running. La Place was nominated for the prestigious retail award 'Most innovative format' by the World Retail Congress in Barcelona. In November,

Le Magazine, the customer magazine of La Place, was nominated 'Best Newcomer' in the magazines market. Last, but not least, Paul Bringmann won the prestigious 'Elsevier Retail Personality 2007' award.



The sisters Mrs. Bein-Nass and Mrs. vd Wurf-Nass (69)

A day out like this is wonderful. We always go to La Place together.

Schaap en Citroen



John Wielinga
General Manager

Schaap en Citroen is a high-end retailer of luxury watches and jewellery. Craftsmanship and excellent service are the hallmarks of Schaap en Citroen. Stores can be found in eight major Dutch cities.

Schaap en Citroen delivered sparkling results in 2007. It delivered high sales growth and launched exciting new programs, such as a joint marketing campaign with Breitling, in which customers who bought a Breitling were offered a free flight. The end of November saw the publication of the first edition of Schaap en Citroen's own glossy magazine. Schaap en Citroen also opened a Jewel Outlet Store in the centre of Amsterdam and received the 'Top Shop participant of the year 2007' award.

2007 was a year of many highlights which we aim to continue in 2008!



Niels Neuwahl (50) and Jenny de Vries (39)

My parents always shopped at Schaap en Citroen. I guess I picked up the habit from them.

Maxeda DIY

Maxeda DIY is the market leader in the Benelux. Maxeda DIY is focused on growing and developing as a multi-brand, multi-format retail leader. For Maxeda DIY, 2007 was a successful year. Each business grew by improving its customer offering; and we worked successfully across our businesses to develop common products, supply chain operations and systems. Sales were strong and important improvements were achieved. Last year, we launched successful promotions, opened new stores, introduced new store formats, and improved product ranges and layout in many of our core categories. As a result, we further grew market share in the Benelux with our four key formats: Praxis, Formido, Brico and Brico Plan-It.

Making a Difference... to our Customers

Nick Wilkinson



Nick Wilkinson
CEO Maxeda DIY

In Maxeda DIY we achieved a lot in 2007. Our people served more customers than ever before, while our formats successfully worked together to improve our customer offering with new

stores, new products, and new promotions.

In Maxeda DIY we had an exciting year. Customers had the opportunity to buy from a much broader range of private label products. Our Baseline range of lowest-priced 'basic' products was extended to almost 1,000 articles, and innovative new products under our Sencys and Central Park brands were introduced. Purchasing efforts across the Netherlands and Belgium were well co-ordinated and key manufacturers now have the opportunity to implement accelerated growth plans across all formats. And last but not least, new SAP systems are being implemented across our DIY formats, resulting in more efficiency and better product availability for customers. In February 2007, we welcomed Nick Wilkinson as the new CEO of DIY. Nick Wilkinson was until then Group Managing Director at Dixons Stores Group Plc International.

Brico



Geert Verkest
CEO

For Brico and Brico Plan-It, 2007 was an exciting year, with more own stores and more franchise stores. Brico continued its expansion with its successful concept 'Brico City' and its

new Brico Plan-It store in Antwerp.

Brico Group is market leader in the Belgian DIY sector with a multi-format and multi-channel strategy.

Brico Group has a total of 128 stores operating under its various formats. All formats share the same IT and logistics platform.

Brico has a nationwide portfolio of large and medium-sized stores; partly own stores, partly franchise stores. Brico is a household name in Belgium and its customers benefit from a wide range of DIY, home decoration and garden articles, from both brands and private labels (Baseline, Sencys, Brico Excellence and Central Park).

Brico City is a new store format, introduced to the market in 2007. These local DIY stores offer a large convenience assortment of basic products to customers in large city centres and more Brico City stores will be operational in 2008.

Brico E-shop was launched in 2006 and continues to expand its on-line offering. Last year, Brico's internet store reached 2.85 million visitors!

Briko Depot is operating a unique and very successful discount store in Fontaine-L'Évêque.

Brico has continued in 2007 with its programme of store remodellings. With an improved store layout, these upgraded stores offer customers more inspiration and a choice of more products for their home improvement projects.



Veerle Raes (39)

I shop regularly at Brico. There is always something to be done at home. They also sell nice things to brighten up our large garden.

Brico Plan-It



Jean Paul Descheemaeker
General Manager

recognised by this award.

Brico Plan-It is a DIY chain of eight mega-stores, which offer the largest range of products for home and decoration projects. From construction to decoration and gardening, Brico Plan-It is a very large store with an average size of over 8,000 m² sales area and over 40,000 products.

The eighth store, in Antwerp was a highly successful transformation of the existing Briko Depot store, and opened in May 2007.

Belgian consumers voted Brico Plan-It 'Best Retail Chain' in the category 'DIY stores'. We all work hard, every day, to take care of our customers and we are very proud to see these efforts



The Bastiaensens family

I like to shop at Brico Plan-It. It has a large choice and knowledgeable employees.

Praxis



Ad Walter
CEO

2007 was in many respects a year in which customers showed their appreciation for our format. By listening to our customers, we are not only able to maintain our top

position in DIY but also to enhance it.

Praxis is one of the largest DIY formats in the Netherlands. Praxis supports the needs of both the experienced and novice DIY enthusiast. Customers will find products for both major projects and simple decorative finishes. Praxis has nearly 140 shops, including 26 megastores.

In a competitive market Praxis performed well. Praxis continued to deliver customer value as part of its SMS ('Samen Meer Service'/Together More Service) campaign, which led to its nomination in October 2007 as 'Most Customer-friendly business' by market research agency MarketResponse and to the Visa Retail Prize as 'Best chain store in the Netherlands'. Praxis also won the Capgemini 'Re-connect Award', for best customer service.

In March, Praxis reopened its Megastore in Groningen offering more shopping excitement with 70,000 items in an area of over 6,500 m².

Other stores were opened across the country, including a new franchise store in Spijkenisse, and the conversion of a Formido store into a Praxis in Maassluis.

Over hundred product ranges were upgraded and improved across all stores in 2007, bringing innovative products and an improved shopping experience to all of our customers. Four times a year Praxis also offers its customers the exclusive 'Binnen en Buiten' magazine, illustrating new decorative styles, home improvement ideas and practical advice.

Praxis is the only DIY store in the Netherlands to offer customers the opportunity to collect and redeem Airmiles. Promotions throughout the year were well received in 2007, particularly gardening promotions in the Spring, the 'Stapel Gekke Stunt 4 Daagse' in October and the 'Goedkoopste van Nederland' paint campaign.

Also in 2007, Praxis renewed its website, making it possible to shop online in its furniture Webshop.



Marcel van Tergouw (39)

I'm a Praxis regular. The mood here is quite comfortable and the shop has a neat appearance. You don't see that at a lot of other DIY shops.

Making a Difference... to our Costumers

Maxeda DIY

Formido



Jan van den Ham
General Manager

I am glad that Formido has shown great progress this year and is going fast forward.

2007 was a landmark year for Formido – welcoming new customers, new franchisees and new stores to the business.

New stores were added across the Netherlands – as new franchise partners realised the full potential of Formido in serving the local DIY needs of customers. A number of stores were also transferred from franchisees to own managed stores, as part of a strategy of gradually growing the number of company managed stores to approximately 25% of the store portfolio.

Formido successfully tested the new 'Deco DIY' store concept in over 10 stores. Offering more products and ideas for decorative DIY projects, the concept broadens the appeal of Formido. The stores boast a completely new store design, and increased product assortments in core categories such as paint, wallpaper, lighting, and home furnishings. In July, the first 'Compact Deco DIY' store opened its doors in Doetinchem and Heinkenszand, serving customers in smaller target areas. The new 'Deco DIY' concept stores will be introduced across Formido stores nationwide, starting in 2008.

Throughout the year, Formido ran a programme of successful customer promotions, nationally and locally, encouraging customers to shop more frequently. Formido also became the main sponsor of the 'Formido Final Races' at

Making a Difference... to our Costumers

Maxeda DIY

Circuit Park Zandvoort, and sponsored races across the Netherlands. Customers received free tickets to these events, and many thousands were welcomed during the year.

Colleagues across Formido, in stores and head office, have shown tremendous teamwork to achieve these developments in such a brief time.



Csaba Raatz (45) and Connie Bosman (41)

Formido's slogan 'because your house is never finished' certainly applies to us. We shop here regularly. The trendy colours are what really stand out today. They are quite fresh.

**Making a
Difference...
to our
People**

To all our People

At Maxeda we believe that we can only be successful if we are ready to serve the people who serve our customers. We are convinced that a good performance depends on satisfied colleagues, who in turn will satisfy our customers. A Passion to Serve, that's what we call it. And that's what we did in 2007. We believe our overall performance demonstrates the effectiveness of our people and customer-centred culture.

Making a Difference... to our People

Let's Smile!

One can have a beautiful store, in a fine location, with a fabulous assortment and competitive prices, but the success of a store depends ultimately on the colleagues who work there. That's why at Maxeda, colleagues' wishes and customers' needs are the driving force of our business.

In 2007, we conducted our second Colleague Satisfaction Survey. And again it was a huge success. 31,497 of our 36,361 colleagues responded.¹ In total 86.6% of all our employees participated in this second survey. That is almost nine out of ten colleagues! Results showed an improved satisfaction index of 7.6 compared with a Dutch national average of 7.0 and a European average of 6.6.

A Passion to Serve

"You serve Maxeda, Maxeda serves you". A quote well known to all our people as it is prominently placed on our company discount card. And that service came in many shapes and sizes last year. Understanding the needs of our people is key to the success of our formats. We understand that making a difference depends on our colleagues who work there. That's why we invest in our people.

¹ Results include HEMA.

To underline our people-centred culture, a 'Passion to Serve Thank You Bonus' was introduced in March 2007. With the introduction of the bonus we recognize the important role all our colleagues play in satisfying customers and hence growing sales through the work that they do every day. With the bonus –on top of the existing remuneration– every single colleague at Maxeda can share in the success of our company as it grows.

To motivate, recruit and train top talent, in 2007 the 'Maxeda Retail Academy' was founded. In cooperation with TIAS Nimbas Business School, the Academy provides a challenging and developmental program for current and future leaders. For Buyers, a special 'Maxeda Buyers Academy' was founded. While for colleagues in all Dutch shops the 'Maxeda Associate Degree' was introduced, in collaboration with Christelijke Hogeschool (Christian College) Leeuwarden. This is a recognised degree and highly valued by the Ministry of Education. The first graduates therefore received their degree from Minister Plasterk (Education, Culture and Science).

Twice a year a 'Maxeda Masterclass' is organised where all senior managers of Maxeda (approximately 250) meet to be brought up to date on strategic priorities and

Making a Difference... to our People



**Berry van de Laar (25),
La Place**

**I really enjoy when
customers come to
watch how I prepare
the products.**



**Lidie van Paridon (47),
Claudia Sträter**

**Claudia Sträter is the
ideal employer. We
have a terrific team
and you have every
opportunity to grow
and develop your skills
and talents.**

Making a Difference... to our People

to share best practices. In May, a Masterclass was held on 'Smile!' and how a friendly smile on the shop floor may result in customer satisfaction and an increase in sales. In November, a Masterclass on Innovation was held, which generated many new ideas to drive sales and customer service.

The people-centred culture within Maxeda was recognised many times last year:

- Hunkemöller was awarded 'Best Place to Work' in the category 'large organisations' by Effectory – market leader in employee satisfaction surveys.
- Claudia Sträter was awarded 'Best Place to Work' in the category 'mid-size organisations' by Effectory.
- Paul Bringmann, General Manager of La Place, was voted as 'Retail Personality 2007' by Elsevier.
- Ronald van der Mark, CFO of Maxeda, won the 'CFO of the Year' Award.

All our formats last year seized opportunities to demonstrate our company philosophy to their people. After all, it is our people that make the difference. Here you will find some great examples of how our formats made the difference for their people in 2007.

Listening and communicating to our people

Motivated people are the key to success. At Maxeda we therefore feel it is important to listen carefully to our people. After all, if

they feel good, so do their customers. In all of our formats this is taken seriously. Besides the annual Colleague Satisfaction Survey, most formats also have other listening programs in place.

At Bijenkorf, the Amsterdam and Amstelveen stores set up colleague panels last year, to contribute ideas and recommendations from its people on a variety of subjects. At Praxis, listening to its colleagues is an important element of measuring success. Therefore the Board of Praxis sets up listening meetings with its store managers, to hear their ideas to improve the performance of Praxis, while at its annual 'Colleague Day' the store manager who motivated his people the best, receives the 'Colleague of the Year' Award.

At Hunkemöller, intranet is used to inform its people on company matters, such as the openings or renovations of its stores or new trials. A necessity with nearly 400 stores in 12 different countries. It has proven to be helpful in creating a real 'Hunkemöller family' feeling.

At Claudia Sträter, all colleagues are updated monthly on company developments in team sessions. According to both Hunkemöller and Claudia Sträter, winners of the 2007 award for 'Best employer', the secret is to make 'listening' the oxygen of your company.

Making a Difference... to our People



Alfons van der Mark (51, behind the sign) and Bianca Wimmers (44), Praxis

I've worked here with pleasure since 1993. You could say I'm almost married to the Praxis. Ha ha!



Farcia Asraf (29), Schaap en Citroen

It's so nice to make someone happy with a beautiful piece of jewellery. Many customers come here, because they have a special occasion to celebrate... that makes working here even more enjoyable.

Making a Difference... to our People

At V&D and La Place, in the 2007 employee satisfaction survey many colleagues indicated that the internal services could be improved. In response V&D conducted a 'Passion to Serve' survey to find out what colleagues in the various stores feel about the contacts with their colleagues at head office, as well as how good the contacts are between colleagues at the head office. Meanwhile V&D has initiated efforts on a number of improvement points.

Other 'Smile!' initiatives

All people within Maxeda and its formats are aware of the importance of a 'Smile!' on the shopping floor. A smile costs nothing, but truly brings about a little extra, which can make a big difference.

For example, Hunkemöller started last year a 'Raving Fan' campaign, in which new products are given away for free to all employees. These are held twice a year and aim to express Hunkemöllers' appreciation to its people and to make them raving fans about their products.

At M&S, colleagues can hand out a 'Smile!' to a colleague they really appreciate and want to put in the spotlight, because he or she demonstrates 'A Passion to Serve'. The 'Smile!' is handed out in the quarterly internal magazine, where each 'Smile!' is rewarded with a € 50 M&S gift voucher for both giver and receiver. But that's not all, a special Smile! is selected every month, and

wins a special dinner combined with a trip to the cinema.

In Brico Plan-It, colleagues participate in the company-wide Prime de Progres scheme, offering participation in the financial success of the company. In addition, in 2007 Brico Plan-It introduced an annual award for outstanding customer service, won by the Messancy store team.

To emphasize that a smile makes the difference, the Praxis SMS (Together More Service) promo team hand out a 'Smile! award' to a colleague in the store who is an example to the other colleagues. Colleagues who set the example in A Passion to Serve can also be awarded a Local Hero. The Local Hero receives a Certificate and a bonus cheque.

Other 'feel good' initiatives took place at Bijenkorf, where all colleagues in April received their new company uniform and at Formido, which treated all Maxeda colleagues to a free ticket to the 'Formido Final Races' at race circuit Zandvoort.

Making a Difference... to our People



**Wouter Kruff (22),
Formido**

Formido prides itself on its employees' willingness to help. We take the time for our customers. I just started a few weeks ago, but I do my best to offer good advice.



**Ank Veenboer (57),
M&S**

I like how the shop is always busy with customers. Our customers come from all over the country. I really like chatting with them.

**Making a
Difference...
to our Society**

Maxeda wants to add value for all of its stakeholders. Our formats operate in the midst of society. We understand that we have an impact on the well-being and welfare of people and the environment. At Maxeda, we take this responsibility seriously. We fulfil this responsibility by committing ourselves to doing business in an ethical way, by conducting activities with a positive impact on society and by developing programs that improve the environment.²

² How we operate as a company is laid down in our code of conduct, which is called 'Do The Right Thing'. Our code of conduct is available in various languages and can easily be obtained via our website: www.maxeda.com.

Making a Difference... to our Society

Maxeda is committed to doing business in an honest and fair way.

Maxeda has established a set of company wide values which form an integral part of our performance management and Colleague Satisfaction Survey. These values are:

- Passion for Customers;
- Striving for Constant Improvement;
- Respecting Every Individual;
- Delivering on Commitments;
- Integrity is our Basis for Trust;
- We will always Work as One Team.

Maxeda has developed a Code of Conduct which has been rolled out to all colleagues. The Code of Conduct addresses the integrity and ethical behaviour of our organisation and our people, the way we do business, our working environment and our Corporate Social Responsibility. Periodically, all managers are requested to confirm their understanding and compliance with the Maxeda Code of Conduct.

At all its formats, Maxeda has appointed compliance officers whom our people can approach with issues of non compliance with our Code of Conduct and any other integrity incidents. A Whistle blowing Hotline has been set up to offer the option of completely anonymous reporting.

³The Business Social Compliance Initiative is the broadest business-driven platform for the improvement of social compliance in all supplier countries and for all consumer goods.

Maxeda is committed to being a socially responsible business.

Socially responsible behaviour within the company and at suppliers is considered an integral part of the way we do business. At the Maxeda level, a focussed committee exists which demonstrates leadership and drives our Corporate Social Responsibility agenda. This committee is chaired by our Executive Chairman and consists of most format buying directors. The committee defines the agenda for Social Responsibility across Maxeda. Example topics are: labour conditions and environment with our direct and indirect suppliers, product safety, the use of sustainable raw materials, saving of energy and waste management.

Maxeda formats closely liaise with the BSCI³ to contribute to better labour conditions and environment at our suppliers. We aim to do business only with suppliers who have adopted the BSCI-business principles.

At Maxeda, we implemented a number of initiatives last year to contribute to a better society and environment. These activities are in line with our core values and are carried out by our formats and their people at a local level. Some examples are mentioned in the following paragraphs.

Making a Difference... to our Society



From left to right: Ronald van der Mark (CFO Maxeda), State Secretary Ahmed Aboutaleb (Ministry of Social Affairs and Employment), three participants in the project.

In 2007, more than 1,700 underprivileged young people without any education were employed by Maxeda formats in a unique cooperation with CWI (Centre for Work and Income). The initial goal to employ 1,000 underprivileged young people up to 23 years of age was largely achieved. Former Maxeda chains HEMA, Dixons and Dynabyte also participated in the initiative.

Making a Difference... to our Society

Our formats are also committed to our society by sponsoring and supporting charities. Last year, Bijenkorf supported the charity Stop Aids Now! Together with a large group of Dutch celebrities, Bijenkorf staff sold the well known Art bags at all Bijenkorf stores again in 2007. V&D supported the 'Doe Een Wens Stichting Nederland' (Make a Wish Foundation) by selling wishing cards which customers could hang in a special 'wishing tree'. Hunkemöller has for many years been a keen supporter of the battle against breast cancer. Their annual campaign called attention to breast cancer in its stores.

Maxeda is committed to improving the environment

At Maxeda, we implemented a number of initiatives last year to contribute to a better environment. Some great examples are: In 2007, **Maxeda's DIY businesses** offered customers more opportunities to select products sourced from sustainable forests; including a 15% increase in the assortment of products made from FSC wood in the Garden Furniture range. In addition, Maxeda DIY has started a 'sustainable wood' initiative, aimed at working with our suppliers and environmental bodies towards 100% sustainability of wood products.

Last year, **V&D** introduced an Eco line comprising Forest Stewardship Council (FSC)-approved stationery products. This

collection includes copying and printing paper, notebooks, spiral-back notepads, document files and folders.

V&D has installed energy-saving lamps in all its renovated and new stores. All stores which will be renovated in the future will also be fitted with energy-saving lamps, which will result in an estimated 35% reduction in energy consumption. In addition, V&D has a monitoring system in place, which keeps track of the energy consumption in its stores. This means that an increase in energy use, for example if lights are left on overnight, will be noticed immediately.

In 2007, **La Place** started taking deliveries of regional products. This not only enhances the uniqueness of our products to its customers, but also has a major impact on La Place's logistics movements. Supplies from logistics partners located in the vicinity of the restaurants now realise a considerable reduction in CO₂ emissions. As a result of the efforts to introduce more organic products in the La Place restaurants, the percentage of organic products, such as potatoes, vegetables and fruit increased to 72%. In addition, a range of tea has been grown organically and a fabulous organic wine has been launched.

To emphasise its ecological engagement, **Brico** last year decided to stop selling traditional light bulbs from 2010 onwards.

Making a Difference... to our Society



V&D supports the 'Make a Wish Foundation' by selling its wishing cards in all its stores

This decision is Brico's response to an appeal from Greenpeace for ecologically sound lighting. Brico also decided to replace all its oil fuelled fork-lift trucks with propane powered fork-lift trucks. So far, it has replaced half of the total number of fork-lift trucks and the remainder will follow in 2008.

Praxis has worked in 2007 on increasing its colleagues' awareness of how energy consumption should be taken seriously. As part of this effort, Praxis introduced a monthly energy bulletin and a special website. Via this website, colleagues are able to follow monthly energy consumption and propose energy-saving measures



The Praxis energy awareness campaign

for their locations. The locations receive points for energy-savings (relative to meter readings) and for suggestions sent in. The colleagues at the location with the greatest number of points at the end of the year can win a trip. Praxis also had its conventional in-store strip lighting replaced with lower energy, high-frequency strip lighting in 2007. These measures resulted in a 5.9% reduction in electricity consumption in 2007 and thus reduced CO₂ emissions by 1.4 million kilograms.

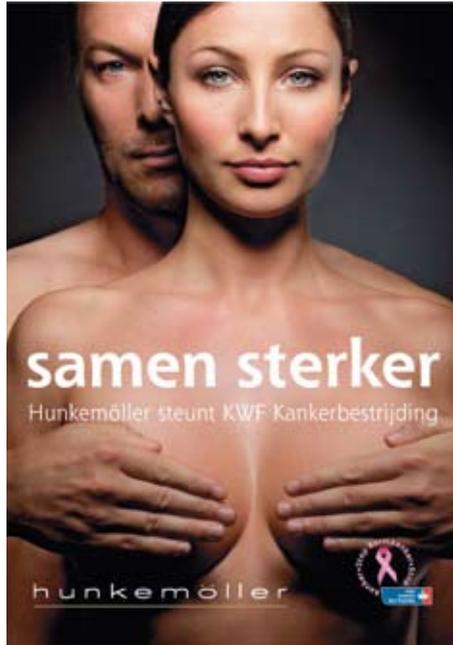
In the Netherlands, more than half of all cars drive with low tyre pressure. Insufficient pressure results in 2% to 5% extra fuel

Making a Difference...
to our Society

consumption, accelerated tyre wear and traffic risks. Under the header "The right tyre pressure", Praxis offers companies and organisations an opportunity to have the tyre pressure on the cars of their colleagues and visitors checked.

Hunkemöller wants to make a difference to the environment. For many years, all its stores, head offices and distribution centre have been separating plastic and paper/ cardboard. In 2007, Hunkemöller also began installing soot filters in all its own trucks. It also ensures that new trucks will have a Euro 4 or Euro 5 engine. This type of engine uses diesel with Blue Tec, which ensures clean combustion.

In 2007, **Bijenkorf** joined forces with CREM (consultancy agency in the field of sustainability), Oxfam Novib, VGT (association of textile wholesalers) in a new initiative. This initiative involves developing a feasibility study to assess what the options are for retailers in terms of organic cotton. The parties want to switch to using organic cotton in the context of the sustainability policy, but also want to gain insight into the practical consequences. Bijenkorf is assessing the entire product range sold under its own brand.



Hunkemöller is a keen supporter of the 'Dutch Cancer Society' for years

Making a Difference...
to our Society



To reduce fuel consumption, accelerated tyre wear and traffic risks, Praxis initiated 'The Right Tyre Pressure' campaign



Bijenkorf supports 'Stop Aids Now!' Once a year Bijenkorf colleagues sell Art bags

**Making a
Difference...
to our
Governance**

Effective corporate governance is an essential element of every successful company. At Maxeda we therefore have a key governance structure and tight control systems in place. We are committed to maintaining our high standards in governance and controls.

Maxeda is committed to a sound Governance Structure

Our shareholders are a consortium consisting of KKR, Cinven, Permira and Alpinvest Partners, all renowned private equity companies, with, among others, high retail expertise. Our Supervisory Board plays a crucial role in overseeing the company's strategic and financial progress. The Supervisory Board consists of both investors and external directors and is chaired by Todd Fisher (partner at KKR). External directors are Marc van Gelder (CEO OPG) and Rob ter Haar (independent advisor). The Supervisory Board formally meets ten times a year and has a schedule of matters, which are reserved for its decision. Such matters include, but are not limited to, the final approval of the annual budget and strategy of both Maxeda and its formats, changes in the company's portfolio, any changes to the company's financial arrangements, substantial investments and financial policies. When urgent decisions are required on matters specifically reserved for the Supervisory Board in between meetings, there is a process in place to facilitate discussion and decision making.

The Executive Board of Maxeda is responsible for the effective running of the company. The Board is chaired by Tony DeNunzio and consists also of Ronald van der Mark (CFO) and Nick Wilkinson (CEO Maxeda DIY). They are responsible for the development of the company's strategy and

the day-to-day operations. CEOs of Maxeda formats report directly to the Executive Board. Each month business reviews per format are scheduled, in which strategic and financial progress is monitored and matters which are reserved for decision by the Board are discussed. Such matters include, but are not limited to, expansion, investments, projects and labour conditions.

Maxeda has established an independent Remuneration Committee, comprising of both representatives from our investors and external directors. The committee is chaired by Rob ter Haar. The Remuneration Committee formally meets three times during the financial year and advises the Supervisory Board on all topics related to the remuneration policy of Maxeda including the remuneration and the bonus schemes of key Maxeda managers.

Maxeda has also established an independent Audit Committee, comprising of both representatives from our investors and external directors. The committee is chaired by Todd Fisher. The Audit Committee oversees risk management, internal control, fraud and financial reporting. Maxeda's external auditors are active participants in all Audit Committee meetings. The Audit Committee formally meets three times during the financial year at appropriate times in the reporting and audit cycle.

The committee's responsibilities include the

advising of the Supervisory Board on the approval of the semi and annual report, announcements regarding financial performance or changes to accounting standards.

The committee also oversees the relationship with external auditors. It meets with them three times a year, discusses findings with them and, when relevant, approves other non-audit services. In addition, the committee reviews the effectiveness of the company's internal controls and risk management systems.

Maxeda is committed to a sound control environment.

To support this, and although Maxeda doesn't have to be Code Tabaksblat or Sarbanes Oxley compliant, Maxeda has a professional Risk Management & Internal Audit function in place. Risk Management reports to the Executive Chairman and the Audit Committee and operates at group level as well as across all formats. The yearly plan of the Risk Management & Internal Audit function is approved and monitored by Maxeda's Audit Committee.

Maxeda Risk Management contributes to addressing our vulnerability to risks and threats, to improving business processes and to ensuring that our key controls (e.g. financial controls, IT controls) operate effectively and that our key Maxeda-wide policies & procedures (e.g. in our Code of Conduct, on hedging of currency risk, on

authorisation requirements, on tendering and negotiation) are effectively complied with.

Maxeda has defined and implemented Control Frameworks for Key Financial Controls and IT Controls across the entire organisation. The operation thereof is audited on a yearly basis. Going beyond baseline financial and IT controls, Maxeda's risks are both operational and strategic. The risk areas at Maxeda are in the field of: reputation, business continuity, fraud, product safety, IT systems and shrinkage.

Each Business Unit issues, directly after the financial year, an In Control Statement in which the Business Unit Board declares that they are in control and they have to mention any exceptions with a remediation plan.

Maxeda has established a process to identify, remediate, monitor and report on areas for which control improvements are considered necessary. Accountability for being and remaining in control lies with responsible management at Business Unit level as well as at group level, which is supported by explicit reporting lines.

Making a Difference... to our Governance

Management

In accordance with Dutch law, Maxeda has a two-tiered management system consisting of a Supervisory Board and an Executive Board. The Executive Board serves the primary executive function, managing daily operations. The Supervisory Board supervises the policies of the Executive Board, and the general course of corporate affairs. In addition, an Investor Board comprising of Maxeda's private equity investors and the Executive Board meet on a regular basis. In total the Supervisory and Investor Boards meet ten times a year.

Executive Board:

Tony DeNunzio, Chairman of the Board

Tony (47) became Chairman of Maxeda in June 2005. Prior to joining Maxeda, Tony was President and Chief Executive Officer of Asda, Wal-Mart's UK operation, a company which he joined in 1993. Prior to joining Asda, Tony had a career with the international consumer products companies Unilever, L'Oréal and PepsiCo.

Ronald van der Mark, Chief Financial Officer

Ronald (42) joined Maxeda as Chief Financial Officer in 2004. Ronald was formerly Chief Financial Officer of Cementbouw Beheer B.V., Cementbouw Handel & Industrie (holdings) B.V. and Cementbouw B.V. Ronald was closely involved in the leveraged buy-out of this company, and subsequently in the successful sale of

Cementbouw to CRH Plc. During his career Ronald has worked in accountancy, the entertainment industry, retail and the building material and –production business.

Nick Wilkinson, CEO Maxeda DIY

Nick (41) was appointed to the Board in February 2007. Nick has been Group Managing Director at Dixons Stores Group Plc International and was responsible at various times for the Dixons, Currys and the Link retail formats in the United Kingdom and Ireland. Nick began his career at Unilever and McKinsey & Co.

Supervisory Board:

Todd Fisher, Chairman of the Supervisory Board

Todd (42) was appointed Chairman of the Supervisory Board which he joined in 2004. Todd has been with KKR since 1993 and serves on the boards of Rockwood Specialties Inc. and Northgate Information Solutions. He heads the Chemical and Financial Services industry teams in Europe and is a member of KKR's Investment Committee. Todd played a key role in the establishment of KKR's European presence as co-founder of the London office in 1999. Prior to joining KKR, Todd was with Goldman, Sachs & Co.

John Pfeffer, Vice Chairman of the Supervisory Board

John (39) has been with KKR for eight years. He played a significant role in the investments in U.N Ro-Ro, Toys 'R' Us and

Making a Difference... to our Governance

Maxeda. He heads the Retail industry team in Europe and is active in covering investment opportunities in Turkey, Spain and South Africa. Prior to joining KKR, John was Chief Executive Officer of Groupe Allium S.A. and worked at McKinsey & Co. in Europe and Latin America where he specialized in turnarounds.

Guy Davison, Supervisory Board

Guy (50) was appointed to the Supervisory Board in 2004. Guy is a partner at Cinven. He is a member of the Retail and Leisure sector teams. Before joining Cinven in 1988, Guy worked at the private equity company Larpent Newton and KPMG. Guy resigned from the Board in April 2008 and was succeeded by Caspar Berendsen from Cinven.

Cheryl Potter, Supervisory Board

Cheryl (38) became a Partner with Permira in 2005. She has worked on numerous transactions including Birds Eye iglo, DinoSol Supermercados, Gala Coral Group, Homepage and Maxeda. Prior to joining Permira, Cheryl was an Investment Manager at Royal Bank Development Capital. Previously she worked for six years at Arthur Andersen and qualified as a Chartered Accountant.

Caspar Berendsen, Supervisory Board

Caspar (33) joined Cinven in 2003. Since then he has worked on a number of transactions including Maxeda, Truvo and Dutch Cable. He is a member of the Business and

financial services sector team. Prior to this, Caspar worked at JP Morgan in London advising Dutch and Nordic clients in a variety of sectors. Caspar joined the Supervisory Board in April 2008.

Erik Thyssen, Supervisory Board

Erik (46) was appointed to the Supervisory Board in 2004. Erik joined AlInvest Partners in 2001. Prior to that Erik was a member of the Executive Board of Fortis Bank Nederland. Before that he worked in commercial and investment banking in various European countries for the Generale Bank Group.

Marc van Gelder, Supervisory Board

Marc (46) was appointed to the Supervisory Board in 2005 after being recommended by the Workers' Council. He is also Chief Executive Officer of the pharmaceutical retail and distribution company OPG Group. Previously Marc worked at Ahold and McKinsey & Co.

Rob ter Haar, Supervisory Board

Rob (58) was appointed to the Supervisory Board in 2004 after being recommended by the Workers' Council. Previously he was Chief Executive Officer at Hagemeyer. Rob sits on a number of Supervisory Boards.

**Making a
Difference...
to our Results**

Our Passion for Success

2007 was a good year for Maxeda in which we showed further growth in many areas in an increasingly difficult market environment. All our formats continued to execute successfully our five 'S' strategy, aimed at selling more, sourcing better, saving costs, creating synergies and Smile!



Ronald van der Mark
CFO Maxeda

In 2007, all our formats with the exception of Claudia Sträter enjoyed growth in sales, margin and profit. Maxeda as a whole and most of its formats increased their market share in highly competitive markets. We invested further in the sustainable growth of all our formats leading to strong expansion. In 2007, our colleague satisfaction increased, we satisfied our customers and we won many prizes and added value for all our stakeholders.

Last year, was another step closer towards

achieving our mission of retail leadership. Our people delivered on our ambitions and again made the difference last year. They made all our stakeholders Smile!

Our market conditions

Macro economic developments, such as the credit crisis in the US which impacted financial markets worldwide, led to a sharp decrease in consumer confidence as of September 2007. The retail markets in the Netherlands and most other European markets in which we operate were, to some extent, impacted in terms of consumer spend. Also the volatile weather patterns in 2007 had an impact on the monthly performance of our formats last year.

In 2007, we moved further towards achieving our mission of retail leadership but the macro economic developments show us that despite our continued success we have to remain focused. The economic conditions experienced in the latter part of 2007 are forecast to continue in 2008. We are also aware that the volatile weather patterns in recent years - with extreme conditions - are a trend and not an incident. We are anticipating and reacting to these developments. For example, we are improving our planning processes, adjusting our assortments and making our supply chain more flexible.

Our continued focus on the execution of our strategy has proven to be successful and we believe that we can continue our success. Our initiatives and programs are clearly working. We will continue to invest and expand in sustainable growth in our formats and the markets in which they

operate. Our philosophy of 'A Passion to Serve' will continue to provide the basis for another successful and exciting year for Maxeda.

Our Operating Results

Maxeda reports, as common practice in Retail, on a 4- or 5 weekly basis and normally our financial years comprise of 52 full calendar weeks (364 days). To compensate the difference in days we report every 5 or 6 years on a 53-week basis. Because 2007 was a '53 week year' we show, in this annual review, in our key figures our performance in 2007 on a 53-week basis. To also better compare with 2006, we show our key figures also on a 52-week basis. Our performance is reported on basis of the IFRS accounting standards.

Our Net Sales (including sales concessionaires) increased in 2007 on a 53-week basis by 6.4% to EUR 3,218 million and on a 52-week basis by 5.2% to EUR 3,181 million. The increase on a same store basis was 3.3%, which was higher than the market.

In 2007, our margins increased again because of better sourcing, less markdowns and supply chain improvement, also resulting in better stock aging across all our formats. Our higher Sales, better Margin and continuous cost control have led to an increase of our Operating EBITDA (Operating result before interest, taxes,

Making a Difference...

to our Results

depreciation, amortization and exceptionals) by 18.9% to EUR 233 million on a 53-week basis and on a 52-week basis by 16.3% to EUR 228 million.

All formats with the exception of Claudia Sträter contributed to this growth. Overall our performance was negatively impacted by the worsened economic conditions in the second half of 2007 and the volatile weather patterns.

We successfully improved our working capital by EUR 84 million last year. We invested EUR 126 million in our formats to ensure sustainable growth. In 2007, we opened 134 stores, of which 66 were outside the Netherlands. We are now active in 12 countries, with close to 1,350 stores of which over 50% are located outside the Netherlands.

The successful strategic reorientation of HEMA enabled Maxeda to focus its management and resources on the remaining fashion and DIY formats within the group. As a result of this, we refinanced the group in the middle of 2007. At the end of the year, we successfully outsourced our in-house IT company Maxeda IT Services to Capgemini.

I would like to thank all our colleagues for making a difference in 2007.

Ronald van der Mark, CFO Maxeda

Key Numbers

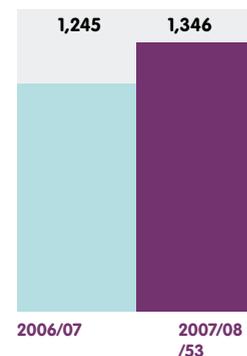
Key Numbers

Consolidated full year figures¹ (February 2007 – January 2008)
from continued activities

Maxeda Retail Group

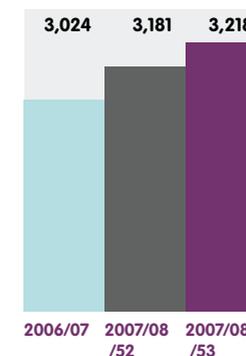
Number of stores
(incl. all shop-in-shops)

Stores



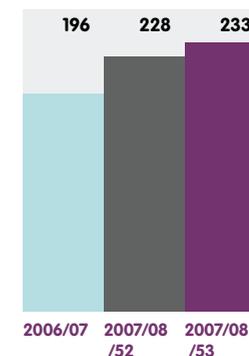
Net sales incl.
concessionaire sales

Million Euros



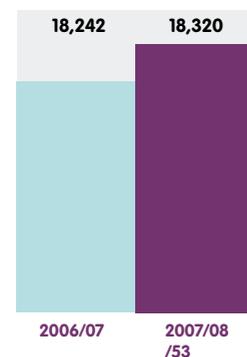
Operating EBITDA

Million Euros



Average number FTE

FTE



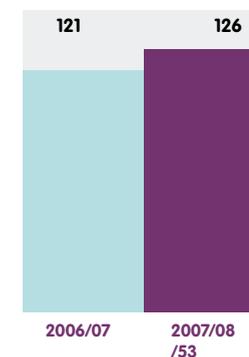
Working capital

Million Euros



Gross investments and
fixed assets

Million Euros



¹The key numbers that are presented on this and 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 Operational EBITDA. Operational EBITDA is the operating profit for exceptional results and before tax, interest and depreciations. An annual account comprises other performance indicators, so that other alternative financial performance indicators cannot be linked to items in an annual account. Because of a legal restructuring in June 2007, the Maxeda Retail Group B.V. will not publish consolidated annual accounts to which the underlying financial accounts are added. The Maxeda Retail Group comprises Maxeda Fashion and Maxeda DIY, as well as the holding company of the Maxeda Retail Group.

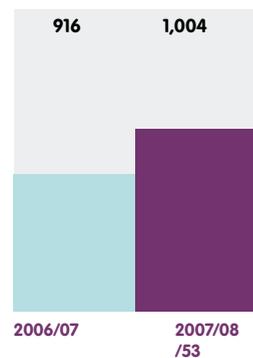
Key Numbers

Consolidated full year figures¹ (February 2007 – January 2008)
from continued activities

Maxeda Fashion

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

Stores



Net sales incl.
concessionaire sales

Million Euros



Operating EBITDA

Million Euros



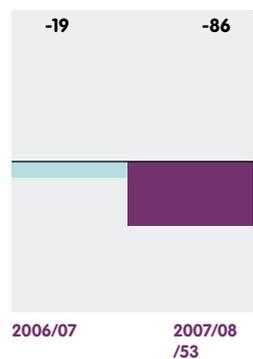
Average number FTE

FTE



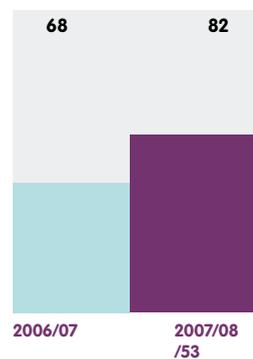
Working capital

Million Euros



Gross investments and
fixed assets

Million Euros



Key Numbers

Consolidated full year figures¹ (February 2007 – January 2008)
from continued activities

Maxeda DIY

Number of stores

Stores



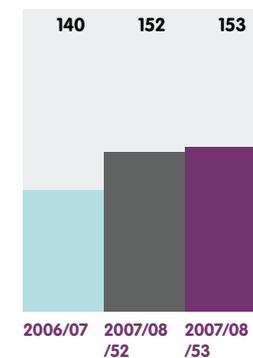
Net sales

Million Euros



Operating EBITDA

Million Euros



Average number FTE

FTE



Working capital

Million Euros



Gross investments and
fixed assets

Million Euros





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The logo for Maxeda, featuring the word "maxeda" in a lowercase, white, sans-serif font. The letter "i" is stylized with a dot above it that is slightly offset to the left.