

Building the Best



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Maxeda DIY Group in Brief

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Some facts about our company

- 1** Maxeda DIY Group – leader in Benelux DIY market
- 362** DIY stores
- 2006** The year in which we became Maxeda with Maxeda DIY Group
- 2011** Maxeda becomes a pure DIY retailer as Maxeda DIY Group
- 6,700** Maxeda DIY Group employs 6,700 people
- 1 million** Customers per week

Highlights

- Investing in new ranges, own brands, efficient supply chain and refurbishing stores
- Opening of Maxeda Asia, our sourcing office in Shanghai
- Nine stores in total refurbished: Brico (Auderghem, Burcht, Turnhout and Drogenbos), Praxis (Zwolle and Utrecht) and Formido (Maastricht, Winsum and Oosterwolde)
- Formido opens compact store of 1,000 square metres at Roggel

Foreword

Welcome to our 2011 first half report. 2011 is a year of transformation for the Maxeda DIY Group (MDG), a year in which we put in place and invest in our capabilities for the future. Despite a tough summer we are making significant progress in our journey of Building the Best.

Foreword



George Adams
CEO Maxeda DIY Group

Our Mission is to help and inspire people to create the home of their desires.

Our Vision is to do this as an integrated, modern, market leading company with four formats.

In 2011 we are making progress in having the right suppliers, developing attractive ranges, sourced excellently, direct where needed, with own brands to be proud of and moved efficiently through our supply chain and sold in our attractive stores.

Our achievements:

- we started defining our suppliers for the future through our Supplier Partnership Programme
- we are developing new ranges to be sold all of MDG, using the combined strength of our four formats
- in March, we opened our sourcing office, Maxeda Asia in Shanghai, staffed with local colleagues with deep knowledge and experience in the Asian home improvement supply market
- we have created a stable of own brands
- we appointed a head of Quality and Sustainability and will further strengthen our resource in this area
- we are investing in making our supply chain more efficient, with the opening of flow through capabilities this November
- and we refurbished nine stores in both Belgium and the Netherlands in the period under review.

We have a four year programme to change every range in our stores. We introduce own brand ranges in paint and hand tools in October and November this year – product independently tested for quality, sourced exclusively from some of the best manufacturers in the world. We are on track to significantly improve our ranges next year, 2012.

Performance

The period under review has been challenging. We continue to see declining consumer confidence and poor housing markets, with customers moving to smaller maintenance and decorative projects.

The market conditions in the countries in which we are active – the Netherlands, Belgium and Luxembourg – remained unfavourable in the period under review. According to the Dutch CBS, total sales of DIY stores in the first half of 2011 fell by 5.3% in the Netherlands. The Belgian market, based on GfK data, showed a growth of 4.7% in sales. Consumer confidence and customers' willingness to spend in the Netherlands and Belgium remained negative throughout the first half of 2011 (source: CBS /National Bank of Belgium).

This difficult market was further affected by the cold and wet weather, May to July, when garden sales are normally at their height. This resulted in a small decline in sales, particularly in weather related categories. Operating cash flow for the half was maintained, as we took actions to control inventory.

Despite the economic pressures and the challenging market, Maxeda DIY Group delivered robust results. Maxeda DIY Group remains one of the most profitable and cash generative DIY businesses in Europe.

We have taken measures to make sure the 2nd half will be stronger and are controlling our costs & cash well. 2011 is a year of transformation for the Maxeda DIY Group. We are very excited about the new range of own brands and we are busy working with suppliers, to make sure we have joint plans and real partnerships, dealing with the best. We have put greater capacity in our DC and have opened flow through centers. These developments will result in a reduction of our costs and increase our availability for the next year. We will continue to drive our businesses forward by investing in our people, working together as one Team with one Vision – ensuring we help and inspire customers to have the home of their desires.

Outlook

The economy remains difficult and consumers are adjusting to the new reality. They are seeking value, and concentrating on maintenance and smaller decorative projects. MDG is well positioned for the future, with our strategic programmes of range development, improving our sourcing and building our own brands, starting to bear fruit.

Maxeda DIY Group Management

We have further strengthened Maxeda DIY Group management. Arjan Kaaks joined us as CFO from O'Neill in August (previously Grolsch and Unilever), and as previously announced, Martin Lee joined in March as Chief Supply Chain Officer, coming from DHL and B&Q.

Thank You

I would like to thank all my colleagues in Maxeda DIY Group for their commitment, enthusiasm and hard work. MDG will continue to drive its businesses forward by investing in our people, working together as one Team with one Vision – ensuring we help and inspire customers to have the home of their desires.

George Adams
CEO Maxeda DIY Group

Maxeda DIY Group

Maxeda DIY Group

Maxeda DIY Group (MDG) is a market-leading DIY retailer in the Benelux.

MDG operates 362 stores across the Benelux with 6,700 employees. We have 55 stores larger than 5,000 square metres. Of these, 10 operate as Plan-It stores (nine in Belgium and one in the Netherlands), and 29 as Mega-Praxis in the Netherlands. The majority of our stores are between 3,000-5,000 square metres, operating as Praxis in the Netherlands (138 stores), and Brico in Belgium (134 stores). Of these, 88 are franchised. We also have a smaller store format, Formido, in the Netherlands. Of the 80 Formido stores, 64 are franchised.

Our mission is to help and inspire people in the Benelux to create the home of their dreams. We want to help and inspire people to maintain, enjoy, decorate, renovate and construct their homes.

Our vision is to do that as an integrated, modern, market-leading company with four formats. Our formats are customer-focused, concentrating on market positioning and customer experience.

MDG is a retailer of the leading brands in home improvement: some of which we own ourselves. Our own brands offer outstanding value for money, with quality assured through independent testing and our own quality team.

In the past half year, MDG has refurbished and re-opened a number of stores, including the Brico store Auderghem near Brussels. We also opened two new Praxis megastores. There was a continued focus on improving product ranges, both through better sourcing and improving our own brands. Our new office in Shanghai, with experts in Sourcing, Quality Assurance and Supply Chain, plays an important role in this.

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Brico

Brico is the DIY market leader in Belgium and offers a wide range of DIY, home decoration and gardening products, combining known brands with own brands. Thanks to its ongoing expansion and the opening of ten new stores, Brico today has a network of 134 stores, including 88 franchise stores and nine Brico City stores in city centres. The average floor surface is over 2,500 square metres. Brico continues to develop its product ranges, its own-label brands and retail formats.



Plan-It

Plan-It is a chain of ten stores, with nine Plan-it DIY megastores in Belgium and Luxembourg and one Plan-it by Praxis in the Netherlands. Plan-It offers the widest possible range of products for home improvement projects, from building materials to home decoration and garden products. Plan-It stores are very large – the average floor surface is 8,000 square metres and the stores offer a range of more than 40,000 products.

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Praxis

Praxis is a leading DIY brand in the Netherlands. Praxis meets the needs of both experienced and novice DIY enthusiasts, offering the best choice of products and prices, plus the stores and the people to help get the job done. Praxis offers millions of customers the choice of over 35,000 DIY articles. Praxis has 3,400 employees and a total of 138 stores, including 29 megastores. The average floor surface is 3,500 square metres. Praxis also has garden centres in 11 of its megastores.



Formido

Formido is a chain of smaller DIY stores that supply the local needs of DIY enthusiasts in the Netherlands. The average floor surface is 1,850 square metres. The 80 Formido stores are mainly franchised (64 stores) and located in the suburbs of larger cities and towns. Formido operates the successful Deco DIY store concept. In February 2011, Formido opened its first Compact Store, with a floor surface of 1,000 square metres in Roggel.

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