

New strategy delivers first results



Positive start for Maxeda:

- **Strong operating results in the first half of 2006.**
 - **Net sales (including concessionaire sales) increased by 4.7% compared to the first half of 2005. Same store sales up by 3.4%.**
 - **Operating EBITDA increased by 21.4%.**
 - **Working Capital improvement of EUR 126 million.**
- **Market share gains for practically all retail chains and product categories.**
- **New strategy aimed at Selling more, Sourcing better, Saving costs and exploiting group Synergies has started to deliver results.**

Semi Annual Results

2006

New name, new ambitions

In June 2006 Vendex KBB changed its name to Maxeda. The new name reflects the new ambitions and corporate philosophy of our retail group. Under the motto 'A Passion to Serve' Maxeda offers a people centred culture and a passion for customers. The retail chains – each with their own brand names, identity and market position – are working hard to express that passion. Maxeda has made a promising start this year.

Clear strategic priorities

Maxeda's mission is to achieve market leadership for every retail chain. Each store format is working with a new plan to generate profitable growth, both in the Netherlands and elsewhere in Europe. Maxeda is making substantial investments in its stores and its people. The strategic priorities are to increase sales at existing and new stores, to purchase more effectively in domestic and foreign markets, cut costs and improve cash flow. The retail chains within the group are also helping each other, sharing best practices and creating purchasing synergies. Several chains have established new shop-in-shop concepts. Joint efforts with respect to product ranges are producing results and synergy advantages are being achieved as planned.

Internally, the emphasis is on pursuing our corporate philosophy of 'service-oriented leadership', which is the key to our success. This means focusing on our customers and employees. We are convinced that we can succeed only if we are willing to serve our people, who in turn serve our customers. We believe our operating results demonstrate the effectiveness of this approach.

"We want to offer our customers special stores, special products and special service. The only way for Maxeda to distinguish itself from the competition is to excite, to inspire and to assess customer satisfaction continually. Maxeda is a fast changing business. Our first half year results confirm that our new strategy is working. By satisfying more customers our formats are winning market share and improving their operating results."

Tony DeNunzio, Executive Chairman Maxeda

Semi Annual Results

2006

New strategy yields results

We set off on this new direction towards market leadership at the end of 2005 and we are already seeing the first positive results. Nearly every retail chain and product category has improved its market share.

The Dutch retail market is also growing again after a three-year decline. Consumer confidence is now positive and at its highest point in 5 years. The extremely hot weather in July did, however, have a negative effect on retail sales.

Overall, the internal delivery of many initiatives and favourable external developments had a positive effect on our results. Our net sales (including sales of concessionaires) have risen by 4.7% in the first half of the fiscal year. On a comparable store basis, sales grew by 3.4%.

By increasing our margins and controlling our costs, our Operating EBITDA (Operating result before depreciation, amortisation and exceptionals) has risen by 21.4%. We also improved our working capital by EUR 126 million. In the first half of this year we did incur some additional costs to achieve our strategy. We have also made further investments to ensure the sustainable growth of our formats. We have opened 26 new stores, of which 7 are located outside of the Netherlands. And we started major investment programs in our HEMA distribution centre and our DIY systems.

“We can be satisfied with the financial developments of Maxeda. Our strategy is beginning to yield results, in that we’re not only profiting from the market recovery, but we’re also performing better than the market. Our internal initiatives are clearly working. Maxeda is strong financially which enables us to make further investments in the sustainable growth of our formats across Europe.”

Ronald van der Mark, CFO Maxeda

The group

Department/Variety Stores

V&D is being visibly transformed. 'New style' stores have already opened in Almere and Arnhem. Later this year another 18 stores will be remodelled with a stronger product portfolio. After a successful launch, new A-brands are being added to the selection and we are building on the strength of our own brands, such as Liv, Soho, Essentials and Frenz.

Shop-in-shop concepts have also been successfully trialed. Hunkemöller shops have already opened in 6 V&D stores. These developments had a positive effect on the results of V&D.

With 13 exclusive department stores, De Bijenkorf is the market leader in premium fashion. De Bijenkorf is focused on strong relationship marketing, enhancing premium brands and the upgrading of its stores. Claudia Sträter shops-in-shops have now been opened in all Bijenkorf stores.

HEMA is an award-winning retail chain with an impressive 344 outlets in the Netherlands, Belgium and Germany. HEMA continues to innovate delivering a unique combination of style, quality and value. HEMA has developed an even lower priced basic range and a new concept for smaller stores that is currently being tested at a number of locations. HEMA customers can now buy wine, arrange energy contracts and follow language courses online.

DIY Group

Praxis has over 130 stores, including 23 megastores, with growing market share. Praxis is trialing new store concepts, relaunching major product ranges and delivering joint buying benefits with our Belgian DIY businesses. In April this year, Praxis won the Capgemini Re-Connect Retail Award 2006.

With 73 stores, Formido has a strong position in the Netherlands. In April, Praxis, along with Formido, Hunkemöller, M&S and V&D, marketed a successful national discount campaign called 'Nationale Kris Kras Kortingsactie'. Customers use scratch cards to win different discounts at one of the Maxeda stores.

Brico is the market leader in Belgium with 115 outlets, including 3 megastores. The store in Zaventem has been expanded and new stores have opened in Kapellen, Essen and in Huldange (Luxembourg). New own label and

Far East sourced ranges are being introduced together with our Dutch DIY business. The first Brico City opened in Brussels on 24 August. This is a DIY neighbourhood store with a wide selection of basic products. Brico City stores will be situated in city centres. Belgium also has the DIY chain Brico Plan-It. Its seven megastores offer an extensive range for home improvement and home decorating products.

Apparel

M&S currently has 415 stores in Europe and 143 stores in France, its biggest market. M&S is showing particularly strong growth in Spain. The results of M&S unfortunately suffered as a result of problems with the 2006 spring/summer collection. The new management is currently working on implementing a new strategy which will simplify ranges, focus on basic and casual fashion and improve merchandising.

Benelux market leader Hunkemöller has 324 stores and is aggressively expanding at A1-locations in Germany. In the Netherlands it is expanding by placing new Hunkemöller shops in V&D stores. Hunkemöller's results have risen once again.

Claudia Sträter is a fashion brand for self-confident women which has consistently performed at a high level. Every Bijenkorf store now includes a Claudia Sträter shop-in-shop. The German market is the primary focus of further expansion.

Other formats

Maxeda owns La Place and Le Marché and is the number 2 restaurant chain in the Netherlands. La Place continues to be a great success, serving high quality freshly prepared food. There are now 68 La Place restaurants and an expanding franchise business. The first franchise outlet on a railway station was opened in Leiden. In March, the consumer magazine Consumentengids rated La Place Delft the best roadside restaurant in the Netherlands.

Schaap en Citroen is the top retail chain in the field of luxury timepieces and jewellery, with 9 outlets in the Netherlands. A new flagship store opened in PC Hoofstraat in Amsterdam.

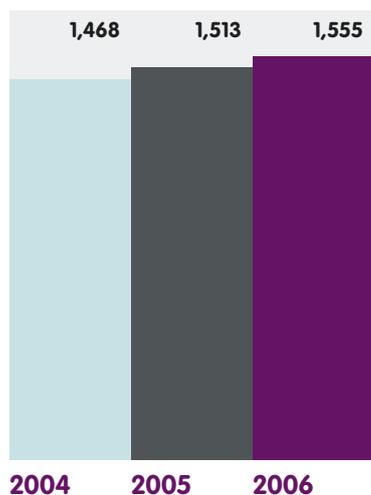
Key Figures

Consolidated Figures February – July for continued activities,
excluding Consumer Electronics

Maxeda

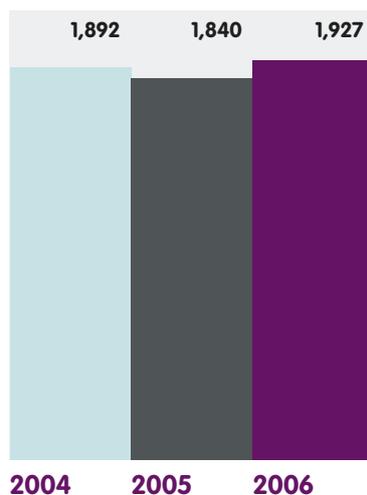
Number of stores

Stores



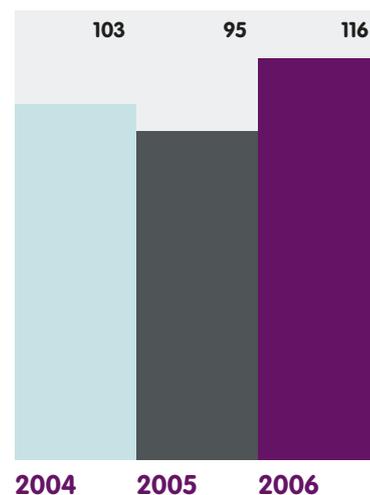
Net sales including
concessionaire sales

Millions of EUR



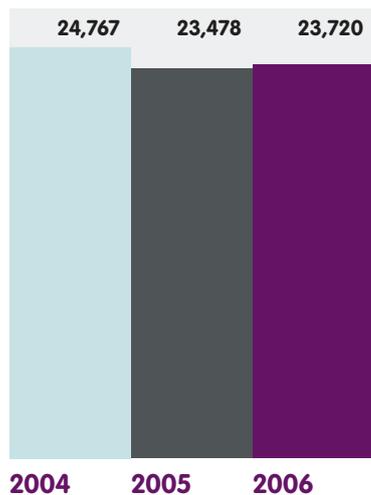
Operating EBITDA

Millions of EUR



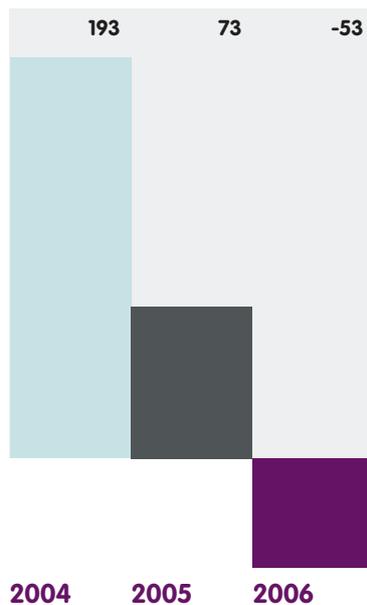
Average FTE

FTE



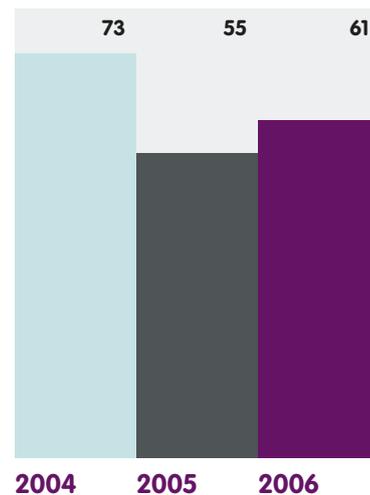
Working capital

Millions of EUR



Gross investments
in tangible fixed assets

Millions of EUR



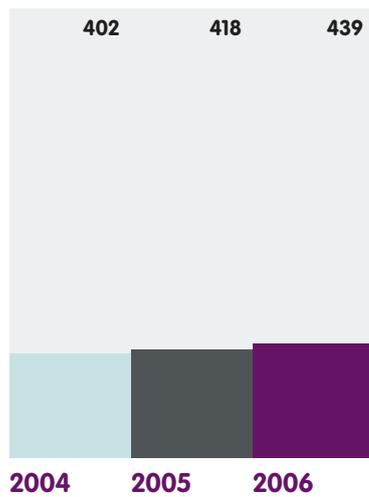
Key Figures

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Department/Variety Stores

Number of stores

Stores



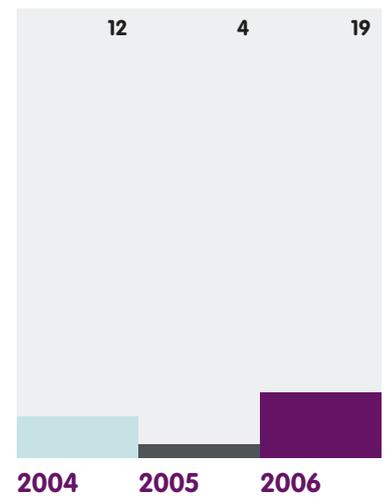
Net sales including
concessionaire sales

Millions of EUR



Operating EBITDA

Millions of EUR



Average FTE

FTE

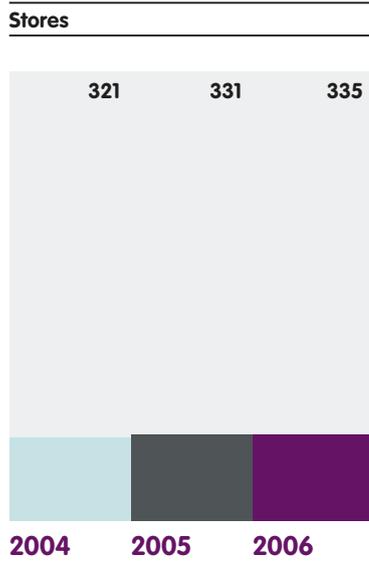


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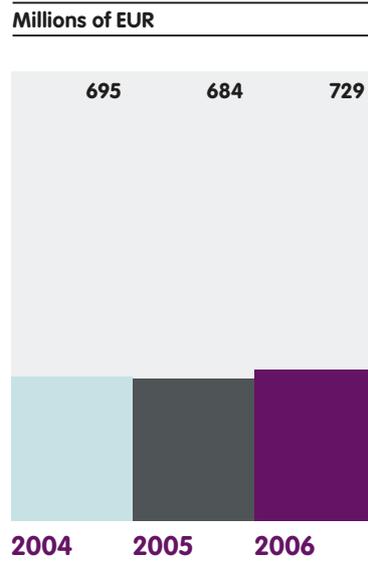
Consolidated Figures February – July for continued activities

DIY Group

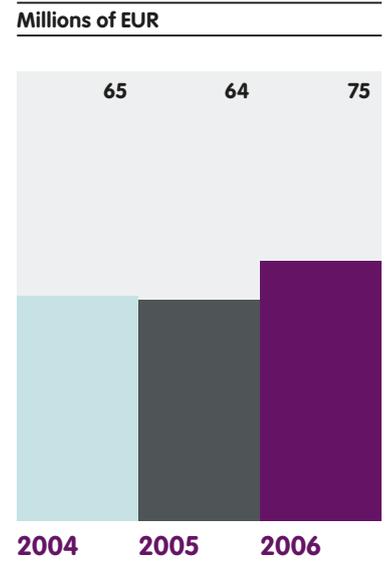
Number of stores



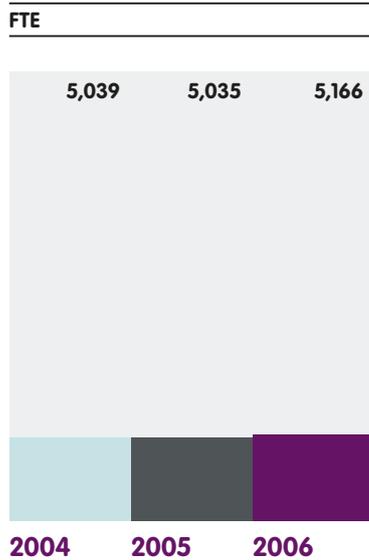
Net sales



Operating EBITDA



Average FTE



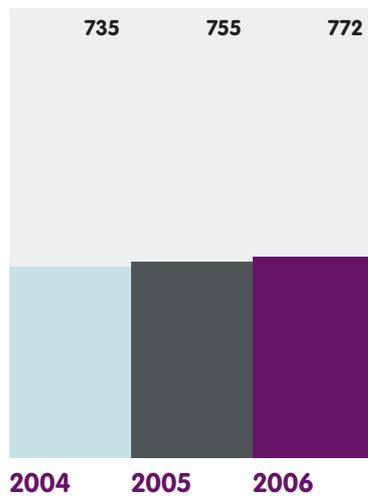
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Apparel

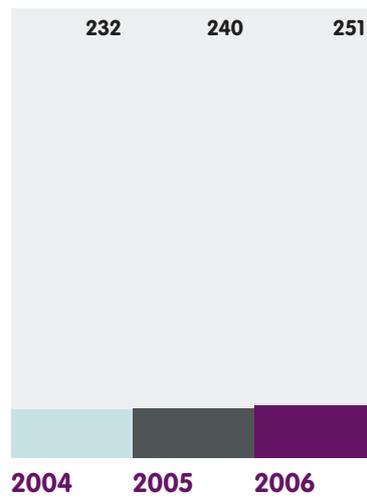
Number of stores

Stores



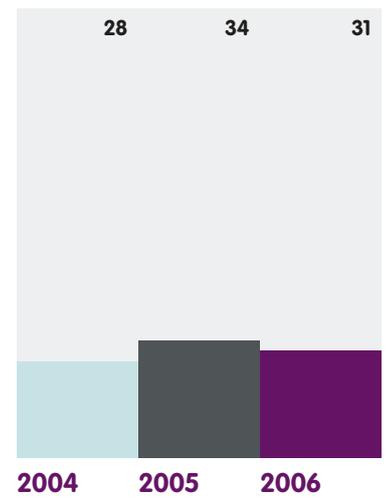
Net sales

Millions of EUR



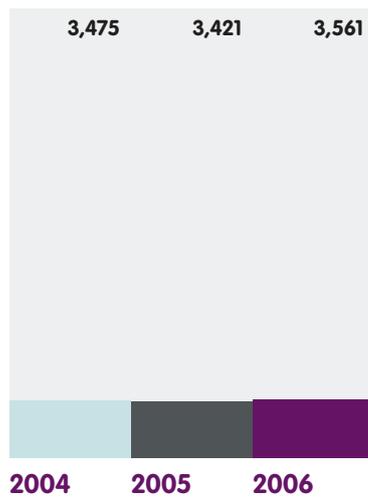
Operating EBITDA

Millions of EUR



Average FTE

FTE



- **The largest non-food retailer in the Netherlands.**
- **Over 37,000 employees at over 1,500 stores.**
- **Stores in the Netherlands, Belgium, Luxembourg, Denmark, Germany, France and Spain.**
- **Net sales, including concessionaires sales: EUR 1,927 million as compared to EUR 1,840 million in the first half of 2005.**
- **Operating results before depreciation/amortisation (EBITDA) in first half of 2006: EUR 116 million.**

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