

## Full Year Results: Maxeda delivers Sustainable Results

Amsterdam, 6 May 2009. Despite a worsening economy Maxeda has been able to achieve satisfactory financial results in 2008/09. In 2008 Maxeda also introduced a Sustainability programme to contribute to a better environment. The first initiatives of the Maxeda formats have already led to sustainable results.

### Financial Highlights in 2008/09

- **Net sales (including concessionaire sales) increased by 0.6% to EUR 3,164 million. Same store sales fell by 1.1%<sup>1</sup>**
- **Market share saw gains for most of Maxeda's formats and product categories**
- **Operating EBITDA fell by 4.4% to EUR 223 million**
- **Over the past twelve months, EUR 122 million was invested in:**
  - **88 new stores, of which 10 Do-It-Yourself stores and 78 Fashion stores. Openings included a new V&D in Venlo, 9 new La Place restaurants, an environmentally-friendly Praxis store in Roosendaal and further international expansion of Hunkemöller and M&S;**
  - **Renovations in department stores, the continued rollout of the Deco DIY store concept of Formido and the introduction of A-brands including Sephora, Apple, Burberry and Chopard;**
  - **IT systems, distribution centres, e-commerce and head offices. In partnership with our logistics partners we have built a new international distribution centre for M&S and the new Benelux Distribution Centre for Maxeda DIY<sup>2</sup>.**
- **Number of stores increased by 5.2% to 1,360 stores**
- **Working capital improvement of EUR 39 million**
- **Number of full-time employees rose by 3.1% to 17,623**
- **Improved reputation amongst stakeholders with more nominations and prizes including 'Best Retailer' for Bijenkorf, Hunkemöller, M&S and Brico Plan-It.**

### Sustainable Businesses

In the financial year 2008/09, the worsening economic conditions and declining consumer confidence clearly influenced Maxeda. Macro-economic developments, which impacted financial markets worldwide, are having a real effect on European economies and the retail markets in which Maxeda operates. Consumers have become increasingly cautious with their spending.

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<sup>1</sup> In April 2009, Maxeda and 2Deal Ventures announced the acquisition of Claudia Sträter by 2Deal Ventures. Therefore, these figures are excluding Claudia Sträter. However, Claudia Sträter is included in the explanations on the developments of our formats in the annual review.

<sup>2</sup> Since April 2009 the new Distribution Centres of Brico and M&S are operational.

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Maxeda had a good first half year in 2008/09, performing well despite a tougher trading climate. Since the second half of 2008/09, the performance of Maxeda has come under pressure, caused by rapidly deteriorating market conditions. The month of December was an exception, when its formats performed reasonably well. Maxeda's relative market position has been maintained, but retail markets have declined in recent months.

*Tony DeNunzio, Executive Chairman Maxeda:* "I am pleased that despite these challenging times we have continued to make progress in delivering our strategic goals. In each of our formats customers can experience the important changes we have made to improve our products, our prices, our stores, our service and our marketing. The successful execution of these strategies and controlling those variables that we can directly influence has reduced the impact of a deteriorating market. Tight margin management together with cost and cash control have led to satisfactory financial results for the year. We expect difficult trading conditions<sup>3</sup> in 2009, but have developed the necessary initiatives to maintain Maxeda's strong market position."

## **Sustainable Environment**

Maxeda's mission is underpinned by its 'Passion to Serve' philosophy. 'Being of service' is the secret of Maxeda's success. This means that Maxeda wants to add value to all its stakeholders: its customers, its people, its suppliers, its shareholders and... the environment. In 2008, Maxeda has therefore introduced a group-wide Sustainability programme. It is Maxeda's goal to contribute to a better environment by implementing initiatives that lead to sustainable ecological and social results.

*Tony DeNunzio, Executive Chairman Maxeda:* "At Maxeda, sustainable business practice is a central operating principle. In all our activities, we are striving to find a balance between profitable economic growth and corporate social responsibility. Our philosophy of 'A Passion to Serve' is our guiding principle in this process. The intention of this philosophy is to deliver value to all its stakeholders. Our formats are at the heart of society, so we understand that we are able to influence the welfare of people and their environment, and we take that responsibility seriously. I am pleased with the progress our formats have made in delivering our sustainable projects."

Maxeda took a number of steps to further implement its strategy on sustainability in 2008. Initiatives have been developed within every part of the Maxeda organisation

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<sup>3</sup> Looking Forward to 2009: The Dutch Central Planning Office has predicted a decrease in economic growth of -3.5% in 2009 and recently the IMF predicted -4.8% in 2009 and the other European economies are predicted to contract by -4%. The current economic situation is forecast to continue into 2010. CBS, HBD (Head of Retail trade Sector) and estimates of ING Economic Office forecast for 2009 and 2010 that non-food retail markets in the Netherlands will be down by 3% and 4% respectively.

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aimed at improving the environment. Projects have been initiated to reduce energy and fuel consumption, to rationalise paper and packaging usage, to optimise recycling, to promote green products for customers and to support community causes.

## **APPENDIX:**

### **Examples of Maxeda's sustainability projects:**

#### **Energy**

- Bijenkorf introduced an 'active energy management system' which resulted in a total energy reduction of 8%. A total CO<sub>2</sub> saving of 1.2 million kg
- Praxis launched an internal campaign and took energy reduction measures which resulted in 16% energy savings
- The new Maxeda DIY distribution centre in Willebroek has the largest field of solar panels in the Benelux

#### **Fuel**

- Hunkemöller's successful pilot programme for transporting goods by inland shipping instead of by truck, resulted in a CO<sub>2</sub> saving of 32%
- Brico concentrated its transport activities by combining its two distribution centres into a single new distribution centre. This will result in approximately 7,000 less truck movements a year

#### **Paper and Packaging**

- At Brico, in-store advertising materials such as A2 posters have disappeared which resulted in a 25% reduction in paper use
- Since 2008, Brico only uses recycled carrier bags which can only be obtained by customer request and in return for payment
- M&S sold 40,000 of its 'Green Bags' last year, which are made from 90% recycled material

#### **Recycling**

- V&D and La Place held a successful pilot to recycle their waste which showed that an 80% waste separation can be realised. This would reduce CO<sub>2</sub> by 1.7 million kg

#### **Green Products**

- Praxis opened a new, environmentally-friendly store in Roosendaal
- La Place continued to introduce more sustainable products such as house wines with the 'Max Havelaar' fair trade hallmark. 35% of its products are now organic

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- Bijenkorf introduced a new private label: 'PURE', a new collection of sustainable ladies fashion made from bio-cotton
- Maxeda DIY introduced a policy to realise within 4 years a total of over 90% sustainable wood products within its formats

### **Good Causes**

- Hunkemöller raised 125,000 euros for the KWF Cancer Relief Foundation and continued the joint fight against breast cancer
- Bijenkorf again sold Art Bags last year to support 'Stop Aids Now!'
- Maxeda supports the Salvation Army with retail knowledge and expertise in its goal to launch a real shop in 2009.

### **End of Press release**

#### **Note for the editor, not for publication**

The unabridged version of Maxeda's Annual Review can be found at [www.maxeda.com](http://www.maxeda.com)

#### **For more information, please contact:**

Maxeda

Corporate Communications

Arnold Drijver

Phone: + 31 (0)20-5490433 / 06-52 304 662