

## Half Year Results

### Resilient Results in a Difficult Retail Environment

**Amsterdam, 6 October 2009. Despite difficult market circumstances Maxeda has been able to achieve resilient results in the first six months. Maxeda's 'Fit for the Future' programme, introduced at the end of 2008 effectively reduced the impact of the deteriorating market and retained Maxeda's strong market and financial position.**

#### Highlights of the Half Year

**Results<sup>1</sup> in the first half of 2009 compared to the first half of 2008:**

- **Maxeda demonstrates business resilience in a tough marketplace**
  - Net Sales (including concessionaire sales) increased by 0.1% to EUR 1,563 million<sup>2</sup>.  
Same store sales fell by 1.9%
  - Maxeda maintained its leading market positions in most of its formats and product categories
  - Operating EBITDA<sup>3</sup> of EUR 100 million<sup>4</sup> representing a decline of EUR 4 million (-3.7%)
  - In the first half year, EUR 34 million was invested in:
    - 33 new stores of which 10 Do-It-Yourself stores and 23 Fashion stores. Openings included expansion of Hunkemöller, M&S and La Place
    - A new distribution centre and head office for M&S, a new distribution centre for our DIY business, a new service centre for V&D, E-commerce and IT Systems
    - The continued roll out of the City Centre concept of Brico and the Deco DIY stores of Formido and renovations in department stores.
- **Number of stores increased by 4.3% to 1,383 stores, since July 2008**
- **Working Capital declined by EUR 8 million to EUR -186 million**
- **Improved reputation amongst stakeholders with many nominations and prizes including 'Best Employer 2009' for Schaap en Citroen and 'Best Lingerie Store' for Hunkemöller.**

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<sup>1</sup> Our performance is reported on basis of the IFRS accounting standards (excluding for pension accounting).

<sup>2</sup> In April 2009, Claudia Sträter was acquired by 2DealVentures. Therefore, these figures are excluding Claudia Sträter.

<sup>3</sup> Operating result before interest, taxes, depreciation, amortization and exceptionals.

<sup>4</sup> Excludes the impact of unrealised results on foreign currency hedges.

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### **Fit for the Future**

In a difficult retail environment Maxeda has been able to achieve resilient results in the last six months by anticipating the economic downturn through its 'Fit for the Future' programme. This programme is designed to both exploit potential opportunities and to manage downside risks. The Fit for the Future programme was launched at the end of 2008 and contains five key elements:

- Strengthening marketing plans by offering more value for money;
- Protection of cash margins by tighter stock management and markdown planning which -together with lower cost prices and stronger promotions- drove cash margins;
- Reduced cost base by analysing all cost opportunities in stores, logistics and head offices and executing numerous initiatives;
- Optimisation of capital spend by investing in projects with higher return and shorter payback times whilst maintaining long term strategic growth;
- Review of underperforming business activities which led to corrective action plans to restore performance.

*Tony DeNunzio, Executive Chairman Maxeda:* "I am pleased that despite the difficult economic circumstances we have continued to make progress in delivering our strategic goals due to the successful execution of the Fit for the Future programme by all our formats. This has effectively reduced the impact of a deteriorating market and retained Maxeda's strong market and financial position."

### **Outlook**

*Ronald van der Mark, CFO Maxeda:* "The outperformance to the market was driven by our Fit for the Future programme focused on exploiting potential opportunities and protecting the downside. This resulted in tight cash and strong cost control with a contribution from all stakeholders. We continued to invest in sustainable growth. We expect the second half of 2009 to be equally challenging. We are, however, convinced that Maxeda is well positioned to meet these challenges in the second half year and that our plans, our brands and our people will continue to provide the basis for our success."

### **Maxeda formats**

#### **Maxeda DIY**

Maxeda DIY (Do-It-Yourself) opened a new single central distribution centre to serve the whole Benelux market. The new distribution centre will operate in a sustainable manner through a number of environmental initiatives including inbound ship deliveries and by having the largest solar panel field in the Benelux to reduce energy consumption. Brico and Brico Plan-It, market leader in Belgium, opened new stores, including the sixth 'Brico City' store. Praxis further improved its assortment by relaunching product categories and extending own label ranges. Formido continued

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to grow the successful 'Deco Bouwmarkt' concept by opening four new 'Deco Bouwmarkt' stores in the first half year.

**Maxeda Fashion**

In the first half year Bijenkorf continued to build its premium format by introducing new top brands such as Viktor & Rolf accessories, Karen Millen and See by Chloé bags. It also introduced a new brand identity to underline its unique appeal to its customers. V&D added new A-brands such as Mango and Bandolera, while also continuing the roll out of brands as Apple and Desigual. Furthermore, six more stores were rebranded in the new house style. In June V&D moved to a new service centre (head office). Hunkemöller continued to successfully expand internationally and opened 16 stores in 5 countries. M&S opened a total of 3 stores in Belgium, France and Spain. It also opened in partnership with TNT a new distribution centre and moved to a new head office. La Place opened 4 new restaurants and entered in April in a long-term collaboration with leisure park Duinrell with the opening of 13 new La Place restaurants. Schaap en Citroen maintained its strong market position and was awarded 'Best Employer 2009' in the category '100 – 1,000 employees' by newspaper De Volkskrant and market research agency Effactory.

**End of Press release**

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

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

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