

Moving Forward with Maxeda DIY Group



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Maxeda DIY Group in Brief

- 6,700** Maxeda employs 6,700 people
- 2006** The year in which we became Maxeda and our philosophy (a Passion to Serve) was introduced
- 2011** The year in which Maxeda became a DIY retailer
- 362** Stores are located in the Netherlands, Belgium and Luxembourg
- 138** Years of Retail Experience
- 4** Retail formats working together as 1 team
- 1** Maxeda Do-It-Yourself is a market leader in the Benelux

Financial Highlights in 2010/11

- **Maxeda concentrates on DIY**
In January 2011 Maxeda became a pure play DIY retailer. This followed the successful completion of the strategic review of the Maxeda Fashion businesses. Maxeda DIY Group is the largest DIY retailer by space in the Benelux, operating as Praxis and Formido in the Netherlands and Brico and Brico Plan-It in Belgium and Luxembourg. We operate a total of 362 company and franchise stores.
- **Maxeda DIY Group delivers resilient results for 2010/11**
In a challenging environment, Maxeda DIY Group showed a resilient performance with Net Sales down just 1.2% to EUR 1,367 million. Same store sales decreased by 3.1%. Market Share increased in both Belgium and the Netherlands. Operating EBITDA decreased by 2.1% to EUR 129.3 million.¹
- **EUR 35 million invested in 2010/11**
 - 16 new DIY stores
 - Successful remodelling of core stores in both Belgium and the Netherlands
 - Opening of Plan-It by Praxis in Eindhoven
- **Strategic Review of Maxeda Fashion**
Net sales (including concession sales) of Maxeda Fashion increased by 5.7% to EUR 1,583 million.² Same store sales increased by 4.5% (including e-commerce). Maxeda Fashion grew market share in most of its formats. Operating EBITDA grew by 33.7% to EUR 111 million in the year 2010/11, on a proforma basis.

In February 2010, a Strategic Review of the Fashion Group - comprising V&D/La Place, de Bijenkorf, Hunkemöller and M&S Mode - was initiated and successfully completed early in 2011. All the fashion formats are retail leaders in their markets and are now well positioned for the future with the right strategic partners.

¹ To provide better insight into our performance, we use certain alternative financial performance indicators such as Operating EBITDA, which are not included in these financial statements. Operating EBITDA is the operating profit before exceptional results and before interest, tax, depreciation and amortization and excluding the impact of unrealized results on foreign currency hedges.

² The results of V&D/La Place for the financial year 2009/10 are based on a comparable period for purposes of comparison.

Foreword

Foreword

Welcome to our Annual Review. The year under review was transformational for Maxeda. Maxeda became solely focussed on our DIY business after the successful completion of the Strategic Review of Maxeda Fashion in January 2011. We are moving forward. We have strengthened our DIY team, reshaped our Supervisory Board and improved our DIY capital structure. We look forward to the future with confidence, committed to developing the significant opportunities we see for Maxeda DIY Group.

Foreword



Tony DeNunzio
Chairman Supervisory Board,
Maxeda DIY Group

Robust Performance

Although the recession is formally over, the DIY market remained challenging, particularly in the Netherlands, where the market fell by 4.1%, and grew by just 0.5% in Belgium. Maxeda DIY Group outperformed the market in both countries with net sales down 3.2% in the Netherlands and up 0.9% in Belgium. Strong management of margins and costs resulted in almost flat profitability in our DIY businesses. Despite the economic pressures of recent years, Maxeda DIY

Group remains one of the most profitable and cash generative DIY businesses in Europe.

Strategic Developments

We are committed to creating an outstanding DIY business in the Benelux. We will continue to improve our product ranges through better sourcing and own brands, we will develop new and remodelled stores, we will improve our supply chain and we will deliver improved service to our customers. We are making progress on all these strategic priorities.

We successfully tested remodelled stores in both countries. Our Brico test store at Kraainem in Belgium will serve as the model for our future refurbishments, while the Praxis test store in Utrecht will serve as the model for the Netherlands.

We opened 16 new stores including a new Brico Plan-It in Ternat near Brussels. We also opened our first Plan-It store in the Netherlands in Eindhoven in October, with the collaboration of the Brico and Praxis teams. We will continue to adapt the store to the Dutch market while seeking opportunities to expand the concept.

Our Formido chain opened its first Formido compact, a store of 1,000 square metres in Roggel in early 2011. This format will enable Formido to open more stores over time, increasing the opportunities to expand.

Strengthened Maxeda DIY Management

In November of last year, Nick Wilkinson, who was responsible for Maxeda DIY Group, resigned as a member of the Maxeda Executive Board. We thank Nick for his significant contribution.

We have taken the opportunity to strengthen the management of Maxeda DIY Group with world class retail and DIY skills. George Adams has been appointed as CEO of Maxeda Retail Group and Maxeda DIY Group. George has extensive experience in DIY and hard goods retailing, having spent most of his career with Kingfisher and B&Q.

John Colley joined as Chief Commercial Officer, having been previously Commercial director at both B&Q and Screwfix. Early in the new financial year Willem Marcelissen joined us as Managing Director of Praxis, having been Managing Director of Halfords Netherlands for the last 3 years.

In May 2011, Martin Lee joined us as Chief Supply Chain Officer from DHL, where he was Managing Director UK Medical Supplies.

They join Geert Verkest, CEO Brico Group and Jean Paul Descheemaeker, CFO, on the Executive Team of Maxeda DIY Group. Geert and Jean Paul have extensive experience of the Benelux DIY market.

We opened our new sourcing office in Shanghai in early 2011. This is headed up by Gavin Keane, who has over 10 years sourcing experience gained at Kingfisher Asia and B&Q China.

Successful Completion of Maxeda Fashion Strategic Review

I am very pleased to announce the excellent results of the Maxeda Fashion Group prior to the completion of the Strategic Review. They performed exceptionally well, with an operating EBITDA increase of 33.7%, and sales growth of 5.7% in 2010/11.

Over the past few years Maxeda has transformed the fashion formats V&D, La Place, de Bijenkorf, Hunkemöller and M&S Mode to create better businesses with strong market positions. We initiated the Strategic Review in February 2010, and explored individual routes for each format. Each business has a track record of financial performance, excellent management teams and exciting growth plans. All formats are now well positioned for the future with the right retail partner. I am convinced they can now further accelerate their growth and take the next step in their development.

In November 2010, we announced the sale of V&D and La Place to Sun European Partners. We announced the successful conclusion of the Strategic Review of the

Fashion Group at the beginning of this year with the sale of de Bijenkorf, Hunkemöller and M&S Mode.

Important Board Changes

George Adams and Jean Paul Descheemaeker were appointed to the Executive Board of Maxeda Retail Group on 1 May 2011. We have also taken the opportunity to make a number of changes to the Supervisory Board which now consists of: Todd Fisher, Alain Vourch, Erik Thyssen, Cheryl Potter, Xavier Geismar, Rob ter Haar, Marc van Gelder and Ronald van der Mark. For further details I would like to refer you to page 41.

As of 1 March 2011, I stepped down as Executive Chairman of Maxeda Retail Group and became a member of the Supervisory Board. The works council (COR) has asked me to chair the Supervisory Board, which I have accepted with pleasure. Ronald van der Mark has stepped down from the Executive Board and has been appointed to the Supervisory Board as a non-executive director. Ronald has been instrumental in the success of Maxeda and I thank him for his financial leadership, personal support and partnership.

John Pfeffer and Caspar Berendsen resigned as Supervisory Board Directors as of 1 March 2011. We thank both of them

for their relentless effort and support in building a successful Maxeda.

A Big Thank You!

The year 2010 marked another important chapter in the evolution of Maxeda. Each of the Maxeda retail formats has literally been transformed under private equity ownership since 2004. It has been an another busy, successful and satisfying year.

We have seen the completion of the Strategic Review of Maxeda Fashion Group. The Fashion Group had a very successful year with real progress across all the businesses, positive feedback from colleagues in the 'You make a difference' survey, more customers shopping in the stores and strong financial results. Each of the businesses, V&D/La Place, de Bijenkorf, Hunkemöller and M&S Mode is now well positioned for the future with excellent strategic partners.

I would like to thank Mark McKeon (V&D/La Place), Jacob de Jonge (de Bijenkorf), Philip Mountford (Hunkemöller) and Phil Auld (M&S Mode) and their teams for their outstanding leadership and commitment in transforming the Maxeda fashion businesses over recent years. I have confidence that their businesses will continue to prosper and grow.

Foreword

The next chapter in the development of Maxeda will focus on Maxeda DIY Group which is well positioned for the future. Our strategic programmes to improve sourcing, to build our own brands, to re-launch ranges and to develop and renew our formats are bearing fruit. I am convinced that George Adams will steer Maxeda DIY Group into the next phase of its development and together with his team, and all our DIY colleagues at Brico, Brico Plan-It, Formido and Praxis, create a modern, integrated and market-leading Benelux business.

I would like to thank all colleagues both at Maxeda Fashion and DIY for their hard work and commitment in 2010/11. I wish everyone great success in the year ahead.

Tony DeNunzio
Chairman Supervisory Board,
Maxeda DIY Group

Moving Forward – Maxeda DIY Group

Since I joined last November, I have visited many of our stores, in each of our formats. I have been struck by the experience of our teams, the pride that they all take in the business, and the passion they have for serving our customers.



George Adams
CEO Maxeda DIY Group

Serving customers is the key to success in our business. We are here to help and inspire people of the Benelux to create the home of their desires. We will do that as 1 business, Maxeda DIY Group, with 4 retail formats, working together as a modern, integrated and market leading Benelux business. We will do this as One Team, focused on One Vision.

To provide solutions for our customers, rather than simply sell just products, our first priority is to improve our ranges,

making them easier to shop, easier to use, and helping customers get the end result they want. We have introduced a four-year programme to change every range in our stores, and to introduce new ones; and this programme will be implemented in a coordinated manner across all our formats.

We need to source from the best suppliers worldwide. Key to this is having the right supplier base that offers our customers innovative and attractive quality products, at the right cost, and that delivers at the right time.

To help create this world class supplier base we have opened our new sourcing office in Shanghai, China. This will enable us to source from the China manufacturing hub direct into the Benelux. To ensure that we maintain our promise to our customers, we are implementing rigorous quality standards and assessment.

We will progressively increase our own brand ranges complementing the offer of our strategic A brand suppliers that interest our customers at reasonable prices. In this way we will build good, better and best ranges across our stores.

To help and inspire our customers to create the home of their desires, we will renew our core store format, building on the test stores at Utrecht and Kraainem.

Foreword

We will build on Plan-It to develop destination stores in our larger stores across Benelux.

But key to the future are our colleagues. We have 6,700 colleagues across the business, most of whom spend their time in contact with our customers. Getting close to our customers is vital, understanding their needs and desires, and helping them with practical advice.

I look forward to working with all my colleagues to take Maxeda DIY Group to the next level.

George Adams
CEO Maxeda DIY Group

About Maxeda DIY Group. Introduction

Our History

Our company has been called Maxeda DIY Group since 2006, but the history of Maxeda DIY Group starts earlier with the creation of Praxis in 1978 by Vendex KBB, and of Brico by the Belgian group GB-Inno-BM in 1973. Praxis grew fast to 139 stores and in 2002 bought the Brico business from GB Group. Brico itself acquired the six Leroy Merlin stores in Belgium in 2003, and renamed these Brico Plan-It. Praxis acquired Formido in 1991.

In 2004, a consortium of private equity investors consisting of Cinven, Permira, Alpinvest Partners – and led by KKR – acquired Vendex KBB, delisting the company in August of that year. In June 2006, Vendex KBB was re-branded, and re-launched to become the new and exciting Maxeda.

In February 2010, Maxeda announced a Strategic Review of the Fashion Group, and this was successfully completed in January 2011. Maxeda DIY is now the sole focus of the group.

Our Markets and Business Environment

We operate 362 stores across Benelux. We have 55 stores larger than 5,000 square metres, and of these, 10 operate as Plan-It stores (9 in Belgium and 1 in the Netherlands), and 27 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, 80 stores of which 65 are franchised.

Our Vision

Our mission is to help and inspire people of the Benelux to create the home of their desires. Our vision is to do that as an integrated, modern, market leading company with four formats. Our formats are customer facing, concentrating on market positioning and the customer experience. As a group we focus on driving the advantages of working together; a world-class supplier base, joint sourcing and ranging, own brand development, supply chain efficiency, and a common IT platform and systems.

About Maxeda DIY Group. Our Formats

Brico and Brico Plan-It, Belgium



Brico and Brico Plan-It are the market leaders in the Belgian market. The 134 Brico stores average 2,500 square metres, and 88 are franchised. The Brico store in Kraainem which opened in April 2010 has served as the example for what Brico stores will look like in the future. Brico also operates 9 Brico City stores, convenience DIY stores in big city centres. Brico also has one Briko Depot at La Fontaine, and this was remodelled in May 2010.

Brico Plan-It operates 9 stores in Belgium with an average size of 8,500 square metres. Brico Plan-It is a destination store format, which includes drive-in building yards and an expanded offer in tiles, flooring, bathroom and kitchens. The first Plan-It by Praxis was opened in Eindhoven in October 2010.

Brico and Brico Plan-It are led by Geert Verkest.



BEV-DACH

REDACTED SIGN

ALLES
79

Decorative panels with patterns and text, including a red and white floral design and a grid of small circles.

Praxis and Formido, the Netherlands



Praxis is one of the largest DIY brands in the Netherlands. We operate 111 stores as Praxis, and another 27 larger Mega-Praxis stores. The average size of a Praxis is 3,500 square metres, and 8,000 square metres for Mega-Praxis. Ten of the Mega-Praxis include a garden centre. Praxis opened a new pilot store in Utrecht in July 2010 to serve as a model for future core stores.

Willem Marcelissen joined us in March 2011 to run Praxis. Willem joined us from Halfords Netherlands where he was Managing Director for 3 years and previously Commercial Director.

praxis





Formido is a chain of smaller DIY stores, on average 1,850 square metres, operating in smaller locations. We have 80 stores of which 65 are franchised. In February 2011, Formido opened its first compact store, 1,000 square metres, at Roggel.

Formido is headed by Jan van den Ham.

Formido

deco bouwmarkt

OPENINGSTIJDEN
MAANDAG T/M VRIJDAG
8.30 TOT 20.00 UUR
ZATERDAG
8.30 TOT 17.00 UUR



Governance

Governance

Maxeda is committed to a sound governance structure

Our shareholders are KKR, Cinven, Permira and Alpinvest Partners – all renowned private equity companies with considerable retail expertise. Our Supervisory Board plays a crucial role in overseeing the strategic and financial progress of Maxeda. The Supervisory Board consists of both investors and external directors and is chaired by Tony DeNunzio.

The Board discusses a range of matters, including approval of the annual budget and the strategic plans of both Maxeda and its formats, major investments, changes to the company's financial arrangements, changes to the portfolio of the group and subjects related to financial policy. When urgent decisions are required on matters specifically reserved for the Supervisory Board in between scheduled meetings, there is a process in place to facilitate discussion and decision-making.

The recent changes in the portfolio, as a result of the conclusion of the Strategic Review of the Fashion Group, were discussed extensively during the year under review.

The Maxeda Executive Board is responsible for the day-to-day running of the company. The Board, which is chaired by George Adams, also consists of Jean Paul Descheemaeker (CFO). They are responsible for developing the company's

strategy and day-to-day operations. The CEOs of Maxeda formats report directly to the Executive Board. Each month, the Board discusses the strategic and financial progress of each format with the format management. Issues such as expansion, investments, projects and labour conditions are also submitted to the Executive Board for decision-making.

Maxeda has established an independent Remuneration Committee, comprised of both representatives from our investors and external directors. The Committee, which is chaired by Erik Thyssen, meets formally three times during the financial year to advise the Supervisory Board on all topics relating to Maxeda's remuneration policy, including the remuneration and bonus scheme of key Maxeda managers.

Maxeda has also established an independent Audit Committee, comprised of both representatives from our investors and external directors. This committee is chaired by Todd Fisher. The Audit Committee oversees risk management, internal controls, fraud and financial reporting. Maxeda's external auditors are active participants at 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 Audit Committee's responsibilities include advising the Supervisory Board on the approval of

the half year and annual report, announcements relating to financial performance and changes to accounting standards.

The Audit 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-related services.

Maxeda is committed to a sound control environment

To create a robust control framework, and although Maxeda is not required to be compliant with the Dutch Tabaksblat Code or Sarbanes Oxley, Maxeda has a professional risk management and internal audit function in place, which operates under the name Risk Management. Risk Management, which reports to the Chief Executive and the Audit Committee operates at group level, as well as across all formats. The annual plan of the risk management and internal audit function is approved and monitored by Maxeda's Audit Committee. Maxeda Risk Management addresses our vulnerability to risks and threats by improving business processes and ensuring that key controls and Maxeda-wide policies are carried out effectively.

Maxeda has defined and implemented frameworks for key financial controls and IT controls across the entire organisation. A detailed authorization scheme is in place, prescribing authorization levels across Maxeda and its business units. This procedure is audited on an annual basis.

Going beyond baseline financial and IT controls, the scope of Maxeda risk management includes operational and strategic risks. In view of its commitment to integrity, Maxeda has implemented a code of conduct and a whistleblower hotline. Each Business Unit issues an 'In-Control Statement' at the end of each financial year. In this statement, the business unit boards declare that they are in control. They are required to mention any exceptions and, in such cases, implement a remediation plan. Maxeda has established a process for identifying, remediating, monitoring and reporting on areas for which control improvements are considered necessary.

Accountability for being and remaining in control lies with management at business unit level, as well as at group level, supported by explicit reporting lines. Maxeda and Business Unit Risk Management closely monitor whether control improvements are implemented in a timely and effective fashion. On a quarterly basis, Risk Management provides the Executive Board with a dashboard, presenting

outstanding issues and commenting on progress.

Management

In accordance with Dutch law, Maxeda has a two-tier management structure, 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 policy of the Executive Board and the general course of corporate affairs. In addition, an 'Investor Board', comprising 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.

Our Performance

Each year, Maxeda DIY Group develops 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 financial operating plan.

The company has developed a sophisticated set of key performance indicators to further track progress. The most important of these are:

- market share
- sales ('like for like' and total)
- number of visitors and customers
- average transaction values
- net margins
- costs by department and type
- EBITDA
- capital spend and return on investment
- working capital changes
- cash flow
- customer satisfaction and, last but not least,
- colleague satisfaction.

George Adams, CEO Maxeda Retail Group

George (54) has been appointed as CEO of Maxeda Retail Group as of 1 May 2011. George Adams has extensive experience in the DIY and hard goods sectors. He spent most of his career with Kingfisher and B&Q (the largest DIY retailer in Europe). In his last role there he was Chief Executive of European Businesses, which included responsibility for the Castorama chains in Italy, Poland and Russia, as well as Screwfix. He was also a board member of German DIY specialist Hornbach. He joined Maxeda DIY Group from Spicers (Europe's largest office products wholesaler), where he was CEO.

Jean Paul Descheemaeker, CFO Maxeda Retail Group

Jean Paul (51) has been appointed CFO of Maxeda Retail Group as of 1 May 2011. Jean Paul Descheemaeker has been CFO of Maxeda DIY Group since 2009. He spent most of his career with Brico and Maxeda DIY Group, in different positions. Previous to his current position, he was Managing Director of Brico Plan-It, responsible of the successful launch of the format in Belgium.

Tony DeNunzio stepped down as Executive Chairman of Maxeda Retail Group on 1 March 2011 and has become Chairman of the Supervisory Board as of 1 March 2011. **Ronald van der Mark** also stepped down as Executive Board member and has joined the Supervisory Board on 1 May 2011.

Tony DeNunzio, Chairman of the Supervisory Board

Tony (51) has been appointed as Chairman of the Supervisory Board on 1 March 2011. Prior to joining Maxeda, Tony was President and Chief Executive Officer of Asda, Wal-Mart's UK operation, a company which he joined in 1988. Before joining Asda, Tony worked for the international consumer products companies Unilever, L'Oréal and PepsiCo. He is also the non-executive Chairman of Pets at Home and non-executive director of Alliance Boots Ltd. Tony was Executive Chairman of Maxeda Retail Group from June 2005 till 1 March 2011. Tony is a Senior Advisor to KKR on retail matters.

Todd Fisher, Vice Chairman of the Supervisory Board

Todd (45) has been with KKR since 1993 and also serves on the Boards of Rockwood Holdings, Inc. and Northgate Information Solutions. Since July 2008, he has been the global Chief Administrative Officer for KKR, overseeing all finance, legal, IT, HR and public affairs functions at the firm, as well as risk management and strategic planning. Prior to that, he was a Senior Partner in KKR's London office. He currently sits on KKR's global Investment and Management Committees.

Cheryl Potter, Member of the Supervisory Board

Cheryl (41) has been with Permira since 1999. She is currently global head of the consumer team at Permira and also serves on the Board of Birds Eye Iglo Group. Prior to joining Permira, she worked at Royal Bank Development Capital and Arthur Andersen. She is qualified as a Chartered Accountant.

Erik Thyssen, Member of the Supervisory Board

Erik (49) was appointed to the Supervisory Board in 2004. Erik is a Managing Partner of Alpinvest Partners. He joined Alpinvest 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, Member of the Supervisory Board

Marc (50) was appointed to the Supervisory Board in 2005 after being recommended by the Workers Council. He is also Chief Executive Officer of the pharmaceutical and medical device retail and distribution company Mediq NV. Previously, Marc worked at Royal Ahold and McKinsey & Co.

**Rob ter Haar,
Member of the Supervisory Board**

Rob (61), was appointed to the Supervisory Board in 2004 after being recommended by the Workers Council. Rob sits on a number of Supervisory Boards. Previously, he was Chief Executive Officer at Hagemeyer and Chairman of the Executive Board of De Boer Unigro.

**Alain Vouch,
Member of the Supervisory Board**

Alain (44) has been appointed to the Supervisory Board on 1 March 2011. Alain is a Director at KKR Capstone and has been involved with Maxeda since 2004. He is also working with Pets at Home, another KKR portfolio company in retail, and is a Board member of Tarkett, a global flooring manufacturer. Prior to KKR Capstone, he worked as a management consultant at The Boston Consulting Group and has in depth experience in consumer goods and retail. He holds an M.Sc. from the Ecole Polytechnique and Ecole des Mines de Paris, France.

**Xavier Geismar,
Member of the Supervisory Board**

Xavier (36) joined the Supervisory Board on 1 March 2011. Xavier joined Cinven in 2001 and has worked on a number of transactions including Amadeus, Numericable/Completel and Camaieu. He is a member of the Consumer sector team. Xavier was previously a consultant at The Boston Consulting Group in Paris where he worked on several assignments, mostly within the telecom and media industry. Prior to this he worked for Bankers Trust in London. Xavier is a graduate of the HEC School of Management in Paris.

**Ronald van der Mark,
Member of the Supervisory Board**

Ronald (45) joined Maxeda as Chief Financial Officer in 2004 and stepped down per 1 May of this year. Previously, Ronald was Chief Financial Officer of Cementbouw Handel & Industrie. Ronald played an important role in the growth and 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 building material sectors.

John Pfeffer and Caspar Berendsen resigned as Supervisory Board members on 1 March 2011.

Financial Results



Ronald van der Mark,
Supervisory Board member,
CFO Maxeda (until 1 May 2011)

Important progress in achieving Retail leadership for all formats

The 2010/11 financial year was again a very important and successful year in Maxeda's journey to achieve Retail leadership for all our formats. We successfully concluded the Strategic Review of our fashion formats and our DIY Group again showed a resilient performance in what remained a challenging economic environment.

Strategic Review Maxeda Fashion Formats

Early in the 2010/11 financial year, we came to the conclusion that our Fashion Formats were ready for the next step in their development and initiated a Strategic Review for V&D/La Place, de Bijenkorf, Hunkemöller and M&S Mode. This decision was based on the fact that all these formats have very strong strategic plans, the best management teams ever and have developed well since the acquisition and delisting of Vendex KBB in 2004. We believed therefore that the fashion formats would benefit from the focused resources of the right new owners.

We are very proud that we have found the right partners for each of the formats, enabling them to execute their exciting and effective strategies. We are also very proud of the strong performance of the Maxeda Fashion Group under our leadership in 2010/11, with net sales including concession sales that are 5.7% higher and an Operating EBITDA that is 33.7% higher than the prior year.

Following the Strategic Review, Maxeda consists entirely of the Maxeda DIY Group and the Maxeda Holding has therefore been integrated into Maxeda DIY Holding.

Performance of Maxeda DIY Group

Taking into account the continued challenging economic environment in the 2010/11 financial year, our DIY Group again showed a robust performance.

The market conditions in the countries in which we are active – the Netherlands, Belgium and Luxembourg – remained unfavourable in the financial year under review. Consumer confidence and customers' willingness to spend in the Netherlands remained negative throughout the financial year (source: CBS). Consumer confidence was also negative in Belgium for 11 months of the 2010/11 financial year (source: National Bank of Belgium).

According to the Dutch CBS, total non-food sales in the Netherlands fell by 1.5% in 2010, driven by a decline in sales volumes. The sales of DIY stores declined by 4.1% in the calendar year 2010 compared with 2009.

GfK data shows that Maxeda outperformed the Belgian and Dutch market in 2010 by 2.2% and 1.2% respectively.

Maxeda DIY Group was able to outperform the negative market and increased its overall market share. Total Net Sales of the Maxeda DIY Group fell by 1.2% to EUR 1,367 million, same store sales decreased by 3.1% in 2010/11. December sales were impacted by the extreme weather

conditions (two weeks of snow) and showed the biggest shortfall.

Despite the lower Net Sales, a continuous focus on margins, strong cost controls and the positive impact of the 'Fit for the Future' programme introduced in 2009/10, limited the decline in Operating EBITDA of the Maxeda DIY business to 2.1% at EUR 129.3 million. Our Belgium DIY activities delivered a better performance than our Dutch DIY activities, which faced tougher market conditions and more competition. Our Belgium DIY business actually increased its net sales and Operating EBITDA in 2010/11.

The working capital was higher than at the end of the 2009/10 financial year, mainly due to higher seasonal inventories as a result of the lower net sales in December and the earlier intake of inventory for 2011/12. In addition, trade accounts payable were lower due to lower purchase volumes because of the lower sales in December 2010.

The Executive Board of Maxeda DIY Group has set targets on commonality of articles across formats, and to reduce the number of very slow moving items. This will enable the comprehensive renewal of product ranges over the next 4 years. The company has set aside a provision in the 2010/11 financial year for the anticipated one off inventory clearance cost.

Maxeda DIY Group continued to invest in 2010/11 and has spent EUR 35 million on improving and growing the business. This reflects our belief in the strategies and management of our formats. We are determined to execute our successful six S's strategy and deliver long-term growth and sustainable results even in very challenging markets. In the 2010/11 financial year, there was a net increase of 7 in the number of DIY stores (16 openings, 5 closures, 3 transfers of franchisee at Formido and 1 transfer of Praxis to Praxis Plan-It). We are now active in three countries with 362 stores, with approximately 40% of these stores outside the Netherlands. Furthermore, we invested in the refurbishment of stores, in e-commerce, the continuous rollout of new concepts and the introduction of new brands, as well as in our supply chain.

On 31 March 2010, Maxeda repurchased debt of EUR 462.5 million at a discount, resulting in a strengthened financial structure, which in turn enabled us to invest more in new and existing DIY stores to support Maxeda DIY's retail leadership strategy. This transaction was financed through available cash, a subordinated facility of EUR 170 million and an equity contribution by Maxeda DIY's existing shareholders. The debt buyback was fully supported by our investors and confirms their confidence in the strategy and growth potential of Maxeda DIY.

Outlook

The economy is expected to recover slowly in the year ahead, with some markets growing faster than others. Customers are cautiously adjusting to the new reality, but we are prepared for a less volatile performance in 2011/12.

Although the financial and economic crisis is not yet over, we expect all of our formats to further improve their financial performance and their competitive position in 2011/12. We will continue to drive our businesses forward by investing in our people, our customers and our stores. Our planned investment programme for 2011/12 is in line with our investment level in 2010/11 and is expected to contribute to the further development of our group.

A Warm Thank You to Everyone

Firstly of all, I would like to thank everyone within the former Maxeda Fashion Formats and the Maxeda Holding for their huge contribution to Maxeda's success and their roles in the Strategic Review. I am confident the formats will be very successful with their new partners.

Secondly, I would like to thank all our Maxeda DIY Group colleagues for the strong performance in 2010/11 and for the strength of their strategic plans. The DIY Group is now well positioned for further growth.

Tony DeNunzio's role within Maxeda changed as of 1 March 2011, when he became the chairman of the Supervisory Board of Maxeda DIY Group. In this role he will continue to play an important role in the future of Maxeda DIY Group. On behalf of everyone involved in Maxeda, I would like to thank him for his great leadership as chairman of the Executive Board of Maxeda in creating a new company, building better businesses and creating value for all stakeholders.

My own role has also changed as of 1 May 2011, I will stay involved in Maxeda as a non-executive director, but would like to take this opportunity to thank everyone inside and outside Maxeda with whom I have worked, for the great cooperation, all the support, the successes and the great time. I am looking forward to being involved in the further growth of our DIY Group.

Ronald van der Mark,
Supervisory Board Member
CFO Maxeda (until 1 May 2011)

Key Figures

The key figures that are presented on the following page are, if applicable, based on IFRS (International Financial Reporting Standards), with the exception of the pensions. To provide better insight, Maxeda Retail Group Continued uses certain alternative financial performance indicators, such as Operating EBITDA. Operating EBITDA is operating profit before exceptional results and before tax, interest, depreciations and amortisation. Annual accounts comprise other performance indicators, so that other alternative financial performance indicators cannot be linked to items in said annual accounts. The Maxeda Retail Group comprises Maxeda Fashion and Maxeda DIY, as well as the holding company of the Maxeda Retail Group.

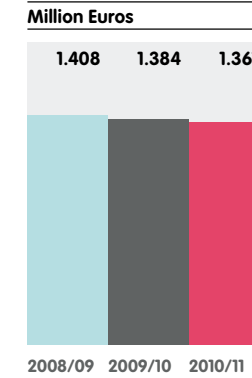
Key Figures
Consolidated full year figures³ (February 2010 – January 2011)
from continued activities

Maxeda DIY Group

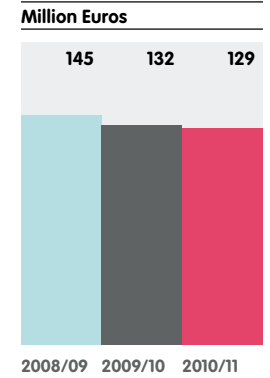
Number of stores



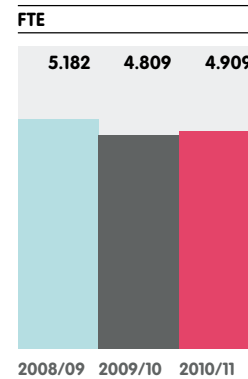
Net sales



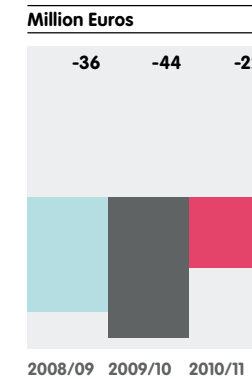
Operating EBITDA



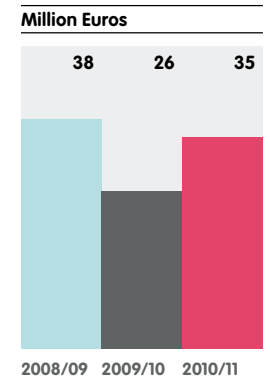
Average number FTE



Working capital



Gross investments fixed assets



³ Excludes the impact of unrealized result on foreign currency hedges (gain of EUR 1 million in 2008/09, EUR nil million in 2009/10 and loss of EUR 1 million in 2010/11)

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