PRESS RELEASE

Maastricht, the Netherlands
July 28, 2011

HALF-YEAR REPORT 2011

Investments in future and pessimistic consumers put pressure on result

- **Turnover plus from Jones Bootmaker acquisition.**
- **Higher gross margin as a percentage of turnover.**
- **Expenses rise, mainly because of new activities.**
- **Operating result down € 3.6 million.**
- **Net profit from continuing operations € 2.9 million lower.**
- **Second half-year even more important owing to Fashion's higher share of turnover.**
- **No statement on turnover or result for 2011.**

(in € millions)	**H1 2011**	H1 2010
Turnover[1]	**404.8**	396.3
EBITDA[1]	**14.6**	17.7
Operating result (EBIT)[1]	**3.6**	7.2
Net profit from continuing operations[1]	**0.3**	3.3
Net profit from discontinued operations[2]	**0.5**	3.6
Total net profit	**0.8**	6.9

1. Relates to Fashion and Living (including Jones Bootmaker, consolidated as from April 17).
2. Relates to operating results of BelCompany (sold to Vodafone) and Halfords (to be sold).

Frank De Moor, CEO Macintosh Retail Group:
"We already knew that 2011 would be a difficult year for the retail trade. An uncertain economy, severe budget cuts and rising inflation are not encouraging for the consumer's spending attitude. In this tough market, we decided to give as much benefit as possible to consumers. Despite this and rising purchase prices, we achieved a higher gross margin as a percentage of turnover, thanks to better procurement terms. In hard times, we have also dared to invest in new activities and in our cross-channel approach. The strategic choice to sell the Automotive & Telecom business means that Fashion's share of turnover is becoming larger. As a result, the first-half of a year is growing increasingly less important for our results, since the key sales period for shoe retailers has traditionally been the second half."

Spending in non-food retail sector still in a trough

Although consumer confidence in the Netherlands was less negative in January and February, it fell again in the months following. The causes were the weakening purchasing power, due to massive cutbacks and higher inflation, coupled with the general political, economic and financial climate. This led to a decline in buying willingness. The 0.1% increase in non-food retail spending reported by Statistics Netherlands for the period until the end of May was wholly attributable to price increases for a falling volume. A similar situation faced Belgium and France, while the UK suffered a severe economic depression.

Number of stores grows to 994

The net increase on June 30, 2010, in the number of stores engaged in comparable activities was 6, bringing the total to 896. During the first half of 2011, 14 stores were opened, three of which operate according to the Scapino small format, which was launched at the end of April. Four stores closed down in the first six months. With the acquisition of Jones Bootmaker in April, 93 stores were added. In April, too, four stores opened with the new high fashion Steve Madden format.

The number of stores breaks down by sector was as follows.

	H1 2011	YE 2010	H1 2010
Fashion	**851**	743	743
Living	**143**	144	147
Total	**994**	887	890

Turnover goes from € 396.3 million to € 404.8 million

For the first half-year, Macintosh Retail Group's turnover was € 8.5 million up on the same period of 2010, with online turnover growing by around 35%. Turnover for the first quarter was more than € 8 million lower compared with the first quarter of 2010. By contrast, the second quarter produced an increase of € 17 million, an effect of the consolidation of Jones Bootmaker as from April 17, 2011.

Turnover by sector was as follows.

(in € millions)	**H1 2011**	H1 2010	**% +/-**
Fashion	**288,0**	274,8	+ 4.8%
Living	**116,8**	121,5	- 3.9%
Total	**404,8**	396,3	**+ 2.1%**

Turnover in the Fashion sector was € 13.2 million higher. Excluding the turnover of Jones Bootmaker and Steve Madden, the turnover of the shoe formats was slightly down. Market figures for the period until the end of May show that market share was gained in the Netherlands and Belgium and also in the UK, owing to the acquisition of Jones Bootmaker.

The picture changed from month to month. In January, the shoe formats sold substantially less than in the outstanding month of January 2010, as consumers had already made their winter purchases in November and December 2010. February, March and April showed a small increase in turnover. May was bad, despite the good weather. June was way below the same month in 2010. Strikingly, Fashion seems to be experiencing uptrading, so that mainly the higher positioned shoe chains are doing well.

Turnover at Hoogenbosch climbed substantially; that of Brantano BeLux was unchanged from 2010. By contrast, the turnover for the Scapino and Brantano UK formats, which are more price-based than others, declined. Jones Bootmaker in de UK achieved a higher turnover than in 2010, when this shoe retailer was not yet part of Macintosh Retail Group.

Turnover of the Living sector was € 4.7 million down, in a home decoration market that continued to suffer from the low number of houses changing hands and competition from DIY stores. Both Kwantum (Netherlands and Belgium) and GP Décors in France felt pressure on turnover owing to the cautious spending in this market.

Operating result € 3.6 million lower than in 2010

Gross margin as a percentage of turnover went up by 0.9 percentage points from 50.8% to 51.7%, thanks to an increase at Fashion as well as Living, and to Fashion's higher share of turnover. The gross margin suffered an adverse effect from higher purchase prices, a result of more expensive raw materials and wage increases in the Far East. Competitive pressure was too high to pass on the prices fully to consumers. This impact was more than offset, however, by the synergies within Fashion and by lower promotional discounts at Living.

Expenses rose in the first six months by € 11.6 million, largely the result of the consolidation of Jones Bootmaker and new activities in Fashion, among them the launch of Steve Madden in the Benelux. Head office expenses were also higher. This was mainly due to the investing in people and technology in support of Macintosh Retail Group's cross-channel approach.

The Fashion sector's operating result was down € 2.8 million, whereas Living sector's was up € 0.8 million.

(in € millions)	**H1 2011**	H1 2010
Fashion	**5,9**	8.7
Living	**2,8**	2.0
Other[1]	**- 5,1**	- 3.5
Total	**3,6**	7.2

1. The "Other" item includes all expenses that cannot be directly allocated to sectors.

Net profit

Finance costs, including the expenses incurred to finance the acquisition of Jones Bootmaker, were unchanged from the year before. The effective tax rate was 19%.
Net profit from continuing operations at € 0.3 million was € 3.0 million lower than for the previous year.

In 2011, the important strategic decision was made to part ways with the Automotive & Telecom sector. This will allow Macintosh Retail Group to concentrate on Fashion and Living, which appear to offer the most opportunities for profitable growth in turnover. Net profit from discontinued operations (operating results of BelCompany and Halfords) came to € 0.5 million (2010: €3.6 million).

Total net profit was € 6.1 million down on 2010.

(in € millions)	**H1 2011**	H1 2010
Net profit from continuing operations	**0.3**	3.3
Net profit from discontinued operations[1]	**0.5**	3.6
Total net profit	**0.8**	6.9

1. Relates to the operating results of BelCompany (sold to Vodafone) and Halfords (to be sold).

Solvency, cash flow, EBITDA and ratios

Shareholders' equity at € 261.5 million was € 22.6 million higher than at June 30, 2010. Solvency was 38.5% compared with 39.6% at the end of the month June in 2010.

The cash flow from continuing operations was € 31.0 million lower than for the same period of 2010, mainly owing to a temporary increase of € 28.6 million in working capital.
The cash outflow for investing activities amounted to € 34.5 million, largely because of the Jones Bootmaker acquisition. Capital expenditure on property, plant, equipment and intangible assets came to € 9.7 million, compared with € 7.3 million in the first half of 2010.
The cash inflow (on balance) from financing activities amounted to € 47.0 million and was mainly used to finance the acquisition of Jones Bootmaker and the increase in working capital. In the same period of 2010, there was a cash outflow of € 22.2 million, partly attributable to repayments on loans.

The total cash flow for discontinued operations came to zero (2010: cash inflow of € 4.4 million).

As a result of the above, net debt increased by € 75.4 million in the first half of 2011, to reach € 192.2 million.

EBITDA (operating result plus depreciation and amortisation) came to € 14.6 million for the first six months of 2011 (2010: € 17.7 million).

The net debt/EBITDA ratio was 2.3 at June 30, 2011 (June 30, 2010: 2.0). The Interest Coverage ratio on the same date was 6.5 (June 30, 2010: 6.0).

OUTLOOK FOR 2011

At the time of publication of the 2010 annual figures in March of this year, we stated that, for the first time, consumers would have less disposable income in 2011. The disappointing change in turnover for January through June confirmed that consumers have adjusted their buying behaviour to the less favourable circumstances.

Given the difficult market conditions we are refraining from making any statement on turnover or operating result of Fashion and Living for the whole of 2011.

The sale of BelCompany to Vodafone Libertel produces a net transaction result of around € 90 million in 2011. If the announced sale of Halfords goes through this year (with the start of the bidding process set for September 2011), we expect this will also produce a positive net transaction result in 2011.

In the second half of 2011, we expect to charge a non-recurring amount of some € 4 million to the net profit 2011 relating to the modification and conversion of an insured defined benefit pension scheme to a defined contribution pension scheme, including a one-off payment for indexation.

DIRECTORS' STATEMENT

The figures for the first half of 2011 have not been audited.

The Managing Board hereby confirms that, to the best of its knowledge, this half-year report for 2011 (which has been prepared in accordance with IAS 34) gives a true and fair view of the assets, liabilities, financial position and profit of Macintosh Retail Group NV and the group companies included in the consolidation, as well as a fair review of the information required pursuant to Section 5:25d, paragraphs 8 and 9, of the Dutch Financial Supervision Act [*Wet op het financieel toezicht*].

Maastricht, the Netherlands
July 28, 2011

The Managing Board of Macintosh Retail Group NV

Analysts' meeting

The figures for the first half of 2011 will be presented today at an analysts' meeting commencing 9:30 a.m. in the Hilton Hotel in Amsterdam.

Managing Board Macintosh Retail Group NV
Maastricht, the Netherlands, July 28, 2011

For more information:

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Media and other interested parties: P.T.A. Hünen (Company Secretary)

This press release is also available on the website of Macintosh Retail Group NV: www.macintosh.nl
Should different interpretations arise between the Dutch and the English version of this press release, the Dutch language version prevails.

Retail is our business. Macintosh Retail Group is a large-scale non-food retailer that specialises in the distribution of consumer products in the Living, Fashion and Automotive & Telecom sectors. Macintosh Retail Group operates some 1,350 stores in the Netherlands, Belgium, France and U.K., with a total retail floor space of some 750,000 m². The Living sector consists of more than 140 home furnishing stores in the Netherlands, Belgium and France under the names Kwantum and GP Décors. The Fashion sector comprises almost 850 shoe stores of Brantano, Dolcis, Invito, Jones Bootmaker, Manfield, PRO, Scapino, Shick and Steve Madden in the Netherlands, Belgium and U.K. Nea International, producer of Push-braces, is also part of the Fashion sector. In the Automotive & Telecom sector BelCompany is with almost 210 stores (including telefoonkopen.nl) the largest provider of mobile telecom products and services in the Netherlands. Halfords is the specialist in bicycles and car and bicycle accessories, with 150 stores in the Netherlands and Belgium.

Annexe to half-year report 2011
MACINTOSH RETAIL GROUP NV

The half-year report is unaudited.

Condensed consolidated income statement for the first half-year

(in millions of euros)	Note *	first half 2011		first half 2010	
Continuing operations					
Net turnover	5/7a		**404.8**		396.3
Cost of sales			**-195.6**		-195.1
Gross margin on turnover			**209.2**		201.2
As a % of turnover			***51.7%***		*50.8%*
Selling expenses		**-159.2**		-152.7	
General administrative expenses		**-46.4**		-41.3	
Total expenses			**-205.6**		-194.0
As a % of turnover			***-50.8%***		*-49.0%*
Operating result	5		**3.6**		7.2
As a % of turnover			***0.9%***		*1.8%*
Finance revenue and cost			**-3.2**		-3.3
Profit before taxes			**0.4**		3.9
Income tax expense	7b		**-0.1**		-0.6
Net profit on continuing operations			**0.3**		3.3
Net profit on discontinued operations	4		**0.5**		3.6
Net profit			**0.8**		6.9

* The numbers refer to the notes on page 5 and further of this annexe.

Net profit attributable to holders of ordinary shares	**0.8**	6.9

Data per share first half-year

(in euros)	first half 2011	first half 2010
Net profit attributable to holders of ordinary shares of Macintosh Retail Group NV		
- Total	**0.03**	0.30
- Continuing operations	**0.01**	0.14
- Discontinued operations	**0.02**	0.16
Diluted earnings attributable to holders of ordinary shares of Macintosh Retail Group NV		
- Total	**0.03**	0.30
- Continuing operations	**0.01**	0.14
- Discontinued operations	**0.02**	0.16
Weighted average number of shares outstanding (x 1,000)	**23,275**	22,900
Diluted number of shares outstanding (x 1,000)	**23,531**	23,104

Condensed consolidated balance sheet (in millions of euros)	**Note ***	**30.06.2011**	31.12.2010	30.06.2010
<u>Assets</u>				
Non-current assets				
Intangible assets	**8a**	**35.3**	20.9	21.3
Goodwill	**8b**	**209.0**	195.2	195.2
Property, plant and equipment		**87.9**	94.5	97.2
Financial assets		**3.9**	3.7	2.6
Derivative financial instruments	**8d**	**0.6**	0.5	-
		336.7	314.8	316.3
Current assets				
Inventories	**8c**	**209.6**	230.2	219.9
Debtors		**29.0**	48.1	49.7
Derivative financial instruments	**8d**	**0.1**	-	2.4
Cash and cash equivalents	**10a**	**11.2**	15.6	15.1
		249.9	293.9	287.1
Assets held for sale	**4**	**92.8**	-	-
Total		**679.4**	608.7	603.4
<u>Equity and liabilities</u>				
Equity attributable to shareholders of the company	**9**	**261.5**	270.8	238.9
As a % of balance sheet total		***38.5%***	*44.5%*	*39.6%*
Non-current liabilities				
Provisions		**9.2**	12.0	9.1
Long-term borrowings	**8f/10b**	**158.5**	93.5	0.0
Financial lease obligations	**8f/10b**	**1.5**	1.9	1.7
Other non-current liabilities		**25.5**	20.8	18.4
		194.7	128.2	29.2
Current liabilities				
Current portion long-term borrowings		**-**	-	145.0
Current account overdrafts with credit institutions	**8f/10b**	**41.7**	21.2	2.4
Other interest-bearing debts	**8f/10b**	**0.2**	0.2	0.4
Current portion of provisions		**6.3**	6.7	9.2
Other current liabilities		**132.1**	179.6	174.4
Derivative financial instruments	**8d**	**-**	2.0	3.9
Contingent liabilities	**8e**	**0.7**	-	-
Liabilities for assets held for sale	**4**	**42.2**	-	-
		223.2	209.7	335.3
Total		**679.4**	608.7	603.4
Interest-bearing debt [1)]	**8f/10b**	**192.2**	116.8	149.5
Net debt [1)]		**180.1**	101.2	134.4

* The numbers refer to the notes on page 5 and further of this annexe.

[1)] Including discontinued (but not yet sold) activities.

Consolidated statement of changes in equity for the first half-year
(in millions of euros)

	Note*	Total	Issued Capital	Share premium	Unrealised exchange differences	Unrealised hedge gains and losses	Retained Earnings
At January 1, 2010		**234.0**	9.4	4.2	-4.2	-3.7	228.3
Changes in first half-year 2010:							
Net profit		**6.9**	-	-	-	-	6.9
Other comprehensive income		**5.4**	-	-	2.0	3.4	-
Income tax effect		**-0.6**	-	-	-	-0.6	-
Total comprehensive income		**11.7**	0	0	2.0	2.8	6.9
Sale of shares in connection with staff options		**0.1**	-	-	-	-	0.1
Costs of staff options granted		**0.5**	-	-	-	-	0.5
Repurchases of own shares		**-3.3**	-	-	-	-	-3.3
Dividend distribution for 2009:							
- cash dividend	**9a**	**-4.1**	-	-	-	-	-4.1
- stock dividend	**9a**	**0**	0.2	-0.1	-	-	-0.1
Total of other changes		**-6.8**	0.2	-0.1	0	0	-6.9
At June 30, 2010		**238.9**	**9.6**	**4.1**	**-2.2**	**-0.9**	**228.3**

	Note*	**Total**	Issued Capital	Share premium	Unrealised exchange differences	Unrealised hedge gains and losses	Retained Earnings
At January 1, 2011		**270.8**	9.6	4.0	-3.4	-1.3	261.9
Changes in first half-year 2011:							
Net profit		**0.8**	-	-	-	-	0.8
Other comprehensive income		**-1.5**	-	-	-3.2	1.7	-
Income tax effect		**-0.4**	-	-	-	-0.4	-
Total comprehensive income		**-1.1**	0	0	-3.2	1.3	0.8
Costs of staff options granted		**0.4**	-	-	-	-	0.4
Dividend distribution for 2010:							
- cash dividend	**9a**	**-8.6**	-	-	-	-	-8.6
- stock dividend	**9a**	**0**	0.1	-0.1	-	-	-
Total of other changes		**-8.2**	0.1	-0.1	0	0	-8.2
At June 30, 2011		**261.5**	**9.7**	**3.9**	**-6.6**	**0**	**254.5**

* The numbers refer to the notes on page 5 and further of this annexe.

Consolidated statement of comprehensive income for the first half-year

(in millions of euros)	first half 2011		first half 2010	
Net profit for the period		**0.8**		6.9
Net change in cash flow hedges	**1.7**		3.4	
Income tax effect	**-0.4**		-0.6	
		1.3		2.8
Exchange gains and losses on investments in associates		**-3.2**		2.0
Other comprehensive income net of tax		**-1.9**		4.8
Total comprehensive income net of tax		**-1.1**		11.7
Attributable to holders of ordinary shares		**-1.1**		11.7

Condensed consolidated cash flow statement for the first half year

(in millions of euros)

	Note *	first half 2011		first half 2010	
Profit before tax on continuing operations			**0.4**		3.9
Adjusted for:					
- finance revenue and costs			**3.2**		3.3
- depreciation, amortisation and impairment			**11.0**		10.5
- changes in working capital			**-28.6**		1.0
- changes in provisions			**-2.1**		-2.5
- other			**0.4**		0.5
Cash flow from ordinary activities			**-15.7**		16.7
Income tax refund (payment)			**-0.2**		-1.6
Cash flow from operating activities					
- Continuing operations	**10c**		**-15.9**		15.1
- Discontinued operations			**0.8**		5.3
Net cash flow from operating activities			**-15.1**		20.4
Purchases of fixed assets		**-9.7**		-7.3	
Investments in associates		**-24.8**		-	
Cash flow from investing activities					
- Continuing operations	**10d**	**-34.5**		-7.3	
- Discontinued operations		**-1.0**		-1.4	
Net cash flow from investing activities			**-35.5**		-8.7
Balance of borrowings (repayments)		**58.9**		-11.6	
Dividends paid		**-8.6**		-4.1	
Repurchases of own shares		**-**		-3.3	
Staff options exercised		**-**		0.1	
Interest paid		**-3.3**		-3.3	
Cash flow from financing activities					
- Continuing operations	**10e**	**47.0**		-22.2	
- Discontinued operations		**0.2**		0.6	
Net cash flow from financing activities			**47.2**		-21.6
Change in net cash and cash equivalents			**-3.4**		-9.9
Net cash and cash equivalents at January 1	**10a**		**15.6**		25.0
Net cash and cash equivalents at June 30 [1)]	**10a**		**12.2**		15.1

* The numbers refer to the notes on page 5 and further of this annexe.

1) Including net cash and cash equivalents of Discontinued operations

Notes to the 2011 half-year figures of Macintosh Retail Group NV

Introductory note

On April 17, 2011, Macintosh Retail Group acquired all the shares in the UK shoe retailer Jones Bootmaker, obtaining full control as a result. The figures of Jones Bootmaker included in the consolidation are for the period since the date of acquisition.
In March 2011, agreement was reached with Vodafone / Libertel on the sale of BelCompany Nederland. Following logically from this, it was decided to dispose of Halfords as well. The figures of BelCompany and Halfords have been deconsolidated and are reported separately under “Discontinued operations”.
When comparing the figures for 2011 with those for 2010, the effect of the above acquisition and deconsolidations needs to be taken into account. For more information on these changes, see notes 3 and 4 in this report.

1 General

All amounts are in millions of euros.
Macintosh Retail Group NV’s registered office is in Maastricht, the Netherlands.
The half-year figures relate to the period January 1 through June 30.

2 Accounting policies

In line with the 2010 financial statements, the 2011 half-year figures have been drawn up in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. By drawing up the half-year figures, the same accounting policies have been applied as used in the 2010 annual report, apart from the changes resulting from new and / or amended standards and interpretations referred to below.
The half-year report is a brief report; it does not contain all the information and disclosures required for full-year financial statements. The 2011 half-year report should therefore be read in conjunction with the 2010 financial statements.

This half-year report has been drawn up in accordance with IAS 34 *"Interim Financial Reporting"* .

New and/or amended standards and IFRIC interpretations applied to the half-year figures
The following new and / or amended standards and IFRIC interpretations relevant to Macintosh Retail Group were applied for the first time to the 2011 half-year figures:

- IAS 1: *Presentation of Financial Statements*
  This amendment allows the required reconciliations between the carrying amounts of each component of the comprehensive income at the beginning and at the end of a period to be presented in the statement of changes in equity, as well as in the note on equity.

- IAS 24: *Related Party Disclosures*
  The amendment clarifies the definition of a related party.

- IAS 34: *Interim Financial Reporting*
  This amendment lays down supplementary disclosures, in particular for the fair value and classification of financial instruments and for changes in contingent liabilities.

- IFRS 3: *Business Combinations*
  Clarification concerning measurement of non-controlling interests.

- IFRS 3: *Business Combinations*
  Clarification concerning how share-based payments of the acquired party are to be measured and treated by the acquiring party.

- IFRS 7: *Financial Instruments: Disclosures*
  Amendment concerning the relationship between quantitative and qualitative information on financial instruments and credit risks.

- IAS 27: *Consolidated and separate Financial Statements*
  This amendment concerns the cessation of control over a company, with the remaining interest still capitalised as a financial instrument.

- IFRIC 13: *Customer Loyalty Programmes*
  Clarification concerning the measurement of the fair value of awards in respect to customer loyalty programmes.

The amendments of IFRS 3 and IAS 27 are not relevant to Macintosh, as the situations that they concern have not arisen.
Although the other amendments are relevant, they had virtually no effect on the figures, and did not require additional disclosures in this half-year report.

New and/or amended standards and IFRIC interpretations applicable in future years

The following new and / or adjusted standards and interpretations may apply to Macintosh Retail Group in future financial years:

- IAS 1: *Presentation of Financial Statements*
  Amendment requiring grouping of items within Other Comprehensive Income (2013 financial year).

- IAS 1: *Presentation of Financial Statements*
  Requirements for comparative information (2012 financial year).

- IAS 16: *Property, Plant and Equipment*
  Clarification for the classification of servicing equipment (2012 financial year).

- IAS 19: *Employee Benefits*
  Amendment eliminating the option to defer the recognition of actuarial gains and losses (2013 financial year).

- IAS 27: *(Revised) Separate Financial Statements*
  Revised standard specifying requirements regarding the measurement of associates in the separate financial statements (2013 financial year).

- IAS 28: *(Revised) Investments in Associates and Joint Ventures*
  Revised standard prescribing the accounting for investments in associates and joint ventures (2023 financial year).

- IFRS 9: *Financial Instruments*
  Introduction of a new framework for the classification and measurement of financial assets (2013 financial year).

- IFRS 10: *Consolidated Financial Statements*
  New standard, among others introducing a new definition of the term "control" (2013 financial statements).

- IFRS 11: *Joint Arrangements*
  New standard describing the accounting for joint arrangements with joint control (2013 financial year).

- IFRS 12: *Disclosure of Interests in Other Entities*
  New standard providing disclosure requirements for all types of interests in other entities and joint arrangements (2013 financial year).

- IFRS 13: *Fair Value Measurement*
  New standard providing a definition of fair value and a single source of fair value measurement for all financial and non-financial items (financial year 2013).

Expected impact in future years:

- IAS 19, IAS 27, 28 and IFRS 10, 11 and 12:
  The effect of these revised and new standards is currently being assessed.
- IFRS 9: The main effect of this new standard will be on the classification and, to a lesser extent, measurement of financial instruments. The extent of the effect is still being considered.

The other new and amended standards will have only a marginal effect on the figures and disclosures of Macintosh Retail Group.

3 Acquisitions

On April 17, 2011, Macintosh Retail Group acquired all the shares in the UK shoe retailer Jones Bootmaker, obtaining full control as a result. With this acquisition, Macintosh further enlarged its position in the fashion segment. Jones Bootmaker's figures have been consolidated since the date of acquisition.
The acquisition price of € 25.2 million comprises an initial payment of € 24.5 million and a subsequent payment depending on the EBITDA that Jones Bootmaker achieves for the period February 2011 through January 2012. This second payment is currently estimated at € 0.7 million. The initial payment was all in cash and financed from existing credit facilities.
The effects of the acquisition on the balance sheet and results are set out below.

Effect of the acquisition on the balance sheet at the date of acquisition

(in millions of euros)	**Value in balance sheet after acquisition**
Non-current assets	
Trade name	15.5
Property, plant and equipment	8.4
Inventories	20.2
Other current assets	4.2
Cash and cash equivalents	0.4
Total assets	**48.7**
Provisions	-0.6
Deferred tax liabilities	-4.3
Current account overdrafts with credit institutions	-9.2
Other interest-bearing debts	-6.6
Other current liabilities	-16.8
Fair value net assets	**11.2**
Goodwill	**14.0**
Acquisition price	**25.2**

Determining the fair value on the acquisition date of all the identifiable assets and liabilities taken over has not been completed yet. Accordingly, the above amounts are not final and might still change.
No intangible assets were identified other than those included in the balance sheet. The goodwill purchased relates mainly to the profit potential of the company acquired, as well as to the expansion, both geographical and in the fashion segment, that the acquisition brought.

Effect of the acquisition on turnover and result

As from the acquisition date, Jones Bootmaker has contributed £ 15.4 million (€ 17.7 million) to Macintosh Retail Group's turnover and £ 0.1 million (€ 0.2 million, including finance expense of the acquisition) to net profit.
If the acquisition had been made on January 1, 2011, the contribution to turnover would have been £ 33.6 million (€ 38.7 million), with a charge to the income statement of £ 2.7 million (€ 3.0 million, including finance expense).

4 Discontinued operations

On March 22, 2011, Macintosh Retail Group and Vodafone / Libertel reached agreement on the sale of BelCompany Nederland. One of the conditions governing the sale (including the date) is approval by the Netherlands Competition Authority *[Nederlandse Mededingingsautoriteit* , "NMa"]. The NMa meanwhile announced its approval on July 18, 2011. A gain of approximately € 90 million on the sale will be recognised in the second half of 2011. The acquisition price agreed with Vodafone / Libertel is € 120 million (cash and debt free basis) payable on January 1, 2011. BelCompany is part of the Automotive & Telecom segment.

As the Automotive & Telecom sector is no longer strategically important for Macintosh Retail Group, the Managing Board decided, as a logical step following the sale of BelCompany, to dispose of the activities of Halfords as well. The sale will take the form of an auction in the autumn of 2011, with its completion likely before the end of the year. The sale price is expected to exceed the carrying amount of the activities concerned.

The results of BelCompany and Halfords are included under "Discontinued operations", with their assets and liabilities reported under "Assets held for sale" and "Liabilities for assets held for sale", respectively.
In conformity with IFRS 5, there has been no depreciation or amortisation of the non-current assets being disposed of since the date they were recognised as assets held for sale.

The balance sheet, results and cash flow for the discontinued operations are set out below.

Condensed balance sheet for Discontinued operations

(in millions of euros)	**30.06.2011**	31.12.2010	30.06.2010
Non-current assets			
Intangible fixed assets	**0.8**	0.8	0.5
Property, plant and equipment	**13.3**	13.6	13.2
Financial assets	**0.2**	0.3	0.4
Inventories	**40.9**	47.4	41.4
Other current assets	**27.3**	27.3	26.0
Cash and cash equivalents	**10.7**	11.0	11.4
Total assets	**93.2**	100.4	92.9
Provisions	**1.3**	1.3	1.5
Other long-term liabilities	**0.4**	0.4	0.4
Current liabilities	**55.7**	63.5	62.9
Total liabilities	**57.4**	65.2	64.8

Adjusted for the elimination of intercompany receivables and borrowings, the assets and liabilities of the discontinued operations are recognised in the consolidated balance sheet at June 30, 2011, under "Assets held for sale" and "Liabilities for assets held for sale", respectively.

Condensed income statement for Discontinued operations

(in millions of euros)	**first half 2011**	first half 2010
Net turnover	**138.5**	134.6
Total expenses	**-137.4**	-129.5
Operating result	**1.1**	5.1
Finance revenue and cost	**-0.5**	-0.3
Profit before taxes	**0.6**	4.8
Income tax expense on operating result	**-0.1**	-1.2
Net profit on Discontinued operations	**0.5**	3.6
Net earnings per share	**0.02**	0.16
Diluted earnings per share	**0.02**	0.16

Condensed cash flow statement for Discontinued operations

(in millions of euros)	**first half 2011**	first half 2010
Net cash flow from operating activities	**0.8**	5.2
Net cash flow from investing activities	**-1.0**	-1.4
Net cash flow from financing activities	**0.2**	0.6
Net cash flow	**0.0**	4.4

5 Segment information

For management purposes, the group is divided into segments, based on products and services provided.
This division leads to the following operating segments for reporting purposes:

- Fashion
  Fashion comprises stores for the fashion segment, mainly chain stores that sell shoes, some of them clothing as well.
- Living
  The Living operating segment comprises stores for home furnishing and decoration.
- Automotive & Telecom
  This segment comprised the activities of BelCompany and Halfords, both sellers of products for consumers on the move: bicycles, navigation systems, and mobile telephones and accessories. In view of the intended sale of these activities, they are now recognised under “Discontinued operations”.

The segments reported on are aggregates of operating segments that satisfy the criteria specified in IFRS 8.

Turnover and operating result by operating segment for the first half of 2011
(in millions of euros)

	first half 2011		first half 2010	
	turnover	**operating result**	turnover	operating result
Fashion [1]	**288.0**	**5.9**	274.8	8.7
Living	**116.8**	**2.8**	121.5	2.0
Non-allocated [2]	**-**	**-5.1**	-	-3.5
Total according to income statement	**404.8**	**3.6**	396.3	7.2
Finance revenue and cost		**-3.2**		-3.3
Profit before taxes		**0.4**		3.9
Income tax expense		**-0.1**		-0.6
Net profit on continuing operations		**0.3**		3.3
Net profit on discontinued operations		**0.5**		3.6
Net profit according to income statement		**0.8**		6.9

[1] Including Jones Bootmaker as from April 17, 2011.
The amortisation charges of the capitalised trade names are included under "Non-allocated", in conformity with the presentation in the 2010 financial statements.
[2] Including amortisation charge of trade names.

There are no transactions between operating segments.
The item “Non-allocated" operating results relates to all results not directly attributable to the segments. Such results are those generated by businesses that do not meet the IFRS 8 definition of an operating segment. As financing activities and tax management are conducted at group level, finance income and expense, as well as tax items, are not allocated to individual segments.

Operating assets by operating segment

Operating assets by operating segment do not materially differ from those presented in the financial statements for 2010.

6 Seasonal factors

Seasonal patterns can be distinguished in the retail markets relevant to Macintosh Retail Group. Under normal circumstances, turnover for the second half of the year, particularly the fourth quarter, is higher than that for the first half.

7 Notes to various items included in the consolidated income statement

a) Net turnover

Net turnover from continuing operations can be broken down as follows:

(in millions of euros)	**first half 2011**	first half 2010
Net turnover from goods sold	**404.4**	396.1
Net turnover from services rendered	**0.4**	0.2
Total net turnover	**404.8**	396.3

b) Effective tax rate

The effective tax rate for continuing operations for the first half of 2011 was 19.0%, compared with 14.7% for the same period in 2010.

8 Notes to various items included in the consolidated balance sheet

a) Intangible assets

Intangible assets can be broken down as follows:

(in millions of euros)	**30.06.2011**	31.12.2010	30.06.2010
Trade names	**33.4**	18.6	20.4
Other intangible assets	**1.9**	2.3	0.9
Total	**35.3**	20.9	21.3

The increase in the "Trade names" item relates to the trade name acquired as part of the Jones Bootmaker acquisition for an amount of £ 13.8 million (€ 15.5 million). Amortisation will be over 30 years.

b) Goodwill

The increase of € 13.8 million (including exchange rate differences) in the "Goodwill" item relates entirely to the acquisition of Jones Bootmaker. Of the remainder, € 96.9 million and € 98.3 million relate to the investments in Scapino and Brantano, respectively. Impairment testing of goodwill is carried opt at the end of each year and at other times if there is a reason to do so. At June 30, 2011, no impairment of assets was recognised.

c) Inventories

Inventories at € 209.6 million (2009: € 219.9 million) relate almost entirely to goods for retailing.
The impairment of inventories where their net realisable value is less than their carrying amount is set out below:

(in millions of euros)	**30.06.2011**	30.06.2010
At January 1	**9.9**	9.6
Increase due to acquisitions	**0.3**	-
Reclassification to "Assets held for sale"	**-2.0**	-
Addition charged to the income statement	**6.8**	5.9
Use	**-6.7**	-5.1
At June 30	**8.3**	10.4

d) Derivative financial instruments

The capitalised amount of € 0.7 million for long-term and short-term derivative financial instrument relates entirely to interest-rate derivatives, while the capitalised amount in the balance sheet for June 2010 (€2.4 million) related to forward exchange contracts. The amount recognised under current liabilities in June 2010 (€ 3.9 million) related to interest-rate derivatives.

e) Contingent liabilities

The acquisition agreement for Jones Bootmaker stipulates that part of the acquisition price depends on the EBITDA that this entity achieves for the period February 2011 through January 2012. This part payment is currently estimated at £ 0.6 million (€ 0.7 million) and recognised in the balance sheet at June 30, 2011, as a contingent liability.

f) Interest-bearing debt

Interest-bearing debt increased by € 75.4 million compared to December 2010, € 74.7 million of which was attributable to continuing operations and € 0.7 million to discontinued operations. Of this increase an amount of € 40.6 million relates to the acquisition of Jones Bootmaker, the remainder largely being a consequence of the increase of working capital.

At June 30, 2011 the total credit facility provided by banks amounted to € 260 million, of which € 190.2 million had been used. Although no security has been provided for these facilities, Macintosh Retail Group NV is required to comply with the following ratios at group level:

Net Debt / EBITDA ratio	< 3	(real first half 2011: 2.3)
Interest coverage ratio	> 3	(real first half 2011: 6.5)

Moreover, group companies have undertaken not to encumber their assets.

9 Notes to the consolidated statement of equity

a) Dividend distribution

In May 2011, a dividend was distributed on ordinary shares, the holders having the choice of stock or cash. The cash dividend was € 0.67 per share (2010: € 0.55). Some 45% of shareholders opted to receive the dividend in stock, which resulted in the distribution of a cash dividend totalling € 8.6 million (2010: € 4.1 million) and the issuing of 396,370 new shares (2010: 538,754).

The distribution of the stock dividend resulted in the number of ordinary shares outstanding changing as follows:

(number of shares x 1,000)	**first half 2011**	first half 2010
Number of shares outstanding at January 1	**23,946**	23,407
Distribution of stock dividend	**396**	539
Number of shares outstanding at June 30	**24,342**	23,946

The weighted average number of shares used for calculating earnings per share was derived as follows.

(number of shares x 1,000)	**first half 2011**	first half 2010
Weighted average number of shares outstanding	**23,271**	22,887
Dilution effect due to stock dividend	**4**	13
Weighted average number of shares used for calculating earnings per share	**23,275**	22,900
Dilution effect of share options outstanding	**256**	204
Diluted weighted average number of shares	**23,531**	23,104

10 Notes to the consolidated cash flow statement

Net cash and cash equivalents consist of cash in hand (mainly at stores) and current account balances with credit institutions, as such, in accordance with the annual accounts for 2010. The composition of this item differs from the composition in the half-year report for 2010, where the current account overdrafts with credit institutions were deducted. The comparative figures of June 2010 have been adjusted in line with this method, having an effect of € 2.4 million on the net cash flow from financing activities.

a) Reconciliation of cash and cash equivalents

The reconciliation between cash and cash equivalents according to the balance sheet and the amount according to the cash flow statement is set out below.

(in millions of euros)	**30.06.2011**	31.12.2010	30.06.2010
Cash and cash equivalents according to the balance sheet	**11.2**	15.6	15.1
Cash and cash equivalents included in "Assets held for sale"	**10.7**	-	-
Cash and cash equivalents of Discontinued operations to be set off against current account overdrafts with credit institutions	**-9.7**	-	-
Net cash and cash equivalents according to the cash flow statement	**12.2**	15.6	15.1

b) Reconciliation of interest-bearing debt

The reconciliation between interest-bearing debt according to the balance sheet and the amount according to the cash flow statement is set out below.

(in millions of euros)	**30.06.2011**	31.12.2010	30.06.2010
Interest-bearing debt according to balance sheet	**201.9**	116.8	149.5
Cash and cash equivalents of Discontinued operations to be set off against current account overdrafts with credit institutions	**-9.7**	-	-
Interest-bearing debt according to cash flow statement	**192.2**	116.8	149.5

The cash flows in 2011 versus those from continuing operations in 2010 are set out below.

c) Cash flow from operating activities

This item was € 31.0 million down on the same period in 2010. This is largely attributable to an increase in working capital of € 28.6 million.

d) Cash flow from investing activities

Of the € 34.5 million cash outflow relating to continuing operations, € 24.8 million is attributable to the acquisition of Jones Bootmaker. Capital expenditure on intangible assets and on property, plant and equipment totalled € 9.7 million, or € 2.5 million above the figure for the year before (€ 7.3 million).

The acquisition price paid in 2011 can be broken down as follows.

(in millions of euros)	**first half 2011**
Consideration paid in cash	25.2
Portion of the consideration consisting of cash and cash equivalents	-0.4
Total	24.8

e) Cash flow from financing activities

The cash inflow from financing activities amounted to € 47.0 million, most of it used for financing the acquisition of Jones Bootmaker and for financing the increase in working capital. For the same period in 2010 there was a cash outflow of € 22.2 million. Of this amount, € 11.6 million represent the repayment of loans.

11 Events after balance sheet date

On July 18, 2011, the Netherlands Competition Authority announced its approval of the sale of BelCompany to Vodafone / Libertel. The expected completion date for the sale is August 1, 2011. A gain of around € 90 million will be recognised on the transaction.