



Pressrelease

HAL

REPORT ON THE FIRST HALF YEAR 2005

Net income for the first six months of 2005 amounted to € 105.4 million (€ 1.66 per share) compared with € 7.2 million (€ 0.11 per share) for the same period last year. It should be noted that during the first half year 2005, in accordance with IFRS 3, no goodwill was amortized. Net income before amortization of goodwill for the first half of 2004 amounted to € 91.5 million (€ 1.44 per share).

The net asset value, based on the market value of the publicly traded investments and the liquid portfolio and on the book value of the unquoted investments, increased during the first half year by € 395 million (20.9%) to € 2,280 million. This represents € 35.80 per share compared with € 29.61 on December 31, 2004. The main reason for this change is the increase in market value of the publicly traded investments.

This net asset value does not include the difference between estimated value and book value of the unquoted companies. This difference between estimated value and book value of the unquoted companies, based on the principles and assumptions set out in the 2004 annual report, amounted to € 612 million (€ 9.61 per share) on December 31, 2004. We have no reason to assume that the estimated value of the portfolio of unquoted companies as a whole, on a comparable basis taking into account additional investments, dividends and repayment of loans, has changed materially since the end of 2004. This is primarily based on the development of net income of these companies for the first six months.



However, the corresponding bookvalue of the unquoted companies (as included in the net asset value) has increased by approximately € 50 million (€ 0.79 per share) as a result of the net income for the first half year.

As of August 26, 2005 the value of the publicly traded investments and the liquid portfolio had increased by € 135 million (€ 2.12 per share) since June 30, 2005.

Investments

In January the Company acquired an additional 21% interest in Pearle Europe from Luxottica Group for € 144 million. HAL's current interest in Pearle Europe amounts to 98.5%.

In May HAL acquired the « Site 17 » apartment building located in downtown Seattle. The purchase price was \$ 24 million. The building consists of 129 apartments and three commercial units and is currently being converted to be sold as condominiums.

By the end of June, contractual agreements were signed to acquire a 70% interest in RedStar Optical Co., a Chinese optical retail chain. The company has annual sales of approximately € 11 million. RedStar operates 130 stores of which 80 stores under franchise agreements in and around Shanghai. The transaction is still subject to the final approval by Chinese governmental authorities which is expected prior to year end.

Divestitures

In August, the 69.3% interest in Poipu Resort Partners L.P. was sold to Sunterra Corporation for \$ 15 million. Sunterra already owned the remaining 30.4% interest in Poipu. Poipu operates a vacation resort on Kauai (Hawaii) consisting of 219 apartments which were being sold on a time-share basis. The transaction resulted in a capital gain of approximately € 7 million which will be recorded in the second half year.



Results

Net sales increased by € 185 million to € 1,313 million. This increase is almost completely the result of the increase in optical retail sales following the acquisition of GrandVision S.A. in the second quarter of last year. The various cost categories were also affected by the full consolidation of GrandVision.

Optical retail sales for the first six months of 2005 amounted to € 720 million. Pro-forma same store optical retail sales for the six months decreased by 2.9% when compared with the same period last year. This decrease is to a large extent due to lower sales of the German stores following a change in law in Germany effective January 1, 2004 which significantly reduced government's subsidy for optical lenses. This resulted in relatively high sales during the first months of 2004 following the delivery of lenses which were ordered prior to the change in law.

Investment income decreased by € 14.5 million to € 5.8 million, primarily as a result of lower realized capital gains on equities.

Earnings from associates increased by € 13.2 million to € 54.1 million as a result of higher earnings from Koninklijke Boskalis Westminster N.V., Univar N.V. and Koninklijke Vopak N.V. In the first half year a € 2 million profit distribution from a private equity partnership managed by Navis Capital Partners Ltd. was received. In the first half of last year this profit amounted to € 10 million.

Results from consolidated subsidiaries, before amortization of goodwill and other intangible assets, increased by € 20 million. This increase is mainly due to higher income from Anthony Veder Group N.V. and the acquisition of GrandVision in 2004. The operating result (earnings before interest, taxes and amortization of intangible



assets) of the optical retail activities for the first six months of 2005 amounted to € 83 million compared to € 68 million for the same period of last year. Excluding the effect of acquisitions, the operating result of the optical retail activities was almost unchanged.

Liquid portfolio

The total return on the temporarily invested liquid assets for the first six months of 2005 was 3% compared with 3.2% for the same period last year. During the first half year the liquid portfolio decreased by € 302 million to € 261 million. As of June 30, 55% of the liquid portfolio was invested in fixed income instruments amounting to € 143 million (December 31, 2004: € 448 million) and 45% in equities for an amount of € 118 million (December 31, 2004: € 115 million).

The decrease of the liquid portfolio is primarily due to the acquisition of the additional interest in Pearle Europe, the distribution of the dividend over 2004 and the repayment of bank debt.

Prospects

In view of the fact that a major part of the net income is determined by developments in the financial markets, the results of the quoted associates and the timing of potential investments and divestitures, we do not express an expectation as to net income for the remainder of 2005.

The Executive Board of HAL Holding N.V.

August 31, 2005



Consolidated Statement of Income

<i>(x euros 1,000)</i>	1st half year 2005	1 st half year 2004
Net sales	1,313,012	1,128,179
Investment income	5,797	20,343
Earnings from associates	54,076	40,834
Earnings from real estate activities	<u>6,122</u>	<u>6,361</u>
<i>Total income</i>	<u>1,379,007</u>	<u>1,195,717</u>
Raw materials, consumables used and changes in inventories	522,822	467,515
Employee costs	361,631	298,079
Depreciation property, plant, equipment and investment properties	53,487	47,237
Amortization goodwill	-	84,279
Amortization other intangibles	6,897	1,518
Other operating expenses	<u>273,253</u>	<u>240,956</u>
<i>Total costs</i>	<u>1,218,090</u>	<u>1,139,584</u>
Operating result	160,917	56,133
Interest expense	<u>(31,694)</u>	<u>(27,703)</u>
Profit before taxes	129,223	28,430
Income taxes	<u>(21,022)</u>	<u>(21,254)</u>
Net income before minority interests in results of consolidated subsidiaries	108,201	7,176
Minority interests in results of consolidated subsidiaries	<u>(2,780)</u>	<u>1</u>
Net income	<u>105,421</u>	<u>7,177</u>
Net income per Share (in euros)	<u>1.66</u>	<u>0.11</u>