



## Pressrelease

# HAL

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### **NET INCOME HAL HOLDING N.V. FOR 2004 € 79.6 MILLION (2003: € 59.6 MILLION)**

Net income of HAL Holding N.V. for 2004 amounted to € 79.6 million (€ 1.25 per share) compared with € 59.6 million (€ 0.94 per share) for 2003. Net income before amortization of goodwill amounted to € 248.8 million (€ 3.91 per share) compared with € 206.7 million (€ 3.25 per share) for 2003.

The net asset value in 2004, based on the market value of the quoted associates and the liquid portfolio, increased by € 208 million (11.6%) to € 2,000 million and amounted to € 31.41 per share on December 31, 2004 (before distribution of income) as compared to € 28.15 on December 31, 2003 (after distribution of income). This increase in value is primarily due to higher stock prices of quoted associates. In this net asset value the unquoted investments are included at book value. The difference between book value and estimated value of the non-quoted companies on December 31, 2004, amounted to € 612 million (€ 9.61 per share) as compared to € 415 million (€ 6.52 per share) on December 31, 2003. Estimated value was determined consistently with the principles and assumptions set out in the 2003 annual report.

It will be proposed to distribute a dividend of € 1.80 per share for 2004 (2003: € 1.45). This is consistent with our past dividend policy of paying a dividend of approximately 6% of the price of a HAL Trust share at the beginning of the year during which the dividend will be paid.



## **Prospects**

As of March 25, 2005 the value of the quoted associates and the liquid portfolio had increased by € 200 million since the end of 2004.

Amendments were made to the International Financial Reporting Standards (IFRS) which are applied by HAL. Effective January 1, 2005, in accordance with IFRS 3, goodwill is no longer systematically amortized. This will have a positive effect on the income statement for 2005 and future years. Goodwill amortization for 2004 amounted to € 169 million. However, goodwill will be subject to an annual impairment test which could have an important effect on the results.

IFRS 3 also applies to acquisitions after March 31, 2004; for this reason, goodwill on the acquisition of GrandVision has not been amortized in 2004.

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

## **Investments**

On February 2004 HAL and the management of GrandVision S.A. made a public offer for all of the outstanding shares of this French optical retailer. This succesful offer valued the company at approximately € 620 million (including € 65 million net bank debt). HAL's current interest in GrandVision is 68%. The company has 616 stores, of which 214 are under a franchise contract, primarily located in France and the United Kingdom. In addition, GrandVision acquired in 2004 all the shares of Visual S.A., a company which provides wholesale and marketing services to a retail chain of approximately 250 independant opticians. Revenues and operating income (earnings before interest, exceptional items, taxes and amortization of goodwill) for 2004 amounted to € 672 million (including franchise fees) and € 58 million respectively,



compared with € 619 million and € 50 million for the prior year. Same stores sales increased by 5,4% in 2004 compared to the prior year. GrandVision has approximately 6,000 employees.

In November, HAL acquired a 20% interest in Kempen & Co N.V., an Amsterdam based merchant bank which provides specialized financial services in asset management, corporate finance and securities brokerage. The company has approximately 300 employees.

On January 5, 2005, HAL acquired Luxottica Group's 21% interest in Pearle Europe B.V. for € 144 million. Luxottica Group gained control of the Pearle Europe shares in October 2004 when it acquired Cole National Corporation. HAL's current interest in Pearle Europe B.V. is 99.3%.

### **Divestitures**

As previously announced in the 2003 annual report, HAL's interest in Schreiner Luchtvaart Groep B.V, was sold in February 2004.

A consortium of financial investors, in which HAL has a 20% stake, sold part of its investment in NavTeq Corporation when this company conducted an initial public offering (IPO) in August 2004. This transaction resulted in a capital gain for HAL of approximately € 10 million. HAL's remaining economic interest in NavTeq on December 31, 2004 is 525.000 shares with a value of € 18 million.

Following the succesful public offer of Luxottica Group for all outstanding shares of Cole National Corporation, HAL disposed of its 19% interest in this company. The transaction closed in October 2004 and resulted in a capital gain for HAL of approximately € 63 million.



## Results

Net income for 2004 was € 79.6 million (€ 1.25 per share) compared with € 59.6 million (€ 0.94 per share) for 2003.

The increase in net sales by € 647 million to € 2,403 million is primarily due to the increase in optical retail sales by € 557 million to € 1,203 million and the consolidation of Mercurius as from August 2003. The increase in optical retail sales is mainly due to the acquisitions of GrandVision in March 2004 and of Synoptik in September 2003. The various cost categories were also affected by the consolidation of GrandVision, Synoptik and Mercurius. The operating income of Pearle Europe B.V. remained at the same level as for 2003.

Investment income decreased by € 14 million to € 27 million as a result of lower realized capital gains on equities and lower dividends.

The earnings from associates and other investments increased by € 75 million to € 156 million. This increase is primarily the result of capital gains on the sale of the interests in Cole National (€ 63 million), NavTeq (€ 10 million) as well as a € 11 million profit from a private equity partnership. In addition, earnings from associates increased as a result of higher earnings from Univar. Earnings from Boskalis and Vopak were lower than in 2003.

Amortization goodwill increased by € 22 million to € 169 million as a result of the acquisition of Synoptik by Pearle Europe in 2003, the increase of HAL's interest in Pearle Europe at the end of 2003 and in January 2004 as well as the increase of HAL's stake in Mercurius in August 2003.

The shareholders meeting of HAL Trust will be held on May 26, 2005 in Rotterdam at 11.00 a.m. The 2004 annual report will be available by the end of April.

March 30, 2005



## Consolidated Balance Sheet

as at December 31

In thousands of euros, before proposed  
distribution of income

	2004	2003
<b>Assets</b>		
<b>Non-current assets:</b>		
Property, plant and equipment	458,707	338,159
Investment properties	179,472	189,283
Intangible assets	820,930	419,990
Investments in associates	695,149	658,259
Other investments	25,117	234,477
Deferred tax assets	29,607	26,420
Other non-current assets	<u>78,698</u>	<u>82,898</u>
<i>Total non-current assets</i>	<b>2,287,680</b>	1,949,486
<b>Current assets:</b>		
Marketable securities and deposits	577,297	643,812
Receivables	248,294	201,364
Inventories	265,333	198,414
Other current assets	103,976	94,524
Cash and cash equivalents	<u>115,679</u>	<u>38,632</u>
<i>Total current assets</i>	<b>1,310,579</b>	1,176,746
<b>Total assets</b>	<b><u>3,598,259</u></b>	<b><u>3,126,232</u></b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Shareholders' Equity</b>	<b>1,695,090</b>	1,732,854
<b>Minority interests in consolidated subsidiaries</b>	<b>74,918</b>	(8,673)
<b>Non-current liabilities:</b>		
Provisions	41,505	43,474
Long-term debt	953,387	662,148
Deferred tax liabilities	<u>87,700</u>	<u>28,841</u>
<b>Total non-current liabilities</b>	<b>1,082,592</b>	734,463
<b>Current liabilities:</b>		
Short-term debt	239,943	287,660
Income tax payable	29,859	42,955
Accounts payable	230,507	155,106
Accrued expenses	<u>245,350</u>	<u>181,867</u>
<i>Total current liabilities</i>	<b>745,659</b>	667,588
<b>Total Shareholders' Equity and Liabilities</b>	<b><u>3,598,259</u></b>	<b><u>3,126,232</u></b>

Prior year figures were restated to conform prior year's financial information to the current presentation.



## Consolidated Statement of Income

For the year ended December 31, 2004

<i>In thousands of euros</i>	<b>2004</b>	2003
Net sales	<b>2,403,349</b>	1,756,319
Investment income	<b>27,260</b>	41,740
Earnings from associates	<b>82,372</b>	78,524
Earnings from other investments	<b>73,222</b>	2,577
Earnings from real estate activities	<b>13,700</b>	25,769
<i>Total income</i>	<b><u>2,599,903</u></b>	<u>1,904,929</u>
Raw materials, consumables used and changes in inventories	<b>976,602</b>	807,232
Employee costs	<b>668,013</b>	444,886
Depreciation property, plant, equipment and investment properties	<b>99,327</b>	67,907
Amortization goodwill	<b>169,151</b>	147,105
Amortization other intangibles	<b>9,840</b>	6,463
Other operating expenses	<b>500,836</b>	317,650
<i>Total costs</i>	<b><u>2,423,769</u></b>	<u>1,791,243</u>
<b>Operating result</b>	<b><u>176,134</u></b>	<u>113,686</u>
Interest expense	<b><u>(65,391)</u></b>	<u>(54,246)</u>
<b>Profit before taxes</b>	<b><u>110,743</u></b>	<u>59,440</u>
Income taxes	<b><u>(35,288)</u></b>	<u>(4,247)</u>
<b>Net income before minority interests in results of consolidated subsidiaries</b>	<b><u>75,455</u></b>	<u>55,193</u>
Minority interests in results of consolidated subsidiaries	<b><u>4,169</u></b>	<u>4,439</u>
<b>Net Income</b>	<b><u>79,624</u></b>	<u>59,632</u>
<b>Number of outstanding Shares</b>	<b>63,686,850</b>	63,686,850
<b>Net income per Share (in euro)</b>	<b><u>1.25</u></b>	<u>0.94</u>
<b>Dividends per Share (in euro)</b>	<b><u>1.80*</u></b>	<u>1.45</u>

\* Proposed

Prior year figures were restated to conform prior year's financial information to the current presentation.

