



Press release

HAL

NET INCOME FOR 2006 OF € 496.8 million NET ASSET VALUE INCREASES BY € 929 MILLION

Introduction

Net income of HAL Holding N.V. for 2006 amounted to € 496.8 million (€ 7.80 per share) compared with € 311.6 million (€ 4.89 per share) for 2005.

In 2006 the Company's net asset value increased by € 929 million. After deducting the dividend over 2005 (€ 191 million) and treasury shares (€ 11 million), the net asset value increased from € 2,864 million (€ 44.98 per share) on December 31, 2005, to € 3,591 million on December 31, 2006 (€ 56.56 per share). The main reason for the change is the increase in value of the quoted associates. The net asset value is based on the market value of the quoted associates and the liquid portfolio and on the book value of the unquoted investments.

At the end of December 2006 estimated value of the unquoted investments, exceeded their book value by € 888 million (€ 13.99 per share) compared to € 652 million (€ 10.24 per share) on December 31, 2005. Estimated value was determined consistent with the principles and assumptions set out in the 2005 annual report.

In addition, at the end of 2006, the estimated market value of the real estate portfolio exceeded book value by € 59 million (€ 0.93 per share) compared to € 18 million (€ 0.28 per share) at the end of 2005, adjusted for 2006 divestitures.



Dividend

It will be proposed to distribute a cash dividend of € 3.15 per share for 2006 (2005: € 3.00). This distribution is in accordance with the dividend policy published on May 24, 2006. If this proposal will be accepted, the dividend will be paid on June 1, 2007. The ex-dividend date is May 25, 2007, and the record date May 29, 2007.

Prospects

As of March 23, 2007 the value of the quoted associates and the liquid portfolio had increased by € 205 million (€ 3.23 per share) since the end of 2006.

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 an expectation as to net income for 2007.

New investments

During the past year the optical retail activities were further expanded through acquisitions in China, Norway and Germany. In China, the previously announced acquisition of the optical retail chain Redstar was completed in March. The company, in which HAL currently has a 78% interest, has annual sales of approximately € 10 million and operates 102 stores. In Norway, Synoptik (63% Pearle Europe) acquired in September Optikk Norge A/S. This optical retail chain operates 76 stores on a franchise basis and has annual sales of approximately € 50 million. In November Pearle Europe (98% HAL) acquired the German optical retailer Krane-Optik which has annual sales of approximately € 40 million and operates 85 stores.

HAL currently has approximately 2,800 optical retail stores (including franchise stores) in 30 countries with total pro forma system wide annual sales (defined as sales including sales of franchise stores) of approximately € 2.1 billion. The 2006 optical retail sales, as



included in the 2006 financial statements, amounted to € 1,676 million (2005: € 1,474 million) and the operating income (defined as earnings before interest, exceptional and non recurring items, taxes and amortization of intangible assets) to € 219 million (2005: € 180 million). The same store sales of the owned stores increased by 3.8% in 2006.

The hearing aid retail activities were expanded last year through the acquisition of several companies operating a total of 168 stores, primarily in Germany, Italy, Belgium and the Netherlands. The aggregate sales of these acquired companies on an annual basis is approximately € 42 million.

In addition, during 2006, a 10% interest in InVesting B.V., a Hilversum (the Netherlands) based debt collection company, and a 60% interest in Flight Simulation Company were acquired. This company is based at Amsterdam Airport and provides training for pilots using flight simulators. The amount involved with these two acquisitions was approximately € 10 million.

In October HAL and Egeria announced the intention to acquire each a 50% interest in the insurance company “Nationale Borg” from the ING Group. Nationale Borg specializes in providing guarantee insurance. The company reported 2006 gross written premiums of € 61 million. The intended purchase is still subject to regulatory approvals. It is expected that the transaction will be completed in the first half of 2007.

Divestitures

In April, a 20% interest in Univar N.V. was sold resulting in a capital gain of € 103 million. HAL’s remaining interest in Univar is 26.6%.



Early January 2007 the 19% interest in Kempen & Co. N.V. was sold. The transaction resulted in a gain of € 47 million. HAL's interest in Kempen is carried at the sales transaction value in the balance sheet as at December 31, 2006, and the unrealized gain in equity. The capital gain on the sale will be recognized in the 2007 income statement.

Results

Net income for 2006 was € 496.8 million (€ 7.80 per share) compared with € 311.6 million (€ 4.89 per share) for 2005.

The increase in net sales by € 126 million to € 2,779 million was primarily due to the increase in optical retail sales by € 202 million to € 1,676 million. Net sales also increased due to higher sales of Trespa International (€ 35 million), PontMeyer (€ 29 million) and Hearing Comfort Europe (€ 17 million). The sale of the office products division of Ahrend in December 2005 had a negative effect of € 174 million. Office furniture sales of Ahrend increased by € 35 million.

Earnings from marketable securities and deposits increased by € 53 million to € 68 million as a result of higher realized capital gains on equities.

Capital gains on the sale of assets amounted to € 3 million (2005: € 84 million). This item includes the capital gain on the sale of a vessel by Anthony Veder. In 2005 this item included the capital gain on the sale of the office products division of Ahrend, the gain on the sale of the interest in the Poipu partnership and the gains on the sale of vessels by Anthony Veder.



Earnings from associates increased by € 135 million to € 250 million. This increase is primarily the result of higher earnings from Boskalis and Vopak and a capital gain of € 103 million on the sale of the 20% interest in Univar N.V.

Earnings from real estate activities decreased by € 43 million to € 23 million primarily as a result of lower capital gains. In 2005 a capital gain (pre-tax) of approximately € 52 million was realized on the sale of the Shorewood Apartments complex. In 2006 the capital gains on the sale of real estate totaled € 15 million.

Interest expense decreased by € 19 million to € 50 million as a result of lower bank debt. Bank debt decreased as a result of the sale of the office products division of Ahrend in December 2005, the sale of real estate and operational cash-flows.

Financial calendar

The shareholders meeting HAL Trust will be held in Rotterdam on May 23, 2007. The report on the first half year 2007 will be published on September 4, 2007.

HAL Holding N.V.

March 28, 2007



Consolidated Balance Sheet

as of December 31

In thousands of euros, before proposed
distribution of income

	2006	2005
Assets		
Non-current assets:		
Property, plant and equipment	456,446	451,430
Investment properties	70,840	168,325
Intangible assets	1,192,211	1,079,614
Investments in associates	743,561	819,992
Other financial assets	752	24,726
Deferred tax assets	46,313	21,109
Other non-current assets	68,718	65,981
<i>Total non-current assets</i>	<u>2,578,841</u>	<u>2,631,177</u>
Current assets:		
Marketable securities and deposits	356,110	346,217
Receivables	241,432	206,977
Inventories	285,212	259,718
Assets held for sale	24,337	-
Other financial assets	66,125	-
Other current assets	110,503	100,922
Cash and cash equivalents	132,917	129,943
<i>Total current assets</i>	<u>1,216,636</u>	<u>1,043,777</u>
Total assets	<u>3,795,477</u>	<u>3,674,954</u>
Equity		
Share capital	1,274	1,274
Other reserves	110,678	104,433
Retained earnings	2,089,789	1,796,027
Capital and reserves attributable to equity holders	2,201,741	1,901,734
Minority interests	51,500	(9,963)
Total equity	2,253,241	1,891,771
Non-current liabilities:		
Provisions	72,853	48,735
Long-term debt	424,900	751,096
Deferred tax liabilities	98,636	88,805
<i>Total non-current liabilities</i>	<u>596,389</u>	<u>888,636</u>
Current liabilities:		
Short-term debt	384,886	327,071
Income tax payable	36,201	44,281
Accounts payable	236,276	254,339
Accrued expenses	288,484	268,856
<i>Total current liabilities</i>	<u>945,847</u>	<u>894,547</u>
Total equity and liabilities	<u>3,795,477</u>	<u>3,674,954</u>



Consolidated Statement of Income

For the year ended December 31

<i>In thousands of euros</i>	2006	2005
Net sales	2,778,563	2,652,727
Earnings from marketable securities and deposits	67,774	14,996
Capital gains on sale of assets	3,209	84,021
Earnings from associates	250,369	115,212
Earnings from other financial assets	2,159	4,565
Earnings from real estate activities	23,489	66,050
Total income	3,125,563	2,937,571
Raw materials, consumables used and changes in inventories	1,050,721	1,031,851
Employee expenses	761,397	736,732
Depreciation property, plant, equipment and investment properties	104,263	106,272
Amortization intangibles	20,072	16,412
Other operating expenses	596,050	581,218
Total expenses	2,532,503	2,472,485
Operating result	593,060	465,086
Interest expense	(50,371)	(68,962)
Profit before taxes	542,689	396,124
Income taxes	(32,597)	(64,531)
Profit for the year	510,092	331,593
Attributable to:		
Equity holders	496,847	311,612
Minority interest	13,245	19,981
	510,092	331,593
Average number of outstanding Shares	63,657,971	63,686,850
Earnings per share for profit attributable to the equity holders during the year <i>(expressed in euros per share)</i>		
- basic and diluted	7.80	4.89
Dividends per Share (in euro)	3.15*	3.00
* Proposed		