



REPORT ON THE FIRST HALF YEAR 2006

The profit attributable to the equity holders of HAL Holding N.V. for the first six months of 2006 amounted to € 300.7 million (€ 4.72 per share) compared with € 105.4 million (€ 1.66 per share) for the same period last year. This represents an increase of € 195.3 million (€ 3.06 per share). This increase is primarily the result of the capital gain on the sale of a 20% interest in Univar N.V. (€ 103 million) and capital gains on the sale of equities from the liquid portfolio (€ 50 million).

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 of 2006 by € 266 million (10%) to € 2,939 million. This represents € 46.15 per share compared with € 41.98 on December 31, 2005. The main reason for this increase is the higher market value of the publicly traded investments. As of September 1, 2006 the value of the publicly traded investments had decreased by € 30 million (€ 0.47 per share) since June 30, 2006.

This net asset value does not include the difference between estimated value and book value of the unquoted companies. This difference is calculated annually and, based on the principles and assumptions set out in the 2005 annual report, amounted to € 652 million (€ 10.24 per share) on December 31, 2005. Based on the



development of the results of the unquoted companies during the first half year, and assuming this development will continue during the second half, 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), is currently lower than at the end of 2005.

Investments

By the end of March the acquisition of a 70% interest in the Chinese optical retail chain Redstar was completed. In addition, in May, anti-trust approval was obtained for the acquisition of the Norwegian optical company Optikk Norge A/S. by Synoptik (63% HAL). These acquisitions were already previously announced. The interest in the Russian optical retailer Lensmaster was increased from 25% to 32% during the first half year.

The hearing aid activities were expanded through the acquisition of several companies operating a total of approximately 50 stores in Germany.

In addition, during the first half year, a 20 % interest in Vesting Finance, a Hilversum (the Netherlands) based debt collection company, and a 60% interest in Flight Simulator Company were acquired. This company is based at Schiphol Airport and provides training for pilots using flight simulators. The amount involved with these two acquisitions was approximately € 10 million.

Results

Net sales during the first half year increased by € 37 million to € 1,350 million. This increase is primarily the result of a € 104 million increase in sales from the optical retail companies partly offset by € 88 million lower sales from Koninklijke Ahrend N.V. which was mainly due to the sale of the office supply division in December 2005. In addition, sales from Trespa International and PontMeyer increased by € 14 million and € 12 million respectively.



Sales from the optical retail companies for the first six months of 2006 amounted to € 824 million compared with € 720 million for the same period last year. Same store optical retail sales for the six months increased by 3.2% when compared with the same period last year. Sales also increased due to acquisitions in Hungary and China, new stores and increased sales to franchisees and independent opticians.

Earnings from marketable securities and deposits increased by € 50.8 million to € 56.6 million, primarily as a result of higher realized capital gains on equities.

Earnings from associates increased by € 122 million to € 176 million primarily as a result of the capital gain on the sale of a 20% interest in Univar N.V. (€ 103 million) and higher earnings from Koninklijke Boskalis Westminster N.V. and Koninklijke Vopak N.V. In addition, a € 12 million profit was realized on private equity partnerships. In the first half of last year this profit amounted to € 2 million.

The operating result before amortization of intangible assets of the optical retail companies for the first six months of 2006 amounted to € 104 million compared to € 83 million for the same period of last year. This increase is for € 3 million the result of acquisitions in Hungary and China.

Interest expense decreased by € 8.9 million to € 22.8 million. This decrease was mainly due to lower bank debt following the sale of the office supply division of Koninklijke Ahrend and lower bank debt of the optical retail companies as well as the sale of real estate by the end of 2005.



Liquid portfolio

The total return on the corporate liquid portfolio was 6.1% compared with 3% for the same period last year. During the first half year this portfolio increased by € 36 million to € 350 million. As of June 30, 83% of the liquid portfolio was invested in fixed income instruments amounting to € 290 million (December 31, 2005: € 168 million) and 17% in equities for an amount of € 60 million (December 31, 2005: € 146 million).

Prospects

In view of the fact that a major part of the net income is determined by 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 2006.

The Executive Board of HAL Holding N.V.

September 4, 2006



Consolidated Statement of Income

<i>(x euros 1,000)</i>	1st half year 2006	1 st half year 2005
Net sales	1,350,316	1,313,012
Earnings from marketable securities and deposits	56,617	5,797
Earnings from associates	176,028	54,076
Earnings from real estate activities	9,221	6,122
<i>Total income</i>	<u>1,592,182</u>	<u>1,379,007</u>
Raw materials, consumables used and changes in inventories	513,495	522,822
Employee costs	374,306	361,631
Depreciation property, plant, equipment and investment properties	50,497	53,487
Amortization intangibles	7,238	6,897
Other operating expenses	287,160	273,253
<i>Total costs</i>	<u>1,232,696</u>	<u>1,218,090</u>
Operating result	<u>359,486</u>	<u>160,917</u>
Interest expense	<u>(22,766)</u>	<u>(31,694)</u>
Profit before taxes	<u>336,720</u>	<u>129,223</u>
Income taxes	<u>(31,344)</u>	<u>(21,022)</u>
Profit	<u>305,376</u>	<u>108,201</u>
Attributable to:		
Equity holders	300,704	105,421
Minority interest	4,672	2,780
	<u>305,376</u>	<u>108,201</u>
Number of outstanding Shares	<u>63,686,850</u>	<u>63,686,850</u>
Earnings per share for profit attributable to the equity holders <i>(expressed in euros per share)</i>		
- basic and diluted	<u>4.72</u>	<u>1.66</u>



Consolidated Balance Sheet

(x euros 1,000)

June 30, 2006

December 31, 2005

Assets

Non-current assets:

Property, plant and equipment	435,151	451,430
Investment properties	120,094	168,325
Intangible assets	1,106,795	1,079,614
Investments in associates	674,605	819,992
Other financial assets	24,104	24,726
Deferred tax assets	13,574	21,109
Other non-current assets	<u>64,898</u>	<u>65,981</u>
<i>Total non-current assets</i>	2,439,221	2,631,177

Current assets:

Marketable securities and deposits	360,548	346,217
Receivables	226,984	206,977
Inventories	279,523	259,718
Other current assets	131,720	100,922
Cash and cash equivalents	<u>125,914</u>	<u>129,943</u>
<i>Total current assets</i>	1,124,689	1,043,777

Total assets

3,563,910

3,674,954

Equity

Share capital	1,274	1,274
Other reserves	63,256	104,433
Retained earnings	<u>1,905,281</u>	<u>1,796,027</u>

Capital and reserves attributable to equity holders

1,969,811

1,901,734

Minority interests

(2,877)

(9,963)

Total equity

1,966,934

1,891,771

Non-current liabilities:

Provisions	56,951	48,735
Long-term debt	699,580	751,096
Deferred tax liabilities	<u>89,085</u>	<u>88,805</u>
<i>Total non-current liabilities</i>	845,616	888,636

Current liabilities:

Short-term debt	221,042	327,071
Income tax payable	36,434	44,281
Accounts payable	213,194	254,339
Accrued expenses	<u>280,690</u>	<u>268,856</u>
<i>Total current liabilities</i>	751,360	894,547

Total equity and liabilities

3,563,910

3,674,954