PRESS RELEASE
2010 RESULTS

Net profit €70.2 million for Sligro Food Group in 2010

Sligro Food Group's profit for the year was just over €70 million, which was €4 million or 5.5% lower than in 2009. As reported on 5 January 2010, sales in 2010 were 1.3% higher at €2,286 million. Organic sales growth turned out at 3.6%.

Koen Slippens, CEO

'In tough trading conditions, Sligro Food Group was able to outperform the market by 4–5% in both segments. Several factors, most notably the non-recurring integration costs of our 'Greater Amsterdam' project, the pressure on prices in the group's markets and the extra 53rd week in 2009, prevented us from equalling the record profit we achieved in 2009. Our market position in both foodservice and food retail improved in 2010 and the 'Greater Amsterdam' project has created a solid base on which to build our profitability in the coming years.'

Key figures

	x € million	*Change%*
Sales	2,286	1.3
Gross operating profit (EBITDA)	146	(2.2)
Operating profit (EBIT)	91	(7.4)
Net profit	70	(5.5)
Operating cash flow	107	(13.4)
Shareholders' equity	500	3.7
Net interest-bearing debt	156	18.8

Gross profit was 0.6% higher at €529 million. The gross profit margin was 0.2 points lower at 23.1%, mainly due to promotional campaigns and pressure on prices in the group's markets.

Expenses as a percentage of sales were up 0.2 points at 19.3%, due to a combination of factors including non-recurring expenses relating to the 'Greater Amsterdam' project (merging of all delivery activities in the Amsterdam region) and relatively modest expenses in week 53 of 2009.

The total non-recurring effect of the 'Greater Amsterdam' integration project on the result is estimated at around €10 million, over half of which is non-cash expense. Accelerated depreciation accounts for about €5 million of this figure, on top of some €2 million in book losses and provisions for closure expenses and €3 million in extra operating expenses to guarantee the quality of service. We now have a stable organisation delivering high-quality services and we are well on the way to achieving our original objectives.

Net operating profit was €7 million lower at €91 million. As a percentage of sales, this represented a decrease of 0.3 points to 4.0%.

The foodservice operating profit was €15 million lower at €78 million. As explained above, the 'Greater Amsterdam' project was a major factor here, but the underlying trend shows a better picture. In a market that has been declining for the past two years, there has also been intense price competition.

The food retail operating profit was up almost €8 million at €13 million. As a percentage of sales, this equates to a 1.0 point improvement to 1.8%. The sales growth generated by the successful implementation of the Food Retail Masterplan accounted for most of this improvement. Price competition in food retail intensified in the second half of the year.

Earnings per share were 5.4% lower at €1.59, as against €1.68 in 2009.

In view of the significant improvement in free cash flow in recent years, we propose to increase the dividend gradually to 50% of net profit, payable entirely in cash. A dividend of €0.70 per share is proposed for 2010, which equates to a pay-out of 44%.

The financial position was further strengthened in 2010 with long-term finance in the form of a US private placement. All bank debt was repaid in 2010 and cash reserves increased to €67 million. Net interest-bearing debt increased by €25 million in 2010 to €156 million, partly as a consequence of the anniversary dividend of €44 million in respect of 2009, the repurchase of own shares for almost €4 million and the net cost of acquisitions and disposals of just over €40 million.

Outlook

Though not really warranted by the economic circumstances and outlook, consumers are still keeping a tight hold on their purse strings and are very price-conscious. It is all 'in the mind'.

Food commodity prices have risen sharply in recent months, and this will gradually work through into higher producer prices. The intense price competition on both of the markets we serve makes it difficult to pass these increases on, which adds to the pressure on prices in these markets. The foodservice market has contracted by around 8% in the years since the economic crisis broke. We do not expect this decline to continue in 2011, but recovery will be slow at the start. The trend towards value for money will continue in the hospitality market.

We expect Sligro Food Group to outperform the market in both food retail and foodservice in 2011, as it has in recent years. In food retail, it will be the result of action taken under the Food Retail Masterplan, which has not yet reached full effectiveness. The cash-and-carry segment of the foodservice operation has the support of the strong Sligro format.

The foodservice delivery operation has the benefit of its good price/quality ratio, as recently confirmed by a customer survey. We have also signed a major contract that will generate over 2% growth in total foodservice sales.

As mentioned above, competition will be intense in 2011, and this will exert pressure on prices. We predict a relatively modest increase in expenses, reflecting the forecast growth in volume. We shall also gradually start to reap the benefit of savings yielded by the 'Greater Amsterdam' and 'PLOP' (PaperLess Order Processing) projects, whereas in 2010 there were substantial non-recurring expenses.

All things considered, we look forward to 2011 with confidence. Given the present market uncertainties, however, we prefer not to give a firm forecast of our future results at this stage.

The 2010 annual report will be published on 8 February 2011. Developments in the first quarter of 2011 will be discussed in our trading update on 21 April 2011 and our half-year figures will be published on 21 July 2011.

Background to the full-year figures will be given today in a press conference and analysts' meeting.
The presentation given at these events has been posted on www.sligrofoodgroup.nl.

Veghel, 27 January 2011

On behalf of the Executive Board of Sligro Food Group N.V.,

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Annexes

1. Consolidated profit and loss account
2. Consolidated cash flow statement
3. Consolidated balance sheet
4. Consolidated statement of movements in shareholders' equity and consolidated statement of recognised income and expense
5. Other information

APPENDIX 1
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR 2010

(x €1,000)

	2010	2009	2008
Revenue	**2,286,261**	**2,258,021**	**2,167,585**
Cost of sales	(1,757,649)	(1,732,311)	(1,651,526)
Gross margin	**528,612**	**525,710**	**516,059**
Other operating income	**4,809**	**1,614**	**8,171**
Staff costs	(231,162)	(223,080)	(220,997)
Premises costs	(60,271)	(60,743)	(59,635)
Selling costs	(19,347)	(18,298)	(20,842)
Logistics costs	(64,070)	(63,024)	(62,115)
General administrative expenses	(13,052)	(13,416)	(13,808)
Depreciation of property, plant and equipment	(46,718)	(42,406)	(40,211)
Amortisation of intangible assets	(7,873)	(8,174)	(8,069)
Total operating expenses	**(442,493)**	**(429,141)**	**(425,677)**
Operating profit	**90,928**	**98,183**	**98,553**
Finance income	197	353	1,188
Finance expense	(4,885)	(6,410)	(12,232)
Share in profits of associates	5,406	5,768	4,838
Profit before tax	**91,646**	**97,894**	**92,347**
Tax	(21,450)	(23,584)	(20,999)
Profit for the year	**70,196**	**74,310**	**71,348**
Attributable to shareholders of the company	**70,196**	**74,310**	**71,348**

Figures per share	€	€	€
Basic earnings per share	1.59	1.68	1.63
Diluted earnings per share	1.59	1.68	1.63
Proposed dividend	0.70	1.00	0.65

APPENDIX 2
CONSOLIDATED CASH FLOW STATEMENT
FOR 2010

(x €1,000)

	2010	2009	2008
Receipts from customers	2,479,140	2,464,314	2,350,712
Other operating income	3,549	2,911	3,590
	2,482,689	2,467,225	2,354,302
Payments to suppliers	(2,037,760)	(2,014,013)	(1,931,487)
Payments to employees	(121,923)	(118,770)	(116,829)
Payments to the government	(194,944)	(184,088)	(177,136)
	(2,354,627)	(2,316,871)	(2,225,452)
Net cash generated from operations	128,062	150,354	128,850
Interest received	197	352	1,188
Dividend received from associates	4,412	3,568	1,014
Interest paid	(4,573)	(7,194)	(12,411)
Corporation tax paid	(21,240)	(23,756)	(15,817)
Net cash flow from operating activities	**106,858**	**123,324**	**102,824**
Acquisitions/investments	(43,718)	(40)	(6,600)
Sale of associates/operations	2,641	1,290	5,483
Capital expenditure on property, plant and equipment/investment property/assets held for sale	(43,130)	(49,209)	(46,901)
Receipts from disposal of property, plant and equipment/investment property/assets held for sale	5,934	1,410	19,502
Capital expenditure on intangible assets	(2,608)	(1,518)	(1,451)
Investments in/loans to associates	(1,188)	(1,000)	(30)
Repayments by associates	430	188	62
Net cash flow from investing activities	**(81,639)**	**(48,879)**	**(29,935)**
Repayment of long-term debt	(49,087)	(30,714)	(28,151)
Proceeds from the issue of long-term debt	114,399		
Paid to joint venture	(100)	(1,050)	(750)
Re-purchase own shares	(3,580)		
Dividend paid	(44,071)	(18,880)	(13,855)
Net cash flow from financing activities	**17,561**	**(50,644)**	**(42,756)**
Movement in cash, cash equivalents and short-term bank borrowings	**42,780**	**23,801**	**30,133**
Opening balance	24,684	883	(29,250)
Closing balance	**67,464**	**24,684**	**883**

APPENDIX 3
CONSOLIDATED BALANCE SHEET
AS AT 1 JANUARY 2011 BEFORE PROFIT APPROPRIATION

(x €1,000)

ASSETS	*01-01-2011*	*02-01-2010*	*27-12-2008*
Goodwill	126,287	127,547	127,547
Other intangible assets	57,146	42,261	48,917
Property, plant and equipment	304,544	284,381	282,988
Investment property	15,945	24,499	25,186
Investments in associates	42,934	41,771	39,582
Other financial assets	6,467	2,640	1,745
Total non-current assets	**553,323**	**523,099**	**525,965**
Inventories	195,047	189,282	199,652
Trade and other receivables	105,181	107,716	119,486
Other current assets	3,526	3,789	4,777
Corporate income tax	863	529	0
Assets held for sale	11,906	3,097	1,847
Cash and cash equivalents	67,464	24,684	23,426
Total current assets	**383,987**	**329,097**	**349,188**
Total assets	**937,310**	**852,196**	**875,153**

EQUITY AND LIABILITIES	*01-01-2011*	*02-01-2010*	*27-12-2008*
Paid-up and called capital	2,655	2,655	2,622
Reserves	497,418	479,668	423,393
Total shareholders' equity attributable to shareholders of the company	**500,073**	**482,323**	**426,015**
Deferred tax liabilities	29,097	24,007	19,834
Employee benefits	3,042	7,055	14,032
Other provisions	221	316	213
Bank borrowings	173,254	128,283	153,905
Total long-term liabilities	**205,614**	**159,661**	**187,984**
Current portion of long-term debt	53,232	27,850	30,652
Bank borrowings	0	0	22,543
Trade and other payables	106,906	109,784	128,743
Corporate income tax	0	0	3,516
Other taxes and social security contributions	22,176	22,874	27,847
Other liabilities, accruals and deferred income	49,309	49,704	47,853
Total current liabilities	**231,623**	**210,212**	**261,154**
Total equity and liabilities	**937,310**	**852,196**	**875,153**

APPENDIX 4
CONSOLIDATED STATEMENT OF MOVEMENTS IN SHAREHOLDERS' EQUITY
FOR 2010 BEFORE PROFIT APPROPRIATION

(x €1,000)

	Paid-up and called capital	Share premium	Other reserves	Revalua-tion	Hedging reserve	Reserve own shares	Total
Balance as at 02-01-2010	**2,655**	**31,106**	**444,141**	**5,010**	**(589)**	**0**	**482,323**
Distributions to owners							
Share based payments			668				668
Dividend paid			(44,071)				(44,071)
Re-purchase own shares						(3,580)	(3,580)
	0	0	(43,403)	0	0	(3,580)	(46,983)
Total (un)recognised income and expense							
Profit for the year			70,196				70,196
Investment property			473	(473)			0
Cashflow hedge					(1,640)		(1,640)
Reclassification					161		161
Actuarial gains and losses			(3,984)				(3,984)
	0	0	66,685	(473)	(1,479)	0	64,733
Balance as at 01-01-2011	**2,655**	**31,106**	**467,423**	**4,537**	**(2,068)**	**(3,580)**	**500,073**

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
OVER 2009

(x €1,000)

	2010	2009
Profit for the year	70,196	74,310
Effective part of movements in the fair value of cash-flow hedge, net of tax	(1,640)	(2,142)
Reclassification to consolidated profit and loss account	161	435
Actuarial gains and losses on defined-benefit plans, net of tax	(3,984)	2,585
Share based payments, net of tax	668	0
Income and expense recognised directly in shareholders' equity	(4,795)	878
Recognised income and expense for the year	**65,401**	**75,188**
Attributable to shareholders of the company	**65,401**	**75,188**

APPENDIX 5

SEGMENTED ANALYSIS OF RESULTS

	Foodservice		Food retail		Total	
	2010	2009	2010	2009	2010	2009
Net sales	1,548.5	1,531.1	737.8	726.9	2,286.3	2,258.0
Other operating income	(0.4)	(0.2)	5.2	1.8	4.8	1.6
Ebitda	110.3	120.1	35.2	28.7	145.5	148.8
Ebit	77.7	92.7	13.2	5.5	90.9	98.2
Capital employed (at year-end)[1)]	424.2	426.1	221.4	177.3	645.6	603.4
Ebitda as % of net sales	7.1	7.8	4.8	3.9	6.4	6.6
Ebit as % of net sales	5.0	6.1	1.8	0.8	4.0	4.3
Ebit as % of average capital employed[1)]	18.3	22.1	7.0	3.0	14.8	16.3
Net capital expenditure[2)]	33.5	39.0	7.2	7.6	40.7	46.6
Depreciation and amortisation	32.6	27.4	22.0	23.2	54.6	50.6

1) Excluding associates. Sanders acquisition for one quarter included in profitability ratio's.

2) In tangible and intangible assets.

PROFILE

Sligro Food Group encompasses food retail and foodservice companies selling directly and indirectly to the entire Dutch food and beverages market. Sligro Food Group is active in foodservice as a wholesaler and in food retail as a wholesaler and retailer.

Food retail

The food retail activities comprise around 130 full-service supermarkets, of which 30 are operated by independent retailers. During 2011 the latter will all switch to the rapidly growing EMTÉ format.

Foodservice

The foodservice activities comprise two businesses that work closely together. Sligro offers both cash-and-carry and delivery services from 45 large cash-and-carry stores and 9 delivery centres serving bars and restaurants, leisure facilities, volume users, company and other caterers, fuel retailers, small and medium-sized enterprises and smaller retail businesses. As the market leader Sligro plays a dominant role in the Dutch foodservice market.

Van Hoeckel is fully focused on the institutional market and its back-office makes intensive use of Sligro Foodservice´s know-how.

We also operate our own in-house production facilities for specialised convenience products and fish and patisserie items and a meat-processing centre serving the retail market.
Our Fresh Partners associates specialise in meat, game and poultry, fruit and vegetables and bread and bakery products.

We stock around 60,000 food and food-related non-food items for our customers, while also providing a wide range of services, including franchising.

CIV Superunie B.A., which has a market share of around 30% of the Dutch supermarket sector, is responsible for purchasing of Sligro Food Group's food retail products. As market leader, the group handles its own purchases of foodservice products. Sligro Food Group companies actively seek to share expertise and utilise the substantial scope for synergy and economies of scale.

Activities that are primarily client-related take place largely at individual operating company level, with behind-the-scenes management at a central level.
We strive to increase our gross margins through joint purchasing, combined with direct and detailed margin management.

Operating expenses are kept in check through ongoing, tight cost control and a joint integrated logistics strategy. Group synergy is further enhanced by joint IT systems, joint management of property and group management development.

Sligro Food Group strives to be a high-quality company achieving steady managed growth for all its stakeholders.

Sales in 2010 totalled €2,286 million, with net profit of €70 million. The group employed an average of 5,500 full-time equivalents in 2010. Sligro Food Group shares are listed on NYSE Euronext.