Press release

Sligro Food Group presents its food retail Master plan

A review of structural improvements to the food retail activities of Sligro Food Group N.V., Veghel, has shown that food retail can be expected to make a valuable contribution to the group's operating result and cash flow in the next few years.

A master plan has been drawn up by the new food retail management covering all aspects of the formats and operations. Food retail expects to be able to raise its operating profit by some €15 million a year in the coming three years as a result of three sets of improvement measures:

Rationalising the branch networks

It is expected that in future about 15% of EM-TÉ and Golff's current sales will not fit into the ideal format profile and so for those stores closer links are being sought with other organisations.

Optimising the format and operations

There are still many opportunities for improvement in the existing sites and formats, especially in operations, and various improvement programmes have been started or have already been concluded. In the first thirteen weeks of 2009, EM-TÉ achieved an increase in like-for-like consumer sales of over 5%, thus outperforming the market. Negotiations with the management of Golff on the gradual transition of a substantial proportion of the Golff branches to the EM-TÉ franchise format have been constructive and are entering their final phase.

Normalising the depreciation charges

There has been relatively high depreciation as a result of acquiring and remodelling the former Edah branches in 2006 and 2007, but only a limited amount of replacement capital expenditure. These charges will gradually revert to a more normal level from 2010.

These measures are expected to contribute more or less equally to the proposed improvement in operating profit. Food retail's sales are expected to decline a little in the next few years compared with the current figure of about €700 million. This is the net effect of lower sales as a result of rationalising the branch network and the growth of other locations. Capital employed by Food retail is expected to fall by almost 20% to less than €150 million in the next few years, mainly because depreciation will exceed replacement capital expenditure.

In summary, Sligro Food Group expects a steady improvement in food retail's operating profit before amortisation of intangible assets in the next three years to some 3% – 3.5% of revenue. This is a level of some 15% of future capital employed. We believe this will create a sound foundation for further growth of retail activities in the future.

Sligro FOOD GROUP N.V.

These points will be explained to analysts today. The presentation is available on www.sligrofoodgroup.com.

Sligro Food Group encompasses food retail and foodservice companies selling directly and indirectly to the entire Dutch food and beverages market. The group pursues a multi-channel strategy, covering various forms of sale and distribution (cash-and-carry and delivery) and using several different distribution channels (retail and wholesale). Sales in 2008 totalled €2,168 million, while net profit was over €71 million. The group employed an average of 5,600 full-time equivalents in 2008.

At 16 April Sligro Food Group will publish the Q1 trading update.

Veghel, 30 March 2009

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

K.M. Slippens
Tel. +31 (0)413 34 35 00
www.sligrofoodgroup.com