Press release
2009 results

Net profit of €74.3 million for Sligro Food Group in 2009

The profit for the year came in at over €74 million, which is €3 million or 4.2% more than in 2008. As reported on 6 January, sales in 2009 totalled €2,258 million, an increase of 4.2%. Organic growth in sales was 5.1%.
CEO Koen Slippens commented, 'In challenging market conditions, Sligro Food Group outperforrmed market growth in both segments, topping that achievement by posting the highest net profit ever. That's something to be proud of!'

Key figures

	x € million 2009	*Increase in %*
Gross operating profit (ebitda)	149	1.3
Operating profit (ebit)	98	(0.4)
Net profit	74	4.2
Cash flow from operating activities	123	19.9
Net interest-bearing debt	131	(28.4)

Gross margin increased 1.9% to €526 million despite a half-point drop in the gross margin, to 23.3%, owing to increased pressure from marketing campaigns, general market pressure on prices and strong growth in the Foodservice segments, in which margins are relatively lower. Costs, however, were also down relative to sales, falling 0.6 of a point to 19.1%, as a result of cost savings, relatively lower costs in week 53 and the change in the mix of activities. The operating profit of €98 million was almost the same as in 2008, despite a decrease in other operating income of €6 million. The reduction in other operating income meant that the operating profit as a percentage of sales was down by 0.2 of a percentage point, at 4.3%. Food Retail's operating profit increased by almost €2 million to more than €5 million, despite a drop of €3 million in other operating income. Food Retail managed to turn an operating loss of €1 million in the first six months of 2009 into a profit of more than €6 million in the second half of the year. This was mainly the result of the successful implementation of the Food Retail Masterplan.
Foodservice saw its operating profit decline by €2 million to almost €93 million. This was entirely attributable to a drop of €3 million in operating income. The effect of market pressures on prices was countered by cost savings.
Interest expense was greatly diminished by the reduced debt burden and lower interest rates. The profits from associates improved. The tax burden in 2009 was at the standard rate. The tax expense in 2008 was mitigated by an one-off item amounting to €1.5 million.
Earnings per share amount to €1.68 compared with €1.63 for 2008, an increase of 3.1%. On 19 April 2010, the Group will be celebrating its 75th anniversary. To mark the first 75 years, it is proposed to declare a special anniversary dividend of €1.00 per share in cash for 2009, compared with the dividend of €0.65 with a stock option in 2008.

Sligro FOOD GROUP N.V.

The free cash flow increased by €2 million to €74 million, despite a decrease in the proceeds from disposals compared with 2008 amounting to €18 million and an investment in working capital in 2009 of approximately €20 million because of the financial year having 53 weeks instead of 52. The robust financial position showed a further improvement in 2009, which is extremely comforting in these uncertain times.

Prospects

There have recently been various reports of expected economic recovery. Directly and indirectly we depend on the level of spending by the Dutch food consumer. People have to eat but our fortunes are dependent on what and where they eat. The prospects for income and employment levels are not good. That means we can expect to see very modest growth for supermarkets and a static foodservice market. We expect to do better than the market as a whole in both areas. In the case of our supermarkets, that will be the result of continuing the policy pursued in 2009 and further actions under the Food Retail Masterplan. In Foodservice we have been outperforming the market for years. Underlying that achievement are the strength of the Sligro format and the enhanced quality of the service we provide with our deliveries.

The gross profit margins will continue to be squeezed by the general state of the economy and the changes taking place in the market. On the cost side, we expect to see a limited increase in 2010. In addition to the Food Retail Masterplan, we are working on two major projects in Foodservice aimed at producing appreciable cost savings over the next few years, while at the same time further improving the standard of service. One of these projects will, however, lead to extra write-downs on property, plant and equipment in 2010, but will make substantial contributions to profits from 2011 onwards.

Overall, however, we feel there is too much uncertainty with the market in its current state to make any definite pronouncements concerning expected results.

The 2009 Annual Report will be published on 10 February 2010. We will provide more information on developments in the first quarter of the year in our trading update on 16 April 2010. Our half-year figures will be published on 22 July 2010.

The figures for 2009 will be discussed at our press conference and in a meeting with analysts today. Our presentation can be found on www.sligrofoodgroup.com

An English conference call will be hosted at 15.30 CET.

Veghel, 28 January 2010

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

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Consolidated profit and loss account for 2009

(x €1,000)

	2009	2008	2007
Revenue	**2,258,021**	**2,167,585**	**2,065,686**
Cost of sales	(1,732,311)	(1,651,526)	(1,592,431)
Gross margin	**525,710**	**516,059**	**473,255**
Other operating income	**1,614**	**8,171**	**10,785**
Staff costs	(223,080)	(220,997)	(198,778)
Premises costs	(60,743)	(59,635)	(51,241)
Selling costs	(18,298)	(20,842)	(24,350)
Logistics costs	(63,024)	(62,115)	(61,625)
General administrative expenses	(13,416)	(13,808)	(13,181)
Depreciation of property, plant and equipment	(42,406)	(40,211)	(33,829)
Amortisation of intangible assets	(8,174)	(8,069)	(5,212)
Total operating expenses	**(429,141)**	**(425,677)**	**(388,216)**
Operating profit	**98,183**	**98,553**	**95,824**
Finance income	353	1,188	976
Finance expense	(6,410)	(12,232)	(11,921)
Share in profits of associates	5,768	4,838	1,682
Transaction result on investment in an associate			9,409
Profit before tax	**97,894**	**92,347**	**95,970**
Tax	(23,584)	(20,999)	(21,793)
Profit for the year	**74,310**	**71,348**	**74,177**
Attributable to shareholders of the company	**74,310**	**71,348**	**74,177**

Figures per share	€	€	€
Basic earnings per share	1.68	1.63	1.72
Diluted earnings per share	1.68	1.63	1.72
Proposed dividend	1.00	0.65	0.65

Appendix 2

Consolidated cash flow statement for 2009

(x €1,000)

	2009	2008	2007
Receipts from customers	2,464,314	2,350,712	2,235,456
Other operating income	2,911	3,590	4,075
	2,467,225	2,354,302	2,239,531
Payments to suppliers	(2,014,013)	(1,931,487)	(1,889,084)
Payments to employees	(118,770)	(116,829)	(103,887)
Payments to the government	(184,088)	(177,136)	(137,657)
	(2,316,871)	(2,225,452)	(2,130,628)
Net cash generated from operations	150,354	128,850	108,903
Interest received	352	1,188	976
Dividend received from associates	3,568	1,014	561
Interest paid	(7,194)	(12,411)	(11,348)
Corporation tax paid	(23,756)	(15,817)	(15,995)
Net cash flow from operating activities	**123,324**	**102,824**	**83,097**
Acquisitions/investments	(40)	(6,600)	(28,634)
Sale of associates/operations	1,290	5,483	27,879
Capital expenditure on property, plant and equipment/investment property/assets held for sale	(49,209)	(46,901)	(89,825)
Receipts from disposal of property, plant and equipment/investment property/assets held for sale	1,410	19,502	15,758
Capital expenditure on intangible assets	(1,518)	(1,451)	(1,049)
Loans to associates	(1,000)	(30)	(65)
Repayments by associates	188	62	234
Net cash flow from investing activities	**(48,879)**	**(29,935)**	**(75,702)**
Share issue			1,777
Repayment of long-term debt	(30,714)	(28,151)	(26,129)
Paid to joint venture	(1,050)	(750)	(4,062)
Dividend paid	(18,880)	(13,855)	(9,730)
Net cash flow from financing activities	**(50,644)**	**(42,756)**	**(38,144)**
Movement in cash, cash equivalents and short-term bank borrowings	**23,801**	**30,133**	**(30,749)**
Opening balance	883	(29,250)	1,499
Closing balance	**24,684**	**883**	**(29,250)**

Appendix 3

Consolidated balance sheet as at 2 January 2010 before profit appropriation

(x €1,000)

ASSETS	*02-01-2010*	*27-12-2008*	*29-12-2007*
Goodwill	127,547	127,547	127,732
Other intangible assets	42,261	48,917	52,983
Property, plant and equipment	284,381	282,988	279,086
Investment property	24,499	25,186	33,183
Investments in associates	41,771	39,582	35,729
Other financial assets	2,640	1,745	2,503
Total non-current assets	**523,099**	**525,965**	**531,216**
Inventories	189,282	199,652	187,016
Trade and other receivables	107,716	119,486	105,607
Other current assets	3,789	4,777	9,969
Corporate income tax	529	0	0
Assets held for sale	3,097	1,847	7,467
Cash and cash equivalents	24,684	23,426	16,698
Total current assets	**329,097**	**349,188**	**326,757**
Total assets	**852,196**	**875,153**	**857,973**

EQUITY AND LIABILITIES	*02-01-2010*	*27-12-2008*	*29-12-2007*
Paid-up and called capital	2,655	2,622	2,587
Reserves	479,668	423,393	372,188
Total shareholders' equity attributable to shareholders of the company	**485,323**	**426,015**	**374,775**
Deferred tax liabilities	24,007	19,834	16,808
Employee benefits	7,055	14,032	11,285
Other provisions	316	213	851
Bank borrowings	128,283	153,905	183,700
Total long-term liabilities	**159,661**	**187,984**	**212,644**
Current portion of long-term debt	27,850	30,652	28,452
Bank borrowings	0	22,543	45,948
Trade and other payables	109,784	128,743	114,461
Corporate income tax	0	3,516	3,501
Other taxes and social security contributions	22,874	27,847	27,285
Other liabilities, accruals and deferred income	49,704	47,853	50,907
Total current liabilities	**210,212**	**261,154**	**270,554**
Total equity and liabilities	**852,196**	**875,153**	**857,973**

Appendix 4

Consolidated statement of movements in shareholders' equity for 2009 before profit appropriation

(x €1,000)

	Paid-up and called capital	Share premium	Other reserves	Revalua-tion reserve	Hedging reserve	Unappro-priated profit	Total
Balance as at 29-12-2007	**2,587**	**31,174**	**258,960**	**5,936**	**1,941**	**74,177**	**374,775**
Profit appropriation			74,177			(74,177)	0
Stock dividend	35	(35)					0
Dividend paid			(13,855)				(13,855)
Investment property			877	(877)			0
Profit after tax			(5,430)		(823)	71,348	65,095
Balance as at 27-12-2008	**2,622**	**31,139**	**314,729**	**5,059**	**1,118**	**71,348**	**426,015**
Profit appropriation			71,348			(71.348)	0
Stock dividend	33	(33)					0
Dividend paid			(18,880)				(18,880)
Investment property			49	(49)			0
Profit after tax			2,585		(1,707)	74,310	75,188
Balance as at 02-01-2010	**2,655**	**31,106**	**369,831**	**5,010**	**(589)**	**74,310**	**482,323**

Consolidated statement of recognised income and expense for 2009

(x €1,000)

	2009	2008
Effective part of movements in the fair value of cash-flow hedge, net of tax	(1,707)	(823)
Actuarial gains and losses on defined-benefit plans, net of tax	2,585	(5,430)
Income and expense recognised directly in shareholders' equity	878	(6,253)
Profit for the year	74,310	71,348
Recognised income and expense for the year	**75,188**	**65,095**
Attributable to shareholders of the company	**75,188**	**65,095**

Appendix 5

Segmented analysis of results

(x € million)

	Foodservice		*Food retail*		*Total*	
	2009	*2008*	*2009*	*2008*	*2009*	*2008*
Net sales	1,531.1	1,443.9	726.9	723.7	2,258.0	2,167.6
Other operating income	(0.2)	3.2	1.8	5.0	1.6	8.2
Ebitda	120.1	119.5	28.7	27.3	148.8	146.8
Ebit	92.7	94.8	5.5	3.8	98.2	98.6
Capital employed (at year-end)[1]	426.1	412.8	177.3	191.4	603.4	604.2
Ebitda as % of net sales	7.8	8.3	3.9	3.8	6.6	6.8
Ebit as % of net sales	6.1	6.6	0.8	0.5	4.3	4.5
Ebit as % of average capital employed	22.1	23.5	3.0	1.9	16.3	16.3
Net capital expenditure[2]	39.0	39.4	7.6	(9.3)	46.6	30.1
Depreciation and amortisation	27.4	24.7	23.2	23.5	50.6	48.2

1) Excluding associates.

2) In tangible and intangible assets.

Supermarket information[1]

	number at year-end		*1,000 m² retail space at year-end*		*€ million consumer sales[1]*		*index of like-for-like sales[2]*	
	2009	*2008*	*2009*	*2008*	*2009*	*2008*	*2009*	*2008*
EMTÉ	78	84	90	96	593	540	108	104
Golff	45	55	38	46	250	282	103	104
Total	123	139	128	142	843	822	106	104

1) Including changes in store-locations during the year and VAT. 2009: 53 weeks (2008: 52 weeks).

2) Based on 52 weeks.

Profile

Sligro Food Group N.V. encompasses food retail and food-service companies selling directly and indirectly to the entire Dutch food and beverages market. The 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 120 full-service supermarkets operated under the EMTÉ and Golff formats, of which over 40 are operated by independent retailers.

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 11 delivery centres serving bars and restaurants, leisure facilities, volume users, company caterers, fuel retailers, small and medium-sized enterprises and smaller retail businesses.

Van Hoeckel is fully focussed on the institutional market.

We operate our own in-house production facilities, making specialised convenience products and fish and patisserie items, while 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, handles Sligro Food Group's food retail purchases. 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 an 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, integral 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 2009 totalled €2,258 million, with net profit of €74 million. The group employed an average of over 5,500 full-time equivalents in 2009.

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