Annual Figures 2009

Amsterdam, January 28th 2010

Agenda

• Welcome	Koen Slippens
• Annual Figures 2009	Huub van Rozendaal
• Food retail	Koen Slippens
• Foodservice	Koen Slippens
• Prospects 2010	Koen Slippens

Annual Figures 2009

Profit and loss account

	2009 x € M	2008 x € M	Delta %	2009 %	2008 %
Net sales	2,258	2,168	4.2	100.0	100.0
Gross margin	526	516	1.9	23.3	23.8
Other operating income	2	8	(80.2)	0.1	0.4
Expenses	(379)	(377)	0.3	(16.8)	(17.4)
Ebitda	149	147	1.3	6.6	6.8
Depreciation/amortization	(51)	(48)	4.5	(2.2)	(2.3)
Ebit	98	99	(0.4)	4.3	4.5
Interest expense	(0)	(7)	(95.3)	(0.0)	(0.2)
Profit before tax	98	92	6.0	4.3	4.3
Tax	(24)	(21)	12.3	(1.0)	(1.0)
Profit after tax	74	71	4.2	3.3	3.3

Profit and loss account H1 - H2

x € M — **SFG consolidated**

	2009-II	2008-II	2009-I	2008-I
Net sales	1,172	1,090	1,086	1,078
Other operating income	2	2	0	6
Ebitda	88	82	61	65
Ebit	62	58	36	41
Ebitda as % of net sales	7.4	7.5	5.6	6.0
Ebit as % of net sales	5.3	5.3	3.3	3.8

Segmented analysis of results

x € M	Foodservice		Food retail[2)]	
	2009	2008	2009	2008
Net sales	1,531	1,444	727	724
Other operating income	(0)	3	2	5
Ebitda	120	119	29	28
Ebit	92	95	6	4
Ebitda as % of net sales	7.8	8.3	4.0	3.8
Ebit as % of net sales	6.1	6.6	0.8	0.5
Net capital expenditure[1)]	37	38	8	(9)
Depreciation an d amortization	(27)	(24)	(24)	(24)

1) *In tangible and intangible assets*

2) *New classification in accordance with IFRS 8*

Segmented analysis of results H1 - H2

x € M — **Foodservice**

	2009-II	2008-II	2009-I	2008-I
Net sales	807	745	724	699
Other operating income	(0)	0	0	3
Ebitda	70	69	50	50
Ebit	55	57	37	38
Ebitda as % of net sales	8.7	9.0	6.9	7.1
Ebit as % of net sales	6.9	7.4	5.1	5.4

Segmented analysis of results H1 - H2

x € M — **Food retail**

	2009-II	2008-II	2009-I	2008-I
Net sales	365	345	362	379
Other operating income	2	2	0	3
Ebitda	18	13	11	15
Ebit	7	1	(1)	3
Ebitda as % of net sales	5.0	3.6	3.0	3.9
Ebit as % of net sales	1.8	0.1	(0.3)	0.9

Segmented analysis of results

Return on capital employed

In € M	Foodservice 2009	Foodservice 2008	Food retail 2009	Food retail 2008	Total 2009	Total 2008
CE [1]	426	413	177	191	603	604
EBITDA	120	119	29	28	149	147
EBIT	92	95	6	4	98	99
In % average CE						
EBITDA	28.6	29.0	15.6	13.7	24.7	24.3
EBIT	22.1	23.5	3.0	1.9	16.3	16.3

[1] *Excluding associates*

Cash flow statement (€ M)

	2009	2008
From operations	150	129
Interest etc.	(3)	(10)
Corporation tax paid	(24)	(16)
From operating activities	**123**	**103**
Acquisitions	1	(1)
Net capital expenditure	(50)	(29)
From investing activities	**(49)**	**(30)**
Long-term borrowings/ associates	(31)	(29)
Dividend paid	(19)	(14)
From financing activities	**(50)**	**(43)**
Movement in cash and short-term bank borrowings	24	30
Balance at start of year	1	(29)
Balance at year-end	25	1

Balance sheet (before profit appropriation)

x € M	02/01 2010	27/12 2008		02/01 2010	27/12 2008
Fixed assets			Equity	483	426
Intangible assets	170	176			
Property, plant & equipment	285	284	Provisions	31	34
Investment property	24	25			
Financial assets	44	41	Non-current liabilities	128	154
	523	526			
Current assets			**Current liabilities**		
Inventories	189	200	Banks	29	53
Debtors	112	124	Creditors	110	129
Assets held for sale	3	2	Other	71	79
Cash	25	23			
	329	349		210	261
	852	875		852	875

Summary 2009

Net sales (€ M)

	W53-09	2009 53wks	2008 52 wks	in %
Food retail	15	727	724	4.4
Foodservice	25	1,531	1,444	6.0
Total	40	2,258	2,168	4.2
Organic growth[1)]		5.1%	6.4%	
Food retail		6.3%	4.1%	
Foodservice		4.4%	7.4%	

1) Non-organic:
Food retail: stores sold, transfer Meermarkt/Attent, week 53
Foodservice: divestment Rosenberg (2 months), week 53

Summary 2009

Gross margin from 23.8% to 23.3% of sales

- Altered mix of business activities:
  - + Retail/wholesale mix for Food Retail (70/30 à 75/25)
  - -/- Growth in petrol segment Foodservice
- -/- Increased promotional campaigns in Food Retail and cash-and-carry outlets
- -/- Intensive client acquisition in delivery Foodservice
- Week 53 produces lower gross profit margin overall

Summary 2009

Other operating income (x € M)

	2009	**2008**
Rental income	3.1	3.6
Book profit on sale of assets[1)]	(0.8)	4.7
Fair value adjustment to property [2)]	(0.7)	(0.1)
	1.6	8.2
Foodservice	(0.2)	3.2
Food retail	1.8	5.0

1) Divestment program of assets held for sale nearly completed at the end of 2008, losses in 2009 as result on sale of supermarkets

2) Fair value adjustments to investment property and factory in Ter Apel

Summary 2009

Total costs[1)] from 19.7% to 19.1% of sales

- Altered mix of business activities:
  - + Retail/wholesale mix for Food Retail (70/30 à 75/25)
  - -/- Growth in petrol segment Foodservice
- Cost-saving programmes:
  - -/- PLOP project
  - -/- Distribution centre optimisation
  - -/- Further reduction of overheads
- Week 53 decreases relative costs

[1)] Including depreciation and amortization

Summary 2009

Operating profit (EBIT) €98 M, down 0.4% (from 4.5% to 4.3%)

Foodservice :
- Growth in petrol affects relative margin and costs
- Decrease in average drop size increases costs
- Logistics savings in 2009 were substantial
- Book profits down by €3 million

Food Retail
- Operational improvements lead to a reduction in relative costs
- Smaller bad debt provisions required
- Book profits down by €3 million

Week 53 relatively more profitable

Summary 2009

Finance income and expense down 95.3% at €0.3 M (from 0.3% to 0.0%)

	2009	2008
Net financing expense	(6.1)	(11.0)
Profits of associates	5.8	4.8

- Finance expense down due to reduced debt and interest rates
- Increase in share of profits from Spar and Smeding

Tax + 12.3% at €23.6 million

- One off tax item of €1.5 million in 2008

Summary 2009

Net profit	€74.3m (€71.3 m)	+ 4.2 %
Earnings per share	€1.68 (€1.63)	+ 3.1 %

Special anniversary dividend of €1.00 in cash to mark the Group's first 75 years on 19 April 2010.

Summary 2009

Cash flow from operating activities: €123m (2008: €103m)

- Apparent increase of €20 million in working capital due to week 53
  - Trade payables/receivables €10 million
  - Taxes one month extra (€10 million)

Cash flow from investing activities: €49m (2008: €30m)

- Of which €17 million for purchase of premises (€9m on previously rented premises)
- 2008 includes €19 million in proceeds from disposals

Net profit available as free cash flow!

- Despite week 53 and lower proceeds from disposals

Summary 2009

Net interest-bearing debt x € M	02-01 2010	27-12 2008
Gross	156	207
Free Cash	(25)	(23)
Net	131	184

Operational cash flow after investing activities was used for € 53 M debt reduction and € 19 M dividend payment.

Summary 2009

Pensions

Regulatory authority DNB

Funding ratio company pension fund	113
Required funding ratio company pension fund	116

Actual return plus 10.6%.

Increase pension contribution 01-01-2010	5% (€ 0.5 mln)

Summary 2009

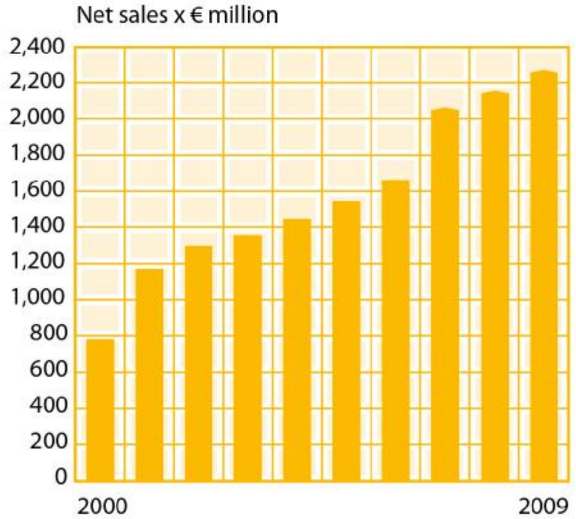
Pensions

IAS 19

SFG applies SORIE method:
Provision accounted for in the balance sheet, actuarial result through Equity

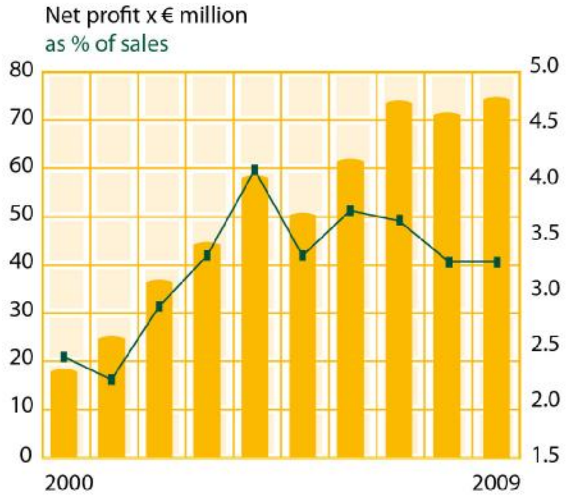
• Act. profit 2009	€ 3.5 M (gross)
• Provision for pensions	€ 4.8 M (2008: € 11.7 M)
• Discount rate	4.8 % (2008: 5.3%)
• Net expense 2010	€ 4.7 M (2009: € 4.3 M)
• Employers contribution	€ 8.2 M (2009: € 7.6 M)

Net sales x € M

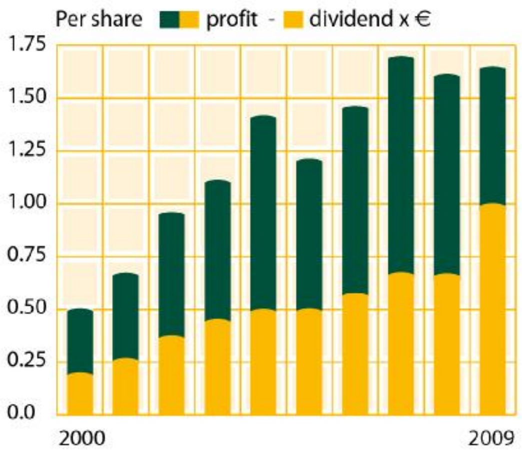


Operating profit x € M as % of net sales

Net profit x € M as % of net sales

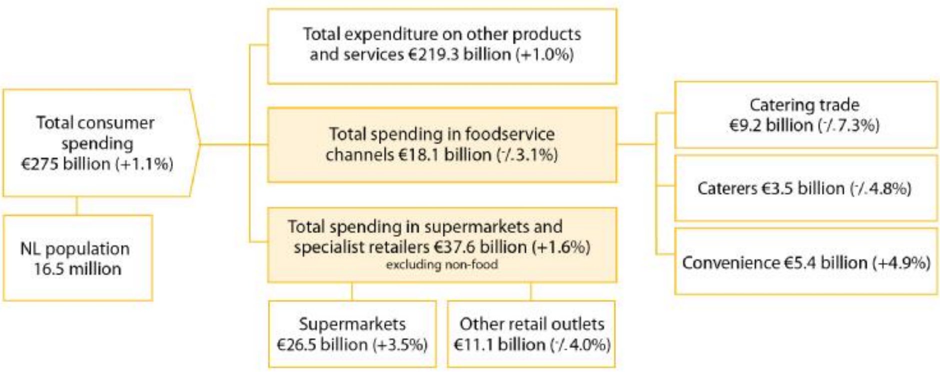


Per share x €



The Food market

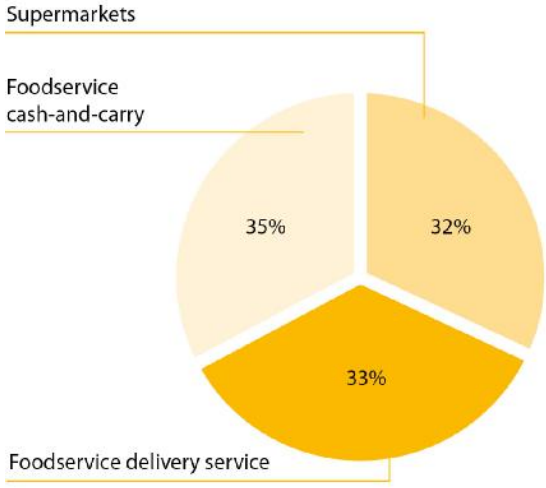
Consumer spending in the Netherlands



Organisation scheme Sligro Food Group

Central distribution centre and head office in Veghel			
Foodretail		**Foodservice**	
EMTÉ 78 own outlets	**Golff** 45 franchised supermarkets	**Sligro** Large and small size restaurants and bars, leisure, petrol outlets, caterers, large-scale users	**Van Hoeckel** Institutional
2 distribution centres		National network of 45 cash-and-carry and 11 delivery-service wholesale outlets	1 distribution centre
Sligro Fresh Partners & Productiebedrijven Specialised production facilities for convenience products (CuliVers), fish (SmitVis), and patisserie (Maison Niels de Veye) and four fresh produce associates			

Sligro Food Group net sales per activity



Synergy Sligro Food Group

One integrated head office			
Food retail		Foodservice cash-and-carry	Foodservice delivery service
EMTÉ	Golff	Sligro	Sligro/Van Hoeckel

Branch operation synergy

Client/segment synergy

Combined logistics and purchasing

Food retail

- Market developments
- Overview Supermarket formats EMTÉ en Golff
- Master plan update

Food retail market in 2009

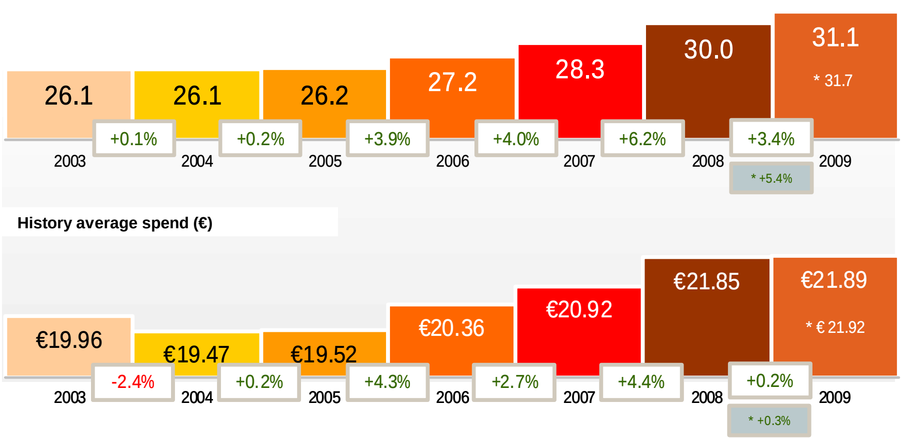
Growth figures from different market research firms vary but greater agreement on market size:

	53 weeks x €bn	53 weeks growth %	52 weeks growth %
Sales according to GfK	31.7	5.4	3.4
Average spend, GfK			0.3
<u>Like-for-like</u>			
EMTÉ sales			7.6
EMTÉ average spend			1.8
Golff sales			3.3

Nielsen and IRI: slightly smaller increase

Turnover development supermarkets 2009

History supermarket turnover (€ billion)



* 2009 based on 53 weeks

Source: GFK

Market Share Food retail

as %

Competitors[1)]	**Market share 2009**	**2008**	**2007**
Albert Heijn	32.8	31.3	29.7
C-1000	12.0	13.4	14.5
Super de Boer[2)]	6.6	6.8	7.3
Plus[3)]	6.0	6.1	6.0
Jumbo	5.0	4.9	4.5
Sligro Food Group[3)]	2.6	2.7	2.4
Hard discount[4)]	17.8	17.4	17.3
Others[5)]	17.2	17.4	18.3
Total	**100.0**	**100.0**	**100.0**

1) Source: Company press releases and market definition GfK, Hard discount and C1000 based on market estimates, 2) Acquired by Jumbo in December, 3) Member of Superunie, all members combined account for almost 30% market share, excluding Jumbo, 4) Includes, 'Dirk van de Broek', since 01-07-2008 member of Superunie, 5) Mostly remaining members of Superunie

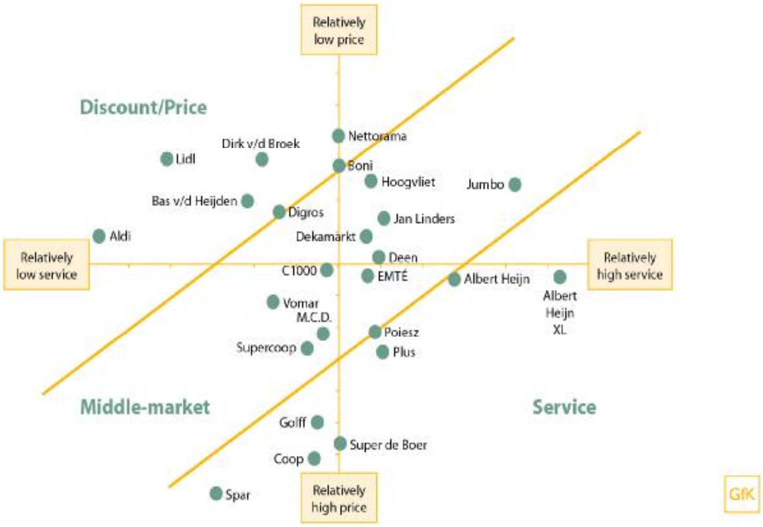
Food retail market in 2009

	13 week quarters Q1	Q2	Q3	Q4
GFK	2.3%	6.3%	4.0%	0.9%
IRI	4.0%	3.0%	2.3%	0.8%
EMTÉ	5.8%	5.8%	8.8%	10.3%
Golff	2.8%	2.1%	4.5%	4.0%

- Inflation à Deflation (4% à (1%)?)
- Frequency of visits increased (reduced loyalty)
- Much more emphasis on prices/special offers and own label products
- Increased market share for hard discounters with increase in number of stores[1)]

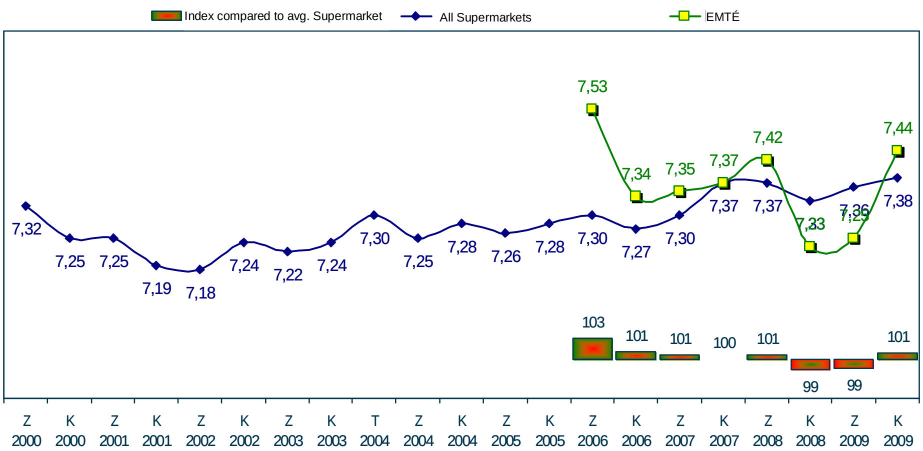
1) Average number of stores in 2009:
Hard discount 880 (2008: 852. 2007: 809)

GfK Christmas report 2009



Source: GFK

GfK development over the past 10 years



Source: GFK

Supermarket formats at a glance

Supermarket formats[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.

Master plan update: Summary

Main objectives:

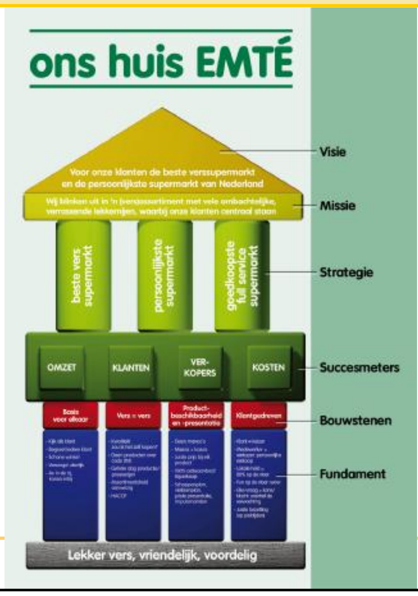
- First get the business on a sound commercial and operational footing
- As soon as this has been accomplished, start pushing organic growth
- Restore return
- Where there is proven success, further expand Food Retail

Plus:

- Rationalisation of store network
- Normalisation of depreciation levels

Target EBITA : 3.0%–3.5% within three years

Master plan update: ons huis EMTÉ



Master plan update: Operations

- Increased productivity
  - Sales per m² +8% to €121
  - Sales per man-hour +7.8%
  - Weekly sales per store +8% to €135,000
- Supply chain improvements
  - Order system now functioning well
  - Stockouts lower than market average
  - Retail distribution centre productivity +16%

Master plan update: Operations

- Planned management based on 'ons huis EMTÉ' geared to
  - Fundamentals in place
  - Fresh = fresh
  - Product availability and performance
  - Customer-driven attitudes
- In-store organisation
  - More experience and practice (systems, fresh produce, culture)
  - Better control (reduced losses/shrinkage)
  - Clear responsibilities
  - Management by key performance indicators
- Computer systems and management information
  - Back-office systems improved but process not optimized until end of 2010
  - Same applies to management information

Master plan update: Commercial

- Product range
  - Focus on fresh produce and tradesman like image
  - Greater focus on Markant/ EMTÉ private label
  - Full steam ahead with further development of category management, e.g.
    - Own labels
    - Spear point group approach
- Store ambience
  - Successful promotions (fun, loyalty)
  - Piloting of new livery/corporate identity and forms of presentation
  - Supermarket manager on the shopfloor
  - More customer contact

Master plan update: Commercial

- Pricing and price perceptions
  - High-low strategy
    - Attractive overall prices
    - Strong promotions
  - Massive presentations, special offers in red – whole shelves, fridges and baskets
- Communication
  - Focus on fresh produce, friendliness and fair prices
  - Push EMTÉ brand à 2009 as basis, taken further in 2010
  - Link between commercial and operations
  - New identity à highlighting fresh-image and tradesman like approach
  - New logo and slogan

Master plan update: Miscellaneous

- Pilot stores
  - 6 stores in new identity (Venray, Groenlo, Breda (2x), Tilburg (1x), Kaatsheuvel)
  - Evaluation to start in March 2010
  - Investment of approximately €125,000 per store
- Rationalisation of store network
  - 16 fewer stores compared with year-end 2008
  - Further rundown of EMTÉ in 2010 limited
  - Around 10 Golff stores not suitable for EMTÉ franchise

Master plan update: EMTÉ Franchise

- Agreement on fundamentals
- Contract negotiations at concluding stage
- Meeting of members scheduled for 17 February

- Conversion largely completed in 2010

- Short-term impact on franchise results negative
  - Effect of cutting consumer prices
  - Increasing of margins
  - Contribution towards cost of conversion

- Payback in longer term
  - Sales growth
  - Long-term viability of outlets

Master plan update: Conclusion

- Operations — ☐ ***on track***
  - Shortcomings, Management information
  - Store organisation, Labour productivity

- Commercial — ☐ ***on track***
  - Sales, Sales per m2, Greater focus on communication

- Rationalization of store network — ☐ ***on track***
  - 6 EMTÉ, 10 Golff

- Regularization of depreciation levels/write-downs
  - 2010 first major step

- EBITA — ☐ ***on track***
  - Target: working towards 3.0% á 3.5% in 2012, 2009: 1.5%

Foodservice

- Market developments
- Developments at Sligro Food Group
- Plans for 2010

Foodservice market in 2009

- Market under heavy pressure from recession, no recovery during the year
- Foodservice Institute estimate: sales 3% down (volume effect greater)
- Volume effect hits us predominantly
- Impact differs significantly per segment:
  - Hospitality in € -5%, volume -7%
    - Cafés/hotels in € -10%, volume -12%
    - Restaurants in € -4%, volume -7%
    - Cafetarias in € +1%, volume -1%
  - Catering in € -5%
  - Convenience (incl. tobacco products, petrol) in € +7%

Foodservice market in 2009

- Consumers still careful about spending
- Price/quality
  - Initial panic is over, life goes on
  - Value-for-money formats doing relatively well
- Sustainability still important despite the crash
- Really good summer in 2009
- Hospitality sector had a difficult start after the summer
- Unemployment and lack of optimism in the business community do not help the sector

Market Share Foodservice

as %

	Market Share		
Competitors[1)]	**2009**	**2008**	**2007**
Sligro Food Group	17.4	16.7	14.8
Lekkerland	14.8	12.0	11.5
Brewers	14.6	15.9	16.9
Deli XL	10.9	10.7	10.3
Metro	8.8	9.4	9.3
Kruidenier	4.4	4.4	4.1
De Kweker/ Vroegop	3.7	3.8	3.7
Hanos/ISPC	3.5	4.1	4.4
Others	21.9	23.0	25.0
Total	**100.0**	**100.0**	**100.0**

1) Source: Foodservice monitor 2009/2010

Foodservice and Sligro Food Group

General

- Market share +0.7% at 17.4%
- Like-for-like[1)] sales growth of 4.4% comfortably outstrips the market
  - Strength of Sligro cash-and-carry format and promotions programme
  - Big sales drive for delivery service
  - Quality and standard of service on delivery service
- Growth in petrol segment, due to rationalisation of special offers etc.
- Foodservice growing even without this effect
- Good diversification across segments
- Expansion and upgrading of outlet network now and in recent past

[1)] 52 weeks

Foodservice and Sligro Food Group

Cash-and-carry

- Sligro cash-and-carry format comfortably outperforming the market
- Intensive promotions programme, one-to-one marketing
- Difficult basis for comparison due to increased promotions in 2008-II
- Marketing supported by data warehouse and recently acquired tool
- Costs well under control
- Pilot of new non-food department on one site – initial signs encouraging
- Extensive investment programme aimed at expanding and upgrading existing outlets
- Opening of 45th Sligro cash-and-carry outlet in Roermond in May 2009
- Deventer and Nijmegen (I à II), Haarlem (I à III), Arnhem (III upgrade)

Foodservice and Sligro Food Group

Delivery service

- Intensification of sales activities and new business acquisition
- Intensification of marketing effort aimed at petrol station convenience stores
  - Startup of tobacco products order picking centre joint venture with wholesaler Bergsma under the Vemaro name
  - For major accounts, Vemaro will supply tobacco products and Sligro the rest of the range.
- Despite securing large accounts (AC, Total), local independent foodservice customers continue to form the basis of Foodservice activities
- More development needed in institutional segment
- PLOP project savings and quality improvements entirely achieved
- Roll-out of Field Service Support Model (Dutch acronym: BOM)

Foodservice and Sligro Food Group

Production

- Cost savings and quality improvements completed at Culivers site in Eindhoven
- Culivers to be scaled up to include product categories we focus on
- Production of Dinerland frozen ready meals brought in-house
- Launch of Culivers producten suitably packaged in in our supermarkets
- Production unit in Ter Apel closed

Foodservice plans for 2010

Cash-and-carry:

- Evaluation and roll-out of Non-Food department (more extensive, not deeper range, shopper attractiveness)
- Expansion and upgrading of Sligro Tilburg to type III
- Upgrading of Breda an expansion of Roosendaal to type III
- After pressures of sales promotions in 2009, basis of comparison for 2010 will be challenging, but Sligro celebrates first 75 years!

Foodservice plans for 2010

Delivery service

- Opening of SBS Central Netherlands in Nieuwegein in Q2
- Consolidation of all delivery activities for the Amsterdam/ Noord Holland region at one large Sligro/Inversco 'Greater Amsterdam' delivery centre in 2010 and 2011
  - Squeeze on profits in short term (€5m) due to application of shorter useful life to existing assets (accelerated depreciation)
  - Considerably improved standard of service and sharp rise in profitability in longer term

Foodservice plans for 2010

Delivery service

- Further integration of Inversco institutional business into Van Hoeckel
  - Van Hoeckel to become *the* specialist within the Group for the institutional segment
- Further roll-out of various efficiency and quality tools (BOM, PLOP, Load scanning, Order modules, E-commerce) developed in recent years
- Transfer of tobacco from Delivery Centres and Distribution Centres to Vemaro
  - No material impact on sales
  - Quality improvements and reduced working capital requirement

Prospects for 2010

Prospects for 2010

- Markets static or slight growth
- Prices under pressure
- Some down trading in in the hospitality market
- Disposable incomes squeezed by rising unemployment
- Outperformance in both market segments
- No definite financial forecast

Annual Figures 2009

Amsterdam, January 28th 2010