Press release

2012 FULL-YEAR FIGURES

Sligro Food Group net profit for 2012 €69.5 million

The profit for the year amounted to almost €70 million. That is down by almost €9 million or 11.1% compared with 2011. The reported profit however came in significantly higher than our original forecast. As announced on 2 January 2013, sales revenue in 2012 totalled €2,467 million, an increase of 1.9%. Like-for-like sales growth also amounted to 1.9%. In the second half of 2012, the pressure on profits eased considerably as a result of the action that had been taken. In the first half of 2012, profits were down by 22.6%, but by 2.3% in the second half.

CEO KOEN SLIPPENS:

Despite difficult economic conditions, Sligro Food Group had, in the course of 2012, increasing success in limiting their impact. The present economic climate calls for change and decisive action. It is good to see that the direction we took began to bear fruit as the year progressed and our profits recovered in the second half of 2012. The free cash flow in fact reached almost €95 million, the highest figure ever attained and representing an increase of 24% on 2011. This allows us to propose declaring a dividend of €1.05 per share. Things will not be easy in 2013 but the turnaround that we achieved in the course of 2012 gives us the strength to pursue the existing course and meet the challenges of the year ahead.'

The gross margin was down by 0.7%, at €558 million. In percentage terms, the gross margin was 0.6 of a point down, at 22.6%, as a consequence of a general price squeeze and promotional discounts combined with shifts in the customer mix for Foodservice. There was a relative improvement in this situation in the second half of 2012, partly owing to the effect of the comparative figures for 2011. Total operating expenses as a percentage of revenue increased by 0.1 of a percentage point to 19.1%, chiefly as a consequence of increased social security charges as a result of government decisions.
The operating profit was down by €15 million, at €90

KEY FIGURES

	x € million	Change in %
Revenue (net sales)	2,467	1.9
Gross operating profit (EBITDA)	144	(9.7)
Operating profit before amortisation (EBITA)	100	(12.6)
Operating profit (EBIT)	90	(14.5)
Net profit	70	(11.1)
Free cash flow[1)]	95	24.2
Shareholders' equity	555	2.6
Net interest-bearing debt	69	(38.5)
Earnings per share (€)	1.59	(10.7)
Dividend per share (€)	1.05	0

1) Cash flow from operating activities less cash flow from investing activities.

million. As a percentage of revenue, this represents a decline of 0.7 of a point to 3.6%.

The Foodservice operating profit was down by €12 million, at €86 million. As a percentage of revenue, this represents a decline of 0.8 of a point to 5.3%. As already mentioned, this was mainly due to a general price squeeze and promotional discounts combined with shifts in the customer mix.

The Food Retail operating profit fell by €3 million, to €4 million. As a percentage of revenue, this represents a decline of 0.4 of a point to 0.5%. Again this was mainly due to a general price squeeze and promotional discounts. The decline in the operating profit is entirely attributable to the developments in the first half of 2012, as the second half of the year showed an improvement of €2 million, to €3 million, despite a drop in other operating income and tough market conditions. This significant improvement provides a good basis for further recovery.

Earnings per share came in at €1.59, compared with €1.78 in 2011, a decline of 10.7%. It is nevertheless proposed that the dividend be maintained at €1.05 per share, made up of €0.80 in normal dividend (2011: €0.85) and €0.25 in variable dividend (2011: €0.20). Net interest-bearing debt was further reduced, by 38.5%, to €69 million, giving us an exceptionally sound financial position and high free cash flows, which is a good thing in the current climate.

FOOD RETAIL, MEDIUM-TERM PLAN

Sligro Food Group has been evaluating the success of the Food Retail Masterplan announced in 2009. The profitability targets set as part of the plan have not been achieved. However, Sligro Food Group sees plenty of scope for achieving substantial improvements in Food Retail profits in the years ahead, based on the measures to be taken in relation to sales revenue, gross margin and costs detailed in the 2013–2015 medium-term plan. The goal is to double the operating profit before amortisation as a percentage of revenue over the next three years to a level of 2.5–3.0%. And because the capital employed is expected to fall by around €40 million over the same period, we expect the operating profit before amortisation as a percentage of capital employed to increase threefold over the next three years to more than 15%. Sligro Food Group also announces that the Executive Board position with special responsibility for Food Retail will not be filled. The management of Food Retail will be carried on by the existing management team of Johan van Heerebeek as sales manager and Kees Kiestra as operations manager and both gentlemen will become part of the group management team of Sligro Food Group Nederland B.V., reporting to Koen Slippens.

OUTLOOK

We are dependent, directly and indirectly, on consumer spending in the Netherlands. Economic conditions and the low level of consumer confidence mean that spending is depressed and we do not expect the situation to improve any in 2013, partly because of fiscal measures. The rate of food-related inflation is also appreciable and volumes are somewhat under pressure. We see this external environment as the new reality, with no real prospect of change in the foreseeable future. Businesses that are capable of accepting the new reality and changing their policy accordingly are in our eyes ideally placed to make a success of the situation. We believe we are in an excellent position to do so. Our theme for 2013 is accordingly 'De knop om!' ('Switch on!'). Innovation, decisive action and a clear vision that is widely shared are in our eyes the ingredients for success.

We expect volumes in the food retail market at best to remain unchanged overall but the full-service segment will feel the effects of the economic climate to a greater extent. In the foodservice market, we expect not only volumes but also sales to decline, just as in recent years. We have good grounds for assuming that we shall outperform the market in both segments, again as in recent years. In short, we do not see the external situation in 2013 differing significantly from that in 2012, and that also means that the competition will remain fierce.

There are a couple of particular circumstances that are relevant to the development in our sales revenue and results in 2013:

- The acquisition of Van Oers was finalised on 2 January 2013. Van Oers customers will be transferred gradually to Sligro in the course of the year. We expect this process to add around €20 million to sales in the first half of 2013 and €40 million in the second half. The efforts required to integrate Van Oers will have the effect of depressing results in the first half of 2013. Van Oers is expected to begin contributing to group profits in 2014.
- The changes in VAT on tobacco products which come into operation 1 July 2013 are expected to re-

sult in a drop in sales of €30 million in the second half of 2013. That is an accounting effect and has no impact on profits.

- The pension costs will increase by around €5.5 million in 2013. This is the combined effect of lower interest rates, increased life expectancy and changes in the rules. The level of pension contributions will not change and the free cash flow will not be affected. This merely concerns transfers between the profit for the year and the other components of the recognised income and expense.

Apart from the effect on pension costs we expect to be able to keep costs well under control and we are expecting the pressures on gross margins to be somewhat reduced compared with recent years. As usual, we are not making any firm predictions concerning the profit for the year.

The 2012 annual report will be published on 5 February 2013.

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.com.

We will provide more information on first-quarter 2013 developments in our trading update on 18 April. Our half-year figures will be published on 18 July 2013.

Veghel, 24 January 2013

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 changes in equity and Consolidated statement of recognised income and expense
5. Other information

Profile: website: sligrofoodgroup.com

Appendix 1

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for 2012

(x €1,000)

	2012	2011	2010
Revenue	**2,467,382**	**2,420,216**	**2,286,261**
Cost of sales	(1,909,686)	(1,858,611)	(1,757,649)
Gross margin	**557,696**	**561,605**	**528,612**
Other operating income	**2,932**	**3,925**	**4,809**
Staff costs	(253,809)	(246,177)	(231,162)
Premises costs	(61,023)	(59,465)	(60,271)
Selling costs	(20,359)	(20,134)	(19,347)
Logistics costs	(67,327)	(66,445)	(64,070)
General and administrative expenses	(14,527)	(14,338)	(13,052)
Depreciation of property, plant and equipment	(43,181)	(44,078)	(46,718)
Amortisation of intangible assets	(10,616)	(9,923)	(7,873)
Total operating expenses	**(470,842)**	**(460,560)**	**(442,493)**
Operating profit	**89,786**	**104,970**	**90,928**
Finance income	199	137	197
Finance expense	(5,492)	(7,033)	(4,885)
Share in results of associates	5,450	5,137	5,406
Profit before tax	**89,943**	**103,211**	**91,646**
Tax	(20,397)	(25,004)	(21,450)
Profit for the year	**69,546**	**78,207**	**70,196**
Attributable to shareholders of the company	**69,546**	**78,207**	**70,196**

Figures per share	**€**	**€**	**€**
Basic earnings per share	1.59	1.78	1.59
Diluted earnings per share	1.59	1.78	1.59
Proposed dividend	1.05	1.05	0.70

Appendix 2

CONSOLIDATED CASH FLOW STATEMENT
for 2012

(x €1,000)

	2012	2011	2010
Receipts from customers	2,656,086	2,606,585	2,479,140
Other operating income	2,633	3,633	3,549
	2,658,719	2,610,218	2,482,689
Payments to suppliers	(2,179,495)	(2,143,778)	(2,037,760)
Payments to employees	(135,017)	(131,513)	(121,923)
Payments to the government	(197,258)	(192,821)	(194,944)
	(2,511,770)	(2,468,112)	(2,354,627)
Net cash generated from operations	146,947	142,106	128,062
Interest received	199	137	197
Dividend received from associates	5,187	5,530	4,412
Interest paid	(5,302)	(7,340)	(4,573)
Corporate income tax paid	(18,015)	(16,634)	(21,240)
Net cash flow from operating activities	**129,016**	**123,799**	**106,858**
Acquisitions/investments	(1,250)		(43,718)
Sale of associates/operations	50		2,641
Capital expenditure on property, plant and equipment/investment property/assets held for sale	(36,494)	(50,068)	(43,130)
Receipts from disposal of property, plant and equipment/investment property/assets held for sale	8,083	6,476	5,934
Capital expenditure on intangible assets	(4,639)	(3,597)	(2,608)
Investments in/loans to associates	(159)	(290)	(1,188)
Repayments by associates	211		430
Net cash flow from investing activities	**(34,198)**	**(47,479)**	**(81,639)**
Repayment of long-term borrowings		(53,109)	(49,087)
Proceeds from long-term borrowings			114,399
Paid to joint venture	(70)	(30)	(100)
Repurchase of own shares	(3,311)	(3,472)	(3,580)
Dividend paid	(46,153)	(30,813)	(44,071)
Net cash flow from financing activities	**(49,534)**	**(87,424)**	**17,561**
Movement in cash, cash equivalents and short-term bank borrowings	**45,286**	**(11,104)**	**42,780**
Opening balance	56,360	67,464	24,684
Closing balance	**101,646**	**56,360**	**67,464**

Appendix 3

CONSOLIDATED BALANCE SHEET

as at 29 December 2012 before profit appropriation

(x €1,000)

ASSETS	29-12-2012	31-12-2011	01-01-2011
Goodwill	126,287	126,287	126,287
Other intangible assets	44,575	50,552	57,146
Property, plant and equipment	293,334	307,242	304,544
Investment property	13,503	15,225	15,945
Investments in associates	43,984	42,551	42,934
Other financial assets	9,589	9,279	6,467
Total non-current assets	**531,272**	**551,136**	**553,323**
Inventories	210,658	197,352	195,047
Trade and other receivables	109,010	110,618	105,181
Other current assets	6,658	8,016	3,526
Corporate income tax	0	0	863
Assets held for sale	9,093	7,634	11,906
Cash and cash equivalents	101,646	56,360	67,464
Total current assets	**437,065**	**379,980**	**383,987**
Total assets	**968,337**	**931,116**	**937,310**

EQUITY AND LIABILITIES	29-12-2012	31-12-2011	01-01-2011
Paid-up and called capital	2,655	2,655	2,655
Reserves	551,854	537,911	497,418
Total shareholders' equity attributable to shareholders of the company	**554,509**	**540,566**	**500,073**
Deferred tax liabilities	31,201	35,006	29,097
Employee benefits	3,493	2,947	3,042
Other provisions	197	191	221
Long-term borrowings	174,792	174,169	173,254
Total long-term liabilities	**209,683**	**212,313**	**205,614**
Current portion of long-term borrowings	0	0	53,232
Bank borrowings	0	0	0
Trade and other payables	122,439	106,798	106,906
Corporate income tax	4,148	156	0
Other taxes and social security contributions	31,764	24,073	22,176
Other liabilities, accruals and deferred income	45,794	47,210	49,309
Total current liabilities	**204,145**	**178,237**	**231,623**
Total equity and liabilities	**968,337**	**931,116**	**937,310**

Appendix 4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2012

for 2012 before profit appropriation

(x €1,000)

	Paid-up and called capital	Share premium	Other reserves	Revalua-tion reserve	Hedging-reserve	Treasury shares reserve	Total
Balance as at 31-12-2011	**2,655**	**31,106**	**511,451**	**3,690**	**(1,284)**	**(7,052)**	**540,566**
Transactions with owners							
Share-based payments			449				449
Dividend paid			(46,153)				(46,153)
Repurchase of own shares						(3,311)	(3,311)
	0	0	(45,704)	0	0	(3,311)	(49,015)
Total realised and unrealised results							
Profit for the year			69,546				69,546
Investment property			577	(577)			0
Cash flow hedge					(1,023)		(1,023)
Reclassification					(271)		(271)
Actuarial results			(5,294)				(5,294)
	0	0	64,829	(577)	(1,294)	0	62,958
Balance as at 29-12-2012	**2,655**	**31,106**	**530,576**	**3,113**	**(2,578)**	**(10,363)**	**554,509**

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for 2012

(x €1,000)

	2012	2011	2010
Profit for the year	69,546	78,207	70,196
Effective part of movements in the fair value of cash flow hedge of long-term loans, net of tax	(1,023)	958	(1,640)
Reclassified to consolidated profit and loss account	(271)	(174)	161
Actuarial gains and losses on defined-benefit plans, net of tax	(5,294)	(4,906)	(3,984)
Income and expense recognised directly in shareholders' equity	(6,588)	(4,122)	(5,463)
Recognised income and expense for the year	**62,958**	**74,085**	**64,733**
Attributable to shareholders of the company	**62,958**	**74,085**	**64,733**

Appendix 5

SEGMENTED ANALYSIS OF RESULTS

x € million	Foodservice		Food retail		Total	
	2012	2011	2012	2011	2012	2011
Revenue	1,634.1	1,609.0	833.3	811.2	2,467.4	2,420.2
Other operating income	1.9	0.9	1.0	3.0	2.9	3.9
Gross operating profit (EBITDA)	116.7	127.1	26.9	31.9	143.6	159.0
Operating profit before amortisation (EBITA)	89.0	100.4	11.5	14.5	100.5	114.9
Operating profit (EBIT)	85.9	98.1	3.9	6.9	89.8	105.0
Net capital employed (year-end)[1)]	424.4	434.8	190.5	214.3	614.9	649.1
EBITDA as % of sales	7.1	7.9	3.2	3.9	5.8	6.6
EBITA as % of sales	5.4	6.2	1.4	1.8	4.1	4.7
EBIT as % of sales	5.3	6.1	0.5	0.9	3.7	4.3
EBITA as % of average net capital employed	20.7	23.4	5.7	6.7	15.9	17.7
EBIT as % of average net capital employed	20.0	22.8	1.9	3.2	14.2	16.2
Free cash flow[2)]	69.8	65.9	24.9	12.1	94.7	78.0
Net CAPEX	24.0	31.8	8.9	14.2	32.9	46.0

1) Excluding investments in associates.

2) Excluding interest and share in results of associates.