



Sligro Food Group N.V.

PRESS RELEASE

Sligro Food Group Q3 2016 trading update

Sligro Food Group N.V.'s sales for the first three quarters (39 weeks) of 2016 were €2,067 million, an increase of 6.9% (Q3: 8.1%) compared with the figure of €1,933 million in 2015. Excluding the effect of acquisitions, sales were up by 2.1% (Q3: 3.1%).

Total sales can be analysed as follows (x € million):

	Q3		Q1-Q3	
	2016	2015	2016	2015
Food Retail	203	206	617	621
Foodservice	509	453	1,450	1,312
Total	712	659	2,067	1,933

Foodservice

Foodservice sales were up by 10.5% (Q3: 12.2%). Excluding the effect of acquisitions, sales showed a 3.5% increase (Q3: 5.2%). The sales of Bouter, which was acquired in 2015, are part of the like-for-like figures from this third quarter. JAVA and the locations acquired from De Kweker jointly added sales of € 32 million in the third quarter and so are performing in line with our expectations.

Food Retail

Food Retail sales were down 0.5% (Q3: down 0.8%). Like-for-like consumer sales at EMTÉ supermarkets were down by 2.1% (Q3: down 1.8%). The 2.0 EMTÉ stores were unable to fully maintain the positive trend at the end of the second quarter into the third quarter. One completely new franchise location was added as part of the new EMTÉ 3.0 and three stores were converted from 2.0 to 3.0 during the third quarter. One store was closed in July.

Outlook

The continued recovery in the economy is still being reflected in the gradual improvement in our markets. Foodservice in particular is benefitting from this and we are seeing our sales growth picking up. In Food Retail we are lagging behind the market, in particular in our 2.0 stores.

As explained in our half-year figures, we are facing acquisition and integration costs that are affecting the performance of Foodservice. The fall in sales at the 2.0 stores along with increased promotions and campaigns led to lower gross margin at Food Retail. In addition, conversion and start-up costs at the 3.0 locations involve additional expense in the short term. Unlike last year, there will be no 53rd week in the fourth quarter which is so important for Sligro Food Group.

Overall, these effects will bring pressure to bear on Sligro Food Group's results and so we expect this year's profit will be well below last year's record figure.

The sales figures for 2016 will be announced on 4 January 2017 and the complete full-year figures for 2016 will be published on 26 January 2017.

Sligro Food Group comprises food retail and foodservice companies selling directly and indirectly to the food and beverages market. Foodservice is a wholesale operation whereas Food Retail has both business-to-business and consumer sales. Sligro Food Group aims to be a quality company achieving steady, controlled growth for all its stakeholders.

2015 net sales were almost €2.7 billion, with a net profit of €81 million. The average number of employees on a full-time equivalent basis was more than 5,700.

Veghel, 20 October 2016

On behalf of Sligro Food Group

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