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# Press Conference

## Sligro Food Group NV / Inversco Holding BV

20 April 2006



*Sligro Food Group NV / Inversco Holding BV*



# Agenda

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|-----------------------------------|------------------|
| 1. Opening remarks and welcome    | A. Slippens      |
| 2. Inversco                       | J. in 't Veld    |
| 3. Sligro Food Group and Inversco | K. Slippens      |
| 4. Financial                      | H. van Rozendaal |
| 5. Questions                      | A. Slippens      |

# Welcome / Opening Remarks

A. Slippens

General Manager, Sligro Food Group

# Inversco Company Profile

J. in 't Veld  
General Manager, Inversco



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# A Brief History of Inversco

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- The Inversco concept –, “ Institutionele Vers Combinatie”
- A one-stop shop supplying fresh produce to the catering market and institutional kitchens
- Start of successful move into the hospitality sector
- Merger of the three initiating businesses Gebr. Kramer (fruit and veg.), Frank Stalknecht (meat and meat products) and Kaptein (dairy)
- Addition of new product group (ready meal components) to the concept
- Move to new premises in Food Center in Amsterdam
- Further integration and centralisation of business processes
- Acquisition of De Dis
- Management buy-out
- Takeover of Koelvers, Eindhoven, and Medirest, Amsterdam
- Planned takeover by Sligro Food Group

1988

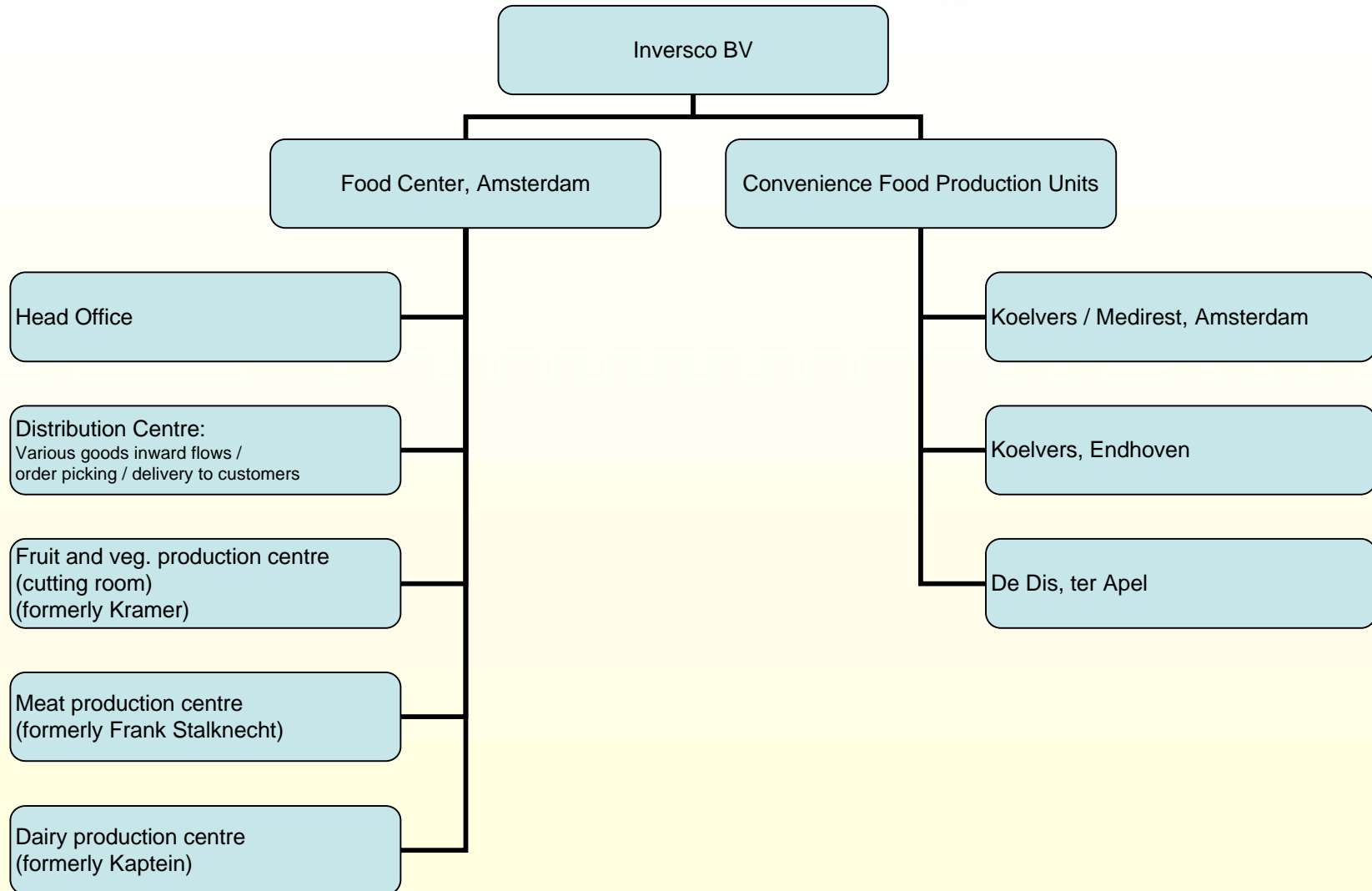
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# Inversco Organisation



# Inversco Key Figures

- 8,000 m<sup>2</sup> of refrigerated storage;
- 47 temperature-controlled zones;
- 22,000 crates per day;
- 8,000 wheeled containers per week;
- 24/7 production and logistics;
- 600 to 700 deliveries per day;
- 2004: HACCP-certified;
- 2005: BRC-certified.



# Inversco Strategy

- Strategic efforts to position Inversco as *the* concept in fresh produce:
  - Combination of production and distribution of fresh produce
  - Advanced logistics and ICT system
  - Focus on quality
  - Customer-orientated management and marketing
  - Large customers
  - Corporate development

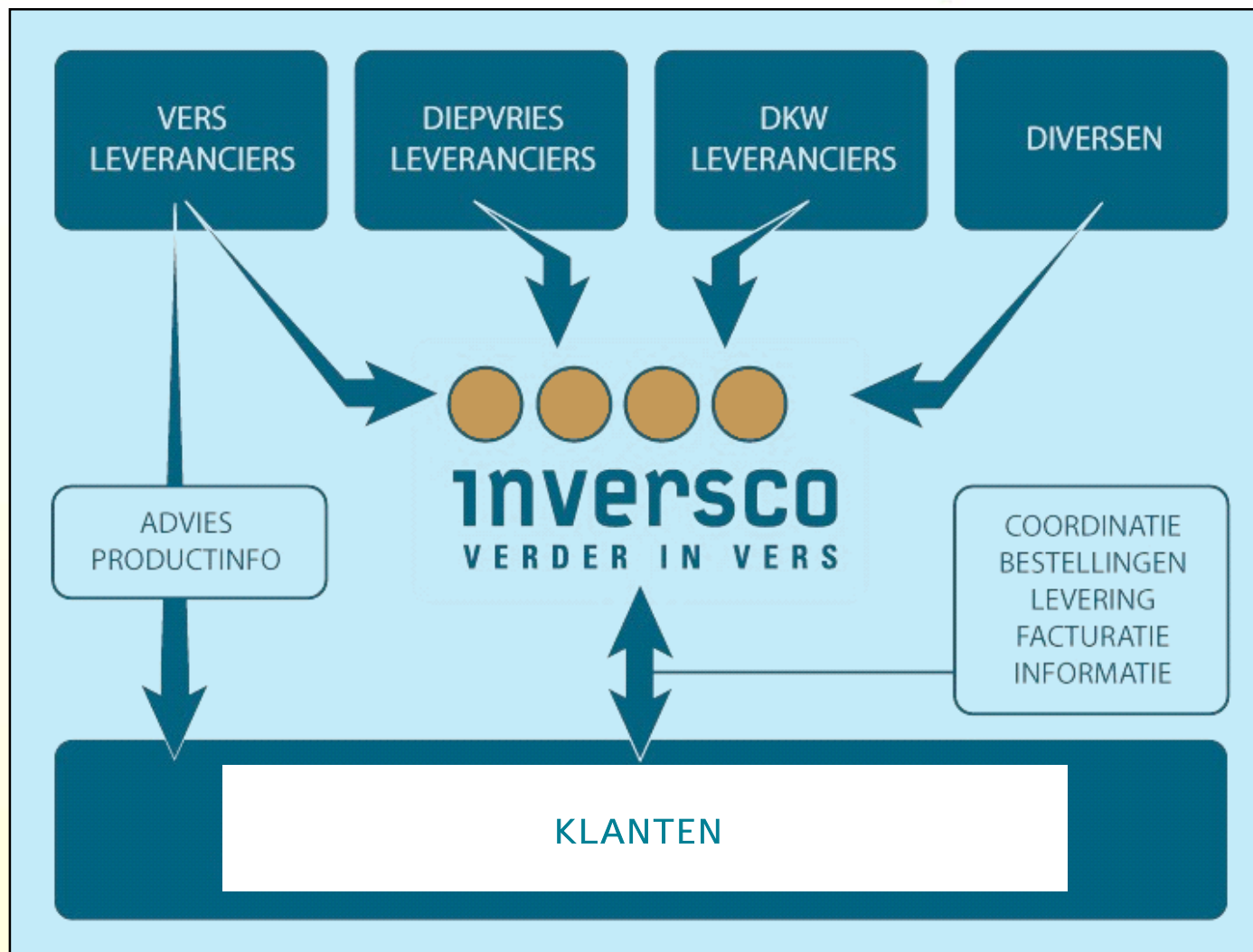


# Inversco Organisation Structure

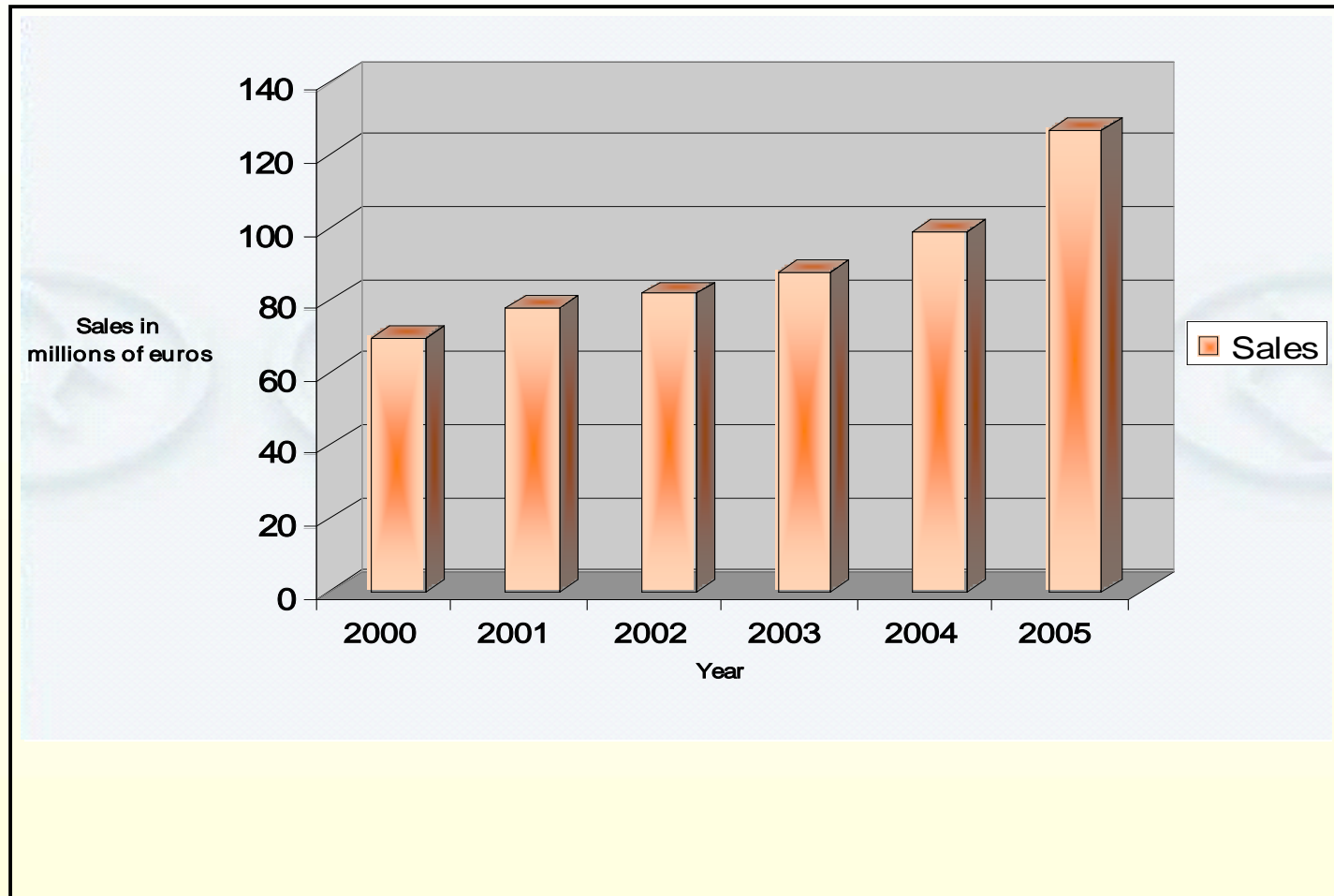
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- Flexible, flat organisation structure:
  - Board
  - Management team
  - Operations management team
- Round-the-clock management support for 24/7 operation
- Young but experienced management team
- Well-equipped to manage the strong growth
- Active development of committed staff

# Inversco Production and Services



# Inversco Sales 2000-2005



# Market Trends<sup>1)</sup>

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## Old people living at home:

- 2.5 million aged 65+ (93% in own homes, 10% needing help)
- 1.0 million aged 75+
- 0.25 million aged 85+ (66% in own homes)
- Koelvers produces 50,000 ready meals for old people / week

## Trends:

- Ageing population (2015: 4.5 million aged 65+)
- Care in the community (change in funding under new Social Support Act – WMO)
- Separation of accommodation and care needs (cure and care)
- Growth in convenience food market

## Market demand:

- Differentiation of demand for ready meals, home distribution

# Market Trends<sup>2)</sup>

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## Penitentiary institutions

- Capacity 21,000 inmates in Netherlands (Eurest Institutioneel (CGN) has market share of 66 %)
- Koelvers produces 60,000 ready meals for prison inmates / week

## Trends:

- Increase in capacity
- Cost-driven
- Tendency to outsource services from one contractor
- Use of floating detention centres

## Market demand:

- Cost savings

# Vision of the Future

## Sligro Food Group / Inversco

K. Slippens

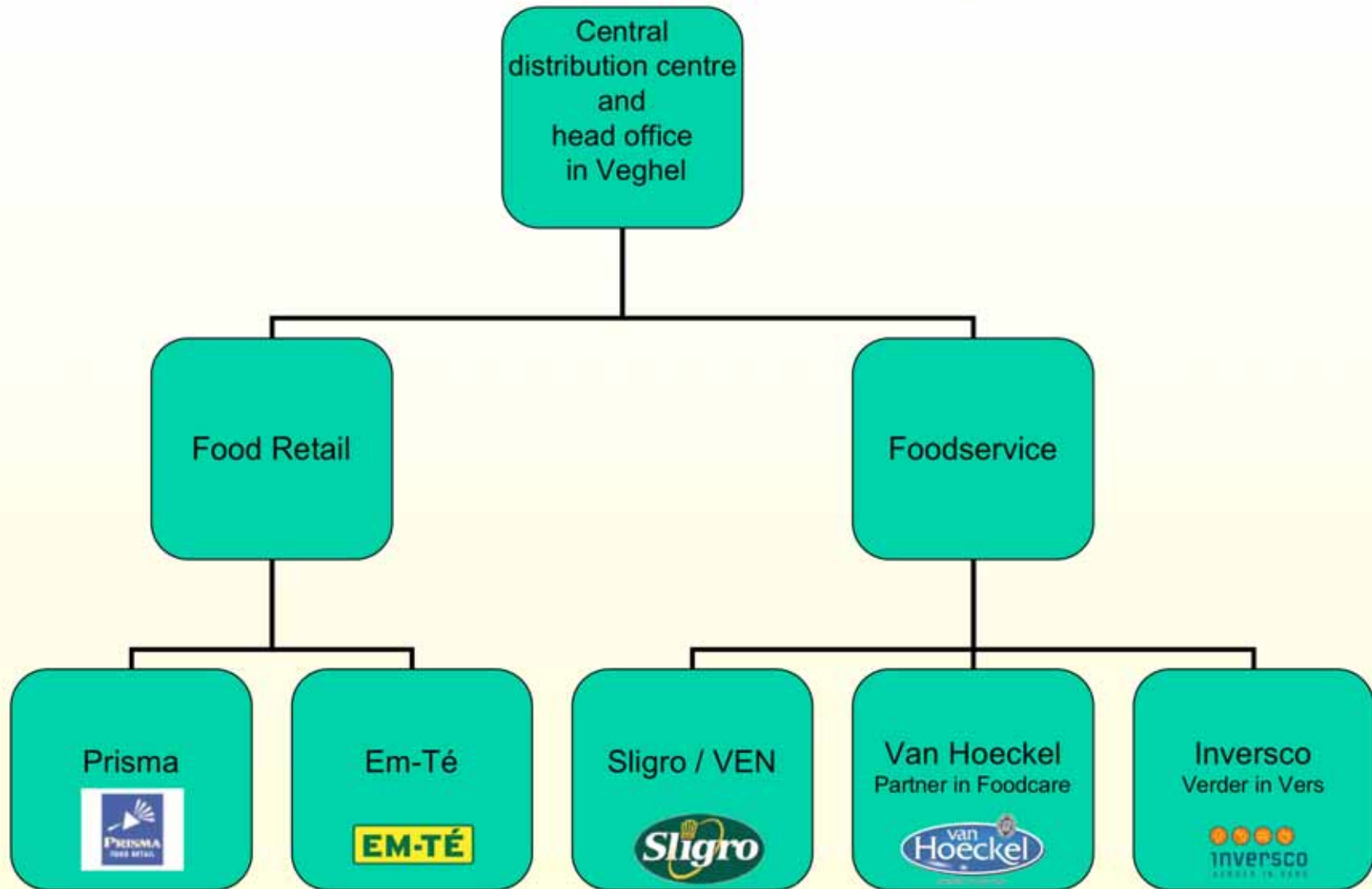
Foodservice Manager, Sligro Food Group



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# Inversco as part of Sligro Food Group



# Vision of the Future: 1)

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- Inversco to be *the* perishables centre for institutional and large hospitality sector customers within Sligro Food Group
  - Van Hoeckel
  - Sligro / VEN national accounts
- Retaining the unique Inversco sales pitch:
  - Top quality
  - Large-scale
  - National distribution
  - Customised service
- Optimisation of suppliers to Inversco from Sligro Food Group

# Vision of the Future: 2)

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- Use of Inversco convenience food production facilities for:
  - Dinnerland short-life perishables concept
  - Hospitality sector concepts and customised production
  - Retail concepts, too, in due course
- Inversco to remain an independent operating company as part of Sligro Food Group
- Independent management headed by Johan in 't Veld
- No wholesale integration; instead one step at a time where synergy can be found (back office, purchase, convenience food production)

# Strong Position for Group and Growth

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- Market trends
  - Ageing population
  - Increase in care in the home / care in the community
  - Increased use of convenience foods (buying ready meals instead of cooking) in both the institutional market and the hospitality sector
- Key position as producer of ready meals (strategic upstream integration)
- Strategically strong position compared with competition in the institutional market
- 16% market share in foodservice market

# Implications for the Workforce

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- No loss of jobs
- Existing management will continue to look after Inversco, headed by Johan in 't Veld

# Sligro Food Group / Inversco Financial

H. van Rozendaal

# Inversco Financial

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x € million

Sales 2006 <sup>1)</sup>	> 130
Operating result (EBITDA) <sup>1)</sup>	approx. 13
Debt-free purchase price	approx. 90

<sup>1)</sup> Forecast

# Inversco Financial

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- Financed by bank loans
- Expected substantial synergistic savings <sup>2)</sup>
  - One-stop shop solutions for customers
  - Procurement
  - Back-office activities
  - Sales of convenience products
- Inversco to retain its own distribution network for fresh produce

2) In the longer term

**Any Questions ?**