Half-year figures 2006

20 July 2006

Agenda

• Introduction	A. Slippens
• Half-year figures	H. van Rozendaal
• Foodservice	K. Slippens
• Foodretail	A. Slippens
• Plans / Prospects 2006-II	A. Slippens

Profit and loss account 2006-I

	2006-I x € mln	2005-I x € mln	In-crease%	2006-I %	2005-I %
Turnover	758	754	0.5	100.0	100.0
Gross margin	155	148	4.5	20.5	19.7
Expenses	(112)	(111)	1.0	(14.8)	(14.7)
Other income	2	4	(32.3)	0.3	0.5
Ebitda	45	41	10.3	6.0	5.5
Depreciation	(12)	(11)	4.0	(1.6)	(1.6)
Amortisation	(1)	(1)	2.5	(0.1)	(0.1)
Ebit	32	29	12.5	4.3	3.8
Interest expense	(1)	(1)	45.3	(0.3)	(0.2)
Profit before tax	31	28	11.1	4.0	3.6
Tax	(9)	(9)	0.4	(1.1)	(1.1)
Profit after tax	22	19	16.0	2.9	2.5

Segmented analysis of results 2006-I

X € M ln	Food service		Food retail	
	2006	2005	2006	2005
Net turnover	546	541	212	213
Operating profit	20	17	10	8
Operating profit as % of turnover	3.8	3.2	4.9	3.8

Segmented analysis of results 2006-I

X € M ln	Retail property		Tota l	
	2006	2005	2006	2005
Net turnover	-	-	758	754
Operating profit	2	4	32	29
Operating profit as % of turnover	-	-	4.3	3.8

Inversco

- Included in consolidation for a period of 4 weeks (weeks 21–24)
- Forecast sales achieved
- Result better than expected
- Financing provided by new loan of €50 million
- Inversco's existing debt refinanced on significantly better terms from 1 July

Cash flow statement 2006-I (€ mln)

	2006	2005
From trading activities	42	21
Interest, etc.	(2)	(2)
Corporation tax	(9)	(21)
From operating activities	31	(2)
Acquisitions	(89)	0
Net capital expenditure on fixed assets	(11)	(17)
From investing activities	(100)	(17)
Issue/participating interests	2	1
Bank loans	47	(13)
Dividend	(18)	(8)
From financing activities	31	(20)
Movement in cash and short term borrowings	(38)	(39)
Opening balance	14	28
Closing balance	(24)	(11)

Balance sheet

x € mln	01/07 2006	31/12 2005		01/07 2006	31/12 2005
Fixed assets			Equity	272	265
Intangible	144	71			
Tangible	201	185	Provisions	22	23
Retail property	31	30			
Financial	6	14	Long-term debt	165	134
	382	300			
Current assets			**Current liabilities**		
Stocks	149	144	Banks	50	5
Debtors	72	66	Creditors	83	65
Assets held for sale	12	10	Other	35	42
Cash	12	14			
	245	234		168	112
	627	534		627	534

Summary 2006-I

Turnover

	x € mln	in %
Total increase	3	0.5
Change accounting period Em-Té	(5)	(0.7)
Acquisition Inversco	(10)	(1.4)
Sale Milo	6	0.8
Organic growth of turnover	(6)	(0.8)

- Foodretail up 0 %
- Foodservice down 1.0%

Summary 2006-I

Gross margin from 19.7% to 20.5% of turnover

- Increase despite margin pressure in foodretail and foodservice
- Consolidation impact Inversco [1)]
- Productmix
- More rebates from suppliers

1) Relative more margin, more costs and higher operating profit

Summary 2006-I

Total costs [1)] from 16.4% to 16.6% of turnover

- Costs decrease without Inversco
- Structural efficiency measures, particularly concerning the former VEN activities
- Logistics infrastructure

1) Depreciation and amortisation included

Summary 2006-I

Other income

€ 1.5 mln less bookprofits on disposals

Operating profit (ebit)

€ 32.3 mln plus 12.5% (3.8% to 4.3%)

Increase by:

- Rebates by suppliers
- Structural efficiency measures
- Savings at VEN
- Consolidation Inversco

Summary 2006-I

Net Profit	€ 21.8 mln (€ 18.8 mln)	+/+ 16.0%
Earnings per share	€ 1.03 (€ 0.90)	+/+ 14.4%

Summary 2006-I

Cashflow from operating activities

€ 31 mln (2005: minus € 2 mln)

- 2005: € 12 mln corporation tax paid in advance
- No investments in working capital (2005: € 15 mln) 1)
- Higher operating profit

Cashflow from investment activities

- Purchase price Inversco (and participating interests)
- Normal capex volume

1) Excluding corporation tax in 2005

Summary 2006-I

Net interest-bearing debt

x € mln	Mid 2006	End of 2005
Gross	214.2	139.3
Free cash	(11.9)	(13.9)
	202.3	125.4

Increase through:

- Acquisition plus € 89.5 mln
- $-loans less 8.4 mln [1)]
- Cashflow used for capex and increased dividends

1) Deducted from other financial assets

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Developments in 2006-I, Foodservice, general (1)

- Hospitality sector gradually picking up
- Good summer so far
- Still pressure on margins
- Sligro's self-service format bucks market trend
- VEN optimisation exercise going smoothly
  - Clear recovery of self-service sales at VEN outlets
  - VEN delivery sales lower than last year, stabilising this year

Developments in 2006-I, Foodservice, general (2)

- Van Hoeckel / Inversco tandem growing strongly thanks to
  - Join new orders
  - Van Hoeckel handling all grocery deliveries (week 29) using EDI (€15 million per annum)
  - Purchase savings higher than expected

Developments in 2006-I, Foodservice, outlets

- New outlet in Amsterdam (27 February) doing well
- Sligro and VEN outlets in Alkmaar amalgamated 19 June
- Conversion of VEN The Hague Forepark to be completed in Q3
- Start made with conversion of VEN Haarlem
- Sligro Deventer and Enschede continue to grow
- Relocation and expansion of deliveries serving Oost-Brabant and surrounding areas in Haps
- Relocation and expansion of deliveries serving Rotterdam and surrounding areas in Barendrecht

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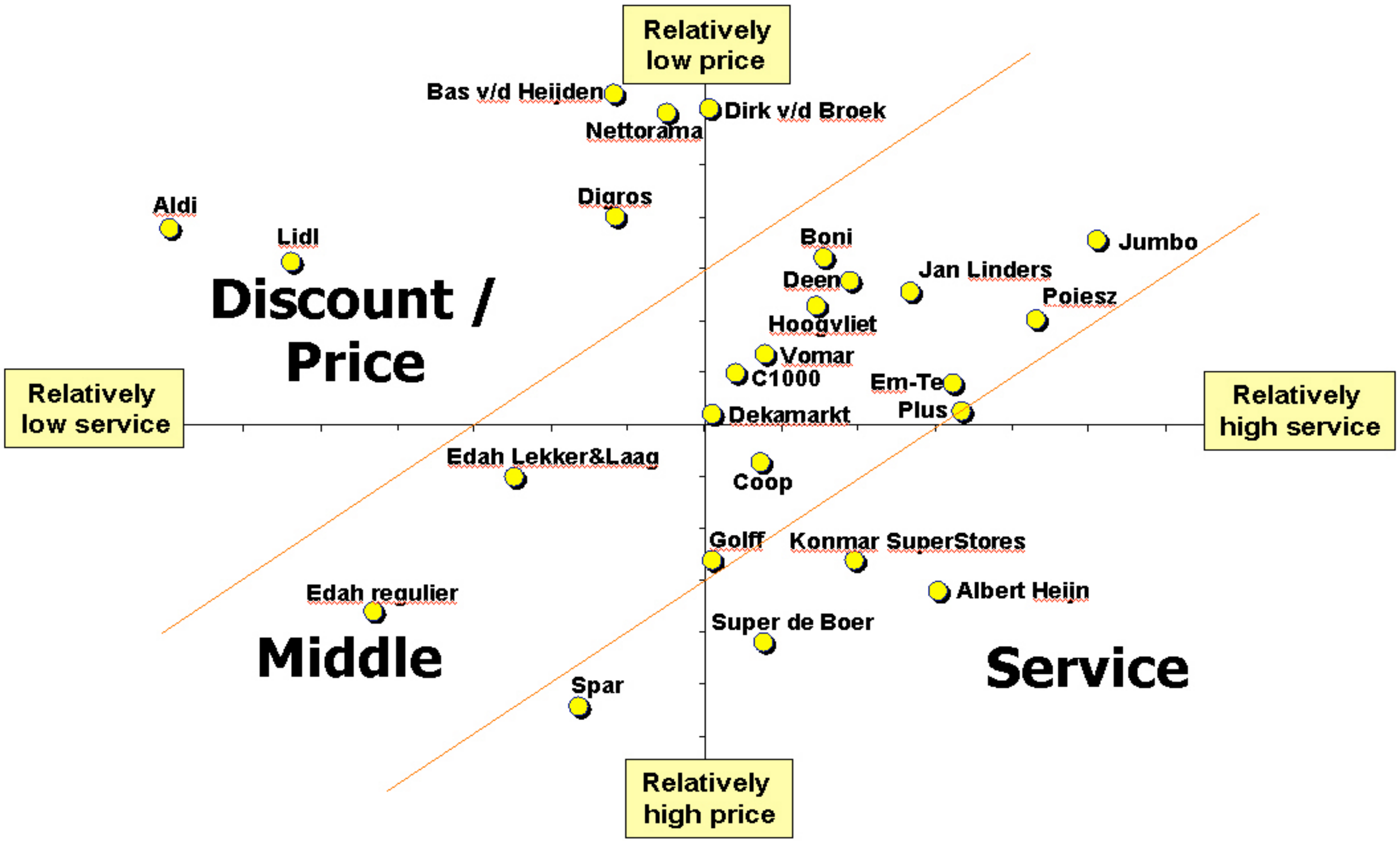
Developments in 2006-I, Food Retail

- Supermarket spending on the up
- Still pressure on margins
- Em-Té format revamp right on track in week 25
- Em-Té ICT systems fully converted to SFG on 16 June
- Harmonisation of Em-Té – Golff product range completed
- Golff pilot in Oudewater (based on Em-Té format)

Supermarket positioning by type 2006



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Supermarket formats

	Number at		x € million		Index turnover	
	Mid	End of	Consumer sales 1)		like-for-like 1)	
	2006	2005	2006	2005	2006	2005
Em-Té	18	18	72	72	95	100
Golff	57	57	117	120	99	99
Meermarkt	71	70	57	56	102	101
Attent	53	56	19	19	99	99
Total	**199**	**201**	**265**	**267**	**99**	**99**

1) Including VAT

Plans for 2006-II (1)

Foodservice

- Completion of conversion of VEN The Hague Forepark and Haarlem
- Closure of VEN frozen foods distribution centre and amalgamation with Inversco frozen foods operation
- Relocation of deliveries serving Zuid-Holland to expanded DC in Barendrecht
- Relocation of deliveries serving Noord-Holland and Utrecht to converted DC in Diemen
- Transfer of delivery sales from various Sligro outlets to Haps
- Closure of Elsloo regional perishables centre and amalgamation with Maastricht
- Opening of new Sligro outlet in Hilversum

Plans for 2006-II (2)

Food Retail

- Expansion of Kapelle DC to handle Edah
- Closure of Em-Té's Kaatsheuvel DC and amalgamation with Kapelle and start of conversion of Kaatsheuvel to Foodservice (closure of Riel and Goirle in 2007)
- Closure of Em-Té's headoffice and integration in headoffice Veghel

Prospects for 2006-II (1)

- Foodservice market conditions will show further improvement. Picture less clear for Food Retail, owing to realignments in sector
- Basis of comparison for foodservice sales easier
- Both gross margin and costs expected to be higher
- Inversco will deliver a splendid profit contribution

Prospects for 2006-II (2)

- Property held for sale (6 sites)
  - 2 with sale agreed, for completion in 2006 (book value of €4 million, yielding book profit)
  - 1 with sale agreed, for completion in 2007 (book value of €1 million, no book profit)
  - 3 not yet sold (book value of €7 million, after impairment test)

- If Corporation tax for 2007 is reduced to 25.5% in 2006, €2 million will be released from deferred tax liabilities

Prospects for 2006-II (3)

- Edah acquisition (via S&S Winkels)
  - Our 50% share in results of S&S Winkels in 2006
  - Financing costs on €80 million contribution to S&S Winkels
  - Edah stores to be converted to Em-Té / Golff format commencing week 40 (11 this year) including opening campaign

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