



DELHAIZE GROUP

Q3 2013 results
November 7, 2013

Forward looking statements

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Our priorities are unchanged

Revenue

- Strengthening our banners
- Targeted price investments
- Accelerate organic growth in selected markets

Free Cash Flow

- Disciplined approach to capital allocation
- Aim for working capital improvements
- Achievement of approximately €500 million FCF

Costs

- Continued focus on reducing complexity and enhancing efficiency

Q3 2013 highlights

- U.S.
 - Fourth consecutive quarter of positive volume growth
 - Good momentum at both Food Lion and Hannaford
 - Profit evolution impacted by release of bonus accrual in Q3 2012
- Belgium
 - Improved CSS growth although real growth remains negative
 - Profitability impacted by increased promotional pressure and price investments
- SEE
 - Alfa Beta and Mega Image continue to perform well in difficult macro economic conditions
 - Serbia performing under our expectations, leading to impairment charge
- SG&A
 - Flat YTD
- FCF
 - €463 million FCF generated over the first 9 months of 2013

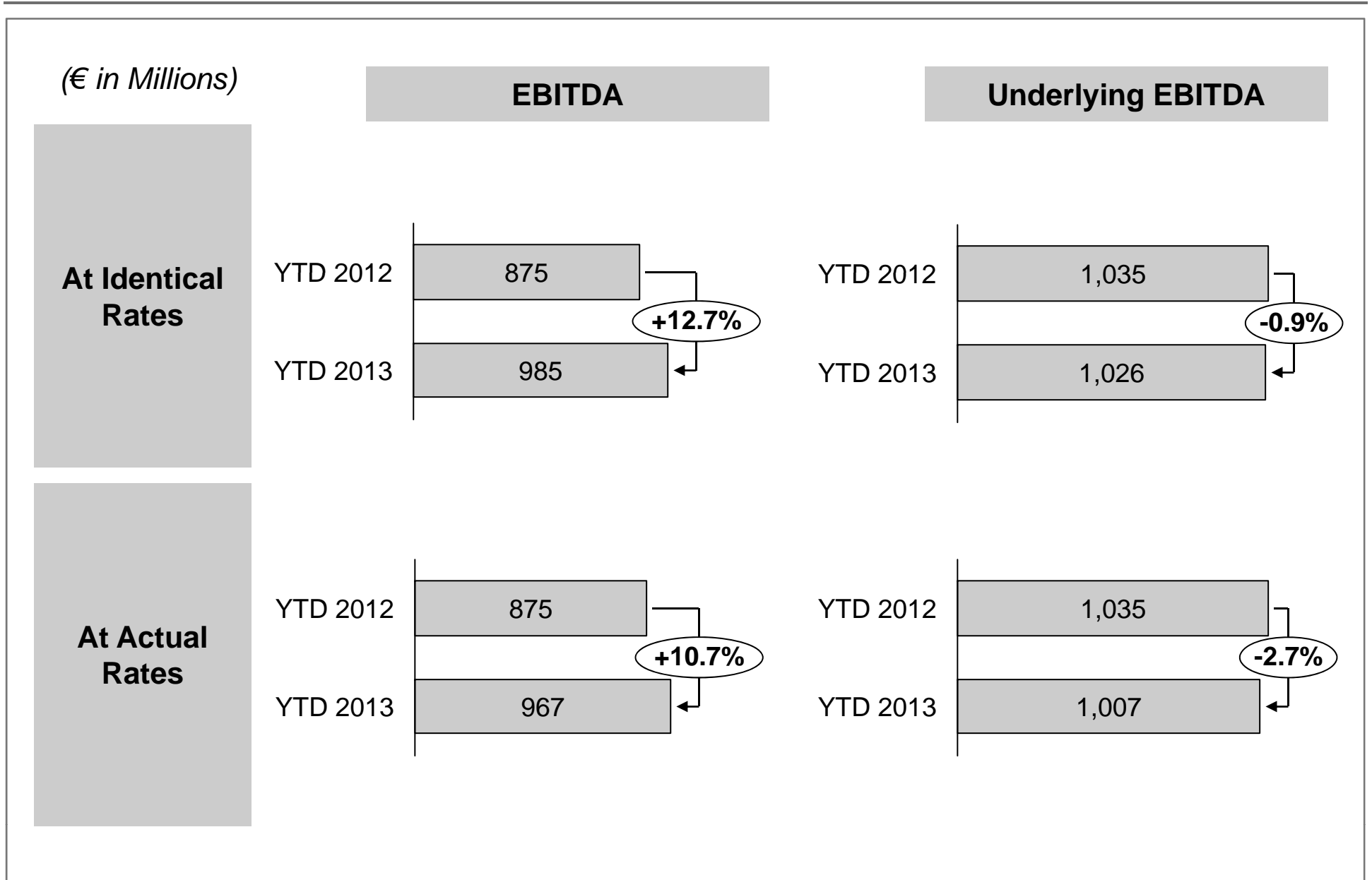
Financial results – Q3 2013

<i>(€ in Millions)</i>	Q3		% Growth	
	2012	2013	Actual Rates	Identical Rates
Revenues	5,369	5,339	(0.5%)	2.9%
Organic revenues	5,356	5,524	N/A	3.1%
Gross Margin	24.4%	24.0%	(38 bps)	(30 bps)
Underlying Operating Profit	225	176	(22.0%)	(18.7%)
Underlying Operating Margin	4.2%	3.3%	(90 bps)	(88 bps)
Group Share in Net Profit (Loss)	189	(87)	N/A	N/A
Free Cash Flow	195	142	(27.3%)	(22.2%)

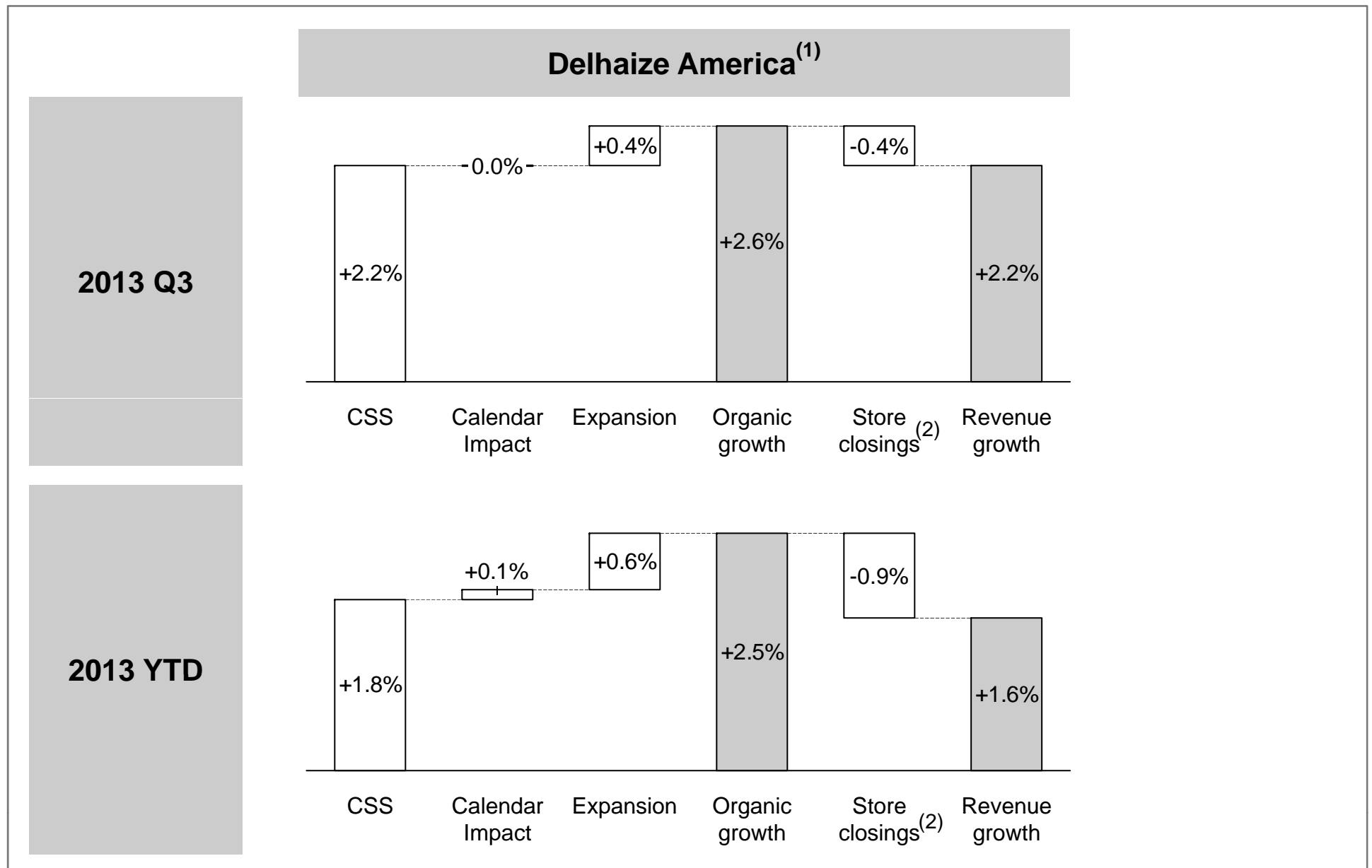
Financial results – YTD 2013

<i>(€ in Millions)</i>	YTD		% Growth	
	2012	2013	Actual Rates	Identical Rates
Revenues	15,656	15,770	0.7%	2.5%
Organic revenues	15,567	16,037	N/A	3.0%
Gross Margin	24.4%	24.3%	(7 bps)	(4 bps)
Underlying Operating Profit	589	571	(3.1%)	(1.2%)
Underlying Operating Margin	3.8%	3.6%	(14 bps)	(14 bps)
Group Share in Net Profit	273	78	(71.5%)	(69.8%)
Free Cash Flow	326	463	42.3%	46.5%

EBITDA



Delhaize America organic revenue growth and comparable store sales growth

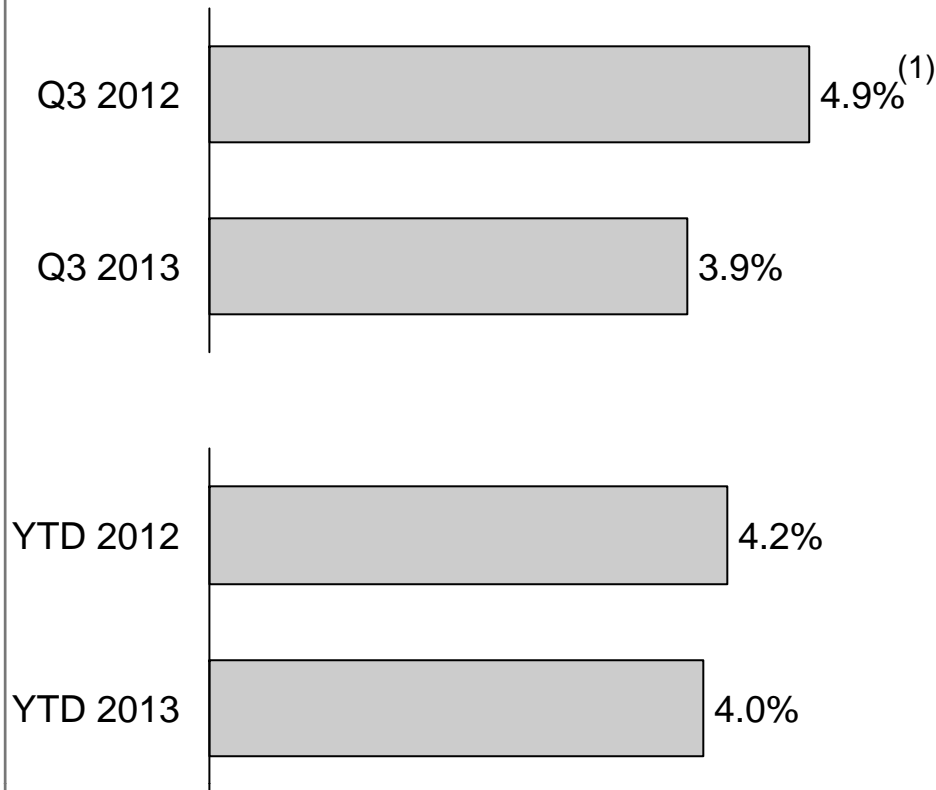


(1) Excluding Sweetbay, Harveys and Reid's

(2) 126 Food Lion stores closed in Q1 2012, 8 Food Lion and 3 Bottom Dollar Food stores closed in Q1 2013

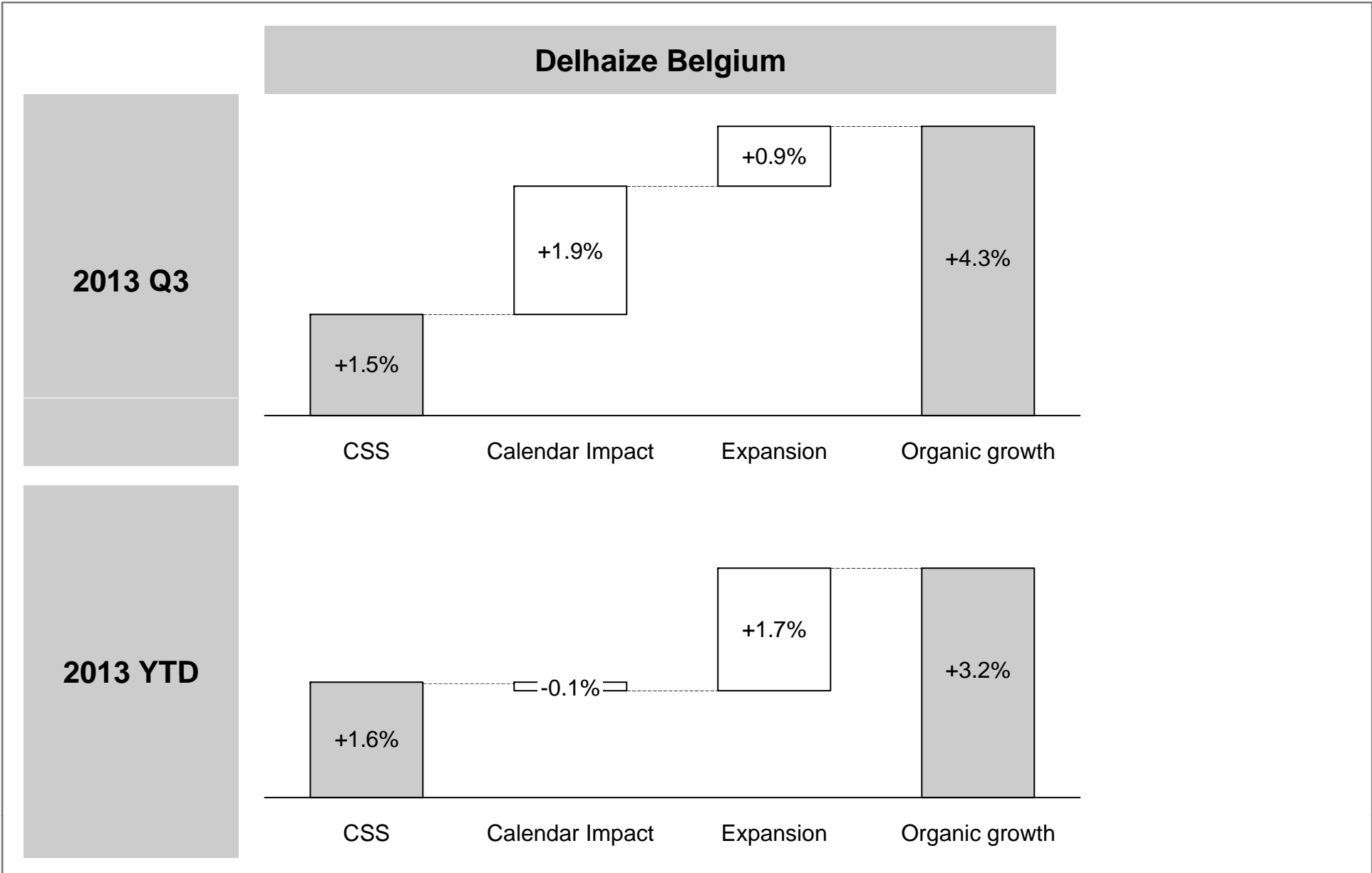
Delhaize America profitability

Delhaize America Underlying Operating Margin



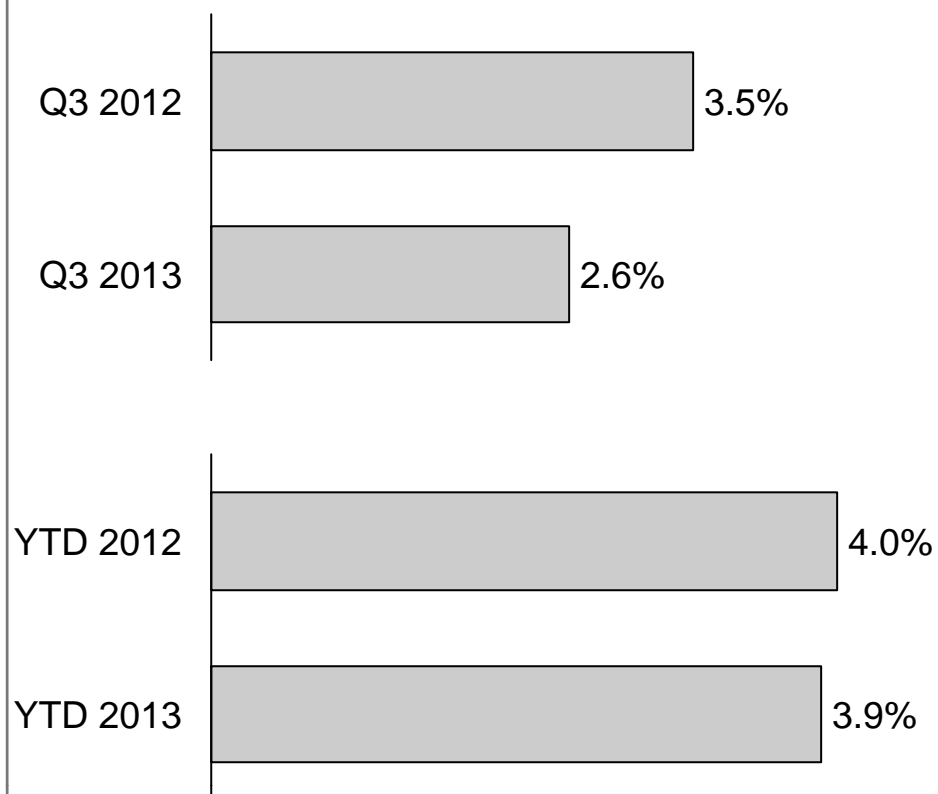
- Q3 margin impacted by:
 - Release of bonus accrual in Q3 2012
 - Price investments of around ~40bps
 - Volume growth
 - Good cost of goods and shrink management
- Q4 2013 impacted by:
 - Food Lion Phase 5 (launched next week)
 - Hannaford price investments
 - Bottom Dollar Food store openings

Delhaize Belgium organic revenue growth and comparable store sales growth



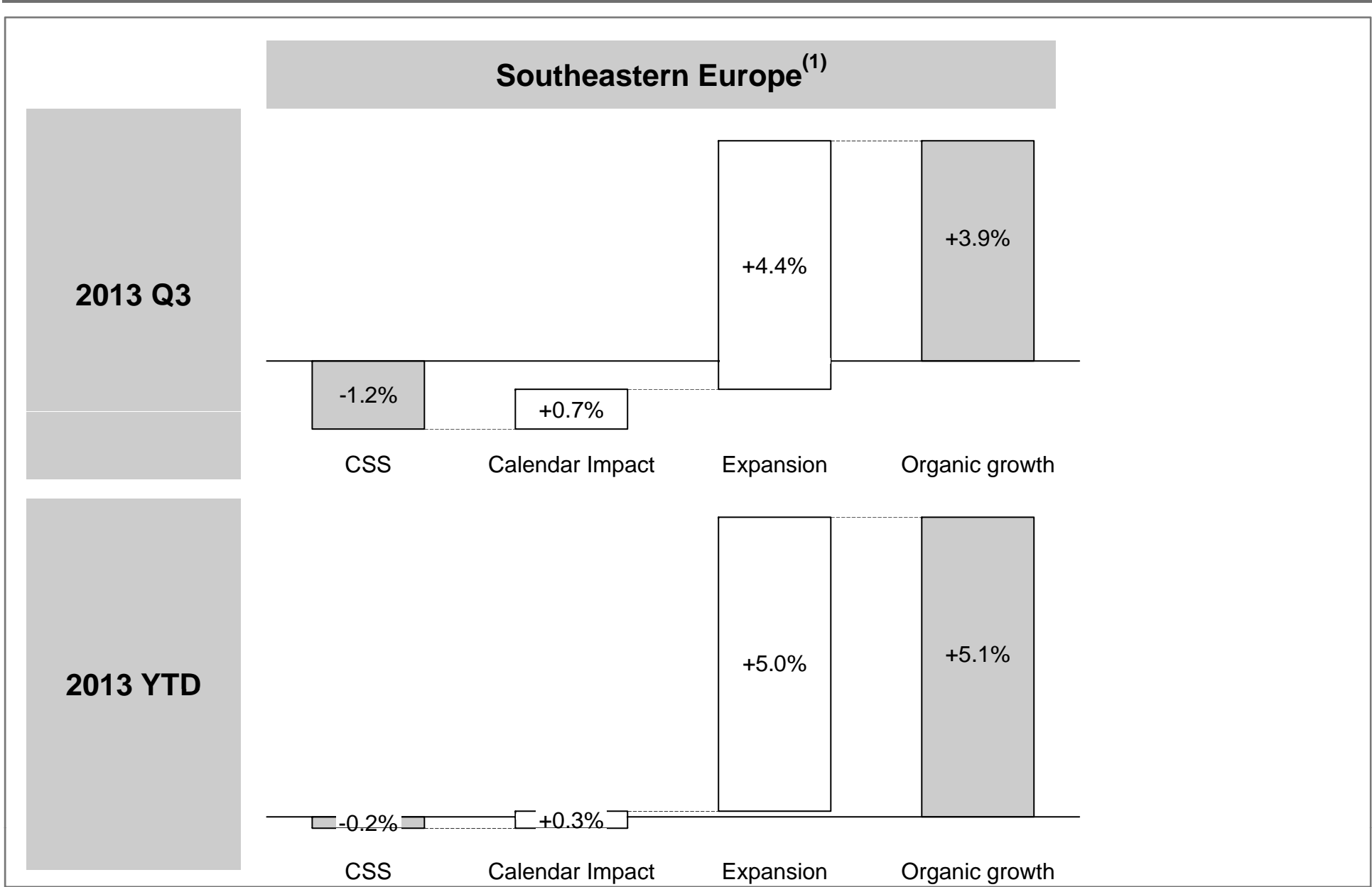
Delhaize Belgium profitability

Delhaize Belgium Underlying Operating Margin



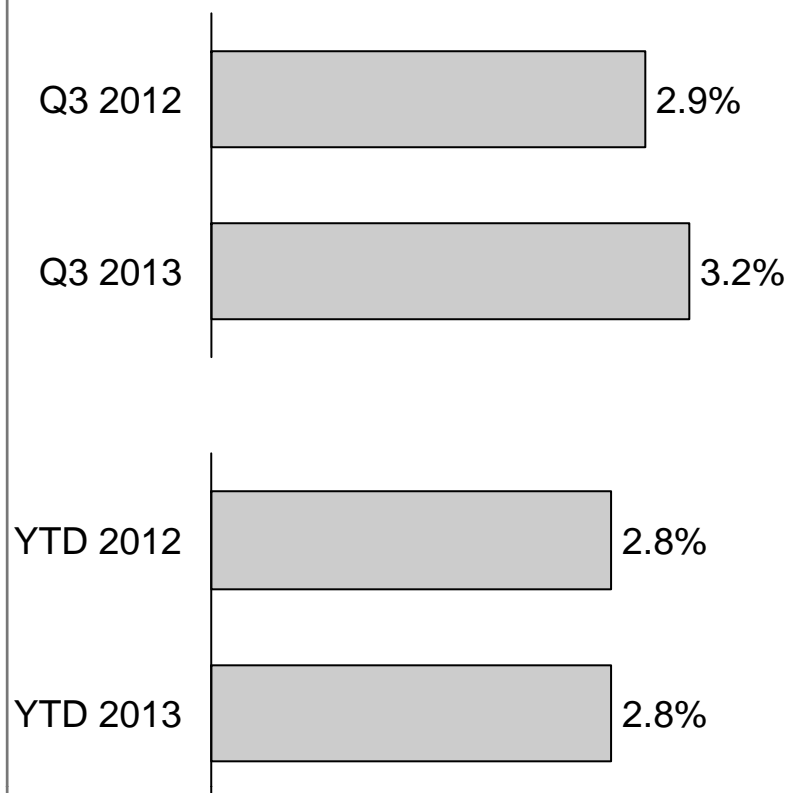
- Q3 margin impacted by:
 - Higher promotions and price investments
 - Higher advertising expenses
 - Salary indexation
 - Timing of SG&A expenses

SEE organic revenue growth and comparable store sales growth



SEE profitability

Southeastern Europe Underlying Operating Margin



- Q3 revenues
 - Positive CSS growth in Greece and Romania
 - Greece – market share +130 bps
 - Romania – revenue growth of almost 30%;
 - Serbia – negative volume evolution but market share maintained
- Q3 margin impacted by:
 - Improved procurement conditions in Romania and Serbia
 - Cost control
 - Price investments in Greece

Impairment charge at Maxi

(€ in Millions)

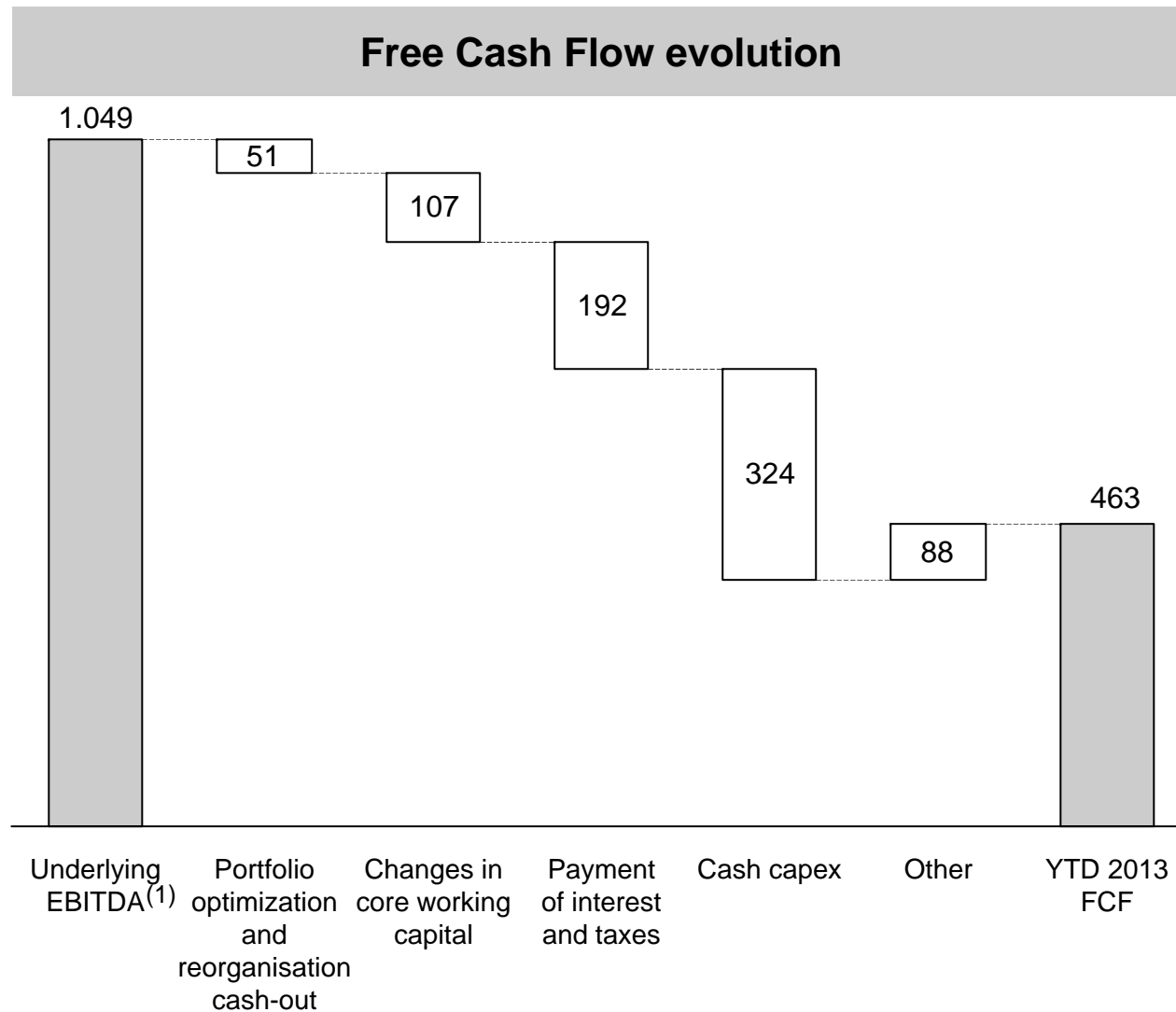
Impairment charge breakdown

Serbia	
Goodwill	€124
Brands	€67
Bulgaria	
Brands	€4
Total	€195

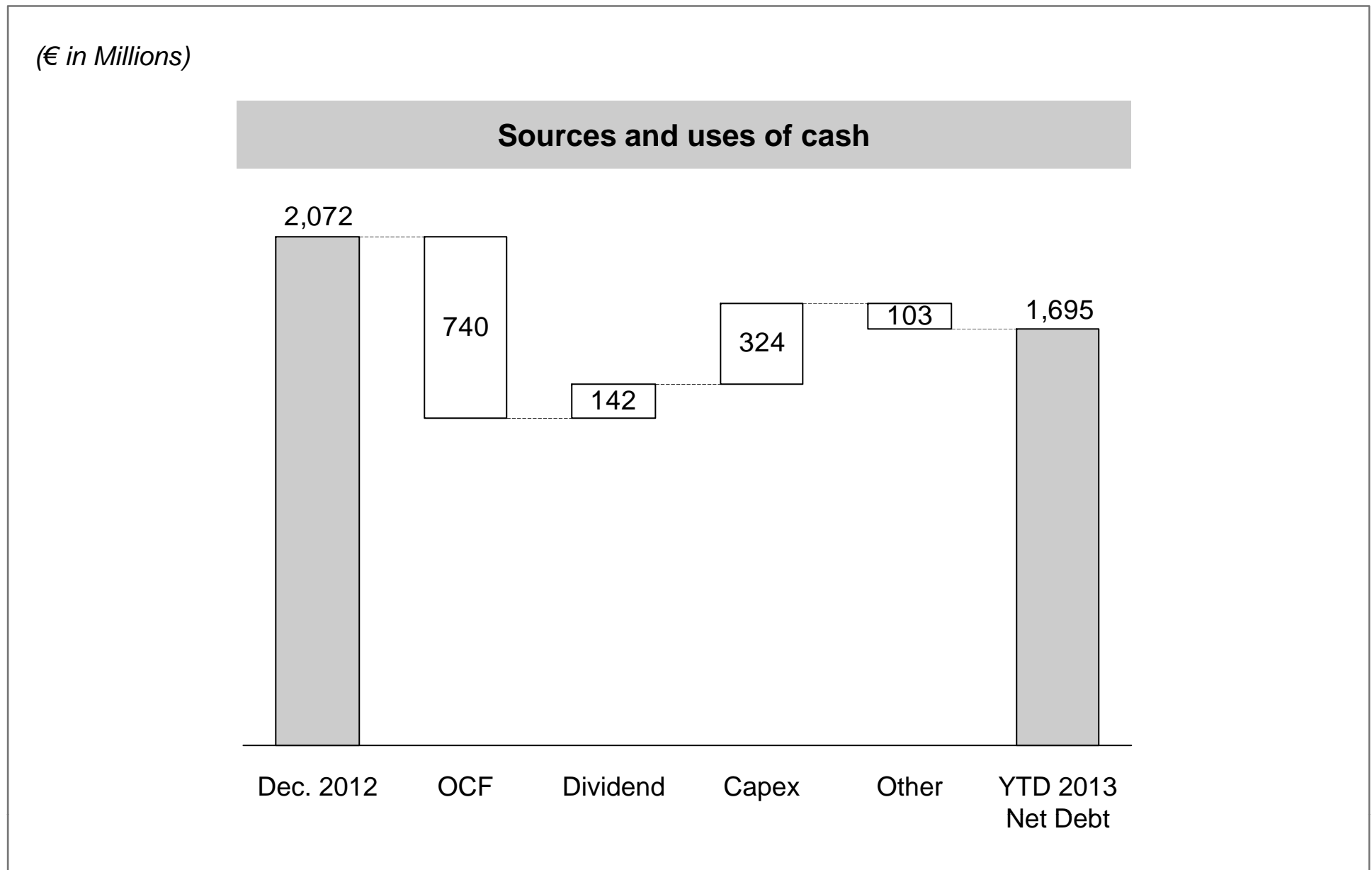
- Strategic market
- Market leadership
- Strong profitability

Strong Free Cash Flow generation YTD

(€ in Millions)



Net debt decreased by €377 million YTD



We are on track with our agenda

U.S.

- Accelerate the transformation of Food Lion:
 - Finalize the implementation of Phases roll-out
 - Develop Unique Selling Proposition (USP)
- Strengthen Hannaford: targeted price investments
- Bottom Dollar Food: continue to refine operating model

Belgium

- Reinforce historical strengths (Quality, Health, Assortment)
- Differentiate on store experience
 - 46 remodels over the last 2 years
 - Developed new Proxy format
- Growth of Affiliate network

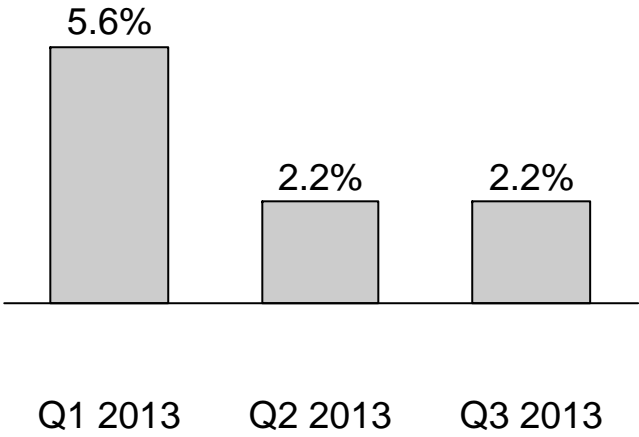
Southeastern Europe

- Further expand Greek market share through proactive commercial policy and further store expansion
- Serbia: Develop Maxi as a market leader
- Accelerate profitable growth in Romania

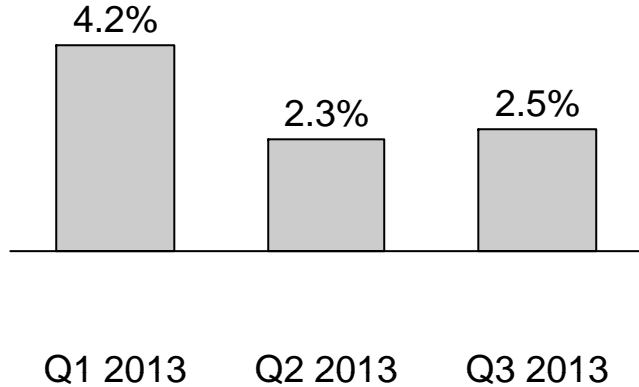
Sustained volume growth at Food Lion repositioned stores

Performance in Phase stores⁽¹⁾

Items growth



CSS



- Positive volume growth and CSS in all Phases
- Complete Phase work in Q4 2013

⁽¹⁾ At the end of Q3 2013, 875 stores were repositioned out of a total of 1,113 Food Lion stores

Our team is developing a Unique Selling Proposition to differentiate Food Lion

- Easy
 - proximity
 - small store format
 - quick shopping experience
- Fresh
 - variety and quality of assortment
 - consistent execution
- Affordable
 - tailored promotions
 - private brands

- Assortment review
- Testing various elements in different stores
- Complete pilot store by December 2013
- Roll out to larger number of stores in 2014

2013 Guidance⁽¹⁾

- Underlying operating profit of at least €755 million
- Reduction in net finance costs to approximately €200 million
- Target capex of approximately €650 million; 200 store openings
- Expected Free Cash Flow of approximately €500 million in 2013