



**2011 third quarter results**

# Forward looking statements

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“This presentation includes forward-looking statements within the meaning of the U.S. federal securities laws that are subject to risks and uncertainties. Forward-looking statements describe further expectations, plans, options, results or strategies. Actual outcomes and results may differ materially from those projected depending upon a variety of factors, including but not limited to changes in the general economy or the markets of Delhaize Group, in consumer spending, in inflation or currency exchange rates or in legislation or regulation; competitive factors; adverse determination with respect to claims; inability to timely develop, remodel, integrate or convert stores; and supply or quality control problems with vendors. Additional risks and uncertainties that could cause actual results to differ materially from those stated or implied by such forward-looking statements are described in our most recent annual report or Form 20-F and other filings with the Securities and Exchange Commission. Delhaize Group disclaims any obligation to update or revise the information contained in this presentation.”

# Delhaize Group: an international food retailer operating on 3 continents and in 11 countries

## United States:

- Stores<sup>\*\*</sup>: 1 640
- Revenues<sup>\*</sup>: USD 18.8 billion (EUR 14.2 billion)
- Banners: *Food Lion, Hannaford, Sweetbay, Bloom, Bottom Dollar Food*

## Belgium, Luxembourg:

- Stores<sup>\*\*</sup>: 817
- Revenues<sup>\*</sup>: EUR 4.8 billion

## Southeastern Europe & Asia:

- Stores<sup>\*\*</sup>: 905 of which:
  - Greece: 243
  - Romania: 94
  - Serbia: 366
  - Bulgaria: 39
  - Bosnia & Herzegovina: 42
  - Albania: 18
  - Montenegro: 22
  - Indonesia: 81
- Revenues<sup>\*</sup>: EUR 1.9 billion

## Delhaize Group:

- Stores<sup>\*\*</sup>: 3 362
- Revenues<sup>\*</sup>: EUR 21 billion
- Employees<sup>\*\*</sup>: 154 000

\* Period ended December 31, 2010

\*\* At September 30, 2011



## Q3 2011 Financial results

# Q3 2011 Financial highlights

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**+6.6%**

**Revenue  
growth**  
at identical  
exchange rates

**+1.9%**

**Comparable  
store sales  
growth in the  
U.S.**

**-0.4%**

**Comparable  
store sales  
evolution in  
Belgium**

**4.5%**

**Group  
operating  
margin**

**+11.0%**

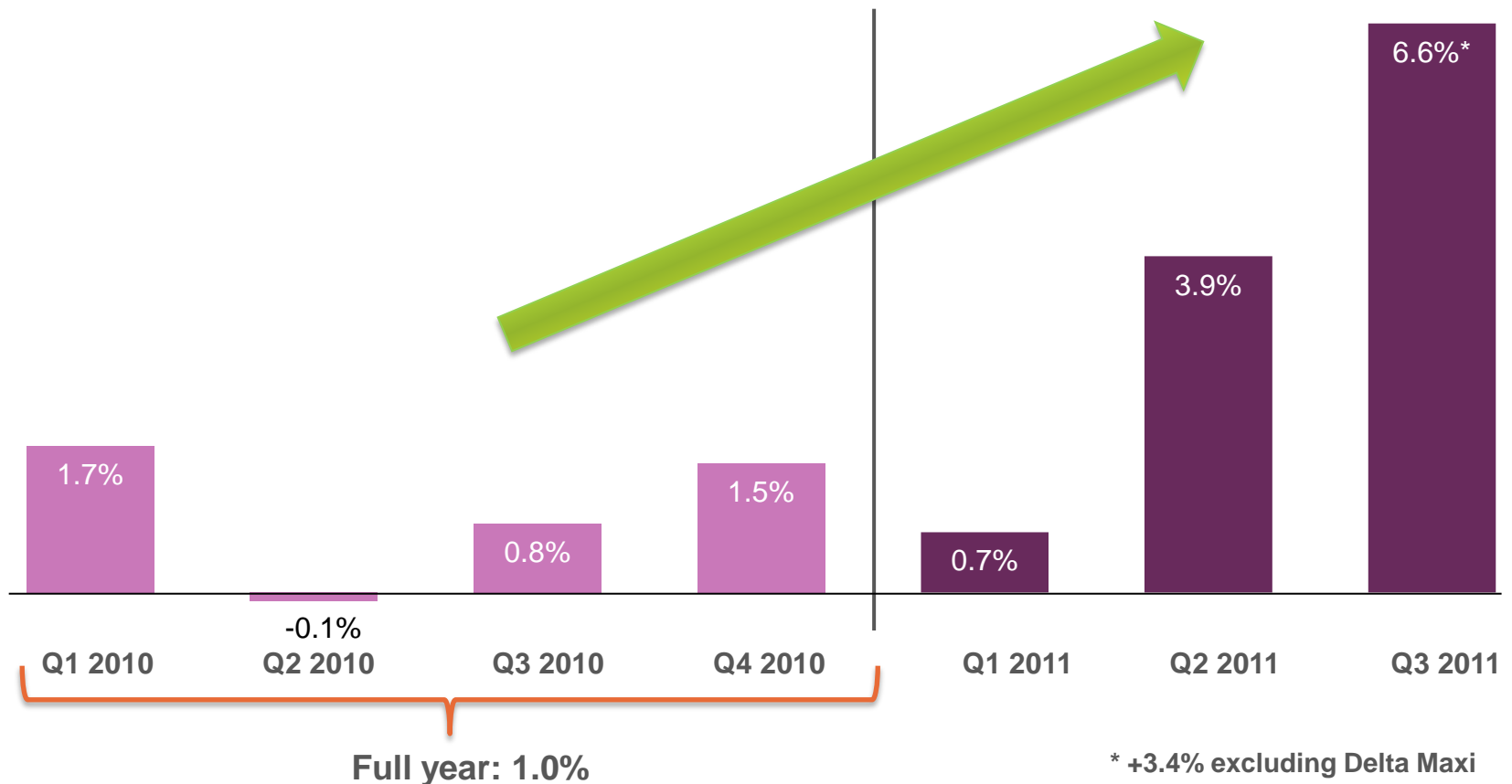
**Revenue  
growth in  
Southeastern  
Europe & Asia**  
excluding DMG and  
at identical exchange  
rates

**+1.8%**

**Operating profit  
growth at identical  
exchange rates**

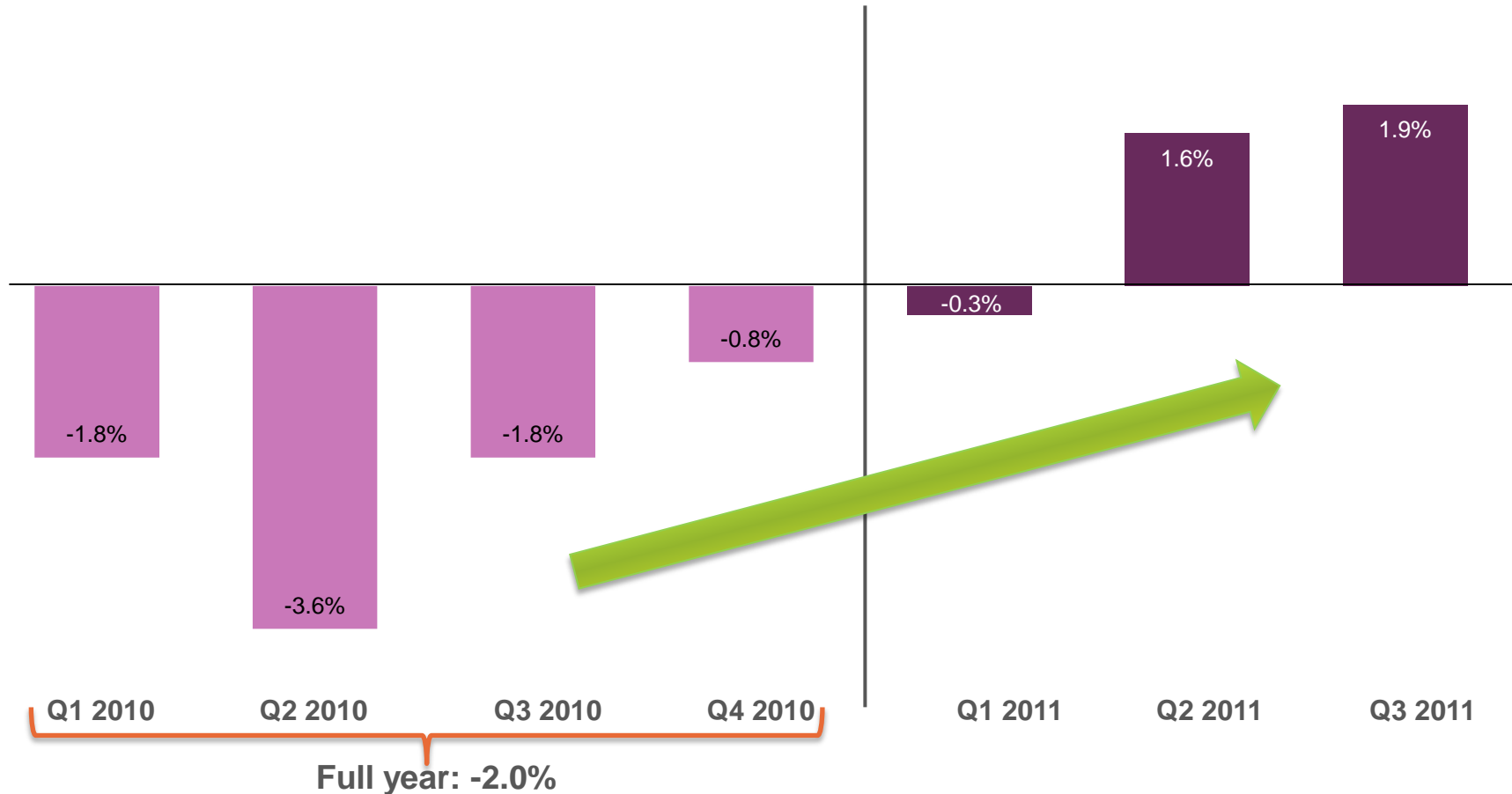
# All segments contribute to Q3 revenue growth acceleration

Group revenue growth (YoY), at identical exchange rates



# U.S. comparable store sales growth improvement

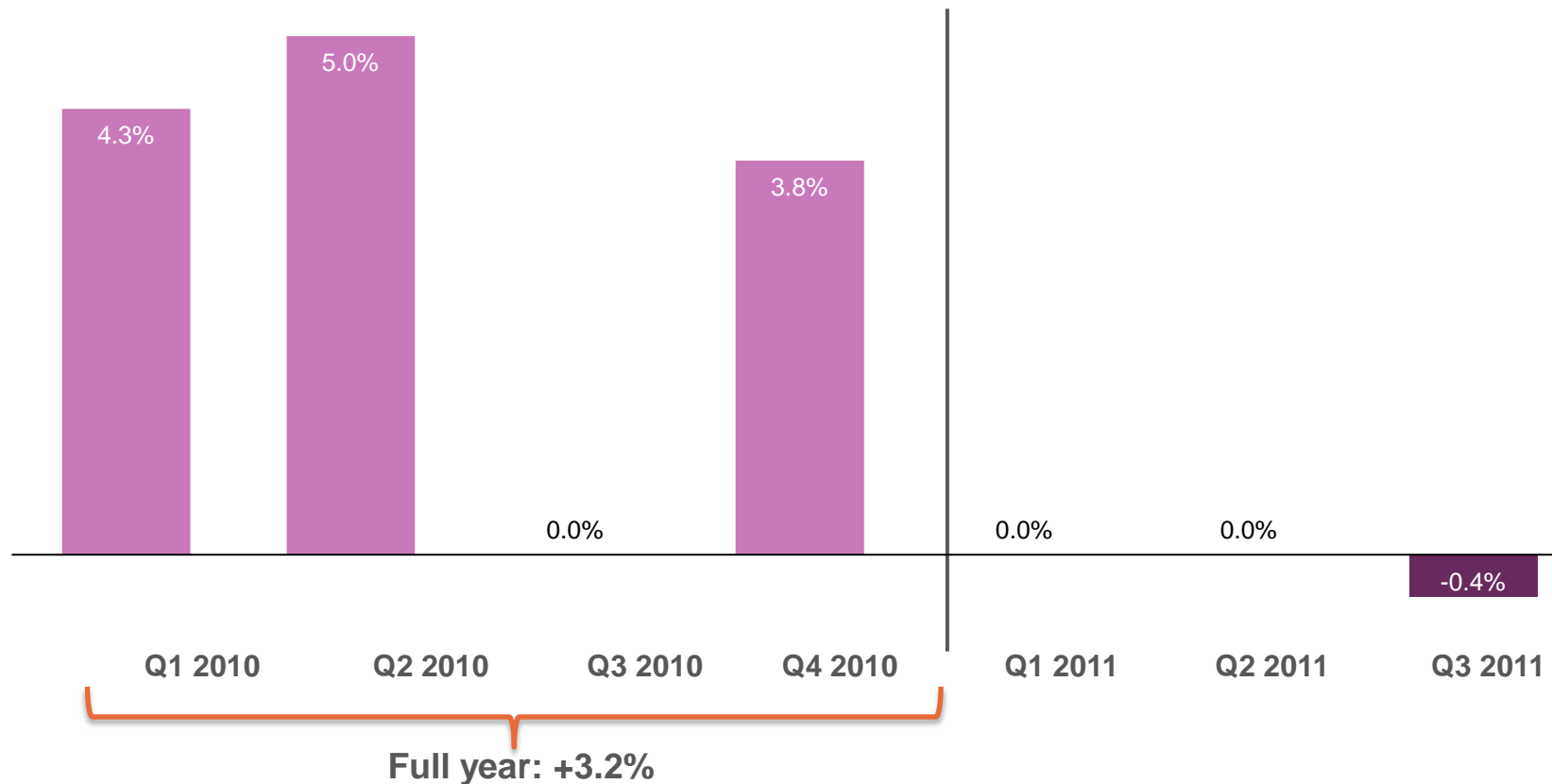
Comparable store sales evolution (YoY) Delhaize U.S.\*



\* Adjusted for calendar effects.

# Delhaize Belgium comparable store sales suffered from challenging climate

Comparable store sales evolution – Delhaize Belgium\*

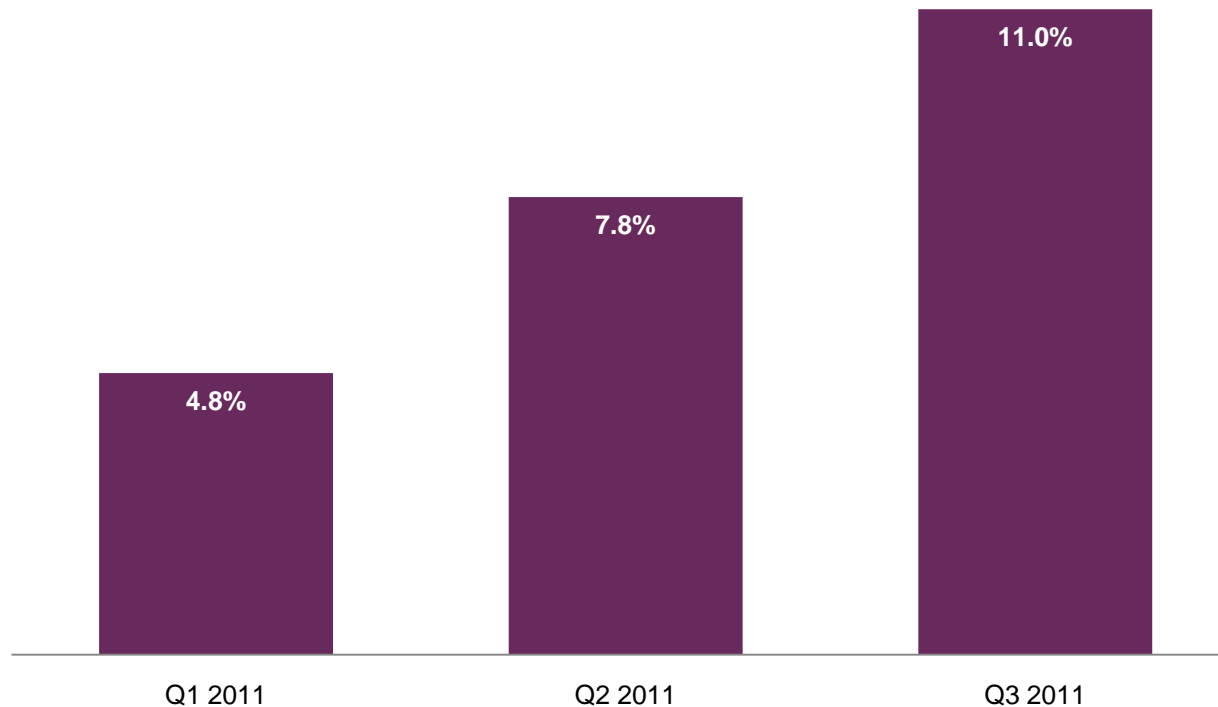


\* Adjusted for calendar effects.



# Revenue growth accelerates in SEE & Asia\*

Revenue growth YoY, at identical exchange rates and excluding Delta Maxi Group



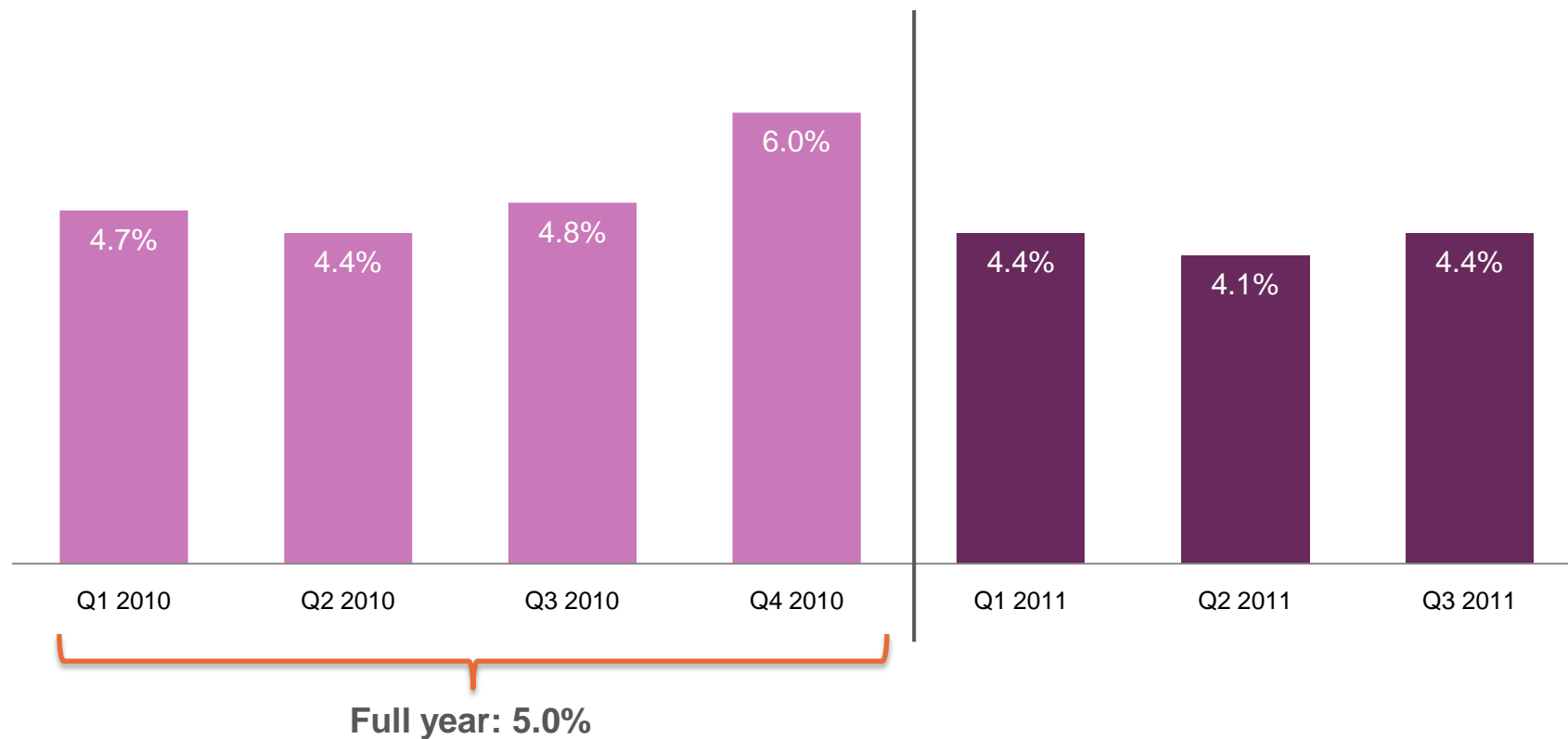
- Continued revenue growth and market share gains in Greece despite difficult environment
- Revenue growth in Romania and Indonesia driven by strong transaction growth and net store additions

Including the contribution of the acquired Delta Maxi stores, revenues grew by 49.2%

\* Segment consists of Alfa Beta (Greece), Mega Image (Romania), 51% of Super Indo (Indonesia) and Delta Maxi Group as from August 1st 2011

# Underlying operating margin picks up as cost savings accumulate

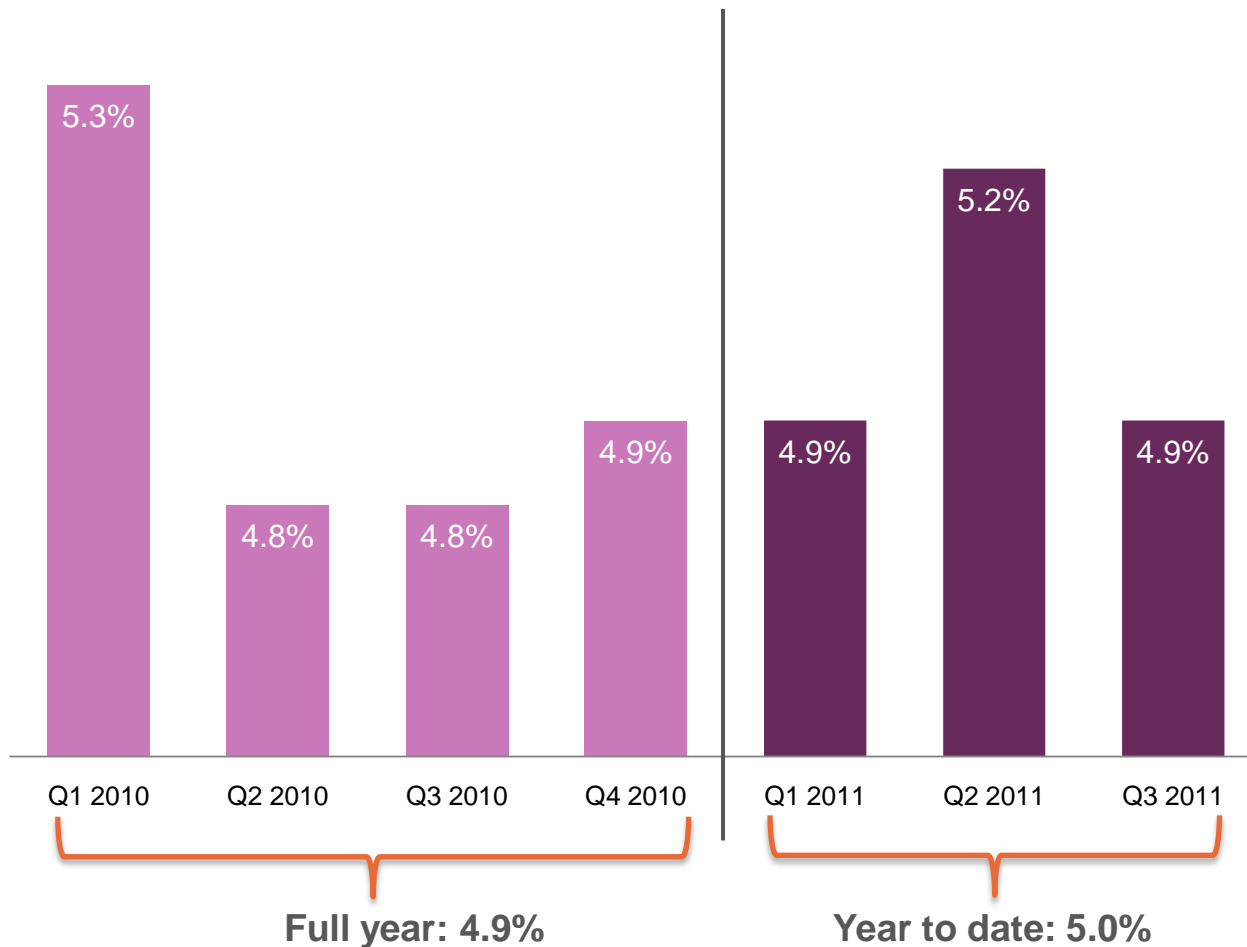
## Underlying operating margin\* Delhaize Group



\* See Appendix for reconciliation of operating profit to underlying operating profit

# Resilient margin performance at Delhaize Belgium

## Operating margin Delhaize Belgium



**Gross margin increase thanks to:**

- improved buying conditions
- improved logistics productivity
- VAT refund

**Partly offset by salary indexation**

# Operational outlook 2011

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- Capital expenditures guidance confirmed at **EUR 820 – 840 million** including 40 million for Delta Maxi operations
- Confirm net store opening target of **115 to 125 stores** (135 to 145 stores gross) to the network and approximately 120 remodels (excl. Delta Maxi Group)
- Expect to open this year **15 to 20** stores in former Delta Maxi region.
- On track to achieve **EUR 500 million gross cost savings** target by the end of 2012

# Q3 2011 Results

| (In millions EUR)                                    | Q3 2011 | Q3 2010 | At Actual Rates | At Identical Rates |
|--|---------|---------|-----------------|--------------------|
| Revenues   | 5 328   | 5 307   | +0.4%           | +6.6%              |
| Operating profit                                     | 238     | 249     | -4.7%           | +1.8%              |
| <i>Underlying operating profit*</i>                  | 232     | 256     | -9.5%           | -3.2%              |
| Operating margin                                     | 4.5%    | 4.7%    |                 |                    |
| <i>Underlying operating margin*</i>                  | 4.4%    | 4.8%    |                 |                    |
| Profit before taxes and discontinued operations      | 187     | 203     | -7.4%           | -1.1%              |
| Group share in net profit                            | 133     | 140     | -5.4%           | +0.5%              |
| Basic earnings per share (Group share in net profit) | 1.32    | 1.40    | -5.7%           | +0.2%              |

\* See Appendix for reconciliation of operating profit to underlying operating profit

# YTD 2011 Results

| (In millions EUR)                                    | YTD 2011 | YTD 2010 | At Actual Rates | At Identical Rates |
|--|----------|----------|-----------------|--------------------|
| Revenues   | 15 479   | 15 607   | -0.8%           | +3.8%              |
| Operating profit                                     | 665      | 717      | -7.3%           | -2.6%              |
| <i>Underlying operating profit*</i>                  | 663      | 725      | -8.7%           | -4.0%              |
| Operating margin                                     | 4.3%     | 4.6%     |                 |                    |
| <i>Underlying operating margin*</i>                  | 4.3%     | 4.6%     |                 |                    |
| Profit before taxes and discontinued operations      | 524      | 565      | -7.2%           | -2.7%              |
| Group share in net profit                            | 376      | 384      | -2.4%           | +2.0%              |
| Basic earnings per share (Group share in net profit) | 3.73     | 3.84     | -2.8%           | +1.6%              |

\* See Appendix for reconciliation of operating profit to underlying operating profit



**2011 Strategy update**

# Intense transformation of Delhaize Group started in 2010 continues through 2011



## New Game Plan

- 1 *Superior top-line growth*
- 2 *Superior operational profit growth performance*
- 3 *Create a more effective platform to be a successful acquirer*

Prepared our Group for the opportunities of 2011 and beyond



# Eight breakthrough themes have been articulated to frame our strategic initiatives

## Operate as a group

- One common vision
- One set of values

## Accelerate growth

- New formats and new geographies
- Price competitiveness
- Maximize share of wallet
- Health and wellness
- Leadership in corporate responsibility

## Enabled by...

- Excellence in associate development

## Funded by...

- Executional excellence - from independent operating companies to one Group supporting strong banners through shared knowledge and services



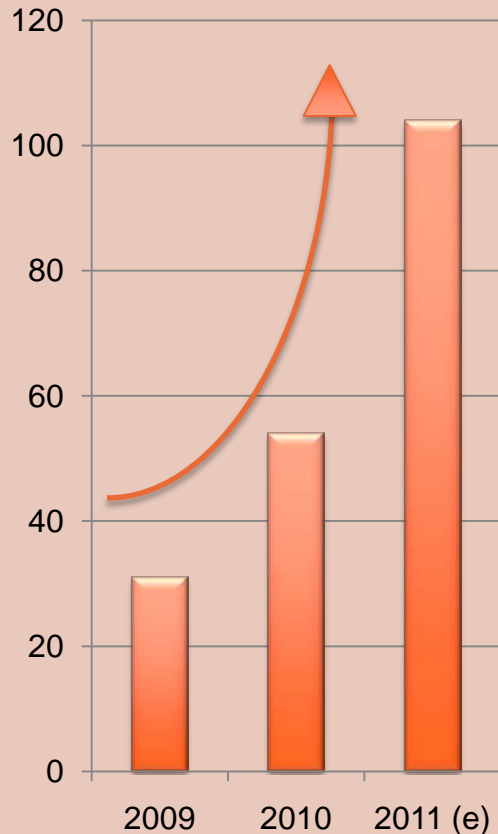
Portfolio growth

Value leadership

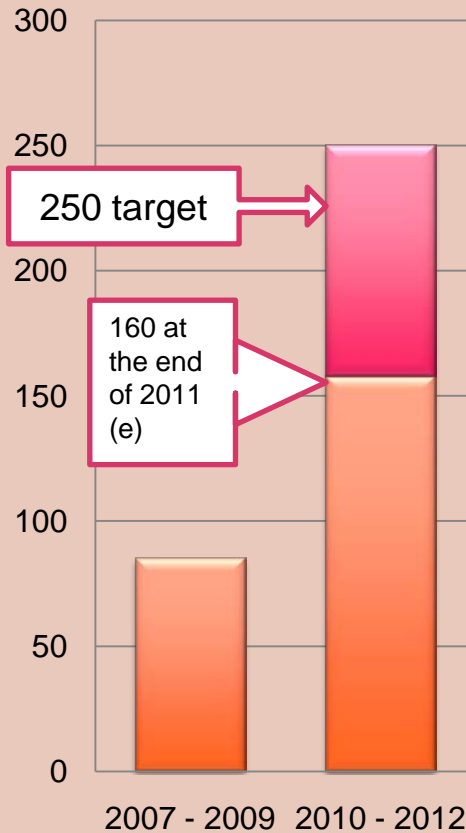
Differentiation

# NGP accelerates store openings in newer operations

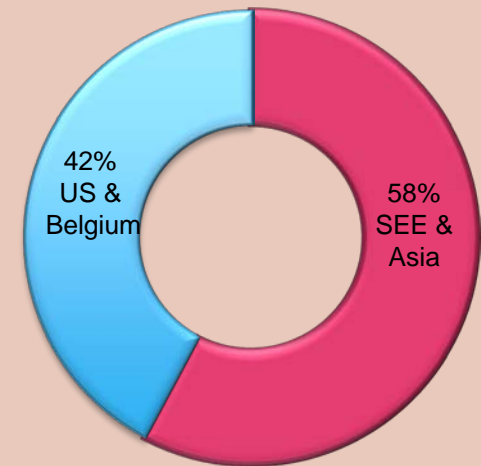
Net store openings\* in newer operations accelerated in last two years



Number of net store openings\* in Newer Markets\*\* and New Formats\*\*\*



Majority (58%) of new openings\* in newer markets



**180**

Net group store openings in 21 months since the launch of the New Game Plan in 2010

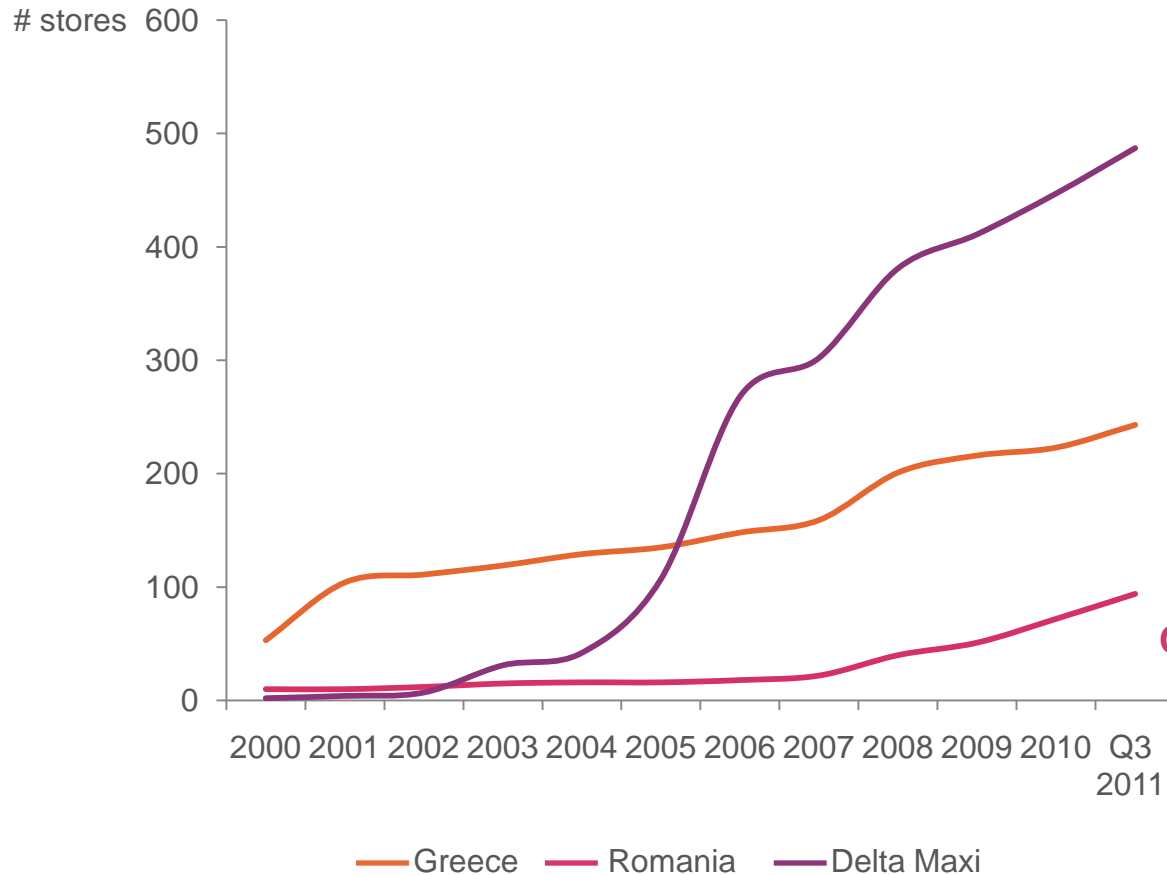
\* Excluding acquisitions \*\* Greece, Romania, Indonesia, Serbia, Bulgaria, Albania, Montenegro, B&H \*\*\* Bottom Dollar Food, Red Market

# Southeastern Europe is a fast growing market

Growth



A combination of organic and external growth has led to rapid expansion of Delhaize Group's Greek and Romanian businesses and at Delta Maxi



CAGR: 71.8%

487

stores  
end Q3 2011



CAGR: 15.5%

243

stores  
end Q3 2011



CAGR: 21.8%

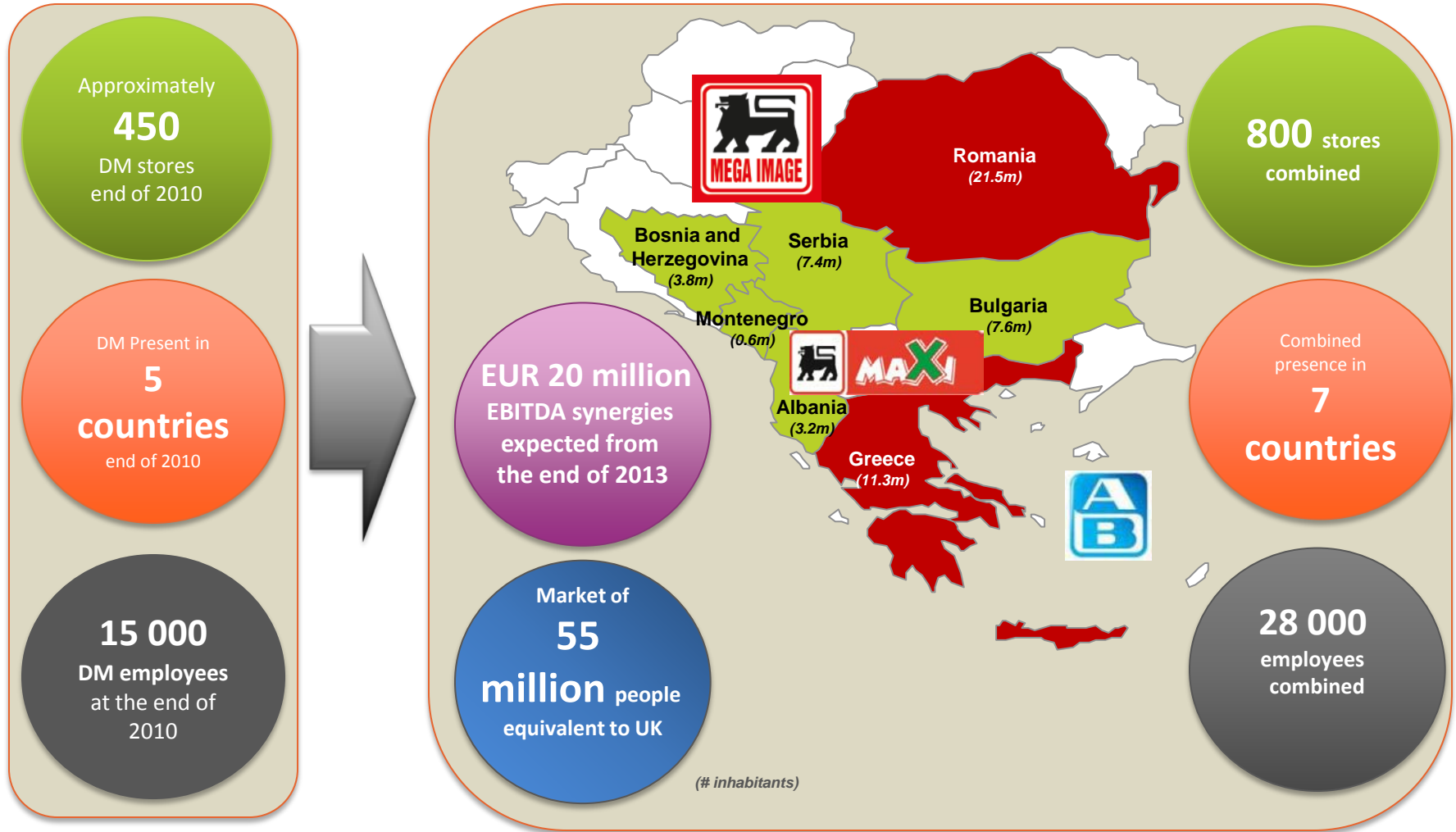
94

stores  
end Q3 2011



# Combination of Delta Maxi with Alfa Beta and Mega Image creates engine for growth

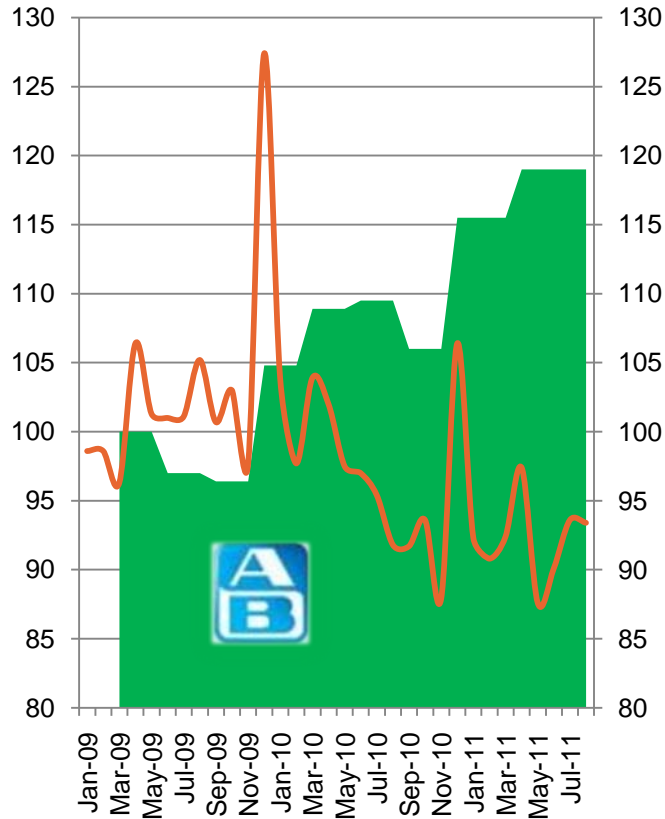
Growth



# Crisis offers opportunities for strong brands

Monthly evolution of sales in Greek food retail market in real terms\* and market share evolution Alfa Beta\*\*

Turnover in Greek food Retail (in current prices including VAT) caught in downward trend for more than 2 years.



Alfa Beta continues to gain market share (\*\*) in a struggling environment thanks to the right assortment at very competitive prices at the time consumers are trading down and looking for alternatives

\* Source: HELLENIC STATISTICAL AUTHORITY - 2005 = 100

\*\* Source: Nielsen - 2009 = 100

# Food Lion brand repositioning: going back to basics

Growth

May 4, 2011

2011

2012

PHASE ONE

PHASE TWO

Launch of **200 stores** in 2 representativemarkets, **Raleigh** (North Carolina) and **Chattanooga** (Tennessee)

Evaluation of brand strategy work on **price, shopping experience** and **assortment** throughout phase one through **customer surveys** as well as financial KPI's

**Roll-out in the rest of the network**, to be substantially completed by end 2012

Get your **LION'S SHARE** of savings.

There's one price for everything. **LOW.**

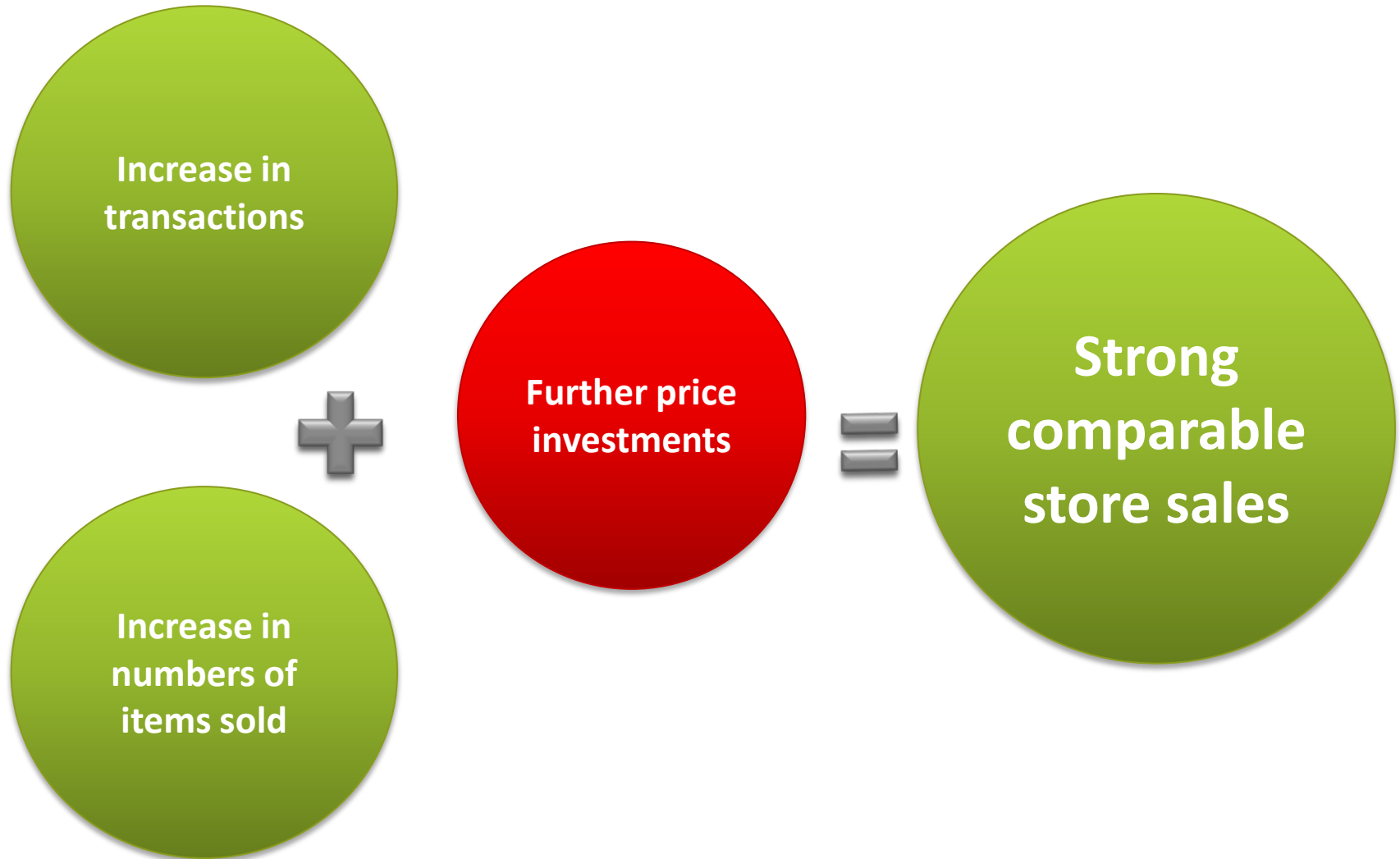
**THOUSANDS** of lower prices.



Consumer research that was completed throughout the Raleigh market in August indicated that **consumers gave Food Lion credit for significantly lower prices** as well as for **cleaner stores**

# Food Lion Phase One: first results to date

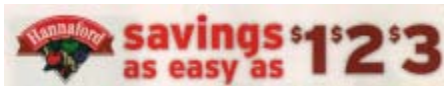
Growth





# Price competitiveness

Value



# Value leadership – Private Brands

Value

|   | Premium   | Core   | Value  | Natural & Organic   | Health & Beauty   | Non-Food  |
|---|---|--|--|---|---|---|
|    |    |   |  |    |    |    |
|    |    |   |  |    |    |    |
|    |    |   |  |    |    |    |
|    |    |   |  |    |    |    |
|   | <br><br> | <br>   |  |    |    |   |
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|  |   |   |  |   |  |  |
|  |    | <br> |  |  |  |  |

New formats

Assortment

Customer tools

# Bottom Dollar Food expands in high-potential markets

New formats



## Philadelphia

22 stores currently and plans to open more

## Pittsburgh

14 new stores planned, opening early 2012

- Transactions increase as we continue to drive trial
- Number of items and basket size performing very well.



**bottom dollar**  
FOOD

50 stores in North Carolina, Virginia, Maryland and Pennsylvania

- “no-frills” shopping environment
- approximately 6,500 items
- low prices on fresh produce and meat
- national and private brands that matter most to customers
- 18,000 square feet

# Affordable healthy choices

Assortment

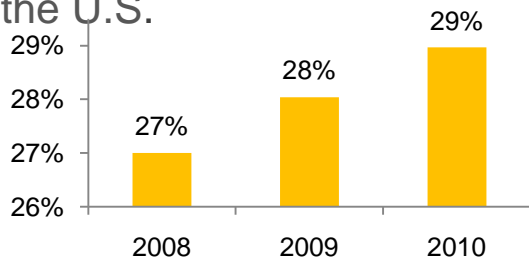


Kids Range for Delhaize Belgium. Packaging and nutritional information adapted to kids' needs. 15 to 30% cheaper than national brand product



45 tons  
of salt and  
30 tons of fat  
removed from  
our private  
brands in  
Belgium in  
2010

Increase in % of private brand food  
the U.S.



**+5.7%**

starred products sales in the U.S. vs 2009

*Guiding Stars*

nutritional information system launched in 2006

sales with at least 1 *Guiding Star* in



# Food innovations

Assortment

Convenience: High-quality deli (traiteur) and new trendy concepts



Specialized products in distinct product ranges



Organic, Bio, Eco, Fair/Trade



# Technology creating customer convenience

## E-commerce: order online – pickup in store

Belgium

delhaize *direct*

- 85 stores end of Q3
- Target of 100 stores for 2011 confirmed

U.S.

online shopping, curbside pick-up

**hannaford to go**  


- 1 store end of Q2, 1 more to open

## In store technology makes check out easier in Belgium

### Selfscan

- 41 stores equipped
- 25-30% of sales in these stores through selfscanning



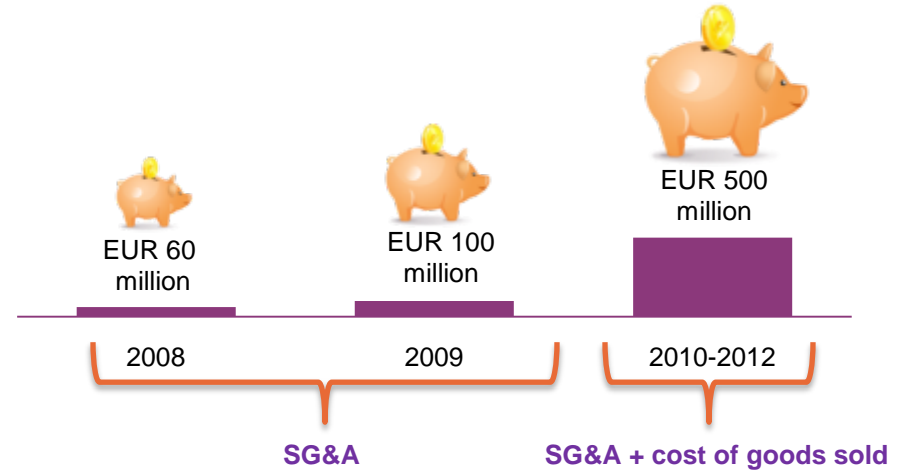
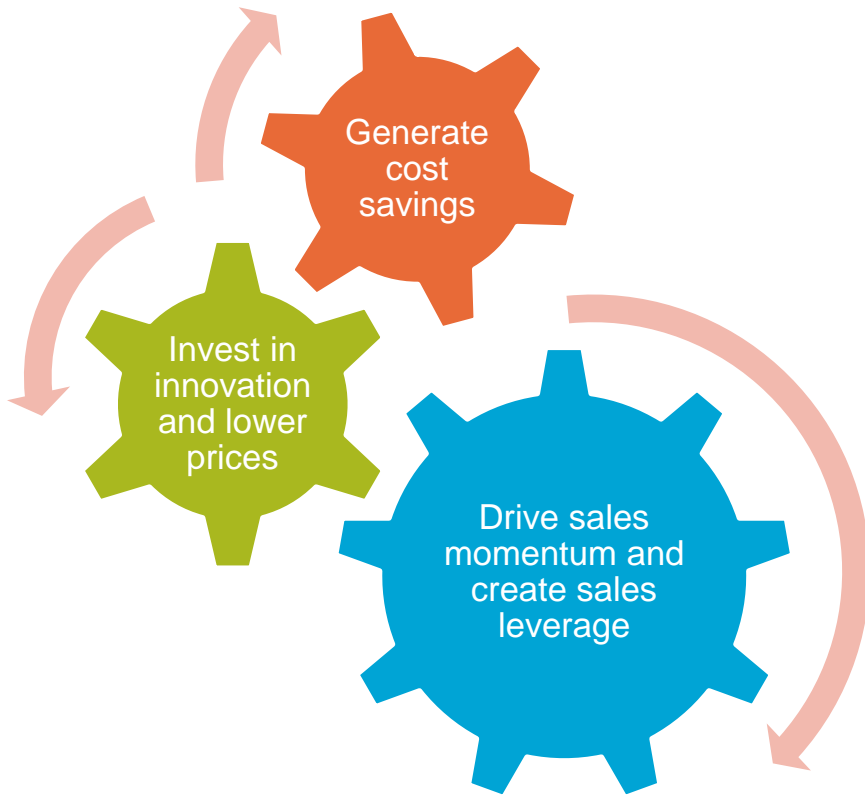
### Quickscan & Selfpay

- 78 stores Quickscan
- 42 stores Selfpay
- 25-30% of customers use Quickscan



# Efficiency

Efficiency



**Gross annual cost savings target of EUR 500 million by the end of 2012**

**At the end of Q2 2011, 60% or EUR 300 million of gross annual savings target realized**



# New Game Plan savings dynamics

Efficiency

## Where from

EUR 300 million or 60% of gross annual savings target realized

Savings are fuel for the many New Game Plan sales building initiatives

### Cost of sales savings

- Improved supplier negotiations
- Value chain analysis
- Increased automation in the supply chain across the Group

### SG&A savings

- Increased labor efficiency
- Savings in repair and maintenance
- Energy reduction initiatives
- Efficiency improvements in stores



## Where to

New Game Plan savings

More than half of these savings were re-invested in price decreases

An important part was used to offset payroll, utility and rent inflation

Another part was used to fund strategic initiatives and offset various other cost increases

# Delhaize America as powerful platform

Efficiency

## DELHAIZE AMERICA



Own go-to  
market strategy



Own go-to  
market strategy



Own go-to  
market strategy



Own go-to  
market strategy

Common supply chain

Common procurement

Shared services back office: finance, HR, IT, ...

# Delhaize America sets example for the creation of Delhaize Europe

Efficiency


## Delhaize Europe

Delhaize Belgium

Southeastern Europe

Support Services

Leveraging the scale of these operations, create synergies and share best practices



Increasing the collaboration between Delhaize Belgium and the activities in Southeastern Europe will result in a stronger platform for local, regional and global growth.

# Organization chart Delhaize Europe\*

Efficiency



\* Effective January 1, 2012

**63%**  
Increase in  
energy  
generated from  
On-site solar  
energy



reformulating  
nearly  
**2 000**  
products at  
Delhaize  
Belgium

**73%**  
of the Group  
associates  
participated  
in one-to-one  
performance  
dialogues

# Appendix

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- Underlying operating profit
- Banner overviews

# Underlying operating profit reconciliation

| (in millions of EUR)                        | Q3 2011         |                    | Q3 2010         | 2011 / 2010     |                    |
|---|-----------------|--------------------|-----------------|-----------------|--------------------|
|   | At Actual Rates | At Identical Rates | At Actual Rates | At Actual Rates | At Identical Rates |
| <b>Operating Profit (as reported)</b>       | <b>238</b>      | <b>255</b>         | <b>249</b>      | <b>-4.7%</b>    | <b>1.8%</b>        |
| <b><i>Operating Margin</i></b>              | <b>4.5%</b>     | <b>4.5%</b>        | <b>4.7%</b>     |                 |                    |
| Add/(subtract):                             |                 |                    |                 |                 |                    |
| Fixed assets impairment charges (reversals) | (1)             | (1)                | 3               |                 |                    |
| Restructuring charges (reversals)           | -               | -                  | -               |                 |                    |
| Store closing expenses (reversals)          | 3               | 3                  | 3               |                 |                    |
| (Gains)/losses on disposal of fixed assets  | 1               | 1                  | 1               |                 |                    |
| Other                                       | (9)             | (9)                | -               |                 |                    |
| <b>Underlying Operating Profit</b>          | <b>232</b>      | <b>249</b>         | <b>256</b>      | <b>-9.5%</b>    | <b>-3.2%</b>       |
| <b><i>Underlying Operating Margin</i></b>   | <b>4.4%</b>     | <b>4.4%</b>        | <b>4.8%</b>     |                 |                    |

| (in millions of EUR)                        | YTD 2011        |                    | YTD 2010        | 2011 / 2010     |                    |
|---|-----------------|--------------------|-----------------|-----------------|--------------------|
|   | At Actual Rates | At Identical Rates | At Actual Rates | At Actual Rates | At Identical Rates |
| <b>Operating Profit (as reported)</b>       | <b>665</b>      | <b>699</b>         | <b>717</b>      | <b>-7.3%</b>    | <b>-2.6%</b>       |
| <b><i>Operating Margin</i></b>              | <b>4.3%</b>     | <b>4.3%</b>        | <b>4.6%</b>     |                 |                    |
| Add/(subtract):                             |                 |                    |                 |                 |                    |
| Fixed assets impairment charges (reversals) | 2               | 2                  | 4               |                 |                    |
| Restructuring charges (reversals)           | -               | -                  | (4)             |                 |                    |
| Store closing expenses (reversals)          | 4               | 4                  | 3               |                 |                    |
| (Gains)/losses on disposal of fixed assets  | 3               | 3                  | -               |                 |                    |
| Other                                       | (11)            | (11)               | 5               |                 |                    |
| <b>Underlying Operating Profit</b>          | <b>663</b>      | <b>697</b>         | <b>725</b>      | <b>-8.7%</b>    | <b>-4.0%</b>       |
| <b><i>Underlying Operating Margin</i></b>   | <b>4.3%</b>     | <b>4.3%</b>        | <b>4.6%</b>     |                 |                    |

Delhaize Group believes “underlying operating profit” is a measure that, better than “operating profit”, represents the underlying operating performance of the period for the Group as it adjusts for a number of elements that management considers as non-representative for underlying operating performance.

# Food Lion: leading supermarket chain in the Southeastern U.S.



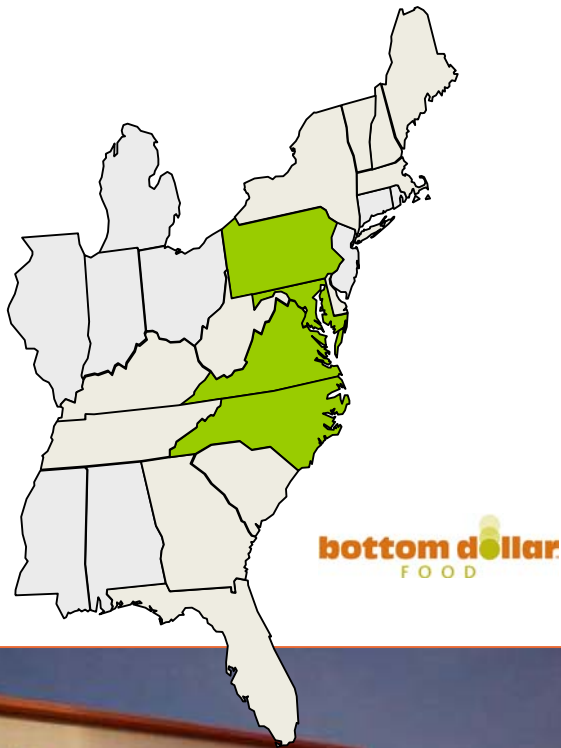
- 1 257 stores in 11 U.S. states at the end of Q3 2011
- # 1\* in 7 Southeastern and Mid-Atlantic markets
- Multi-banner strategy: Food Lion, Harveys
  - Food Lion: broad food offering with highly competitive prices
  - Harveys: regional supermarket operator in rural areas in Georgia and Northern Florida



\* Source: AC Nielsen – Retail ACView



# Bottom Dollar Food: low-cost supermarket in the Southeastern U.S.



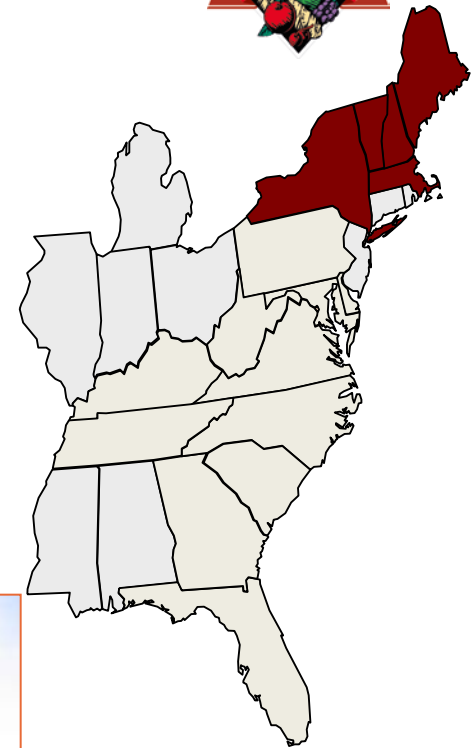
- 50 stores at the end of Q3 2011
- Low cost supermarket offering highly competitive prices
- Limited assortment of +/- 8 000 sku's
- Pleasant shopping experience
- Entered new market of greater Philadelphia in 2010 (22 stores as of September 30, 2011)



# Hannaford: inspiring healthy choices for life

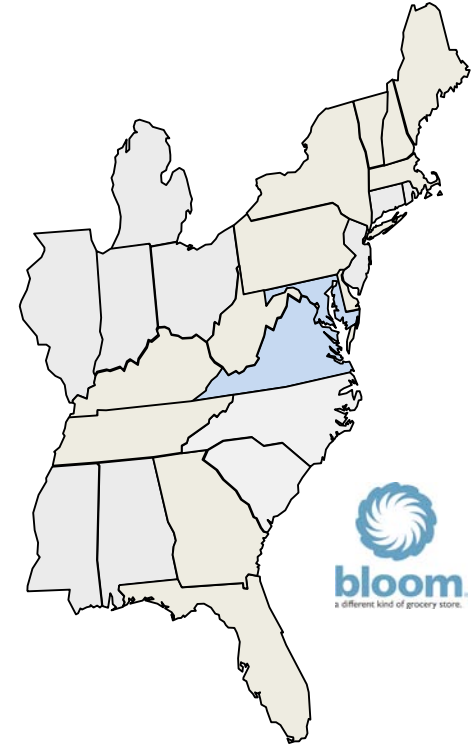
- 179 stores in 5 U.S. states at the end of Q3 2011
- Large stores with pharmacies
- Healthy and affordable choices
- Rich, high-quality assortment and enjoyable, convenient shopping experience
- #1 in two New England markets

\* Source: AC Nielsen – Retail ACView



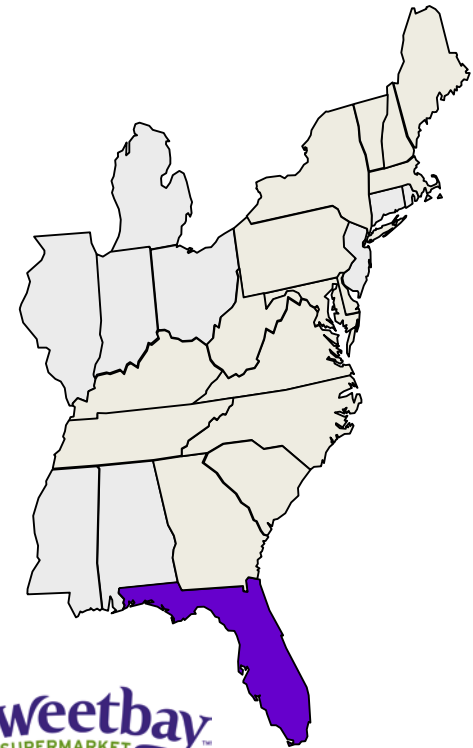
# Bloom: affordable and enjoyable

- 49 supermarkets in 4 U.S. states at the end of Q3 2011
- Offers distinctive assortment
- Delivers affordable choices
- Highly innovative shopping environment
- Educates and inspires through information
- Utilization of self-scan technology and informational kiosk (store directory/price checks/wine pairings/recipes, etc.)



# Sweetbay: fresh supermarket in Florida

- 107 supermarkets in West-Central Florida at the end of Q3 2011
- # 3\* in Western Florida
- Strong focus on fresh products and service departments
- Competitive value proposition
- Strong Hispanic food offering



\* Source: AC Nielsen – Retail ACView

# Delhaize Belgium: a multi-format food specialist



delhaizedirect.be



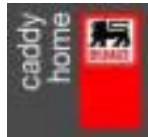
Shop & Go



Proxy



City



- 817 stores at the end of Q3 2011
- Leading position with 26.3% market share (end 2010)
- Different store formats
- Combination of company-operated and affiliated stores
- Focus on fresh food, convenience and service
- Six new concept stores (“Red Market”) in portfolio at the end of Q3 2011
- Tom & Co 138 stores # 1 pet food chain in the country

\* Source: AC Nielsen

# Alfa Beta: the food specialist in Greece

- # 2\* food retailer in Greece
- Broad geographic coverage with 243 stores at the end of Q3 2011
- Multiple formats: supermarkets, proximity stores, cash & carry stores
- Fresh products, local specialties, outstanding variety, service and convenience



# Romania and Indonesia

- **Mega Image (Romania)**



- 94 stores (at the end of Q3 2011) focusing on fresh products
- # 1\* supermarket operator in Bucharest



- **Super Indo (Indonesia)**



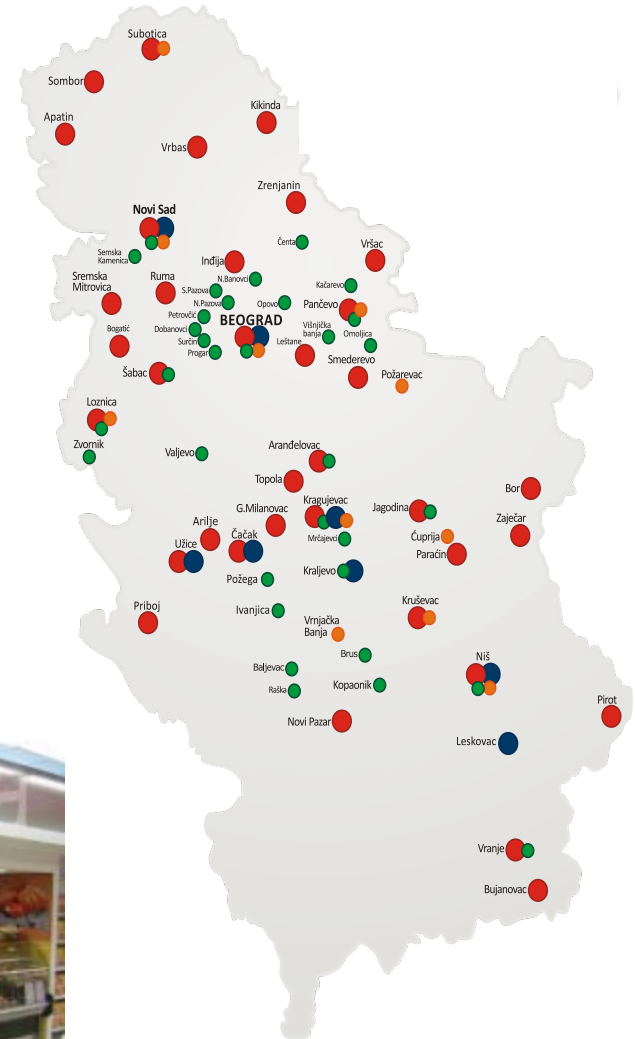
- 81 stores (at the end of Q3 2011)
- # 2\* supermarket operator in Jakarta



\* Source: AC Nielsen

# Delta Maxi Group – Serbia

- #1 food retailer in Serbia
- 366 stores at the end of Q3 2011, network spread across Serbia
- Excellent store locations
- Ambitious store opening targets
- Unique brand awareness for Maxi & Tempo, strong in fresh products and bakery, wide assortment
- Promising opportunities for grocery retail market





# Delta Maxi Group – Bulgaria

- #6 food retailer in Bulgaria (end 2010)
- 39 stores at the end of Q3: mainly located in Varna and Sofia (Piccadilly, Piccadilly Express and Tempo)
- Ambitious store opening targets
- Highest brand awareness in Bulgaria, large assortment, strong focus on fresh products, extended opening hours
- Bulgaria is a growing and still heavily fragmented modern retail market



# Delta Maxi Group – Bosnia and Herzegovina, Montenegro, Albania

- #5 food retailer in **Bosnia and Herzegovina** (end Q3 2011); #1 position in Republika Srpska (North of the country); 42 stores: Mini Maxi (convenience stores), Maxi (supermarkets), Tempo (hypermarkets) and Tempo Express, mainly located in Republika Srpska
- #3 food retailer in **Montenegro** (end Q3 2011); 22 stores : Mini Maxi (convenience stores) and Maxi (supermarkets) and Tempo, rapid expansion in the last 2 years
- #1 food retailer in **Albania** (end Q3 2011); 18 stores: Euromax, convenience stores or supermarkets, stores mainly located in Tirana. Entry in 2008 following acquisition
- Ambitious store opening plans in the 3 countries
- Focus on fresh products, large assortment

