Sligro Food Group N.V.

PRESS RELEASE

Sligro Food Group Q3 2017 trading update

Sligro Food Group N.V.'s sales for the first three quarters (39 weeks) of 2017 were €2,166 million, an increase of 4.8% (Q3: 2.6%) compared with the figure of €2,067 million in 2016. Excluding the effect of acquisitions, sales were up by 2.1% (Q3: 0.2%).

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

	Q3		Q1-Q3	
	2017	**2016**	**2017**	**2016**
Food Retail	201	203	616	617
Foodservice	530	509	1,550	1,450
Total	**731**	**712**	**2,166**	**2,067**

Foodservice

Foodservice sales were up by 6.9% (Q3: 4.2%). Excluding the effect of acquisitions, sales showed a 3.1% increase (Q3: 0.4%). ISPC contributed sales of €19 million in the third quarter. After two strong quarters, growth slowed slightly in Q3, mainly because of the poor summer. Furthermore, sales in the first half of the year were favourably affected by additional export revenue while there was the opposite effect in Q3.

Food Retail

Food Retail sales were down 0.2% (Q3: down 1.6%). As already announced, two stores (one owned and one franchised) transferred to a different format at the end of June 2017. The loss of these two sites contributed to the fall in sales. Like-for-like consumer sales at EMTÉ supermarkets were down by 0.4% (Q3: down 0.6%). The final three store conversions to the 3.0 format in 2017 were carried out in the third quarter bringing the total for the year to 27.

Outlook

We are seeing a recovery in Foodservice's markets. Despite a slightly weaker third quarter, we think that the underlying trend in the market is sound and that we will benefit from this in the next few quarters. As explained in our half-year figures, Foodservice is facing start-up costs in Belgium and advisory costs for acquisitions which are again higher in the second half of the year than in 2016. The process for the strategic partnership with Heineken is in its final stage and we expect to finalise it in the fourth quarter and to start integration work this year. As announced previously, the Netherlands Authority for Consumers & Markets (ACM) has now given its approval for the proposed strategic partnership between Sligro Food Group and Heineken.

As announced in our half-year figures, we are using the second half of the year to examine which alternative strategy will create most value for our retail activities. We will always take the interests of all our stakeholders into account in this as we arrive at a sound decision. The examination of the different alternatives is progressing well and we will use the rest of this year to come to a decision.

As a result of non-recurring costs at Foodservice, the pressure on the results of Food Retail and a higher tax burden following the end of the innovation box tax allowances, we expect that the Group's net profit will be close to last year's level. The fourth quarter, which is very important for Sligro Food Group, will have a significant role in this.

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 is a wholesaler and retailer. Sligro Food Group strives to be a high-quality company achieving steady, managed growth for all its stakeholders. 2016 sales were €2.8 billion, with a net profit of €73 million. The average number of employees on a full-time equivalent basis was 6,600. Sligro Food Group shares are listed on the Euronext Amsterdam stock exchange.

Veghel, 19 October 2017

On behalf of Sligro Food Group

Koen Slippens
Rob van der Sluijs
Tel. +31 413 34 35 00
www.sligrofoodgroup.nl

1057376