ANNUAL REPORT

2015

Sligro Food Group N.V.

Consolidated
PROFIT AND LOSS ACCOUNT
for 2015

(x € million)

	Note	2015	2014	2013 [1)]
Net sales	**2, 3**	**2,670**	**2,572**	**2,498**
Cost of sales		(2,050)	(1,976)	(1,920)
Gross margin		**620**	**596**	**578**
Other operating income	**4**	**2**	**5**	**5**
Staff costs	5	(281)	(271)	(265)
Premises costs		(59)	(62)	(63)
Selling costs		(23)	(24)	(22)
Logistics costs		(79)	(77)	(72)
General and administrative expenses		(20)	(18)	(18)
Impairments		(0)	(3)	(2)
Depreciation of property, plant and equipment	11	(38)	(40)	(41)
Amortisation of intangible assets	10	(19)	(17)	(12)
Total operating expenses		**(519)**	**(512)**	**(495)**
Operating profit	**2**	**103**	**89**	**88**
Finance income and expense	8	(4)	(4)	(4)
Share in results of associates	13	6	1	3
Profit before tax		**105**	**86**	**87**
Income taxes	9	(24)	(17)	(19)
Profit for the year		**81**	**69**	**68**
Attributable to shareholders of the company		**81**	**69**	**68**

Figures per share		**€**	**€**	**€**
Basic earnings per share	20	1.84	1.58	1.55
Diluted earnings per share	20	1.84	1.58	1.55
Proposed dividend	19	1.20	1.10	1.05

1)) This concerns the comparative figures for the year taken from the 2014 financial statements.

Consolidated statement
OF RECOGNISED INCOME AND EXPENSE
for 2015

(x € million)

	2015	2014	2013[1)]
Profit for the year	81	69	68
Items never recognised in the profit and loss account:			
Actuarial gains and losses on defined-benefit plans, net of tax		(3)	(2)
Items recognised or which may be recognised in the profit and loss account:			
Effective part of movements in the fair value of cash flow hedge of long-term loans, net of tax	2	(2)	(1)
Reclassified to consolidated profit and loss account		0	0
	2	(2)	(1)
Income and expense recognised directly in shareholders' equity	2	(5)	(3)
Recognised income and expense for the year	**83**	**64**	**65**
Attributable to shareholders of the company	**83**	**64**	**65**

1) This concerns the comparative figures for the year taken from the 2014 financial statements.

Consolidated
CASH FLOW STATEMENT
for 2015

(x € million)

	Note	2015	2014[2]	2013[1) 2)]
Receipts from customers		2,953	2,845	2,710
Other operating income		2	1	3
		2,955	2,846	2,713
Payments to suppliers		(2,439)	(2,344)	(2,231)
Payments to employees		(157)	(148)	(143)
Payments to the government		(196)	(184)	(185)
		(2,792)	(2,676)	(2,559)
Net cash generated from operations	30	163	170	154
Interest received and paid		(4)	(4)	(4)
Dividend received from associates	13	3	4	5
Corporate income tax paid		(22)	(23)	(22)
Net cash flow from operating activities		**140**	**147**	**133**
Acquisitions/investments	1	(11)	(17)	(19)
Capital expenditure on property, plant and equipment/ investment property/assets held for sale	11	(51)	(60)	(35)
Receipts from disposal of property, plant and equipment/ investment property/assets held for sale		0	7	6
Capital expenditure on intangible assets	10	(11)	(16)	(4)
Investments in/loans to associates	13	(0)	(5)	(1)
Repayments by associates	13	0	0	2
Net cash flow from investing activities		**(73)**	**(91)**	**(51)**
Repayment of long-term borrowings	22		(53)	
Change in own shares		1	(1)	(3)
Dividend paid		(48)	(63)	(46)
Net cash flow from financing activities		**(47)**	**(117)**	**(49)**
Movement in cash, cash equivalents and short-term bank borrowings		**20**	**(61)**	**33**
Opening balance		74	135	102
Closing balance		**94**	**74**	**135**

1) This concerns the comparative figures for the year taken from the 2014 financial statements.
2) Restated for comparison purposes.

Consolidated
BALANCE SHEET
as at 2 January 2016 before profit appropriation

(x € million)

ASSETS	**Note**	**02-01-2016**	**27-12-2014**	**28-12-2013[1)]**
Goodwill	10	126	126	126
Other intangible assets	10	67	72	53
Property, plant and equipment	11	315	295	286
Investment property	12	19	15	13
Investments in associates	13	48	45	43
Other financial assets	13	25	9	5
Total non-current assets		**600**	**562**	**526**
Inventories	14	220	213	192
Trade and other receivables	15	144	146	140
Other current assets	16	9	9	7
Assets held for sale	17	4	8	6
Cash and cash equivalents	18	94	74	135
Total current assets		**471**	**450**	**480**
Total assets		**1,071**	**1,012**	**1,006**

EQUITY AND LIABILITIES	**Note**	**02-01-2016**	**27-12-2014**	**28-12-2013**
Paid-up and called capital		3	3	3
Reserves		603	567	568
Total shareholders' equity attributable to shareholders of the company	19	**606**	**570**	**571**
Deferred tax liabilities	9	25	27	28
Employee benefits	5	4	4	4
Other provisions	21	0	0	0
Bank borrowings	22	138	124	119
Total non-current liabilities		**167**	**155**	**151**
Current portion of long-term borrowings	22			53
Bank borrowings	22	0	0	0
Trade and other payables	31	207	200	148
Corporate income tax	9	6	0	4
Other taxes and social security contributions	23	26	33	33
Other liabilities, accruals and deferred income	24	59	54	46
Total current liabilities		**298**	**287**	**284**
Total equity and liabilities		**1,071**	**1,012**	**1,006**

1) This concerns the comparative figures for the year taken from the 2014 financial statements.

Consolidated statement of **CHANGES IN EQUITY**
for 2015 before profit appropriation

(x € million)

	Paid-up and called capital	Share premium	Other reserves	Revaluation reserve	Hedging reserve	Treasury shares reserve	Total
Balance as at 28-12-2013	**3**	**31**	**551**	**3**	**(4)**	**(13)**	**571**
Transactions with owners							
Share-based payments			(1)				(1)
Dividend paid			(63)				(63)
Change in own shares						(1)	(1)
	0	0	(64)	0	0	(1)	(65)
Total realised and unrealised results							
Profit for the year			69				69
Investment property			(1)	1			
Cash flow hedge					(2)		(2)
Reclassification					0		0
Actuarial results			(3)				(3)
	0	0	65	1	(2)	0	64
Balance as at 27-12-2014	**3**	**31**	**552**	**4**	**(6)**	**(14)**	**570**
Transactions with owners							
Share-based payments			0				0
Dividend paid			(48)				(48)
Change in own shares						1	1
	0	0	(48)	0	0	1	(47)
Total realised and unrealised results							
Profit for the year			81				81
Investment property			(0)	0			
Cash flow hedge					2		2
	0	0	81	0	2	0	83
Balance as at 02-01-2016	**3**	**31**	**585**	**4**	**(4)**	**(13)**	**606**

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Accounting policies **Page**

A. General

Sligro Food Group N.V. is based in Veghel, the Netherlands. The consolidated financial statements comprise the financial information of the company itself and that of its subsidiaries (together referred to as the Group).

B. Financial year

Under the Articles of Association, the financial year coincides with the calendar year. The year is actually closed on the last Saturday of the financial year in accordance with the international system of week numbering and thus on 2 January 2016 in the year under review. The 2015 financial year has 53 weeks. The comparative figures for the 2014 and 2013 financial years relate to 52 weeks. The 2016 financial year will consist of 52 weeks.

C. Compliance with IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS). The financial statements were authorised for issue by the Executive Board on 29 January 2016.

D. Accounting policies used in the preparation of the consolidated financial statements

The financial statements are presented in millions of euros, except where otherwise indicated. The euro is the functional currency. The percentages are calculated on the underlying figures in thousands. The historical cost convention has been applied except for investment property and derivative instruments, which are stated at fair value. Assets held for sale are recognised at the lower of their existing carrying amount and fair value, less costs to sell.

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable in the circumstances. Their outcome forms the basis for the judgement on the carrying amounts of assets and liabilities which cannot easily be determined from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision only affects that period, or in the revision period and any future periods affected if the revision affects the current and future periods.

The carrying amounts of qualifying assets are tested for indications of impairment. If there are any such indications, the recoverable amount of the asset is estimated on the basis of the present value of the expected future cash flows or the fair value less costs to sell. An impairment loss is recognised if the carrying amount is higher than the recoverable amount. The accounting policies set forth below have been consistently applied relative to 2014.

E. New standards and interpretations

The Group has elected not to apply the new standards IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases ahead of time. These standards are not expected to have any material impact on the Group's financial statements.

F. Specific choices under IFRS

In some instances, IFRS permits various options in the application of accounting principles. The most important choices are explained below:

MEASUREMENT OF FAIR VALUE

A number of accounting policies and disclosures require the measurement of fair value.

The Group periodically reviews the significant changes in value. Where fair value measurement is based on external information, the Group assesses the documentary evidence of fair value obtained from the third parties concerned to verify that the amounts arrived at satisfy IFRS requirements, including the hierarchical level of the fair values into which such measured amounts are classified. More information on the assumptions underlying the measurement of fair value is contained in the following notes:

	Accounting policy
Investment property	F
Other financial assets, fair value hedge	H_2
Assets held for sale	H_{13}
Bank borrowings	H_2

PROPERTY, PLANT AND EQUIPMENT

IFRS allows the option of measuring property, plant and equipment (or individual assets) at either cost or fair value. Sligro Food Group opted for cost-based treatment since this involves a more straightforward calculation in our specific business.

INVESTMENT PROPERTY

IFRS allows the option of measuring investment property at either cost or fair value. The investment property comprises supermarket premises leased to Group franchisees. In contrast to the other property included in property, plant and equipment, the fair value is unequivocal. Moreover, the Group may not be the owner of these premises but may be subletting them. This property accordingly has the nature of a financial investment and the fair value provides a more accurate view of the economic performance. The existence of a transparent property market for supermarket premises means that the fair value can be calculated by applying a typical market capitalisation factor to the rental income.

CASH FLOW STATEMENT

IFRS allows the cash flow statement to be prepared using either the direct method or the indirect method, albeit with a preference for the direct method, and this is the method adopted by the Group as it provides the most accurate view of the actual cash flows. A reconciliation with the indirect method is included in note 30.

G. Accounting policies of a more critical nature

G_1 NET SALES

This is the proceeds from the sale of goods and services to third parties, net of value added tax, volume, other discounts and the value of loyalty programmes. Sales made in partnership with suppliers of fresh produce are also included. Some product lines are supplied directly to the stores of supermarket franchisees. However, since the contract terms, commercial management and financial settlement are arranged by the Group, the amounts concerned are included in the Group's revenue. Sales are recognised when the significant risks and rewards of ownership have been transferred to the purchaser or the service has been performed.

G_2 COST OF SALES

This is made up of the cost of purchasing the goods supplied. Bonuses, promotional payments and payment discounts received from suppliers are deducted from the purchase cost. Various types of compensation are received from suppliers, the two main ones being:

i Temporary price reductions, usually relating to special offers to customers with the aim of increasing direct sales volumes. In most cases, the supplier actually charges the lower purchase price for the agreed period but sometimes the normal price is charged and the discount is invoiced separately by the Group, based on the quantities sold. The benefit of temporarily lower purchase prices is reflected directly in the cost of sales and therefore at least partially offsets the lower selling prices charged to customers.

ii Bonuses, usually based on annual agreements. Sometimes the bonus is a fixed or graduated percentage of the purchase value of total purchases (or an increase therein). Usually, advance payments on the bonus are received. As well as bonuses, the annual agreements frequently contain arrangements on promotional payments, usually subject to various forms of commercial collaboration. Promotional payments may be either absolute amounts or fixed or graduated percentages of the purchase value. Where receipt of a bonus can be expected with reasonable certainty, it is reflected in the carrying amount of inventories. Promotional payments are not deducted from inventories because they are intended to cover the selling costs.

G_3 GOODWILL AND OTHER INTANGIBLE ASSETS

All acquisitions are accounted for using the purchase method. With effect from 2010, goodwill is recognised in respect of the difference between the fair value of the purchase price payable and the initially recognised amount (generally the fair value) of the identifiable assets and liabilities acquired.

In the case of acquisitions prior to 28 December 2003, goodwill is the amount calculated according to the previously applicable accounting standards. Goodwill is carried at cost less any cumulative impairment losses. Goodwill is allocated to cash-generating units. Goodwill is not amortised but tested for impairment annually, or when there is an indication of impairment. In the case of associates, the goodwill is reflected in the carrying amount of the investment. All other intangible assets are carried at cost less straight-line amortisation over the estimated useful life of the assets concerned which, in the case of supermarket stores, is estimated at ten years and, in the case of customer bases in Foodservice, also ten years. Where long-term customer accounts stem from specific sign-up fees with customers, the life of the asset is the same as the period of the contract. Impairment tests are performed when there are indications that they are required. The cost of internally generated goodwill and trademarks is expensed. Software developed by third parties is capitalised at cost, provided its technical feasibility has been demonstrated. Internally developed software, provided it satisfies a number of criteria including technical feasibility, is similarly capitalised. Software maintenance costs are expensed. Capitalised software is amortised over three years using the straight-line method.

G_4 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are carried at cost less straight-line depreciation based on the estimated useful life of the assets concerned. Cost includes directly attributable finance costs where the effect is material as regards amount or term to maturity. Where assets are made up of parts with different useful lives, each part is treated as a separate item (component approach). The maximum depreciation period for alterations to rented premises is the remaining term of the lease. Where necessary, impairment losses are recognised.

The applicable depreciation percentages are:

Land	Nil
Buildings/alterations	3 to 12½
Retail premises	3⅓
Plant and equipment	12½ to 33⅓
Other	20 to 33⅓

H. Other accounting policies

H_1 FOREIGN CURRENCY

Transactions denominated in foreign currencies are translated at the spot rate on the transaction dates. Receivables and payables are translated at the exchange rate on the balance sheet date, with exchange differences recognised in the profit and loss account. As all the Group's subsidiaries, associates and joint ventures are Dutch or Belgian companies there is no translation risk. The treatment of financial derivatives is described below.

H_2 FINANCIAL INSTRUMENTS

Non-derivative financial instruments

Non-derivative financial instruments comprise other financial assets, trade and other receivables, other current assets, cash and cash equivalents, bank borrowings, trade and other payables and other liabilities and accruals.

Derivative financial instruments

The Group makes use of financial derivatives to hedge the exchange rate and interest rate risks associated with its operating and financing activities. In accordance with its treasury policy, the Group neither holds nor issues derivatives for trading purposes. However, derivatives which do not meet the criteria for hedge accounting are treated as trading instruments. Derivative financial instruments are recognised at fair value. The gain or loss on revaluation to fair value is recognised immediately in the profit and loss account. If derivatives do, however, meet the criteria for hedge accounting, recognition of any resulting gain or loss depends on the nature of the item that is hedged, as explained below.

The fair value of forward interest rate and exchange rate contracts is the estimated amount that the Group would have to pay or would receive if the instruments were cancelled on the balance sheet date. This information is provided by statements obtained from reputable financial institutions which act as the counterparties. A positive fair value of derivatives is recognised as other financial assets and a negative fair value is included in long-term debt.

Hedging

Cash flow hedge

When a derivative financial instrument is designated as a hedge associated with the variability of the cash flows (due to interest rates and exchange rates) from a recognised liability, the effective portion of a gain or loss on the derivative financial instrument is recognised in equity (via the statement of recognised income and expense). This item is transferred to the profit and loss account in the same period or periods in which the underlying liability affects the result. The ineffective portion of any gains or losses is recognised immediately.

Hedging monetary assets and liabilities

Where a derivative financial instrument is used to hedge the currency risk on a recognised monetary liability, hedge accounting is in principle not used, meaning that the gain or loss on exchange is recognised in the profit and loss account.

H_3 OTHER OPERATING INCOME

This item includes rental income from investment and other property. It also includes any gains and losses in the fair value of investment property and book profits or losses on the sale of such property and on the disposal of assets included in property, plant and equipment, together with similar income.

H_4 EXPENSES - GENERAL

The presentation of expenses is based on classification by nature. The same classification is used for internal reporting purposes. Expenses are recognised in the year to which they relate. Rents and operating lease instalments are charged to the profit and loss account on a straight-line basis over the periods of the contracts concerned.

H_5 EMPLOYEE BENEFITS

i Defined-contribution plans

Pension scheme contribution liabilities under defined-contribution plans are recognised as an expense in the profit and loss account when the contributions fall due. This is the case for almost all of the Group's schemes providing privately insured benefits to top up state benefits including the schemes provided by EMTÉ Supermarkten and for certain groups of employees, such as fruit and vegetable and meat department staff, which are covered by industry pension funds. These arrangements are classed as a defined-contribution plan because the Group is only under obligation to pay the agreed level of contributions and does not bear any additional actuarial or other risks in respect of the accrued length of service.

ii Defined-benefit plans

The new pension scheme provided by Stichting Pensioenfonds Sligro Food Group replaced the old defined-benefit pension arrangements, with effect from 1 June 2014, and qualifies under IAS 19 as a collective money purchase arrangement, i.e. defined-contribution plan. The old scheme was terminated at the end of May 2014, resulting in a non-recurring accounting (i.e. non-cash) gain on pensions of €4 million before tax in 2014. The new scheme has minimal impact on the cost of the actual pension contributions borne by the Group.

iii Other long-term employee benefits

The Group's net obligation in respect of long-service benefits is the amount of the future benefits attributable to employee service in the reporting period and prior periods. The obligation is measured using the projected unit credit method and calculated at present value.

iv Option rights

The share option plan in force until 2014 gave a broad group of employees the option of acquiring Sligro Food Group N.V shares. The fair value of the share options is accounted for as staff costs, with a corresponding addition to shareholders' equity and liabilities. Since the options are granted unconditionally, the fair value of the options is expensed in the year in which the options are granted. The options are payable half in shares and the other half in either shares or cash. The first 50% is therefore treated as being 'equity settled', with the cost expensed and a corresponding addition to shareholders' equity, with no further adjustments. The second 50% is treated as being 'cash settled', with the cost expensed and a corresponding increase in the liabilities, this latter item being adjusted each year through profit or loss, depending on the movements in the fair value of the position.

A change has been made to the share option plan with effect from 2015, award of the options (Groen Bloed Certificaten- 'Green Blood Depositary Receipts') becoming conditional on continued service from 2015 onwards. The fair value of the options is amortised on a straight-line basis over the vesting period of the option rights. Profit-sharing granted with effect from 2015 is payable entirely in shares. These shares are then frozen for one year for staff and for four years in the case of management. These options are treated as 'equity settled' in their entirety.

H_6 FINANCE INCOME AND EXPENSE

These items are interest and similar costs payable to third parties and interest receivable from customers in respect of loans granted and/or deferred payments. The calculation is made using the effective interest method.

H_7 SHARE IN RESULTS OF ASSOCIATES

This concerns the Group's share in results of associates.

H_8 INCOME TAXES

The tax charge shown in the profit and loss account comprises the corporate income tax payable for the year together with any movements in deferred tax except where such liabilities relate to items that are accounted for directly in equity. The corporate income tax payable for the year is the expected amount of tax payable on the taxable profit, taking account of any adjustments in respect of the tax liability in preceding years. The tax burden is affected by tax facilities and costs which are not deductible or only partially deductible for tax purposes.

The provision for deferred tax liabilities results from temporary differences between accounting policies used for tax purposes and for reporting purposes. No provisions have been formed in respect of goodwill that is not tax-deductible and in respect of investments in associates qualifying for the substantial-holding exemption. The amount of the provision is calculated at the tax rate applicable on the balance sheet date or the rate (substantively) enacted at the balance sheet date.

H_9 INVESTMENT PROPERTY

Investment property is carried at fair value, which is based on the market value, as derived from a capitalisation factor applied to the rental income, and also depending on the expected long-term continuity as supermarket premises. The capitalisation factor applied is generally between 10.5 and 13 times the rental income but, in the case of some less viable premises, a lower valuation may be applied. The internally determined capitalisation factor is regularly reviewed by reference to external market data, such as professional appraisals. As already disclosed under H_3, rental income and any fair value gains and losses are included in other operating income.

H_{10} FINANCIAL ASSETS

Investments in associates are accounted for using the equity method and, at initial recognition, are stated at cost, including goodwill, but excluding associated transaction costs, with a carrying amount of not less than nil, unless the Group is under an obligation to absorb losses either partially or entirely. Unrealised intragroup results are eliminated. Other financial assets mainly comprise interest-bearing loans to customers and loans to associates. The loans are carried at amortised cost less any impairment losses.

H_{11} INVENTORIES

Inventories are carried at the lower of cost, using the FIFO method, or market value, which is taken as being the estimated sales value in normal circumstances, less selling costs. The carrying amount includes allowances for internal distribution, whereas bonus discounts are deducted.

H_{12} TRADE AND OTHER RECEIVABLES AND OTHER CURRENT ASSETS

Trade receivables are initially carried at fair value and subsequently at amortised cost less any impairment losses.

H_{13} ASSETS HELD FOR SALE

Assets held for sale are recognised at the lower of carrying amount or fair value, less costs to sell. On classifying assets as being held for sale, any impairment losses are taken to the profit and loss account. If necessary, valuation is based on external appraisals.

H_{14} CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and credit balances at banks and are carried at face value. Overdrafts forming an integral part of the Group's cash management and payable on demand are included in the cash flow statement in the movement in cash, cash equivalents and short-term bank borrowings.

H_{15} PROVISIONS

The provision for deferred tax liabilities is included at face value calculated at the prevailing or, if known, future tax rate and has already been explained in H_8.
The provision for employee benefits is explained in H5. The other provisions relate to existing obligations connected to risks relating to franchises and guarantees carried at the amounts estimated as probably being payable in the future. Where the effect is material, the carrying amount of the future obligation is discounted.

H_{16} INTEREST-BEARING DEBT

Interest-bearing debt is initially recognised at fair value less related transaction costs. The liabilities are subsequently carried at amortised cost determined using the effective interest method.

H_{17} OTHER LIABILITIES, ACCRUALS AND DEFERRED INCOME

These are carried at amortised cost.

I. Basis of consolidation

Subsidiaries are those entities over which Sligro Food Group N.V has control. Subsidiaries are fully consolidated. They are the wholly-owned companies Sligro Food Group Nederland B.V., Veghel, and Sligro Food Group International B.V., Veghel. Sligro Food Group International B.V. is the holding company of the 100% interest in Sligro België N.V., Antwerp. Sligro Food Group Nederland B.V. is the holding company for the following wholly-owned subsidiaries:

Foodservice

- Sligro B.V., Veghel.
- De Dis B.V., Ter Apel (86%).
- Van Hoeckel B.V., 's-Hertogenbosch.
- Horeca Totaal Sluis B.V., Sluis.
- Bouter B.V., Zoetermeer.

Food retail

- EMTÉ Franchise B.V., Veghel.
- EMTÉ Supermarkten B.V., Veghel.
  - EMTÉ Vleescentrale B.V., Veghel.
- EMTÉ Vastgoed B.V., Veghel.

The effectiveness of the Group's legal structure is appraised each year with a view to simplification where appropriate.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the share in the results of associates measured using the equity method. Subsidiaries and associates are included in the consolidation from the date on which control or significant influence is obtained to the date on which it ceases.

Intercompany items and any unrealised gains and losses on such transactions are eliminated in the preparation of the consolidated financial statements.

J. Segment information

Sligro Food Group reports its results according to the main segments of foodservice and food retail. This segmentation matches that of internal management information precisely.

In attributing the results to the main segments, a distinction is made between directly attributable income and expenses and assets and liabilities and those which are not directly attributable, the latter mainly concerning the Group's integrated back-office activities, which are attributed to the main segments using reasonable and consistently applied allocation methods.

K. Earnings per share

The Group reports both basic and diluted earnings per share (EPS). The net result per ordinary share is calculated on the basis of the profit attributable to the shareholders of the Group divided by the weighted average number of ordinary shares in issue during the year. In calculating the diluted earnings per share, the profit attributable to the shareholders of the Group and the weighted average number of ordinary shares in issue during the year are adjusted for the potential dilutive effect on the number of ordinary shares of share options awarded to staff.

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1. Acquisitions, investments and disposals

One acquisition was made in 2015, namely that of the shares of CaterTech B.V., Zoetermeer. CaterTech is a specialist advisory, design and supply company for professional kitchens, catering equipment and refrigeration systems and also provides related installation and maintenance services. With its specialised range of own brands and licensed products (some on an exclusive basis) CaterTech focuses mainly on hotels, company restaurants, healthcare institutions, educational establishments and ships' galleys. CaterTech achieved sales of €22 million in 2014. The company has around 106 full-time equivalent employees. The takeover was completed on 6 July 2015 and the figures for CaterTech have been included in the consolidation as from July. With effect from 1 January 2016, CaterTech and all its subsidiaries have been merged into a single legal entity named Bouter B.V.
This acquisition added approximately €16 million to consolidated net sales in 2015. If this acquisition had formed part of the Group for the entire year, the sales figure would have been approximately €11 million higher.

Final financial settlement of the acquisition of the wholesale business of Rooswinkel Horeca Groothandel B.V. made in 2014 also took place in 2015. The purchase price depended on the achievement of certain criteria and the final payment was made accordingly, completing the acquisition.

An analysis of the acquired assets and equity and liabilities is as follows:

(x € million)

	2015	**2014**
Intangible assets	4	16
Property, plant and equipment	4	1
Inventories	4	2
Trade and other receivables	5	2
Cash and cash equivalents	0	3
Deferred tax liabilities	(1)	(3)
Employee benefits	(0)	(0)
Trade and other payables	(5)	(1)
Total identifiable net assets	11	20
Less: cash and cash equivalents	(0)	(3)
Debt-free purchase price [1)]	**11**	**17**

1) Included in the transaction with CaterTech were bank borrowings of €5 million, which have been deducted in arriving at the purchase price for the shares.

2. Segment information

The results and net capital employed can be analysed by segment as follows:

(x € million)

	Foodservice		Food Retail		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Net sales[1]	**1,829**	**1,749**	**841**	**823**	**2,670**	**2,572**
Other operating income	1	4	1	1	2	5
Total income	**1,830**	**1,753**	**842**	**824**	**2,672**	**2,577**
Operating profit	**89**	**83**	**14**	**6**	**103**	**89**
Finance income and expense					(4)	(4)
Share in results of associates	2	1	4	0	6	1
Income taxes					(24)	(17)
Profit for the year					**81**	**69**
Segment assets	698	660	213	230	911	890
Associates	13	13	35	32	48	45
Unallocated assets					112	77
Total assets	**711**	**673**	**248**	**262**	**1,071**	**1,012**
Segment liabilities	213	202	86	85	299	287
Unallocated equity and liabilities					772	725
Total equity and liabilities	**213**	**202**	**86**	**85**	**1,071**	**1,012**
Net capital employed[2]	486	458	127	145	613	603
Net interest-bearing debt[3], provisions and associates					(7)	(33)
Group equity					**606**	**570**
Staff costs	180	170	101	101	281	271
Number of employees[4]	3,258	3,165	2,482	2,669	5,740	5,834
Capital expenditure[5]	52	56	8	7	60	63
Disposals[5]	(0)	(3)	(0)	(0)	(0)	(3)
Investment in customer bases	3	11	1	0	4	11
Depreciation[6] and amortisation software	33	33	10	14	43	47
Other amortisation	7	6	7	7	14	13

1) There are no transactions between the segments. 2) Excluding associates. 3) Interest-bearing debt less freely available cash and cash equivalents and the fair value of derivatives. 4) Certain head office staff who perform activities on behalf of the Group as a whole have been included in the Foodservice activities. 5) Involving property, plant and equipment, investment property, assets held for sale and software (at transaction level) 6) Including impairments.

3. Net sales

This is very largely made up of domestic sales of food and food-related non-food articles to consumers and retail traders (Food Retail), institutional customers, the hospitality sector, company restaurants and other large-scale caterers (Foodservice).

The analysis of revenue by activity is as follows:

(x € million)

	2015	2014
Foodservice	1,829	1,749
Food Retail	841	823
	2,670	**2,572**
Goods/services		
Goods supplied	2,648	2,551
Services rendered	22	21
	2,670	**2,572**

4. Other operating income

(x € million)

	Note	2015	2014
Investment property rental income	12	2	2
Fair value adjustments on investment property	12	(0)	0
Other rental income		1	1
Book profit (loss) on sale of property, plant and equipment and other incidental gains and losses	11	(1)	2
		2	**5**

5. Employee-related items

5.A. STAFF COSTS

Staff costs are made up as follows:

(x € million)

	Note	2015	2014
Salaries		204	194
Social security contributions		32	31
Net benefit expense on defined-benefit plans	5.c		0
Defined-contribution plan contributions		17	13
Share-based payments	5.e	0	1
Contract/temporary staff		12	17
Other staff costs		16	15
		281	**271**

5.B. EMPLOYEE BENEFITS PROVISION

This provision can be analysed as follows:

(x € million)

	Note	2015	2014
Post-employment benefits	5c		
Long-service benefits	5d	4	4
		4	**4**

5.C. PENSIONS AND PENSION FUNDS

Within the Group there are basically two pension schemes, connected with the two principal collective labour agreements covering the Group's activities.

There were changes to all the pension schemes mentioned below in 2015, in line with the new statutory rules, to bring the contribution rates within the band between permitted minimum and maximum pension base percentages.

Food Retail Chains CLA

The staff of EMTÉ Supermarkten come under this CLA. The pension scheme is administered by the Food Industry Pension Fund. It is an indexed average pay scheme, with indexation conditional on satisfactory funding. This arrangement is classed as a defined-contribution plan because the Group is only under obligation to pay the agreed level of contributions and does not bear any additional actuarial or other risks in respect of the accrued length of service. The industry pension fund has a reserve deficit. EMTÉ Supermarkten does not have any obligation beyond the payment of contributions. The level of contributions is linked to the pension base and is calculated in the same manner for all companies affiliated to the Pension Fund.

Other CLAs/industry-wide pension funds

A small proportion of the Group's employees is covered by other industry pension funds. The schemes are conditional indexed average pay schemes and the related pension funds also have reserve deficits. These arrangements, too, are classed as a defined-contribution plans because the Group is only under obligation to pay the agreed level of contributions and does not bear any additional actuarial or other risks in respect of the accrued length of service.

Food Wholesale Sector CLA

The other staff within the Group come under this CLA. The pension scheme for these employees is administered by Stichting Pensioenfonds Sligro Food Group. In 2014, agreement was reached on a new pension scheme for these employees. The treatment as a defined-benefit plan was discontinued at the end of May 2014 and has been treated as a defined-contribution plan since that date. The new scheme came into operation on 1 January 2015, with the contribution rate fixed for five years. The Group does not have any obligation beyond the payment of the agreed level of contributions.

The discontinuation of the old scheme at the beginning of June 2014 resulted in a non-recurring accounting (i.e. non-cash) gain on pensions of €4 million in 2014. From 1 June 2014 onwards, the net expense has been the same as the amount of the employer's contributions payable.

5.D. LONG-SERVICE BENEFITS

(x € million)

	2015	2014
Opening balance	4	4
Benefits paid	(0)	(0)
Benefit expense for the year	0	0
Actuarial result (also expensed) for the year	0	0
Closing balance	**4**	**4**

5.E. SHARE-BASED PAYMENTS (SHARE OPTION SCHEME)

The target group for the share option scheme in force until 2014 comprised approximately 40 individuals, awarded unconditional share options which vest immediately and can be exercised after 4 years. With effect from 2015, the award of share options for this group of individuals becomes conditional on continued service. The exercise price is the first ex-dividend price after the grant date. Under the share option scheme rules, at least 50% of any net gain (after tax) must be used to buy Sligro Food Group shares, which in turn will be locked up for four years. The number of share options awarded to Sligro Food Group N.V Executive Board members will be based on a fraction of their average base salary and the award ratio multiplied by a factor depending on the development in the total shareholders' return relative to a peer group, varying between 0% and 150%. The composition of the peer group forms part of the scheme, as approved by the General Meeting of Shareholders and published on the website. The peer group benchmarking in 2015 gives a factor of 75% (2014: 75%). The other members of the target group will receive, depending on category, 50% or 25% of the award made to the Executive Board members.

A change has been made to the share option plan with effect from 2015, award of the options (Groen Bloed Certificaten – 'Green Blood Depositary Receipts') becoming conditional on continued service from 2015 onwards. The fair value of the options is amortised on a straight-line basis over the period for which the option rights are valid. Profit-sharing granted with effect from 2015 is payable entirely in shares. These shares are then frozen for one year for staff and for four years in the case of management. These options are treated as 'equity settled' in their entirety.

Additionally, the target group for these options has been increased as from 2015. For many years, Sligro Food Group has had a share ownership plan for all its employees. Depending on the profit as a percentage of Group sales, staff receive a profit share as a percentage of their gross pay up to a maximum gross salary of €50,000, payable in the form of shares (50% of the profit share) and share options (50% of the profit share). Profit-sharing granted with effect from 2015 is payable entirely in shares. These shares are then frozen for one year for staff.

Prior to year-end 2014, shares were repurchased to match all options in issue as at the date of award, the shares concerned then being held by the foundation managing employee shares. In 2015, this will be done on the basis of expectations arrived at by applying the Black & Scholes formula explained below.

Movements in the number of options in issue were as follows:

	Number
Opening balance	570,000
Exercised	(147,000)
Awarded	419,885
Closing balance	**842,885**

The exercise price for the options exercised in 2015 was €23.62. The actual share price at the time of exercise was €36.79.

The analysis of the share options in issue as at year-end 2015 is as follows:

	Maturity	**Exercise price**	**Number**
23 March 2012	1 april 2016	24.13	137,200
22 March 2013	1 april 2017	24.64	122,000
21 March 2014	1 april 2018	28.63	163,800
20 March 2015	1 april 2019	38.41	419,885

For disclosures relating to the number of options awarded to the individual members of the Executive Board, reference is made to note 6.

The costs connected with this scheme have been calculated by independent experts, using the Black & Scholes Model and, for the award made in March 2015, amount to €1.8 million (2014: €0.4 million) over the entire vesting period of 4 years. The allocation for 2015 amounts to €0.3 million.

The calculations are based on the following assumptions:

- Risk-free interest rate: 0.17% (2014: 0.65%).
- Volatility: 19%, based on a 4-year historical average (2014: 18%).
- Dividend yield: 2.9% (2014: 4.0%).
- Vesting period: 4 years (2014: no change).

6. Remuneration of Executive Board and Supervisory Board

The remuneration charged to the profit and loss account for the company's Executive Directors in 2015 amounted to €2,366 thousands (2014: €1,892). The remuneration can be analysed as follows:

(x € 1,000)

	K.M. Slippens		**R.W.A.J. van der Sluijs** [1]	**H.L. van Rozendaal** [2]		**W.J.P Strijbosch**		**Total**	
	2015	**2014**	**2015**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Fixed salary	438	434	257	117	377	380	377	1,192	1,188
Short-term bonus	145	50	85	-	44	126	44	356	138
Long-term bonus	145	50	85	-	44	126	44	356	138
Pension contribution and compensation	103	98	45	38	118	89	85	275	301
Value of options	33	24	33	33	24	33	24	132	72
Voluntary social security contributions	11	10	4	1	9	9	9	25	28
Statutory social security contributions	9	9	9	3	9	9	9	30	27
Total	**884**	**675**	**518**	**192**	**625**	**772**	**592**	**2,366**	**1,892**

1) Refers to the whole of 2015.
2) Refers to the period January-April 2015.

The short-term and long-term bonuses are based on performance in the year in question and are paid in the following year. These bonuses are 50% (2014: 50%) determined by the extent to which the budgeted profit target is achieved. If less than 90% of the target is reached, the bonus is nil, whereas achieving the target will lead to a short-term bonus of 15% of the fixed salary (2014: 15%). If the target is exceeded, the bonus is increased in line with the percentage outperformance. For 2015, the other 50% depends on the achievement of the next phase of the CSR agenda, the introduction of Supply Chain Finance, the rollout of EMTÉ 3.0 'The Tastiest Supermarket' and the achievement of the 'Kicken op Kosten' cost-saving targets. The long-term bonus is equal to the short-term bonus but has to be used to purchase Sligro Food Group shares that then have to be held for at least four years. The 2015 bonuses were calculated at 110% of the target level (2014: 38%).

The value of the options concerns the number of options awarded in the year multiplied by the value of each option based on the formula stated in note 5.e. In relation to share and share option transactions, the acquirers are bound by insider trading rules. Additionally, transactions in shares are only allowed in the two weeks following publication of the results for the year, the interim results and the shareholders' meeting and on condition that there is no suggestion of inside information.

Voluntary social security contributions includes incapacity benefit plan insurance premiums. The members of the Executive Board are also able to claim expenses and a mileage allowance for using their own cars in connection with the business. Since these benefits serve to cover actual costs incurred and are not considered to form part of the remuneration as such, they have not been included in the above totals.

The annual remuneration for the chairman of the Supervisory Board, A. Nühn, was €48 thousands (2014: €40) and that of the other members of the Supervisory Board €34 thousands (2014: €32). The remuneration for the newly appointed Supervisory Board member in 2015 was €26 thousands. Members of the Supervisory Board also received attendance fees totalling €35 thousands (2014: nil). The remuneration is not performance-related. The total remuneration amounted to €211 thousands (2014: €136). No options have been awarded to the Supervisory Board, nor have any loans, advances or guarantees been granted to either the Executive Board or the Supervisory Board.

Movements in share and option ownership were as follows:

Equities	**Exercise price**	**K.M. Slippens**	**R.W.A.J. van der Sluijs**	**W.J.P Strijbosch**
Opening balance		92,708	1,484	5,304
Purchase		3,374	927	1,307
Sale				
Closing balance		**96,082**	**2,411**	**6,611**
Options				
Opening balance		38,000	14,100	28,200
Exercised	23,62	(9,800)	(2,450)	
Awarded	38,41	7,700	7,700	7,700
Closing balance		**35,900**	**19,350**	**35,900**

The actual share price at the time of exercise in 2015 was €36.79.

The number of options in issue as at year-end can be analysed as follows:

maturing on 1 April 2016	24.13	9,800	2,450	9,800
maturing on 1 April 2017	24.64	8,000	4,000	8,000
maturing on 1 April 2018	28.63	10,400	5,200	10,400
maturing on 1 April 2019	38.41	7,700	7,700	7,700
Closing balance		**35,900**	**19,350**	**35,900**

None of the members of the Supervisory Board owns any shares in the company or options to acquire the company's shares (2014: no change).

7. Audit fees

The fee for auditing the financial statements has been included in the general administrative expenses and in 2015 amounted to €280 thousands (2014: €220). The 2015 fees include an amount of €30 thousands in respect of additional costs relating to the audit of the preceding financial year. Other activities performed by the external auditors mainly concern other audit activities, including scrutiny of customer-related contracts, for which fees charged in 2015 by the auditors amounted to €45 thousands (2014: €33). The auditors are not engaged to perform consultancy work.

8. Finance income and expense

(x € million)

	2015	2014
Finance income from loans granted to customers and late payment credit charges received from customers, plus interest on tax paid in advance	0	1
Finance expense for finance-related obligations	(4)	(5)
	(4)	**(4)**

9. Income taxes

9.A.1. TAX (CORPORATE INCOME TAX)

A 'Horizontal Monitoring Covenant' was signed with the Dutch Tax and Customs Administration in 2014. A covenant of this kind lays down agreements reached between the tax authorities and the company and reduces the chance of 'surprises'.
The Dutch tax system recognises a difference between the reported profit and taxable profit arising from differences between the carrying amount and tax base of intangible assets, property, inventories, receivables and provisions.

The tax charge in the profit and loss account can be analysed as follows:

(x € million)

	2015	2014
Tax for the year	25	20
Prior-year adjustments	2	(1)
Tax liability for the year	**27**	**19**
Taxes accounted for directly in recognised income		
Movement in cash flow hedge of long-term loan	(0)	0
Actuarial gains and losses on defined-benefit plans		1
	(0)	1
Movement in deferred tax liabilities	(3)	(3)
Tax shown in the profit and loss account	**24**	**17**

9.A.2. EFFECTIVE TAX BURDEN

The effective tax burden can be analysed as follows:

(x € million)

	2015	2014
Profit before tax	**105**	**86**
Tax burden at the standard rate of 25.0%	26	21
Prior-year adjustments	2	(1)
Other, including tax facilities and tax-exempt income, including tax-free results of associates, capital expenditure allowances and innovation allowances	(4)	(3)
Effective tax burden 22.8% (2014: 20.2%)	**24**	**17**

9.B. CURRENT TAX ASSETS AND LIABILITIES

The following current tax items were included as at year end:

(x € million)

	2015	**2014**
Assets		**0**
Liabilities	**6**	

As at year-end 2015, all wholly owned subsidiaries, with the exception of EMTÉ Vastgoed B.V., were included in the tax group for corporate income tax purposes. Tax is levied on the tax group as if it were one company. Implicit in this is that all the companies making up the tax group bear joint and several liability for the tax liabilities of the Group. The year-end position relates to the financial year concerned.

9.C. DEFERRED TAX LIABILITIES

These can be analysed as follows:

(x € million)

	2015	**2014**
Intangible assets	5	7
Property, plant and equipment	19	19
Inventories	1	1
Net liability	**25**	**27**

The deferred tax liabilities mainly relate to the recognition of intangible assets from acquisitions and to different carrying amounts for property, to which special tax rules apply. In addition, in past years, tax facilities allowing accelerated depreciation of capital expenditure as part of the measures to address the financial crisis were utilised. Investments of more than 5% in the share capital of other companies qualify for the substantial-holding privilege, under which profits and/or dividends are not taxed (and losses are also not deductible). The difference in the carrying amounts of such investments is therefore not taken into account in the calculation of the deferred tax liabilities.

Movements during the year were as follows:

(x € million)

	2015	**2014**
Opening balance	27	28
Acquisitions	1	2
Movements during the year	(3)	(3)
Movements in previous years		(0)
Closing balance	**25**	**27**

There are no deferred tax liabilities or assets that have not been recognised in the balance sheet.

10. Goodwill and other intangible assets

Movements in this item were as follows:

(x € million)

	Goodwill	Other intangible assets		
		Store locations and customer bases	Software	Total
At cost	130	103	20	123
Accumulated amortisation	(4)	(55)	(15)	(70)
Balance as at 28 December 2013	**126**	**48**	**5**	**53**
Reclassification		4		4
Capital expenditure		11	5	16
Acquisitions		16	0	16
Amortisation		(13)	(4)	(17)
Total movements	0	18	1	19
At cost	130	137	25	162
Accumulated amortisation	(4)	(71)	(19)	(90)
Balance as at 27 December 2014	**126**	**66**	**6**	**72**
Capital expenditure		4	7	11
Disposals				
Acquisitions		3	0	3
Amortisation		(14)	(5)	(19)
Total movements	0	(7)	2	(5)
At cost	130	144	33	177
Accumulated amortisation	(4)	(85)	(25)	(110)
Balance as at 2 January 2016	**126**	**59**	**8**	**67**

ALLOCATION OF GOODWILL TO CASH-GENERATING UNITS

Goodwill is allocated to cash-generating units as follows:

(x € million)

	2015	**2014**
Food Retail	30	30
Foodservice	96	96
	126	**126**

The cash-generating units are identified using the classification the Group applies to its operating segments.

The recoverable amounts of the Foodservice and Food Retail cash-generating units are based on a calculation of the value in use arrived at by taking the net present value of the estimated future cash flows that will be generated by the continued use of these cash- generating units. Based on this calculation, it has been concluded that the recoverable amount of both the Foodservice and the Food Retail cash-generating units is considerably higher than the carrying amount and that therefore no impairment loss needs to be recognised (2014: no change).

IMPORTANT ASSUMPTIONS USED IN THE ESTIMATES OF THE NET PRESENT VALUE OF THE CASH FLOWS

The basis is the average operating profit before amortisation (EBITA) in the preceding year and the budget for the current year, the reasonableness of the assumption being tested against the operating profits in earlier years. The main assumptions used in calculating the recoverable amount are the discount rate, the terminal growth rate and the rate of growth in EBITA, which are as follows:

DISCOUNT RATE (9%)

The discount rate before tax used for the Foodservice and Food Retail activities has been derived from the weighted average cost of capital (WACC) as used by financial analysts, adjusted to reflect a normalised capital structure.

TERMINAL GROWTH RATE (1%)

For the Foodservice and Food Retail activities, the net present value model is based on estimated cash flows over a period of five years. The terminal growth rate is derived from the nominal GDP growth rate in the Netherlands.

ESTIMATED EBITA GROWTH RATE (1%)

The estimated growth in EBITA is given by the compound annual growth over the first five years of the plans used for impairment testing and also takes account of past experience.

SENSITIVITY ANALYSIS

A sensitivity analysis has been performed on the assumptions used to estimate the net present value of the cash flows. If the discount rate is increased by 2%-points or the terminal growth rate is reduced by 2%-points, there is still ample room between the net present value and the carrying amount.

11. Property, plant and equipment

Movements in this item were as follows:

(x € million)

	Land and buildings	Plant and equipment	Other assets	Assets under construction	Total
At cost	380	66	236	11	693
Accumulated depreciation	(149)	(52)	(206)		(407)
Balance as at 28 December 2013	**231**	**14**	**30**	**11**	**286**
Capital expenditure	44	8	16	(10)	58
Disposals	(0)	(0)	(0)		(0)
Acquisitions		0	0		0
Transfer[1]	(6)				(6)
Depreciation	(16)	(6)	(18)		(40)
Impairments	(3)	0	0		(3)
Total movements	19	2	(2)	(10)	9
At cost	408	71	247	1	727
Accumulated depreciation	(158)	(55)	(219)		(432)
Balance as at 27 December 2014	**250**	**16**	**28**	**1**	**295**
Capital expenditure	21	8	18	4	51
Disposals	(0)	(0)	(0)		(0)
Acquisitions	4		0		4
Transfer[1]	3				3
Depreciation	(16)	(6)	(16)		(38)
Total movements	12	2	2	4	20
At cost	436	79	264	5	784
Accumulated depreciation	(174)	(61)	(234)		(469)
Balance as at 2 January 2016	**262**	**18**	**30**	**5**	**315**

1) Transferred from and to investment property and assets held for sale.

LEASED ASSETS

It is Group policy not to enter into finance lease contracts and there are in fact no such contracts.

ASSETS UNDER CONSTRUCTION

The Group is constantly acquiring, expanding and upgrading stores and distribution centres. On completion of a project, assets under construction are transferred to the relevant category of property, plant and equipment.

WHOLESALE OUTLETS, RETAIL STORES AND DISTRIBUTION CENTRES

Land and buildings can be analysed as follows:

(x € million)

	2015	**2014**
Land	75	68
Supermarket store premises	23	22
Buildings	107	102
Subtotal of properties owned	**205**	**192**
Land occupied by leased premises	3	3
Leasehold improvements	54	55
	262	**250**

The area of land totals 855,000 m^2 (2014: 823,000 m^2), of which 285,000 m2 (2014: 285,000 m^2) is accounted for by the central complex.

Company-owned premises can be specified as follows:

	Number		**x 1,000 m^2**		**x € million**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Cash-and-carry wholesale outlets	26	24	169	154	83	71
Customer distribution centres	5	5	82	81	34	35
Production companies	3	3	15	17	10	11
Central complex	1	1	136	136	42	45
Supermarkets operated by the Group	20	18	35	25	32	30
Other	4	-	10	-	4	-
	59	**51**	**447**	**413**	**205**	**192**

12. Investment property

(x € million)

	2015	**2014**
Opening balance	15	13
Capital expenditure	2	
Transferred from property, plant and equipment	2	2
Fair value adjustments	(0)	0
Closing balance	**19**	**15**

The investment property includes 8 (2014: 7) supermarket premises leased to franchisees on operating leases. The gross floor area amounted to 11,869 m^2 (2014: 9,510 m^2). The rental income is disclosed in note 4. The future minimum lease payments under non-cancellable leases are disclosed in note 26. The direct costs associated with the investment property amounted to €13 thousands (2014: €28). The leases are on normal terms. External appraisals were conducted in 2015 for validation purposes.

13. Investments in associates and other financial assets

(x € million)

	Note	2015	2014
Associates		**48**	**45**
Other financial assets			
Loans to associates			0
Loans to customers		7	7
Fair value of derivatives	22	18	2
		25	**9**

ASSOCIATES

The investments in associates are as follows:

(in %)

	2015	2014
Foodservice		
O. Smeding & Zn. B.V., Sint Annaparochie	49	49
M. Ruig & Zn. B.V., Oostzaan	25	25
G. Verhoeven Bakkerij B.V., Veldhoven	25	25
Slagerij Kaldenberg B.V., Herwijnen	33	33
Vemaro B.V., Venlo	40	40
Coöperatieve Inkoopvereniging Superunie B.A., Beesd		
Food Retail		
Spar Holding B.V., Waalwijk	45	45
Super Direct Retail B.V.[1], Zaltbommel	37	37

1) In insolvency.

The carrying amounts of the investments in associates derive from the most recently published figures. All the investments, with the exception of that in Super Direct Retail B.V., are of a strategic nature. Voting rights are equal to the percentage interest in each case.

Movements in investments in associates were as follows:

(x € million)

	2015	2014
Opening balance	45	43
Investments and disposals	(0)	5
Share in results	6	1
Dividend	(3)	(4)
Closing balance	**48**	**45**

The summarised financial information for the associates, on the basis of a 100% interest as shown by their most recent financial statements (i.e. 2014 or 2013) , is as follows:

(x € million)	**Spar Holding B.V.**		**Other associates**	
	2015	**2014**	**2015**	**2014**
Assets	77	75	68	65
Liabilities	49	40	55	57
Shareholders' equity	28	35	13	8
Net sales	439	454	924	827
Net earnings	1	6	5	0

OTHER FINANCIAL ASSETS

The loans to customers have maturities averaging several years and are usually at market interest rates, although some are interest-free.

14. Inventories

Inventories were made up as follows:

(x € million)

	2015	**2014**
Central distribution centre	64	64
Stores and regional distribution centres	146	139
Packaging deposits	8	8
Stock in transit	2	2
	220	**213**

In the carrying amount of inventories a provision for obsolescence is included for an amount of €6 million (2014: €7).

15. Trade and other receivables

(x € million)

	2015	**2014**
Trade receivables	88	89
Suppliers	56	57
	144	**146**

Receivables from suppliers represent bonuses, promotional allowances and credit notes not yet settled. The carrying amount of the trade receivables has been written down to fair value by an amount of €4 million (2014: €4).

The movements in this item were as follows:

(x € million)

	2015	**2014**
Opening balance	4	3
Accounts written off	(1)	(1)
Charged to the result	1	2
Closing balance	**4**	**4**

16. Other current assets

(x € million)

	2015	**2014**
Other amounts receivable and prepaid expenses	**9**	**9**

The other amounts receivable and prepaid expenses include staff loans and receivables in respect of investment projects.

17. Assets held for sale

(x € million)

	2015	**2014**
Property	**4**	**8**

This concerns 7 (2014: 10) real estate projects, mainly in the food retail segment. The premises concerned are for sale with immediate possession. Also recognised as assets held for sale are premises which have been on the market for longer than one year. Despite this, the intention is still to sell these premises in the short term. Three properties were transferred to property, plant and equipment during the year.

(x € million)

	2015	**2014**
Opening balance	8	6
Transfer	(4)	5
Impairments	(0)	(0)
Disposals		(3)
Closing balance	**4**	**8**

18. Cash and cash equivalents

(x € million)

	2015	**2014**
Cash balances and cash in transfer	17	18
Freely available bank balances	72	51
Time deposits	5	5
	94	**74**

The maturity of the time deposit is 30 September 2016 and is associated with guarantees provided by a financial institution.

19. Shareholders' equity

PAID-UP AND CALLED CAPITAL

The authorised capital amounts to €12,000,000 divided into 200,000,000 shares with a nominal value of 6 euro cents each. The issued and paid-up capital as at 2 January 2016 amounted to €2,655,300.90 (27 December 2014: €2,655,300.90).

Movements in the number of shares in issue were as follows:

(x 1,000)

	2015	**2014**
Opening balance	44,255	44,255
Movements	0	0
Closing balance	**44,255**	**44,255**
Repurchased	(465)	(570)

All shareholders are entitled to dividends as declared from time to time and have the right to cast one vote per share in shareholders' meetings. The overall changes in equity are analysed in greater detail on page 108.

SHARE PREMIUM

This includes amounts paid in on the shares over and above the nominal value.

OTHER RESERVES

An amount of €8 million of the other reserves (2014: €5) is not freely distributable.

REVALUATION RESERVE

Where recognition of investment property at fair value leads to a positive adjustment of the carrying amount, a revaluation reserve is formed of the same amount, after allowing for deferred tax liabilities. This reserve is not freely distributable.

HEDGING RESERVE

This comprises the effective part of the cumulative net movement in the fair value of cash flow hedges of long-term loans. This reserve is not freely distributable.

TREASURY SHARES RESERVE

This represents the purchase price of the 465,000 of the company's own shares repurchased in connection with the share option programme.

UNAPPROPRIATED PROFITS/DIVIDEND

Since the balance sheet date, the Executive Board, with the approval of the Supervisory Board, has proposed the following profit appropriation:

(x € million)

	2015	2014
Addition to other reserves	29	21
Interim dividend paid (2015: €0.40 per share; 2014: €0.40)	17	17
Available for regular (final) dividend (2015: €0.50 per share; 2014: €0.40)	22	18
Available for variable dividend (2015: €0.30 per share; 2014: €0.30)	13	13
	81	**69**

This proposed profit appropriation, except for the interim dividend, has not been reflected in the balance sheet and does not affect the corporate income tax on profits.

20. Earnings per share

Weighted average number of outstanding shares during the year:

(x 1,000)

	2015	2014
Opening balance	43,685	43,700
Effect of repurchase of own shares	182	(11)
	43,867	**43,689**

(x € 1)

	2015	2014
Basic earnings per share	1.84	1.58
Diluted earnings per share	1.84	1.58

The staff share options awarded, the exercise price of which is below the average share price for the year, have been included in the calculation of the diluted earnings per share.

21. Other provisions

The other provisions mainly relate to franchise risks and are connected with guarantees and repurchase commitments given to financial institutions on behalf of franchisees.

22. Long-term and short-term borrowings

LONG-TERM LIABILITIES

(x € million)

	Remaining term (years)	2015	2014
3.55% USD 75 million loan (bullet loan)	2	69	62
4.15% USD 75 million loan (bullet loan)	5	69	62
Fair value of derivatives			0
		138	**124**
Amounts falling due within one year			
Amounts falling due after more than one year		**138**	**124**
Amounts falling due after more than five years			**57**

The Group uses cross-currency interest rate swaps to manage interest rate and foreign currency risks of the USD loans in accordance with its treasury policy. This means that the result on exchange on the USD loans, amounting to €14 million negative (2014: €16 negative), and that on the swaps, amounting to €14 million positive (2014: €16 positive), cancel each other out completely. The term of the swaps is the same as that of the loans. The hedging of the outstanding USD loans has been treated as a cash flow hedge.

The 3.55% USD loan and the 4.15% USD loan have been effectively converted by means of cross-currency interest rate swaps into euro loans at 3.46% and 3.96%, respectively. The amortised cost of these loans is translated at the dollar exchange rate ruling on the balance sheet date. The fair value of the swap relating to the 4.15% USD loan is €8 million positive (2014: nil), which has been included in other financial assets. The fair value of the swap relating to the 3.55% USD loan is €10 million positive (2014: €2 positive), which has likewise been included in other financial assets.

BANK BORROWINGS

Security

As at year-end 2015, the Group had overdraft facilities totalling €113 million, which had not been drawn on. An amount of €43 million of the facility is committed. The bank borrowings are unsecured. Sligro Food Group was, however, required to satisfy the following ratio as at year-end 2015 in respect of both the long-term debt and the overdraft facilities.

	Required	Actual
Net interest-bearing debt/operating profit before depreciation and amortisation	< 3.0	0.2

The set requirement was therefore comfortably met.
In the event of failure to satisfy the agreed ratio, the lenders have the right to impose further requirements.

23. Other taxes and social security contributions

(x € million)

	2015	2014
VAT, excise duty and waste management contribution	19	21
Payroll tax and social security contributions	7	12
Pension contributions	0	0
	26	**33**

24. Other liabilities, accruals and deferred income

(x € million)

	2015	2014
Employees	27	23
Customer bonuses	9	11
Packaging deposits	6	5
Loyalty scheme liabilities	6	4
Other	11	11
	59	**54**

The employees item includes liabilities in respect of profit-sharing, accrued paid annual leave plus holiday allowances.

25. Risk management

The Group is exposed to credit, liquidity and market risks (interest rate, exchange rate and other risks) in its ordinary operations. There have been no changes in the Group's risk policy or in the management of these risks compared with the preceding year.

CREDIT RISK

The Group is exposed to a variety of credit risks connected with its operations. In the case of the food retail activities, the supermarkets sell exclusively for cash or using guaranteed payment methods and so there is essentially no credit risk. The largest credit risk for the Group is concentrated among supermarket franchisees in that, for some of the Group's customers, in addition to the usual suppliers' credit terms, there is a credit risk associated with the financing of independent store operators. This can take the form of direct loans, included in financial assets, or guarantees/repurchase commitments for credit lines provided by financial institutions. The risks are minimised by assessing the profitability of individual stores and their independent operators. A store's assets also provide security. Each project is carefully considered in 'store network consultation' project meetings and the outstanding receivables are monitored daily. Periodic assessments of the viability of stores are also performed. As at year-end 2015, the receivables from food retail customers included in other financial assets totalled approximately €3 million (2014: €4) and in trade receivables totalled approximately €8 million (2014: €9).

The aging of these trade receivables is as follows:

(x € million)

	< 1 month	1-3 months	3-12 months	> 12 months	Total
2015	8	0	0	0	8
2014	9	0	0	0	9

In the case of the foodservice activities, some supplies are made without guaranteed advance payment. However, payment for goods and services is largely by direct debit (Dutch payment product name: Bedrijven Euro-incasso) and customers only initiate payments to a limited extent. Although direct debit does not guarantee payment, should a customer have insufficient funds, experience has shown that, owing to the diversification provided by a large customer base and the short payment period allowed, the credit risk in relation to the volume of foodservice supplies made on credit is fairly minor. Despite the financial difficulties of some of our Foodservice customers, the risks and the losses remained relatively small although there has been an increase. As at year-end 2015, the receivables from food retail customers included in other financial assets totalled approximately €4 million (2014: €3) and in trade receivables totalled approximately €80 million (2014: €80).

The aging of these trade receivables is as follows:

(x € million)

	< 1 month	1-3 months	3-12 months	> 12 months	Total
2015	80	0	0		80
2014	80	0	0		80

As at year-end 2015, the Group had receivables from suppliers totalling €56 million (2014: €57 million), mainly relating to agreed annual purchase volumes, which are paid after the end of the year. If a supplier should default on these payments, the Group would generally be able to recover the amount receivable by setting it against accounts payable to the supplier concerned.

LIQUIDITY RISK

The Group aims to hold sufficient liquid funds (including in the form of commitments by financial institutions) to meet its financial liabilities at any time. This is achieved in part by financing operations to a relatively large extent by medium and long-term credit lines with different repayment schedules. Moreover (partly in view of the changes in credit market conditions), the availability of €43 million of the short-term facilities is legally enforceable.

Given below is an analysis of the financial liabilities, including estimated interest payments.

(x € million)

	Carrying amount	Contractual cash flows	< 1 year	1 - 5 years	> 5 years
Non-current liabilities [1]	138	130	4	126	
Current liabilities	298	298	298		
	436	428	302	126	

1) Contractual cash flows are included at the swap rate on the maturity date of the liabilities.

MARKET RISK (INTEREST RATE, EXCHANGE RATE AND OTHER MARKET RISKS)

The risk of volatility in exchange rates and interest rates is partly hedged by means of derivatives.

Interest rate risk

Note 22 provides an analysis of the long-term financing and associated interest rate terms.

Currency risk

The Group is exposed to an exchange rate risk on loans and on goods purchases. This mainly concerns the US dollar. As mentioned in the accounting policies under heading H2, the exchange risk on the loans is entirely hedged. The Group also hedges a proportion of its dollar purchase obligations by means of forward currency contracts. The policy is to hedge transactions where settlement will be more than two months ahead and not to hedge transactions due for earlier settlement. The annual dollar purchase volume is approximately USD 26 million, with an average term of approximately two months. Hedge accounting is not applied to forward currency contracts for purchase obligations. The effect of exchange rate movements is included in the cost of sales.

SENSITIVITY ANALYSES

Interest rates

Changes in the interest rate have hardly any impact on the Group's results.

Exchange rates

The effect of the US dollar exchange rate vis-à-vis the euro is relatively minor since movements in the value of the euro can be reflected fairly simply and rapidly in the selling prices.

Labour costs/energy

Directly attributable labour costs account for more than 50% of total costs. The effect of a general increase of half a percentage point in labour costs is estimated to reduce the result before tax by approximately €1 million. Approximately 6% of the cost base is directly or indirectly dependent on energy prices. The effect of a general increase in energy prices by 5% is also approximately €1 million.

Capital management

The Group attempts to make maximum use of its available credit lines for funding purposes, provided the stipulated ratio can be comfortably met. The Group does not have a specific target return on capital employed. The aim is to achieve average growth in net profit which at least keeps pace with the target average rate of revenue growth. In 2015, estimates of future growth potential were revised downwards.

Fair value

The carrying amount of financial instruments is almost the same as the fair value. Financial instruments carried at fair value are included in the category 'level 2', which means that the valuation is based on amounts provided by a financial institution, which are derived from market data and other sources. The property investments are also measured at fair value and are included in 'level 3' (own valuation method based on knowledge available within the Group, as disclosed under F in the accounting policies).

OTHER RISKS

General

Like any other business, the Group faces the usual risks associated with its commercial activities. Those risks which affect the Group more particularly are considered in greater detail below and comprehensive risk disclosures can be found on pages 73 et seq.

The business cycle and competition

Since the Group's activities are primarily concerned with the basic human need for food, it is food products which account for the bulk of the sales and demand for them is not particularly cyclical, although there can be shifts of emphasis between the Group's two business lines of Foodservice and Food retail. Moreover, in our markets we are seeing the growth of online initiatives, new entrants to the market and non-food retailers attempting to take a slice of the food market. Although this puts pressure on certain segments of our markets (niche markets), it also offers opportunities.
A process of consolidation is taking place in the markets in which the Group sells and among the suppliers to those markets, with direct customers, wholesale distributors and supermarket chains supplied by the Group all becoming bigger. There is evidence of the same trend among suppliers to the Group. These and other factors mean that the Group operates in highly competitive markets and is not always able to pass on its cost increases to its customers in full. Cost increases therefore largely have to be absorbed by efficiency improvements in order to maintain profitability, let alone lift profits.

In the food retail business in particular, periods of intensified competition occur on a regular basis, generally known in the industry as price wars. The effects are also felt in the foodservice market, albeit usually to a lesser extent.

Acquisitions

The Group's plans for expansion include growth through acquisitions as well as organic growth. In recent years, the Group has aimed to make a relatively large acquisition every one or two years. In 2015, CaterTech was acquired, adding 1% to the Group's annual sales. Although we have a great deal of experience with takeovers and the various associated financial, integration and other risks, there is still, despite all the proper due diligence procedures beforehand, a greater level of risk associated with growth through acquisitions than is the case with organic growth. In principle we try to include newly acquired companies in the information system operated by the Group as quickly as possible to bring them rapidly under central management and control. As at year-end 2015, this was true for all activities.

Information systems

The Group is highly dependent on its internally developed IT systems, which are maintained and upgraded by a team of experienced specialists. Comprehensive measures are in place to safeguard the continuity of data processing. Further progress on this front was recorded in 2015. The high level of integration of the Group's activities means that a systems failure would bring a large part of the business to a standstill within a few days.

Food safety

Since the Group is primarily engaged in the food supply and processing chain, food safety is crucial. The Group observes strict food safety practices as regards both food processing and the products themselves throughout the various links in the organisation.

Compliance with external quality standards is a given. We have detailed procedures in place to minimise the consequences in case of threats to public health. Failure to abide by these principles could have serious implications for the Group's market position.

Authorities

Public authorities on occasion take drastic actions, which can have a major impact on operations. Such official measures can be unpredictable, unjustified or both.

26. Operating lease and rental obligations

Contracts under which the Group is lessee:

(x € million)

	2015	2014
Operating lease obligations		
< 1 year	0	0
1-5 years	0	0
> 5 years		
Expense in the year	1	0
Rental obligations for premises occupied by the Group		
< 1 year	34	33
1-5 years	106	100
6-10 years	72	62
> 10 years	18	21
Expense in the year	34	34
Present value	215	205
Rental obligations on behalf of customers		
< 1 year	4	4
1-5 years	8	9
> 5 years	3	3
Present value	13	15

The operating lease obligations relate mainly to ICT systems. The rental obligations for premises occupied by the Group concern 111 premises (2014: 109) The rental obligations on behalf of customers are matched by leases entered into by the customers for almost exactly the same amounts. There is a broad variety as regards rental obligations, frequently including the option for the tenant to renew the lease. The present value stated above is the face value of the rents concerned plus expected annual increases calculated using a discount rate of two percentage points above the risk-free interest rate. During 2015 the risk-free rate decreased, which resulted in an increase of the present value.

Contracts under which the Group is lessor:

(x € million)

	2015	2014
Investment property		
< 1 year	2	1
1-5 years	3	1
> 5 years	2	1
Other property		
< 1 year	1	2
1-5 years	3	4
> 5 years		

The investment property relates to property owned by the Group that is leased to franchisees of the Group. Other property includes items relating to the partial subletting of property used by the Group. This may relate to property owned by the Group and property which the Group rents.

27. Investment obligations

As at year-end 2015, there were investment obligations totalling approximately €15 million (2014: €12).

28. Contingent liabilities

Repurchase commitments

Repurchase commitments have been given to financial institutions in respect of credit lines granted to retail customers involving a total exposure of €3 million (2014: €2). Store alterations, inventories and shop fittings funded by the loans and advances have been furnished as security for these repurchase commitments and so they will not normally give rise to any material financial losses. Where the need nevertheless arises, provisions are made to cover possible losses.

Claims

Claims have been filed against Sligro Food Group and/or Group companies. These claims are being contested, despite none of them being of material significance.

29. Management estimates and assessments

Goodwill

Note 10 contains information about the measurement of goodwill and the impairment tests that are performed.

Credit, liquidity and other market risks

Note 25 contains information on these risks, together with a sensitivity analysis.

Receivables from suppliers

This concerns an estimate of the payments expected from suppliers as disclosed in note 15.

Property, plant and equipment, investment property and assets held for sale

The Group owns a relatively large amount of property used by the Group itself, investment property which it leases to customers and assets held for sale. As at year-end 2015, these items, excluding capital expenditure on leased premises, totalled approximately €228 million (2014: €215).
An assumption has been made of continuing use for the existing purpose unless the assets concerned have been classified as held for sale. Any changes in this assumption, for example as a result of relocations, can lead to an adjustment of the carrying amount down to a lower fair value less costs to sell. It may also be found that the fair value less costs to sell is higher than the carrying amount.

30. Cash flow statement

The cash flow statement has been prepared using the direct method. The cash flow statement includes receipts and payments rather than income and expenses. Acquisitions are accounted for in the cash flow statement at the purchase price net of cash and cash equivalents. The debt-free amount and the purchase price of acquisitions and investments are disclosed in note 1. Receipts from customers are sales including VAT and the movement in receivables from customers. Payments to the government include both those for VAT and excise duties as well as payments of payroll deductions, social security contributions and pension contributions. The corporate income tax paid is shown separately.

The following table shows the reconciliation of the cash generated from operations and the operating profit:

(x € million)

	2015	**2014**
EBIT	103	89
Depreciation and amortisation	57	57
Impairments	(0)	3
EBITDA	**160**	**149**
Other operating income included in cash flow from investing activities	1	(4)
	161	145
Changes in working capital and other movements:		
Inventories	(3)	(20)
Trade and other receivables and other current assets	4	(7)
Current liabilities	(1)	57
Provisions	0	0
Shareholders' equity	2	(5)
	2	**25**
Net cash generated from operations	**163**	**170**

The item cash, cash equivalents and short-term bank borrowings can be reconciled with the balance sheet as follows:

(x € million)

	2015	**2014**
Cash and cash equivalents	94	74
Bank borrowings	0	0
	94	**74**

31. Related-party disclosures

In the field of short-life perishables, the company operates in partnership with and has investments in the fresh produce suppliers listed in note 13. In 2015, this business represented a combined purchase volume at market prices of €214 million (2014: €194). As at year-end 2015, the amount owed to these companies in connection with trading was €14 million (2014: €15). In view of the nature of the liabilities, they have been treated as ordinary trade payables.

For tobacco products, the Group has an alliance with a partner in the form of its 40% stake in Vemaro B.V. Vemaro B.V. also has a loan facility from the Group under which borrowing amounted to nil (2014: €0). This loan is included in the other financial assets. The Group also guarantees certain of Vemaro's receivables from certain customers. As at year-end 2015, the amount owed to Vemaro in connection with trading was €6 million (2014: €8). In view of the nature of the account, it has been included in trade payables.

The Group is a member of the Superunie purchase cooperative, which looks after the procurement of the food retail products. The purchase volume in 2015 amounted to €954 million (2014: €945). As at year-end 2015, the amount owed in connection with trading was €75 million (2014: €77). In view of the nature of the liabilities, they have been treated as trade payables.

The transactions and relations with Stichting Pensioenfonds Sligro Food Group and the Executive and Supervisory Boards are explained in notes 5 and 6.

In 2015, 105,000 Sligro Food Group shares were sold (2014: 15,000 purchased) at market price in transactions with Stichting Werknemersaandelen Sligro Food Group.

In 2015, a Supply Chain Finance programme was established and was rolled out in the closing quarter of the year. This programme enables participating suppliers to discount their invoices with a participating bank at an interest rate of 0.9% points above 1-month Euribor. The trade payables item as at year-end 2015 includes an amount of €7 million relating to the participating suppliers. The method of preparation of the cash flow statement remains unchanged compared with preceding years. Sligro Food Group receives a (small) compensation from this programme that is recognised in other operating income.

Company
PROFIT AND LOSS ACCOUNT
for 2015

(x € million)

	2015	2014	2013
Share in profits of subsidiaries	81	69	68
Other gains and losses	0	0	0
Profit for the year	**81**	**69**	**68**

Company
BALANCE SHEET
as at 2 January 2016 before profit appropriation

(x € million)

ASSETS	02-01-2016	27-12-2014	28-12-2013
Intangible assets	8	8	8
Financial assets	603	562	558
Total non-current assets	**611**	**570**	**566**
Receivables from group companies			5
Total current assets			**5**
Total assets	**611**	**570**	**571**

EQUITY AND LIABILITIES	02-01-2016	27-12-2014	28-12-2013
Shareholders' equity			
Paid-up and called capital	3	3	3
Share premium	31	31	31
Other reserves	479	459	458
Legal reserves	12	8	11
Unappropriated profit	81	69	68
	606	**570**	**571**
Payables to group companies	5	0	
Total current liabilities	5	0	
Total equity and liabilities	**611**	**570**	**571**

NOTES
to the company financial statements
(amounts in millions of euros unless stated otherwise)

General

The company financial statements have been prepared in accordance with Part 9, Book 2, of the Netherlands Civil Code, applying the accounting policies defined in section D of the accounting policies for the consolidated financial statements, with carrying amounts of investments in companies where the company has significant influence measured using the net asset value and applying the accounting policies of the consolidated financial statements. In preparing the company profit and loss account, the company has availed itself of the exemption pursuant to Section 402, Book 2, of the Netherlands Civil Code.

Assets

INTANGIBLE ASSETS

Goodwill

(x € million)

	2015	**2014**
Opening balance		
Acquisition cost	10	10
Accumulated amortisation	(2)	(2)
	8	8
Disposals		
Closing balance	**8**	**8**
Acquisition cost	10	10
Accumulated amortisation	(2)	(2)

Financial assets

(x € million)

	2015	**2014**
Investments	574	537
Receivables from group companies	29	25
	603	**562**

INVESTMENTS

This relates to the wholly-owned subsidiaries Sligro Food Group Nederland B.V. and Sligro Food Group International B.V. Movements were as follows:

(x € million)

	2015	**2014**
Opening balance	537	533
Result	81	69
Investments	1	
Share-based payments	0	(1)
Income and expense recognised directly in equity	2	(5)
Change in own shares	1	(1)
Dividend	(48)	(58)
Closing balance	**574**	**537**

RECEIVABLES FROM GROUP COMPANIES

This item includes two loans for a combined amount of €29 million (2014: €25). One loan is for €25 million (2014: €25), maturing on 1 January 2023 and the other is for €4 million (2014: nil), maturing on 1 January 2021. These loans are redeemable in full on maturity. Both loans bear interest at a rate of 1% per annum.

Equity and liabilities

SHAREHOLDERS' EQUITY

Changes in equity are presented in greater detail on page 108 and further information on shareholders' equity is given in note 19 to the consolidated financial statements.

Reconciliation of the reserves in the company financial statements with those in the consolidated financial statements is as follows:

(x € million)

	2015	2014
Consolidated		
Other reserves	585	552
Hedging reserve	(4)	(6)
Treasury shares reserve	(13)	(14)
Revaluation reserve	4	4
	572	**536**
Company		
Other reserves	479	459
Unappropriated profit	81	69
Legal reserves	12	8
	572	**536**

LEGAL RESERVES

This item comprises the legal reserve for investments in subsidiaries/associates and the revaluation reserve.

Movements were as follows:

(x € million)

	2015	2014
Opening balance	8	11
Movement during the year	4	(3)
Closing balance	**12**	**8**

Of the legal reserves of €12 million (2014: €8), an amount of €8 million (2014: €5) relates to the difference between the retained profits calculated on the basis of the parent company's accounting policies plus the movements accounted for directly in the equity of the companies invested in (resulting from revaluations] and the part thereof that is distributable to the parent. The legal reserves are calculated on an individual basis.

Contingent liabilities

As part of the Sligro Food Group N.V. tax group, the company is liable for the tax payable by the tax group as a whole.

The company has assumed joint and several liability for debts arising from the legal acts of its direct and indirect subsidiaries, pursuant to Section 403, Book 2, of the Netherlands Civil Code, as stated on page 115.

Duly signed for publication,

Veghel, 29 January 2016

Supervisory Board:	Executive Board:
A. Nühn, chairman	K.M. Slippens, chairman
Th.A.J. Burmanje	R.W.A.J. van der Sluijs
J.H. Kamps	W.J.P. Strijbosch
B.E. Karis	
R.R. Latenstein van Voorst	

OTHER INFORMATION

Independent auditor's report

To the General Meeting of Shareholders of Sligro Food Group N.V.

Report on the audit of the financial statements 2015

Our opinion

We have audited the financial statements 2015 of Sligro Food Group N.V. (the Company), based in Veghel. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The consolidated financial statements give a true and fair view of the financial position of Sligro Food Group N.V. as at 2 January 2016, and of its result and its cash flows for 2015 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The company financial statements give a true and fair view of the financial position of Sligro Food Group N.V. as at 2 January 2016, and of its result for 2015 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

The consolidated financial statements comprise:

1. The consolidated balance sheet as at 2 January 2016.
2. The following statements for 2015: the consolidated profit and loss account, the consolidated statement of recognised income and expense, consolidated statement of changes in equity and consolidated cash flow statement.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 2 January 2016.
2. The company profit and loss account for 2015.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Sligro Food Group N.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)" and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants (VGBA)".

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

As part of our audit we have determined materiality and used it to assess the risks of material misstatement. We have specifically assessed accounts where subjectivity is high because of estimates regarding uncertain future developments. We have likewise specifically focused on the risk related to management override of controls and the risk of material misstatement due to fraud. In addition, our audit expressly included the continuity and reliability of the automated information systems.

Executive board report

- Prepared in accordance with Part 9 Book 2 Dutch Civil Code.
- Consistent with financial statements.

Materiality

Materiality for the financial statements as a whole €6 million (2014: €6).

Key audit matters

- Bonuses, promotional contributions and payment discounts.
- Sales contracts Foodservice activity.
- Reliability and continuity of the IT environment.

Scope

Deloitte audited the company and all consolidated subsidiaries.

Materiality

Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at €6 million. The materiality is based on 6% of profit before tax. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated financial statements for qualitative reasons.

Materiality overview	**2015**	**2014**
Basis for group materiality	6% of profit before tax €105 million	7% of profit before tax €86 million
Group materiality level	€6 million	€6 million

We agreed with the Supervisory Board that misstatements, which are identified during the audit, would be reported to them, as well as smaller findings and observations, and smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Considering we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Most important were size and/or risk profile of the group entities or operations.

For Sligro Food Group N.V., our group audit focused on all entities within the consolidation. We have performed audit procedures at all group entities ourselves and we have not used the work of other auditors as part of our audit. The investments in associates reported in the financial statements are (minority share) investments that select their own external auditor. We are not the external auditor of these associates, but where deemed necessary, we have performed certain procedures ourselves, or used the work performed by the statutory auditor of an associate. At the time the financial statements of Sligro Food Group N.V. are being prepared, the statutory audits of the financial statements of the associates most of the time have not yet been completed. Therefore we have, for example in respect of the investment in Spar Holding B.V. (carrying amounts in the financial statements of Sligro Food Group N.V. €35 million), performed procedures in addition to the work of the statutory auditor of Spar Holding B.V.

By performing the procedures mentioned above, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Our key audit matters

In the key audit matters we describe those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the key audit matter was addressed in the audit
Bonuses, promotional contributions and payment discounts Supplier's bonuses and promotional contributions are regular business practices in the sector. The share of supplier's bonuses and promotional contributions to Sligro Food Group N.V.'s profit before tax is very substantial. Final agreements with the suppliers on these contributions are most often concluded in the year following the year of reporting. This leads to an element of estimation in the financial statements. The Company discloses the relevant accounting policies in Note G2 to the consolidated financial statements. In summary: Sligro Food Group N.V. receives various forms of compensation from suppliers, which can be divided into two main types: i. Temporary price reductions ("promotions"), usually associated with promotional offers to customers, are aimed at increasing direct sales volumes. In most cases, the lower purchase price is charged by the supplier for the agreed period. The benefit of temporarily lower purchase prices is reflected directly in the cost of sales. ii. Bonuses are usually based on annual agreements ("bonuses"). Reasonably foreseeable bonuses are included in the valuation of inventory. This does not apply to promotional allowances as these are intended to cover sales efforts.	Our audit focused on both testing the design and implementation of internal control measures on behalf of the executive board (including the basis for the estimates, segregation of duties, contract management and authorizations) as well as on a number of substantive tests (auditing the outcome of the estimates of last year, reviewing the support of the estimates based on the contracts with the suppliers and confirmation of the agreed conditions with the suppliers). Based on historical figures, test of details and analytical procedures we have audited the impact on the inventory valuation of classifying contributions as promotions or bonuses. Management has refined the method of estimating the supplier's bonuses and promotional contributions to be received at the end of the reporting year and will also invest in a further improvement of the way conditions can be structured, managed and processed in an electronic way in the coming period.
Sales contracts Foodservice activity Sligro Food Group N.V. serves a large number of customers operating in different segments of the hospitality and service market. Depending on the nature and size of the activities of its customers Sligro Food Group N.V. segments the customers in a number of different groups. It is possible that segments have different conditions for certain products. Applying the right contracts and conditions for the various customer groups is important and as a consequence a key audit matter for us.	We have evaluated internal controls governing the classification of new customers in the relevant and appropriate groups as part of our audit procedures. We have performed substantive audit procedures to determine whether the different customer groups are charged based on approved prices. In case cost prices are important to determine the relevant selling prices we have performed specific (substantive) analytical procedures in order to verify the proper application of contractual conditions.
Reliability and continuity of the IT environment Sligro Food Group N.V. is highly dependent on the reliability and continuity of the IT environment to support automated data processing in its operations. This dependency results in high attention to the IT environment by both the executive board and to us as external auditor. Sligro Food Group N.V. uses, in addition to a number of standard applications, a large number of (partially internally) custom-made applications. Contrasting to standard applications that are commonly used worldwide by many users, custom-made applications lead to a number of specific challenges to the reliability and continuity of data processing. In connection with our audit work, we have evaluated the data centers, the general controls surrounding the IT (General IT Controls), a number of programmed controls and systems relevant to the financial statements and internal reports.	In 2015 we have not relied on automated data processing for certain processes. Alternatively we gained the required level of assurance from additional activities including data analytics and verification and analyses of relations between movements in cash and goods. IT audit specialists have been deployed to assist us in making various data analysis. During 2015 the executive board has given high priority to a program aiming for further improvement in a number of processes in the area of reducing and better monitoring of access to and maintenance of the systems of automated data processing.

Responsibilities of the Executive Board and the supervisory board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Executive Board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless Executive Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Executive Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

For our responsibilities we refer to the appendix.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or, in extremely rare circumstances, when non-mentioning is in the public interest.

Report on other legal and regulatory requirements

Report on the Executive Board report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management board report and other information):

- We have no deficiencies to report as a result of our examination whether the executive board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the executive board report, to the extent we can assess, is consistent with the financial statements.

Engagement

We were engaged by the General Meeting of Shareholders as auditor of Sligro Food Group N.V. on 19 March 2014 as of the audit for year 2014 and have operated as statutory auditor ever since that date.

Eindhoven, 29 January 2016

Deloitte Accountants B.V.
J. Hendriks

Appendix to the independent auditor's report

Our responsibilities for the audit of the financial statements

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company ceasing to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Proposed profit appropriation

As stated in note 19, the Executive Board, with the approval of the Supervisory Board, has proposed the following profit appropriation since the balance sheet date:

(x € million)	
Addition to other reserves	29
Payment of interim dividend (€0.40 per share)	17
Available for regular (final) dividend (€0.50 per share)	22
Available for distribution as variable dividend (€0.30 per share)	13
	81

Article 46 of the Articles of Association contains the following provisions with regard to distributions and reserves:

1) The company may make distributions to shareholders and other parties entitled to the distributable profit only insofar as its shareholders' equity is greater than the paid-up and called capital plus the reserves required to be held by law or the Articles of Association.
2) Subject to the approval of the Supervisory Board, the Executive Board is authorised to add all or part of the profit to the reserves. Such an addition to the reserves may be reversed by a resolution supported by a majority of two- thirds of the votes cast at a general meeting at which more than half the issued capital is represented.
3) Any profit remaining after the addition to the reserves as referred to in the previous paragraph of this article shall be at the disposal of the general meeting.
4) Insofar as the general meeting does not resolve to distribute profit for any specific year, such profit shall be added to the reserves.
5) Subject to the approval of the Supervisory Board, the Executive Board may make interim distributions provided the requirement of paragraph 1 of this article has been met and is evidenced by an interim statement of assets and liabilities as referred to in Section 105(4), Book 2, of the Netherlands Civil Code. The company shall file the statement of assets and liabilities at the office of the Commercial Register within eight days of the date on which the resolution to make the distribution is published. The second sentence of paragraph 9 of this article is applicable mutatis mutandis to interim distributions.
6) On a proposal of the Executive Board which has been approved by the Supervisory Board, the general meeting may resolve to appropriate profit to a distributable reserve.
7) On a proposal of the Executive Board which has been approved by the Supervisory Board, the general meeting may, without prejudice to the provisions the Articles of Association relating to the issue of shares, resolve to distribute profit in the form of shares in the company or depositary receipts therefor
8) Profit distributions shall be made at a place and time to be determined by the general meeting but no later than one month after adoption of the relevant resolution by the general meeting.
9) Profit distributions not claimed within five years of the date on which they became payable shall revert to the company.
10) A loss may be charged to the reserves required to be held by law only insofar as permitted by law.

TEN-YEAR REVIEW

(x € million)[9]

	2015	2014	2013	2012	2011
Results					
Net sales	2,670	2,572	2,498	2,468	2,420
EBITDA	160	149	143	142	159
EBITA	122	106	100	99	115
EBIT	103	89	88	89	105
Profit for the year	81	69	68	69	78
Net cash flow from operating activities	140	147	133	129	124
Free cash flow	78	78	101	96	76
Proposed dividend	52	48	46	46	46
Equity and liabilities					
Shareholders' equity[1]	606	570	571	555	541
Net capital employed[2]	660	651	640	659	692
Total assets	1,071	1,012	1,006	968	931
Employees					
Year average (full-time equivalents)	5,740	5,834	5,829	5,848	5,880
Staff costs[5]	253	239	234	227	217
Capital expenditure					
Net capital expenditure[4]	60	60	36	33	46
Depreciation[5]	38	40	41	43	44
Ratios					
Increase in sales (%)	3.8	2.9	1.3	1.9	5.9
Increase in profit (%)	17.4	1.5	(0.9)	(12.3)	11.4
Gross margin as % of sales	23.2	23.2	23.1	22.6	23.2
EBITDA as % of sales	6.0	5.8	5.7	5.8	6.6
EBITA as % of sales	4.6	4.1	4.0	4.0	4.7
EBIT as % of sales	3.8	3.5	3.5	3.6	4.3
Profit after tax as % of sales	3.0	2.7	2.7	2.8	3.2
Return on average Shareholders' equity[6]	13.7	12.0	12.1	12.5	15.0
EBIT as % of average net capital employed	15.7	13.8	13.6	13.1	15.2
Shareholders' equity as % of total assets	56.6	56.3	56.8	57.3	58.1
Sales per employee (x €1,000)	465	441	429	422	412
Staff costs per employee (x €1,000)	44	41	40	39	37
Figures per share of €0.06[7] nominal value (in euros)					
Shares in issue (millions)	43.8	43.7	43.7	43.8	44.0
Shareholders' equity	13.84	13.05	13.07	12.65	12.30
Net earnings	1.84	1.58	1.55	1.56	1.78
Proposed dividend, as form 2014 including interim dividend	1.20	1.10	1.05	1.05	1.05
of which variable dividend[8]	0.30	0.30	0.25	0.25	0.20

1) Before profit appropriation. 2) Total assets less cash and cash equivalents and swaps, less short-term liabilities excluding interest-bearing portion. 3) Salaries, social security charges and net benefit expense. 4) See note 2, footnote 5. 5) Excluding impairments. 6) Calculated on profit for the year. 7) Prior-year figures restated for the share split in 2007. 8) 2009: Jubilee bonus. 9) Changes in accounting policies are only reflected in restatement of the figures for the preceding year which also appear in the main financial statements.

2010	2009	2008	2007	2006
2,286	2,258	2,168	2,066	1,661
146	149	147	135	119
99	106	107	101	93
91	98	99	96	90
70	74	71	74	62
107	123	103	83	78
66	73	74	8	51
31	44	28	28	24
500	482	426	375	313
689	645	644	645	571
937	852	875	858	719
5,513	5,552	5,600	5,083	3,662
203	197	191	171	127
41	47	36	82	32
47	42	40	34	26
1.3	4.2	4.9	24.4	7.5
(5.5)	4.2	(3.9)	19.5	22.0
23.1	23.3	23.8	22.9	21.6
6.4	6.6	6.8	6.5	7.2
4.3	4.7	4.9	4.9	5.6
4.0	4.3	4.5	4.6	5.4
3.1	3.3	3.3	3.6	3.7
14.3	16.4	17.8	21.6	21.5
13.6	15.2	15.3	15.8	18.3
53.3	56.6	48.7	43.7	43.5
415	407	387	406	454
37	36	34	34	35
44.1	44.3	43.7	43.1	42.4
11.34	10.90	9.75	8.69	7.37
1.59	1.68	1.63	1.72	1.46
0.70	1.00	0.65	0.65	0.57
	0.30			

GLOBAL REPORTING INITIATIVE (GRI) TABLE

General Standard Disclosures	Description	Whereabouts in report
G4-1	Directors' statement of responsibilities	Foreword
G4-3	Name of the reporting organisation	Sligro Food Group N.V.
G4-4	Main brands, products and/or services	Profile
G4-5	Head office location	Corridor 11, 5466 RB Veghel
G4-6	Number of countries in which the organisation is active	Profile
G4-7	Ownership structure and legal form	Profile/Sligro shares
G4-8	Sales markets	Profile
G4-9	Size of reporting organisation	Key figures
G4-10	Total number of employees by employment contract and gender	Heading ‘Workforce make-up and diversity’ in section Organisation and employees
G4-11	Percentage of employees covered by a Collective Labour Agreement	Heading 'Employment terms and conditions' in section Organisation and employees
G4-12	Description of the organisation’s supply chain	Heading ‘One business, one policy’ in CSR section
G4-13	Significant changes during reporting period regarding the organisation’s size, structure, ownership or supply chain	None
G4-14	Report on whether and how the precautionary approach or principle is addressed by the organisation	Heading 'Corporate culture' in section Organisation and employees
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses	Heading ‘Affiliations and administrative involvement’ in the CSR section
G4-16	Membership of associations (such as industry associations) and/or national/international advocacy organisations	Heading ‘Affiliations and administrative involvement’ in the CSR section
G4-17	All entities included in the organisation’s financial statements or equivalent documents	Financial statements
G4-18	Process for determining contents of report	CSR section - About this report
G4-19	List of all material aspects identified in the process for defining report content	Heading ‘Our core themes’ in the CSR section
G4-20	Set the aspect boundary within the organisation	CSR section
G4-21	Set the aspect boundary outside the organisation	CSR section
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	Heading 'CO2' in section Our Core themes ‘The environment'
G4-23	Significant changes compared with previous reporting periods	None
G4-24	List of groups of interested parties involved by the organisation	Heading ‘Stakeholder dialogue’ in the CSR section
G4-25	Basis for identification and selection of interested parties to be involved	Heading ‘Stakeholder dialogue’ in the CSR section
G4-26	Report on the organisation’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Heading ‘Stakeholder dialogue’ in the CSR section
G4-27	Report on key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns through its reporting	Heading ‘Stakeholder dialogue’ in the CSR section
G4-28	Reporting period	2015
G4-29	Date of most recent report	29 January 2016
G4-30	Reporting cycle	Annual
G4-31	Contact point for questions about report or contents	mvo@sligro.nl CSR section - About this report
G4-32	Report on the ‘in accordance’ option the organisation has chosen and the GRI Content Index for the chosen option and reference to the External Assurance Report	Heading ‘About this report’ in the CSR section
G4-33	Report on the organisation’s policy and current practice with regard to seeking external assurance for the report	Auditor’s report
G4-34	Management structure of the organisation, including committees reporting to the senior management body and responsible for specific tasks, such as determining strategy or providing an overview of the organisation.	Directors and management
G4-56	Description of the organisation’s values, principles, standards and norms of behaviour, such as codes of conduct and codes of ethics.	Heading 'BSCI' in section Our core themes ‘Our product range' / Corporate Governance

Specific Standard Disclosures		
PEOPLE		
Our employees DMA	**Description of the management approach**	**Heading 'Our employees' in section Our Core themes 'People' and section Organisation and employees**
G4-LA6	Injuries, occupational diseases, sickness absence and work-related deaths by region and gender	Heading 'Safety' in section Organisation and employees
G4-LA10	Programmes for competency management and lifelong learning aimed at guaranteeing the ongoing employability of staff and to help them at the end of their career	Heading 'Learning and development' in section Organisation and employees
Our community DMA	**Description of the management approach**	**Heading 'Sustainable' in section Our core themes 'Our product range'**
G4-HR1	Percentage and total number of substantial investment agreements including clauses on human rights or subject to verification of compliance with human rights	Sustainable under 'Our product range'
G4-HR4	Activities in respect of which it has been determined that there could be substantial risk to the right of free association and the right to negotiate collective labour agreements and measures taken to uphold those rights	Sustainable under 'Our product range'
G4-HR5	Activities in respect of which it has been determined that there could be a substantial risk of child labour and measures taken to prevent child labour	Sustainable under 'Our product range'
G4-HR6	Activities in respect of which it has been determined that there could be a substantial risk of cases of forced or compulsory labour and measures taken to prevent forced or compulsory labour	Sustainable under 'Our product range'
Our customers DMA	**Description of the management approach**	**Heading 'Energy' in section Our core themes 'The environment'**
G4-PR5	Results of customer satisfaction surveys	Heading 'Ratings' in section Trends in Food Retail and the heading 'Ratings' in the section Trends in FoodService.
THE ENVIRONMENT		
Energy DMA	**Description of the management approach**	**Heading 'Energy' in section Our core themes 'The environment'**
G4-EN3	Energy consumption within the organisation	Heading 'Energy' in section Our core themes 'The environment'
G4-EN4	Energy consumption outside of the organisation	Heading 'Energy' in section Our core themes 'The environment'
G4-EN6	Reduction of energy consumption	Heading 'Energy' in section Our core themes 'The environment'
G4-EN7	Reductions in energy requirements of products and services	Heading Sustainable distribution in urban areas' in section Our core themes 'The environment'
CO_2 DMA	**Description of the management approach**	**Heading 'CO_2' in section Our core themes 'The environment'**
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Heading 'CO_2' in section Our core themes 'The environment'
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Heading 'CO_2' in section Our core themes 'The environment'
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	Heading 'CO_2' in section Our core themes 'The environment'
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Heading 'CO_2' in section Our core themes 'The environment'
Packaging and waste DMA	**Description of the management approach**	**Heading 'Waste' in section Our core themes 'The environment'**
THE PRODUCT RANGE		
Sustainable DMA	**Description of the management approach**	**Heading 'Sustainable' in section Our core themes 'Our product range'**
Indicator	Number of items as part of eerlijk & heerlijk (honest & delicious) concept	Heading 'Sustainable' in section Our core themes 'Our product range'
Health DMA	**Description of the management approach**	**Heading 'Health' in section Our core themes 'Our product range'**
Indicator	Number of IKB products	CSR section
Indicator	Undertaking to introduce a healthier product range?	Heading 'Health' in section Our core themes 'Our product range'
Food waste DMA	**Description of the management approach**	**Heading 'Food waste' in section Our core themes 'Our product range'**

EERLIJK & HEERLIJK CERTIFICATION MARKS

Food

ORGANIC

- European organic logo EKO
- Demeter
- Bio Equitable
- EcoSocial
- Biogarantie
- Agriculture Biologique
- Bio Siegel
- Bio Suisse
- IBD Organico
- Argencert
- USDA Organic
- Ø-Merket
- Australian Certified Organic

FAIR TRADE

- Fairtrade / Max Havelaar
- UTZ Certified
- Fair for Life
- For Life
- Fairtrade Cocoa Program
- Fairtrade Sugar Program
- Bio Equitable

SUSTAINABILITY

- MSC
- ASC
- Naturland Wildfish
- VISwijzer groen
- VISwijzer oranje
- Milieukeur
- Rainforest Alliance
- Beter Leven label 1 star
- Beter Leven label 2 stars
- Beter Leven label 3 stars
- Keten Duurzaam Varkensvlees
- Label Rouge
- France Limousin
- CPE Vrije Uitloop
- BAP

Non-Food

ORGANIC

- EKO
- Demeter

FAIR TRADE

- Fairtrade / Max Havelaar

SUSTAINABILITY

- EU Ecolabel
- Nordic Ecolabel
- Der Blaue Engel
- Milieukeur
- PEFC
- FSC
- Kiemplantlogo
- OK Compost
- Ecover
- Terra Vitis
- Keten Duurzaam Varkensvlees
- Sustainable Cleaning
- OK compost HOME
- Natuurvlees Coöperatie Nederland

MANAGERS AND OFFICERS

Key staff

A. Aalders	*head of purchase planning department, Sligro Food Group*
S. van Acht	*head of HR - Foodservice, Sligro Food Group*
R. Barten	*assistant manager, support management department, Sligro Delivery Service*
J. van den Berg	*logistics manager, Sligro Food Group*
P. van Berkel	*production company manager, Sligro Food Group, general manager of Van Hoeckel*
M. Bogaers	*head of studio, Sligro Food Group*
D. Bögels	*purchasing and product range manager, Sligro Food Group*
G. Bos	*manager accounting & reporting Sligro Food Group*
J. de Bree	*HR manager, Sligro Food Group*
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