AGM March 12, 2008 – Minutes

Minutes of the Annual General Meeting of Shareholders of Sligro Food Group N.V., held at the company's offices in Veghel at 11.00 a.m. on Wednesday, 12 March 2008.

Present:

- The Supervisory Board: Mr H.J. Hielkema, Mr T.J.M. van Hedel, Mr F.K. de Moor;

- The Executive Board: Mr A.J.L. Slippens, Mr H.L. van Rozendaal, Mr K.M. Slippens, Mr A.J.M. Voets;

- The company's auditor, Mr M.J.A. Verhoeven, of KPMG;

Representatives of the press, the Board of Stichting Administratiekantoor Slippens, the Board of Stichting Werknemersaandelen Sligro Food Group, shareholders and other invited guests.

In accordance with article 38 of the Articles of Association, the Supervisory Board appointed its chairman, Mr Hielkema, as chairman of this General Meeting of Shareholders.
The business comprised the following items.

---

1. Call to order and announcements

The chairman called the meeting to order and welcomed those present. He asked Mr Van der Veeken to act as secretary and to take the minutes of the meeting.

The secretary confirmed that the meeting had been convened in accordance with article 35 of the Articles of Association. The notice of meeting had been published on 12 February 2008 in the Official Price List of Euronext, the Financieele Dagblad and the Brabants Dagblad. Copies were available for inspection.

The number of shareholders present or represented by proxies was 141. Together they represented 27,128,368 shares or 62.9% of the issued share capital. Resolutions are carried by a simple majority of votes unless otherwise required by law or the Articles of Association. The meeting was therefore able to adopt legally valid resolutions.

The secretary further confirmed that there were no holders of depositary receipts issued with the company's cooperation.

2 Minutes of the Annual General Meeting of Shareholders of Sligro Food Group N.V. held on 14 March 2007

The minutes of the General Meeting of Shareholders held on 14 March 2007 were adopted and signed by the chairman and the secretary in accordance with article 39 of the Articles of Association. The minutes had also been posted on the company's website (www.sligrofoodgroup.nl) for perusal by the shareholders. No comments on the minutes had been received in the three months since they had been posted on the website.

3. Report of the Executive Board on the 2007 financial year

Introduction (A.J.L. Slippens)

Mr A. Slippens welcomed those present. Given his departure, as announced, in September 2008, this was likely to be the last General Meeting of Shareholders he would attend as chairman of the Executive Board of Sligro Food Group N.V. Mr Slippens said that, with reference to his departure in September, he would like to address the shareholders at the end of the meeting.

As Mr A. Slippens would not, consequently, be in office for the whole of the current year, the outlook for 2008 would not be presented by him but by his successor, Mr K. Slippens.

Another new feature was that, after Mr Van Rozendaal had commented on the figures, there would be a virtual tour of the business in the form of a corporate film. Partly as a result of this, the traditional guided tour after the shareholders' meeting would not take place. After the film, Mr Voets would make a presentation on Food Retail. Mr K. Slippens would then comment on Foodservice and the outlook for 2008.

Annual figures (H.L. van Rozendaal)

Mr Van Rozendaal commented on the figures for 2007 in his presentation, starting with the profit and loss account.

Revenue had risen by 24.4% in 2007 to €2,066 million, up from €1,661 million in 2006. As the company had forecast, the €2 billion sales figure had been exceeded during the week before Christmas. Of the growth in revenue, €93 million had been organic growth and the remainder had come from acquisitions. The latter were firstly the acquisition of the Edah supermarkets which had been converted into EM-TÉ and Golff outlets in 2007 and secondly Inversco, which had been acquired at the end of May 2006. Consequently, the 2007 figures included 20 more weeks of revenue from Inversco compared with the 2006 figures.

The organic growth in revenue of €93 million represented an increase of 6.7%, which was a significant improvement on 2006, when organic growth had been only 1.7%. The additional growth came mainly from the Foodservice activities which achieved organic growth of 7.1%.

The gross margin also increased, from €359 million in 2006 to €473 million in 2007. Expressed as a percentage of the revenue, the gross margin was 21.6% in 2006 and 22.9% in 2007 and this was, therefore, an increase of 1.3 percentage points. This increase related mainly to the changed mix of business activities. Inversco's production activities generated greater added value and so a higher gross margin. In Food Retail, there was a larger share of retail activities compared with wholesale activities, as a result of growth at EM-TÉ. This also meant higher added value and so a higher gross margin. The change in the mix of business activities not only meant a higher gross margin, but also led to higher costs. Consequently, a second question was whether the change in the mix of business activities was on balance beneficial to the final result.

With respect to costs, he also referred to the effect of energy prices in general and the price of electricity in particular. A favourable long-term electricity supply contract had expired at the end of 2006 and so the cost of electricity had risen by about €6 million in 2007. In addition, the expansion programme in Food Retail had incurred substantial non-recurring costs. Depending on the allocation method, these costs came out at between €5 million and €10 million.

Operating profit rose by some 6%, from €90 million in 2006 to €96 million in 2007 of which €87 million was attributable to Foodservice and €5 million to Food Retail. The remaining €4 million was income from retail property. Here too, the spectacular improvement in Foodservice was clearly visible. The operating profit of this business unit increased by €23 million from €64 million in 2006 to €87 million in 2007. The operating profit increased to 6.5% of revenue. On an operational basis, this was the highest percentage that Sligro Food Group has ever achieved. At the same time, the segment information showed that the results in Food Retail were under substantial pressure. Despite the increased revenue, operating profit fell strongly, from €23 million in 2006 to €5 million in 2007, meaning a fall of €18 million.

The balance sheet also disclosed the increased size of the operating activities. The acquisition of Edah via S&S Winkels had in fact almost been completed and was reflected in the tangible and intangible fixed assets. There was a large amount of capital expenditure in 2007. Some €35 million had been invested in the conversion of 50 EM-TÉ supermarkets in 2007. Other significant items of capital expenditure were at the new frozen-food DC in Veghel and the purchase of land in Veghel for future expansion opportunities. Shareholders' equity increased as a result of the retained profit. Total interest-bearing debt had stabilised during the past year at about €250 million.

To conclude, Mr van Rozendaal presented multi-year statements of revenue, operating profit, net profit and earnings and dividend per share. Anticipating the next agenda item, the final statement incorporated the proposal for increasing the dividend by 13% to €0.65 per share.

Food Retail (A.J.M. Voets)

Mr Voets began his presentation with comments on the main developments in the food retail market in the Netherlands. These were followed by the food retail trends at Sligro Food Group.

Market conditions had improved in 2007. Consumer confidence had increased and revenue growth was some 4%. There had been a turnaround in supermarket-land. It was not just prices that were important but there was greater scope for other commercial elements. Attention had moved towards quality and service. There was scope for upgrading and expanding the range. Much attention had also been given to loyalty programmes, such as savings schemes. The EM-TÉ shopping package campaign in the first quarter of 2008 was a good example of this. Inflation had picked up strongly, especially at the end of 2007. Prices of grain, meat and dairy products had risen sharply. This had put a lot of pressure on consumer prices and margins and continued to do so. The market leader was by far the fastest growing; the remainder were well behind, with growth of some 2%.

Much had happened in Food Retail at Sligro Food Group during 2007. S&S Winkels' Edah activities were run down. A further 60 fully-fledged Edah stores had been converted to EM-TÉ and Golff outlets.

In addition, a start has been made on transferring the Attent and MeerMarkt formats from Prisma to Spar in September 2007. The plan was to complete the transfer of these activities by the summer of 2008. On the one hand, Sligro Food Group believed in a strong national wholesaler for small retailers such as Spar, Attent and MeerMarkt. On the other hand, Sligro Food Group could as a result focus completely on full-service supermarkets of a rather larger size and so improve efficiency.

It was pleasing that GfK had named EM-TÉ as the best fresh-food supermarket in the Netherlands in 2007. The nomination was based on 'fair shares', or revenue shares.

Much time had been invested in the conversion process at Edah in 2007, leaving, as a result, too little time for optimising various processes. Another factor here was that the price perception of Golff and EM-TÉ supermarkets was still too high. The reality was lower. This had to be improved.

Much had been invested in the Sligro Food Group supermarket activities during 2007 but not a lot had been gained as the time was still not yet ripe. The job for 2008 was to change this. Revenue and margin had to be raised and costs reduced; both at the same time.

Foodservice (K. Slippens)

Mr Slippens began his presentation with comments on the main market developments in Foodservice in the Netherlands. These were followed by the Foodservice trends at Sligro Food Group.

The Foodservice market had enjoyed a very good year in 2007. All in all, consumers had spent almost €19 billion in 2007 in the eating-out, or Foodservice, markets. It should be noted that total consumer spending was not the same as the sales market of the Foodservice activities of Sligro Food Group as consumer spending included the value added by Sligro Food Group's customers, such as the hospitality industry. The Netherlands Food Service Institute had calculated that consumer spending of €19 billion in the Foodservice market represented a wholesale market excluding VAT of €6 billion.

The total Foodservice market in the Netherlands grew by 6.2% in 2007. Of this, 2.2% came from price rises and 4% was a result of volume growth, i.e. more goods. After some years of stagnation there was, therefore, growth once again in 2007.

The trend is for an ever larger proportion of spending on food by consumers to be eating-out sales. In 2007 this was 34.7% in the Netherlands, 43.5% in the UK and no less than 51% in the US.

According to the calculations of the Netherlands Food Service Institute, Sligro Food Group had a market share of some 17.5% of the wholesale market of €6 billion and was, therefore, the market leader in this segment. Sligro Food Group had done well in this growing market in 2007. With organic growth in sales of over 7%, Foodservice at Sligro Food Group had grown faster than the market. Growth at Sligro had been 6.3%, in both cash-and-carry and delivery. In fact, Growth at Inversco-Van Hoeckel had been almost 12%.

In 2007, Sligro concentrated mainly on medium-sized national customers and regional customers. Progress had been made on separating cash-and-carry and deliveries. Slowly but surely, all cash-and-carry outlets were being separated from delivery sales and the delivery sales had been transferred to the Sligro Bezorgservice outlets. This has led to a more efficient and better way of working, in both cash-and-carry and delivery. Margins had been good, partly because of higher sales of private labels. Costs were also well under control. The hospitality activities and premises of Desimo in Leeuwarden had been taken over in October 2007. A cash-and-carry warehouse would shortly be opened on that site. A new cash-and-carry warehouse was opened in Hilversum in 2007. The relocation of the Weert outlet incorporated the addition of a fresh-food range, and this had proved to be a great success.

Inversco and Van Hoeckel are both companies focusing on the institutional market. Van Hoeckel is strong in dry goods and frozen foods and Inversco is strong in fresh and convenience foods, such as ready meals. These two companies complement each other well and much had been done on integrating them commercially and organisationally in 2007. This process would continue in 2008.

During 2007, the production activities at Sligro Food Group were combined into a single, separate organisation, Sligro Fresh Partners, incorporating the fish processor, SmitVis of Veghel, the high-quality patisserie of Maison Niels de Veye of Diemen, and the meal and meal component production sites of Culivers in Eindhoven, Amsterdam and Ter Apel. The production activities were not a goal in themselves as such, but should add value to the distinctive strength of Sligro Food Group in both the foodservice and the food retail markets. In this context, about €8.5 million was being invested last year and this in the construction of a modern production plant for meals and meal components in Eindhoven.

In conclusion, Mr Slippens briefly outlined the Foodservice plans for 2008. Following the outlet in Weert, the outlets in Emmen, Nijmegen and Heerlen would be converted from type 1 to type 2 outlets in 2008 by adding a full fresh-food range. As previously noted, a cash-and-carry outlet would also be opened in Leeuwarden in 2008. The cash-and-carry outlet in Den Bosch would be substantially expanded into one of the largest Sligro outlets (type 4). The separation of cash-and-carry and delivery in West Brabant would be largely completed during 2008, as would the hiving-off of the production plants and the administrative and ICT integration of Inversco and Van Hoeckel. Delivery would be further professionalised. And finally, the sales concepts of Culivers would be launched in the Foodservice and Food Retail markets.

Outlook 2008 (K. Slippens)

Three things needed to happen at Food Retail: raise revenue further, improve the margin further and reduce costs further. This was, however, easier said than done. The financial effect was expected to be seen mainly during the second half of this year as very many EM-TÉ stores had been converted and opened in the second half of last year. These stores had not been in the figures for the first half of last year but would be included this year. And as these outlets were still not up to the desired level, they would still be making a negative contribution to the results in the first half of 2008.

The overall assessment was that growth in revenue at EM-TÉ and Golff would roughly disappear on the disposal of the Attent and MeerMarkt sales to Spar. It was also estimated that the share in the profitability of Spar would be broadly the same as the contribution to profit earned previously at MeerMarkt and Attent. This, of course, excluded non-recurring income from the transfer of the Attent and MeerMarkt formats during the past year.

Expectations for the Foodservice market and the role of Sligro Food Group in it were positive.

Partly in connection with these developments in Food Retail, it was still too early to make a reliable forecast of the result for 2008. The trading update of 17 April 2008 would address progress in the first quarter of 2008.

Mr K. Slippens closed this section by referring to the theme of this year: ‘passionate, professional and profitable.

After the presentations, the Chairman invited questions from the floor on the first part of the Annual Report, the Report of the Executive Board. In the interests of the smooth progress of the meeting, the Chairman asked those present to limit themselves to three questions.

Mr Rienks had the following questions:

1) After the transfer of Attent and MeerMarkt to Spar, Sligro Food Group, like Sperwer, owns 45% of the shares in Spar. How do you see the co-operation with Sperwer? What percentage of deliveries from the DCs in Kapelle and Putten now goes to the Spar stores?

2) In the GfK diagram this year, EM-TÉ has moved down and Golff has barely moved up compared with last year’s diagram. How will this problem be ‘resolved?

The questions were answered as follows:

1) *(A. Slippens)* Sperwer and Sligro Food Group each own 45% of the shares in Spar. The remaining 10% of the shares are owned by the Spar retailers. We have gained valuable experience with Sperwer concerning the acquisition of Edah which also gives us confidence with regard to the alliance with Sperwer in Spar. Should it be that Sligro Food Group and Sperwer cannot reach agreement on a particular matter, this will be resolved by the retailers who have the casting vote. The answer to the second part of the first question is 0%. Since MeerMarkt and Attent were transferred to Spar, deliveries have not been made by Sligro Food Group but by Spar itself.

2) (*A. Voets*) The previous year's GfK report was based on 30 stores and this year's survey on 80 stores. As a result, it included the former Edah stores which had been at a very low level in the previous year. This group of stores had, therefore, considerably improved. Golff scored better this year than in the previous year, but still not well enough.

Mr Dekker (VEB) had three questions:

1) Can you explain the synergy between Food Retail and Foodservice and how you regard the economies of scale of Food Retail at the moment?

2) Jumbo has an excellent position, also in profitability terms. Are you also aiming for such a position and is this achievable?

3) It appears that profitability in Foodservice will be higher than in Food Retail in the future. Would you, therefore, prefer to make acquisitions in Foodservice rather than acquisitions in Food Retail in the longer term?

The questions were answered as follows:

1) *(A. Slippens)* Most synergy gains are possible in the back-office and to a lesser extent in the front-office. For example, in Food Retail and Foodservice, we are working with the same central distribution centre, with one IT department and one P&O department. The stock planning system and the staff planning system we have developed for Foodservice can be used very well in Food Retail. There are many other examples. The economies of scale of Food Retail cannot, therefore, be separated from those of Foodservice.

2) *(A. Slippens)* We do not know about Jumbo's profitability and so we do not know if we should be aiming to emulate it. Clearly, however, Jumbo has a good position.

3) *(H. van Rozendaal)* We have seen profitability in Foodservice and Food Retail at about the same percentage for a number of years. This was the position in 2006. It was certainly not the case in 2007, but in our opinion this does not justify your conclusion for the long term. We will see what the future brings in this area. It is clear, however, that an operating profit of 0.6% is not the ambition level of this Executive Board.

Mr van Praag had the following question:

How is the Golff store in Utrecht doing financially and what will you be doing about it?

The question was answered as follows:

(A. Slippens) We do not give information on individual retailers.

Mr Beijers (Orange Oranje Participaties and Orange Fund N.V.) complimented the Executive Board on the Annual Report and noted that it not only gave clear insight into the activities of Sligro Food Group but also into the markets in which it worked. Mr Beijers had three questions:

1) How will the ICT systems at Inversco and Van Hoeckel be integrated? Will it be done by in-house staff or will the work be outsourced? Will this involve high costs and when will it be ready?

2) Is it necessary to buy land for the planned conversion of a number of Sligro cash-and-carry warehouses from type 1 to type 2 or will the conversion be at the expense of parking spaces?

3) Can you give an indication of how the first 10 or 20 Edah stores converted to EM-TÉ are performing?

The questions were answered as follows:

1) *(K. Slippens)* The integration of the ICT systems of Inversco and Van Hoeckel will be done by our own ICT department, although a specific software package for production companies has been bought in the meantime. Once the production companies are able to use that package, the remaining part of Inversco will migrate to the existing Sligro systems. There are almost no additional costs other than the cost of the new software package for the production companies.

2) *(K. Slippens)* There is sufficient space available within the building at a few type 1 outlets for the conversion to type 2. There are also a few sites where the building is not large enough, but where the land area is sufficient to build an extension. Work will start first at sites where we will not have to buy land. In other cases, we will have to see whether land purchases are possible and desirable *(N.B. see p39 of the 2007 Annual Report for the characteristics of the four different types of cash-and-carry warehouses).*

3) *(A. Slippens)* You will have seen our approach in Mr Voets' presentation. In effect it is a simple system: revenue times margin less costs equals profit. It is not a coincidence that revenue is in first place; we work hard on revenue. In reply to your question on how revenue is developing, I can say that things are moving in the right direction. You also have to work on margins but not, at the moment, at the expense of revenue. We are busy cutting costs, for example, by reorganising the delivery centres in Kapelle and Putten and by implementing a staff planning system and a stock planning system.

Mr J. van der Windt had a combined question on the Annual Report and the financial statements. He noted that staff costs had risen by about 35% in the past year compared with the previous year, and revenue by 22%. The film showed that orders are assembled in the delivery centres by hand. Mr van der Windt's question was why orders were not assembled in a fully automated and mechanised way.

The question was answered as follows:

(H. van Rozendaal) It is not correct to make an automatic comparison between the trend in staff costs and the trend in revenue. It is important to identify the segment that the revenue has increased in. The example in my presentation between wholesale revenue and retail revenue makes this clear. If we make revenue through sales in a Golff supermarket, the staff in that supermarket are not on our payroll but on the payroll of the independent retailer. If we deliver to an EM-TÉ supermarket, we have a slightly higher revenue as the higher price in the store is reflected in our figures, but the staff are on our payroll. Consequently, the relationship between revenue and staff costs is very different.

Sligro Food Group is doing a lot to automate and mechanise the logistics process. Working cleverly in the logistics process is very important. ICT systems are crucial in this respect and developments in this area are moving ahead fast. The aim is not, however, to save staff costs but to save costs. With over fifty thousand items, a fully automated and mechanised system would not lead to the lowest costs in our industry. Mechanisation is only sensible if, in the end, it makes a contribution to the result.

Mr Burgers (Add Value Fund) expressed his appreciation for the good presentations and information given. He had the following questions:

1) Page 21 of the Annual Report states that the target for organic growth assumes inflation of approximately 2%. For some time, there have been huge rises in the prices of dairy products, meat and wheat. What are the effects of these trends on Sligro Food Group and its competitive position?

2) The second question concerns the electricity bill. I understand that the price was set for the long term in an earlier contract. I wonder what the new contract looks like and whether something similar will happen in a few years?

3) Mr K. Slippens said in his presentation that the focus at Foodservice is on medium-sized national customers and regional customers. What is the position with large national customers?

The questions were answered as follows:

1) *(H. van Rozendaal)* The inflation level for our sales was 2% in 2007. It was less in the early part of the year than at the end of the year when the rate rose quickly and, at the moment, it is perhaps about 4%. But this higher level was not the average level of the previous year. In the end, the market determines whether we can pass price rises on to our customers. This type of price rise could, however, be a threat to general price stability in the Dutch retail food market in the longer term. But since Sligro Food Group is a member of Superunie we have, in any event, no disadvantage compared with our competition in this respect.

2) *(H. van Rozendaal)* With respect to the electricity, we now have a contract which fixes electricity prices until 2010. Whether this is sensible, we will be revealed in 2010. At the moment it seems, however, that this is the case.

3) *(K. Slippens)* We are certainly also focusing on large national customers. The issue is whether we offer the greatest possible added value to customers who want more from us than just logistics services. That is, customers with a wide range of goods who want to hitch a lift on our economies of scale and purchasing volumes. If a customer only takes our logistics services, our other strengths remain hidden and our added value is necessarily somewhat more limited.

4 Financial statements

4a. Adoption of the 2007 financial statements (resolution)

The Chairman invited questions from the floor on the financial statements in the second section of the Annual Report (pages 75 to 122).

On behalf of Eumedion, Mr Beijers (Orange Oranje Participaties and Orange Fund N.V.) drew attention to the risk management section on page 112 et seq of the Annual Report. After noting that Sligro Food Group had in general set out the various risks well, he had the following questions:

1) Can you say what the main risks are?

2) What major changes were made in the risk management systems in the past year, and more importantly, what changes, improvements or refinements are being made in the current year?

The questions were answered as follows:

1) *(H. van Rozendaal)* Sligro Food Group faces very many risks but in general some risks jump out, which others have shown can lead to major problems. For example, acquisitions are in general risky although the risks can be limited for example, by due diligence reviews. The biggest risks with acquisitions are not so much in these areas but much more in integrating different corporate cultures into a single organisation. Sligro Food Group has a lot of experience in this area but it is a key point of attention every time. The second risk that can be named in this context is managing ICT. This point is also related to acquisitions since it is, of course, a very extensive process to integrate all the ICT systems of acquired companies with customer relationships, etc. Here too, Sligro Food Group has gained a lot of experience, but it is certainly not a simple matter. The third risk which is very difficult to deal with is the many government measures which in any event lack a sensible rationale for business. They nevertheless demand ongoing changes as Sligro Food Group, of course, abides by the law. An egregious example of this is the Packaging Tax.

2) *(H. van Rozendaal)* Sligro Food Group pays continuous attention to its risk management systems. There are regular reports to the Supervisory Board. In 2007, and also in 2008, the main theme in this context is management information on EM-TÉ. There is a big difference between having 18 supermarkets and 80. This subject will also require – and be given – a lot of attention in 2008.

Mr Dekker (VEB) had two questions:

1) A write-down was made in connection with pension obligations and charged to equity. In what circumstances should a write-down be made through the profit and loss account? What is the funding ratio of the Pension fund?

2) The bonuses of Executive Board members appear to be based exclusively on the profit target. Should this not be a combination of profit and revenue?

The questions were answered as follows:

1) *(H. van Rozendaal)* Under IFRS, it is sufficient to include the pension obligation in the notes to the figures. We have opted for a different permitted method in which these effects are included in the figures. This can indeed lead to both positive and negative movements in equity. The Annual Report states that the Sligro Food Group Pension Fund has a funding ratio of 140% according to the supervisory requirements of the Nederlandsche Bank, and so the pension fund has a very sound funding ratio, but a sound funding ratio does not mean that there is no pension obligation under IFRS. At Sligro Food Group, this obligation is shown in the balance sheet, not just in the notes.

2) *(H. Hielkema)* Profit is indeed the main criterion for the Executive Board bonuses. 50% of the bonus is paid in cash and 50% in shares. And the shares are frozen for four years. It is unlikely, therefore, that the Executive Board would enter into unjustified profit taking. As the Supervisory Board, we have no problem with the way bonuses are currently awarded.

Mr Burgers (Add Value Fund) had the following questions:

1) The ten-year review on page 126 shows that capital expenditure was well above depreciation in the period. A feature of the past year was a very high level of non-recurring capital expenditure of over €81 million. You forecast that you will have capital expenditure below depreciation for 2008 but this has not happened since 2001. Can you comment?

2) Can you say something about any dividend from Spar?

3) Is Sligro Food Group facing tightness in the labour market? Does Sligro Food Group currently use many temporary staff?

The questions were answered as follows:

1) *(H. van Rozendaal)* Sligro Food Group expects to have capital expenditure of €40 million and about the same amount of depreciation this year. Of the 80 EM-TÉ supermarkets, 70 are completely new. Partly as a result, the forecast, based on the current size of the business, is that there will be relatively little capital expenditure not only this year but also in later years.

2) *(H. van Rozendaal)* Spar has a major capital expenditure programme for the next few years. The yield will benefit Sligro Food Group in due course. Partly perhaps in the form of dividends.

3) *(A. Slippens)* The labour market is still tight, especially in the delivery centres. It is difficult to find staff for heavy manual work. This is solved by temporary staff, especially Poles, who we are generally very satisfied with.

Mr Vriesendorp had the following question:

Staff costs were over 50% of the total operating expenses in 2007. My question is how can Sligro Food Group keep these costs reasonably under control?

The question was answered as follows:

(A. Slippens) The percentage of staff costs compared with the total costs has been high at Sligro Food Group for years. This is because labour is a significant factor for Sligro Food

Group. These costs are kept under control by very careful personnel planning. Among other things, this is done by using a special staff planning system.

Mr Rienks had the following question:

The Annual Report notes spectacular growth at Foodservice in 2007. Do you expect a further upward trend at Foodservice for 2008? What is your optimism based on?

The question was answered as follows:

(H. van Rozendaal) Our expectations are based on market trends and on opportunities to improve Foodservice operations.

There being no other questions, the chairman confirmed that the financial statements had been approved.

4b. Adoption of the profit appropriation (resolution)

The proposed profit appropriation set out in the Annual Report would give a dividend of €0.65 per share. This dividend would be paid, at the shareholder's option, either in cash or in shares in a ratio to be determined in due course. Shareholders would have until close of trading on the Euronext Amsterdam stock exchange on Wednesday, 25 March 2008 to make their choice.
The number of dividend rights giving entitlement to one new Sligro Food Group N.V. would be determined after close of trading on 28 March, on the basis of the average share price for the period 26 to 28 March 2008. The distribution in shares would be approximately equal in value to the cash dividend. The dividend would be payable on 7 April 2008.

Mr van Praag's call to set the dividend at €1 per share received no support.

The meeting approved the proposal of the Executive Board to distribute a dividend of €0.65 per share.

4c. Ratification of the actions of the Executive Board in respect of its management (resolution)

The Executive Board's conduct of the company's affairs in 2007 was endorsed by the meeting without comment.

4d. Ratification of the actions of the Supervisory Board in respect of its supervision (resolution)

The Supervisory Board's supervision in 2007 was endorsed by the meeting without comment.

5. Profit retention and dividend policy

Profit retention and dividend policy was unchanged. Sligro Food Group aimed to distribute around 40% of the profit after tax, excluding extraordinary results. Dividends would be payable in cash or in shares, at the shareholder's option. The payout ratio for 2007 was 37.8%, which was consistent with the policy which had been formulated.

Mr van Beuningen (Darlin N.V.) asked whether the dividend policy had been discussed by the Supervisory Board. As capital expenditure was now stated to be lower than depreciation, the question was whether retaining a smaller proportion of the profit would be sufficient.

Mr Hielkema replied that the dividend policy had been discussed by the Supervisory Board. The Supervisory Board believed that the dividend policy should be maintained for the next few years. There were still activities to be deployed which required capital. The limit had not yet been reached.

6 Supervisory Board

6a. Reappointment of Mr F.K. De Moor (resolution)

The reappointment of Mr De Moor as a member of the Supervisory Board was addressed. His first four-year period of office as supervisory director ended in 2008. Mr De Moor had offered himself for re-election. The chairman referred to the notes to the agenda for further information. The Supervisory Board proposed Mr De Moor for reappointment for a second and final four-year period.

The meeting adopted this proposal.

6b. Appointment of Mrs Th.A.J. Burmanje (resolution)

The appointment of Ms Burmanje as a member of the Supervisory Board was addressed. The chairman referred to the notes to the agenda for further information. The Supervisory Board proposed Ms Burmanje for appointment for a first term of four years.

The meeting adopted this proposal.

6c. Appointment of Mr R.R. Latenstein van Voorst (resolution)

The appointment of Mr Latenstein van Voorst as a member of the Supervisory Board was addressed. The chairman referred to the notes to the agenda for further information. The Supervisory Board proposed Mr Latenstein van Voorst for a first term of four years.

The meeting adopted this proposal.

Mr Hielkema explained that, as a result of this appointment, the Supervisory Board would consist of five persons and that under the Dutch Corporate Governance Code a Supervisory

Board consisting of more than four supervisory directors would generally qualify for a committee structure. As two supervisory directors would resign at the general meeting of shareholders in 2009 and not be eligible for reappointment, the situation of more than four supervisory directors in office would only be for a relatively short period. The intention was that the Supervisory Board would subsequently consist of no more than four people. For this reason, a committee structure would not be introduced.

A shareholder pointed out that, in his opinion, after the departure of two supervisory directors next year, the three current, heavily-burdened supervisory directors should be strengthened by a supervisory director with sufficient time to take on the chairmanship of the Supervisory Board. Mr Hielkema replied that this suggestion would certainly be considered.

Mr Peelen asked in this context whether Mr A. Slippens' knowledge, skill and expertise could be retained. Mr Hielkema replied firmly that this was not the case, and referred to the closing statement to be made at this meeting.

6d. **Remuneration of Supervisory Board directors (resolution)**

The remuneration of the supervisory directors was reviewed once every three years and, if appropriate, the remuneration is then also revised. The review had been carried out this year and on this basis it was now proposed to raise the annual remuneration of the supervisory directors by €10,000 with effect from 1 January 2008, as set out in the notes to this agenda item.

The meeting adopted this proposal.

7. **Appointment of Mr J.H. Peterse to the position of director pursuant to the Articles of Association (resolution)**

The appointment of Mr J.H. Peterse to the position of director of Sligro Food Group N.V. pursuant to the Articles of Association was addressed.

Further to this appointment, Mr Hielkema commented on the changes in the Executive Board of Sligro Food Group N.V. As was already known, Mr A. Slippens had announced that he would resign as chairman of the Executive Board of Sligro Food Group N.V. in September 2008. After many years of observation, intensive consultations with immediate stakeholders and serous consideration, the Supervisory Board had decided to appoint Mr K. Slippens as the new chairman of the Executive Board, following the departure of Mr A. Slippens in September. The Supervisory Board was particularly pleased that this decision enjoyed the unanimous support of all supervisory directors and members of the Executive Board.

The appointment of Henk Jan Peterse, who joined Sligro Food Group Nederland B.V. during 2007, was appropriate in this context. Mr Peterse was currently focusing on the delivery activities of Sligro B.V. He would take on a number of extra duties in the course of the coming year, partly in view of Mr K. Slippens taking over from Mr A. Slippens.

After Mr Hielkema's comments on these changes, this agenda item was concluded with warm applause from the floor, with the shareholders not only concurring with the appointment of Mr Peterse but also with Mr K. Slippens taking over from Mr A. Slippens.

8. Authorisation of the Executive Board to repurchase the company's own shares (resolution)

As explained in the notes to the agenda, it was proposed to authorise the Executive Board to repurchase fully paid shares in Sligro Food Group N.V. for a period of 18 months, up to a maximum of 10% of the issued capital and at a price of no more than 10% above the market price. This authorisation would run until 12 September 2009.

The proposal was adopted.

9. Extension of the period for which the Executive Board is authorised to issue shares and restrict or suspend pre-emptive rights (resolution)

It was proposed to renew and extend the authority granted on 14 March 2007 for 18 months from the date of the meeting, i.e. until 12 September 2009. It was further proposed to restrict that authority to 10% of the issued share capital, which could be increased by 10% if the issue was undertaken in connection with a merger or acquisition.

Mr Beijers (Orange Oranje Participaties and Orange Fund N.V.) commented, partly on behalf of Eumedion as follows: this agenda item in fact combines two proposals: firstly the authority to issue and secondly restricting or excluding pre-emptive rights. Eumedion would like to see these proposals separated and so require two separate resolutions. In the second place, nothing had been said on the minimum issue price of any shares that may be issued. Eumedion would prefer this to be restricted to 10% below the average price on the stock market for the three months preceding the decision.

Mr Hielkema replied that Mr Beijers' comments would be taken into consideration with a view to a new decision on these points during next year's general meeting of shareholders.

Ms Savelkouls (Stichting SECVA) recorded 116 votes against on behalf of State Street Bank and Trust Company for this agenda item.

The proposal was adopted.

10. Any other business and adjournment

On behalf of the VEB, Mr Dekker addressed Mr A. Slippens in connection with his departure in September 2008. He noted that Mr Slippens had been a special person to the VEB. Firstly because Mr Slippens was a board chairman who had given the VEB very little work. Secondly, because the VEB had awarded Mr Slippens the *Blue Plate* in 2006 for his special efforts for Sligro Food Group.

Mr A. Slippens then addressed those present. In view of his departure in September, this would be the last time he would do so as executive board chairman during an annual general meeting of shareholders of Sligro Food Group N.V. Looking back, he talked about the years since the first shareholders' meeting in 1989 when the company had been floated on the stock exchange. As well as thanking the various people present, he also thanked his successor, Mr K. Slippens and wished him every success.

Finally, Mr van Beuningen spoke. He too addressed the departure of Mr A. Slippens. He expressed his appreciation for the way in which Mr Slippens had led Sligro Food Group. He referred in that context to the exceptional performance of the share price during the past 15 years. Mr van Beuningen wished Mr Slippens much happiness and success in everything he would be doing after leaving Sligro Food Group, and thanked him for everything he had done for Sligro Food Group and its stakeholders.

There being no other business, the chairman adjourned the meeting and thanked everyone for their contributions.

Chairman, H.J. Hielkema
Minutes secretary, G.J.C.M. van der Veeken