Minutes of the General Meeting of Shareholders held on 21 March 2012

Minutes of the Annual General Meeting of Shareholders of Sligro Food Group N.V., held at 11:00 on 21 March 2012, at the company's offices in Veghel.

Present:

Supervisory Board: Mr. A. Nühn, Ms. Th.A.J. Burmanje and Messrs. F.K. de Moor and R.R. Latenstein van Voorst;

Executive Board: Messrs K.M. Slippens and H.L. van Rozendaal;

company auditors: Mr. P.W.J. Smorenburg of KPMG;

the delegate from the Works Council, the shareholders and other invited guests.

In accordance with article 38 of the Articles of Association, the Supervisory Board appointed its chairman, Mr. Nühn, as chairman of this General Meeting of Shareholders.

The agenda 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 minute-taker for the meeting.

The secretary confirmed that the meeting had been convened in accordance with article 35 of the Articles of Association.

The meeting was attended by 146 shareholders in person or by proxy, representing 37,654,771 shares or 85% of the issued share capital.

No holders of a right of pledge or usufruct were present and there were no holders of depositary receipts issued with the cooperation of the company. Valid resolutions required an absolute majority of votes, unless prescribed otherwise by law or the Articles of Association.

2. Minutes of the General Meeting of Shareholders of Sligro Food Group N.V. held on 23 March 2011

The minutes of the General Meeting of Shareholders held on 23 March 2011 were adopted and signed by the chairman and the secretary in accordance with article 39 of the Articles of Association. The minutes had already been posted on the websites www.sligrofoodgroup.nl and www.sligrofoodgroup.com for the convenience of the shareholders. No comments or remarks on the minutes had been received in the three months that had elapsed since the minutes were posted on the websites.

3. Report of the Executive Board on the 2011 financial year

The chairman explained the difference between items 3 and 4 of the agenda for the meeting. Item 3 was concerned with the report of the Executive Board, which formed the first part (pages 1–83) of the annual report and in which the Executive Board discussed strategy, commercial development, corporate social responsibility, risk and risk management and corporate governance. Item 4 was concerned with the financial statements, i.e. the figures, which formed the second part of the annual report, from page 86 onwards.

The chairman concluded his remarks by announcing that there would be an opportunity for questions on the annual report from the floor after the presentations by the Executive Board. With regard to item 4 on the agenda, there would again be an opportunity for questions on the financial statements, the part starting on page 86.

Introduction (K.M. Slippens)

After welcoming those present on behalf of the Executive Board, Mr. Slippens explained how this agenda item would be addressed. Following a short film on Sligro Food Group, Mr. H. van Rozendaal would present the full-year figures for 2011. Mr. Slippens would discuss the commercial developments in Food Retail and Foodservice in the past year. Mr. Strijbosch, whose appointment as Foodservice Director was the subject of item 7 of the agenda for this meeting, would discuss the Foodservice division's delivery-service activities in more detail. There would then be an opportunity for questions from the floor on the matters raised.

Company film

Full-year figures (H.L. van Rozendaal)

Mr. Van Rozendaal started his presentation with the profit and loss account.

Total sales were almost 6% higher, rising from €2,286 million in 2010 to €2,420 million in 2011. Like-for-like sales growth was 3.7%. Given the difficult economic conditions, this result could be considered satisfactory. In particular, the 7% sales growth in Foodservice in the fourth quarter had exceeded expectations.

The gross profit margin increased 0.1 percentage points, from 23.1% to 23.2% of sales. Despite the economic situation and the heavy pressure on prices in the market, it had been possible, through careful margin management and a different activity mix, to achieve a modest improvement in the gross profit margin.

Costs had fallen slightly, from 16.9% in 2010 to 16.8% in 2011. This had been due to two factors. First, the Amsterdam delivery-service centre had incurred substantial non-recurring costs in 2010. As well as the extra start-up costs of the Amsterdam delivery-service centre, the amalgamation of the activities in the Amsterdam region in 2010 had resulted in significant additional depreciation, due to initial problems with the integration of Inversco. These expenses did not apply in 2011 and, as had always been expected, the Amsterdam delivery-service centre had become a profitable unit of Sligro Food Group. Second, the now familiar PLOP (paperless order picking) project had yielded significant cost savings.

Interest charges in 2011 had been considerably higher compared with 2010, the relatively minor downside of the choice made at the end of 2010 to strengthen the long-term financing with a new US private placement. Part of the proceeds of this new USPP funding had generated only low interest income in 2011, before being used at the end of the year to repay the first tranche of the 2004 USPP.

The combined effect on the 2011 bottom line had been a net profit of €78 million, an increase of 11% on the year before.

The result shown by the statement of recognised income and expense, as used since the introduction of IFRS, was €74 million, equal to the net profit of €78 million plus €1 million of cash flow hedges and less a €5 million actuarial result. For information on the special accounting rules for pensions, Mr. Van Rozendaal referred to the section headed ‘Pensions and pension accounting’ in the 2011 annual report.

After discussing the profit and loss account of Sligro Food Group as a whole, Mr. Van Rozendaal turned to the separate figures for the Foodservice and Food Retail divisions.

The picture in 2011 had been the opposite of that in 2010. Unlike the year before, there had been no improvement in Food Retail’s result in 2011, mainly due to the disappointing second half. In contrast, Foodservice had posted a significantly better result in 2011 compared with the year before, one factor being the substantial non-recurring costs in Amsterdam in 2010, which had already been mentioned.

The cash flow statement was important because it was a measure of how much cash had actually been earned. The cash flow statement for 2011 showed a €17 million improvement in cash flow from operating activities compared with 2010.

Although €48 million had been invested in 2011, no acquisitions had been made, unlike 2010. This had generated a high level of free cash flow, which could be used to repay debt or distributed as dividend.

Sligro Food Group's balance sheet was strong. Shareholders' equity had increased from €500 million to €541 million. Mr. Van Rozendaal also drew attention to the composition of the shareholders' equity. As well as Sligro Food Group's intangible assets, its property, plant and equipment had also increased significantly. On the liabilities side of the balance sheet, Sligro Food Group had no bank debt and its long-term debt had been fully funded on the capital market.

The net profit of €78.2 million meant earnings per share of €1.78, or an increase of 11.9% compared with 2010. Under the next agenda item, shareholders would be invited to approve a proposal to distribute a regular dividend of €0.85 in cash and a variable dividend of €0.20 in cash, making a total of €1.05 in cash. The regular dividend equated to a distribution of 48% and was thus consistent with the revised profit retention and dividend policy adopted at the previous year's General Meeting of Shareholders, which aimed for a (regular) dividend distribution of 50%.

Consideration of the dividend proposal was preceded by an analysis of the developments of the past ten years in the area of acquisitions, investments, depreciation and amortisation, net profit and free cash flow. As a result of all these factors, the free cash flow was expected to rise to a structurally higher level. On the basis of this analysis, the Executive Board had decided to include a variable dividend as well as the regular dividend in the dividend proposal. The Executive Board did not consider it desirable, given the need to maintain flexibility in the financing of the business, structurally to increase the 50% distribution percentage stipulated in the dividend policy. Another way of transferring capital from the company to the shareholders would be for the company to repurchase shares, but the Executive Board also considered this alternative undesirable, given the share's limited liquidity. The dividend proposal would be considered under the next agenda item.

Food Retail and Foodservice (K.M. Slippens)

Mr. Slippens began his presentation by outlining the main market developments.

Consumer spending in the Netherlands had totalled €276 billion in 2011, slightly down on 2010, but total expenditure in the food sector had increased slightly. That growth had been due largely to inflation, driven mainly by the rise in commodity prices. Of total consumer expenditure in 2011, around €56 billion had been spent on food. Of that €56 billion, some €18 billion had been spent in the foodservice market. The total consumer spending volume in the foodservice market, he pointed out, was not the same as the volume of the market served by Sligro Food Group's foodservice activities at wholesale prices; the former figure included the value added by Sligro Food Group's customers, such as those in the hospitality sector.

The Sligro Food Group organisation consisted of two main divisions: Foodservice and Food Retail. There was one central distribution base, one shared back office and a number of facilitating business units made up of the fresh-produce partners and the production companies. It was possible to further split the two main divisions into three activities: 1) self-service in supermarkets: EMTÉ, with 130 supermarkets (100 own and 30 franchise stores); 2) cash-and-carry in foodservice: Sligro, with 45 outlets; and 3) foodservice delivery: 11 delivery centres serving Van Hoeckel as well as Sligro. Each of these three activities generated roughly one-third of Sligro Food Group's total sales. Like-for-like sales had grown slightly faster in the delivery-service business and retail sales had been boosted by the acquisition of Sanders. Synergy gains were definitely being achieved between the self-service operation in food retail and the cash-and-carry operation in foodservice and between the cash-and-carry operation in foodservice and the delivery operation in foodservice. Mr. Strijbosch would return to this in his presentation.

The food retail market had grown by around 3% in 2011, but the figures produced by the various market research organisations had again shown different growth rates for the year, ranging from 2.6% to 3.5%. 2011 had been a hectic year for Food Retail, with all the switching of formats. Many of the Super de Boer stores had been converted to the Jumbo format and some had been switched to the C1000 format. Several Golff supermarkets and all the Sanders stores had been converted to EMTÉ and, at the end of the year, C1000 had been acquired by Jumbo. All these changes had had little impact on market shares. There had, however, been heavy pressure on prices in the food retail market throughout the year. Most of the growth had been the product of inflation, not higher volume.

An analysis of the market shares of the various players in the food retail market showed, among other things, that Sligro Food Group's share of the food retail market had increased by 0.1 percentage points from 2.7% to 2.8%. Most of C1000's growth could be attributed to the acquisition of a number of Super de Boer supermarkets. Analysis of the market shares of the various purchasing organisations showed that the market shares of Albert Heijn, Superunie and other players had increased slightly, but Bijeen's market share had lost 0.6 percentage points.

EMTÉ's like-for-like sales growth for the whole of 2011 had turned out at 3.4%, outperforming the market. In the second half of the year, however, growth had slowed. The Executive Board was not satisfied with this performance and saw it as a challenge for 2012.

By the end of 2011, 101 stores had been upgraded to the *'verVerste'* ('reFreshed') EMTÉ format, with its emphasis on freshness and good old-fashioned quality. That meant that, as from 1 January 2012, there were a further 29 stores to be upgraded. The success of this modernisation programme had been confirmed by EMTÉ being chosen for the third consecutive year as the supermarket with the best butchery department and for the second year as the supermarket with the best cheese department.

A start had also been made within EMTÉ on the roll-out of the '*Eerlijk & Heerlijk*' (literally 'honest and delicious') concept, which was being introduced throughout Sligro Food Group. This concept promoted healthy food in the widest sense and was built on four pillars: organic, fair trade, sustainable and local. EMTÉ had also introduced e-learning with great success. E-learning meant that checkout operators, for example, could be trained far more quickly and efficiently. That applied not just to new recruits, but also to many of our existing staff who had benefited from this electronic training course.

Sanders had been fully integrated into Sligro Food Group in 2011. The former Sanders head office had been closed and the Sanders distribution centre had been converted into a Sligro delivery-service centre. The challenge now was to build sales volume at the former Sanders stores.

After the presentation on Food Retail, Mr. Slippens turned to the market developments within foodservice in the Netherlands and the developments affecting the Foodservice division within Sligro Food Group.

According to the Dutch Foodservice Institute, the foodservice market had grown by a modest 0.6% in 2011. The claim by Statistics Netherlands (CBS) that the hospitality market in the Netherlands grew 6% in 2011 had been widely viewed in the sector as completely incorrect and unrealistic. With like-for-like sales growth of 3.9%, Sligro Food Group had outperformed the market by around 3 percentage points, consolidating our position as market leader. This was also clearly indicated by the figures for foodservice market shares. Sligro Food Group's market share in foodservice had risen from 18.2% in 2010 to 18.9% in 2011.

On the basis of these figures, the Executive Board took the view that, in a difficult market, Sligro Food Group was doing the right things, including paying the right commercial attention to both national accounts and regional customers, investing in the store network, striving for operational excellence in the quality of its services – resulting in higher customer satisfaction scores and lower costs – and good management of its own brands. These factors not only helped to boost sales but, together with good margin management and a strong procurement position, were generating higher margins despite market pressure on prices. Combined with tight control of costs, that had delivered a good bottom line.

In the cash-and-carry wholesale business, network investments had been made in Tilburg, Amersfoort, Rotterdam, Leiden and Tiel in 2011. Cash-and-carry sales had showed modest growth, in line with the market. Although sales had been held back by the bad weather in the summer months, sales in the Christmas period had been excellent, not just of Christmas hampers but also of regular items.

In a flat market, delivery-service sales had accounted for most of Foodservice's growth. The delivery-service centre in Enschede had made a good start and, as Mr. Van Rozendaal explained, good progress had been made at the Amsterdam delivery-service centre, particularly with the integration of the Inversco customers into the Sligro systems, and substantial efficiency gains had been made. A successful start had been made in early 2011 with deliveries to a new customer, the Ministry of Defence caterer Paresto. Later in the year, a second major national service-station chain had become a Sligro customer. Meanwhile, the number of regional customers had continued to grow. Significant improvements had been made at Van Hoeckel in 2011, consolidating its position as the foodservice specialist for the institutional market.

The outlook for 2012 was challenging. Given the economic conditions, consumer confidence would remain at a low ebb and there would be no market recovery, although modest market growth was a realistic hope. Sligro Food Group's ambition was to outperform the market once again, in both foodservice and food retail. Acquisition opportunities were likely to arise and Sligro Food Group would be ready for them. 2012 would undoubtedly be another difficult year and Sligro Food Group would draw inspiration from that challenge.

Our slogan for 2011 had been: 'Think, dare, do!' Our slogan for 2012 was: 'Growth fuelled by sales'. Taking this as our theme in 2012 would make it clear that our focus this year would not be on cost saving alone but also, and more importantly, on growth and investment.

Foodservice (W.J. Strijbosch)

Mr. Strijbosch gave more information on the Foodservice Delivery business unit.

Foodservice Delivery served the large and small hospitality sector, recreation, catering, service stations, bulk sales and institutional customers, under the Sligro and Van Hoeckel formats. Van Hoeckel served the institutional market and Sligro served all the other customer groups.

Foodservice Delivery, including Van Hoeckel, had 11 wholesale delivery-service centres. Nine of these centres operated on a stand-alone basis and two, referred to as 'open delivery-service centres', were combined with a cash-and-carry wholesaler. Together, they made 1.5 million drops per year. The delivery-service centres, which covered all of the Netherlands, were located in Amsterdam, The Hague, Barendrecht, Gilze, Haps, Nieuwegein, Enschede (new in 2011), Drachten, Maastricht (open delivery-service centre), Vlissingen (open delivery-service centre) and Den Bosch (Van Hoeckel only).

Sligro had originally been a cash-and-carry wholesaler only and its first delivery-service activities had in all cases been integrated with cash-and-carry wholesaling. The combination of delivery service and cash-and-carry had worked well until the mid-1990s. Then, in 1996, Van Hoeckel had been taken over, followed in 1997 by Van der Velde. After these relatively large acquisitions had been made, it had become apparent that, owing to the volume and specialised nature of the delivery-service operations, combining delivery service and cash-and-carry under one roof was not always the best solution. Starting around that time, delivery service had become a stand-alone operation. More regulations were being introduced and higher standards of professionalism were required. The growing volume of the delivery-service business had necessitated a different approach to efficiency, as our cash-and-carry customers and the order pickers gathering items for our delivery-service customers increasingly got in each other's way.

For these reasons, a strategic decision had been made several years ago to segregate cash-and-carry wholesaling operationally from delivery-service wholesaling. This had enabled both units, while preserving their synergy, to focus more closely on their own businesses and their own customers and had given them greater scope for professionalisation in support of the drive for operational excellence. Since then, Sligro had invested heavily in numerous projects that had contributed to the achievement of operational excellence. Examples included the 'Today for tomorrow' principle (enabling customers to place orders up to 23:30 for next-day delivery), the Slimis e-commerce application, expiry date monitoring, advanced paperless order picking (PLOP), dispatch scanning, GPS route-monitoring systems, dedicated customer teams and a new support model for our sales force.

After giving a more detailed explanation of some of these examples, Mr. Strijbosch concluded that much had already been achieved, but there would still be many opportunities in the future to make further advances in improving quality and reducing costs in the Foodservice Delivery business unit.

After these presentations, the chairman invited questions from the floor on the presentations and the directors' report. The chairman requested the shareholders to limit themselves to two concisely worded questions in the first instance, so as to give everyone a chance to ask questions. The chairman also requested those asking questions to state their name and, if applicable, the name of the organisation they represented.

Mr. Rienks posed the following questions:

1) A great deal has been said about the PLOP project and other projects that have yielded cost savings. Is it still possible to continue saving costs on this scale? Do you have other cost-saving projects waiting in the wings?

2) Should Sligro Food Group still be so intent on growth through acquisition? Foodservice is achieving excellent performance. There is a good chance that future acquisitions by Foodservice will be of less profitable businesses, which will drive down the average. Food Retail earned only €5 million out of a total profit of €78 million. Food retailing is a difficult market, so acquisitions in the food retailing sector are difficult and risky. Why should Sligro Food Group contemplate further acquisitions?

These questions were answered as follows:

1) *(H. van Rozendaal)* Cost saving is a permanent issue. The efficiency improvement at the central distribution base has been at least 3% per year for many years. But there are situations, such as now with PLOP, in which bigger improvements can be made. Fortunately, we still have plenty of ideas for further improvements.

2) *(K. Slippens)* I agree with Mr. Rienks that acquisition should not be an end in itself, but should contribute to our return. We believe there are still good opportunities for us in the foodservice market. And in food retail, too. In the latter case, that could be via major takeovers or it could be via acquisition of individual stores, but these seldom came onto the market.

Mr. Hemmes posed the following questions:

1) The profitability of the EMTÉ supermarkets is low compared with the national average for all supermarket formats. This is because sales per square metre are too low. Against the background of steadily growing competition, how and within what time horizon does the Executive Board intend to raise the profitability of the EMTÉ supermarkets to the national average?

2) Would Sligro Food Group consider the acquisition of other supermarket chains or individual stores in order to expand its store network?

These questions were answered as follows:

1) *(H. van Rozendaal)* Our objectives for improving profitability are set out in the Food Retail Master Plan. However, those objectives will not be reached in 2012. As already mentioned, sales per square metre are important for the profitability of a supermarket. EMTÉ's sales per square metre are below the national average for full-service supermarkets in the Netherlands, but we are working step by step to improve this.

(K. Slippens) We also think it could be better and we see ways of improving performance. But let me make it quite clear: our supermarket portfolio is growing in value and generating free cash flow of €20 to €25 million per year, and there is a great deal of synergy between Foodservice and Food Retail.

2) *(K. Slippens)* We are always ready to look at ways of expanding our portfolio, in both Foodservice and Food Retail, provided acquisition candidates have a business case that fits well with our philosophy.

Mr. Bakx (Foundation for the Legal Protection of Investors) complimented the Executive Board on the excellent results. Mr. Bakx referred to the difficult economic situation in manufacturing industry, which he felt had a number of similarities with Sligro Food Group's economic situation. Against that background, he asked whether and, if so, how Sligro Food Group could come close to generating the same return next year.

This question was answered as follows:

(H. van Rozendaal) Manufacturing industry generally has far higher invested capital than wholesaling, because a manufacturing business needs far more capital-intensive machinery etc. Partly for that reason, Sligro Food Group's return on invested capital is significantly higher than the average return for manufacturing industry. Moreover, a high capital turnover ratio is generally beneficial for the return. The management of working capital is therefore an important factor, and it is clear from our figures that we have made this a priority in the recent past. So there are also significant differences between our business and manufacturing industry but, even armed with that information, you still can't predict future results.

Mr. Jorna (Dutch Investors' Association – VEB) asked the following questions:

1) What does Sligro Food Group intend to do with EMTÉ now that C1000 has been taken over by Jumbo? Is EMTÉ a potential acquisition candidate for the number one (Albert Heijn) or number two (Jumbo) in the market? Or will EMTÉ continue under its own steam, possibly in partnership with another player?

2) According to experts, the EMTÉ format has room for improvement. You say that EMTÉ's sales per square metre need to be higher. To what extent could Sligro's excellent and comprehensive range help EMTÉ to position itself better in the market?

These questions were answered as follows:

1) *(K. Slippens)* A lot is about to happen in the food retail market. It is in our interest to strengthen our position, but we shall do so prudently. We abandoned the C1000 acquisition process last year because we did not have sufficient opportunity to go through the process carefully. We certainly do not regret that decision: in the same situation, we would do the same thing again. We shall consider with interest – and take a prudent approach to – opportunities that may arise in the future.

2) *(K. Slippens)* A number of the products carried by the Sligro cash-and-carry wholesalers are perfect for supermarkets, so that is what we are doing. For example, fish products from our own production company are also being sold by EMTÉ. We also sell a lot of Sligro own brands through EMTÉ. But you have to take customer preferences into account. The more culinary products, for instance, may be very popular with Sligro customers but EMTÉ's customers may show little interest.

Mr. Vrijdag complimented the Executive Board on the past year's results. He also noted that he had had personal experience of the attentiveness shown by EMTÉ's staff to its customers. He then asked why EMTÉ in Tilburg had taken over a post office.

This question was answered as follows:

(K. Slippens) When a large number of post offices were closed, many supermarkets, including EMTÉ, opened post office counters in various outlets. They did so because an in-store post office counter brings in many extra visitors, and many of those combine their visit to the post office counter with shopping in the supermarket.

Mr. De Jager (Dutch Association of Investors for Sustainable Development – VBDO) noted that, although Sligro Food Group pursued an active CSR policy, little attention had been given to this aspect in the presentations by members of the Executive Board. He then asked the following questions:

1) Sligro came 27th in VBDO's benchmark survey of 40 listed companies, which rated them by responsible chain management performance. How does Sligro Food Group plan to improve its ranking?

2) To what extent is sustainability presented as a challenge, clearly quantifiable and time-related, in Sligro Food Group remuneration policy?

These questions were answered as follows:

1) Mr. Slippens thanked Mr. De Jager for his complimentary remarks on progress in the field of CSR within Sligro Food Group. He added that an understanding of our responsibility for the environment was part of Sligro Food Group's genetic makeup. It also came from the typical values of the original family company, which still shone through. He noted that there were many studies of CSR performance, in some of which Sligro Food Group scored better than had evidently been the case with the VBDO survey. Sligro Food Group focused less on such rankings and more on the content of the various CSR projects in which Sligro Food Group was actively involved. Those CSR projects had measurable targets which were critically evaluated. What had not yet been set were targets at a higher level of aggregation, relating to such aspects as CO_2 emissions and energy use. Those higher-level targets would be included in next year's annual report.

2) *(A. Nühn)* CSR policy is important, which is why CSR, together with a number of other relevant performance aspects, is a factor in setting the variable remuneration of the Executive Board. By setting targets at a higher level of aggregation, the Supervisory Board makes it very clear which goals it believes the Executive Board should focus on.

Mr. Jorna (VEB) asked the following questions:

1) What criteria apply to the Executive Board's variable remuneration for 2012?

2) In regard to the EMTÉ format, what do you feel about offering many more non-food products and utilising the potential of e-commerce in Food Retail, for example by using customers' e-mail addresses?

These questions were answered as follows:

1) *(A. Nühn)* Sligro Food Group is very transparent, but the criteria applying to variable remuneration relate to its main priorities for the coming year. That is commercially sensitive information and we do not think it is good to publish it in advance. We shall certainly report in retrospect on performance against the criteria.

2) *(K. Slippens)* We believe in food and food-related non-food items. That means the non-food items we choose to offer are used to prepare or present food or are closely related to

those uses. This has been our practice at Sligro for years and, at EMTÉ too, almost all the non-food items are food-related.

Within Foodservice, we have been communicating electronically with our customers for some time and we can certainly develop that further as a marketing tool. Within Food Retail, too, we can share digital information with customers by e-mail, as well as via traditional flyers. At that level, the digital route to the customer is a communication platform. The next higher level for the digital route to the customer is a trading platform: web stores such as Bol.com, with a combination of delivery service and collection points, where customers can pick up their shopping themselves. We see good opportunities for Food Retail in this latter model. Rapid advances are being made in the field of digital communication. Within Sligro Food Group, we recently started using Yammer, a variant of Twitter for internal (closed network) use in organisations and businesses, with great success. This network has enabled us, for example, to gather together in a very short time many good commercial ideas inspired by our slogan for 2012: 'Growth fuelled by sales'.

4. Financial statements

4 a. Adoption of the 2011 financial statements (resolution)

The chairman first opened the floor to questions on the financial statements which formed the second part of the annual report (page 86 et seq).

Mr. Jorna expressed his appreciation of the section entitled 'Pensions and pension accounting' in the 2011 annual report. He then asked whether, after the extra payment of €6 million into the group pension fund (Stichting Pensioenfonds Sligro Food Group) in 2010 to raise the funding ratio, further extra payments or significant contribution-rate rises might be expected.

This question was answered as follows:

(H. van Rozendaal) To avoid any misunderstanding, I must make it clear in advance that there was no question of a mandatory extra payment in 2010. The pensioners, the employees and the employer, working together, made choices and reached agreements on a voluntary basis, whereby all parties contributed to improving the pension fund's position at an early stage.

Now let me answer your question. Many factors are relevant to the assessment of a pension fund's financial situation. In the pensions world and in the media, the main focus is on the pension fund's funding ratio. The funding ratio is an indicator of a pension fund's capital position. That capital position in turn depends largely on the value of the pension liabilities. The value of the pension liabilities is determined partly by the interest rate. A lower interest rate means a higher valuation of the pension liabilities and a higher interest rate means a lower valuation of the pension liabilities. A higher interest rate is therefore good for a pension fund's funding ratio, because it reduces the value of the pension liabilities. In the present state of uncertainty in Europe as to the future of the euro, it is unclear how the interest rate is likely to move. The group pension fund's funding ratio currently stands at 103%, but that can rise or fall abruptly and substantially if the interest rate changes. A measure which attracts less attention but is also important is the contribution funding ratio. This figure gives the relationship between the cost of pension accrual and the contributions. The group pension fund's contribution funding ratio currently stands at 120%, which means that pension contributions are helping the pension fund's financial recovery. It is important to know that.

Mr. Jorna (VEB) asked the following question:

In the section on risk, you say that the effect on your operating result of a 0.5% increase in wage costs or a 5% increase in energy costs would be €1 million. In August, there will be a 2% pay rise, which will mean an extra cost of €4 million. Energy prices also rose sharply on 1 January. This adds up to around €5–6 million in extra costs. In light of the pressure on prices in the foodservice and food retail markets, it will not be possible to charge all of these higher costs on to the customer. Do you think this will bring extra pressure to bear on the result, especially Food Retail's result?

This question was answered as follows:

(H. van Rozendaal) The picture you paint of cost increases is not entirely accurate. Thanks to the multi-year contracts we have signed with electricity suppliers, our energy costs are falling, not rising. As regards transport costs, we are having to deal with higher fuel prices. Like rising wage costs, however, these are all relatively normal cost increases, which in many cases can be offset by efficiency improvements. In the case of wage costs, for example, it is not only the hourly rate that matters, but also the number of hours worked. Efficiency improvements can greatly mitigate the effect of cost increases, including in Food Retail.

After these questions had been answered, the chairman confirmed that, there having been no votes against the resolution had been carried and the 2011 financial statements had been duly adopted.

number of shares for which valid votes were cast:	37,654,771
votes for:	37,651,659
votes against:	0
abstentions:	3,112

4 b. Adoption of the profit appropriation (resolution)

With the approval of the Supervisory Board, the Executive Board proposed that the profit be appropriated as stated on page 136 of the annual report.

As indicated by Mr. Van Rozendaal under item 3 of the agenda, it was proposed to distribute a regular dividend for 2011 of €0.85 per share in cash. It was also proposed to distribute a variable dividend of €0.20 per share, also in cash, making a total dividend of €1.05.

The dividend would be payable on 4 April 2012.

The Executive Board's proposal was approved by the meeting.

number of shares for which valid votes were cast:	37,654,771
votes for:	37,651,659
votes against:	0
abstentions:	3,112

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

The meeting ratified the actions of the Executive Board in respect of its management in 2011.

number of shares for which valid votes were cast:	37,654,771
votes for:	37,651,659
votes against:	0
abstentions:	3,112

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

The meeting ratified the actions of the Supervisory Board in respect of its supervision in 2011.

number of shares for which valid votes were cast:	37,654,771
votes for:	37,651,659
votes against:	0
abstentions:	3,112

5. Profit retention and dividend policy

Pursuant to the best-practice provisions of corporate governance, a company's profit retention and dividend policy should be included as a separate item of the agenda each year (IV.1.4). No proposal to change the policy is included in this year's agenda.

Sligro Food Group aims to distribute a regular dividend of around 50% of the after-tax profit, excluding extraordinary results. The dividend is paid in cash.

The regular dividend proposed for 2011 is €0.85 per share, which amounts to a pay-out of 48%.

Under agenda item 4.b, it has been decided, on the proposal of the Executive Board, to distribute a variable dividend for 2011 of €0.20 per share, making a total dividend of €1.05.

Mr. Jorna said that, while he did not oppose this generous dividend proposal, he wondered how Sligro Food Group would finance major capital expenditure. The restricted liquidity of Sligro Food Group N.V. shares meant, said Mr. Jorna, that issuing new shares was not an option. He asked the Executive Board to give its views on this point.

This question was answered as follows:
(H. van Rozendaal) The issue of new shares is not currently an option because that would increase the capital again, when the purpose of the variable dividend is to distribute a tranche of capital to the shareholders. In any case, the financing of our business, including future capital expenditure, is well organised. The restricted liquidity of Sligro Food Group N.V. shares is, of course, also partly due to the fact that many shareholders have no wish to sell their shares. The Executive Board regards that as a sign of confidence on the part of the shareholders in the way the Executive Board uses the money they have invested.

6. Supervisory Board

6.a. Reappointment of Ms. Th.A.J. Burmanje (resolution)

Ms. Th.A.J. Burmanje's first four-year term ended in 2012. She had offered herself for reappointment.

In her first four years as a member of Sligro Food Group N.V.'s Supervisory Board, Ms. Burmanje had given the board the benefit of her management expertise and experience, her socio-economic expertise and her commitment.

Ms. Burmanje fitted the profile of the Supervisory Board of Sligro Food Group N.V. and was independent within the meaning of the Dutch Corporate Governance Code.

The Supervisory Board proposed to reappoint Ms. Burmanje for a second and last term of four years.

The resolution was carried.

number of shares for which valid votes were cast: 37,654,771

votes for:	37,651,659
votes against:	0
abstentions:	3,112

6.b. Reappointment of Mr. R.R. Latenstein van Voorst (resolution)

Mr. R.R. Latenstein van Voorst's first four-year term ended in 2012. He had offered himself for reappointment.

In his first four years as a member of Sligro Food Group N.V.'s Supervisory Board, Mr. Latenstein van Voorst had given the board the benefit of his management experience and expertise and his financial and economic expertise.

Mr. Latenstein van Voorst fitted the profile of the Supervisory Board of Sligro Food Group N.V. and was independent within the meaning of the Dutch Corporate Governance Code.

The Supervisory Board proposed to reappoint Mr. Latenstein van Voorst for a second and last term of four years.

Mr. Jorna was pleased to have a real financial man like Mr. Latenstein van Voorst on the Supervisory Board. He asked whether, given how busy Mr. Latenstein van Voorst was at present with SNS Reaal, he would be able to make enough time available for his duties as a member of Sligro Food Group's Supervisory Board.

Mr. Nühn replied that Mr. Latenstein van Voorst would also be available outside Supervisory Board meetings for consultation with the other members of the Supervisory Board and the Executive Board, and in particular with Mr. Van Rozendaal.

Mr. Latenstein van Voorst confirmed that he would have ample time to devote to his duties as a member of Sligro Food Group's Supervisory Board. He added that, given Sligro Food Group's transparent management style, he looked forward with pleasure to serving on the Supervisory Board.

The resolution was carried.

number of shares for which valid votes were cast:	37,654,771
votes for:	37,651,659
votes against:	0
abstentions:	3,112

6.c. Appointment of Mr. B.E. Karis (resolution)

In accordance with article 26 of the articles of association, the Supervisory Board proposed Mr. B.E. Karis, who was present at the meeting, for appointment as a member of the Supervisory Board of Sligro Food Group N.V.

Mr. Karis was proposed for appointment to fill the vacancy created by the retirement of Mr. F.K. De Moor on 21 March 2012.

Mr. De Moor completed the maximum term of office of twice four years on 21 March 2012 and was thus due to retire by rotation.

The appointment of Mr. Karis would maintain the number of members of the Supervisory Board at the usual four.

The Supervisory Board considered Mr. Karis a suitable candidate in view of his management, commercial and financial-economic expertise and experience, particularly in the context of retail organisations.

Mr. Karis fitted the profile of the Supervisory Board of Sligro Food Group N.V. and was independent within the meaning of the Dutch Corporate Governance Code.

It was proposed that, in accordance with the Supervisory Board's nomination, Mr. Karis be appointed a member of the Supervisory Board of Sligro Food Group N.V. as of today's date, for an initial term of four years.

Mr. Jorna referred to his earlier question about non-food and the answer given by Mr. Slippens. Mr. Jorna observed that, in the light of Mr. Slippens' reply, the connection he had made between Mr. Karis's immense expertise and experience in the field of non-food and Sligro Food Group's opportunities to develop many more activities in non-food was evidently imaginary.

Mr. Vrijdag asked about the number of members of the Supervisory Board and Mr. Karis' specific expertise. He also asked why Mr. Karis held no Sligro Food Group N.V. shares.

Mr. Nühn replied that the Supervisory Board currently had four members and, after the departure of Mr. De Moor and the appointment of Mr. Karis, it would again have four members. Mr. De Moor was the retail expert on the Supervisory Board and, given his background, Mr. Karis also possessed this expertise.

In reply to Mr. Vrijdag's second question, Mr. Nühn said that members of Sligro Food Group's Supervisory Board were permitted, but not required, to hold Sligro Food Group N.V. shares. With a view to the required independence of members, it was also pragmatic for a member of the Supervisory Board to hold no Sligro Food Group N.V. shares.

The resolution was carried.

number of shares for which valid votes were cast:	37,654,771
votes for:	37,651,659

votes against:	0
abstentions:	3,112

7. Appointment of Mr. W.J. Strijbosch to the Executive Board (resolution)

The Supervisory Board intended to appoint Mr. W.J. Strijbosch to the Executive Board of Sligro Food Group N.V.

After graduating in business administration at Erasmus University in Rotterdam, Mr. Strijbosch gained wide experience in the food and foodservice sector. He started his career at Douwe Egberts and moved from there to the Out-of-Home Division of Koffiebranderij en Theehandel Drie Mollen sinds 1818. From 2000 he was Managing Director of Koninklijke Olland Group, which merged with Selecta in 2004. He was Country Manager and Managing Director Benelux at Selecta.

Since joining Sligro Food Group on 1 June 2011, Mr. Strijbosch has been in charge of all Sligro Food Group's foodservice activities as Foodservice Director.

Mr. Rienks noted that Mr. Strijbosch had not been appointed internally within Sligro Food Group, but had been recruited from outside. Mr. Rienks took the view that new members of the Executive Board should preferably be appointed internally. With the departure of Mr. Pardoel, this had again become a topical issue. Mr. Rienks argued in favour of appointing an internal candidate to succeed Mr. Pardoel, provided the candidate was suitable.

The following reply was given to this observation:
(A. Nühn) High priority is given to staff development within Sligro Food Group, because an active policy designed to provide opportunities for development and advancement is important for the evolution of a strong management cadre. Consistent with this policy, internal appointment to many vacancies, including seats on the Executive Board, is preferable in principle. It is of course a prerequisite that the candidate must possess the right qualifications.

Mr. Jorna asked about Mr. Pardoel's 'golden handshake' and what was being done to find a successor.

This question was answered as follows:
(A. Nühn) Mr. Pardoel did not receive a 'golden handshake'. There was no reason why he should, because it was his choice to seek a position outside Sligro Food Group. The process of recruiting a successor to Mr. Pardoel is under way. Mr. Slippens has taken over Mr. Pardoel's duties temporarily.

Mr. Van Lierop gave notice of 250,559 votes against on behalf of Caceis Bank, 13,316 votes against on behalf of Brown Brothers Harriman and 100,708 votes against on behalf of State Street Bank

The resolution was carried.

number of shares for which valid votes were cast:	37,654,771
votes for:	34,685,078
votes against:	1,863,458
abstentions:	1,106,235

8. Reappointment of auditors (resolution)

In accordance with best-practice provision V.2.3 of the Corporate Governance Code, the Executive Board and Supervisory Board conducted an in-depth evaluation of the functioning of the external auditors at the end of 2011.

On the basis of their evaluation, both the Executive Board and the Supervisory Board were satisfied with KPMG's functioning and found sufficient grounds in principle for continuing the relationship with the auditors in the coming years.

It should be noted that, in the interests of auditor independence, KPMG conducts only audits on behalf of Sligro Food Group, which retains other firms to provide consultancy services. The responsible partner is charged with conducting audits on behalf of Sligro Food Group for a maximum of seven years.

Partly on the basis of this evaluation, the Supervisory Board has decided to propose KPMG for reappointment by the General Meeting of Shareholders, in principle for a period of four years (2012–2015).

This reappointment is subject to the condition that, during the aforementioned period, the assignment is confirmed, with the approval of the Supervisory Board, each year for a period of one year.

The shareholders were invited to approve the proposal to reappoint the auditors, as discussed in these notes.

The resolution was carried.

number of shares for which valid votes were cast:	37,654,771
votes for:	37,651,659
votes against:	0
abstentions:	3,112

9. Authorisation of the Executive Board to repurchase own shares (resolution)

As explained in the notes to the agenda, the resolution related to the authorisation of the Executive Board for a period of 18 months to repurchase paid-up shares in Sligro Food Group N.V., on the stock exchange or privately, up to a maximum of 10% of the issued share capital at a price at most 10% above the market price at the time of the transaction, subject to the approval of the Supervisory Board. This authorisation would be valid until 21 September 2013.

The resolution was carried.

number of shares for which valid votes were cast:	37,654,771
votes for:	37,649.820
votes against:	0
abstentions:	4,951

10.a. Extension of the period of authorisation of the Executive Board to issue shares (resolution)

It was proposed to renew the authorisation to issue shares vested on 23 March 2011 and extend it by 18 months from the date of the meeting, i.e. until 21 September 2013, on the understanding that any decision by the Executive Board would be subject to the approval of the Supervisory Board. It was also proposed to restrict this authorisation to 10% of the issued share capital, which could be increased by 10% if the issue were undertaken in the context of a merger or acquisition.

Mr. Van Lierop gave notice of 6,702 votes against on behalf of State Street Bank.

The resolution was carried.

number of shares for which valid votes were cast:	37,654,771
votes for:	37,215,805
votes against:	438,966
abstentions:	0

10.b. Extension of the period of authorisation of the Executive Board to restrict or exclude pre-emptive rights (resolution)

It was proposed to renew the authorisation to restrict or exclude shareholders' pre-emptive rights to share issues which was vested on 23 March 2011 and extend it by 18 months from the date of the meeting, i.e. until 21 September 2013.

Mr. Van Lierop gave notice of 6,702 votes against on behalf of State Street Bank.
Mr. Van Erum cast 15 votes against the proposal.

The resolution was carried.

number of shares for which valid votes were cast:	37,654,771
votes for:	37,209,311
votes against:	445,460
abstentions: 0	

11. Any other business and adjournment

Mr. Van Beuningen thanked Mr. De Moor for his services as a member of Sligro Food Group's Supervisory Board. He added that, due in particular to his extensive knowledge of retail, Mr. De Moor had been of great value to Sligro Food Group.

Mr. Van Riet asked about the ideal floor area of an EMTÉ supermarket. He pointed out that, in his experience, Lidl was increasingly assuming the guise of a full-service supermarket rather than a discounter.

Mr. Slippens replied that EMTÉ aimed for a sales floor area of around 1,250 m^2, which was equivalent to a gross floor area of around 1,500 m^2. Mr. Slippens said that, while he neither could nor would speak for Lidl, he took Mr. Van Riet's comments on board.

Mr. Jorna said that, while he welcomed the '*Eerlijk & Heerlijk*' (literally 'honest and delicious') concept, he felt it was wrong that the concept took no account of animal welfare on the production side. In conclusion, he asked whether Sligro Food Group intended to follow a competitor's lead and stop selling free-range eggs.

Mr. Slippens explained that the *'Eerlijk & Heerlijk'* concept was built on four pillars: organic, fair trade, sustainable and local, so the concept did indeed embrace the animal-welfare aspect of production. Mr. Slippens said that Sligro Food Group was aware of a competitor's plan to stop selling free-range eggs, but had no intention of doing so itself.

Mr. Nühn then addressed Mr. De Moor, thanking him on behalf of the Supervisory Board for his eight years of valuable service to Sligro Food Group as a member of the Supervisory Board.

Mr. Slippens, speaking on behalf of the Executive Board, then thanked Mr. De Moor for the objective and positive way in which he had discharged his duties as a member of Sligro Food Group's Supervisory Board.

The chairman announced that, after the meeting, there would be a tour of the distribution centre led by Kees de Rooij, Logistics Director of Sligro Food Group.

There being no other business, the chairman adjourned the meeting after thanking everyone for their contributions.

A. Nühn, chairman

G.J.C.M. van der Veeken, company secretary