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**SPECIAL REPORT OF THE BOARD OF DIRECTORS PREPARED PURSUANT TO ARTICLE 604 OF THE BELGIAN COMPANIES CODE FOR THE RENEWAL OF THE AUTHORIZED CAPITAL**

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The Board of Directors (the “**Board**”) of Delhaize Group SA/NV (the “**Company**”) will propose to the upcoming extraordinary shareholders’ meeting of the Company to renew the authorization granted to the Board to increase the share capital of the Company in accordance with Article 603 of the Companies Code. The Board has prepared this special report pursuant to Article 604 of the Companies Code.

**1. Description of the existing authorization to increase the capital by resolution of the Board**

The first indent of Article 8.A of the Company’s articles of association currently authorizes the Board to increase the share capital of the Company on one or more occasions up to a maximum aggregate amount of EUR 9,678,897. This authorization was granted by the Company’s extraordinary shareholders’ meeting held on May 24, 2007 and will expire five years after the publication of such authorization in the Annexes to the Belgian State Gazette, i.e. on June 18, 2012.

The latest annual report of the Company provides a description of the transactions carried out by the Board until December 31, 2011 pursuant to the above authorization. In addition to such transactions, it is contemplated that the Board will approve in May 2012 an issuance of subscription rights under the above authorization for the purpose of the Delhaize Group 2012 U.S. Stock Incentive Plan, which may result in the subscription of a maximum of 500,000 new shares of the Company.

**2. Request for a new authorization**

The Board proposes to the shareholders to renew the authorization granted to the Board to increase the share capital, on the same terms and conditions as those applying to the current authorization. This will require an amendment to the first indent of Article 8.A of the Company’s articles of association so as to authorize the Board to increase the share capital of the Company on one or more occasions for a period of five years as from the publication of the authorization by the extraordinary shareholders’ meeting in the Annexes to the Belgian State Gazette, up to a maximum aggregate amount equal to 10% of the current share capital of the Company (EUR 5,094,609).

Pursuant to Article 8 of the Company’s articles of association, in any instance where the Board decides to increase the share capital of the Company for a contribution in cash, or to issue convertible bonds or subscription rights, it is entitled to limit or exclude the preferential subscription right of shareholders, including those rights in favor of specific persons (whether or not employees of the Company or its subsidiaries). If the Board decides, when increasing the share capital, to restrict or exclude the preferential subscription right of shareholders, it will prepare a special report setting out the justification of its decision, as well as the financial consequences of such decision. A report by the statutory auditor will also be prepared in that respect.

### **3. Rationale**

The circumstances in which the Board may decide to increase the share capital of the Company will be assessed by the Board, based upon its consideration as to what is in the best corporate interests of the Company. If deemed appropriate by the Board, the authorized capital will allow the Company, *inter alia*:

- to issue shares, convertible bonds or subscription rights in situations where there is a need for additional equity financing, whether or not to the benefit of specific persons;
- to offer shares or other equity-linked instruments as compensation in acquisition or merger transactions or in other corporate transactions;
- to remunerate the shareholders by way of a distribution in kind;
- to issue shares, subscription rights or other equity-linked instruments to managers and officers of the Company or its subsidiaries; or
- to increase the share capital by incorporation of reserves or issuance premium.

The procedure of the authorized capital, compared with the more burdensome and costlier procedure of increasing the share capital by decision of an extraordinary shareholders' meeting, will allow the Company to react swiftly and effectively in the abovementioned circumstances.

Any capital increase decided by the Board will be subject to applicable legal restrictions, including those set out in Article 606 of the Companies Code, which prevent the Board from issuing shares below the accounting par value of the existing shares of the Company or against a contribution in kind reserved exclusively to a shareholder of the Company holding securities to which more than 10% of the voting rights are attached.

In addition, pursuant to Article 607 of the Companies Code, the Board will not be allowed to increase the share capital if it is notified by the Belgian Financial Services and Markets Authority of a public takeover bid on the securities of the Company, except in the limited cases authorized under Article 607. In brief, such authorized cases are (i) capital increases where the preferential subscription right of shareholders is neither limited nor excluded and (ii) capital increases pursuant to a commitment validly taken by the Company prior to the abovementioned notification by the Belgian Financial Services and Markets Authority.

### **4. Corresponding amendment to the articles of association**

If the extraordinary shareholders' meeting approves the above proposal, the first indent of Article 8.A of the Company's articles of association will be replaced by the following text:

*"The Board of Directors is authorized to increase the share capital on one or more occasions up to the amount of five million ninety-four thousand six hundred and nine Euros (EUR 5,094,609) on the dates and pursuant to the terms decided by the Board of Directors for a period of five years as from the date of publication of this authorization in the Belgian State Gazette."*

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This Special Report was approved by the Board on March 7, 2012.