



Etablissements Delhaize Frères et Cie "Le Lion" (Groupe Delhaize) SA/NV
(incorporated with limited liability in Belgium)

EUR 400,000,000
3.125% Fixed Rate Bonds due 27 February 2020
Issue Price: 99.709 % Yield: 3.172 %
ISIN Code: BE0002189554 Common Code: 085867644 (the **Bonds**)

Application has been made for the Bonds to be listed on NYSE Euronext Brussels and admitted to trading on the regulated market of NYSE Euronext Brussels

Issue Date: 27 November 2012

Joint Bookrunners

BNP PARIBAS
(active)

BofA Merrill Lynch
(active)

J.P. Morgan
(active)

Deutsche Bank

ING

KBC Bank

The date of this Prospectus is 21 November 2012

Etablissements Delhaize Frères et Cie "Le Lion" (Groupe Delhaize) SA/NV (the **Issuer** or the **Company**) will issue the Bonds for an amount of EUR 400,000,000. The Bonds will bear interest at the rate of 3.125% per annum. Interest on the Bonds is payable annually in arrear on the Interest Payment Dates (as defined below) falling on, or nearest to 27 February in each year. The first payment on the Bonds will occur on 27 February 2013, and the last payment on 27 February 2020. The Bonds will mature on 27 February 2020.

A13 – 4.1
A13 – 4.5
A13 – 4.8
A13 – 4.9

BNP Paribas (located at 10 Harewood Avenue, London, NW1 6AA), J.P. Morgan Securities plc (located at 25 Bank Street, Canary Wharf, London E14 5JP) and Merrill Lynch International (located at 2 King Edward Street, London EC1A 1HQ) are acting as joint lead managers and joint bookrunners (the **Joint Bookrunners** and each a **Joint Bookrunner**) for the purpose of the offer of the Bonds (the **Offer**). Deutsche Bank AG, London Branch (located at Winchester House, 1 Great Winchester Street, London EC2N 2DB), ING Bank NV, Belgian Branch (located at Avenue Marnix 24, B-1000 Brussels) and KBC Bank NV (located at Havenlaan 2, B-1080 Brussels) are acting as other joint bookrunners (the **Other Joint Bookrunners** and each a **Other Joint Bookrunner** and together with the Joint Bookrunners, the **Managers** and each a **Manager**) for purposes of the Offer.

A13 – 4.2

The denomination of the Bonds shall be EUR 100,000 and integral multiples thereof.

This listing prospectus dated 21 November 2012 (the **Prospectus**) was approved on 21 November 2012 by the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des services et marchés financiers*) (the **FSMA**) in its capacity as competent authority under article 23 of the Belgian Law dated 6 June 2006 concerning the public offer of investment securities and the admission of investment securities to trading on a regulated market (the **Belgian Prospectus Law**). This approval cannot be considered as a judgment as to the opportunity or the quality of the transaction, nor on the situation of the Issuer. Application has been made to NYSE Euronext Brussels for the Bonds to be listed on NYSE Euronext Brussels. References in this Prospectus to the Bonds being **listed** (and all related references) shall mean that the Bonds have been listed on NYSE Euronext Brussels and admitted to trading on NYSE Euronext Brussels' regulated market. NYSE Euronext Brussels' regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

A13 – 5.1

The Prospectus is a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the **Prospectus Directive**) and the Belgian Prospectus Law. It intends to give the information with regard to the Issuer and the Bonds, which according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the rights attaching to the Bonds and of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Bonds will be issued in dematerialised form under the Belgian Company Code (*Wetboek van Vennootschappen/Code des Sociétés*) (the **Belgian Company Code**) and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the X/N securities and cash clearing system operated by the National Bank of Belgium (the **NBB**) or any successor thereto (the **Clearing System**). Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds. Clearing System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, société anonyme, Luxembourg (**Clearstream, Luxembourg**). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Bonds may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the Clearing System.

The Bonds are expected to be rated BBB- stable by Standard & Poor's and Baa3 stable by Moody's.

A rating is not a recommendation to buy, sell or hold debt, inasmuch as the rating does not comment as to market price or suitability for a particular investor. A rating may be subject to revision or withdrawal at any time by the assigning rating agency.

The credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the “**CRA Regulation**”) as having been issued by Standard & Poor's and Moody's. Moody's is established in the European Union and is included in the updated list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu). Prospective investors should consult the Standard & Poor's website (www.standardandpoors.com) and the Moody's website (www.moodys.com) for the most recent ratings.

Unless otherwise stated, capitalised terms used in this Prospectus have the meanings set forth in this Prospectus. Where reference is made to the **Conditions of the Bonds** or to the **Conditions**, reference is made to the **Terms and Conditions of the Bonds**.

An investment in the Bonds involves certain risks. Prospective investors should refer to the section entitled "Risk Factors" on page 7 for an explanation of certain risks of investing in the Bonds.

RESPONSIBLE PERSON

The Issuer (the **Responsible Person**), having its registered office at 53 Rue Osseghem, B-1080 Brussels accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

A9 – 1.1.
A9 – 1.2.
A13 – 1.1
A13 – 1.2

This Prospectus has been prepared for the purposes of the listing of the Bonds on NYSE Euronext Brussels and the admission to trading of the Bonds on the regulated market of NYSE Euronext Brussels and does not constitute an offer of, or an invitation by or on behalf of the Managers to, subscribe or purchase any of the Bonds in any jurisdiction by any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

A13 – 5.1

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see “Documents Incorporated by Reference”).

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds.

For a description of further restrictions on offers and sales of Bonds and distribution of this Prospectus see “Subscription and Sale” below.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and any information or representation not so contained or inconsistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or otherwise that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Managers and the Issuer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or the Managers to any person to subscribe for or to purchase any Bonds.

Save for the Issuer, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information in connection with the Issuer or the offering of the Bonds. The Managers do not accept any liability, whether arising in tort or in contract or in any other event, in relation to the information contained or incorporated by reference in this Prospectus or any other information in connection with the Issuer, the offering of the Bonds or the distribution of the Bonds.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States. The Bonds are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act (**Regulation S**). The Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S) unless they have been so registered or pursuant to an available exemption from the registration requirements of the Securities Act. For a further description of certain restrictions on the offering and sale of the Bonds and on the distribution of this document, see "Subscription and Sale" below.

All references in this document to **euro**, **EUR** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

WARNING

The Prospectus has been prepared to provide information in connection with the listing of the Bonds on NYSE Euronext Brussels. When potential investors make a decision to invest in the Bonds, they should base this decision on their own research of the Issuer and the conditions of the Bonds, including, but not limited to, the associated benefits and risks. The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds.

The summaries and descriptions of legal provisions, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Potential investors are urged to consult their own advisor, bookkeeper or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

FURTHER INFORMATION

For more information about the Issuer, please contact:

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PART I: RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

A.9.-3
A.13.-2

In addition, factors which are material for the purpose of assessing the market risks associated with the Bonds are described below.

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. The sequence in which the risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. Prospective investors should also read the detailed information set out elsewhere in this Prospectus or incorporated by reference in this Prospectus and reach their own views prior to making any investment decision and consult with their own professional advisors if they consider it necessary. Terms defined in "Terms and Conditions of the Bonds" (the **Conditions**) below shall have the same meaning where used below.*

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE BONDS

We have substantial financial debt outstanding, which could negatively impact our business and prevent us from fulfilling our obligations under the Bonds

We have substantial debt outstanding. At 30 September 2012, we had total consolidated financial debt outstanding of approximately EUR 3.1 billion and approximately EUR 750 million of unused commitments under our revolving credit facilities. Our level of debt could:

- make it difficult for us to satisfy our obligations, including interest payments under the Bonds and our other debt obligations;
- limit our ability to obtain additional financing to operate or grow our business;
- limit our financial flexibility in planning for and reacting to industry changes;
- place us at a competitive disadvantage as compared to less leveraged companies;
- increase our vulnerability to general adverse economic and industry conditions, including changes in interest rates; and
- require us to dedicate a substantial portion of our cash flow to payments on our debt, reducing the availability of our cash flow for other purposes.

We may incur additional debt to fund our capital expenditures and working capital needs and to finance future acquisitions. If we incur additional debt it is more likely that we will experience some or all of the risks described above.

If we do not generate positive cash flows, we may be unable to service our debt

Our ability to pay principal and interest on the Bonds and on our other debt depends on our future operating performance. Future operating performance is subject to market conditions and business factors that often are beyond our control. Consequently, we cannot assure you that we will have sufficient cash flows to pay

the principal, premium, if any, and interest on our debt. If our cash flows and capital resources are insufficient to allow us to make scheduled payments on our debt, we may have to reduce or delay capital expenditures, sell assets, seek additional capital or debt or restructure or refinance our debt. We cannot assure you that the terms of our debt will allow these alternative measures or that such measures would satisfy our scheduled debt service obligations. If we cannot make scheduled payments on our debt, we will be in default and, as a result:

- our debt holders could declare all outstanding principal and interest to be due and payable;
- our lenders could terminate their commitments and commence foreclosure proceedings against our assets; and
- we could be forced into bankruptcy or liquidation.

Certain of our debt agreements require us to maintain specified financial ratios and meet specific financial tests. Our failure to comply with these covenants could result in an event of default that, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we were unable to make this repayment or otherwise refinance these borrowings, our lenders could foreclose on our assets. If we were unable to refinance these borrowings on favourable terms, our business could be adversely impacted.

The cross guarantee mechanism in place with some of our subsidiaries entails certain limits and restrictions and calling under such guarantee may entail potential additional costs and formalities for the Bondholders

The guarantors are subsidiaries of the Issuer. Potential investors must read the description of the Cross Guarantee Agreement set out in Part IV (*Description of the Cross Guarantee*) of the Prospectus. In particular, the Bondholders will benefit from the Cross Guarantee Agreement but it must be noted that in certain circumstances a guarantor may terminate his guarantee. Also, the obligations of the guarantors under the Cross Guarantee Agreement are limited to the maximum amount that can be guaranteed without constituting a fraudulent conveyance or fraudulent transfer under the various applicable insolvency laws. Furthermore, in case of default of the Issuer, if the Bondholder decides to call upon the guarantee, he must do so directly at one or several guarantors (the guarantee binds all parties but it is possible that the Bondholder must notify several guarantors in case of default of one or several guarantors). Furthermore, the Bondholder must proceed to the appointment, at his costs and at the then applicable rate, of the financial intermediary at which he holds his Bond(s) to recover the reimbursement amount through the Agent (whereby the intermediary confirms that the Bondholder holds the Bonds based on a written confirmation of the Bondholder who must undertake to keep his Bonds up to the possible reimbursement as from the moment he calls upon the guarantee). It must be noted that the current guarantors are based in the United States, which leads to additional formalities and notification costs to be borne by the Bondholder. The Agent will only proceed to the reimbursement if he has received an amount of one or several guarantors. The Agent must deduct the movable withholding tax on the accrued interests which would be reimbursed. The Cross Guarantee Agreement is governed by New York law which may lead to additional costs as the Bondholders may need to request assistance of a lawyer with expertise in financial products and New York law.

No separate financial information is provided in this Prospectus for each guarantor under the Cross Guarantee Agreement

As the Cross Guarantee Agreement consists of a general guarantee structure applicable to all our Financial Indebtedness (as defined under Part IV (*Description of the Cross Guarantee*) of the Prospectus), and is not set up specifically to cover the issue of these Bonds, we have not included in the Prospectus a separate set of financial information for each guarantor other than the condensed financial information relating to the Guarantors included at the end of “Part IV Description of the Cross-Guarantee”. Adding separate financial

statements of each of the guarantors would not influence the assessment of the financial position and prospects of the Issuer.

The consolidated financial information that we provide in this Prospectus should be regarded as the most relevant and complete financial information to be provided to investors in the Bonds.

As a guarantor under the Cross Guarantee Agreement and some other agreements, under certain circumstances, we may have to pay for financial indebtedness of any of our subsidiaries

Under the Cross Guarantee Agreement, if any Financial Indebtedness (as defined under Part IV (*Description of the Cross Guarantee*) of the Prospectus) owed by one of our subsidiaries party to such agreement is not recoverable from such entity, the creditor may call upon the guarantee and claim against any of the guarantors, including Delhaize Group, in accordance with the terms of the Cross Guarantee Agreement. We may therefore have to pay for any Financial Indebtedness of any of our subsidiaries party to the Cross Guarantee Agreement in case of default of such party. Apart from our guarantee under the Cross Guarantee Agreement, we may also have to pay amounts owed by any of our subsidiaries in case of default by such subsidiaries, in instances where we guaranteed the undertakings of any such subsidiaries.

Our results are subject to risks relating to competition and narrow profit margins in the food retail industry

The food retail industry is competitive and generally characterised by narrow profit margins. Our competitors include international, national, regional and local supermarket chains, supercenters, independent grocery stores, specialty food stores, warehouse club stores, retail drug chains, convenience stores, membership clubs, general merchandisers, dollar stores, discount retailers and restaurants. Food retail chains generally compete on the basis of location, quality of products, service, price, product variety and store condition. We believe that we could face increased competition in the future from all of these competitors. To the extent we reduce prices to maintain or grow our market share in the face of competition, net income and cash generated from operations could be adversely affected. Some of our competitors have financial, distribution, purchasing and marketing resources that are greater than ours. Our profitability could be impacted as a result of the pricing, purchasing, financing, advertising or promotional decisions made by competitors.

General economic factors may adversely affect our financial performance

General economic conditions in the areas where we operate, including Greece, may adversely affect our financial performance. Higher interest rates, higher fuel and other energy costs, weakness in the housing market, inflation, deflation, higher levels of unemployment, unavailability of consumer credit, higher consumer debt levels, higher tax rates and other changes in tax laws, overall economic slowdown and other economic factors could adversely affect consumer demand for the products and services we sell, change the mix of products we sell to one with a lower average gross margin and result in slower inventory turnover and greater markdowns on inventory. Higher interest rates, higher fuel and other energy costs, transportation costs, inflation, higher costs of labour, insurance and healthcare, foreign exchange rates fluctuations, higher tax rates and other changes in tax laws, changes in other laws and regulations and other economic factors can increase our cost of sales and other operating, selling, general and administrative expenses, and otherwise adversely affect our operations and operating results. These factors affect not only our operations, but also the operations of suppliers from whom we purchase goods, a factor that can result in an increase in the cost to us of the goods we sell to our customers.

Our operations are subject to economic conditions that impact consumer spending

Our results of operations are sensitive to changes in overall economic conditions in the areas where we operate, including Greece, that impact consumer spending, including discretionary spending. Consumers may reduce spending or change purchasing habits due to certain economic conditions such as decreasing

employment levels, slowing business activity, increasing interest rates, increasing energy and fuel costs, increasing healthcare costs and increasing tax rates. A general reduction in the level of consumer spending or our inability to respond to shifting consumer attitudes regarding products, store location and other factors could adversely affect our growth and profitability.

Turbulence in the global credit markets and economy may adversely affect our financial condition and liquidity

Current economic conditions have been, and continue to be, volatile. Disruptions in the capital and credit markets could adversely affect our ability to draw on our bank credit facilities or enter into new bank credit facilities. Our access to funds under our bank credit facilities is dependent on the ability of the banks that are parties to the facilities to meet their funding commitments. Those banks may not be able to meet their funding commitments to us if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from Delhaize Group and other borrowers within a short period of time. Also, disruptions in the capital and credit markets may impact our ability to renew those bank credit facilities or enter into new bank credit facilities as needed. In addition, our suppliers and third-party service providers could experience credit or other financial difficulties that could result in their inability or delays in their ability to supply us with necessary goods and services.

The significance of the contributions of our U.S. operations to our revenues and the geographic concentration of our U.S. operations on the east coast of the United States make us vulnerable to economic downturns, natural disasters and other catastrophic events that impact that region

During the first nine months of 2012, 64.9% of our revenues were generated through our U.S. operations. We depend in part on Delhaize US Holding Inc., the holding company grouping our U.S. operations, for dividends and other payments to generate the funds necessary to meet our financial obligations. Substantially all of our U.S. operations are located on the east coast of the United States. Consequently, our operations depend significantly upon economic and other conditions in this area, in addition to those that may affect the United States or the world as a whole. Our results of operations may suffer based on a general economic downturn, natural disaster or other adverse condition impacting the east coast of the United States.

Increases in interest rates and/or a downgrade of our credit ratings could negatively affect our financing costs and our ability to access capital

We have exposure to future interest rates based on the variable rate debt held by us and to the extent we raise debt in the capital markets to meet maturing debt obligations, to fund our capital expenditures and working capital needs and to finance future acquisitions. Daily working capital requirements are typically financed with operational cash flow and through the use of various committed and uncommitted lines of credit and a commercial paper program. The interest rate on these short and medium term borrowing arrangements is generally determined either as the inter-bank offering rate at the borrowing date plus a pre-set margin or based on market quotes from banks. Although we employ risk management techniques to hedge against interest rate volatility, significant and sustained increases in market interest rates could materially increase our financing costs and negatively impact our reported results.

We rely on access to bank and capital markets as sources of liquidity for cash requirements not satisfied by cash flows from operations. A downgrade in our credit ratings from the internationally-recognized credit rating agencies, particularly to a level below investment grade, could negatively affect our ability to access the bank and capital markets, especially in a time of uncertainty in either of those markets. A ratings downgrade could also impact our ability to grow our businesses by substantially increasing the cost of, or limiting access to, capital. Our senior unsecured debt ratings from Standard & Poor's and Moody's are BBB- and Baa3 investment grades, respectively.

A rating is not a recommendation to buy, sell or hold debt, inasmuch as the rating does not comment as to market price or suitability for a particular investor. The ratings assigned to our debt address the likelihood of

payment of principal and interest pursuant to their terms. A rating may be subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating that may be assigned to our securities.

A competitive labour market as well as changes in labour conditions may increase our costs

Our success depends in part on our ability to attract and retain qualified personnel in all areas of our business. We compete with other businesses in our markets in attracting and retaining employees. Tight labour markets, increased overtime, collective labour agreements, increased healthcare costs, government mandated increases in the minimum wage and a higher proportion of full-time employees could result in an increase in labour costs, which could materially impact our results of operations. A shortage of qualified employees may require us to increase our wage and benefit offerings to compete effectively in the hiring and retention of qualified employees or to retain more expensive temporary employees. In addition, while we believe that relations with our employees are good, we cannot provide assurance that we will not become the target of campaigns to unionise our associates. Also, we always face the risk that legislative bodies will approve laws that liberalise the procedures for union organisation. If more of our workforce were to become unionised, it could affect our operating expenses. Increased labour costs could increase our costs, resulting in a decrease in our profits or an increase in our losses. There can be no assurance that we will be able to fully absorb any increased labour costs through our efforts to increase efficiencies in other areas of our operations.

Because of the number of properties that we own and lease, we have a potential risk of environmental liability

We are subject to laws, regulations and ordinances that govern activities and operations that may have adverse environmental effects and impose liabilities for the costs of cleaning, and certain damages arising from sites of past spills, disposals or other releases of hazardous materials. Under applicable environmental laws, we may be responsible for the remediation of environmental conditions and may be subject to associated liabilities relating to our stores, warehouses and offices, as well as the land on which they are situated, regardless of whether we lease, sublease or own the stores, warehouses, offices or land in question and regardless of whether such environmental conditions were created by us or by a prior owner or tenant. The costs of investigation, remediation or removal of environmental conditions may be substantial. Certain environmental laws also impose liability in connection with the handling of or exposure to asbestos-containing materials, pursuant to which third parties may seek recovery from owners, tenants or sub-tenants of real properties for personal injuries associated with asbestos-containing materials. There can be no assurance that environmental conditions relating to prior, existing or future store sites will not harm us through, for example, business interruption, cost of remediation or harm to reputation.

If we are unable to locate appropriate real estate or enter into real estate leases on commercially acceptable terms, we may be unable to open new stores

Our ability to open new stores is dependent on our success in identifying and entering into leases on commercially reasonable terms for properties that are suitable for our needs. If we fail to identify and enter into leases on a timely basis for any reason, including our inability due to competition from other companies seeking similar sites, our growth may be impaired because we may be unable to open new stores as anticipated. Similarly, our business may be harmed if we are unable to renew the leases on our existing stores on commercially acceptable terms.

Unfavourable exchange rate fluctuations may negatively impact our financial performance

Our operations are conducted primarily in the U.S. and Belgium, and to a lesser extent in other parts of Europe, including Greece, and Indonesia. The results of operations and the financial position of each of our entities outside the euro zone are accounted for in the relevant local currency and then translated into euro at the applicable foreign currency exchange rate for inclusion in the Group's consolidated financial statements.

Exchange rate fluctuations between these foreign currencies and the euro may have a material adverse effect on our consolidated financial statements. These risks are monitored on a regular basis at a centralised level.

Because a substantial portion of our assets, liabilities and operating results are denominated in U.S. dollars, we are particularly exposed to currency risk arising from fluctuations in the value of the U.S. dollar against the euro. We do not hedge the U.S. dollar translation exposure. The translation risk resulting from the substantial portion of U.S. operations is managed by striving to achieve a natural currency offset between assets and liabilities and revenues and expenditures denominated in U.S. dollars.

Remaining intra-Group cross-currency transaction risks which are not naturally offset concern primarily dividend payments by the U.S. subsidiary and cross-currency lending, which in accordance with IFRS survive the consolidation process. When appropriate, we enter into agreements to hedge against the variation in the U.S. dollars in relation to dividend payments between the declaration by the U.S. operating companies and payment dates. Intra-Group cross-currency loans not naturally offset are generally fully hedged through the use of foreign exchange forward contracts or currency swaps. After cross-currency swaps, 71% of net financial debt at 31 December 2011 is denominated in U.S. dollar while for 2011, 66% of profits from operations are generated in U.S. dollars. Significant residual positions in currencies other than the functional currency of the operating companies are generally also fully hedged in order to eliminate any remaining currency exposure. If the average U.S. dollar exchange rate had been 1 cent higher/lower and all other variables were held constant, our net profit of 2011 would have increased/decreased by EUR 2 million. This is mainly attributable to our exposure to exchange rates on our revenues in U.S. dollars.

Redenomination risk

As a result of the continuing distressed conditions experienced by the peripheral eurozone countries, there is an increased possibility of a member state exiting from the eurozone. There is currently no established legal framework within the European treaties to facilitate such an event; consequently, it is not possible to accurately predict the course of events and legal consequences that would ensue.

Various aspects of our business are subject to federal, regional, state and local laws and regulations in the U.S., Belgium and other countries, in addition to environmental regulations. Our compliance with these laws and regulations may require additional expenses or capital expenditures and could adversely affect our ability to conduct our business as planned

In addition to environmental regulations, we are subject to federal, regional, state and local laws and regulations in the U.S., Belgium and other countries relating to, among other things, zoning, land use, workplace safety, public health, community right-to-know, store size, alcoholic beverage sales and pharmaceutical sales. A number of jurisdictions regulate the licensing of supermarkets, including retail alcoholic beverage license grants. In addition, under certain regulations, we are prohibited from selling alcoholic beverages in certain of our stores. Employers are also subject to laws governing their relationship with employees, including minimum wage requirements, overtime, working conditions, collective bargaining, disabled access and work permit requirements. Compliance with, or changes in, these laws could reduce the revenue and profitability of our supermarkets and could otherwise adversely affect our business, financial condition or results of operations. A number of laws exist which impose obligations or restrictions on owners with respect to access by disabled persons. Our compliance with these laws may result in modifications to our properties, or prevent us from performing certain further renovations.

As a result of selling food products, we face the risk of exposure to product liability claims and adverse publicity

The packaging, marketing, distribution and sale of food products purchased from others entail an inherent risk of product liability, product recall and resultant adverse publicity. Such products may contain contaminants that may be inadvertently redistributed by us. These contaminants may, in certain cases, result in illness, injury or death if processing at the foodservice or consumer level does not eliminate the

contaminants. Even an inadvertent shipment of adulterated products is a violation of law and may lead to an increased risk of exposure to product liability claims. There can be no assurance that such claims will not be asserted against us or that we will not be obligated to perform such a recall in the future. If a product liability claim is successful, our insurance may not be adequate to cover all liabilities we may incur, and we may not be able to continue to maintain such insurance, or obtain comparable insurance at a reasonable cost, if at all. If we do not have adequate insurance or contractual indemnification available, product liability claims relating to defective products could have a material adverse effect on our ability to successfully market our products and on our business, financial condition and results of operations. In addition, even if a product liability claim is not successful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or injury could have a material adverse effect on our reputation with existing and potential customers and on our business and financial condition and results of operations.

Strikes, work stoppages and slowdowns could negatively affect our financial performance

A number of employees of our companies, mostly in Europe, are members of unions. It is possible that relations with the unionised portion of our workforce will deteriorate or that our workforce would initiate a strike, work stoppage or slowdown in the future. In such an event, our business, financial condition and results of operations could be negatively affected, and we cannot provide assurance that we would be able to adequately meet the needs of our customers utilising our remaining workforce. In addition, similar actions by our non-unionised workforce are possible.

We may not be able to successfully complete renovation, conversion and brand repositioning plans

A key to our business strategy has been, and will continue to be, the renovation and/or conversion of our existing stores, as well as the renovation of our infrastructure. Although it is expected that cash flows generated from operations, supplemented by the unused borrowing capacity under our credit facilities and the availability of capital lease financing, will be sufficient to fund our capital renovation programs and conversion initiatives, sufficient funds may not be available. Our inability to successfully renovate and/or convert our existing stores and other infrastructure could adversely affect our business, results of operations and ability to compete successfully.

In 2011, we began repositioning Food Lion, the biggest brand in the Delhaize Group portfolio. The brand repositioning focuses on 6 elements of the Food Lion brand which can be summarized as price, assortment, and shopping experience. In 2011, 166 stores (Phase 1) benefited from the brand repositioning and during 2012, this was increased to approximately 700 stores (as part of Phases 2 and 3 of our brand repositioning). While we expect these initiatives to result in increased revenues, there can be no assurance that they will be successful and that we will achieve the expected results.

We may not achieve the annual positive impact on operating profit that we expect will result from our closure of underperforming stores that we completed in January 2012

In January 2012, we announced the planned closure of a total of 146 stores across our network in the U.S. and Southeastern Europe and the planned conversion of 64 Bloom and Bottom Dollar Food stores to Food Lion in the U.S. This included at Food Lion the closure of 113 underperforming stores, most of which were in markets with the lowest store density, and one distribution center, as well as converting 42 Bloom stores to Food Lion, the closure of the remaining 7 Bloom stores and the retirement of the Bloom brand. In addition, it included the planned conversion or closure of the Bottom Dollar Food brand stores in North Carolina, Virginia and Maryland. This will result in the conversion of 22 Bottom Dollar Food stores to Food Lion and the closing of 6 stores in these markets. Finally, the announcement included the planned closure of 20 underperforming stores in Southeastern Europe. These include small convenience stores, supermarkets and hypermarkets in Serbia, Bulgaria and Bosnia and Herzegovina.

The net impact of the portfolio optimization on our Group will be a reduction in our number of stores by approximately 4.3% and an initial reduction in Group revenues of approximately €500 million or 2.4%,

consisting of approximately \$650 million in revenues from Delhaize U.S. and €35 million in revenues from Southeastern Europe. We recorded an impairment charge of approximately €127 million (approximately \$177 million) in the fourth quarter of 2011. As of 30 September 2012, our earnings were impacted by approximately €150 million (approximately \$173 million for the U.S. and €14 million for Southeastern Europe) to reflect store optimization charges including expenses for ongoing lease and severance obligations, accelerated depreciation related to store conversions, conversion costs, inventory write-downs and sales price mark downs. While we expect this portfolio optimization will have an annual positive impact on operating profit once the conversions and closings are complete, which we intend to fully reinvest in our business, there can be no assurance an annual positive impact will be achieved.

We may be unsuccessful in managing the growth of our business or the integration of acquisitions we have made

As part of our long-term strategy, we continue to reinforce our presence in the geographic locations where we currently operate and in adjacent regions, by pursuing acquisition opportunities in the retail grocery store industry and engaging in store renovations and market renewals and opening new stores, including the recent expansion of our Bottom Dollar Food operations into the greater Philadelphia and Pittsburgh areas and the acquisition of the Serbian retailer Delta Maxi.

However, as the food retail industry consolidates, we face the risk that certain of our competitors may have more resources to make acquisitions, or expand operations, or that they otherwise may make acquisitions that we would have been interested in making. In addition, we face risks commonly encountered with growth through acquisition and conversion or expansion. These risks include, but are not limited to, as applicable, incurring significantly higher than anticipated financing related risks and operating expenses, failing to assimilate the operations and personnel of acquired businesses, failing to install and integrate all necessary systems and controls, the loss of customers, entering markets where we have no or limited experience, the disruption of our ongoing business and the dissipation of our management resources. Realisation of the anticipated benefits of an acquisition, store renovation, market renewal or store opening may take several years or may not occur at all. Our growth strategy may place a significant strain on our management, operational, financial and other resources. In particular, the success of our acquisition strategy will depend on many factors, including our ability to:

- identify suitable acquisition opportunities;
- successfully complete acquisitions at valuations that will provide anticipated returns on invested capital;
- quickly and effectively integrate acquired operations to realise operating synergies;
- obtain necessary financing on satisfactory terms; and
- make payments on the indebtedness that we might incur as a result of these acquisitions.

There can be no assurance that we will be able to execute successfully our acquisition strategy, store renovations, market renewals or store openings, including the recent expansion of our Bottom Dollar Food operations into the greater Philadelphia and Pittsburgh areas, and the acquisition of the Serbian retailer Delta Maxi Group, and failure to do so may have a material adverse effect on our business, financial condition and results of operations.

Concerning the acquisition of the Delta Maxi Group, we completed the acquisition of this retail company operating 485 stores and 7 distribution centers in five countries in Southeastern Europe in July 2011. During the first half of 2012, we completed the purchase price allocation and as a result, the final purchase price was EUR 582 million and acquisition goodwill amounted to EUR 507 million. While we expect this acquisition to be value creating, there can be no assurance that all expected synergies will be realised.

Unexpected outcomes with respect to jurisdictional audits of income tax filings could result in an adverse effect on our financial performance

We are regularly audited in the various jurisdictions in which we do business, which we consider to be part of our ongoing business activity. While the ultimate outcome of these audits is not certain, we have considered the merits of our filing positions in our overall evaluation of potential tax liabilities and believe we have adequate liabilities recorded in our consolidated financial statements for such exposures. Unexpected outcomes as a result of these audits could adversely affect our financial condition and results of operations.

Risks associated with the suppliers from whom our products are sourced could adversely affect our financial performance

Significant disruptions in operations of our vendors and suppliers could materially impact our operations by disrupting store-level product selection or costs, resulting in reduced sales. The products we sell are sourced from a wide variety of domestic and international suppliers. Our ability to find qualified suppliers who meet our standards and to access products in a timely and efficient manner is a significant challenge. Political and economic instability in the countries in which suppliers are located, the financial instability of suppliers, suppliers' failure to meet our standards, labour problems experienced by our suppliers, the availability of raw materials to suppliers, competition for products from other retailers, the impact of adverse weather conditions, product quality issues, currency exchange rates, transport availability and cost, inflation, deflation, and other factors relating to the suppliers and the countries in which they are located are beyond our control. In addition, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries, the limitation on the importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade are beyond our control. These factors and other factors affecting our suppliers and access to products may result in decreased product selection and increased out-of-stock conditions, as well as higher product costs, which could adversely affect our operations and financial performance.

Risks associated with our franchised and affiliated stores could adversely affect our financial performance

At the end of 2011, approximately 20% of the stores in our sales network were franchised or affiliated. Our franchised and affiliated stores accounted for approximately 9.5% of our sales. The operators of our affiliated and franchised stores operate and oversee the daily operations of their stores and are independent third parties. Although we attempt to properly select, train and support the operators of our affiliated and franchised stores, the ultimate success and quality of any affiliated or franchised store rests with its operator. If the operators of our affiliated and franchised stores do not successfully operate in a manner consistent with our standards, our image and reputation could be harmed, which could adversely affect our business and operating results. In addition, we have large accounts receivables associated with our franchised and affiliated stores. If the operators of these stores do not operate successfully, we could be forced to write-off a portion of or all of the accounts receivables associated with such franchised and affiliated stores.

Natural disasters and geopolitical events costs could adversely affect our financial performance

The occurrence of one or more natural disasters, such as hurricanes, earthquakes, tsunamis or pandemics, or other severe weather, whether as a result of climate change or otherwise, or geopolitical events, such as civil unrest in a country in which we operate or in which our suppliers are located, and attacks disrupting transportation systems, could adversely affect our operations and financial performance. Such events could result in physical damage to one or more of our properties, the temporary closure of one or more stores or distribution centres, the temporary lack of an adequate work force in a market, the temporary decrease in customers in an affected area, the temporary or long-term disruption in the supply of products from some local and overseas suppliers, the temporary disruption in the transport of goods from overseas, delay in the delivery of goods to our distribution centres or stores within a country in which we are operating and the

temporary reduction in the availability of products in our stores. These factors could otherwise disrupt and adversely affect our operations and financial performance.

In our control systems there are inherent limitations, and misstatements due to error or fraud may occur and not be detected, which may harm our business and financial performance and result in difficulty meeting our reporting obligations

Effective internal control over financial reporting is necessary for us to provide reasonable assurance with respect to our financial reports and to effectively prevent fraud. If we cannot provide reasonable assurance with respect to our financial reports and effectively prevent fraud, our business and operating results could be harmed. Internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risks that the control may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in its implementation of internal controls, our business and operating results could be harmed and we could fail to meet our reporting obligations.

Our operations are dependent on information technology, or IT, systems, the failure or breach of security of any of which may harm our reputation and adversely affect our financial performance

Many of the functions of our operations are dependent on IT systems developed and maintained by internal experts or third parties. The failure of any of these IT systems may cause disruptions in our operations, adversely affecting our sales and profitability. We have disaster recovery plans in place to reduce the negative impact of such IT systems failures on our operations, but there is no assurance that these disaster recovery plans will be completely effective in doing so. If third parties or our associates are able to penetrate our network security or otherwise misappropriate our customers' personal information or credit or debit card information, or if we give third parties or our associates improper access to our customers' personal information or credit card information, we could be subject to liability. This liability could include claims for unauthorised purchases with credit card information, identity theft or other similar fraud-related claims. This liability could also include claims for other misuses of personal information, including for unauthorised marketing purposes. Other liability could include claims alleging misrepresentation of our privacy and data security practices. Any such liability for misappropriation of this information could decrease our profitability. Our security measures are designed to protect against security breaches, but our failure to prevent such security breaches could subject us to liability, damage our reputation and diminish the value of our brand-names.

Our Hannaford and Sweetbay banners experienced an unauthorised intrusion, which we refer to as the Computer Intrusion, into portions of their computer system that process information related to customer credit and debit card transactions, which resulted in the potential theft of customer credit and debit card data. Also affected was credit card data from cards used at certain independently-owned retail locations in the Northeast of the U.S. that carry products delivered by Hannaford. The Computer Intrusion was discovered during February 2008, and we believe the exposure window for the Hannaford and Sweetbay credit and debit card data was approximately 7 December 2007 through early March 2008. There is no evidence that any customer personal information, such as names or addresses, was obtained by any unauthorised person. Various legal actions have been taken, and various claims have been otherwise asserted, against Hannaford and affiliates relating to the Computer Intrusion. While we intend to defend the legal actions and claims vigorously, we cannot predict the outcome of such legal actions and claims.

A change in supplier terms could adversely affect our financial performance

We receive allowances, credits and income from suppliers primarily for volume incentives, new product introductions, in-store promotions and co-operative advertising. Certain of these funds are based on our volume of net sales or purchases, growth rate of net sales or purchases and marketing programs. If we do not grow our net sales over prior periods or if we are not in compliance with the terms of these programs, there could be a material negative effect on the amount of incentives offered or paid to us by our suppliers. Additionally, suppliers routinely change the requirements for, and the amount of, funds available. No assurance can be given that we will continue to receive such incentives or that we will be able to collect outstanding amounts relating to these incentives in a timely manner, or at all. A reduction in, the discontinuance of, or a significant delay in receiving such incentives, as well as the inability to collect such incentives, could have a material adverse effect on our business, results of operation, and financial condition.

We are subject to antitrust and similar legislation in the jurisdictions in which we operate

We are subject to a variety of antitrust and similar legislation in the jurisdictions in which we operate. In a number of markets, we have market positions which may make future significant acquisitions more difficult and may limit our ability to expand by acquisition or merger, in the event we wish to do so.

In addition, we are subject to legislation in many of the jurisdictions in which we operate relating to unfair competitive practices and similar behaviour. We have been subject to and may in the future be subject to allegations of, or further regulatory investigations or proceedings into, such practices. Such allegations or investigations or proceedings (irrespective of merit), may require us to devote significant management resources to defending ourselves against such allegations. In the event that such allegations are proven, we may be subject to significant fines, damages awards and other expenses and our reputation may be harmed.

In April 2007, representatives of the Belgian Competition Council visited Delhaize Group's Procurement Department in Zellik, Belgium, and requested the provision of certain documents. This visit was part of a local investigation affecting several companies active in Belgium in the supply and retail of health and beauty products and other household goods.

On 1 October 2012, the Auditor to the Belgian Competition Council issued its investigation report. The investigation involves 11 suppliers and 7 retailers, including Delhaize Belgium, on an alleged coordination of price increases on the concerned market from 2002 to 2007. The Belgian Competition Council will now hear the parties and establish a calendar for the exchange of arguments where Delhaize Group intends to vigorously defend itself.

The investigation report does not contain sufficient information, and there is no similar case precedent, that would allow estimating a possible financial impact that could result from any future decision of the Belgian Competition Council. According to Belgian legislation, compensation payments are capped to 10% of the Belgian annual revenues of the year preceding the decision of the Competition Council. Such compensation payments, if any, will therefore be within a range of 0 and 10% of the Belgian annual revenues of 2012 or 2013, depending on the timing of the decision. A decision by the Council is not expected before the end of 2013 and, under the current legislation, the parties involved have the right to appeal in court.

Consequently, we currently do not have sufficient information available to make a reliable estimate of any financial impact or the timing thereof.

Unexpected outcomes in our legal proceedings could materially impact our financial performance

From time to time, we are party to legal proceedings including matters involving personnel and employment issues, personal injury, intellectual property, competition/antitrust matters, landlord-tenant matters, tax matters and other proceedings arising in the ordinary course of business. We have estimated our exposure to the claims and litigation arising in the normal course of business and believe we have made adequate

provisions for such exposure. Unexpected outcomes in these matters could have an adverse effect on our financial condition and results of operations.

We may experience adverse results arising from claims against our self-insurance programs

Our U.S. operations are self-insured for workers' compensation, general liability, automotive accident, pharmacy claims and healthcare (including medical, pharmacy, dental and short-term disability). We use self-insured retention programs for workers' compensation, general liability, automotive accident, pharmacy claims, and healthcare (including medical, pharmacy, dental and short-term disability). We also use captive insurance arrangements for some of our self-insurance programs to provide flexibility and optimise costs.

Self-insurance liabilities are estimated based on actuarial valuations of claims filed and an estimate of claims incurred but not reported. We believe that the actuarial estimates are reasonable. These estimates are subject to a high degree of variability and uncertainty caused by such factors as future interest and inflation rates, future economic conditions, litigation and claims settlement trends, legislative and regulatory changes, changes in benefit levels and the frequency and severity of incurred but not reported claims, making it possible that the final resolution of some of these claims may require us to make significant expenditures in excess of existing reserves. Self-insurance reserves of EUR 143 million are included as liabilities on the balance sheet as of 31 December 2011.

Increasing costs associated with our defined benefit pension plans may adversely affect our results of operations, financial position or liquidity

Most of our operating companies have pension plans, the structures and benefits of which vary with conditions and practices in the countries concerned. Pension benefits may be provided through defined contribution plans or defined benefit plans.

A defined contribution plan is a post-employment benefit plan under which we and / or the associate pays fixed contributions usually to a separate entity. Under such a plan, there are no legal or constructive obligations to pay further contributions, regardless of the performance of the funds held to satisfy future benefit payments. The actual retirement benefits are determined by the value of the contributions paid and the subsequent performance of investments made with these funds.

A defined benefit plan is a post-employment benefit plan which normally defines an amount of benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of services, compensation and / or guaranteed returns on contributions made.

We have defined benefit plans at several of our entities and a total of approximately 20% of our associates were covered by defined benefit plans at the end of 2011. Assumptions related to future costs, return on investments, interest rates and other actuarial assumptions have a significant impact on our funding requirements related to these plans. These estimates and assumptions may change based on actual return on plan assets, changes in interest rates and any changes in governmental regulations. Therefore, our funding requirements may change and additional contributions could be required in the future. If, as of a balance sheet date, the fair value of any plan assets of a defined benefit plan is lower than the defined benefit obligations (determined based on actuarial assumptions), we bear a theoretical "underfunding risk" at that moment in time. At the end of 2011, we recognised a net liability of EUR 90 million.

We may not achieve all cost savings anticipated through our U.S. support services restructuring, which may reduce, delay or otherwise hinder our ability to implement our "New Game Plan" that we announced in December 2009 involving our operating companies' fine-tuning their pricing strategies to achieve local value leadership and accelerated growth

Effective 1 February 2010, the support functions for Food Lion, Bloom, Harveys, Bottom Dollar Food, Hannaford and Sweetbay began to be integrated within the U.S. segment of Delhaize Group, while

maintaining the unique go-to-market strategies of each of these banners. In this new structure, the banner organisations can benefit from common U.S. support services for supply chain, IT, finance, human resources, organisational change management, legal and government relations, communications, strategy and research, and corporate development. The goal of these common support services is to create greater efficiencies and scale, and the elimination of redundancies, as well as to become more flexible in the integration of acquisitions, and ultimately better serve our banners and customers. This restructuring is also expected to simplify our legal, accounting and tax compliance requirements. We anticipate that cost savings achieved through our U.S. support services restructuring will help fund our New Game Plan that was announced in December 2009. A significant component of our New Game Plan involves, among other things, our operating companies' fine-tuning their pricing strategies to achieve local value leadership. Our New Game Plan is intended to accelerate our growth. However, we cannot provide assurance that we will achieve all cost savings anticipated through our U.S. support services restructuring, or through other related initiatives, which may reduce, delay or otherwise hinder our ability to implement our New Game Plan.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE BONDS

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

There is no active trading market for the Bonds

The Bonds are new securities which may not be widely traded and for which there is currently no active trading market. The Issuer has filed an application to have the Bonds listed on NYSE Euronext Brussels and admitted to trading on the regulated market of NYSE Euronext Brussels. If the Bonds are admitted to trading after their issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds. Therefore, investors may not be able to sell their Bonds easily or at all, or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds. In the event that put options are exercised in accordance with Condition 6.4,

liquidity will be reduced for the remaining Bonds. Furthermore, it cannot be guaranteed that the admission to listing and trading once approved will be maintained.

The Bonds are exposed to market interest rate risk

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. The longer the maturity of bonds, the more exposed bonds are to fluctuations in market interest rates.

The market value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors

The value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. This may impact the trading price of the Bonds. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

The Bonds may be redeemed prior to maturity

In the event: (A) of the occurrence of an Event of Default (as defined in Condition 9 (*Events of Default*)); or (B) that the Issuer would be obliged (as set out in Condition 8 (*Taxation*)) to increase the amounts payable in respect of any Bonds as a result of any change in, or amendment to, the laws, treaties or regulations of Belgium or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, treaties or regulations, which change or amendment becomes effective on or after the Issue Date, the Bonds may be redeemed prior to maturity in accordance with the Conditions.

The Issuer may also redeem all or part of the Bonds prior to maturity, in whole or in part, in accordance with Condition 6.3 (*Redemption at the Option of the Issuer*).

The Bonds may be redeemed prior to maturity in the event of a change of control

Each Bondholder will have the right to require the Issuer to repurchase all or any part of such holder's Bonds at the Put Redemption Amount upon the occurrence of an Early Redemption Event, as such terms are defined herein, and in accordance with the Conditions of the Bonds (the **Change of Control Put**). In the event that the Change of Control Put right is exercised by holders of at least 85% of the aggregate principal amount of the Bonds, the Issuer may, at its option, redeem all (but not less than all) of the Bonds then outstanding pursuant to Condition 6.4 (*Redemption at the Option of Bondholders*). However, Bondholders should be aware that, in the event that (i) holders of 85% or more of the aggregate principal amount of the Bonds exercise their option under Condition 6.4 (*Redemption at the Option of Bondholders*), but the Issuer does not elect to redeem the remaining outstanding Bonds, or (ii) holders of a significant proportion, but less than 85% of the aggregate principal amount of the Bonds exercise their option under Condition 6.4 (*Redemption at the Option of Bondholders*), Bonds in respect of which the Change of Control Put is not exercised may be illiquid and difficult to trade.

Potential investors should be aware that the Change of Control Put can only be exercised upon the occurrence of an Early Redemption Event as defined in the Conditions, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer. Bondholders deciding to exercise the Change of Control shall have to do this through the bank or other financial intermediary through which the Bondholder holds the Bonds (the **Financial Intermediary**) and are advised to check when such Financial Intermediary would require the receipt of instructions and Change of Control Put Exercise Notices from Bondholders in order to meet the deadlines for such exercise to be

effective. The fees and/or costs, if any, of the relevant Financial Intermediary shall be borne by the relevant Bondholders.

The Bonds may be affected by the turbulence in the global credit markets

Potential investors should be aware of the turbulence in the global credit markets which has led to a general lack of liquidity in the secondary market for instruments similar to the Bonds. The Issuer cannot predict when these circumstances will change and if and when they do there can be no assurance that conditions of general market illiquidity for the Bonds and instruments similar to the Bonds will not return in the future.

Modification to the Conditions of the Bonds can be imposed on all Bondholders upon approval by defined majorities of Bondholders

The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Bonds may be exposed to exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds, and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Certain payments in respect of the Bonds may be impacted by the EU Savings Directive

Under the EC Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), member states of the European Union (the **EU Member States** and each a **EU Member State**) are required to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EU Member State or to certain limited types of entities established in other EU Member States. However, for a transitional period, the Grand Duchy of Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the EU Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

If a payment were to be made or collected through a paying agent established in any state which applies the withholding tax system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Agent nor any other person would be obliged to pay additional amounts to the

Bondholders or to otherwise compensate Bondholders for the reductions in the amounts that they will receive as a result of the imposition of such withholding tax.

Payments made in respect of the Bonds may be subject to Belgian withholding tax

If the Issuer, the NBB, the Agent or any other person is required by law to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Bonds, the Issuer, the NBB, the Agent or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Bondholder in respect of the Bonds, after withholding for any taxes imposed by tax authorities in Belgium upon payments made by or on behalf of the Issuer in respect of the Bonds, will equal the amount which would have been received in the absence of any such withholding taxes, except that no such additional amounts shall be payable in respect of any Bond under the circumstances defined in Condition 8 (*Taxation*).

Potential purchasers and sellers of the Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to seek the advice of a tax professional regarding their individual tax liabilities with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

Changes in governing law could modify certain Conditions

The Conditions are based on the laws of Belgium in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Belgium, the official application, interpretation or the administrative practice after the date of this Prospectus.

Relationship with the Issuer may prejudice Bondholders

All notices and payments to be delivered to the Bondholders will be distributed by the Issuer to such Bondholders in accordance with the Conditions. In the event that a Bondholder does not receive such notices or payments, its rights may be prejudiced. However, such Bondholders may not have a direct claim against the Issuer.

The transfer of the Bonds, any payments made in respect of the Bonds and all communications with the Issuer will occur through the Clearing System

The Bonds will be issued in dematerialised form under the Belgian Company Code and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the Clearing System. Access to the Clearing System is available through its Clearing System participants whose membership extends to securities such as the Bonds. Clearing System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Transfers of interests in the Bonds will be effected between the Clearing System participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System participants through which they hold their Bonds. The Issuer and the Agent will have no responsibility for the proper performance by the

Clearing System or the Clearing System participants of their obligations under their respective rules and operating procedures.

A Bondholder must rely on the procedures of the Clearing System to receive payments under the Bonds. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Bonds within the Clearing System.

The Issuer, the Agent and the Managers may engage in transactions adversely affecting the interests of the Bondholders

The Agent and the Managers might have conflicts of interests which could have an adverse effect on the interests of the Bondholders. Potential investors should be aware that the Issuer is involved in a general business relationship or/and in specific transactions with the Agent, the Calculation Agent or/and each of the Managers and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Potential investors should also be aware that the Agent, the Calculation Agent and each of the Managers may hold from time to time debt securities, shares or/and other financial instruments of the Issuer.

Within the framework of a normal business relationship with its banks, the Issuer may enter into loans and other facilities and commercial dealings (the **Funding Transactions**) with the Managers (via bilateral transactions or/and syndicated loans together with other banks) which may benefit from the Cross Guarantee structure. These Funding Transactions may include different or/and additional terms (and other covenants) compared to the terms of the proposed Bonds. Some of the Managers have received, or may in the future receive, customary fees and commissions for these transactions.

In particular (but without providing an exhaustive overview herein), a potential purchaser of Bonds should note that the Conditions of the Bonds do not include an event of default clause specifically protecting the Bondholders against a potential sale of all or substantially all of the assets of the Issuer or one of its material subsidiaries, or/and any change to the general nature of the business of the Issuer from that carried out on the Issue Date and having (or being capable of having) a material adverse effect on the Issuer to perform or comply with its obligations under the Bonds.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the underwriters or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Bonds are legal investments for it, (ii) Bonds can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Bonds. The investors should consult their legal advisers to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

The Calculation Agent does not assume any fiduciary duties or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect their interests

BNP Paribas Securities Services, Belgian Branch will act as the Issuer's Calculation Agent. In its capacity as Calculation Agent, it will act in accordance with the Conditions of the Bonds in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However, Bondholders should be aware that the Calculation Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Calculation Agent may rely on any information that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Calculation Agent shall not be liable for the consequences to any person (including Bondholders) of any errors or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Bonds or (ii) any determination made by the Calculation Agent in relation to the Bonds or interests, in each case in the absence of bad faith or wilful default. Without prejudice to the generality of the foregoing, the Calculation Agent shall not be liable for the consequences to any person (including Bondholders) of any such errors or omissions arising as a result of (i) any information provided to the Calculation Agent proving to have been incorrect or incomplete or (ii) any relevant information not being provided to the Calculation Agent on a timely basis.

Financial condition of the Issuer could necessitate an increase in its indebtedness

In the future, the Issuer could decide to increase its indebtedness, which could make it difficult to meet its obligations in the context of the Bonds or could cause the value of the Bonds to decrease. The general conditions of the Bonds do not limit the amount of unsecured debts that the Issuer can incur. If the Issuer incurs additional debts, this could have important consequences for the Bondholders, as it could become more difficult for the Issuer to meet its obligations with respect to the Bonds which could lead to a loss in the commercial value of the Bonds.

The Bonds are unsecured obligations of the Issuer

The right of the Bondholders to receive payment on the Bonds is not secured. However, the Issuer's payment obligations under the Bonds are guaranteed by certain of its subsidiaries in accordance with the Cross Guarantee Agreement. The Bonds will be general, unsecured, unprivileged Bonds.

The Issuer may not have the ability to repay the Bonds

The Issuer may not be able to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds in the event of a default. If the Bondholders were to ask the Issuer to repay their Bonds following an event of default, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to repay the Bonds will depend on the Issuer's financial condition (including its cash position resulting from its ability to receive income and dividends from its subsidiaries (see above)) at the time of the requested repayment, and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness. The Issuer's failure to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness.

Credit ratings assigned to the Bonds and the Issuer may not reflect all risks

Standard & Poor's and Moody's have assigned ratings to the Issuer and to the Bonds. The ratings may not reflect the potential impact of all risks related to the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the assigning rating agency at any time.

Belgian insolvency laws may adversely affect a recovery by the holders of amounts payable under our debt securities

The Issuer is incorporated, and has its registered office, in Belgium and, consequently, may be subject to insolvency laws and proceedings in Belgium.

There are two types of insolvency procedures under Belgian law:

- the judicial reorganisation procedure (*réorganisation judiciaire/gerechtigelijke reorganisatie*) which was introduced by the Belgian Act on Continuity of 31 January 2009; and
- the bankruptcy (*faillite/faillissement*) procedure.

Belgian Act on Continuity

(i) Amicable settlement

Any company can enter into an amicable settlement with some or all of its creditors to address its difficult financial situation or to reorganise its enterprise. The amicable settlement does not affect the rights of third parties. The Belgian Act on Continuity provides a safe haven against the risk of the amicable settlement and the related transactions being set aside. In order to benefit from this safe haven, the company has to file a copy of the amicable settlement with the court registry.

(ii) Judicial reorganisation

The aim of a judicial reorganisation is to maintain, under court's supervision, the continuity of all or part of a stressed enterprise or of its activities.

(iii) Moratorium

The judicial reorganisation involves a moratorium granted to the debtor for a period of up to six months. During this moratorium period, no enforcement can take place against the debtor's assets and no bankruptcy proceedings can be opened in respect of the debtor. Creditors will however be able to effect set-off, enforce security over financial collateral and enforce pledges on receivables.

(iv) Judicial reorganisation by way of amicable settlement

During the moratorium period, the debtor can negotiate an amicable settlement with two or more of its creditors. This negotiation takes place under court's supervision. Once agreed, the amicable settlement will be presented to the court and the moratorium will end. The amicable settlement as presented to the court benefits from the same safe haven as the amicable settlement reached outside of the judicial reorganisation (as set out above).

(v) Judicial reorganisation by way of a collective agreement

The debtor can also prepare a reorganisation plan involving a description of the restructuring it intends on implementing and a description of the creditors' rights following that restructuring. Certain secured creditors can see their payments deferred and enforcement rights suspended in the reorganisation plan for a period of up to 24 months on the condition that they are being paid interest. The reorganisation plan must be approved by more than half of the creditors representing more than half of the principal amount of the claims involved. If the plan is approved, the court will sanction the reorganisation plan and the moratorium will end. The debtor will be held to implement and comply with the reorganisation plan and if it fails to do so, the creditors may require the court to revoke its approval of the reorganisation plan.

(vi) Judicial reorganisation by way of a transfer of enterprise under court supervision

The court can order the transfer of all or part of the activity of the debtor either with the debtor's consent or without such consent at the request of any interested party in the event the debtor is bankrupt or if an attempted reorganisation of the debtor has failed. The court will appoint a representative who will manage the sale and transfer. Once an offer has been selected, the court will hear the various stakeholders, including the creditors, and will approve, where appropriate subject to conditions, or reject the sale. The employment contracts will transfer with the enterprise but the purchaser can decide how many employees are transferred and can renegotiate the terms of the employment contracts. Following the completion of the sale of the enterprise, the creditors will be entitled to exercise their rights on the sale proceeds and the judicial reorganisation will be closed. The remaining part of the enterprise can then be submitted to other insolvency, reorganisation or winding-up proceedings.

Bankruptcy

A company which, on a sustained basis, has ceased to make payments and whose credit is impaired, will be deemed to be in a state of bankruptcy. Within one month after the cessation of payments, the company must file for bankruptcy. Bankruptcy procedures may also be initiated on the request of unpaid creditors or on the initiative of the public prosecutor.

Once the court decides that the requirements for bankruptcy are met, the court will establish a date before which claims for all unpaid debts must be filed by creditors. A bankruptcy trustee will be appointed to assume the operation of the business and to organise a sale of the debtor's assets, the distribution of the proceeds thereof to creditors and the liquidation of the debtor.

Payments or other transactions (as listed below) made by a company during a certain period of time prior to that company being declared bankrupt (the **suspect period**) (*période suspecte/verdachte periode*) can be voided for the benefit of the creditors. The court will determine the date of commencement and the duration of the suspect period. This period starts on the date of sustained cessation of payment of debts by the debtor. The court can only determine the date of sustained cessation of payment of debts be a date earlier than the bankruptcy judgment if it has been requested to do so by a creditor proceeding for a bankruptcy judgment or if proceedings are initiated to that effect by the bankruptcy trustee or by any other interested party. This date can in principle not be earlier than six months before the date of the bankruptcy judgment. The ruling determining the date of commencement of the suspect period or the bankruptcy judgment itself can be opposed by third parties, such as other creditors, within 15 days following the publication of that ruling in the Belgian Official Gazette.

The rules on transactions which can or must be voided for the benefit of the bankrupt estate in the event of bankruptcy include the following:

- Any transaction entered into by a Belgian company during the suspect period is ineffective if the value given to such creditors significantly exceeded the value the company received in consideration.
- Security interests granted during the suspect period must be declared ineffective if they intend to secure a debt which existed prior to the date on which the security interested was granted.
- Any payments (in whatever form, i.e. money or in kind or by way of set-off) made during the suspect period of any debt which was not yet due as well as all payments made during the suspect period other than with money or monetary instruments (checks, promissory notes, etc.) must be declared ineffective.

Following a judgment commencing a bankruptcy proceeding, enforcement rights of individual creditors are suspended. Creditors secured by in rem rights, such as share pledges, will regain their ability to enforce their rights under the security after the bankruptcy trustee has verified the creditors' claims.

PART II: DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2011 and 2010 together in each case with the audit report thereon, as well as the unaudited consolidated financial statements for the first nine months 2012, and with the press releases listed hereunder, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the FSMA. Such documents shall be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

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A9 - 11.3
A9 - 11.3.1
A9 - 11.3.2
A9 - 11.3.3
A9 - 11.4
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Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered offices of the Issuer and the website of the Issuer (www.delhaizegroup.com).

The table below sets out the relevant page references for (i) the audited consolidated annual financial statements for the financial years ended 2010 and 2011 as set out in the Issuer's Annual Report and (ii) the unaudited consolidated financial statements for the first nine months 2012.

The Issuer confirms that it has obtained the approval from its auditors to incorporate by reference in this Prospectus the auditor's reports for the financial years ended 31 December 2011 and 31 December 2010.

Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purpose only.

Consolidated audited annual financial statements of the Issuer for the financial year ended 31 December 2011 and 31 December 2010

Delhaize Group SA Annual Report 2011(*)

Corporate governance statement	Pages 36 – 53
Consolidated balance sheet (*)	Pages 62 – 63
Consolidated income statement	Page 64
Consolidated statement of comprehensive income (*)	Page 65
Consolidated statement of changes in equity (*)	Pages 66 – 67
Consolidated statement of cash flows	Page 68
Notes to the consolidated financial statements	Pages 69 - 147
Report of the statutory auditor	Pages 153 – 154

(*) The 31 December 2011 consolidated balance sheet, statement of comprehensive income and changes in equity have been revised during the first half of 2012 to reflect the effects of the finalization of the purchase price allocation of the Delta Maxi acquisition. For further information, please notably refer to Part IX: "Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profit and Losses" of this Prospectus.

Delhaize Group SA Annual Report 2010

Corporate governance statement	Pages 50 – 66
Consolidated balance sheet	Pages 74 – 75
Consolidated income statement	Page 76
Consolidated statement of comprehensive income	Page 77
Consolidated statement of changes in equity	Pages 78-79
Consolidated statement of cash flows	Page 80
Notes to the consolidated financial statements	Pages 81 - 142
Report of the statutory auditor	Page 147

Unaudited consolidated financial statements for the first nine months 2012 of the Issuer

Interim management report	Pages 1 – 7
Condensed consolidated balance sheet	Page 8
Condensed consolidated income statement	Page 9
Condensed consolidated statement of comprehensive income	Page 10
Condensed consolidated statement of changes in shareholders' equity	Page 11
Condensed consolidated statement of changes of cash flows	Page 12
Selected explanatory notes	Pages 13 – 19
Other Financial and Operating Information	Pages 20-22
Report of the statutory auditor	Page 23

The third quarter financials are unaudited but have been the subject of a limited review by the auditors.

Other documents incorporated by reference

Press release of 25 October 2012: Disclosure of major shareholding

Press release of 29 August 2012 : Roland Smith recruited as Chief Executive officer of Delhaize America

PART III: TERMS AND CONDITIONS OF THE BONDS

The following is the text of the Conditions of the Bonds save for the paragraphs in italics that shall be read as complementary information.

The issue of the EUR 400,000,000 3.125 % fixed rate Bonds due 27 February 2020 (the **Bonds**, which expression shall, in these Conditions unless otherwise indicated, include any Further Bonds) was (save in respect of any Further Bonds) authorised by a resolution of the Board of Directors of Etablissement Delhaize Frères et Cie 'Le Lion' (Groupe Delhaize) S.A. (the **Issuer**) passed on 6 November 2012. The Bonds are issued subject to and with the benefit of a domiciliary agency agreement dated on or about 23 November 2012 entered into between the Issuer and BNP Paribas Securities Services, Brussels Branch acting as domiciliary and paying agent (the **Agent**, which expression shall include any successor as Agent under the Agency Agreement) (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) and will fall within the scope of, and benefit from, the Cross Guarantee Agreement (as defined below). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement, the Listing Agreement (as defined below), the Clearing Agreement (as defined below) and the Cross Guarantee Agreement (as amended or supplemented from time to time). Copies of the Agency Agreement, the Listing Agreement, the Clearing Agreement and the Cross Guarantee Agreement are available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at Boulevard Louis Schmidt 2, 1040 Brussels. The Bondholders are bound by and deemed to have notice of all the provisions of the Agency Agreement applicable to them.

References herein to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

1. FORM, DENOMINATION AND TITLE

The Bonds are issued in dematerialised form in accordance with Article 468 of the Belgian Code of Companies (*Wetboek van Vennootschappen / Code des Sociétés*) and cannot be physically delivered. The Bonds will be exclusively represented by book entry in the records of the clearing system operated by the National Bank of Belgium (the **NBB**) or any successor thereto (the **Clearing System**). The Bonds can be held by their holders through participants in the Clearing System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the Clearing System. The Bonds are accepted for clearance through the Clearing System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the Clearing System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the **Clearing System Regulations**). Title to the Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form.

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If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply mutatis mutandis to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an **Alternative Clearing System**).

The Bonds are in principal amounts of EUR 100,000 each (the **Specified Denomination**) and integral multiples thereof.

Bonds may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that

has been opened with a financial institution that is a direct or indirect participant in the Clearing System.

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2. STATUS OF THE BONDS

- 2.1 The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 3) unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, present and future, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.
- 2.2 The Bonds will fall within the scope, and benefit from, the Cross Guarantee Agreement. Under the Cross Guarantee Agreement, each company party to the agreement guarantees fully and unconditionally, jointly and severally the indebtedness of the Issuer pursuant to the Bonds.

3. NEGATIVE PLEDGE

- 3.1 So long as any Bond remains outstanding, the Issuer:
- (a) will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (**Security**) upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt or any guarantee of or indemnity in respect of any Relevant Debt (save under the Cross Guarantee Agreement);
 - (b) will procure that no Material Subsidiary (determined at the time of incurrence) creates or permits to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt issued by the Issuer or any guarantee of or indemnity in respect of any such Relevant Debt (save under the Cross Guarantee Agreement or as set forth under 3.1. (c) below); and
 - (c) will procure that no Material Subsidiary (determined at the time of incurrence) gives any guarantee of, or indemnity in respect of any of the Relevant Debt of the Issuer; unless, at the same time or prior thereto, the Issuer's obligations under the Bonds (i) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto or not materially less beneficial to the Bondholders, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by a general meeting of the Bondholders.
- 3.2 For the purpose of this Condition 3:
- (a) **Material Subsidiary** means a Subsidiary
 - (i) whose (a) revenues, or (b) total assets (in each case determined on a non-consolidated basis and determined on a basis consistent with the preparation of the consolidated financial statements of the Issuer) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate, are equal to) no less than ten (10)% of the consolidated revenues or total assets (as the case may be) of the Issuer, all as calculated respectively by reference to the then latest audited financial statements of such Subsidiary and the then latest audited consolidated financial statements of the Issuer provided that:
 - (A) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer

relate, the reference to the then latest audited consolidated financial statements of the Issuer for the purposes of the calculation above shall, until consolidated financial statements of the Issuer for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first mentioned financial statements as if such Subsidiary had been shown in such accounts by references to its then latest audited financial statements, adjusted as deemed appropriate by the auditors of the relevant Subsidiary from time to time (the **Auditors**); and

- (B) in the case of a Subsidiary in respect of which no audited financial statements are prepared, its revenues and total assets shall be determined on the basis of pro forma financial statements of the relevant Subsidiary prepared for this purpose by the Auditors on the basis of accounting principles consistent with those adopted by the Issuer; or
- (ii) to which is transferred the whole or substantially the whole of the business, undertaking or assets of a Subsidiary which prior to transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be Material Subsidiary pursuant to this sub-paragraph (ii) on the date on which the consolidated financial statements of the Issuer for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated financial statements have been prepared and audited as aforesaid by virtue of the provisions of sub-paragraph (i) above or before, on or at any time after such date by virtue of the provisions of this sub-paragraph (ii).
- (iii) A report by the Auditors that, in their opinion, a Subsidiary is or is not or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.
- (b) **Relevant Debt** means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over the counter or other securities market.
- (c) **Subsidiary** means, at any particular time, a company which is then directly or indirectly controlled, or more than 50% of the issued share capital (or equivalent) of which is then beneficially owned by the Issuer and/or one or more of its representative Subsidiaries. For a company to be “**controlled**” by another means that the other (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company.

3.3 The prohibition contained in this Condition 3 does not apply to Security either:

- (a) existing in connection with Relevant Debt which is assumed by the Issuer at the time of the assumption,
- (b) existing over undertakings, assets or revenues which are acquired by the Issuer at the time of acquisition, or
- (c) existing prior to an entity (whether or not a Subsidiary) becoming a Material Subsidiary.

- 3.4 For the avoidance of doubt, nothing in this Condition 3 is intended to prevent a Material Subsidiary from giving any guarantee or indemnity in respect of any obligations of any person other than in respect of Relevant Debt of the Issuer (as provided in 3.1.(c) above), nor in particular is anything in this Condition 3 intended to prevent any Material Subsidiary from giving together with the Issuer any guarantee or indemnity in respect of any Relevant Debt of any third person.

4. DEFINITIONS

In these Conditions, unless otherwise provided:

Alternative Clearing System has the meaning provided in Condition 1.

Auditors has the meaning provided in Condition 3.

Board of Directors means the board of directors of the Issuer or any committee thereof duly authorised to act on behalf of the board of directors.

Bondholder means, in respect of any Bond, the person entitled thereto in accordance with the Clearing System Regulations.

business day means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

Calculation Agent has the meaning provided in Condition 6.4.

a **Change of Control** shall occur:

- (a) if an offer is made by any person, to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any parties acting in concert (as defined Article 3, paragraph 1, 5° of the Belgian law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) with the offeror), to acquire all or a majority of the issued ordinary share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled to acquire as a result of such offer, post completion thereof, Ordinary Shares or other voting rights of the Issuer so that it, as the case may be, together with any party acting in concert (as defined Article 3, paragraph 1, 5° of the Belgian law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) holds more than 50% of the Ordinary Shares or other voting rights of the Issuer, whereby the date on which the Change of Control shall be deemed to have occurred shall be the date of the publication by the offeror of the results of the relevant offer (and for the sake of clarity prior to any reopening of the offer in accordance with Article 42 of the Royal Decree of 27 April 2007 on Takeover Bids); and/or
- (b) on the first day on which a majority of the members of the Issuer's Board of Directors are not Continuing Directors.

Change of Control Notice has the meaning provided in Condition 6.4.

Change of Control Period shall commence on the date of announcement of the Change of Control, and shall end 60 days thereafter (which period shall be extended following consummation of a Change of Control for so long as any Rating Agency has publicly announced within the period ending 60 days after the Change of Control that it is considering a possible Rating Downgrade,

provided that the Change of Control Period shall not extend more than 60 days after the public announcement of such consideration.

Change of Control Put Exercise Period means the period commencing on the date of an Early Redemption Event and ending 60 calendar days following the Early Redemption Event, or, if later, 60 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 6.4.

Change of Control Put Date has the meaning provided in Condition 6.4.

Change of Control Put Exercise Notice has the meaning provided in Condition 6.4.

Clearing Agreement shall mean the clearing services agreement (*Convention de Services de Clearing relatifs à l'émission d'obligations dématérialisées*) to be dated on or about the Issue Date between the Issuer, the Agent and the NBB;

Clearing System has the meaning provided in Condition 1.

Clearing System Regulations has the meaning provided in Condition 1.

Clearstream, Luxembourg means Clearstream Banking, *société anonyme*.

Consolidated Capitalisation means, with respect to any person, the total assets of such person and its Subsidiaries determined on a consolidated basis, less the following: (i) current liabilities, including liabilities for indebtedness maturing more than 12 months from the date of the original creation thereof but maturing within 12 months from the date of determination and (ii) deferred income taxes. Consolidated Capitalisation shall be determined in accordance with generally accepted accounting principles and practices applicable to the type of business in which such person and its Subsidiaries are engaged and which are approved by independent accountants regularly retained by such person, and may be determined as of a date not more than 60 days prior to the happening of the event for which such determination is being made.

Continuing Directors means, as of any date of determination, any member of the Board of Directors who (1) was a member of such Board of Directors on the Issue Date; or (2) was proposed for election, elected or appointed to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination, election or appointment;

Cross Guarantee Agreement means cross guarantee agreement dated 21 May 2007 among the Issuer, Delhaize America and substantially all of the Delhaize America's subsidiaries, supplemented by a Joinder Agreement dated 18 December 2009 by Delhaize US Holding, Inc., as amended or updated from time to time and governed by the laws of the State of New York.

Cross Guarantor means each of the guarantors that is a party to the Cross Guarantee Agreement.

Disposition has the meaning provided in Condition 10.2.

Early Redemption Event has the meaning provided in Condition 6.4.

EUR, euro or € means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Euroclear means Euroclear Bank S.A./N.V.

Event of Default has the meaning provided in Condition 9.

Extraordinary Resolution has the meaning provided in the Agency Agreement.

Further Bonds means any further Bonds issued pursuant to Condition 14 and consolidated and forming a single series with the then outstanding Bonds.

Interest Payment Date has the meaning provided in Condition 5.1.

Interest Period has the meaning provided in Condition 5.1.

Issue Date means 27 November 2012.

Listing Agreement means the listing agreement to be dated on or about the Issue Date between the Issuer and BNP Paribas Securities Services, Belgian Branch.

Major Subsidiary has the meaning provided in Condition 10.2.

Material Subsidiary has the meaning provided in Condition 3.2.

Maturity Date means 27 February 2020.

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NBB has the meaning assigned to it in Condition 1.

Ordinary Shares means fully paid ordinary shares in the capital of the Issuer currently with no-par value.

a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

Put Redemption Amount has the meaning provided in Condition 6.4.

Rating Agency means Standard & Poor's Rating Services, a Division of The McGraw-Hill Companies, Inc., or Moody's Investor Service Inc. and their respective successors and assigns.

Rating Downgrade means a downgrade of any rating of the Issuer by a Rating Agency, following a downgrade of any rating of the Issuer decided by the other Rating Agency (it being understood that a Rating Downgrade will occur only at the time where the second Rating Agency shall have announced the downgrade).

Relevant Date means, in respect of any Bond, whichever is the later of:

- (a) the date on which payment in respect of it first becomes due; and
- (b) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 13 that such payment will be made, provided that such payment is in fact made as provided in these Conditions.

Relevant Debt has the meaning provided in Condition 3.2.

Security has the meaning provided in Condition 3.1.

Shareholders means the holders of Ordinary Shares.

Specified Denomination has the meaning provided in Condition 1.

Subsidiary has the meaning provided in Condition 3.2.

TARGET Business Day means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro.

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto.

Taxes has the meaning provided in Condition 8.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

Each Bond bears interest from (and including) the Issue Date at the rate of 3.125 % per annum calculated by reference to its principal amount and such interest amount is payable annually in arrear on 27 February in each year (each an **Interest Payment Date**), except that the first payment of interest, to be made on 27 February 2013, will be in respect of the period from and including 27 November 2012 to but excluding 27 February 2013 and will be calculated on an actual/actual basis.

When interest is required to be calculated in respect of any period which is shorter than an Interest Period, it shall be calculated on the basis of (i) the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the date on which it falls due divided by (ii) the actual number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next following Interest Payment Date.

Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

5.2 Accrual of Interest

Each Bond will cease to bear interest from and including its due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest will continue to accrue at the rate specified in Condition 5.1. (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder.

6. REDEMPTION AND PURCHASE

6.1 Final Redemption

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed at their principal amount on the Maturity Date. The Bonds may only be redeemed at the option of the Issuer prior to the Maturity Date in accordance with Conditions 6.2., 6.3. and 6.4.

6.2 Redemption for taxation reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 13 (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if

- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of (i) any change in, or amendment to, the laws or regulations of Belgium or any political subdivision or any authority thereof or therein having power to tax, or (ii) any change in the application or official interpretation of such laws or regulations, which change, amendment application or interpretation becomes effective on or after the Issue Date, and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

6.3 Redemption at the Option of the Issuer

- (a) **Issuer Call:** The Issuer may, having given:
 - (i) not less than 15 nor more than 30 days' notice to the Bondholders in accordance with Condition 13; and
 - (ii) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Bonds then outstanding at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant date fixed for redemption. In the case of a partial redemption of Bonds, the Bonds to be redeemed ("Redeemed Bonds") will be selected in accordance with the rules of the Clearing System not more than 30 days prior to the date fixed for redemption.

- (b) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Optional Redemption Amount(s)" means (A) the outstanding principal amount of the relevant Bonds or (B) if higher, the sum, as determined by the Calculation Agent, of the present values of the remaining scheduled payments of principal and interest on the Bonds to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the date fixed for redemption on an annual basis (based on the

actual number of days elapsed) at the Reference Rate plus the Optional Redemption Margin, where:

“**Calculation Agent**” means BNP Paribas Securities Services, Belgian Branch or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Optional Redemption Amount, and notified to the Bondholders in accordance with Condition 13;

“**Optional Redemption Margin**” means 0.25%

“**Reference Bond**” means the German *Bundesobligationen* or *Bundesanleihe* selected by the Calculation Agent as having an actual or interpolated maturity comparable to the remaining term of the Bonds that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds, provided however that if the remaining term of the Bonds is less than one year, a fixed maturity of one year will be used;

“**Reference Bond Price**” means (i) the average of five Reference Market Maker Quotations for the relevant date fixed for redemption, after excluding the highest and lowest Reference Market Maker Quotations, (ii) if the Calculation Agent obtains fewer than five, but more than one, such Reference Market Maker Quotations, the average of all such quotations, or (iii) if only one such Reference Market Maker Quotation is obtained, the amount of the Reference Market Maker Quotation so obtained;

“**Reference Market Maker Quotations**” means, with respect to each Reference Market Maker and any date fixed for redemption, the average, as determined by the Calculation Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent at 11 a.m. CET on the Reference Rate Determination Day;

“**Reference Market Makers**” means five brokers or market makers of securities such as the Reference Bond selected by the Calculation Agent or such other five persons operating in the market for securities such as the Reference Bond as are selected by the Calculation Agent in consultation with the Issuer; and

“**Reference Rate**” means, with respect to any date fixed for redemption, the rate per annum equal to the equivalent yield to maturity of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such date fixed for redemption. The Reference Rate will be calculated on the Reference Rate Determination Day.

“**Reference Rate Determination Day**” means the third Business Day preceding the date fixed for redemption.

6.4 Redemption at the Option of Bondholders

(a) Upon a Change of Control

In the event that

- (i) a Change of Control occurs at the time the Issuer is not rated; or

- (ii) a Change of Control occurs at the time the Issuer is rated and within the Change of Control Period, a Rating Downgrade resulting (in whole or in part) from that Change of Control occurs,

(each an **Early Redemption Event**), then:

each Bondholder will have the right to require the Issuer to redeem all or any part of their Bonds on the Change of Control Put Date at the Put Redemption Amount.

To exercise such right, the relevant Bondholder must complete and deposit with the bank or other financial intermediary through which the Bondholder holds Bonds (the **Financial Intermediary**) for further delivery to the Issuer (with a copy to the specified office of the Agent) a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of the Agent (a **Change of Control Put Exercise Notice**), at any time during the Change of Control Put Exercise Period, provided that the Bondholders must check with their Financial Intermediary, as applicable, when such Financial Intermediary would require to receive instructions and Change of Control Put Exercise Notices in order to meet the deadlines for such exercise to be effective. The **Change of Control Put Date** shall be the fourteenth TARGET Business Day after the expiry of the Change of Control Put Exercise Period. By delivering a Put Exercise Notice, the Bondholder shall undertake to hold the Bonds up to the date of effective redemption of the Bonds

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

If, as a result of this Condition 6.4, Bondholders submit Change of Control Put Exercise Notices in respect of at least 85% per cent. of the aggregate principal amount of the Bonds for the time being outstanding, the Issuer may, having given not less than 15 nor more than 30 days notice to the Bondholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such Bond shall be made as specified above.

For the purposes of this Condition 6.4:

Calculation Agent means BNP Paribas Securities Services, Belgian Branch or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Put Redemption Amount, and notified to the Bondholders in accordance with Condition 13;

Put Redemption Amount means an amount per Bond calculated by the Calculation Agent by multiplying the Redemption Rate by the Specified Denomination of such Bond and rounding, if necessary, the resultant figure to nearest minimum sub-unit of euro (half of such unit being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant repayment date; and

Redemption Rate means 101%.

- (b) Change of Control Notice

Within 5 Brussels business days following an Early Redemption Event, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 13 (a **Change of Control Notice**). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 6.4. Such notice shall be irrevocable.

The Change of Control Notice shall also specify:

- (i) to the fullest extent permitted by applicable law, all information material to Bondholders concerning the Change of Control;
- (ii) the last day of the Change of Control Put Exercise Period;
- (iii) the Change of Control Put Date; and
- (iv) the Put Redemption Amount.

The Agent shall not be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

6.5 Purchase

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

6.6 Cancellation

All Bonds which are redeemed will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or relevant Subsidiary, or cancelled.

6.7 Multiple Notices

If more than one notice of redemption is given pursuant to this Condition 6, the first of such notices to be given shall prevail.

7. PAYMENTS

7.1 Principal, Premium and Interest

Without prejudice to Article 474 of the Belgian Code of Companies, all payments of principal, premium or interest in respect of the Bonds shall be made through the Agent and the Clearing System in accordance with the Clearing System Regulations.

7.2 Payments

Each payment in respect of the Bonds pursuant to Condition 7.1. will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

7.3 Payments subject to fiscal and other applicable laws

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations, without prejudice to the provisions of Condition 8.

7.4 Agents, etc.

The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Agent, to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will (i) maintain a principal paying agent, (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a participant in the Clearing System and (iii) if required, appoint an additional paying agent, from time to time with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 13.

7.5 No Charges

The Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment in respect of the Bonds.

7.6 Fractions

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

7.7 Non-TARGET Business Days

If any date for payment in respect of the Bonds is not a TARGET Business Day, the Bondholder shall not be entitled to payment until the next following TARGET Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding TARGET Business Day, nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

8. TAXATION

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of Belgium or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction of the Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

- (a) **Other connection:** to a Bondholder who is liable to such Taxes in respect of such Bond by reason of his having some connection with Belgium other than the mere holding of the Bond, including but not limited to Belgian resident individuals; or

- (b) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or any agreement on savings income concluded by a EU Member State with the dependant or associated territories of the EU; or
- (c) **Non-Eligible Investor:** to a Bondholder, who at the time of issue of the Bonds, was not an eligible investor within the meaning of Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or to a Bondholder who was such an eligible investor at the time of issue of the Bonds but, for reasons within the Bondholder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities; or
- (d) **Conversion into registered securities:** to a Bondholder who is liable to such Taxes because the Bonds were upon his/her request converted into registered Bonds and could no longer be cleared through the Clearing System.

9. EVENTS OF DEFAULT

If any of the following events (each an **Event of Default**) occurs and is continuing then any Bond may, by notice in writing given to the Issuer at its registered office with a copy to the Agent at its specified office by the Bondholder, be declared immediately due and repayable at its principal amount together with accrued but unpaid interest (if any) to the date of payment, without further formality unless such event shall have been remedied prior to the receipt of such notice by the Agent:

- (a) the Issuer fails to pay the principal of or interest on any of the Bonds when due and such failure continues for a period of 7 days in the case of principal and 30 days in the case of interest;
- (b) the failure by the Issuer to comply with any of its obligations pursuant to Condition 6.4;
- (c) the failure on the part of the Issuer to observe or perform any other provision (than those referred to under (a) and (b) above) relating to the Bonds for a period of 30 days after date on which written notice of such failure requiring the Issuer to remedy the same shall have been received by the Issuer from the holders of not less than 25% in aggregate principal amount of all the Bonds at the time outstanding;
- (d) the failure by any Cross Guarantor to perform any covenant set forth in the Cross Guarantee Agreement applicable to such Cross Guarantor or the repudiation by any Cross Guarantor of its obligations under its Cross Guarantee Agreement other than in compliance with the terms thereof, or the Cross Guarantee Agreement fails to be in full force and effect for any reason (subject, for the avoidance of doubt, to the grace period referred to in paragraph (c) above);
- (e) default by the Issuer or any Material Subsidiary in the due payment of any other indebtedness having a minimum aggregate amount of 2% of the Consolidated Capitalisation (or its equivalent in any other freely convertible currency or currencies) of the Issuer or any Material Subsidiary or assumed by or guaranteed by the Issuer or any Material Subsidiary, and provided that any such default has not been cured within the period of grace contractually agreed upon or subsequently agreed to for such payment, or in the event that any such indebtedness shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of any event of default thereunder, unless in any such case, such indebtedness is contested in good faith; provided that if any

such default is cured or waived or any such acceleration rescinded, or such indebtedness is repaid, within a period of 10 days from the continuation of such default beyond the applicable grace period or the occurrence of such acceleration, as the case may be, such Event of Default and any consequential acceleration of the Bonds shall be automatically rescinded, so long as such rescission does not conflict with any judgment or decree;

- (f) if a court shall enter a decree or order for relief in respect of the Issuer or any Material Subsidiary in an involuntary case under any applicable bankruptcy, insolvency, judicial reorganization or other similar law now or hereafter in effect (including the Belgian Law of 8 August 1997 on bankruptcy (*faillite/faillissement*) and the Belgian Law of 31 January 2009 on the continuity of enterprises), or appointing a receiver, liquidator, sequestrator (or other similar official under any applicable law) of the Issuer or any Material Subsidiary or for any substantial part of any of their property, or ordering the winding-up or liquidation of their affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days;
- (g) if the Issuer or any Material Subsidiary shall commence a voluntary case under any applicable bankruptcy, insolvency, or other similar law now or hereafter in effect (including the Belgian Law of 8 August 1997 on bankruptcy (*faillite/faillissement*) and the Belgian Law of 31 January 2009 on the continuity of enterprises), or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, sequestrator (or other similar official under any applicable law) of the Issuer or any Material Subsidiary or for any substantial part of any of their property, or is unable to pay its debts as they fall due (*cessation de paiement/staking van betaling*), stops, suspends or announces its intention to stop or suspend payment of all or a material part of its debts or shall make any agreement for the deferral, rescheduling or adjustment of all its debts, general assignment for the benefit of creditors, or shall take any corporate action in furtherance of any of the foregoing; or
- (h) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries other than a solvent liquidation or reorganisation of any Material Subsidiary, or the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by a resolution of the general meeting of Bondholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries.

10. UNDERTAKINGS

- 10.1 The Issuer will procure that the Issuer shall not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction (other than Belgium).
- 10.2 Under these terms and conditions and the Cross Guarantee Agreement, for so long as any Bond remains outstanding, all guarantees made by a Cross Guarantor under the Cross Guarantee Agreement in respect to the Bonds will be released and discharged, upon a sale, exchange, transfer or other disposition in a transaction or series of transactions over a twelve-month period (any such sale, exchange, transfer or other disposition in a transaction or series of transactions over a twelve-month period, a **Disposition**) to any person that is not the Issuer or a Subsidiary of the Issuer of all of the capital stock, or all or substantially all of the assets, of such Cross Guarantor, if as a result of which such Cross Guarantor ceases to be a Subsidiary of the Issuer. With respect to a Disposition of such capital stock of, or a Disposition of such assets of, a Cross Guarantor that is a Major Subsidiary, the Issuer hereby undertakes and agrees that no Cross Guarantor that is a Major

Subsidiary shall be released under the Cross Guarantee Agreement in respect to the Bonds if after giving effect to such Disposition, a Rating Downgrade resulting (in whole or in part) from such Disposition shall occur. For the purposes of this Condition 10.2., the term **Major Subsidiary** shall mean a Subsidiary of the Issuer, the assets of which represent greater than 25% of the assets of the Issuer and the Issuer's Subsidiaries on a consolidated basis, according to the most recent annual consolidated financial statements of the Issuer.

- 10.3 Upon the Bonds becoming listed on the regulated market of NYSE Euronext Brussels on or prior to the Issue Date, the Issuer undertakes to furnish to the relevant stock exchange all documents, information and undertakings and publish all advertisement or other material that may be necessary in order to effect and maintain such listing, and to cause such listing to be continued so long as any of the Bonds remain outstanding. If the Bonds are not or cease to be listed on NYSE Euronext Brussels, the Issuer shall use its best endeavours promptly to admit the Bonds to trading on a regulated market in the European Economic Area.

11. **PRESCRIPTION**

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Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

12. **MEETING OF BONDHOLDERS, MODIFICATION AND WAIVER**

12.1 **Meetings of Bondholders**

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The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions.

All meetings of Bondholders will be held in accordance with the provisions of Article 568 sq. of the Belgian Company Code with respect to bondholders meetings; provided however that the Issuer shall, at its own expense, promptly convene a meeting of Bondholders upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal of Brussels, the meeting of Bondholders shall be entitled to exercise the powers set out in Article 568 of the Belgian Company Code and, upon proposal of the Board of Directors, to modify or waive any provision of these Conditions, provided however that the following matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum: (i) proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment; (ii) proposal to effect the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iii) proposal to change the currency in which amounts due in respect of the Bonds are payable; (iv) proposal to change the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.

Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Agency Agreement provides that a resolution in writing signed by or on behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

12.2 Modification and Waiver

The Agent may agree, without the consent of the Bondholders, to any modification of the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement either (i) which in the Agent's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement, which is, in the opinion of the Agent, not materially prejudicial to the interests of the Bondholders.

12.3 Meetings of Shareholders and Right to Information

The Bondholders shall be entitled to attend all general meetings of Shareholders of the Issuer, in accordance with Article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

13. NOTICES

Notices to the Bondholders shall be valid (i) if delivered by or on behalf of the Issuer to the Clearing System for communication by it to the Clearing System Participants, (ii) if published on the website of the Issuer and (iii) if published through the usual newswires agency (or any of the usual newswires agencies) used by the Issuer to discharge its ongoing information duties pursuant to the Belgian Royal Decree of 14 November 2007. Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the Clearing System and (ii) the date of the first publication.

The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Company Code, by an announcement to be inserted at least fifteen days prior to the meeting, in the Belgian Official Gazette (*Moniteur belge – Belgisch Staatsblad*) and in a newspaper with national coverage. Resolutions to be submitted to the meeting must be described in the convening notice.

14. FURTHER ISSUES

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the

outstanding notes, bonds or debentures of any series (including the Bonds) or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, premium, redemption and otherwise as the Issuer may determine at the time of their issue. The Agency Agreement contains provisions for convening a single meeting of the Bondholders.

15. GOVERNING LAW AND JURISDICTION

15.1 Governing Law

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The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

15.2 Jurisdiction

The courts of Brussels, Belgium are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement or the Bonds (**Proceedings**) may be brought in such courts. The Issuer has in the Agency Agreement irrevocably submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue. These submissions are made for the benefit of each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

PART IV: DESCRIPTION OF THE CROSS GUARANTEE

The following section of the Prospectus summarises selected provisions of the Cross Guarantee Agreement, dated as of 21 May 2007, among Delhaize Group, Delhaize America and substantially all of Delhaize America's subsidiaries, as supplemented by the Joinder Agreement, dated as of 18 December 2009, by Delhaize US Holding, Inc. This summary may not contain all of the information about this agreement that is important to you. During the life of the Bonds, a copy of the Cross Guarantee Agreement (as amended or supplemented from time to time) will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and on the website of the Issuer (www.delhaizegroup.com).

In relation to the Guarantors (as defined below), certain information to be included according to Annex VI of the Prospectus Regulation has been omitted from the Prospectus, as, according to the Issuer, such information will not influence the assessment of the financial position and prospects of the Issuer. Information with respect to subsidiaries of Delhaize Group that are Guarantors is included in the notes to our consolidated annual financial statements incorporated by reference in this prospectus.

Overview

Under the Cross Guarantee Agreement each company party to the agreement guarantees fully and unconditionally, jointly and severally Delhaize Group existing financial indebtedness, Delhaize America existing financial indebtedness, specific financial indebtedness of two European subsidiaries of Delhaize Group and all future unsubordinated financial indebtedness of the parties to the agreement.

If any sum owed to a creditor by a guarantor pursuant to its guarantee under the Cross Guarantee Agreement is not recoverable from such guarantor for any reason whatsoever, then such guarantor is obligated, forthwith upon demand by such creditor, to pay such sum by way of a full indemnity.

On the date of this prospectus the parties to the Cross Guarantee Agreement (the **Guarantors**) are Delhaize Group, Delhaize US Holding, Inc., Delhaize America, LLC, Food Lion, LLC, Hannaford Bros. Co., Kash N' Karry Food Stores, Inc., FL Food Lion, Inc., Risk Management Services, Inc., Hannbro Company, Martin's Foods of South Burlington, Inc., Boney Wilson & Sons, Inc., J.H. Harvey Co., LLC, Hannaford Licensing Corp., and Victory Distributors, Inc.

Financial Indebtedness

Under the Cross Guarantee Agreement, the term "financial indebtedness" of any person means, without duplication (and as each may be amended, modified, extended or renewed from time to time): (i) all obligations of such person under agreements for borrowed money; (ii) all obligations of such person evidenced by bonds, debentures, notes or similar instruments; (iii) all hedging obligations of such person; and (iv) all guarantees by such person of obligations of other persons of the type referred under clause (i), (ii) or (iii).

The term **person** means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality.

The term **hedging obligations** means, with respect to any person, the obligations of such person under: (i) currency exchange, interest rate or commodity swap agreements, cap agreements, floor agreements or collar agreements; and (ii) other similar agreements or arrangements designed to protect such person against fluctuations in currency exchange, interest rates or commodity prices.

Intercompany financial indebtedness is not guaranteed under the Cross Guarantee Agreement.

Ranking; Limit of Liability

The obligations of each company party to the Cross Guarantee Agreement constitute direct, general, unconditional and unsubordinated obligations of such company that shall at all times rank at least *pari passu* with all of its other existing financial indebtedness set forth on a schedule to the Cross Guarantee Agreement and its future unsubordinated financial indebtedness, save for such obligations as may be preferred by mandatory provisions of law. The obligations of each party under the Cross Guarantee Agreement are limited to the maximum amount that can be guaranteed without constituting a fraudulent conveyance or fraudulent transfer under applicable insolvency laws.

Applicability of Cross Guarantee Agreement

To the extent a guarantor's guarantee of financial indebtedness is addressed in an agreement to which such guarantor is a party or is otherwise contractually bound, which contains such guarantee, other than the Cross Guarantee Agreement, the Cross Guarantee Agreement does not apply to such guarantor's guarantee of such financial indebtedness and, to be clear, nothing contained in the Cross Guarantee Agreement in any way supersedes, modifies, replaces, amends, changes, rescinds, waives, exceeds, expands, enlarges or in any way affects the provisions, including warranties, covenants, agreements, conditions, representations or, in general, any of the rights and remedies, and any of the obligations, of such guarantor and any creditor with respect to such guarantee of such financial indebtedness set forth in such other agreement.

Release of Guarantors and Guarantor Obligations

The obligations of a guarantor under the Cross Guarantee Agreement, which we refer to as a released guarantor in this paragraph, any lien created by such released guarantor with respect to such obligations, and the obligations under the Cross Guarantee Agreement of all other guarantors with respect to the financial indebtedness of the released guarantor will be automatically and unconditionally released without any action on the part of any creditor:

- in connection with any sale, exchange, transfer or other disposition by such released guarantor of all or substantially all of the assets of that released guarantor, provided that the proceeds of that sale or other disposition are applied in accordance with the applicable provisions of any applicable financial indebtedness, or
- in connection with any sale, exchange, transfer or other disposition (including by way of merger, consolidation or otherwise), directly or indirectly, of capital stock of such released guarantor, by Delhaize Group or any subsidiary thereof, to any person that is not Delhaize Group or a subsidiary of Delhaize Group, or an issuance by such released guarantor of its capital stock, in each case as a result of which such released guarantor ceases to be a subsidiary of Delhaize Group,

provided, that: (i) such transaction is made in accordance with the applicable provisions of any applicable financial indebtedness; and (ii) such released guarantor is also released from all of its obligations, if any, in respect of all other financial indebtedness of each other guarantor under the Cross Guarantee Agreement.

In addition to any other releases for which a guarantor qualifies under the Cross Guarantee Agreement, notwithstanding any other provision of the Cross Guarantee Agreement to the contrary, without limiting the validity of any agreement into which a guarantor and a creditor may enter, a guarantor that obtains a written release from a creditor releasing such guarantor from its obligations under the Cross Guarantee Agreement with respect to the financial indebtedness owing to such creditor specified in such release shall be so released.

Termination of Agreement with Respect to Future Financial Indebtedness

Subject to certain limitations, the Cross Guarantee Agreement may be terminated with respect to a guarantor at any time by such guarantor providing written notice to the other parties to the Cross Guarantee Agreement or by mutual agreement; *provided, however*, that termination by Delhaize America or any other subsidiary of Delhaize Group party to the Cross Guarantee requires the written consent of Delhaize Group; and *provided, further*, except as otherwise provided, any termination of the Cross Guarantee Agreement with respect to a guarantor affects neither:

- such guarantor’s obligations under the Cross Guarantee Agreement in relation to any financial indebtedness that came into existence prior to that termination, nor
- the obligations of the other guarantors with respect to such guarantor’s financial indebtedness that came into existence prior to that termination. Financial indebtedness that comes into existence after that termination shall not be covered by the Cross Guarantee Agreement with respect to the terminating guarantor.

Third Parties

Subject to the release provisions of the Cross Guarantee Agreement discussed under the headings “Description of Guarantees—Cross Guarantee Agreement—Release of Guarantors and Guarantor Obligations” and “Termination of Agreement with Respect to Future Financial Indebtedness” above, creditors of financial indebtedness guaranteed under the Cross Guarantee Agreement are entitled to rely on the Cross Guarantee Agreement and on the guarantees constituted pursuant to the Cross Guarantee Agreement. The Cross Guarantee Agreement constitutes a *stipulation pour autrui / beding ten gunste van een derde* or third party beneficiary contract for their benefit. Accordingly, such creditors shall be entitled to rely on and enforce the Cross Guarantee Agreement.

Guarantors

The guarantors are listed in the table below.

Name of Guarantor	Jurisdiction of Incorporation	Contact details
Delhaize US Holding, Inc.	Delaware, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Delhaize America, LLC	North Carolina, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Food Lion, LLC.	North Carolina, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Hannaford Bros. Co.	Maine, U.S.A.	145 Pleasant Hill Road Scarborough, Maine 04074 U.S.A.
Kash N’Karry Food Stores, Inc.	Delaware, U.S.A.	3801 Sugar Palm Drive Tampa, Florida 33619 U.S.A.

Name of Guarantor	Jurisdiction of Incorporation	Contact details
FL Food Lion, Inc.	Florida, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Risk Management Services, Inc.	North Carolina, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Hannbro Company	Maine, U.S.A.	145 Pleasant Hill Road Scarborough, Maine 04074 U.S.A.
Martin's Foods of South Burlington, Inc.	Vermont, U.S.A.	145 Pleasant Hill Road Scarborough, Maine 04074 U.S.A.
Boney Wilson & Sons, Inc.	North Carolina, U.S.A.	145 Pleasant Hill Road Scarborough, Maine 04074 U.S.A.
J.H. Harvey co., Llc.	Georgia, U.S.A.	727 S. Davis Street Nashville, GA 31639 U.S.A.
Hannaford Licensing Corp.	Maine, U.S.A.	145 Pleasant Hill Road Scarborough, Maine 04074 U.S.A.
Victory Distributors, Inc.	Massachusetts, U.S.A.	145 Pleasant Hill Road Scarborough, Maine 04074 U.S.A.

Condensed financial information relating to the Guarantors

The following condensed consolidated financial information presents the results of the Issuer (the **Parent** under the Cross Guarantee Agreement), the subsidiaries of the Issuer providing their guarantee under the Cross Guarantee Agreement (the **Guarantor Subsidiaries**), the subsidiaries of the Issuer that are not a party to the Cross Guarantee Agreement (the **Non-Guarantor Subsidiaries**) and the eliminations to arrive at Delhaize Group financial information on a consolidated basis as of 31 December 2011 and 2010 and for the years then ended. The principal elimination entries eliminate investments in subsidiaries and inter-company balances and transactions. Such consolidated information provides on a separate basis the financial information relating to the Issuer and the financial information relating to the Guarantor Subsidiaries.

During the first half of 2012, we completed the purchase price allocation of the Delta Maxi acquisition and revised in accordance with IFRS 3 the provisional amounts previously recognized in the 2011 annual report to reflect additional information obtained on the acquisition date fair values for assets acquired and liabilities assumed. The revision of the acquisition date fair values did not have a significant impact on the profit and loss of the year 2011. Consequently, only the consolidated balance sheet at 31 December 2011 has been revised and is reflected below.

- (i) Consolidated income statement for 2011

(in millions of EUR)	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Elimination	Consolidated
Revenues	4,713	13,815	2,746	(155)	21,119
Cost of sales	(3,751)	(10,049)	(2,111)	155	(15,756)
Gross profit	962	3,766	635	—	5,363
Other operating income	32	66	98	(78)	118
Selling, general and administrative expenses	(797)	(3,148)	(633)	78	(4,500)
Other operating expenses	(7)	(156)	(6)	—	(169)
Operating profit	190	528	94	—	812
Finance costs	(176)	(230)	(30)	232	(204)
Income from investments	9	163	399	(548)	23
Share of result of subsidiaries	465	—	—	(465)	—
Profit before taxes and discontinued operations	488	461	463	(781)	631
Income tax expense	(13)	(105)	(38)	—	(156)
Net profit from continuing operations	475	356	425	(781)	475
Result from discontinued operations (net of tax)	—	—	—	—	—
Net profit	475	356	425	(781)	475
Net profit attributable to non- controlling interests	—	—	—	—	—
Net profit attributable to equity holders of the Group (Group share in net profit)	475	356	425	(781)	475

(ii) Consolidated income statement for 2010

(in millions of EUR)	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Elimination	Consolidated
Revenues	4,670	14,187	2,120	(127)	20,850
Cost of sales	(3,729)	(10,272)	(1,623)	127	(15,497)
Gross profit	941	3,915	497	—	5,353
Other operating income	28	43	99	(85)	85
Selling, general and administrative expenses	(782)	(3,195)	(502)	85	(4,394)
Other operating expenses	(1)	(16)	(3)	—	(20)
Operating profit	186	747	91	—	1,024
Finance costs	(90)	(252)	(3)	130	(215)
Income from investments	6	3	133	(130)	12
Share of result of subsidiaries	561	—	—	(561)	—
Profit before taxes and discontinued operations	663	498	221	(561)	821
Income tax expense	(89)	(192)	36	—	(245)
Net profit from continuing operations	574	306	257	(561)	576
Result from discontinued operations (net of tax)	—	(1)	—	—	(1)

Net profit	574	305	257	(561)	575
Net profit attributable to non-controlling interests	—	—	1	—	1
Net profit attributable to equity holders of the Group (Group share in net profit)	574	305	256	(561)	574

(iii) Consolidated balance sheet at 31 December 2011 (*)

(in millions of EUR)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination	Consolidated
Goodwill	157	2,507	750	—	3,414
Intangible assets	107	486	285	—	878
Property, plant and equipment	585	2,719	1,246	—	4,550
Investment property	—	71	12	—	83
Investment in subsidiaries	8,738	9,092	1,956	(19,786)	—
Investment in securities	—	13	—	—	13
Other financial assets	100	3	4,557	(4,642)	18
Deferred tax assets	—	—	97	—	97
Derivative instruments	122	57	—	(122)	57
Other non-current assets	—	20	36	(8)	48
<i>Total non-current assets</i>	<i>9,809</i>	<i>14,968</i>	<i>8,939</i>	<i>(24,558)</i>	<i>9,158</i>
Inventories	234	1,229	254	—	1,717
Receivables	470	149	128	(50)	697
Income tax receivable	7	—	3	—	10
Investment in securities	—	—	93	—	93
Other financial assets	141	—	740	(859)	22
Derivative instruments	4	—	—	(3)	1
Prepaid expenses	7	32	18	(1)	56
Other current assets	4	25	61	(40)	50
Cash and cash equivalents	66	148	408	(190)	432
Assets classified as held for sale	—	—	56	—	56
<i>Total current assets</i>	<i>933</i>	<i>1,583</i>	<i>1,761</i>	<i>(1,143)</i>	<i>3,134</i>
Total assets	10,742	16,551	10,700	(25,701)	12,292
Shareholders' equity	5,414	10,656	9,130	(19,786)	5,414
Non-controlling interests	—	—	5	—	5
Total equity	5,414	10,656	9,135	(19,786)	5,419
Long-term debt	3,757	3,030	180	(4,642)	2,325
Obligations under finance lease	57	615	25	(8)	689
Deferred tax liabilities	130	444	50	—	624
Derivative instruments	11	9	122	(122)	20
Provisions	42	83	164	—	289
Other non-current liabilities	1	65	32	—	98
<i>Total non-current liabilities</i>	<i>3,998</i>	<i>4,246</i>	<i>573</i>	<i>(4,772)</i>	<i>4,045</i>
Short-term borrowings	121	—	200	(261)	60
Long-term debt – current	138	548	—	(598)	88
Obligations under finance	11	50	1	(1)	61

lease – current					
Derivative instruments	—	—	3	(3)	—
Provisions – current	—	34	42	—	76
Income tax payable	5	51	1	—	57
Bank overdrafts	190	—	—	(190)	—
Accounts payable	648	643	604	(50)	1,845
Accrued expenses	195	223	64	(40)	442
Other current liabilities	22	100	77	—	199
<i>Total current liabilities</i>	<i>1,330</i>	<i>1,649</i>	<i>992</i>	<i>(1,143)</i>	<i>2,828</i>
Total liabilities	5,328	5,895	1,565	(5,915)	6,873
Total liabilities and equity	10,742	16,551	10,700	(25,701)	12,292

(*) The 31 December 2011 consolidated balance sheet has been revised to reflect the effects of the finalization of the purchase price allocation of the Delta Maxi acquisition.

(iv) Consolidated balance sheet at 31 December 2010

(in millions of EUR)	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Elimination	Consolidated
Goodwill	156	2,427	245	—	2,828
Intangible assets	94	533	7	—	634
Property, plant and equipment	571	2,794	710	—	4,075
Investment property	—	59	1	—	60
Investment in subsidiaries	7,933	9,283	481	(17,697)	—
Investment in securities	—	12	113	—	125
Other financial assets	99	5	4,607	(4,694)	17
Deferred tax assets	1	—	94	—	95
Derivative instruments	84	61	—	(84)	61
Other non-current assets	—	18	11	(10)	19
<i>Total non-current assets</i>	<i>8,938</i>	<i>15,192</i>	<i>6,269</i>	<i>(22,485)</i>	<i>7,914</i>
Inventories	213	1,102	145	—	1,460
Receivables	489	125	98	(75)	637
Income tax receivable	—	—	1	—	1
Investment in securities	—	2	41	—	43
Other financial assets	272	56	365	(690)	3
Derivative instruments	—	—	5	—	5
Prepaid expenses	4	33	8	(1)	44
Other current assets	5	25	43	(36)	37
Cash and cash equivalents	58	492	208	—	758
<i>Total current assets</i>	<i>1,041</i>	<i>1,835</i>	<i>914</i>	<i>(802)</i>	<i>2,988</i>
Total assets	9,979	17,027	7,183	(23,287)	10,902
Shareholders' equity	5,068	11,786	5,910	(17,696)	5,068
Non-controlling interests	—	—	1	—	1
Total equity	5,068	11,786	5,911	(17,696)	5,069
Long-term debt	3,457	3,024	179	(4,694)	1,966
Obligations under finance lease	59	609	25	(9)	684
Deferred tax liabilities	122	400	21	—	543
Derivative instruments	13	3	84	(84)	16
Provisions	40	82	111	—	233
Other non-current liabilities	1	61	6	—	68
<i>Total non-current</i>	<i>3,692</i>	<i>4,179</i>	<i>426</i>	<i>(4,787)</i>	<i>3,510</i>

<i>liabilities</i>					
Short-term borrowings	291	2	340	(617)	16
Long-term debt – current	56	55	1	(72)	40
Obligations under finance lease – current	12	46	1	(2)	57
Provisions – current	—	18	34	—	52
Income tax payable	4	10	3	—	17
Accounts payable	615	634	401	(76)	1,574
Accrued expenses	204	198	28	(37)	393
Other current liabilities	37	99	38	—	174
<i>Total current liabilities</i>	<i>1,219</i>	<i>1,062</i>	<i>846</i>	<i>(804)</i>	<i>2,323</i>
Total liabilities	4,911	5,241	1,272	(5,591)	5,833
Total liabilities and equity	9,979	17,027	7,183	(23,287)	10,902

(v) Consolidated statement of cash flows for 2011

(in millions of EUR)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination	Consolidated
Operating activities					
Net profit	475	356	425	(781)	475
Adjustment for equity in earnings of subsidiaries	(465)	—	—	465	—
Adjustments for:					
Depreciation and amortization	105	377	104	—	586
Impairment	3	130	2	—	135
Allowance for losses on accounts receivable	2	5	4	—	11
Share-based compensation	2	11	—	—	13
Income taxes	13	105	38	—	156
Finance costs	176	230	30	(232)	204
Income from investments	(9)	(163)	(399)	548	(23)
Other non-cash items	4	2	1	—	7
Changes in operating assets and liabilities:					
Inventories	(21)	(88)	(38)	—	(147)
Receivables	17	(19)	16	(24)	(10)
Prepaid expenses and other assets	(5)	(1)	(9)	—	(15)
Accounts payable	34	8	(90)	24	(24)
Accrued expenses and other liabilities	(31)	17	10	—	(4)
Provisions	1	(6)	9	—	4
Interest paid	(179)	(220)	(34)	237	(196)
Interest received	6	3	246	(244)	11
Income taxes paid	(7)	(37)	(33)	—	(77)

Net cash provided by operating activities	121	710	282	(7)	1,106
Investing activities					
Capital contributions in subsidiaries	(1,016)	—	—	1,016	—
Capital reduction in subsidiaries	501	23	—	(524)	—
Purchases of shares in consolidated companies, net of cash and cash equivalents	(1)	(1)	(589)	—	(591)
Purchase of tangible assets	(99)	(367)	(209)	—	(675)
Purchase of intangible assets	(42)	(16)	(29)	—	(87)
Sale of tangible and intangible assets	1	4	6	—	11
Dividends from investments under the equity method	233	160	156	(549)	—
Sale and maturity of debt securities	—	—	72	—	72
Purchase of other financial assets	(168)	—	(96)	243	(21)
Sale and maturity of other financial assets	303	54	329	(658)	28
Settlement of derivative instruments	(2)	—	—	—	(2)
Net cash used in investing activities	(290)	(143)	(360)	(472)	(1,265)
Financing activities					
Proceeds from the exercise of share warrants and stock options	16	(3)	—	—	13
Capital contributions received	—	—	1,016	(1,016)	—
Capital reductions	—	(501)	(23)	524	—
Purchase of call option on own equity instruments	(6)	—	—	—	(6)
Treasury shares purchased	(20)	—	—	—	(20)
Purchase of non-controlling interests	—	—	(10)	—	(10)
Dividends paid by parent	(173)	—	—	—	(173)
Dividends paid by subsidiaries	—	(303)	(245)	548	—
Escrow maturities	—	2	—	—	2
Borrowing under long-term loans, net of financing costs	400	1	8	(1)	408
Repayment of long-term loans	—	(38)	(186)	—	(224)
Repayment of lease obligations	(3)	(44)	(8)	2	(53)
Borrowings (repayments) of short-term loans, net	(227)	1	(266)	407	(85)
Settlement of derivative instruments	—	—	(13)	15	2

Net cash provided by (used in) financing activities	(13)	(885)	273	479	(146)
Effect of foreign currency translation	—	(26)	5	—	(21)
Net increase (decrease) in cash and cash equivalents	(182)	(344)	200	—	(326)
Cash and cash equivalents at beginning of period	58	492	208	—	758
Cash and cash equivalents at end of period	(124)	148	408	—	432

(vi) Consolidated statement of cash flows for 2010

(in millions of EUR)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination	Consolidated
Operating activities					
Net profit	574	305	257	(561)	575
Adjustment for equity in earnings of subsidiaries	(561)	—	—	561	—
Adjustments for:					
Depreciation and amortization	100	423	52	—	575
Impairment	—	13	1	—	14
Allowance for losses on accounts receivable	—	3	3	—	6
Share-based compensation	2	14	—	—	16
Income taxes	89	192	(36)	—	245
Finance costs	90	253	3	(130)	216
Income from investments	(6)	(3)	(133)	130	(12)
Other non-cash items	(1)	—	(1)	—	(2)
Changes in operating assets and liabilities:					
Inventories	4	(104)	(8)	—	(108)
Receivables	(9)	(6)	(7)	(17)	(39)
Prepaid expenses and other assets	16	(9)	(17)	—	(10)
Accounts payable	(9)	77	8	22	98
Accrued expenses and other liabilities	28	(18)	4	2	16
Provisions	(6)	(21)	3	—	(24)
Interest paid	(116)	(244)	(12)	170	(202)
Interest received	—	3	173	(165)	11
Income taxes paid	—	(35)	(23)	—	(58)

Net cash provided by operating activities	195	843	267	12	1,317
Investing activities					
Capital contributions in subsidiaries	—	(30)	(126)	156	—
Purchases of shares in consolidated companies, net of cash and cash equivalents	(860)	(8)	849	—	(19)
Purchase of tangible assets	(75)	(363)	(130)	—	(568)
Purchase of intangible assets	(43)	(47)	(2)	—	(92)
Sale of tangible and intangible assets	2	9	3	—	14
Dividends from investments under the equity method	1	—	—	(1)	—
Net investment in debt securities	—	—	(13)	—	(13)
Purchase of other financial assets	(268)	(70)	(1,300)	1,636	(2)
Sale and maturity of other financial assets	80	19	172	(256)	15
Net cash used in investing activities	(1,163)	(490)	(547)	1,535	(665)
Financing activities					
Proceeds from the exercise of share warrants and stock options	50	(18)	—	—	32
Capital contributions received	—	30	126	(156)	—
Treasury shares purchased	(19)	(7)	—	—	(26)
Purchase of non-controlling interests	—	—	(47)	—	(47)
Dividends paid by parent	(161)	—	—	—	(161)
Dividends paid by subsidiaries	—	—	(1)	—	(1)
Escrow maturities	—	2	—	—	2
Borrowing under long-term loans, net of financing costs	1,158	5	99	(1,263)	(1)
Repayment of long-term loans	(146)	(3)	(40)	147	(42)
Repayment of lease obligations	(2)	(47)	(2)	2	(49)
Borrowings (repayments) of short-term loans, net	95	(36)	169	(277)	(49)
Settlement of derivative instruments	—	—	(1)	—	(1)
Net cash provided by (used in) financing activities	975	(74)	303	(1,547)	(343)
Effect of foreign currency translation	—	8	2	—	10

Net increase in cash and cash equivalents	7	287	25	—	319
Cash and cash equivalents at beginning of period	51	205	183	—	439
Cash and cash equivalents at end of period	58	492	208	—	758

Significant changes in the financial situation of the guarantors

No significant adverse changes occurred in the financial situation of the subsidiaries of the Issuer providing their guarantee under the Cross Guarantee Agreement, since the end of the last financial period for which audited financial statements have been published, i.e. 31 December 2011.

PART V: CLEARING

The Bonds will be accepted for clearance through the Clearing System under the ISIN number BE0002189554 with respect to the Bonds, and will accordingly be subject to the Clearing System Regulations. A13 – 4.2

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB (National Bank of Belgium, Boulevard de Berlaimont 14, B-1000 Brussels).

Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds.

Clearing System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds will be effected between Clearing System participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System participants through which they hold their Bonds.

The Agent will perform the obligations of domiciliary agent included in the Clearing Agreement. The Issuer and the Agent will not have any responsibility for the proper performance by the Clearing System or its Clearing System participants of their obligations under their respective rules and operating procedures.

PART VI: DESCRIPTION OF THE ISSUER

1. GENERAL

A9 – 4.1
A9 – 4.1.1

The commercial name of our company is Delhaize Group. The legal names of our company are “Etablissements Delhaize Frères et Cie “Le Lion” (Groupe Delhaize)”, in Dutch “Gebroeders Delhaize en Cie “De Leeuw” (Delhaize Groep)” and in English “Delhaize Brothers and Co. “The Lion” (Delhaize Group)”, in abridged “Groupe Delhaize”, in Dutch “Delhaize Groep” and in English “Delhaize Group”, the company being allowed to use any of its full legal corporate names or any of its abridged legal corporate names.

Delhaize Group is a limited liability company (*société anonyme/naamloze vennootschap*) incorporated and domiciled in Belgium with its registered address at rue Osseghem 53, Molenbeek-Saint-Jean. Our principal executive offices are located at Square Marie Curie 40, 1070 Brussels, Belgium. Our telephone number at that location is +32 2 412 22 11. The Issuer is registered in the Belgian Crossroads Bank for Enterprises (registration number: 0402.206.045 RPM Brussels). Our Internet address is www.delhaizegroup.com.

A9 – 4.1.2
A9 – 4.1.4

We are a food retailer headquartered in Belgium with operations in eleven countries on three continents — North America, Europe and Asia. As of 30 September 2012, our sales network (which includes company-operated, affiliated and franchised stores) consisted of 3,388 stores. For the financial year 2011, we recorded EUR 21.1 billion (USD 29.4 billion) in revenues and EUR 475 million (USD 661 million) in net profit (Group share). As of 30 September 2012, we recorded EUR 17.0 billion (USD 21.8 billion) in revenues and EUR 273 million (USD 350 million) in net profit (Group share). As of 30 June 2012, Delhaize Group employed approximately 158,000 people. Delhaize Group’s stock is listed on NYSE Euronext Brussels (DELB) and the New York Stock Exchange (DEG).

A9 – 5.1
A9 – 5.1.1

Our primary store format consists of retail food supermarkets. Our sales network also includes other store formats such as proximity stores and specialty stores. As of 30 September 2012, in total, approximately 96% of our sales network is engaged in food retailing. In addition to food retailing, we engage in food wholesaling and non-food retailing of products such as pet products and prescription drugs.

Delhaize Group SA, the Issuer of the Bonds, is the parent company of a number of direct and indirect subsidiaries (the **Group**). A list of subsidiaries and related information is included in note 36 to our consolidated financial statements included in section 4.2 of Part VI (*Description of the Issuer*) of this Prospectus.

The following table sets forth, at the dates indicated, our sales network in the United States, Belgium and other regions:

Sales Network (number of stores)

	At 30 September,		At 31 December,		
	2012	2011	2011	2010	2009
United States ⁽¹⁾	1,550	1,640	1,650	1,627	1,607
Belgium ⁽²⁾	834	817	821	805	792
Greece	266	243	251	223	216
Romania	153	94	105	72	51

Serbia	360	366	366	-	-
Bulgaria	42	39	42	-	-
Bosnia and Herzegovina	41	42	44	-	-
Albania	23	18	18	-	-
Montenegro	23	22	22	-	-
Indonesia	96	81	89	73	66
Total	3,388	3,362	3,408	2,800	2,732

(1) Includes stores at 31 December 2011, 1 January 2011 and 2 January 2010.

(2) Includes stores in the Grand Duchy of Luxembourg

Revenues (in millions of EUR)

	Year to date 30 September		Year ended 31 December,		
	2012	2011	2011	2010	2009
United States	11,032	10,281	13,815	14,187	13,618
Belgium	3,619	3,573	4,845	4,800	4,616
SEE & Asia ⁽¹⁾	2,337	1,625	2,459	1,863	1,704
Total	16,988	15,479	21,119	20,850	19,938

(1) As of 1 January 2011, the segments Greece and Rest of the World (Romania and Indonesia) have been combined to become Southeastern Europe and Asia (**SEE & Asia**). After the acquisition of the Delta Maxi Group on 27 July 2011, the SEE & Asia segment includes Alfa Beta (Greece), Mega Image (Romania), the Delta Maxi Group (Serbia, Bulgaria, Bosnia and Herzegovina, Albania and Montenegro), and 51% of Super Indo (Indonesia).

Our operations are located primarily in the United States, Belgium and Southeastern Europe, with a small percentage of our operations in Indonesia. During the first nine months of 2012, operations in the United States accounted for 64.9% of revenues. Operations in Belgium and Southeastern Europe and Asia accounted for 21.3% of revenues and 13.8%, respectively.

2. HISTORY

The Issuer was incorporated in 1867 for an unlimited duration (article 4 of the Issuer's articles of association). A9-4.1.3

In 1867, the brothers Jules and Edouard Delhaize and their brother-in-law Jules Vieujant founded our company as a wholesale supplier of groceries in Charleroi, Belgium. In 1957, we opened our first supermarket in Belgium. Since that date, we have expanded our supermarket operations across Belgium and into other parts of Europe, North America and Southeast Asia. We were converted from a limited partnership to a limited liability company on 22 February 1962.

We entered the United States in 1974, acquiring approximately 35% of Food Town Stores, Inc., a food retailer that operated 22 stores in the Southeastern U.S. In 1976, we increased our stake to 52%. In 1983, Food Town Stores, Inc. was renamed Food Lion, Inc. In December 1996, our U.S. operations were expanded when Food Lion acquired Kash n' Karry. In July 2000, we acquired

Hannaford Bros. Co, a supermarket chain operating in the Northeastern U.S. In October 2003, we acquired J.H. Harvey Co., a supermarket business operating in Georgia and Florida, and added it to our U.S. store network. In November 2004, we acquired Victory Distributors, Inc., a 19-store business operating in Massachusetts and New Hampshire under the trade name Victory Super Markets, and added it to our U.S. store network and converted the stores to the Hannaford banner.

In April 2001, we and Delhaize America, our consolidated subsidiary through which our U.S. operations are conducted, consummated a share exchange transaction in which we acquired all of the outstanding shares of Delhaize America that we did not already own. Delhaize America shareholders exchanged their shares of Delhaize America common stock for either our American Depositary Receipts, or ADRs, which are listed on the New York Stock Exchange, or our ordinary shares, which are listed on NYSE Euronext Brussels.

The 1990s were a period of international expansion outside of Belgium and the United States for our company. The following subsidiaries were integrated into our company in the following countries during this time: Delvita - Czech Republic (1991), Alfa Beta – Greece (1992), PG – France (1994), Food Lion Thailand – Thailand (1997), Super Indo – Indonesia (1997), Delvita – Slovakia (1998), Shop N Save – Singapore (1999) and Mega Image – Romania (2000). Since then, some of these businesses have been divested to focus our resources on better investment opportunities or because the activity had become non-strategic: PG – France (2000), Shop N Save – Singapore (2003), Food Lion Thailand – Thailand (2004), Delvita – Slovakia (2005), Delvita – Czech Republic (2007) and Delhaize Deutschland - Germany (2009).

In 2001, Alfa Beta, our Greek operating company, acquired Trofo, a chain of stores operating in Greece that were subsequently re-branded into one of the Alfa Beta banners. In 2005, we acquired Cash Fresh, a chain of 43 supermarkets located mainly in the northeastern part of Belgium. In April 2008, Alfa Beta acquired 34 Plus Hellas stores (of which five were closed) and a brand new distribution centre located in the North of Greece. In September 2008, we completed the acquisition of the La Fourmi chain of 14 supermarkets in Romania. In January 2009, Delhaize Group opened a new concept store in Belgium called Red Market. Red Market focuses on ease and speed of shopping, a reduced assortment, convenience and low prices.

In 2009, we acquired 4 supermarkets in Romania previously operated under the Prodas name and the Greek retailer Koryfi which operates 11 stores and a distribution center in the Northeast of Greece.

In 2010, our wholly owned subsidiary Delhaize “The Lion” Nederland B.V. (Delned) obtained 100% of the voting rights of Alfa Beta following two tender offers and the exercise of its squeeze-out right. On 1 October 2010, Alfa Beta was delisted from the Athens Stock Exchange.

On 27 July 2011, we acquired 100% of the voting rights of Delta Maxi Group, a Serbian based food retailer active in five countries in the Southeastern part of Europe and with a network of approximately 485 stores, including convenience stores, supermarkets and hypermarkets and 7 distribution centers.

On 12 January 2012, we announced a thorough portfolio review and our decision to close 146 underperforming stores across our network (126 in the U.S. and 20 in Southeastern Europe) and to convert 42 Bloom and 22 Bottom Dollar Food stores to Food Lion in the U.S. In addition, we decided to retire the Bloom brand and to focus on a roll-out of Bottom Dollar Food stores in markets which provide the greatest opportunity for growth such as in the Philadelphia and Pittsburgh area. Bottom Dollar Food is a soft discount format offering customers an easy and full shopping experience at affordable prices.

3. FINANCIAL HIGHLIGHTS

3.1 Overview

(a) 2011 Financial Results

In 2011, we had:

- Revenues of EUR 21.1 billion, an increase of 1.3% compared to 2010 despite the weakening of the U.S. dollar against the euro by 4.8% compared to 2010 and partly due to the acquisition of Delta Maxi;
- Impairment charges totalling EUR 135 million in 2011 compared to EUR 14 million in 2010, mainly resulting from our store portfolio review in the U.S.;
- Operating margin of 3.8%, lower than the 2010 operating margin of 4.9%;
- Net financial expenses of EUR 181 million, EUR 22 million lower than 2010;
- Group share in net profit of EUR 475 million, a decrease of 17.4% compared with 2010.

In October 2011, we completed the public offering of our 7-year 4.25% retail bond in Belgium and in the Grand Duchy of Luxembourg for a principal amount of EUR 400 million. The retail bond was issued on 18 October 2011 and is listed on NYSE Euronext Brussels.

(b) 2011 Acquisitions

On 27 July 2011, we acquired 100% of the shares and voting rights of Delta Maxi, a food retailer present in five countries in Southeastern Europe. The initial purchase price of EUR 615 million was subsequently adjusted to EUR 582 million based on the finalization of the purchase price allocation which resulted in the recognition of EUR 33 million of indemnification assets. Delta Maxi is consolidated into our consolidated financial statements as of 1 August 2011 and is included in the Southeastern Europe & Asia segment.

(c) Financial Highlights First Nine Months of 2012

- Revenues of EUR 17.0 billion, an increase of 9.7% compared to the same period in 2011 and impacted by:
 - The strengthening of the U.S. dollar against the euro by 9.8%;
 - The acquisition of Delta Maxi only included for 2 months in the revenues of the first nine months of 2011;
 - The closure of 146 stores (126 stores in the U.S. and 20 underperforming Maxi stores) in the beginning of 2012;
- Operating margin of 2.6%, lower than the same period in 2011 (4.3%) due to significant price investments across the Group and the EUR 150 million negative impact of the portfolio optimization;
- Income tax expense of approximately zero versus EUR 148 million in the first nine months of 2011 mainly due to the deductibility of the portfolio optimization charges in the US in the first quarter of 2012 and the resolution of several tax matters in the U.S. in the third quarter;
- Group share in net profit of EUR 273 million, a decrease of 27.2% compared with the same period in 2011.

In April 2012, Delhaize Group completed a tender offer for cash prior to maturity of up to EUR 300 million aggregate principal amount of its outstanding EUR 500 million 5.625% notes due 2014 and

purchased an aggregate nominal amount of EUR 191 million of the notes at a price of 108.079%. Following completion of the offer, an aggregate nominal amount of EUR 309 million of the notes remains outstanding. On the same day, Delhaize Group closed the issuance of USD 300 million senior notes with an annual interest rate of 4.125% due 2019. The senior notes were issued at a discount of 0.193% on the principal amount and the net proceeds were used in part to fund the repurchase of the above mentioned notes and for general corporate purposes.

3.2 Selected Financial Data

The following selected financial data is derived from our audited consolidated financial statements for the year 2011 and unaudited interim condensed consolidated financial information for the nine months ended 30 September 2012, included in Part IX (*Financial information concerning the Issuer's assets and liabilities, financial position and profit and losses*) of this Prospectus, which have been prepared using accounting policies in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB, and as adopted by the European Union, or EU. The only difference between the effective IFRS as issued by the IASB and as adopted by the EU relates to certain paragraphs of *IAS 39 Financial Instruments: Recognition and Measurement*, which are not required to be applied in the EU (so-called "carve-out"). We are not affected by the carve-out and for us there is therefore no difference between the effective IFRS as issued by the IASB and the pronouncements adopted by the EU. The selected financial data presented below should be read in conjunction with our consolidated financial statements, related notes thereto and other financial information incorporated by reference in accordance with Part II (*Documents incorporated by reference*) of this Prospectus.

Our reporting currency is the euro.

INCOME STATEMENT DATA

(In EUR millions, except per share amount)	Year ended 31 December,			Year to date 30 September,	
	2011	2010	2009	2012	2011
Revenues	21,119	20,850	19,938	16,988	15,479
Operating profit	812	1,024	942	438	665
Profit before taxes and discontinued operations	631	821	740	274	524
Net profit from continuing operations	475	576	512	274	376
Net profit	475	575	520	274	376
Net profit attributable to equity holders of the Group	475	574	514	273	376
Cash dividends paid ⁽¹⁾	173	161	148	180	173
Basic earnings per share ⁽²⁾	4.71	5.73	5.16	2.71	3.73
Diluted earnings per share ⁽²⁾	4.68	5.68	5.08	2.71	3.70

BALANCE SHEET DATA

(In EUR millions)	31 December,			30 September,	
	2011 ⁽³⁾	2010	2009	2012	2011 ⁽³⁾
Current assets	3,134	2,988	2,419	2,854	2,967
Total assets	12,292	10,902	9,748	11,941	12,092
Short-term borrowings	60	16	63	-	493
Long-term debt	2,325	1,966	1,904	2,275	2,053
Long-term obligations under finance lease	689	684	643	638	668
Share capital	51	51	50	51	51
Non-controlling interests	5	1	17	5	6
Shareholders' equity	5,414	5,068	4,392	5,425	5,203

OTHER DATA

(In EUR millions, except the store count)	Year ended 31 December,			Year to date 30 September,	
	2011	2010	2009	2012	2011

Store count at period end	3,408	2,800	2,732	3,388	3,362
Weighted average number of shares outstanding at period end	100.7	100.3	99.8	100.8	100.7
Net cash provided by operating activities	1,106	1,317	1,176	822	774
Net cash (used in) investing activities	(1,265)	(665)	(555)	(502)	(1,052)
Net cash (used in) financing activities	(146)	(343)	(496)	(371)	76
Capital expenditures	762	660	520	527	460

- (1) We usually pay dividends once a year after our annual shareholders' meeting following the fiscal year with respect to which the dividend relates. Cash dividends paid represent the amount of dividend effectively paid during the indicated year.
- (2) Group share in net profit.
- (3) During the first half of 2012, we completed the purchase price allocation of the Delta Maxi acquisition and revised, in accordance with IFRS 3, the provisional amounts previously recognized in the 2011 annual report to reflect additional information obtained on the acquisition date fair values for assets acquired and liabilities assumed. The revision of the acquisition date fair values did not have a significant impact on the profit and loss of the year 2011. Consequently, only the consolidated balance sheet at 31 December 2011 has been revised and is reflected above.

4. ORGANISATIONAL STRUCTURE

A9 – 6
A9 – 6.1

4.1 Organisation chart

Delhaize Group SA, the Issuer of the Bonds, is the parent company of the direct and indirect subsidiaries listed in section 4.2 below.

4.2 Information on the Issuer's subsidiaries

The subsidiaries of the Issuer are listed in the tables here below. For each subsidiary, the percentage of the shareholding held by the Issuer is mentioned.

(a) Fully consolidated subsidiaries as of 30 September 2012

		Ownership Interest in %		
		<u>2012</u>	<u>2011</u>	<u>2010</u>
Alfa-Beta Vassilopoulos S.A.	81, Spaton Avenue, Gerakas, Athens, Greece	100.0	100.0	100.0
Alliance Wholesale Solutions, LLC ⁽¹⁾	145 Pleasant Hill Road, Scarborough, ME 04074, U.S.A.	100.0	—	—
Anadrasis S.A.	81, Spaton Avenue, Gerakas, Athens, Greece	100.0	100.0	—
Aniserco SA	Rue Osseghemstraat 53, 1080 Brussels, Belgium	100.0	100.0	100.0
Athenian Real Estate Development, Inc.	PO Box 1000, Portland, ME 04104, U.S.A.	100.0	100.0	100.0
ATTM Consulting and Commercial, Ltd. ⁽²⁾	Kyriakou Matsi, 16 Eagle House, 10th floor, Agioi Omologites, P.C. 1082, Nicosia, Cyprus	100.0	100.0	100.0
Boney Wilson & Sons, Inc.	PO Box 1000, Portland, ME 04104, U.S.A.	100.0	100.0	100.0

Bottom Dollar Food Holding, LLC	2110 Executive Drive, Salisbury, NC 28147, U.S.A.	100.0	100.0	100.0
Bottom Dollar Food Northeast, LLC	2110 Executive Drive, Salisbury, NC 28147, U.S.A.	100.0	100.0	100.0
Bottom Dollar Food Southeast, LLC	2110 Executive Drive, Salisbury, NC 28147, U.S.A.	100.0	100.0	100.0
Centar za obuchenie I prekvalifikacija EOOD	Bitolya 1A str, Varna, Bulgaria	100.0	100.0	—
C-Market a.d. Beograd	Jurija Gagarina 14, Street, 11 070 Novi Beograd, Serbia	75.4	75.4	—
Delhaize Albania SHPK	Autostrada Tiranë – Durrës, Km. 7, Kashar, Albania	100.0	100.0	—
Delhaize America, LLC	2110 Executive Drive, Salisbury, NC 28147, U.S.A.	100.0	100.0	100.0
Delhaize America Shared Services Group, LLC	2110 Executive Drive, Salisbury, NC 28147, U.S.A.	100.0	100.0	100.0
Delhaize BH d.o.o. Banja Luka	Branka Popovića 115, Banja Luka, Bosnia and Herzegovina	100.0	100.0	—
Delhaize Distribution Luxembourg S.A.	Rue d’Olm 51, 8281 Kehlen, Grand-Duchy of Luxembourg	100.0	100.0	100.0
Delhaize Finance B.V.	Martinus Nijhofflaan 2, 2624 ES Delft, The Netherlands	100.0	100.0	100.0
Delhaize Griffin SA	Square Marie Curie 40, 1070 Brussels, Belgium	100.0	100.0	100.0
Delhaize Insurance Company, Inc	76 St. Paul Street, Suite 500, Burlington, VT 05401, U.S.A.	100.0	100.0	100.0
Delhaize Luxembourg S.A.	Rue d’Olm 51, 8281 Kehlen, Grand-Duchy of Luxembourg	100.0	100.0	100.0
Delhaize Montenegro d.o.o. Podgorica	Josipa Broza Tita 23a, 81 000 Podgorica, Montenegro	100.0	100.0	—
Delhaize Serbia d.o.o. Beograd	Jurija Gagarina 14, Street, 11 070 Novi Beograd, Serbia	100.0	100.0	—
Delhaize The Lion America, LLC	2110 Executive Drive, Salisbury, NC 28147, U.S.A.	100.0	100.0	100.0
Delhaize The Lion Coordination Center SA	Rue Osseghemstraat 53, 1080 Brussels, Belgium	100.0	100.0	100.0
Delhaize “The Lion” Nederland B.V.	Martinus Nijhofflaan 2, 2624 ES Delft, The Netherlands	100.0	100.0	100.0
Delhaize US Holding, Inc.	2110 Executive Drive, Salisbury, NC 28147, U.S.A.	100.0	100.0	100.0
Delhome SA	Bld de l’Humanité 219/221, 1620 Drogenbos, Belgium	100.0	100.0	100.0
Delimmo SA	Rue Osseghemstraat 53, 1080 Brussels, Belgium	100.0	100.0	100.0

DZA Brands, LLC	2110 Executive Drive, Salisbury, NC 28147, U.S.A.	100.0	100.0	100.0
Ela d.o.o. Kotor ENA SA ⁽³⁾	Trg od oruzja bb, Kotor, Montenegro 81, Spaton Avenue, Gerakas, Athens, Greece	100.0 —	51.0 100.0	— 100.0
FL Food Lion, Inc.	PO Box 1330, Salisbury, NC 28145, U.S.A.	100.0	100.0	100.0
Food Lion, LLC	2110 Executive Drive, Salisbury, NC 28147, U.S.A	100.0	100.0	100.0
Guiding Stars Licensing Company	P.O. Box 1000, Portland, ME 04104, USA	100.0	100.0	100.0
Hannaford Bros. Co.	145 Pleasant Hill Road, Scarborough, ME 04074, U.S.A.	100.0	100.0	100.0
Hannaford Energy, LLC	145 Pleasant Hill Road, Scarborough, ME 04074, U.S.A.	100.0	100.0	100.0
Hannaford Licensing Corp.	PO Box 1000, Portland, ME 04104, U.S.A.	100.0	100.0	100.0
Hannaford Trucking Company	PO Box 1000, Portland, ME 04104, U.S.A.	100.0	100.0	100.0
Hannbro Company	PO Box 1000, Portland, ME 04104, U.S.A.	100.0	100.0	100.0
Harveys Stamping Company, LLC	PO Box 646, Nashville, GA 31639, U.S.A.	100.0	100.0	100.0
Holding and Food Trading Company Single Partner LLC	81, Spaton Avenue, Gerakas, Athens, Greece	100.0	100.0	100.0
Holding and Food Trading Company Single Partner LLC & Co Ltd Partnership	81, Spaton Avenue, Gerakas, Athens, Greece	100.0	100.0	100.0
Huro NV	Rue Osseghemstraat 53, 1080 Brussels, Belgium	100.0	100.0	100.0
I-Del Retail Holdings, Ltd.	70 Sir John Rogerson's Quay, Dublin 2, Ireland	100.0	100.0	—
J.H. Harvey Co., LLC	727 South Davis Street, Nashville, GA 31639, U.S.A	100.0	100.0	100.0
Kash n' Karry Food Stores, Inc.	3801 Sugar Palm Drive, Tampa, FL 33619, U.S.A.	100.0	100.0	100.0
Kingo C.V.A. ⁽⁴⁾	Melchelseweg 50, 1880 Kappelle-op-den-Bos, Belgium	100.0	—	—
Knauf Center Pommerlach S.A. ⁽⁵⁾	Rue d'Olm 51, 8281 Kehlen, Grand-Duchy of Luxembourg	—	—	100.0
Knauf Center Schmëtt S.A. ⁽⁵⁾	Rue d'Olm 51, 8281 Kehlen, Grand-Duchy of Luxembourg	—	—	100.0
Leoburg NV	Rue Osseghemstraat, 1080 Brussels, Belgium	100.0	100.0	100.0

Lion Lux Finance S.à r.l.	Rue d'Olm 51, 8281 Kehlen, Grand-Duchy of Luxembourg	100.0	100.0	—
Lion Retail Holding S.à r.l.	Rue d'Olm 51, 8281 Kehlen, Grand-Duchy of Luxembourg	100.0	100.0	—
Lithia Springs, LLC	2110 Executive Drive, Salisbury, NC 28147, U.S.A.	60.0	60.0	60.0
Marietta Retail Holdings, LLC	3735 Beam Rd, Unit B, Charlotte, NC 28217, U.S.A.	0.0	0.0	0.0
Marion Real Estate Investments, LLC	2110 Executive Drive, Salisbury, NC 28187, U.S.A.	100.0	100.0	100.0
Martin's Food of South Burlington, Inc.	PO Box 1000, Portland, ME 04104, U.S.A.	100.0	100.0	100.0
MC Portland, LLC	PO Box 1000, Portland, ME 04104, U.S.A.	100.0	100.0	100.0
Mega Doi S.R.L. ⁽²⁾	39-49 Nicolai Titulesco Avenue, 1st district, Bucharest, Romania	99.2	99.2	99.2
Mega Image S.R.L.	95 Siret Street, 1st district, Bucharest, Romania	100.0	100.0	100.0
Molmart NV	Rue Osseghemstraat 53, 1080 Brussels, Belgium	100.0	100.0	100.0
Morrills Corner, LLC	PO Box 1000, Portland, ME 04104, U.S.A.	100.0	100.0	100.0
Pekabeta a.d. Beograd	Takovska 49, Belgrade, Serbia	100.0	95.6	—
Piccadilly AD	1A, Bitolya Street, Varna, Bulgaria	100.0	100.0	—
Points Plus Punten SA	Rue Osseghemstraat 53, 1080 Brussels, Belgium	100.0	100.0	100.0
Progressive Distributors, Inc.	PO Box 1000, Portland, ME 04104, U.S.A.	100.0	100.0	100.0
Redelcover S.A.	Rue de Merl 74, 2146 Luxembourg, Grand-Duchy of Luxembourg	100.0	100.0	100.0
Risk Management Services, Inc.	PO Box 1330, Salisbury, NC 28145, U.S.A.	100.0	100.0	100.0
Rousseau NV ⁽⁶⁾	Bellestraat 4, 9100 Sint-Niklaas, Belgium	—	100.0	—
Serdelco S.A.S.	Parc des Moulins, Avenue de la Créativité 4, 59650 Villeneuve d'Ascq, France	100.0	100.0	100.0
Sinking Spring Retail Holdings, LLC	3735 Beam Rd, Unit B, Charlotte, NC 28217, U.S.A.	0.0	0.0	0.0
Smart Food Shopping SA	Chaussée de Wavre 42A, 5030 Gembloux, Belgium	100.0	100.0	100.0
SS Morrills, LLC	PO Box 1000, Portland, ME 04104, U.S.A.	100.0	100.0	100.0
Summit Commons Retail Holdings, LLC	3735 Beam Rd, Unit B, Charlotte, NC 28217, U.S.A.	0.0	0.0	0.0

The Pride Reinsurance Company, Ltd.	The Metropolitan Building, 3rd Floor, James Joyce Street, Dublin 1, Ireland	100.0	100.0	100.0
TP Srbija a.d. Kragujevac	Crvenog barjaka bb, 34000 Kragujevac, Serbia	100.0	95.4	—
TP Stadel d.o.o. Kragujevac	Crvenog barjaka bb, 34000 Kragujevac, Serbia	100.0	95.4	—
Victory Distributors, Inc.	P.O. Box 1000, Portland, ME 04104, U.S.A.	100.0	100.0	100.0
Wambacq & Peeters NV ⁽⁷⁾	Isidoor Crockaertstraat 25, 1731 Zellik, Belgium	—	85.0	85.0
Wintrucks NV ⁽²⁾	Rue Osseghem 53, 1080 Brussels, Belgium	100.0	88.0	88.0
Zvezdara a.d. Beograd	Zivka Davidovica 64, Belgrade, Serbia.	68.24	17.5	—

- (1) Newly created company during 2012.
(2) In liquidation.
(3) Merged into Alfa Beta in May 2012.
(4) Acquired during 2012.
(5) Merged into Delhaize Luxembourg S.A. in January 2011.
(6) Merged into Delimmo SA in September 2012.
(7) Sold in February 2012.

(b) Joint Ventures – Proportionally consolidated as of 30 September 2012

Name of the subsidiary	Address	Ownership interest in %		
		30 September 2012	2011	2010
P.T. Lion Super Indo, LLC	Menara Bidakara 2, 19th floor, Jl Jendral Gatot Soebroto Kav 71-73, Pancoran, Jakarta Selatan 12870, Indonesia	51.0	51.0	51.0

P.T. Lion Super Indo, LLC (**Super Indo**) is accounted for as a joint venture because Delhaize Group shares control with another party. Delhaize Group's interest in assets and liabilities of Super Indo is as follows:

(in millions of EUR)	30 September 2012	31 December, 2011	2012
Non-current assets	19	17	10
Current assets	23	26	25
Non-current liabilities	1	1	1

(in millions of EUR)	30 September 2012	31 December, 2011	2012
Current liabilities	14	15	13

Cash flows of Super Indo included in Delhaize Group's cash flow statements are as follows:

(in millions of EUR)	30 September 2012	31 December, 2011	2010
Net cash provided by operating activities	1	6	6
Net cash used in investing activities	(4)	(8)	(3)
Net cash used in financing activities	-	-	-

Revenue of Super Indo included in the Group's result was EUR 106 million for the first nine months of 2012, compared to EUR 119 million and EUR 110 million for full year 2011 and 2010, respectively. Net income of Super Indo included in the Group's results was approximately EUR 2 million for the first nine months of 2012, compared to EUR 4 million in full year 2011 and 2010.

(c) Subsidiaries acquired after 30 September 2012

In October 2012, we acquired 100% of the shares of a small Belgian company, Liberval S.A., whose registered seat is now located on Rue Osseghemstraat 53, 1080 Brussels, Belgium.

5. KEY STRENGTHS AND STRATEGIES OF THE DELHAIZE GROUP

5.1 Competitive strengths

A9 – 5.1.2

We believe that we are well positioned to capitalise on opportunities that exist in the supermarket industry in the geographical markets in which we operate. We seek to differentiate ourselves from our competitors through our competitive strengths, which include:

- *Leading market shares and strong brand recognition.* We aim to be among the top three supermarket operators in terms of annual revenues in the markets in which we operate. We believe that our leading market shares result in distribution and advertising synergies, competitive buying conditions and allow us to maintain customer loyalty and strong brand recognition.
- *Cost management.* We focus on controlling and reducing elements of our cost of sales through centralized buying practices, distribution efficiencies, improved category management and an increased mix of private brand products. Effective use of information technology, store labor scheduling and attention to cost controls has allowed us to control our expense structure. Our ability to control operating and administrative expenses has allowed us to achieve a competitive operating cost structure.
- *Track record of reducing leverage (i.e., debt to equity ratio).* We have historically been able to generate free cash flow and reduce leverage in our balance sheet. This has been possible through our strong profitability, disciplined working capital management and selective investments. Leverage has increased following the acquisition of Delta Maxi in 2011.

- *Diversification through multiple banners and multiple markets.* We operate under multiple banners, each of which has a distinct strategy and a well established and consistent brand image. Through our multiple banners, we are able to target the needs and requirements of specific markets, customise our product and service offerings and maintain strong brand recognition with our local customers.
- *Experienced management team.* Our executive officers have an average of 20 years of experience in the food retailing industry. In addition, many of our company's senior operating managers have spent much of their careers in their respective local markets.
- *Attractive store base.* Our store locations include many sites in developed urban and suburban locations that would be difficult to replicate. We have invested significant capital in our store base over the years through the addition of new stores and the renovation of existing stores in order to improve the overall quality of our customers' shopping experience. We plan on continuing to invest during fiscal year 2012 by making approximately EUR 700 to EUR 750 million of capital expenditures (excluding leases and at identical exchange rates). These capital expenditures include renovations of existing stores and store support functions, particularly information technology and logistics.
- *Distribution capacity and efficiency.* At 31 December 2011, we operated 35 distribution centres that total approximately 15.7 million square feet. Our warehousing and distribution systems are conveniently located within the areas we serve. Our distribution centres are capable of serving our existing store base and can service additional stores. We plan to continue to develop and invest in our warehousing and distribution systems in the future.
- *Loyalty card programs.* Transactions using the loyalty card program accounted for 92%, 73% and 85% of revenues at Delhaize Belgium, Alfa Beta and Food Lion respectively, during 2011. Customers utilise our loyalty cards for buying incentives and discounts on select purchases.
- *Significant investment in management information systems.* All of our operating companies use computer systems that allow us to monitor store operating performance, manage merchandise categories and procure and distribute merchandise on a centralised basis by banner. We regularly update our information technology systems so that we can continue to efficiently operate our stores and logistics network.
- *Operate as a global group.* We are organised into different geographic regions that exercise global and regional purchasing, share retail knowledge and implement best practices. We have regional and company-wide coordination groups focusing on procurement, equipment purchasing, information technology, food safety, talent development, communication and risk management.

5.2 Our strategy

Delhaize Group achieves its success through the combination of a local go-to-market strategy, regional leadership, the Group's knowledge and expertise and a firm commitment to stay focused on the long-term while addressing short-term challenges. Our operating companies all rally around the same vision and group values that are the basis of everything we do. Our values are determination, integrity, courage, humility and humour. Our goal is to achieve value leadership in all of our markets leading to superior top-line and operating profit growth and make Delhaize Group an effective acquirer. The sustainability of our business is based on a clear strategy, called our New Game Plan, of generating profitable revenue growth, pursuing best-in-class execution and operating as a responsible citizen.

- *Generate profitable revenue growth.* Concept differentiation, competitive prices and leading local market positions are key elements of our strategy to generate profitable revenue growth. Attractive assortments in convenient locations lead to superior customer experiences. Since

2010, all of our banners have implemented a new Group-wide pricing policy to ensure customers could continue to enjoy fresh and healthy products at competitive prices. At the same time, we expanded and renewed our network. In 2011, we began repositioning Food Lion, the biggest brand in the Delhaize Group portfolio. The brand repositioning focuses on 6 elements of the Food Lion brand which can be summarized as price, quality, and simplicity. In 2011, 166 stores benefited from the brand repositioning. At 30 September 2012, we have repositioned approximately 700 stores or over 60% of the Food Lion network.

- *Pursue best-in-class execution.* Retail is all about detail. The enormous volumes we move every day from supplier to customer pose a formidable challenge to planning and execution. We continually invest in the development of customer tools, supply chain technology, logistics and IT systems. Executional excellence strongly depends on our associates' positive engagement and on synergies we realise with our vendors. Pursuing best-in-class execution with a strong focus on cost management enables us to fund sales building initiatives that respond to our customers' high expectations while driving profitable growth. In 2010, major steps in this area were taken with the process to set up one common procurement organisation, one supply chain organisation and one platform for common back office services, supporting all our U.S. operations.
- *Operate as a responsible corporate citizen.* The combination of sustainable growth and operating as a best-in-class corporate citizen has always been an essential part of how we do business. Corporate Responsibility is fully integrated into our day-to-day operations. However, we recognise we can improve, for the benefit of our millions of customers, our approximately 158,000 associates (at 30 June 2012) and our planet. We issued a separate report on Corporate Responsibility in June 2012.

6. BUSINESS OVERVIEW

A9 – 5.1
A9 – 5.1.1

Delhaize Group's segment reporting is geographical, based on the location of customers and stores, which matches the way we manage our operations. At 30 September 2012, reportable segments include the United States, Belgium (including Belgium and the Grand Duchy of Luxembourg), Southeastern Europe and Asia, which includes Maxi (Serbia, Bulgaria, Bosnia and Herzegovina, Montenegro and Albania), Alfa Beta (Greece), Mega Image (Romania) and 51% of Super Indo (Indonesia).

As of 30 September 2012, we operated the following banners:

United States	Belgium ⁽¹⁾	Southeastern Europe & Asia
Food Lion	Delhaize "Le Lion"	Alfa-Beta
Hannaford	Supermarket	ENA
Sweetbay Supermarket	AD Delhaize	AB Shop & Go
Bottom Dollar Food	Delhaize City ⁽²⁾	AB City
Harveys	Proxy Delhaize	AB Food Market
Reid's	Shop 'n Go	Mega Image
	Tom & Co	Super Indo
	Red Market	Maxi
		Mini Maxi
		Euromax
		Tempo
		Tempo Express
		Picadilly
		Picadilly Daily

(1) Including 38 stores in the Grand Duchy of Luxembourg at 30 September 2012

(2) On 1 October 2012, Delhaize Group announced that it decided to convert its 15 company operated Belgian City stores into affiliated Proxy stores, being operated by independent parties, giving these small urban stores needed greater operational flexibility in order to adapt to the specific environment.

(a) United States

Overview

We engage in one line of business in the United States, the operation of food supermarkets in the southeastern, mid-Atlantic and northeastern regions of the United States under the banners Food Lion, Hannaford, Sweetbay Supermarket, Bottom Dollar Food, Reid's and Harveys.

As of 30 September 2012, we had revenues of EUR 11.0 billion (USD 14.1 billion) in the United States. At 30 June 2012, we employed approximately 106,000 people.

Food Lion stores are located from Delaware through Florida. Hannaford and Kash n' Karry (which operates Sweetbay Supermarket) are located respectively throughout New England and Florida. Harveys is located primarily in Georgia and Florida. Bottom Dollar Food stores can be found in the markets of Philadelphia and Pittsburgh.

Sales network

The growth of our U.S. sales network has historically been based on store openings, complemented by selective acquisitions. However, on 12 January 2012, we announced – after the completion of a thorough portfolio review - our decision to close 126 underperforming stores in the U.S. and to convert 42 Bloom and 22 Bottom Dollar Food stores to Food Lion. In addition, we decided to retire the Bloom brand and to focus on a roll-out of Bottom Dollar Food stores in markets which provide the greatest opportunity for growth such as in the Philadelphia and Pittsburgh areas. This resulted in a net decrease of 100 stores during the first 9 months of 2012. As of 30 September 2012, we operated 1,550 supermarkets in 18 states in the eastern United States, compared to 1,650 supermarkets at 31 December 2011.

In recent years, we have pursued a significant remodelling program in the United States to provide our customers with a more convenient atmosphere, an enhanced merchandise assortment and improved customer service. In 2011, we re-opened 66 supermarkets in the U.S. after remodelling or expansion work, including market renewals in the markets of Roanoke and Lynchburg, Virginia and Fayetteville, North Carolina.

On 4 May 2011, Food Lion re-launched 166 stores in the Raleigh (North Carolina). In addition to price, we have identified concrete action plans to strengthen other attributes of our Food Lion brand in those markets, focused on the quality of the assortment and the ease and convenience of the shopping experience. Based on the positive results in these 166 Phase One Food Lion stores, we accelerated the brand repositioning work in 2012. At 30 September 2012, approximately 700 stores were repositioned in the United States, representing over 60% of the Food Lion network. Phase 4 is scheduled to be launched in the first quarter of 2013.

In 2010, the low-cost grocery concept Bottom Dollar Food entered into the greater Philadelphia, PA area, a new market for the Group. We believe in the potential of Bottom Dollar Food in that market as the banner responds to the needs of the local population. At the end of 2011, Bottom Dollar Food

counted 24 stores in that new area. The encouraging results of the banner in this market support the expansion plans in additional markets that present the same growth profile. We entered the Pittsburgh market in the first quarter of 2012. For the moment, however, we believe that the Philadelphia and Pittsburgh markets provide significant growth opportunities for Bottom Dollar Food and we are not planning to enter a new market in the short term.

Competition and regulation

The U.S. business in which we are engaged is competitive and characterised by narrow profit margins. We compete in the United States with international, national, regional and local supermarket chains, supercenters, independent grocery stores, specialty food stores, convenience stores, warehouse club stores, retail drug chains, membership clubs, general merchandisers, discount retailers and dollar stores. Competition is based primarily on location, price, consumer loyalty, product quality, variety and service. In order to support decisions on the competitiveness of the pricing level, Delhaize Group's operating companies have developed detailed systems to compare prices with the competition.

The major competitors of Food Lion are Wal-Mart, Kroger, Harris Teeter, Lowes Food and Save-A-Lot. The major competitors of Hannaford are Supervalu (Shaws), Price Chopper, Wal-Mart, DeMoulas (Market Basket) and Royal Ahold (Stop & Shop). The major competitors of Sweetbay are Publix, Winn-Dixie and Wal-Mart.

The opening of new stores is largely unconstrained by regulation in most of the states where Food Lion and Sweetbay operate. The majority of the states in which Hannaford operates are more restrictive through regulation of the opening of new stores. Shopping hours are mostly unconstrained by regulation in all of the U.S. states in which we are active. Most of our U.S. stores are open 17 to 18 hours a day and seven days a week.

Assortment

Our U.S. supermarkets sell a wide variety of groceries, produce, meats, dairy products, seafood, frozen food, deli/bakery products and non-food items such as prescriptions, health and beauty care and other household and personal products. Our U.S. stores offer nationally and regionally advertised brand name merchandise as well as products manufactured and packaged under private brands. Food Lion and Harveys offers between 15,000 and 20,000 stock-keeping units (**SKUs**) in its supermarkets, Bottom Dollar Food between 6,000 and 8,000 SKUs, Sweetbay between 28,000 and 42,000 SKUs and Hannaford between 25,000 and 46,000 SKUs.

Fresh products are a key category throughout the Group. Organic, natural and international foods are becoming more prevalent in the assortment. Hannaford, Food Lion and Sweetbay feature a strong organic and natural food department, Nature's Place, in their stores. In Florida, our Sweetbay Supermarket concept strongly focuses on fresh products and specialty foods.

Private brand products

Each of our principal U.S. banners offers its own line of private brand products. The Food Lion, Hannaford and Sweetbay private brand programs are consolidated into a single procurement program where appropriate, enhancing the sales and marketing of the various private brands, reducing the cost of goods sold for private brands and strengthening the margins for these products. Revenues of private brand products represented 25.7%, 27.9% and 27.4% of Food Lion's, Hannaford's and Sweetbay respective revenues in fiscal year 2011. As of 31 December 2011, Food Lion carried more than 5,100 private brand SKUs, Hannaford approximately 6,170 private brand SKUs and Sweetbay offered more than 5,000 SKUs under its private brand program. In 2007, we developed a common three-tier private brand program in our U.S. operations, including a premium

brand, a house brand and a value line as well as category-specific private brand lines for organic products, general merchandise and prepared meals. In the second quarter of 2011, we introduced My Essentials, a new value line of private brands that replaces the Smart Option assortment.

Loyalty cards

Food Lion operates a customer loyalty card program, which is called the MVP card program, through which customers can benefit from additional savings. Transactions using the MVP card accounted for approximately 85% of revenues at Food Lion in 2011. During the fiscal year ended 31 December 2011, approximately 14.9 million households actively used the MVP program.

Pharmacies

As of 31 December 2011, there were 143 pharmacies in Hannaford stores, 78 in Sweetbay stores, 40 in Food Lion stores and 27 in Harveys stores.

(b) Belgium and the Grand Duchy of Luxembourg

Overview

Belgium is our historical home market. The Belgian food retail market is characterised by a large presence of supermarkets, discount stores and independent shopkeepers. Over the years, we have built a strong market position (second in terms of sales), providing our customers with quality products and services at competitive prices. During the first nine months of 2012, Delhaize Belgium posted revenues of EUR 3.6 billion, an increase of 1.3 % compared to the same period in 2011, and employed approximately 16,500 people at 30 June 2012.

Sales network

In Belgium and the Grand Duchy of Luxembourg our sales network consists of several banners, depending on the specialty, the store size and whether the store is company-operated, franchised or affiliated (that is, stores to which we sell wholesale goods). As of 30 September 2012, our sales network consisted of 834 stores in Belgium and the Grand Duchy of Luxembourg, compared to 821 stores at 31 December 2011.

At the end of September 2012, the network included 378 supermarkets under the Delhaize “Le Lion”, AD Delhaize and Red Market banners, 321 smaller conveniently located stores primarily under the Proxy Delhaize, Delhaize City and Shop ‘n Go banners. It also included 135 pet food and products stores operated under the Tom & Co. banner. As at the end of September 2012, we operated 38 stores in the Grand Duchy of Luxembourg.

Supermarkets

The supermarkets that are company-operated in Belgium and the Grand Duchy of Luxembourg carry the Delhaize “Le Lion” banner. As at the end of September 2012, there were 143 company-operated supermarkets which each offers around 17,000 SKUs, depending on its size.

The AD Delhaize supermarkets are affiliated stores, operated by independent retailers to whom we sell our products at wholesale prices. The AD Delhaize supermarkets have an average size of 1,125 square meters and offer approximately 12,000 SKUs.

Red Market

As at the end of September 2012, Delhaize Group operated eight Red Market stores in Belgium. The Red Market concept is a low-cost supermarket, able to offer permanent low prices on a limited range of approximately 5,700 SKUs including dry and fresh products and national as well as private brand products, in a pleasant and fast shopping experience at the quality standards for which Delhaize Belgium is renowned.

Proximity stores

Our network of proximity stores in Belgium and the Grand Duchy of Luxembourg consisted of 321 stores under the Delhaize City, Proxy Delhaize and Shop 'n Go banners as of 30 September 2012. The Delhaize City stores are mostly company-operated proximity stores targeting primarily urban customers. Proxy Delhaize and Shop 'n Go are affiliated stores. Proxy Delhaize stores have an average selling area of approximately 500 square meters and offer approximately 6,500 SKUs. Most Shop 'n Go stores are located in Q8 gas stations and address customer expectations regarding proximity, convenience, speed and longer operating hours. These stores have an average selling area of 140 square meters and offer approximately 2,000 SKUs.

On 1 October 2012, we announced our decision to convert 15 company operated Belgian City stores into affiliated Proxy stores, being operated by independent parties, giving these small urban stores greater operational flexibility in order to adapt to the specific environment.

E-commerce

Caddy-Home, our food products home delivery banner in Belgium, sells food products to customers for which orders can be placed by the Internet, telephone or fax. Caddy-Home delivers in 17 cities throughout Belgium, offering approximately 5,400 SKUs to customers. In 2009, Delhaize Belgium launched Delhaize Direct, allowing customers to order their groceries through the Internet and pick them up at their local store. By the end of September 2012, 103 stores were equipped with Delhaize Direct.

Specialty stores

Tom & Co. is a specialty chain focusing on food and accessories for pets. As of 30 September 2012, the large majority of the 135 Tom & Co. stores were operated under franchise agreements with independent operators.

Competition and regulation

The Belgian food retail market is competitive and characterised by a large presence of international retailers: Carrefour (France), Louis Delhaize-Cora (France), Aldi (Germany), Makro-Metro (Germany), Lidl (Germany), Ahold (The Netherlands) and Intermarché (France). In addition, we face competition from national retailers in Belgium, such as Colruyt and Mestdagh. Competition is based primarily on location, price, consumer loyalty, product quality, variety and service. Since 2002, we have focused in Belgium on providing consistently competitive prices supplemented with regular promotions. In early 2007, Delhaize Belgium had its price comparison methodology certified by an independent consumer organisation.

Belgian law requires that permits be obtained for the opening and extension of stores exceeding certain sizes (always above 400 square meters selling area). Operating hours are regulated and company-operated stores cannot open on Sunday, except in a small number of designated tourist zones.

Assortment

Our supermarkets in Belgium and the Grand Duchy of Luxembourg sell a wide variety of groceries, produce, meats, dairy products, seafood, frozen food, deli/bakery products and non-food items such as health and beauty care and other household and personal products.

Management believes that we are a market leader in Belgium for prepared meals. In Belgium, we have also developed a large range of organic products.

Private brand

In Belgium, we actively promote three different lines of private brand products, including more than 6,000 different SKUs under the brands “*Delhaize*”, “*Taste of Inspirations*” and “*365*.” In 2011, private brand sales under our brand accounted for approximately 55% of total revenues generated in company-operated stores in Belgium. Our products, which are marketed as value priced products, aim to be comparable in quality to national brand products but are sold for lower prices. Private brand products under our brand are also used as a vehicle to increase differentiation and customer loyalty. “*365*” products are marketed as low price products with a “no frills” packaging. This private brand was launched in May 2004, initially in our Belgian operations, followed by our Greek and Romanian operations. At the end of 2011, the “*365*” offering included approximately 500 SKUs in Belgium and accounted for approximately 4% of revenues. In 2007, we rolled out a second pan-European private brand after “*365*,” called “*Care*.” The “*Care*” assortment includes a large variety of general merchandise and health and beauty products.

Loyalty Card

Since 1992, our stores in Belgium use a loyalty card known as the Plus card, which was used by customers for approximately 92% of total sales in Delhaize “*Le Lion*” supermarkets in 2011. The Plus card also provides benefits for shoppers at our other stores in Belgium. We have developed partnerships with other companies in Belgium to offer additional benefits to holders of the Plus Card.

(c) Southeastern Europe and Asia

Overview

In 2011, Delhaize Group combined the newly acquired Maxi-operations in five countries in the Balkans with the existing activities of Alfa Beta in Greece and Mega Image in Romania, including Super Indo in Indonesia, in the South Eastern Europe & Asia (SEE & Asia) segment. With EUR 2.3 billion, this segment represented during the first nine months of 2012 13.8% of the total Group revenues. Revenues increased by 43.8% compared to the first nine months of 2011, mainly as a result of the Maxi acquisition (consolidated as from 1 August 2011), strong growth in Romania and a continued resilient performance in Greece especially considering the difficult overall context.

Sales network

At 30 September 2012, the Southeastern Europe and Asia sales network of Delhaize Group included 1,004 stores, 67 more than at the end of 2011, mainly due to Greece and Romania with a net increase of respectively 15 and 48 stores.

Greece

As of 30 September 2012, we operated 266 stores in Greece of which 162 directly operated supermarkets under the Alfa Beta banner and 4 under the AB Shop & go banner, 12 cash & carry stores under the ENA banner, 42 AB City stores and served 46 affiliated stores operated under the

AB Food Market and AB Shop & Go banners. As of 30 June 2012, Alfa Beta employed almost 10,600 people.

Alfa Beta seeks to attract customers looking for competitive pricing as well as quality products and services. Since 2005, we have focused on expanding our company-operated and affiliated network. We also reinforced our consumer appeal by focusing on assortment, price competitiveness and service. Alfa Beta continued to reinforce its product range, including organic products and private brand items.

The Greek retail market is a fragmented, competitive market characterised by a large number of local retailers. Competition is based primarily on location, price, consumer loyalty, product quality, variety and service. Our company, Lidl (Germany) and Makro (Germany) are the only foreign food retail chains with a significant presence in Greece. The most important local food retailers are Marinopoulos (previously Carrefour), Sklavenitis, Veropoulos, Atlantic and Massoutis. Alfa Beta competes with supermarket chains, hypermarkets, discount stores and traditional Greek grocery stores and markets.

Permits from municipal, health regulation and fire protection authorities are required to open new stores and often require long periods to obtain. Operating hours tend to be strictly enforced, especially in the provinces. Operating stores on Sunday is prohibited, except in select designated tourist zones.

Romania

We own 100% of Mega Image since 2004. As of 30 September 2012, Mega Image operated 153 supermarkets in Romania and employed approximately 4,700 people at 30 June 2012. Mega Image's network is concentrated in the Romanian capital of Bucharest, one of the most densely populated areas in Europe. During the first nine months of 2012, Mega Image accelerated its expansion with the opening of 48 new or acquired stores. Mega Image's stores all offer the private brand ranges "365", "Care" and the house brands available at Delhaize Belgium and Alfa Beta.

Serbia, Bulgaria, Bosnia and Herzegovina, Montenegro and Albania

On 27 July 2011, Delhaize Group acquired 100% of Delta Maxi, a Serbian food retailer present in 5 Balkan countries. At 30 September 2012, we operated 360 stores in Serbia, 41 in Bosnia and Herzegovina, 42 in Bulgaria, 23 in Montenegro and 23 in Albania. In the first quarter of 2012, 20 underperforming stores were closed (in Serbia, Bulgaria and Bosnia & Herzegovina).

At 30 June 2012, we had approximately 10,650 employees in Serbia, 2,000 in Bulgaria, 1,100 in Bosnia and Herzegovina, 750 in Montenegro and 500 in Albania.

Indonesia

In 1997, we entered Indonesia by acquiring an interest in P.T. Super Indo LLC, an operator of 11 stores at that time. We operate 96 stores as of 30 September 2012, employing approximately 5,350 associates at 30 June 2012. We own 51% of Super Indo. The remaining 49% is owned by the Indonesian Salim Group.

7. RECENT DEVELOPMENTS AND INVESTMENTS

A9 – 4.1.5

7.1 Operational initiatives

In addition to continuing to sharpen our operations' price position, we have identified concrete action plans to strengthen other attributes of our Food Lion brand and have started rolling these out

in the second quarter of 2011 in approximately 200 stores located in two representative markets (Raleigh, NC and Chattanooga, TN). In those markets, we are strengthening the quality of the assortment, the ease and convenience of the shopping experience as well as engaging in additional price investments. Based on the positive results in the 166 Phase One Food Lion stores in Raleigh, we accelerated the brand repositioning work in 2012. At 30 September 2012, 703 stores were repositioned in the United States in 3 phases. More on the initial results of this Food Lion brand repositioning work can be found in section 7.2 below.

Further, our U.S. operating companies are reinforcing their private brand assortment through the introduction of a value line called **My Essentials** introduced in 2011.

In December 2009, we launched our strategic plan for the years to come, the New Game Plan (**NGP**). The NGP aims at accelerating revenue and profit growth through a combination of strategic initiatives. First, we began implementing a new vision and common set of values that present the framework for all our operating companies within which strategic and operating decisions are made.

The NGP aims at accelerating revenue growth by means of the following levers:

- An increased focus on price competitiveness in all the markets where we operate: going forward, our operating companies' price position is defined in relation to the local market's price leader. This new focus has required a significant effort in price reductions since the beginning of 2010; in particular in the Southeast of the U.S. Additionally, increased focus on our private brand offering is an important element in improving price competitiveness.
- Increasing the share of wallet realised within our existing stores through innovation in merchandising techniques and assortments.
- Being an industry leader in health and wellness for customers as well as for associates. For example, we developed and introduced in certain of our U.S. stores a nutritional information system called **Guiding Stars** that helps consumers make more informed nutritional choices.
- Being a leader in corporate responsibility initiatives.
- Expanding our network of low cost supermarkets as well as our store network in our newer markets, which are Southeastern Europe and Asia.

The NGP foresees that these initiatives will be enabled by associate development and funded by increased efficiencies and cost savings that are generated in the areas of selling, general and administrative expenses (**SG&A**) as well as cost of sales (**COS**). By the end of 2012, we planned to generate EUR 550 million in gross annual SG&A and COS savings compared to 2009 end of year financials. We plan to realise the SG&A savings primarily through the creation of one common support services organisation for our U.S. operations. This organisation encompasses support functions like finance and accounting, legal, information technology, human resources management and corporate development. Additionally, we plan to generate savings in other areas of our operations such as store labour scheduling, advertising and marketing, as well as in repairs and maintenance. COS savings are expected to be realised primarily through the creation of one common category management and procurement organisation for our U.S. operations. The new organisation will support our U.S. banners with assortment and promotions planning and execution, sourcing and procurement, private brand management and pricing expertise. The finalisation of one single supply chain master network for all of our U.S. operations, improvements in buying conditions through the application of more facts-based supplier negotiations across the Group and the optimisation of labour costs throughout the supply chain will also contribute to these savings. An update on the status of the EUR 550 million gross annual cost savings target can be found in section 7.3 below.

7.2 Food Lion brand repositioning – current results

We continue to be pleased with the progress booked in executing the brand strategy at Food Lion. Phase One stores continued to show sales momentum in the second year of the repositioning. The 166 Phase One stores reported 1.6% comparable sales growth in the second quarter. Phase 2, with 268 stores re-launched at the end of March 2012, had temporary slower trends during the third quarter. It experienced 1.0% comparable sales growth despite cycling Hurricane Irene in 2011. Phase 3 includes 269 stores and was launched at the end of July reported 0.2% comparable sales growth and showed the strongest volume response after launch of all the Phases. Phase 4 is scheduled to be launched in Q1 2013.

7.3 Update on the gross annual cost savings target of EUR 550 million to be achieved by the end of 2012

As of 30 September 2012, 33 months into the 3-year journey to achieve the EUR 550 million gross annual cost savings announced in the New Game Plan, already EUR 518 million have been achieved, almost equally split between selling, general and administrative expenses and cost of sales. These savings have mainly been realised in SG&A through retail labour efficiencies and in cost of sales through improved supplier negotiations, value chain analysis, increased automation in the supply chain and the U.S. master network.

The cost reductions in selling, general and administrative expenses were primarily offset by cost increases related to new stores, cost inflation in areas such as payroll, rent and utilities, increased depreciation, expenses related to the strengthening of our U.S. strategy and other expenses. The cost of sales savings, while somewhat lower than expected due to timing, have been used to invest in prices and to fund increased transportation and distribution costs.

We expect to deliver EUR 550 million by year-end 2012, and we are working on a multi-year plan focused on achieving greater efficiency.

7.4 Closure of a total of 146 stores across our network in the U.S. and Southeastern Europe

In January 2012, we announced the planned closure of a total of 146 stores across our network in the U.S. and Southeastern Europe and the planned conversion of 64 Bloom and Bottom Dollar Food stores to Food Lion in the U.S. This included at Food Lion the closure of 113 underperforming stores, most of which were in markets with the lowest store density, and one distribution center, as well as converting 42 Bloom stores to Food Lion, the closure of the remaining 7 Bloom stores and the retirement of the Bloom brand. In addition, it included the planned conversion or closure of the Bottom Dollar Food brand stores in North Carolina, Virginia and Maryland. This will result in the conversion of 22 Bottom Dollar Food stores to Food Lion and the closing of 6 stores in these markets. Finally, the announcement included the planned closure of 20 underperforming stores in Southeastern Europe. These include small convenience stores, supermarkets and hypermarkets in Serbia, Bulgaria and Bosnia and Herzegovina.

The net impact of the portfolio optimization on our Group will be a reduction in our number of stores by approximately 4.3% and an initial reduction in Group revenues of approximately €500 million or 2.4%, consisting of approximately \$650 million in revenues from Delhaize U.S. and €35 million in revenues from Southeastern Europe. We recorded an impairment charge of approximately €127 million (approximately \$177 million) in the fourth quarter of 2011. As of 30 September 2012, our earnings were impacted by approximately €150 million (approximately \$173 million for the U.S. and €14 million for Southeastern Europe) to reflect store closing liabilities including a reserve for ongoing lease and severance obligations, accelerated depreciation related to store conversions, conversion costs, inventory write-downs and sales price mark downs.

7.5 Capital expenditures and store openings

For the full year 2012, Delhaize Group expects the capital expenditures to amount between EUR 700-750 million (excluding leases and at identical exchange rates) and expects to open 200-230 new stores for the year.

7.6 Financing agreements

On 10 April 2012, Delhaize Group completed a tender offer for cash prior to maturity of up to EUR 300 million aggregate principal amount of its outstanding EUR 500 million 5.625% notes due 2014 and purchased an aggregate nominal amount of EUR 191 million of the notes at a price of 108.079%. Following completion of the offer, an aggregate nominal amount of EUR 309 million of the notes remains outstanding.

On the same day, Delhaize Group closed the issuance of USD 300 million senior notes with an annual interest rate of 4.125% due 2019. The senior notes were issued at a discount of 0.193% on the principal amount and the net proceeds were used in part to fund the repurchase of the above mentioned notes and for general corporate purposes.

8. LEGAL PROCEEDINGS

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8.1 Competition litigation

In April 2007, representatives of the Belgian Competition Council visited Delhaize Group's Procurement Department in Zellik, Belgium, and requested the provision of certain documents. This visit was part of a local investigation affecting several companies active in Belgium in the supply and retail of health and beauty products and other household goods.

On 1 October 2012, the Auditor to the Belgian Competition Council issued its investigation report. The investigation involves 11 suppliers and 7 retailers, including Delhaize Belgium, on an alleged coordination of price increases on the concerned market from 2002 to 2007. The Belgian Competition Council will now hear the parties and establish a calendar for the exchange of arguments where Delhaize Group intends to vigorously defend itself.

The investigation report does not contain sufficient information, and there is no similar case precedent, that would allow estimating a possible financial impact that could result from any future decision of the Belgian Competition Council. According to Belgian legislation, compensation payments are capped to 10% of the Belgian annual revenues of the year preceding the decision of the Competition Council. Such compensation payments, if any, will therefore be within a range of 0 and 10% of the Belgian annual revenues of 2012 or 2013, depending on the timing of the decision. A decision by the Council is not expected before the end of 2013 and, under the current legislation, the parties involved have the right to appeal in court.

Consequently, we currently do not have sufficient information available to make a reliable estimate of any financial impact or the timing thereof.

8.2 Litigation in Greece

In February 2011, we were notified that some former Greek shareholders of Alfa Beta Vassilopoulos S.A., who together held 7% of Alfa Beta shares, have filed a claim in front of the Court of First Instance of Athens challenging the price paid by us during the squeeze-out process that was approved by the Hellenic Capital Markets Commission. We are convinced that the squeeze-out transaction has been executed and completed in compliance with all legal and regulatory requirements. We are currently in the process of reviewing the merits and any potential exposure of

this claim and will vigorously defend ourselves. The first hearing has been scheduled in October 2013.

8.3 Hannaford and Sweetbay intrusion

Our Hannaford and Sweetbay banners experienced an unauthorised intrusion, which we refer to as the Computer Intrusion, into portions of their computer system that process information related to customer credit and debit card transactions, which resulted in the potential theft of customer credit and debit card data. Also affected was credit card data from cards used at certain independently-owned retail locations in the Northeast of the U.S. that carry products delivered by Hannaford. The Computer Intrusion was discovered during February 2008, and we believe the exposure window for the Hannaford and Sweetbay credit and debit card data was approximately 7 December 2007 through early March 2008. There is no evidence that any customer personal information, such as names or addresses, was obtained by any unauthorised person. Various legal actions have been taken, and various claims have been otherwise asserted, against Hannaford and affiliates relating to the Computer Intrusion. While we intend to defend the legal actions and claims vigorously, we cannot predict the outcome of such legal actions and claims, and thus, do not have sufficient information to reasonably estimate possible expenses and losses, if any, which may result from such litigation and claims.

8.4 General

From time to time, we are party to legal proceedings including matters involving personnel and employment issues, personal injury, intellectual property, competition/antitrust matters, landlord-tenant matters, tax matters and other proceedings arising in the ordinary course of business. We have estimated our exposure to the claims and litigation arising in the normal course of business and believe we have made adequate provisions for such exposure. Unexpected outcomes in these matters could have a material adverse effect on our financial condition and results of operations. For more information, see the discussion under the heading “Risk Factors – Risk related to Operations of Our Company.”

9. MATERIAL CONTRACTS

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9.1 Cross Guarantee Agreement

We refer to the description under Part IV (*Description of the Cross Guarantee*) of the Prospectus.

9.2 Existing credit agreements and bond issues

The following discussion summarizes selected provisions of certain other indebtedness of Delhaize Group. The provisions of the agreements governing such indebtedness are complicated and not easily summarized. This summary is not complete and may not contain all of the information about these agreements that is important to you.

(a) Delhaize Group Committed Credit lines

Overview

At the end of September 2012, we had committed credit lines totalling EUR 759 million, of which EUR 12 million was utilized. These credit lines include (i) a syndicated credit facility of EUR 600 million (described below) and (ii) EUR 159 million of bilateral credit facilities. At 30 September 2012, the maturities of the committed credit facilities were as follows: USD 35 million maturing in 2012, EUR 54 million maturing in 2013, EUR 28 million maturing in 2014, EUR 50 million maturing in 2015 and EUR 600 million maturing in 2016.

EUR 600 million facility agreement

Our main credit line is a EUR 600 million, five-year unsecured multicurrency (euros and US dollars) revolving credit facility agreement, dated as of 15 April 2011 (the **New Facility Agreement**) entered into between Delhaize The Lion Coordination Center SA, Delhaize Griffin SA and Delhaize America, LLC, as original borrowers (the **Original Borrowers**), each of the Original Borrowers and substantially all of our U.S. subsidiaries, as original guarantors (the **Original Guarantors**), Fortis Bank SA/NV, Bank of America Securities Limited, Deutsche Bank AG, London Branch and J.P. Morgan PLC, as bookrunning mandated lead arrangers, the financial institutions listed in Part II of Schedule 1 thereto as lenders, and Fortis Bank SA/NV as agent of the arrangers and the original lenders.

The facility agreement will mature on 15 April 2016. Funds are available under this agreement for the refinancing of financial indebtedness, working capital needs, capital expenditures and general corporate purposes of Delhaize Group or any subsidiary of Delhaize Group. Subject to certain conditions stated in such agreement, Delhaize Group may borrow, prepay and re-borrow amounts at any time up to the date falling one month before the maturity date of this agreement.

This facility is fully undrawn as of 30 September 2012.

(b) Delhaize Group Notes due in the next five years

On 27 June 2007 we issued EUR 500 million 5.625% senior notes due 2014 (the **5.625% Euro Notes**) pursuant to an Indenture dated 27 June 2007 between us and The Bank of New York (the **2007 Euro Note Indenture**) and USD 450 million 6.50% senior notes due 2017 represented by certificated depository interests (the **Old 6.50% Dollar Notes**) pursuant to an Indenture dated 27 June 2007 between us and The Bank of New York (the **2007 Dollar Note Indenture**). On 2 October 2007 we completed an exchange offer pursuant to which all USD 450 million aggregate principal amount of our Old 6.50% Dollar Notes issued on 27 June 2007 were tendered in exchange for an equal aggregate principal amount of our 6.50% senior notes due 2017 that have been registered under the Securities Act (the **Exchange 6.50% Dollar Notes** and collectively with the 5.625% Euro Notes, the **2007 Notes**). The New 6.50% Dollar Notes are substantially identical to the Old 6.50% Dollar Notes, except that the Exchange 6.50% Dollar Notes are registered under the U.S. Securities Act of 1933 and the transfer restrictions terms and registration rights terms applicable to the Old 6.50% Dollar Notes do not apply to the Exchange 6.50% Dollar Notes.

The 5.625% Euro Notes will mature on 27 June 2014 and the Exchange 6.50% Dollar Notes will mature on 15 June 2017. We pay interest on the 5.625% Euro Notes annually on 27 June, and we pay interest on the Exchange 6.50% Dollar Notes semi-annually on 15 June and 15 December each year. All or a portion of the 5.625% Euro Notes or the Exchange 6.50% Dollar Notes may be subject to redemption at any time, as described, respectively, in the 2007 Euro Note Indenture and the 2007 Dollar Note Indenture. The 2007 Notes are unsecured unsubordinated senior obligations of Delhaize Group, and Delhaize Group's obligations under the 2007 Notes fall within the scope of the Cross Guarantee Agreement. The 5.625% Euro Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the regulated market of the Luxembourg Stock Exchange. The Exchange 6.50% Dollar Notes are not listed on any stock exchange.

On 10 April 2012, Delhaize Group completed a tender offer for cash prior to maturity of up to EUR 300 million aggregate principal amount of its outstanding EUR 500 million and purchased an aggregate nominal amount of EUR 191 million of the notes at a price of 108.079%. Following completion of the offer, an aggregate nominal amount of EUR 309 million of the notes remains outstanding.

On 2 February 2009 we issued USD 300 million 5.875% senior notes due 2014 represented by certificated depositary interests (the **5.875% Dollar Notes**) pursuant to an Indenture dated 2 February 2009 between us and The Bank of New York Mellon, as supplemented by the First Supplemental Indenture dated 2 February 2009 between us and The Bank of New York Mellon (as supplemented, the **2009 Indenture**). The offering of the 5.875% Dollar Notes was registered with the U.S. Securities and Exchange Commission. The 5.875% Dollar Notes will mature on 1 February 2014. We pay interest on the 5.875% Dollar Notes semiannually on 1 February and 1 August each year. All or a portion of 5.875% Dollar Notes may be subject to redemption at any time, as described in the 2009 Indenture. The 5.875% Dollar Notes are unsecured unsubordinated senior obligations of Delhaize Group, and Delhaize Group's obligations under the 5.875% Dollar Notes fall within the scope of the Cross Guarantee Agreement. The 5.875% Dollar Notes are not listed on any stock exchange.

(c) Delhaize Group Notes due 2040

On 8 October 2010 we completed a debt exchange transaction, which offered eligible debt holders of our 2027 and 2031 debt securities, issued by Delhaize America, to exchange those for new notes issued by Delhaize Group. In the debt exchange offer, we offered to exchange any and all outstanding 9.00% Debentures due 2031 and 8.05% Notes due 2027 (together the **Existing Securities**) for new unregistered 5.70% Notes due 2040 represented by certificated depositary interests (the **New 5.70% Notes**). In total USD 588 million of the total principal of USD 931 million of the Existing Securities were tendered by eligible holders and exchanged for USD 827 million in principal of the New 5.70% Notes. In March 2011, we completed a registered exchange offer of our USD 827 million New 5.70% Notes, (the **Old Notes**) for substantially identical notes registered under the Securities Act (the **Registered 5.70% Notes** and together with the New 5.70% Notes, the **5.70% Notes**). A total of USD 826,888,000 aggregate principal amount of New 5.70% Notes was exchanged for an equal principal amount of Registered 5.70% Notes pursuant to the exchange offer. The 5.70% Notes were issued pursuant to an Indenture dated as of 8 October 2010, between us and The Bank of New York Mellon, as trustee (the **2010 Indenture**). The 5.70% Notes will mature on 1 October 2040. We pay interest on the 5.70% Notes semiannually on 1 April and 1 October each year. All or a portion of 5.70% Notes may be subject to redemption at any time, as described in the 2010 Indenture. The 5.70% Notes are unsecured unsubordinated senior obligations of Delhaize Group, and Delhaize Group's obligations under the 5.70% Notes fall within the scope of the Cross Guarantee Agreement. The 5.70% Notes are not listed on any stock exchange.

(d) Delhaize Group Retail Bonds due 2018

On 5 October 2011 we issued EUR 400 million 4.25% fixed rate bonds (the **Retail Bonds**). The Retail Bonds will mature on 19 October 2018. We pay interest on the Retail Bonds annually on 19 October each year. The Retail Bonds are unsecured unsubordinated obligations of Delhaize Group, and Delhaize Group's obligations under the Retail Bonds fall within the scope of the Cross Guarantee Agreement. The Retail Bonds are listed on the official list of Euronext Brussels.

(e) Delhaize Group Notes due 2019

On 10 April 2012, we issued USD 300 million 4.125% Senior Notes due 2019 represented by certificated depositary interests (the **4.125% Dollar Notes**) pursuant to the 2009 Indenture, as supplemented by the Second Supplemental Indenture dated as of 10 April 2012. The 4.125% Dollar Notes will mature on 10 April 2019. We pay interest on the 4.125% Dollar Notes semiannually on 10 April and 10 October each year. All or a portion of the 4.125% Dollar Notes may be subject to redemption at any time, as described in the 2009 Indenture. The 4.125% Dollar Notes are unsecured unsubordinated senior obligations of Delhaize Group, and Delhaize Group's obligations under the 4.125% Dollar Notes fall within the scope of the Cross Guarantee Agreement. The 4.125% Dollar Notes are not listed on any stock exchange.

(f) Delhaize America uncommitted credit facilities

Delhaize America has uncommitted credit facility agreements for an overall amount of approximately USD 100 million. Delhaize America had no outstanding borrowings and USD 5 million in letters of credit outstanding under these credit facilities as of 30 September 2012.

(g) Delhaize America 2031 debentures issued under its 2001 indenture

Delhaize America's 9.00% debentures due 2031 (the "2031 Debentures") were issued pursuant to Delhaize America's Indenture, dated as of 15 April 2001 (as supplemented, the "2001 Indenture"). The terms of the 2031 Debentures are those stated in the 2001 Indenture and those made part of the 2001 Indenture by reference to the Trust Indenture Act. The 2031 Debentures were issued in an original aggregate principal amount of \$900 million, of which \$271.4 million remained outstanding as of 31 December 2011. Interest on the 2031 Debentures is payable semi-annually in arrears on each 15 April and 15 October. The 2031 Debentures are unsecured and rank pari passu with all of Delhaize America's other unsecured and unsubordinated indebtedness. The 2031 Debentures are obligations of Delhaize America and are guaranteed by Delhaize Group and Delhaize US Holding, Inc. pursuant to the Cross Guarantee Agreement and substantially all of the subsidiaries of Delhaize America pursuant to the 2001 Indenture. The 2031 Debentures are redeemable, at Delhaize America's option, in whole or in part at any time, at a redemption price equal to the greater of (1) the principal amount being redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the securities being redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in the 2001 Indenture) plus 50 basis points, plus in each case accrued interest to the redemption date.

(h) Delhaize America 2027 Notes issued under its 1991 Indenture

Delhaize America's 8.05% Notes due 2027 (the "2027 Notes") were issued pursuant to its Indenture, dated as of 15 August 1991 (as supplemented, the "1991 Indenture"). The 2027 Notes were issued in an original aggregate principal amount of USD 150 million of which USD 70.8 million remained outstanding as of 31 December 2011. Interest on the 2027 Notes is payable semi-annually, in arrears, on each 15 April and 15 October. The 2027 Notes are unsecured and rank pari passu with all of our other unsecured and unsubordinated indebtedness. The 2027 Notes are obligations of Delhaize America and are guaranteed by Delhaize Group, Delhaize US Holding, Inc. and Victory Distributors, Inc. pursuant to the Cross Guarantee Agreement and substantially all of the other subsidiaries of Delhaize America pursuant to the 1991 Indenture. The 1991 Indenture, among other things, limits the ability of Delhaize America and its subsidiaries to create liens and enter into sale-leaseback transactions. The 2027 Notes are redeemable as a whole or in part, at the option of Delhaize America at any time, at a redemption price equal to the greater of (i) 100% of the principal amount of each such 2027 Note to be redeemed and (ii) the sum of the present values of the remaining scheduled payments thereon discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points, plus, in each case, accrued interest on the principal amount being redeemed to the date of redemption.

PART VII: MANAGEMENT AND CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS

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A9 – 9.1

In accordance with Belgian law, our affairs are managed by our Board of Directors. Under our articles of association, the Board of Directors must consist of at least three directors. Our Board of Directors consists of eleven directors. Ten of the directors are non-executive directors and one director, Pierre-Olivier Beckers, our Chief Executive Officer, is an executive director.

In March 2012, the Board of Directors determined that the then current directors, with the exception of Chief Executive Officer Pierre-Olivier Beckers, Robert J. Murray, Didier Smits and Hugh G. Farrington, are independent under the criteria of the Belgian Company Code, the Belgian Code on Corporate Governance and the rules of the NYSE. The Board made its determination based on information furnished by all directors regarding their relationships with us. In addition, at the Ordinary General Meeting of 24 May 2012, the shareholders acknowledged that Ms. Claire Babrowski and Ms. Shari Ballard are independent within the meaning of the Belgian Company Code. Mr. Smits is no longer considered independent under the Belgian Company Code because he has served on the board of directors as a non-executive director for more than three consecutive terms. Mr. Farrington is no longer considered independent under the Belgian Company Code because he has been compensated formerly as an executive of our subsidiary Hannaford Brothers. The Board of Directors met nine times in 2011.

On the recommendation of the Remuneration and Nomination Committee, the Board proposes the appointment of directors to the shareholders for approval at the Ordinary General Meeting. Pursuant to our Articles of Association, directors may be appointed for a maximum term of office of six years. From 1999 to 2009, our Board of Directors set the length of director terms for persons elected during such period at a maximum of three years. Starting with elections in 2010, our Board of Directors decided to set the term of the mandate of a director to three years for the first term, then, provided that our Board of Directors determines such director is independent at re-election, up to four years for subsequent terms. The term of directors who are not considered independent by our Board of Directors at the time of their election though has been set by our Board of Directors at three years. Unless otherwise decided by our Board of Directors, a person who is up for election to our Board of Directors and who would turn age 70 during our standard director term length may instead be elected to a term that would expire at the ordinary general meeting occurring in the year in which such director would turn 70. Directors may be removed from office at any time by a majority vote at any meeting of shareholders. Each year, typically, there are a few directors who have reached the end of their current term of office and may be reappointed.

On 24 May 2012, the shareholders at the Ordinary General Meeting renewed the mandate of (i) Claire Babrowski for a term of four years, (ii) Pierre-Olivier Beckers and Didier Smits for a term of three years and appointed Shari Ballard as director for a term of three years. At that time, the mandates of Count Georges Jacob de Hagen and Robert Murray expired, and they did not stand for reappointment.

Our current Board of Directors and biographical information concerning such individuals are set forth below. The business address of each of our directors is Square Marie Curie 40, 1070 Brussels, Belgium.

<u>Name ⁽¹⁾</u>	<u>Position</u>	<u>Director Since</u>	<u>Term Expires</u>
Mats Jansson	Chairman	May 2011	2014

Pierre-Olivier Beckers	President, Chief Executive Officer & Director	May 1995	2015
Claire Babrowski	Director	May 2006	2016
Shari Ballard	Director	May 2012	2015
Jacques de Vaucleroy	Director	May 2005	2015
Hugh G. Farrington	Director	May 2005	2014
Jean-Pierre Hansen	Director	May 2011	2014
William G. McEwan	Director	May 2011	2014
Didier Smits	Director	May 1996	2015
Jack Stahl	Director	August 2008	2014
Luc Vansteenkiste	Director	May 2005	2015

(1) Count Georges Jacob de Hagen and Robert Murray did not seek reelection to the Board of Directors when their terms expired on 24 May 2012.

Mats Jansson (1951). Mr. Jansson currently serves as an independent board member of Danske Bank and Falck. Mr. Jansson began his career with ICA, a leading Swedish food retailer, holding positions of increasing responsibility over a period of more than 20 years and serving as President of ICA Detaljhandel and Deputy CEO and Chairman of the Group from 1990 to 1994. He then served as CEO of Catena/Bilia (1994 to 1999) and Karl Fazor Oy (1999 to 2000). From 2000 to 2005 Mr. Jansson held the position of CEO with Axfood, a publicly-traded Swedish food retailer. From 2005 to 2006 Mr. Jansson served as President and CEO of Axel Johnson AB, a family owned conglomerate of distribution and services companies. Mr. Jansson was President and CEO of SAS, the Scandinavian airline company, from 2006 to 2010. He also previously has served as a director of Axfood, Mekonomen, Swedish Match and Hufvudstaden. Mr. Jansson studied economical history and sociology at the University of Örebro.

Pierre-Olivier Beckers (1960). Mr. Beckers has been the President and Chief Executive Officer of Delhaize Group since 1 January 1999. Mr. Beckers earned a Master's degree in applied economics at I.A.G., Louvain-La-Neuve and an MBA from Harvard Business School. He began working in the food retail industry in 1982 as a store manager for a bakery chain in Belgium. Mr. Beckers joined us in 1983, to work initially three years in our U.S. operations as a store manager. After his return to Belgium, he broadened his retail experience as a buyer, director of purchasing, member of the Executive Committee and Director and Executive Vice-President in charge of international activities. In January 2000, Mr. Beckers was named Manager of the Year by the leading Belgian business magazine Trends/Tendances. In 2009, he was named Belgium's BEL 20 CEO of the year by the Belgian newspapers Le Soir and De Standaard. Until June 2010, he was Co-Chairman of the Consumer Good Forum, a global association of leading consumer goods retailers and manufacturers. Previously, Mr. Beckers served as chairman of the CIES, the Food Business Forum, from 2002 to 2004 and again from July 2008 until its merger and transformation into the Consumer Goods Forum. He is on the Board of Directors of the Food Marketing Institute and is Vice-Chairman of the Executive Committee of FEB/VBO, the Belgian Employers Federation. He is a member of Guberna and, until 2010, the Belgian Commission on Corporate Governance. He is President of the BOIC

(Belgian Olympic Interfederal Committee) since December 2004, with a current term expiring in 2013.

Claire H. Babrowski (1957). Ms. Babrowski is a retired retail executive. She started her career spending 30 years at McDonald's Corporation, where her last position was Senior Executive Vice President and Chief Restaurant Operations Officer. From 2005 to 2006, she worked for RadioShack, serving as Executive Vice President and Chief Operating Officer, and then President, Chief Operating Officer and acting Chief Executive Officer. From 2007 until 2010, Ms. Babrowski was the Executive Vice President, Chief Operating Officer of Toys "R" Us, a specialty toy retailer operating more than 1,500 stores throughout the world. In 1998, she received the Emerging Leader Award from the U.S. Women's Service Forum. Ms. Babrowski serves on the Board of Directors of Pier 1 Imports, Inc. and Quiznos. Ms. Babrowski holds a Master in Business Administration from the University of North Carolina.

Shari Ballard (1966). Ms. Ballard has been President, International - Enterprise Executive Vice President of Best Buy Co., Inc. since January 2012. Ms. Ballard began her career with Best Buy in 1993 as an assistant store manager, and in 1997 joined its Retail Change Implementation Team. She then moved to Best Buy's human resources department, ultimately assuming the role of Executive Vice president of Human Resources and Legal in 2004. She also served as Executive Vice President, Retail Channel Management of Best Buy from 2007 until 2010 and as Co-President of the Americas and Executive Vice President from 2010 until January 2012. Ms. Ballard graduated from the University of Michigan - Flint with a Bachelors Degree in Social Work.

Jacques de Vaucleroy (1961). Mr. de Vaucleroy is CEO of the Northern, Central and Eastern Europe business unit of AXA since March 2010. He is also in charge of AXA Bank Europe. Since April 2010, he has been a member of the AXA Management Committee. On 1 January 2011, he assumed global responsibility for the Group's AXA Life and Savings and Health businesses. Jacques de Vaucleroy has made most of his career within the ING Group, where he was a member of the Executive Board of ING Group and CEO of ING Insurance and Investment Management Europe. He has extensive experience in the banking and insurance and asset management business, both in Europe and in the U.S. Jacques de Vaucleroy holds a law degree (Université Catholique de Louvain, Belgium) and a Master in Business Law (Vrije Universiteit Brussels, Belgium).

Hugh G. Farrington (1945). Following a retail management career starting in 1968 at Hannaford, a U.S. subsidiary of Delhaize Group, Mr. Farrington served as President and Chief Executive Officer of Hannaford from 1992 to 2001. In 2000, he was appointed as Vice Chairman of Delhaize America, and in 2001, he became our Executive Vice President and member of our Board of Directors. In 2003, Mr. Farrington left the Board of Directors and resigned from his executive functions within our company. He rejoined the Board as a director in 2005. Mr. Farrington holds a Bachelor's degree from Dartmouth College, Hanover, New Hampshire and a Master of Arts in teaching from the University of New Hampshire.

Jean-Pierre Hansen (1948). Mr. Hansen is member of the Executive Committee of GDF Suez and Chairman of its Energy Policy Committee. From January 2005 to April 2010 and from 1992 to March 1999, Mr. Hansen served as Chief Executive Officer of Electrabel and as Chairman of the Board of Directors of Electrabel from 1999 till 2004. Mr. Hansen was Chief Operating Officer and Vice-Chairman of the Executive Committee of the Suez Group from 2003 till 2008. He is a member of the Board of Directors of Electrabel, Compagnie Nationale à Portefeuille, KBC and SNCB Logistics. He was Vice-President of the Federation of Enterprises in Belgium (FEB) and a Member of the Council of Regency of the National Bank of Belgium. He was awarded an Honorary Doctorate by the Katholieke Universiteit Leuven and lectures in economics at the Université Catholique Louvain and the Ecole Polytechnique in Paris. He is a Visiting Scholar at MIT (Cambridge, US). Mr. Hansen holds a degree in Civil Engineering (Liège), a Ph. D. in Engineering (Paris VI) and a Master's degree in Economics (Paris II).

William G. McEwan (1956). Mr. McEwan is President & Chief Executive Officer of Sobeys Inc. and a member of the Board of Directors of its parent company, Empire Company Limited. Between 1989 and 2000, Mr. McEwan held a variety of progressively senior marketing and merchandising roles in the consumer packaged goods industry with Coca-Cola Limited and in grocery retail with The Great Atlantic and Pacific Tea Company (A&P) both in Canada and in the United States. He served as President of A&P's Canadian operations before his appointment as President and Chief Executive Officer of the company's US Atlantic Region, the position he held immediately prior to joining Sobeys Inc. Since joining Sobeys in November 2000, Mr. McEwan has overseen the development and execution of the company's long-term strategic plan. Mr. McEwan is on the Board of Directors of The Consumer Goods Forum. In November, 2005 Mr. McEwan was presented the Golden Pencil Award, The Food Industry Association of Canada's highest distinction. In May 2006, the Canadian Council of Grocery Distributors presented Mr. McEwan with the Robert Beaudry Award of Excellence for leadership in the grocery industry.

Didier Smits (1962). Didier Smits received a Master's degree in economic and financial sciences at I.C.H.E.C. in Brussels. From 1986 to 1991, Mr. Smits was a Manager at Advanced Technics Company. In 1991, Mr. Smits became Managing Director of Papeteries Aubry SPRL.

Jack Stahl (1953). Mr. Stahl served in the role of President and Chief Executive Officer of cosmetics company Revlon from 2002 until his retirement in September 2006. Prior to joining Revlon, Mr. Stahl had a 22-year career as an executive with the Coca-Cola Company culminating in the role of President and Chief Operating Officer. He also served as Group President of Coca-Cola Americas and Chief Financial Officer. Mr. Stahl started his professional career as an auditor at Arthur Andersen & Co. Mr. Stahl served on the Board of pharmaceutical company Schering-Plough until December 2009 and currently serves on the Board of the soft drinks company Dr. Pepper Snapple Group. He is also a Board member of several non-profit organisations such as The Boys and Girls Clubs of America and The United Negro College Fund. Mr. Stahl received his undergraduate degree from Emory University and holds an MBA from the Wharton Business School of the University of Pennsylvania.

Luc Vansteenkiste (1947). Baron Vansteenkiste is President of the Board of the Belgian company Sioen and Vice President of the Board of Recticel. Baron Vansteenkiste is also a member of the Board of the Belgian company Spector Photo Group. Baron Vansteenkiste is Honorary Chairman of the Federation of Belgian Companies and Board member of Guberna. Baron Vansteenkiste was Chief Executive Officer of Recticel until 1 April 2010. Baron Vansteenkiste earned his degree in civil engineering at the Katholieke Universiteit Leuven, Belgium.

2. COMMITTEES OF THE BOARD OF DIRECTORS

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Our Board of Directors has two standing committees: the Audit Committee and the Remuneration and Nomination Committee.

2.1 Audit Committee

The principal responsibilities of the Audit Committee are to assist the Board in monitoring:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- the statutory auditor's qualification and independence;
- the performance of our internal audit function and statutory auditor; and

- our internal controls and risk management.

The Audit Committee's specific responsibilities are set forth in the Terms of Reference of the Audit Committee, which is attached as Exhibit B to our Corporate Governance Charter, which is posted on our website at www.delhaizegroup.com.

The Audit Committee is composed solely of independent directors. The members of the Audit Committee are Jack Stahl, who is the Chair, Claire Babrowski, Jean-Pierre Hansen and Luc Vansteenkiste. Effective 26 May 2011, Arnoud de Pret Roose de Calesberg's mandate on the Company's Board of Directors expired and he ceased to be a member of the Board, and as a related matter also ceased to be a member of the Audit Committee. Mr. Hansen joined the Audit Committee on 24 May 2012.

Our Terms of Reference of the Audit Committee require that all members satisfy the independence requirements of Belgian law, the Belgian Code on Corporate Governance, and the New York Stock Exchange. The Board of Directors has determined that Mr. Stahl, Ms. Babrowski, Baron Vansteenkiste and Jean-Pierre Hansen are "audit committee financial experts" as defined in Item 16A of Form 20-F under the Exchange Act. In 2011, the Audit Committee met five times.

2.2 Remuneration and Nomination Committee

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The principal responsibilities of the Remuneration and Nomination Committee are to:

- approve the Company's Remuneration Report;
- identify individuals qualified to become Board members, consistent with criteria approved by the Board;
- recommend to the Board the director nominees for each Ordinary General Meeting;
- recommend the Board director nominees to fill vacancies;
- recommend to the Board qualified and experienced directors for service on the committees of the Board;
- recommend to the Board the compensation of the members of executive management;
- recommend to the Board any incentive compensation plans and equity-based plans, and awards thereunder, and profit-sharing plans for our associates;
- evaluate the performance of the Chief Executive Officer; and
- advise the Board on other compensation issues.

The Remuneration and Nomination Committee's specific responsibilities are set forth in the Terms of Reference of the Remuneration and Nomination Committee, which is attached as Exhibit C to our Corporate Governance Charter, which is posted on our website at www.delhaizegroup.com.

The members of the Remuneration and Nomination Committee are Hugh G. Farrington, who is the Chair, Jacques de Vaucleroy, William G. McEwan and Mats Jansson. Jacques de Vaucleroy, William G. McEwan and Mats Jansson are independent directors, while Mr. Farrington is no longer considered independent under the Belgian Company Code effective 26 May 2011 because he has been compensated formerly as an executive of our subsidiary Hannaford Brothers. Effective 24 May 2012, Count Jacobs de Hagen retired as director from the Company's Board of Directors, and as a related matter also ceased to be Chair and a member of the Remuneration and Nomination Committee. In 2011, the Remuneration and Nomination Committee met seven times. Our Remuneration Policy for Directors and the Executive Management can be found as Exhibit E to our Corporate Governance Charter, which is posted on our website at www.delhaizegroup.com.

2.3 Management Structure

Our management structure consists of:

- a management structure organised around three operational segments and several support functions; and
- an Executive Committee, which prepares the strategy proposals for the Board of Directors, oversees the operational activities and analyses our business performance.

United States. Ron Hodge, Executive Vice President of Delhaize Group and Chief Executive Officer of Delhaize America, retired on 15 October 2012 and was replaced by Roland Smith.

Belgium. Michel Eeckhout, Executive Vice President of Delhaize Group and Chief Executive Officer of Delhaize Belgium, which comprises Belgium and the Grand Duchy of Luxembourg, was replaced by Dirk van den Berghe as of 1 January 2012.

Southeastern Europe & Asia. Kostas Macheras, Executive Vice President of Delhaize Group and the Chief Executive Officer of Southeastern Europe, is responsible for Alfa Beta (Greece), Mega Image (Romania) and Delta Maxi (Serbia, Bosnia Herzegovina, Montenegro, Bulgaria and Albania). Michael Waller, our Executive Vice President, General Counsel and General Secretary, is responsible for Lion Super Indo (Indonesia).

Delhaize Europe

As of 1 January 2012, we set up a new organization called Delhaize Europe that encompasses the operations of Delhaize Belgium and Southeastern Europe. Delhaize Europe's objectives are to increase the collaboration between the European operating companies, fully leverage the scale of the European operations and generate cost savings and facilitate the sharing of best practices so as to provide a stronger platform for local, regional as well as global growth. Delhaize Europe's operating companies benefit from Delhaize Europe's regional support services including areas of finance, human resources, legal, IT and procurement.

Delhaize Europe is led by Stéfán Descheemaeker, as Executive Vice President and Chief Executive Officer of Delhaize Europe and member of the Delhaize Group Executive Committee. He was replaced as Chief Financial Officer by Pierre Bouchut.

As from 1 January 2012, Delhaize Belgium and Delhaize Group Southeastern Europe report directly to Stéfán Descheemaeker.

Delhaize Southeastern Europe

Kostas Macheras continues to lead the Southeastern Europe operations in his capacity of Chief Executive Officer of the region and remains a Member of the Delhaize Group Executive Committee. Kostas Macheras is a seasoned and successful food retail executive who will fully leverage the new organisation to foster our growth in that part of Europe. Kostas Macheras reports to Stéfán Descheemaeker as from 1 January 2012.

Delhaize Belgium

As of 1 January 2012, Dirk Van den Berghe became Chief Executive Officer of Delhaize Belgium, reporting to Stéfán Descheemaeker.

In his position as Executive Vice President of Delhaize Group and member of its Executive Committee, Michel Eeckhout continues to serve the group and contribute to key growth projects. He has successfully led Delhaize Belgium since July 2007.

2.4 Executive Committee

Our Chief Executive Officer, Pierre-Olivier Beckers, is in charge of our day-to-day management with the assistance of the Executive Committee. The Executive Committee, chaired by our Chief Executive Officer, prepares the strategy proposals for the Board of Directors, oversees the operational activities and analyses the business performance of our company. The age limit set by the Board for the Chief Executive Officer is 65.

Our Executive Committee does not qualify as a management committee (*comité de direction / directiecomité*) under Belgian law and as such does not hold the Board of Directors' management powers.

The members of the Executive Committee are appointed by the Board of Directors. Our Chief Executive Officer is the only member of the Executive Committee who is also a member of the Board of Directors. Our Board of Directors decides on the compensation of the members of the Executive Committee and our other senior officers upon recommendation by our Remuneration and Nomination Committee. Our Chief Executive Officer recuses himself from any Board of Directors decision regarding his own compensation.

Our current Executive Committee members and biographical information concerning such individuals are set forth below (except for the biographical information of our President and Chief Executive Officer who is also a member of the Board of Directors, which is set forth above).

Name	Position	Executive Officer / Member of the Executive Committee since
Pierre-Olivier Beckers	President and Chief Executive Officer	1990
Pierre Bouchut	Executive Vice President and Chief Financial Officer	2012
Stéfan Descheemaeker	Executive Vice President	2009
Michel Eeckhout	Executive Vice President	2005
Roland Smith	Executive Vice President	2012
Nicolas Hollanders	Executive Vice President	2007
Kostas Macheras	Executive Vice President	2010
Michael Waller	Executive Vice President and General Counsel	2001

Stéfan Descheemaeker (1960). Mr. Descheemaeker is Executive Vice President and Chief Executive Officer of Delhaize Europe since January 2011. Before he was Chief Financial Officer of Delhaize Group since 2009. He started his career with Cobepa, at that time the Benelux investment company

of BNP-Paribas. He later joined the holding company Defi as CEO of its financial subsidiary Definance. In 1996, he joined the Belgian brewer Interbrew, where he became head of Strategy & External Growth, managing its M&A operations, culminating with the merger of Interbrew and AmBev in 2004. At that point in time, he transitioned to operational management, in charge of respectively the brewer's operations in the U.S. and Mexico, Central and Eastern Europe, and, eventually, Western Europe. In 2008, Mr. Descheemaeker ended his operational responsibilities at Anheuser-Busch InBev and joined its Board as non-executive director. Mr. Descheemaeker holds a Masters' degree as Commercial Engineer, Solvay Business School, Brussels, Belgium.

Michel Eeckhout (1949). Mr. Eeckhout is Executive Vice President of Delhaize Group. Mr. Eeckhout was Chief Executive Officer of Delhaize Belgium until 31 December 2011. He joined us in 1978, as IT project leader and IT manager. In addition, he became Group coordinator for the IT-activities in Europe and Asia in 1992 and member of the Executive Committee of Delhaize Belgium in 1995. He was appointed Delhaize Group Vice President of Information Technology Processes and Systems in 2001 and was Chief Information Officer from 2002 to 2007. He became a member of our Executive Committee in September 2005. He is a Board member of COMEOS (previously named Fedis Fédération belge de la Distribution), UWE, VOKA, Alcopa and Leasinvest Realestate. Mr. Eeckhout earned a Master's degree in economics (at UFSIA, Antwerp) and in European economics (at Université Libre de Bruxelles, Brussels), and an Executive Master in General Management, from the Solvay Business School, Brussels.

Nicolas Hollanders (1962). Mr. Hollanders is Executive Vice President of Human Resources, IT and Sustainability of our company. He started his career as a lawyer. In 1989, he joined Delvaux, a Brussels-based manufacturer and distributor of luxury leather goods and accessories, first as General Manager, and from 1993 as Managing Director. In 1995, Mr. Hollanders joined the executive search firm Egon Zehnder International, where he served successively as consultant, principal and partner. Mr. Hollanders is founding member and Chairman of Child Planet, a foundation aimed at improving conditions in children's hospitals and also serves on the board of Face Children. Mr. Hollanders holds a Master's degrees in Law and Notary Law and a Post Graduate degree in Economics from the University of Leuven.

Kostas Macheras (1953). Mr. Macheras is an Executive Vice President of our company and Chief Executive Officer Southeastern Europe. Mr. Macheras joined Delhaize Group in 1997 as General Manager of Alfa Beta Vassilopoulos. In 2009 Mr. Macheras added Mega Image, the Romanian operations of Delhaize Group, to his responsibilities. Mr. Macheras started his professional career in retailing in the U.S., as purchasing manager at the Quality Super Market Company in Chicago. He worked for 14 years for Mars, Inc. In 1982, he was in charge of sales, marketing and export in The Netherlands, and later became General Manager for Greece and Italy. From 1996-1997 he served as General Manager of Chipita International in Greece. He is a Board member of EEDE (Hellenic Management Association) for nine years. He has been a member of the Board of Directors at EASE (Association of Greek Executive Officers) since 2008, and is also currently a Board member of SEET (Association of Greek Food Enterprises). In 2005, he was named Officer in the Order of Leopold II by King Albert II of Belgium. In April 2009, Mr. Macheras was elected Manager of the Year 2008 by the Hellenic Management Association. Mr. Macheras holds a BA from Piraeus University and an MBA from the Roosevelt University of Chicago (Business Administration & Marketing).

Roland Smith (1954). Mr. Smith is President and Chief Executive Officer of Delhaize America and Executive Vice President of Delhaize Group. Mr. Smith served in the U.S. Army for seven years. Mr. Smith held senior management positions at Kentucky Fried Chicken, Pepsi Cola International, Schering-Plough and Procter & Gamble before joining in 1994 Arby's Inc, predecessor to Arby's Restaurant Group Inc.. He was promoted to President and CEO of Arby's Inc. in February 1997, serving in that capacity until 1999. From April 1999 until January 2003, Mr. Smith was Chief Executive Officer of AMF Bowling Centers, Inc. Between February 2003 and November 2005, Mr.

Smith served as Chief Executive Officer of American Golf Corporation. In April 2006, Mr. Smith returned to Arby's Restaurant Group, Inc. where he served as Chief Executive Officer until September 2008. In September 2008, Triarc Companies Inc. the parent company of Arby's Restaurant Group, Inc. merged with Wendy's International Inc. to form Wendy's/Arby's Group Inc. where Mr. Smith served as President and Chief Executive Officer until July 2011. After the sale of Arby's Restaurant Group, Inc. in July 2011, he served as President and Chief Executive Officer of The Wendy's Company until September 2011. Mr. Smith is currently a Director of The Wendy's Company and Chairman of the Board of Directors for Carmike Cinemas, Inc., a national trustee of the Boys & Girls Clubs of America, a national executive board member of the Boy Scouts of America and a member of the World Presidents' Organization International. Mr. Smith is a graduate of the U.S. Military Academy at West Point, New York.

Michael R. Waller (1953). Mr. Waller is an Executive Vice President, General Counsel and General Secretary of our company and President Director of Super Indo. Additionally, Mr. Waller has been an Executive Vice President, General Counsel and Secretary of Delhaize America since July 2000. Previously, Mr. Waller was a partner in the international law firm Akin, Gump, Strauss, Hauer & Feld, L.L.P. In the years prior to joining Delhaize America, Mr. Waller served as Managing Partner of Akin Gump's Moscow and London offices, and maintained an international corporate practice. Mr. Waller earned a Bachelor of Arts degree in psychology from Auburn University and a Juris Doctorate degree from the University of Houston, where he served as Editor-in-Chief of the Houston Law Review. Prior to entering private practice, Mr. Waller served as a law clerk for U.S. District Judge Robert O'Connor, Jr. in the Southern district of Texas.

3. CORPORATE GOVERNANCE

We follow the corporate governance principles described in the 2009 Belgian Code on Corporate Governance and adopted this 2009 Code as our reference Code. The 2009 Belgian Code on Corporate Governance replaces the previous version from 2004.

We have published on our website (www.delhaizegroup.com):

- the Delhaize Group Corporate Governance Statement which contains comprehensive and factual information on our corporate governance, including changes in the Company's corporate governance structure together with relevant recent events;
- the Delhaize Group Corporate Governance Charter which describes the main aspects of our corporate governance and sets forth the rules and policies of the company that together with applicable law constitute the governance framework within which the company operates; and
- a remuneration report which provides to our stakeholders consistent and transparent information on executive compensation.

4. CONFLICTS OF INTERESTS

In 2011, there were no transactions or contractual relationships between the Issuer, including its related companies, and a member of the Executive Management which could create a conflict of interest. A9-9.2

5. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS OF DELHAIZE GROUP

Our directors are remunerated for their services with a fixed compensation, decided by the Board of Directors and not to exceed the maximum amounts set by our shareholders. The maximum amount approved by the shareholders is EUR 80,000 per year per director, increased by an additional

amount of up to EUR 15,000 per year for the Chairman of any standing committee of the Board and an amount of up to EUR 10,000 per year for services as a member of any standing committee of the Board. For the Chairman of the Board, the maximum remuneration amount is EUR 160,000 per year (exclusive of any amount due as Chairman of any standing committee).

Our non-executive directors do not receive any remuneration, benefits or equity-linked or other incentives from us and our subsidiaries other than their remuneration for their service as directors of our company. For some non-Belgian directors, we pay a portion of the cost of preparing the Belgian and U.S. tax returns for such directors. The aggregate amount of remuneration granted for fiscal year 2011 to our directors by us and our subsidiaries is set out in the table below. The compensation of the executive director as set forth in the table below relates solely to his compensation as director and excludes his compensation as an executive of our company. Delhaize Group has not extended credit, arranged for the extension of credit or renewed an extension of credit in the form of a personal loan to or for any director.

- (a) Remuneration Granted for Fiscal Year 2011 to Directors of Delhaize Group by Delhaize Group and its Subsidiaries

(in EUR)	2011
Non-Executive Directors	
Count Jacobs de Hagen	175,000
Claire Babrowski	90,000
Count de Pret Roose de Calesberg ⁽¹⁾	36,099
François Cornélis ⁽²⁾	32,088
Hugh G. Farrington	90,000
Count Goblet d'Alviella ⁽³⁾	45,000
Robert J. Murray ⁽⁴⁾	80,000
Didier Smits	80,000
Jack L. Stahl	95,000
Baron Vansteenkiste	90,000
Jacques de Vaucleroy	85,989
Jean-Pierre Hansen ⁽⁵⁾	47,912
Mats Jansson ⁽⁶⁾	53,901
Bill McEwan ⁽⁷⁾	47,912
Total remuneration non-executive directors	1,048,901

Executive Directors

Pierre-Olivier Beckers⁽⁸⁾

80,000

Total remuneration directors

1,128,901

- (1) Prorated: Mr. de Pret Roose de Calesberg resigned from the Board of Directors effective 26 May 2011.
- (2) Prorated: Mr. Cornélis resigned from the Board of Directors effective 26 May 2011.
- (3) Prorated: Mr. Goblet d'Alviella resigned from the Board of Directors effective 30 June 2011.
- (4) Prorated: Mr. Murray resigned from the R&N Committee effective 26 May 2011.
- (5) Prorated: Mr. Hansen joined the Board of Directors effective 26 May 2011.
- (6) Prorated: Mr. Jansson joined the Board of Directors effective 26 May 2011.
- (7) Prorated: Mr. McEwan joined the Board of Directors effective 26 May 2011.
- (8) The amounts solely relate to the remuneration of the executive director and exclude his compensation as CEO that is separately disclosed below

(b) Remuneration Granted for Fiscal Year 2011 to Executive Officers of Delhaize Group by Delhaize Group and its Subsidiaries

The aggregate compensation for the members of the Executive Committee recognised in the Company's consolidated income statements for 2011 and 2010, respectively, is stated below. Amounts are gross amounts before deduction of withholding taxes and social security levy. They do not include the compensation of the CEO as director of the Company that is separately disclosed above.

(in millions of EUR)	2010	2011
Short-term benefits ⁽¹⁾	7	5
Retirement and post-employment benefits ⁽²⁾	1	1
Other long-term benefits ⁽³⁾	2	2
Termination benefits	5	-
Share-based compensation	2	3
Employer social security contributions	1	1
Total compensation expense recognised in the same income statement	18	12

(1) Short-term benefits include the annual bonus payable during the subsequent year for performance achieved during the respective years.

(2) The members of the Executive Committee benefit from corporate pension plans, which vary regionally (see Note 21.1 of the 2011 Annual Report). Amounts represent the employer contributions for defined contribution plans and the employer service cost for defined benefit plans.

(3) Other long-term benefits include the performance cash component of the Long-Term Incentive Plan that was established in 2003. The grants of the performance cash component provide for cash payments to the grant recipients at the end of a three-year performance period based upon achievement of clearly defined targets. Amounts represent the expense

recognised by the Company during the respective years, as estimated based on realised and projected performance. Estimates are adjusted every year and when payment occurs.

Pierre-Oliver Beckers, our President and Chief Executive Officer is compensated both with a director fee and as an executive. Mr. Beckers' director fee is set forth in the table above. For 2011, the aggregate amount of compensation paid to Mr. Beckers as an executive was EUR 2.81 million. The compensation of Mr. Beckers was comprised of base pay of EUR 0.97 million, an annual bonus of EUR 0.66 million, other short-term benefits valued at EUR 0.06 million, retirement and post-employment benefits valued at EUR 0.74 million and other long-term benefits valued at EUR 0.38 million. A total of 32,000 Delhaize Group stock options/warrants and 12,000 restricted stock units were granted to Mr. Beckers in 2011, the value of which is not included in the EUR 2.81 million.

The members of Executive Management benefit from corporate pension plans, which vary regionally. U.S. members of Executive Management participate in defined benefit and contribution plans in their respective operating companies. The European plan is contributory and based on the individual's career length with the Company. In 2011, the members of the Executive Management in Belgium were offered the option to switch to a defined contribution plan or to continue in the existing defined benefit plan. We expensed an aggregate amount of EUR 1.3 million with respect to these various plans for the members of the Executive Committee as a group for the year ended 31 December 2011, which amount is included in the EUR 12 million aggregate amount of compensation attributed by us and our subsidiaries to members of the Executive Committee as a group for services in all capacities. The members of the Executive Committee also participate in our stock option, restricted stock unit and long-term incentive plans. Delhaize Group has not extended credit, arranged for the extension of credit or renewed an extension of credit in the form of a personal loan to or for any members of the Executive Committee.

(c) Equity Compensation of Executive Management

In 2012, 502,356 stock options were granted to members of our Executive Committee. The exercise price per share for the stock options granted in 2012 amounted to EUR 30.99 for options on ordinary shares traded on NYSE Euronext Brussels and USD 38.86 for options related to our American Depositary Shares traded on the New York Stock Exchange. The options granted in May 2012 under the Delhaize Group 2012 Stock Incentive Plan for executives of our U.S. operating companies vest in equal annual instalments of one third over a three-year period following the grant date. Options granted in June 2012 under the 2007 Stock Option Plan for other executives vest after a three and a half year period following the grant date.

The restricted stock unit awards granted in 2012, represent a commitment of Delhaize Group to deliver shares of our stock to the award recipient, at no cost to the recipient (one restricted stock unit equals one ordinary share). The shares are delivered over a five-year period starting at the end of the second year after the award. These shares can be sold by the award recipient at any time following the delivery of the shares consistent with the guidelines and restrictions contained in our trading policies.

The table below sets forth the number of restricted stock unit awards, stock options and warrants granted by our company and its subsidiaries during 2012 to our Chief Executive Officer and the other members of the Executive Committee.

Stock Options/ Warrants	2012 Restricted Stock Unit Awards
--	--

Executive Management		
Pierre-Olivier Beckers	32,000	12,000
Pierre Bouchut	38,072	-
Stéfan Descheemaeker	35,576	-
Michel Eeckhout	23,176	-
Nicolas Hollanders	14,238	1,466
Kostas Macheras	41,299	-
Roland Smith	300,000	40,000
Michael Waller	17,995	3,685
Total	502,356	57,151

(d) Share Ownership Guidelines

We believe that our executive officers should be encouraged to maintain a minimum level of share ownership in order to align the interests of the shareholders and our executive officers. In 2008, our Board of Directors adopted share ownership guidelines based on the recommendation of our Remuneration and Nomination Committee. Under these guidelines and during their active employment, each of our Chief Executive Officer and our other executive officers is expected to acquire and maintain ownership of Delhaize Group stock equal to a multiple of such officer's annual base salary. These multiples are as follows:

- Chief Executive Officer: 300% of annual base salary
- U.S.-based executive officers: 200% of annual base salary
- European-based executive officers: 100% of annual base salary

The difference in share ownership guidelines between U.S.-based and European-based management is due to the different market practices in these regions and the differences between the instruments available for executive officer remuneration. In the U.S., equity based compensation is more widely encouraged than in Europe.

Our executive officers are expected to achieve the share ownership levels by the end of 2012. New executive officers will be allowed a period of 5 years to achieve the recommended share ownership levels. Our Remuneration and Nomination Committee monitors the compliance with these guidelines at least once a year. The Board of Directors is currently satisfied with the progress that has been made so far.

(e) Main Contractual Terms of Hiring and Termination of Executive Management.

The Company's Executive Management, in accordance with employment-related agreements and applicable law, is compensated in line with the Company's Remuneration Policy and is assigned duties and responsibilities in line with current market practice for its position and with the Company's Terms of Reference of Executive Management.

Executive Management is required to abide by the Company's policies and procedures, including the Company's Guide for Ethical Business Conduct, and is subject to confidentiality and non-compete obligations to the extent authorized by applicable law. Executive Management is also subject to other clauses which are typically included in employment agreements for executives.

The employment agreements of the Chief Executive Officer and Pierre Bouchut, Michel Eeckhout, Nicolas Hollanders, and Stefan Descheemaeker, who all have a Belgian employment contract, do not provide for a severance payment in case of termination. Should the employment be terminated, the parties will negotiate in good faith to determine the terms and conditions applicable to such termination. In case of disagreement, the case will be settled by the Courts applying Belgian law.

The employment agreement of Kostas Macheras, who has a Greek employment contract, provides for a severance payment of twice the annual base salary and annual incentive bonus in certain cases of termination of the agreement, for example in the event of retirement. Such payment is not due in case of dismissal of Kostas Macheras for serious misconduct or serious fault. The abovementioned Greek employment contract relates to the activities of Kostas Macheras as CEO of the relevant Greek subsidiary and has been referred to in this document for the sake of completeness.

The U.S. employment agreements of Ron Hodge and Michael Waller provide the payment of two to three times the annual base salary and annual incentive bonus of the Executive Manager and the continuation of the Company health and welfare benefits for a comparable period in the event of the termination of their employment by the Company without cause or by an Executive Manager for good reason. The termination would also result in accelerated vesting of all or substantially all of the long-term incentive awards.

The contracts with the members of Executive Management do not provide for a claw-back right for the Company in cases where the variable remuneration paid was calculated on the basis of erroneous financial data.

6. EMPLOYEES

As of 30 June 2012, we employed approximately 158,000 employees (of which approximately 76,500 were full-time employees and approximately 81,500 were part-time employees). As of 30 June 2012, we employed approximately 106,000 employees in the United States, approximately 16,500 in Belgium, and approximately 35,500 in other regions.

Our policy with respect to labour unions is to comply with local regulations and collective bargaining agreements. We consider our relations with our employees to be good.

7. SHARE OWNERSHIP OF DELHAIZE GROUP MANAGEMENT

On 31 December 2011, the directors and the members of our Executive Committee as a group owned 478,532 Delhaize Group ordinary shares or ADRs, which represented approximately 0.47% of our outstanding shares. To our knowledge, none of our directors or executive officers beneficially own more than 1% of our shares. On 31 December 2011, the members of our Executive Committee owned as a group 856,859 stock options, warrants and restricted stock representing an equal number of our existing or new ordinary shares or ADRs.

8. LONG-TERM INCENTIVE PLANS

8.1 Overview

We offer to certain of our management associates, including the members of our Executive Committee, a long-term incentive plan which is comprised of a combination of stock options, restricted stock units and performance cash awards that are awarded generally on the basis of the following:

- Stock options represent approximately 25% of the total expected value of the annual award and have a strike price equal, depending on the rules applicable to the relevant stock option plans, to (i) the Delhaize Group share price on the date of the grant; (ii) the share price on

the working day preceding the offering of the option; or (iii) the average price of the Delhaize Group share price for the 30 days prior to the offering of the option. Options can be exercised in accordance with our securities trading policies, which allow for vested options to be exercised only during specified trading windows. Options granted under stock option plans targeting executives of U.S. subsidiaries vest over a three-year period following the grant date. Options granted under stock option plans for other executives vest after a period of three year period following the grant date. Options typically expire 7-10 years after the grant date.

- Restricted stock unit awards represent approximately 25% of the total expected value of each annual award. Restricted stock unit awards represent our commitment to deliver shares of Delhaize Group stock to the award recipient, at no cost to the award recipient, over a five-year period starting at the end of the second year after the award. After vesting, these shares can be sold by the award recipient at any time consistent with the guidelines and restrictions contained in our trading policies.
- Performance cash grants represent 50% of the total expected value of each annual award. These grants provide for cash payments to the grant recipients at the end of three-year performance periods. The amount of the cash payments is dependent on performance against Board-approved financial targets that are closely correlated to building long-term shareholder value. Board-approved minimum performance thresholds must be met before any payments are earned. Actual payments, if the minimum threshold is met, can range from 30% to 150% of the initial award. In exceptional circumstances, the Board may authorise certain payments even though minimum performance thresholds are not met.

8.2 Equity-Based Compensation

As a component of long-term incentive compensation, we offer stock-related incentive plans to certain of our management associates (vice president and above), including the members of the Executive Committee. For associates of our non-U.S. operating companies, we offer stock option plans. For associates of our U.S.-based companies, the incentive plans are based on options, warrants and restricted stock. The exercise of warrants under the warrant plans results in the creation of new shares and, as a consequence, in a dilution of current shareholdings. Because stock option plans and the restricted stock plans are based on existing shares held in treasury or purchased in the market, no dilution occurs due to exercises under these plans.

PART VIII: MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

1. MAJOR SHAREHOLDERS

A9 - 10

A9 – 10.1

Our capital stock consists of ordinary shares, without nominal value, each having a par value of EUR 0.50. Our shares may be in dematerialised form, bearer form or registered form. Each shareholder is entitled to one vote for each share held, on each matter submitted to a vote of shareholders. Major shareholders do not have different voting rights.

Based on currently applicable Belgian law and our Articles of Association, any person or legal entity which owns or acquires (directly or indirectly, by ownership of American Depositary Shares or otherwise) shares or other securities of Delhaize Group granting voting rights (representing the share capital or not) must disclose to us and to the Belgian Financial Services and Markets Authority (FSMA) the number of securities that such person owns, alone or jointly, when his/her voting rights amount to 3% or more of the total existing voting rights of Delhaize Group. Such person must make the same type of disclosure in case of transfer or acquisition of additional securities when his/her voting rights reach 5%, 10%, and so on by blocks of 5%, or when the voting rights fall below one of these thresholds.

The same disclosure requirement applies if a person transfers the direct or indirect control of a corporation or other legal entity which owns itself 3% at least of the voting rights of Delhaize Group. Similarly, if as a result of events changing the breakdown of voting rights, the percentage of the voting rights reaches, exceeds or falls below any of the above thresholds, a disclosure is required even when no acquisition or disposal of securities has occurred (e.g., as a result of a capital increase or a capital decrease). Finally, a disclosure is also required when persons acting in concert enter into, modify or terminate their agreement which results in their voting rights reaching, exceeding or falling below any of the above thresholds.

The disclosure statements must be addressed to the FSMA and to us at the latest the fourth trading day following the day on which the circumstance giving rise to the disclosure occurred. Unless otherwise provided by law, a shareholder shall only be allowed to vote at a shareholders' meeting of Delhaize Group the number of securities he/she validly disclosed at the latest twenty days before such meeting.

As of 26 October 2012, the following shareholders and groups of shareholders currently have declared holdings of at least 3% of the outstanding shares of Delhaize Group.

<u>Date of notification</u>	<u>Name of Shareholder</u>	<u>Number of shares held</u>	<u>Percentage of total voting rights on date of notification</u>
24 October 2008 ⁽¹⁾	Rebelco SA (Subsidiary of Sofina SA) Rue de l'industrie 31 1040 Brussels Belgium	4,050,000	4.04%
18 February 2009	Citibank N.A. ⁽²⁾ 388 Greenwich Street - 14th Floor New York, NY 10013 USA	10,682,499	10.62%

<u>Date of notification</u>	<u>Name of Shareholder</u>	<u>Number of shares held</u>	<u>Percentage of total voting rights on date of notification</u>
28 December 2011	BlackRock, Inc. 40 East 52nd Street, New York, NY 10222 USA	0	0.00%
	BlackRock Asset Management Australia Limited Level 18, 120 Colins Street Melbourne VIC 3000, Australia	39,628	0.04%
	BlackRock Asset Management Japan Limited Marunouchi Trust Tower Main, 1-8-3 Marunouchi Chiyoda-ku, Tokyo 100-8217, Japan	299,431	0.29%
	BlackRock Advisors (UK) Limited Murray House, 1 Royal Mint Court London, EC3N 4HH, UK	574,718	0.56%
	BlackRock Asset Management Deutschland AG Max-Joseph Strasse 6 80333 Munchen, Germany	55,508	0.05%
	BlackRock Institutional Trust Company, N.A. 400 Howard Street San Francisco, CA, 94105-2618 USA	2,079,617	2.04%
	BlackRock Fund Advisors Murray House, 1 Royal Mint Court London, EC3N 4HH, UK	505,377	0.50%
	BlackRock Asset Management Canada Ltd 161 Bay Street, Suite 2500 Toronto, Ontario M5J 2S1, Canada	40,499	0.04%
	BlackRock Advisors, LLC 40 East 52nd Street New York, NY 10022 USA	9,167	0.01%

<u>Date of notification</u>	<u>Name of Shareholder</u>	<u>Number of shares held</u>	<u>Percentage of total voting rights on date of notification</u>
	BlackRock Financial Management, Inc. 40 East 52nd Street New York, NY 10022 USA	33,110	0.03%
	BlackRock Investment Management, LLC 40 East 52nd Street New York, NY 10022 USA	100,275	0.23%
	BlackRock Investment Management (Australia) Ltd Level 18, 120 Colins Street Melbourne VIC 3000, Australia	9,222	0.10%
	BlackRock (Netherlands) B.V. Forum House, Grenville street St Helier, JE1 0BR, The Netherlands	20,131	0.02%
	BlackRock Fund Managers Ltd 33 King William Street London EC4R 9AS UK	30,263	0.03%
	BlackRock Asset Management Ireland Ltd JPMorgan House, International Financial Center Dublin 1, Ireland	131,858	0.13%
	BlackRock International Ltd 40 Torphichen Street Edinburgh, EH3 8JB, UK	3,881	0.00%
	BlackRock Investment Management UK Ltd 33 King William Street London EC4R 9AS UK	143,381	0.14%
	Total BlackRock	4,076,066	4.00%
22 October 2012	Silchester International Investors LLP Time & Life Building, 1 Bruton Street London, W1J 6TL	10,242,561	10.05%

(1) Situation as of 1 September 2008.

- (2) Citibank, N.A. has succeeded The Bank of New York Mellon as Depositary for the American Depositary Receipts program of Delhaize Group as of 18 February 2009. Citibank, N.A. exercises the voting rights attached to such shares in compliance with the Deposit Agreement that provides among others that Citibank, N.A. may vote such shares only in accordance with the voting instructions it receives from the holders of American Depositary Shares.

As of September 2012, the number of shares and potential voting rights of Delhaize Group were as follows:

Number of shares and potential voting rights of Delhaize Group

Effective voting rights attached to shares representing the capital (= number of outstanding shares)	101,892,190
Future potential voting rights resulting from exercise of warrants	3,279,919

2. RELATED PARTY TRANSACTIONS

2.1 Post-employment benefit plans

Several of our subsidiaries provide for post-employment benefit plans for the benefit of our employees. Payments made to these plans and receivables from and payables to these plans are disclosed in note 21 to our annual consolidated financial statements as at 31 December 2011.

2.2 Grant of options, warrants and stock units to the Executive Management

In 2011, an aggregate number of 173,583 stock options and warrants and 24,875 restricted stock units were granted to members of the Executive Management. More information with respect to this grant of option, warrants and stock units to the Executive Management in 2011 is included in section 6(c) of Part VII (*Management and corporate governance*) of this Prospectus.

In 2012, until 30 September, an aggregate number of 502,356 stock options and warrants and 57,151 restricted stock units were granted to members of the Executive Management.

**PART IX: FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND
LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES**

1. HISTORICAL INFORMATION

A9 - 11

1.1 Annual financial information

Our annual financial information on 31 December 2011, 2010 and 2009 are as follows. For further information, please refer to our 2011, 2010 and 2009 annual reports.

During the first half of 2012, we completed the purchase price allocation of the Delta Maxi acquisition and revised in accordance with IFRS 3 the provisional amounts previously recognized in the 2011 annual report to reflect additional information obtained on the acquisition date fair values for assets acquired and liabilities assumed. The revision of the acquisition date fair values did not have a significant impact on the profit and loss of the year 2011. Consequently, only the consolidated balance sheet, statement of comprehensive income and changes in equity at 31 December 2011 have been revised and is reflected below.

(a) Consolidated balance sheet

Consolidated assets (in millions of EUR)	2011(*)	31 December, 2010	2009
Goodwill	3,414	2,828	2,640
Intangible assets	878	634	574
Property, plant and equipment	4,550	4,075	3,785
Investment property	83	60	50
Investment in securities	13	125	126
Other financial assets	18	17	16
Deferred tax assets	97	95	23
Derivative instruments	57	61	96
Other non-current assets	48	19	19
Total non-current assets	9,158	7,914	7,329
Inventories	1,717	1,460	1,278
Receivables	697	637	597
Income tax receivables	10	1	8
Investment in securities	93	43	12
Other financial assets	22	3	15
Derivative instruments	1	5	-
Prepaid expenses	56	44	33
Other current assets	50	37	37
Cash and cash equivalents	432	758	439
	3,078	2,988	2,419
Assets classified as held for sale	56	-	-
Total current assets	3,134	2,988	2,419
Total assets	12,292	10,902	9,748
Consolidated liabilities and equity (in millions of EUR)	2011(*)	31 December, 2010	2009

Consolidated liabilities and equity (in millions of EUR)	31 December,		
	2011(*)	2010	2009
Share capital	51	51	50
Share premium	2,785	2,778	2,752
Treasury shares	(65)	(59)	(54)
Retained earnings	3,728	3,426	3,044
Other reserves	(47)	(34)	(40)
Cumulative translation adjustments	(1,038)	(1,094)	(1,360)
Shareholders' equity	5,414	5,068	4,392
Non-controlling interests	5	1	17
Total equity	5,419	5,069	4,409
Long-term debt	2,325	1,966	1,904
Obligations under finance leases	689	684	643
Deferred tax liabilities	624	543	227
Derivative instruments	20	16	38
Provisions	289	233	228
Other non-current liabilities	98	68	57
Total non-current liabilities	4,045	3,510	3,097
Short-term borrowings	60	16	63
Long-term debt – current portion	88	40	42
Obligations under finance leases	61	57	44
Derivative instruments	-	-	2
Provisions	76	52	52
Income taxes payable	57	17	65
Accounts payable	1,845	1,574	1,436
Accrued expenses	442	393	397
Other current liabilities	199	174	141
Total current liabilities	2,828	2,323	2,242
Total liabilities	6,873	5,833	5,339
Total liabilities and equity	12,292	10,902	9,748

(*) The 31 December 2011 consolidated balance sheet has been revised to reflect the effects of the finalization of the purchase price allocation of the Delta Maxi acquisition.

(b) Consolidated income statement

(in millions of EUR)	2011	2010	2009
Revenues	21,119	20,850	19,938
Cost of sales	(15,756)	(15,497)	(14,813)
Gross profit	5,363	5,353	5,125
<i>Gross margin</i>	25.4%	25.7%	25.7%
Other operating income	118	85	78
Selling, general and administrative expenses	(4,500)	(4,394)	(4,192)
Other operating expenses	(169)	(20)	(69)
Operating profit	812	1,024	942
<i>Operating margin</i>	3.8%	4.9%	4.7%
Finance costs	(204)	(215)	(208)
Income from investments	23	12	6
Profit before taxes and discontinued operations	631	821	740
Income tax expense	(156)	(245)	(228)
Net profit from continuing operations	475	576	512
Result from discontinued operations (net of tax)	-	(1)	8
Net profit	475	575	520
Net profit attributable to non-controlling interests	-	1	6
Net profit attributable to equity holders of the Group (Group share in net profit)	475	574	514

(in EUR)

Earning per share			
Basic			
Net profit from continuing operations	4.72	5.74	5.07
Group share in net profit	4.71	5.73	5.16
Diluted			
Net profit from continuing operations	4.68	5.69	5.00
Group share in net profit	4.68	5.68	5.08

(in thousands)

Weighted average number of shares outstanding			
Basic	100,684	100,271	99,803
Diluted	101,426	101,160	101,574

(c) Consolidated statement of comprehensive income

(in millions of EUR)	2011(*)	2010	2009
Net profit	475	575	520
Deferred gain (loss) on discontinued cash flow hedge	-	-	-
Reclassification adjustment to net profit	-	1	1
Tax (expense) benefit	-	-	-
Deferred gain (loss) on discontinued cash flow hedge, net of tax	-	1	1
Gain (loss) on cash flow hedge	-	23	(31)
Reclassification adjustment to net profit	(5)	(15)	22
Tax (expense) benefit	2	(3)	3
Gain (loss) on cash flow hedge, net of tax	(3)	5	(6)
Unrealised gain (loss) on financial assets available for sale	6	3	(7)
Reclassification adjustment to net profit	(4)	(1)	1
Tax (expense) benefit	-	-	1
Unrealised gain (loss) on financial assets available for sale, net of tax	2	2	(5)
Actuarial gain (loss) on defined benefit plans	(17)	1	(7)
Tax (expense) benefit	7	(1)	3
Actuarial gain (loss) on defined benefit plans, net of tax	(10)	-	(4)
Exchange gain (loss) on translation of foreign operations	53	263	(131)
Reclassification adjustment to net profit	-	-	-
Exchange gain (loss) on translation of foreign operations	53	263	(131)
Other comprehensive income	42	271	(145)
Attributable to non-controlling interests	(1)	-	-
Amount attributable to equity holders of the Group	43	271	(145)
Total comprehensive income for the period	517	846	375
Amount attributable to non-controlling interests	(1)	1	6
Amount attributable to equity holders of the Group	518	845	369

(*) The 31 December 2011 consolidated statement of comprehensive income has been revised to reflect the effects of the finalization of the purchase price allocation of the Delta Maxi acquisition.

(d) Consolidated statement of changes in equity

(in millions of EUR, except number of shares)

	Attributable to Equity Holders of the Group														
	Issued Capital		Treasury Shares			Other Reserves							Shareholders' Equity	Non-controlling Interests	Total Equity
	Number of Shares	Amount	Share Premium	Number of Shares	Amount	Retained Earnings	Discontinued Cash Flow Hedge Reserve	Cash Flow Hedge Reserve	Available-for-sale Reserve	Actuarial Gains and Losses Reserve	Cumulative Translation Adjustment				
Balances at 1 January 2009	100,583,284	50	2,725	914,716	(56)	2,678	(10)	-	7	(22)	(1,229)	4,143	52	4,195	
Other comprehensive income	-	-	-	-	1	-	1	(6)	(5)	(5)	(131)	(145)	-	(145)	
Net profit	-	-	-	-	-	514	-	-	-	-	-	514	6	520	
Total comprehensive income for the period	-	-	-	-	1	514	1	(6)	(5)	(5)	(131)	369	6	375	
Capital increases	287,342	-	14	-	-	-	-	-	-	-	-	14	-	14	
Treasury shares purchased	-	-	-	205,882	(10)	-	-	-	-	-	-	(10)	-	(10)	
Treasury shares sold upon exercise of employee stock options	-	-	(7)	(165,012)	11	-	-	-	-	-	-	4	-	4	
Excess tax benefit on employee stock options and restricted shares	-	-	2	-	-	-	-	-	-	-	-	2	-	2	
Tax payment for restricted shares vested	-	-	(2)	-	-	-	-	-	-	-	-	(2)	-	(2)	
Share-based compensation expense	-	-	20	-	-	-	-	-	-	-	-	20	-	20	
Dividend declared	-	-	-	-	-	(148)	-	-	-	-	-	(148)	(4)	(152)	
Purchase of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(37)	(37)	
Balances at 31 December 2009	100,870,626	50	2,752	955,586	(54)	3,044	(9)	(6)	2	(27)	(1,360)	4,392	17	4,409	
Other comprehensive income	-	-	-	-	(1)	-	-	5	2	(1)	266	271	-	271	
Net profit	-	-	-	-	-	574	-	-	-	-	-	574	1	575	
Total comprehensive income for the period	-	-	-	-	(1)	574	-	5	2	(1)	266	845	1	846	
Capital increases	684,655	1	25	-	-	-	-	-	-	-	-	26	-	26	
Treasury shares purchased	-	-	-	441,996	(26)	-	-	-	-	-	-	(26)	-	(26)	
Treasury shares sold upon exercise of employee stock options	-	-	(11)	(408,722)	22	-	-	-	-	-	-	11	-	11	
Excess tax benefit on employee stock options and restricted shares	-	-	1	-	-	-	-	-	-	-	-	1	-	1	
Tax payment for restricted shares	-	-	(5)	-	-	-	-	-	-	-	-	(5)	-	(5)	

(in millions of EUR, except
number of shares)

	Attributable to Equity Holders of the Group															
	Issued Capital		Treasury Shares				Other Reserves							Shareholders' Equity	Non-controlling Interests	Total Equity
	Number of Shares	Amount	Share Premium	Number of Shares	Amount	Retained Earnings	Discontinued Cash Flow Hedge Reserve	Cash Flow Hedge Reserve	Available-for-sale Reserve	Actuarial Gains and Losses Reserve	Cumulative Translation Adjustment					
vested Share-based compensation expense	-	-	16	-	-	-	-	-	-	-	-	16	-	16		
Dividend declared	-	-	-	-	-	(161)	-	-	-	-	-	(161)	(1)	(162)		
Purchase of non-controlling interests	-	-	-	-	-	(31)	-	-	-	-	-	(31)	(16)	(47)		
Balances at 31 December 2010	101,555,281	51	2,778	988,860	(59)	3,426	(9)	(1)	4	(28)	(1,094)	5,068	1	5,069		
Other comprehensive income	-	-	-	-	-	-	-	(3)	2	(12)	56	43	(1)	42		
Net profit	-	-	-	-	-	475	-	-	-	-	-	475	-	475		
Total comprehensive income for the period	-	-	-	-	-	475	-	(3)	2	(12)	56	518	(1)	517		
Capital increases	336,909	-	13	-	-	-	-	-	-	-	-	13	-	13		
Call option on own equity instruments	-	-	(6)	-	-	-	-	-	-	-	-	(6)	-	(6)		
Treasury shares purchased	-	-	-	408,138	(20)	-	-	-	-	-	-	(20)	-	(20)		
Treasury shares sold upon exercise of employee stock options	-	-	(10)	(213,050)	14	-	-	-	-	-	-	4	-	4		
Excess tax benefit on employee stock options and restricted shares	-	-	1	-	-	-	-	-	-	-	-	1	-	1		
Tax payment for restricted shares vested	-	-	(4)	-	-	-	-	-	-	-	-	(4)	-	(4)		
Share-based compensation expense	-	-	13	-	-	-	-	-	-	-	-	13	-	13		

(in millions of EUR, except
number of shares)

	Attributable to Equity Holders of the Group															
	Issued Capital			Treasury Shares		Retained Earnings	Other Reserves							Shareholders' Equity	Non-controlling Interests	Total Equity
	Number of Shares	Amount	Share Premium	Number of Shares	Amount		Discontinued Cash Flow Hedge Reserve	Cash Flow Hedge Reserve	Available-for-sale Reserve	Actuarial Gains and Losses Reserve	Cumulative Translation Adjustment					
Dividend declared	-	-	-	-	-	(174)	-	-	-	-	-	-	(174)	-	(174)	
Purchase of non-controlling interests	-	-	-	-	-	1	-	-	-	-	-	-	1	(10)	(9)	
Non-controlling interests resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	15	15	
Balances at 31 December 2011(*)	101,892,190	51	2,785	1 183 948	(65)	3,728	(9)	(4)	6	(40)	(1,038)	5,414	5	5,419		

(*) The 31 December 2011 consolidated statement of changes in equity has been revised to reflect the effects of the finalization of the purchase price allocation of the Delta Maxi acquisition.

(e) Consolidated statement of cash flows

(in millions of EUR)	2011	2010	2009
Operating activities			
Group share in net profit	475	574	514
Net profit attributable to non-controlling interests	-	1	6
Adjustments for:			
Depreciation and amortisation	586	575	515
Impairment	135	14	22
Allowance for losses on accounts receivable	11	6	20
Share-based compensation	13	16	20
Income taxes	156	245	227
Finance costs	204	216	209
Income from investments	(23)	(12)	(14)
Other non-cash items	7	(2)	3
Changes in operating assets and liabilities:			
Inventories	(147)	(108)	32
Receivables	(10)	(39)	(8)
Prepaid expenses and other assets	(15)	(10)	3
Accounts payable	(24)	98	58
Accrued expenses and other liabilities	(4)	16	20
Provisions	4	(24)	(13)
Interest paid	(196)	(202)	(199)
Interest received	11	11	9
Income taxes paid	(77)	(58)	(248)
Net cash provided by operating activities	1,106	1,317	1,176
Investing activities			
Business acquisitions, net of cash and cash equivalents acquired	(591)	(19)	(47)
Business disposals, net of cash and cash equivalents disposed	-	-	8
Purchase of tangible assets	(675)	(568)	(460)
Purchase of intangible assets	(87)	(92)	(60)
Sale of tangible and intangible assets	11	14	10
Sale and maturity of (investment) in debt securities, net	72	(13)	(5)
Purchase of other financial assets	(21)	(2)	(9)
Sale and maturity of other financial assets	28	15	8
Settlement of derivatives instruments	(2)	-	-
Net cash used in investing activities	(1,265)	(665)	(555)
Cash flow before financing activities	(159)	652	621
Financing activities			
Proceeds from the exercise of share warrants and stock options	13	32	16
Purchase of call option on own equity instruments	(6)	-	-
Treasury shares purchased	(20)	(26)	(10)
Purchase of non-controlling interests	(10)	(47)	(108)
Dividends paid	(173)	(161)	(148)
Dividends paid by subsidiaries to non-controlling interests	-	(1)	(4)
Escrow maturities	2	2	5
Borrowings under long-term loans (net of financing costs)	408	(1)	230

Repayment of long-term loans	(224)	(42)	(327)
Repayment of lease obligations	(53)	(49)	(45)
Borrowings (repayments) of short-terms loans, net	(85)	(49)	(91)
Settlement of derivative instruments	2	(1)	(14)
Net cash used in financing activities	(146)	(343)	(496)
Effect of foreign currency translation	(21)	10	(7)
Net (decrease) increase in cash and cash equivalents	(326)	319	118
Cash and cash equivalents at beginning of period	758	439	321
Cash and cash equivalents at end of period	432	758	439

1.2 Interim financial information

Our interim condensed consolidated financial statements for the Group for the nine months ended 30 September 2012 were authorised for issue by the Board of Directors on 6 November 2012. For further information, please refer to our 2012 third quarter report as released on 7 November 2012 and incorporated by reference in this Prospectus.

This interim report only provides an explanation of events and transactions that are significant to an understanding of the changes in financial position and reporting since the last annual reporting period. It should thus be read in conjunction with the consolidated financial statements of the financial year ended on 31 December 2011.

This third quarter financial information is unaudited but the statutory auditor has performed a limited review of the interim financial information. The auditor's report on the interim financial statements for the nine months ended 30 September may be found on page 23 of the Third Quarter 2012 Interim Financial Reporting press release.

2. STATUTORY AND AUDITING OF FINANCIAL INFORMATION

A9 – 2.1

Our consolidated annual accounts on 31 December 2011, 2010 and 2009 have been audited by DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises BVo.v.v.e. CVBA/SC s.f.d. SCRL, an independent registered public accounting firm.

A9 – 11.3
A9 – 11.3.1
A9 – 11.3.2
A9 – 11.3.3

The auditor's report on the consolidated financial statements for the year ended 31 December 2011, 2010 and 2009 may be found on page 153 of our 2011 annual report, on page 147 of our 2010 annual report and on page 147 of our 2009 annual report, respectively.

3. INFORMATION ON TRENDS

A9 – 7.1

There have been no material adverse changes in our prospects since the date of our last published audited financial statements, i.e. 31 December 2011 and interim financial information as of 30 September 2012.

4. SIGNIFICANT CHANGES IN THE ISSUER'S FINANCIAL OR TRADING POSITION

A9 – 11.6

No significant change in our financial or trading position has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, i.e. 31 December 2011 and 30 September 2012.

PART X: DESCRIPTION OF THE SHARES AND ARTICLES OF ASSOCIATION

1. LEGAL AND COMMERCIAL NAME, REGISTERED SEAT AND FINANCIAL YEAR

A9 – 4.1
A9 – 4.1.1
A9 – 4.1.2
A9 – 4.1.4

The commercial name of our company is Delhaize Group. The legal names of our company are “Etablissements Delhaize Frères et Cie “Le Lion” (Groupe Delhaize)”, in Dutch “Gebroeders Delhaize en Cie “De Leeuw” (Delhaize Groep)” and in English “Delhaize Brothers and Co. “The Lion” (Delhaize Group)”, in abridged “Groupe Delhaize”, in Dutch “Delhaize Groep” and in English “Delhaize Group”, the company being allowed to use any of its full legal corporate names or any of its abridged legal corporate names.

Delhaize Group is a limited liability company (*société anonyme/naamloze vennootschap*) incorporated and domiciled in Belgium with its registered address at rue Osseghem 53, Molenbeek-Saint-Jean. Our principal executive offices are located at Square Marie Curie 40, 1070 Brussels, Belgium. Our telephone number at that location is +32 2 412 22 11. The Issuer is registered in the Belgian Crossroads Bank for Enterprises (registration number: 0402.206.045 RPM Brussels). Our Internet address is www.delhaizegroup.com.

Delhaize Group’s financial year corresponds to the calendar year. Following the end of each financial year, the Board of Directors approves the draft of the financial statements to be submitted for approval to the ordinary General Meeting. The ordinary General Meeting is to be held each year on the fourth Thursday of May.

2. CORPORATE PURPOSE

According to article 2 of the Issuer’s articles of association, the Issuer’s corporate purpose is as follows:

“The corporate purpose of the company is the trade of durable and non-durable merchandise and commodities, of wine and spirits, the manufacture and sale of all articles of mass consumption, household articles, and others, as well as all service activities.

The company may carry out in Belgium or abroad all industrial, commercial, movable, real estate, or financial transactions that favour or expand directly or indirectly its industry and trade.

It may acquire an interest, by any means whatsoever, in all businesses, corporations, or enterprises with an identical, similar or related corporate purpose or which favour the development of its enterprise, acquire raw materials for it, or facilitate the distribution of its products.”

3. DURATION

A9 – 4.1.3

The Issuer was incorporated in 1867 for an unlimited duration (article 4 of the Issuer’s articles of association).

4. DESCRIPTION OF DELHAIZE GROUP ORDINARY SHARES

4.1 Share capital

Our capital stock consists of ordinary shares, without nominal value, each having a par value of EUR 0.50. At the time of the publication of this Prospectus, the share capital of the Issuer amounts to EUR 50,946,095 represented by ordinary shares. It is divided into 101,892,190 ordinary shares without nominal value.

At an extraordinary general meeting held on 24 May 2012, our shareholders approved the proposal to authorise our Board of Directors to increase the corporate capital or issue convertible bonds or subscription rights that might result in a further increase of capital by a maximum of EUR 5,094,609. As of the date of this Prospectus, the Board of Director's authorisation had been used for an amount of EUR 150,000, so that the amount of authorised capital remaining available as of that date was EUR 4,944,609. This authorisation will expire in June 2017, but may be renewed.

The Issuer's shares are admitted for listing on NYSE Euronext Brussels under the symbol "DELB".

4.2 Form of the shares

Our ordinary shares may be in dematerialised form, bearer form or registered form. Each shareholder is entitled to one vote for each ordinary share held on each matter submitted to a vote of shareholders. Bearer securities (*titres au porteur / effecten aan toonder*) are securities represented by a certificate which entitle its holder to exercise all rights attached to the security merely by holding it. Dematerialised securities (*titres dématérialisés / gedematerialiseerde effecten*) are securities represented by entries, under the name of their holders, in the book of a depositary institution. Registered securities (*titres nominatifs / effecten op naam*) are securities that can only be represented by entries in a shares register held by the company.

On request, our shareholders may convert their shares into another form at their own expense. The ownership of registered shares can be transferred by informing us and returning the certificate of record in the shareholder register to us. Under Belgian law, as from 1 January 2008, bearer shares booked into a securities account have been automatically converted into dematerialised shares. Bearer shares not yet booked in a securities account shall be automatically converted into dematerialised shares as from the time they are booked into a securities account. All remaining bearer shares that shall not have been deposited in a securities account shall be converted at the choice of their holder into dematerialised or registered shares by 31 December 2013.

4.3 Preferential subscription rights

Under Belgian law, our shareholders have preferential subscription rights with respect to the issuance of new Delhaize Group ordinary shares in proportion to the number of Delhaize Group ordinary shares they hold. Shareholders may exercise these subscription rights in consideration for cash contributions. These rights, however, may be limited or removed by a resolution passed at a general meeting of shareholders or by our Board of Directors if our Board of Directors has been authorised to do so by our shareholders at a general meeting. At an extraordinary general meeting of shareholders held on 24 May 2012, the Delhaize Group shareholders approved the proposal to authorise the Delhaize Group Board of Directors to limit or remove these rights in connection with an increase in Delhaize Group's capital of up to EUR 5,094,609 for a period of five years expiring in June 2017. Such authorisation may be renewed through a vote at a general meeting of shareholders. As of the date of this Prospectus, the amount remaining available under this authorisation was EUR 4,944,609.

PART XI: USE OF PROCEEDS

The Issuer estimates that the net proceeds from the issue and sale of the Bonds, after deduction of the estimated transaction fees of approximately EUR 2,600,000, will be approximately EUR 396,236,000. ^{A13-6.1}

The net proceeds from the Offer will be applied by the Issuer for the refinancing of some financial indebtedness as well as for the general corporate purposes of the Group.

General corporate purposes may include, but are not limited to, financing and operating activities, capital expenditures, acquisitions, maintenance of our assets and refinancing our existing indebtedness.

As of the date of this Prospectus, the Issuer cannot predict with certainty all of the particular uses for the balance of proceeds from the Offer, or the amounts that it will actually spend or allocate to specific uses. The amounts and timing of actual expenditures will depend upon numerous factors. The Issuer's management will have significant flexibility in applying the balance of net proceeds from the Offer and may change the allocation of these proceeds as a result of these and other contingencies.

PART XII: TAXATION

General

The following summary is a general description of certain Belgian tax considerations relating to the Bonds and is included herein solely for information purposes. It does not purport to be a complete analysis of all tax considerations relating thereto. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, or collective investment undertakings.

Prospective purchasers should consult their own tax advisers as to the consequences under the tax laws of their countries of citizenship, residence, ordinary residence or domicile and the tax laws of Belgium of acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts thereunder.

This summary is based upon the laws and regulations in Belgium as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date (or even before with retroactive effect). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below.

Persons considering participating in the offer should therefore consult their own professional advisors as to the effects of state, local or foreign laws and regulations, including the tax laws and regulations in Belgium to which they may be subject.

Taxation in Belgium

For the purpose of the summary below, a Belgian resident is (i) an individual subject to Belgian personal income tax (*i.e.*, an individual who has his domicile in Belgium or has his seat of wealth in Belgium, or a person assimilated to a Belgian resident), (ii) a company subject to Belgian corporate income tax (*i.e.*, a company that has its registered office, its main establishment, its administrative seat or its seat of management in Belgium), or (iii) a legal entity subject to Belgian legal entities tax (*i.e.*, an entity other than a company subject to corporate income tax having its registered office, its main establishment, its administrative seat or its seat of management in Belgium).

A non-resident is a person who is not a Belgian resident.

Belgian withholding tax

The interest component of payments on the Bonds made by or on behalf of the Issuer is as a rule subject to Belgian withholding tax, currently at a rate of 21% on the gross amount. For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer) (including the redemption at the option of the Bondholders pursuant to Condition 6.4. in case of a Change of Control), and (iii) in case of a sale of the Bonds between interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period. On 20 November 2012, the Belgian federal government has announced a proposal to increase the Belgian interest withholding tax rate to 25%. This increase, if adopted by the Belgian parliament, will expectedly apply to interest paid or attributed as from 1 January 2013.

X/N clearing system of the NBB

The holding of the Bonds in the X/N clearing system of the NBB (the **Clearing System**) permits investors to collect interest on their Bonds free of Belgian withholding tax if and as long as at the moment of payment or attribution of interest the Bonds are held in book-entry form by certain investors (the Eligible Investors, see

below) in an exempt securities account (**X-account**) that has been opened with a financial institution that is a direct or indirect participant (a **Participant**) in the Clearing System. Euroclear and Clearstream Luxembourg are directly or indirectly Participants for this purpose.

Holding the Bonds through the Clearing System enables Eligible Investors to receive the gross interest income on their Bonds and to transfer the Bonds on a gross basis.

Eligible Investors are those entities referred to in article 4 of the *Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier* (Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax), which includes:

- (i) Belgian resident corporate investors;
- (ii) Institutions, associations or companies referred to in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in 1° and 3° without prejudice to the application of article 262, 1° and 5° ITC 1992;
- (iii) State-linked institutions (*institutions parastatales / parastatalen*) for social security or institutions equated therewith within the meaning of article 105, 2° of the Royal Decree implementing ITC 1992 (**RD/ITC 1992**);
- (iv) Non-resident investors whose holding of the Bonds is not connected to a professional activity in Belgium, referred to in article 105, 5° RD/ITC 1992;
- (v) Investment funds recognised in the framework of pension savings, referred to in article 115 RD/ITC 1992;
- (vi) Investors referred to in article 227, 2° ITC 1992, subject to non-resident income tax in accordance with article 233 ITC 1992 and which have used the income generating capital for the exercise of their professional activities in Belgium;
- (vii) The Belgian State, in respect of investments which are exempt from withholding tax in accordance with article 265 ITC 1992;
- (viii) Foreign investment funds (such as *fonds de placement / beleggingsfondsen*) the units of which are not publicly offered or marketed in Belgium;
- (ix) Belgian resident companies, not referred to under (i), whose sole or principal activity consists in granting credits and loans.

Eligible Investors do not include, inter alia, Belgian resident individuals and Belgian non-profit organisations, other than those mentioned under (ii) and (iii) above.

Participants to the Clearing System must keep the Bonds which they hold on behalf of non-Eligible Investors in a non-exempt securities account (**N-Account**). In such instance all payments of interest are subject to withholding tax, currently at a rate of 21%. This withholding tax is withheld by the NBB from the interest payment and paid to the tax authorities. On 20 November 2012, the Belgian federal government has announced a proposal to increase this withholding tax rate to 25%. This increase, if adopted by the Belgian parliament, will expectedly apply to interest paid or attributed as from 1 January 2013.

Transfers of Bonds between an X-account and an N-account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N-account (to an X-account or N-account) gives rise to the payment by the transferor “non-Eligible Investor” to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date;
- A transfer from an X-account (or N-account) to an N-account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date;
- Transfers of Bonds between two X-accounts do not give rise to any adjustment on account of withholding tax.

These adjustment mechanics are such that parties trading the Bonds on the secondary market, irrespective of whether they are Eligible or non-Eligible Investors, are in a position to quote prices on a gross basis.

When opening an X-account for the holding of Bonds, an Eligible Investor will be required to certify its eligible status on a standard form approved by the Belgian Minister of Finance and send it to the participant to the Clearing System where this account is kept. This statement needs not to be periodically reissued (although Eligible Investors must update their certification should their eligible status change). Participants to the Clearing System are however required to make declarations to the NBB as to the eligible status of each investor for whom they hold Bonds in an X-account during the preceding calendar year.

These identification requirements do not apply to Bonds held with Euroclear or Clearstream, Luxembourg acting as Participants to the Clearing System, provided that they only hold X-accounts and that they are able to identify the holders for whom they hold Bonds in such account.

Interest, capital gains and income tax

Belgian resident individuals

Belgian resident individuals who hold the Bonds as a private investment do not have to declare the interest on the Bonds in their personal income tax return, provided that they have elected for a withholding of the 4% additional tax on investment income (see below) in addition to the 21% Belgian withholding tax and provided that this additional tax has effectively been borne by the beneficiary of the interest income.

If the 4% additional tax on investment income has not been withheld in addition to the Belgian withholding tax, the Bondholder will be required to declare the interest income in his/her personal income tax return. Moreover, in such case, certain information (including the amount of interest income and the identity of the Bondholder) will be communicated to a central contact point operated by the Belgian ministry of Finance (separated from the tax administrations) which in turn will communicate the relevant information to the tax administration on an annual basis (if the total amount of investment income communicated with respect to that holder in the relevant year exceeds the threshold of EUR 20,020 mentioned below), as well as on demand.

Interest income which is declared in the annual personal income tax return will in principle be taxed at a flat rate of 21% increased with local surcharges (however, the Belgian federal government has approved a draft bill which, if adopted by the legislator, would abolish such local surcharges) and increased, as the case may be, with the 4% additional tax on investment income (see below). The Belgian withholding tax levied may be credited. In addition, if the interest is declared and the withheld 4% additional tax on investment income exceeds the amount of 4% additional tax on investment income due, the excess may be credited against the personal income tax liability and any excess may be refunded.

The 4% additional tax on investment income referred to above can be summarised as follows. Belgian resident individuals who receive qualifying investment income (qualifying interest and qualifying dividends) in an amount exceeding EUR 20,020 (amount for income year 2012) on a yearly basis will be subject to an

additional tax on investment income of 4% on the income exceeding EUR 20,020. Certain investment income is not subject to the additional tax on investment income, i.e. dividend income taxed at 25%, liquidation bonuses, the part of interest on regulated savings accounts taxed at 15%, the income from State notes (“*bons d’Etat*”/“*Staatsbons*”) issued and subscribed between 24 November and 2 December 2011 and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts); however, this investment income is in principle first taken into account to determine whether the EUR 20,020 threshold is exceeded, except for liquidation bonuses, the income from the above mentioned State notes and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts). Interest on the Bonds will be taken into account to calculate the EUR 20,020 threshold and will be subject to the 4% additional tax on investment income if and to the extent that the threshold is exceeded.

However, on 20 November 2012, the Belgian federal government has announced a proposal for various tax law changes which, if adopted by the Belgian parliament, would affect the tax regime of interest payments on the Bonds. According to statements made in the press, the following changes are proposed: (i) the Belgian interest withholding tax rate would increase to 25% (ii) the Belgian withholding tax would constitute the final tax for Belgian individuals, i.e. they would not be required to report the interest income in their annual personal income tax return (iii) the abovementioned 4% additional tax on investment income, including the system whereby certain information is communicated to a central contact point, would be abolished (iv) there will be transitional measures regarding interest paid or attributed in 2012 (v) these changes will expectedly apply to interest paid or attributed as from 1 January 2013.

Capital gains realised on the disposal of the Bonds are as a rule tax exempt, unless the capital gains are realised outside the scope of the management of one’s private estate or unless the capital gains qualify as interest (as defined in the section “Belgian Withholding Tax”). Capital losses realised upon the disposal of the Bonds held as non-professional investment are in principle not tax deductible. If the Bonds qualify as fixed income securities pursuant to Article 2, §1, 8 ITC 1992, in case of a sale of the Bonds between interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period does not constitute a capital gain, but interest, which may be subject to withholding tax (see section “Belgian withholding tax”).

Specific tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

Belgian resident companies

Holders of Bonds which are Belgian resident companies will be subject to Belgian corporate income tax on the interest payments made on the Bonds. Capital gains realised in respect of the Bonds will be part of the company’s taxable income. Capital losses realised upon the sale of the Bonds are in principle tax deductible.

Belgian legal entities

Belgian legal entities which do not qualify as Eligible Investors (as defined under the section “Belgian withholding tax”) are subject to a withholding tax of 21% on interest payments. The withholding tax constitutes the final taxation. On 20 November 2012, the Belgian federal government has announced a proposal to increase the Belgian interest withholding tax rate to 25%. This increase, if adopted by the Belgian parliament, will expectedly apply to interest paid or attributed as from 1 January 2013.

Belgian legal entities which qualify as Eligible Investors (as defined under the section “Belgian withholding tax”) and which consequently have received gross interest income are required to declare and pay the amount of the Belgian withholding tax to the Belgian tax authorities themselves.

Capital gains realised on the disposal of the Bonds are as a rule tax exempt unless the capital gains qualify as interest (as defined in the section “Belgian Withholding Tax”). Capital losses are in principle not tax deductible.

Non-residents

Bondholders who are non-residents of Belgium for Belgian tax purposes and are not holding the Bonds through a Belgian establishment and do not invest the Bonds in the course of their Belgian professional activity will not incur or become liable for any Belgian tax on income or capital gains by reason only of the acquisition, ownership or disposal of the Bonds, provided that they qualify as Eligible Investors and hold their Bonds in an X-account.

If the Bonds are not entered into an X-account by the Eligible Investor, withholding tax on the interest is in principle applicable at the current rate of 21% on the gross amount of the interest. However, on 20 November 2012, the Belgian federal government has announced a proposal to increase the Belgian interest withholding tax rate to 25%. This increase, if adopted by the Belgian parliament, will expectedly apply to interest paid or attributed as from 1 January 2013. This withholding tax can possibly be reduced pursuant to a tax treaty.

Tax on stock exchange transactions

Secondary market trades in respect of the Bonds will give rise to a stock exchange tax (*Taxe sur les opérations de bourse / Taks op de Beursverrichtingen*) if they are carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases through a professional intermediary is 0.09%. The amount of the transfer tax is, however, capped at EUR 650 per transaction and per party. The tax is due separately from each party to any such transaction, i.e., the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

However, the tax referred to above will not be payable by exempt persons acting for their own account including all non-residents of Belgium, subject to the delivery of an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in article 126/1, 2° of the Code of various duties and taxes (*Code des droits et taxes divers / Wetboek diverse rechten en taksen*).

European Directive on taxation of savings income in the form of interest payments

The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a paying agent located within its jurisdiction to, or for the benefit of, an individual or residual entity resident in that other Member State (hereinafter “**Disclosure of Information Method**”), except that Austria and Luxembourg may instead impose a withholding system (hereinafter “**Source Tax**”) for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), unless during such period they elect otherwise.

Individuals not resident in Belgium

Interest paid or collected through Belgium on the Bonds and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint Maarten, Sint Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of Euro 2.5.

PART XIII: SUBSCRIPTION AND SALE

A13 – 4.2

BNP Paribas (located at 10 Harewood Avenue, London, NW1 6AA), J.P. Morgan Securities plc (located at 25 Bank Street, Canary Wharf, London E14 5JP) and Merrill Lynch International (located at 2 King Edward Street, London EC1A 1HQ) (the **Joint Bookrunners**) and Deutsche Bank AG, London Branch (located at Winchester House, 1 Great Winchester Street, London EC2N 2DB), ING Bank NV, Belgian Branch (located at Avenue Marnix 24, B-1000 Brussels) and KBC Bank NV (located at Havenlaan 2, B-1080 Brussels) (these three banks together the **Other Joint Bookrunners**, and together with the Joint Bookrunners, the **Managers**) will, pursuant to a subscription agreement dated on or about 23 November 2012 (the **Subscription Agreement**), agree with the Issuer, subject to certain terms and conditions, to subscribe, or procure subscribers, and pay for the Bonds at the issue price and the other conditions as set out in the Subscription Agreement. The aggregate amount payable for the Bonds calculated at the issue price less any due fee will be paid by the Managers to the Issuer in the manner as set out in the Subscription Agreement. Fees and costs in connection with the issue of the Bonds to be paid and/or reimbursed by the Issuer to the Managers have been agreed in a separate agreement between the Issuer and the Managers. The Subscription Agreement will entitle the Managers to terminate their obligations in certain circumstances prior to payment being made to the Issuer.

General

Neither the Issuer nor the Managers has made any representation that any action will be taken in any jurisdiction by the Managers or the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Prospectus or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations) in any country or jurisdiction where action for that purpose is required. The Managers have agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions.

Bonds may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the Clearing System.

The following sections set out specific notices in relation to certain countries that, if stricter, shall prevail over the foregoing general notice.

Selling restriction in the EEA

A13 - 4.14

The Issuer has not authorised any offer to the public of Bonds in any Member State of the European Economic Area. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), an offer to the public of any Bonds may not be made in that Relevant Member State contemplated in this Prospectus once this Prospectus has been approved by the FSMA and published in Belgium in accordance with the Prospectus Directive as implemented in Belgium, respectively, except that an offer to the public in that Relevant Member State of any Bonds may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are qualified investors as defined under the Prospectus Directive;

- by the Managers to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Bonds shall result in a requirement for the Issuer or the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of the provisions above, the expression an **offer to the public** in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and the Bonds to be offered so as to enable an investor to decide to purchase any Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the **2010 PD Amending Directive**, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

United Kingdom

Each Manager has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **Financial Services and Markets Act**)) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the Financial Services and Markets Act does not apply to the Issuer; and
- it has complied and will comply with all applicable provisions of the Financial Services and Markets Act with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act (**Regulation S**). Terms used in this paragraph have the meaning given to them in Regulation S.

The Managers have agreed that they will not offer, sell or deliver the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offer and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and they will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration (if any) to which they sell Bonds during such 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them in Regulation S.

In addition, until 40 days after the commencement of the Offer, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the

Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Managers have agreed that they have not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, the Bonds within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of the Bonds, the Managers have not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either the Managers or the prospective purchaser is within the United States or its possessions or otherwise involve a U.S. office of the Managers in the offer or sale of the Bonds. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including U.S. Treas. Reg. §1.163-5(c)(2)(i)(C).

PART XIV: GENERAL INFORMATION

- (1) Application has been made for the Bonds to be listed as from the Issue Date on NYSE Euronext Brussels and admitted to trading on the regulated market of NYSE Euronext Brussels. BNP Paribas Securities Services, Belgian Branch has been appointed as listing agent for that purpose. The FSMA assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer. A13 – 5.1
- (2) The issue of the Bonds was authorised by resolutions passed by the Board of Directors of the Issuer on 6 November 2012. A13 – 4.12
- (3) Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries considered as a whole and no material adverse change in the prospects of the Issuer and its subsidiaries considered as a whole since 31 December 2011.
- (4) Except as disclosed in this Prospectus, neither the Issuer, nor any of its Material Subsidiaries, has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past a material adverse change on the financial position or profitability of the Issuer.
- (5) The Bonds have been accepted for clearance through the clearing system of the National Bank of Belgium. The Common Code of the Bonds is 085867644. The International Securities Identification Number (ISIN) of the Bonds is BE0002189554. The address of the National Bank of Belgium is Boulevard de Berlaimont 14, B-1000 Brussels. A13 – 4.2
- (6) Save as disclosed in this Prospectus, so far as the Issuer is aware, no person involved in the Offer has any interest, including conflicting ones, that is material to the Offer, save for any fees payable to the Managers. Each Manager is a creditor of the Issuer in the framework of its banking operations. In addition, in the ordinary course of business, the Managers or their affiliates have provided and may in the future provide commercial, financial advisory or investment banking services for us and our subsidiaries for which they have received or will receive customary compensation. A13 – 3
- (7) Save as disclosed herein, neither the Issuer nor any member of its group has entered into any contracts which could result in the Issuer being under an obligation or entitlement that would be material to its ability to meet its obligations towards holders of the Bonds.
- (8) Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain, to its reasonable knowledge, from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect. The source of third party information is identified where used. A9 – 13.2
- (9) During the life of the Bonds, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer: A9 – 14
 - the Articles of Association (*statuts/statuten*) of the Issuer, in French and in Dutch;
 - a copy of the Cross Guarantee Agreement (as amended or supplemented from time to time);

- the published annual report and audited accounts of the Issuer for the year ended on 31 December 2010 and for the year ended on 31 December 2011;
 - a copy of this Prospectus together with any Supplement to this Prospectus; and
 - all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is included or referred to in this Prospectus.
- (10) The statutory auditor Deloitte Réviseurs d'Entreprises/Bedrijfsrevisoren, Registered Auditors, represented by Mr. Michel Denayer (member of the *Institut des Réviseurs/Instituut der Bedrijfsrevisoren*) has audited, and rendered unqualified audit reports on, the accounts of the Issuer for the years ended 31 December 2010 and 31 December 2011.
- (11) The Bonds are expected to be rated BBB- stable by Standard & Poor's and Baa3 stable by Moody's. ^{A13-7.5} A rating is not a recommendation to buy, sell or hold debt, inasmuch as the rating does not comment as to market price or suitability for a particular investor. A rating may be subject to revision or withdrawal at any time by the assigning rating agency.

FORM OF CHANGE OF CONTROL PUT EXERCISE NOTICE

Important: the present notice shall not be sent directly to the Issuer or to the Agent but shall be deposited with the bank or Financial Intermediary through which the Bondholder holds Bonds, as foreseen under Condition 6.4(a).

Addressee	Copy to the Agent
Etablissement Delhaize Frères et Cie "Le Lion" (Groupe Delhaize) SA/NV (the Issuer) Square Marie Curie 40 B-1070 Brussels Attn : Investors Relations Fax: +32 2 412 29 76	BNP Paribas Securities Services, Belgian Branch (the Agent) Boulevard Louis Schmidt 2 B-1040 Brussels Attn : Debt Capital Markets Desk

Reference is made to the listing and offering Prospectus dated 21 November 2012 (the **Prospectus**), in respect of the offer in Belgium of 3.125 % fixed rate Bonds due 27 February 2020, ISIN Code BE0002189554 (the **Bonds**).

Terms not otherwise defined herein shall have the meaning assigned to them in the Prospectus.

By sending this duly completed Change of Control Put Exercise Notice to the Issuer with a copy to the Agent for the above mentioned Bonds, the undersigned Bondholder irrevocably exercises its option to have the Bonds early redeemed in accordance with Condition 6.4. on the Change of Control Put Date for an aggregate nominal amount of EUR [] ⁽¹⁾ for which the undersigned Bondholder hereby confirms that (i) he/she holds this amount of Bonds and (ii) he/she hereby commits not to sell or transfer this amount of Bonds until the Change of Control Put Date.

Contact details of the Bondholder requesting the early redemption⁽²⁾:

Name and first name:

Address:

Payment Instructions⁽³⁾:

Please make payment in respect of the above-mentioned Bonds by transfer to the following bank account:

Name of the bank:

Branch Address:

Account Number:

I hereby confirm that the payment will be done against debit of my securities account N° [] with the bank [] for the above mentioned nominal amount of the Bonds in dematerialised form.

Signature of the holder: Signature Date:

¹ Complete as appropriate
² Complete as appropriate
³ Complete as appropriate

NOTE: The Agent will not in any circumstances be liable to any Bondholder or any other person for any loss or damage arising from any act, default or omission of such Agent in relation to the said Bonds or any of them unless such loss or damage was caused by the fraud or negligence of such Agent.

This Put Exercise Notice is not valid unless (i) all of the paragraphs requiring completion are duly completed and (ii) it is duly signed and sent. Once validly given this Put Exercise Notice is irrevocable.

Registered/Head Office of the Issuer

Etablissement Delhaize Frères et Cie 'Le Lion' (Groupe Delhaize) SA/NV
rue Osseghemstraat 53
B-1080 Brussels

Domiciliary and Paying Agent

BNP Paribas Securities Services, Belgian Branch
Boulevard Louis Schmidt 2
B-1040 Brussels

Listing Agent

BNP Paribas Securities Services, Belgian Branch
Boulevard Louis Schmidt 2
B-1040 Brussels

Joint Bookrunners

BNP Paribas
10 Harewood Avenue
London NW1 6AA

J.P. Morgan Securities plc
25 Bank Street, Canary Wharf
London E14 5JP

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ

Deutsche Bank AG, London
Branch
Winchester House, 1 Great
Winchester Street
London EC2N 2DB

ING Bank NV, Belgian Branch
Avenue Marnix 24
B-1000 Brussels

KBC Bank NV
Havenlaan 2
B-1080 Brussels

Legal Advisers

to the Issuer

CMS DeBacker
Chaussée de La Hulpe 178
B-1170 Brussels

to the Managers

Linklaters LLP
Rue Brederode 13
B-1000 Brussels

Auditors of the Issuer

Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises
BV o.v.v.e. CVBA/SC s.f.d. SCRL
Represented by Michel Denayer
Berkenlaan 8B
B-1831 Diegem

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