
DELHAIZE  GROUP



Second quarter and first half 2011 earnings results

Forward looking statements

“This presentation includes forward-looking statements within the meaning of the U.S. federal securities laws that are subject to risks and uncertainties. Forward-looking statements describe further expectations, plans, options, results or strategies. Actual outcomes and results may differ materially from those projected depending upon a variety of factors, including but not limited to changes in the general economy or the markets of Delhaize Group, in consumer spending, in inflation or currency exchange rates or in legislation or regulation; competitive factors; adverse determination with respect to claims; inability to timely develop, remodel, integrate or convert stores; and supply or quality control problems with vendors. Additional risks and uncertainties that could cause actual results to differ materially from those stated or implied by such forward-looking statements are described in our most recent annual report or Form 20-F and other filings with the Securities and Exchange Commission. Delhaize Group disclaims any obligation to update or revise the information contained in this presentation.”

Agenda

- **2011 Second quarter results**
Stéfan Descheemaeker
Chief Financial Officer

- **Strategy update**
Pierre-Olivier Beckers
President and Chief Executive Officer

- Available for questions
 - Geert Verellen
Vice President Investor Relations and External Communications



Q2 2011 Financial results

Q2 2011 Financial highlights

+3.9%

**Revenue
growth**
at identical
exchange rates

+1.6%

**Comparable
store sales
growth in the
U.S.**

Flat

**Comparable
store sales
growth in
Belgium**

4.1%

**Group
underlying
operating
margin**

+10.1%

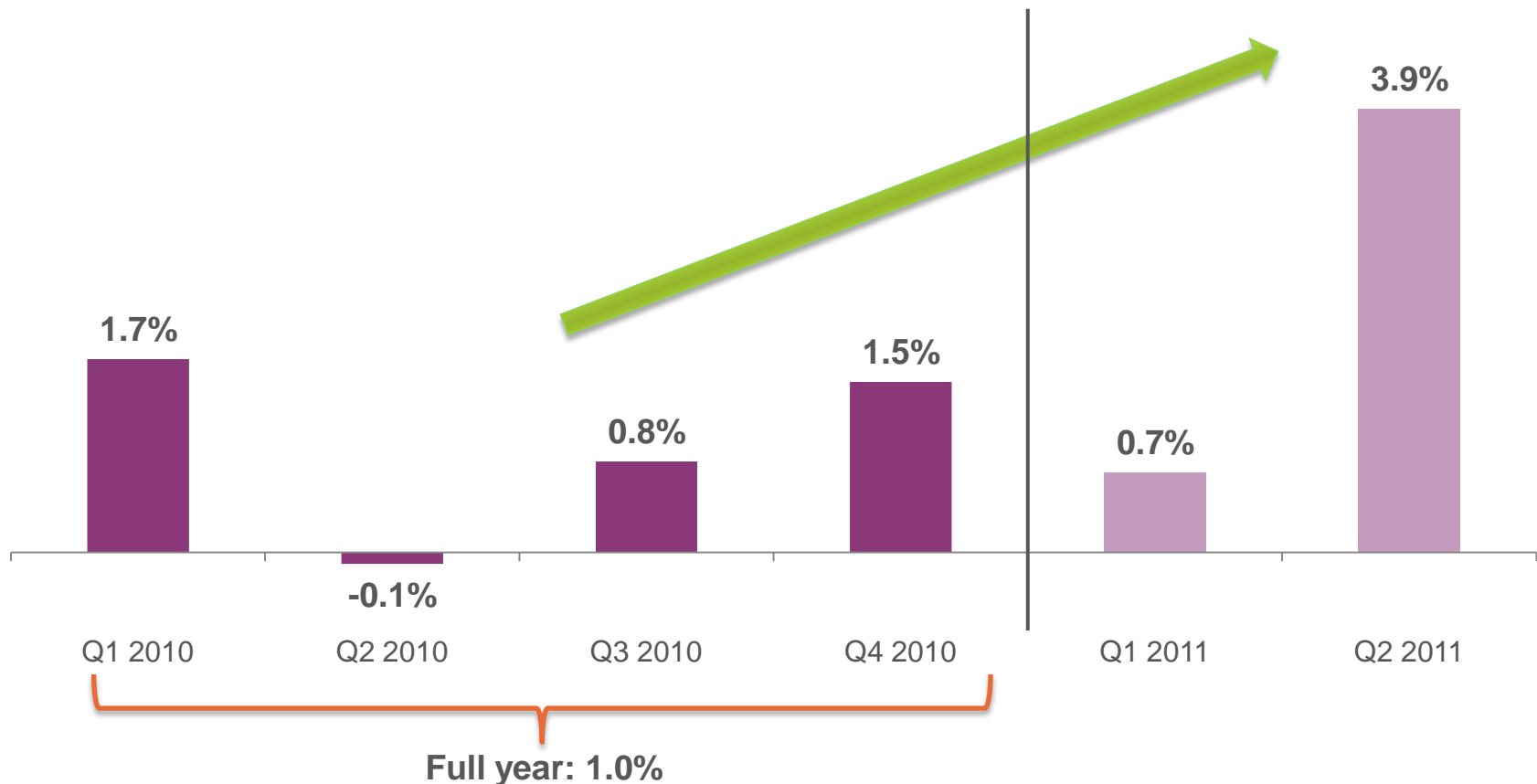
**Group share in
net profit**
at identical
exchange rates

60%

**of cost savings
achieved midway
towards 2012
target**

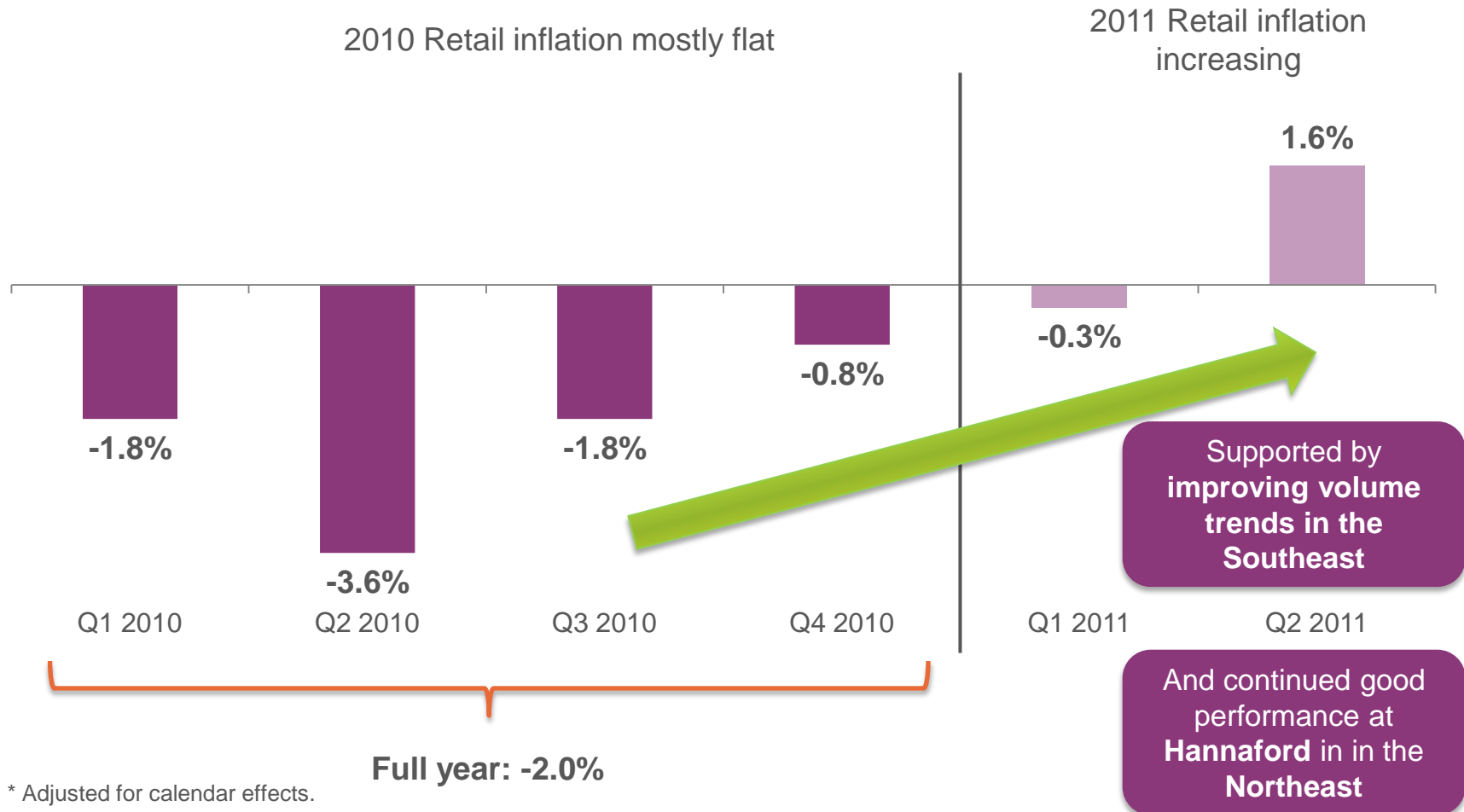
All segments contribute to Q2 revenue growth acceleration

Group revenue growth (YoY), at identical exchange rates



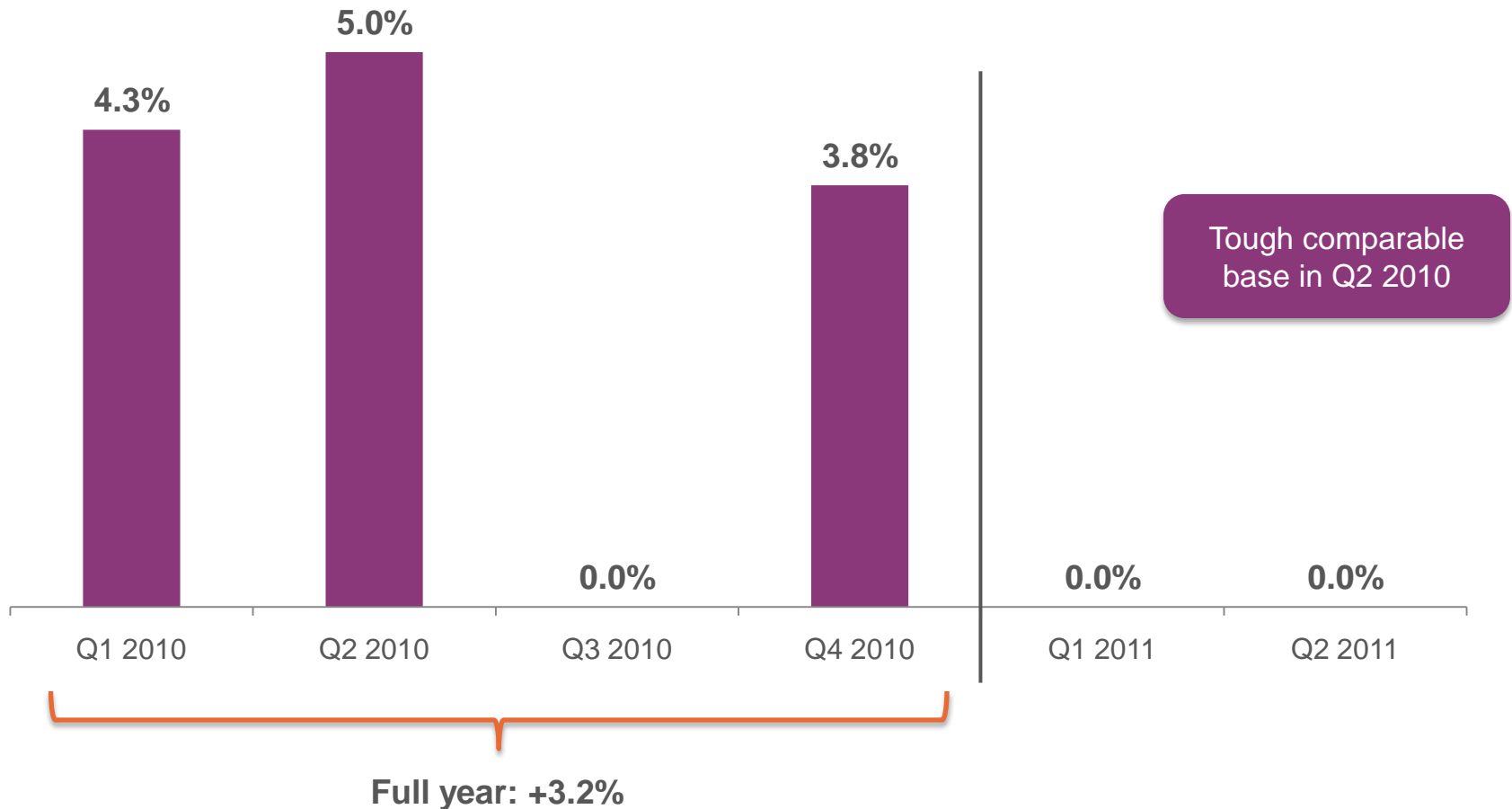
Solid volume improvement results in positive U.S. comparable store sales

Comparable store sales evolution (YoY) Delhaize U.S.*



Delhaize Belgium comparables reflective of strong base in prior year

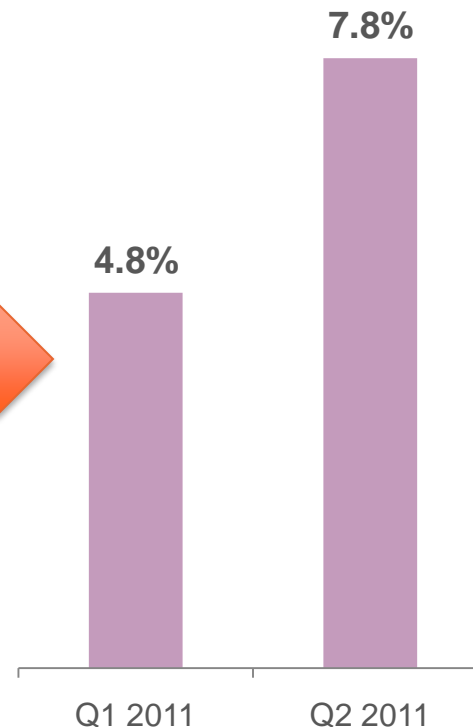
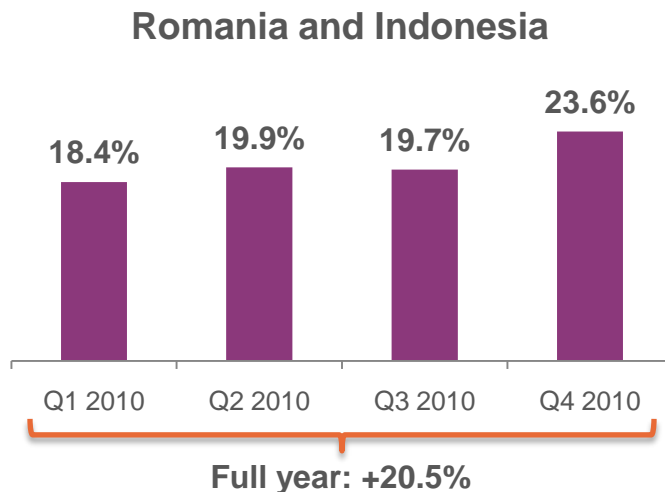
Comparable store sales growth (YoY) – Delhaize Belgium*



* Adjusted for calendar effects.

Strong revenue growth in SEE & Asia*

Revenue growth YoY, at identical exchange rates

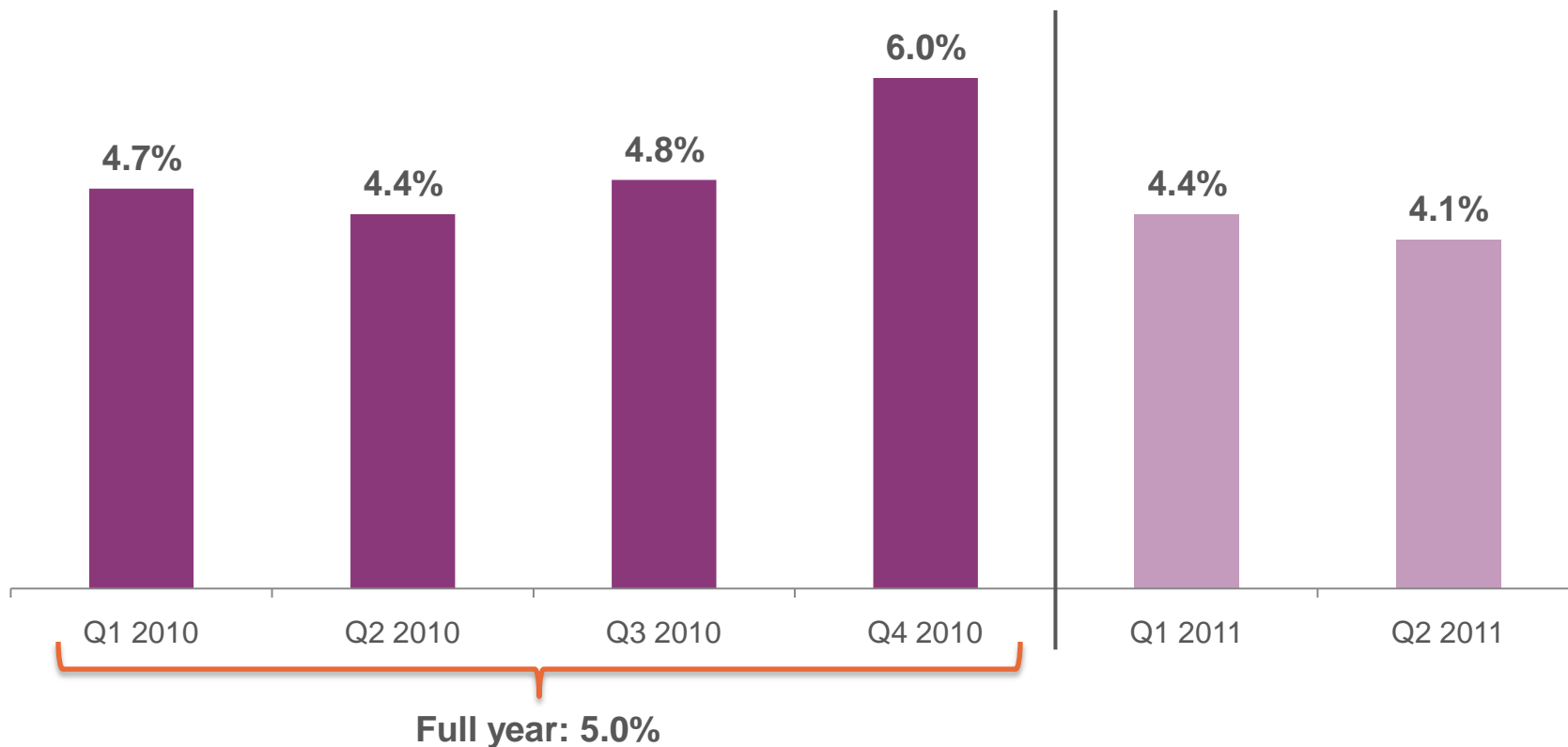


- Continued revenue growth and market share gains in Greece despite difficult environment
- Revenue growth in Romania driven by strong transaction growth and net store additions

* New segment definition as of January 1, 2011 consists of Alfa Beta (Greece), Mega Image (Romania) and 51% of Super Indo (Indonesia)

Underlying operating margin impacted by delays in U.S. procurement and supply chain savings

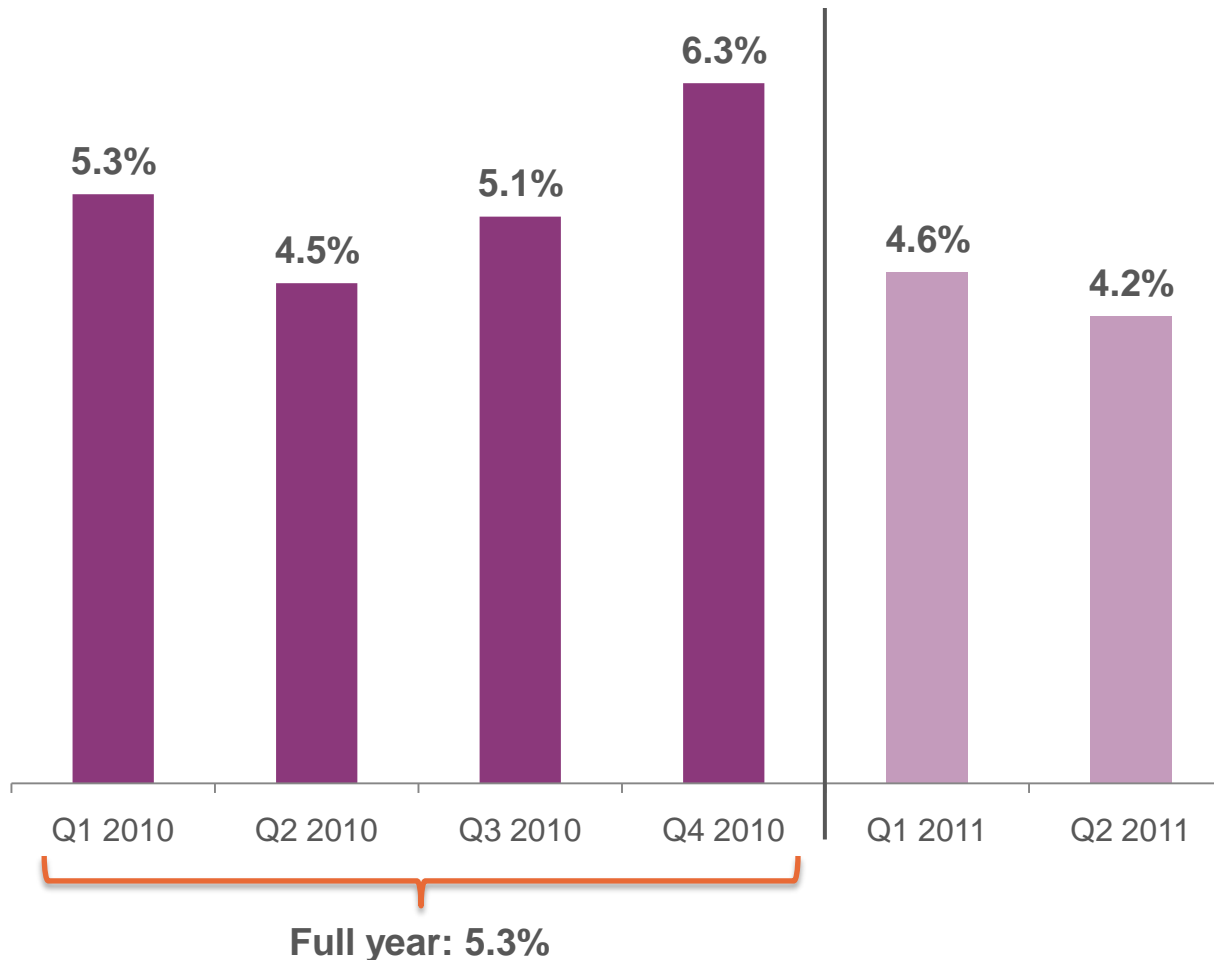
Underlying operating margin* Delhaize Group



* See Appendix for reconciliation of operating profit to underlying operating profit

U.S. operating margin impacted by delay in cost of goods sold savings

Operating margin Delhaize U.S.



Gross margin decrease as a result of:

- **slower than anticipated savings** in category management and supply chain
- which did not fully offset **price investments**

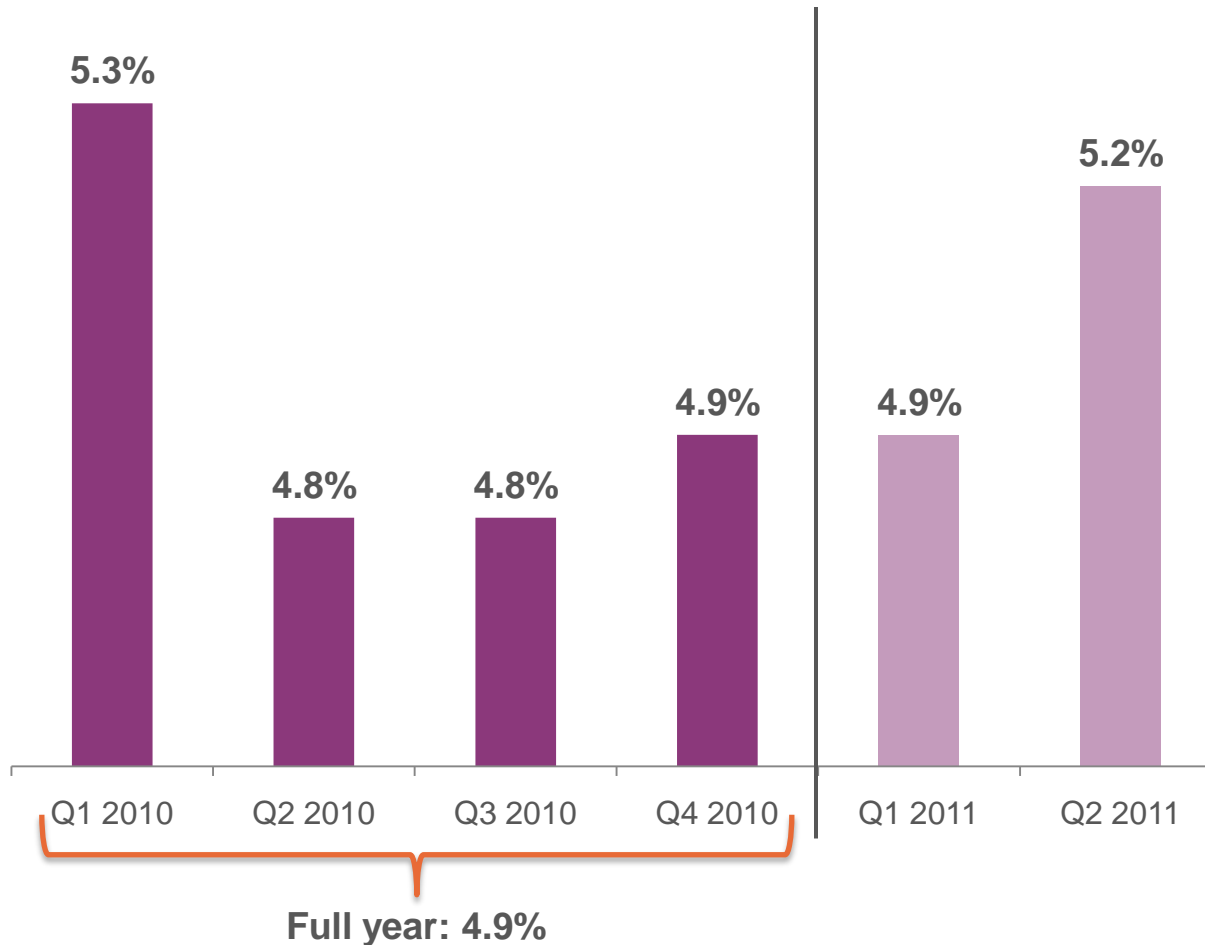
Partly offset by a **decrease in SG&A** as % of revenues thanks to:

- cost savings
- positive sales leverage

Category management and supply chain savings to accelerate in 2nd half 2011

Good margin performance at Delhaize Belgium

Operating margin Delhaize Belgium



Gross margin increase thanks to:

- improved buying conditions
- improved logistics productivity
- VAT refund

Partly offset by salary indexation

Operational outlook 2011

- Expect **strong revenue growth** in all operating segments the second half of 2011 as a result of the many sales building initiatives that are underway
- Expect an **acceleration of the category management and supply chain savings** that will support the U.S. operating margin
- Updated capital expenditures guidance to **EUR 820 – 840 million** (excl. Delta Maxi Group)
- Confirm net store opening target of **115 to 125 stores** (135 to 145 stores gross) to the network and approximately 120 remodels (excl. Delta Maxi Group)
- Consolidate Delta Maxi Group as from August 1, 2011

Q2 2011 Results

(In millions EUR)	Q2 2011	Q2 2010	At Actual Rates	At Identical Rates
Revenues	5 107	5 329	-4.2%	+3.9%
Operating profit	209	227	-7.8%	+0.5%
<i>Underlying operating profit*</i>	209	233	-10.5%	-2.2%
Operating margin	4.1%	4.3%		
<i>Underlying operating margin*</i>	4.1%	4.4%		
Profit before taxes and discontinued operations	166	172	-4.2%	+4.1%
Group share in net profit	117	114	+1.9%	+10.1%
Basic earnings per share (Group share in net profit)	1.16	1.15	+1.4%	+9.6%

* See Appendix for reconciliation of operating profit to underlying operating profit

H1 2011 Results

(In millions EUR)	H1 2011	H1 2010	At Actual Rates	At Identical Rates
Revenues	10 151	10 300	-1.4%	+2.4%
Operating profit	427	468	-8.6%	-4.9%
<i>Underlying operating profit*</i>	431	469	-8.2%	-4.5%
Operating margin	4.2%	4.5%		
<i>Underlying operating margin*</i>	4.2%	4.6%		
Profit before taxes and discontinued operations	337	362	-7.1%	-3.5%
Group share in net profit	243	244	-0.6%	+2.9%
Basic earnings per share (Group share in net profit)	2.41	2.44	-1.2%	+2.3%

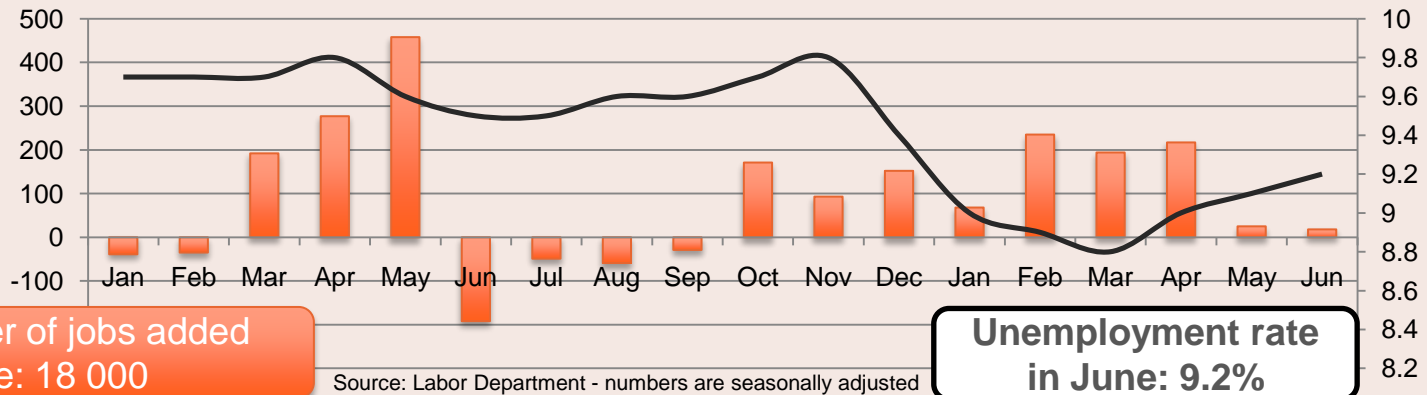
* See Appendix for reconciliation of operating profit to underlying operating profit



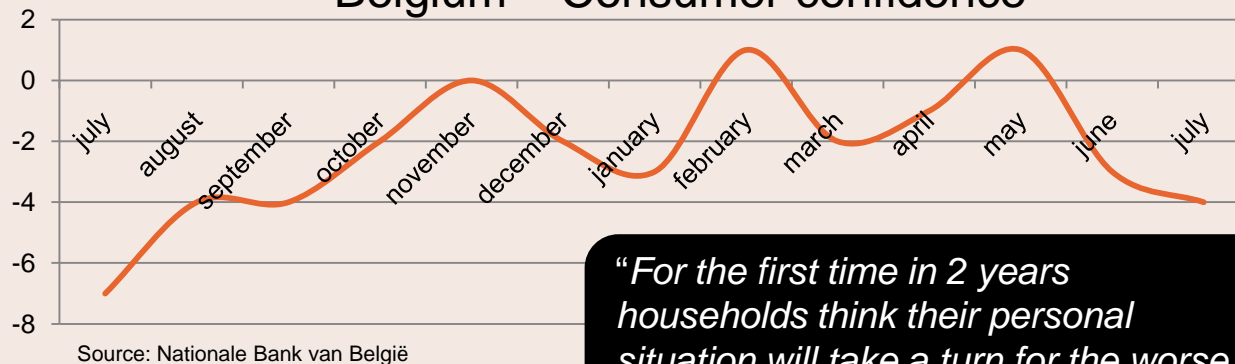
2011 Strategy update
Pierre-Olivier Beckers
President & Chief Executive Officer

Job markets determine consumer confidence

U.S. Job market

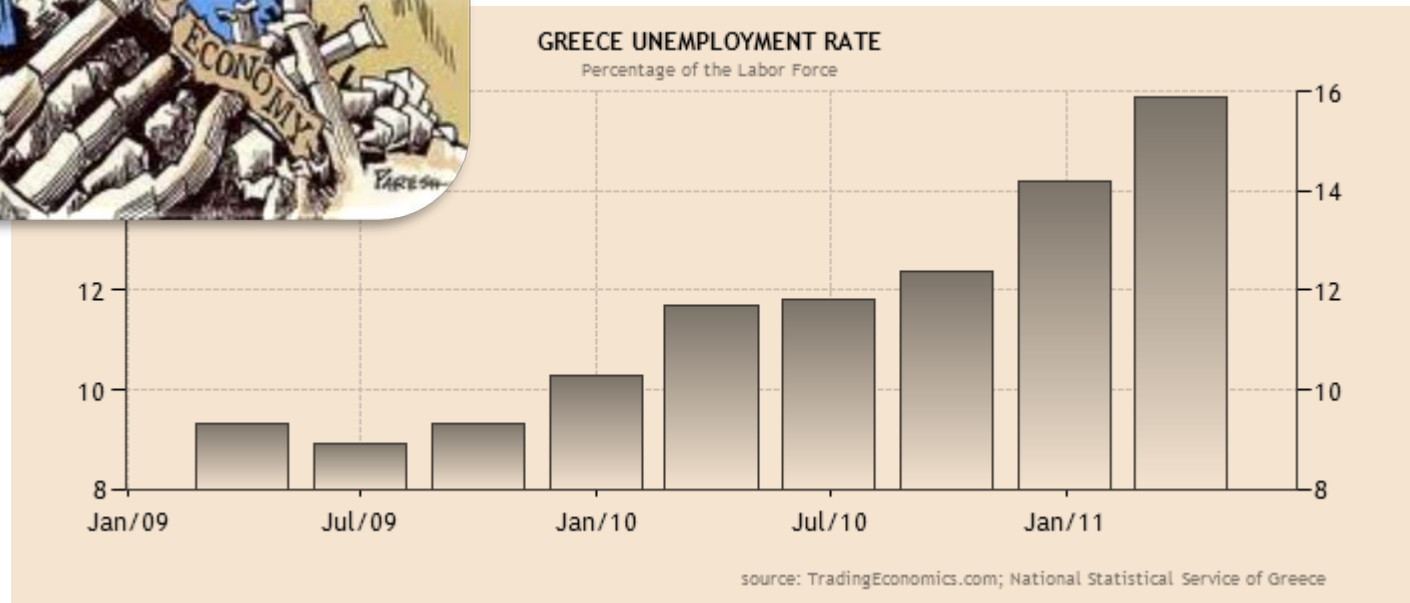


Belgium – Consumer confidence



“For the first time in 2 years households think their personal situation will take a turn for the worse.”
National Bank of Belgium

Greek economy stumbles and unemployment rate continues to climb



Intense transformation of Delhaize Group started in 2010 continues through 2011



New Game Plan

- New strategy for years to come
- One vision, one set of common values
- Fundamental changes to our organizational structure

Prepared our Group for the opportunities of 2011

Growth



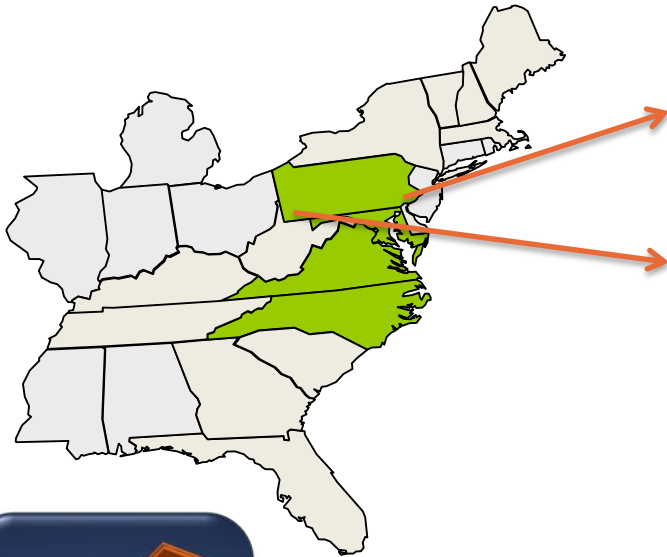
Portfolio growth

Value leadership

Differentiation

Bottom Dollar Food expands in high-potential markets

Growth



Philadelphia

19 stores currently and plans to open more

Pittsburgh

14 new stores planned, opening early 2012

- Transactions increase as we continue to drive trial
- Number of items and basket size performing very well.



bottom dollar
FOOD

47 stores in North Carolina, Virginia, Maryland and Pennsylvania

- “no-frills” shopping environment
- approximately 6,500 items
- low prices on fresh produce and meat
- national and private brands that matter most to customers
- 18,000 square feet

Food Lion brand repositioning: going back to basics

Growth

May 4, 2011

2011

2012

PHASE ONE

PHASE TWO

Launch of **200 stores** in 2 representative markets, **Raleigh** (North Carolina) and **Chattanooga** (Tennessee)

Evaluation of brand strategy work on **price, shopping experience** and **assortment** throughout phase one through **customer surveys** as well as financial KPI's

Roll-out in the rest of the **network**, to be substantially completed by end 2012

There's one price for everything.
LOW.

Get your **LION'S SHARE** of savings.



THOUSANDS of lower prices.

Food Lion: before and after

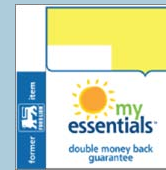
Growth

SIMPLE

Shopping aisles



Price tags



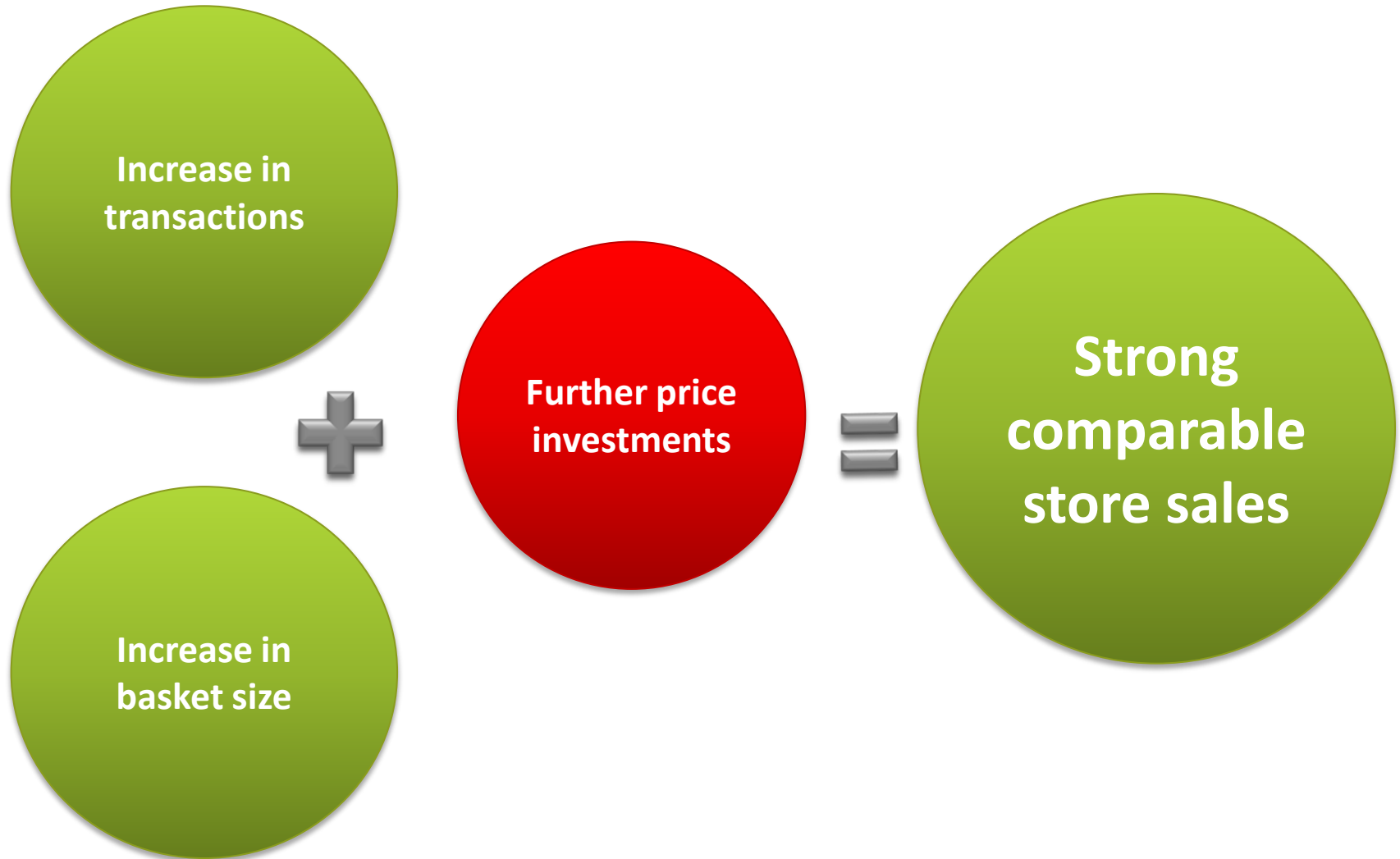
PRICE

Private brand



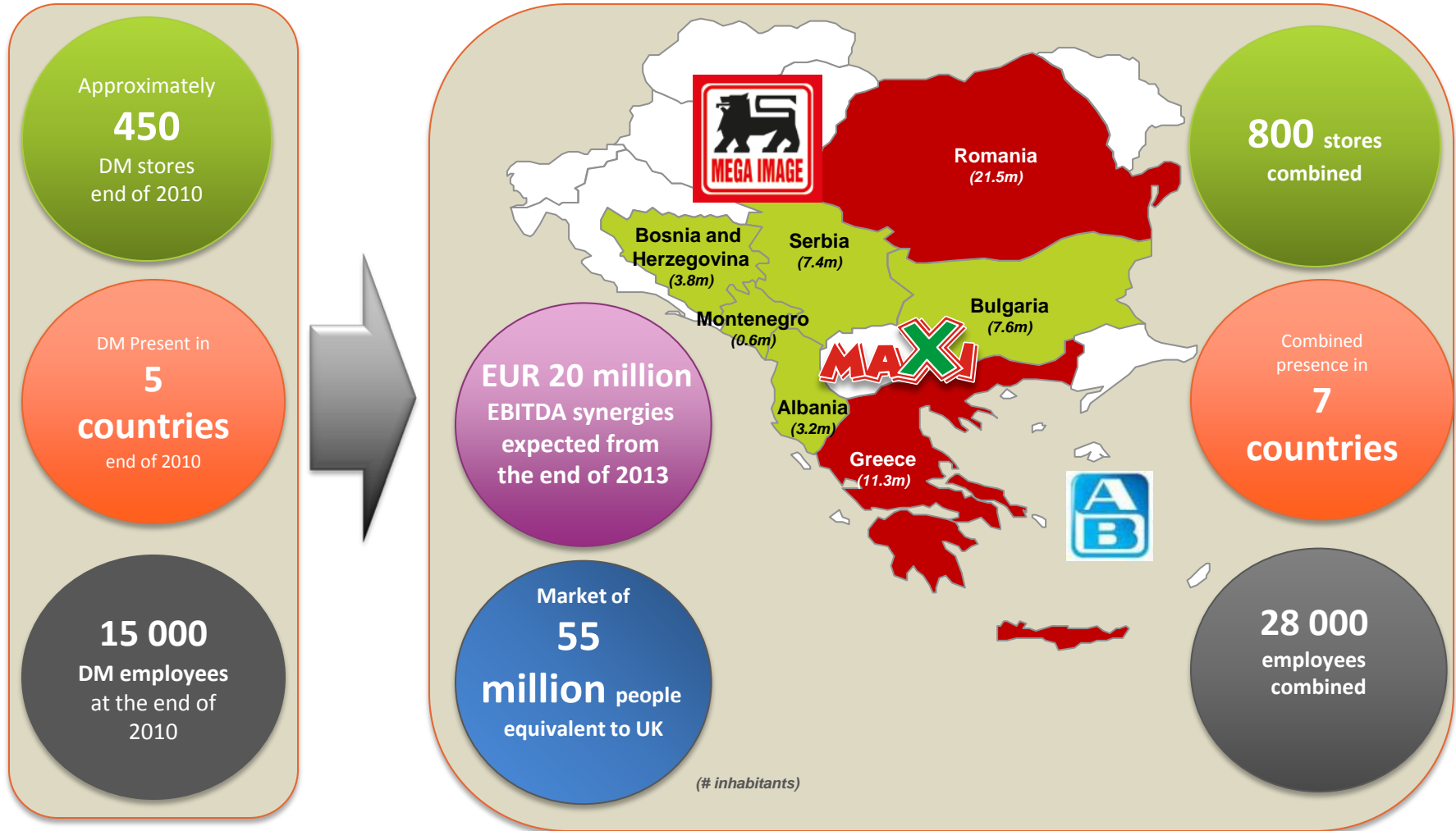
Food Lion Phase One: first results to date

Growth



Combination of Delta Maxi with Alfa Beta and Mega Image creates engine for growth

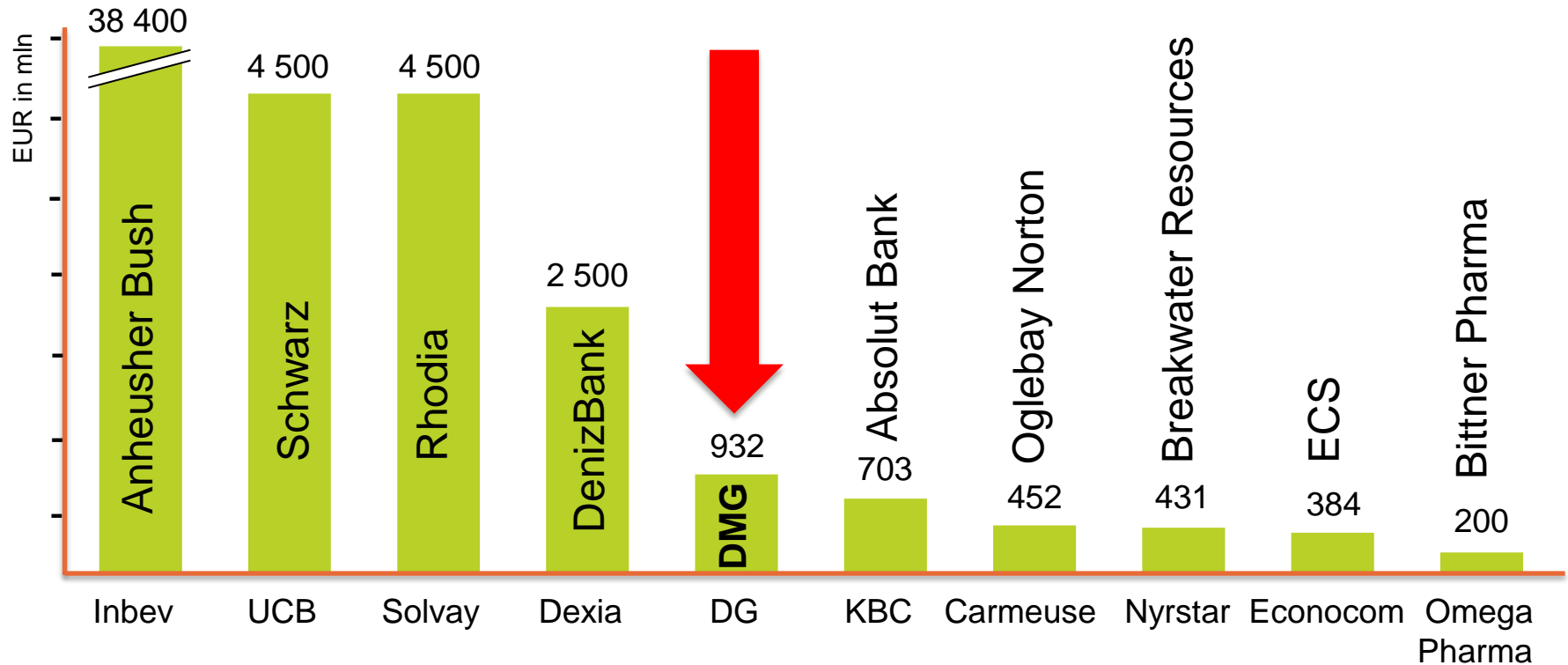
Growth



Delta Maxi: one of the biggest transactions done by Belgian Stock listed companies in last 5 years

Growth

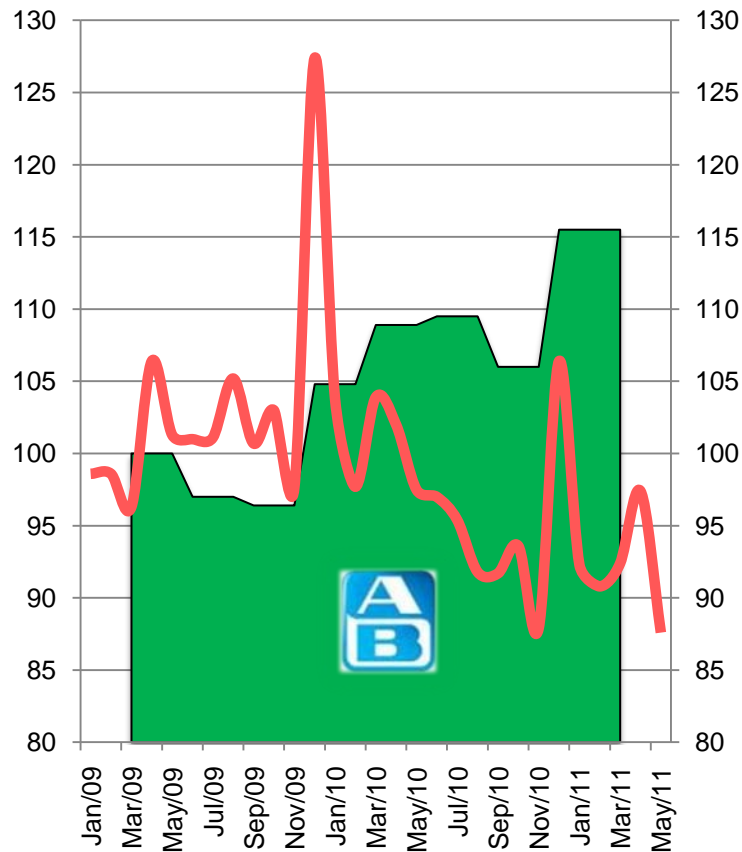
Transaction value in millions EUR



Greece: crisis offers opportunities for Alfa Beta

Growth

Monthly evolution of sales in Greek food retail market in real terms* and market share evolution Alfa Beta**



Greek food retail sales drop 10.2% in May 2011

The 15th monthly drop in last 2 years

Turnover in Greek food Retail declined by 13.5% in last 2 years

Alfa Beta continues to gain market share (**) in a struggling environment thanks to the right assortment at very competitive prices at the time consumers are trading down and looking for alternatives

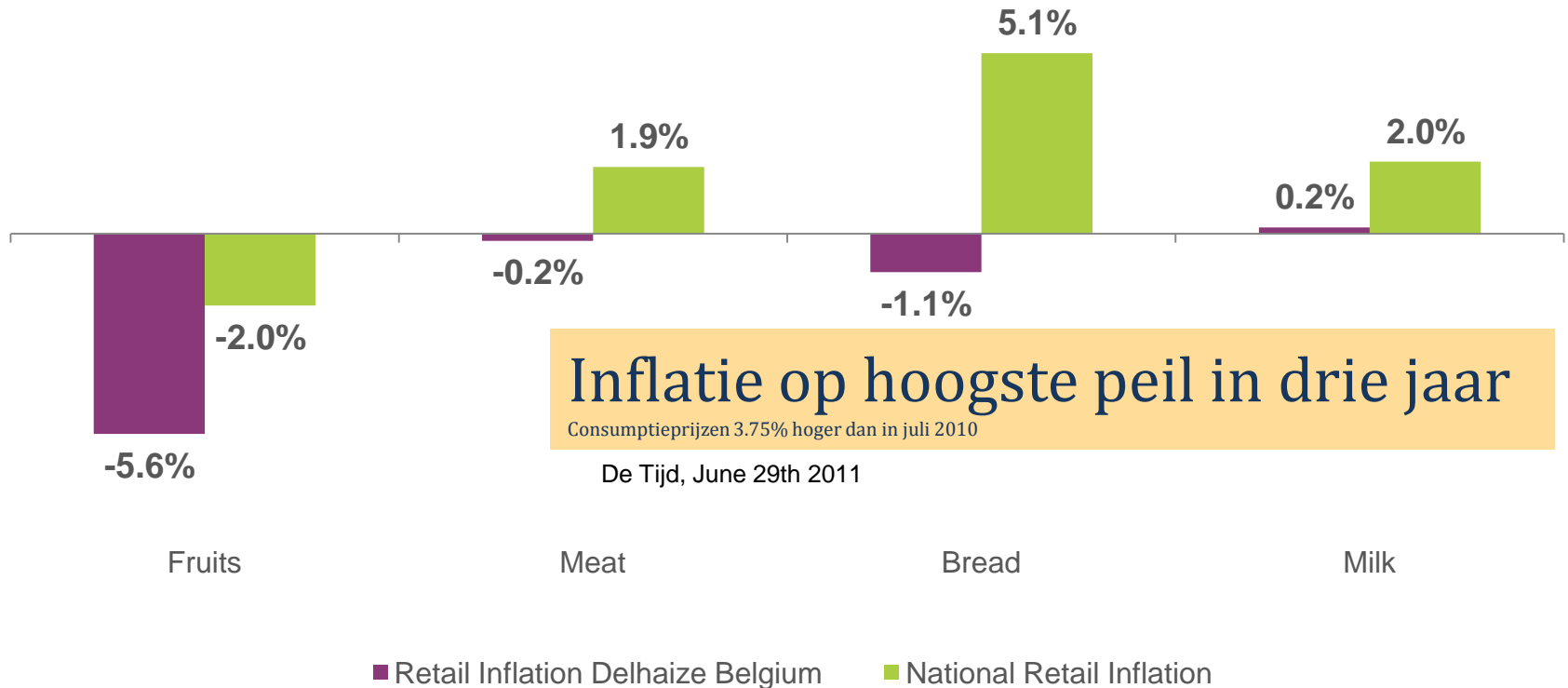
* Source: HELLENIC STATISTICAL AUTHORITY - 2005 = 100

** Source: Nielsen - 2009 = 100

Price investments at Delhaize Belgium

Value

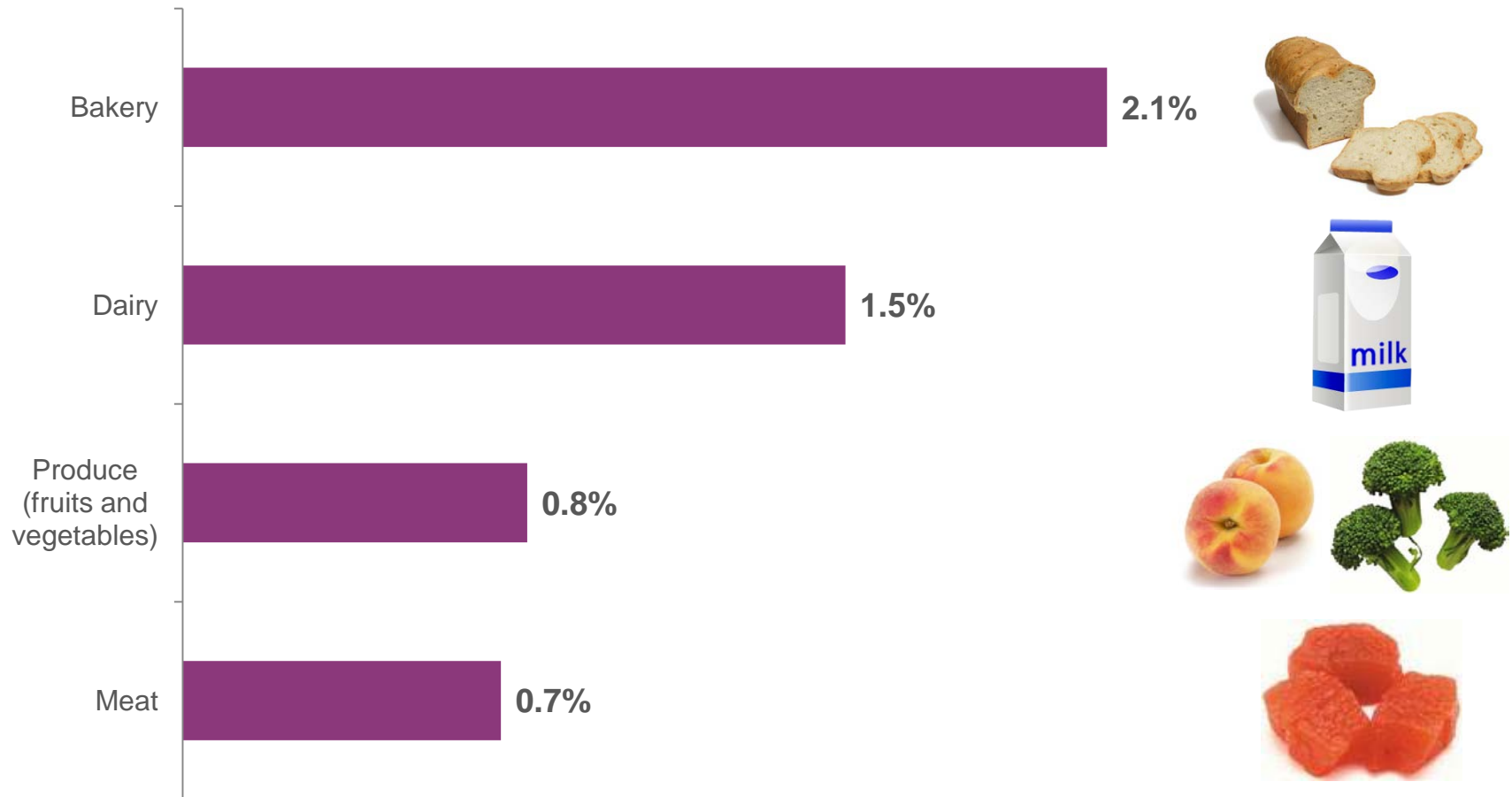
Evolution of prices between Q2 2010 and Q2 2011



Price investments at Delhaize America

Value

Difference between cost inflation and retail inflation in Q2 2011



Cost inflation **significantly** higher than retail inflation at Delhaize America

Delhaize America shoppers: both cautious and optimistic

Differentiation

On the one hand ...

- Chicken sales growing faster than red meat
- Private brand soda sales increasing faster than branded
- Private brand milk sales growing faster than branded
- Regular ice cream growing faster than super premium

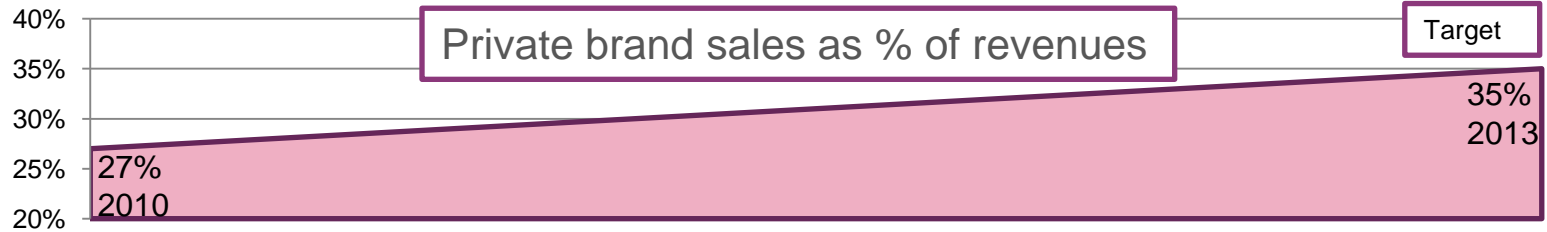
...On the other hand

- After slow growth in 2009, natural and organic sales grew much faster in 2010 and YTD 2011
- Premium orange juice growing faster than regular orange juice
- Premium deli meats growing faster than value deli meats

Customer behavior requires a wide assortment to meet all these needs

Private brand as a powerful engine in the U.S.

Differentiation



New value line *MyEssentials* in the U.S. 450 products in store at the end of Q2 2011



Initiatives to drive sales and meeting changing consumer needs

Differentiation

delhaize *direct*

- order online – pickup in store
- 77 stores end of Q2
- Target of 100 stores for 2011 confirmed

Hannaford To Go launched in April 2011 –
on line ordering, curbside pick-up

online shopping, curbside pick-up
hannaford to go



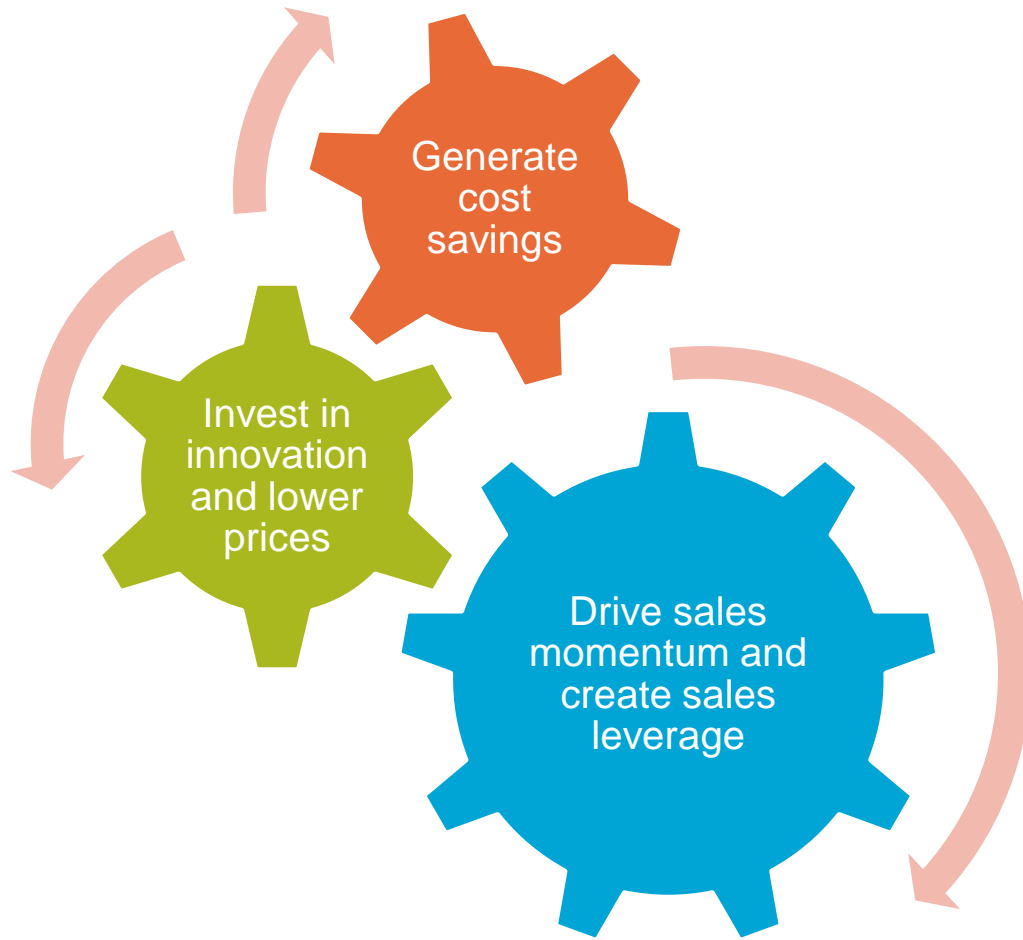
Kids Range for Delhaize Belgium. Packaging and nutritional information adapted to kids' needs. 15 to 30% cheaper than national brand product

Launch of our new Summer Action
“Smurf” at Delhaize Belgium



Sharing best practices. Mega Image ran the
“Wonders of the World” loyalty campaign in
partnership with National Geographic

Efficiency



New Game Plan savings dynamics

Efficiency

Where from

EUR 300 million or 60% of gross annual savings target realized

Savings are fuel for the many New Game Plan sales building initiatives

Cost of sales savings

- Improved supplier negotiations
- Value chain analysis
- Increased automation in the supply chain across the Group

SG&A savings

- Increased labor efficiency
- Savings in repair and maintenance
- Energy reduction initiatives
- Efficiency improvements in stores



Where to

New Game Plan savings

More than half of these savings were re-invested in price decreases

An important part was used to offset payroll, utility and rent inflation

Another part was used to fund strategic initiatives and offset various other cost increases

Sustainability



Online CR report available on www.delhaizegroup.com

The screenshot shows the Delhaize Group Corporate Responsibility website in a Windows Internet Explorer browser window. The browser's address bar displays the URL <http://www.delhaizegroup.com/en/CorporateResponsibility.aspx>. The website features a navigation menu with links for Home, Investor Center, Publications Center, Corporate Governance, Corporate Responsibility (highlighted), Careers, and Contacts. A search bar is located in the top right corner.

The main content area is titled "Welcome to Corporate Responsibility at Delhaize Group" and includes the text: "Together we aspire to enrich the lives of our customers, associates and the communities we serve in a sustainable way." This text is accompanied by an image of three apples (green, yellow, and red).

On the left side, there is a sidebar with several sections:

- Our CR Approach**
 - Interview CEO and Chairman
 - The Big Picture
 - Our Material Issues
 - Our Strategy
 - CR Governance and Management
 - Our Stakeholders
 - Compliance and Ethics
- Our CR Performance**
 - Healthy Products
 - Healthy People
 - Healthy Planet
- Case Studies**
- News**
- CR Reports**
- CR Contact**

At the bottom of the sidebar, there is a download link for the "Corporate Responsibility Progress Report 2010" with a "Download pdf" button.

The main content area also features several interactive tiles:

- Healthy Products**: An image of fresh vegetables.
- Healthy People**: An image of a group of people.
- Healthy Planet**: An image of solar panels.
- CR at our banners**: An image of various banners.
- Message from the CEO**: A portrait of a man.
- Feed tomorrow - our CR blog**: A graphic with the text "Feed tomorrow" in a red box.

At the bottom of the page, there are links for "Investor Kit", "E-mail Alert", and "Contact Us". A footer contains the text: "Legal notice & Privacy policy - © 2011 Delhaize Group SA. All rights reserved."

Appendix



- Underlying operating profit

Underlying operating profit reconciliation

(in millions of EUR)	Q2 2011		Q2 2010	2011 / 2010	
	At Actual Rates	At Identical Rates	At Actual Rates	At Actual Rates	At Identical Rates
Operating Profit (as reported)	209	228	227	-7.8%	0.5%
<i>Operating Margin</i>	4.1%	4.1%	4.3%		
Add/(subtract):					
Fixed assets impairment charges (reversals)	1	1	1		
Restructuring charges (reversals)	-	-	-		
Store closing expenses (reversals)	-	-	-		
(Gains)/losses on disposal of fixed assets	2	2	-		
Other	(3)	(3)	5		
Underlying Operating Profit	209	228	233	-10.5%	-2.2%
<i>Underlying Operating Margin</i>	4.1%	4.1%	4.4%		

(in millions of EUR)	YTD 2011		YTD 2010	2011 / 2010	
	At Actual Rates	At Identical Rates	At Actual Rates	At Actual Rates	At Identical Rates
Operating Profit (as reported)	427	444	468	-8.6%	-4.9%
<i>Operating Margin</i>	4.2%	4.2%	4.5%		
Add/(subtract):					
Fixed assets impairment charges (reversals)	3	3	1		
Restructuring charges (reversals)	-	-	(4)		
Store closing expenses (reversals)	1	1	-		
(Gains)/losses on disposal of fixed assets	2	2	(1)		
Other	(2)	(2)	5		
Underlying Operating Profit	431	448	469	-8.2%	-4.5%
<i>Underlying Operating Margin</i>	4.2%	4.3%	4.6%		

Delhaize Group believes “underlying operating profit” is a measure that, better than “operating profit”, represents the underlying operating performance of the period for the Group as it adjusts for a number of elements that management considers as non-representative for underlying operating performance.

determination | integrity | courage | humility | humor

Thank you