

DELHAIZE  GROUP



Delhaize America - an effective operational structure supporting growth
Ron Hodge – December 2, 2011

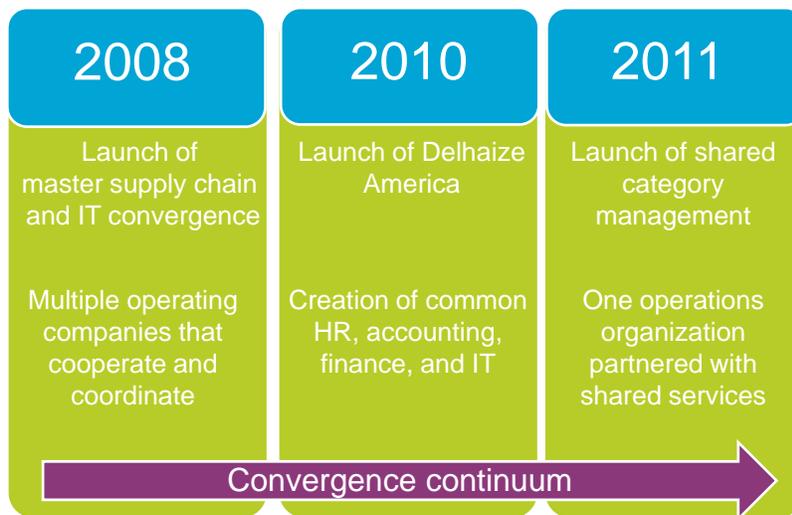
DELHAIZE  GROUP 29/11/2011 | 1

Why we are moving to a shared service structure

- Creates a more powerful organizational structure by which **Delhaize America** banners can compete and realize their strategic objectives
- Improves **effectiveness and efficiency** of support functions through shared best practices and systems
- Reduces our procurement **cost of goods sold** in addition to the savings generated by the supply chain network
- Creates **consistent processes and programs** for shared service support functions and systems that will allow for:
 - Faster implementation and adoption of best practices
 - Elimination of redundancies
 - Ongoing focus on meeting local consumer needs
 - Faster acquisition integration

DELHAIZE  GROUP 29/11/2011 | 2

Shared services evolution to date



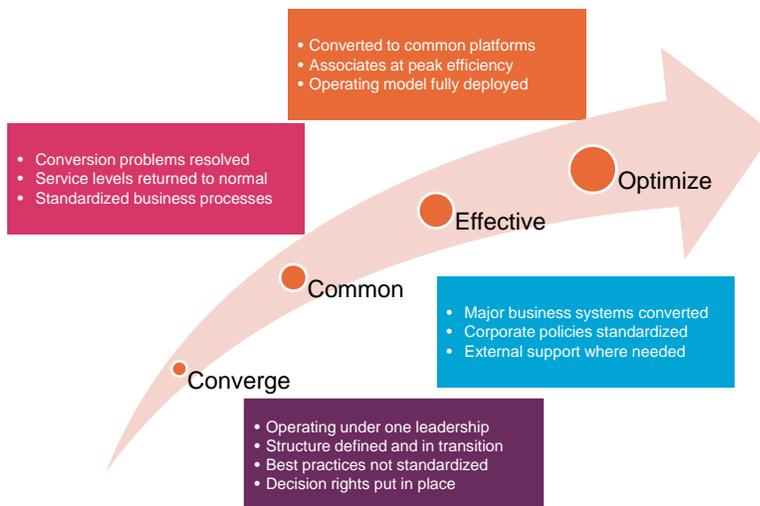
Shared services are enablers to deliver banner go-to-market strategies



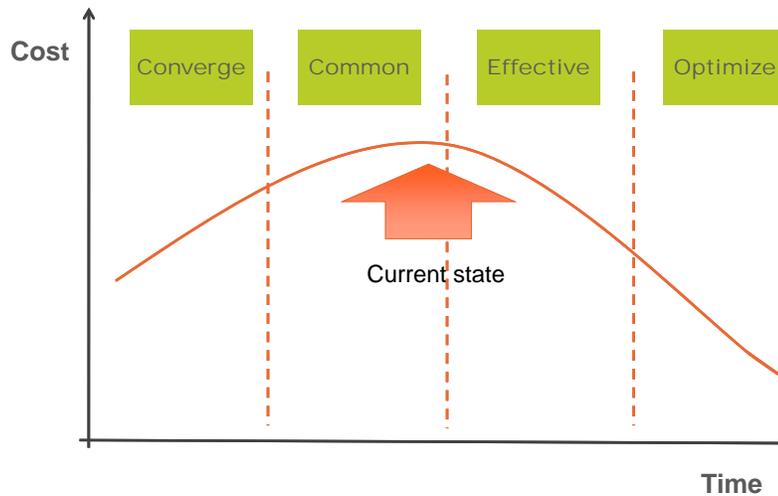
What we have learned along the way



Varying levels of maturity exist across shared services



Path to shared services maturity brings additional costs in the early phases



Conclusion

- We made a number of **structural changes** over the last couple of years.
- These structural changes **increase speed** of decision making while delivering clear **lines of accountability**.
- We continue to identify opportunities where transactional activities can be **harmonized**.
- A **good balance** has been found between enabling growth and being a more effective organization.
- Our shared service organization continues to mature while **already supporting** important growth initiatives.
- Alignment around common goals, systems and processes has made Delhaize America into **one team**.