

## RENEWAL OF THE AUTHORIZED CAPITAL IN THE EVENT OF A PUBLIC TAKEOVER BID OVER THE COMPANY

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### SPECIAL REPORT OF THE BOARD OF DIRECTORS PREPARED PURSUANT TO ARTICLE 604 OF THE COMPANY CODE

The board of directors (the *Board*) of Delhaize Group SA (the *Company*) proposes to the upcoming extraordinary shareholders meeting of the Company to renew the powers of the Board to increase the capital of the Company in case of a public takeover bid over the Company in accordance with Article 607 of the Company Code, and the Board has prepared this special report pursuant to Article 604 of the Company Code.

#### **1. Description of the authorization to increase the share capital in case of a public takeover bid**

The Board proposes to renew for three years the powers of the Board to increase the capital of the Company if the Board deems it appropriate in the event that it has received notice of a public takeover bid over the Company. Further, the Board proposes to be authorized in such context to limit or revoke the preferential right of the shareholders, even in favor of specific persons to which the capital increase could be reserved.

#### **2. Purpose and justification of the authorization to increase the share capital in case of a public takeover bid**

The Board believes that it is in the best interest of the Company to give the Board the flexibility of increasing the capital to implement measures which could prevent a detrimental destabilization of the shareholding, particularly in the context of an unfriendly public takeover bid likely to endanger the business, culture or long-term strategy of the Company.

Any capital increase approved by the Board in case of a public takeover bid will be subject to legal restrictions, including those set out in Article 607 of the Company Code. For instance, the shares issued by decision of the Board must be fully paid-up, their issue price must be at least equal to the price of the takeover bid and the number of new shares cannot exceed one-tenth of the number of shares outstanding immediately prior to the capital increase.

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This special report has been approved by the Board on 9 March 2005.