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's-Hertogenbosch, 15 October 2004

**Laurus accelerates investment in its store portfolio,  
strengthens shareholders' equity and releases third quarter update**

- **Laurus announces € 200 million fully underwritten rights offering**
- **Offering will enable Laurus to accelerate the investment in its store portfolio, to reduce its debt and to strengthen its equity position**
- **Major shareholder Casino to take up at least 51.2% of the offering**
- **Offering to be preceded by a 1 for 10 share consolidation and reduction in the nominal value of each share**
- **Extraordinary general meeting of shareholders to be held on 2 November 2004**
- **Combined like-for-like sales in first three quarters decreased by 8.1% compared with the same period in 2003**

Laurus N.V. ("Laurus" or the "Company") announces today that it intends to raise, subject to necessary shareholder approval and other customary conditions, approximately € 200 million through the issue of new ordinary shares as part of a fully underwritten rights offering. The net proceeds of the rights offering will allow Laurus to accelerate the investment required for the repositioning of its three banners (Edah, Konmar and Super De Boer), to reduce its debt and to strengthen its equity position.

Casino Guichard-Perrachon S.A. ("Casino"), the holder of 38.7% of Laurus' issued shares, has agreed to participate in the rights offering by exercising the subscription rights it will receive in relation to its shareholding. In addition, Casino has agreed to purchase and exercise the subscription rights that ABN AMRO Bank, ING Bank and Rabobank will receive in relation to their 12.5% shareholding in Laurus (that is subject to a call option agreement with Casino). The remainder of the offering will be underwritten by a syndicate of banks.

**Background to and reasons for the offering***Where Laurus has come from*

In 2002, after abandoning its implementation of a single banner strategy and after a number of management changes, Laurus went through a financial restructuring. As part of that financial restructuring, Casino became Laurus' major shareholder and Laurus set a number of short-term and medium to long-term strategic goals.

The short-term goals related to the rationalisation and restructuring of non-performing banners, as well as improvement of the cost structure (back-office). The investments in the banners was set as a medium to long-term goal.

Over the past two years Laurus has made significant progress in achieving its short-term goals, including:

- disposal of loss-making operations in Spain and Belgium;
- disposal or closure of certain loss-making operations in The Netherlands;
- modernisation and stabilisation of management information and financial reporting systems;
- rationalisation of logistics infrastructure;
- strengthening of purchasing position with suppliers through the creation of a centralised purchasing department;
- improvement in performance of the back-office and reduction in back-office costs.

As a result of these cost reductions and other measures (some are still in the execution phase), the Company's cost base is expected to be approximately € 50 million lower in 2005 and subsequent years compared to its cost base for 2003.

Following the realisation of its short-term goals, Laurus had originally planned to focus on its medium to long-term goals of improving the positioning of and increasing the investment in its banners using cash flow from operating activities. The plan was to first revitalise Super De Boer and restore Konmar to profitability (from 2004 to 2005) and then to reposition Edah (from 2005 to 2007). However, as a result of the combination of depressed consumer spending and the price war in the Dutch food-retail sector, the banners have become more vulnerable and, therefore, the process of improving the positioning of and investing in the banners needs to be accelerated.

### **Positioning of Laurus' banners**

In recent years, the formats of the stores operated under Laurus' three banners have become too similar and have lacked sufficient distinctiveness. The formats have also suffered from a lack of capital investment. This, in combination with depressed consumer spending and the price war that started in October 2003, has caused Laurus to lose market share and has impacted the perceived price/quality proposition of the banners. All three banners have shown negative like-for-like sales to date in 2004 and gross margin is below expectations. In order to improve the positioning of its banners, the strategy of Laurus is to:

- reposition the Edah stores as an "Every Day Low Prices" or "EDLP" format under the name "Edah Lekker & Laag";
- launch a new "EDLP" superstore format to take advantage of the potential opportunities offered by the size and location of the existing Konmar Superstores;
- revitalise the Super De Boer stores by introducing a new store "look and feel" and lay-out;
- optimise the use of the locations and formats of stores within the current store portfolio.

#### *Repositioning of Edah*

Edah used to be a popular discount supermarket that offered consumers a good range of products and good value for money. Over recent years, Edah has taken on too many of the characteristics of a full service format. Laurus' strategy for Edah is to go back to its successful discount roots and reposition it as an EDLP discount supermarket under the banner "Edah Lekker & Laag".

Earlier this year, a successful pilot of the new store format was tested. This involved repositioning six Edah stores at various locations across The Netherlands. Laurus wants "Edah Lekker & Laag" to be a format where customers can shop for products at prices that are competitive compared with the hard discounters such as Aldi and Lidl, but with a wider range of products than a customer would typically find in a hard discounter. "Edah Lekker & Laag" will carry 6,000 products on average, of which at least 30% will be private label products. A phased implementation plan for the conversion of the Edah stores to the "Edah Lekker & Laag" format is planned and it is intended to have converted between 40 and 50 stores by the end of 2004, a further 100 stores by the end of 2005 and the remainder of the Edah stores that Laurus operates in 2006.

#### *Launch of a new EDLP superstore format*

Laurus currently has 43 superstores operating under the Konmar banner. In the light of market conditions in the first half of 2004, Konmar took various steps to adapt its customer proposition including price-cuts of 7% on average on more than 5,000 products, improved fresh-food departments and the introduction of larger ranges in product groups such as wines, international food, cosmetics and other non-food products. Notwithstanding this, Konmar's financial performance has continued to decline and has led us to reconsider the long-term future of the Konmar banner and the best way to exploit a superstore format. In the Dutch food-retail market, the discount segment is sizeable and growing and the continuing price war has underlined the importance of cost and price leadership. Laurus plans to launch a new superstore format that intends to harness these market trends.

This format will operate as an EDLP discount format with an extensive assortment of products, particularly fresh produce. Given the large size and location of the superstores, the new format will aim to have regional reach. Whilst it is intended that the new format will offer highly competitive prices, it will not compromise service or quality. The launch of two pilot stores is planned for the first quarter of 2005. Depending on the results of operations at these pilot stores, Laurus expects to take a decision in the first six months of 2005 on whether or not to roll-out the new format to all of its superstores over the next couple of years.

#### *Revitalisation of Super De Boer*

Since its establishment, Super De Boer has developed into a well-recognised banner. It benefits greatly from the combination of the local knowledge and experience of its franchisees and the central direction and economies of scale that Laurus can offer. Laurus strongly believes that Super De Boer's results of operations have primarily suffered as a result of a lack of investment since Super De Boer was launched in 1998, rather than any fundamental problem with the store format. The strategy to address this lack of investment is to revitalise the Super De Boer stores, giving them a new "look and feel" and lay-out, and to focus on developing fresh produce and private label ranges. Laurus began to address this in the final quarter of 2003 with the introduction of a large number of new products across various fresh-food groups. However, it was decided that further steps needed to be taken and at the end of October 2004, an extensive revitalisation program for Super De Boer, operation "ReFresh Express", will be launched.

“ReFresh Express” is aimed at modernising Super De Boer and strengthening its position as a full-service format, providing better value for money and an up-to-date product range with an emphasis on high quality private label products and fresh produce assortment. Laurus’ aim is that Super De Boer should be the supermarket of choice in its local area. Laurus has planned a phased approach for the implementation of this project and aims to have modernised a total of approximately 300 stores (operated by Laurus and its franchisees) by mid-2005.

#### *Optimisation of the store portfolio*

Laurus’ aim is to ensure that in any store location it is exploiting the format with the largest local opportunity. As a result, certain Edah stores may, depending on a number of factors including size, location and competitors, switch formats to become Super De Boer stores and vice versa.

#### *Acceleration of investment in store portfolio*

Whilst, as part of its recovery plan, Laurus planned for the capital expenditure required to complete the investment in its stores, the Company needs to accelerate the implementation of the investment in order to maintain and improve the market position of its banners and consequently requires additional capital.

In total, Laurus currently expects the capital expenditure required for the investments in the stores that it operates to be approximately € 114 million for Edah in 2004 to 2006, between approximately € 70 million and € 80 million for Konmar in 2005 to 2006 and approximately € 79 million for Super De Boer in 2004 to 2006. Investments will also be needed to further improve Laurus’ back-office and the logistics network.

#### **Sales figures for the first three quarters of 2004 (week 1-40)**

Market circumstances remained difficult in the third quarter of 2004. Sales level of the Dutch food-retail market declined by 0.1% in the third quarter of 2004 compared with the same period in 2003. This contrasted with the 0.5% increase in the first half of 2004 compared with the first half of 2003. In addition, the price war has recently been extended to private label products.

Laurus’ key results for the first three quarters of 2004 are as follows:

- combined like-for-like consumer sales at Edah, Konmar and Super De Boer fell by 8.1% in the first three quarters of 2004;
- total consumer sales by the Laurus formats were € 3,139 million (2003: € 3,498 million);
- Edah, Konmar and Super De Boer recorded net sales of € 2,635 million in the first three quarters of 2004 (2003: € 2,986 million);
- combined market share of 16.6% in the first three quarters of 2004 (first half of 2004: 16.8%);
- slight increase of gross margin in the third quarter of 2004 - compared to the first half year of 2004 - as a result of better buying conditions and efficiencies in the logistics network;
- in absolute terms, gross operating income is under pressure, due to the lower sales base;
- lower gross operating income only partly compensated by cost savings in stores and back-office;
- cash flow in the third quarter of 2004 is positive, at a level in line with the first half year of 2004.

For the year 2004, Laurus expects a negative net income from operating activities.



*Number of stores in The Netherlands*

	03-10-2004	30-06-2004	31-12-2003	05-10-2003
Edah	287	287	269	264
of which franchisees	57	58	58	60
Konmar	43	43	90	105
of which franchisees	4	4	4	4
Super De Boer	390	392	369	363
of which franchisees	203	206	214	217
Total	720	722	728	732
of which franchisees	264	268	276	281

**Laurus' equity position**

As at 31 December 2003, Laurus' shareholders' equity was € 90 million. On 1 September 2004, Laurus announced a net loss of € 15 million for the first half of 2004 and accordingly Laurus' shareholders' equity as at 30 June 2004 was € 75 million.

In the remainder of 2004, Laurus expects the difficult trading environment to continue. As a consequence of developments in the financial and operating results of the former Groenwoudt stores, acquired by Laurus in 2000, the Company expects to record a (non-cash) goodwill impairment charge of between € 60 million and € 80 million at the end of the financial year 2004.

In addition, we will record the previously announced restructuring charge of € 25 million in connection with Project Bridge, a project to reduce our headcount by approximately 1,290 full-time equivalents, in the second half of 2004.

Based on an equity position at 30 June 2004 of € 75 million, taking into account our current expectation of the impairment charge, the restructuring charge and an expected operating loss in the second half of 2004, without the proceeds from the proposed rights offering, Laurus would expect to have negative shareholders' equity by year-end.

In addition, Laurus currently estimates that the introduction of International Financial Reporting Standards (IFRS) in 2005 could further reduce equity by approximately € 70 million (non-cash), mainly as a result of changes in the treatment of costs and provisions relating to pensions (estimated to be approximately € 60 million).

## **The offering**

### *Purpose of the offering*

The proposed capital raising will:

- enable Laurus to accelerate the investment in its banners, without additional drawings under its credit facilities;
- strengthen Laurus' equity position with a view to have positive shareholders' equity not only at year-end 2004, but also after the introduction of IFRS on 1 January 2005;
- allow Laurus to initially reduce its indebtedness, as capital expenditure in relation to the investments in the banners would be phased from 2004 to 2006

### *Details of the offering*

- rights offering to raise € 200 million;
- major shareholder Casino to take up at least 51.2% of the offering by:
  - exercising the rights it will receive in relation to its 38.7% shareholding in Laurus;
  - purchasing and exercising the rights the banks will receive in relation to their 12.5% shareholding in Laurus;
  - agreeing to a lock-up of 180 days after closing;
- the remainder of the offering will be underwritten, subject to customary conditions, by a syndicate of banks consisting of ABN AMRO Rothschild and ING Investment Banking, as Joint Global Co-ordinators, and Rabo Securities as co-lead manager;
- definitive terms of the offering, including the number of shares to be issued and the subscription price are expected to be announced upon launch of the offering;
- the offering is subject to certain customary conditions, including necessary shareholder approval as described below.

## **Share consolidation and reduction in nominal value**

Following the financial restructuring in 2002, Laurus' share capital consists of a relatively large number of shares that have been trading around or below € 1.00 per share. The Company considers this to be undesirable as any small change in the price of its shares appears disproportionate in percentage terms compared with changes in the price of shares in other companies. The Company therefore proposes to reduce the number of outstanding shares by means of a 1 for 10 share consolidation, resulting in a nominal value per share of € 2.00 (from € 0.20).

Following the share consolidation, Laurus proposes to lower the nominal value of each share from € 2.00 per share to € 1.30 per share in order to have its issued share capital correspond more with its shareholders' equity.

### Shareholders' meeting

Laurus' supervisory board and board of management has today called an Extraordinary General Meeting of Shareholders (EGM) for 2 November 2004, at which shareholders will be asked to vote on:

- granting certain authorisations to the board of management as required for the execution of the offering;
- amendments to Laurus' articles of association for the purpose of:
  - an increase in Laurus' authorised share capital, the share consolidation, the reduction in the nominal value of the shares from € 2.00 to € 1.30 per share (following the share consolidation) and the cancellation of repurchased shares;
  - implementing changes to Dutch company law, effective as 1 October 2004, in connection with the modification of the rules relating to the Large Company regime.

In connection with the EGM, Laurus has published an explanatory memorandum for shareholders, describing in detail the background to and reasons for the offering, giving further details of the proposed share consolidation and reduction in nominal value of its shares and setting out the proposed changes to Laurus' articles of association to implement the changes to Dutch company law in connection with the modification of the rules relating to the Large Company regime. Both the EGM notice and explanatory memorandum are available on the Company's web site at [www.laurus.nl](http://www.laurus.nl). For further details relating to the EGM, see Appendix II.

#### *Press Conference Details*

A press conference will be held today, 15 October 2004 at 11:00 am CET, at the RAI Amsterdam, Room E.

#### *Analyst Meeting Details*

An analyst meeting will be held today, 15 October 2004 at 13:15 CET, at the RAI Amsterdam, Room E.

Following the analyst presentation, a conference call will be held. If you wish to participate in the conference call please dial:

The Netherlands	+31 (0)45 631 6905
France	+33 (0)17 099 3298

Slides of the presentation for the press conference, as well as the analyst presentation will be available at [www.laurus.nl](http://www.laurus.nl). Both events will be webcast live starting at 11:00 and 13:15 CET, respectively.

#### *About Laurus*

Laurus N.V. ("Laurus") was formed on 30 October 1998 through a merger of De Boer Unigro N.V. and Vendex Food Groep B.V. With a market share of approximately 17%, about 26,000 employees and 720 supermarkets, Laurus is one of the main food retail organisations in The Netherlands. Laurus operates the Edah, Konmar and Super De Boer banners in The Netherlands. Laurus has its own stores and also works with franchisees who operate supermarkets under the three banners.

Laurus' shares are listed on Euronext Amsterdam [LAU NA]. The Company is included in the Next150, Midkap and Food and Drug retailers indices. Options on Laurus' shares are also traded on Euronext Amsterdam (as of November 2004 on EuronextLiffe).

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This document does not constitute, or form part of, an offer, or solicitation of an offer, to purchase or subscribe for any rights, shares or other securities in any jurisdiction.

The offer to acquire shares in Laurus pursuant to the proposed offering will be made solely on the basis of information that will be contained in a prospectus to be made generally available in The Netherlands in connection with such offering. The prospectus will contain detailed information about the offering, Laurus and its management, as well as financial information. When made generally available, copies of the prospectus may be obtained at no cost from Laurus N.V. or ABN AMRO Bank N.V. or through the website of Euronext Amsterdam (Dutch residents only).

The grant of any subscription rights or the offer of any new shares in certain jurisdictions may be restricted by law and therefore potential investors should inform themselves about and observe any such restrictions.

Within the United Kingdom this announcement is only directed at persons who have professional experience in matters relating to investments and fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the "Order") or who fall within Articles 43 or 49(2) of the Order or who are other persons to whom Laurus may otherwise lawfully communicate an invitation or inducement to engage in investment activity in accordance with the Order.

This announcement does not contain or constitute an offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act") and may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act.

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Press contacts

F. Kremer, telephone: +31 (0)73 622 37 14 / +31 (0)6 22 45 88 57



## APPENDIX I - SUMMARY FINANCIAL AND OPERATING DATA

The following selected consolidated financial data for the years ended 31 December 2003, 2002 and 2001 is derived from our audited financial statements for the years ended 31 December 2003, 2002 and 2001 and should be read in conjunction with our audited financial statements. The following selected consolidated financial data for the six months ended 30 June 2004 and 2003 is derived from our unaudited interim financial statements for the six months ended 30 June 2004 and 2003.

### CONSOLIDATED BALANCE SHEETS

<b>(€ millions, unless stated otherwise)</b>	<b>As at 30 June</b>		<b>As at 31 December</b>		
	<b>2004</b> <small>(unaudited)</small>	<b>2003</b> <small>(unaudited)</small>	<b>2003</b> <small>(audited)</small>	<b>2002</b> <small>(audited)</small>	<b>2001</b> <small>(audited)</small>
<b>Fixed assets</b>					
Intangible fixed assets	128	141	138	151	156
Tangible fixed assets	400	441	419	480	633
Financial fixed assets	49	63	61	80	39
	<b>577</b>	<b>645</b>	<b>618</b>	<b>711</b>	<b>828</b>
<b>Current assets</b>					
Inventories	137	154	167	227	320
Receivables	142	166	167	209	294
Cash and Banks	37	50	65	125	47
	<b>316</b>	<b>370</b>	<b>399</b>	<b>561</b>	<b>661</b>
<b>Total</b>	<b>893</b>	<b>1,015</b>	<b>1,017</b>	<b>1,272</b>	<b>1,489</b>
<b>Equity and liabilities</b>					
Shareholders' equity	75	88	90	81	(176)
Minority interests	2	2	2	2	2
Unrealised gains on real estate sold	15	15	16	16	18
Provisions	73	90	99	114	123
Long-term liabilities	349	467	403	562	99
Current liabilities	379	353	407	497	1,423
<b>Total</b>	<b>893</b>	<b>1,015</b>	<b>1,017</b>	<b>1,272</b>	<b>1,489</b>

## CONSOLIDATED PROFIT AND LOSS ACCOUNTS

(€ millions, except earnings per share)	Six months ended 30 June		Year ended 31 December		
	2004	2003	2003	2002	2001
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Net sales	1,782	2,182	4,065	5,476	6,401
Cost of sales	(1,449)	(1,773)	(3,281)	(4,482)	(5,337)
<b>Gross operating income</b>	<b>333</b>	<b>409</b>	<b>784</b>	<b>994</b>	<b>1,064</b>
Selling expenses	(294)	(313)	(589)	(767)	(908)
General and administrative expenses	(55)	(81)	(178)	(241)	(298)
Income from real estate	3	4	10	12	6
<b>Operating income</b>	<b>(13)</b>	<b>19</b>	<b>27</b>	<b>(2)</b>	<b>(136)</b>
Result on divestments	11	10	8	(97)	—
	(2)	29	35	(99)	(136)
Net interest charges	(14)	(16)	(34)	(60)	(49)
<b>Income from ordinary activities before tax</b>	<b>(16)</b>	<b>13</b>	<b>1</b>	<b>(159)</b>	<b>(185)</b>
Tax on income from ordinary activities	1	(6)	8	30	(31)
Result on participating interests	—	—	—	1	—
<b>Net profit/(loss) from ordinary activities</b>	<b>(15)</b>	<b>7</b>	<b>9</b>	<b>(128)</b>	<b>(216)</b>
Extraordinary income					101
Extraordinary charges					(304)
Tax on extraordinary income and charges					(23)
<b>Net extraordinary charges after tax</b>					<b>(226)</b>
<b>Net profit / (loss)</b>					<b>(442)</b>

## EARNINGS PER SHARE

(€ millions, except earnings per share)	Year ended 31 December		
	2003 (audited)	2002 (audited)	2001 (audited)
Earnings per share (€)	0.02	(0.38)	(3.41)
Earnings per share (€, fully diluted)	0.02	(0.38)	(3.41)
Earnings per share (€, full potential)	0.02	(0.22)	(3.35)

## CONSOLIDATED CASH FLOW STATEMENTS

(€ millions, unless stated otherwise)	Six months ended 30 June		Year ended 31 December		
	2004	2003	2003	2002	2001
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Net profit/(loss)	(15)	7	9	(128)	(442)
Depreciation, amortisation and diminution in value	51	46	93	143	429
Transaction result on divestment of participating interests	(11)	(10)	(7)	41	—
<b>Cash flow</b>	<b>25</b>	<b>43</b>	<b>95</b>	<b>56</b>	<b>(13)</b>
Movement in deferred tax	(1)	6	1	3	31
Movement in provisions	(26)	(17)	(8)	8	(89)
Movement in gains on real estate sold	(1)	(1)	—	(1)	1
Movement in inventories	30	42	29	—	53
Movement in receivables	25	5	4	39	(51)
Movement in trade creditors	(71)	(87)	(49)	(27)	(64)
Movement in other liabilities	(3)	(9)	7	(48)	133
	(47)	(61)	(16)	(26)	14
<b>Total cash flow from operating activities</b>	<b>(22)</b>	<b>(18)</b>	<b>79</b>	<b>30</b>	<b>1</b>
<i>Net investments and capital expenditures</i>					
Intangible fixed assets	3	3	2	(5)	(8)
Tangible fixed assets	(25)	(37)	(79)	(28)	(224)
Disposals	—	8	29	16	27
Financial fixed assets	19	5	12	10	11
Divestment Belgium (2003), Spain (2002) and Pet's Place (2001)	—	58	55	(160)	1
Other divestments	—	—	—	31	—
<b>Total cash flow from investing activities</b>	<b>(3)</b>	<b>37</b>	<b>19</b>	<b>(136)</b>	<b>(193)</b>
<i>Shareholders' equity</i>					
Capital contributions	—	—	—	385	—
	—	—	—	385	—
<i>Borrowed capital</i>					
Net loans drawn down	45	—	—	—	285
Redemptions	(48)	(94)	(158)	(201)	(75)
	(3)	(94)	(158)	(201)	210
<b>Total cash flow from financing activities</b>	<b>(3)</b>	<b>(94)</b>	<b>(158)</b>	<b>184</b>	<b>210</b>
<b>Total net cash flow</b>	<b>(28)</b>	<b>(75)</b>	<b>(60)</b>	<b>78</b>	<b>18</b>
Net cash and banks, opening balance	65	125	125	47	29
Net cash flow	(28)	(75)	(60)	78	18
<b>Net cash and banks, closing balance</b>	<b>37</b>	<b>50</b>	<b>65</b>	<b>125</b>	<b>47</b>

**APPENDIX II – EGM AGENDA****AGENDA FOR THE EXTRAORDINARY MEETING OF SHAREHOLDERS  
OF LAURUS N.V.**

1. Opening and announcements
2. Information on the intended offering of transferable subscription rights and the issue of new shares and the consolidation of shares
3. Delegation of authority to issue shares and to restrict or exclude pre-emption rights of shareholders
4. Amendments of the articles of associations and capital reduction
5. Other business
6. Closing