

**Etn. Fr. Colruyt**  
Limited liability company

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REPORTING PERIOD  
**2006/2007**

ANNUAL REPORT  
presented to the Ordinary General  
Meeting of 19 September 2007  
by the BOARD OF DIRECTORS  
and REPORT  
of the INDEPENDENT AUDITOR

Halle, 22 June 2007

**Dit jaarverslag is ook beschikbaar in het Nederlands  
Ce rapport annuel est également disponible en français.**

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## I. Directors, auditors and management

### BOARD OF DIRECTORS

#### Composition

##### Representatives of the main shareholders, executive directors:

Jef COLRUYT	Director, Chairman (2010)
Frans COLRUYT	Director (2009)

##### Representatives of the main shareholders, non-executive directors:

François GILLET <sup>(*)</sup>	Director (2008) – Senior manager with S.A. Sofina
N.V. ANIMA	Director (2008), permanently represented by Jef Colruyt
N.V. HERBECO <sup>(*)</sup>	Director (2009), permanently represented by Piet Colruyt
N.V. FARIK	Director (2009), permanently represented by Frans Colruyt

##### Independent director

BVBA DELVAUX TRANSFER <sup>(*)</sup>	Director (from 15/7/2006), permanently represented by Willy Delvaux (2007)
<sup>(*)</sup> member of the audit committee	

##### Secretary

Jean de LEU de CECIL	Secretary
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##### Independent auditor

CVBA KLYNVELD PEAT MARWICK GOERDELER – company auditors represented by Ludo RUYSEN (2007) and Jo VANDERBRUGGEN (2007).

### Appointments

#### Reappointment of the independent director

The term of office of as an independent director of BVBA Delvaux Transfer, represented by Willy Delvaux, is expiring. The Board of Directors proposes that it be reappointed as a director for a further 4 years ending after the 2011 Annual Meeting.

#### Reappointment of the independent auditor

The term of office of CVBA KLYNVELD PEAT MARWICK GOERDELER – Company Auditors, represented by Ludo Ruysen (00949) and Jo Vanderbruggen (01207), is expiring.

The Board of Directors proposes that the independent auditor be reappointed for a 3-year period until after the 2010 General Meeting.

### Honorary director

Leo DESCHUYTENEER	Honorary Director
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### DIRECTIE

#### 1. Colruyt Group Management

Jef COLRUYT	Chairman
Luc ROGGE	General Manager Colruyt, OKay and Bio-Planet
Dries COLPAERT	General Manager Pro à Pro Distribution (France)
Johan GEEROMS	General Manager of DreamLand
Frans COLRUYT	General Manager of SPAR
Wim BIESEMANS	Finance Manager Colruyt Group
Tony VERLINDEN	Personnel and Administration Manager
Jean de LEU de CECIL	Secretary

## 2. Future Board

Jef COLRUYT	Chairman
<b>2.1 Support Services</b>	
Wim BIESEMANS	Finance Manager Colruyt Group
Tony VERLINDEN	Personnel and Administration manager
Philip CATTRYSSE	Manager IT division (Infoco)
Filip VAN LANDEGHEM	Assistant Manager, Prospecting, Estates and DATS
Erik VAN HUYCHEM	Manager, Premedia and Druco
<b>2.2 Colruyt, OKay and Bio-Planet</b>	
Luc ROGGE	General Manager Colruyt, OKay and Bio-Planet
Dirk DEPOORTER	Purchasing Manager
Johan VANDENBOSSCHE	Manager Logistics and Production divisions
Koen BAETENS	Manager, Buildings and Technical Team Colruyt (BTTC)
Chris VAN WETTERE	Commercial Manager OKay
Jean-Pierre ROELANDS	Commercial Manager Colruyt
Marc VANDEVELDE	Sales Manager
Claude ROMAIN	Sales Manager
Erik PAPPART	Sales Manager
Christian BOURG	Sales Manager
Jan PRINSEN	Sales Manager Fresh Products
André VANDENBOSSCHE	Sales Manager Meat and Vleviso
Karel MATTHIJS	Sales Manager Non-food
<b>2.4 DreamLand</b>	
Johan GEEROMS	General Manager DreamLand
Martine PAUWELS	Assistant Manager DreamLand
<b>2.5 SPAR</b>	
Frans COLRUYT	General Manager SPAR
Jean-François STEVENS	Sales Manager
Geert HANSSENS	Merchandising and Logistics Manager
Giosino CORNACCHIA	Marketing and Expansion Manager
Louis CHABERT	Purchasing Manager
<b>2.7 Pro à Pro Distribution (Frankrijk)</b>	
Dries COLPAERT	General Manager Pro à Pro Distribution
Laurent FRANSIOLI	Finance and Administration Manager Pro à Pro
Wim COLRUYT	IT Manager Pro à Pro
Jean-Claude LEROY	Operations Manager ,Purchasing RHD (Restauration hors domicile)
Claude COCHET	Manager Commercial and Export RHD
Pascal DUBOIS	Manager "Grands comptes" RHD
Gilles POINSOT	Manager Company Operated stores GMS (Grandes et moyennes surfaces)
Emmanuel MALLET	Manager Affiliates GMS
Pascal CONDEMINE	Manager Fresh Products, Purchasing, Marketing, IT GMS

## II. Corporate Sustainable Governance

### A. Charter

#### 1. General Meetings:

The Annual General Meeting of Shareholders takes place at the company's registered office at 16:00 on the third Wednesday of September. If that date is a public holiday, the meeting will be held on the following working day.



All General Meetings shall be called as provided by law.

The Board of Directors and the statutory auditor may call a General Meeting and set the agenda.

A General Meeting must also be called within a month of the demand or written request of shareholders who together represent 1/5 of the share capital.

Every share gives entitlement to one vote. In order to be admitted to the meeting, every owner of bearer shares must deposit them at the registered office or with the institution named in the invitation to the meeting at least three full days before the date set for the meeting. Before the opening of the meeting he/she must produce proof of deposit of his/her securities. Shareholders vote in person or through a proxy. Every proxy must have satisfied the conditions for admission to the meeting.

The Annual General Meeting cannot deliberate on matters that are not on the agenda.

#### 2. Board of Directors:

##### • Composition:

The composition of the Board of Directors is the result of the company's share structure, where the family shareholders, supported by N.V. Sofina, are reference shareholders. As is apparent from past history, the family shareholders provide for the stability and continuity of the company and thereby serve the interests of all shareholders.

They opt to appoint as directors a limited number of representatives with various backgrounds, broad experience and a sound knowledge of the business. The directors form a small team with the requisite flexibility and efficiency to adapt itself to the events and opportunities of the market at any time.

The articles of association lay down no rules on the appointment of the directors and the renewal of their mandates. The Board of Directors has resolved to propose candidates for a term of office not exceeding four years, renewable if appropriate.

The General Meeting of the Shareholders has the exclusive right to appoint the directors (and dismiss them 'ad nutum').

The Board of Directors currently consists of two executive directors and five non-executive directors, one of whom is an independent director.

The Board of Directors is of the opinion that expansion of the number of members must go hand in hand with a substantial enrichment of the Colruyt Group's general management capabilities.

In line with the long-standing tradition of the Colruyt Group, Mr. Jef Colruyt is simultaneously both Chairman of the Board of Directors and Chairman of the Colruyt Group Management Team and Future Board. This deviation from

the recommendations of the Belgian Corporate Governance Code for publicly quoted companies is justified, given the history of the Colruyt Group and the desire of the reference shareholders to entrust the leadership of the Management Team to one of them.

##### • Functioning of the Board of Directors:

The Board of Directors meets every quarter to a set schedule. The meetings are held in the second half of September, December, March and June.

Where necessary intermediate meetings are held to discuss specific topics or make decisions where time is of the essence.

The Board of Directors can only pass resolutions validly if at least half of its members are present or represented. All resolutions of the Board of Directors are passed by a simple majority of votes. In the event of an equality of votes, that of the Chairman decides.

At the quarterly meetings of the Board of Directors ideas are exchanged and decisions made on the general strategic, economic, commercial, financial and accounting affairs of the companies belonging to the Colruyt Group.

This is done on the basis of dossiers that, in addition to consolidated information on the Colruyt Group, contain detailed information on each of the segments that make up the Colruyt Group and its various companies.

Standing items on the agenda include financial results, financial prospects, investment prospects and an activity report for each segment of the Colruyt Group.

The directors receive their dossiers at least five days before the meeting.

### • Committees within the Board of Directors:

Given the limited number of members of the Board of Directors, no Appointments Committee or Remuneration Committee will be formed. Directors' fees, the remuneration of the Chairman of the Management Team and the basic principles of remuneration of the members of the Management Team are decided by the full Board of Directors.

The implementation of these basic principles and the individual remuneration of the members of the Management Team and the Future Board fall within the authority of the Chairman of the Management Team. The Board of Directors has formed an Audit Committee of the non-executive directors and the independent director. This committee collaborates with Group management and the statutory auditor.

The audit committee has produced a set of internal rules of procedure. These are published on our website [www.colruyt.be](http://www.colruyt.be) > [financial info](#).

Audit committee members receive no special remuneration for sitting on this committee.



### • Remuneration

There is no protocol relating to the carrying out of the function of director. It is not customary to grant directors credits or cash advances. Directors receive neither bonuses nor shares

related to an incentive program, nor benefits in kind or benefits linked to a pension scheme.

In their capacity as managers, the executive directors receive the same remuneration package and benefits as the executive management of the Colruyt Group.

The remuneration of the directors (individually) and the members of the Group Management Team (collectively), are published in the annual report.

The articles of association provide that at most 10% of the profit available for distribution is allocated to the directors and at least 90% to the shareholders.

### ■ **3. Day-to-day management:**

Under the chairmanship of Mr. Jef Colruyt, the Colruyt Group Management Team consists of the general managers of the Group's various sectors, together with the finance manager and the personnel manager of the Group.

The Colruyt Group Management Team determines the global strategy and the policy options at group level and ensures coordination between the Group's various sectors.

The Future Board consists of all managers and deputy managers of the Colruyt Group. It determines the common objectives of each of the sectors of the Colruyt Group.

In particular, the Future Board also attends to the development of the Colruyt Group's long-term vision and makes proposals in this respect for decision by the Board of Directors.

These meetings are held to a set plan every four and eight weeks and are chaired by Mr. Jef Colruyt, Chairman of the Board of Directors.

In addition there are fortnightly/monthly management meetings chaired by the general managers, with the managers of the various sectors. They work out the practical details of implementing the policy options adopted.



The day-to-day management of the company is divided between the chief executive officer where commercial, organisational and personal matters are concerned and the finance manager for financial and accounting matters.

Every manager and deputy manager mentioned under the heading Future Board has the explicit duty to monitor his/her department's compliance with all statutory, regulatory, organic and contractual provisions and bears the responsibility if these are infringed.

### ■ **4. Appropriation of profit/loss – dividend policy:**

Based on a motion of the Board of Directors, the Annual General Meeting can resolve to use all or part of the profit available for distribution as a free reserve or to carry it forward to the next reporting period.

The Board of Directors endeavours to grow the annual dividend per share at least proportionally to the growth of consolidated profit. Although it is not a set rule, every year at least 1/3 of the consolidated economic profit is distributed in the form of dividends and directors' bonuses.

The articles of association provide that at least 90 % of the profit available for distribution is allocated to the shareholders and at most 10 % to the directors.

### 5. Shareholders/Shares:

#### • Transparency notification:

Every shareholder who controls at least 5 % of the voting rights must comply with the Disclosure of Major Interests Act of 2 March 1989, the Royal Decree of 10 May 1989 and the Companies Code.

The statutory thresholds per tranche of 5 % apply. The persons concerned must send a notification to the Banking and Finance Commission and the company. The most recent transparency notice is published in the company's annual report and on the website [www.colruyt.be](http://www.colruyt.be) > [financial info](#).

It appears from this transparency notice that the structure of shareholders includes a group of reference shareholders. The Colruyt family and the Sofina Group are shareholders acting in concert.

#### • Insider knowledge:

The attention of persons who have access to insider knowledge of the business and of the directors is regularly drawn in writing to the associated statutory duties and those under administrative law and to the penalties for misuse or improper dissemination of such information. For a period of one month preceding publication of the annual and semi-annual results, no transactions in Colruyt shares will be performed for such persons with the intervention of the company. The same applies to periods during which people have knowledge of sensitive information that has not yet been made public.

As required by the Royal Decree of 5 March 2006 on insider trading, lists of insiders have been drawn up and a company officer tasked with mana-

ing them. Share transactions by directors must be reported to this officer, who will then make them public.

### 6. Information for shareholders:

All information of use to the shareholders is published on our website [www.colruyt.be](http://www.colruyt.be) > [financial info](#). Any interested person may register with the company to be informed automatically whenever the website is changed or new financial information is published on it.

## B. Events during the reporting period

#### • Independent Director

BVBA Delvaux Transfer, with Willy Delvaux as its permanent representative, has taken up its position as new independent director with effect from 15 July 2006.

It should be noted here that BVBA Delvaux Transfer and its permanent representative fulfil the criteria for being viewed as independent directors both under the Belgian Corporate Governance Code for listed companies and the Belgian Companies Code (art. 524 § 4).

#### • Audit committee

The Board of Directors has decided to set up an audit committee. The Audit committee began work effectively in September 2006. It has drawn a set of internal rules of procedure and published it on our website [www.colruyt.be](http://www.colruyt.be).

The Audit committee has appointed François Gillet as its Chairman.

The committee met on 25 October 2006, 6 December 2006 and 21 March 2007.

At each meeting the figures presented in the working paper for the Board of Directors were thoroughly examined and explained by financial management.

The independent auditors also reported to the committee on their audits of the half-yearly and annual results. The Colruyt Group's "risk management" (internal audit) unit also drew up a quarterly report for the committee.

Insurance matters, legal disputes and risks are also explained to the committee and the Board.

The findings and recommendations of the Audit committee are a permanent item on the agenda of meetings of the Board of Directors.

#### • Meetings of the Board of Directors

During this reporting period, the Board of Directors held 4 ordinary meetings, in June 2006, September 2006, December 2006 and March 2007.

Each of the first three meetings took up a full day and had as its main business the discussion of the progress of the Group's various brands and trading activities.

The March 2007 meeting was held for two days at Lyon Chaponnay en Miramas (Marseille, France). At this meeting the directors were given an outline of the French activities and met local management.

All directors were present at every meeting but one, where Jef Colruyt was absent for health reasons

#### • Cancellation of shares

Pursuant to the decision of the Extraordinary General Meeting of Shareholders of 13 October 2006,

## II. Corporate Sustainable Governance

the Board of Directors established on 30 November 2006 that 2,370,000 Colruyt ordinary shares had been cancelled and destroyed by Euroclear Belgium.

### • Remuneration of the Board of Directors:

In 2006/2007 the members of the Board of Directors in post on 31/03/2007, received the following remuneration:



<i>in EUROS</i>	Jef Colruyt	Frans Colruyt (2)	François Gillet (3)	Anima N.V. (4)	Herbeco N.V.	Farik N.V.	BVBA Delvaux Transfer (5)
directors' fees (1)	75,000	75,000	75,000	225,000	75,000	75,000	56,250

(1) Gross amounts on an annual basis, expressed in euros

(2) Frans Colruyt also receives a salary as a manager of the Colruyt Group

(3) François Gillet's remuneration is paid to S.A. Rebelco, a subsidiary of the Sofina Group, his employee.

(4) Jef Colruyt's fees as chairman of the Board of Directors are paid to Anima N.V.

(5) BVBA Delvaux Transfer has been an independent director since 15 July 2006.

In addition, it is being proposed to the General Meeting of shareholders on 19 September 2007 that the Board of Directors receive € 2,898,000 by way of bonuses.

This amount will be divided among the directors, with the exception of BVBA Delvaux Transfer.

### • Remuneration of the Management Team

For the composition of the Management Team, see page 4

<i>in EUROS</i>	Pay (1)	Profit share (2)	Group insurance
Total management team	1,603,441.01	1,145,302.12	227,925.84

(1) Gross sums on an annual basis. 34.92 % is also paid on the gross pay as social security contributions.

(2) 5 managers have opted to take their profit share, as provided by the Act of 22 May 2001, in the form of shares. This involved a total of 202 shares. The value of these shares is included in the above calculation.

Out of respect for the privacy of the members of the Management Team, we report only the total remuneration paid. The remuneration of Jef Colruyt as chairman of the Group Management is included in this. This remuneration is set by the Board of Directors in accordance with the market study recommended by Towers Perrin.

The are no other agreements concerning severance pay or the like.

Management Team members do not receive stock options nor other share related remuneration.

## III. The Colruyt Group

### Introduction to the Colruyt Group

#### 1. General

A list of all companies included in the consolidation appears on pages 90-91. The Colruyt Group operates in the following 3 segments.

##### 1. Retail

This segment comprises the stores under own management: Colruyt, OKay, Bio-Planet, DreamLand, Dreambaby, dream, Colruyt France and Coccinelle France.

This segment accounts for 77.9 % of group revenue.

##### 2. Wholesale

This segment accounts for 16.4 % of group revenue.

##### • Belgium

Activities include supplying independent shopkeepers and affiliated traders by N.V. Spar Retail and supplying members of Alvo, together with the

activities of N.V. Colliverty (home deliveries and food service) and Colex (export).

##### • France

Activities include supplying independent shopkeepers and affiliates, including Coccinelle, Coccimarket and Panier Sympa, together with the food service operations (delivery to collective institutions like the chains of restaurants, hospitals, school and company canteens, etc.).

Also included in this segment are the 16 Cash & Carry stores operated by Codi France (north-east France).

##### 3. Other

This segment accounts for 5.8 % of group revenue and consists of:

- DATS 24 petrol stations in Belgium and France
- Druco: the Colruyt Group printing works

- Engineering activities: Createch Engineering and Dolmen Industrial Projects

There are also a number of companies that perform corporate activities for the entire group and cannot be allocated to a specific segment.

The most important of these are:

- Premedia NV is the marketing office for the various Group brands.
- Finco N.V. in which the Group's financial activities are concentrated. Until 31/12/2005 Finco N.V. also acted as a coordination centre for the Colruyt Group.
- Infoco N.V. provides for all Colruyt Group's IT needs and development.
- Locré N.V. is the Group's insurance captive in Luxembourg.

#### - COLRUYT Group: company-operated stores

	06/07	05/06	04/05	03/04	02/03	01/02
<b>Colruyt</b>						
- number of stores	198	189	181	166	159	157
- m <sup>2</sup>	281,651	269,611	256,696	237,984	230,278	221,860
<b>OKay</b>						
- number of stores	43	36	29	22	15	10
- m <sup>2</sup>	18,964	15,483	12,683	9,367	6,159	4,000
<b>Bio-Planet</b>						
<b>Belgium</b>	3	3	3	2	2	1
- number of stores	2,318	2,318	2,318	1,918	1,918	1,000
- m <sup>2</sup>						
<b>Netherlands</b>	1					
- number of stores	610					
- m <sup>2</sup>						
<b>France</b>						
- number of stores	44	44	44	45	44	43
- m <sup>2</sup>	32,552	31,822	31,777	30,470	28,234	26,364
<b>DreamLand</b>						
- number of stores	30	29	22	19	17	16
- m <sup>2</sup>	46,125	44,228	38,015	34,801	32,936	30,724








All Colruyt Group activities are under the umbrella of N.V. Pro à Pro Distribution.

The French operations fall into 2 main categories: retail – stores under our own management using the Coccinelle and Colruyt logos – and wholesale. This is divided in turn into 2 main parts: supplies to independent shopkeepers (Coccimarket and Panier sympa) on the one hand and foodservice (supplies to collective entities) on the other.

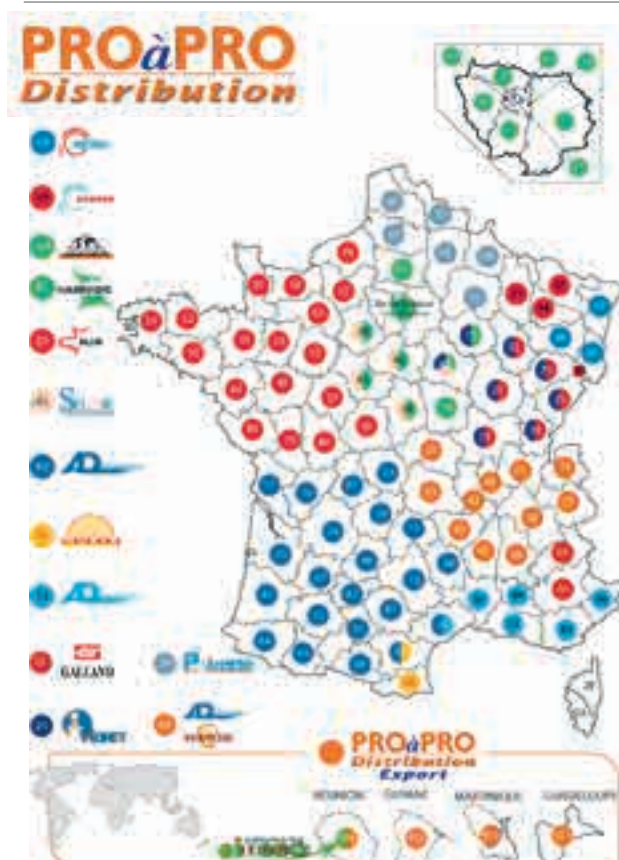
### Key facts at 31/12/2006 <sup>(1)</sup>

	reporting period 2006	reporting period 2005
Total sales revenue ( <i>in million EUR</i> )	477.5	440.8
- Retail ( <i>in million EUR</i> )	108.0	101.5
- Wholesale ( <i>in million EUR</i> )	344.6	314.4
Number of supermarkets	44	44
Sales area	32,552 m <sup>2</sup>	31,822 m <sup>2</sup>
Number of Cash & Carry's	16	16
Sales area	21,581 m <sup>2</sup>	23,581 m <sup>2</sup>
Staff employed	1,867	1,789
Number of staff (full time equivalents)	1,747	1,677

<sup>(1)</sup> Pro à Pro Distribution's reporting period runs from 1/1/2006 to 31/12/2006

	29 magasins
	22 magasins
	76 magasins
	90 magasins
Magasins indépendants:	694 magasins
	19 stations

## Foodservice



## Retail and supply to independent shopkeepers



## 3. Annual summary 2006/2007 – financial information

**Financial year 2006/2007, ended on 31 March 2007 COLRUYT Group: exceptional increase in earnings**  
**Revenue + 9.1 %; Profit (Group share) + 14 %; EPS + 15.7 %; Proposed dividend +17.4 %**

	%	2006/2007 vs 2005/06
1. Revenue	<b>+ 9.1%</b>	<b>EUR 5.21 billion vs. EUR 4.78 billion</b>
2. Operating profit (EBIT)	<b>+ 11.8%</b>	EUR 371.5 million vs. EUR 332.4 million
3. Operating cash flow (EBITDA) <sup>(1)</sup>	<b>+ 13.0%</b>	EUR 465.8 million vs. EUR 412.1 million
4. Net financing income	<b>+ 53.8%</b>	EUR 11.8 million vs. EUR 7.7 million
5. Profit before tax	<b>+ 12.6%</b>	EUR 383.8 million vs. EUR 340.7 million
- total		
- per share	<b>+ 14.4%</b>	EUR 11.60 vs. EUR 10.15
6. Income tax expense	<b>+ 9.8%</b>	EUR 121.0 million vs. EUR 110.2 million
7. Consolidated profit for the period	<b>+ 14.0%</b>	<b>EUR 262.7 million vs. EUR 230.5 million</b>
8. Consolidated profit for the period (Group share)	<b>+ 14.0%</b>	EUR 262.6 million vs. EUR 230.4 million
9. Cash flow <sup>(2)</sup>	<b>+ 15.1%</b>	<b>EUR 357.0 million vs. EUR 310.1 million</b>
10. Cash flow (Group share) <sup>(2)</sup>	<b>+ 15.0%</b>	EUR 356.6 million vs. EUR 310.0 million
11. Earnings per share (Group share)	<b>+ 15.7%</b>	EUR 7.94 vs. EUR 6.86
		33,069,981 shares vs. 33,579,100 shares (calculated on a weighted average basis)
12. .Gross dividend (subject to approval of General Meeting)	<b>+ 17.4 %</b>	<b>EUR 3.24 vs. EUR 2.76</b>

<sup>(1)</sup> EBITDA = operating profit (EBIT) + depreciation + amortisation <sup>(2)</sup> Cash flow = Consolidated net profit + depreciation + amortization

In the 2006/2007 financial year the Colruyt Group increased its total revenue by 9.1 % from € 4.78 million to € 5.21 million.

Cash flow (Group's share) amounted to € 356.6 million compared with € 310.0 million the year before (+ 17.4 %).

This segment, which represents 78 % of consolidated Group revenue, performed particularly well in the past reporting period.

Consolidated profit after tax (Group share) was € 262.6 million, compared with € 230.4 million the year before (+ 14.0 %). Earnings per share (Group share) were € 7.94 compared with € 6.86 (+ 15.7 %).

At 31 March 2007 the Colruyt Group employed 17,329 staff, 730 more than a year before (at 31 March 2006: 16,599).

The Colruyt stores increased their revenue by 8.7 %, from € 3.25 billion to € 3.53 billion. We continued everywhere to apply our "lowest prices" policy to our customers' great satisfaction. The higher gross margin recorded during the first half has continued during the second half.

A gross dividend of € 3.24 per share is being proposed. This is 15.9 % higher than the previous dividend of € 2.76

The contributions of the various segments of the Colruyt Group are shown in the table on page 14.

**RETAIL**  
**Revenue +8.9 %; Operating Profit +13.6 %**

In the course of 2006/2007 8 new Colruyt stores were opened, and another 14 rebuilt or enlarged.

The total sales area of the Colruyt stores increased by 12,040 m<sup>2</sup> (+ 4.47 %) over the reporting period to 281,651 m<sup>2</sup> at 31 March 2007 .

The OKay stores again grew strongly (27.1 % on a 12-month basis). The 2005/2006 consolidated figures included 15 months' results from these stores. This year 12 months of results are included. Their gross margin has grown in the same proportion.

Revenue from company-operated stores in France rose by 6.3 %. This is a good result, given the unchanged number of stores. Growing price competition, however, put margins under pressure.

Revenue of our DreamLand non-food retail business is up by 35.7 % .

The DreamLand Group extended its reporting period to bring it into line with the rest of the Group. The consolidated figures therefore include 15 months' figures for the DreamLand, DreamBaby and dream stores. On a 12-month basis (1/4 to 31/3), revenue grew by a still very

attractive 18.8 %.

The start-up of the new dream stores and the presence of two low seasons in the extended 15-month financial year meant a more modest contribution by the DreamLand Group to Group profit during the past reporting period.

#### WHOLESALE

**Revenue: +9.2 %; Operating Profit +7.9 %**

In France, revenue from food service and wholesale together grew by 9.6%.

Earnings were, however, below expectations, owing primarily to fierce competition in this segment. Even so we have again increased our market share. We expect our recent heavy investments in the food service segment to bear fruit in the future.

The growth of our Belgian wholesale activity (+ 8.9 %) is largely influenced by N.V. Spar Retail, where both revenue growth and operating profit are developing favourably.

#### OTHER ACTIVITIES

**Revenue +11.3 %; Operating Profit -21.1 %**

The other activities are strongly influenced by the growth of our DATS 24 petrol stations. In a context of falling oil prices and sharper competition in this market, we consider the results of DATS 24 to be good.



*DreamLand store in Lede*

### III. The Colruyt Group

(in million EUR) <sup>(1)</sup>	Revenue	EBITDA (segment cash flow)	EBIT (operating profit)
<b>I. Retail</b>	<b>4,050.9 (+8.9 %)</b>	<b>417.7 (+14.5 %)</b>	<b>342.9 (+13.6 %)</b>
- Colruyt	3,529.7 (+8.7 %)		
- OKay <sup>(1)</sup> and Bio-Planet	190.9 (+ 8.6 %)		
- DreamLand <sup>(2)</sup>	173.1 (+35.7%)		
- Stores under own management, France	108.0 (+ 6.3 %)		
- Othersupermarkets <sup>(3)</sup>	49.2 (- 28 %)		
<b>II. Wholesale and Food Service</b>	<b>854.2 (+9.2 %)</b>	<b>17.7 (+6.4 %)</b>	<b>10.9 (+7.9 %)</b>
- Belgische food service en groothandel	509.6 (+8.9 %)		
- Franse food service en groothandel	344.6 (+9.6 %)		
<b>III. Other activities</b>	<b>303.5 (+11.3 %)</b>	<b>14.5 (-6.4 %)</b>	<b>8.0 (-21.1 %)</b>
- DATS 24 Belgium and France	273.8 (+9.4 %)		
- Druco	11.9 (-6.0%)		
- Engineering activities	17.8 (+82.6%)		
<b>IV. Corporate</b>	<b>0.0</b>	<b>15.2 (+1 %)</b>	<b>9.7 (-5.4 %)</b>
<b>Total Group consolidated</b>	<b>5,208.6 (+9.1 %)</b>	<b>465.8 (+13.0 %)</b>	<b>371.5 (+11.8 %)</b>

<sup>(1)</sup> OKay's previous reporting period ran for 15 months from 01/01/2005 to 31/03/2006. This time round it ran for 12 months. On a 12-month basis revenue rose by 27.1 %.

<sup>(2)</sup> DreamLand's latest reporting period ran for 15 months from 01/01/2006 to 31/03/2007, i.e. 15 months compared with 12 months in the previous reporting period. On a 12-month basis revenue rose by 18.8 %.

## 4. Prospects

### A. RETAIL

#### 1. Colruyt

Colruyt Distribution's investment programme for the 2007/2008 reporting period (stores + distribution centres) amounts to € 133.1 million, not counting any acquisitions.

The greater part of this will be spent on new Colruyt stores, enlarging and modernising existing Colruyt stores and purchasing land and buildings for future Colruyt stores.

It remains our objective for the coming years to expand our sales area by an average 10,000 to 12,000 m<sup>2</sup> a year.

As in the past we will remain faithful to our policy of lowest prices, coupled

with unceasing attention to cost control and strict monitoring of the gross margin.

#### 2. OKay

It remains our intention to open 6 to 8 new OKay stores a year. The investment programme for this amounts to € 20.1 million.

For this reason we foresee further development of OKay's revenue and results.

#### 3. DreamLand

Providing we can obtain the necessary permits, it remains our aim to open one to two new DreamLand stores a year.

DreamLand's logistics activities will in the coming years be grouped at the Lot distribution centre.

The investment programme for 2007/2008 amounts to € 16.7 million.

The combination of the DreamBaby catalogue with a number of specialist DreamBaby stores will be continued. The "dream" formula (gift shops) is still in the launch stage, and will gradually contribute to DreamLand Group earnings.

We foresee a further growth of DreamLand with improved earnings.

#### 4. France

We expect to open at least 3 new Colruyt stores during the coming reporting period.

To achieve this, the Colruyt logo will also be proposed on a franchise basis to interested independent store-owners.

In the longer term both company-operated and franchise stores will exist in France under the Colruyt logo.

## B. WHOLESALE

### • SPAR

The efforts made to improve organisational efficiency will contribute to better earnings.



### • France

#### Independent stores

At the beginning of 2006 a 23,000m<sup>2</sup> distribution centre was purchased in Châteauneuf-sur-Loire. Here we will be centralising all deliveries to independent shopkeepers, using the regional distribution centres of the food service companies as delivery platforms.

This new organisation will give us more efficiency.

#### Food Service

Pro à Pro Distribution is constantly adapting its organisation to optimise synergies between the food service companies. These activities are now divided into four clusters: Pro à Pro South; Pro à Pro Paris, North & West; Pro à Pro East; and Pro à Pro Export. This reorganization is permitting a better market approach. In 2007 we plan to extend our Montargis distribution centre by 4,000 m<sup>2</sup>.

### Investment prospects 2007/2008 (excluding any acquisitions)

(in million EUR)	realised in 2006/2007	Previsions 2007/2008
<b>Retail</b>	<b>157.7</b>	<b>180.8</b>
- Belgium	153.2	172.8
- France	4.5	8.0
<b>Wholesale and foodservice</b>	<b>21.2</b>	<b>11.6</b>
- Belgium	5.6	6.5
- France	15.6	5.1
<b>Other activities</b>	<b>10.6</b>	<b>8.3</b>
<b>Unallocated corporate activities</b>	<b>9.1</b>	<b>11.8</b>
<b>Total Colruyt Group</b>	<b>198.7</b>	<b>212.5</b>

#### 5. Staff and trade union information

For many years now the Colruyt Group has been promoting staff participation in the capital of N.V. Etn. Fr. Colruyt. A description of the various forms of such interests appears below.

Since 1987 these various forms of interest in the capital of N.V. Etn. Fr. Colruyt have come to represent 18.06 % of the total outstanding shares.

##### • Capital increase reserved for staff

In November 2006 members of Colruyt Group staff had an opportunity to subscribe to an increase in the capital of Etn. Fr. Colruyt N.V., the parent company. 2,510 staff members subscribed 129,239 shares, which corresponds to a capital increase of € 14.89 million.

A similar capital increase has taken place every year since 1987. In this way members of the Colruyt Group's staff have in all subscribed to 3,486,183 shares (converted) in their own company (or its parent company) for a total sum of € 82.37 million.

On 31 March 2007 the capital of Etn. Fr. Colruyt N.V. amounted to € 173,947,665.08, represented by 33,257,748 shares.

In the course of the years, once the obligatory 5 year blocking period is past, staff members are able to dispose of the portion becoming freely negotiable every year.

These shares are now included among the number of shares distributed to the 'public'. Although this is totally outside our purview, it is probable that a large number of staff still have the shares in their personal possession.

Amounts subscribed per year:

Year	Amount in € million	Number of shares
1987	0.17	197,900
1988	1.44	1,165,700
1989	0.45	160,000
1990	0.72	185,500
1991	0.69	115,720
1992	0.99	100,920
1993	1.21	95,330
1994	1.56	100,500
1995	1.98	125,370
1996	5.21	200,000
1997	4.44	116,100
1998	9.25	169,580
1999	2.95	59,511
2000	2.70	72,794
2001	2.80	72,808
2002	4.19	99,755
2003	6.55	104,000
2004	9.94	104,659
2005	10.24	110,747
2006	14.89	129,239
<b>Total</b>	<b>82.37</b>	<b>3,486,133</b>

##### • Capital increase by incorporation of reserves (1989-2001)

Since 1989 a series of Extraordinary General Meetings of shareholders have resolved to increase capital by incorporating reserves to create new shares. These shares were allocated in indivision, to Colruyt Group's senior management as a whole, who contributed them to CVBA Kaperco. CVBA Kaperco is currently in liquidation and the shares have been placed with the Dutch foundation Stichting Administratiekantoor Kaperco.

The last capital increase of this kind took place in October 2001.

Between 1989 and 2001, 2,178,915 new shares were created (€ 48.98 million in capital) and distributed among senior managers.

Since 2002 a statutory structure has existed (Interests in the Capital and Profit of Companies Act of 22 May 2001) for such transactions, with which the company complies.

##### • Profit sharing

With the Interests in the Capital and Profit of Companies Act of 22 May 2001 (BOJ, 9 June 2001) and its implementation orders, a profit sharing system has been established with the social partners in various limited companies in the Group (Colruyt, Vlevico, Waldico, Walditrans, Davytrans and later Infoco).

An initial collective labour agreement on the subject was signed in June 2002. This has been extended on various occasions and currently runs until the 2006/2007 reporting period.

Staff members have the option to receive their profit share in the form of shares in N.V. Etn. Fr. Colruyt and to enjoy the advantageous tax rates provided by the Act. These shares are

#### Profit sharing since 2001/2002.

Year	Profit share (in million eur)	Number of employees	Cash		Shares		
			million	Number of employees	million	Number of shares	Number of employees
2001-2002	6.08	6,592	3.07 (50.5 %)	4,233 (64.20 %)	3.01 (49.5 %)	55,255	2,359 (35.78 %)
2002-2003	8.64	7,298	4.51 (52.2 %)	4,724 (64.70 %)	4.13 (47.8 %)	61,071	2,574 (35.30 %)
2003-2004	15.07	8,957	7.82 (51.9 %)	5,757 (64.27 %)	7.25 (48.1 %)	66,924	3,200 (35.73 %)
2004-2005	15.40	10,106	7.84 (50.9 %)	6,260 (61.94 %)	7.56 (49.1 %)	51,418	3,846 (38.06 %)
2005-2006	16.23	10,596	8.23 (50.71 %)	6,540 (61.72 %)	8.00 (49.29 %)	55,661	4,056 (38.28 %)
2006-2007	18.83	11,320	8.84 (46.95 %)	6,388 (56.43 %)	9.99 (53.05 %)	49,889	4,932 (43.57 %)
<b>Total</b>	<b>80.25</b>		<b>40.31</b>		<b>39.94</b>	<b>340,218</b>	

frozen for 2 years in an individual account in the name of each employee who has opted for shares.

In respect of the 2006/2007 reporting period we are once again proposing to the General Meeting that € 18.83 million of profit sharing be awarded to 11,320 staff. Out of that number, 4,932 employees have elected to receive shares. 49,889 of the treasury shares we have bought will be allocated to these employees sub-

ject to the approval of the General Meeting.

For 2007/2008 and 2008/2009 the system will be extended to all Colruyt Group staff employed in Belgium. A new Collective Labour Agreement covering this area was concluded in April 2007 in the Group's various operating entities.

In France we comply with the law about profit sharing for the staff.

#### • Employment

At 31 March 2007 (end of 2006/2007 reporting period) the Colruyt Group had 17,329 members of staff. This is 4.4 % more (+ 6.6 % in FTE) than at 31 March 2006.

These members of staff work in the following segments

	Employment by segment					
	Number of employees			In full-time equivalents		
	31.03.07	31.03.06	Difference compared with previous year	31.03.07	31.03.06	Difference compared with previous year
Retail	14,293	13,785	508	13,017	12,205	812
Wholesale and Food service	1,900	1,893	7	1,857	1,838	19
Other activities	304	300	4	293	287	6
Corporate (unallocated)	832	621	211	807	602	205
<b>Total Group</b>	<b>17,329</b>	<b>16,599</b>	<b>730</b>	<b>15,974</b>	<b>14,932</b>	<b>1,042</b>
- Belgium	15,411	14,797	614	14,178	13,229	949
- France	1,891	1,802	89	1,771	1,703	68
- Other countries	27		27	25		25

### III. The Colruyt Group

Colruyt Group staff numbers			Number of staff members in Belgium on 31 March 2007: 15,411, of which:			
97/98	7,611	+ 538	5,846 women <b>37.94 %</b>	4,009 blue collar <b>26.01 %</b>	3,796 parttime <b>24.63 %</b>	4,850 French speaking <b>31.47 %</b>
98/99	8,324	+ 713				
99/00	9,283	+ 959				
00/01	10,497	+ 1,214				
01/02	11,410	+ 913				
02/03	12,402	+ 992	9,565 men	11,402 white collar	11,615 fulltime	10,561 Dutch speaking
03/04	15,185	+ 2,783				
04/05	16,157	+ 972				
05/06	16,599	+ 442	<b>62.06 %</b>	<b>73.99 %</b>	<b>75.37 %</b>	<b>68.53 %</b>
06/07	17,329	+730				

#### Payroll costs – net pay - contributions to the Exchequer (Belgium)

(in million EUR)

Gross pay – Belgian employees	433.47
Employees' social security contributions	45.87
Withholding tax	87.1

<b>Net pay</b>	<b>300.59</b>
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Employer's national insurance and other statutory insurance contributions amounted to € 122.88 million.

In the 2006/2007 reporting period, the Colruyt Group paid over a total of € 168.75 million (€ 45.87 million + € 122.88 million) to the Belgian social security system.

The total annual payroll cost to the Colruyt Group in Belgium amounted in this way to € 556.35 million (€ 433.47 million + € 122.88 million).

Of this, employees received € 300.59 million, or 54.03 % net.

Out of the gross wages of € 433.49 million, employees received € 300.59 million, or 69.35 %

#### Total amounts paid over to the Belgian exchequer:

(in million EUR)

Social security	168.75
Withholding tax on wages	87.01
Corporation tax on profits	115.61
Net VAT	113.06
Withholding tax on unearned income	19.46
Property taxes	4.56
Provincial, municipal and other Federal taxes	3.18

<b>Total</b>	<b>511.63</b>
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## IV. Shareholders – Colruyt shares

### Shareholders' diary

**14/09/2007**

Final date for deposition of shares for attending the Annual General Meeting of shareholders

**19/09/2007 (16:00)**

General Meeting of Shareholders for the 2006/2007 reporting period.

**02/10/2007**

Dividend available for payment (coupon nr. 9).

**15/10/2007**

Deadline for certificates for exemption or reduction of withholding tax on dividends to be in our possession.

**22/10/2007**

Extraordinary General Meeting  
Capital increase of Etn. Fr. Colruyt N.V. reserved for members of Colruyt Group staff (art. 609 Companies Code).

**30/11/2007 (17:45)**

Publication of half-yearly information for the 2007/2008 reporting period.

**01/12/2007**

Briefing meeting with financial analysts.

**25/01/2008 (17:45)**

Publication of revenue at end of 3rd quarter 2007/2008

**23/06/2008 (17:45)**

Publication of results for the 2007/2008 reporting period.

**24/06/2008**

Briefing meeting with financial analysts.

**28/07/2008 (17:45)**

Publication of revenue at end of 1st quarter 2008/2009

**12/09/2008**

Final date for deposition of shares for attending the Annual General Meeting of shareholders.

**17/09/2008**

General Meeting of Shareholders for the 2007/2008 reporting period.

### Dividend for the 2006/2007 reporting period

The Board of Directors proposes that a gross dividend of € 3.24 be paid on the shares in N.V. Etn. Fr. Colruyt participating in the profit for the 2006/2007 reporting period.

Out of the gross dividend of € 3.24 million, shareholders will receive € 2.43 net after retention of 25% withholding tax.

Holders of VVPR strips enjoy a reduced withholding tax on dividends. For these shares the net dividend is € 2.754 per share after retention of 15% withholding tax.

Since 1995, all capital increases reserved for Colruyt Group personnel have carried VVPR strips.

For foreign shareholders the amount of the net dividend may differ depending on the double taxation agreements in force between Belgium and their various countries. The requisite certificates must be in our possession no later than 15 October 2007.

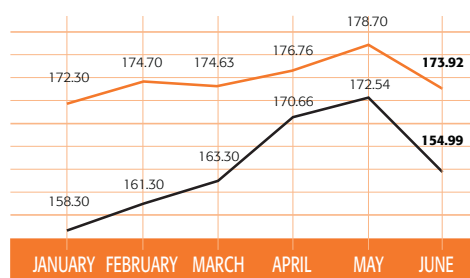
The net dividend for the 2006/2007 reporting period will be payable from 02/10/2007 in exchange for coupon no. 9 at the financial institutions.

The coupons for the collection of dividends may be presented at:

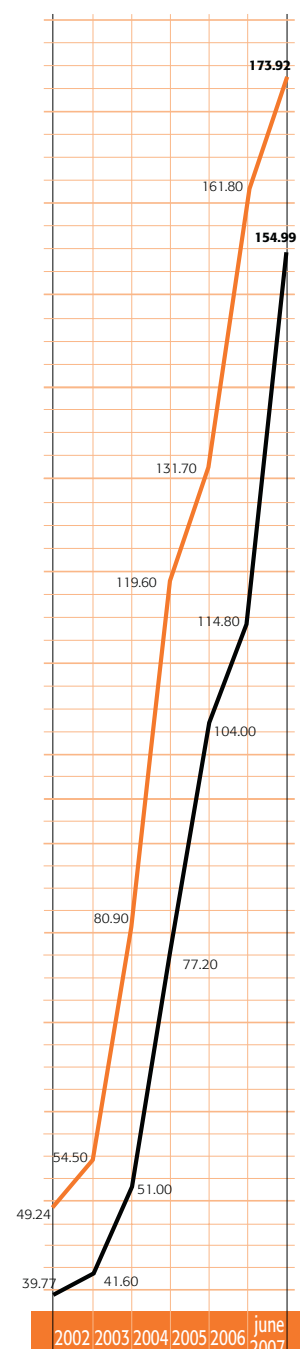
- Fortis Bank
- ING
- KBC Bank
- Dexia Bank
- Bank Degroof
- Petercam

### Price of Etn. Fr. Colruyt N.V. shares (in EUR)

#### Stock market 2007 (until June)



- Highest closing price
- Lowest closing price



## IV. Shareholders – Colruyt shares



The new dream store in Aalst

Etn. Fr. Colruyt N.V. shares	2006/07	2005/06
<b>Number of shares (at 29/06/2007)</b>		
Ordinary	31,893,185	34,263,185
VVPR	1,364,563	1,235,324
<b>Total</b>	<b>33,257,748</b>	<b>35,498,509</b>
Shares participating in profit	33,257,748	35,498,509
Treasury shares	138,853	2,427,373
Shares held by subsidiaries	223,428	42,697
Balance	32,895,467	33,028,439
<b>Data per share</b>		
Gross dividend	3.24	2.76
Net dividend/ordinary share	2.43	2.07
Net dividend/VVPR share	2.754	2.346
Profit (Group share)	7.94	6.86
Basis of calculation (weighted average at 31/03) <sup>(1)</sup>	33,069,981 shares	33,579,100 shares
<b>Stock market price in Brussels</b>		
Stock market price at 31/03	171.31	123.60
Highest price of the year (closing price)	174.70	124.90
Lowest price of the year (closing price)	114.80	104.00
Market capitalization at 31/03 (in million EUR)	5,697.38	4,387.62

<sup>(1)</sup> Calculated on the basis of the number of shares participating in the profit after deduction of treasury shares held by the company and its subsidiaries.

## IV. Shareholders – Colruyt shares

### • Purchase of treasury shares

For many years the Extraordinary General Meeting of shareholders has authorized the Board of Directors of Etn. Fr. Colruyt N.V., in accordance with article 620 of the Companies Code, to acquire Colruyt's own shares up to a maximum of 10 % of the total number of shares issued.

The most recent authority was granted by the extraordinary good results of 13 october 2006.

The Board of Directors has made use of the power granted.

At 29/06/2007 Etn. Fr. Colruyt N.V. held 138,853 treasury shares.

N.V. Vlevaro owns 223,428 Colruyt shares.

This means that in total Etn. Fr. Colruyt N.V. and its subsidiaries own together 362,281 own shares. That is 1.09 % of the total number of shares issued (33,257,748).

49,889 of these shares will be allotted to employees who wish to receive their profit share for 2006/2007 in the form of shares, subject to approval by the General Meeting.

In accordance with article 622. one of the Companies Code, the voting rights attached to the shares of participation certificates held by the company or

subsidiaries are suspended.



### **Purchases of own shares – 2006/2007 reporting period**

Treasury shares held at 31/03/2006 <sup>(1)</sup>	+ 2,289,403
Allocated to employees as profit sharing 2005/2006	- 55,634
Conversion of certificates	+ 91,584
Cancelled	- 2,370,000
Purchased in 2006/2007	+ 143,665
Total held by us at 31/03/2007	99,018

<sup>(1)</sup> excluding participation certificates

### • Shareholder structure of Etn. Fr. Colruyt N.V.



Pursuant to the Publication of Substantial Interests in Publicly Quoted Companies Act of 2 March 1989, we received an amended notice of the interests of the Colruyt family, Sofina and the Colruyt Group on 06/12/2006.

The company has no knowledge of other agreements between shareholders.

The statutory thresholds by tranche of 5 % apply.

## IV. Shareholders – Colruyt shares

### Shareholder structure of Etn. Fr. Colruyt N.V. according to the latest transparency notification of 06/12/2006

I. Colruyt Family and relatives		Number	%
1.	Colruyt family Shares	2,226,428	6.72
2.	N.V. H.I.M. Shares	8,081,400	24.39
3.	N.V. D.I.M. Shares	5,258,500	15.87
4.	N.V. H.I.M. DRIE Shares	124,952	0.38
<b>Total Colruyt family acting in concert</b>			
	Shares	15,691,280	47.36
II. Colruyt Group			
1.	Etn. Fr. Colruyt N.V. (treasury shares purchased) Shares	3,608	0.01
2.	N.V. Vlevico (subsidiary) Shares	40,928	0.12
<b>Total associated companies (Etn. Fr. Colruyt N.V. + subsidiaries)</b>			
	Shares	44,536	0.13
III. Sofina Group			
1.	N.V. Rebelco (subsidiary) Shares	2,000,000	6.04
<b>Total Sofina Group</b>			
	Shares	2,000,000	6.04
<b>Total persons acting in concert</b> <b>(Colruyt Family + Colruyt Group + Sofina Group)</b>			
	Shares	17,735,816	53.54
<b>Denominator:</b>			
Shares 33,128,509 (at 06/12/2006)			

## IV. Shareholders – Colruyt shares

### • Ethibel

Colruyt has been included in the investment register of the collective European “ETHIBEL” hallmark and in the “Ethibel Sustainability Indices” (ESI - Pioneer and Excellence) since 17/01/2003.

Forum Ethibel is an independent European organisation that assesses various companies in terms of corporate social responsibility and sustainable business.

The Ethibel investment register is used by banks, investment funds and institutional investors for socially responsible investment (SRI). The “Ethibel Sustainability Indices” offer an overview of the financial performance of leading companies in terms of sustainable business.

Further information is available on [www.ethibel.org](http://www.ethibel.org)



### • Financial information on [www.colruyt.be](http://www.colruyt.be).

Financial information on the Colruyt Group can be consulted on [www.colruyt.be](http://www.colruyt.be).

This information satisfies the conditions of the Royal Decree of 31 March 2003.

Persons wishing to remain updated on our financial information may register on the website.

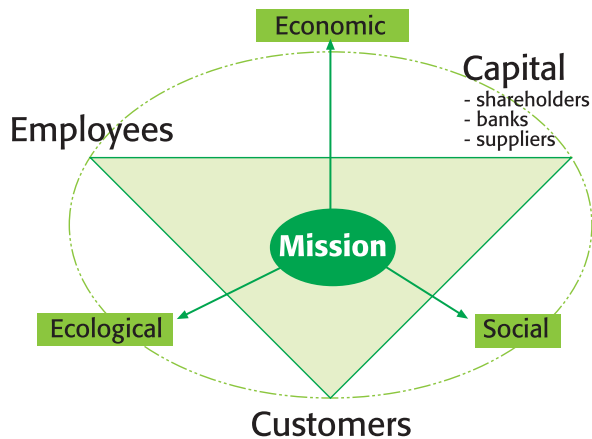


*Tasting session in the freshmart of OKay*

## V. Shared values of the Colruyt Group

*In our company know-how and simplicity by a constructive use of human labour, raw materials and energy have always been key items. These economic values lie at the basis of our policy of low costs and lowest prices. Today each of these values is included in the general concept of 'sustainability'.*

### Three pillars: economic, ecological and social



The Colruyt Group's social projects are explained in detail in a separate English language publication on our website [www.colruyt.be](http://www.colruyt.be) > Colruyt Group.

In carrying out our mission we at Colruyt believe that 'sustainable' growth can be guaranteed only if we weigh up the triple - business, social and environmental - impact of everything we do. In so doing we strive for maximum added value in all three areas. This we do by dialoguing with everyone who can deliver a positive contribution and can therefore help deliver a better result.

This can mean ecologically and/or socially promising projects having at times to remain unimplemented because they are socially and/or economically unfeasible, and vice versa.

Sustainable entrepreneurship expresses itself at Colruyt first and foremost in our everyday work. For

example, we can guarantee lowest prices only by working with the lowest costs.

'Lowest costs' in turn are frequently expressed in energy savings, reduced packaging and waste, etc., and therefore positively impact the environment.

### 1. Economic

Our mission at Colruyt is to make a useful and valuable contribution, through our trading activities, to the society of which we are part. In return we expect respect, recognition (also financial) and the confidence of society, and to be given sufficient space and be enabled to continue to grow and continue our mission.

As a business company our first mission is an economic one, but one that we wish to fulfil in an environmentally friendly and socially responsible manner. Since launching the Greenline programme in

1990 we have found that Lowest Prices and efficient and respectful use of human and natural resources go hand in hand.

### 2. Ecological

In 2005 Colruyt's Greenline programme was 15 years old. But it is still just as up-to-date and we are constantly finding new opportunities to work in more environmentally-friendly ways. The main achievements in our Green Line programme during the past reporting period were the commissioning of a second wind turbine at Ghislenghien and installation of solar panels on the roof of our Dassenveld depot in Halle and on the roof of the Colruyt store in Ninove.

#### • Wind turbine at Ghislenghien

In 2007 a second wind turbine came into use at the Colruyt distribution centre at Ghislenghien in Hainaut. We are expecting to generate 4,400,000 kWh, which will be used directly in the distribution centre.

The new wind turbine's statistics are impressive:

- The mast itself stands 100 m tall.
- Above it is a 9 m long gondola (the size of a minibus for 20 persons).
- Attached to the gondola is a rotor with three 41 m long blades. The gondola, rotor and blades together weigh 115 tons.

- At a wind speed of 35 kph the points of the blades rotate at no less than 300 kmh. At higher wind speeds the blades turn just as quickly, but with the resistance increased. In this way electricity is generated even when there is little wind, and the turbine delivers large quantities of electricity at high winds.
- Colruyt invested € 2.27 million in the wind turbine.

### • Solar panels on the Halle depot roof

We also invested heavily in solar energy during the past reporting period. Colruyt placed 1,200 solar panels for generating green electricity on the roof of the Dassenveld (Halle) depot, to form a single large solar panel of approximately the size of a football field (8,000 m<sup>2</sup>). This makes it the largest solar ener-

gy installation in Belgium until now. The solar panels are expected to produce 250,000 kWh/year, equal to the average annual consumption of around 80 households.

Colruyt invested € 1,400,000 million in this project. The electricity will be used directly in the Dassenveld distribution centre.

The wind turbine-solar panel combination gives us green energy 80% of the time. The two installations complement each other. In the winter, with more wind hours, it is the wind turbine that generates more. In the summer, with more hours of light, it is the solar panels. In summer the light falls also at a more direct right angle to the panels, which also improves the generating capacity.

The two wind turbines in Ghislenghien and Halle and the solar panels in Halle represent an annual savings of 2,130\* tons of CO<sup>2</sup> emissions.

(\* calculation based on the European average of 307 g CO<sup>2</sup> per kWh produced.

### • Solar panels on the Colruyt store at Ninove

Ninove is the first Colruyt store to be fitted with solar roof panels. The renovation of the store offered an excellent opportunity to take a further step in reducing CO<sup>2</sup> emissions. The solar panels make the store almost totally energy self-sufficient whenever there is sufficient sunlight. Colruyt invested € 450,000 in this installation.

The 570 m<sup>2</sup> of solar panels are expected to produce 65,000 kWh a



*The solar panels on the roof of the store in Ninove and the distribution centre Dassenveld in Halle*

year, equal to the annual consumption of 18 families. The same quantity of energy produced by a traditional gas-fired electricity generation station would represent an annual consumption of 19,500 cubic metres of natural gas and the emission of almost 20 tons of CO<sup>2</sup>. The installation contributes also to reducing the greenhouse effect.

We expect to be able to fit solar panels to more stores in the coming years.

### • Waste processing

As in earlier years we paid considerable attention to waste prevention. Various packagings were optimised or switched to reusable packaging. In this way we have already saved a total of 133,033 tons of packaging material since 1992.

Since the end of 2006 we have switched to fermenting our organic waste.

A study by the VITO (Flemish Institute for Technical Research) has shown that organic waste can be processed more economically

and ecologically than by composting or processing into animal feed. Both unpacked and packed organic flows are now removed together and fermented. The final product is a digestate which is used as a soil conditioner. Electricity and heat are also produced during the fermentation process. This means that from 2007 onwards we are producing green electricity from our waste.

## 3. Social

### A. Quality

The main achievement in the quality field during the past reporting period was the completion of the audits of our non-European toy suppliers' plants.

### • Quality Assurance department

The Quality Assurance department grew out of our Sustainable Entrepreneurship business vision. Its task is to make sure that the non-food articles that we import directly from outside the EC are of good quality.

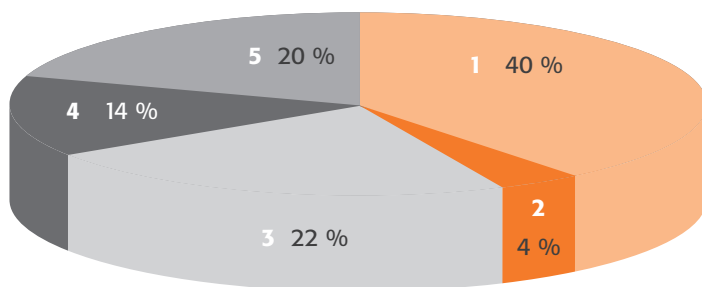
In the context of Sustainable

Entrepreneurship we interpret the term 'quality' also in the broad sense of the term as covering not just the intrinsic product quality, but also safety and legal requirements. We want to offer our customers quality products that have been produced in decent human working conditions and where sufficient attention has been paid to the environment during the production process. Monitoring, controlling, analyzing and adapting .. are all part of the Quality Assurance department's assignment.

In the toy range, for example, product safety is of very great importance. Our message is that we want our customers to be able to purchase pleasant, attractive but more than anything else safe toys. To check conformity with the European safety standards, we systematically ask our manufacturers to provide so-called EC certificates. These certificates, issued by independent, certified control laboratories, confirm that the toy has been tested and found to be safe. We also check the certificate's validity. On top of this Colruyt checks in its own test lab whether the toys effectively meet EC standards for component format, tensile and breakage resistance etc. Chemical tests (paint composition, flammability) are carried out for us by a recognised external laboratory. Since this year we have banned toxic metals in electrical and electronic apparatus. This too is controlled, when necessary, by an external laboratory. Only toys that meet all these requirements are included in the Colruyt and DreamLand product ranges.

### Figures:

1. Cardboard:	40 %	17,248 tonnes
2. Plastic:	4 %	1,753 tonnes
3. Organic waste:	22 %	9,866 tonnes
4. Heat recovery:	14 %	6,328 tonnes
5. Externally processed waste:	20 %	8,841 tonnes



### B. Social projects

#### Belgium

##### • Food banks

Colruyt also supports the Food Banks (Voedselbanken): for many years Colruyt has worked closely with the Belgian Food Banks Federation by providing them with foodstuffs nearing their best-before date rapidly, efficiently and safely. Over the past three years we have begun a broader-based cooperation in which we also involve our customers: once a year Colruyt distributes tokens for basic products that customers can purchase in virtual mode. Colruyt then makes sure these goods are delivered to the food banks. Last year Colruyt customers donated over 120 tons of food to the food banks.

##### • SOS Children's Villages

DreamLand supports SOS Children's Villages, a project that provides a social and structural safety net for abandoned and needy children and orphans, regardless of nationality, colour or religion.

Given the accent on families and children in its activities, DreamLand supports the Belgian "Chantevent" children's Village in Bande. This village has seven family homes and provides a roof for around 40 children and young people.

##### • Bike 2 work

Faced with growing mobility problems Colruyt has taken various initiatives in the past, like the scooter project, the car pooling database and bicycles at Halle railway station. In 2007 another initiative was added. With Bike 2 Work, in return



*Mothers of the Belgian Children's Village "Chantevent" in Bande*

for committing to cycling to work, staff receive a top quality bike and a complete cycling pack including helmet, rainware and repair kit.

#### Abroad

##### • Code of behaviour concerning child labour and working conditions

In 2002 Colruyt and DreamLand together launched a charter against child labour. By so doing we wish to contribute to avoiding child labour and improving working conditions at the manufacturers who produce toys for us. We have inspections carried out in order to find out whether our code of conduct is being respected, and when it appears not to be the case, our collaboration is terminated.

In an initial phase we addressed our largest and most important group, that is the toy manufacturers from whom we buy directly in the country of production. In 2006 we extended this selection to the school equipment sector, and in 2007 and 2008 the behaviour

code will be further extended to our direct non-European suppliers, for example those of Christmas articles, garden furniture, kitchen accessories, etc.

The results of these social audits show a positive trend.

In 2006 we carried out 174 audits. This means that we have screened every one of our toy suppliers. A number of companies where infringements were found have been given a follow-up audit. During the five years since launching this initiative we found very few cases of child labour.

##### • Educational projects abroad

Education and training are the keys to the further development of young people. Since 2003 we have therefore invested in a number of educational projects.

In 2005 Colruyt launched its 'Colibri for Education' programme (see [www.colibri.be](http://www.colibri.be)). A line of Colibri products were introduced in Colruyt stores, with 5 % of the

price invested in educational projects in the southern hemisphere. Since the start of the projects € 159,280 have already been collected via Colruyt customers. This money has been distributed among various projects.

The Colruyt Group supports

- an educational project in the refugee camps on the Tanzanian-Rwandan border (in cooperation with the NGO Caraes);
- our own project in Indonesia to raise the quality of education. This includes student bursaries to enable more young people to follow the educational courses. Starting in the 2006-2007 academic year Colruyt and DreamLand are also providing three grants for high school students.
- a computer class in Indonesia: Dreamland and Dolmen have together fitted out a secretarial classroom with PCs, printers, network installation, computer tables, chairs, etc.
- a project to support rice growers in Benin, in cooperation with Vredeseilanden.

Broederlijk delen is a key partner for us in developing the Colibri programme. It has started three projects:

- **the ACAT project in South Africa:** we are supporting ACAT, a not-for-profit organisation that organises farming activities for the inhabitants of KwaZulu-Natal. Helped by the ACAT project the population is learning again to farm the land and become self-sufficient in food.



*INADES project in Burundi*

- **the PRODESAL project in Columbia:**

this project seeks to offer young people an alternative to a future without prospects. The project supports them in setting up a sort of youth associations where they can organise their own activities. To finance these activities Prodesal helps the young people set up small enterprises of their own. In this way they learn to take full economic responsibility for their activities. Turning them into young entrepreneurs reduces the likelihood of their becoming caught up in street trading or violent gangs.

- **the INADES project in Burundi:**

INADES-Formation is a training programme for coffee growers in northern Burundi, which provides training at regional and national level. The programme organises, for example, training courses for "model leaders" - coffee growers who serve as models for other farmers. They learn how to start up and manage a farmer group in a democratic fashion, how to manage local savings banks, to intervene in conflicts etc.

Colruyt is supporting another two projects that are closely connected to its products:

- the Kachalú project in Columbia in cooperation with the Efico Foundation: the Efico foundation is a private not-for-profit foundation which promotes sustainable development in coffee-producing countries. We are working with them to support coffee growers and their families in the Kachalú region. The € 42,245 that we donated last year was invested in education and in building local schools.

- an educational and training project for orange growers in South Africa in cooperation with the Capespan Foundation.

Capespan is one of South Africa's largest fruit exporters. They support local orange growers and export their fruit under the Thandi trade mark. To ensure top quality fruit, growers receive assistance, money, training, etc.

### C. Staff

That is why, in the last reporting period, we invested over 3.3 % of the wage bill in training courses for staff, for the staff of Colruyt Distribution alone.

#### • Ongoing education

Specific training courses are provided for a great many jobs at Colruyt. Where possible, these are given by our own teams of trainers. For more specialised topics, we invite external trainers. As a new recruit, you are given a 'godfather' or 'godmother' who will help you get the hang of your new job and new company.

Training is not limited to the first few months. Later, too, many opportunities for further development are offered. Thus someone from the store can, for example, have a placement at a distribution-centre and so gain a better insight into other aspects of retailing. Last

year, no fewer than 2,543 store staff took part in one or more 'fit-o-meters': visits to suppliers of our products for a peep behind the scenes and a load of extra product knowledge. At OKay the first such fit-o-meter was organised in 2007.

We ourselves organise intensive training to fill vacancies for specialised jobs (IT, butchery).

As well as directly job-oriented courses, we also offer a training package on integration (including language courses, workshops on intercultural difference, training in 'managing diversity', etc.).

#### • Personal growth

Besides the opportunity to take job-oriented courses, great importance is also attached to staff member's personal development. Every Colruyt staff member can volunteer to take part in a very wide range of programs directed toward personal growth: assertiveness training,

yoga, group dynamics, alpha training, stopping smoking... A business only grows if its staff do too, each with his or her own capacities, professionally, in terms of relationship skills and emotionally.

A large number of courses, except for those that are truly job-oriented, are open to everyone: people from different departments and from every functional level participate together.



*Training session at Infoco*

## VI. Retail

### 1. Real estate

	reporting period 2006/2007	reporting period 2005/06
Distribution centres:		
- Site area	734,079 m <sup>2</sup>	734,079 m <sup>2</sup>
- Built-over area	336,266 m <sup>2</sup>	295,060 m <sup>2</sup>
- Carrying amount land + buildings	€ 115.85 million	€ 99.7 million
Administrative buildings:		
- Site area	48,156 m <sup>2</sup>	48,156 m <sup>2</sup>
- Built-over area	34,818 m <sup>2</sup>	33,842 m <sup>2</sup>
- Carrying amount land + buildings	€ 22.17 million	€ 20.67 million

### 2. Colruyt stores

Key facts at 31/03/2007	reporting period 2006/2007	reporting period 2005/06
Sales revenue (in million EUR)	3,529.7	3,247
Increase in sales revenue	+ 8,7 %	+ 10,00 %
Sales area, Colruyt stores	281,651 m <sup>2</sup>	269,611 m <sup>2</sup>
- additional sales ares (+ 4.47%)	12,040 m <sup>2</sup>	12,915 m <sup>2</sup>
Number of Colruyt stores	198	189
Staff employed at 31/03 <sup>(1)</sup>	12,241	11,831
Number of staff at 31/03 (full time equivalents) <sup>(1)</sup>	11,190	10,498

<sup>(1)</sup> store staff + staff employed in the administrative departments and in the distribution centres

Sales (ex-VAT) of the Colruyt stores rose by 8.70 % in the 2006/2007 reporting period from € 3.25 billion to € 3.53 billion.

As in previous years, further investments were made in the construction and fitting of Colruyt stores, in

purchasing land for new Colruyt stores and in expanding and modernizing existing ones.

At 31/3/2007 there were 12,241 staff employed.

#### • Market share of Colruyt stores in Belgium

2002	17.24 %
2003	17.62 %
2004	18.62 %
2005	19.80 %
2006	20.61 %

	reporting period 2006/2007	reporting period 2005/06
Colruyt stores		
- Number in Belgium	198	189
- Of which wholly or partially rented	26	25
- Site area	1,664,704 m <sup>2</sup>	1,609,354 m <sup>2</sup>
- Gross built-over area	391,052 m <sup>2</sup>	387,977 m <sup>2</sup>
- Sales area	281,651 m <sup>2</sup>	269,611 m <sup>2</sup>
- Carrying amount land + buildings	€ 267.40 million	€ 246.17 million

### • Expansion of Colruyt store chain

In the course of 2006/2007 8 new Colruyt stores were opened, and another 14 existing stores were enlarged or modernised.

At 31/03/2007 three Colruyt stores were closed for building works. This brings the total number of Colruyt stores at 31/03/2007 to 198.

The sales area of the Colruyt stores rose by 12,040 m<sup>2</sup> (+ 4.47 %) from the year before, to 281,651 m<sup>2</sup> at 31 March 2007. Given that we compare store numbers and sizes always at the end of a reporting period, the growth in sales area can vary significantly from one year to the next. What counts here is the long-term growth trend.

### • Prospects

It remains our intention to expand our sales area by an average 10,000 to 12,000 m<sup>2</sup> a year over the coming years.

As in the past, we will remain faithful to our lowest prices policy, with ongoing attention to cost management and strict monitoring of the gross margin

### • Subsidiaries working solely for retail in Belgium

N.V. Vlevico provides the meat processing for the butchery, deep-freeze and cooked meats departments of Colruyt, OKay and Bio-Planet.

N.V. Vlevico has 525 staff and works exclusively for the Colruyt Group's butcheries and stores.

The N.V. Davytrans companies provide transportation activities for the Colruyt Group.

The Colruyt Group's real estate in Belgium is managed by real estate companies N.V. Onveco and N.V. Elpeco.

N.V. Waldico operates the distribution centres in Ghislenghien for Colruyt. At N.V. Waldico goods are stored and distributed. Here also is the sorting installation for the empties and the washing plant for cleaning returned wine bottles.

The Ghislenghien distribution centre was expanded by 37,250 m<sup>2</sup> in 2006/2007 for the production departments – wine bottling, coffee roasting and rice packaging – which now boast super-modern, state-of-the-art installations.



At the end of the 2006/2007 reporting period N.V. Waldico had 552 employees.

The other subsidiaries are companies that have been acquired from third parties over the years and are directly associated with the retailing activities. For the most part they represent the acquisition of an existing business.



## The lowest prices: for EVERY product, at EVERY moment



Right from the start, we have made sure that Colruyt prices are the lowest, for every product.

## Daily price checks



This is how we do it: every day a team of Colruyt staff checks the prices in large stores all over the country.

These prices (44,000 a day!) are then fed into the central computer, together with the brochure promotions of our competitors, and the computer compares the prices.

## Red Prices



If we find a lower price anywhere, we adapt our price. These special prices are printed on red tickets: these are our Red Prices.

This is how Colruyt offers you the lowest prices, at any time, for any product.

## The Red Hotline



Seen an even lower price somewhere else?

Ring the Red Hotline on 02 360 10 40 or send us a Red E-mail on [www.colruyt.be](mailto:www.colruyt.be) > Engagemanten/Engagements > Laagste prijzen/Les meilleurs prix.

We will adapt our price and refund your telephone or e-mail costs. The Red Hotline is also a helpline for queries and suggestions.

### • Lowest prices for every product

In most supermarkets there are three major product categories: well-known brands, own brands and 'Best Value' – or discounted products. Colruyt offers the lowest prices in each category:

- for well-known brand products we can precisely compare our prices with those for the same brands in other stores;
- for our own brands we compare our prices with the comparable house brands of other stores;



*New price label: 'Lowest price in the product range'*

- and we also compare our prices with other stores' Best Value and discount products. In this category our products marked "Cheapest in this range" offer the lowest price. In every product group we compare the prices of similar products. These can include similar products with very differing formats. To find the cheapest product from among the various formats, we convert them to the price per kilo, per litre or per item. This price is also clearly marked on the price ticket.

The product that has the lowest price when converted is given the logo.

These cheapest products at Colruyt are at once also the cheapest in Belgium.

To support its lowest price guarantee, Colruyt began informing customers in June 2007 of the effective price difference between Colruyt and its competitors, by means of a price index per branch. On the till ticket the customer will also find the difference in price level between his Colruyt store and other major stores in the area. In each case these are the supermarkets of Belgium's two competing store chains. The price comparison is updated monthly, and the computer comparison formula and its application are certified by Quality Control, a Belgian independent quality control institute.

### • Lowest costs

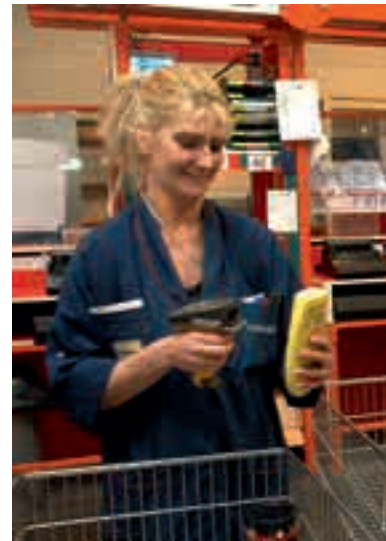
A crucial factor in Colruyt's lowest price policy is operating at the lowest costs: soberly furnished stores with no unwanted frills, economic but efficient lighting, no plastic bags at the check-out, closed deep-freeze cabinets and optimal delivery system. All things we save money on. This money we invest in offering the lowest prices. These savings on unnecessary things also represent considerable ecological benefits.

### • Communication

Colruyt attaches great importance to communication with the customer, who is provided with clear, transparent information about our methods and products in a variety of ways.

In our folders the Colruyt customer will find hundreds of Red Prices and discount coupons as well as a whole host of handy tips and information about our products and recipes for tasty dishes.

Folders are sent only to customers who give their explicit consent. Customers can even, if they wish, receive personal offers based on their buying behaviour. They are then



mailed a separate envelope of product information, tops and discount coupons, selected according to the customer's interests.

The Colruyt-website ([www.colruyt.be](http://www.colruyt.be)) offers a wealth of practical and interesting information: where to find our shops, how Colruyt guarantees lowest prices, Colruyt's promises, etc. The site also offers a number of specific headings – for example, 'Tasty Cooking' and 'News' – and customers can also go shopping online in the various webshops and then collect their goods in their local Colruyt shop.

### • Cooking with Colruyt



Colruyt again invested in 2006-2007 in its cookbook series. Two new cookbooks have appeared:

'Licht...en zo lekker' with tasty, low-calorie recipes, and 'Lekker Feesten' full of festive menus and tips for a surprising festive dish.

A totally new 'Eten en weten' cookbook series has also been launched. The first book is all about fish, crustaceans and shellfish, with not only recipes for every kind of fish sold at Colruyt, but also information on where the fish comes from, its nutritional value, etc.

Another brand new series launched during the last reporting period is the 'Wijnroutes Colruyt' (Colruyt wine routes). Because the Colruyt books are such a big success and because Colruyt's wine department has always been an important department, we want to present our wine to our customers in an original way. The first book in the new series is all about Bordeaux wines. The book features more than 300 Bordeaux wines that Colruyt regularly sells, with information on growing areas, the grapes, the wine-making process, wine-growers etc.

### • Red Hotline

Customers can reach us by phone, letter, fax or e-mail with any questions, suggestions, complaints, etc. But the Red Hotline is known above all as a 'price reporting point': customers who have seen a lower price in another store can ring the Red Hotline: 02 360 10 40. If necessary, the price is changed immediately. The Red Hotline consists of a team of 13 staff, with 6 or 7 on line at any one moment.

### • Collect&Go

During the past reporting period Colruyt opened its 68th Collect&Go collection point. Another ten or so collection points will be opened during the coming reporting period.

Collect&Go sells free time to Colruyt customers. The concept is very simple: customers go shopping on the Colruyt website ([www.colruyt.be](http://www.colruyt.be)) with a few mouse clicks and at a time of day or night that suits them best. The next day the requested groceries are ready at the chosen pick-up point. In more and more pick-up points customers can pick up orders on Saturdays too. The customer simply pays and takes his groceries with him, thereby saving 1 to 2 hours a week.



### • New coffee roasting, wine bottling and rice packaging facilities in Ghislenghien.

On 22 March 2007 Colruyt officially opened its new coffee roasting, wine bottling and rice packaging department at Ghislenghien. In this way a major part of Colruyt's own production moved from Halle to the existing distribution centre at Ghislenghien. Colruyt has invested a total of € 35 million in these new facilities.

Our production departments enable us to deliver high quality products at lowest prices.

Colruyt has roasted its Graindor coffee since 1937. Around 4,000 tons of coffee a year are roasted at Colruyt, in all



*The new coffee-roasting unit in Ghislenghien*

around 25 different types, mainly Arabica. This coffee reaches the shelves as coffee beans, vacuum-packed ground coffee, coffee filters and coffee pads.

The brand new cyclonic chamber roaster processes 3 tons of beans an hour, in particular blends, and ensures that all are equally roasted. Espresso beans and beans for origin coffees are roasted in the equally new drum roaster. A long, slow roasting process releases all the fine aromas of the Arabica coffee. The drum roaster can roast 1 ton of coffee beans an hour.

Colruyt has also bottled wine itself since 1937. Every year 18 million litres of wine are filled in its own wine bottling plant. Wines from both France and the new world are delivered in tankers. Buying wine by the tanker gives us better conditions and significantly lowers transport costs. The amount of wine carried in a single tanker would require two trucks if already bottled. It also allows us to sell our wine in recyclable bottles.



*New bottling unit in Ghislenghien*

The new wine cellar at Ghislenghien is fitted with some forty brand new stainless steel vats, able to hold no less than 2.1 million litres of wine.

The new bottling line can fill 12,000 bottles an hour. Long filling pipes penetrate deeper into the bottle and are gradually raised as the wine flows out of them. In this way the wine comes into minimum contact with the air in the bottle. The bottle is also filled more gentle and the wine is less 'shaken up'.

Since 1995 Colruyt has taken back the empty bottles of the wines we bottle ourselves. Together with other empties they are returned from the stores to our central distribution centres where they are washed.

New at Ghislenghien and unique in Belgium is the bottle washing line that is directly attached to the bottling line. This allows cleaned bottles can be filled directly without additional handling, saving time and maintenance and guaranteeing hygiene. Recyclable wine bottles can be reused up to 15 times. With our recyclable wine bottles we bring 5 times fewer new bottles into circulation, a saving of around 2000 tons of glass a year, equal to the contents of more than 4000 waste glass collection containers.

A smaller department is the rice packaging department, where 12 sorts of rice totalling around 2000 tons a year packed in 2 and 5 kilo bags.



*The brand-new stainless barrels in the wine cellar in Ghislenghien*

### 3. OKay and Bio-Planet



Key data at at 31/03/2007	reporting period 2006/07	reporting period 2005/06 <sup>(1)</sup>
Sales revenue (excl. VAT) (in million EUR)	190.9	175.8
Increase in sales revenue	+ 8.6 %	+ 72.76 %
<b>OKay</b>		
Sales area (m <sup>2</sup> )	18,964	15,483
Number of stores	43	36
Additional sales area (m <sup>2</sup> )	3,481 m <sup>2</sup>	3,200 m <sup>2</sup>
Additional sales area (%)	+ 22.5 %	+ 26 %
Staff employed	489	458
Number of staff (full time equivalents)	444	391.5
<b>Bio-Planet</b>		
Sales area (m <sup>2</sup> )	2,928 m <sup>2</sup>	2,318 m <sup>2</sup>
Number of stores	4	3
Staff employed	59	46
Number of staff (full time equivalents)	56	44

<sup>(1)</sup> OKay's previous reporting period ran from 1/1/2005 to 31/3/2006 (15 months)



The OKay store in Arendonk

#### • OKay

At the end of the 2006/2007 OKay operated 43 stores directly. A further 7 stores were opened in the course of the 2006/2007 financial year. The first rebuilding is now complete. OKay Opwijk, our second OKay store, was extended at the start of 2007 from 400 to 650 m<sup>2</sup>.

In the 2006/2007 reporting period

OKay achieved € 176.1 million of sales compared with € 162.9 million in the previous reporting period (+ 8.1 %).

OKay's previous reporting period was extended and ran for 15 months from 01/1/2005 to 31/03/2006. This time round it ran for 12 months. Comparing the 12 months of the 2006/2007 financial year with the 12 months from 01/04/2005 to

31/03/2006, turnover rose by 27.14 %.

OKay stores are friendly neighbourhood shops where customers can do their daily shopping. Their location provides an answer to increasingly severe mobility and traffic problems.

#### Save time, money, and trouble: OKay!

- OKay stores offer a compact surface (400 m<sup>2</sup> to 600 m<sup>2</sup>) and a wide range of products. Customers can shop easily and efficiently and **save time**.

- OKay offers service and quality at the lowest prices in the neighbourhood. The client **saves money**.

- OKay shops are comprehensively and logically laid out, the products are clearly visible and easy to reach. The client **saves trouble**.

A big plus at OKay stores is the fresh products. At OKay customers know they can find tasty fresh bread at all times of day, with a baker delivering hand-baked bread and cakes daily. A number of bread specialties are also baked in the shop itself. In the cooled 'freshmart' the customer finds an attractive assortment of fresh fruit and vegetables, a wide range of dairy produce, fresh prepacked meat and ham, fish and fish dishes and ready-made meals. ...

OKay continues to grow strongly. In 2007/2008 we are planning to open 7 new stores, and in the coming years we shall also be rebuilding and extending existing stores.

The opening of new stores and extending and rebuilding of existing ones will call for further structuring, commercially, organisationally and administratively.

In 2007 OKay was included for the first time in the GfK-summer report, and immediately came in second place right behind Colruyt.

In the "Most friendly" category OKay comes in first place. Giving good service to our customers is central to the OKay philosophy. To guarantee our service quality, we are continuing to invest in training and in development opportunities for our people. During the last reporting period this took the form, among other things, of new training initiatives.

### • Bio-Planet

Bio-Planet is a fully-fledged organic supermarket selling only organic food and ecologically responsible non-food products. At the end of the 2006/2007 there were 4 Bio-Planet stores: in Dilbeek, Gent and Kortrijk in

Belgium and in Eindhoven in the Netherlands.

Bio-Planet offers a wide choice of organic products, with concern for the environment: vegetarian products and meat, fruit and vegetables delivered fresh daily, and simple everyday products. Besides these Bio-Planet offers dozens of organic wines, baby articles, toys, textiles, etc. Gastronomic products can be found in the delicatessen department. The bread department offers more than 70 kinds of fresh bread and cakes.

Customers across Belgium can also reserve products via the Bio-Planet webshop, which are then delivered to the Colruyt store of their choice.

During the past reporting period Bio-Planet crossed into the Netherlands with a brand-new Bio-Planet shop in Eindhoven. Here too customers can find a wide range of organic foods and ecological non-food articles. The range of goods in the Dutch Bio-Planet is much the same as in the

Belgian stores, but with some small differences: in the Netherlands strong liquor may be sold only in liquor stores. Our northern neighbours are also keen on fresh milk delivered daily and typical bread coverings like chocolate sprinkles and peanut butter. Bio-Planet's objective is to make as many organic and ecological products as possible available to all shoppers. With its strict production and processing standards Bio-Planet promises that organic products offer every guarantee of healthy food that is good for everyone's well-being. Precisely because production standards are so strict, organic products also contribute to the sustainable development of our planet. By promoting their distribution, Bio-Planet will contribute to this sustainable development.

### Organic at Colruyt

At the Colruyt stores themselves shoppers can also find a wide range of organic products. Most of them are sold under the Bio-time label. As at Bio-Planet, they are guaranteed organically grown with respect for the environment. Having organic products on the shelves at Colruyt also allows more customers to become acquainted with organic food - at the lowest prices.



#### 4. DreamLand



Key data at 31/03/2007 <sup>(2)</sup>	reporting period 2006/07	reporting period 2005 <sup>(1)</sup>
Sales revenue (excl. VAT) (in million EUR)	173.1	127.6
Increase in sales revenue	+ 35.7 %	+ 16 %
Sales area (m <sup>2</sup> )	46,125	43,628
Number of stores	30	28
Additional sales area (m <sup>2</sup> )	2,497	5,962
Additional sales area (m <sup>2</sup> )	+ 5.72 %	+ 15.7 %
Staff employed	651	619
Number of staff (full time equivalents)	613	571

<sup>(1)</sup> DreamLand's previous reporting period ran from 1/1/2005 to 31/12/2005.

<sup>(2)</sup> DreamLand's reporting period was extended to 15 months in 2006/2007 (1/1/2006 to 31/03/2007)

At the end of the 2006 reporting period, DreamLand was operating 30 stores, including 4 DreamBaby stores specialising in baby items and 4 "dream" stores specialising in gift items.

In the 2006-2007 reporting period one DreamLand store was opened at Jemeppe and a new DreamBaby store in Waterloo. In early 2007 a "dream" store was opened in Aalst. The dream store in Sint-Niklaas was closed. In July 2007 a new DreamLand store was opened in Tournai.

In the 2006/2007 reporting period DreamLand achieved sales revenue of € 173.1 million compared with

€ 127.6 million in 2005/2006 (+ 35.7 %).

It should be noted that DreamLand had an extended reporting period running from 01/01/2006 to 31/03/2007. In this way 15 months of DreamLand figures are included in the consolidation. Comparing the period from 01/04/06 to 31/03/07 with the same period last year, the increase is 18.8 %.

##### DreamLand

Besides its position as toy specialist, DreamLand carries an extensive range of other products, making it the family store par excellence. Any family event can be celebrated with DreamLand

committed.

In terms of communication with customers, DreamLand produces around 20 leaflets a year to give prominence to its wide range throughout the year. Every DreamLand store organises 6 events on seasonal themes like Valentine's Day, Easter, summer, back-to school, Halloween, Santa and the year-end festivities.

The [www.Dreamland.be](http://www.Dreamland.be) site has been totally reworked, with a number of strong information articles, giving a full overview of our product range, along with the necessary explanations and handy tips.

##### DreamBaby

Our DreamBaby stores and DreamBaby catalogue have together achieved a major market share. DreamBaby offers everything a baby needs, from prams and car seats to care articles, baby toys, furniture and clothing. Service and quality are priorities.

DreamBaby articles can also be reserved via internet and collected in the Colruyt store of one's choice.



thanks to its range of multimedia, Gifts & Things, sport, toys, etc.

It is DreamLand's mission and ambition 'To keep on inspiring children and their families and stimulate them to experience joy together', to which all the Group's staff are

A big success at DreamBaby is the "birth lists" in which customers can list the gifts they would like to receive from friends and relatives when the



*DreamBaby store interior*

baby is born. From May 2007 onwards customers can compose, consult and adapt their new baby gift

lists online. At any time they can inspect which gifts are still on the list and add or remove articles. They can also see who has bought which gift.

### **dream**

The new 'dream' store concept was inaugurated in 2005. Dream is the gift shop for young and old, for every gift occasion: Valentine's day, mother's and father's day, birthdays, etc. Dream shops are attractive, trendy stores in downtown Eeklo, Mechelen, Koksijde and Aalst. Unlike DreamLand stores which are located on the edge of large towns, dream stores are real city centre stores aimed at a wide public. Here customers can find a wide choice of gift articles under one roof: home furnishings, seasonal collections, portable phones, video games, gadgets, soft toys, greetings cards, etc. Just like DreamLand, dream offers strong brand articles with high sym-

bolic value for the customer. In the current reporting period the new [www.dream.be](http://www.dream.be) website has come online.



*Wide range of multimedia articles at dream*

## ■ 5. ColliShop

ColliShop is the home shopping branch of the Colruyt Group. The ColliShop catalogue offers customers 400 pages of all kinds of articles, that can be reserved online, by phone or in stores. 3 days after reservation the article is ready in a Colruyt store of the purchaser's choice. On October 2006 a test project was started to turn 3 Eurospar stores into Collishop full service points, that is not only reservation and collection points, but also handling returns, repairs and spares. For a one year test period ColliShop and Spar Retail will be testing the commercial potential and profitability of home shopping via Eurospar.

Collishop customers can also compose and manage gift lists on line. Lists can then be checked and gifts added or removed, all online, on the [www.collishop.be](http://www.collishop.be) website.

The ColliShop webshop is also being totally optimised. The structure was updated to enable customers to navigate the site more easily. New search technology was also introduced to enable customers to find articles more easily. So the customer can display the lowest price for him at his chosen collection point.

In the second phase, in mid-2007, online stock was added. Previously customers simply received an out-of-stock message after reserving their

article. Now consumers have a direct link with our stocks, showing them beforehand whether a particular item is available for reservation, and if not, when it will be available again.

**ColliShop**  
service colruyt

### 6. France: stores under own management

The company-operated stores, under the Colruyt and Coccinelle names, are located in north-eastern France and are operated by S.A.S. Codi-France.

In 2006 1 store was converted into a Colruyt store.

This brings the number of company-operated supermarkets to 44: 16 Coccinelle stores and 28 Colruyt stores. The total sales area is 32,552 m<sup>2</sup>.

Sales revenue grew by 6.3 % (+ 7.11 % for Colruyt stores) in 2006, which was another year of sharp price competition, stimulated by French legislation governing the supplier-distributor relationship. Thanks to an intensive campaign focused on "winning receipts" (discount coupons), we were able to continue offering low prices to our faithful customers.

38 of our supermarkets have a butchery under our own management, and 19 stores have a DATS 24 fillingstation on their parking lot.

We anticipate opening at least 3 new Colruyt stores during the coming reporting period. The Colruyt logo will also be offered to independent retailers on a franchise basis. To this end Codi-France took an active part in the "salon de franchise" held in Paris in March 2007.

In the longer term both company-operated and franchise stores will exist in France under the Colruyt logo.

On 1 May 2007, we celebrated the 10th birthday of the first French Colruyt store.

To mark the occasion, Codi-France invited the authorities, its staff and customers to a festive open doors day

its Rochefort-sur-Nenon headquarters. Over 4000 customers took the opportunity to get to know the company and the distribution centre, where a supplier mart was also organised.



Colruyt store in Nuits-Saint-Georges (France)

#### Current situation of the stores under own management in France



## VII. Wholesale

### 1. Wholesale in Belgium

Wholesale activities in Belgium are undertaken by N.V. Spar Retail (Spar and Eurospar stores), N.V. Collivery (foodservice and home delivery) and Colruyt Export (Colruyt's export department).

Deliveries to the associated traders in the Alvo purchasing group also form part of these activities.

Key data	reporting period 2006/07	reporting period 2005/06
Sales revenue (excl. VAT)	509.6	467.9
Staff employed <sup>(1)</sup>	720	710
Number of staff (full time equivalents)	700	680

<sup>(1)</sup> excluding temporary agency staff contract



#### • Spar

The Spar formula is operated by N.V. Spar Retail from its administrative headquarters in Ternat and its distribution centre in Heist-op-den-Berg.

N.V. Spar Retail operates in the Belgian market with 2 consumer formulas: Spar (some 268 stores with sales areas from 300 to 700 m<sup>2</sup>) and Eurospar (34 larger stores of at least 700 m<sup>2</sup>).

The Spar and Eurospar stores are operated by independent shopkeepers. The Spar and Eurospar formulas are intended to stand out by offering a well thought out range of quality products with the accent on freshness and convenience in a pleasant store environment, where personal attention to the customer is extremely important. Spar stores are primarily intended for everyday shopping, while the Eurospar formula with its wider range is suitable for all shopping.

N.V. Spar Retail is a licensee of the international Spar organisation. With around 15,000 stores in 34 countries and sales of almost € 28 billion, it is the world's largest organisation of independent retailers in the world.

In 2006/2007 the Spar and Eurospar stores achieved sales to end users (including VAT) of € 579.1 million. At 31/03/2007 the Spar formula had

302 sales outlets with a sales area of 123,858 m<sup>2</sup>.

Spar Retail supplies here 123 independent shops (19,577 m<sup>2</sup>).

In 2006/2007 Spar employed 663 staff.

3 EUROSPAR stores were modernised and 2 new stores opened.



New Spar store in Berg (Kamphenhout)



During the past year we continued our efforts, together with the independent Spar entrepreneurs, to position the Spar formula more strongly. We continued to modernize and enlarge Spar stores at a rapid pace, at the same time as investing in price reduction and price positioning. We also introduced a price secretariat on the same model as Colruyt and OKay.

In addition to the above-mentioned investments we shall also focus on a range of products policy.

Thus, our consumer magazine Kook has already been given a new look. Innovation and inspiration will be keywords here.

The fact that the efforts made in recent years are gradually beginning to bear fruit is reflected in a rise in turnover and a growing market share, including in a constant surface area. We expect that the contribution to the group result will increase slowly.



Collaboration with the independent supermarkets of the Alvo purchasing group was further developed in 2006/2007.

The independent Alvo supermarkets are delivered from a distribution centre in Bornem operated by N.V. Alvocol, a joint venture of Colruyt and Alvo.

Since March 2006, Spar Retail, a part of the Colruyt group, has been delivering fresh products to Alvo supermarkets from its Heist-op-den-Berg distribution centre.



Collivery is a Colruyt subsidiary specialising in home deliveries. At present 110 people work at Collivery, with 60 vehicles available.

Collivery delivers a complete range to the customer's door. Dry goods, frozen products, fruit, vegetables, fresh meat and non-food can be reserved. More and more high-consumption articles are being included in the offer since Collivery's customers include a great many contract caterers, schools, old peoples' homes, crèches, etc. Collivery customers can choose from the Collivery catalogue and reserve their purchases by internet, fax or telephone.

For more information, see [www.collivery.be](http://www.collivery.be)



Colruyt Export specialises in supplying goods by container, anywhere in the world. Colruyt Export offers a complete service up to the destination port. Its main customers are retailers, wholesalers and supermarkets, but also include contract caterers, hotels and restaurants. At present Colruyt Export exports primarily to Africa. For more information, see [www.colruyt.be](http://www.colruyt.be).

### 2. Wholesale in France

In 2006 Pro à Pro achieved € 344.6 million of wholesale and foodservice sales (+ 9.6 %).

#### • Delivery to independent shopkeepers in France

S.A. Disval and Silor supply 600 independent retailers in the Centre, Pays de Loire, Paris and Haute Normandie region. 27 of these are affiliated with Coccinelle and 86 with with Panier Sympa.

De S.A.S. Galland supplies around 50 independent retailers in the Hautes Alpes, including 13 Coccimarket affiliates.

S.A.S. Codi-France supplies 216 independent retailers in north-eastern France. 6 of these are affiliated to Coccinelle, 36 to Coccimarket and 4 to Panier Sympa.

At the end of 2006 we concentrated this activity in a new 16,000 m<sup>2</sup> distribution centre (extendable to 23,000 m<sup>2</sup>) at Châteauneuf-sur-Loire in combination with the regional distribution centre of our food service activities. This new organisation enables to tackle this market more efficiently.

#### • Foodservice in France

Pro à Pro's foodservice activity makes it a national player in the delivery of dry food to the social and commercial catering industry.

Codi-Pro, Pro-Man, Doumenge, Morer, Blin, Harrydis, Didier, Galland, Silor Restauration, Roret, Perache, Poirette and Ineco are the companies through which it undertakes this activity (see map in insert)

In January 2007 Pro à Pro took over S.A. Codifrais, with sales of

€ 40 million in 2005/2006 and 49 employees. Codifrais' activity is wholesaling fresh products, mainly dairy products, to the restaurant and canteen sectors, in particular collective catering, either under its own management or outsourced, in Picardie and the Ile-de-France.

This acquisition gives a new impulse to the future development of Pro à Pro Distribution's activities in and around Paris.

In the course of 2007 the various companies in the foodservice sector will be grouped in four clusters:

- Pro à Pro South with distribution centres at Montauban (10,300 m<sup>2</sup>), Miramas (10,647 m<sup>2</sup>), Perpignan (5,320 m<sup>2</sup>) and Gap (11,550 m<sup>2</sup>).

- Pro à Pro Grand Est with distribution centres at Dijon (2,300 m<sup>2</sup>), Dole (5,647 m<sup>2</sup>) and Chaponnay (Lyon) (7,500 m<sup>2</sup>) and a distribution platform in Colmar.

- Pro à Pro Paris, North and West with distribution centres at Chalette-sur-Loing (Montargis) (7,360 m<sup>2</sup>), Orly (2,500 m<sup>2</sup>), Somain (Valenciennes) (5,200 m<sup>2</sup>) and Saint Gilles (Rennes) (5,991 m<sup>2</sup>).

- Pro à Pro Export with facilities in Guadeloupe (850 m<sup>2</sup>), Martinique (1,200 m<sup>2</sup>) and Ile de la Réunion (3,650 m<sup>2</sup>), and a distribution platform in Guyane.

Codi-France's 16 Cash and Carries (self-service wholesalers) under the Codicash logo in north-eastern France (21,581 m<sup>2</sup> sales area) are also part of the food-service activity in France.



Pro à Pro distribution centre in Chaponnay (Lyon)

## VIII. Other Colruyt Group activities

### 1. DATS 24

DATS 24 (Discount Automatic Tanking Service) is the name of Colruyt's filling stations.

Originally the DATS filling stations were always located on the parking lot of a Colruyt store. But today DATS 24 is increasingly opening filling stations independently of the stores, or on the parking lot of an OKay or DreamLand store.

The DATS 24-stations were the first unmanned petrol stations in Belgium, equipped with an automatic payment system that allowed you to fill up 24 hours a day. In the early 1980s it became possible to fill up using bank cards, and since this year it has also been possible to pay with VISA or MASTERCARD at certain border stations. DATS 24 expanded strongly this

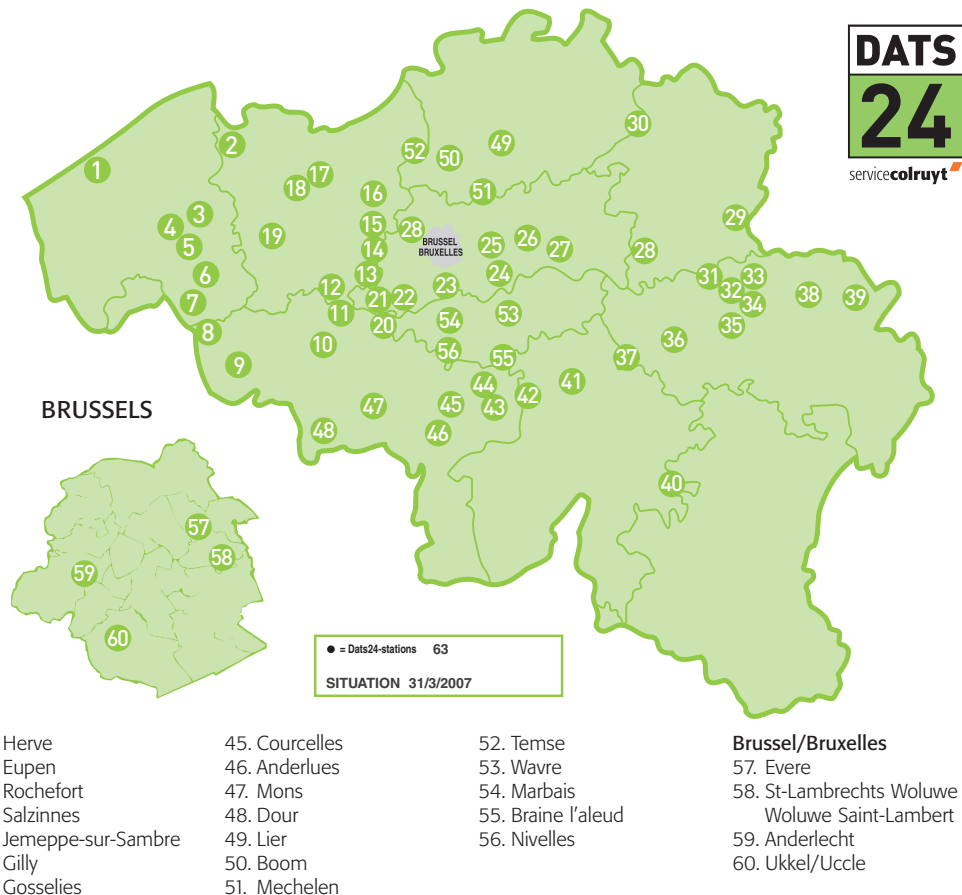
year, with 7 new filling stations bringing the total to 66. Existing stations were also modernised, with a new model of card reader for the DATS 24 card and 3-pistol pumps installed at a number of fast-growing stations to meet rising sales.

During the coming year DATS will be opening 5 new filling stations and continuing to modernize existing outlets.



Restyled DATS 24 petrol station in Izegem

1. Middelkerke
2. Maldegem
3. Tielt-Pittem
4. Roeselare
5. Izegem
6. Kuurne
7. Wevelgem
8. Moeskroen/Mouscron
9. Tournai
10. Ath
11. Ghislenghien
12. Geraardsbergen
13. Ninove (2)
14. Denderleeuw
15. Aalst
16. Dendermonde
17. Lochristi
18. Gent
19. Deinze
20. Enghien/Edingen
21. Lembeek (Halle)
22. Halle (3)
23. Alsemberg
24. Overijse
25. Nossegem
26. Heverlee
27. Boutersem
28. Sint-Truiden
29. Maaseik
30. Balen
31. Loncin
32. Ans
33. Herstal
34. Liège
35. Boncelies
36. Amay
37. Ben-Ahin





## 2. DRUCO

Key data	reporting period 2006/07	reporting period 2005/06
Total external revenue (excl. VAT)	11.9	12.6
Number of staff at 31.03 (full time equivalent)	187	199
Staff employed	194	206

Druco is the Colruyt Group's printing works. It undertakes graphic projects for Colruyt itself, but increasingly also for outside customers. During the past reporting period Druco had external sales of € 11.9 million.

Druco is confident in the future of the graphic industry and continues to invest in new technologies. In the pre-

press/digital printing area Druco now produces Colruyt price tickets on the new IGEN3. In the printing shop a new UW paint machine has come into service, and for finishing work Druco has invested in a new folding machine and cutting machine, a stapling machine and a machine for packaging shop coupons. A new mailing machine has also come into service.

These investments confirm Druco's constant concern for diversification in the graphics market.

## 3. Engineering activities



N.V. Createch Engineering specialises in the construction of automated solutions for Pick & Place, packing, palletisation and special applications. Createch Engineering is mainly oriented toward the consumer industry: food, nonfood, pharmacy, cosmetics, electronics, etc.

Createch Engineering has been busy during the past reporting period in palletisation, with four different projects in various parts of the food production industry.

Createch has also undertaken various Pick & Place projects in the food and pharma industries. Fully integrated end-of-line packaging machinery is a fast growing activity at Createch Engineering.

During the 2006-2007 reporting period Createch Engineering purchased



*Palletisation unit comprising 2 robots that palletise boxes and shrink packs fully automatically according to 15 different stacking patterns.*

100 % of Dimaco, which has facilities in the UK and Belgium. Createch, which had already partnered Dimaco in the Netherlands, has acquired here an attractive added synergy for its end-of-line packaging specialist activities.

With this acquisition Createch Engineering can now guarantee its final customers the necessary end-of-line packaging line control in terms of label control, seal control, shape,

colour and the like.

As well as partnerships and exclusive representations (robots, "Ilapack" flowpack machines, "PRB" bundling, wrapping and cardboard packaging machines, "Dimaco" quality control, "Flexlink" flexible transport systems), a big plus is Createch's ability to develop special machinery and customised automation systems.



For this N.V. Createch maintains its own engineering office and its own production workshop and assembly department. Turning, milling, sheet metalwork, welding and the like are done in house. Assembly, commissioning and aftersales service are also provided by our own specialists.

In the course of the 2006-2007 reporting period, Createch Engineering achieved sales of € 7.0 million. N.V. Createch Engineering has 24 employees (36 with Dimaco).

### **DOLMEN** industrial projects

N.V. Dolmen Industrial Projects coordinates Belgian and international turnkey projects involving materials handling and a variety of production processes.

N.V. Dolmen Industrial Projects builds assembly lines, sorting and transport systems, PLC controls, production and warehouse management systems, etc.

N.V. Dolmen Industrial Projects' consultants have years of experience of various kinds of industrial automation and computerisation. Dolmen Industrial Projects supplies logistical building design, lay-out studies, goods

flow optimisation and computerisation concepts (PLC/PC/SCADA/warehouse and production management).

Major achievements this year include the automation of Nike's "Strategy III" distribution centre at Laakdal, fully automated crate washing installations in Germany, Italy and the Netherlands, and sorting installations for DHL in Spain, FedEx in Paris, TNT in Bierset and other companies.

N.V. Dolmen Industrial Projects today employs 46 people, mainly engineers. N.V. Dolmen Industrial Products realised sales of € 10.6 million during the 2006/07 reporting period.



*Sorting unit for FedEx in Paris*

## IX. Unallocated corporate activities

### 1. N.V. FINCO

The financial activities of the Colruyt Group are provided by N.V. Finco.

All the financial resources of the various companies are concentrated in Finco.

Finco also finances the major investments of the Group's various divisions. Until now, Finco has had the Colruyt Group's financial and accounting services under its umbrella.

At 31/03/2007 N.V. Finco had 198 staff.

### 2. N.V. Infoco

Since 1 October 1999 this company has consisted solely of the IT branch that works for the companies belonging to the Colruyt Group.

All information and communication technology activities within the Colruyt Group have been incorporated into Infoco.

Infoco's 472 staff are keeping the Colruyt Group competitive with projects such as e-commerce and direct marketing. Infoco also ensures that the IT equipment is kept running every day. Infoco is headquartered in Halle, where Colruyt has its administrative centre, and with branches Huizingen, Deinze and Kessel-Lo.

All central ICT systems (including the network systems for communicating with the in-store systems) are located in redundant mode in 2 active data centres (in Halle).

These data centres have 2 mainframes (using the latest technology and with a total capacity of 4800 MIPS) to support the core business processes.

In addition UNIX, LINUX and WINDOWS servers are used to support the PC systems, the reporting environ-

ment of the data warehouse, communication systems, etc.

All company information (more than 50 Terabytes in total) is stored on fault tolerant storage systems. Besides the doubling of all systems, the necessary management and security processes ensure the highest possible availability of these business-critical systems.

In early 2007 Infoco began, with the technical department a job simplification process involving remodelling the check-outs in all Colruyt stores, and also at OKay, Bio-Planet and Codi-France. In the new check-outs the Doltec till system and Dolpay payment terminals are being replaced by C-Tac and P-Tac. The new equipment is more modern, with a touch screen that considerably simplifies use for till staff, which means that customers also spend less time at the till.

One of Infoco's core tasks is the complete rewriting of IT programs for purchasing, sales and logistics (the "CDP project").

Given the ever-increasing volume Infoco works with two outside firms from India employing India IT experts. This is enabling Infoco to carry out its various tasks within the Group despite the shortage of well-trained IT specialists in Belgium.

To ensure smooth and efficient cooperation with the India IT team, Infoco has set up a company in India to select, recruit, train and assist Indian IT specialists in their work.

This company is called "Colruyt IT Consultancy India Private Limited" and will have its offices in Hyderabad.

### 3. N.V. Premedia



N.V. Premedia was founded on 1 April 2006. Premedia is the Colruyt Group's rapidly expanding marketing and communication office. Premedia acts as the Group's internal advertising agency, serving the different brands (Colruyt, DreamLand, DreamBaby, dream, OKay, Spar, Bio-Planet, DATS 24, ...) with everything relating to advertising leaflets, publicity, customer communication, advertising brochures and the like. Employees have access to a number of Colruyt in-house departments now grouped together in Premedia: photo and video studio, designers, copywriters, data warehouse, etc. Premedia now has around 125 employees.



*Colruyt store in Kelmis*



*OKay store in Lontzen*



*Bio-Planet store in Eindhoven (the Netherlands)*



## FINANCIAL REPORT<sup>(1)</sup>

### X. Consolidated financial statements and notes

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<sup>(1)</sup> Important note : totals and subtotals can differ due to rounding

## Consolidated income statement

<i>(in million EUR)</i>	Note	2006/07	2005/06
Revenue	4	5,208.6	4,775.7
Cost of goods sold	4	(3,910.3)	(3,651.2)
<b>Gross profit</b>	4	<b>1,298.4</b>	<b>1,124.5</b>
Other operating income	5	39.9	37.0
Services and miscellaneous goods	6	(223.1)	(185.3)
Employee benefit expenses	7	(622.2)	(545.2)
Depreciation and amortization		(94.3)	(79.7)
Provisions and write-offs of current assets		(4.5)	1.5
Other operating expenses	5	(22.7)	(20.4)
<b>Operating profit before financing costs (EBIT)</b>		<b>371.5</b>	<b>332.4</b>
Financial income		15.0	10.2
Financial expenses		(3.2)	(2.5)
<b>Net financing income</b>	8	<b>11.8</b>	<b>7.7</b>
Share of profit of associates	13	0.4	0.6
<b>Profit before tax</b>		<b>383.8</b>	<b>340.7</b>
Income tax expense	9	(121.0)	(110.2)
<b>Profit for the period</b>		<b>262.7</b>	<b>230.5</b>
<i>Attributable to:</i>			
Equity holders of the parent		262.6	230.4
Minority interests		0.1	0.1
Earnings per share – basic and diluted (in EUR)		7.94	6.86

## Consolidated balance sheet

(in million EUR)	Note	31.03.07	31.03.06
<b>Assets</b>			
Goodwill	10	46.7	48.8
Other intangible assets	11	6.5	3.7
Property, plant and equipment	12	802.0	702.0
Investments in associates	13	12.4	13.0
Investments	14	5.5	4.8
Deferred tax assets	16	11.4	12.9
<b>Total non-current assets</b>		<b>884.5</b>	<b>785.2</b>
Inventories	17	384.6	361.2
Trade receivables	18	206.3	175.2
Income tax receivable		6.5	2.0
Other receivables	18	27.6	29.3
Investments	14	36.6	32.2
Cash and cash equivalents	19	414.9	331.3
<b>Total current assets</b>		<b>1,076.5</b>	<b>931.2</b>
<b>Total assets</b>		<b>1,961.0</b>	<b>1,716.4</b>
<b>Equity</b>			
Issued capital		173.9	159.1
Reserves and retained earnings		744.6	611.5
<b>Total equity attributable to equity holders of the parent</b>		<b>918.5</b>	<b>770.6</b>
Minority interests		0.8	0.7
<b>Total equity</b>	20	<b>919.3</b>	<b>771.3</b>
<b>Liabilities</b>			
Provisions	22	12.9	11.9
Employee benefits	23	33.6	23.9
Deferred tax liabilities	16	45.5	42.4
Interest-bearing loans and borrowings	24	12.0	13.4
<b>Total non-current liabilities</b>		<b>104.0</b>	<b>91.5</b>
Interest-bearing loans and borrowings	24	2.4	3.3
Trade payables	25	649.5	573.9
Income tax payable		25.5	24.3
Employee benefits and other payables	25	260.3	252.1
<b>Total current liabilities</b>		<b>937.7</b>	<b>853.6</b>
<b>Total liabilities</b>		<b>1,041.7</b>	<b>945.1</b>
<b>Total equity and liabilities</b>		<b>1,961.0</b>	<b>1,716.4</b>

## Consolidated cash flow statement

<i>(in million EUR)</i>	Note	2006/07	2005/06
<b>Operating activities:</b>			
<b>Profit for the reporting period</b>		<b>262.7</b>	<b>230.5</b>
<i>Adjustments for:</i>			
Depreciation and amortization		94.6	79.8
Interest income	8	(12.8)	(10.2)
Interest expense	8	2.5	2.8
Share of profit of associates		(0.4)	(0.6)
Gain/(loss) on sale of property, plant and equipment and intangible assets		1.6	3.6
Gain/(loss) on investments	8	(1.5)	(1.0)
Gain/(loss) on current assets		2.0	(2.5)
Equity-settled share-based payment expenses		8.5	13.2
Income tax expense	9	121.0	110.2
Operating profit before changes in working capital and provisions		478.2	418.6
Increase/(decrease) in trade and other receivables		(30.9)	(15.9)
Increase/(decrease) in inventories		(23.8)	(13.0)
(Increase)/decrease trade payables and other payables		83.1	83.4
(Increase)/decrease in provisions and employee benefits		11.0	0.5
Interest paid		(2.4)	(1.6)
Interest and dividends received		13.2	11.4
Income tax paid		(118.3)	(124.1)
<b>Cash flow from operating activities</b>		<b>410.1</b>	<b>359.3</b>
<b>Investing activities:</b>			
Acquisition of property, plant and equipment and intangible non-current assets		(198.6)	(151.6)
Acquisition of subsidiaries (net of funds acquired)	15	(3.3)	(7.4)
Increase of investments in associates		(1.5)	(0.5)
Purchase of minority interests			(7.2)
(Acquisition) and sales of investments		(3.9)	(1.7)
Payments of loans granted		(1.9)	(1.8)
Proceeds from sale of property, plant and equipment and intangible assets		6.7	8.5
Proceeds from repayments of loans granted		1.4	4.3
<b>Cash flow from investing activities</b>		<b>(201.1)</b>	<b>(157.4)</b>
<b>Financing activities:</b>			
Proceeds from the issue of share capital	20	14.9	10.2
Sale/(purchase) of treasury shares		(42.7)	(158.6)
Repayment of borrowings		(1.6)	(1.3)
Payments of finance lease liabilities		(1.6)	(2.0)
Dividends paid		(94.3)	(84.9)
<b>Cash flow from financing activities</b>		<b>(125.3)</b>	<b>(236.6)</b>
<b>Net increase in cash and cash equivalents</b>		<b>83.6</b>	<b>(34.7)</b>
Cash and cash equivalents at 1 April		331.3	366.0
Cash and cash equivalents at 31 March		414.9	331.3
Increase/(decrease)		83.6	(34.7)

## Consolidated statement of total recognized income and expense

<i>(in million EUR)</i>	<b>31.03.07</b>	<b>31.03.06</b>
Gain on sale of treasury shares	1.7	18.4
Share based payments to be settled	8.5	6.8
Disbursed share based payments of previous financial year	(6.8)	
Change in the fair value of available for sale financial instruments	(1.6)	3.2
<b>Net profit recognized directly in equity</b>	<b>1.8</b>	<b>28.4</b>
Profit for the period	262.7	230.5
<b>Total recognized income and expense for the period</b>	<b>264.5</b>	<b>258.9</b>
<i>Attributable to:</i>		
Equity holders of the parent	264.4	258.8
Minority interests	0.1	0.1





*Statutory auditor's report to the general meeting of shareholders of  
Eden FZ Colruyt NV on the consolidated financial statements  
for the year ended 31 March 2007*

appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have also evaluated the appropriateness of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from management and responsible officers of the company the explanations and information necessary for our audit. We believe that our audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the group's net worth and financial position as of 31 March 2007 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

#### **Additional comment**

The preparation of the management report and its content, as well as the Company's compliance with the Company Code and their bylaws are the responsibility of the board of directors.

Our responsibility is to supplement our report with the following additional comment, which does not modify our audit opinion on the financial statements:

- The management report on the consolidated financial statements includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the group is facing, and on its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Halle, 9 July 2007

Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises  
Statutory auditor  
represented by

To Vanderbruggen  
Réviseur d'Entreprises/Bedrijfsrevisor

Ludo Ruysen  
Réviseur d'Entreprises/Bedrijfsrevisor



*Colruyt store in Diksmuide*



*OKay store in Tessenderlo*



*Colruyt store in Zoersel*

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## Basis of preparation

Etn. Fr. Colruyt (hereinafter known as “the Company”) is domiciled in Belgium at , 1500 Halle, and is publicly traded on Euronext Brussels under code COLR. The Company’s consolidated financial statements for the 2006-2007 reporting period, ending on 31 March 2007, include the Company, its subsidiaries (hereinafter known collectively as “the Group”) and the Group’s interests in associated companies and jointly controlled entities.

The Board of Directors approved the consolidated financial statements for the 2006-2007 reporting period for issue on 22 June 2007.

### • Basis of presentation

The consolidated financial statements are expressed in millions of euros, rounded to one decimal point and relate to the financial position at 31 March. They are prepared using the historic cost method with the exception of derivatives and financial assets held for sale, which are measured at their fair value.

The consolidated financial statements are prepared before any distribution of profits of the parent company as proposed to the annual general meeting of shareholders.

Preparing the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that cannot readily be derived from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are assessed annually and adjusted. Revisions to accounting estimates are recognized in the period

in which the estimate is revised if the revision affects only that period or in the period of the revision and future period(s) if the revision affects both current and future period(s).

### • Statement of compliance

The Colruyt Group’s consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and adopted by the European Union up to 31 March 2007.

IFRS-7 ‘Presentation of Financial Statements: Disclosures’ and ‘Amendment to IAS-1 Presentation of Financial Statements’ are not yet effective and have therefore not been applied to the present consolidated financial statements.

The principles of financial reporting set out below have been applied consistently to all periods presented in these consolidated financial statements.



*At work in the distribution centre*

### • General

The consolidated financial statements of the Colruyt Group comprise the accounts of the parent company, Etn. Fr. Colruyt NV and its subsidiaries, after elimination of intra-group balances and transactions.

### • Subsidiaries

Subsidiaries are those entities over which the Company has control. Control exists when the Company has the power to govern an entity's financial and operational policy, directly or indirectly, in order to obtain benefit from that entity's activity. In assessing whether control exists, account is taken of potential voting rights that are exercisable or convertible at that time. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

### • Associates

Associates are those undertakings in which the Group has significant influence over financial and operational policies, but which it does not control. This is generally evidenced by an ownership of between 20% and 50% of the voting rights. Associates are accounted for by the equity method, from the date that significant influence commences until the date it ceases. Where the Group's share of losses exceeds the carrying amount of the interests in the associate, the carrying amount is reduced to nil and no further losses are taken into account, except to the extent that the Group has incurred obligations in respect of the associate.

### • Joint ventures

Joint ventures are those entities over which Group has joint control and such control is established by an agreement. The Group's proportional share of each of the assets, liabilities, income and expenses of joint ventures is combined item by item with similar items in the Group's financial statements from the date on which the joint control first is established until the date on which it ceases.



### • Transactions eliminated in consolidation

Intra-group balances and transactions and unrealized gains on transactions between group companies are eliminated when preparing the consolidated financial statements.

Unrealized gains arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, except that they are only eliminated to the extent that there is no evidence of impairment.

### • Financial statements of foreign companies in foreign currency

To consolidate the Group and each of its subsidiaries, the financial statements of the individual subsidiaries are translated to euros as follows:

- assets and liabilities at the exchange rate ruling at the balance sheet date
- income statements at the average exchange rate for the reporting period
- the components of shareholders' equity at the historical exchange rate

Exchange rate differences arising from the translation of the net investment in foreign subsidiaries, associates and joint ventures at the year-end exchange rate are recorded as part of the shareholders' equity, under "currency translation adjustment".

### • Foreign currency transactions

Transactions in foreign currencies are translated to euros at the exchange rate prevailing at the date of the transaction.

Subsequently all monetary assets and liabilities denominated in foreign currencies are translated at the closing rate at the balance sheet date.

Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies and valued on an historic cost basis are translated at the exchange rate at the transaction date. Non-monetary assets and liabilities in foreign currencies at fair value are translated into euros at the exchange rate ruling at the date

on which the fair value was determined.

- **Transfer pricing**

Prices for transactions between segments are conducted at arm's length.

- **Goodwill**

All business combinations are accounted for by applying the purchase method.

Goodwill represents the excess of the cost of an acquisition of subsidiaries, associates, joint ventures, business entities or individual points of sale over the Group's interest in the fair value of the identifiable assets and liabilities on acquisition date.

In the event of a subsequent acquisition of minority interests (after control was acquired), the transaction will be recorded in equity and no new valuation of identifiable assets and liabilities on the date of purchase of the minority interests is performed.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associated company.

In respect of acquisitions prior to 1 April 2004, goodwill represents the amount recognised under the Group's previous accounting framework (Belgian GAAP). From 1 April 2004, goodwill relating to business combinations with an acquisition date before 31 March 2004 is no longer amortised but tested annually for any impairment losses. In order to be able to assess the need for impairment, goodwill is allocated to a cash generating unit. At least once a year, all cash generating units are reviewed for indications of impairment.

Once recognized, impairment of goodwill can not be reversed.

Negative goodwill arising from an acquisition is immediately recognized in the income statement of the period.

- **Intangible assets**

- (i) **Research and development**

Expenses from research activities are recognized in the income statement when incurred.

Expenditure on development activities where the findings are used for a plan or design intended for the production of new or materially improved products or processes, are capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources available to complete development.

The capitalised expenditure includes the cost of materials, direct labour and an appropriate proportion of overheads. Development costs that do not satisfy these conditions are recognized in the income statement when incurred.



Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

- (ii) **Other intangible assets**

Other intangible assets are recognized at cost less accumulated amortisation and impairment losses.

- (iii) **Subsequent expenditure**

Subsequent expenditure on capitalised intangible assets is capitalised only when the cost price of the asset can be reliably determined and the expenditure results in a future economic benefit. All other expenditure is expensed as incurred.

- (iv) **Amortisation**

Intangible assets with a finite useful life are subject to straight-line amortisation over their estimated useful lives.

For goodwill and intangible assets with an indefinite useful life, an impairment test is performed at least once a year.

Other intangible assets are amortised only on condition that they are ready for use.

As for other intangible assets, the Group makes a distinction between licences, patents and rights of use and other intangible assets. This distinction is expressed in a different useful life for each type of intangible asset:

- licences, patents:  
duration of the period of legal protection
- rights of use:  
contractually defined period

If there is no explicit useful life laid down for these types on acquisition, they will be amortised over a period of 3 to 5 years, as any other intangible asset.

• **Property, plant and equipment**

(i) **Owned assets**

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes direct labour costs in addition to the direct cost of material and a reasonable proportion of indirect manufacturing costs.

The Group has opted to recognize capital grants as a deduction to the cost of property, plant and equipment. These grants are taken into income over the useful life of the asset by way of reduction of the depreciation charge.

(ii) **Subsequent expenditure**

The cost of repairing or replacing a part of property, plant and equipment is capitalised on condition both that the cost of the asset can be measured accurately and that the expenditure will result in future economic benefits brought about by the repaired asset. Costs that do not satisfy these conditions are expensed as incurred.

(iii) **Depreciation**

Where their useful life is not indefinite, property, plant and equipment are subject to straight-line depreciation based on the estimated useful life of the asset.

The estimated useful life is determined as follows:

- Land:	indeterminate
- Buildings:	20 to 45 yr
- Fixtures:	10 to 15 yr
- Fittings, machinery, equipment, furnishings and vehicles:	5 to 15 yr

- Information

processing equipment: 3 to 5 yr

Where property, plant and equipment consist of components with differing useful lives, these will be recognized as separate items under property, plant and equipment.

(iv) **Lease agreements**

Financial lease agreements, where the risks and benefits associated with the leased asset are almost entirely assumed by the Group, are recognized in the balance sheet as property, plant and equipment at the lesser of the fair value of the leased property and the present value of the minimum lease payments at the inception of the lease.

Leased assets are depreciated over the same period as similar owned assets whenever ownership is transferred at the end of the contract. Otherwise they are depreciated over the lease term.

• **Investments**

Investments in securities that are classified as available for sale financial assets are measured at fair value unless the fair value cannot be reliably determined, in which case they are valued at cost.

Subsequent changes in fair value of financial assets, except those related to impairment are recognized directly in equity.

If a decrease in the fair value of a financial asset held for sale is recognized directly in equity, and there are objective indications that the asset has been subject to impairment, the impairment loss will be recognized in

the income statement along with the change in fair value that has already been allocated to equity.

Investments in securities are recognized on the date of the transaction.

• **Discontinued operations and non-current assets held for sale**

When classified as 'held for sale', assets or groups of assets are valued at the lower of their carrying amount and their fair value less costs to sell. The same applies to an operation that is intended to be discontinued.

• **Impairment**

The carrying amount of all assets with the exception of deferred tax assets and inventories are reviewed at least once a year and examined for any indications of impairment. If such indications exist, the asset's recoverable amount is estimated.

The recoverable amount is determined as the present value of expected future cash flows. In assessing value in use, the estimated future cash flows are discounted to their



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present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If the recoverable amount of an asset or of the cash flow generating unit to which it belongs is lower than the carrying amount, an impairment loss for the amount of the difference will be recognized in the income statement.

A recognized impairment may be reversed if the estimates by which the recoverable amount was determined are changed.

An impairment loss is reversed only to



Bio-Planet toy department

the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized. Goodwill impairments are not reversed.

The Group has defined a "cash generating unit" as the operational unit to which the asset can unequivocally be allocated. An operational unit can include a branch of the business or a business entity.

Impairment losses relating to cash generating units are first deducted from the carrying amount of any goodwill attributed to cash generating (or groups of) units and then deducted pro rata from the carrying amount of the other assets of the (groups of) units.

Impairment losses relating to assets classified as available for sale are recognized in the income statement, even if a revaluation is involved. The same goes for gains and losses related to subsequent revaluations.

### • Inventories

Inventories are valued at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the normal course of business, less the estimated completion and selling costs.

The cost of inventories is based on the 'first in, first out' (FIFO) principle and includes the purchase cost, conversion costs and costs arising from transport and storage less discounts and compensations received from suppliers.

### • Investments

Investments in securities held for trading are classified as current assets and recorded at fair value, the resulting gains or losses are expensed when incurred.

Investments in securities are recognized on the date of the transaction.

### • Cash and cash equivalents

Cash comprises cash balances and demandable deposits. Cash equivalents comprise time deposit accounts

that can be called almost immediately and do not entail any material risk of impairment.

Bank overdrafts are classified as short-term liabilities and are presented net of cash and cash equivalents for the purpose of the statement of cash flows.

### • Trade and other receivables

#### (i) Contracts in progress

Contracts in progress are valued using the percentage-of-completion method.

Besides all expenditure directly connected with specific projects, the cost also includes an apportionment of the fixed and variable indirect costs incurred in connection with the Group's contracting activities, based on a normal production capacity.

#### (ii) Other Trade and other receivables

Trade and other receivables are stated at their nominal value, less appropriate allowances for irrecoverable amounts.

### • Equity

#### (i) Capital, reserves and retained earnings

Dividends proposed by the Board of Directors are only recognized as liabilities after approval by the General Meeting of Shareholders. Until such formal approval, the proposed dividends are included in the Group's consolidated equity.

#### (ii) Treasury shares

As for own shares repurchased by the parent company or companies belonging to the Group, the amount of consideration paid, including directly attributable costs, is

recognized as a deduction from equity.

### (iii) Minority interests

Minority interests include a proportion of the fair value of identifiable assets and liabilities recognized upon acquisition of a subsidiary, together with the appropriate proportion of subsequent profits and losses.

#### • Provisions

Provisions are recognized in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

Restructuring provisions are recognized when the Group has approved a detailed, formalized restructuring plan and has made a start on restructuring or made it publicly known.

Environmental provisions are booked in accordance with statutory duties on one hand and environmental policy developed by the Group on the other.

Provisions for warranties are recognized in respect of that part of

products sold that was still under warranty at the balance sheet date and based on historical figures relating to repair and replacement.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Personnel costs and other employee benefits

#### • Personnel costs and other employee benefits

##### (i) Pension plans

The Group's pension plans involve defined contribution plans. Defined contribution plans in Belgium are legally required to guarantee a minimum return. To the extent that the legal return guarantee is adequately covered by the insurance company, the Group has no further payment liability towards the insurance company beyond the pension contributions included in the income statement for the year in which they are owed. In this event pension plans are treated as fixed contribution pension plans.

##### (ii) Early retirement pensions

Early retirement ("bridging") pensions are remuneration resulting from an offer made to encourage voluntary retirement. The provision for costs related to early retirement consists of the present value of future payments to employees who have already accepted early retirement and to those employees for whom with reasonable certainty can be established that they will make use of the opportunity to retire early.

### (iii) Other long-term employee benefits

Other long-term employee benefits - including seniority payments - are recognized at the amount of their anticipated cost over the period of employment. The obligations are generally revalued annually whereby any profits or losses are immediately expensed when incurred.

### (iv) Share-based payments

These transactions are recorded at fair value.

#### • Trade payables and other liabilities

Trade and other creditors are stated at cost.



In the event of the invoiced instalments for construction contracts for third parties being higher than the valuation of the stage of completion of the project, the balance is recognized under this item.

#### • Interest-bearing liabilities

Interest-bearing liabilities are valued at balance sheet date at their cost less attributable transaction costs.

#### • Revenue recognition

##### (i) Revenue from the sale of goods

The revenue from the sale of goods is recognized in the income statement at the time that the most significant risks and benefits of ownership of the goods have been transferred to the buyer and no uncertainty remains regarding recovery of the consideration due, associated costs or the possible return of goods.

### (ii) Revenue from services rendered

Revenue from services rendered is recognized by reference to the stage of completion of the transaction when this can be measured reliably.

### (iii) Rental income

Rental income is recognized in the income statement on a straight line basis over the terms of the lease.

### (iv) Financial income

Financial income relates to dividends and interests on invested funds. Dividends are recognized in the income statement when allocated. Interest income is recognized when acquired and over the period to which it relates.

#### • Expenses

### (i) Reimbursement of publicity costs

Reimbursements of publicity costs received from suppliers are recognized as a deduction from expenses. If such reimbursements are received specifically for well-defined publicity expenses incurred, they will be deducted from those particular expenses. In other cases they will be

recognized as a deduction from cost of goods sold.

### (ii) Rental payments

Operating lease payments are recognized in the income statement on a straight line basis over the terms of the lease.

### (iii) Financial expenses

Financial expenses comprise interest on borrowings and interest on repayments of financial leases. All financial expenses are recognized at the time at which they arise.

#### • Taxes

Taxes on profit or loss for the reporting period comprise current



(owed and offsettable) and deferred taxes. Such taxes are calculated in accordance with the tax regulations in effect in each country where the Group operates.

Current tax is the expected tax payable on the taxable income of the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable (or receivable) in respect of previous years.

Deferred tax is calculated using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following

temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the deductible

temporary differences, unused tax losses and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

## 3 Segment reporting

The primary basis of segmentation, that of business segments, is based on the Group's internal reporting structure. At a secondary level the Group distinguishes geographical segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group differentiates between the following main business segments:

- **Retail:** relates to stores under the Group's own management that supply retail customers directly
- **Wholesale and food service:** relates to all activities supplying wholesalers, major users and affiliated independent merchants
- **Other activities:** all operating activities that cannot be accommodated under the two headings above, primarily filling stations and the Group's printing and engineering activities
- **Corporate:** all activities supporting the above-mentioned operational activities

(in million EUR)

	Retail	Wholesale and food service	Other activities	Corporate	Consolidated
<b>Reporting period 2006/07</b>					
Revenue	4,050.9	854.2	303.5	0.0	5,208.6
EBITDA	417.7	17.7	14.5	15.9	465.8
Operating profit (EBIT)	342.9	10.9	8.0	9.7	371.5
Net financing income				11.8	11.8
Share in the profits of associates				0.4	0.4
Income tax expense				(121.0)	(121.0)
Minority interests		(0.1)			(0.1)
<b>Net profit (Share of the Group)</b>	<b>342.9</b>	<b>10.8</b>	<b>8.0</b>	<b>(99.1)</b>	<b>262.6</b>
Segment assets	1,135.0	234.6	48.3		1,417.9
Investments in associates				12.4	12.4
Unallocated assets				530.7	530.7
<b>Total assets</b>	<b>1,135.0</b>	<b>234.6</b>	<b>48.3</b>	<b>543.1</b>	<b>1,961.0</b>
Segment liabilities	709.5	127.1	50.8		887.4
Unallocated liabilities				1,073.7	1,073.7
<b>Total liabilities</b>	<b>709.5</b>	<b>127.1</b>	<b>50.8</b>	<b>1,073.7</b>	<b>1,961.0</b>
Capital expenditure	157.8	21.2	10.6	9.1	198.7
Depreciation/amortisation	74.8	6.8	6.5	6.2	94.3
<b>Number of staff employed (FTE) at balance sheet date</b>	<b>13,017</b>	<b>1,857</b>	<b>293</b>	<b>807</b>	<b>15,974</b>

## Segment reporting

(in million EUR)

### Reporting period 2005/06

	Retail	Wholesale and food service	Other activities	Corporate	Consolidated
Revenue	3,720.2	782.4	272.7	0.4	4,775.7
EBITDA	364.8	16.6	15.5	15.2	412.1
Operating profit (EBIT)	301.9	10.1	10.2	10.2	332.4
Net financing income				7.7	7.7
Share in the profits of associates				0.6	0.6
Income tax expense				(110.2)	(110.2)
Minority interests		(0.1)			(0.1)
<b>Net profit (Share of the Group)</b>	<b>301.9</b>	<b>10.0</b>	<b>10.2</b>	<b>(91.7)</b>	<b>230.4</b>
Segment assets <sup>(2)</sup>	998.9	217.2	53.6		1,269.7
Investments in associates				13.0	13.0
Unallocated assets				433.7	433.7
<b>Total assets</b>	<b>998.9</b>	<b>217.2</b>	<b>53.6</b>	<b>446.7</b>	<b>1,716.4</b>
Segment liabilities <sup>(2)</sup>	611.7	118.4	42.1		772.2
Unallocated liabilities				944.2	944.2
<b>Total liabilities</b>	<b>611.7</b>	<b>118.4</b>	<b>42.1</b>	<b>944.2</b>	<b>1,716.4</b>
Capital expenditure <sup>(1)</sup>	125.4	15.0	5.4	5.8	151.6
Depreciation/amortisation	62.8	6.6	5.3	5.0	79.7
<b>Number of staff employed (FTE) at balance sheet date</b>	<b>12,205</b>	<b>1,839</b>	<b>287</b>	<b>601</b>	<b>14,932</b>

<sup>(1)</sup> From 2006/2007 onwards, investments in both tangible and intangible assets are included in this item. Under this definition the figures for 2005/2006 would be as follows:

	Retail	Wholesale and food service	Other activities	Corporate	Consolidated
Reporting period 2005/06					
Capital expenditure	126.0	15.3	5.5	6.7	153.5

<sup>(2)</sup> As a result of a more optimal presentation of the segment assets and liabilities in 2006/07, the segmented information for 2005/06 has been adapted for corporate activities.

## Geographic segments:

(in million EUR)

	Belgium		France		Others		Total	
	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06
Revenue	4,730.4	4,334.9	477.5	440.8	0.7	0.0	5,208.6	4,775.7
Segment assets	1,211.6	1,088.2	202.6	181.5	3.6	0.0	1,417.8	1,269.7
Capital expenditure	176.6	140.1	21.5	11.5	0.6	0.0	198.7	151.6
Number of staff employed (FTE) at balance sheet date	14,178	13,229	1,771	1,703	25	2	15,974	14,932

The geographic segment 'others' contains recently started activities in the Netherlands and the recently acquired Dimaco engineering activities in the United Kingdom.

## 4 Revenue and gross profit

(in million EUR)	2006/07	2005/06	Evolution
Revenue	5,208.6	4,775.7	9.1%

### Revenue by segment

(in million EUR)	2006/07	2005/06	Evolution
<b>Retail</b>	<b>4,050.9</b>	<b>3,720.2</b>	<b>8.9 %</b>
Colruyt stores	3,529.7	3,247.0	
OKay and Bioplanet <sup>(1)</sup>	190.9	175.8	
Dreamland, Dreambaby and Dream <sup>(2)</sup>	173.1	127.6	
Stores in France under company's own management	108.0	101.5	
Other supermarkets <sup>(3)</sup>	49.2	68.3	
<b>Wholesale and Food service</b>	<b>854.2</b>	<b>782.4</b>	<b>9.2 %</b>
Belgium	509.6	468.0	
France	344.6	314.4	
<b>Other activities</b>	<b>303.5</b>	<b>272.7</b>	<b>11.3 %</b>
Dats 24 Belgium and France	273.8	250.3	
Druco	11.9	12.6	
Engineering activities	17.8	9.7	
<b>Corporate</b>	<b>0.0</b>	<b>0.4</b>	
<b>Total</b>	<b>5,208.6</b>	<b>4,775.7</b>	<b>9.1 %</b>

<sup>(1)</sup> The OKay companies were included in the 2005/06 figures for a period of 15 months (extended accounting year). The effect of this on revenue amounted to € 24.4 million.

<sup>(2)</sup> The DreamLand companies are consolidated into the 2006/07 figures for a period of 15 months (extended accounting year). This has a € 21.5 million impact on revenue.

<sup>(3)</sup> Supermarkets awaiting transfer to other operating formulas.

(in million EUR)	2006/07	2005/06
Revenue	5,208.6	4,775.7
Cost of goods sold	(3,910.3)	(3,651.2)
<b>Gross profit margin</b>	<b>1,298.4</b>	<b>1,124.5</b>
As % of revenue	24.9%	23.5 %

## 5 Other operating income and expenses

<i>(in million EUR)</i>	2006/07	2005/06
Rental income	5.1	4.7
Gains from the disposal of non-current assets	3.1	5.9
Remuneration for services rendered <sup>(1)</sup>	20.6	18.4
Other	11.1	8.0
<b>Total other operating income</b>	<b>39.9</b>	<b>37.0</b>

<i>(in million EUR)</i>	2006/07	2005/06
Operating taxes	11.4	11.8
Property withholding tax	4.4	4.3
Losses from the disposal of non-current assets	4.8	2.5
Other	2.1	1.8
<b>Total other operating expenses</b>	<b>22.7</b>	<b>20.4</b>

<sup>(1)</sup> Relates mainly to services provided on behalf of third parties, compensation payments received and investment grants received.

## 6 Services and miscellaneous goods

<i>(in million EUR)</i>	2006/07	2005/06
Rental expenses (real estate and equipment)	25.6	23.2
Maintenance and major repairs	35.5	27.1
Utility supplies	24.2	18.1
Transport costs	61.0	56.2
Fees, remuneration and subscriptions	20.0	13.9
Telecommunications, postal and administrative expenses	20.3	13.8
Insurance costs	4.8	6.6
Environmental charges	4.6	5.0
Contract labour	14.7	11.2
Formation expenses	2.2	1.7
Other	10.2	8.5
<b>Total services and miscellaneous goods</b>	<b>223.1</b>	<b>185.3</b>

## 7 Employee benefit expenses

(in million EUR)	2006/07	2005/06
Wages and salaries	443.0	397.9
Social security contributions <sup>(1)</sup>	124.1	115.1
Contributions to defined contribution plans <sup>(1)</sup>	4.3	3.8
Early retirement and other pension related costs <sup>(2)</sup>	11.3	1.2
Profit sharing schemes for employees <sup>(3)</sup>	18.8	16.4
Other personnel costs <sup>(4)</sup>	20.6	10.8
<b>Total employee benefit expenses</b>	<b>622.2</b>	<b>545.2</b>
Number of staff members at balance sheet date (in FTE)	15,974	14,932

<sup>(1)</sup> Following a clearer distinction between legally mandatory and voluntary pension scheme contributions in France, the comparative figure for 2005/06 has been amended. The mandatory pension scheme contributions for 2005/06 in an amount of € 2.6 million have been reclassified from "early retirement and other pension related costs" to "social security contributions".

<sup>(2)</sup> For the Belgian companies in the Group, provisions for benefits for early retirement are included in "employee benefit expenses". For the Belgian companies in the Group, the opportunity for early retirement is included in the Collective Labour Agreement. As a result of the new agreement concluded in 2004/05 a provision was set up in accordance with IAS 19 (employee benefits) for early retirement benefits for the population of employees of whom it may be stated with adequate certainty that they will make use of the opportunity for early retirement. The actuarial model used to calculate these benefits is based on the historical data relating to early retirement over the past 15 years. The provisions for early retirement are indexed annually and discounted to their net present value. With the change in framework following the Generation Pact Act (Belgian Official Gazette 23 December 2005) the Group has adapted the actuarial model used for calculating this provision. Whereas previous calculations were based on the prevailing Collective Labour Agreement plus one extension, the model has now been adapted to the Generation Pact, with the parameters contained in the model applied to a larger employee population and over a longer time frame. This has led, among other things, to the provision for early retirement growing by € 9.2 million net (see note 23).

<sup>(3)</sup> In the context of the Participation in the Capital and Profit of Companies Act of 22 May 2001 (Belgian Official Gazette, 9 June 2001), a system of profit sharing has been established with the social partners within various Group companies.

<sup>(4)</sup> Other employee benefit expenses have risen as a result of additional provisions for compensation days and years-of-service holidays.

## 8 Net financing income

(in million EUR)	2006/07	2005/06
Interest income	12.0	8.9
Gain on investments at fair value	2.2	0.3
Other	0.8	1.0
<b>Total financial income</b>	<b>15.0</b>	<b>10.2</b>
Interest expense	2.3	2.3
Loss on investments at fair value	0.7	0.2
Other	0.2	
<b>Total financial expenses</b>	<b>3.2</b>	<b>2.5</b>
<b>Net financing income</b>	<b>11.8</b>	<b>7.7</b>

## 9 Income tax expense

(in million EUR)	2006/07	2005/06
<b>A) Effective tax rate</b>		
Profit before tax	383.8	340.7
Income tax	121.0	110.2
<b>Effective tax rate</b>	<b>31.5 %</b>	<b>32.3 %</b>
<b>B) Reconciliation between the effective tax rate and the applicable tax rate (1)</b>	<b>33.96 %</b>	<b>33.94 %</b>
Profit before tax	383.8	340.7
<b>Income tax expense</b>	<b>130.3</b>	<b>115.7</b>
Non-taxable income/ Non tax-deductible expenditure	1.2	0.2
Effect of special tax schemes	(17.2)	(11.1)
Effect of compensated tax losses and assets	(1.1)	(0.5)
Permanent differences	6.2	6.1
Taxes on dividend income	0.6	0
Deferred tax effects	0.8	0
Other	0.2	(0.1)
	<b>121.0</b>	<b>110.2</b>
	<b>31.5 %</b>	<b>32.3 %</b>
<b>C) Income tax expense recognized in the income statement</b>		
Current year taxes	116.8	98.9
Deferred tax	4.7	11.8
Adjustments relating to prior years	(0.4)	(0.6)
<b>Total income tax</b>	<b>121.0</b>	<b>110.2</b>

<sup>(1)</sup> The applicable tax rate is the weighted average tax rate of the Company and its consolidated subsidiaries in different jurisdictions (Belgium: 33.99 %, France: 33.33 %, Luxembourg: 29.63 %, Netherlands: 20.00 %, UK: 19.00 %).

NV Finco's recognition as a coordination centre expired on 31 December 2005. In the second half of 2006 an application has been submitted to extend this recognition. The Belgian government is still waiting for the European Commission's decision with regard to the Belgian interpretation of the European Court of Justice judgment of 22 June 2006. Given the uncertainty in this matter, the Belgian administration has still not taken a final decision with respect to this application. In the present situation of insufficient legal clarity the Group is assuming that, under IFRS, NV Finco no longer benefits from the coordination centre status, and is recording the tax provision in NV Finco as if it were a normally taxed company, with the application of notional interest deduction. The potential tax benefit in the event that coordination centre status is extended is estimated at € 5.2 million for the 2006/2007 financial year.

# 10 Goodwill

<i>(in million EUR)</i>	2006/07	2005/06
<b>Acquisition value</b>		
<b>At 1 April</b>	<b>48.8</b>	<b>44.3</b>
Adaptation and allocation of goodwill, relating to former acquisitions	(1.6)	
Acquired through business combinations		4.9
Disposals	(0.4)	(0.4)
<b>At 31 March</b>	<b>46.7</b>	<b>48.8</b>

Distribution of goodwill by operating segment:

<i>(in million EUR)</i>	2006/07	2005/06
Retail	30.3	32.4
Wholesale and foodservice	16.4	16.4
<b>Total</b>	<b>46.7</b>	<b>48.8</b>

The recognized goodwill relates both to goodwill arising from the acquisition of complete business entities and goodwill paid for the acquisition of individual points of sale.

Items acquired prior to 1 April 2004, being the IFRS transition date, are stated at their acquisition value less amortization recorded up to that date (€ 25 million). Since then there has been no indication to recognise additional impairment losses on goodwill.

Goodwill is allocated and tested for impairment at the level of the operational entity, which is the lowest level at which goodwill is tracked for management purposes. The Group tests goodwill for impairment at least once a year and every time there are indications that a particular item of goodwill has been subject to a possible loss of value.

Goodwill arising from the acquisition of a complete business entity is

subject to impairment testing using the discounted free cash flow method. For cash flow forecasts, the expectations of growth and future margins are derived from the figures realized in the latest available reporting period and the prospects for the following 5 years. Goodwill arising from the acquisition of individual points of sale is tested for impairment using the market multiple approach. The Group uses a discount rate of 8 % in its calculations.

# 11 Other intangible assets

(in million EUR)	2006/07	2005/06
<b>Acquisition value</b>		
<b>At 1 April</b>	<b>15.2</b>	<b>14.6</b>
Acquired through business combinations	3.4	
Acquisitions	2.6	2.0
Disposals	(0.9)	(1.4)
<b>At 31 March</b>	<b>20.3</b>	<b>15.2</b>
<b>Depreciation</b>		
<b>At 1 April</b>	<b>(11.5)</b>	<b>(11.6)</b>
Acquired through business combinations	(0.5)	
Depreciation	(2.6)	(1.3)
Disposals	0.8	1.4
<b>At 31 March</b>	<b>(13.8)</b>	<b>(11.5)</b>
<b>Net carrying amount at 31 March</b>	<b>6.5</b>	<b>3.7</b>

Other intangible assets consist at 31 March 2007 of research and development costs of € 2.1 million, attributable mainly to the recently acquired Dimaco activities, and € 4.4 million of software licences (31 March 2006: € 3.7 million).



Vlevaro's sliced cold meat department

# 12 Property, plant and equipment

	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Leased assets	Other property, plant and equipment	Assets under construction and pre-payments	Total
<i>(in million EUR)</i>							
<b>Acquisition value:</b>							
<b>At 1 April 2005</b>	<b>693.9</b>	<b>224.2</b>	<b>243.2</b>	<b>30.5</b>	<b>59.2</b>	<b>7.0</b>	<b>1,258.0</b>
Acquired through business combinations	0.5	0.3	0.8		0.7		<b>2.3</b>
Acquisitions	82.2	23.3	33.8		7.9	4.4	<b>151.6</b>
Disposals	(17.1)	(17.4)	(11.6)	(0.1)	(2.9)	(2.2)	<b>(51.3)</b>
Transfer to other asset categories	(5.9)	4.0	1.3	(0.1)	4.2	(3.5)	<b>0.0</b>
<b>At 31 March 2006</b>	<b>753.6</b>	<b>234.4</b>	<b>267.5</b>	<b>30.3</b>	<b>69.1</b>	<b>5.7</b>	<b>1,360.6</b>
<b>Depreciation:</b>							
<b>At 1 April 2005</b>	<b>(240.2)</b>	<b>(163.3)</b>	<b>(173.1)</b>	<b>(13.4)</b>	<b>(32.6)</b>		<b>(622.6)</b>
Acquired through business combinations	(0.2)	(0.3)	(0.8)		(0.5)		<b>(1.8)</b>
Depreciation	(29.3)	(18.3)	(24.9)	(1.2)	(4.5)		<b>(78.2)</b>
Disposals	13.2	17.2	11.0		2.6		<b>44.0</b>
Transfer to other asset categories	0.6	(0.3)			(0.3)		<b>0.0</b>
<b>At 31 March 2006</b>	<b>(255.9)</b>	<b>(165.0)</b>	<b>(187.8)</b>	<b>(14.6)</b>	<b>(35.3)</b>		<b>(658.6)</b>
<b>Net carrying amount:</b>							
<b>At 31 March 2006</b>	<b>497.7</b>	<b>69.4</b>	<b>79.71</b>	<b>15.7</b>	<b>33.8</b>	<b>5.7</b>	<b>702.0</b>
<b>Acquisition value:</b>							
<b>At 1 April 2006</b>	<b>753.6</b>	<b>234.4</b>	<b>267.5</b>	<b>30.3</b>	<b>69.1</b>	<b>5.7</b>	<b>1,360.6</b>
Acquired through business combinations <sup>(1)</sup>	2.4	0.1	0.1	0.0	0.0	0.0	<b>2.6</b>
Acquisitions	118.3	35.8	24.0	1.3	10.1	7.8	<b>197.3</b>
Disposals	(11.3)	(6.7)	(12.1)	(0.3)	(2.4)	(0.1)	<b>(32.9)</b>
Transfer to other asset categories	32.4	2.5	(0.6)	0.1	(31.0)	(3.4)	<b>0.0</b>
<b>At 31 March 2007</b>	<b>895.4</b>	<b>266.1</b>	<b>278.9</b>	<b>31.4</b>	<b>45.8</b>	<b>10.0</b>	<b>1,527.6</b>
<b>Depreciation:</b>							
<b>At 1 April 2006</b>	<b>(255.9)</b>	<b>(165.0)</b>	<b>(187.8)</b>	<b>(14.6)</b>	<b>(35.3)</b>		<b>(658.6)</b>
Acquired through business combinations <sup>(1)</sup>	(0.2)	(0.0)	(0.1)	(0.0)	(0.0)		<b>(0.3)</b>
Depreciation	(40.0)	(21.6)	(26.8)	(1.1)	(2.6)		<b>(92.1)</b>
Disposals	6.8	6.2	10.6	0.2	1.5		<b>25.3</b>
Transfer to other asset categories	(14.5)	(1.0)	0.9	0.2	14.4		<b>0.0</b>
<b>At 31 March 2007</b>	<b>(303.8)</b>	<b>(181.4)</b>	<b>(203.2)</b>	<b>(15.3)</b>	<b>(22.0)</b>		<b>(725.7)</b>
<b>Net carrying amount:</b>							
<b>At 31 March 2007</b>	<b>591.5</b>	<b>84.7</b>	<b>75.7</b>	<b>16.1</b>	<b>23.9</b>	<b>10.0</b>	<b>802.0</b>

<sup>(1)</sup> The net carrying value of the assets acquired through business combinations is € 2.3 million. Of this € 0.7 million relates to acquisitions in the current reporting period and € 1.6 million to the allocation of goodwill of acquisitions of the previous reporting period.

The carrying amount of property, plant and equipment pledged as collateral for liabilities amounts to € 8.3 million (31 March 2006: € 10.2 million).

## 13 Investments in associates

	Investments in associates
<i>(in million EUR)</i>	
Carrying amount at 1 April 2006	13.0
Acquisition	0.1
Share in profits of the period of associates	0.4
Share of changes in equity of associates	(1.1)
<b>Carrying amount at 31 March 2007</b>	<b>12.4</b>

The investments in associates relate to Sofindev SA (21 %), Sofindev II SA (22 %) and Coopernic SCRL (20 %).

For 2006/07 key figures for these companies are:

<i>(in million EUR)</i>	Assets	Liabilities	Equity	Net profit
Sofindev SA	32.5	0.4	32.1	0.4
Sofindev II SA	25.4		25.4	1.4
Coopernic SCRL	3.9	3.4	0.5	0.1

## 14 Investments

### ■ Non-current investments

<i>(in million EUR)</i>	31.03.07	31.03.06
Loans granted to customers <sup>(1)</sup>	4.3	3.7
Equity securities available-for-sale	1.2	1.1
<b>Total</b>	<b>5.5</b>	<b>4.8</b>

### ■ Current investments

<i>(in million EUR)</i>	31.03.07	31.03.06
Financial assets held for trading <sup>(2)</sup>	15.5	12.0
Fixed-income securities <sup>(2)</sup>	20.3	19.4
Other	0.8	0.8
<b>Total</b>	<b>36.6</b>	<b>32.2</b>

<sup>(1)</sup> Loans to customers are reported net of impairments. These amounted at 31.03.07 to € 1.4 million.

<sup>(2)</sup> Financial assets held for trading and fixed-income securities relate mainly to investments held by the reinsurance company Locré, based in Luxembourg.

# 15 Acquisitions and disposals of subsidiaries

The effect of acquisitions and disposals on the Group's assets and liabilities calculated on the basis of the balance of assets and liabilities of the activity acquired/sold at the date of acquisition/sale:

(in million EUR)	Included in 2006/07 consolidation	Adjustments 2006/07	At acquisition date 2006/07	Included in 2005/06 consolidation
<b>Assets</b>				
Goodwill				0.5
Other intangible assets	2.8	2.1	0.7	0.5
Property, plant and equipment	1.0	0.7	0.3	0.1
<b>Total non-current assets</b>	<b>3.8</b>	<b>2.8</b>	<b>1.0</b>	<b>1.1</b>
Inventories				3.1
Trade receivables	0.4		0.4	4.2
Other receivables	0.2		0.2	
Cash and cash equivalents	(1.0)		(1.0)	3.3
<b>Total current assets</b>	<b>(0.4)</b>		<b>(0.4)</b>	<b>10.6</b>
<b>Total assets</b>	<b>3.4</b>	<b>2.8</b>	<b>0.6</b>	<b>11.7</b>
<b>Liabilities</b>				
Provisions				(0.2)
Financial liabilities	(0.2)		(0.2)	(0.2)
<b>Total non-current liabilities</b>	<b>(0.2)</b>		<b>(0.2)</b>	<b>(0.4)</b>
Financial liabilities	(0.3)		(0.3)	
Trade payables and other payables	(0.7)		(0.7)	(5.2)
<b>Total current liabilities</b>	<b>(1.0)</b>		<b>(1.0)</b>	<b>(5.2)</b>
<b>Total liabilities</b>	<b>(1.2)</b>		<b>(1.2)</b>	<b>(5.6)</b>
Balance of assets and liabilities	(2.2)			6.0
Goodwill on acquisition				4.6
<b>Sum (paid)/received</b>	<b>(2.2)</b>			<b>(10.6)</b>
Purchase of minority interests				7.2
Paid-in share of investments in associates	(1.5)			
Cash acquired /(disposed of)	(1.1)			3.3
<b>Net cash outflow</b>	<b>(4.8)</b>			<b>(14.5)</b>

No subsidiaries were disposed of in 2006/07.

In 2005/06 the following companies were acquired in France: SA Roret (03.01.05), SAS Perache and SAS Ineco (01.04.05), SA Poirrette and SA Eurocash Poirrette (30.04.05). In Belgium in 2005/06, NV Van Den Bossche was acquired (on 01/01/06)

Acquisitions in 2006/07: SA Dimaco and NV Immo Mar in Belgium and Dimaco UK Ltd. in the United Kingdom. The contribution of these takeovers to the operating profit for 2006/07 is not significant.

## 16 Deferred tax assets and liabilities

The amount of deferred tax assets and liabilities by type of temporary difference can be detailed as follows:

Net carrying amount	Assets		Liabilities		Balance	
	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06
<i>(in million EUR)</i>						
Intangible assets	0.2	0.0	(0.1)	(0.1)	(0.1)	(0.1)
Property, plant and equipment	0.0	0.1	(43.4)	(39.0)	(43.4)	(38.9)
Inventories	2.7	2.3	0.0	0.0	2.7	2.3
Other current assets	0.0	0.0	(0.7)	(0.4)	(0.7)	(0.4)
Provisions associated with employee benefits	6.9	3.8	0.0	0.0	6.9	3.8
Other provisions	0.0	0.0	(9.3)	(8.1)	(9.3)	(8.1)
Other payables	1.0	0.0	(0.9)	(0.2)	(0.1)	(0.2)
Tax value of loss carry-forwards, deductible items and reclaimable tax paid	9.5	12.1	0.0	0.0	9.5	12.1
<b>Tax assets/(liabilities)</b>	<b>20.3</b>	<b>18.3</b>	<b>(54.4)</b>	<b>(47.8)</b>	<b>(34.1)</b>	<b>(29.5)</b>
Netting by taxable entity	(8.9)	(5.4)	8.9	5.4	0.0	0.0
<b>Net deferred tax assets/(liabilities)</b>	<b>11.4</b>	<b>12.9</b>	<b>(45.5)</b>	<b>(42.4)</b>	<b>(34.1)</b>	<b>(29.5)</b>

Change in net carrying amount	Assets		Liabilities		Balance	
	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06
<i>(in million EUR)</i>						
Net carrying amount at 1 April	12.9	17.0	(42.4)	(35.9)	(29.5)	(18.9)
Decrease/ (increase) through profit or loss	(1.5)	(4.1)	(3.1)	(7.7)	(4.6)	(11.8)
Effect of business combinations	0.0	0.0	0.0	1.2	0.0	1.2
<b>Net carrying amount at 31 March</b>	<b>11.4</b>	<b>12.9</b>	<b>(45.5)</b>	<b>(42.4)</b>	<b>(34.1)</b>	<b>(29.5)</b>

At 31 March 2007 the Group had € 9.5 million of unrecognised deferred tax assets (31 March 2006: € 9.2 million). This amount relates to timing differences and to tax losses and unused tax-deductible credits (totaling € 33.5 million), which can be carried forward without any time limit.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the tax losses carried forward and unused tax-offsettable assets can be offset. The Group defines 'future' as a period of five years.

Within the Group there is no fixed policy of payment of dividends to the parent by subsidiaries. If an active dividend policy did exist for all subsidiaries, an additional deferred tax liability of € 14.6 million for the 2006/07 reporting period (2005/06: € 13.7 million) would have to be recognized as a tax burden on as yet unpaid dividends by subsidiaries.

## 17 Inventories

<i>(in million EUR)</i>	31.03.07	31.03.06
Raw materials and ancillary materials, goods in process and finished goods	16.2	12.6
Merchandise <sup>(1)</sup>	352.4	337.0
Prepayments	16.0	11.6
<b>Total inventories</b>	<b>384.6</b>	<b>361.2</b>

<sup>(1)</sup> Inventories, written down to their realizable value, amount to € 119.4 million gross at 31.03.07 (€ 108.7 million at 31.03.06). Accumulated write-downs on these inventories amount to € 3.9 million in the current reporting period and € 1.0 million in the previous reporting period.

## 18 Trade and other receivables

<i>(in million EUR)</i>	31.03.07	31.03.06
Trade receivables <sup>(1)</sup>	204.4	173.9
Receivables relating to work in progress	1.9	1.3
<b>Total trade receivables</b>	<b>206.3</b>	<b>175.2</b>
Refundable VAT	8.7	10.0
Prepaid expenses	6.5	3.7
Cash guarantees	1.4	0.4
Receivable refunds	0.1	2.9
Interest receivable	1.5	0.9
Other receivables <sup>(2)</sup>	9.4	11.4
<b>Total other current receivables</b>	<b>27.6</b>	<b>29.3</b>

<sup>(1)</sup> Trade receivables are presented net of valuation allowances. These amounted at 31.03.07 to € 12.8 million (31.03.06 to € 9.9 million).

<sup>(2)</sup> Other receivables are presented net of valuation allowances. These amounted at 31.03.07 to € 1.5 million (31.03.06 to € 0.2 million).

## 19 Cash and cash equivalents

<i>(in million EUR)</i>	31.03.07	31.03.06
Short term bank deposits	322.4	255.5
Cash and current bank accounts	92.5	75.8
<b>Total</b>	<b>414.9</b>	<b>331.3</b>

## 20 Changes in equity

The changes in equity are detailed below:

(in million EUR)	Attributable to the shareholders of the parent				Minority interests	Total equity
	Share capital	Reserve for treasury shares	Retained earnings	Total		
<b>At 1 April 2005</b>	<b>148.8</b>	<b>(81.1)</b>	<b>690.6</b>	<b>758.3</b>	<b>4.9</b>	<b>763.2</b>
Total recognized income and expense		(1.5)	260.3	258.8	0.1	258.9
Capital increase	10.2			10.2		10.2
Treasury shares purchased		(201.8)		(201.8)		(201.8)
Treasury shares sold and distributed to employees		31.3		31.3		31.3
Dividend to shareholders			(83.6)	(83.6)		(83.6)
Purchase of minority Interests			(2.6)	(2.6)	(4.3)	(6.9)
<b>At 31 March 2006</b>	<b>159.0</b>	<b>(253.1)</b>	<b>864.7</b>	<b>770.6</b>	<b>0.7</b>	<b>771.3</b>
<b>At 1 April 2006</b>	<b>159.0</b>	<b>(253.1)</b>	<b>864.7</b>	<b>770.6</b>	<b>0.7</b>	<b>771.3</b>
Total recognized income and expense			264.4	264.4	0.1	264.5
Capital increase	14.9			14.9		14.9
Treasury shares purchased		(42.7)		(42.7)		(42.7)
Treasury shares sold and distributed to employees		5.0		5.0		5.0
Cancellation of treasury shares		260.6	(260.6)			
Dividend to shareholders			(93.7)	(93.7)		(93.7)
<b>At 31 March 2007</b>	<b>173.9</b>	<b>(30.1)</b>	<b>774.8</b>	<b>918.5</b>	<b>0.8</b>	<b>919.3</b>

## Changes in equity

The number of outstanding shares has changed as follows:

	Ordinary shares	VVPR	Number issued (a)	Treasury shares (b)		Number outstanding (a) – (b)
				Held by parent	Held by subsidiaries	
<b>At 1 April 2006</b>	<b>34,263,185</b>	<b>1,235,324</b>	<b>35,498,509</b>	<b>2,289,403</b>	<b>29,139</b>	<b>33,179,967</b>
Capital increase subscribed by employees		129,239	129,239			129,239
Purchase of treasury shares				143,665	168,063	(311,728)
Sale of treasury shares					(712)	712
Cancellation of treasury shares (2,370,000)			(2,370,000)	(2,370,000)		
Shares distributed to employees as profit sharing scheme (05/06 reporting period)				(53,865)	(1,769)	55,634
<b>At 31 March 2007</b>	<b>31,893,185</b>	<b>1,364,563</b>	<b>33,257,748</b>	<b>9,203</b>	<b>194,721</b>	<b>33,053,824</b>

### Capital

As a result of the resolution of the Extraordinary General Meeting of 13 October 2006 the capital was increased by 129,239 shares with VVPR tax benefits for members of the Colruyt Group's staff, which is equivalent to a capital increase of € 14,888,333. This transaction took place at arm's length conditions with no additional impact to the income statement.

At 31 March 2007 the Company's share capital amounted to € 173,947,665 divided into 31,893,185 fully paid up ordinary shares without par value and 1,364,563 shares with VVPR tax benefits and without par value.

### Treasury shares purchased

The reserve for treasury shares consists of the cost of the treasury shares purchased. At 31 March 2007 the Group held 203,924 treasury shares, this represents 0.61 % of the shares issued at balance sheet date. For many years the Extraordinary General Meeting of Shareholders has authorised the Board of Directors to acquire treasury shares up to 10 % of the number of shares issued. The Board regularly discusses its buy-in policy. The time of purchase is depended among other things, on the

share price. Between 1 April 2007 and 22 June 2007 a further 72,357 of treasury shares were purchased.

### Dividends

At 22 June 2007 a gross dividend of € 106.8 million or € 3.24 per share was proposed by the Board of Directors. The dividend was not included in the consolidated financial statements for the 2006/07 reporting period.

### Cancellation of treasury shares

On 30 November 2006 the Board of Directors noted that the cancellation and destruction of 2,370,000 shares in the Company had effectively taken place as resolved by the Extraordinary General Meeting of 23 October 2006.

### Shares distributed to employees as profit sharing

Under the Participation in the Capital and Profits of Companies Act of 22 May 2001 (Belgian Official Gazette 9 June 2001), a system of profit sharing has been established with the social partners within the various companies of the Group. Employees have the opportunity to take up their profit share in the form of shares in the Company and enjoy the advantageous tax rates provided for by the act. These shares are frozen for 2 years on an individual account in

the name of each employee who has opted for the system.

On 31 March 2006 an amount of € 16.2 million (incl. withholding tax and social charges) was distributed under the profit sharing scheme, of which € 6.8 million (excl. withholding tax) (corresponding to 55,634 shares) was taken up in the form of shares.

On 31 March 2007 an amount of € 18.8 million (incl. withholding tax and social charges) was made available to the profit sharing scheme subject to ratification by the General Meeting. 4,932 staff members have opted to take this profit sharing in the form of shares, which corresponds to the sum of € 8.5 million (excl. withholding tax) or 49,889 shares.

## 21 Earnings per share

Total operating activity	2006/07	2005/06
Net earnings (Group share) (in million EUR)	262.6	230.4
Weighted average number of outstanding ordinary shares	33,069,981	33,579,100
Net earnings per ordinary share in EUR (basic and diluted)	7.94	6.86

In the absence of discontinued activities in the 2006/07 and 2005/06 reporting periods, the above table also provides the required information on continued activities.

Weighted average number of outstanding shares	2006/07	2005/06
Number of shares outstanding at 1 April	33,179,967	34,394,199
Effect of capital increase	35,182	29,840
Effect of shares distributed to employees (profit sharing scheme)	27,819	25,655
Effect of shares disposed of	41	6,507
Effect of shares purchased	(173,028)	(877,101)
<b>Weighted average number of outstanding shares at 31 March</b>	<b>33,069,981</b>	<b>33,579,100</b>

## 22 Provisions

(in million EUR)	Environmental risks	Other risks	Total
<b>At 1 April 2005</b>	<b>4.6</b>	<b>5.8</b>	<b>10.4</b>
Additions	1.5	3.0	<b>4.5</b>
Reversal / use	(1.8)	(1.3)	<b>(3.1)</b>
<b>At 31 March 2006</b>	<b>4.3</b>	<b>7.5</b>	<b>11.8</b>

(in million EUR)	Environmental risks	Other risks	Total
<b>At 1 April 2006</b>	<b>4.3</b>	<b>7.5</b>	<b>11.8</b>
Additions	2.7	1.7	<b>4.4</b>
Reversal / use	(0.1)	(3.2)	<b>(3.3)</b>
<b>At 31 March 2007</b>	<b>6.9</b>	<b>6.0</b>	<b>12.9</b>

The new provisions set up for environmental risks consist of decontamination costs for the DATS 24 petrol station activity and for a storage depot and building construction at Pommeroeul.

The other provisions consist of provisions for unoccupied premises and for pending disputes. The provision for pending disputes amounts to € 3.5 million (see note 29).

## 23 Provisions for employee benefits

(in million EUR)

	Early retirement benefits	Other termination benefits	Total
<b>At 1 April 2005</b>	<b>23.1</b>	<b>1.9</b>	<b>25.0</b>
Acquired through business combinations	0.2		<b>0.2</b>
Additions <sup>(1)</sup>	4.3	0.6	<b>4.9</b>
Reverse/use <sup>(1)</sup>	(5.3)	(0.6)	<b>(5.9)</b>
Discounting effect <sup>(2)</sup>	(0.3)		<b>(0.3)</b>
<b>At 31 March 2006</b>	<b>22.0</b>	<b>1.9</b>	<b>23.9</b>

(in million EUR)

	Early retirement benefits	Other termination benefits	Total
<b>At 1 April 2006</b>	<b>22.0</b>	<b>1.9</b>	<b>23.9</b>
Additions <sup>(1)</sup>	12.8	0.6	<b>13.4</b>
Reverse/use <sup>(1)</sup>	(3.3)	(0.2)	<b>(3.5)</b>
Discounting effect <sup>(2)</sup>	(0.2)		<b>(0.2)</b>
Reclassification between categories		(0.1)	<b>(0.1)</b>
<b>At 31 March 2007</b>	<b>31.3</b>	<b>2.2</b>	<b>33.5</b>

<sup>(1)</sup> Included in the income statement as 'Employee benefit expenses'

<sup>(2)</sup> Included in the income statement as 'Net financing income'

### • Defined contribution pension schemes

For its fixed-contribution pension schemes the Group pays fixed contributions to well-defined insurance institutions. These pension contributions are reported in the income statement in the year in which they are due. In the 2006/07 reporting period this cost amounted to € 5.4 million. In Belgium, defined contribution schemes are obliged to guarantee a minimum return. As the legally required guaranteed return is adequately covered by the insurance company, the Group has no further obligation to pay the insurance company apart from the said contributions, and in consequence all pension plans are treated as defined contribution pension plans.

### • Benefits on early retirement

The provision for early retirement pensions relates to the Belgian companies. For Belgian employees, an opportunity for early retirement is included in the applicable Collective Labour Agreement. The provision for costs relating to early retirement pensions consists of the estimated present value of future payments to existing early retirees and of future early retirement pensions for those employees for whom it can be established with reasonable certainty that they will make use of the opportunity for early retirement. The discounted present value is calculated on the basis of the following assumptions:

- Discount rate: average 4.03 %
- Inflation, wage increases: average 2.25 %

### • Other benefits on retirement

The expected cost of other retirement benefits – including long-term service premium (Belgian companies) and statutory benefits (French companies) – is distributed over the period of employment. The obligations are valued annually with any losses or gains immediately recognized in the income statement.

## 24 Financial liabilities

### Long-term interest-bearing loans and borrowings

(in million EUR)	Lease debts	Bank borrowings	Other borrowings	Total
<b>At 1 April 2006</b>	<b>9.0</b>	<b>3.7</b>	<b>0.7</b>	<b>13.4</b>
Additions	0.9			<b>0.9</b>
Repayments	(0.1)			<b>(0.1)</b>
Reclassification to short term	(0.8)	(0.9)		<b>(1.7)</b>
Other	(0.1)		(0.4)	<b>(0.5)</b>
<b>At 31 March 2007</b>	<b>8.9</b>	<b>2.8</b>	<b>0.3</b>	<b>12.0</b>

The Group is not exposed to any currency risks on its borrowings since all borrowings are in euros.

### Interest-bearing loans and borrowings falling due within the year

(in million EUR)	Lease debts	Bank borrowings	Other borrowings	Total
<b>At 1 April 2006</b>	<b>1.7</b>	<b>1.6</b>		<b>3.3</b>
Additions	0.3			<b>0.3</b>
Repayments	(1.5)	(1.6)		<b>(3.1)</b>
Reclassification from long term	0.8	0.9		<b>1.7</b>
Other			0.2	<b>0.2</b>
<b>At 31 March 2007</b>	<b>1.3</b>	<b>0.9</b>	<b>0.2</b>	<b>2.4</b>

### Terms and debt repayment schedule

(in million EUR)	< 1 year	1-5 years	> 5 years	Total
Lease debts and similar liabilities	1.3	5.1	3.8	<b>10.2</b>
Long-term bank borrowings	0.9	2.4	0.4	<b>3.7</b>
Other long-term borrowings	0.2	0.3		<b>0.5</b>
<b>Total</b>	<b>2.4</b>	<b>7.8</b>	<b>4.2</b>	<b>14.4</b>

### Finance lease liabilities

	Lease payment	Interest	Principal	Lease payment	Interest	Principal
(in million EUR)	2006/07	2006/07	2006/07	2005/06	2005/06	2005/06
< 1 year	1.7	0.4	1.3	2.0	0.3	1.7
1-5 years	6.2	1.1	5.1	6.3	0.9	5.4
> 5 years	4.1	0.3	3.8	4.0	0.4	3.6
<b>Total</b>	<b>12.0</b>	<b>1.8</b>	<b>10.2</b>	<b>12.3</b>	<b>1.6</b>	<b>10.7</b>

## 25 Trade payables, employee benefits and other liabilities

<i>(in million EUR)</i>	<b>31.03.07</b>	<b>31.03.06</b>
Trade payables	638.1	565.8
Guarantees received and advances on work in progress	11.4	8.1
<b>Trade payables</b>	<b>649.5</b>	<b>573.9</b>
Short-term employee benefits	199.2	170.4
VAT and duties payable	37.9	31.5
Dividends payable	2.0	2.0
Accrued income	6.0	6.6
Other items payable	15.2	41.6
<b>Employee benefits and other liabilities</b>	<b>260.3</b>	<b>252.1</b>

## 26 Operating leases

### Operating leases, the Group as lessee:

Non-cancellable operating leases are payable as follows:

<i>(in million EUR)</i>	<b>2006/07</b>	<b>2005/06</b>
< 1 year	10.5	7.9
1-5 years	10.4	12.2
> 5 years	4.6	1.2
<b>Total</b>	<b>25.5</b>	<b>21.3</b>

### Operating leases, the Group as lessor:

The Group leases certain premises under operating leases. The future minimum lease payments under non-cancellable leases are as follows:

<i>(in million EUR)</i>	<b>2006/07</b>	<b>2005/06</b>
< 1 year	3.9	3.7
1-5 years	4.1	9.5
> 5 years	2.1	2.0
<b>Total</b>	<b>10.1</b>	<b>15.2</b>

The above-mentioned operating leases relate exclusively to real estate.

## 27 Most significant risks

### ● Macro-economic risks

The macro-economic risks to the group are mainly connected with developments in consumer spending and cost inflation. The Group operates in a highly competitive environment in which it is not always structurally able to pass cost increases on to its customers.

Since Colruyt attempts to guarantee the consumer the lowest price on the market, competitors' actions can effect the Group's profitability. The Group therefore endeavours to, wherever possible, keep its cost structure under continuous review and to make improvements in efficiency.

### ● Social risks

The Group has trade union representation in most of its operations in Belgium and France. Industrial action by the trade unions or on the initiative of a number of staff members can have a harmful effect on the Group's results and operations, in so far as they can temporarily impede the delivery, sales or production activities or other supporting services.

### ● Risks associated with product liability

Manufacturing, packaging and selling food products and other merchandise may entail risks of product liability and liabilities relating to returns and/or replacements. Products may be contaminated, infected, defective or may contain foreign bodies and may be inadvertently distributed by the Group. As a result of this the Group may be exposed to product liability claims. Even if these are unsuccessful, the Group may as a result suffer under the unfavourable publicity a claim entails.

The Group takes out insurance policies against product liability risks, is

itself actively engaged in food safety, carries out extensive quality control on products destined for sale and collaborates with its suppliers' continuous quality monitoring programmes. As for non-food items, the Group requires that its suppliers abide by their previously agreed return and/or replacement obligations. In the case of contracts carried out by the Group's engineering businesses, guarantee periods are granted and provisions set up based on historical data.

### ● Risks associated with expansion

The Group endeavours to pursue a growth strategy that, besides organic growth, also includes growth by acquisitions. The success of this growth therefore depends on the extent to which the Group succeeds in making acquisitions that it can successfully integrate with its existing operations.

### ● IT risks

The Group is highly dependent on its independently developed IT systems, which are maintained and upgraded by a team of experienced specialists. Failure of these systems, even for a day, may mean an immediate loss of sales for the Group. Comprehensive measures have been taken to ensure continuity of data processing.

### ● Risks associated with environmental liability

In general the Group can always be held liable for restoring accidental environmental damage, no matter whether that damage was caused by the Group or by a previous owner or tenant. The Group has taken out insurances against risks of this kind. For its filling station operations, the Group abides by the statutory inspection

requirements and also performs additional inspections in order to detect contamination early on. Where contamination is established, a decontamination plan is drawn up immediately.

### ● Insured and self-covered risks

The Colruyt Group manages its insurable risks by a combination of external insurance and self-insurance.

The Group bases its decision partly on its health and safety programme and partly on the cost of external coverage.

External insurance is used where it is available on the insurance market at a reasonable cost or where insurance is mandatory.

The main risks covered by our insurances are:

- Damage to buildings and interruption of business as a result of fire, explosion and other hazards.
- Liability for damage and/or personal injury caused to third parties by our activities, products or services.
- Recall costs.
- Industrial accidents and employee benefits.

The Colruyt Group also uses its reinsurance company, Locre, which is a fully owned Colruyt subsidiary. The object of the reinsurance programme is to obtain permanent flexibility in the risk programme and to optimise its cost in relation to the risks.

### ● Currency and interest risks

The Group's operational activities are mainly in Belgium and France and most transactions are settled in euros. The Group only runs a currency risk on purchases in foreign currency. In the 2006/07 reporting period the volume

## Most significant risks

of purchases in foreign currency amounted to approximately 0.2% of total purchases. Given its limited extent, the Group does not hedge this exchange rate risk: on settlement of the transaction the currency differences are expensed directly. The Group has no outstanding borrowings in foreign currency.

The amount of outstanding interest-bearing borrowings is very limited: € 14.4 million (long and short term together), or 0.7% of the balance-sheet total at 31.03.07 and approximately 3.5% of the cash and cash equivalents. Approximately 2/3 of the interest-bearing liabilities relate to financial lease liabilities. Most financial lease contracts are concluded at a variable rate of interest: note 24 provides a greater insight into long-term financing and its associated interest terms. The Group does not

hedge its interest rate risk.

### • Credit risks

There are various kinds of credit risk within the group. In the retail and other activities (DATS 24) most purchases are paid cash; therefore credit risk is limited.

The largest credit risk is in the wholesale activity, where the Group grants its customers the credit terms that are customary in the sector. The risks are kept as low as possible by regularly tracking the profitability of the wholesale customers or independent entrepreneurs.

### • Legal risks

The Group is subject to the prevailing legislation and regulations of each country in which it operates, and also the legislation and regulations imposed by the European Union.

Being listed on Euronext Brussels, the Group is subject to Belgian and European legislation on publication requirements and insider trading.

The Group seeks to respect the legal obligations imposed on it. Due to changes in legislation or regulations, the Group can find it necessary to invest further in its administrative or other processes, whenever changes in the legal framework occur.

## 28 Off balance sheet commitments

(in million EUR)

2006/07

Guarantees given by the Group on its own possessions and on its own behalf	8.5
Guarantees granted by the Group	19.6
Guarantees granted to the Group	14.1

(in million EUR)

2006/07 < 1 year 1-5 year

Rights to sell non-current assets	0.3	0.3	
Purchase commitments for non-current assets	40.6	28.8	11.8
Purchase commitments for merchandise	19.9	15.1	4.8
Other	13.6	7.9	5.7

Guarantees given by the Group comprise mortgages and pledges of the Group's own assets as a guarantee for financial obligations entered into, up to the still outstanding portion, i.e. € 8.5 million.

Guarantees given by the Group consist of bank guarantees provided

via credit institutions in favour of third parties in an amount of € 19.6 million. These bank guarantees were in most cases issued in the context of trading or rental agreements.

Guarantees given to the Group consist of bank guarantees provided via credit institutions on behalf of third

parties in an amount of € 14.1 million. These bank guarantees were issued exclusively in the context of trading or rental agreements.

Purchase commitments for non-current assets in an amount of € 40.6 million consist primarily of commitments to purchase land and buildings.

Purchase commitments for merchandise in an amount of 19.9 million relate to forward contracts concluded by the Group with suppliers to ensure an adequate supply of certain merchandise.

Other commitments derive from future contracts in respect of ICT services (€ 8.4 million) and the Group's commitments under repurchase contracts (€ 5.2 million).

## 29 Contingencies

(in million EUR)	31.03.07	31.03.06
Matters pending under commercial law	2.7	1.3
Matters pending under labour law	1.2	0.3
Other	2.5	2.2
<b>Total</b>	<b>6.4</b>	<b>3.8</b>

On the balance sheet date there were a limited number of legal actions outstanding against the Group, which, although disputed, together constitute a possible liability of € 6.4 million. On the basis of the legal advice obtained, provisions amounting to € 3.5 million have been set up.

### • Commercial law

The Group is defending itself against two claims relating to termination of lease agreements in amounts of € 0.7 million and € 0.5 million.

### • Labour law

The pending labour law cases relate mainly to the disputed termination of employment contracts.

### • Other

The Group's subsidiary Spar Retail NV is defending itself against a € 1.8 million claim by the Belgian direct tax authorities to the tax treatment of royalties paid; this dispute dates from before the takeover by the Group.



Bio-Planet service counter

## 30 Dividends paid and proposed

On 3 October 2006 a gross dividend of € 2.76 per share was paid to shareholders.

For the 2006/07 reporting period, the Board of Directors will be proposing a gross dividend of € 3.24 per share, payable on 2 October 2007. Since the present financial statements are presented before profit distribution, this dividend, which must be approved at the General Meeting of

Shareholders of 19 September 2007, does not appear in the accounts.

Given that the payment proposed by the Board of Directors relates to 32,981,467 shares (after deduction of treasury shares), as established on 22 June 2007, the total sum of dividends payable amounts to € 106.8 million.



ColliShop terminal

## 31 Related parties

(in million EUR)

Income statement	2006/07	2005/06
Revenue	0.2	1.1
Purchases	3.1	3.0
Other operating income	1.0	0.6
Dividends received	0.1	0.1
Dividends paid	36.4	28.5
Balance sheet	31.03.07	31.03.06
Investments	0.9	0.0
Trade receivables ≤ 1 year	0.2	0.3
Other short-term non-interest-bearing receivables	0.1	0.2
Financial assets held for trading	1.6	0.0
Trade payables ≤ 1 year	0.5	0.7
Other current non-interest-bearing liabilities	1.3	1.6
Other current interest-bearing liabilities	3.0	3.7

The revenue, other operating income and purchases consist primarily of transactions carried out with NV Dolmen Computer Applications and CVBA Alvo on an arm's length basis.

The dividend payments are distributed to the reference shareholders.

Other investments include a minority interest in Sofindev III SA.

Shares held for trading purposes consist exclusively of the investment in shares of NV Dolmen Computer Applications.

The trade debts consist of the trade debts of the various Group companies towards NV Dolmen Computer Applications and CVBA Alvo.

The other non-interest-bearing liabilities due in less than one year consist exclusively of a liability to CVBA Alvo.

The other current interest-bearing liabilities consist exclusively of current accounts with the reference shareholders.

A summary of the remuneration awarded to the directors and senior management is shown below. All sums are gross amounts before tax and excluding employer paid social security contributions (34,92 %):

(in million EUR)	Remunerations 2006/07	Number of persons/ shares 2006/07	Remunerations 2005/06	Number of persons/ shares 2005/06
<b>Directors</b>		7		8
Variable remuneration (bonuses)	2.9		2.3	
Fixed remuneration (directors' fees)	0.7		0.9	
<b>Senior Management</b>		8		8
Salaries	1.60		1.63	
Variable remuneration	1.14		0.66	
Defined contribution plans	0.23		0.20	
Share based payments	0.02	202	0.03	209

## 32 Events after the balance sheet date

Since April 2007 the Group has been under investigation by the Belgian competition authorities regarding infringement of Belgian competition law with respect to perfume, drugstore and personal care products. The Group is cooperating fully with this investigation, which is still in its initial stage. At the present stage there are insufficient elements to make a relevant risk assessment.

In April 2007 the Group completed the takeover, via its French subsidiary Pro à Pro Distribution, of SA Codifrais and its real estate company SCI Katz.

SA Codifrais' main activity is wholesale of fresh products, mainly dairy products. During the 2005/06 reporting period SA Codifrais achieved a revenue of € 40 million and employed 49 persons.

In May 2007 the Group completed the formation of Colruyt IT Consultancy India Ltd. This company's objective is to become, within the foreseeable future, an internal supplier of IT services within the Group.

## 33 Independent auditor's remuneration

The table below gives the remuneration paid to the independent auditor and parties related to it for services rendered for the Group.

(in million EUR)	2006/07
Audit assignments	0.5
Consultancy	0.4
Special and legal assignments	0.1
<b>Total</b>	<b>1.0</b>

## 34 List of consolidated companies

### A. Subsidiaries

Etn. Franz Colruyt NV	Halle, Belgium	-
Elpeco NV	Halle, Belgium	100 %
Davytrans NV	Halle, Belgium	100 %
Vlevico NV	Halle, Belgium	100 %
Onveco NV	Halle, Belgium	100 %
Copimex NV	Halle, Belgium	100 %
Koop Boni CVBA	Halle, Belgium	99,31 %
Finco NV	Halle, Belgium	100 %
Schuermans NV	Halle, Belgium	97,92 %
Caf��teries Namuroises Br��caf SA	Ciney, Belgium	100 %
Waldico SA	Ghislenghien, Belgium	100 %
Finducom NV	Huizingen, Belgium	100 %
Colim NV	Halle, Belgium	100 %
Wolucelles NV	Halle, Belgium	100 %
Collivery NV	Halle, Belgium	100 %
Supermarkt Pelgrims NV	Halle, Belgium	100 %
Haagdoorn NV	Halle, Belgium	100 %
Diswel NV	Halle, Belgium	100 %
Etn. Battard NV	Halle, Belgium	100 %
Badico NV	Halle, Belgium	100 %
Alvocol NV	Halle, Belgium	59,88 %
WE Power NV	Halle, Belgium	100 %
Prokim NV	Halle, Belgium	100 %
Premedia NV	Halle, Belgium	100 %
Laekebeek NV	Oudenaarde, Belgium	100 %
Immo Mar NV	Halle, Belgium	100 %
Colruyt Luxembourg SA	Luxembourg, Grand-Duchy of Luxembourg	100 %
Van Den Bossche NV	Halle, Belgium	100 %
Infoco NV	Halle, Belgium	99,99 %
Dolmen Industrial Projects NV	Huizingen, Belgium	100 %
Createch Engineering NV	Huizingen, Belgium	100 %
Dimaco SA	Ghislenghien, Belgium	100 %
Dimaco UK Limited	Kempston, United Kingdom	100 %
Druco NV	Halle, Belgium	100 %
Mavedro NV	Halle, Belgium	100 %
Nima NV	Lede, Belgium	100 %
Hedro NV	Halle, Belgium	100 %
Rodro NV	Halle, Belgium	100 %
Hedream NV	Halle, Belgium	100 %
DreamBaby NV	Sint-Pieters-Leeuw, Belgium	100 %
DreamLand NV	Westerlo, Belgium	100 %
NV dream	Halle, Belgium	100 %

## List of consolidated companies

OKay NV	Halle, Belgium	100 %
Okop NV	Halle, Belgium	100 %
Oksi NV	Halle, Belgium	100 %
Okso NV	Halle, Belgium	100 %
Okaf NV	Halle, Belgium	100 %
Okho NV	Halle, Belgium	100 %
Bio-Planet NV	Halle, Belgium	100 %
Bio Galaxy NV	Halle, Belgium	100 %
Spar Retail NV	Ternat, Belgium	100 %
Unipol 2 NV	Heist-op-den-Berg, Belgium	100 %
Disleuven NV	Ternat, Belgium	100 %
Florma NV	Ternat, Belgium	100 %
Filooste NV	Ternat, Belgium	100 %
Vlaspar NV	Ternat, Belgium	100 %
Filantwe NV	Ternat, Belgium	100 %
Walspar NV	Ternat, Belgium	100 %
Filroeul NV	Ternat, Belgium	100 %
Filgedin NV	Ternat, Belgium	100 %
Pro à Pro Distribution SA (*)	Orly, France	100 %
Codi - France SAS (*)	Rochefort sur Nenon, France	100 %
Les Planchettes SCI (*)	Rochefort sur Nenon, France	100 %
Atout Trefle SCI (*)	Rochefort sur Nenon, France	100 %
Sama SCI (*)	Rochefort sur Nenon, France	100 %
Des Buttes SCI (*)	Rochefort sur Nenon, France	100 %
Les Fils de A. Doumenge SAS (*)	Montauban, France	100 %
Les Clauzures SCI (*)	Montauban, France	100 %
Blin Etablissements SAS (*)	Saint Gilles, France	100 %
Discosaul SAS (*)	Saulxures sur/M, France	100 %
Jacodi SCI (*)	Rochefort sur Nenon, France	100 %
Pro à Pro Distribution Export SAS (*)	Orly, France	100 %
Pro à Pro Distribution Nord SAS (*)	Chalette S/L, France	100 %
Aubépine SARL (*)	Chalette S/L, France	100 %
Galland SAS (*)	La Rochette, France	100 %
Disval SA (*)	Chateauneuf S/L, France	97,44 %
Silor SA (*)	Semoy, France	100 %
Super 10 SARL (*)	Chateauneuf S/L, France	97,44 %
Ormeraie SAS (*)	Semoy, France	100 %
Roret SAS (*)	Dijon, France	100 %
Perache SAS (*)	Villeurbanne, France	100 %
Ineco SAS (*)	Sainte Marie, La Réunion, France	100 %
Poirette SAS (*)	Somain, France	100 %
Colruyt Limited	Bristol, United Kingdom	100 %
Colruyt Deutschland GmbH	Bergisch Gladbach, Germany	100 %
Locré SA	Luxembourg, Grand-Duchy of Luxembourg	100 %
Colruyt Vastgoed Nederland B.V.	Eindhoven, Netherlands	100 %
Colindo NV (*)	Halle, Belgium	50 %

## List of consolidated companies

### B. Associates

Sofindev SA (*)	Brussels, Belgium	20.6 %
Sofindev II SA (*)	Brussels, Belgium	22.31 %
Coopernic SCRL (*)	Brussels, Belgium	20.0 %

(\*) These companies have their year end on 31/12 and are also included in the consolidation at that date.

### Changes in the consolidation scope

#### • New participating interests

On 11 August 2006 the Group acquired all the shares of NV Dimaco. NV Dimaco in turn owns all the shares of Dimaco UK Ltd. The two companies own a product for visual scanning of packaging, which complements NV Createch Engineering's own engineering activities.

On 1 October 2006 the Group acquired all the shares of the company NV Immo Mar.

The Board of Directors of Sofindev II (an associated company) decided to ask shareholders to pay in the remaining unpaid capital. For NV Etn. Fr. Colruyt this represented € 1.5 million. On 15 February 2006 the Group joined the Coopernic purchasing association. As NV Etn. Fr. Colruyt has a 20 % participation, SCRL Coopernic is accounted for by the equity method. This is based on the financial statements for the first financial year ending on 31 December 2006.

#### • Mergers

In France SAS Pérache and SAS Galland merged with SAS Les Fils de A. Doumenge (acquiring company) on 1 July 2006 and 31 December 2006 respectively.

#### • New companies

On 10 April 2006, NV Laekebeek was formed as a new real estate company. On 6 June 2006 and 25 January 2007 NV Filroeul and NV Filgedin respectively were incorporated as new operating companies.

On 1 February 2007 the Group incorporated a limited liability company named "Colruyt Luxembourg" with its registered office in the Grand Duchy of Luxembourg. This new company is intended to open the way for the Group to enter the Luxembourg market.

#### • Name changes

Two French companies changed name on 1 July 2006. SAS Harrydis is now SAS Pro à Pro Distribution Nord (PAPD Nord). SAS Ets Jean Didier et Cie is now SAS Pro à Pro Distribution Export (PAPD Export). NV Claes changed its name into Filooste NV on 6 June 2006. On 3 November 2006 NV Bruspar was renamed NV Filantwe. On 26 January 2007 BV Colruyt Nederland was renamed BV Colruyt Vastgoed Nederland.





*Colruyt store in Koksijde*

## XI. Abbreviated (non-consolidated) annual accounts of Etn. Fr. Colruyt NV, according to Belgian GAAP

The following information is extracted from the separate Belgian GAAP financial statements of Etn. Fr. Colruyt NV. In accordance with sections 98 and 100 of the Belgian Companies Code, Etn. Fr. Colruyt NV's annual report and financial statements and the report of the independent auditor are filed with the National Bank of Belgium, where a copy of these documents may be obtained on request.

In addition these documents may be obtained on request from the company's registered office :  
NV Etn. Fr. Colruyt – Edingensesteenweg 196, 1500 Halle – Tel. +32 (0)2 360 10 40 – Fax +32 (0)2 360 02 07  
Internet: [www.colruyt.be](http://www.colruyt.be) - E-mail : [colruyt@colruyt.be](mailto:colruyt@colruyt.be)

• Abbreviated balance sheet of Etn. Fr. Colruyt NV

<i>(in million EUR)</i>	<b>31.03.07</b>	<b>31.03.06</b>
<b>Assets</b>		
<b>Non-current assets</b>	<b>1,667.9</b>	<b>1,633.9</b>
I. Formation costs	-	-
II. Intangible assets	1.8	2.1
III. Property, plant and equipment	297.3	285.2
IV. Financial non-current assets	1,368.8	1,346.6
<b>Current assets</b>	<b>424.9</b>	<b>628.0</b>
V. Receivables > 1 year	1.0	1.0
VI. Inventories and work in progress	250.6	239.6
VII. Receivables ≤ 1 year	46.1	42.5
VIII. Investments	5.4	254.3
IX. Cash and cash equivalents	69.9	50.0
X. Prepayments and accrued income	51.9	40.6
<b>Total assets</b>	<b>2,092.8</b>	<b>2,261.9</b>
<b>Liabilities</b>		
<b>Equity</b>	<b>379.5</b>	<b>579.3</b>
I. Capital	173.9	159.1
II. Issue premiums	0.0	0.0
III. Revaluation reserve	8.3	8.6
IV. Reserves	169.6	387.9
V. Profits carried forward	27.6	23.6
VI. Capital grants	0.1	0.1
<b>Provisions and deferred taxes</b>	<b>19.0</b>	<b>17.4</b>
<b>Liabilities</b>	<b>1,694.3</b>	<b>1,665.2</b>
VIII. Liabilities > one year	254.2	252.9
IX. Liabilities ≤ one year	1,425.3	1,396.9
X. Accruals and deferred income	14.8	15.4
<b>Total liabilities</b>	<b>2,092.8</b>	<b>2,261.9</b>

• Abbreviated income statement of NV Etn. Fr. Colruyt

<i>(in million EUR)</i>	from 01.04.06 to 31.03.07	from 01.04.05 to 31.03.06
I. Operating income	4,175.7	3,839.8
II. Operating expenses	(3,879.3)	(3,597.2)
<b>III. Operating profit</b>	<b>296.4</b>	<b>242.6</b>
IV. Financial income	12.6	10.4
V. Financial expenses	(48.4)	(26.9)
<b>VI. Profit from ordinary operations, before tax</b>	<b>260.6</b>	<b>226.1</b>
VII. Exceptional income	1.8	201.4
VIII. Exceptional expenses	(0.7)	(0.7)
IX. Profit/loss of the reporting period, before tax	<b>261.7</b>	<b>426.8</b>
<b>X. Income tax</b>	<b>(88.8)</b>	<b>(75.9)</b>
XI. Profit/loss for the reporting period	<b>172.9</b>	<b>350.9</b>
XII. Drawings on the tax free reserves	0.1	0.3
XII. Transfers to the tax free reserves	(0.4)	(0.4)
<b>XIII. Profit from the financial year available for appropriation</b>	<b>172.6</b>	<b>350.7</b>

• Profit appropriation, Etn. Fr. Colruyt N.V. 2006/2007 reporting period

The Board of Directors will be proposing to the General Meeting of Shareholders on 19 September 2007 that the profit be distributed as follows:

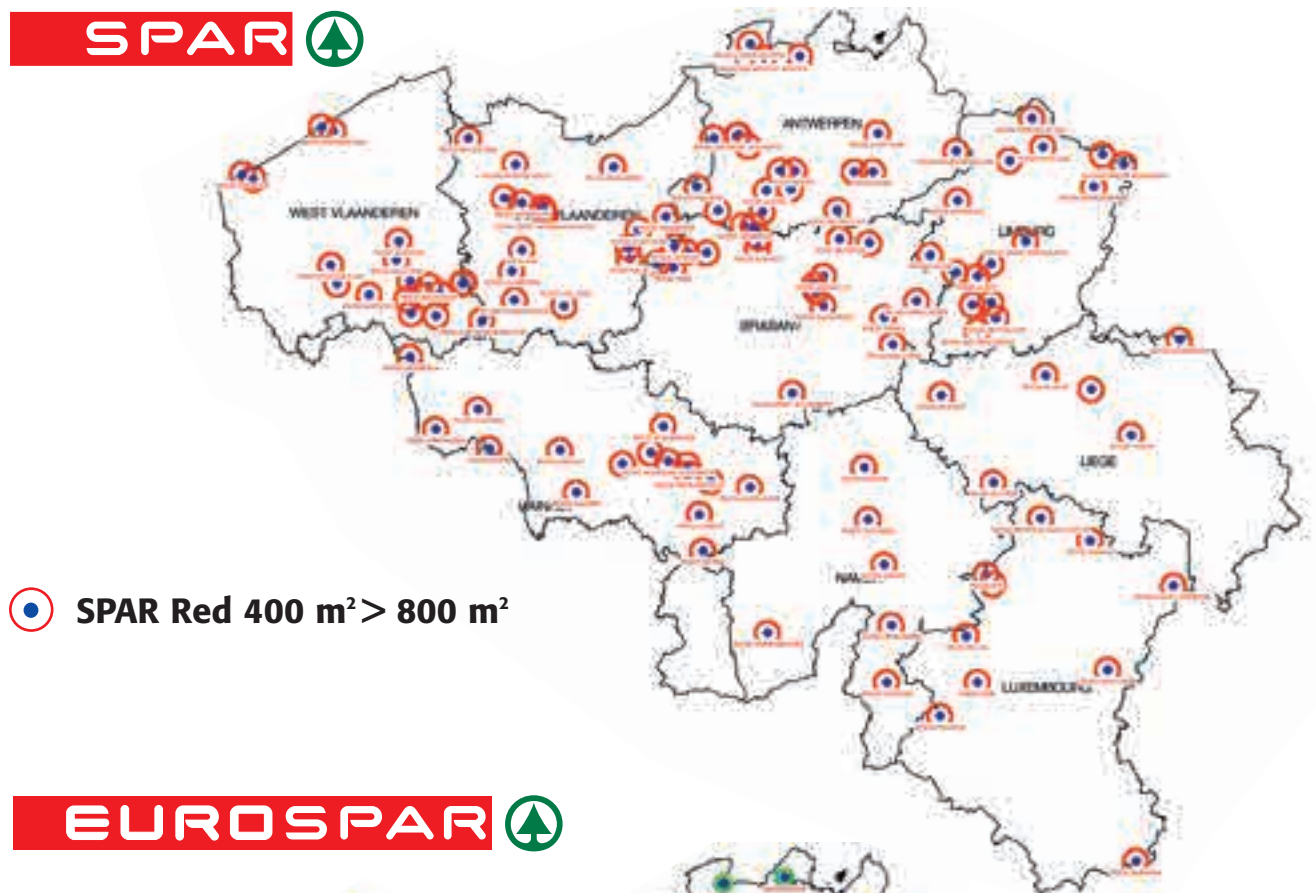
<i>(in million EUR)</i>	
Profit of the reporting period available for appropriation	172.6
Profit brought forward from the previous period	23.6
<b>Profit available for appropriation</b>	<b>196.2</b>
Transfer to the legal reserve	1.5
Addition to the other reserves	40.0
Dividends <sup>(1)</sup>	107.8
Bonuses	2.9
Other debts	16.5
Profit to be carried forward	27.6

<sup>(1)</sup>Calculated based on the situation of purchase of treasury shares on 31 March 2007

For the payment of the dividend, see page 19.

## The location of Spar stores in Belgium

**SPAR** 



**EUROSPAR** 

