

GROUP COLRUYT - CONSOLIDATED

Half year results – 2008/09 under IFRS

Colruyt Group maintains firm growth in difficult market

Key figures

<i>(in EUR million)</i>	H1 2008/09	H1 2007/08	Variance
Revenue	3.094,5	2.714,7	14,0%
Operating cash flow (EBITDA) ⁽¹⁾	268,5	246,4	9,0%
% of revenue	8,7%	9,1%	
Operating profit (EBIT)	212,5	197,3	7,7%
% of revenue	6,9%	7,3%	
Net financing income	3,5	8,8	-60,3%
Profit before tax ⁽²⁾	215,9	206,3	4,7%
% of revenue	7,0%	7,6%	
Income tax expense	65,4	63,2	3,5%
Profit for the period (Group share)	150,4	143,1	5,1%
% of revenue	4,9%	5,3%	
Cash flow ⁽³⁾ (Group share)	206,5	192,0	7,6%
Weighted average number of outstanding ordinary shares	32.117.212	32.799.956	
Earnings before tax per share (in EUR)	6,72	6,29	6,8%
Earnings per share (Group share) in EUR	4,68	4,36	7,3%

(1) Operating cash flow (EBITDA) = operating profit (EBIT) + depreciation and amortization

(2) The profit before tax includes the share of profit of associates.

(3) Cash flow = profit for the period + depreciation and amortization.

Interim financial report

A. Income statement

During the first six months of 2008/09, **Colruyt Group's revenue** increased by 14,0%, from EUR 2.714,7 million to EUR 3.094,5 million.

The group's *gross profit* rose by 13,9%, to EUR 755,5 million, compared to EUR 663,6 million in the first six months of 2007/08 and maintaining a gross profit margin of 24,4%.

The *operating cash flow (EBITDA)* increased by 9,0% to EUR 268,5 million. The group's *operating profit (EBIT)* increased by 7,7% to EUR 212,5 million, resulting in a decrease of the EBIT-margin from 7,3% to 6,9%.

This reduction of EBIT margin is due to risen energy and labour costs. The latter rose faster than revenue, partly as a consequence of the current wage inflation, caused by the Belgian system of automatic wage indexation following the price index. In addition to this, there were extra costs for temporary employees and for training of new staff, both required to support the group's growth. On 30 September 2008, Colruyt Group employed 19.496 staff, or 1.814 more than last year.

For the first half year 2008/09, *net financing income* dropped by 60,3% to EUR 3,5 million, versus EUR 8,8 million last year. This decrease was caused by the financial crisis on the capital markets, reducing the return of the Colruyt Group's investment portfolio.

Income tax expense rose by 3,5% to EUR 65,4 million, resulting in an effective tax rate of 30,3%, versus 30,7% last year.

The profit for the period (Group share) improved by 5,2% to EUR 150,4 million. *Earnings per share (EPS)* increased by 7,3% to EUR 4,68 versus EUR 4,36.

B. Review of income statement by segment

I. RETAIL Revenue +12,5 %; EBITDA +7,8%; Operating profit +6,7 %

The retail segment represents 76,0% of **Colruyt Group's** consolidated revenue. At the end of September 2008, the group's food retail segment in Belgium consisted of 207 Colruyt stores, 54 OKay stores en 5 Bio-Planet stores. Belgian non-food activities were composed of 34 DreamLand, dream and DreamBaby stores. In France, the retail segment included 45 integrated stores.

As from the end of 2007, food inflation started to rise considerably, fluctuating around 5% during the first 9 months of 2008. Today, food inflation has gone down to 3,5%, reducing the pressure on the group's gross profit margin, which evolves in a normal way again.

Compared to the same period last year, the *Colruyt stores* achieved a revenue growth of 12,4%. During the first six months of the financial year 2008/09, revenue rose to EUR 2.050,0 million, versus EUR 1.823,9 million last year. This growth was stimulated by the introduction of the 'Extra Discount' card in the month of May. Furthermore, in the present climate of uncertainty and inflation, consumers tend to focus more on price. This trend, combined with the successful continuation of Colruyt's lowest prices strategy, has resulted in a continuously growing market share.

The *OKay & Bio-Planet stores* once again achieved a considerable increase in revenue. The combined revenues grew by 23,6% to EUR 142,4 million.

In France, our integrated stores saw their revenue rise by 13,1% to EUR 62,1 million. This result was achieved by consistently implementing the 'lowest prices for national brands' strategy on the French market. However, new legislation on price-fixing (Loi Chattel), combined with our lowest prices strategy, has put a little more pressure on the gross profit.

Revenue of our non-food retail stores *DreamLand, DreamBaby and dream* increased by 7,5% during the first six months of 2008/09. This increase was achieved by opening 2 new *DreamLand* and 1 new *DreamBaby* stores. Despite this good performance, the DreamLand group is being confronted with a decline in buying power and less impulse shopping.

II. WHOLESALE Revenue +14,0%; EBITDA +9,0% ; Operating profit +5,7%

The growth of our wholesale business in Belgium (+8,3%) was largely realised by *N.V. Spar Retail*. Notwithstanding price investments, Spar realized growth in both revenue and operating profit. This success is a result of our close cooperation with and the hard work of our independent Spar entrepreneurs.

In France, food service and wholesale revenue grew by 22,1% to EUR 230,9 million. Pressure on our food service margin has eased, resulting in a better profitability.

III. OTHER ACTIVITIES Revenue +33,0%; EBITDA +41,7%; Operating profit +91,4%

Our other activities were significantly impacted by the growth of our DATS 24 petrol stations, both in Belgium and in France, achieving a revenue growth of 31,8% compared to last year. DATS 24 has succeeded in compensating the effect of rising oil prices with better cost management, resulting in more profitability.

In printing activities (Druco), Colruyt Group reached a revenue increase of 12,8%, while the engineering business kept growing as well.

C. Cash flow analysis and balance sheet

During the first six months of 2008/09, the net book value of **Colruyt Group's** fixed assets grew by 4,1% to EUR 1.117,7 million, as a result of new investments totaling EUR 103,9 million (-6,4% versus same period last year) and depreciation that rose by 14,3% to EUR 56,1 million.

Cash & cash equivalents decreased by 3,9% to EUR 285,6 million, due to EUR 28,8 million spent on share buy backs. On 30 September 2008, **Colruyt Group** held 1.255.020 treasury shares, or 3,8% of the total amount of outstanding shares. The cash position and prudent investment strategy allow the Group to continue its expansion plans, without being troubled by the current difficulties on the financial markets.

D. Outlook

Taking into account the present half year results, **Colruyt Group** maintains its 2008/09 net profit guidance of EUR 304,0 million, as expressed during the Annual General Meeting of 17 September 2008.

E. Financial calendar

- | | |
|--|-------------------|
| • Revenue figures for third quarter of 2008/09 | 30 January 2009 |
| • Results of 2008/09 financial year | 24 June 2009 |
| • Information meeting for financial analysts | 25 June 2009 |
| • Revenue figures for first quarter of 2009/10 | 30 July 2009 |
| • Annual General Meeting | 16 September 2009 |

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Risks relating to forecasts

Statements by the Colruyt Group included in this press release, along with references to this press release in other written or verbal statements of the group which refer to future expectations with regard to activities, events and strategic developments of the Colruyt Group, are predictions and as such contain risks and uncertainties.

The information communicated relates to information available at the present time, which can differ from the final results. Factors that can generate any variation between expectation and reality are: changes in the micro- or macroeconomic context, changing market situations, changing competitive climate, unfavourable decisions with regard to the building and/or extension of new or existing stores, procurement problems with suppliers, as well as all other factors that can impact the Group's result. Colruyt does not make any commitments with respect to future reporting that might have an influence on the Group's result or which could bring about a deviation from the forecasts included in this press release or in other group communication, whether written or oral.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated income statement

<i>(in EUR million)</i>	H1 2008/09	H1 2007/08
Revenue	3.094,5	2.714,7
Cost of goods sold	(2.339,0)	(2.051,1)
Gross profit	755,5	663,6
Other operating income	22,5	18,4
Services and miscellaneous goods ⁽¹⁾	(118,5)	(108,3)
Employee benefit expenses ⁽¹⁾	(378,2)	(316,3)
Depreciation and amortization	(56,1)	(49,0)
Provisions and write-offs of current assets	(2,5)	0,2
Other operating expenses	(10,2)	(11,2)
Operating profit before financing costs (EBIT)	212,5	197,3
Financial income	9,8	10,6
Financial expenses	(6,3)	(1,8)
Net financing income	3,5	8,8
Share of profit of associates	(0,1)	0,2
Profit before tax	215,9	206,3
Income tax expense	(65,4)	(63,2)
Profit for the period	150,5	143,1
<i>Attributable to:</i>		
Minority interests	0,1	0,0
Equity holders of the parent	150,4	143,1
Weighted average number of outstanding shares	32.117.212	32.799.956
Earnings per share (EPS) – basic and diluted (in EUR)	4,68	4,36

(1) As from the 2008/09 reporting period "interim personnel and hired personnel" are reclassified from "Services and miscellaneous goods" to "Employee benefit expenses". This presentation change resulted in a reclassification of EUR 12,8 million for the current reporting period and of EUR 8,4 million for the comparative period.

Consolidated balance sheet

<i>(in EUR million)</i>	<u>30.09.08</u>	<u>31.03.08</u>
ASSETS		
Goodwill	64,1	64,3
Other intangible assets	7,8	7,0
Property, plant and equipment	979,8	936,9
Investments in associates	12,0	11,1
Investments	41,5	41,4
Interest-bearing receivables	0,7	0,4
Deferred tax assets	11,7	12,2
Total non-current assets	1.117,7	1.073,2
Inventories	465,6	438,0
Trade receivables	336,6	288,4
Income tax receivables	11,8	2,7
Other receivables	23,6	29,8
Investments	81,4	55,9
Cash and cash equivalents	285,6	296,6
Total current assets	1.204,6	1.111,5
TOTAL ASSETS	2.322,3	2.184,7
EQUITY		
Issued capital	185,4	185,4
Reserves and retained earnings	785,4	785,1
Total equity attributable to equity holders of the parent	970,8	970,5
Minority interests	0,8	0,7
Total equity	971,6	971,1
LIABILITIES		
Provisions	13,7	12,2
Employee benefits	37,8	37,1
Deferred tax liabilities	54,4	55,1
Interest-bearing loans and borrowings	18,3	18,5
Total non-current liabilities	124,2	123,0
Interest-bearing loans and borrowings	2,6	2,8
Trade payables	771,4	754,9
Income tax payables	32,3	31,4
Employee benefits and other payables	420,2	301,5
Total current liabilities	1.226,5	1.090,6
Total liabilities	1.350,7	1.213,6
TOTAL EQUITY AND LIABILITIES	2.322,3	2.184,7

Consolidated statement of recognized income and expense

<i>(in EUR million)</i>	30.09.08	30.09.07
Gain on sale of treasury shares	0,4	1,1
Change in fair value of available for sale financial instruments	0,8	0,1
Net profit recognized directly in equity	1,2	1,2
Profit for the period	150,5	143,1
Total recognized income and expense for the period	151,7	144,3
<i>Attributable to:</i>		
Minority interests	0,1	0,0
Equity holders of the parent	151,6	144,3

Consolidated cash flow statement

<i>(in EUR million)</i>	H1 2008/09	H1 2007/08
OPERATING ACTIVITIES:		
Profit for the reporting period	150,5	143,1
<i>Adjustments for:</i>		
Depreciation and amortization	56,1	49,1
Interest income	(9,3)	(9,7)
Interest expense	0,6	1,8
Loss/(gain) on sale of property, plant and equipment and intangible assets	(0,5)	(0,1)
Loss/(gain) on investments	5,2	(0,9)
Loss/(gain) on current assets	0,9	0,6
Income tax expense	65,4	63,2
Share of profit of associates	(0,1)	(0,2)
Operating profit before changes in working capital and provisions	268,8	246,9
Decrease/(increase) in trade and other receivables ⁽²⁾	(43,9)	(56,3)
Decrease/(increase) in inventories	(27,5)	(25,3)
(Decrease)/increase in trade and other payables	34,9	37,4
(Decrease)/increase in provisions and employee benefits	3,3	(0,4)
Interest paid	(0,8)	(0,2)
Interest and dividends received	8,9	7,6
Income tax paid	(73,9)	(57,1)
CASH FLOW FROM OPERATING ACTIVITIES	169,9	148,1
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangibles assets	(103,9)	(111,0)
Acquisition of other financial assets	(0,3)	(0,8)
Acquisition of subsidiaries (net of cash acquired)	(4,4)	(8,2)
(Increase of investments in associates)/reimbursement of capital of associates		1,8
Acquisition of minority interests		(0,1)
Acquisition/(sales) of investments	(30,7)	(0,3)
Payments of loans granted	(0,6)	(0,8)
Proceeds from sale of property, plant and equipment and intangible assets	7,5	4,3
Proceeds from the repayment of loans granted	0,5	0,4
CASH FLOW FROM INVESTING ACTIVITIES	(131,9)	(114,7)
FINANCING ACTIVITIES		
Sale/(purchase) of treasury shares	(28,8)	(110,4)
Proceeds from borrowings		1,1
Repayment of borrowings	(1,1)	(0,6)
Payments of finance lease liabilities	(0,6)	(0,8)
Dividends paid	(17,7)	(3,3)
CASH FLOW FROM FINANCING ACTIVITIES	(48,3)	(114,0)
Net increase in cash and cash equivalents	(10,3)	(80,6)
Cash and cash equivalents at 1 April ^{(1) (2)}	295,9	397,1
Cash and cash equivalents at 30 September ⁽²⁾	285,6	316,5
Increase/(decrease) ⁽²⁾	(10,3)	(80,6)

(1) Cash and cash equivalents on 31 March 2008 are shown net of current cash credits on the liabilities side for an amount of EUR 0,8 million (included in 'Current interest-bearing loans').

(2) As a result of last year's change in presentation for 'direct registered bank payments' comparative figures have been adjusted accordingly.

Notes to the condensed consolidated interim financial statements

1. Presentation and statement of compliance

Etn. Fr. Colruyt NV (the "Company") is domiciled in Belgium in Halle and is listed on Euronext Brussels under the code, COLR. The condensed consolidated interim financial statements for the six months ended 30 September 2008 contain the financial statements of the Company, its subsidiaries (hereinafter known collectively as the "Group"), and the Group's interests in associated companies and jointly controlled entities. The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

They do not contain all information needed for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the reporting period ending on 31 March 2008, published in the 2007/08 Annual Report to Shareholders

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on the 28th of November 2008.

Amounts are, unless mentioned otherwise, expressed in millions of euros, rounded to one decimal point. Totals and subtotals can differ slightly due to rounding.

2. Changes in accounting policies and presentation rules

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ending on 31 March 2008.

Compared to the previous reporting period following presentation change was implemented:

- As from the 2008/09 reporting period "Interim personnel and hired personnel" are reclassified from "Services and miscellaneous goods" to "Employee benefit expenses". For the current reporting period EUR 12,8 million has been reclassified, against EUR 8,4 million for the comparative reporting period.

5. Income tax expense

The effective tax rate for the Group in the first half year ending on 30 September 2008 was 30,3% against 30,9% for the reporting period ending on 31 March 2008, and 30,7% for the half year ending on 30 September 2007.

6. Goodwill

The main changes to goodwill can be detailed as follows:

<i>Balance at the end of previous reporting period</i>	<i>64,3</i>
<i>(in EUR million)</i>	
Sale of individual points of sale	(0,1)
Acquisition of individual points of sale	0,1
Adjustment of goodwill relating to previous year acquisitions	(0,2)
<i>Balance at the end of current reporting period</i>	<i>64,1</i>

The adjustment of goodwill relates to the final price setting of the previous year acquisition of Enco Catering Services NV.

The Group's annual goodwill impairment testing is performed during the fourth quarter of the year.

7. Investment expenses

In the half year ending on 30 September 2008, the Group acquired intangible assets and property plant and equipment for a total amount of EUR 103,9 million. In the same half year of 2007/08, the amount of acquisitions amounted to EUR 114,2 million, of which EUR 3,2 million through business combinations. Income from the sale of property, plant and equipment was EUR 7,5 million for the half year, compared to EUR 4,3 million in the same half year of 2007/08.

8. 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	
A 1 April 2008	31.893.185	1.455.415	33.348.600	1.130.009		32.218.591
Purchase of treasury shares				179.821		(179.821)
Distributed to employees as part of the profit-sharing scheme (2007/08 reporting period)				(54.810)		54.810
At 30 September 2008	31.893.185	1.455.415	33.348.600	1.255.020		32.093.580

8. Changes in equity (continued)

The changes in equity can be detailed as follows:

<i>(in EUR million)</i>	Attributable to the shareholders of the parent				Minority interests	Total equity
	Share capital	Reserve for treasury shares	Retained earnings	Total		
At 1 April 2007	173,9	(30,1)	774,8	918,5	0,8	919,3
Total recognized income and expense			144,3	144,3		144,3
Treasury shares purchased		(144,6)		(144,6)		(144,6)
Treasury shares sold		33,1		33,1		33,1
Purchase of minority interests					(0,1)	(0,1)
Dividend to shareholders			(110,7)	(110,7)		(110,7)
At 30 September 2007	173,9	(141,6)	808,4	840,6	0,7	841,3
At 1 April 2008	185,3	(171,6)	956,9	970,5	0,7	971,2
Total recognized income and expense			151,6	151,6	0,1	151,7
Treasury shares purchased		(29,5)		(29,5)		(29,5)
Dividend to shareholders			(121,8)	(121,8)		(121,8)
At 30 September 2008	185,3	(201,1)	986,7	970,8	0,8	971,6

9. Financial instruments and risk description

Given the Group's limited exposure to currency and interest rate risks, and in view of the unchanged character of these risks, we refer to the description in the 2007/08 annual report.

The other risks described in the last annual report continue to apply.

As for the investigation by Belgian competition authorities which started in April 2007, no new developments can be mentioned.

10. Changes in consolidation scope

The French subsidiary Pro à Pro Distribution SA changed its name in Colruyt France SA. On June 3rd 2008 this company also established a new company: Dreamland France SAS. Furthermore the French subsidiary Ineco SAS established a new subsidiary Transpro SAS, which will be active in transport on the island of Réunion. SCI Les Planchettes merged with SAS Codi – France.

As of July 1st 2008 Okso NV, Oksi NV, Okho NV and Okaf NV merged into NV Buurtwinkels Okay.

In the Spar stores segment a new subsidiary NV Filkwaad was established.

No other changes in consolidation scope occurred in the first half of the current reporting period, nor did the Group acquire new affiliates or subsidiaries.

11. Contingencies

In comparison with the previous reporting period the total contingencies rose from EUR 55,7 million to EUR 72,0 million. These additional contingencies derive mainly from new purchase commitments for non-current assets, more specific for land and buildings.

12. Events after the balance sheet date

No adjusting or other significant non-adjusting events arose between the balance sheet date and the date at which the condensed consolidated interim financial statements have been authorized for issue.

13. Certification of responsible persons

Jef Colruyt, director-chairman of Etn. Fr. Colruyt and Wim Bieseemans, chief financial officer of the Colruyt Group, confirm that to the best of their knowledge:

- a) these condensed consolidated interim financial statements give a true and fair view of the equity position, of the financial position and of the results of the company Etn. Fr. Colruyt and of its subsidiaries included in the consolidation
- b) the interim financial report gives a true and fair summary of all information to be disclosed

Cette information est également disponible en français..
Deze informatie is ook beschikbaar in het Nederlands.

Only the Dutch version is the official version.
The French and English versions are translations of the original Dutch version.

FREE TRANSLATION

Report of the statutory auditor on the limited review of the consolidated condensed interim financial information as per September 30, 2008 of Ets. Fr Colruyt SA

Introduction

We have reviewed the accompanying consolidated condensed balance sheet of Ets. Fr Colruyt SA (“the Company”) as at September 30, 2008 and the related consolidated condensed statements of income, changes in equity and cash flows for the 6 month period then ended (the interim financial information). Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, ‘Interim Financial Reporting’. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information as at September 30, 2008 is not prepared, in all material respects, in accordance with IAS 34, ‘Interim Financial Reporting’.

Halle, 28 November 2008

KPMG Réviseurs d’Entreprises
represented by

Ludo Ruysen