

**Address by the Chairman on the occasion of the General Assembly of shareholders of Etn. Fr. Colruyt of 17 September 2008.**

During fiscal year 2007/2008, the Colruyt Group posted a revenue of 5.67 billion EUR up to 8.9% versus the 5.21 billion EUR achieved during the preceding period.

The Group's share in the profit after tax for the period amounts to 288.2 million EUR compared to 262.7 million EUR during the fiscal year 06/07, being a 9.7% increase.

The earnings per share (Group share) amount to 8.87 EUR, 11.7% higher than in 06/07, when EPS was at 7.94 EUR.

The gross dividend of 3.68 EUR per share that is being proposed, represents an increase of 13.6% versus 06/07.

The cash flow (Group share) amounts to 390.5 million EUR compared to 356.6 million EUR in 06/07.

The total contribution transferred to the Belgian treasury represents 52.16 % of the added value generated by the Colruyt Group in Belgium. Let us hope that these resources are used to support a sound government that can further stimulate entrepreneurship in Belgium by means of fiscal and other measures.

By the end of 2007/2008 the Colruyt Group employed 20,338 staff. This is an increase by 3,009 employees.

The Board of Directors is of the opinion that these were particularly good results.

### Retail

The retail segment includes all our own stores under the Colruyt, OKay, Bio-Planet, DreamLand, dream and DreamBaby banner in Belgium and Colruyt and Coccinelle banner in France. This segment represents 77% of the total Group's revenue.

Last fiscal year the retail segment grew by 7.8% and the contribution to the operating profit increased by 7.5%. The lower contribution to the operating profit can be explained by a less favourable summer than in 2006/07, increased competitive activity and high food inflation, the costs of which resulted in a lower gross profit margin.

The Colruyt stores achieved a turnover increase of 7.4% compared to 06/07. We opened four new Colruyt stores and rebuilt or expanded 11 existing ones.

The OKay stores achieved a strong growth once again (+ 27.6%). We opened 7 new OKay stores. Last fiscal year we celebrated the 10th anniversary of OKay and at the same time the opening of our 50<sup>th</sup> OKay store.

Last year was not uneventful for the Belgian distribution sector. As of September 2007, we saw prices of food and raw materials increase sharply. There was a delay in transferring these price increases. However Colruyt continued to guarantee the lowest prices on the market, for every product and at all times. Our lowest prices have become yet more attractive for consumers due to the high food prices, which resulted in increased turnover for the past fiscal year.

In France, sales at our 45 integrated stores increased by 9.1%. Here again we experience that the consumers highly appreciated the lowest prices.

Taking into account comparable accounting periods, sales at our non-food retail stores *DreamLand*, *DreamBaby* and *dream* increased by 9.6%.

### Wholesale

The wholesale segment includes our Spar activity and our wholesale activities in France with deliveries to affiliated independent merchants on the one hand and the food service (social and commercial catering) on the other hand. Cooperation with the group of independent Alvo merchants, our export activity and the food service under N.V. Collivery are included in this segment.

It achieved a turnover growth of 10.7% and an increase of the operating profit by 45.9%.

Food service and wholesale activities in France saw their sales increase by 14.6%. We continued to gain additional market shares despite the sharply competitive market conditions.

The growth of our Belgian wholesale activities (8.1%) was largely realised by Spar Retail N.V. Although the number of sales points has diminished, the net sales surface increased with some 1,000 m<sup>2</sup>. During the past fiscal year we continued to streamline the Spar organisation, which resulted in greater profitability of the company, hence in satisfied entrepreneurs.

#### Other activities

The segment 'other activities' includes our petrol sales in Belgium and France under the Dats24 logo, the external activities of our printer Druco and the engineering activities of the companies Dolmen IP, Createch Engineering and Dimaco. The activity of our Dats24 petrol stations in particular influenced the turnover growth of 19.3% of this segment.

#### Prospects

During the first five months of the present fiscal year (April to August included), turnover of the Colruyt stores increased by 12.3% to 1,728 million EUR. This substantial increase can be attributed to the success of the 'Extra Discount' card (already more than 2 million cards circulating today) and the consumer's search for the lowest prices in these times of steep inflation. For years now, our customers have been able, in a reliable way, to find the lowest prices in their familiar Colruyt store.

In August, the first franchise Colruyt store in France opened successfully in Bagey la Ville. The Colruyt Group will continue to test this formula, with the expectation to be able to accelerate the expansion of its presence on the French market.

When we look at the results of our wholesale and food service activities, we also see strongly growing figures.

The increased inflation of the last year intensified the cost-consciousness of the customers. Our lowest price policy alerted our customers and lead them to Colruyt. Higher inflation also increased pressure on the operational costs. Energy costs and employee benefit expenses will burden more on our cost structure this year. This is the result of the automatic indexing mechanism and the shortage on the Belgian labour market. However, we see that the current level of our gross profit margin allows us to present great growth expectations again.

For the fiscal year 2008/2009 we expect to achieve a consolidated net profit (group share) of 304 million EUR compared to 288.2 million EUR for the fiscal year that ended. We will update this forecast when we publish our half-yearly results at the end of November 2008.

In conclusion, I would like to thank all the employees of the Colruyt Group for their persistent dedication to serve all our customers. They are the ones who realised these excellent results. That we can always count on all our employees was made abundantly clear once again by their unwearrying commitment on the second of May this year, when everybody in our stores showed up to contribute to the further growth of the Group on this optional holiday. Thanks to this devotion I can face the future of the Colruyt Group with great confidence.