

Chairman's message to the General Meeting of shareholders of Etn. Fr. Colruyt on 19 September 2007

For the 2006/2007 reporting period the Colruyt Group posted revenue of EUR 5.21 billion, up 9.1% versus the EUR 4.78 billion achieved during the preceding period.

The Group's share in consolidated after-tax profit is EUR 262.6 million. This is up 14 % on the EUR 230.4 million earned in 2005/2006.

Earnings per share (Group's share) amount to EUR 7.94, 15.7 % higher than in 2005/2006, when EPS was at EUR 6.86 .

The gross dividend of EUR 3.24 per share that is being proposed is 17.4% higher than in 2005/2006.

Cash flow (Group's share) came in at EUR 356.6 million compared with EUR 310 million in 2005/2006.

At the end of the 2006/2007 reporting period the Colruyt Group employed a total of 17,329 staff. This means we are employing 730 people than a year before.

The Board of Directors considers these to be exceptionally good results.

Results by segment in greater detail:

Retail

The retail segment covers all Colruyt-owned stores operating under the Colruyt, OKAY, Bio Planet, DreamLand, dream, Dreambaby banners in Belgium and under the Colruyt and Coccinelle banners in France. This segment represents 77.8 of total Group's revenue.

Retail revenue grew 8.9% over the past financial year, while the segment's contribution to operating profit was up 13.6%.

The Colruyt stores increased their revenue by 8.7%. We opened eight new Colruyt stores, and another 14 were rebuilt or enlarged.

The OKAY stores have again grown vigorously (+ 27.14% on a comparable basis). Their contribution to Group profits is in line with the contribution of the Colruyt stores. This is all very attractive progress.

Revenue from our integrated stores in France grew 6.3%. The number of stores remained unchanged at 44 compared with a year before. The new Dutreuil Act has increased price competition in France's retail sector, placing margins under tighter pressure than in Belgium.

Revenue from our non-food DreamLand stores has risen by 18.8% on a comparable basis. Our heavy investments in logistics at DreamLand have driven up depreciation charges sharply. This has had the effect of lowering the operating profit margin.

Our Group's exceptionally good results this year were generated mainly by our food stores, which benefited in particular from the good summer weather in 2006.

Wholesale

The wholesale segment covers our Spar activity and our wholesale activities in France. These consist of deliveries to independent retailers and our foodservice activity (institutional and commercial catering). I should also mention here our collaboration with the Alvo grouping of independent retailers, our Colex export activity and the Collivery food service activities in Belgium.

Revenue in this segment has grown by 9.2%, and operating profit is up by 10.9%.

In France, our foodservice and wholesale activities grew by 9.6%. With very keen competition in this segment, results were below expectations. Despite this we have again gained market share in this segment.

The growth of our Belgian wholesale activity (+ 8.9 %) was largely influenced by N.V. Spar Retail, where revenues and operating profit have evolved positively.

Other activities

The 'other activities' cover our petrol sales in Belgium and France under the Dats24 label, the external activities of our Druco printworks and the engineering activities of Dolmen IP, Createch Engineering and Dimaco.

It is the Dats24 petrol station activities in particular that influence the results of this segment.

Prospects

We expect that we will be unable this year to repeat last year's extraordinary growth. The unstable summer weather has strongly impacted consumer consumption of typical summer products. We are also seeing inflationary pressure on some goods like dairy products, grain products, vegetables and fruit. In today's climate of increased competition, these inflationary pressures are taking time to be absorbed by the market.

We also expect the recent stock market fluctuations and the difficult political climate in Belgium to negatively impact consumer confidence.

Given these different elements, we expect the Colruyt and OKAY stores to continue to grow, but less vigorously than in 2006/2007, and probably with lower gross margins.

During the first five months of the present financial year (April to August inclusive), revenue at Colruyt stores rose by 4.45%. This slower growth compared with the previous year is due to the already-mentioned adverse weather conditions and the competitive climate.

The positive earnings progress at DreamLand, Spar Retail and of foodservice in France is taking time coming, and has therefore had only a limited impact on group results.

We expect for the 2007/2008 reporting period a consolidated profit (group share) of EUR 274 million compared with EUR 262.6 million for 2006/2007. We will update this guidance when we announce our half-year results at the end of November 2007.

The Chairman finished by expressing his thanks and recognition to all Colruyt Group employees. Without their commitment and their efforts to serve the customers, the Group would never have achieved such outstanding results. It is precisely because it is possible to count day after day on this high quality service from everyone in serving the clients that he has every confidence in the future of the Group.