



**Chairman's Statement at the General Meeting of Shareholders of the Etn. Fr. Colruyt of 20 September 2006**

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In the 2005/2006 reporting period the Colruyt Group's revenue increased from € 4.37 billion to € 4.78 billion, an increase of 9.3 %. Dolmen Computer Applications, that in the 2004/2005 reporting period was still included in the consolidation for six months, has not been taken into account in this comparison. The Group's share of the consolidated profit after tax amounts to € 230.4 million compared to € 209.7 million the previous year, an increase of 9.8 %.

The earnings per share (Group share) amounted to € 6.86 compared to € 6.10 in the previous year, an increase of 12.5 %. The proposed gross dividend of € 2.76 per share represents an increase of 13.1 % compared to the previous year. The cash flow (Group share) amounts to € 310 million, as against € 280 million in the previous year.

At the end of the 2005/2006 reporting period, the Colruyt Group employed a total of 16,599 staff compared to 16,157 at the end of the previous period. This is an increase with 442 people. These results were fully in line with our expectations and prospects. I now wish to discuss the results per segment in greater detail.

**Retail** The retail segment comprises all our own stores using the logos Colruyt, OKay, Bio-Planet, DreamLand, Dream, DreamBaby and Colruyt and Coccinelle in France. This segment accounts for 77.8 % of the total Group sales. Last year the retail business achieved an increase in revenue of 10 % and the contribution to the operating profit increased by 14 %.

Despite the fall in consumption of food products in 2005 and an intensified competitive environment, the Colruyt stores registered an increase in revenue of 10 % compared to the previous reporting period. We opened six new Colruyt stores, rebuilt or enlarged 11 stores and converted the last eight Comarkt/Comarché stores (formerly acquired from Laurus) into Colruyt stores. We are particularly pleased with the way in which the integration of the Laurus stores took place. The OKay stores have once again experienced rapid growth. We are satisfied by their contribution to the Group earnings. It should however be noted that, as a result of the

extension of their reporting period, the companies of the OKay Group were included in the consolidation for 15 months.

Revenue from our company operated stores in France increased by 5 %. This is a good result, taking into account the general economic climate in France and the fact that the number of stores (44) remained the same. Revenue from our non-food retail business DreamLand experienced a growth by 16 %. This went hand-in-hand with investments in new stores and the new store concept "Dream" (gift shop). In addition, substantial efforts were made to expand the administrative organisation and logistics for the future. In addition to the existing distribution centre in Sint-Pieters-Leeuw, DreamLand brought into operation a new distribution centre in Lot. These investments are needed to enable further growth and will bear fruit in the future. DreamLand's contribution for the past reporting period has however fallen as a result.

Wholesale The wholesale segment represents our activity Spar and our wholesale activities in France, supplying independent shopkeepers on the one hand and food service operations (supplies to public bodies) on the other. Furthermore there is the collaboration with the group of independent shopkeepers Alvo, our export activity Colex, together with the activities of Collivery (food service). Sales revenue from this segment increased by 1 % (12.8 % not taking into account the extension of the Spar reporting period) and the operating profit decreased by 22 %. In France food service and wholesale grew by 29 % mainly as a consequence of the recently completed acquisitions of the companies Ineco, Poirette, Perache and Roret. Despite the poor economic climate and falling consumption, we have observed in this segment positive, self-contained growth in revenue. This is mainly attributable to the smooth integration of the companies that were taken over in the past, as well as the development of a strong commercial team. However, margins came under pressure as a result of stiffer competition.

The Belgian wholesale operation was influenced to a substantial extent by the efforts of Spar Retail to give the Spar formula a stronger positioning in the market. Through a substantial remodelling of 30 stores on the one hand and further price cuts on the other. With success. However to further increase the commercial strength, the quality and the efficiency of the organisation in the future, Spar Retail has begun a considerable restructuring effort. This will certainly have its effect on our results in the 2006/2007 reporting period. It should however be noted that, in the previous financial year, Spar Retail was included in the consolidation for 15 months compared to 12 months in this financial year. Although the developments in operating profit of the

wholesale segment were lagging behind this year, this segment continues to make a positive contribution to the Group's earnings. We remain convinced that this contribution will continue to develop favourably in the future. Other activities The segment 'other activities' comprises our fuel sales in Belgium and France using the logo Dats24, the external activities of our printing works Druco and the activities of the companies Dolmen IP and Createch Engineering. This segment is greatly influenced by the growth of Dats24, attributable to its rapid expansion on the one hand and the increase in oil prices on the other.

The segment analysis clearly shows that the results achieved through our retail activities exceed those of our wholesale activities, as we continue to invest in people, in the organisation, in quality and in efficiency in order to provide more added value for the benefit of our customers. As for our expansion on an international level, we will continue to expand our food service activities in France through self-contained growth and takeovers, so as to increase our national presence. As far as our French retail activities are concerned, we opt for self-contained growth.

Also we will continue to keep close track of the Dutch market. We decided not to go ahead with the acquisition of the recently sold Laurus stores in the Netherlands, given the high price as well as the complexity of the matter, in a market that is new to us. Retail is our business, gambling is not. It thus remains our intention to try out the Dutch market through a number of stores that we will set up ourselves. This may possibly be combined with a targeted acquisition.

Meanwhile we continue to develop our current expansion in Belgium. Our possibilities in this regard are far from exhausted, both for our Colruyt stores and for our OKay and DreamLand stores.

Furthermore I would like to point out that we continued to purchase own shares. Today the N.V. Colruyt holds over 2,400,000 treasury shares. The Board of Directors will propose to the Extraordinary General Meeting to be held on 13 October 2006 that 2,370,000 shares (i.e. 6.7 % of the total number of shares) be cancelled. The Board will also propose to continue to acquire treasury shares. Prospects We expect the Colruyt and OKay stores to be able to maintain their current trend. The improvement of the results of DreamLand and in particular of Spar Retail and the food service in France will take a while and will take place gradually. Taking into account our good results of the past summer, we expect to reach a consolidated profit (Group share) of at least € 247 million for the 2006/2007 reporting period, compared to € 230.4 million for the reporting period being closed.

I want to conclude by congratulating all the staff of the Colruyt Group and by thanking them for the result achieved. It has again been a busy year in terms of competitive activity, but thanks to the day-to-day focus and commitment of everyone towards our customers, we were able offer quality and sustain our lowest-prices policy at Colruyt.

When I see how professionally and how accurately our staff members carry out their daily activities, I have absolute faith in the future of our Group.

Jef Colruyt