

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF ETN. FRANZ COLRUYT. A LIMITED LIABILITY COMPANY HAVING ITS REGISTERED OFFICE AT EDINGENSESTEENWEG 196, 1500 HALLE, VAT NO. BE-0400 378 485 TO THE GENERAL MEETING OF SHAREHOLDERS TO BE HELD at 16:00 ON 20 SEPTEMBER 2006 AT THE COMPANY'S REGISTERED OFFICE.

Ladies and Gentlemen

In accordance with our statutory duty and that under the articles of association, we hereby present to you our report on our exercise of our office over the 2005/2006 reporting period.

1) We have the honour to submit the financial statements for the 2005/2006 reporting period for your approval.

2) ALLOCATION OF PROFITS
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	EURO
The profit before tax for the reporting period concluded amounts to	426,765,025.66
Income tax	-75,898,456.17
Transfer of deferred tax	-45,205.25
Profit after tax	350,821,364.24
Transfer to tax-free reserves	-120,492.70
Profit carried forward from the previous reporting period	30,400,182.60

Profit available for distribution	381,101,054.14

We propose the profit to be allocated as follows:

* DIVIDENDS :

Coupon 8

33,264,767 shares X 2.76 EUR = 91,810,756.92 EUR

Basis of calculation:

35,498,509 shares participating in profit
at 23 December 2005

- 2,289,403 closing position treasury shares purchased at 31 March
2006

+ 55,661 treasury shares to be allocated as profit share

= 33,264,767 shares

* ADDITION TO OTHER RESERVES:	247,720,504.48 EUR
* TRANSFER TO THE STATUTORY RESERVE:	1,024,409.75 EUR
* DIRECTORS' FEES:	2,538,000.00 EUR
* PROFIT SHARE 2005/2006 REPORTING PERIOD:	14,375,591.85 EUR
* PROFIT CARRIED FORWARD:	23,631,791.14 EUR

* TOTAL:	381,101,054.14 EUR

Dividend for the 2005/2006 reporting period

The Board of Directors proposes to the Annual General Meeting that a gross dividend of 2.76 EUR be allocated to the shares participating in the profit for the 2005/2006 reporting period.

Out of the gross dividend of 2.76 EUR, payable in exchange for coupon nr. 8, the shareholders will receive 2.07 EUR net after retention of 25 % withholding tax.

Holder of VVPR strips enjoy a reduced withholding tax on dividends. For these shares the net dividend is 2.346 EUR per share after retention of 15 % withholding tax.

Since 1995, the capital increases reserved for staff of the Colruyt Group's have always been associated with the issue of such VVPR strips.

For foreign shareholders the amount of the net dividends may differ depending on the treaties on double-taxation in effect between Belgium and their various countries. The necessary certificates must be in our possession no later than 16 October 2006.

The Board of Directors proposes that the dividend for the 2005/2006 reporting period be made payable from 3/10/2006 on production of coupon no. 8 at the cash desks of the financial institutions.

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

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

3) PURCHASE OF TREASURY SHARES

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For some years, the Extraordinary General Meeting of shareholders has empowered the Board of Directors of Etn. Fr. Colruyt N.V. in accordance with section 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 General Meeting of 18 October 2005.

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

On 31 March 2005 (=position at the end of the previous 2004/2005 reporting period) Etn. Fr. Colruyt N.V. held 655,016 treasury shares with a total value of 58,067,501.61 EUR.

In the period from 1 April 2005 to 31 March 2006, 1,683,792 treasury shares with a value of 195,994,415.81 EUR were purchased.

On 30 September 2005, 49,405 of the Etn. Colruyt N.V. treasury shares amounting to 4,439,039.25 EUR were distributed to employees wishing to receive their profit share for 2005/06 in the form of shares.

On 31 March 2006 (=position at the end of the previous 2005/2006 reporting period) Etn. Fr. Colruyt N.V. held 2,289,403 treasury shares with a total value of 249,622,878.17 EUR.

In the period from 1 April 2006 to 27 June 2006, 137,970 treasury shares were purchased with a value of 16,268,544.17 EUR.

At 27 June 2006 Etn. Colruyt N.V. held a total of 2,427,373 treasury shares with a total value of 265,891,422.34 EUR. N.V. Vlevico held 42,697 Colruyt shares.

Etn. Fr. Colruyt N.V. and its subsidiaries hold a total of 2,470,070 treasury shares at 27 June 2006. This is 6.96 % of the total number of shares issued (35,498,509). Of these, 55,661 shares will be given to employees wishing to receive their profit share for 2005/06 in the form of shares (subject to the approval of the General Meeting).

The ability to buy treasury shares enables the Board of Directors to react to the opportunities that it believes it recognises in developments in the stock market price of Colruyt shares: it offers a chance to acquire treasury shares at a relatively low price.

Purchasing treasury shares means that no dividend need be distributed on those shares and hence more liquidity remains within the group.

For the other shareholders it means an added value for the shares in circulation.

In accordance with section 622 subsection 1 of the Companies Code, the voting rights associated with the shares or no par value shares held by the company or its subsidiaries are suspended.

4) THE PRINCIPLE DETAILS OF THE 2005/2006 REPORTING PERIOD

Notes on the financial statements

BALANCE SHEET

ASSETS

Non-current assets

The carrying amount of the non-current assets of Etn. Fr. Colruyt amounts to 1,633.87 million EUR, compared with 877.15 million EUR in the previous reporting period.

Excluding revaluations or less values the net carrying amount of the non-current assets is 1,625.31 million EUR, compared with 868.29 million EUR in the previous reporting period.

I. Formation expenses

Hitherto initial formation expenses under this heading have been capitalised and immediately written off in their full amount. From the 2005/2006 reporting period this is no longer the case.

II. Intangible non-current assets

The net carrying amount under this heading amounts to 2.14 million EUR compared with 2.70 million EUR in the previous year. Apart from the investment of 0.31 million EUR the reduction in this item is entirely attributable to further amortisation of previously invested goodwill.

III. Property, plant and equipment

The net carrying amount under this heading amounts to 285.15 million EUR compared with 276.40 million EUR in the previous reporting period. Depreciation amounts to 43.26 million EUR, liquidations to 1.30 million EUR.

The gross increase in property, plant and equipment (taking into account the liquidations and impairments made and the changes in work in progress) amounts to 52.05 million EUR.

Depreciation on investments in the reporting period amounts to 5.59 million EUR.

An extraordinary depreciation of land for an amount of 0.04 million EUR was booked.

Investments (in millions of EUR)	2005/2006 -----	2004/2005 -----
- Land and buildings	8.72	9.29
- Property, plant and equipment	12.17	11.52
- Furniture and rolling equipment	15.49	18.82
- Leases and similar rights	16.01	9.86
- Other non-current assets	0.47	1.50
- Assets under construction and prepayments	0.49	0.23
	----- 53.35	----- 51.22

The investments in 'land and buildings' relate to alteration and/or expansion works at existing stores.

The increase in 'property, plant and equipment' consists mainly of a fresh produce warehouse 'order picking' system, a tray washing system, Dats equipment, production machinery, butchery equipment, store shelving and self-service trolleys.

The investments in furniture and rolling equipment include the purchase of hardware (store check-outs, PCs) for 2.36 million EUR (3.13 million EUR in the previous reporting period) and the purchase of rolling equipment for 12.85 million EUR (compared with 15.43 million EUR in the previous reporting period) - warehouse trolleys, transpallets, fork-lift trucks, semi-trailers, passenger cars.

The increases in leasing relate solely to land and buildings leased by Ets. Fr. Colruyt NV.

In the completed reporting period this mainly involves the recognition of new contracts for new stores in Amay, Maldegem, Zonhoven and Ghent. together with contracts for new Dats stations in Amay, Maldegem, Boutersem, Denderleeuw, Marbais and Meerbeke and some reviews of existing contracts.

Finally there is the recognition of the contract for the new Wilgenveld administration building Phase 6 in Halle.

Investments in other property, plant and equipment amount to 0.47 million EUR, compared with 1.50 million EUR in the previous reporting period.

Property, plant and equipment under construction and prepayments show an increase of 0.49 million EUR, compared with an increase of 0.23 million EUR in the previous reporting period. In accordance with the Group's valuation rules, no depreciation is applied to property, plant and equipment under construction.

IV. Financial Assets

Financial assets amount to 1,346.58 million EUR compared with 598.05 million EUR in the previous reporting period. This is an increase of 748.53 million EUR.

This increase is the net balance of new purchases of subsidiaries for an amount of 1,439.66 million EUR and sales of interests in subsidiaries for an amount of 689.15 million EUR. These sales resulted in a capital gain of 199.49 million EUR.

Interests in associated companies have increased with 0.56 million EUR.

In addition, the remaining interest in Dolmen Computer Applications has been transferred from financial assets to investment securities (current assets) for an amount of 2.20 million EUR.

Guarantees amount to 0.12 million EUR compared with 0.11 million EUR in the previous year.

Current assets

The current assets amount to 627.97 million EUR, compared with 421.31 million EUR in the previous reporting period.

The principle changes compared with the previous reporting period:
(in millions of EUR)

	2005/2006	2004/2005
	-----	-----
V - Receivables > 1 year	1.02	1.02
VI - Inventories	239.59	238.91
VII A - Trade receivables	35.94	33.36
VII B - Other receivables	6.54	4.40
VIII - Investment securities	254.30	61.59
IX - Cash and cash equivalents	50.00	41.14
X - Prepayments and accrued income	40.58	40.89
	-----	-----
	627.97	421.31

Investment securities include 254.30 million EUR for treasury shares purchased recognised at a value of 249.62 million EUR (2,289,403 shares at 31/03/2006).

Other investment securities rose from 3.53 million EUR in the previous reporting period to 4.67 million EUR this reporting period.

On the one hand the shares in Dolmen Computer Applications not taken up (in relation to the dividend payment in the 2003/2004 reporting period) were sold on the stock market (between 1 April 2005 and 30 June 2005). On the other, the remaining interest that NV Colruyt still has in NV Dolmen Computer Application (after the dividend payment in the 2003/2004 reporting period), i.e. 214,996 shares was reclassified from financial assets to investment securities.

LIABILITIES

Equity

The equity of Ets Fr. Colruyt N.V. amounts to 579.29 million EUR compared with 324.30 million EUR in the previous reporting period.

I. Capital

On 31 March 2006 the capital of Etn. Fr. Colruyt N.V. amounted to 159,059,332.28 EUR represented by 35,498,509 shares.

In the course of the 2005/2006 reporting period the capital was increased by 10,244,097.50 EUR through a capital increase reserved for staff members.

This capital increase took place on 23 December 2005 and represented 110,747 shares.

Authorised, non-issued capital

Authorised, non-issued capital amounts to 148,815,234 EUR.

II. Issue premiums - warrants

In the 1998/99 reporting period issue premiums increased by 24,789.35 as a result of the creation of warrants.

Total issue premiums: 49,578.70 EUR.

The warrants expired on 25 Oct 2003 and were not renewed.

A sum of 49,578.70 EUR is retained under this heading.

III. Revaluation gains

The carrying amount amounts to 8.57 million EUR compared with 8.83 million EUR in the previous reporting period.

This heading was reduced by a depreciation of 0.26 million EUR in the reporting period.

IV. Reserves

The proposal to the General Meeting in the treatment of the profit for the 2005/2006 reporting period has been dealt with in section 2). The figures recognised are thus subject to approval by the General Meeting.

The reserves amount to 387.89 million EUR compared with 136.08 million EUR in the previous reporting period.

CHANGES IN RESERVES (in million EUR):

Closing balance for the previous reporting period:	136.08
Allocation to the statutory reserve	1.02
Tax-free reserve - allocation for deferred taxation	0.12
Available reserves	
-allocation to depreciation/liquidation of revalued non-current assets	0.26
-dividend on treasury shares	8.85
-allocation from the profit distribution from 2005/2006 reporting period	50.00
Restricted reserves	
- increase in treasury shares 2005/2006 reporting period	195.99
- profit sharing granted in 2004/2005 reporting period	-4.43
Balance at the end of the reporting period:	387.89

VI. Capital grants

Capital grants amount to 0.09 million EUR in the form of ecological subsidies from the Flemish Region.

VII.A. Provisions for risks and expenses

The provisions for risks and expenses amount to 15.75 million EUR. compared with 14.36 million EUR in the previous reporting period.

Summary of provisions (in millions of EUR) for:	2005/2006 -----	2004/2005 -----
- Pensions	4.52	3.94
- Major repairs	4.89	4.69
- Other risks	6.34	5.73
	-----	-----
	15.75	14.36

VII. B. Deferred taxation

Deferred taxation amounts to 1.66 million EUR compared with 1.62 million EUR in the previous reporting period.

This heading includes 0.05 million EUR of deferred taxation on capital grants received and 1.62 million EUR (1.55 million EUR in the previous reporting period) of deferred taxation on capital gains on non-current assets. The calculation is based on the applicable tax rate.

These amounts are gradually booked to the income statement (see IX bis "Withdrawal from deferred taxation".)

VIII. Liabilities > 1 year

The outstanding balance of long-term borrowings amounts to 252.92 million Euro, compared with 248.70 million EUR in the previous reporting period.

A transfer of 11.48 million EUR was also made to heading IX.A "Liabilities > 1 year falling due within the year."

New leases amounting in total to 13.23 million EUR were concluded with the property subsidiary Onveco in order to finance new Colruyt stores, new Dats stations and the new administration building Phase 6 at Wilgenveld, Halle.

IX. Liabilities <= 1 year

Liabilities over a maximum of one year amount to 1,396.86 million EUR compared with 694.74 million EUR in the previous reporting period.

Summary (in million EUR) for:	2005/2006	2004/2005
	-----	-----
- Long-term liabilities falling due within the year	11.48	20.07
- Trade payables	417.95	371.23
- Prepayments received	5.78	4.43
- Taxes, remuneration	143.86	160.00
- Other payables	817.79	139.01
	-----	-----
	1.396.86	694.74

Trade payables consist for the most part of suppliers payable for an amount of 395.07 million EUR, compared with 348.20 million EUR in the previous year.

The other payables include a sum of 105.13 million EUR in dividends payable, directors' fees and employee profit sharing for the 2005/2006 reporting period, as well as a short-term debt to Finco of 685.37 million EUR.

INCOME STATEMENT

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I.+ II. Operating profit/loss

Sales in the 2005/2006 reporting period amount to 3,714.90 million EUR, excluding VAT, compared with 3,356.22 million EUR in the 2004/2005 reporting period. This is an increase of 10.69%.

The gross sales margin amounts to 760.98 million EUR (20.48 % of sales) compared with 608.90 million EUR (18.14 % of sales) in the previous reporting period.

From this year onwards reimbursement of publicity costs that relate to the purchase of goods are included in this gross sales margin.

Non-current assets produced amount to 9.57 million EUR, compared with 13.17 million EUR in the previous reporting period. This heading consists mainly of investments made by the internal technical departments (equipment of central buildings and stores). As from this reporting period, initial formation expenses are no longer capitalised. They continue to be charged to the corresponding expense account.

The other operating revenue (116.11 million EUR compared with 215.07 million EUR in the previous reporting period) mainly comprises reimbursement of publicity costs and other miscellaneous operating revenue that does not relate directly to the sale of merchandise. The fall compared with the previous reporting period is the result of the recognition of reimbursement of publicity costs that relates to the purchase of merchandise in the gross sales margin.

Purchases of raw materials, auxiliary materials and commodities increased by 7.52% and amount to 2,953.92 million EUR, compared with 2,747.31 million EUR in the previous reporting period. Without the reclassification of reimbursement of publicity costs, the increase would be 12.06%.

The cost of services and miscellaneous goods rose by 10.83%, amounting to 231.70 million EUR, compared with 209.06 million EUR in the previous year.

The heading "Payroll costs and other social benefits" comprises salaries and wages, including the provisions for holiday pay and year-end bonuses, and amounts to 362.12 million EUR, compared with 336.71 million EUR in the previous reporting period. This is an increase of 7.55% compared with the previous reporting period.

Depreciation, amortisation and write-off of non-current assets amount to 44.17 million EUR compared with 44.18 million EUR in the previous reporting period.

As from this reporting period, initial formation expenses will no longer be capitalised and written off immediately.

Write-off of trade receivables amounts to 0.58 million EUR, compared with 0.39 million EUR in the previous year.

Summary of depreciation, amortisation and impairment (in millions of EUR)

	2005/2006 -----	2004/2005 -----
Depreciation, amortisation and write-off of		
- Formation expenses	0.00	2.95
- Intangible non-current assets	0.87	0.81
- Property, plant and equipment	43.30	40.42
- Trade receivables	0.58	0.39
	-----	-----
	44.75	44.57

In comparison with the previous reporting period an additional 0.18 million EUR of amortisation, depreciation and write-off was applied.

A system of declining-balance depreciation has been applied to the increase in "property, plant and equipment" (headings III.A-B-C-D and E). Compared with a system of straight-line depreciation this means an additional depreciation of 2.35 million EUR.

The provisions charged against the operating profit/loss amount to 1.38 million EUR, compared with 2.33 million EUR in the previous reporting period.

Provisions of 12.55 million EUR have been made; there have been withdrawals of 11.17 million EUR.

Provisions ----- (in millions of EUR)	Made -----	Withdrawn -----
- For early retirement pensions	2.48	-1.91
- For major maintenance and repairs	4.89	-4.69
- Soil decontamination	4.32	-4.56
- Miscellaneous	0.86	-0.00
	-----	-----
	12.55	-11.17

The other operating expense amount to 3.31 million EUR, compared with 3.06 million EUR in the previous reporting period and consist (in millions of EUR) of:

	2005/2006 -----	2004/2005 -----
- Miscellaneous imposts and taxes	3.18	2.98
- Loss on sold assets	0.13	0.08
	-----	-----
	3.31	3.06

Operating profit

The operating profit/loss for the 2005/2006 reporting period amounts to 242.64 million EUR compared with 240.58 million EUR in the previous reporting period. This is an increase of 0.86% compared with the previous reporting period.

Operating cash flow

The operating cash flow amounts to 286.81 million EUR compared with 284.75 million EUR in the previous reporting period and rose by 0.73% compared with the previous reporting period.

IV. + V Financing Income

FINANCING EARNINGS (difference between income and expense) amount to -16.58 million EUR (-15.14 million EUR in the previous reporting period).

Summary of FINANCING EXPENSE and INCOME (in million EUR)	2005/2006 -----	2004/2005 -----
- Income from investments	0.22	1.81
- Income from current assets	0.23	0.28
- Other financing income	9.93	8.22
- Cost of borrowings	-25.46	-24.04
- Write-offs (withdrawal)	0.00	0.00
- Costs on financial transactions	-1.49	-1.41
	-----	-----
	-16.58	-15.14

In the previous reporting period the income from investment securities (1.81 million EUR) consisted virtually entirely of dividends received from subsidiaries, namely 1.41 million EUR and 0.31 million EUR from associated companies.

The income from current assets comprises interest received on advances to subsidiaries and interest received on fixed-interest securities.

The other financing income (9.93 million EUR) relates, *inter alia*, to payment discounts for an amount of 9.61 million EUR.

The cost of debts amounts to 25.46 million EUR. This consists of interest of 8.83 million EUR on borrowings, interest of 16.57 million EUR on real property leases and miscellaneous interest of 0.06 million EUR.

The other financing expense (1.49 million EUR) relates to the cost on day-to-day financial transactions and exchange rate losses on payments in foreign currencies (0.25 million EUR).

Profit from ordinary operations

The profit for the 2005/2006 reporting period from ordinary operations amounts to 226.07 million EUR compared with 225.44 million EUR in the previous year. This is an increase of 0.28%.

VII. + VIII. Exceptional income and expense

Exceptional income amounts to 201.35 million EUR. This includes a sum of 199.46 million EUR from the gain on the sale of interests in the subsidiaries Nv Finco and Nv Infoco to another subsidiary Nv Premedia, together with a sum of 1.74 million EUR resulting from the gain on treasury shares distributed as profit share for the 2004/2005 reporting period.

The exceptional expense amounts to 0.66 million EUR. This largely relates to the write-off of investments in existing stores that are being renovated.

IX. Profit before tax

Etn. Fr. Colruyt ended the 2005/2006 reporting period with a profit before tax of 426.77 million EUR. The previous reporting period ended with a pre-tax profit of 222.90 million EUR. This is an increase of 91.46%.

Excluding the gain of 199.46 million on the sale of 2 subsidiaries, the pre-tax profit amounts to 227.31 million EUR. This is an increase of 1.98%.

X. Taxation

Tax amounts to 75.90 million EUR.

The average tax rate is 33.39%, being the estimated tax for the reporting period compared with pre-tax profit (excluding the gain on the sale of 2 subsidiaries).

In the previous reporting period tax amounted to 76.31 million EUR or 34.24% of pre-tax profit.

XI. Profit for the reporting period

The post-tax profit of Etn. Franz Colruyt N.V. for the 2005/2006 reporting period amounts to 350.82 million EUR, compared with 146.46 million EUR in the previous reporting period. This includes the gain on the sale of the interests in 2 subsidiaries.

Excluding this gain, the profit after tax amounts to 151.36 million EUR. This is an increase of 3.35% compared with the previous year.

XIII. Profit from the reporting period for appropriation

The profit of Etn. Franz Colruyt N.V. for the 2005/2006 reporting period to be appropriated amounts to 350.70 million EUR, compared with 146.18 million EUR in the previous reporting period. This includes the gain on the sale of the interests in 2 subsidiaries.

Excluding this gain, the profit for allocation amounts to 151.24 million EUR.

Cash flow

The cash flow of Etn. Franz Colruyt N.V. for the 2005/2006 reporting period amounts to 394.95 million EUR, compared with 190.58 million EUR in the previous reporting period. This includes the gain on the sale of the interests in 2 subsidiaries.

Excluding this gain, the cash flow amounts to 195.49 million EUR.

On the basis of current information known to the company, there are no risks or uncertainties to report, other than as reported in the Colruyt Group's annual report.

- 5) No important events have occurred since the end of the reporting period.
- 6) No circumstances are known that might appreciably effect the development of the company.

- 7) Given the company's special nature and its specific activities, there has been no research and development work.
- 8) Remuneration of Statutory Auditor for special audit assignments.

The following special audit assignments have been performed by the auditor.

In 2005/2006 reporting period the Statutory Auditor was entrusted with special audit assignments connected with IAS and with preference shares.

The remuneration for this was set at 36,234.00 EUR.

9) Corporate Governance

A. Board of Directors

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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	Director (2008) - Manager at S.A. Sofina
N.V. ANIMA	Director (2008), permanently represented by: Jef Colruyt
N.V. HERBECO	Director (2009), permanently represented by: Piet Colruyt
N.V. FARIK	Director (2009), permanently represented by: Frans Colruyt

- Independent director:

BVBA DELVAUX TRANSFER	Director (from 15/7/2006), permanently represented by: Mr. Willy Delvaux (2007)
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- Secretary

Jean de LEU de CECIL	Secretary
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() Year in which term of office comes to an end and in which the person becomes eligible for reappointment by the AGM.

The articles of association contain no rules on the appointment of directors and the renewal of their mandate. Neither is any age limit laid down.

Messrs. Jef Colruyt, Frans Colruyt, Piet Colruyt and François Gillet hold other directorships outside the companies involved in the Colruyt Group.

Since 1 July 2006 the Board of Directors has included an independent director.

B. Statutory auditor

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C.V.B.A. Klynveld Peat Marwick Goerdeler - Company Auditors
represented by Ludo RUYSEN (2007) and Jo Vanderbruggen (2007).

() Year in which term of office comes to an end and in which the person becomes eligible for reappointment by the AGM.

C. Functioning of the Board of Directors.

The Board of Directors meets every quarter according 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 time-related decisions.

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 files that, in addition to consolidated information on the Colruyt Group, contain detailed information on each of the sectors 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 sector of the Colruyt Group.

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

D. Committees of the Board of Directors

Given the limited number of members of the Board of Directors, no Appointments Committee or Remuneration Committee will be formed. The 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 resolved to form an Audit Committee of a number of non-executive directors and the independent director. This committee will collaborate with Group management and the statutory auditor.

This committee's initial activities will take place from September 2006 onwards with the arrival of the independent director. The Audit Committee will be setting up an internal system at the end of September 2006.

E. Remuneration

There is no protocol relating to the execution of the function of director. It is not customary to grant the directors credits or cash advances. The directors receive neither bonuses nor shares related to an incentive programme, 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 compensation of the directors (individual) and of the members of the Management Team (collective) will be published for the first time in our 2005/2006 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.

F. 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 Group's personnel manager. 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 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 effects of the policy options adopted.

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

G. Criminal Liability

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

H. Appropriation of profit/loss - dividend policy

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. 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 either 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 proportional 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' fees.

I. 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 (*Wet op de Openbaarmaking van de Belangrijke Deelnemingen*), the Royal Decree of 10 May 1989 and the Companies Code (*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 site www.colruyt.be/financial information.

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

* Shareholder structure of Etn. Fr. Colruyt N.V.

We received an amended notice of interest under the Disclosure of Major Interests Act of 2 March 1989 (*Wet op de Openbaarmaking van de Belangrijke Deelnemingen*) on 6 June 2006.

The total of 35,498,508 shares (position at 8 June 2006) is made up as follows.

The company has no knowledge of other agreements between shareholders. Details of the notice of 8 June 2006.

Shareholder structure of Etn. Fr. Colruyt N.V. as per the latest transparency notice of 8 June 2006.

I. Colruyt family and related persons

	Number	%
1. Colruyt family Shares	2,229,988	6.28
2. N.V. H.I.M. Shares	8,052,792	22.68
3. N.V. D.I.M. Shares	5,408,500	15.24
TOTAL COLRUYT FAMILY AND RELATED PERSONS ACTING IN CONCERT Shares	15,691,280	44.20

II. Colruyt Group

1. Etn. Fr. Colruyt N.V. (treasury shares purchased) Shares	2,402,290	6.77
2. N.V. Vlevico (subsidiary) Shares	42,697	0.12
TOTAL ASSOCIATED COMPANIES (Etn. Fr. Colruyt N.V. + subsidiaries) Shares	2,444,987	6.89

III. Sofina Group

1. S.A. Rebelco (subsidiary) Shares	2,000,000	5.63
TOTAL SOFINA Group Shares	2,000,000	5.63

Total persons acting in concert:
(Colruyt Family + Colruyt Group + Sofina Group)

Shares	20,136,267	56.72
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Denominator:

Shares 35,498,509 (position at 8 June 2006)

J. 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.

In accordance with the Royal Decree of 5 March 2006 on abuse of markets, lists of insiders have been produced and are administered by a responsible person.

The directors must report dealings in shares to him, whereupon he makes them public.

* Belgian Corporate Governance Code for publicly quoted companies

The Board of Directors approved the Group's Corporate Governance Charter in December 2005.

10) We invite you to relieve the directors of liability for the conduct of their offices in the previous reporting period.

11) We invite you to relieve the Statutory Auditor of liability for the conduct of its office in the previous reporting period.

12) The Board of Directors has not issued any securities forming part of the authorised capital in the course of the reporting period.

Halle, 23 June 2006

NV Herbeco, permanently represented by
Piet Colruyt
Director

Jef Colruyt
Director