

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF ETN. FRANZ COLRUYT, LIMITED
LIABILITY COMPANY LOCATED AT EDINGENSESTEENWEG 196, 1500 HALLE, TO THE
GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 21 SEPTEMBER 2005
AT 4 P.M. AT THE COMPANY'S HEAD OFFICE:

Ladies and Gentlemen

In accordance with our regulatory and statutory obligations, we have produced this report on our management of your company in financial year 2004//2005.

1) It is our honour to submit the annual accounts of financial year 2004/2005 for your approval.

2) APPROPRIATION OF PROFIT
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	EURO
Profit before taxes for the financial year is :	222,903,175.50
Taxes on the result	-76,311,941.32
Transfer to deferred taxes	-130,152.99
Profit after taxation	146,461,081.19
Transfer to tax free reserves	-285,682.39
Profit carried forward from the previous financial year	23,495,988.64

Profit to be distributed	169,671,387.44

We propose appropriating this balance as follows:

* DIVIDEND:

Coupon 7

34,747,561 shares x 2.44 euros = 84,784,048.84 euros

Calculation base:

35,387,762 shares participating in profits
as at 24 December 2004

- 689,716 own shares purchased
as at 27 April 2005

+ 49,515 own shares that will
be allocated as a profit share

= 34,747,561 shares

* ADDITION TO THE OTHER RESERVES : 37,412,524.17 euros

* APPROPRIATION TO THE LEGAL RESERVE : 994,260.50 euros

* DIRECTOR'S ENTITLEMENTS : 2,329,000.00 euros

* PROFIT SHARE FINANCIAL YEAR 2004/2005 : 13,751,371.33 euros

* PROFIT TO BE CARRIED FORWARD : 30,400,182.60 euros

* TOTAL : 169,671,387.44 euros

Dividend from financial year 2004/2005

The Board of Directors proposes the General Meeting to pay a dividend of 2.44 euros to each of the shares of Etn. Fr. Colruyt N.V. participating in the profit for financial year 2004/2005.

On the gross dividend of € 2.44 in exchange for coupon No. 7 of the Colruyt share, the shareholders will receive € 1.83 net after deduction of the 25% advance tax.

The holders of VVPR strips enjoy a reduced tax on the dividends. For these shares, the net dividend is € 2.074 per share, after deduction of the 15% advance tax.

The capital increases reserved for the employees of the Colruyt Group since 1995 have always been done with the issue of such VVPR strips.

For foreign shareholders, the net dividend may vary depending on the double taxation treaties between Belgium and the countries concerned. The necessary certificates have to be in our possession by 17 October 2005 at the latest.

The Board of Directors proposes to make the dividend for fiscal year 2004/2005 payable as of 04 October 2005 on presentation of coupon no. 7 at the counters of the following banks:

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

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

3) REPURCHASE OF SHARES

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For years now the Extraordinary General Meeting of shareholders, in accordance with article 620 of the Companies Act, has authorised the Board of Directors of Etn. Fr. Colruyt N.V. to buy back a maximum of 10% of the total number of issued shares.

The last authorisation was issued by the Extraordinary General Meeting of 15 October 2004.

The Board of Directors has used the authorisation acquired from the Extraordinary General Meeting of Shareholders.

On 31 March 2004 (= condition at end of financial year 2003/2004) Etn. Colruyt N.V. held 319,472 of its own shares, with a total value of EUR 28,519,501.94.

In the period from 01 April 2004 to 13 June 2005, 822,399 own shares were purchased with a value of EUR 84,395,486.25.

On 30 September 2004, 64,025 own shares were allocated to employees who wanted their 2003/2004 profit share in the form of shares. This has a value of EUR 5,560,082.59.

On 13 June 2005, Etn. Colruyt N.V. thus held a total of 1,077,846 own shares with a total value of EUR 107,354,905.60.

N.V. Vlevico holds 218,147 Colruyt shares, and S.A. Waldico 46,218 Colruyt shares.

N.V. Vlevico holds 77,203 no par value shares in the Foundation Klaperco Administrative Office that can be converted in as many Colruyt shares.

On 13 June 2005, Etn. Fr. Colruyt N.V. and its subsidiaries held 1,342,211 own shares and 77,203 no par value shares. This is 4.01% of the total number of issued shares (35,387,762).

Of these, 49,515 shares will be issued to employees who want to have their 2004/2005 profit share in the form of shares, subject to the approval of the General Meeting.

The ability to purchase own shares enables the Board of Directors to take advantages of opportunities it sees from changes to the price of the Colruyt shares: it enables own shares to be acquired at a relatively low price.

The purchase of own shares means that no dividend has to be paid to these shares and there is thus greater liquidity within the company.

For the other shareholders this means a gain for the shares in circulation.

Pursuant to article 622, par. 1 of the Companies Act, the voting rights connected with the shares or no par value shares held by the company or its subsidiaries are suspended.

4) KEY FIGURES FOR FINANCIAL YEAR 2004/2005

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Notes to the annual accounts

BALANCE SHEET

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ASSETS

Fixed assets

The book value of the fixed assets of Etn. Fr. Colruyt group amounts to 877.15 million euros, compared with 908.84 million euros the previous financial year.

Excluding revaluation surpluses and losses, the net book value of the fixed assets is 868.29 million euros, as against 899.66 euros the previous year.

I. Formation expenses

The formation expenses capitalised during the financial year come to 2.95 million and concern the costs of initial formation only. The acquisitions of the financial year were immediately depreciated by their full amount. So the net book value is 0.

II. Intangible fixed assets

The net book value of this item is 2.70 million euros, against 2.81 million euros in the previous year. The growth concerns goodwill of 0.65 million euros, and this financial year 0.06 million euros were invested in software.

III. Tangible fixed assets

The net book value of this item is 276.40 million euros, against 266.58 million euros in the previous financial year. The depreciations amount to 40.36 million euros, the liquidations are 44.18 euros .

The gross increase in tangible fixed assets (taking into account the liquidations and write-downs carried out, together with the changes in stocks and work in progress) amounts to 30.60 million euros.

The depreciation on investments in the financial year was EUR 5.75 million.

A devaluation of EUR 0.06 million was booked to land.

Investments (in million euros)	2004/2005	2003/2004
	-----	-----
- Land and buildings	9.29	13.74
- Plant, machinery and equipment	11.52	16.37
- Furniture and vehicles	18.82	16.04
- Leasing and other similar rights	9.86	8.31
- Other fixed assets	1.50	2.49
- Assets under construction and advance payments	0.23	0.52
	-----	-----
	51.22	57.47

Investments in 'land and buildings' involve conversion works in the shops.

The acquisitions in 'plant, machinery and equipment' are mainly: fresh products store stock-picking system, crate washing plant, DATS equipment, production machines and shop shelves + other shop materials (installation of butchers, freezers, etc).

Investments in furniture and vehicles include the procurement of hardware at EUR 3.13 million (against EUR 2.02 million in the previous financial year) and the procurement of vehicles at EUR 15.43 million (against EUR 13.81 million in the previous financial year): stores trolleys, transport pallets, forklift trucks, trailers, cars.

The leasing acquisitions solely concern the land and buildings leased by Ets. Fr. Colruyt NV.

Last financial year, this involved the registration of new leases: Chapelle, Libramont, Stabroek, Zottegem.
Also a few adjustments to existing leases.

The investments in other tangible fixed assets are 1.50 million euros, against 2,49 million euros in the previous financial year.

The tangible fixed assets under construction and advance payments show an increase of EUR 0.23 million, against an increase of EUR 0.52 million in the previous financial year. In accordance with the group's accounting principles, no depreciation is applied to fixed assets under construction.

IV. Financial fixed assets

The financial fixed assets are 598.05 million euros, against 639.45 million euros in the previous financial year. This is a decrease of EUR 41.40 million.

This fall is largely due to the liquidation of Dolmen Computer Applications shares that were distributed as an additional dividend for financial year 2003/2004.

The new shareholdings in related companies largely relate to capital increases in NV Bio Galaxy and NV Dream.

There is also an increase of EUR 0.70 million in companies with a shareholding relationship.

The guarantees are EUR 0.11 million, against EUR 0.10 million in the previous year.

Current assets

The current assets are 421.31 million euros, against 393.03 million euros in the previous financial year.

The main changes compared to the previous financial year are:
(in million euros)

	2004/2005	2003/2004
	-----	-----
V - Debtors due after more than 1 year	1.02	1.04
VI - Stocks	238.91	241.89
VII A - Trade debtors	33.36	33.77
VII B - Other accounts receivable	4.40	8.25
VII - Investments	61.59	31.00
IX - Cash at bank and in hand	41.14	39.48
X - Deferred charges and accrued income	40.89	37.60
	-----	-----
	421.31	393.03

The investments of EUR 61.59 million include the purchased own shares at a value of EUR 58.07 million. These are entirely our own shares (655,016 shares on 31/03/2005).

Other investments rose from EUR 2.48 million in the previous financial year to EUR 3.53 million this financial year.

They are the non called-up shares of Dolmen Computer Applications on the balance sheet date. (relating to the dividend payment for financial year 2003/2004). From 01 April 2005 to 30 June 2005 these shares were sold on the stock market.

LIABILITIES

Capital and reserves

The capital and reserves of the Ets. Fr. Colruyt N.V. is 324.30 million euros against 273.87 million euros in the previous financial year.

I. Capital

On 31 March 2005 the capital of Etn. Fr. Colruyt N.V. was 148,815,234.78 euros represented by 35,387,762 shares.

In the course of financial year 2004/2005, the capital was raised by 9,942,605.00 million euros by means of a new share issue reserved for members of personnel of the Colruyt group. This capital increase took place on 24 December 2004 and represented 104,659 shares.

The authorised but unsubscribed capital

The authorised but unsubscribed capital is 106,594,215.65 euros.

II. Share premium account - warrants

In financial year 1998/99 the share issue premiums increased by EUR 24,789.35 as a result of the creation of warrants.

Total share premium account: 49,578.70 euros.

On 25/10/2003, these warrants lapsed and were not renewed.

The amount of EUR 49,578.70 has been kept under this section.

III. Revaluation surpluses

The book value was 8.83 million euros against 9.09 million euros in the previous financial year.

This section decreased by the depreciation of the financial year, i.e: EUR 0.26 million.

IV. Reserves

The appropriation of profit from financial year 2004/2005 proposed to the General Meeting has already been incorporated into section 2). The figures shown are thus subject to the approval of the General Meeting.

The reserves are 136.08 million euros, against 102.20 million euros in the previous financial year.

CHANGES IN RESERVES (in million euros):

Closing situation at end of previous financial year:	102.20
Appropriation to the legal reserve	0.99
Untaxed reserve	
-allocation for deferred taxes	0.29
Available reserve	
-allocation of depreciation/liquidation revalued FA	0.26
-transfer to unavailable reserves relating to own shares	
Profit share financial year 2003/2004	5.56
-dividend on own shares	2.19
-Settlement of the dividend to be paid relating to official price of DCA shares on 20/09	-4.96
Unavailable reserve	
- growth of own shares in financial year 2004/2005	35.11

- allocation profit share financial year 2003/2004	-5.56
Closing situation at end of financial year:	136.08

VI. Investment grants

Investment grants are EUR 0.12 million, i.e. the ecological support of the Flemish Region.

VII.A. Provisions for liabilities and charges

Provisions for liabilities and charges are 14.36 million euros, against 12.03 million euros in the previous financial year.

Summary of provisions (in million euros) for:	2004/2005 -----	2003/2004 -----
- Pensions	3.94	3.53
- Taxes	0.00	0.00
- Major repairs	4.69	4.12
- Other liabilities	5.73	4.38
	-----	-----
	14.36	12.03

VII. B. Deferred taxes

Deferred taxes are 1.62 million euros, against 1.49 million euros in the previous financial year.

This item includes 0.07 million euros of deferred taxes on investment grants received, together with 1.55 million euros of deferred taxes on capital gains on fixed assets (1.41 million euros in the previous year). The amounts have been calculated on the basis of the applicable rates.

Withdrawals are entered in the profit and loss account (see IX.bis 'Withdrawals from Deferred Taxation'.)

VIII. Creditors due after more than one year

The outstanding balance of long-term loans is 248.70 million euros, against 258.66 million euros in the previous financial year.

20.07 million euros was also transferred to section XI.A 'Current portion of debts payable after one year.'

In order to finance new Colruyt shops, new leases were agreed with the real estate subsidiary Onveco for a total amount of EUR 6.46 million.

IX. Creditors due within one year

Creditors due within one year are 694.74 million euros, against 748.60 million euros in the previous financial year.

Summary (in million euros) for:	2004/2005 -----	2003/2004 -----
- Current portion of creditors due within one year	20.07	12.56
- Trade creditors	371.23	386.02
- Paymens received on account	4.43	4.45
- Taxes, remuneration	160.00	129.41
- Other creditors	139.01	216.16
	-----	-----
	694.74	748.60

Trade creditors largely consist of suppliers to be paid, with a value of EUR 348.20 million against EUR 359.88 million in the previous year.

The other accounts payable include an amount of EUR 97.42 million in dividends, directors' bonuses and employee profit share to be paid for financial year 2004/2005. Also the short-term debt relating to Finco: EUR 24.71 million.

PROFIT AND LOSS ACCOUNT

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I.+ II. Operating results

The turnover for financial year 2004/2005 excluding VAT amounts to 3,356.22 million euros, compared with 2,990.87 million euros for financial year 2003/2004, an increase of 12.22 %.

The gross sales margin was EUR 608.90 million (18.14% of turnover) against EUR 580.96 million (19.42% of turnover) in the previous financial year.

'Own production capitalised' amounts to 13.17 million euros, as against 12.04 million euros the previous financial year. This item primarily consists of investments made by internal technical services (fitting out of central buildings and of shops).

The other operating income amounts to 215.07 million, compared with 168.81 million in the previous year and largely includes the contributions for advertising and other miscellaneous operating income which bear no direct relationship to the sale of merchandise.

Purchases of raw materials, consumables and goods for resale increased by 14.00% and were EUR 2,747.31 million, against EUR 2,409.92 million in the previous financial year.

The costs of services and other goods rose by 3.06% and were 209.06 million euros, compared with 202.86 million euros in the previous year.

The item 'Wages, social security charges and pensions' comprises the wage bill, including provisions for holiday pay and Christmas bonuses, and amounts to 336.71 million euros, compared with 308.30 million euros in the previous financial year. This is an increase of 9.22% compared to the previous financial year.

Depreciation and write-downs included on fixed assets were 44.18 million euros, against 38.18 million euros in the previous financial year. This is an increase of 15.72%.

The amounts written off trade debtors were EUR 0.39 million, against EUR 0.23 million EUR in the previous year.

Breakdown of depreciation and write-downs
(in million euros)

	2004/2005 -----	2003/2004 -----
Depreciation and amounts written off		
- Formation expenses	2.95	2.29
- Intangible fixed assets	0.81	0.49
- Tangible fixed assets	40.42	35.40
- Trade debtors	0.39	0.23
	-----	-----
	44.57	38.41

In comparison with the previous financial year, 6.16 million euros more depreciation and write-downs was applied.

The declining balance method has been applied to acquisitions of "Tangible fixed assets" (items III.A-B-C-D and E). This results in extra write-offs of 2.62 million euros compared with the straight-line method.

Provisions charged to the profit and loss account were 2.33 million euros, against -28.70 million euros in the previous financial year. Provisions of EUR 11.42 million were set aside. There were write-backs of EUR 9.09 million.

Provisions -----	Made ----	Written back -----
(in million euros)		
- For early retirement pensions	2.11	-1.70
- For major maintenance	4.69	-4.12
- Soil decontamination	4.56	-2.20

- Miscellaneous

0.06	-1.07
-----	-----
11.42	-9.09

Other operating costs were 3.06 million euros, against 3.75 million euros in the previous financial year and consist of (in million euros):

	2004/2005 -----	2003/2004 -----
- Miscellaneous taxes and imposts	2,98	3,54
- Capital losses on disposal of assets	0.08	0.20
	----- 3.06	----- 3.74

Operating profit

The operating profit for financial year 2004/2005 was 240.58 million euros against 238.88 million euros in the previous financial year. This is a rise of 0.71% compared to the previous financial year.

The operating profit for the previous financial year - taking account of a one-off positive impact of EUR 25.48 million relating to the social security dispute - was EUR 213.40 million against EUR 240.58 million. This financial year there was an increase of 12.74% compared to the previous financial year.

Operating cash flow

The operating cash flow is 284.75 million euros, against 277.06 million euros in the previous financial year. This is an increase of 2.78% compared to the previous financial year.

The operating cash flow in the previous financial year - without the one-off impact of EUR 25.48 million (social security) - was EUR 251.58 million. This financial year there was thus an increase of 13.18% compared to the previous financial year.

IV. + V Financial results

The FINANCIAL RESULT (difference between financial income and charges) amounts to 15.14 million euros.

Summary of FINANCIAL CHARGES en INCOME (in million euros)	2004/2005 -----	2003/2004 -----
- Income from investments	1.81	173.02
- Income from current assets	0.28	0.92
- Other fin. income	8.22	6.24
- Costs incurred on loans	-24.04	-23.51
- Write-downs (adjustments)	0.00	0.00

- Costs incurred on financial transactions	-1.41	-1.21
	-----	-----
	-15.14	155.46

The income from financial fixed assets (EUR 1.81 million) consists of EUR 1.41 million in dividends received from related companies and EUR 0.31 million in dividends received from companies with which there is a shareholding relationship.

In the previous financial year, the income from financial fixed assets (EUR 173.02 million) consisted almost entirely of dividends received from related companies, i.e. EUR 172.91 million, EUR 1.37 million of which were ordinary dividends and EUR 171.54 million supplementary and interim dividends.

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

The other financial income (EUR 8.22 million) includes payment discounts of EUR 7.93 million.

The costs of debts were EUR 24.04 million. This was from interest on loans: EUR 7.99 million, interest on real estate leases EUR 15.94 million, and miscellaneous interest: EUR 0.11 million.

The other financial costs (EUR 1.41 million) involve the costs of daily financial operations and exchange rate losses on foreign currency payments (EUR 0.19 million).

Profit from ordinary operations

The profit on ordinary operations in financial year 2004/2005 amounts to 225.44 million euros, compared with 394.34 million euros the previous year, a decrease of 42.83 %.

In the previous financial year the profit from ordinary operations, without the one-off positive impact relating to the social security dispute (EUR 25.48 million) and the supplementary and interim dividend from related companies (EUR 171.54 million), was EUR 197.32 million. Consequently, this financial year there was an increase of 14.25% with respect to the previous year.

VII. + VIII. Extraordinary results

The extraordinary income was EUR 0.51 million. This includes EUR 0.37 million from the gain on own shares that were issued as a profit share for financial year 2003/2004.

The extraordinary charges were EUR 3.05 million.

This largely concerns the loss on shares of EUR 2.97 million. This was from the NV Dolmen Computer Applications shares that were paid out as a dividend.

IX. Pre-tax profit

Etn. Fr. Colruyt closed financial year 2004/2005 with a profit before taxes of EUR 222.90 million. The previous year closed with a pre-tax profit of 394.99 million euros.

X. Taxes

Taxes amount to 76.31 million euros.

The average tax rate was 34.24%, i.e. the estimated taxes for the financial year with respect to the profit before taxes.

In the previous financial year, taxes were EUR 75.24 million or 19.05% with respect to the profit before taxes.

IX. Profit for the financial year

The profit after taxes of Etn. Franz Colruyt N.V. for financial year 2004/2005 was EUR 146.46 million, against EUR 319.61 million in the previous financial year.

XIII. Profit for the financial year available for appropriation

The profit to be appropriated of Etn. Franz Colruyt N.V. from financial year 2004/2005 was EUR 146.18 million, against EUR 319.30 million in the previous financial year.

Cash flow

The cash flow of Etn. Franz Colruyt N.V. from financial year 2004/2005 was EUR 190.64 million, against EUR 357.79 million in the previous financial year

- 5) After the end of the financial year, no important events have occurred.
- 6) No circumstances are known that could substantially affect the development of the company.

7) Given the unique nature and specific activity of the company, there were no activities relating to research and development.

8) Fee of the Auditor for special audit assignments.

The special audit assignments described below were performed by the Auditor.

In financial year 2004/2005, special audit assignments were entrusted to the Auditor relating to IAS, preference shares.
The fee for these was set at EUR 28,004.00.

9) **Corporate Governance**

Board of directors

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Composition

- Representing the main shareholders, executive directors:

Jef COLRUYT	Director - Chairman (2010)
René DE WIT	Managing Director (2005)
Frans COLRUYT	Director (2005)

Representing the main shareholders, non-executive directors:

PIET COLRUYT	Director (2005)
Francois GILLET	Director (2008)
	- Directeur at S.A. Sofina
N.V. ANIMA	Director (2008) whose permanent representative is : Jef Colruyt
N.V. HERBECO	Director (2005) whose permanent representative is : Piet Colruyt
N.V. FARIK	Director (2005) whose permanent representative is : Frans Colruyt
Jean de LEU de CECIL	Secretary

() Year in which mandate ends with possible reappointment by the Annual General Assembly.

There are no requirements in the articles of association for the appointment and re-appointment of directors. There is no age limit, either.

Messrs. Jef Colruyt, Frans Colruyt, Piet Colruyt, René De Wit and François Gillet are directors of other companies outside the Colruyt Group.

Currently the Board of Directors does not have any independent directors.

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.

Mandates
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The appointments of Messrs. René De Wit, Frans Colruyt, Piet Colruyt and the companies, N.V. Herbeco and N.V. Farik, as directors will end after the General Meeting of 21 September 2005.

Mr René De Wit - Managing Director - has given notice that he would like to permanently retire from business in order to concentrate on his spiritual and intellectual development. He thus does not wish to renew his appointment and will no longer be active in the Colruyt Group after the General Meeting.

Mr Piet Colruyt does not want his appointment renewed either, but will remain a permanent representative of N.V. Herbeco.

The other directors are standing for re-election for a term of four years.

We thank Mr De Wit for his many years of service and his valuable contribution to the development of the Colruyt Group.

Functioning of the Board of Directors

The Board of Directors meets each quarter according to a set schedule. These meetings take place in the second half of September, December, March and June of each year.

Periodically, interim meetings are held whenever considered necessary for discussing specific items or for taking time-related decisions.

The Board of Directors may only make valid decisions if at least half of the members of the Board are present or represented. All decisions of the Board of Directors are taken by an absolute majority of votes. In the event of a tie the vote of the Chairman is decisive.

At the quarterly meetings of the Board of Directors, ideas are exchanged and decisions are taken regarding the general, strategic, economic, commercial, financial and accounting issues of the companies that belong to the Colruyt Group.

This is done on the basis of a file that contains extensive information on each of the sectors belonging to the Colruyt Group and the various companies in them, in addition to the consolidated information on the Colruyt Group . Fixed items on the agenda include: financial results, financial outlook, investment outlook, and activity reports from each sector belonging to the Colruyt Group.

The directors are given the file at least 5 days before the meeting.

In view of the limited number of members of the Board of Directors, the Board considers separate committees superfluous under current circumstances.

There is no protocol with regard to carrying out the duties of director.

It is not customary to grant directors credits or loans.

The directors do not receive any bonuses or share-related incentive programmes, nor any benefits in kind relating to pension plans. In their capacity as managers, the executive directors receive the same components of remuneration and benefits as the executive management of the Colruyt Group.

Day-to-day management

Under the chairmanship of Mr Jef Colruyt, the 'Colruyt Group Management' consists of the general managers of the different sectors of the Group together with the managing director, the finance manager and the personnel manager of the Group. The 'Colruyt Group Management' determines the general strategy and the policy options at a group level, and coordinates the various sectors of the Group.

The "Future Board" consists of all managers and deputy managers of the Colruyt Group and stipulates the common objectives for each of the Colruyt Group sectors. The Future Board largely develops the long-term vision of the Colruyt Group and makes proposals in this respect to the Board of Directors, who then makes the decision.

These meetings are planned for every four and eight weeks respectively and are chaired by Jef Colruyt, chairman of the Board of Directors.

In addition there are fortnightly/monthly management meetings of managers from the separate sectors, chaired by the General Managers of the different sectors. This is where the chosen policy options are converted into practice.

Authorities of the General Manager and Managing Director

The authorities of the General Manager and Managing Director were extensively set by the Board of Directors and published in the appendices to the Belgisch Staatsblad (Belgian Bulletin of Acts and Decrees) of 29 October 1988 and of 23 December 1999.

The General Manager deals with the day-to-day management of the company with regard to commercial, organisational and personnel matters.

The Managing Director deals with the day-to-day management of the company with regard to finance, accounts, assets and liabilities, and administrative matters in the widest sense.

Criminal Liability

Every manager and deputy manager in the Future Board is individually responsible within his department for ensuring that all legal, regulatory, constitutional, organic and contractual requirements are observed and is liable for any breaches to them.

Appropriation of Results - Dividend Policy

According to the articles of association, at least 90% of the available profit is intended for the shareholders and 10% at the most for the directors. On the proposal of the Board of Directors, the General Meeting may decide to entirely or partially appropriate all or part of the available profit to a reserve account or to carry it forward to the next financial year.

The Board of Directors aims to increase the annual dividend per share at least in proportion to the increase of the group profit.

Although no set rule, annually at least 1/3 of the group economic profit is distributed in the form of dividends and director's entitlements.

Belgian Corporate Governance Code for stock exchange listed companies

Published on 9 December 2004, the Corporate Governance Code for Belgian stock exchange listed companies came into effect on 1 January 2005. As stipulated in the Code, by 1 January 2006 we will publish our corporate/sustainable governance charter on the website: www.Colruyt.be.

In our annual report 2005/2006, we will devote a specific chapter to Corporate Governance. It will contain information on our corporate/sustainable governance practices for the year concerned and the way in which we have applied the Code within the Colruyt Group.

In order to prepare for this, the Board of Directors proposes to the General Meeting of Shareholders that the following items are adopted in application of the Code.

The Board of Directors believes that account has to be taken of the shareholding structure of the company, in which the family shareholders have a majority. The family roots are an essential aspect and provide the best guarantee of sustainable governance. As the past clearly shows, the family shareholders ensure the stability and continuity of the company and in this way look after the interests of all the shareholders.

They prefer to appoint a few experienced directors from diverse backgrounds with a thorough knowledge of the company. The company has always been led by the Chairman of the Board of Directors, chosen from among the directors who represent the family shareholders, together with the managing directors and the general managers. There is thus no tradition of having the Management Board run by professional external managers.

With Mr Rene De Wit not being reappointed as director and managing director, the managing director will not be immediately replaced. The day-to-day management of the company will be divided between the general manager (for commercial, organisational and personnel matters) and the finance manager (for financial and accounting matters). Mr Jef Colruyt, Chairman of the Board of Directors, also remains chairman of the 'Colruyt Group Management' and the 'Future Board'. The Board of Directors only has a few members, but they all have a thorough knowledge of the company. They form a small team with the necessary flexibility and efficiency to respond to events and opportunities on the market.

The Board of Directors believes that an increase in the number of its members must be linked to a substantial improvement in the general management of the Colruyt Group. Hence the Board of Directors proposes working on 3 levels in 2005/2006 for the application of the Code:

1. Composition of the Board: executive and non-executive directors.

Given the permanent growth of the Colruyt Group with increasing operations abroad, the Board of Directors will propose appointing 1 independent director with international experience.

In order to stay true to the many years of tradition in the Colruyt Group, Mr Jef Colruyt will remain Chairman of the Board of Directors. Mr Jef Colruyt is also Chairman of the 'Colruyt Group Management' and the 'Future Board'.

The Board of Directors believes that this departure to the recommendations of the Code is perfectly justified given the history of the Colruyt Group on the one hand, and the important role of the family shareholders on the other.

2. Committees within the Board of Directors

At the end of the financial year 2005/2006, the Board of Directors will set up an audit committee with non-executive directors. This Committee will work together with the internal audit of the Colruyt Group and with the auditor.

The remuneration of the directors and executive management is still decided by the full Board of Directors.

Given the limited number of members within the Board of Directors, an appointment committee and a remuneration committee will not be set up.

3. Remuneration policy and publication

In the annual report 2005/2006, the Board of Directors will report on the remuneration policy of the directors and the executive management of the company. An internal regulation on the trading of shares will also be published.

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

In application of the Act of 2 March 1989 (publication of important shareholdings in companies listed on the stock exchange) we received an updated notice of our shareholding in the Sofina Group on 19 January 2005. For the other shareholders acting in consultation, the last notification dates from 16/6/2004.

Out of a total of 35,283,103 shares (position 16/6/2004), the position is summarised as follows:

The company has no knowledge of other agreements between shareholders. Detail of the notices of 19/012005/16 and 06/06/2004.

Structure of the shareholders of Etn. Fr. Colruyt N.V. according to the latest transparency notifications of 19/1/2005 and 16/6/2004.

I. Colruyt family and relatives

	Number of	%
1. Colruyt family and relatives		
Shares	2,211,960	6.27
2. N.V. H.I.M.		
Shares	8,039,577	22.79
3. N.V. D.I.M.		
Shares	5,438,500	15.41
TOTAL COLRUYT FAMILY AND SIMILAR ACTING IN CONSULTATION		
Shares	15,690,037	44.47

II. Colruyt personnel

1. Foundation Klaperco		
Shares	692,020	1.96
2. Colruyt personnel		
Shares	405,182	1.15
TOTAL STAFF		
Shares	1,097,202	3.11

III. Colruyt Group

1. Etn. Fr. Colruyt N.V. (own shares purchased)		
Shares	661,847	1.88
2. N.V. Vlevico (subsidiary)		
Shares	220,481	0.62
3. S.A. Waldico (subsidiary)		
Shares	46,741	0.13
TOTAL RELATED COMPANIES (Etn. Fr. Colruyt N.V. + subsidiaries)		
Shares	929,069	2.63

IV. Sofina Group

1. S.A. Sofina (**) (parent company)		
Shares	0	0.00
2. S.A. Rebelco (**)	2,000,000	5.67
TOTAL SOFINA Group		
Shares	2,000,000	5.67

(**) On 19 January 2005, N.V. Sofina announced that it had sold its 2,000,000 shares of N.V. Etn. fr. Colruyt to its 100% subsidiary, N.V. Rebelco.

General total of persons acting in concert: (Colruyt family + Colruyt Group + Sofina Group + Colruyt personnel)

Shares	19,716,308	55.88
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Nominative:

Shares 35,283,103 (situation on 16/06/2004)

- 10) May we ask you to discharge the directors from their liability for last financial year.

- 11) May we ask you to discharge the Auditor from his liability for last financial year.

- 12) In the course of the financial year, the Board of Directors did not issue any securities with regard to the authorised capital.

Halle, 24 June 2005

René De Wit
Managing Director