Chairman's address on the occasion of the General Meeting of Shareholders of the Etn. Fr. Colruyt nv of 21 September 2011

Key figures

In a climate marked by a political deadlock in Belgium and declining consumer trust in the Euro area, as a group we realised a more than substantial turnover increase of 7.8%. Revenue amounted to 7.28 billion euros compared with 6.75 billion euros last financial year.

However, the operational results lagged behind revenue growth. In absolute figures, the Ebit of the group rose by a half percent to 472.2 million euros. The ebit margin closed at 6.5%, a half percent less than last year.

In the end the group's share in the consolidated profit after taxes increased by 2.5% to 338.0 million euros compared with 329.6 million euros last year.

The earnings per share (group share) increased by 2.3% to 2.14 euros.

In keeping with the evolution of the net result, an increase of the gross dividend of 2.68% to 0.92 euros per share is proposed.

The cash flow (group share) rose by 5.9% to 486.8 million euros compared with 459.5 million euros last year.

In the past financial year the Colruyt Group welcomed 1,553 new employees bringing the total staff to 24,119 employees at 31 March 2011.

The Board of Directors feels it can conclude that we have closed financial year 2010-2011 with substantial figures on a challenging market.

Last financial year the Colruyt Group contributed more than 802 million euros to the Belgian Treasury. This amount represents 55% of the added value generated by the Belgian employees. Companies and employees are expected to use their means and labour efficiently and effectively. Consequently we count first and foremost on an efficient use of our contributions for the imminent and necessary reorganisation of the government's finances. We also expect that entrepreneurship will not be crippled by an unrealistic administrative or tax burden, and that the buying power of our families will not be heavily affected.

In a constantly evolving retail market, each of our business activities will consistently work on the daily realisation of their specific promises to the customer. Together we want to achieve useful and sustainable retail.
For this purpose, in the past financial year the Colruyt Group again invested more than 300 million euros in stores, distribution centres, production plants and information technology. We also invested in sustainable waste processing and renewable energy projects such as the wind farms Belwind and Northwind.

In the fall of 2010 we centralised our real estate in one company. This operation enabled us to reduce the operating costs, and to manage the real estate owned by the group more efficiently, on-charge it uniformly and transparently and secure it in a sustainable way. In this context the depreciation period of all our real estate will be equated which will result in additional depreciation expenses of 9 million euros for the next financial year.

Results per segment

Retail trade

The retail segment comprises all our own stores and webshops in Belgium using the logos Colruyt, OKay, Bio-Planet, DreamLand, DreamBaby and ColliShop/Cookozi. In France it consists of the own Colruyt and Coccinelle stores. This segment represents 77 % of the total revenue of the Group.

Last financial year retail trade achieved a sales increase of 7.7%. The contribution to the operating profit increased by 2.8%.

The Colruyt stores in Belgium achieved a revenue increase of 6.4% compared to the past financial year. We opened five new Colruyt stores and extended 11 existing branches. Our share of the Belgian market rose to 24.48% for calendar year 2010. During the first semester of 2011 the Colruyt stores were able to further increase their market share.
Inflation is rising again, and we can only apply it to our store prices with a delay. The increase in prices of raw materials and energy not only has an impact on our margins, but on the spending pattern of families as well.
On a very edgy market Colruyt has efficiently and flexibly succeeded in fulfilling its guarantee of the lowest prices. As a result of this, the consumer has found the much needed confidence again. We will continue to realise our guarantee consistently in the future as well.

The OKay and Bio-Planet stores recorded a strong growth of 18.7% again. OKay opened 8 new stores bringing the total to 74 stores at the end of March 2011. At the end of the financial year Bio-Planet had 7 stores.

The revenue of our specialised non-food retail stores DreamLand and DreamBaby increased by 9.5%. We worked very hard on restyling and remodelling the ColliShop assortments into individual webshops. The Cookozi webshop, devoted to the fun of cooking, eating and having a good time, set the ball rolling.

In a climate of fierce competition and a stagnating consumer market, our 54 integrated stores in France achieved a 9.6% revenue growth. Customers particularly appreciate the concept of the lowest prices for national brands and a broad "first price" range (premiers prix).

Wholesale trade and Food service

Wholesale and Food service make up our second most significant business segment and represent 17% of the group's revenue. On a very competitive market we achieved a 4.2% revenue growth in the past financial year.

The growth of our Belgian wholesale activities by 10.9% can be attributed mainly to Spar Retail that succeeds in steadily increasing its market share, turnover per square metre and profitability. A far-reaching remodelling programme and constant price investments make Spar an attractive player in the segment of independent local shops.

With Collivery and Foodinvest, which we acquired in April 2010, the group wants to offer a complete food service assortment to commercial (restaurants, hotels, bars, party rooms, etc.) and social (homes, hospitals, company restaurants, etc.) catering in Belgium. We elaborated a business plan for the complete integration of these activities, and we are developing commercial synergies with the food service in France.

In France, wholesale and food service had a slight dip of 1.9%. Despite the sharp competition and price pressure, the segment of affiliated stores was able to achieve a revenue increase. The food service however had a transition year with the disinvestment of the Codi Cash stores, the further integration of companies acquired and the simplification of company structures.

Other activities

This segment represents 7% of the group’s revenue and it includes petrol sales in Belgium and France under the DATS 24 logo, the printing and document management activities of Symeta and the engineering activities of intrion. Revenue of our 'other activities' rose by 18%. This growth can be attributed mainly to DATS 24 that recently started to offer CNG (Compressed Natural Gas) in a number of petrol stations.

Purchase programme treasury shares

In the past period, we used the authorisation of the Extraordinary General Meeting to repurchase treasury shares again. During the past financial year, we purchased treasury shares for an amount of 7 million euros. In the period from April to the end of August of the current financial year, we purchased treasury shares for an amount of nearly 27 million euros. Today, the company owns 10,556,579 treasury shares or a little more than 6% of the total number of shares issued. In the near future, the company will continue to repurchase treasury shares if the opportunities present themselves.

The extraordinary general meeting of shareholders of 12 October 2010 decided to split the share by 5. This share split by 5 took place on 15 October 2010. To be able to cash future dividends, shareholders who are still in possession of old physical securities, with coupon 13 and next attached, have to exchange these against new shares.

Prospects

As a Group we keep increasing our revenue and market share thanks to our consistent price strategy.
For this purpose we will focus on the optimisation of our operational costs. Indeed we are faced with increasing raw materials prices, which we can only partly on-charge to the consumer. The automatic indexing mechanism and the increasing energy prices also keep carrying a lot of weight on our cost structure.

On an edgy political, financial and economic market with insecure consumers who keep a tight hand on their purse, it is extremely difficult to give an exact forecast. In financial year 2011/2012, we seek to achieve a consolidated net result (group share) that comes close to that of the closed financial year. If necessary we will update this outlook when we publish our half-yearly results at the end of November 2011.

In the years to come we will steadily pursue our growth. To do so we will use our talents, our joint mission and our key values to create sustainable added value over and over again.
By translating our mission into ambitions, policy lines and group projects, we are preparing the group for future internal and external challenges.

By way of conclusion I would like to thank all our customers, but I would also like to thank all the employees of the Coluyt Group for their dedication to serve our customers. The creditable results we achieve as a group year after year are the direct result of the efforts of each one of them. Thanks to their efforts we can look forward to the future of the group with hope and much confidence.

Jef Colruyt
Chairman of the Board of Directors
Colruyt Group