Consolidated information on the first semester of 2017/18

Revenue grows 3,7%
Lower operating profit as a result of increased margin pressure

Halle, 12 December 2017

Introduction

As reported in the press release of 1 February 2017, the sale of the French foodservice business ('Pro à Pro') was finalised on that date. As a result, the current period does not include results of Pro à Pro, whereas the published figures of the first half of financial year 2016/17 included six months of Pro à Pro's results.

In order to facilitate comparability with last year, key figures of the first half of the financial year 2016/17 are also reported exclusive of Pro à Pro's results ('comparable results'). The information provided in the headlines and the financial report is based on these comparable results.

I. Headlines

- Colruyt Group's revenue grows 3,7% to over EUR 4,4 billion.
- Market share in Belgium expands by 8 basis points to 31,89% in the first semester.
- The Colruyt banner delivers on its promise to offer the lowest prices day after day.
- Gross profit margin declines from 26,2% to 25,7% as a result of increased price and promotional pressure.
- Further sharpened focus on cost control.
- Investments in the long-term strategy are continued.
  Efficiency, sustainability, quality and innovation remain key priorities.
- Increased depreciation charges resulting from continuous investments in stores and the logistics infrastructure.
- Operating profit (EBIT) decreases from 5,8% to 5,2% of revenue.
- One-off effects related to the participation in Parkwind Group have a favourable impact of EUR 15 million on the 2017/18 group result (compared to EUR 7 million in 2016/17).
- Net profit decreases by EUR 3 million to EUR 180 million (4,0% of revenue).

- Investments in tangible and intangible fixed assets amount to EUR 190 million.
- Net cash and cash equivalents amount to EUR 477 million.
- As at 30 September 2017, Colruyt Group has 27.758 employees (full-time equivalents). Compared to the year-end figures as at 31 March 2017, employment increased by 125 full-time equivalents.

II. Consolidated key figures

(in million EUR)	1/4/2017 - 30/9/2017	1/4/2016 - 30/9/2016		Variance
		Published results	Comparable results (1)	versus comparable results 2016
Revenue	**4.458**	**4.656**	**4.300**	**+3,7%**
Gross profit	**1.145**	**1.198**	**1.126**	**+1,7%**
% of revenue	25,7%	25,7%	26,2%	
Operating cash flow (EBITDA)	**352**	**371**	**357**	**-1,6%**
% of revenue	7,9%	8,0%	8,3%	
Operating profit (EBIT)	**232**	**257**	**248**	**-6,5%**
% of revenue	5,2%	5,5%	5,8%	
Profit before tax	**251**	**267**	**258**	**-2,6%**
% of revenue	5,6%	5,7%	6,0%	
Profit for the period	**180**	**192**	**183**	**-1,7%**
% of revenue	4,0%	4,1%	4,3%	
Earnings per share (in EUR) (2)	**1,23**	**1,30**	**1,24**	**-0,3%**

(1) *The sale of the French foodservice business Pro à Pro was finalised on 1 February 2017. In order to facilitate comparability with last year, key figures of the first half of the financial year 2016/17 are also reported exclusive of Pro à Pro's results ('comparable results').*
For more information on the sale of Pro à Pro we refer to Colruyt Group's press releases of 8 July 2016 and 1 February 2017.

(2) *The weighted average number of outstanding shares equalled 145.206.504 in the first semester of 2017/18 versus 147.365.578 last year.*

III. Financial report

A. Consolidated income statement

The information below is based on the comparable results.

Revenue increased by 3,7% to EUR 4.458 million in the first half of 2017/18. Excluding petrol, revenue increased by 2,9%. This growth in revenue compared to last year is attributable to sales price inflation, sales surface expansion and organic growth.

Colruyt Group's market share in Belgium (Colruyt, OKay and Spar) expanded by 8 basis points to 31,89% in the first semester.

The **gross profit margin** amounted to 25,7% of revenue (26,2% in 2016/17).
Excluding petrol, the gross profit margin was down 33 basis points compared to last year, as a result of intensified price pressure, increased promotional activity and our consistently applied lowest price policy. As the Colruyt banner guarantees its customers the lowest price for each product at each moment, steep cost price increases from suppliers could neither fully nor immediately be passed on to the consumers.

During the first semester Colruyt Group further sharpened its focus on cost control. At the same time, long-term investments towards employees, efficiency, sustainability and transformation projects were continued. The net operating expenses amounted to 17,8% of revenue in 2017/18 (17,9% last year).

The **EBITDA margin** amounted to 7,9% versus 8,3% in the first six months of 2016/17. This decrease is primarily due to the lower gross profit margin.

Investments in stores and the logistics infrastructure resulted in an increase of the depreciation charges by EUR 10 million to EUR 118 million. No significant impairment costs were recorded.

The lower **operating profit (EBIT)** is the result of the EBITDA decrease and higher depreciation charges. The EBIT margin declined from 5,8% to 5,2% of revenue.

The financial result was EUR 2 million lower than last year.

The improved result from investments in joint ventures can be explained by higher one-off gains from the participation in Parkwind group (EUR 15 million in 2017/18 versus EUR 7 million in 2016/17).

The effective tax rate increased from 29,8% to 30,6% in the first semester, partly due to the lower notional interest deduction in Belgium.

The **profit for the period** decreased by EUR 3 million to EUR 180 million (4,0% of revenue). The lower EBIT was partly offset by higher one-off results from investments in joint ventures.

B. Income statement per segment

1. Retail

Revenue from the retail activities grew by 3,2% to EUR 3.683 million. Retail accounted for 82,6% of the consolidated revenue.

The Belgian retail market was marked by increased price and promotional competitiveness and weaker summer months compared to the first six months of last year. Due to the increase in excise duties on alcoholic beverages, cross-border purchases continue to gain ground. The share of the own brands grew as a result of higher national brand prices and of customers taking well-considered purchasing decisions. There was no significant upturn in the economic climate for the consumer in Belgium and France, while consumer confidence was positive in recent months.

Revenue of the **Colruyt stores in Belgium and Luxembourg** climbed 1,9% as a result of sales price inflation and volume growth.
Colruyt continues to invest in store expansion and modernisation. In the first six months of 2017/18 seven stores were converted to the modernised store concept and 29 stores were given the new 'look & feel'. The roll-out of the new store design is on schedule and will be completed by the end of 2017.
Colruyt Lowest Prices delivers on its brand promise day after day by offering the lowest price for every product at every moment. Price reductions and promotions offered by any of its competitors are immediately integrated in the sales prices. Colruyt remains the cheapest supermarket in Belgium.

OKay, Bio-Planet and Cru reported an aggregate revenue growth of more than 7% as a result of new store openings, new customer inflow and sales price inflation. During the first semester of 2017/18 one OKay and two Bio-Planet stores were opened. OKay's renewed store concept is appreciated even more by the customer. The bio supermarket Bio-Planet remains the group's pioneer in organic products, sustainability and healthy food.

Colruyt Group offers its customers **3 clearly distinguishable brand layers**: (inter)national brands, products labelled Boni Selection (Colruyt Group's house brand) and products labelled Everyday Selection (the group's discount brand).

The **Colruyt stores in France** reported a 9,7% revenue growth, excluding petrol. Petrol included, revenue climbed 11,6%.
The growth in revenue compared to last year was driven by organic growth and two store openings. The success of the Colruyt stores in France is attributable to continuous investments in price positioning and store network modernisation. Our customers appreciate the new store concept, the brand promise 'Tout simplement l'essentiel' and the lowest prices strategy. Colruyt Group will therefore continue to invest in the French retail activities.

The combined store revenue of **Dreamland and Dreambaby** was 7,3% higher than last year. The revenue growth is the result of a favourable Easter effect and good weather conditions in spring. The growth was partly offset by a further marked shift towards online sales.

Sustained investments in **e-commerce** continue to bear fruit as the share of online sales in the total revenue further increases.
The network of collection points of Collect&Go, the group's online shopping service, was further expanded in 2017 and currently includes over 250 collection points. Collect&Go is the market leader in the Belgian online food market.

Xtra, the joint loyalty card for nine store formats and webshops of the group, was successfully launched in April 2017, together with an accompanying app and login. The advantages for the customers are the ease-of-use and the fact that they can manage the interaction with Colruyt Group themselves in a transparent way.

2. Wholesale and Foodservice

The wholesale and foodservice segment - excluding the sold Pro à Pro - grew by 1,6% to EUR 463 million. These activities accounted for 10,4% of the consolidated revenue in 2017/18.

Wholesale revenue increased by 0,9% to EUR 391 million.
This revenue includes the deliveries to independent storekeepers in Belgium (Retail Partners Colruyt Group) and France (Coccinelle, CocciMarket and Panier Sympa).
Retail Partners Colruyt Group is the co-licensee of the Spar brand in Belgium. At the same time, it is responsible for the purchasing of goods for and the provision of logistics services to Alvo, independent Mini Markets and smaller independent storekeepers.
The new Spar store concept was further rolled out in 2017/18. The new concept is based on the value-driven, customer-oriented collaboration with the Spar entrepreneurs and is reflected in an intense fresh experience and in the new 'Spar Colruyt Group' logo. The Spar Colruyt Group stores achieved an above average revenue growth and a profitability that ranks among the best on the market.

The Belgian **foodservice** business Solucious and the export activity Colex posted an aggregate revenue increase of 5,2%, a growth that can mainly be attributed to Solucious' assets: ease-of-use, personal service, keen and transparent prices and fast and reliable deliveries.

3. Energy and other activities

Revenue increased by 12,6% to EUR 312 million, accounting for 7,0% of this year's consolidated revenue.

This segment basically comprises the revenue of the Belgian **DATS 24** filling stations. Revenue of DATS 24 grew as a result of volume gains and higher fuel prices.
DATS 24 continues to distinguish itself through its ecologically sustainable policy. Today, the CNG network in Belgium includes 51 stations. CNG (Compressed Natural Gas) is more economical and ecological than conventional fuels and less impacting on the environment and health. The group aims to have 100 CNG stations in Belgium by 2020.

Colruyt Group also seeks to become increasingly self-reliant in its energy needs. **Eoly**, the group's green energy producer, therefore continues to invest in sustainable energy projects. With thirteen wind turbines already operational today, Eoly will continue to expand the generation of energy through wind turbines, solar panels and combined heat and power plants in the future.
Eoly has recently begun targeting the external market as well. Early 2017 a participation model was set up, Eoly Cooperation, allowing neighbours of wind turbines to become co-owners and thus share in the profits.

C. Balance sheet

The net carrying amount of the **tangible and intangible fixed assets** increased by EUR 66 million to EUR 2.240 million. The increase is basically the net effect of new investments (EUR 190 million) and depreciation (EUR 118 million).

Net **cash and cash equivalents** decreased by EUR 46 million to EUR 477 million as at 30 September 2017.

D. Treasury shares

During the first semester of 2017/18, 823.256 treasury shares were purchased. As at 30 September 2017 Colruyt Group held 5.091.565 treasury shares (3,4% of the total number of shares issued).

On 27 September 2017 the Board of Directors of Colruyt Group decided to launch a share buyback programme. Under this programme Colruyt Group purchases treasury shares for a maximum amount of EUR 350 million. The purchase programme started on 2 October 2017 and has an expected term of 2 years. The aim of the purchase programme is to reduce the company's excess cash and decrease the capital by cancelling in part or in full the shares acquired under the purchase programme. Purchases are made in accordance with the applicable laws and regulations and under the authorisation granted by the Extraordinary General Meeting of Shareholders of 14 October 2014. The programme is being executed by an intermediary pursuant to a discretionary mandate, making it possible to purchase shares during both open and closed periods. Since the launch of the share buyback programme 2.541.716 treasury shares were purchased.

Hence, as at 6 December 2017, Colruyt Group held 7.633.281 treasury shares (5,1% of the total number of shares issued).

E. Events after the reporting period

There are no significant events after the balance sheet date.

IV. Outlook

Colruyt Group expects the retail market to remain competitive in the 2017/18 financial year. The group does not anticipate a significant upturn in the economic climate for the consumer in Belgium and France in the short term.

Colruyt Group reaffirms that the group will continue to take all measures necessary to ensure the full-year net result for 2017/18 matches as closely as possible the comparable net result of last year (EUR 348 million).

Colruyt Group will continue to keep its operating expenses under control, while continuing to invest in its long-term strategy. Colruyt will not scale down its investments in its stores and distribution channels, IT systems, employees, sustainable energy projects and the quality of products and services. Colruyt Lowest Prices will consistently implement its lowest prices strategy.

V. Financial calendar

• Information to financial analysts	13/12/2017 (14h00)
• Publication annual results 2017/18	19/06/2018 (17h45)
• Information to financial analysts	20/06/2018 (14h00)
• Publication annual report 2017/18	31/07/2018
• General Assembly of Shareholders	26/09/2018 (16h00)

VI. Contacts

For questions on this press release or for further information, please send an e-mail to investor@colruytgroup.com or contact Marc Hofman (CFO) or Liesbeth Nuelant (Investor Relations) by phone at +32 2 363 50 51 (extension: 92590).

About Colruyt Group

Colruyt Group operates in the food and non-food distribution sector in Belgium, France and Luxembourg with approximately 540 own stores and over 600 affiliated stores. In Belgium this includes Colruyt, OKay, Bio-Planet, Cru, Dreamland, Dreambaby and the affiliated stores Spar and Spar Compact. In France, in addition to Colruyt stores, there are also affiliated Coccinelle, CocciMarket and Panier Sympa stores. The group is also actively involved in the foodservice business (supply of food products to hospitals, company canteens and catering businesses) in Belgium (Solucious). The other activities comprise the sale of fuel in Belgium (DATS 24), printing and document management solutions (Symeta) and the production of green energy (Eoly). The group employs over 29.000 employees and recorded a EUR 9,4 billion revenue in 2016/17. Colruyt is listed on Euronext Brussels (COLR) under ISIN code BE0974256852.

Risks relating to forecasts

Statements by Colruyt Group included in this press release, along with references to this press release in other written or verbal statements of the group which refer to future expectations with regard to activities, events and strategic developments of Colruyt Group, are predictions and as such contain risks and uncertainties. The information communicated relates to information available at the present time, which can differ from the final results. Factors that can generate a variation between expectation and reality are: changes in the micro- or macroeconomic context, changing market situations, changing competitive climate, unfavourable decisions with regard to the building and/or extension of new or existing stores, procurement problems with suppliers, as well as all other factors that can impact the group's result. Colruyt Group does not make any commitments with respect to future reporting that might have an influence on the group's result or which could bring about a deviation from the forecasts included in this press release or in other group communication, whether written or oral.

Deze informatie is ook beschikbaar in het Nederlands.
Cette information est également disponible en français.

Only the Dutch version is the official version.
The French and English versions are translations of the original Dutch version.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (not audited)

Condensed consolidated interim income statement

(in million EUR)	01.04.2017 - 30.09.2017	01.04.2016 - 30.09.2016
Revenue	4.457,8	4.655,7
Cost of goods sold	(3.312,7)	(3.458,0)
Gross profit	**1.145,1**	**1.197,7**
Other operating income	48,6	42,0
Services and miscellaneous goods	(228,8)	(228,2)
Employee benefit expenses	(601,8)	(627,6)
Depreciation, amortisation and impairment of non-current assets	(119,9)	(113,4)
Other operating expenses	(11,2)	(13,0)
Operating profit (EBIT)	**232,0**	**257,5**
Finance income	4,0	3,8
Finance costs	(3,8)	(1,6)
Net financial result	**0,2**	**2,2**
Share in the result of investments accounted for using the equity method	18,8	7,3
Profit before tax	**251,0**	**267,0**
Income tax expense	(71,0)	(74,5)
Profit for the period	**180,0**	**192,5**
Attributable to:		
Non-controlling interests	0,7	0,6
Owners of the parent company	**179,3**	**191,9**
Earnings per share (EPS) – basic and diluted (in EUR)	**1,23**	**1,30**

Condensed consolidated interim statement of comprehensive income

(in million EUR)	01.04.2017 - 30.09.2017	01.04.2016 - 30.09.2016
Profit for the period	**180,0**	**192,5**
Items of other comprehensive income from fully consolidated subsidiaries		
Items that will not be reclassified to profit or loss		
Revaluation of liabilities related to long-term post-employment benefits, after taxes	9,2	(55,9)
Total of the items that will not be reclassified to profit or loss	**9,2**	**(55,9)**
Items that may be reclassified subsequently to profit or loss		
Profit/(loss) from currency translation of foreign subsidiaries, after taxes	(1,2)	0,1
Net change in fair value of financial assets available for sale, after taxes	0,6	5,2
Total of the items that may be reclassified subsequently to profit or loss	**(0,6)**	**5,3**
Items of other comprehensive income from investments accounted for using the equity method		
Items that may be reclassified subsequently to profit or loss		
Net change in fair value of derivative financial instruments, after taxes	4,2	(7,6)
Total of the items that may be reclassified subsequently to profit or loss	**4,2**	**(7,6)**
Other comprehensive income for the period	**12,8**	**(58,2)**
Total comprehensive income for the period	**192,8**	**134,3**
Attributable to:		
Non-controlling interests	0,7	0,6
Owners of the parent company	**192,1**	**133,7**

Condensed consolidated interim statement of financial position

(in million EUR)	30.09.2017	31.03.2017
Goodwill	57,0	57,4
Intangible assets	100,0	79,8
Property, plant and equipment	2.083,0	2.037,0
Investments accounted for using the equity method	233,3	210,8
Financial assets	12,7	12,0
Deferred tax assets	25,6	22,6
Other receivables	37,8	34,8
Total non-current assets	**2.549,4**	**2.454,4**
Inventories	589,8	600,3
Trade receivables	505,0	441,2
Current tax assets	37,9	0,2
Other receivables	42,5	36,1
Financial assets	25,4	24,5
Cash and cash equivalents	477,2	523,7
Assets held for sale	14,4	14,4
Total current assets	**1.692,2**	**1.640,4**
TOTAL ASSETS	**4.241,6**	**4.094,8**
Share capital	305,8	305,8
Reserves and retained earnings	1.811,7	1.830,2
Total equity attributable to owners of the parent company	**2.117,5**	**2.136,0**
Non-controlling interests	4,9	4,2
Total equity	**2.122,4**	**2.140,2**
Provisions	26,6	26,9
Liabilities related to employee benefits	144,5	153,6
Deferred tax liabilities	55,8	57,3
Interest-bearing and other liabilities	14,0	16,2
Total non-current liabilities	**240,9**	**254,0**
Provisions	0,5	0,4
Interest-bearing liabilities	12,5	11,6
Trade payables	1.084,8	1.081,8
Current tax liabilities	128,1	124,3
Liabilities related to employee benefits and other liabilities	652,4	482,5
Total current liabilities	**1.878,3**	**1.700,6**
Total liabilities	**2.119,2**	**1.954,6**
TOTAL EQUITY AND LIABILITIES	**4.241,6**	**4.094,8**

Condensed consolidated interim statement of changes in equity

(in million EUR, except number of shares)	Attributable to the owners of the parent company										Non-controlling interests	Total equity
	Number of shares	Share capital	*Number of treasury shares*	Treasury shares	Other reserves				Retained earnings	**Total**		
					Revaluation reserves of liabilities related to long-term post-employment benefits	Cumulative translation adjustments	Cash flow hedge reserves	Fair value reserves of financial assets available for sale				
At 1 April 2017	***149.935.894***	**305,8**	***4.300.386***	**(180,0)**	**(57,8)**	**0,4**	**(8,4)**	**5,3**	**2.070,7**	**2.136,0**	**4,2**	**2.140,2**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**9,2**	**(1,2)**	**4,2**	**0,6**	**179,3**	**192,1**	**0,7**	**192,8**
Profit for the period	-	-	-	-	-	-	-	-	179,3	**179,3**	0,7	**180,0**
Other comprehensive income for the period	-	-	-	-	9,2	(1,2)	4,2	0,6	-	**12,8**	-	**12,8**
Transactions with the owners	**-**	**-**	***791.179***	**(35,3)**	**-**	**-**	**-**	**-**	**(175,3)**	**(210,6)**	**-**	**(210,6)**
Capital increase	-	-	-	-	-	-	-	-	1,1	**1,1**	-	**1,1**
Treasury shares purchased	-	-	*823.256*	*(36,5)*	-	-	-	-	(0,2)	**(36,7)**	-	**(36,7)**
Treasury shares distributed as profit-sharing to employees	-	-	*(32.077)*	1,2	-	-	-	-	(1,2)	**-**	-	**-**
Dividends	-	-	-	-	-	-	-	-	(170,9)	**(170,9)**	-	**(170,9)**
Stability allowance reference shareholders	-	-	-	-	-	-	-	-	(3,8)	**(3,8)**	-	**(3,8)**
Other	-	-	-	-	-	-	-	-	(0,3)	**(0,3)**	-	**(0,3)**
At 30 September 2017	***149.935.894***	**305,8**	***5.091.565***	**(215,3)**	**(48,6)**	**(0,8)**	**(4,2)**	**5,9**	**2.074,7**	**2.117,5**	**4,9**	**2.122,4**

(in million EUR, except number of shares)	Attributable to the owners of the parent company										Non-controlling interests	Total equity
	Number of shares	Share capital	*Number of treasury shares*	Treasury shares	Other reserves				Retained earnings	**Total**		
					Revaluation reserves of liabilities related to long-term post-employment benefits	Cumulative translation adjustments	Cash flow hedge reserves	Fair value reserves of financial assets available for sale				
At 1 April 2016	***149.609.386***	**291,7**	***2.243.808***	**(81,5)**	**(12,3)**	**(0,4)**	**(5,6)**	**11,9**	**1.840,5**	**2.044,3**	**3,4**	**2.047,7**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(55,9)**	**0,1**	**(7,6)**	**5,2**	**191,9**	**133,7**	**0,6**	**134,3**
Profit for the period	-	-	-	-	-	-	-	-	191,9	**191,9**	0,6	**192,5**
Other comprehensive income for the period	-	-	-	-	(55,9)	0,1	(7,6)	5,2	-	**(58,2)**	-	**(58,2)**
Transactions with the owners	**-**	**-**	***(39.869)***	**1,5**	**-**	**-**	**-**	**-**	**(169,2)**	**(167,7)**	**(0,4)**	**(168,1)**
Capital increase	-	-	-	-	-	-	-	-	1,1	**1,1**	-	**1,1**
Treasury shares distributed as profit-sharing to employees	-	-	*(39.869)*	1,5	-	-	-	-	(1,5)	**-**	-	**-**
Dividends[(1)]	-	-	-	-	-	-	-	-	(165,1)	**(165,1)**	-	**(165,1)**
Stability allowance reference shareholders[(1)]	-	-	-	-	-	-	-	-	(3,7)	**(3,7)**	-	**(3,7)**
Other	-	-	-	-	-	-	-	-	-	**-**	(0,4)	**(0,4)**
At 30 September 2016	***149.609.386***	**291,7**	***2.203.939***	**(80,0)**	**(68,2)**	**(0,3)**	**(13,2)**	**17,1**	**1.863,2**	**2.010,3**	**3,6**	**2.013,9**

[(1)] *To facilitate consistency with the presentation adopted for the current reporting period, dividends to shareholders and stability allowance paid to reference shareholders have been presented separately.*

Condensed consolidated interim statement of cash flows

(in million EUR)	01.04.2017 - 30.09.2017	01.04.2016 - 30.09.2016 (1)
Operating activities		
Profit before tax	**251,0**	**267,0**
Adjustments for:		
Depreciation, amortisation and impairment of non-current assets	119,9	113,4
Finance income and finance costs	(0,2)	(2,2)
Share in the result of investments accounted for using the equity method	(18,8)	(7,3)
Other (2)	(0,3)	(4,2)
Cash flow from operating activities before changes in working capital and provisions	**351,6**	**366,7**
Decrease/(increase) in trade and other receivables	(73,9)	(63,0)
Decrease/(increase) in inventories	9,7	(23,7)
(Decrease)/increase in trade payables and other liabilities	2,6	5,7
(Decrease)/increase in provisions and liabilities related to employee benefits	(1,1)	(13,1)
Interest paid	(0,5)	(0,5)
Interest received	2,3	1,9
Dividends received	1,3	0,6
Income tax paid	(113,8)	(11,2)
Cash flow from operating activities	**178,2**	**263,4**
Investing activities		
Purchase of property, plant and equipment and intangible assets	(189,6)	(180,0)
(Increase in investment in)/proceeds from capital reimbursements of associates and joint ventures	0,6	(8,7)
(Purchases)/sales of financial assets	(1,2)	4,0
(Payment of)/proceeds from repayment of loans granted	(0,5)	(0,5)
Proceeds from sale of property, plant and equipment and intangible assets	5,6	7,8
Cash flow from investing activities	**(185,1)**	**(177,4)**
Financing activities		
Purchase of treasury shares	(36,7)	-
New/(repayment of) borrowings	0,5	(0,4)
Payment of finance lease liabilities	(2,0)	(2,5)
Stability allowance paid to reference shareholders	(0,9)	(3,7)
Cash flow from financing activities	**(39,1)**	**(6,6)**
Net increase/(decrease) of cash and cash equivalents	**(46,0)**	**79,4**
Net cash and cash equivalents at 1 April	523,7	432,5
Effect of changes in foreign currency rates	(0,5)	-
Net cash and cash equivalents at 30 September	**477,2**	**511,9**

(1) *To facilitate consistency with the presentation adopted for the current reporting period, the figures of the comparative reporting period have been adapted:*
i. instead of 'Profit for the period', 'Profit before tax' is taken as the starting point,
ii. 'Share in the result of investments accounted for using the equity method' is presented separately,
iii. 'Stability allowance reference paid to shareholders' is presented separately.

(2) *The category 'Other' includes amongst others losses/(gains) on the sale of property, plant and equipment, intangible and financial non-current assets, impairments and reversal of impairments on inventories, trade receivables and other receivables, employee benefits in the context of share-based payments and capital increases reserved for employees.*

Notes to the condensed consolidated interim financial statements

1. Basis of presentation and statement of compliance

Etn. Fr. Colruyt NV (hereinafter referred to as 'the Company') is domiciled in Halle, Belgium and is publicly traded on NYSE Euronext Brussels under the code COLR. The condensed consolidated interim financial statements for the period ending 30 September 2017 contain the financial statements of the Company, its subsidiaries (hereinafter referred to collectively as 'Colruyt Group'), and Colruyt Group's interests in associates and joint ventures.

These condensed consolidated interim financial statements provide financial information on the period from 1 April 2017 until 30 September 2017 inclusive and were approved for publication by the Board of Directors on 7 December 2017.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*, as adopted by the European Union. They do not contain all information required for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the financial year 2016/17.

As indicated in the press release of 1 February 2017, Colruyt Group finalised the sale of the French foodservice business ('Pro à Pro') on that date. As a result, the current period 2017/18 does not include results of Pro à Pro, whereas the figures of the first half of financial year 2016/2017 do include 6 months of Pro à Pro's results.

In order to facilitate comparability of both first half years, the key figures of the first half of the financial year 2016/17 included in the financial report are also reported exclusive of Pro à Pro's results ('comparable results').

Amounts are, unless mentioned otherwise, expressed in million EUR, rounded to one decimal place.

2. Significant accounting policies

The accounting principles applied by Colruyt Group in these condensed consolidated interim financial statements are consistent with those applied in the consolidated financial statements 2016/17, except for the changes listed below.

On 1 April 2017, the following (amendments to) standards and improvements became effective for Colruyt Group:
- IAS 7 (Amendment), '*Statement of Cash Flows – Disclosure Initiative';*
- IAS 12 (Amendment), '*Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses';*
- Improvements to IFRS cycle 2014-2016, which consist of a series of minor improvements to the existing standard IFRS 12, *'Disclosure of Interests in Other Entities'*.

These new or amended standards and improvements do not have a material impact on the condensed consolidated interim financial statements.

Colruyt Group did not early apply the following published (amended) standards which were relevant to the group but effective only after 31 March 2018:
- IFRS 9, *'Financial Instruments'* (effective date for Colruyt Group 1 April 2018);
- IFRS 15, *'Revenue from Contracts with Customers'* (effective date for Colruyt Group 1 April 2018);
- IFRS 16, *'Leases'* (effective date for Colruyt Group 1 April 2019).

Colruyt Group is assessing the impact of IFRS 9, IFRS 15 and IFRS 16. Conclusions as published in the consolidated financial statements for the financial year 2016/17 still apply.

There are no other (amended) standards, interpretations or improvements which are not yet effective for Colruyt Group and which are expected to have a material impact on the consolidated financial statements of Colruyt Group.

3. Operating segments

	Retail		Wholesale and Foodservice		Other activities		Operating segments	
(in million EUR)	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Revenue - external	3.682,9	3.568,5	462,9	810,1	312,0	277,1	**4.457,8**	**4.655,7**
Revenue - internal	50,9	43,0	2,9	10,1	18,4	21,7	**72,2**	**74,8**
Operating profit (EBIT)	219,3	237,7	13,6	23,1	4,6	5,7	**237,5**	**266,5**
Share in the result of investments accounted for using the equity method	0,4	(0,2)	-	-	15,4	7,5	**15,8**	**7,3**
Purchase of property, plant and equipment and intangible assets	143,5	148,0	5,1	8,8	10,4	12,0	**159,0**	**168,8**
Depreciation and amortisation	89,6	82,2	7,0	11,2	5,1	5,2	**101,7**	**98,6**
Impairment of non-current assets	1,8	1,0	-	-	0,1	-	**1,9**	**1,0**

	Operating segments		Unallocated		Eliminations between operating segments		Consolidated	
(in million EUR)	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Revenue – external	4.457,8	4.655,7	-	-	-	-	**4.457,8**	**4.655,7**
Revenue – internal	72,2	74,8	-	-	(72,2)	(74,8)	**-**	**-**
Operating profit (EBIT)	237,5	266,5	(5,5)	(9,0)	-	-	**232,0**	**257,5**
Share in the result of investments accounted for using the equity method	15,8	7,3	3,0	-	-	-	**18,8**	**7,3**
Net financial result							**0,2**	**2,2**
Income tax expense							**(71,0)**	**(74,5)**
Profit for the period							**180,0**	**192,5**
Purchase of property, plant and equipment and intangible assets	159,0	168,8	30,6	21,9	-	-	**189,6**	**190,7**
Depreciation and amortisation	101,7	98,6	16,3	13,7	-	-	**118,0**	**112,3**
Impairment of non-current assets	1,9	1,0	-	0,1	-	-	**1,9**	**1,1**

4. Revenue by cash-generating unit

(in million EUR)	2017/18	2016/17
Retail Food [(1)]	3.570,8	3.464,0
Colruyt Belgium and Luxembourg [(2)]	*2.898,1*	*2.845,3*
OKay, Bio-Planet and Cru [(3)]	*445,5*	*415,1*
Colruyt France and DATS 24 France	*227,2*	*203,6*
Retail Non-food [(1)]	112,1	104,5
Dreamland Belgium and France and Dreambaby	*112,1*	*104,5*
Transactions with other operating segments	50,9	43,0
Retail	**3.733,8**	**3.611,5**
Wholesale	391,4	387,8
Foodservice	71,5	422,3
Transactions with other operating segments	2,9	10,1
Wholesale and Foodservice	**465,8**	**820,2**
DATS 24 Belgium	309,8	274,9
Printing and document management solutions	2,2	2,2
Transactions with other operating segments	18,4	21,7
Other activities	**330,4**	**298,8**
Total operating segments	**4.530,0**	**4.730,5**
Eliminations between operating segments	**(72,2)**	**(74,8)**
Consolidated	**4.457,8**	**4.655,7**

(1) Subtotals ‘Food’ and ‘Non-food’ within the operating segment ‘Retail’ are for information purposes only.
(2) Inclusive of the revenue of the webshops Collect&Go, Bio-Planet, Collishop, Dreamland and Dreambaby realised by the Colruyt stores.
(3) Inclusive of the revenue of the webshops Collishop, Dreamland and Dreambaby realised by the OKay and Bio-Planet stores.

5. Income tax expense

The effective tax rate for Colruyt Group for the first half year ending on 30 September 2017 is 30,6%. The effective tax rate for the financial year 2016/17 was 25,5% and the one for the first semester of the previous accounting period, ending on 30 September 2016, was 28,7%.

(in million EUR)	2017/18	2016/17
Current year taxes	79,7	79,6
Deferred taxes	(8,7)	(5,1)
Total income tax expense	**71,0**	**74,5**

6. Capital expenditure

During the first semester of financial year 2017/18, Colruyt Group acquired property, plant and equipment and intangible assets for a total amount of EUR 189,6 million. In the first semester of the comparative financial year 2016/17, Colruyt Group acquired property, plant and equipment and intangible assets for EUR 190,7 million.

The investments of Colruyt Group include amongst others the further modernisation of the production facilities, further investments in the store network and store design and investments towards transformation programmes with a long-term character and other improvement programmes.

7. Dividends

On 27 September 2017 the General Meeting of Shareholders approved a gross dividend of EUR 1,18 per share for the financial year 2016/2017, for a total amount of EUR 171,9 million. This dividend was made available for payment on 3 October 2017.
Pursuant to the ongoing share buyback programme, the amount of dividends to be paid has decreased by EUR 1,0 million.

8. Changes in the consolidation scope

There are no significant changes in the consolidation scope of Colruyt Group.

9. Financial assets and liabilities per category and per class

In accordance with IFRS 7 *'Financial instruments: Disclosures'* and IFRS 13 '*Fair value measurement*' financial instruments measured at fair value are classified using a fair value hierarchy.

	Historical or amortised cost	Measurement at fair value			**Total**
(in million EUR)		Quoted prices Level 1	Observable market inputs Level 2	Unobservable market inputs Level 3	
Financial assets:					
Financial assets available for sale	0,9	-	-	11,8	**12,7**
Loans and receivables	550,3	-	-	-	**550,3**
Financial assets held for trading	2,4	23,0	-	-	**25,4**
Cash and cash equivalents	477,2	-	-	-	**477,2**
Total at 30 September 2017	**1.030,8**	**23,0**	**-**	**11,8**	**1.065,6**
Financial liabilities:					
Interest-bearing and other liabilities	26,5	-	-	-	**26,5**
Trade payables	1.084,8	-	-	-	**1.084,8**
Total at 30 September 2017	**1.111,3**	**-**	**-**	**-**	**1.111,3**

	Historical or amortised cost	Measurement at fair value			**Total**
(in million EUR)		Quoted prices Level 1	Observable market inputs Level 2	Unobservable market inputs Level 3	
Financial assets:					
Financial assets available for sale	0,8	-	-	11,2	**12,0**
Loans and receivables	488,1	-	-	-	**488,1**
Financial assets held for trading	1,6	22,9	-	-	**24,5**
Cash and cash equivalents	523,7	-	-	-	**523,7**
Total at 31 March 2017	**1.014,2**	**22,9**	**-**	**11,2**	**1,048,3**
Financial liabilities:					
Interest-bearing and other liabilities	27,8	-	-	-	**27,8**
Trade payables	1.081,8	-	-	-	**1.081,8**
Total at 31 March 2017	**1.109,6**	**-**	**-**	**-**	**1.109,6**

The fair value hierarchy is based on the inputs used to measure financial assets and liabilities at measurement date. The following three levels are distinguished:

- Level 1: inputs used for measurement of fair value are officially quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: the fair value of financial instruments not traded on an active market is determined using valuation techniques. These techniques use inputs of observable market prices as much as possible and if available, and avoid reliance on entity-specific estimations. Colruyt Group has no financial instruments within this category.
- Level 3: financial instruments for which fair value is determined with valuation techniques using certain parameters not based on observable market data.

For the amounts recognised at 'Historical or amortised cost' we can conclude that the carrying amount equals the fair value in most cases due to the nature of the instrument or due to the short-term character. Those cases whereby the historical or amortised cost deviates from the fair value are not material.

The financial assets available for sale, classified under level 3, consist of investments in the holding companies Sofindev II NV, Sofindev III NV and Sofindev IV NV in which Colruyt Group does not have a significant influence. These financial assets are accounted for at fair value.

The opening and closing balances of the investments classified under level 3 can be reconciled as follows:

(in million EUR)	
At 1 April 2017	**11,2**
Fair value adjustments through other comprehensive income	0,6
At 30 September 2017	**11,8**

10. Risk management and contingent liabilities

For a description of the risks to which Colruyt Group is exposed and how Colruyt Group manages its exposure to these risks, we refer to the section 'Corporate Governance', 'Responsible/sustainable corporate governance' (pages 120-130) of the 2016/17 annual report.

Colruyt Group has a number of commitments relating to the acquisition of property, plant and equipment which have not yet been recognised in the statement of financial position, for about EUR 63 million (about EUR 68 million at 31 March 2017).

For a description of the contingent liabilities, we also refer to the annual report 2016/17 (page 190), as no significant changes have occurred.

11. Events after the reporting date

During the first semester of 2017/18, 823.256 treasury shares were purchased. As at 30 September 2017 Colruyt Group held 5.091.565 treasury shares (3,4% of the total number of shares issued).

On 27 September 2017 the Board of Directors of Colruyt Group decided to launch a share buyback programme. Under this programme Colruyt Group purchases treasury shares for a maximum amount of EUR 350 million. The purchase programme started on 2 October 2017 and has an expected term of 2 years. The aim of the purchase programme is to reduce the company's excess cash and decrease the capital by cancelling in part or in full the shares acquired under the purchase programme. Purchases are made in accordance with the applicable laws and regulations and under the authorisation granted by the Extraordinary General Meeting of Shareholders of 14 October 2014. The programme is being executed by an intermediary pursuant to a discretionary mandate, making it possible to purchase shares during both open and closed periods. Since the launch of the share buyback programme 2.541.716 treasury shares were purchased.

Hence, as at 6 December 2017, Colruyt Group held 7.633.281 treasury shares (5,1% of the total number of shares issued).

12. Management responsibility statement

Jef Colruyt, Chairman of the Board of Directors and Marc Hofman, Chief Financial Officer, declare in title and for the entity, that to the best of their knowledge,

- these condensed consolidated interim financial statements, prepared in accordance with IAS 34 *'Interim Financial Reporting'* as adopted by the European Union, give a true and fair view of the net assets, the financial position and the results of the company Etn. Fr. Colruyt NV and of the entities included in the consolidation;

- the interim financial report gives a true and fair summary of the information required under article 13 §5 and §6 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Halle, 7 December 2017

Jef Colruyt
Chairman of the Board of Directors

Marc Hofman
Chief Financial Officer

13. Definitions

Capital employed
The value of the assets and liabilities that contribute to generating income.

Dividend pay-out ratio
Gross dividend per share divided by the profit for the financial year (group share) per share.

Dividend yield
Gross dividend per share divided by the share price at balance sheet date.

EBIT margin
EBIT divided by revenue.

EBITDA
Earnings before interest, taxes, depreciation and amortisation, or operating profit (EBIT) plus depreciation, amortisation and impairments.

EBITDA margin
EBITDA divided by revenue.

Free cash flow
Free cash flow is defined as the sum of the cash flow from operating activities and the cash flow from investing activities.

FTE
Full-time equivalent; unit of account with which the workforce is expressed by dividing the contractual working time by the full-time working time.

GMS
'Grandes et moyennes surfaces' is a term used in France for store surfaces > 400 m² ('Retail' segment), for the activity 'Deliveries to independent storekeepers' ('Wholesale and Foodservice' segment) and for the DATS 24 petrol stations ('Retail' segment).

Gross added value
The realisable value of the manufactured goods less the value of the raw materials and the auxiliary materials used in the production process and the procured services.

Gross profit
Revenue minus cost of goods sold.

Gross profit margin
Gross profit divided by revenue.

Market capitalisation
Closing price multiplied with the number of issued shares at the reporting date.

Net added value
Consists of the gross added value less depreciation, amortisation, impairments on fixed assets, provisions and write-offs of current assets.

Net profit
Profit for the financial year (after tax).

Net profit margin
Net profit divided by revenue.

Operating profit (EBIT or earnings before interest and taxes)
The operating income less all operating costs (cost of goods sold, services and miscellaneous goods, employee benefit expenses, depreciation, amortisation, impairments and other operating expenses).

Purchase of property, plant and equipment and intangible assets
Purchase of property, plant and equipment and intangible assets also includes finance leases, but excludes acquisitions through business combinations and contributions by third parties.

Revenue
Revenue comprises the sale of goods and services provided to our own customers, affiliated customers and wholesale customers, after the deduction of discounts and commissions allocated to these customers.

ROCE
Return on capital employed, or operating profit (EBIT) after tax divided by the capital employed.

Share of the group
Interest that can be attributed to the owners of the parent company.

Weighted average number of outstanding shares
The number of outstanding shares at the beginning of the period, adjusted for the number of shares cancelled, treasury shares purchased or shares issued during the period multiplied by a time-correcting factor.

Report of the statutory auditor to the shareholders of Etn. Fr. Colruyt NV on the review of the Condensed Consolidated Interim Financial Statements as of 30 September 2017 and for the six month period then ended

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Etn. Fr. Colruyt NV (the "Company"), and its subsidiaries as at 30 September 2017 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, of changes in equity and of cash flows for the six month period then ended, and explanatory notes, collectively, the "Condensed Consolidated Interim Financial Statements". These statements show total assets of € 4.241,6 million as of 30 September 2017 and a profit for the six month period then ended of € 180,0 million. The Board of Directors is responsible for the preparation and presentation of these Condensed Consolidated Interim Financial Statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these Condensed Consolidated Interim Financial Statements based on our review.

Scope of Review

We conducted our review in accordance the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Statements are not prepared, in all material aspects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Diegem, 7 December 2017

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by

Daniel Wuyts
Partner*

* Acting on behalf of a BVBA/SPRL