

Le goût tout simplement




ANNUAL REPORT

2014-2015



COLRUYT
GROUP





Creating sustainable added value together through value-driven craftsmanship in retail

Halle, 19 June 2015

FINANCIAL YEAR 2014/2015

Annual report presented to the Ordinary General Assembly
of Shareholders on 30 September 2015
by the BOARD OF DIRECTORS and AUDITOR'S REPORT

The Dutch language version of this annual report is
the only official version.

Dit jaarverslag is ook verkrijgbaar in het Nederlands.

Ce rapport annuel est également disponible en français.



In March 2015 we opened our new distribution centre in Ath/Lessines. Read more on pages 79 and 105.

Intro

Who are we?

A Word from the Chairman	08
Management Report	10
Key figures	14
Activities	16
Initiatives and Rwealisations	18

Colruyt Group, a family of companies	23
Sustainable entrepreneurship embedded in our DNA	27

The introduction is based on the Colruyt Group Management Report 2014-2015 that was prepared by the Board of Directors of the company. The content of the corporate governance section forms an integral part of the annual report of the Board of Directors on the individual financial statements of the company over the financial year 2014-2015.



Activities

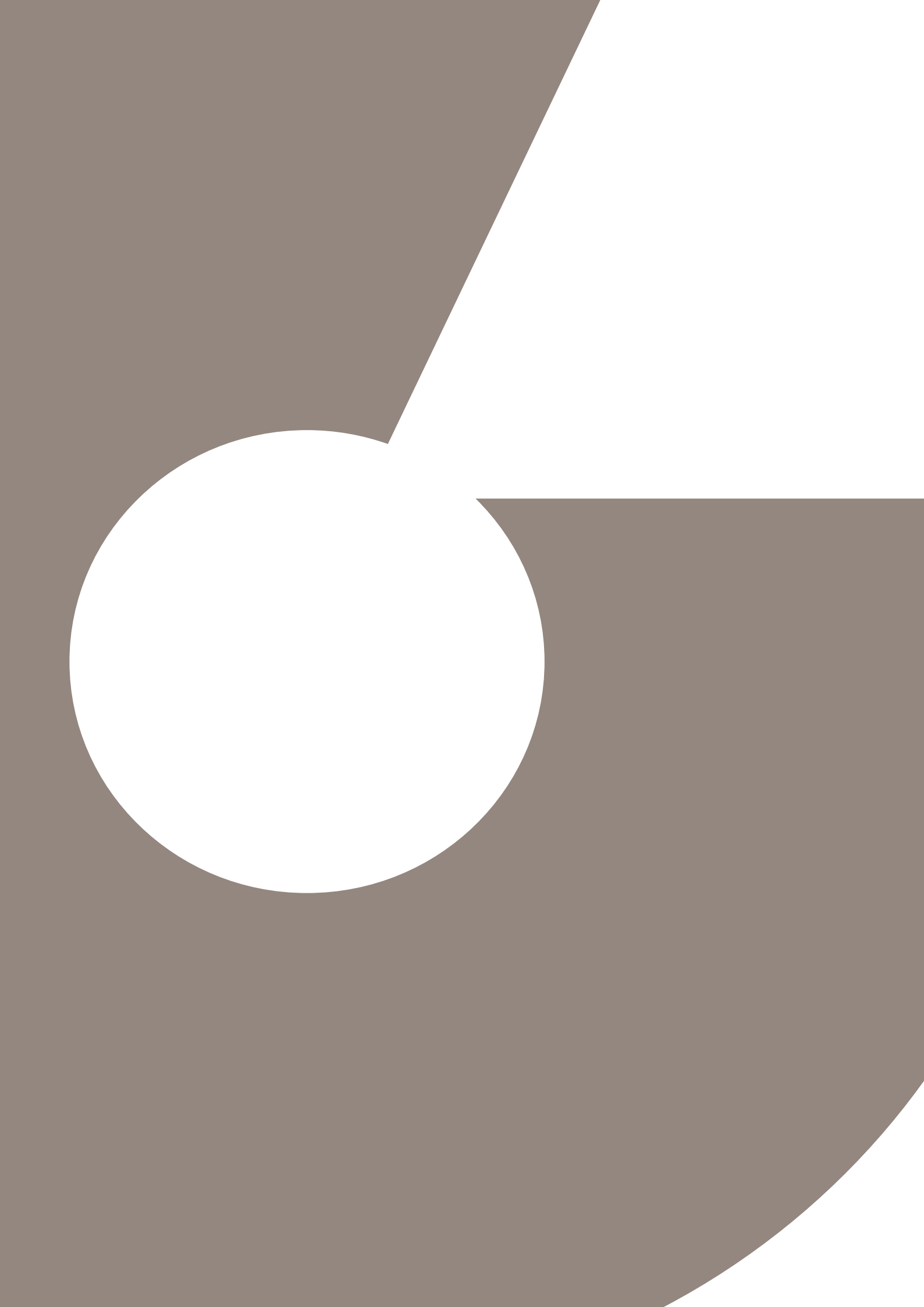
Retail	50
Wholesale	80
Foodservice	87
Other activities	92
Corporate activities	102
Colruyt Group in figures	113

Corporate governance

Management, Supervision and Directorate	122
Responsible / Sustainable Corporate Governance inclusive of remuneration report	124
Share Ownership – Colruyt shares	134

Financial report

Consolidated Income Statement	140
Consolidated Statement of Comprehensive Income	141
Consolidated Balance Sheet	142
Consolidated Statement of Changes in Equity	143
Consolidated Statement of Cash Flows	144
Certification of Responsible Persons and Auditor's Report ...	146
Notes to the consolidated financial statements	150



INTRO

Word from the Chairman	08
Management Report	10
Key figures	14
Activities	16
Initiatives & Realisations	18

WE WISH TO OFFER 'SIMPLICITY IN RETAIL' NOW MORE THAN EVER



In the past year, Colruyt Group realised a satisfactory result in a difficult market. Group revenue rose by 3,1%. The net result from operating activities improved by 3,7%. This good performance was realised by 28.117 employees, whom I would all like to thank for their contribution and commitment.

By agreeing to a transaction with the Belgian Competition Authority and paying a fine of EUR 31,6 million, the group can now close a case that was initiated 10 years ago. As a result, the net profit in the past financial year amounted to EUR 331,0 million.

Our stores and wholesale activities in Belgium, France and Luxembourg continue to operate in an environment with fierce price competition and low consumer confidence. The revenue growth realised by the group is also partially due to our

diversified store portfolio which covers the market better and better and caters to the wide-ranging needs of the consumer. With Cru, we created an innovative concept: a covered market place with a passion for food. In addition, we acquired a 50% stake in the Belgian clothing chain ZEB. And we opened 30 new stores and renovated 25 existing stores. We will continue to follow this ambitious path in the coming years.

We have **invested** considerably in order to accommodate our growth both now and in the future. With the taking into use of its new distribution centre and office building, our wholesale division Retail Partners Colruyt Group completed the move to Mechelen. We built a new, partially automated logistic centre in Ath/Lessines, which already employs approximately 500 people.

And in Halle, we started building an additional 20.000 m² production site for our meat processing division Fine Food Meat.

'**Simplicity in Retail**' is what we wish to offer our customers every day.

It is our task as a retailer to manage the many details in our business and their complex interrelationships and to make it as easy as possible for our customers and other stakeholders. In our company, this is reflected in the slogan that we use: 'Manage complexity to offer simplicity!'

In the past year, we have gained a number of new insights into the complex society in which we operate, which is in the middle of a transition and which is having to deal with weak economic growth and uncertainty about the future of the welfare state. Based on these macro trends and based on our mission and values, we have more clearly defined our **group ambitions and objectives** for the coming years. Concretely, this translates into several development programmes and projects that thoroughly renew and fortify the pillars of our organisation and that also provide the foundation for our group motto 'Simplicity in retail'.

Offering **simplicity** means, for example, helping consumers to make healthy and **sustainable** choices. This is why we continue to work on the quality and nutritional value of our own brand products, and on a more sustainable range of fish products and

better working conditions at our suppliers and partners in risk countries.

In order to be able to offer simplicity, we are also focusing on **innovation**.

This is why we are targeting retail solutions in the e-commerce market and why we are the first Belgian distributor to make mobile payments possible in all of our web shops and stores. We are also pleased with the federal government's plans to amend the laws governing e-commerce so that we can become a bit more competitive in relation to our neighbouring countries. Our engineers and architects are using their expertise to design buildings that are far more energy efficient than required by law. And the still young Colruyt Group Academy attracts over 20.000 customers annually with its broad range of consumer workshops bringing people together to discover, to learn and to put new skills into practice.

And finally: Colruyt Group invested nearly EUR 370 million in its future in the past financial year and hired 1.000 additional employees. And, as was the case in previous years, around 50% of the added value that we created, flowed back to the community via the government. Therefore, we would like to ask the government to make efficient use of these resources - with a.o. an urgent focus on mobility - to create a setting in which we can continue to grow together.



*'Manage complexity to offer simplicity';
the slogan in all departments and on every level.*

MANAGEMENT REPORT

1. Overview financial year 2014/2015 - Key figures and headlines

(in EUR million)	01/04/2014 31/03/2015	01/04/2013 31/03/2014	Variance
Revenue	8.916,8	8.652,0	3,1 %
Gross Profit	2.219,0	2.151,0	3,1 %
% revenue	24,9 %	24,9 %	
EBITDA	668,1	686,8	-2,7 %
% revenue	7,5 %	7,9 %	
EBITDA excl. Settlement with the Investigation Service ⁽¹⁾	699,7	686,8	+1,9 %
% revenue	7,9 %	7,9 %	
Operating profit (EBIT)	463,8	488,1	-5,0 %
% revenue	5,2 %	5,6 %	
Operating result (EBIT) excl. Settlement with the Investigation Service ⁽¹⁾	495,4	488,1	+1,5 %
% revenue	5,6 %	5,6 %	
Profit before tax	479,1	497,1	-3,6 %
% revenue	5,4 %	5,7 %	
Profit before tax excl. Settlement with the Investigation Service ⁽¹⁾	510,7	497,1	+2,7 %
% revenue	5,7 %	5,7 %	
Profit for the financial year	331,0	349,8	-5,4 %
% revenue	3,7 %	4,0 %	
Profit of the financial year excl. Settlement with the Investigation Service ⁽¹⁾	362,6	349,8	+3,7 %
% revenue	4,1 %	4,0 %	
Earnings per share - basic and diluted (in EUR) ⁽²⁾	2,21	2,24	-1,1 %
Earnings per share excl. Settlement with the Investigation Service (in EUR) ⁽²⁾	2,42	2,24	+8,3 %

(1) "Settlement with the Investigation Service": On 19 June 2015 Colruyt Group signed a settlement with the Investigation Service of the Belgian Competition Authority ("the Investigation Service") in relation to the period 2002-2007. By signing the settlement the group accepts to pay a EUR 31,6 million fine to the Belgian government. This amount was charged against the 2014/15 operating expenses and was deducted in full from the EBITDA, EBIT, Profit before tax and Profit for the financial year. To ensure comparability with last year, the consolidated key figures are provided both inclusive and exclusive of the effect of the settlement.

(2) The weighted average number of outstanding shares equals 149.419.713 in 2014/15 compared to 156.447.069 last year.

- On 19 June 2015, Colruyt Group signed a settlement with the Investigation Service of the Belgian Competition Authority (“the Investigation Service”) in relation to the period 2002-2007. By signing the settlement the group accepts to pay a EUR 31,6 million fine to the Belgian government. This amount was charged against the operating expenses of the financial year 2014/15 and was deducted in full from the EBITDA, EBIT, Profit before tax and Net result. To ensure comparability with last year, all key figures are provided both inclusive and exclusive of the EUR 31,6 million settlement.
- Revenue grows 3,1% to over EUR 8,9 billion.
- Consistent implementation of Colruyt Group's long-term strategy.
- Continuous investments in the essence of the strategy: craftsmanship and commitment of all employees, efficiency, simplicity, quality and innovation of products and services, consistent price positioning and expansion of the store network and the distribution centres.
- Investments in the strategy result in a stable gross margin of 24,9% of revenue and a stable EBIT margin⁽¹⁾ of 5,6% of revenue. EBIT⁽¹⁾ grows EUR 7,3 million compared to last year.
- Net profit⁽¹⁾ increases by EUR 12,8 million to EUR 362,2 million (4,1% of revenue) as EBIT growth⁽¹⁾ is raised by an improved result from the participation in the Parkwind group. Net profit including the EUR 31,6 million settlement decreases by EUR 18,8 million.
- Net cash and cash equivalents decrease by EUR 293,5 million to EUR 308,5 million, mainly as a result of EUR 356,1 million treasury shares purchases.
- Earnings per share⁽²⁾ down 1,1% to EUR 2,21 per share.
- Investments in tangible and intangible assets amount to EUR 368,9 million in 2014/15, exceeding last year's capex by EUR 46,6 million.
- Employment increases by 994 to 26.491 employees (expressed in full-time equivalents), a 3,9% net increase.

2. Consolidated income statement

In a challenging market environment, revenue increased by 3,1% to EUR 8.916,8 million. Due to the pressure on the sales prices, the volume growth was not fully reflected in revenue growth. Price pressure was brought about by price deflation, competition and the consumer trend towards cheaper products. In Belgium, Colruyt Group's revenue growth outperformed the market, resulting in a gain in market share to 31,0%. This is a nice increase by 49 basis points compared to last year.

As from this reporting period the market share is calculated based on the revenue figures of the store concepts Colruyt Lowest Prices, Spar and OKay. As from the current reporting period OKay's revenue is taken into account in the group's Belgian market share calculation. As a result of ongoing traffic congestion issues, proximity shopping continues to gain importance. Hence the group has the intention to focus expansion efforts even more on its proximity store concept OKay.

Consolidated gross margin remained stable at 24,9% of revenue.

As last year, the Colruyt banner made significant price investments and in doing so consistently offered its customers the lowest price in the market. The group nonetheless maintained a stable gross margin compared to the prior year, mainly driven by diminished promotional competition in the 2nd year-half.

EBITDA⁽¹⁾ improved by EUR 12,9 million. In 2014/15 the group continued to invest in employees, processes and efficiency gains. These investments and the fact that higher sales volumes were not entirely reflected in revenue growth, caused net operating expenses to rise slightly more than revenue. With gross margin being in line with prior year's level, the EBITDA margin⁽¹⁾ remained stable at 7,9% of revenue.

Depreciation, amortisation and impairment costs amounted to EUR 204,3 million.

The implementation of the investment programmes led to an increase in depreciation charges by EUR 8,2 million.

In 2014/15 the group recorded a EUR 4,3 million impairment in respect of the closure of four stores in the centre of France. These stores no longer fitted the French expansion strategy. In the financial year 2013/14 impairment costs mainly related to activated software (EUR 5,6 million).

The net effect of the above developments was an increase of the operating profit (EBIT)⁽¹⁾ by EUR 7,3 million to EUR 495,4 million. EBIT margin⁽¹⁾ remained stable at 5,6% of revenue.

Financial result improved by EUR 1,4 million. Financial income decreased by EUR 5,0 million, while financial charges went down EUR 6,4 million. Last year's financial charges included a EUR 5,0 million impairment charge on the investment in the supermarket chain IKI in Lithuania.

The result from investments in associates

amounting to EUR 9,3 million mainly relates to the participation in Parkwind group.

Profit before tax, including the impact of the settlement⁽²⁾, decreased by EUR 18,0 million to EUR 479,1 million.

The increase of the effective tax rate⁽²⁾ to 31,5% in 2014/15 (versus 29,9% in 2013/14) is basically the net result of the following elements:

- The settlement with the Investigation Service is a non-deductible expense and resulted in a 2,0% tax rate increase.
- The decrease of the Belgian notional interest deduction led to an increase in the tax rate by 1,0%.
- The Luxembourg activities, used to finance investments in employment, store concepts and research & development of the Group, are subject to a lower income tax rate. Consequently the consolidated tax rate decreased by 1,0%.
- The non-food activities recovered tax losses carried forward, resulting in a 0,8% decrease of the tax rate compared to last year.

Profit for the financial year⁽²⁾ decreased by EUR 18,8 million to EUR 331,0 million. Briefly, this is the result of two elements: an improved net result from business activities (EUR +12,8 million), which is offset by the settlement with the Investigation Service amounting to EUR -31,6 million.

3. Income statement per segment

3.1 Retail

Revenue from the retail activities grew by 3,6% to EUR 6.692,0 million (75,0% of the consolidated revenue). In 2014/15 the Belgian retail market was mainly characterised by price pressure, fierce competition and a persistently difficult economic climate. Price deflation slowed down revenue growth. There were few signs of economic recovery.

Revenue of the Colruyt banner stores in Belgium and Luxembourg climbed 2,3%. This growth was driven by a further expansion of the store network (new stores and extensions) and volume growth in the existing stores. The increase in revenue was partly offset by lower sales prices.

Colruyt Lowest Prices consistently implemented its lowest prices strategy. In the challenging market environment Colruyt always delivered on its brand promise to the customer: offering the lowest price for every product at every

(1) Exclusive of the settlement with the Investigation Service.

(2) Inclusive of the settlement with the Investigation Service.

moment. As always, price rebates and promotions from other market players were followed and taken into account in the sales prices. Colruyt's lowest prices guarantee was confirmed by consumer organisations and specialised trade press publications. The communication on the lowest prices strategy was sharpened during the financial year, which positively impacted revenue and market share.

Colruyt Group has continued to invest in the proximity store format OKay and in the bio supermarket Bio-Planet. A large number of store openings and a strong inflow of new customers resulted in a revenue increase of more than 12%. The revenue growth did not reflect the total volume increase as a result of price erosion.

Late November 2014 the first Cru market opened in Overijse. Cru is a new concept created for and by people with a passion for nice food, pure tastes and authentic quality products. The first results are in line with the expectations.

Simplicity in the product range to facilitate the customer's choice remains the objective. With a view to product range simplification, existing private labels were grouped under the "home brand" Boni Selection. The transition of the private labels to Boni Selection has made substantial progress and will be completed by the end of 2015. The results of the brand transition are satisfactory. Colruyt Group wants to offer 3 clearly distinguishable brand layers to the customer: (inter)national brands, products labelled Boni Selection (the "home brand") and products labelled Everyday Selection (the group's discount brand).

In the French retail market margins remained under pressure due to negative market volume growth, price deflation and strong price competition. At macroeconomic level no improvement was observed either.

The Colruyt stores recorded a revenue growth of 9,8% in a highly deflationary market. This growth is attributable to the expansion and modernisation of the store network, organic growth and continuous investment in price positioning. The Colruyt stores lived up to their brand promise "lowest prices for national brands" every single day and as a result, the formula remained attractive to the French consumer.

The group decided to close down four Colruyt stores in the centre of France. These stores no longer fitted the French expansion strategy of Colruyt. The group's expansion strategy is to open five to ten new stores per year in France.

The segment Dreamland and Dreambaby had an excellent year. Revenue increased by 2,8% and profitability improved. During the financial year two new Dreamland stores were opened and four Dreambaby departments of Dreamland stores were transferred to individual Dreambaby stores.

Colruyt Group's online activities achieved nice growth in 2014/15. Colruyt Group continues to develop E-commerce services in retail.

3.2 Wholesale & Foodservice

This financial year the wholesale and food-service segment accounted for 17,1% of the consolidated revenue. Revenue from these activities increased by 3,5% to EUR 1.523,5 million.

The wholesale segment includes the deliveries to independent storekeepers in Belgium (Retail Partners Colruyt Group) and France (Coccinelle, CocciMarket and Panier Sympa). Wholesale revenue declined slightly (-0,5%) due to food price deflation.

Retail Partners Colruyt Group combines the wholesale activities in Belgium. It comprises the collaboration with Spar entrepreneurs, as well as the deliveries to Alvo, independent Mini Markets and independent storekeepers. The new distribution centre for the wholesale activities is operational and all employees are now working under the same roof. A new SPAR logo, with a clear reference to the Colruyt Group partnership, is rolled out. The profitability of the independent Spar entrepreneurs still ranks among the best on the market.

The Belgian and French foodservice activities achieved a 7,7% revenue growth in a stagnating market. The clear and consistent market positioning of Solucious with a special focus on reliable deliveries, service, product quality and personal contact created a strong brand awareness in Belgium. Pro à Pro's revenue growth in France was fuelled by an important new foodservice contract that started in the first semester of last year.

3.3 Other activities

Revenue from the other activities decreased by 2,3% to EUR 701,3 million (7,9% of the consolidated revenue).

The other activities basically comprise the DATS 24 petrol stations in Belgium and France. The revenue of DATS 24 fell 1,5% to EUR 695,7 million as the nice volume growth was fully offset by lower average oil prices.

Symeta, the print and document management specialist of the group, recorded a revenue of EUR 5,6 million. The revenue decrease by EUR 5,9 million is the result of the discontinuation of unprofitable offset printing activities at the end of last year. Symeta now specialises fully in personalised customer communication and document management.

4. Cash flow and balance sheet

The net carrying amount of the tangible and intangible assets increased by EUR 161,6 million to EUR 1.951,5 million. This increase results from the investments of the financial year (EUR 368,9 million), while depreciation, amortisation and impairment costs amounted to EUR 204,3 million.

The new distribution centre and office building for Retail Partners Colruyt Group in Mechelen and the new logistic centre in Ath/Lessines became operational during the financial year 2014/15. These investments will enable Colruyt Group to continue its growth in the years to come.

Net cash and cash equivalents amount to EUR 308,5 million at year-end. The decrease by EUR 293,5 million compared to prior year-end mainly results from EUR 356,1 million treasury shares purchases.

As at 31 March 2015 the company held 9.791.743 treasury shares or 6,3% of the total number of shares issued.

5. Events after balance sheet date

On 19 June 2015, Colruyt Group signed a settlement with the Investigation Service of the Belgian Competition Authority (the "Investigation Service"). This settlement relates to infringements of the Belgian competition rules in the period 2002-2007. The Investigation Service deems that the Belgian distribution sector, with the help of suppliers, breached the Belgian competition rules for branded perfumery, cosmetics and chemist's products. In relation thereto, the Investigation Service proposed a settlement, in order to end all pending legal proceedings subject to the payment of a fine.

By signing the settlement Colruyt Group accepts that infringements of the Belgian competition rules were committed in the period 2002-2007. However, the group assures that it did not set up a price-fixing scheme with

other distributors and suppliers. The group also stresses that Colruyt has always honoured its lowest prices guarantee.

Colruyt Group wants to refrain from engaging in years of legal wrangling with the government over the substance of the case and over facts that date back more than 10 years. It has therefore decided to sign the Investigation Service's settlement.

By signing this settlement Colruyt Group agrees to pay a EUR 31,6 million fine to the Belgian government. This full amount was charged against the net result of the financial year 2014/15.

For more information we refer to our press release of 22 June 2015, available on colruytgroup.com.

6. Outlook

We expect market conditions to remain challenging in 2015/16.

Colruyt Group will retain its long-term focus and continue to invest in the essence of its strategy: craftsmanship and commitment of all employees, efficiency, simplicity, quality and innovation of products and services, price positioning and expansion of the store network and the distribution centres. At the same time, operating expenses will be kept under control.

Colruyt Group will present its full-year 2015/16 guidance at the General Meeting of Shareholders on 30 September 2015.

7. Dividend

The Board of Directors will propose an unchanged gross dividend of EUR 1,00 per share to the General Meeting of Shareholders. The amount is the result of the consistent application of the group's dividend pay-out policy.

8. Segment information

(in million EUR)	Revenue	EBITDA ⁽³⁾	EBIT ⁽³⁾
I. RETAIL	6.770,3	585,7	436,8
Retail Food			
- Colruyt Belgium ⁽¹⁾	5.479,4		
- OKay, Bio-Planet and Cru ⁽²⁾	668,1		
- Colruyt France	292,5		
Retail Non-food			
- Dreamland Belgium and France and Dreambaby	252,0		
- Transactions with other operating segments	78,3		
II. WHOLESALE AND FOODSERVICE	1.540,8	44,9	24,5
- Wholesale	753,9		
- Foodservice	769,6		
- Transactions with other operating segments	17,3		
III. OTHER ACTIVITIES	749,6	24,7	12,5
- DATS 24 Belgium and France	695,7		
- Printing and document management solutions	5,6		
- Transactions with other operating segments	48,3		
IV. TRANSACTIONS BETWEEN OPERATING SEGMENTS	(143,9)	(0,6)	(0,6)
V. CORPORATE (not allocated)	0,0	45,0	22,2
Total Colruyt Group consolidated	8.916,8	699,7	495,4

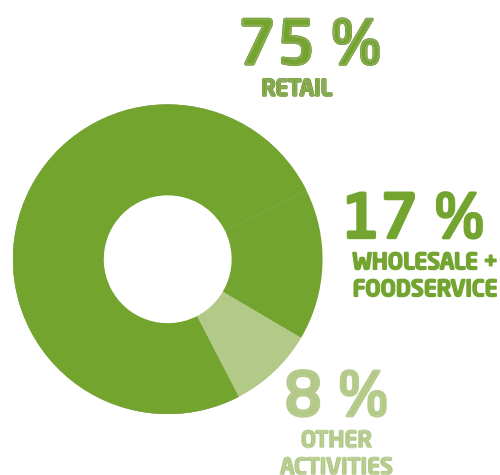
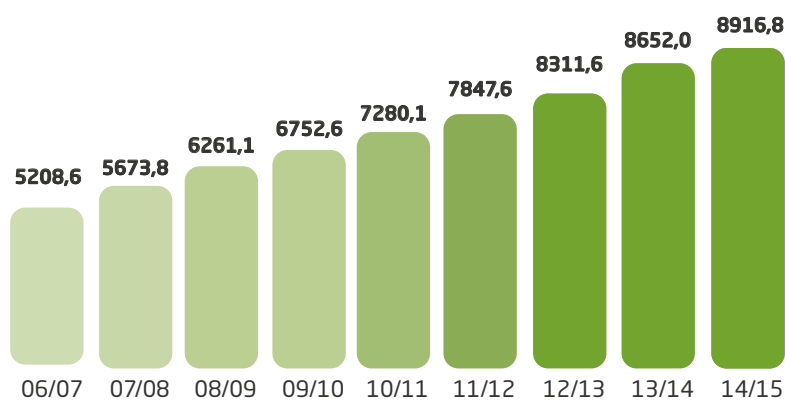
(1) Inclusive of the revenue of the webshops (Collect&Go, Bio-Planet, Collishop, Dreamland and Dreambaby) realised by the Colruyt stores.

(2) Inclusive of the revenue of Collishop and Dreambaby realised by the OKay and Bio-Planet stores and inclusive of the revenue of the Cru activity.

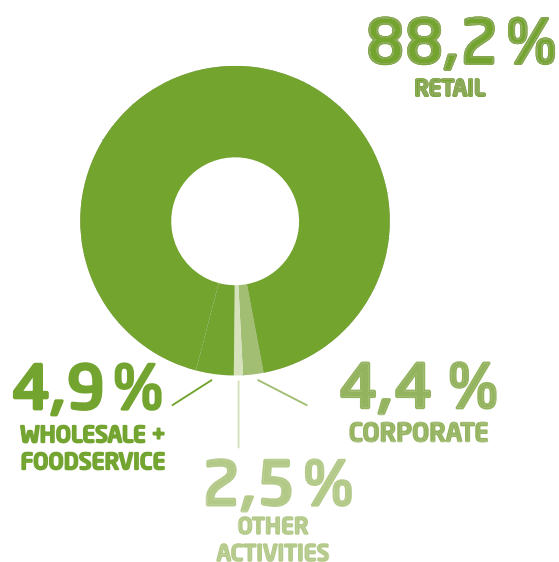
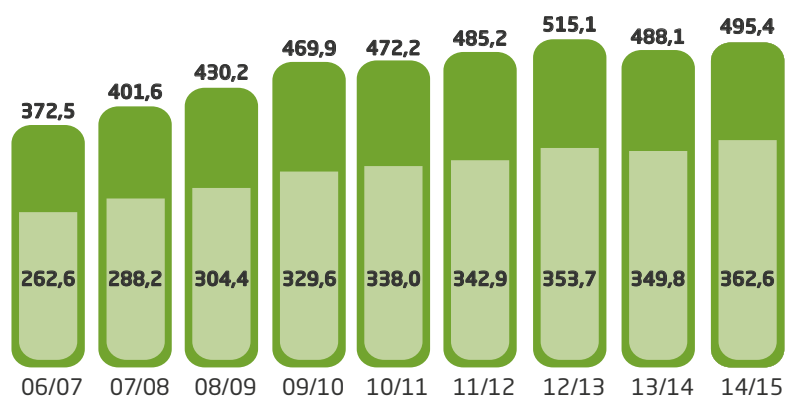
(3) EBITDA and EBIT are exclusive of the transaction amount of EUR 31,6 million with the Investigation Service.

KEY FIGURES

Colruyt Group revenue (in EUR million)



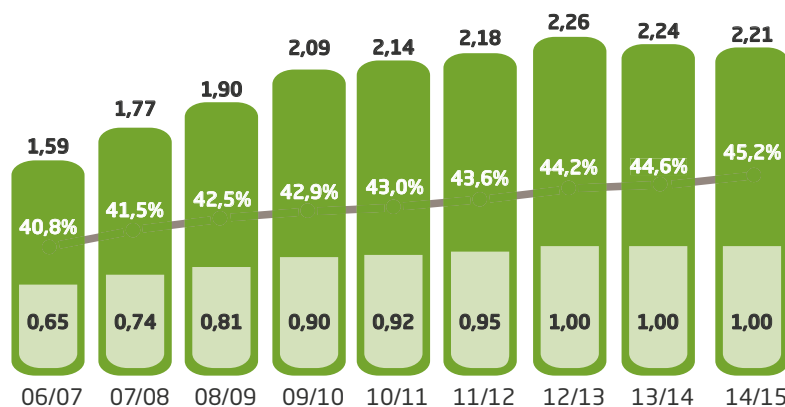
Colruyt Group results (in EUR million)



● EBIT ● Profit for the financial year

For comparability reason, the figures of the financial year 2014/2015 are exclusive of the settlement with the Investigation Service of EUR 31,6 million.

Earnings and gross dividend per share (in EUR)



● Earnings per share ● Gross dividend per share ● Dividend pay-out ratio

The earnings per share includes the settlement with the Investigation Service of EUR 31,6 million.

30
STORE
OPENINGS



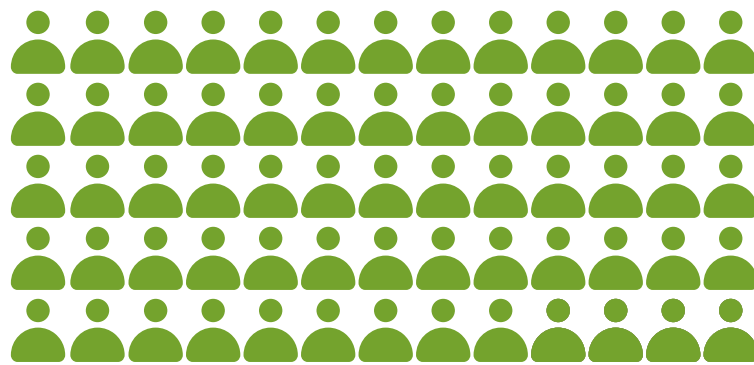
498
OWN STORES

543
INDEPENDENT
STOREKEEPERS IN BELGIUM
AND AFFILIATED
STORES IN FRANCE



622.000
M² STORE SURFACE AREA
OF OWN STORES

€369
MILLION
INVESTMENTS



28.117
EMPLOYEES
OF WHICH
+1.068 NEW

31,0 %
MARKET SHARE OF COLRUYT, OKAY
AND SPAR IN BELGIUM

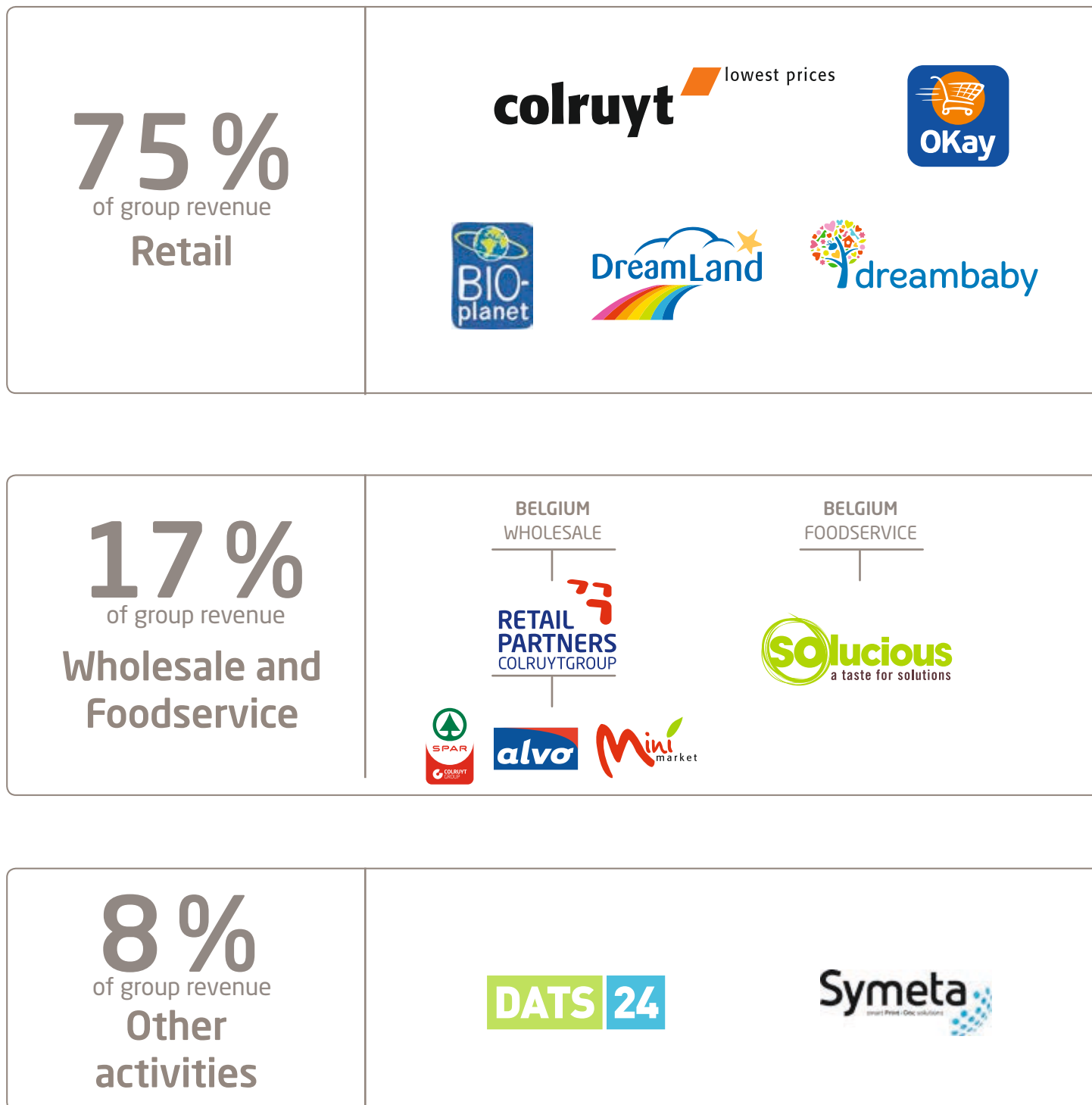


238 COLLECT&GO
COLLECTION POINTS
IN BELGIUM, LUXEMBOURG
AND FRANCE

48,2 %
OF THE ADDED VALUE GENERATED
IN BELGIUM GOES BACK TO THE
COMMUNITY VIA THE GOVERNMENT

ACTIVITIES

Colruyt Group's operating activities can be divided into retail, wholesale, foodservice, other activities and the corporate activities. The retail store formulas and the deliveries to independent storekeepers and to professional clients in foodservice represent the majority of our operating activities. DATS 24, Symeta, WE-Power and our financial participations are grouped together under other activities.



Geographic segmentation

The geographic segmentation is based on the various locations of the parent company and its subsidiaries, which is based on our strategy that we wish to provide services to our customers in their own region to the greatest extent possible. Therefore, our trading activities and group corporate services are mainly located in Belgium, Luxembourg, France, India and Hong Kong.

Belgium: all activities

Luxembourg: retail, re-insurance company

France: retail, wholesale, foodservice and DATS 24

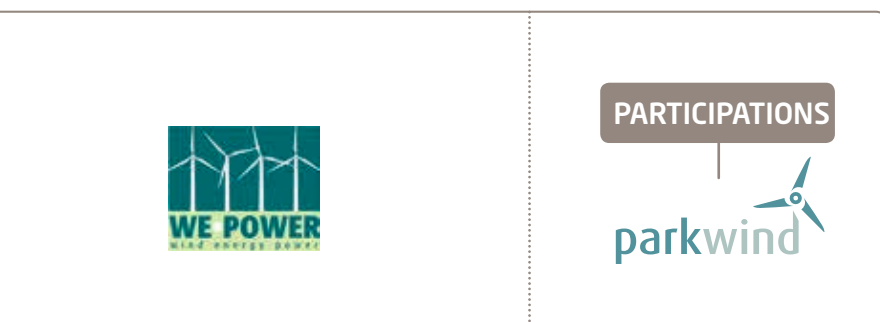
French overseas territories:

retail, wholesale, foodservice and DATS 24

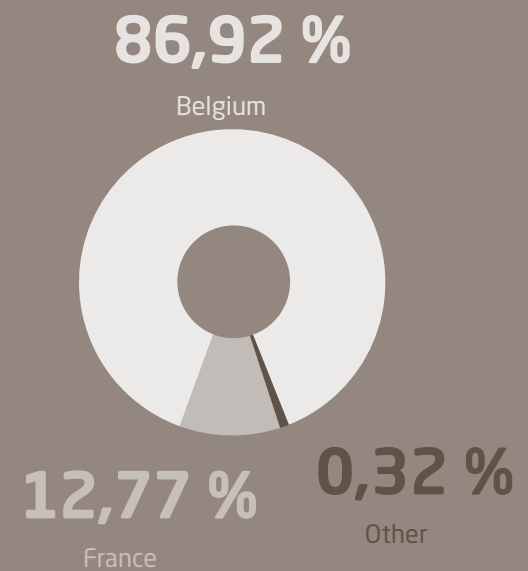
India: own IT department

Hong Kong: own purchasing support

The list of all companies included in the consolidation can be found in note 34.2 in the financial section.



Geographic segmentation of revenue:



Corporate activities

The corporate activities comprise all corporate services including Technics, Real Estate & Energy, Business Processes & Systems, Finance, People & Organisation, Colruyt Group Academy, Corporate Marketing and Premedia.

INITIATIVES AND REALISATIONS



Colruyt Group invests EUR 188.000 in social audits

43



Colruyt Group acquires 50 % of ZEB

75



Mobile payments in web shops and stores

107

04

05

06

07

08

09

2014

OKay opens 100th store

59

Fine Food Bread bakes its first loaves of bread for Colruyt and OKay

77

Support for pear and apple growers and pig farmers

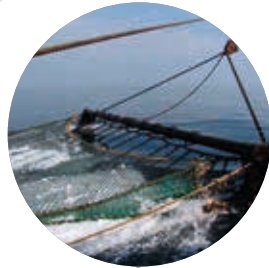
56





Spar Retail becomes Retail Partners Colruyt Group

83



Towards a sustainable range of fish products

30



Colruyt France: first store with new store concept

64

2015

10

Cru, a brand new store concept

62

11

12

01

1.000th electrical bike

39

02

New logistic centre in Ath/Lessines

79 and 105

03







WHO ARE WE?

Colruyt Group, a family of companies	23
Sustainable entrepreneurship embedded in our DNA	27



COLRUYT GROUP, A FAMILY OF COMPANIES

What once started out as a small family-owned company has now expanded into a family of companies. Today, Colruyt Group is active in Belgium, France and Luxembourg, with ten strong store formulas as well as wholesale, food service, distribution of fuels, production of green electricity and digital printing.

Colruyt Group has experienced an enormous growth and a rapid development over the past years propelled by two drivers. On the one hand, it has always been part of our DNA - there where we can deliver added value with our expertise and highly efficient approach - to do things ourselves based on a certain professional pride and a belief in our people. As a result, for example, we still have our own coffee roasting facility, a meat processing company and an architect firm. On the other hand, we have diversified our commercial activities over the last 20 years. For a long time, we only had the Colruyt Lowest Prices store formula. Gradually, other store formulas were added with each a separate market position, brand promise and target group. Our stores and the corresponding web shops are complementary to each other and jointly cater to the needs of a very wide target group. For instance, Colruyt Lowest Prices is the undisputed leader where prices are concerned, whereas the OKay neighbourhood stores focus more on proximity and convenience. Bio-Planet is the specialist in biological and ecological products. On the other hand, the Spar stores distinguish themselves with personal service and specialities.

For a long time, Colruyt served as the parent company for the newer activities. Today, most of these activities have developed into mature companies that operate independently. Together, they form a family of companies: Colruyt Group. All of the companies and supporting activities have one common identity and culture which can be summarised in our mission and nine values.

Our mission

Creating sustainable added value together through value-driven craftsmanship in retail

It is not simply a coincidence that Colruyt Group's mission statement contains the word together. As we do business on behalf of and with our stakeholders: customers, employees, suppliers, manufacturers, shareholders, etc. In our organisation, we pay a lot of attention to the individual employee and his or her team. It is the extent in which all of these individual employees and teams are able to grow together that determines the growth of our companies. These different activities, in turn, form the Colruyt Group, a large organisation in which ultimately 28.000 employees - each in their own way - make the difference **together**.

Furthermore, we aim to do business in a **sustainable** manner: creating maximum **added value** for the economy, people and the environment with the resources, energy and human effort that we invest. In other words: starting with an economic impulse, we also aim to bring about a positive dynamic in the social and ecological field. We are well aware that added value can mean something different for different stakeholders, and that we often have to settle for a compromise, taking into account the consequences on the long term.

The growth of our company is mainly the result of the fact that we stimulate **creativity**. Employees are given the possibility in every position and at every level to demonstrate entrepreneurship and to develop leadership. At the same time we realise that not every initiative will be a success or has to be a success.

At Colruyt Group, we regard **CRAFTsmanship** as more than simply performing your job correctly. Craftsmen possess the necessary skills, attitude and knowledge. They are proud of their skills and knowledge,

are pleased to be of service to their customers and colleagues and they clearly enjoy their work. Loyal to tradition, we continue to invest substantially in education and training, so that our employees can grow personally and in their field.

Retail is the origin and remains the core business of our company, ever since Franz Colruyt started out as wholesaler in colonial goods in 1928. Last but not least, we are also a **value-driven** company.



Our values

Respect
Simplicity
Readiness to serve
Togetherness

Faith
Hope
Space

Courage
Strength

Colruyt Group's nine core values are rooted in our past and offer a guideline for the future. They reflect our common identity and they are the drivers behind our daily actions. In this manner, everyone is towing the same line, even though we are not all engaged in the same activities. And we maintain the advantages of a family-owned company: even with 28.000 employees, we still speak the same language, so that we can communicate and work together efficiently.

We consider **respect** for the individual to be essential. Everyone is equal and will be given equal opportunities. And we stimulate working **together** at all levels. As a result, we operate efficiently and we increase the job satisfaction and inspiration of all of our employees. Already at the time when Colruyt Lowest Prices was launched, efficiency was an important issue. We could and can only guarantee the lowest prices with the lowest costs, this is why this efficiency drive has gradually evolved into **simplicity**.

Furthermore, we consider **readiness to serve** to be very important: we believe that it is not only important to help customers, but also to help colleagues.

Moreover, we have **faith** in every employee, as mutual trust generates positive energy. Of course, we **hope** that all our initiatives succeed and we aim to provide sufficient resources to enable this. At Colruyt Group we also give everyone the **space** and the opportunity to reflect on their job. As a result, employees can grow professionally and personally.

Only when there is a balance between all of the above values, will the employee have the necessary energy and **courage** to demonstrate initiative. And the **strength** to really dedicate himself to his job and experience job satisfaction. All of this in order to serve satisfied customers.



Defining our ambitions more clearly

In the past financial year, we completed a thorough vision exercise in which we focused on social, economic, cultural and other developments taking place within society. We examined what has changed in recent years, we looked ahead and we considered what these changes could possibly mean for our organisation.

First, we identified around 50 drivers or phenomena that play a determining role with regard to the future: the increasing ageing and urbanisation, the scarcity of natural resources, the rapid technological evolution and the shift towards the east. Combinations of these trends have given rise to a number of macro trends that are relevant for retailers and that we therefore wish to anticipate. These macro trends often also contain a paradox.

For example, the **scarcity of natural resources** leads to people regarding **sustainability** as increasingly important as well as an increase in the demand for ecological and/or ethically responsible products. At the same time, there are also conscious consumers who consider the **health** aspect to be of primary importance. It is up to the retailer, to reconcile these wishes in an optimal manner.

The rapid **technological** evolution also gives rise to a dual, and somewhat contradictory trend. For instance, many people welcome (on-line) technology that makes life easier. However, the **complexity** of technology also gives rise to a counter trend, a demand for more authenticity and **transparency**. Concretely, this means that e-commerce must offer speed and efficiency, but that it also requires simplicity and a personal touch.

This personal aspect will only become more important as the **ageing** process continues. Ageing, in combination with **urbanisation**, leads to proximity, convenience and a relaxed atmosphere becoming more important aspects in determining the store choice. In addition, cities have a huge cultural **diversity** and a growing concentration of singles and one-parent families, each with their own purchasing behaviour. It is up to the retailer to cater to this diversity with the appropriate store formulas and product ranges.

All of these trends combined produce the image of a complex society that is going through a process of transition. Moreover, society is being confronted with weak economic growth and uncertainty about the future of the welfare state.

In such a context, as Colruyt Group, we wish to provide a certitude which is epitomised in the brand promise 'Simplicity in retail'. We reconfirmed that our group mission remains a relevant compass. In the course of 2014, we thoroughly examined our ambitions and objectives and defined them more clearly. For example, now more than ever, we wish to bring simplicity to the complex society and thus to contribute to the quality of life. With our family of companies we operate with a long-term horizon, we aim to make a meaningful difference and offer relevant solutions for each phase in our customer's life cycle. In order to realise this, we continue to invest in innovation and we have launched ten programmes with which we intend to further expand the Colruyt Group in the coming years.



SUSTAINABLE ENTREPRENEURSHIP EMBEDDED IN OUR DNA

Already for many years, sustainable entrepreneurship has been embedded in the Colruyt Group's DNA as an essential part of our business culture. We aim to set a positive spiral in motion from an economic perspective but also to create added value in the social and ecological field.

Product, environment, people

We are now focusing increasingly on making our own brand products more sustainable. A complex and long story, because, in this process, we are examining all aspects of the production and distribution chain: from raw materials to production methods, from nutritional value for the consumer to recyclability of the packaging.

In recent years, we have also made a lot of progress in areas such as energy, mobility and waste. These and other environmental themes will also remain high on the agenda in the future.

As products are only sustainable when they are produced in good working conditions. Therefore, it is logical that where sustainability is concerned we also always focus on the human aspect and these such as well-being, training and personal growth.

Inspiring

Our sustainable entrepreneurship tradition goes back 50 years, when we had to aim for simplicity and efficiency in order to survive. An aim that became a permanent objective in our activities

over the years and developed into a broader, ethical awareness. We wish to make responsible use of natural resources, energy and human capital, simply because we wish to contribute to a better world also for the generations to come.

We are making progress and at the same time we realise that this is an ongoing process. Sometimes, we have to settle for a compromise due to technical or economic factors. Society is becoming increasingly complex and international and Colruyt Group is only a link in the chain often with a limited direct impact on the other links in the chain. This is why we are working more and more closely together with other parties and organisations. In order to make faster progress, we have hired a number of employees who focus solely on increasing the sustainability of our activities.

From our unique position between the producer and the consumer, we aim to actively contribute to a larger sustainability awareness among partners, customers, and employees. We believe that we can inspire them with our initiatives to take action themselves. In this manner, we make the difference together step by step, bit by bit.

More stories online

Hereafter, we provide a small selection from what we have realised in the past financial year. A more comprehensive reporting is available on our website that focuses completely on sustainable entrepreneurship: [simplysustainable.com](https://www.simplysustainable.com). The stories are divided into three categories, depending on where the main focus lies:



Product



Environment



People



Product

Colruyt Group is working on making a few thousand food and non-food products of our own brands more sustainable. We have a very broad perspective on sustainability and we wish to make a very economical use of natural resources and minimise the ecological impact of the extraction, cultivation and growth of natural resources. For instance, we only want wood from sustainably managed forests used in our non-food and paper products. We only want sustainable palm oil in our food products that comes from cultivation that does not lead to deforestation. And concerning our cultivated fish, sustainability means that the fish farms do not have an impact on the wild fauna and flora.

In addition, we are focusing increasingly on animal welfare. For example, for wild fish, we opt for fast catching methods whereby the period that the fish lies alive on the boat is very short. We have also already made a big effort to improve the welfare of rabbits, horses, pigs and chickens. In addition, we are working more and more on the health aspect, for example, by lowering the salt, sugar and fat content of our own brand products. Finally, we also have social requirements and we want our producers to provide acceptable working conditions (see page 43).

Making products more sustainable is complex, also because the production chain from raw materials to final product is very complicated. Therefore, we are active in several areas at the same time and cannot score equally well on all criteria. However, we make the most progress when we work together with other links in the chains, from farmer to consumer.



Together with our pig farmers, we tested soy for the first time as an alternative feed for pigs.



PRODUCT INITIATIVES AND REALISATIONS

Towards a sustainable range of fish and seafood products

More sustainably cultivated fish

For cultivated fish, we adhere to the standards of the independent organisation Aquaculture Stewardship Council (ASC), which imposes very strict standards on the fish farms with regard to fish feed, the use of medication, working conditions and water management. The fish farms are subject to a full audit every three years and are checked annually. For that matter, the range of wild fish products of our own brand has no longer included any threatened fish species since the end of 2013.

100 % ASC certified salmon by 2017

At the end of 2014, Colruyt Group was the first Belgian distributor to introduce ASC certified salmon, only a few months after the first salmon farms were ASC certified. Seven salmon products were added to this in 2015. Colruyt Group aims to have an ASC certification for 40% of its salmon sales by the end of 2015 and 100% by 2017.



9 new ASC products in 2015

Colruyt Group had already received an ASC certification for the sustainability of its range of cultivated fish products for the species pangasius (fresh and frozen, 2012) and tilapia (frozen, 2013). In 2014, a frozen scampi and a frozen salmon product were added. By the end of 2015, another nine scampi and salmon products were added from ASC certified fish farms.

First ASC scampi in Belgium

At the end of 2014, Colruyt Group introduced its first frozen scampi with an ASC label of the brand Vannameï. In June 2015, two new products were added of the brand Black Tiger. These scampi have a traditionally longer cultivation process which has a positive effect on the size and the quality. In order to qualify for the ASC label, the fish farms must comply with the strictest standards for the environment, hygiene, health and working conditions.

Less palm oil and more sustainable palm oil in own brand products



Dual action plan

In view of the advantages (storage characteristics, low price, etc.) and disadvantages (deforestation, saturated fats, etc.) of palm oil, Colruyt Group drew up a dual action plan at the end of 2013. On the one hand, we are examining in which food products palm oil can be replaced by other types of oil with fewer saturated fats. On the other hand, we want to only make use of sustainable palm oil for products in which palm oil is indispensable. To this end, we work together with the certification system of the internationally recognised Round Table on Sustainable Palm Oil (RSPO) foundation. This organisation determines the sustainability of palm oil according to standards for deforestation, climate change, and respect for the native population.

Over 50 % is already RSPO certified

For part of the over 600 own brand products such as potato chips and frozen fries, we already replaced palm oil with other oils in 2014. Where we cannot replace the palm oil, we first focused on the categories that together contain approximately 80% of all of the palm oil in our products: frying oil, margarine and cookies.

The result: as planned over half of all palm oil in our own brand products has been RSPO certified since the end of 2014 and thus now comes from sustainable sources. For our frying oil, we make use of 100% segregated certified palm oil, from a completely segregated, sustainable production and distribution chain. All the palm oil in our margarine and almost 10% of the oil in cookies is now 'mass balance' certified.

We have compensated the volume of palm oil for which we have not yet been able to switch to RSPO certification with the purchase

of Green Palm certificates. In this manner, we have been able to already make 94% of our palm oil volume sustainable in 2014.

Aiming for 100 % certification

We will continue our sustainability drive and we aim for 75% certified palm oil in our own brands as from the end of 2015. By the end of 2018, we aim to only use 100% segregated palm oil. This means that all palm oil used in the end products is guaranteed 100% sustainable.

The road to realising this is still long as it concerns many different products from many different suppliers who in turn purchase palm oil from numerous manufacturers. Nevertheless, we are committed to realising our objectives to the maximum extent, together with our suppliers and in a dialogue with NGOs and governments.



Successful pilot project with Flemish soy as pig feed

Local soy reduces dependence on import

Colruyt Group participated in a pilot project whereby 100 pigs were fed with imported soy and as many animals were fed with the first soy produced on Flemish soil. The pork was processed and tested by our meat processing company Colruyt Group Fine Food Meat. From the analysis, it appeared that the type of soy hardly made any difference for the health, growth and yield of the pigs, and also did not make a difference for the quality and the taste of the meat.

Colruyt Group participated in the pilot because locally grown soy makes the Belgian pig farmers less dependent on import soy from South America where the large-scale cultivation of soy has a big impact on people and the environment. The Flemish soy, on the other hand, reduces the amount of transport, protects farmers against possible scarcity on the global market and thus contributes to a sustainable future for pig farmers. The pilot was carried out in

cooperation with Aveve, Bemefa and Ilvo and was part of the transformation project 'A more sustainable food chain'.

Second pilot and further research

The results of the first pilot were sufficient for Colruyt Group to participate in a second pilot in 2015. The harvest was better than expected; however, the yield per acre is lower at present than, for example, for corn. The group is therefore participating in further research, also into which soy species would produce the best yield on Flemish soil. In order to further increase the sustainability of the animal feed flows, we are also looking into other options that could (partially) replace soy as a source of protein in animal feed such as insects. At the same time, we strive to ensure that our meat, egg and dairy suppliers only use socially responsible soy.



Participating in a European environmental footprint pilot project

Colruyt Group is active in the European project OEF SR (Organisation Environmental Footprint Sector Rules), which aims to arrive at a harmonised method to calculate the environmental impact of production and distribution chains from extracting natural resources to waste processing. Together with other retailers, we are helping to draft the European directive for the retail sector.

We are even going a step further and also testing the CHAIN OEF method that aims to determine and reduce the footprint of all parties in the chain. For instance, in 2014, we started to identify the

environmental footprint of the product category pork and the most critical issues together with our meat suppliers.

We have also been participating in European tests already for some time regarding the environmental footprint of individual products and companies. The projects form part of the 'Single Market for Green Products' initiative of the European Commission. The European Commission wishes to give citizens and governments the means by 2020 to make the most sustainable choices, which will automatically stimulate companies to make their products more sustainable.

Towards 100% sustainable wood by 2017

Colruyt Group has drawn up an action plan to ensure that the group only uses sustainable hard wood by 2017 in a broad range of non-food products. The commitment applies to all products that consist for at least 60% of hard wood and that the group has produced under its own brands or imports directly. Concretely, this mainly concerns garden furniture, toys and cupboards that are sold at Colruyt, Dreamland, Dreambaby and Collishop.

The group only accepts products with wood from sustainable managed forests. The wood may not come from illegal logging, nor be listed on the CITES list of threatened plant and wood species. In order to realise this commitment, the group always requests information from the producer regarding the origin, the type and the certification of the wood. We only accept the recognised wood certificates FSC and PEFC and we wish to realise 50% of our goal by 2016.

All paper products certified by 2017

Colruyt Group aims to have all paper products of the own brands Boni Selection and Everyday made from wood from sustainably managed forests by 2017. All products must be certified by then and have an internationally recognised sustainability label of FSC or PEFC. It concerns a broad range of products from paper towels, toilet paper and nappies to note pads and envelopes and from coffee filters to waxed paper. At present, we already have certificates for approximately 40% of these products, including high volume products such as toilet paper, tissues and print paper.

In addition, we are also continuing to work on increasing the sustainability of our paper packaging and communication. For instance, the bread bags and tetra briks of our own brands are already certified. We also use sustainable paper for the Colruyt cookbooks, while our folders have been printed exclusively on recycled paper already since 1992.

Golden eggs in France and Belgium

The French Colruyt stores were awarded a 'Golden Egg' because they no longer sell fresh eggs from chickens held in cage systems (code 3). Customers can only purchase bio-eggs (code 0) and eggs from barn-roaming (code 2) or free-range (code 1) chickens.

This commitment for the fresh eggs from all national brands and own brands is a first for the French large-scale distribution.

Colruyt Group also received a 'Good Egg Award' in Belgium for increasing the sustainability of over 1.000 own brand products of Boni Selection, Everyday and Econom. The eggs in these products are exclusively from barn-roaming or free-range chickens. This step had already been set for fresh eggs in 2005, which also resulted in a Golden Egg Award in 2007. The organisation CIWF (Compassion in World Farming) has awarded Golden Eggs since 2007 to European retailers and processing companies that use eggs from chickens that are not held in cages.





Environment

We aim to minimise the ecological impact of our activities. For instance, we strive to reduce our energy consumption also by constructing buildings that are much more energy efficient than required by law. We also stimulate our employees to be economical with electricity, gas and water and we carefully monitor our consumption. We also save fuel in commuter traffic and goods transport, for instance, by limiting the number of transport kilometres, avoiding traffic jams and by increasing the sustainability of our vehicle fleet. Initiatives that help ensure that we are on schedule to achieve our reduction targets for energy consumption and greenhouse gas emissions by 2020.

The group has been a pioneer in green energy already for many years with wind turbines, solar panels and recently also co-generation. Our internal energy producer WE-Power currently already covers 15% of Colruyt Group's electricity requirement, the aim is to eventually cover 100%. And we are experimenting with hydrogen as a storage buffer for green electricity, which is an important step towards a future smart electricity grid that coordinates supply and demand optimally.

Furthermore, we are getting better at sorting our waste and, as a result, less residual waste remains that has to be incinerated (with heat recuperation). Due to this reduction, we can now recycle nearly 80% of all of our waste, which is a target that we set in 2009 and that we wanted to realise by 2017.

By sorting our waste better, we can now already recycle 80% of our waste.





ENVIRONMENT INITIATIVES AND REALISATIONS

Towards a smaller greenhouse gas footprint

Decrease in 2014

The relative greenhouse gas emissions of the Colruyt Group in 2014 amounted to 19,65 tons per one million euros of turnover being 3,8% less than in 2013. On the one hand, this decrease is the result of many projects that reduce our carbon footprint, such as faster detection and fixing of leaks in our cooling systems. All of our new construction projects are also very energy efficient due to good insulation, efficient ventilation, heating and cooling, economical LED lighting, etc. On the other hand, the decrease in emissions was also a result of the mild winter as a consequence of which we had to heat the buildings less.

Greener vehicle fleet

Although our vehicle fleet grew by 7%, it did also become greener. The average fuel consumption decreased by 2%, also due to the fact that employees and the company opted more often for economical cars and specifically for cars that run on natural gas (CNG). Vehicles that run on natural gas emit less CO₂ and 95% less fine dust than comparable vehicles that run on diesel or petrol. Our vehicle fleet now includes 300 passenger cars and trucks that run on natural gas. Finally, we are also working on changing behaviour, also by means of an intensive course on ecological driving and monitoring fuel consumption.

Ambition: 20% less by 2020

We intend to launch a number of projects to further reduce greenhouse gas emissions. For instance, we plan to replace the existing mobile cooling units which are cooled with CO₂ by models that do not emit any greenhouse gasses. In addition, in our stores as well, we want to switch to cooling with natural cooling agents, which will reduce the greenhouse gas emissions for cooling by more than 90% (see page 104). As a result of these measures, in combination with projects in heating, construction and passenger transport, we aim to reduce our relative greenhouse gas emission by 20% by 2020 in comparison to 2008. An ambitious target.

Energy reduction plan on schedule

As greenhouse gas emissions depend to a large extent on energy consumption, we are taking many measures to reduce our energy consumption. As a result, the relative energy consumption of the Colruyt Group in Belgium decreased by 6,2% in 2014 compared to the base year 2009. A good result, certainly also because the calculation does not take into account the favourable effect of the relatively mild winter. With this result, the group is almost on schedule to achieve the target of its energy reduction plan: 20% less relative energy consumption by 2020. This plan focuses on heating, cooling, lighting and passenger transport and is supported by our own energy measurement system Eco2. This system enables us to detect abnormal consumption quickly and the results of projects are made visible quickly and clearly.



*For new buildings and renovations,
we opt for energy-efficient LED lighting.*

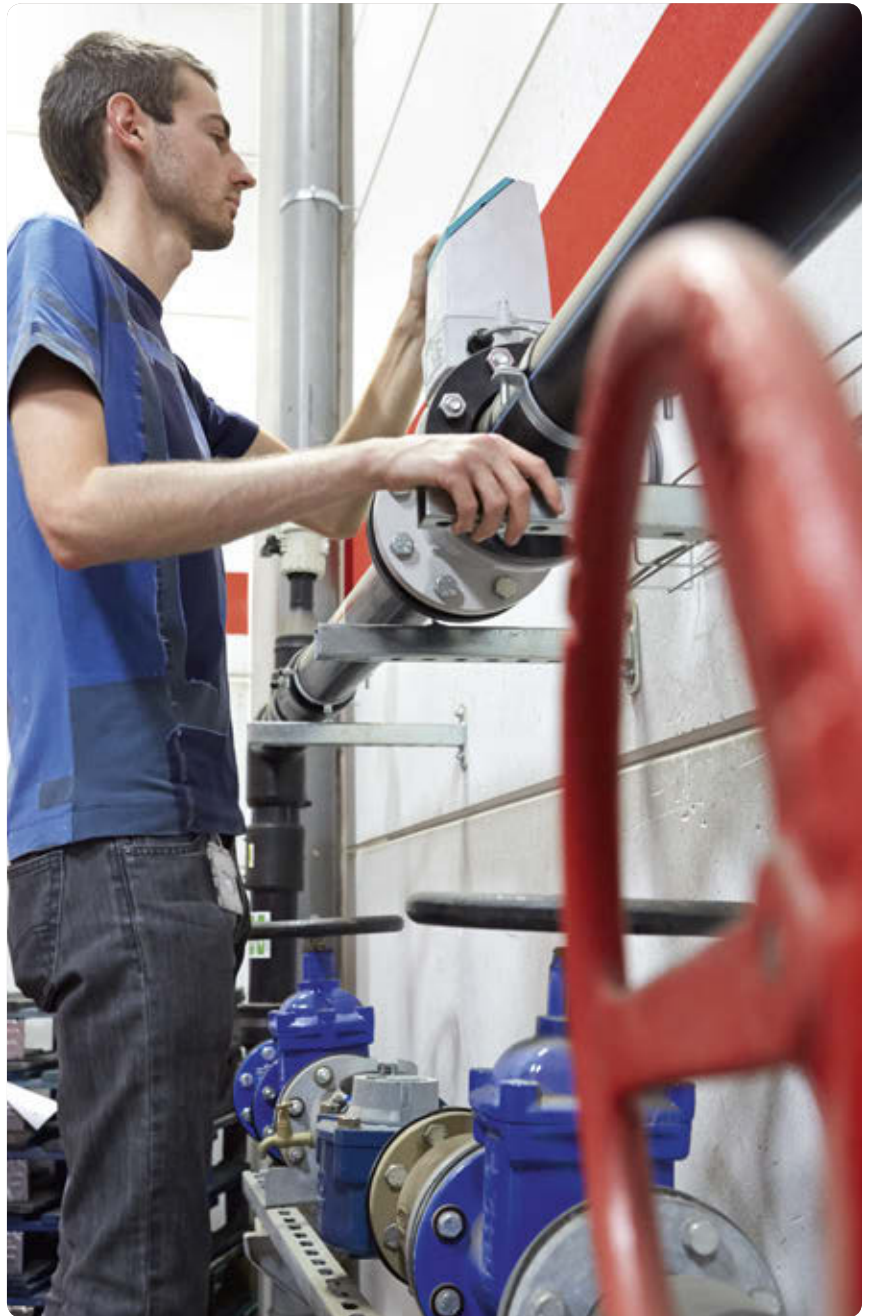
Intelligent energy storing and saving

From green electricity to hydrogen and back

Our internal energy producer and supplier WE-Power is experimenting with hydrogen as a means of storage for the green electricity that we produce ourselves. Energy from wind turbines and solar panels is converted into hydrogen via electrolysis and compressed in the hydrogen station in Halle. Two forklift trucks, nine transpallets and a hydrogen vehicle are now obtaining their fuel from this station (see page 98).

As part of the European Don Quichote project, we are looking into how we can increase the efficiency of the electrolysis (hydrogen production) and the compression (storage of hydrogen). In addition, we want to examine the economic criteria to convert the stored hydrogen back into electricity. This is especially interesting when wind turbines and solar panels produce too little and the market prices for electricity are high. On the other hand, if we produce more green electricity than we consume locally, the surplus can be stored in the hydrogen buffer. This is more interesting than feeding the surplus energy into the public grid at a low price.

In order to be able to test this system on a larger scale, we expanded the hydrogen station considerably in June 2015. The hydrogen buffer is one of the elements with which we wish to build a 'smart grid' in the future: a smart electricity grid that coordinates the supply of and the demand for energy optimally. The Don Quichote project has received support from Europe and is also being carried out in cooperation with WaterstofNet and Hydrogenics Europe.



Less energy consumption with more energy awareness

In order to make optimal use of electricity, gas and water, the energy measurement system Eco2, which we developed ourselves, measures the consumption of energy accurately in most of our buildings.

We have recently developed a user-friendly monthly report for the Colruyt stores with which the manager can more easily monitor the store's energy consumption history. In order to arrive at better results, we are focusing on changing behaviour. This is why the stores are given a check list with concrete actions, such as defrosting the freezers, closing the windows or turning off the lights. After his periodical tour of the store, the person responsible for the building enters the results online, so that these can easily be monitored later.

Our meat processing company Fine Food Meat drew up a top five of simple actions that everyone can carry out and that together make a real difference. The actions (closing doors, turning off machines, etc.) were visualised in clear pictograms and hung up in all relevant areas. The behaviour in these areas was measured, monitored and discussed with the employees. Employees were also invited to make suggestions themselves for energy savings, which resulted in around 50 useful ideas. All departments have already appointed Green Helmets for some time, i.e. ambassadors for energy awareness who stimulate colleagues to change their behaviour. Also thanks to these efforts, the energy consumption decreased slightly while the production increased.

Less environmental impact by transport



Limiting kilometres

In order to lower the impact of the transport of goods, we strive to limit the number of truck kilometres as much as possible. This is why our trucks are loaded for at least 95% and we continue to invest in intelligent software for transport planning. For instance, we have saved around 7,5 million kilometres per year since 1994, and that number continues to rise.

In international truck transport, we are increasingly switching to alternative means of transport such as by train and by ship. The share of sustainable transport rose in 2014 by 4,61 million ton/km compared to 2013, which equals 440 additional tons of CO₂ reduction.

Avoiding peak times

In order to further increase the sustainability of our truck transport, we try to avoid rush hours and traffic jams. This is not only more (cost) efficient, but also avoids unnecessary fuel consumption and is good for the traffic safety.

Today, already 20% of the deliveries take place at dawn or at night and we wish to increase this further to one third. In order to ensure that these deliveries take place as quietly as possible, we have invested around EUR 3,5 million in recent years in equipment, infrastructure and training. We also participated in quiet deliveries pilot projects and are looking forward hopefully to further steps of the various governments (see page 78).

Cleaner energy sources

We are focusing on various clean energy sources, as one single technology alone cannot provide all the solutions. For instance, our fuel division DATS 24 is the driving force in Belgium for the commercialisation of CNG or natural gas for vehicles, at present the most ecological fossil fuel on the market (see page 94). DATS 24 intends to open 50 new natural gas stations in the coming three years and advocates more (fiscal) support for the purchase and use of natural gas vehicles. The Colruyt Group vehicle fleet already includes 300 vehicles that run on natural gas.

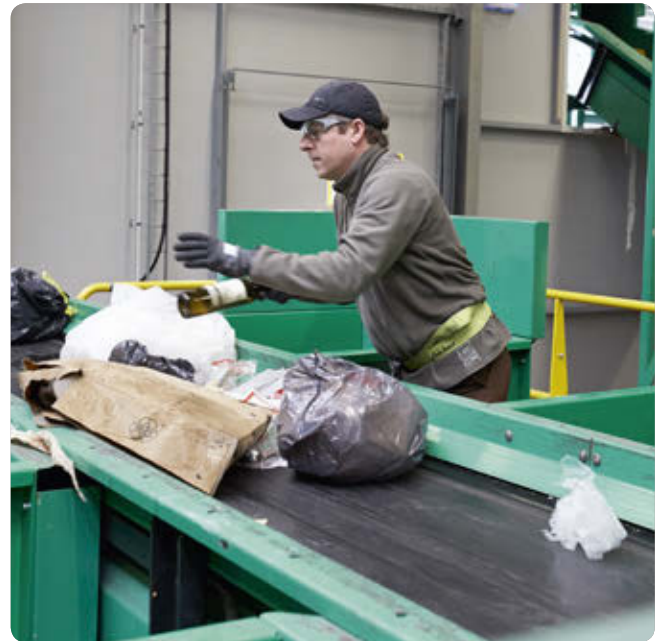
We are also pioneering with hydrogen and we have our own hydrogen station with a high availability of 95% (see pages 37 and 98). By the end of March 2015, already over 2.000 kg hydrogen had been tanked for 11 goods transport vehicles and one passenger vehicle. We are also the first company in Belgium to test the Hyundai ix35 FCEV, the first hydrogen vehicle built in a series. This vehicle does not emit any hazardous emissions and performs well with regard to consumption, independence and maintenance. As the filling station and the equipment are functioning as expected, we are considering an expansion of the filling station and the hydrogen fleet.

For moving trailers at our own logistic sites, we are testing the first electrical terminal puller, powered by green energy produced by ourselves. With this clean and low-noise puller, the work is more pleasant for the driver and the environment.

Nearly 80% of the waste is recycled

Make better use of residual waste

By taking a second return centre into use in Ath/Lessines, Colruyt Group is now able to sort the residual waste of stores, production and distribution centres and office buildings even better. The waste is placed on a new sorting platform, where employees retrieve the recyclable materials such as plastic, hard plastic, cardboard, wood, metal and glass. In this manner, the amount of residual waste that we have incinerated with heat recuperation is decreasing. This decrease contributes to the group being able to recycle nearly 80% of all of its waste. A target from 2009 that we wished to achieve by 2017.



Better sorting at the source

Logically, the amount of recyclable (packaging) waste such as plastic and cardboard has increased in line with the increase in turnover in recent years. However, the volume of residual waste has remained more or less the same also because we are sorting better at the source. For example, PMD, bread and waste that can be fermented do not end up in the residual waste but are channelled into separate waste flows that are made maximum use of.

Over 1.000 employees opt for electric company bicycles

At the beginning of 2015, 1.000 employees had already received an electric company bicycle on loan, in addition to the 1.900 colleagues with a traditional company bicycle. They may also use their bicycles privately, they receive a complete bicycle equipment set and a tax-free bike allowance. In addition, at the beginning of 2015, around 1.200 enjoyed the possibility of making free use of public transport by train, tram or bus, whether or not in combination with a normal or foldable bike made available by the company. If we also include the number of carpoolers, one-fifth of the 28.000 employees in Belgium leaves the car at home and travels in an alternative manner. Together, they avoid around 25 million car kilometres annually. Colruyt Group is one of the employers that stimulates sustainable transport alternatives the most.



Carpooling is becoming increasingly popular

The number of carpoolers rose considerably in 2014, also thanks to the introduction of a matching tool Carpool Plaza and also due to organisational measures. The production and distribution centres switched from four or three shifts to two shifts in April 2014. As a result, the number of employees who were employed in the same area and worked the same hours increased and thus also the number of potential carpoolers. Information sessions were organised about the advantages of carpooling and measures were taken to facilitate the system. For example, in order to match carpoolers better with each other teams were composed differently, often in consultation with various departments. With as a result: the number of carpoolers in the production and distribution centres rose from 19,2% in 2011 to 24,7% in 2014, with peaks of up to 36% at more isolated sites.

1 OF 5
EMPLOYEES
USE AN
ALTERNATIVE
MEANS OF TRANSPORT

 A green icon of a car with two people inside, representing carpooling.



People

It is the employees who make our company what it is. Therefore, we treat our employees with respect and we aim to create an environment in which they can derive enjoyment and satisfaction from their work. We work based on trust as, based on our positive view of human beings, we believe that people are intrinsically motivated to perform their work to the best of their abilities and to develop themselves. We also believe that the organisation will grow to the extent that the employees grow. This is why we invest 3,2 % of the payroll in training and education annually and we offer employees the opportunity to grow personally and professionally. We offer an environment in which everyone can be themselves and we continue to invest in well-being, safety and health.

We propagate our vision on development more and more in the outside world, especially via the Colruyt Group Academy workshops. In these workshops, we actively share useful information in an accessible manner with the public, and we offer solutions and inspiration for everyday life. We wish to contribute to society by stimulating connections between the participants themselves and between participants and teachers, partner companies and ourselves.

Education and training are also the main activities of the Collibri Foundation. Via this fund, we support seven education projects for underprivileged youth, especially in developing countries in the South and now also in Belgium. Finally, we also continue to work on improving the working conditions at our suppliers in risk countries. With extra social audits, international cooperation and more support of the producers, we also aim to make more of a difference in these countries.

We wish to share useful information with the general public via the Colruyt Group Academy workshops.



PEOPLE INITIATIVES AND REALISATIONS

Experiments for the further optimisation of the checkout

Colruyt Group started a project in 2014 to draw up a detailed inventory of the checkout and to make this work less strenuous where possible. A survey was carried out among employees in a pilot store and the physical strain was measured with electrodes that recorded the muscle strain. In order to determine the mental stress factors objectively, we tested a revolutionary method in the store. This method examines which heartbeat increases are caused by physical exertion and which by other factors.

After interviews and video analysis, we were able to identify the main stress factors. Contrary to our expectations, the checkout work turned out to be more mentally than physically burdensome. For instance, stress was mainly caused by elements that had a negative effect on the contact with customers and colleagues, such as unreadable bar codes or unclear arrangements.

Based on the results, we are looking into taking measures with regard to the checkout design, work planning, and communication training.



Investing more in better working conditions

187 own audits and 334 external audits

Colruyt Group had the working conditions audited at 187 suppliers in risk countries in 2014, which represents an investment of EUR 188.000. We also accepted 334 audit reports supplied by other retailers, which brings the number of audits to 521. Independent audit firms visited food and non-food producers from which we import directly or that produce for our own brands such as Dreamland and Boni Selection. Most producers attained an acceptable score; the collaboration was terminated with 23 producers that scored very badly or refused to have an audit.

More frequent audits

Of the 372 non-food manufacturers, 85% scored average, which means that small or larger improvements are necessary. They received an improvement plan and will be audited again within one or two years.

At the 149 agricultural or food processing companies, (major) improvements were often necessary or the results were unacceptable. As we only started carrying out audits in the food sector in 2013, it is logical that the producers have to go through an improvement process. Therefore, we gave most of the producers a second chance and we audited them again within three to six months. A successful approach, as most of the scores improved. In general, we see that the audits do really lead to an improvement of the working conditions but that they still remain necessary. In

order to continue to ensure the progress, we intend to audit well scoring producers every two years instead of every three years.

More support and joint initiatives

Colruyt Group plans to carry out at least 270 audits in 2015, which represents an investment of over EUR 200.000. With this, we are well on our way to achieving our targets: all food-processing companies have to be audited at least once by June 2016 and all vegetable and fruit producers have to be audited at least once by June 2018. Thus we continue to focus on audits, although we realise that this in itself is not sufficient to solve the structural problems. In order to solve these structural problems, all parties involved must assume their responsibility. For instance, local governments should supervise the compliance with their own laws more strictly.

For our part, we plan to support and motivate the producers more intensively and help them to find solutions. For example, we visited a number of shrimp factories in Bangladesh at the end of 2014 in order to gain more insight into the problems and to provide guidance to the producers in their improvement process. For that matter, we have a local team in Hong Kong that supports the factories with advice and assistance. Finally, we would also like to focus more on training projects and joint initiatives with other retailers, governments and NGOs.



Our quality supervisors gained many new insights when visiting shrimp producers in Bangladesh.

Collibri Foundation taking it up a notch

Now also in Belgium

Since its foundation in 2003, Collibri always focused on education and development in developing countries in the South. Since 2014, the fund also supports an education project in Belgium: 'Boost' of the King Boudewijn Foundation. This programme provides assistance to 25 students from financially vulnerable families in Brussels for a period of four years with the objective that they succeed in their first year of higher education. Collibri donates EUR 125.000 annually and will also provide practical assistance by means of visits to companies, vacation jobs, traineeships, etc.



Strong focus on young people

Colruyt Group's education fund was restyled at the beginning of 2015 in order to make the link with the group and the mission clearer. The key words educate, develop and empower in the new logo clearly convey that Collibri now focuses on education, specifically of underprivileged children and young people. The objective is to help young people increase their knowledge and develop their personalities so that they will be able to contribute to the sustainable growth of their country.

More projects, other funding

Collibri supports seven education projects and aims to increase this to ten in the near future. Collibri will also re-examine its funding, together with the Colruyt Group, the store formulas and the own brand Boni Selection. At present, the funding mainly comes from the sale of around a dozen own brand products with the Collibri seal. Five percent of the sales price goes to the fund, which is managed by the King Boudewijn Foundation.

Employee engagement

With a new dynamic, it is now time for Collibri to present itself more actively to the outside world. For instance, five employees have volunteered to take on the role of Collibri ambassadors. In the next two years, they will each follow a project closely and they have entered into the engagement to share the results of the projects within the Colruyt Group. More involvement and a larger base of support among colleagues can in turn lead to more awareness and participation of a larger public.

Connecting young people

Collibri Foundation strives for more connection between young people worldwide. For instance, the group participated for the ninth time in the annual South Day and put around 170 students to work for one day in stores and central services. The students donated the 50 euros that they received as compensation to the South Day, which used this money to support a theatre project for young people in Palestine. Collibri will also organise traineeships again this year for three Indonesian university students that studied with a scholarship from the fund.





16.000 PARTICIPANTS IN THE COLRUYT GROUP ACADEMY IN 2014

Colruyt Group Academy brings people together

'Meeting, discovering, undertaking' is the motto of Colruyt Group Academy (CGA). The Academy aims to make a contribution to society by actively sharing useful information with the public in an accessible manner and providing solutions and inspiration for everyday life via inexpensively priced workshops. In addition, the Academy also provides for all of the education and training programmes for the employees of the group.

30 new themes for private individuals

In 2014, 16.000 customers participated in a workshop. This is twice as much as the year before. The workshops 'Sowing for beginners', 'Initiation single malt whiskey' and 'Sushi surprisingly simple' were among the most popular workshops. The number of participants will be even higher in 2015 as the spring programme 2015 listed over 30 new themes, such as 'The Creole kitchen', 'Baby carrying wraps' and 'Gardening for kids'. The Academy also launched programmes for groups, whereby family members, friends or colleagues could get to know each other in a different way. The workshops fill up remarkably quickly, score high in satisfaction surveys and regularly receive positive press coverage. Colruyt Group employees can choose from over 100 internal training programmes and courses.

Academy facilitates connection

The Academy also wishes to bring people together and to stimulate connections between the participants themselves and between participants and teachers, partner companies and Colruyt Group itself. In order to stimulate this interaction, the Academy is also active on Facebook, Twitter and Instagram since the beginning of 2015. The six meeting centres also play a connecting role: they integrate themselves in their region and become a fully-fledged meeting place for individuals, companies, cities and municipalities, associations, etc.



Customisation for companies

The Academy has recently also become better known among companies and organisations that often combine their own meeting or event with an activity from the Academy programme. The Academy has also started to market its services among prospective clients and wishes to offer more customisation as long as this remains in line with its mission and values. The synergy is also increasing more and more: people who participate in a workshop as part of a group later on also participate in workshops individually and vice versa.

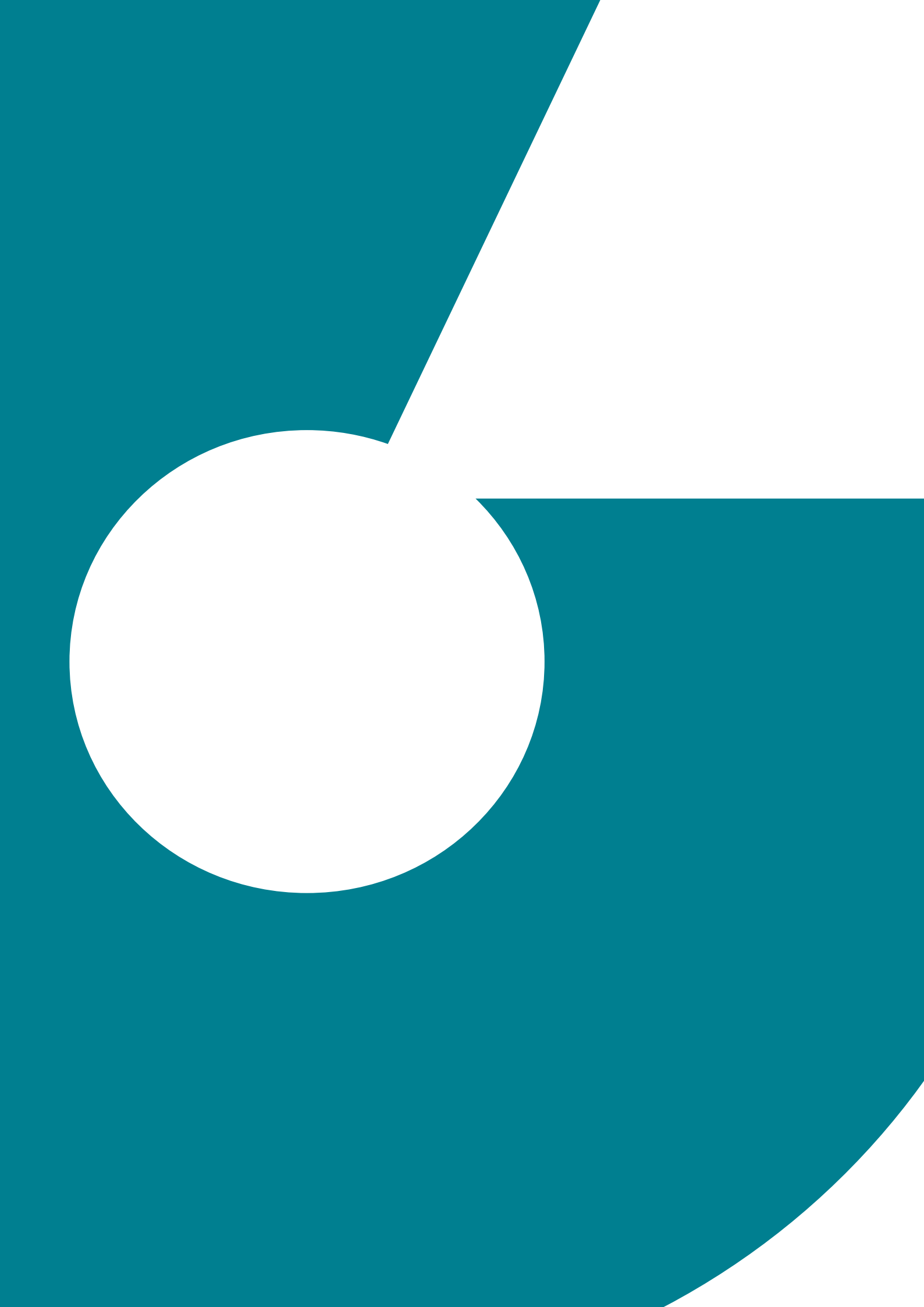


Growing positive impact

The Academy does not offer any products for sale, but does have a growing indirect positive impact on the group and provides for a deeper connection with various stakeholders. Colruyt Group keeps in touch with what is going on in society and strengthens the contact with suppliers that work together with the Academy practically or financially. For them as well, the workshops are a unique platform to receive direct feedback from the consumer.



You can read more about the Colruyt Group Academy in the section 'Activities' on page 110.





ACTIVITIES 2014-2015

Retail	50
Wholesale	80
Foodservice	87
Other activities	92
Corporate activities	102
Colruyt Group in figures	113



RETAIL

*These activities realised a 3,6 % growth in revenue to EUR 6.770,3 million in this financial year.
Retail comprises the following store formulas:*

- **Colruyt Lowest Prices** 51
- **OKay** 58
- **Bio-Planet** 60
- **Cru** 62
- **Colruyt France** 63
- **Dreamland** 68
- **Dreambaby** 71
- **Collishop** 73
- **ZEB** 75

colruyt lowest prices

Colruyt Lowest Prices mainly targets families with children, who spend their money carefully. The supermarket chain is well-known for its high quality products, skilled and service-oriented personnel, transparent communication, efficient working methods, plain store design and energy efficient operations.

Colruyt Lowest Prices offers the lowest prices for each product at each moment. In order to be able to offer the lowest prices for national brands, home brands and discount brands, the supermarket chain monitors the prices and special offers of other stores on a daily basis. Every day, Colruyt staff record more than 62.000 prices in stores all over the country. Colruyt Lowest Prices then calculates all of the prices. If a product is cheaper elsewhere, then Colruyt Lowest Prices will lower its price in the surrounding stores.

° 1976

 **EUR 5.479,4 MILLION**
REVENUE (+2,3 %)

 **236 STORES**
(INCLUDING THREE IN LUXEMBOURG)

 **1.500 M²**
AVERAGE STORE SURFACE AREA

 **7.600 FOOD /
5.800 NON-FOOD**
NUMBER OF ARTICLES

 **16.855**
EMPLOYEES IN FTE (+668)

 **LOWEST PRICES**

 **COLRUYT.BE**

Two new stores were opened during this financial year of which one in Luxembourg. 21 stores were either renovated or enlarged. Nine stores were closed for renovation works at the end of the financial year.

The Colruyt stores in Belgium and Luxembourg realised a slight growth. In a deflationary market with waning consumer confidence, the revenue increased as a result of the increase in store surface area in existing stores, two new stores and an increase in the number of customers. The average shopping cart value remained stable. A good performance in a contracting market in which the average Belgian spent less money on food and the gross margins remained under pressure.

The supermarket chain began the financial year hesitatingly, also due to competitors that were working on their price perception. Colruyt Lowest Prices then reacted to this with a large-scale image campaign which clearly communicated the lowest price guarantee. This campaign was a success. In the second half of the year, customers reconfirmed their confidence, which resulted in a structural growth of the market share.



€5.479,4
MILLION REVENUE,
AN INCREASE OF
2,3 %
COMPARED TO THE LAST YEAR

The lowest prices

For the sixth year in a row, it appeared from the annual price survey of the consumer organisation Test-Aankoop that Colruyt Lowest Prices is the cheapest store for the three brand categories. The supermarket chain also achieved first place in the summer and winter report of the research agency GfK. This is mainly due to the store's lowest prices and attractive special offers, its fresh foods department and its friendly personnel. In addition, Colruyt Lowest Prices was awarded again in the election of



the 'Best supermarket chain of Belgium 2014-2015'. As was the case last year, the store formula won in the category 'Supermarkets'. You can read more about this on page 72.

In order to make the price difference with other stores even more clearly visible for the consumer, Colruyt Lowest Prices also includes the newcomer Albert Heijn in its Price Barometer as of this financial year. This barometer shows the price difference for each Colruyt store compared to another store in the area. In addition, the supermarket chain also accelerated the roll out of its own brand Boni Selection. In this manner, customers can easily ascertain that Colruyt Lowest Prices offers the lowest price for national brands, the own brand Boni Selection and the discount brand Everyday.

Focus on cost efficiency and customer friendliness

Colruyt Lowest Prices launched a number of initiatives during this financial year to further increase its cost efficiency. The introduction of the PDA, a new display cart in the fresh market and better streamlined communication to the stores are good examples of this. You can read more about this on page 56 and 57. In addition, the store formula focusses on customer friendliness to make the shopping for the customer as comfortable and efficient as possible. For example, Colruyt personnel pay extra attention to the sample dishes and a free path through the store.

Third store in Luxembourg

Colruyt Lowest Prices opened a third store in Luxembourg in October 2014. After Mersch and Gasperich a store was now also opened in Sanem. The supermarket chain also appointed a regional manager for its Luxembourg stores. It is his task to manage the stores and to ensure that the organisation caters to the local needs. Colruyt Lowest Prices is noticing that its name awareness is increasing and is focusing increasingly on online sales. New stores are also growing faster than the first store. Colruyt Lowest Prices intends to maintain a growth strategy in the coming years, also by opening new stores. The opening of a fourth store is planned for the coming years.

Roll-out of fourth generation stores

Colruyt Lowest Prices is rolling out the fourth generation of its stores step by step. The fourth generation stores are brighter and more accessible, offer various innovations for customers and personnel and focus on the essence of the supermarket chain: the lowest prices, simplicity, readiness to serve and craftsmanship. Various modifications have been made. The colours in the store are more functional: orange at the entrance, neutral grey in the store and red for the red prices. In order to inform the customers even better, there are new price labels, cards with product information and price barometers at the entrance. The blue uniforms were replaced by grey uniforms. The uniforms are lighter, more comfortable and more functional, with a pocket for the PDA. The model for women and the summer version with air zones are new. The checkouts are simpler and plainer. And cardboard folding boxes are available to take your shopping home. They are convenient and strong and cost one euro. All of the existing stores will be given the look and feel of the fourth generation stores step by step.





Open butcher shop

The butcher shop also looks different in the fourth generation stores. The easily accessible self-service display cabinets contain fresh meat products in convenient, pre-packaged portions listing the price and the amount. In this manner, customers can easily take exactly what they need. In order to make these cabinets even more energy-efficient, they are equipped with glass doors. In addition, the butchers work in an open shop where they cut up the meat on site. Customers can ask the butchers questions and at the same time they can show their craftsmanship.

Meat sales are rising

Customers are buying more and more meat in the Colruyt butcher shops. A good performance in view to the general decreasing trend in meat consumption and the rising sales of veggie and bio. Fine Food Meat, the meat processing division of Colruyt Group, is building a new site to accommodate this growth. You can find more information on page 77.

Restyling of our own brands

The Boni Selection roll-out was completed in the summer of 2015. This own brand replaces more than 50 former Colruyt Group brands and stands for affordable, household quality products. In addition, the restyling of the discount brand Everyday is still under way. Everyday, in turn, stands for a good quality and reliable discount brand for every day. You can find more information on page 111. Every day, Colruyt Group works on a better and more well-balanced composition of the products of its own brands. The amount of sugar and salt is limited as much as possible.

The breakfast cereals and a large share of the canned goods of Boni Selection now already contain less sugar and salt, while the quality remains the same. For example, the sugar content of the Choco Clams was reduced from 32 g to 18 g per 100 g. And the fibre content in the muesli was increased from 8,8 g to 13,1 g per 100 g.

Member of the purchasing group CORE

Colruyt Group was also a member of a strategic European association in the past financial year together with the independent distributors REWE (Germany), Conad (Italy) and Coop (Switzerland). By participating in a European collaboration, Colruyt Group can offer consumers access to the widest possible range of products at the lowest prices. In addition, in this manner, the group is better equipped to deal with the growing competition in Europe and the increasing internationalisation of the food industry. The company shares know-how and is able to reduce logistic costs. At the same time, the CORE management is building strong international partnerships and suppliers are offered attractive growth perspectives.

Continuing to grow

Colruyt Lowest Prices intends to continue its successful approach. In a further contracting market with fierce competition, the supermarket chain continues to pursue its lowest prices strategy. Colruyt Lowest Prices expects to open two to three new stores each year. In addition, Colruyt Lowest Prices intends to increase the average store surface area of its existing stores to 1.800 m², which is the ideal surface area to offer its total product range to customers. Colruyt Lowest Prices aims to eventually operate 260 stores.

Collect&Go is an online shopping service that distinguishes itself with its reliability, friendly personnel and good quality and fresh products. Customers can purchase products from the Colruyt product range 24/7 and they are certain to pay the lowest price online. Customers can order their shopping online and pick up their reservation at a collection point at a time of their choice.

Collect&Go has a total of 171 collection points in Belgium and Luxembourg, 161 of which are located at Colruyt stores. In addition there are 10 stand-alone collection points. At 168 points customers pick up their orders and put them in their car themselves. At the 3 Collect&Go drives in Sint-Niklaas, Roeselare and Boom, customers do not even have to step out of their car. Collect&Go personnel put the shopping into the car and payment is done electronically.

Collect&Go collects the orders in the stores and in the distribution centres in Zaventem and Erpe-Mere which were set up specifically for this purpose.

COLLECT&GO

Collect&Go is the market leader in a rapidly growing business and continues to maintain its growth path. During the past financial year, the average shopping cart value remained stable, 60.000 new customers were added and revenue rose again by 15 percent. An excellent result that the online shopping service aims to achieve in the coming years as well, also by opening new collection points.

Twenty-two new collection points were added this financial year. Five new collection points are planned for the next financial year. By increasing its national coverage, Collect&Go wishes to be accessible for all of its customers. The online shopping service aims to eventually offer around 200 collection points.

Structural obstacles for Belgian e-commerce

Belgium is faced with a number of structural obstacles in the field of e-commerce: high wage costs, unequal taxation and VAT and strict rules regarding working at night. As a result, Belgian online shops have a competitive disadvantage compared to their foreign competitors. Together with the online web shop Collishop, Collect&Go are calling on government institutions to take structural measures to improve the competitiveness.

Flexible order picking system

Collect&Go is constantly investing in the quality of its services. The online shopping service is also looking into how it could further shorten the waiting times for its customers. In order to serve its customers even better and to unburden the stores, Collect&Go introduced a hybrid order

picking system. The order picking for part of the orders takes place in a distribution centre (DC) for some of the stores. If there are more orders, then the store does the order picking.



20% of the orders are placed via a smartphone

Customers send nearly 20% of their orders via the Collect&Go App on their smartphones. This percentage increases each year. The Collect&Go App was the first application in July 2011 to order shopping products. Collect&Go plans to renew its four-year-old App in the next financial year and, in doing so, it will make use of the newest technological developments.

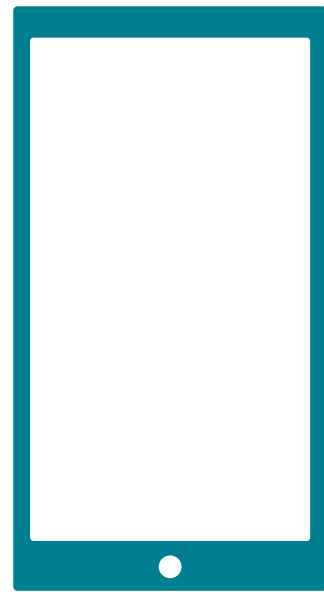
Second distribution centre

The second Collect&Go distribution centre has been operational since October 2014. The DC in Erpe-Mere has a surface area of 9.000 m². Around 100 employees prepare orders for the collection points.

With this second distribution centre, Collect&Go can handle the supply in the west of the country better and can meet the needs of its customers better and more efficiently. In addition, the DC in Erpe-Mere also provides the extra capacity to deal with the increase in the number of orders.

More efficient shopping via new web site

Collect&Go renewed its website completely in the beginning of February 2015. The site has become more user friendly, clearer and more visual, with large pictograms and large images that portray the products better. Furthermore, the personalisation was also extended. For each product category, the customer is presented with a further selection. The search function for the collection point was simplified and there is now also a search filter for Boni Selection products. Finally, there are two week menus every week. Customers can enter the number of persons after which the site automatically adjusts the list of ingredients.



20 %
OF THE ORDERS ARE
PLACED VIA THE
COLLECT&GO APP



COLRUYT INITIATIVES AND REALISATIONS

Price blocking of pork

In order to support the Belgian pig farmers, Colruyt blocked the purchase price of pork for a period of two months. In addition, Belgian pork was promoted with special offers in customer communications and in the store, for instance by means of a system of volume discounts. In this manner the pig farmers, who operate in accordance with the group's specifications, were able to keep their heads above water. The pig sector is going through a difficult period due to the imbalance between supply and demand. The pig farmers have surpluses and the prices are low on the international market.



165.000 bottles of freshly pressed apple juice

Colruyt and OKay supported the Belgian growers of Jonagold apples with a short-term campaign at the beginning of November 2014. Due to the abundant harvest and export problems with Russia, the Belgian apple growers were faced with a surplus. Colruyt and OKay offered pure pressed apple juice made from 100% Belgian Jonagold apples. The apple juice was sold under the own brand Boni Selection. Each store was supplied with around 500 bottles, which amounted to a total of 165.000 bottles.

Efficient communication with the stores

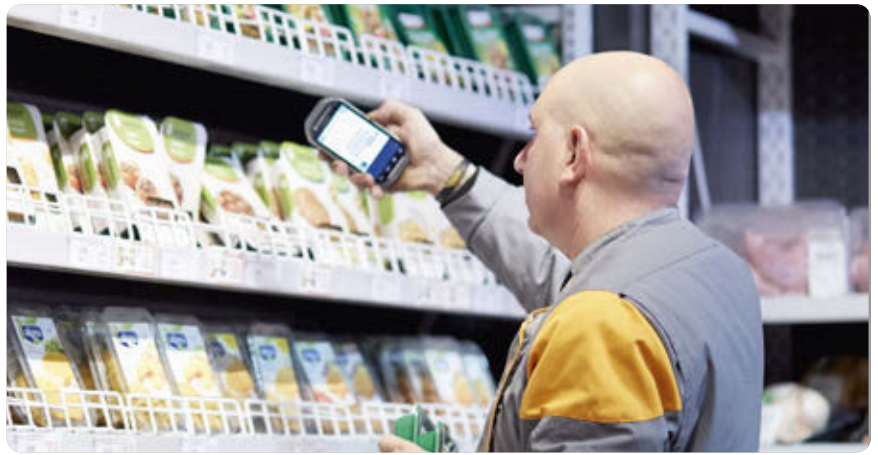
Colruyt Lowest Prices reviewed the communication between the central services and the stores this financial year. The different communications are now combined more and sent at fixed times. In this manner, the communication in the stores is given more attention and it is easier for sales staff to look up things. The weekly video news programme Link was also supplemented with the new paper magazine Link Print. This weekly newsletter replaces information that used to be communicated in a fragmented manner.



A large-scale campaign was started at the end of August 2014 to promote the sale of Belgian pears. The Belgian pear growers had a surplus of pears due to the Russian import ban on European agricultural products. The group purchased 160 tons of pears of Belgian growers at the fruit auction. Around 550 stores of Colruyt, OKay and Spar offered the pears to their customers.

Digital assistant for every employee

All of the store employees received a personal digital assistant (PDA). This pocket computer and bar code scanner optimises the work processes and makes the work more pleasant. Employees can increase the stock on site themselves, request labels, perform counts and price checks, etc. The PDA also increases the service level for customers. Employees can check when a sold-out product will arrive again and inform the customer immediately.



Large-scale image campaign 'lowest prices'

Colruyt Lowest Prices launched a large-scale campaign in the summer of 2014 to draw extra attention to its lowest price guarantee. The main message: customers can find all the special offers of other stores under one roof at Colruyt Lowest Prices. There were also advertisements in which the supermarket chain compared their prices to special offers of national competitors. The campaign ran in various media and was repeated regularly. Colruyt Lowest Prices will continue to consequently pursue its lowest prices policy in the future as well.



New trolley in the fresh market

The stores have been using a new trolley in the fresh market since September 2014. This makes the most important tasks of the store personnel easier. The ergonomic trolley has three racks so that it is easier to place articles in the shelves. The store personnel can replenish various products at the same time and can temporarily place empty packages on the racks. In addition, it is easier to replenish the stock on top of the shelves.



'Pottenkijken': a unique birthday cookbook

The Good Cooking [Lekker Koken] culinary team celebrated its 30th birthday with a birthday cookbook: Pottenkijken [gazing into pots]. Over 1.000 customers and employees sent in their favourite recipes and added personal anecdotes. The Good Cooking team selected 350 recipes from the entries. A good example of co-creation together with the customer. 'Pottenkijken' was presented to the media in the beginning of November in the presence of 513 customers.

The Good Cooking team has been inspiring customers since the beginning of the 1980s with simple recipes. Colruyt has already sold nearly four million cookbooks. The culinary website contains over 5.000 recipes.

Colruyt Group's neighbourhood store formula focuses on convenience for the customer and customer friendliness. The stores are located at access roads, offer a good product range on a compact surface area and have extended opening hours and well-designed parking areas. Moreover, OKay guarantees the lowest prices in the neighbourhood.

OKay offers a well-balanced mix of A brands, own brands and discount brands. The extensive range of fresh products is one of OKay's unique selling points. Roecol, Colruyt Group's bakery and Bakery Roelandt supply the stores with fresh bread on a daily basis. A number of speciality products are also baked off in the store.

There are also two OKay Compact stores. These are small neighbourhood stores in the city centre.

• 1998

 **EUR 668,1 MILLION**
COMBINED REVENUE OKAY,
BIO-PLANET AND CRU (+12,5 %)

 **110 STORES**
(INCLUDING 2 OKAY COMPACT
STORES)

 **580 M²**
AVERAGE STORE SURFACE AREA

 **6.400**
NUMBER OF ARTICLES

 **1.467**
EMPLOYEES IN FTE (+140)

 **FAST, INEXPENSIVE AND
CONVENIENT**

 **OKAY.COLRUYTGROUPE.BE**



OKay opened 11 new stores in the past financial year, among which five in Wallonia. Furthermore, three stores were renovated and a second OKay Compact opened its doors in Liège. The store surface was thus expanded by in total 7.000 m².

Strong increase in revenue

OKay's revenue increased again by 10%. This is a strong performance in a deflationary market with fierce competition, an aggressive promotion policy and margins that are under pressure. By opening new stores and due to the further growth of the existing stores, the neighbourhood supermarket is attracting more and more customers. The number of store visits and the average spending per shopping cart remained stable. Moreover, by continuing to focus on efficiency, OKay has succeeded in increasing its profitability in line with its revenue growth.

Convenience and proximity

Convenience and proximity are becoming increasingly important for customers. The neighbourhood supermarket caters to this trend by offering more convenience food products: re-sealable packaging, prepared meals and pre-packaged salads. The festive menus at the end of the year are also geared to convenience for the customer. The special menus for children were new this year. In addition, more and more customers are opting for picking up their Collishop orders at OKay.

New distribution centre

OKay will be taking a new distribution centre of 40.000 m² into use in Lot (Beersel) in the coming financial year. With its own distribution centre, the neighbourhood supermarket formula will be able to further increase its efficiency and tailor its product range better to the customer's needs.

Change in the management

Farbrice Gobbato was appointed as General Manager of OKay and OKay Compact as of 1 March 2015. Gobbato will take over from Chris Van Wettere who was the General Manager of OKay and will now become the General Manager of Colruyt Lowest Prices. Gobbato has been working at Colruyt Group already for 15 years and previously held the position of sales and marketing communications manager at OKay. Gobbato will continue to supervise the rapid growth that OKay experienced under the management of Van Wettere over the last 12 years.



A REVENUE INCREASE OF
12,5 %
AT OKAY,
BIO-PLANET
AND CRU

Expansion in Wallonia

The neighbourhood supermarket formula aims to open 8 to 10 new stores and three new Compact stores in the next financial year. As about 75% of the existing stores are located in Flanders, OKay plans to focus on expansion in Wallonia in the next few years. The neighbourhood supermarket envisages a potential of around 180 stores in Belgium in the future. OKay is also looking into what it should do to ensure that its stores remain attractive and modern in the future.

OKAY INITIATIVES AND REALISATIONS

Second OKay Compact

The second Compact store was opened in the centre of Liège in December 2014. This small neighbourhood supermarket is 330 m² and targets mainly a city public that does its shopping on foot or by bike. OKay Compact has longer opening hours, a customised checkout system, a specific product range and smaller packaging units. The first OKay Compact was opened in Elsene in 2012 and over 10.000 customers do their shopping there every week. Based on its positive experiences in Elsene, OKay Compact opened a new city store in Antwerp.

Fastest growing company in Flemish Brabant

In the beginning of March 2015, OKay was nominated Trends Gazelle 2015 for the province Flemish-Brabant in the category Large Companies. According to the business magazine Trends, the neighbourhood supermarket chain was the fastest growing company of the top 200 companies. The nomination takes place based on three parameters: sales, cash flow and employee growth.

100th store in De Pinte

The 100th OKay store opened its doors in De Pinte in East Flanders in June 2014. Since the first store opened its doors in 1998, on average, seven new stores were opened each year.

In connection with the opening of the 100th store, OKay launched its largest media campaign ever. OKay had its first radio commercial and large 20 m² billboards were placed at the major access roads. Customers received EUR 100 in discounts during a period of 10 days.



Good survey results

The OKay stores were awarded twice in the supermarket reports of the market research agency GfK Belgium. OKay ended second after Colruyt twice in the summer and winter reports. OKay also scored the best for 'Friendliness' each time. In addition, in the winter report, OKay also obtained first place for 'Promotions'. The neighbourhood supermarket formula also achieved very good scores in the annual price survey of the consumer organisation Test-Aankoop. OKay obtained third place in the general classification and in the classification for the average shopping cart, which contained both national brands and own brands.



The complete bio-supermarket inspires its customers to consciously make use of biological food products. Bio-Planet has a wide range of affordable biological and ecological products and distinguishes itself with its knowledgeable and hospital store personnel. Spear points are the fresh market and the self-service counter with meat products, vegetarian products and cheese. Customers can order around 3.500 products in the web shop and then pick these products up at a Colruyt or OKay store.

The progressive bio-supermarket is a precursor for Colruyt Group in biological food and sustainability. For instance, the bio-supermarket makes use of the newest environmentally friendly techniques for each new store.

The demand for bio-products in Belgium continues to grow. The market share of the total Belgian bio-market now amounts to 1,8%. The bio products expenditure of the Belgians increased by nearly 4% last year. The fastest growing category is bio dairy products with a market share of 11%. The sales figures of Bio-Planet have also shown strong growth for a number of years. Moreover, the market share of Bio-Planet is growing faster than the bio market as a whole. Bio-Planet realised this increase in revenue by attracting new customers in the existing stores and by opening two new stores, in Destelbergen and Grimbergen. In addition, the value of the average shopping cart remained stable in spite of the difficult economic climate with a decreasing purchasing power.

year. The bio-supermarket can thus accommodate the steady increase of the number of stores. In the coming years, Bio-Planet expects to open four or five stores a year in Flanders, Wallonia and Brussels. After the end of the financial year, stores were already opened in Groot-Bijgaarden, Halle and Aalst. The second Bio-Planet in Wallonia, in Mons, will open its doors this fall. The bio supermarket intends to operate around forty stores eventually.

Positive test with fresh products

An online test project with fresh products is going well and will be continued. Customers can order bread, products from the fresh market and the self-service counter online and pick these products up in 12 Collect&Go collection points.

Own distribution centre

Bio-Planet will take its own distribution centre into use in the coming financial

◦ 2001

EUR 668,1 MILLION
COMBINED REVENUE OKAY,
BIO-PLANET AND CRU (+12,5 %)

13 STORES

650 M²
AVERAGE STORE SURFACE AREA

7.000
NUMBER OF ARTICLES

313
EMPLOYEES IN FTE (+ 75)

CONSCIOUS ENJOYMENT

BIOPLANET.BE



BIO-PLANET INITIATIVES AND REALISATIONS



Gluten-free product range 100% biological

There are bio versions of more and more products. A positive trend which Bio-Planet eagerly capitalises on, in order to tailor its product range even better to the customer's needs. For instance, the bio supermarket only offers biological gluten-free products since April 2104. The last non-biological products have been removed from the product range. The 350 gluten-free articles are available within the product categories in the same row, so the gluten-free pasta with the other pasta. This helps customers to choose more consciously for gluten-free products, as does the information on the price label and the gluten-free search filter in the web shop.

First national image campaign

Bio-Planet launched its first national image campaign this financial year. For the first time, radio commercials were broadcasted at Dutch and French speaking radio stations. And advertisements were also placed online in order to increase the name awareness. With a positive effect as more people now know Bio-Planet and online sales rose further.



The customers can have their own containers filled at the service counter in the Bio-Planet stores in Grimbergen and Wilrijk.

Less packaging thanks to customers

In connection with Earth Day, Bio-Planet asked its customers to increase the sustainability of the stores. Around 800 customers came up with more than 1.000 ideas. Many customers suggested that customers should bring their own re-usable packaging to the store. In the Bio-Planet stores in Wilrijk and Grimbergen, customers can bring containers from home and have them filled at the service counter with cheese, meat or vegetarian food products.

In addition, a test project is being carried out in Grimbergen to reduce packaging material and waste. Muesli, nuts and grains are offered in bulk. Customers take a recyclable bag and fill it themselves and have it weighed at the checkout.



Cru is a covered market place for people with a passion for good food, pure tastes and high quality products. Cru aims to do everyday things exceptionally well and offer authenticity in a contemporary way. Specialised employees tell the story behind each product from the field to the table.

The market offers a special selection of fresh seasonal products: meat and meat products, poultry, fish, vegetables and fruit, but also cheese, wine, flowers, bread baked on site and coffee roasted on site. In addition the market offers a changing range of convenience products: high quality semi-prepared meals and ready-to-eat meals from Cru's own kitchen.

The covered market makes good use of modern technology. Cru uses modern packaging and cooking technology, for example to pre-cook meals or to vacuum package meals. In addition, customers scan and pay for their shopping themselves.

◦ 2014

 1 STORE

 650 M²
AVERAGE STORE SURFACE AREA

 823
NUMBER OF ARTICLES

 35
EMPLOYEES IN FTE

 CRU.BE

The first Cru opened its doors at the end of November in a farmhouse in Overijse. Cru plans to open two new stores in the near future, one in Gent and one in Antwerp. In this way, Cru can test its store concept on a large scale and further tailor its formula to the customer's needs, preferences and taste. Each Cru store aims to develop its identity together with its customers, partners and personnel and in doing so caters to the local needs. In this manner, each Cru aims to develop into a 'product of the region'. Cru is constantly looking for enthusiastic craftsmen for its stores.

CRU INITIATIVES AND REALISATIONS



Customers inspire Cru

In order to capitalise more on the trend towards convenience, Cru Overijse made a few modifications in the spring of 2015. It now has convenient refrigerated cabinets for both self-service and service by store personnel. The range of meals prepared in Cru's own kitchen was expanded, the fish department was enlarged and there are more possibilities to eat or drink something on site. In addition, the packaging now contains more information and Cru also offers artisan chocolate and the checkout system is faster. Finally, the bakery is now also open in the weekend and on holidays as from 7:30 am.




In the east of France (on the axis Metz-Lyon), Codifrance operates the integrated Colruyt supermarkets. The neighbourhood supermarkets distinguish themselves with their fresh products and regional products, a complete wine and cheese product range and a traditional butcher's shop. In addition, customers can count on friendly and helpful store personnel.

The French stores offer the lowest price for all national brands and all other comparable products. In this manner, Colruyt is the cheapest for over 3.500 products.

Besides national brands, Colruyt France also offers the discount brand Everyday Selection and own brand products of Belle France and Les Délices de Belle France.

The integrated Colruyt supermarkets in France are operated by Codifrance.

• **1996**
(ACQUISITION)

 **EUR 292,5 MILLION**
REVENUE (+9,8 %) ⁽¹⁾

 **73 STORES**

 **1.000 M²**
AVERAGE STORE SURFACE AREA

 **7.000 FOOD /**
3.500 NON-FOOD
NUMBER OF ARTICLES

 **1.412**
EMPLOYEES IN FTE (+ 114)

 **ALL MAJOR BRANDS AT**
THE LOWEST PRICES

 **COLRUYT.FR**

(1) Financial year from 1/1/2014 to 31/12/2014

The French Colruyt stores have had a good financial year. Colruyt continues to grow faster than the market: the revenue of the supermarket chain rose by nearly 10% whereas the total market turnover increased by only 1,4%. Colruyt France realised this strong increase in revenue by opening six new stores and by attracting more and more customers in its existing stores. This sales growth is a strong performance in the deflationary French market. Consumer confidence is still at a low level. In addition, the French retailers have already been engaged in a fierce price war for a number of years. The price cuts are putting pressure on the profit margins of most supermarket chains so that profitability is not easily attainable.

Due to higher sales of own brands, Colruyt France is realising increasingly better margins. Furthermore, the supermarket chain introduced the Colruyt Plus Card, 49 Collect&Go collection points were opened and the supermarket continues to pursue an aggressive price policy. Colruyt France increased the number of promotions and communicates its lowest price guarantee more forcefully. Due to all of these elements, the French supermarket chain expects to be able to make a positive contribution to the group result in the relatively short term.

In the spring of 2015, Colruyt decided to close three stores in the centre of France in the near future: Selles-sur-Cher, Romorantin and Meung-sur-Loire. In addition, the store in Saint-Avold will also close its doors. Besides the profitability, the logistic cost efficiency also played an important role in this decision. The stores are not in line with the expansion policy.

Change in the management

Bart De Schutter succeeded Dries Colpaert as the General Manager of the French Colruyt stores on 1 April 2015.

De Schutter was the regional manager of Colruyt Lowest Prices since 2010. Dries Colpaert remains the General Manager of the French wholesale activity, the Belgian and France foodservice, the expansion policy in France and of the export.

Positive pilot with traditional bakery

Colruyt France continued the positive pilot with a traditional bakery. The supermarket chain is testing the profitability of a traditional bakery, which bakes fresh bread all day long, in six stores. In the next financial year, a traditional bakery will also be opened in the supermarket in Nuits-Saint-Georges. In addition, the supermarket is looking into the possibility of baking off bread on site. In France, they call this a 'point chaud'.

Expansion policy

The supermarket chain opens 5 to 10 stores each year with a surface area of 750 to 1.000 m² in 'le Grand-Est' of France: from the border with Luxembourg up to south of Lyon. Colruyt France plans to open four new stores and renovate four existing stores in 2015.

Continuing with zeal

Colruyt France firmly believes in its lowest prices strategy and expansion policy. The supermarket chain is attracting more and more customers and has succeeded in increasing its revenue per m² year after year. In addition, the supermarket chain also pays a lot of attention to cost efficiency in order to further increase its profitability.

COLRUYT FRANCE INITIATIVES AND REALISATIONS

First store with new store concept

The first store of the new generation of stores was opened in Dôle, in the department Jura, on 1 April 2015. With the new store concept, Colruyt France wishes to increase the shopping convenience for its customers and give its stores a more modern look. An overview of the most important changes:

- **Traditional bakery:** Customers can buy fresh bread all day long, baked according to the French tradition based on traditional flour. In addition, there are baguettes and special rolls as well as pies and homemade pastry.
- **Modernised butcher's shop:** The butchers work in a spacious atelier that has an opening towards the store. In this manner, they can show their expertise and, at the same time, can be in close contact with customers. The butchers process beef from the Charolais breed of cattle and also sell regional products.
- **Warm ambiance:** The store in Dôle is modern and easily accessible. The colour combination was a deliberate choice and contributes to a warm ambiance.
- **More light and space:** This is due to a lot of light in the store which give a more spacious feeling. The wide aisles and the large racks also contribute to this.
- **Unique checkout system:** The user-friendly checkout system combines the advantages of the traditional conveyor belt with transferring the shopping from one cart to the other. The first reactions are positive. Both employees and customers both clearly show their appreciation. Moreover, digital screens above the checkout inform the customers about Colruyt's lowest prices.



49 new Collect&Go collection points

Collect&Go opened 49 new collection points in France last year. As a result, already 67 of the 73 stores now have their own collection point. It is not convenient to open a collection point in all stores. The strong increase in the number of collection points resulted in a 20% increase in the number of orders and a substantial revenue growth of 26%. In addition, the average shopping basket of a Collect&Go customer is larger than that of a Colruyt customer.



Kiosque Prix in every store

The roll-out of Kiosque Prix was completed during this financial year. Displays have now been installed in all of the stores at the checkouts where the customers can compare Colruyt's prices to the prices of other stores in the region. A convenient way for Colruyt to strengthen its lowest prices image. Colruyt is constantly comparing the prices of around 4.000 products and displays price comparisons in the store of 608 psychologically important references. By recording prices every week, the supermarket will eventually record 29 million prices every year.

Awards for direct marketing campaigns

The French Colruyt stores won awards with their campaigns Win-Up and Web-Key at the Trophées du Média Courier (for the region East France). Colruyt was awarded the creativity prize for the use of innovative tools to attract new customers. Via the two campaigns, the supermarket presented the stores and the online shopping service Collect&Go to potential customers. Win-Up is a leaflet with special weekly offers spread over six weeks. Web-Key is a USB stick which connects the user directly with the Collect&Go website. The campaigns were carried out in cooperation with the advertising agency Groupe Eléphant.

Overwhelming success of the Colruyt Plus card

Colruyt France launched the Colruyt Plus customer card on 24 September 2014. With this card, customers receive a 5% discount on the purchase of Colruyt's own brands during the whole year. A large-scale communication campaign via posters and radio commercials supported the launch. And this was a success. By the end of 2014, over 200.000 customers had already applied for a card. The card is used during more than 60% of the visits to the store. Moreover, customers with a Colruyt Plus card spend more.





**The Dreamland and
Dreambaby stores book
a revenue increase of
2,8 % to EUR 252,0 million**





Dreamland is a family and seasonal store. The store targets children between the ages of 0 and 14 and their families. Dreamland caters to different age groups and lifestyles. The store offers a wide range of (outdoor) toys, carriages, books, comic books, school supplies, gifts and seasonal articles. In addition, there is a wide multi-media and gaming range, rooms for children and teenagers and room decoration material. Dreamland closely monitors the market trends and offers the newest licenses and brands. In this manner, Dreamland has become the market leader of brand book bags and rucksacks.

Dreamland guarantees the lowest prices in the region and adjusts its prices daily. Customers who order online can have their products delivered at home or can collect their products in one of the 343 Colruyt and OKay stores.

◦ **1994**
ACQUISITION OF DROOMLAND,
RENAMED DREAMLAND IN 2002

 **EUR 252,0 MILLION**
COMBINED REVENUE DREAMLAND
AND DREAMBABY (+ 2,8 %)

 **43 STORES**
(41 IN BELGIUM,
2 IN FRANCE)

 **1.600 M²**
AVERAGE STORE SURFACE AREA

 **75.000 (INCLUDING
ONLINE)**
NUMBER OF ARTICLES

 **1.030**
EMPLOYEES IN FTE (+44)
(DREAMLAND AND DREAMBABY)

 **DREAMLAND.BE**

Dreamland was able to record a strong financial year. The value of the shopping cart remained stable in difficult economic times. The family and seasonal store enjoyed an excellent spring, also because it was able to capitalise successfully on a number of hypes. This compensated the less positive summer sales that suffered from the changeable weather. In addition, the fall period was very strong and peaked in December due to the postponement behaviour of customers. Dreamland's Saint Nicholas campaign had an important role in the strong sales figures. The family and seasonal store capitalised successfully on the various hypes, such as the Football World Championship and gardening for kids, with a special product range and a marketing campaign. Finally, the supermarket chain paid extra attention to cost awareness. Dreamland booked a good efficiency gain by optimising various internal processes.



DREAMLAND AND DREAMBABY INCREASED BY 2,8 % TO EUR 252,0 MILLION

Market leader in toys

Dreamland also scored better than the market this year in the sale of toys. Its market share even increased to 24%. However, the gaming, software and multi-media product range still experience difficulties. The sold volumes of smartphones and tablets remained stable, but the sales prices decreased strongly. In addition, the whole gaming market is having a difficult time as more and more gamers are downloading games via online platforms. As Dreamland

also wishes to continue to offer a wide and specialised range of toys in the future, the family and seasonal store is examining the best way to hedge the exchange rate risks. Dreamland imports a large part of its toys from the Far East.

Focus on lowest price strategy

The family and seasonal store focused on its lowest price strategy in this financial year. All of the stores now have a label printer so that they can adapt their prices to the competitor's prices even faster. The lowest price strategy was also a spear point in the new marketing communication. In this manner, Dreamland is responding adequately to the current economic context and the price-conscious consumer. Dreamland is increasingly profiling itself as a multi-channel company with a transparent and simple purchasing process. To this end, the family and seasonal store aims to align its physical stores and online channels as well as possible. In addition, Dreamland is constantly looking into how it can increase the performance and user friendliness of its website.

Two new stores

Two new stores were opened this financial year. In Mechelen, a new store was opened on a combination site with Dreambaby. Dreamland is testing the needs and requirements of a city store in Ninove, with regard to surface area and product mix. Furthermore, four Dreambaby departments moved out of Dreamland stores and became independent stores. The store formula aims to open two to three new stores every year. Two new stores will be opened in Ronse and Namur in the coming financial year. Dreamland aims to eventually operate 60 stores.

DREAMLAND INITIATIVES AND REALISATIONS

The cheapest according to Test-Aankoop

It appears from the price survey held by the consumer organisation Test-Aankoop that Dreamland is the cheapest store, both in the store and online. To this end, the consumer organisation compared the prices of 225 toys in 155 stores. In addition, Dreamland won the 'Best Store Chain 2014' election again. This is the eighth time in a row that Dreamland won. Read more about the 'Election of the Best Store Chain 2014' on page 72.



Crash course Football World Cup

In connection with the Football World Cup, Dreamland organised a free crash course for young football supporters. During the first lesson, they learned everything about the participating countries. During the second lesson, they learned a number of football techniques. The third and last lesson was about the ultimate supporters outfit. In addition, Dreamland organised two exchange events for Panini stickers. Supporters' items, such as face painting sets, flags and wigs were among the best selling products in the period around the World Cup. The sale of football goals increased by 60%.

77.000 letters from Saint Nicholas

The Saint Nicholas campaign was a big success for the second year in a row. The number of visitors to the web shop rose by no less than 60% compared to last year. As a result, the share of the web shop in the total revenue grew to more than 10%.

No less than 77.000 parents had a personalised letter made in the name of Saint Nicholas via the website. This amounted to ten times more than in 2013. Children received the personalised letter from Saint Nicholas within one week by post. In this project, Dreamland worked together again with Symeta, Colruyt Group's print and document manager.

The online video clips on 'vraagtaandesint.be' were also a success again. Saint Nicholas and Black Pete answered all sorts of questions which parents often do not have an answer to in around twenty short video clips. All of the video clips were watched more than 100.000 times in each language. Nearly 20.000 customers participated in the competition 'Win the value of your shopping cart' and 33.000 children visited Saint Nicholas and Black Pete in a Dreamland store.



Child-size garden product range

Dreamland expanded its child-size garden product range in the spring of 2015. The expansion of the product range was a logical step after last year's good sales figures. The family and seasonal store wishes to inspire parents and children with a broad and diverse garden product range. The articles with which you can garden yourself, such as seed sets, garden gloves and the one square meter garden box, are popular.

Almost 4.500 children learn to bike with Let's Bike

During the fifth edition of Let's Bike, Dreamland taught approximately 4.500 children how to bike. Dreamland fulfils a coaching role via workshops such as Let's Bike. Children are taught step-by-step how to bike independently and parents are given advice on how to help their children at home. Dreamland organises these workshops in cooperation with Colruyt Group Academy. Following the success of Let's Bike, Dreamland launched Let's Step in May 2015. Dreamland personnel teach children the basic techniques of stepping.



Puzzle tiles comply with laws and regulations

It appears from an investigation conducted by Test-Aankoop that Dreamland and Dreambaby only sell puzzle tiles that comply with the laws and regulations. The puzzle tiles of Dreamland's own brand do not contain formamide. The puzzle tiles of the suppliers are in accordance with the French laws, which are much stricter than the Belgian laws.

Toys for 7.500 underprivileged children

Under the name 'Dreamland is looking for Toy Savers' Dreamland collected toys for 7.500 underprivileged children. 35 charities receive a tailor-made package. It was the third time that children could hand in old but still reusable toys at the store.

200 new articles in Dreamland's own brand

At the end of March 2015, Dreamland expanded the product range of toys of its own brand by 200 new articles and three new categories: wooden toys, dress-up clothes and outdoor toys. Dreamland developed and designed each product and the packaging itself. The toys of Dreamland's own brand belong, together with the national brands, to the bestselling brands of the store. For instance, no less than 40% of the 50 bestselling dolls during the Saint Nicholas period was of Dreamland's own brand. The store also receives a lot of positive feedback from customers. The own brand bears the Dreamland logo, is the cheapest in its product range and offers reliable quality.

Gift lists for Holy Communions increasingly popular

Year after year, the number of children who have a gift list at Dreamland for their Holy Communion or Spring ceremony. This amounted to 17% more in 2014 than in 2013. The average value of a gift list easily exceeds EUR 500. Gift lists were placed in particular for First Communions. The number of Holy Communions is increasing. They often save for a tablet or smartphone via the saving system. Dreamland is one of the few stores in the sector that offers gift lists for communions or Spring parties.

Loom bands completely safe

An extra quality investigation confirmed that the loom bands sold at Dreamland, Colruyt, OKay and Spar are completely safe. None of the loom bands contained hazardous substances. Dreamland considers safe and high quality toys to be extremely important and invests considerable amounts in quality tests. Colruyt Group also pays a lot of attention to the working conditions at its suppliers. You can read more about the social audits that the group carries out at its suppliers on page 43.



Dreambaby helps pregnant women to get a good start as mothers. The baby specialist offers a complete and high quality product range at competitive prices and distinguishes itself with its service and coaching role. In addition, Dreambaby inspires its customers via its own brand Dreambee, the dreambaby²-community and the dreambaby²-magazine. Customers can order nearly 4.000 products online and collect their orders at Colruyt and OKay.

Baby gift lists are a spear point of the baby specialist. Customers can draw up and manage their lists either online or in the store. They can pick up the chosen articles at one of the 270 collection points. Family members and friends can also order articles both in the store and at home. The average value of a baby gift list is EUR 1.800.

• 2001

 **EUR 252,0 MILLION**
COMBINED REVENUE DREAMLAND
AND DREAMBABY (+ 2,8%)

 **22 STORES**

 **650 M²**
AVERAGE STORE SURFACE AREA

 **5.000 (STORES AND
ONLINE)**
NUMBER OF ARTICLES

 **1.030**
EMPLOYEES IN FTE (+44)
(DREAMLAND AND DREAMBABY)

 **IT'S GREAT TO BE A MOM**

 **DREAMBABY.BE**

Dreambaby removed four Dreambaby departments from the Dreamland stores in this financial year. They became independent stores in Doornik, Meslin-l'évêque, Wilrijk and Roeselare. Dreambaby still has ten departments in Dreamland stores. Furthermore, a new store was opened in Mechelen at a combination site with a Dreamland store. The number of births is stagnating in Belgium... However, Dreambaby continues to grow each year in this contracting market. The baby specialist does this by expanding its store network and by attracting new customers. In addition, the value of the average shopping basket has risen slightly. Furthermore, more and more customers are drawing up baby gift lists at Dreambaby and the baby specialist is strengthening its market leader position in child care products. Finally, Dreambaby caters as well as possible to the different needs and preferences of today's multicultural society.

The baby specialist will open more and more independent stores in the coming years. Dreambaby stores attract a significantly higher number of customers and realise better sales figures than the departments in Dreamland stores. In a quiet atmosphere, customers receive personal advice and a high degree of service from specialised staff.

Where possible Dreambaby and Dreamland stores are located at the same site as both store formulas strengthen each other. Dreambaby plans to open a new store in Namur in the coming financial year. Dreambaby foresees a potential of around 35 independent stores.

Personal customer communication

The baby specialist started with a new communication strategy in which it enters into contact with customers in a personal manner. Dreambaby does this in its stores and via its community, magazine and social media. Dreambaby inspires, informs and coaches its customers in this manner and is also stimulated by its customers. Customers share experiences, tips and trick with each other and with Dreambaby² staff in the community. After one year, the community already has over 50.000 members. Each month, 4.000 to 5.000 new member join the community. Dreambaby2.be has around 25.000 visitors each month. The dreambaby² magazine takes a more in-depth look at the themes and questions that are discussed in the community and on the Facebook page. 50.000 copies of this magazine are published.



DREAMBABY INITIATIVES AND REALISATIONS

New uniforms

Dreambaby staff have been wearing new uniforms since November 2014. The new uniforms are modern, simple and inspiring, cost less and reflect pride. The role of specialist of the Dreambaby staff is emphasised. Moreover, the new uniform is more comfortable due to the elastic material, the longer sleeves and the adjusted cut.

Best store chain

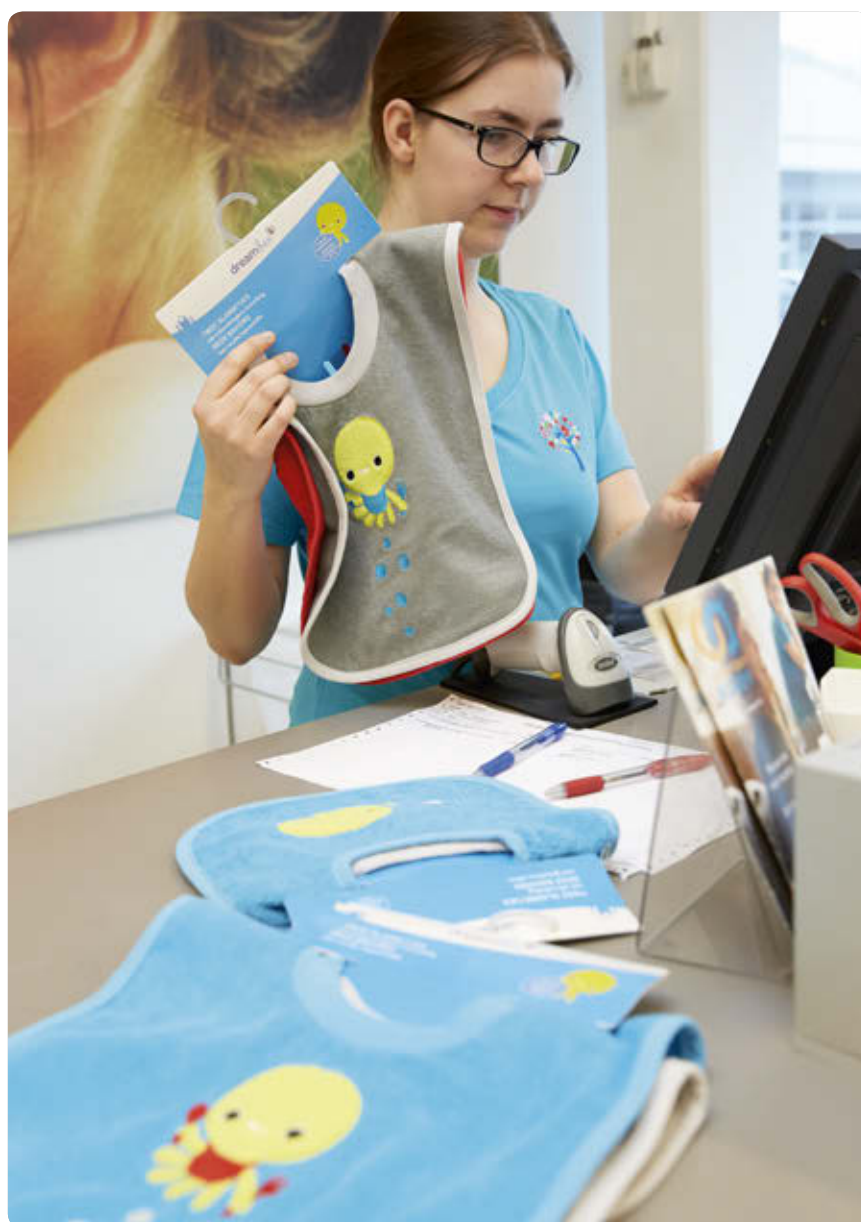
Dreambaby was awarded again during the election of the 'Best store chain of Belgium 2014-2015'. As was the case last year, the store formula won in the category 'Specialised Baby Stores'. As has been the tradition for many years, Dreamland and Colruyt also won prizes. Dreamland won in the category 'Toy Specialist' and Colruyt won in the category 'Supermarkets'. 190 store formulas participated in the competition in 25 categories. The store formulas are assessed based on nine criteria in connection with price, service and product range.

Training for store staff

The baby specialist paid a lot of attention to the training and coaching of its staff during this financial year. Dreambaby does this to ensure that its staff have the necessary specialised expertise and knowledge. As it opens around four stores each year, Dreambaby is constantly looking for motivated employees.

New own brand collection

Dreambee, Dreambaby's own brand, launched a new collection in the beginning of 2015. This collection contains around 80 articles with as central theme the figure 'Otto the octopus'. The new product range is available in addition to the 'Circus' collection that Dreambee introduced in 2014. Both collections guarantee an excellent quality for a competitive price. Dreambaby launches a new product range every year. This product range is available for a two-year period so that there are always two different product ranges in the racks.



Collishop

online shopping

The online store Collishop distinguishes itself with its lowest price guarantee, its strong service and its extensive network of collection points. Moreover, customers are assured of the lowest price. To this end, Collishop constantly compares its prices to the prices of online and offline competitors in Belgium. Most customers place their orders online. In addition, customers place orders via telephone, in a Colruyt store or in a showroom. A permanent showroom of 3.000 m² is located in Halle. Collishop also opens temporary showrooms with seasonal product ranges.


Collishop Professional offers an exclusive B2B product range for companies and government services that wish to offer their employees extra advantages.

The revenue and contribution of Collishop and Collishop Professional are included in the retail section.

◦ 1983

 **343 COLLECTION POINTS**
COLRUYT AND OKAY STORES

 **20.000 NON-FOOD ARTICLES**
TERRACE & GARDEN, TOYS, GAMING & MULTIMEDIA, SPORT, TRAVEL & LEISURE, COOKING & DINING, BED & BATH, WELLNESS & CARE, HOME & STORAGE AND OUTLET.

 **NOWHERE AS CHEAP**

 **COLLISHOP.BE**

E-commerce in Belgium is rapidly gaining ground. Online sales in Belgium increased in the past year by 15%. The expectation is that this trend will continue in the coming years as Belgians buy a lot more online in Belgium today than consumers do in the neighbouring countries. Collishop did well this financial year in the growing online market which was also characterised by fierce competition. The restyled and more user-friendly website led to a good increase in the online orders. In addition, the number of home deliveries, via bpost, continues to grow steadily. In addition, more and more customers are opting for picking up their orders at an OKay store.

The web shop increased the efficiency of its internal processes and strengthened its partnerships with Colruyt and OKay.

New customers for Collishop Professional

Collishop Professional is working hard at attracting new customers by entering into collaborations with companies, associations and government institutions. In addition, the web shop has developed itself further as a primary business partner for Collishop, Dreamland and Dreambaby. Collishop Professional combines the existing product range of Dreamland, Collishop and Dreambaby supplemented with a specific product range for day care centres and children's parties. In addition, Collishop Professional offers (digital) gift cards, incentives for business parties and loyalty cards with which companies can buy material from the retail product range. Collishop Professional will continue to focus on the cooperation with companies and attracting new customers in the coming years. The web shop will also further increase its expertise in day care for children in order to strengthen its market position.

Need for European legislative framework for e-commerce

Collishop strives for a profitable business model in the Belgian online market and hopes that the Belgian government will take measures to remove a number of structural obstacles. It is currently very difficult for Belgian web shops to operate profitably due to high wage costs, taxes and VAT. The legislative framework for working in a distribution centre is insufficiently geared to the needs of e-commerce. 42% of the Belgian online purchases take place currently at foreign web shops. Structural measures are necessary in order to ensure that Belgian web shops can compete with the foreign web shops that are conquering a large part of the Belgian market.



COLLISHOP INITIATIVES AND REALISATIONS



Restyled web site

Collishop restyled its website at the end of 2014. In addition to a new lay-out, the site has also become more user friendly, intuitive and more efficient. Customers can navigate more easily and find articles in the eight product categories faster via the improved search function. Special offers, toppers, promotions and other news are now clearly visible on the home page. The order process has also been simplified and the site is more easily found by search engines such as Google following a number of technical improvements. These adjustments have paid off. Collishop observed a considerable increase in the number of orders via its website in the spring of 2015.



Successful temporary showrooms

Just before the end of the financial year, Collishop started the garden season strongly with two temporary showrooms in Mechelen and Tongerlo. In these showrooms, customers could find nearly the whole Terrace and Garden product range with, for instance, garden furniture, garden decorations, barbecues and even garden sheds. The two pop-up stores remained open until the end of May 2015 and attracted 15.000 visitors in 2,5 months. This increase in sales demonstrates that customers clearly appreciate the temporary showrooms with a seasonal product range. They can discover, feel and test the extensive product range and let themselves be inspired. In addition, this is an ideal way for Collishop to further increase its name awareness and accessibility.

ZEB INITIATIVES AND REALISATIONS

ZEB is the leading multi-brand specialist for men's and women's fashion in Belgium. The chain store sells more than 50 top brands and distinguishes itself with competitive prices, both in the stores and online. In addition, customers can count on special discounts throughout the year.

The 55 ZEB stores have spacious parking areas, are all located at easily accessible access roads and are designed according to a modern loft style. Customers can count on knowledgeable advice from staff in the stores. The chain store has also successfully taken its first steps in e-commerce and has its own clothing line.

In recent years, ZEB has opened around ten stores a year, which accounts for an annual turnover growth of approximately 20%. ZEB aims to ultimately operate around 70 stores.

◦ 1993



55 STORES



785 M²
AVERAGE STORE SURFACE AREA



22.000
NUMBER OF ARTICLES



220
EMPLOYEES IN FTE



ZEB.BE

Colruyt Group acquires an interest of 50 % in ZEB

Colruyt Group acquired a 50% stake in the Belgian clothing chain ZEB in 2014. The group purchased the shares from the venture capital fund Vendis Capital. The management under the supervision of founder Luc Van Mol remained on board and retained its participation of 50%. Further share purchase and sales options have been agreed between the Colruyt Group and the management. These agreements give the group the possibility, in a period of ten years, to acquire the control over ZEB.

The investment in ZEB reflects Colruyt Group's ambition to cater to the consumer's needs in all the stages of his life with the right store concepts. With ZEB, the group is taking a step further on familiar retail ground and can learn a lot from this young and dynamic player in, for instance, the field of online sales. Other reasons for the investment are the strong ZEB concept, the strong management surrounding founder Luc Van Mol and the fact that the group recognises itself in the value-driven and unique company culture.

Colruyt Group and ZEB already worked together in a number of areas. For example, our print and document manager Symeta has already produced the personalised ZEB magazine for a number of years.



Colruyt Group Fine Food combines the production divisions for meat, wine, cheese, coffee and bread. This craftsmanship allows the group to work more efficiently, save costs, guarantee quality and create added value for its customers.

Fine Food Meat: Our meat processing division slices, processes and packages beef, veal and pork in Halle every day. The division in Wommelgem delivers poultry and poultry products. Fine Food Meat has 880 employees of which over 200 are certified butchers.

Fine Food Wine: Our wine division in Ghislenghien buys, assembles and bottles wine. We produce 13 million litres of wine in bottles and four million party boxes each year. One out of every four bottles of wine sold in Belgium is a bottle produced by Colruyt Group.

Fine Food Cheese: The largest cheese processing production division in Belgium produces around 70 different cheeses and was the first supplier to produce and package cheese cut in small squares.

Fine Food Coffee: The only coffee roasting facility among the Belgian distributors to roast, mix and package around 50 types of coffee. We roast 5.400 tons of coffee each year.

Fine Food Bread: Roecol is the bakery of Colruyt Group and Bakkerij Roelandt. Both parties participate in this joint venture for 50%. The 45 employees oversee the whole production process. Two bakeries produce up to 7.000 loaves of bread an hour, in a traditional manner.



Our production divisions continue to grow steadily. The number of Colruyt and OKay stores are continuing to increase and Colruyt Group Fine Food is also producing increasingly for other Colruyt Group store formulas. For instance, since this financial year, Colruyt Group Fine Food also supplies wine and coffee to Colruyt France.

Capitalising on trends

Colruyt Group Fine Food keeps its product range fresh and contemporary by capitalising on technological developments, regional preferences and social trends. Our production divisions also do this by developing new products. For instance, Colruyt Group's own brand Graindor coffee is available in cups since November 2014.

Prepared products increasingly popular

There is a general tendency in Belgium to eat less meat. Fine Food Meat is capitalising on this trend by decreasing the size of its portions. On the other hand, our meat processing business notices that prepared products, poultry and game sales are continuing to rise.

New IT platform

Colruyt Group Fine Food started with the roll-out of a new IT platform during this financial year. This platform integrates all of its systems and documents for tracing, production planning and processing expenses. This is more efficient and also makes it easier to monitor production costs and price developments. The introduction at the poultry division of Fine Food Meat in Wommelgem has already taken place. The introduction of the new IT platform at other production divisions is scheduled to take place.

Fine Food Cheese and Meat joining forces

The production divisions are constantly examining how they can work together and save costs. For instance, Fine Food Meat makes use of residual cheese of Fine Food Cheese in the production of meat products since November 2014. An excellent win-win situation: our meat processing division no longer has to purchase cheese externally and the residual cheese that results from slicing Affligem and Grimbergen is given a new use.



COLRUYT GROUP FINE FOOD INITIATIVES AND REALISATIONS

Good start for Fine Food Bread

Fine Food Bread has been delivering sliced and unsliced freshly baked bread to all Colruyt and OKay stores since May 2014. The company combines the expertise of a distributor with the craftsmanship of a third generation traditional baker. The bread is popular with customers. Bread sales continue to rise at Colruyt and OKay. Moreover, Fine Food Bread succeeded in optimising the order process for the stores by further computerising a number of processes.



Second edition of Meatland

With 175 vacancies, the profession of butcher remains a difficult profession to fill at Colruyt Group. In order to attract butchers, Fine Food Meat offers internal training programmes and works together with a number of external partners. In addition, Colruyt Group organised Meatland for the second time. Meatland is an interactive exploratory journey for young butchers with the emphasis on pride in their work and craftsmanship. Nearly 300 student-butchers from Flanders and Wallonia visited Fine Food Meat and the Colruyt store in Halle. After which they rolled up their sleeves and prepared a brochette. At present 1.850 butchers work in our Belgian store butcher shops and in the meat processing division.



New seal for production divisions

For the sake of synergy, efficiency and quality gains, Colruyt Group brought its production divisions together under one name in the fall of 2014: Colruyt Group Fine Food. The group also introduced a seal to demonstrate its craftsmanship. The seal symbolises the knowledge, experience and drive of the employees and illustrate how proud they are of their work. Each division received its own version of the seal, in a matching colour and with the year in which the activity was started.

Fine Food Meat purifies waste water

Fine Food Meat has been purifying its waste water into drinking water since the summer of 2014. The meat processing division then reuses this water in its production process. The new water purifying station produces 80.000 m³ drinking water on an annual basis. This equals the consumption of 2.180 Flemish citizens. As the owner and operator of the drinking water station, De Watergroep guarantees the quality of the purified water. Colruyt Group is the first distributor in Belgium to reuse waste water in the production of food.

New production site Fine Food Meat

The construction of the new, more automated, production site for Fine Food Meat is proceeding according to plan. Our meat processing division will take the building into use in the spring of 2016. The new site has a floor space of 18.000 m² and will be located next to the current location in Halle. The expansion is necessary in order to meet the increased demand.

LOGISTICS INITIATIVES AND REALISATIONS

From our distribution centres (DCs) in Halle, Ghislenghien, Lot and Ath/Lessines we make around 1.000 deliveries to our stores every day. Each store receives on average 2,5 deliveries a day. To this end, the trucks drive a little over 130.000 kilometers.

Our automatic supply system opts for the most efficient and sustainable solution possible. In this manner, we save on kilometers and fuel and we reduce emissions. We load our trucks optimally in order to limit the number of transports. We monitor the load percentage in order to ensure that it amounts to 95%. We not only deliver during the day, but also in the morning, in the evening and at night if this is permitted by law. Various products, especially products from the Far East, are transported to Belgium by boat or train and are then transported to our DCs by trucks. Finally, Colruyt Group is experimenting with cleaner fuels such as CNG (natural gas for vehicles) and hydrogen. You can read more about this on pages 37, 38, 94, 95, 98 and 104.

Legal framework for silent deliveries

Colruyt Group is looking forward hopefully to the next steps that governments and policy makers will take for a legal framework for silent deliveries at dawn and nightfall. The group became convinced of the many advantages after its participation in the two PIEK projects in the three regions. In addition, the group is thus able to spread its deliveries to points of sale better and to make more efficient use of its logistic means. In addition, this increases traffic safety and fewer trucks are caught in traffic jams, which leads to lower fuel consumption and fewer emissions. In order to reduce noise nuisance when the trucks are being unloaded, the group has already invested EUR 3 million in training programmes for drivers, covered unloading stations and quiet equipment, such as trans-pallets and trucks. At present, the group is still bound to the delivery times of the municipalities. And these time frames differ from municipality to municipality.

More efficient loading and unloading

Colruyt Group started an investigation in its DC in Ghislenghien in July 2014 to have deliveries delivered more efficiently. To this end, the group analysed the loading and unloading process of its suppliers on the site. The objective: optimising the through-processing time. Colruyt Group also installed a screen at the entrance with which truck drivers can report in 10 different languages. The DC in Ath/Lessines is also participating in this project since the spring of 2015. Colruyt Group plans to expand this investigation to all other logistic sites in the coming financial year. The group regularly informs its suppliers about the results.

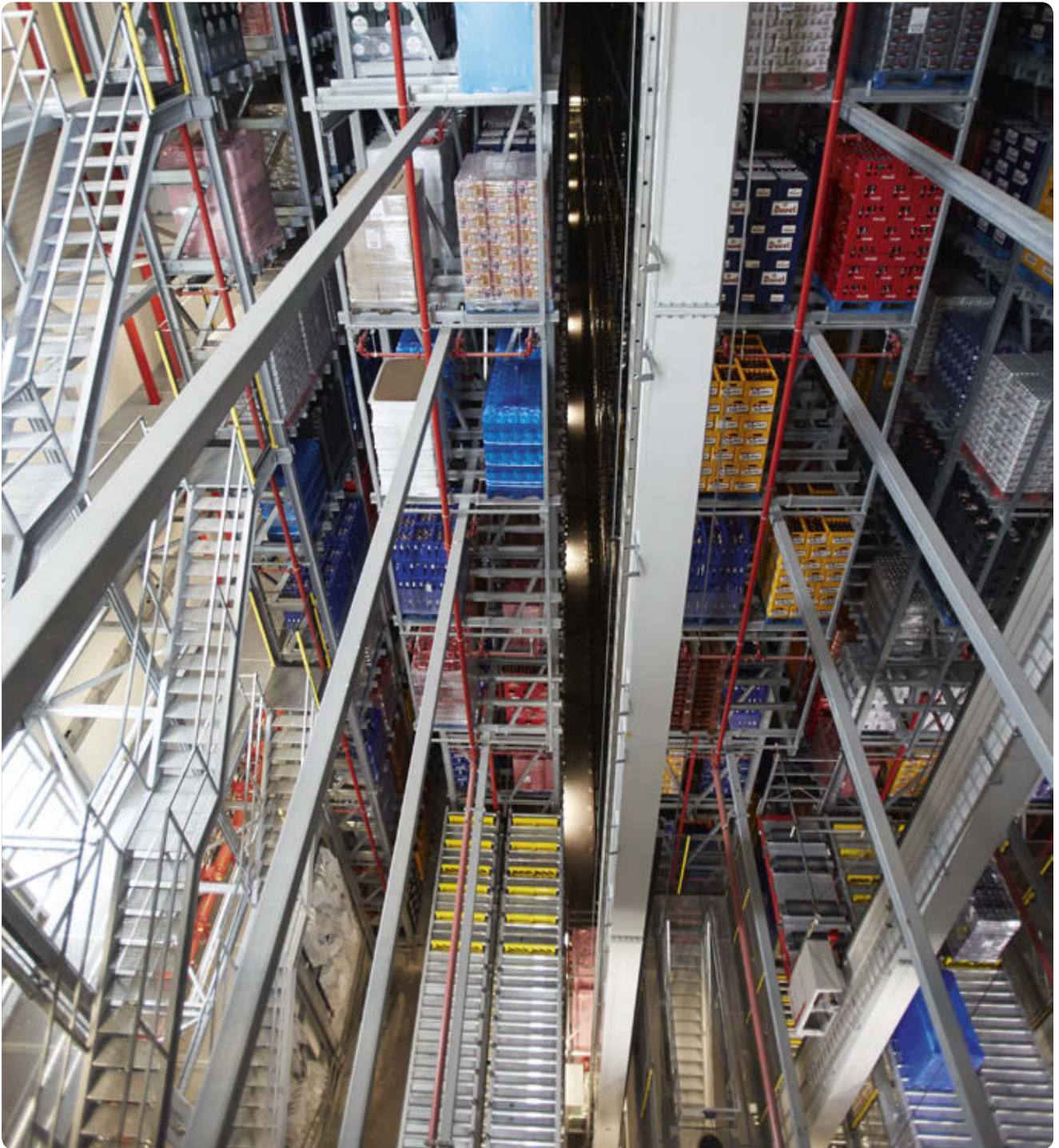


DC Ghislenghien wins second edition of Speed Docking

The distribution centre in Ghislenghien won the Speed Docking competition for the second time in a row in July 2014. The Speed Docking competition is a competition to unload trucks as fast as possible. With an average per truck of 1 hour and 29 minutes total time on the site, DC Ghislenghien was the fastest in the category dry goods.

New pallet sorting system in Ghislenghien and Halle

The distribution centres Ghislenghien and Dassenveld in Halle started using a new sorting installation in the spring of 2014 to separate good pallets from bad pallets. The good pallets are immediately reused in the logistic flow. The bad pallets are first returned to the pallet supplier. The new installations are more efficient, can process a larger volume and thus also help to reduce the number of kilometers that trucks drive with empty pallets.



New logistic centre in Ath/Lessines

The new logistic centre in Ath/Lessines has been operational since the spring of 2015. Colruyt Group can continue to grow further with this investment of EUR 79 million. The new distribution centre (DC) also unburdens the other distribution centres and thus increases the efficiency and the safety.

The new logistic centre also received EUR 15 million in financial support from the Walloon Region and the European Union. 350 new employees started working there immediately. Eventually around 1.000 employees will be working on the site. More than 3.600 people work for Colruyt Group in the province Hainaut, (in the stores and distribution centres).

The most computerised DC of the group has a surface of 28.000 m² and is used for products with a high rotation: beverages, milk, crisps and paper (toilet paper, kitchen towels, and napkins). The logistic site consists of a traditional distribution centre, a high-bay warehouse and a return centre. A T&I department also carries out maintenance work on trucks, rolling stock and installations. A local office of the transport department is also located on site. The high-bay warehouse has a surface of 5.000 m², has 11 levels and processes large volumes of pallets automatically. The traditional DC has a storage capacity of 15.000 pallets on 5 levels and can handle in total 200.000 orders a day. The return centre sorts empty pallets and materials such as cardboard and plastic for reuse. Read more about the sustainable character of the new logistic centre on page 105.



WHOLESALE

The combined sales of the wholesale activities
this financial year amounted to EUR 753,9 million (-0,5%).
Wholesale comprises:

- **Retail Partners Colruyt Group in Belgium** 82
- **Supplying independent stores in France** 86

RETAIL PARTNERS COLRUYTGROUP

Retail Partners Colruyt Group (RPCG) combines all activities of the group in Belgium in connection with independent storekeepers.

There is a very close cooperation with the 210 independent Spar storekeepers: supply, complete support and a far-reaching consultation model. A delegation of the storekeepers participates in consultative bodies such as the Future Board, the product group plateaus and the working group Commercial Plan. In this way, they also help determine the product range, the commercial focus and the future of Spar.

Retail Partners Colruyt Group supplies fresh products and dry goods to 79 Alvo stores and it also offers a number of services and basic advice such as product range and promotion policy.

Finally, they also supply 140 independent storekeepers, of which 28 Mini Markets.

- **2014**
RETAIL PARTNERS COLRUYT GROUP
- **2003**
SPAR RETAIL, LICENCE HOLDER OF THE SPAR FORMULA IN BELGIUM
- **1932**
THE SPAR, THE PRESENT SPAR INTERNATIONAL

 **210** SPAR STORES,
79 ALVO STORES AND
140 INDEPENDENT
STOREKEEPERS (OF WHICH
28 MINI MARKETS)

 **697**
EMPLOYEES IN FTE (-19)

 RETAILPARTNERSCOLRUYTGROUP.BE

The market share of Retail Partners Colruyt Group remained stable this financial year. The Spar stores succeeded in maintaining their revenue, the average shopping basket value and their customer base at the same level in difficult market conditions. A good performance, considering that there are five stores less. The profitability of the Spar independent storekeepers is among the best in the Belgian market. In addition, Retail Partners Colruyt Group also sees a positive growth among its independent storekeepers. They account for 10% of total sales.

Collaboration with independent storekeepers

Retail Partners Colruyt Group worked hard on the partnerships with its independent storekeepers in the past financial year. For instance, the independent storekeepers' organisation, together with the Future Board of the independent storekeepers,

drafted a document with guidelines and criteria for the collaboration and customer orientation. The document outlines the common values and objectives to realise sustainable growth and success together.

Looking for independent storekeepers

Retail Partners Colruyt Group is constantly looking for motivated and capable candidate independent storekeepers. The independent storekeepers' organisation offers starting storekeepers extensive support, training and advice, also by a company advisor. This manner of working together is unique and goes further than a traditional franchise system. For instance, starting storekeepers can take out a loan under well-defined conditions through a starter's kit. In addition, they receive financial advice and technical support. Moreover, the storekeepers are assured of competitive purchasing conditions via Retail Partners.



RETAIL PARTNERS COLRUYT GROUP INITIATIVES AND REALISATIONS

New logo

The logo and the house style were also changed, together with the name. The three symbols represent the consumer, the independent storekeeper and Retail Partners Colruyt Group. They look like geese flying in formation. They often change places but they all fly in the same direction.

Opening Head Office in Mechelen

Retail Partners Colruyt Group finalised the relocation to the new head office in Mechelen at the end of October 2014. Two automations were also implemented in the high-tech distribution centre, in the empty goods section and in the collection circuit for vegetables and fruit. The new head office increases the efficiency and improves the cooperation, communication and service. The offices and the DCs were located in three different locations previously. In addition, the relocation enables Retail Partners Colruyt Group to grow further. Bringing together the offices and the two DCs went smoothly, without inconvenience for the independent storekeepers. The offices and the distribution centre have a combined surface area of 62.100 m².

Awarded 'Retailer of the year'

The professional magazine Gondola awarded Retail Partners Colruyt Group 'Retailer of the year' in December. The title is awarded each year to a retail organisation that has proven that it can rediscover itself and prepare itself for the future. Retail Partners Colruyt Group was awarded a prize for the unique partnerships that it sets up with its independent storekeepers and the ambition that it demonstrates when doing so.

Change of name to Retail Partners Colruyt Group

Spar Retail changed its name into Retail Partners Colruyt Group in November. The new name reflects the activities of the company better which, in addition to the 210 Spar stores, works together with a large number of other independent supermarkets. With the name change, Colruyt Group indicates that it believes in the cooperation with independent storekeepers and that it wishes to continue to grow in this market. In addition, there is the underlying message: Retail Partners Colruyt Group is open to different forms of collaboration with independent storekeepers, also in other areas than in food.



The Spar stores are friendly neighbourhood stores that distinguish themselves with their fresh products, competitive prices and appreciation for good food. The Spar stores are operated by highly capable independent storekeepers who make their own stores unique by adding their own identity. The store surface area varies from 200 to 1.200 m². The baseline: My Spar, pleasant and delicious.

SPAR WORLDWIDE

Spar was established in 1932 in the Netherlands as a first form of collaboration between independent storekeepers: 'Spar' stands for 'By working together in unison all will profit regularly.' With over 12.000 affiliated stores in 37 countries, Spar has grown into the world's largest retail organisation with the highest number of stores that serves over 10 million customers daily. The cumulative annual turnover amounts to over EUR 32 billion. Spar International supports the national organisations from a central office in Amsterdam.

ALVO

Alvo is a Belgian purchasing group of independent supermarkets. The joint company Alvo NV is active in purchasing, delivery and logistics. Retail Partners Colruyt Group delivers dry goods and fresh products to the 48 affiliated Alvo members and their 79 supermarkets.

INDEPENDENT STOREKEEPERS AND MINI MARKETS

Retail Partners Colruyt Group supplies 140 independent storekeepers of which 28 Mini Market stores. Mini Market stores are small self-service stores (F3 sector) with a surface area of between 70 and 300 m². The stores link their name to the Mini Market sign and determine their price policy themselves.



Five new Spar stores

Five new Spar stores were opened during the past financial year. Five stores left the Spar formula and became free customers. The relationship was terminated with five stores. 14 supermarkets were restyled, of which five were also expanded. Eight new Spar stores will be opened and 15 stores will be given a new look in the coming financial year.

Good end of year period

The Spar neighbourhood stores focussed on fresh products, traiteur and ready-made meals during the end of the year period. And this was a success. They realised good sales and continued to operate positively in the following months.

Moreover, they succeeded in offsetting the disappointing summer months and the negative effects of the extra competition and the many road works.

Competitive prices and open on Sunday

Spar adjusts its prices daily, so that customers can always count on competitive prices. The neighbourhood supermarkets also communicate extensively about this. In addition, Spar communicated more clearly this year that the stores are open on Sunday, also by means of advertisements in newspapers. The neighbourhood store formula stimulated Sunday customers to return during the week by means of various special offers.



SPAR INITIATIVES AND REALISATIONS

Restyled brand image of Spar stores

The logo for the Colruyt Group Spar stores has been restyled. The red letters are printed on a white background with the Colruyt Group logo next to it. In this manner, it is clear for the consumer which Spar stores are part of the group and which are not. There is a second licence holder in Belgium. The Colruyt Group Spar stores distinguishes themselves from the other Spar stores with lower prices, a slightly different product range (including Colruyt Group brands) and a different promotional policy. The new logo will be installed at every Spar store. The gradual roll-out was started in March 2015.



Third place in GfK winter report

The Belgian consumer placed Spar for the first time on the stage in the winter report of the research agency GfK. The Spar stores were awarded third place, after Colruyt and OKay. The formula of independent storekeepers made progress in practically all criteria and scored above all with its neat stores and quality products.

Change in the management of Alvo

Jan Pelgrims is the general manager of Alvo since 2015. Pelgrims was deputy manager Purchasing at Retail Partners Colruyt Group. Retail Partners Colruyt Group sees this switch as an illustration for the good relationship between both partners and as a stimulation to continue the positive collaboration.

Codifrance

D I S T R I B U T I O N



In France, Codifrance supplies the affiliated independent stores Coccinelle, Coccimarket and Panier Sympa. These small supermarkets of the F4 segment are located in city centres and have an average surface area of 200 m². These small city stores mainly target customers that do their daily shopping and distinguish themselves with their fresh products, their hospitable staff and an very good product range of own brands. In addition to supplying, Codifrance also provides support in the field of marketing and communication. In addition, Codifrance supplies 700 independent storekeepers.

Supplying independent stores in France realised a slight increase in sales again this financial year in a market with fierce competition and strong price pressure. Codifrance thus once again made a positive contribution to the group result.

Codifrance continued to work on the restyling of the Coccinelle and Coccimarket stores this financial year. The small supermarkets will be given a modern look and dynamic style. This restyling takes place in consultation with the purchasing group Francap.

Focus on solvency

The independent storekeepers' organisation is constantly looking for motivated and capable candidate independent store-

keepers for the neighbourhood stores. Codifrance screens the future independent storekeepers and their solvency very thoroughly before entering into a partnership. In addition, Codifrance invests a lot of energy in the existing collaborations. The company strives to establish and maintain long-term sustainable relationships.

Further increasing profitability

Codifrance aims to open new stores in the coming years and to further increase its revenue. Codifrance also aims to further increase its profitability. In addition to constantly paying attention to the solvency of its customers, Codifrance also focuses strongly on cost efficiency and the service of its logistic chain.

◦ **1996**
(COCCINELLE AND COCCIMARKET)

◦ **2003**
(PANIER SYMPA)

 **254 AFFILIATED STORES**
OF PANIER SYMPA, COCCIMARKET
AND COCCINELLE

 **700 INDEPENDENT STORES**

 **100-400 M²**
AVERAGE STORE SURFACE AREA

 **TWO-THIRDS OF FRANCE**

 **237**
EMPLOYEES IN FTE (+ 9)

 **CODIFRANCE.FR**





FOODSERVICE

The combined revenue of the foodservice activity this financial year amounted to EUR 769,6 million (+7,7 %). Foodservice comprises Solucious in Belgium, Pro à Pro in France and the export activity Colex.

- **Solucious**88
- **Pro à Pro**90
- **Colex**91



Solucious is the Belgian foodservice company of Colruyt Group and delivers food products throughout the whole of Belgium. The company offers a complete foodservice and a wide retail product range: fresh products, dry goods, frozen products and non-food products. Solucious helps unburden its customers by means of its user friendliness, fast service, reliability and transparent and competitive prices. In addition, the employees distinguish themselves by means of their personal service and thorough product knowledge.

The foodservice company offers both national brands and its own brand for industrial kitchens, Econom. It also offers a fair trade product range. There are specific product ranges on the website for 12 different customer segments such as schools, day care centres and the hospitality industry. 70% of the customers order online.

• **2013**
(MERGER BETWEEN FOODINVEST AND COLLIVERY)

26.000
CUSTOMERS (SOCIAL CATERING, SME COMPANIES, HOTELS, RESTAURANTS AND CAFÉS, I.E. THE HOSPITALITY INDUSTRY)

12.000
DRY, FRESH AND DEEP-FROZEN

2 DISTRIBUTION CENTRES,
6 HUBS,
107 TRUCKS/LIGHT VANS

WHOLE OF BELGIUM

391
EMPLOYEES IN FTE (+12)

A TASTE FOR SOLUTIONS

SOLUCIOUS.BE

Solucious realised a considerable increase in sales in a slightly contracting market. The reliable service, personal approach and transparent pricing led to more and more customers opting for Solucious. The increase in sales is the largest in the customer segments on which the foodservice company is focusing. For instance, the sales of the social catering rose by 20% and that of the hospitality industry by 30%.

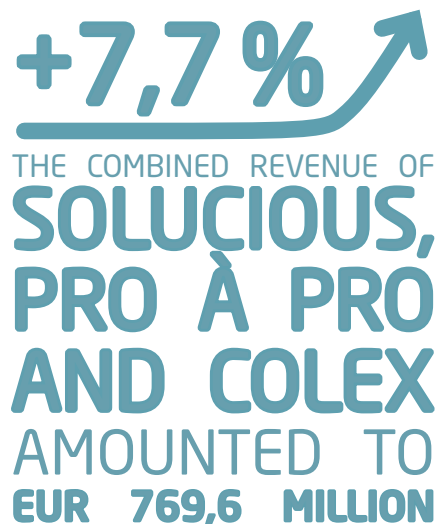
Focus on the hospitality industry

Solucious worked hard in the past financial year on attracting new hospitality industry customers. And this was a success. The sales in the hospitality industry segment rose by 30%. Since the introduction of the registered checkout, more and more companies are opting for the user-friendly order process and Solucious's competitive and transparent prices. The foodservice company is convinced that it will be able to attract even more hospitality industry customers in the coming years. The purchase price is becoming increasingly decisive for hospitality industry companies instead of the fact whether or not deliveries can be made in accordance with the legal obligations. Furthermore, Solucious intends to cater even better to the needs of its hospitality industry customers by expanding its frozen food product range.

61 new trucks

Solucious bought 61 trucks and vans during this financial year for the transport of goods to its customers. The vehicles have three temperature zones and can transport frozen products, dry goods and fresh products in one trip. To this end, the foodservice company also equipped its hubs with a refrigerator and freezer area. This investment provides added value for both the customer

and Solucious. All the goods are delivered to the customer via one truck and the logistic costs are lower. In addition, this investment is also in line with Solucious' sustainability policy. The trucks consume less fuel and emit less fine particles. The implementation of the integrated transport system was completed in June 2015.



Transporting more efficiently

The foodservice company pays a lot of attention to the efficiency of its transport organisation. In the coming financial year, Solucious is starting with one planning organisation for its deliveries. As a result, Solucious will be able to deliver supplies to its customers more efficiently.

Further increasing market share

Solucious aims to increase its name awareness and market share in the coming years. The foodservice company will continue to focus on its transparent price policy, user-friendly order process, personal service and reliable deliveries.

SOLUCIOUS INITIATIVES AND REALISATIONS

Own brand for industrial kitchens: Econom

Econom has been the own brand for foodservice products at Solucious, Pro à Pro and Colruyt Professional since the fall of 2014. Econom is the cheapest brand within the product range and offers a wide range of good and inexpensive basic products in wholesale packaging. The product range consists of both fresh products and dry goods and frozen product. Econom has approximately 200 articles as of mid-2015.

Econom aims to contribute to productivity and food safety in the kitchen. This is why the labels have large pictograms and clear, readable information and guidelines for cooking times, preparation method and freshness.



Expansion of fair trade product range

Under the name SOfairtrade, Solucious launched a completely new fair trade product range in the spring of 2015 with 85 articles. The product range comprises hot and cold beverages, breakfast cereals and snacks of (mainly) Oxfam Fairtrade, Ethiquable and Colruyt Group brands such as Bio-Time. There are also five biological fair trade coffee products of the group's Graindor brand. With SOfairtrade, Solucious is even more committed to supporting sustainable worldwide trade and it provides a response to the growing demand for fair trade products among municipalities, companies and day care centres.



The foodservice company Pro à Pro is active throughout France and in the French overseas territories Guadeloupe, Martinique, Réunion and French Guyana. Pro à Pro distinguishes itself in the French foodservice market, which is also referred to in France as 'RHD' or 'restauration hors domicile', with its reliability, and its fast and personal service.

Pro à Pro caters to the different needs and expectations of its diverse professional customers with its extensive product range. Pro à Pro supplies, among other products, dry goods, beverages, fresh products, meat, fish and maintenance products to schools, hospitals, day care centres, hotels, restaurants, cafés and caterers. Pro à Pro also offers frozen products in the French overseas territories.

◦ 2001
(ACQUISITION)

 18 DISTRIBUTION CENTRES,
12 TRANSHIPMENT PLATFORMS
350 TRUCKS

 42.000
CUSTOMERS (CATERING,
CAFETERIAS, HOTELS,
RESTAURANTS AND CAFÉS, AND
WHOLESALERS)

 DRY GOODS, FRESH
AND DEEP-FROZEN
PRODUCTS

 WHOLE OF FRANCE

 1.672
EMPLOYEES IN FTE (-)

 LE GOÛT DE
L'ENGAGEMENT

 PROAPRO.FR

Pro à Pro was able to show good growth figures again in a stagnating market. Pro à Pro realises three-fourth of its revenue through social catering (hospitals, schools, company cafeterias, etc.) and this remains stable in France. However, the hospitality industry (restauration commerciale) has been negatively impacted by the crisis. French people go out to dinner less, spend less and more often opt for a quick snack.

The margins in the foodservice market are constantly under pressure. Nevertheless, Pro à Pro succeeded in improving its operating result by constantly focusing on cost efficiency. The French foodservice company does not expect that market conditions will improve in the coming financial year. However, it does expect to be able to increase its profitability. To this end, Pro à Pro will also pay extra attention to its operational excellence.

Focus on cost efficiency

The foodservice company is constantly focusing on cost efficiency. Pro à Pro went one step further this year in the optimisation of

its logistic planning and the load percentage of its trucks. As a result, the foodservice company can serve its customers in the region Île de France with four trucks less.

Investing in logistic centres

Pro à Pro took a brand new distribution centre into use in Guadeloupe this financial year. The DC has a surface area of 2.000 m² and can store dry goods, fresh products and deep-frozen products. In addition, Pro à Pro started with the construction of a transshipment platform in the town Gap in the department Hautes Alpes. This hub will become operational in September 2015. With this platform, Pro à Pro will be even better able to make deliveries to the south. In Chaponnay, just under Lyon, there are plans to expand the distribution centre by 3.000 m² in the coming financial year. Finally, Pro à Pro plans to open a new distribution centre on the island Martinique before the end of 2015.





Colex (Colruyt Export) is the export division of Colruyt Group and combines the Belgian and French export activities of Solucious and Pro à Pro. Colruyt Export delivers 7.000 food products and 23.000 non-food products by container or plane over the whole world. Storekeepers, wholesalers and supermarkets in Africa are the largest clients.

Colruyt Export distinguishes itself with its competitive prices and its high service level. Customers are offered a full service, as from the purchase to the airport or sea port of destination, including customs forms and licenses.

Colex offers a good and diverse range of national brands and own brands. The discount brands Everyday Selection and Econom offer good quality basic products at competitive prices. Especially for the export market, Econom products provide the product information in five languages on the packaging: English, French, Spanish, Portuguese and Arabic. In addition, it offers 1.300 Belle France products, including dry goods and beverages.

° 1995

 350
CUSTOMERS

 7.000 FOOD
23.000 NON-FOOD

 THE WHOLE WORLD

 COLEX-EXPORT.COM

The revenue of Colex continues to grow steadily. Africa remains the biggest market. In addition, Colex is looking into more and more other markets. The company is also exporting more to China and is gaining a foothold in Australia. Colruyt Export expects to maintain its growth path in the coming years. To this end, the company is also expanding its sales department.

One export activity for the group

Colruyt Group grouped together the Belgian and the French export activities under the name Colex (Colruyt Export) this financial

year. The central operational management from Belgium was also optimised. Most of the containers leave from the port of Antwerp. Containers with a lot of foodservice products usually leave from the French port Le Havre.

Belle France-products in the product range

At the request of its customers, Colex has now also included Belle France products in its product range since this financial year. Belle France is a brand of our purchasing group Francap Distribution and it has an extensive product range and guarantees a reliable quality.





DATS 24

OTHER ACTIVITIES

The revenue of the other activities amounted to EUR 749,6 million (-1,8%). The other activities comprise:

• DATS 24	94
• Symeta	96
• WE-Power	98
• The participations in offshore wind parks	100

DATS 24

DATS 24 (Discount Automatic Tanking Service) offers quality fuels at low prices. The supplier stands for smart fueling. 70% of the stations are located next to Colruyt Group stores. In this manner, customers save time and kilometers. Customers can pump up their tyres for free at every filling station. In addition, DATS 24 gives tips to its customers on how to drive in a more environmentally and budget friendly way. DATS 24 is pioneering in Belgium with natural gas for vehicles (CNG). Natural gas vehicles emit up to 95% less fine dust than vehicles that run on petrol or diesel, have lower CO₂ emissions and drive a lot quieter. Moreover, natural gas is significantly cheaper.

DATS 24 also has 40 filling stations in France. They are all located next to a Colruyt store and are in the first place an extra service for Colruyt customers.

◦ 1972

 **EUR 695,7 MILLION**
REVENUE (-1,5%)

 **105 FILLING STATIONS IN BELGIUM**
40 FILLING STATIONS IN FRANCE

 **41**
EMPLOYEES IN FTE (+2)

 **SMART PETROL**

 **DATS24.BE**

The sold volumes increased in the past financial year due to the opening of six new filling stations in Belgium. In addition, the fuel supplier attracted more new customers. In view of the challenging market conditions this is a very good performance. Fuel prices are low, vehicles are becoming increasingly fuel efficient and the market continues to contract due to the crisis. Furthermore, there is also fierce competition. All of these factors caused the sales to decrease slightly to EUR 695,7 million and the profitability remains under pressure.

50 extra CNG stations

DATS 24 aims to have 65 CNG stations by March 2018. The fuel specialist also offers natural gas since this financial year in Diest, Overijse, Hasselt and Grimbergen, which brings the number of stations up to 15. This will be increased to 25 in the coming financial year. At present, over 2.000 vehicles are running on natural gas in Belgium. This number will increase in the coming years due to an increasingly large range of vehicles.

Appeal to the government

The fuel supplier appeals to the government to stimulate the distribution and awareness

of natural gas for vehicles more. A further expansion of the network of pipes is necessary. In addition, DATS 24 asks for more (tax) measures to stimulate the purchase and use of natural gas vehicles. Finally, the fuel specialist urges the government to promote the advantages of the most ecological fossil fuel more among car drivers.

Constant focus on the environment

DATS 24 received the ISO 14001-certificate for the second time in a row in 2014 for its environment management system. An external audit reconfirmed the efforts for the environment that the fuel specialist takes every day. DATS 24 is one of the few fuel suppliers in Belgium with such a certificate.

Expansion in Wallonia

DATS 24 plans to open its first CNG filling stations in Wallonia in the near future. The fuel specialist currently has a number of permit applications that are being processed and hopes to further increase this number. DATS 24 is urging the Wallonian government to accelerate the introduction of sectoral conditions that would speed up the granting of permits.



DATS 24 INITIATIVES AND REALISATIONS

100th filling station

DATS 24 opened its 100th filling station in Belgium in Sint-Katelijne-Waver in April 2014. A milestone that the fuel supplier celebrated with its customers. DATS 24 in Sint-Katelijne-Waver gave an exceptional discount of 20 cents a litre during the opening week. In addition, 100 customers throughout Belgium could win a free tank of fuel. The competition, with no less than 25.000 participants, was a big success.

Traffic safety campaigns

DATS 24 considers traffic safety to be very important and to this end it works together with organisations such as XIU/JTVOI, the Flemish Foundation for Traffic Science and TFSR vzw. DATS 24 organised a campaign this financial year together with XIU/JTVOI to increase the visibility in traffic of high school students. The fluo-rap contest invited high school students to make a rap video. 100.000 students from 140 schools participated.

Good score in tyre pressure test

Test-Aankoop and VAB organised a large-scale test of the equipment to check tyre pressure at 200 different filling stations. DATS 24 scored well in the test. All DATS 24 tyre pumps are checked at least once a week by the internal technical service. The fuel supplier also stimulates its customer to pump up their tyres. The fuel consumption decreases and the brake distance is shorter with a correct tyre pressure. Pumping up tyres remains a free service at DATS 24 whereas more and more filling stations are demanding payment for a tyre pressure check.

New logo and house style

DATS 24 restyled its logo and house style to bring them more in line with its brand promise: simple and efficient fueling at low prices. Green remains the main colour in the new logo. DATS 24 added blue and white to this. White stands for simplicity. Blue stands for joining economy and ecology.

The new house style is being rolled out gradually. The website and all of the marketing communication have already been restyled. The first filling station in the new house style was opened in December 2014 in Grimbergen. All filling stations will be given the look and feel of the new style by the end of 2018. The new house style comprises various changes and offers customers even more tranquillity, user friendliness and simplicity. For instance the labels were simplified and mini totems have been placed near the entrance way. Furthermore, the rubbish bins were replaced by rubbish bin cabinets. Finally, DATS 24 also pays more attention to the landscaping and to sustainable environmental aspects. Technical areas are lined with evergreen hedges and where possible trees are planted.



Workshops with Colruyt Group Academy are popular

The DATS 24 workshop Alternative Vehicles at Colruyt Group Academy is very popular. More and more consumers are interested in being informed about how they can travel in a more sustainable and less expensive. DATS 24 provides information on alternative vehicles and advice on reducing fuel consumption. To this end, the fuel specialist works together with external partners.



Symeta is an important player in the market for specialised marketing communication. With its wide range of print and document management services, the company is a reliable guide in the complex business communication market. The print and document manager focuses on mailings, personalised communication and digital handling of documents (dematerialisation).

Symeta deliberately chooses for a clearly defined, but exclusive, range of own products and services. The company out-sources other activities such as traditional printing. Both internal and external customers turn to Symeta for its specialised know-how and unique print technology. Internal customers account for 80% of sales, external customers account for 20%.

- **2011**
MERGER OF DRUCO (1979), MITTO (2010), DEMATERIALISATION & INTERNAL PRINTING (2011)

EUR 5,6 MILLION
REVENUE EXTERNALLY (- 51,1 %)

160
EMPLOYEES IN FTE (-95)

**SMART PRINT +
DOC SOLUTIONS**

SYMETA.BE

Symeta produces more and more personalised market communication items for the Colruyt Group store formulas. In addition to the section 'Selection for you' which is included in Colruyt's two-weekly folder, Symeta is also developing personalised marketing communication items for, for example, Okay, Bio-Planet, Collishop, DATS 24.

A growing number of external customers are also opting for Symeta for targeted and relevant customer communication. Symeta thus has a profitable customer-driven business activity in the difficult printing market. Moreover, by working for external customers, the company can continue to benchmark itself against other service providers in the sector and it obliges itself to keep track of the latest technological innovations. Most of its external customers are medium-sized to large companies and organisations such as banks, retailers, utility companies and NGOs.

Conscious choices

Symeta has worked hard on its business plan this financial year and has optimised its processes. In the coming years, the print and document manager plans to focus exclusively on activities with which the company is certain that it can create added value. From the first results of this financial year, it is clear that it was a good decision to no longer continue with its own offset production.

Joint management with Premedia

As from 1 February 2015, Symeta and Premedia, Colruyt Group's internal communication agency, operate under a joint management structure. In this manner, both corporate partners wish to operate with an even stronger customer focus and more efficiently, in order to support the different store formulas better with strong marketing communication. The synergy between both corporate partners will be expanded further in the coming years.



SYMETA INITIATIVES AND REALISATIONS

Maximum re-employment of former employees of the offset printing division

Symeta announced its intention to terminate the offset activities on 14 February 2014. A reorganisation was necessary in order to maintain the profitability of its business activities.

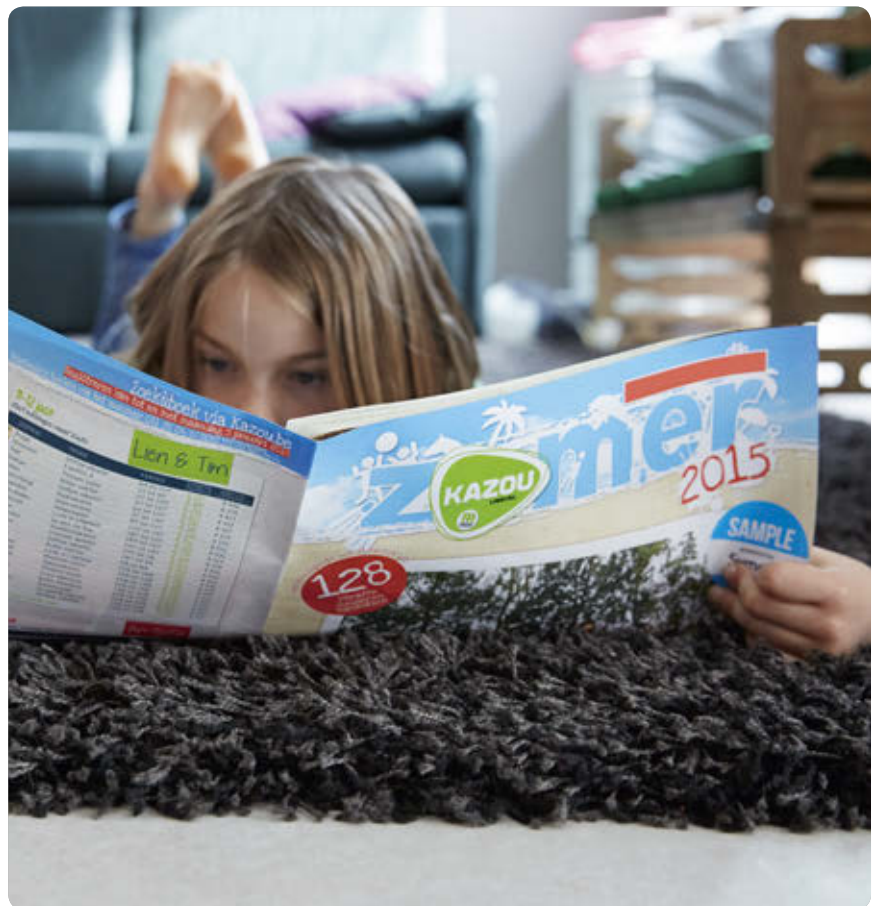
At the end of this financial year, a solution had been found for 100 out of the 108 former employees of the offset printing division. On 31 March, 59 of these former employees had found a new job within Colruyt Group. Four others found a temporary internal solution. Twenty-eight opted for a different job with another company. Eight former employees opted for early retirement. Another two opted for following a training programme and four people have been occupationally disabled for a longer period of time. The remaining eight former employees are being assisted by the VDAB.

Innovative coater

Symeta installed an in-line coater at its largest digital printer in December 2014. This coater optimises the production process and improves the quality of the end products. For instance, Symeta can now adjust the sliding resistance of paper and also did that for the price labels in the stores. As the labels stick together less now, employees can stick them in the shelves easier and faster. Symeta will further expand the various applications of this innovative device in the coming years.

270.000 unique holiday brochures for Kazou

Symeta has been producing personalised holiday brochures for Kazou, the youth service of the Christelijke Mutualiteit (CM), already for many years. The contents of the brochures, the titles, texts and photographs vary depending on the profile of the children and young people: the number of children per family, age, first name, horoscope, holiday destinations, etc. Symeta is further increasing the personalisation each year. The young people who went on holiday last year with Kazou now even received a brochure with on the cover the group photograph of their last holiday. The youth holidays are always fully booked in no time. Moreover, they also attract a lot of comments on social media.



Unique Mailing for Mercedes awarded with Award for Excellence

In December, Symeta won a Graphic News Award for Excellence in the category Direct Mail, a competition organised by the magazine Grafisch Nieuws. Mercedes, marketing agency VWL-BBDO and Symeta produced 1.000 personalised front pages for the newspapers De Standaard and La Libre Belgique. With this unique mailing, Mercedes invited fleet managers for the presentation of the new C-class at the circuit of Spa-Francorchamps.

WE-Power is the internal producer and supplier of green energy within Colruyt Group. The autonomous business activity groups all sustainable energy production on land. In order to ensure a stable energy production, WE-Power works with different forms of energy and a wide range of technologies: wind turbines, solar panels, combined heat and power units and biomass. WE-Power will also experiment with other types of energy and new technologies in the future.

WE-Power supplies sustainable energy to internal Colruyt Group companies and divisions and to independent storekeepers of Spar Retail and Alvo. WE-Power distinguishes itself as a reliable and transparent supplier and aims to optimise the energy consumption of its customers.

Around 15% of the energy that WE-Power offers originates from its own production. The group buys the other 85% on the wholesale market. Eventually it is the intention to supply exclusively self-produced green electricity.



Combined heat and power unit at DC Dassenveld

The combined heat and power unit in the distribution centre Dassenveld has been operating full power since June 2015. There is a constant large demand in this DC for heating and warm water for cleaning the containers. The combined heat and power units produce electricity and heat at the same time using natural gas. An engine drives a generator for the production of electricity. The warmth that is released is used for heating. As a result of this co-generation, the energy in the fuel is used more efficiently. Less fuel is required than in the event of a separate production of heat and electricity.

Good start as energy supplier

WE-Power can look back at a good first year as an energy supplier. The energy company succeeded to provide insight into the supply and demand of energy within the group and to match this as well as possible.

Experiments with smart grid

WE-Power is working on 'smart grid' applications. Such a smart electricity grid optimally gears the production of energy to the demand. WE-Power is looking into the possibilities of hydrogen as a green energy buffer. Hydrogen can store green electricity and only emits condensation and now CO₂ or fine dust when it is used. The sustainable energy that WE-Power converts into hydrogen is therefore not only used as fuel for fork-lift trucks and the hydrogen vehicle. Within the framework of the European Don Quichote project, WE-Power is also testing how it can reconvert hydrogen into electricity. You can read more about the Don Quichote project on page 37.

Gearing solar panel installations to the local demand

WE-Power analysed its existing installations this financial year and examined where extra solar panels would be opportune. The energy producer never installs more solar panels than necessary for the electricity requirement of a store, office building or distribution centre. For new construction and renovation projects, WE-Power also examines systematically whether it is technically and economically feasible to install solar panels. WE-Power has been investing in solar energy for a number of years as the production pattern of solar energy is nicely synchronised with the consumer profile in the stores. Forty stores and eight central buildings had a solar panel installation in March 2015.

Four new turbines in the coming financial year

WE-Power started to build two wind turbines on the site Laekebeek in Lot and three turbines in Sint-Pieters-Leeuw, next to the canal Brussels - Charleroi in May 2015. WE-Power will be the owner of one turbine in Sint-Pieters-Leeuw, the other two are owned by the electricity company Ecopower. WE-Power will start with the building of a turbine at the distribution centre Stroppen in the fall of 2015. This turbine will supply electricity to the production centre of Colruyt Group Fine Food Meat, the group's meat processing company. In addition, WE-Power is working on the permit applications for seven wind turbines in the Province Hainaut, four in Frasnes and three in Ostiches. Furthermore, there are also a number of other projects in the pipeline.

WE-POWER INITIATIVES AND REALISATIONS

Offering tertiary energy reserve

WE-Power receives an availability fee since this financial year from grid operator Elia for the tertiary reserve that WE-Power can offer in the event of a possible electricity shortage. WE-Power carried out a complete inventory of its energy consumption and production based on its voluntary switch-off plan and determined which capacities it can switch off in the event of a possible black-out. In the coming financial year, WE-Power will further examine which additional capacities it can switch off.

Starting with supplying natural gas

WE-Power has applied for the necessary permits to start as a supplier of natural gas in 2016. WE-Power has carried out the necessary exploratory research and is convinced that this expansion will be a profitable activity. Of course, the increasing volume of natural gas sold by DATS 24 also plays a role in this decision.

One new wind turbine in Spy

The three new wind turbines in Spy, in the Province Namur, have been operational since November 2014. The three turbines each have a capacity of 3,4 MW and can produce sufficient electricity to cover the consumption of 5.400 households. They avoid 3.000 tons of CO₂ emissions each year. One wind turbine is owned by WE-Power, the other two are owned by electricity company EDF Luminus. WE-Power provided for the building of the turbines and is responsible for the operation of the turbines

Test with charging stations for electric vehicles

WE-Power is also experimenting with different types of charging stations for electric cars. For instance, 'fast' charging stations have been installed at the Bio-Planet stores in Nossegem, Grimbergen and Destelbergen. Customers can recharge their batteries for 80% in one hour. 'Smart' charging stations will be installed at the new Phase 1 at the head office in Wilgenveld. These charging stations will charge the batteries of vehicles at the times when the energy price is the cheapest. The tests with electric charging stations fit in with WE-Power's learning process on how to organise 'production and demand steering' and the storage of renewable energy.



Two extra turbines in Halle

WE-Power built two extra wind turbines next to the distribution centre Dassenveld in Halle. The two turbines have been operational since May 2014 and can provide electricity for approximately 2.600 households. In this manner, they avoid 4.300 tons of CO₂ emissions each year. The wind turbines are located between the motorway A8-E429 (Halle-Doornik) and railroad line Halle-Edingen, next to the very first turbine built by Colruyt Group in 1999. WE-Power delivers the electricity produced by the three turbines directly to the distribution centre.



OFFSHORE WIND PARKS INITIATIVES AND REALISATIONS

Colruyt Group fulfils a pioneer's role in regard to offshore wind energy and invests in wind parks off the Belgian coast. The group holds an interest of 60,13% in the holding Parkwind: an industrial company specialised in the development, tendering, financing, construction and operation of offshore wind parks, in which it is also shareholder. Colruyt Group has an indirect interest in two operational wind parks in the North Sea via the participation in Parkwind: Belwind (24,70 %) and Northwind (18,04 %). The family holding company Korys and the Flemish government (ParticipatieMaatschappij Vlaanderen) also participate in Parkwind.

Colruyt Group will continue to participate in offshore wind energy in the coming years. In addition, thanks to Parkwind, the group is gaining expertise in the development, construction and operation of offshore turbines. Colruyt Group is further expanding its expertise in the coming years together with its external partners.

Colruyt Group is also assuming a responsible role in society with its participation in Parkwind. The group is contributing actively to the Belgian energy balance and in this manner it helps to gear the energy supply to the demand on a national level.

Good production for Belwind

The profitability of the Belwind park is developing as budgeted. The high availability rate of the turbines offset the weaker wind months in the past financial year. Belwind was founded in 2010 and it has 55 wind turbines on the Bligh sandbank with an installed capacity of 165 MW (megawatt). The turbine of 6 MW that was installed by the French company Alstom in Belwind's concession zone was connected to the grid during this financial year. Parkwind has an interest of 41,08% in Belwind. The share of the Japanese conglomerate Sumitomo Corporation is 39,02% and the share of the Dutch investment fund Meewind is 19,90%.



@vanoord-memnomulder-photography

Consortium Mermaid and Northwester 2

The consortium Northwester 2 acquired a concession for the construction of a windmill park off the Belgian coast in the summer of 2014. This concerns half of the concession zone that the consortium Mermaid acquired in 2013. After that, Mermaid and Northwester 2 concluded an agreement to divide the concession. Northwester 2 will build a maximum capacity of 224 MW. Mermaid itself will maintain a section of maximum 266 MW. This largest concession zone in the North Sea is located to the north of the Bligh bank, 60 kilometers off the Belgian coast. The zone is located at the furthest distance at sea and also has the deepest water. Colruyt Group has a direct interest of 30% in Northwester 2. TTR Energy is the largest shareholder with an interest of 48%. Colruyt Group is looking into how it can further optimise its interest in Northwester 2.

Preparations Nobelwind

Parkwind is working together intensively with Sumitomo Corporation and Meewind on the development of Nobelwind (Belwind phase 2). It is expected that the wind park on the Bligh sandbank off the Belgian coast will be completed during 2017. Nobelwind will consist of 50 wind turbines of each 3,3 MW. The total capacity will amount to 165 MW. In the meantime, the authorities have approved the splitting up of the Belwind concession and the partial transfer to Nobelwind. The goal now, together with the external partners, is to arrange for the bank funding of the project by no later than the beginning of 2016.

Restructuring of financial instruments

A restructuring of the financial instruments took place in the past financial year. On the one hand, the guarantees to the shareholders of the wind parks were reallocated in accordance with their shares in the equity of the wind parks. On the other hand, the outstanding shareholders' loans were restructured on the level of Parkwind.

Good start for Northwind

The wind park Northwind has been operating at full power since the summer of 2014. The energy production is developing slightly better than the projections. Northwind is located on the Lodewijk-bank and has 72 turbines of each 3 MW. These turbines can supply green electricity for 250.000 households. Aspiravi is the largest shareholder with a 40 % interest. Parkwind and Sumitomo Corporation each hold 30 %.



©vanoord-mennomulderphotography



©vanoord-mennomulderphotography





CORPORATE ACTIVITIES

The corporate activities comprise all supporting departments and services. All of the Belgian corporate services are linked to their counterparts in the foreign branches.

- **Technics, Real Estate & Energy** 104
- **Business Processes & Systems** 106
- **Finance** 107
- **People & Organisation** 108
- **Colruyt Group Academy** 110
- **Corporate Marketing** 111
- **Premedia** 112

TECHNICS, REAL ESTATE & ENERGY INITIATIVES AND REALISATIONS

Technics, Real Estate & Energy (T&I) is the internal technical service department of Colruyt Group in Belgium, Luxembourg and the Dreamland stores in France. T&I offers a complete service: from research to design to purchase, construction, installation and maintenance. T&I makes use of the services of external parties for specific projects.

The 1.300 employees are specialists and deliver fast and efficient high quality work. The employees have very different job profiles. T&I has technicians, shelf builders and mechanics, but also architects, engineers and electricians. They design, build and renovate buildings such as stores, distribution centres and filling stations and they also protect these buildings against fire and theft. In addition, they make buildings more energy efficient by systematically applying environmental-friendly and sustainable technology. Finally, the T&I personnel is also responsible for the maintenance of vehicles and installation and they monitor the environmental systems.

7.000
TRANS-PALLETS



50 extra CNG vehicles

Colruyt Group purchased 50 new natural gas (CNG) vehicles during this financial year and will thus replace its oldest and least clean spare vehicles. These 50 vehicles constitute nearly half of the spare vehicle part and reduce the ecological footprint. At present, CNG is the cleanest fossil engine fuel. Colruyt Group is a pioneer with vehicles on natural gas. The group's vehicle fleet already includes 300 vehicles that run on natural gas.



Positive test with combined heating and cooling system in OKay Compact Luik

After the positive test in OKay Compact Liège, all new OKay Compact stores will now be equipped with a combined heating and cooling system. Technics, Real Estate & Energy installed the system in the OKay Compact store in Liège and then compared the installation costs and the energy consumption with the separate installation for heating and cooling in the OKay Compact Elsene. The test showed that not only were the installation costs of a combined heating and cooling system considerably lower, but the annual energy consumption was lower than that of two separate installations for cooling and heating.

A step further than the law

T&I goes a step further than the legal requirements and tries to make as much use as possible of the newest technologies. For instance, all of the new stores are energy efficient and satisfy the European energy regulations for 2020. After the positive test with propane cooling in OKay Roeselare, T&I will apply this natural refrigerant in new Bio-Planet stores in the next financial year. Natural refrigerants will probably be encouraged by the government in the near future.

Offices of the future

T&I worked on the dismantling and construction of Phase 1 of the head office in Wilgenveld in Halle this financial year. Phase 1 dates from 1978 and it was the oldest building of the head office. Renovation was necessary in order to accommodate Colruyt Group's growth. At the same time, the group wishes to stimulate the creativity of its employees with this innovative building. T&I applies various sustainable and energy-saving technologies and, at the same time, it also focuses on ergonomics. For examples, employees can adjust the temperature and ventilation themselves. In addition, different types of office space will be made available that can be used in multi-functional manner. Employees will take the new building into use in the summer of 2016.

Sustainable logistic centre in Ath/Lessines

During the construction of the logistic centre in Ath/Lessines, Colruyt Group opted as much as possible for sustainable technologies and materials that limit the impact on the environment.

- **Solar panels:** 1.544 solar panels have been installed on the roof of the return centre with a combined capacity of 248,92 KW. The expected annual production of this installation equals the consumption of approximately 70 households.
- **Heating and insulation:** The logistic centre has a highly sophisticated heating and ventilation system that reduces the cost of energy by 15%.
- **LED lighting:** The logistic centre consumes 30% less energy due to the LED lighting with movement sensors. Moreover, the lighting lasts 50% longer and the light intensity is also adjustable.
- **Rain water:** Rain water is captured and reused for the truck wash.
- **Saving system for water:** The reservoirs of the toilets have a saving system that uses 20% less water than traditional systems.
- **Buffer basins:** There are buffer basins that ensure that the public sewer network does not become overburdened. In addition, these serve as extra fire extinguishing water and as a habitat for birds.
- **Trees and plants:** The site contains 16.000 trees and plants. In addition, it has a lawn of 12.500 m² and a flower meadow of 32.000 m². There are also insect hotels with butterflies and bees.

Read more about the new logistic centre on page 79.



BP&S INITIATIVES AND REALISATIONS

Business Processes & Systems (BP&S) provides high quality and efficient business processes, information flows and communication systems. BP&S provides support to all divisions and companies of the group in the area of IT and process optimisation. BP&S has very different job profiles within its ranks, from business process analysts to IT architects and from system engineers to project managers. The department closely monitors the rapid technological developments and translates these to provide for Colruyt Group's specific needs.

In addition to 920 employees in Belgium, BP&S also has departments in France and India with 50 and 270 IT employees respectively. The department in India also helps alleviate the shortage of IT personnel in Belgium.

8.000
BAR CODE READERS

One purchasing department

Since this financial year, there is only one department within BP&S that provides for the purchasing of service products, services and software. This centralisation has already led to a savings of over EUR 3 million in just one financial year.

Second data centre operational

Colruyt Group took a new data centre into use in the spring of 2015, the second one in two years. All IT systems are now housed in two high-tech data centres with the necessary back-up facilities. Due to this investment, the IT capacity and performance has been increased and Colruyt Group is better able to capitalise on new technological developments. Moreover, by opting for the newest technologies, they have also reduced their operating costs. The lessons learned in the construction of the first data centre in 2013 were taken into account in the construction of the second data centre. As a result, the construction costs were considerably lower.



FINANCE INITIATIVES AND REALISATIONS

Finance is a support service for all business activities within Colruyt Group and offers a complete service package. This includes invoicing support and accounting, financial reporting and budgeting, risk management and legal support. The finance department employs approximately 400 employees in Belgium, France, India and Luxembourg.

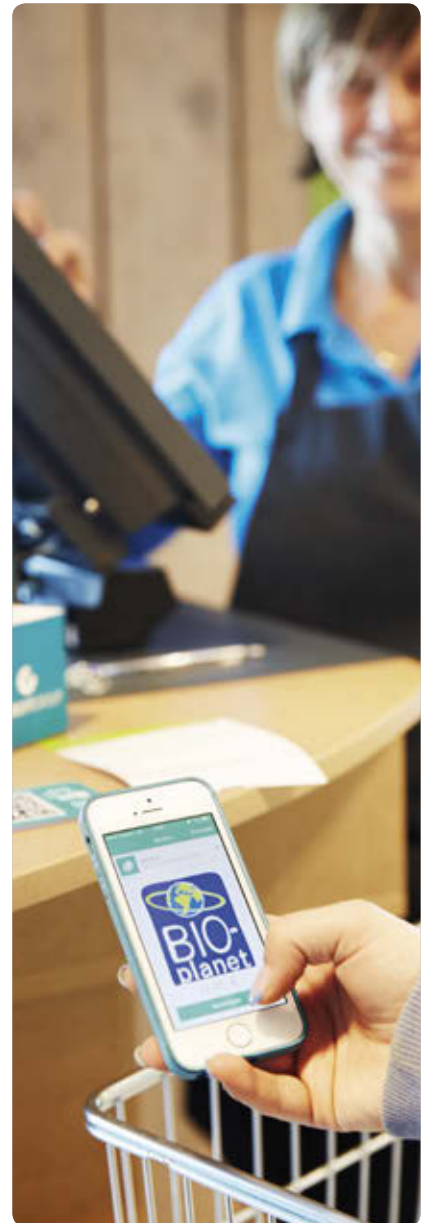
Finance is constantly striving to improve its efficiency. To this end, the management is constantly looking for innovative solutions to modernise, fine-tune and further simplify the support provided to the store formulas.

Mobile payment in web shops and stores

Customers in the web shops Collishop, Dreamland and Dreambaby can pay with their smartphones since September 2014. This is also possible in all of the physical stores of Colruyt Group since May 2015. The group is the first retailer in Belgium to offer the possibility of mobile payment to customers in the web shops and in the regular stores. With this investment, Colruyt Group demonstrates that paying can be easier, faster and cheaper, both for the customer and for the company, and that it plays a leading role in this.

The payment application is fast, user-friendly and secure. The customer downloads the app for free and links this once only to a bank account number regardless of with which bank he has an account. In the store or on the screen of his PC, laptop or tablet, the customer scans the QR code and enters his PIN code. In this manner, he approves the payment of the amount due. The amount will be debited from his account on the next day.

This is not the first time that Colruyt Group assumes a pioneering role. The group also puts a lot of effort into the introduction of the electronic meal voucher in view of the advantages for the user, the employer and the distributor. The administration is simpler, the convenience for the user has been increased and the electronic meal vouchers are safer for customers and employees.



PEOPLE & ORGANISATION INITIATIVES AND REALISATIONS

People & Organisation is responsible for the personnel management of Colruyt Group. The common objective of the five departments: bringing craftsmanship into the sustainable support, development and connection of people, teams and the organisation. The HR partner offers full support, from payroll services to prevention and medical services, to communication and negotiations with the social partners. There is also a knowledge centre with HR domains such as personal and team development, remuneration, personal growth, health and craftsmanship.


9.035
JOB INTERVIEWS LED TO
2.742
HIRINGS

115 students at fourth job day

The fourth job day was a success. No less than 115 master's and bachelor's students in their final course year visited the event. The students visited the distribution centre Dassenveld, attended panel meetings about leadership and participated in workshops on job interview training. They were able to view job vacancies in the job café and apply directly. Around 70 students made an appointment for a job interview. Colruyt Group generates enthusiasm among young people for its diverse job opportunities in different ways. There is a cooperation with the Odisee and the Antwerp student association Unifac. In addition, Colruyt Group also organises workshops for university and college students in their final year to make their search for a suitable job easier. The group has over 100 vacancies for junior job profiles in sales, logistics and corporate services.



Intranet accessible at home

Since this financial year, all the Colruyt Group employees use the same intranet system that is also accessible at home. The new intranet system is user friendly and flexible and it is also cost efficient to work with one system. Moreover, it also contributes to the group feeling. On the intranet, employees can find news, an overview of the personnel benefits and a lot of practical information and documentation about, for example, payments, courses and internal job applications. Not all of the functionalities are available to employees at home as Colruyt Group does not promote working from home. Portal Extern serves mainly to allow employee to gear their private activities to their work. In this manner, employees can view their schedules, but not plan meetings.

Framework age-conscious personnel policy

During this financial year, People & Organisation worked on establishing a framework for an age-conscious personnel policy. This guiding instrument aims to create a win-win situation for the company and the employees by taking the different needs and requirements of each age group into account. This positive and pro-active policy framework is based on the talents and competencies of all employees and aims to keep everyone working in a motivated and healthy way.



Investing in software tools

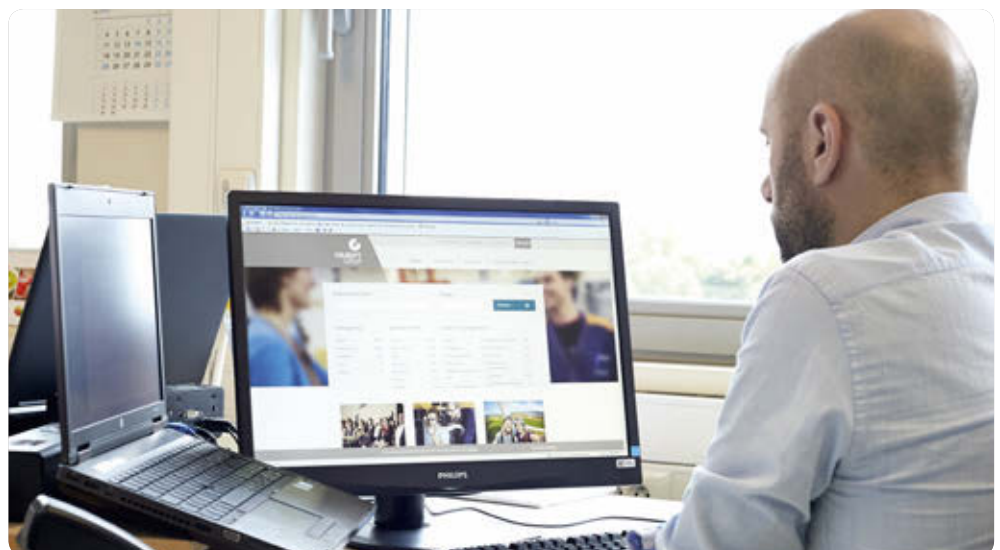
People & Organisation invests in three important software tools. The supporting business partner thus increases its efficiency, capitalises on the most recent technological developments and also facilitates the growth of the company. People & Organisation has been using one single IT application for the recruitment process since this financial year. In addition, Colruyt Group Academy implements a software programme for the registrations for the training programmes for employees. They can now manage their training programmes via this tool. Finally, People & Organisation are working on the roll-out of a software tool for personnel and remuneration management.

Awarded for attractive image

Colruyt Group was the first to receive the new Outperformer Award from temporary jobs agency Randstad. The reason is the image of the group, which is much more attractive than the average in the retail sector. Randstad considers it noteworthy that Colruyt Group has been regarded as a good employer among the general public for many years. The group regards the award received from Randstad as an acknowledgement of its personnel policy. The Outperformer Award awards the company that shows the largest difference in attractiveness in comparison with the sector. Together with Corporate Marketing, People & Organisation worked on establishing a uniform and group-wide image for Colruyt Group as an employer. You can read more about this on page 111.

New job site

The job site has been restyled since November 2014. The new job site is designed from the viewpoint of the job applicant and is very user friendly, intuitive and well-structured. The search function was also improved and the broad and diverse job opportunities within Colruyt Group are presented better. In this manner, the group wishes to increase the quality of its job applications and to reach more candidates.



COLRUYT GROUP ACADEMY INITIATIVES AND REALISATIONS

Colruyt Group Academy groups together all the internal training programmes and external workshops of Colruyt Group.

Colruyt Group invests around 3,2 % of its payroll in the training and education of its employees. This is based on the belief that the company grows to the extent that its employees grow, in knowledge, skills and personality. Therefore, employees follow job-specific courses, job-related technical courses, as well as training programmes for personal development. 14.941 employees participated in a training programme in 2014.

Since 2012, Colruyt Group Academy offers a wider range of workshops for private individuals. Meeting other people and inspiration are the central focal points in an open and informal learning environment. The 1.200 workshops take place at six meeting centres and are divided into six categories: Eating & Drinking, House & Garden, Well-being & Leisure, Society, Kids & Co and Babies. The low-threshold workshops are inexpensive and are supported by suppliers and are always linked to a store formula.

New logo and house style

Colruyt Group Academy has a new logo and house style since this financial year. The two links in the logo symbolise the connection and the exchange of ideas. At the same time, they also express the connection between the internal and the external activities. A new logo was necessary as the old logo was based on Colruyt Group's old logo. This also included the diamond from the logo of Colruyt Lowest Prices. However, Colruyt Group Academy works together with all of the store formulas for its workshops. And, of course, the internal training programmes are intended for all of the group's employees. A new logo also requires a new house style. This is young, dynamic and makes use of new colours. Orange is warm. Blue projects trust and certainty.



New location in Namur

Workshops have been held in Namur since the spring of 2015. In 2016, this will also be the case in Ukkel. It is Colruyt Group Academy's ambition to offer workshops in 12 academies spread over the whole country by 2018. These workshops are an ideal instrument for the group to feel what people consider important in their lives and what they need. At the same time, the consumer is discovering what Colruyt Group stands for via Colruyt Group Academy.

CORPORATE MARKETING INITIATIVES AND REALISATIONS

Corporate Marketing is a support service within Colruyt Group with three specific tasks. First, Corporate Marketing provides strategic support to the management and the marketing departments of the store formulas, also in France. In addition, Corporate Marketing determines the marketing strategy of Colruyt Group and of sub-brands such as Colruyt Group Academy and Colibri Foundation. Finally, Corporate Marketing is responsible for the brand management of own brands such as Boni Selection, Everyday, Dreamland, Kangourou, and Dreambee.

Cheapest own brand Everyday restyled

Everyday, Colruyt Group's cheapest own brand had been restyled and is now presented in a new, fresh packaging. The packaging is mainly white so that customers can find Everyday even easier on the store shelves. The packaging only contains the necessary information with in the front in large letters the name and a picture or a window that clearly shows the product.

Everyday offers around 650 basic products and is available in the Colruyt, OKay, Spar and Dreamland stores.

This restyling is the last step in a major simplification of the product range with the objective of having three clearly distinguishable brand layers. Customers can thus easily choose between the national brands, the own brand Boni Selection and the cheapest own brand Everyday.



Uniform position as employer

Corporate Marketing worked together with People & Organisation to create a uniform and group-wide positioning for Colruyt Group as an employer and a value-driven family-owned company where employees can build a lasting career, take initiatives and are given the opportunity to learn and to develop themselves. At the same time the group is a unique and innovative company that considers working together to be very important.

The brand identity forms the basis for the recruitment and retention policy. Colruyt Group wants to be top of mind as an employer and thus generate a large and high quality inflow of candidates. In addition, a uniform image makes it easier for employees of the group to identify with their employer.

Corporate Marketing has also created a visualisation of the positioning as an employer. This starts each time with a selfie image of an employee. In the accompanying tweet, the employee tells why he is proud of his job and how Colruyt Group makes the difference as an employer.

The internal communication agency translates the marketing strategy of Colruyt Group into communication strategies. Together with Premedia, Symeta helps the store formulas to evolve from mass communication to personalised and targeted customer communication. Premedia succeeds in catering to the needs and wishes of its customers in a fast and accurate manner. As internal communication agency, Premedia understands the needs of its partners perfectly and gears its way of working to this. In addition, there is a close cooperation between the various internal departments and the customer. Finally, Premedia closely monitors the most recent market developments.

Premedia is one of the largest communication agencies in Belgium and offers a wide variety of services. This includes folders, mailings, the annual report, packaging and websites as well as video news updates, apps and strategies for social media.

PREMEDIA

Premedia paid extra attention to the requirements of consumer-driven communication. The communication agency constantly re-examines how it can ensure that its organisation can capitalise on the newest trends and technological developments in an optimal,

flexible and fast way. Premedia intends to involve the consumer more in the creation of its communication strategies in order to fulfil the consumer's needs even better. Personalisation and customer segmentation play an important role in this.



PREMEDIA INITIATIVES AND REALISATIONS

Strong campaign for 100th OKay store

For the 100th OKay store, Premedia developed a successful media campaign together with OKay. This consisted of posters, the first radio commercial and a customer folder with a 1 euro discount on 100 products. The message was more than ever: you can do your shopping fast, cheap and easy at OKay. The objective: on the one hand, to attract new customers and to thank our loyal customers and, on the other hand, to increase the number of visits to the store and stimulate customers to use the card. And it was a success. This led to an increase in sales during this period and it also increased the name awareness.



COLRUYT GROUP IN FIGURES

1. Activities

1.1. Realised investments

(In EUR million)	2014/2015	2013/2014
I. Retail	272,0	216,0
Colruyt stores Belgium	112,6	92,3
OKay, Bio-Planet and Cru	21,5	15,0
Dreamland Belgium and France and Dreambaby	4,8	7,5
Colruyt France	10,6	11,3
Retail other and real estate	122,5	89,9
II. Wholesale and Foodservice	49,1	47,9
Wholesale	8,5	9,4
Foodservice	14,4	7,6
Real estate	26,3	30,9
III. Other activities	10,0	22,7
IV. Unallocated corporate activities	37,8	35,7
Total group consolidated	368,9	322,3

The increase in the investments during the reporting period was mainly due to:

- the construction of new stores for Colruyt, OKay, Bio-Planet and Cru in Belgium;
- the construction of the Colruyt distribution centre and return centre in Ath/Lessines;
- the completion of the distribution centre and administrative offices of Retail Partners Colruyt Group in Mechelen;
- the start of the construction of an additional production facility for Colruyt Group Fine Food in Halle;
- the restructuring work for the Solucious distribution centre at the site Laekebeek;
- the completion of a new regional distribution centre for Collect&Go in Erpe-Mere;
- a new data centre in Halle;
- the preparatory work for the construction of a new administrative wing at the site Wilgenveld in Halle.

Excluding possible acquisitions or participations, Colruyt Group expects to realise an investment programme of maximum EUR 400 million for the financial year 2015/2016. The majority of this amount is intended for new or to be renovated stores and stations in Belgium and in France as well as for investments in green energy. The increase in the to be expected investments is mainly due to the completion of the Colruyt distribution centre in Ath/Lessines, the OKay and Bio-Planet distribution centre in Lot, the construction of an additional production facility for Colruyt Group Fine Food in Halle and the construction of a new administrative wing at the site Wilgenveld in Halle.

1.2. Distribution centres and administrative buildings

	m ²	number
Production /distribution centres		
Belgium ⁽¹⁾	566.599	23
France		
Food retail	29.160	2
Deliveries to independent storekeepers	25.000	1
Foodservice	91.602	18
Redistribution platforms	16.169	22
Administrative buildings (office floor space) in Belgium ^{(1) (2)}	129.211	27 sites

(1) Including the Symeta and Colruyt Group Fine Food sites.

(2) In connection with the demolition works and the construction of phase 1 on the site Wilgenveld in Halle, a number of corporate services have also been housed temporarily in a leased building in Huizingen with an office space of 2.860 m².

1.3 Integrated stores of Colruyt Group at the end of the reporting period

	14/15	13/14	12/13	11/12	10/11	09/10
BELGIUM + LUXEMBOURG						
Colruyt						
- number ⁽¹⁾	236	234	227	221	217	214
Of which leased externally	21	19	22	22	21	28
- in '000 m ²	384	373	349	343	325	317
OKay ⁽²⁾						
- number	110	98	88	80	74	66
Of which leased externally	19	12	11	11	10	9
- in '000 m ²	63	56	49	44	39	34
Bio-Planet						
- number	13	11	8	7	7	6
Of which leased externally	7	5	3	3	3	3
- in '000 m ²	9	8	6	5	5	4
Dreamland						
- number	41	39	38	35	34	29
Of which leased externally	16	15	13	12	13	13
- in '000 m ²	77	74	72	68	63	58
Dreambaby						
- number	22	17	11	9	6	6
Of which leased externally	11	11	6	4	4	4
- in '000 m ²	13	10	7	5	3	3
Cru						
- number	1					
Of which leased externally	0					
- in '000 m ²	1					
FRANCE ⁽³⁾						
Colruyt						
- number	73	67	62	58	47	41
Of which leased externally	4	5	4	5	4	4
- in '000 m ²	70	64	60	57	45	39
Coccinelle ⁽⁴⁾						
- number	0	0	0	6	7	7
- in '000 m ²	0	0	0	3	3	3
Dreamland ⁽⁵⁾						
- number	2	2	2	2	2	1
- in '000 m ²	4	4	4	4	4	2

(1) Our three stores in Luxembourg also form part of the total number of stores. As from the financial year 2013/14, the stores that were closed at the end of the period under review due to renovation works are included in the total. In the previous financial years, the temporarily closed stores at the end of the period under review were not included in the total.

(2) Figures include two OKay Compact stores.

(3) For France, this concerns the situation as at the end of the financial year on 31/12. At the end of March 2015, there were 73 integrated stores, amounting to a total of 70.000 m².

(4) As from the financial year 12/13, the remaining five Coccinelle stores were transferred to the wholesale segment.

(5) The two Dreamland stores in France are leased externally.

2. Personnel

2.1. Job creation

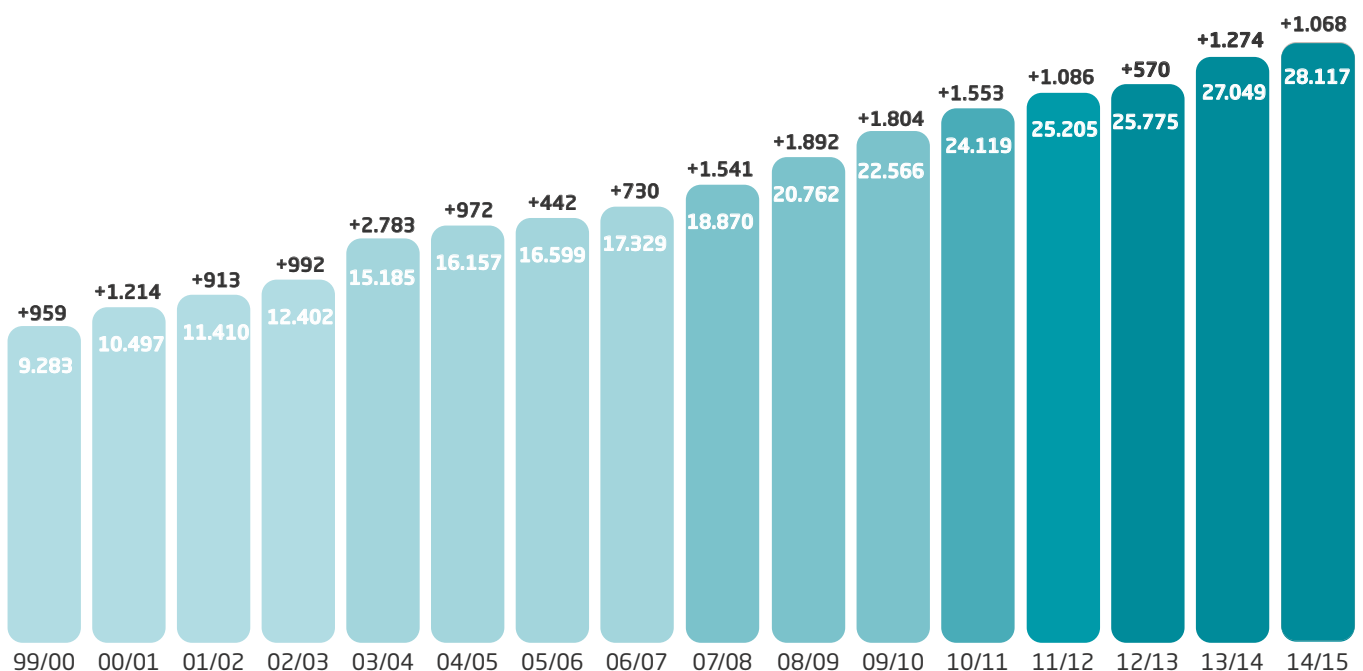
Distribution per segment	Number of employees			In full-time equivalents		
	31.03.15	31.03.14	Variance versus last year	31.03.15	31.03.14	Variance versus last year
Retail	22.623	21.455	+ 1.168	21.129	20.043	+ 1.086
Wholesale and foodservice	3.056	3.050	+ 6	2.996	2.995	+ 1
Other activities	227	318	- 91 ⁽³⁾	216	304	- 88 ⁽³⁾
Corporate (unallocated)	2.211	2.226	- 15	2.150	2.155	- 5
Total group	28.117	27.049	+ 1.068	26.491	25.497	+ 994
- Belgium ⁽¹⁾	24.107	23.223	+ 884	22.781	21.976	+ 805
- Luxembourg	78	55	+ 23	78	54	+ 24
- France ⁽²⁾	3.649	3.529	+ 120	3.350	3.225	+ 124
- Other countries	283	242	+ 41	283	242	+ 41

(1) These figures do not take into account the working students who are employed in the weekends or during the school holiday. (4.629 on 31.03.2015 and 4.374 on 31.03.2014).

(2) For France, the number of employees at the end of the year on 31/12 are taken into account in the table. France employed 3.591 employees on 31 March 2015 (or 3.388 in full-time equivalents). France employed 77 job students in the weekends and during school holidays at the end of the period under review.

(3) The decrease can be attributed to the termination of the offset activities at Symeta.

2.2. Development of Colruyt Group workforce (number of employees)

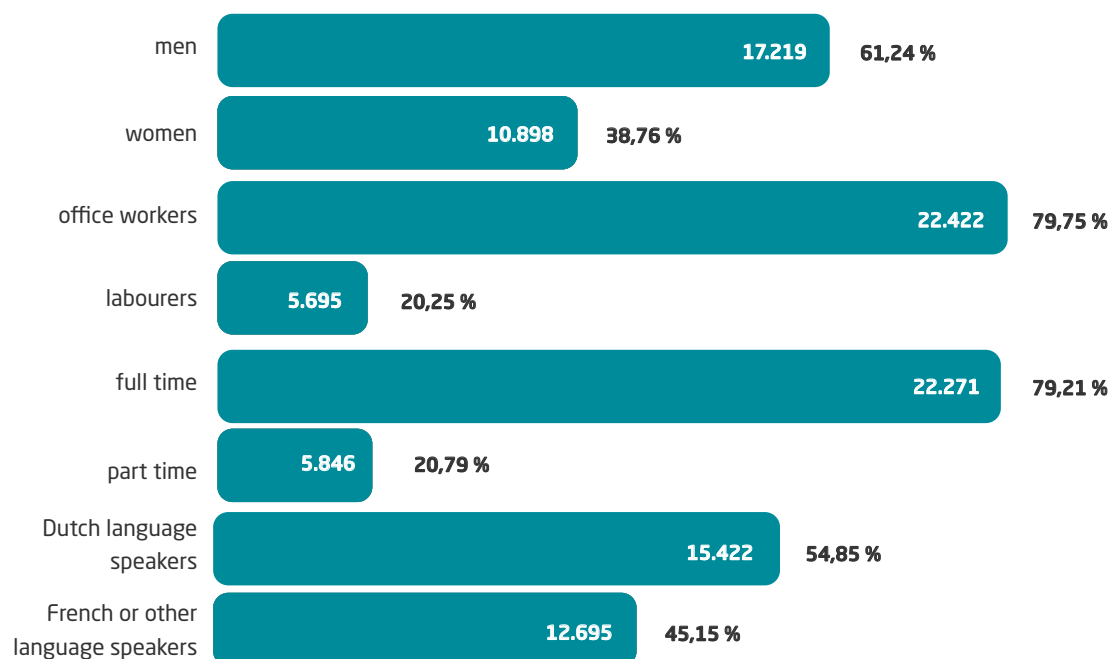


2.3. Nationalities

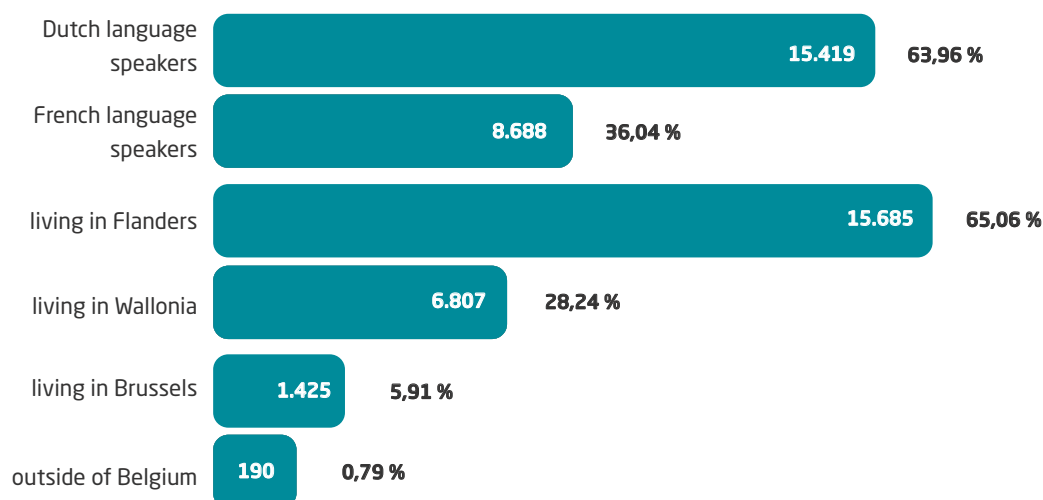
At the end of the financial year, the workforce in Belgium consisted of 77 nationalities among which 144 Dutch employees, 159 French, 143 Italian, 45 from Spain and Portugal, 23 from Poland and Romania, 18 from Germany, 10 from Greece and 36 employees from other European countries. In addition, 411 employees are African nationals, 86 are Asian nationals and 21 are American nationals.

2.4. Number of employees at the end of the financial year

The number of employees in the group at the end of the period under review amounted to 28.117 of which:



The number of employees who worked in Belgium at the end of the period under review amounted to 24.107 of which:



2.5. Training and education in Belgium

Colruyt Group pays a lot of attention to the training and education of its employees. The total education and training expenses in Belgium, in relation to the total Belgian personnel expenses, amounted to 3,17% last year. The main focus was on training programmes for strategic leadership, dealing with changes, working effectively and the development of professional knowledge.

2.6. Salary costs and net salary in Belgium

The total annual payroll costs in Belgium for Colruyt Group amounted to EUR 1.071,94 million, consisting of EUR 241,73 million in employer's contributions for NOSS and other statutory insurance and EUR 830,20 million in gross wages and salaries. Of the EUR 830,20 million gross wages, an amount of EUR 91,32 million was paid to social security and EUR 131,20 million was paid on to the withholding tax. The employees ultimately received a net amount of EUR 607,68 million or 56,69% of the total employer's payroll costs.

In the financial year 2014/2015, Colruyt Group paid an amount of EUR 317,03 million to social security, being EUR 225,71 million in employer's contributions and EUR 91,32 million in employees' contributions.

Total salary costs	(in EUR million)
Total salary costs	1.071,94 (100 %)
Employer's contributions	
NOSS and insurance	241,73 (22,55 %)
Gross wages or salaries	830,20 (77,45 %)
Employer's contributions NOSS	91,32 (8,52 %)
Withholding tax on salaries (including reduced charges)	131,20 (12,24 %)
Net wages or salaries	607,68 (56,69 %)

2.7. Contributions paid to the Belgian treasury in relation to the added value

In the past financial year, all of the Belgian companies of Colruyt Group combined paid an amount of EUR 898,83 million in social, fiscal and product related taxes to the Belgian treasury. In addition, the net payment of VAT (the difference between payable and deductible VAT) paid to the fiscal government amounted to EUR 296,51 million.

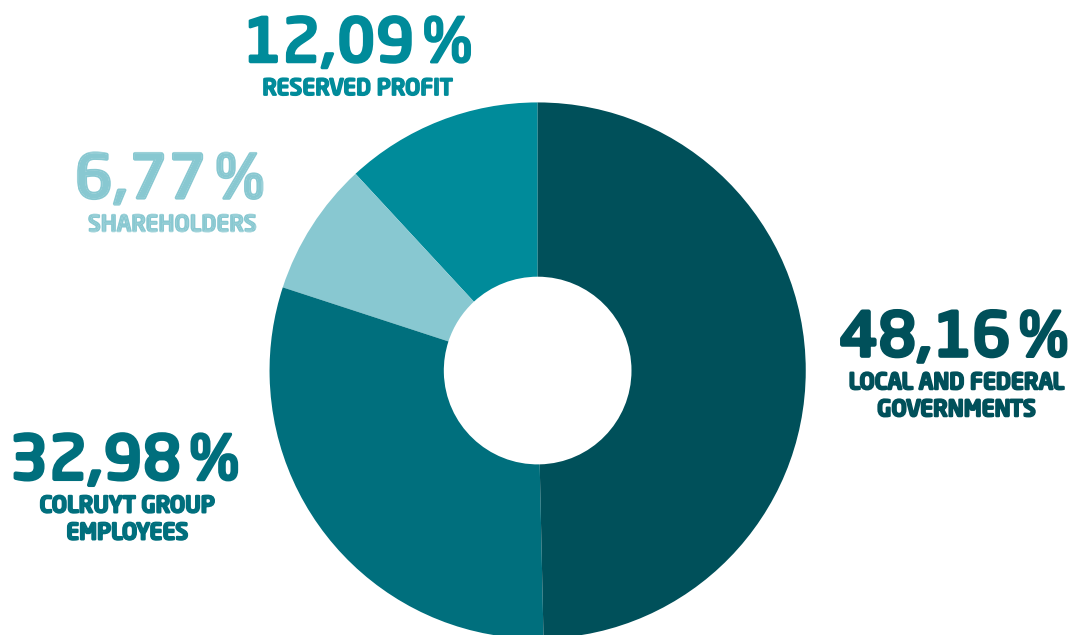
Contributions paid to the Belgian Treasury

	In EUR million
Social Security ⁽¹⁾	317,03
Withholding tax on salaries ⁽¹⁾	131,20
Corporation tax on profits	137,80
Product-related taxes (customs, excise duties)	278,83
Withholding tax on income from moveable assets	16,75
Withholding tax on income from property	7,82
Registration rights, provincial and municipal taxes and other federal taxes	9,41
Total	898,83

(1) Including the reduction in charges on the federal and regional level.

All of these taxes are the result of the added value created by the group. The net added value⁽²⁾ generated by Colruyt Group in Belgium amounted to EUR 1,87 billion. Of this amount, 48,16% in taxes flows to the various local and federal governments and 32,98% is paid out to the employees for the work that they have performed. 6,77% was paid out to the shareholders⁽³⁾ and the remaining 12,09% will be invested back in the group to finance future projects.

Distribution of the net added value generated by Colruyt Group in Belgium:



(2) The excise duties paid were included in the net added value in order to be able to express the total contribution to the Treasury of EUR 898,83 million as a percentage of this adjusted net added value.

(3) The purchase or the cancellation of treasury shares is not taken into account in this calculation.

2.8. Financial involvement

2.8.1. Profit participation

As a token of appreciation for everyone's contribution and efforts, Colruyt Group allows all the employees in Belgium to share in the profit. A different system applies to our employees in France in accordance with the French laws.

History of the profit participation in Belgium

- Since 1988, a substantial group of executives have participated in the capital of the company through a collective shareholdership.
- In 1996, a 'personnel dividend' was paid out for the first time.
- In 2002, a number of group companies set up a system of profit participation together with the social partners, which was based on the Act of 22 May 2001 regarding the profit participa-

tion in the capital and in the profit of the companies. The Collective Labour Agreement has already been extended a number of times.

- As from the fiscal year 2007/2008, the system was expanded to include all companies within the group, for the employees working in Belgium. The share in the profits varies in accordance with the operating result of the past financial year. The basic amount is multiplied by coefficients for salary, seniority and position. Part of this is paid out at the option of the recipient in money or in shares of the parent company. In this manner, in total EUR 152,46 million was paid out to the personnel working in Belgium in the period 2002 to 2010.
- As from the financial year 2010/2011, the profit participation is determined in accordance with the Act of 22 May 2001 regarding employee participation in the capital and in the profit of the companies, as well as in accordance with the Collective Labour Agreement 90 (CAO90) of 20 December 2007

regarding the non-recurrent results-linked benefits. The benefits of the CAO 90 can only be paid out in cash.

- As from 2013 a solidarity contribution of 13,07% is withheld on results-linked bonuses due to a change in the legal framework.
- Subject to the approval of the General Shareholders' Meeting, a profit share of EUR 7,02 million will be paid out for the financial year 2014/2015, of which 67% in cash and 33% in shares, determined in accordance with the law of 22 May 2001 regarding employee participation in the equity and the profit of the companies. In addition, an amount of EUR 18,82 million will be distributed in accordance with the CAO90 of 20 December 2007 regarding non-recurrent results-linked benefits. Therefore, the total participation in the profit amounts to EUR 25,84 million. This profit participation has been calculated based on the operating profit excluding the transaction amount with the Investigation Service.

Overview of the profit participation since financial year 2001/2002

Year	Amount Profit participation in EUR million ⁽¹⁾	Total employees	Cash		Shares		
			In EUR million	Number employees	In EUR million	Number shares	Number employees
From 2001 to 2010	152,46	101.136	79,61	61.763	72,85	2.504.540	39.373
2010 - 2011	9,89		5,54	11.985	4,35	101.339	7.620
	14,95		14,95				
	-----		-----				
	24,84	19.605	20,49				
2011 - 2012	8,97		5,55	13.797	3,42	97.196	7.080
	15,62		15,62				
	-----		-----				
	24,59	20.877	21,17				
2012 - 2013	7,46		4,64	13.807	2,82	63.921	7.396
	18,56		18,56				
	-----		-----				
	26,02	21.203	23,20				
2013 - 2014	5,43		3,66	14.948	1,77	37.378	7.301
	16,95 ⁽²⁾		16,95				
	-----		-----				
	22,38	22.249	20,61				
2014 - 2015	7,02		4,71	15.404	2,31	47.942	7.476
	18,82 ⁽²⁾		18,82				
	-----		-----				
	25,84	22.880	23,53				
TOTAL	276,13		188,61		87,41	2.852.323	

(1) The above-mentioned payments concern gross amounts from which the following withholdings are deducted when these amounts are paid to the employees:

- Profit participation: 13,07% employee's contribution social security and withholding tax when opting for cash and 15% solidarity contribution when opting for shares.
- Results-linked bonus (CAO90): 13,07% employee's contribution social security.

(2) Employer's contributions social security are due on the results-linked bonus (CAO90) (EUR 6,21 million in 2014/15 and EUR 5,59 million in 2013/14.)

2.8.2. Capital increase reserved for the personnel

In order to allow the employees to share in the growth of the company, we have been stimulating our employees to participate in the company's capital since 1987. Through an annual capital increase reserved for the personnel, the personnel can subscribe to shares of the parent company Etn. Fr. Colruyt NV at an advantageous price (within the statutory framework), which are blocked for five years. These capital increases are proposed by the Board of

Directors and approved by the Extraordinary General Assembly.

During the most recent capital increase (in November 2014) 2.420 employees subscribed for 466.754 shares, which represents a capital contribution of EUR 14,0 million. Since 1987, the employees of Colruyt Group have already subscribed to recalculated 20.778.428 shares in their own company or in their parent company for a total amount of EUR 182,98 million.

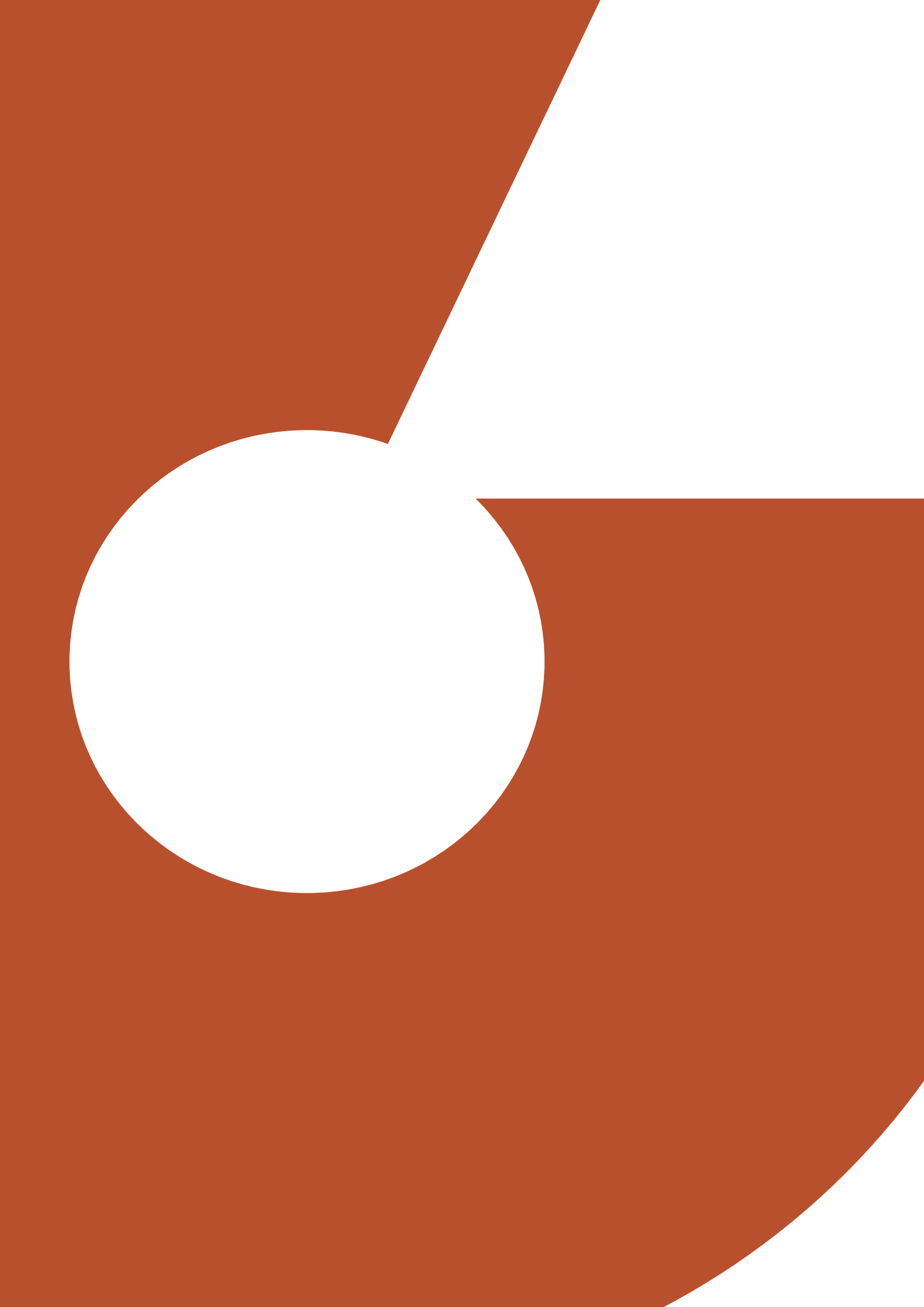
Capital Increases reserved for employees, since 1987

Year	Amount in EUR million	Number of shares
From 1987 to 2008	103,69	18.214.375
2009	13,74	506.895
2010	23,90	715.585
2011	6,19	225.194
2012	10,05	332.725
2013	11,41	316.900
2014	14,00	466.754
TOTAL	182,98	20.778.428

3. Key figures over five years

(in EUR million)	2014/15	2013/14	2012/13	2011/12	2010/11
Revenue	8.916,8	8.652,0	8.311,6	7.847,6	7.280,1
Retail	6.770,3	6.534,6	6.309,4	5.996,7	5.613,5
Wholesale and Foodservice	1.540,8	1.490,0	1.380,1	1.290,6	1.263,4
Other activities	749,6	763,5	750,5	686,3	548,0
Inter-segment	-143,9	-136,1	-128,4	-126,1	-144,8
Gross profit	2.219,0	2.151,0	2.106,3	2.008,6	1.867,5
EBITDA ⁽¹⁾	699,7	686,8	699,9	681,4	621,1
EBITDA margin ⁽¹⁾	7,9 %	7,9 %	8,4 %	8,7 %	8,5 %
EBIT ⁽¹⁾	495,4	488,1	515,1	485,2	472,2
EBIT margin ⁽¹⁾	5,6 %	5,6 %	6,2 %	6,2 %	6,5 %
Profit before taxes ⁽¹⁾	510,7	497,1	502,5	488,8	477,7
Taxes	148,1	147,3	148,9	145,9	139,7
Net profit ⁽¹⁾	362,6	349,8	353,6	342,9	337,9
Net profit margin ⁽¹⁾	4,1 %	4,0 %	4,3 %	4,4 %	4,6 %
Cash flow from operating activities	570,1	605,7	655,0	541,0	489,6
Free cash flow	202,6	284,1	345,5	237,4	178,3
Total equity	1.800,7	1.966,9	1.792,9	1.617,3	1.488,8
Balance sheet total as at 31 March	3.661,2	3.721,8	3.443,3	3.167,0	3.017,3
Investments	368,9	322,3	248,5	298,2	301,8
ROCE ⁽¹⁾	21,7 %	24,0 %	27,1 %	23,5 %	25,1 %
Market capitalisation at the end of the financial year	6.350,04	6.606,79	6.218,25	5.079,2	6.253,84
Weighted average number of issued shares	149.419.713	156.447.069	156.217.581	157.391.224	158.032.176
Number of outstanding shares	156.636.503	165.169.749	164.852.849	168.520.124	168.294.930
Earnings per share (EPS)	2,21	2,24	2,26	2,18	2,14
Dividend per share	1,00	1,00	1,00	0,95	0,92
Dividend yield (gross dividend/share price)	2,47 %	2,50 %	2,65 %	3,15 %	2,48 %
Number of employees	28.117	27.049	25.775	25.205	24.119
Number of employees in FTE	26.491	25.497	24.287	23.555	22.588
Number of integrated stores	498	468	436	418	394
Store surface of integrated stores in '000 m ²	622	590	547	529	488

(1) To maintain comparability, the figures of financial year 2014/15 exclude the settlement amount with the Investigation Service of EUR 31,6 million.





CORPORATE GOVERNANCE

Management, Supervision and Directorate	122
Responsible/Sustainable Corporate Governance inclusive of remuneration report	124
Share Ownership – Colruyt shares	134

MANAGEMENT, SUPERVISION AND DIRECTORATE

1. Board of Directors

1.1. Composition

Capacity	Name	Member Audit Committee	Member Remuneration Committee	Year of end of mandate
Representatives of the main shareholders, executive directors	Jef COLRUYT			2018
	Frans COLRUYT			2017
Representatives of the main shareholder, non-executive directors	François GILLET - Chief Investment Officer and Member of Executive Committee at SA Sofina	X		2016
	ANIMA for which acts as permanent representative: Jef Colruyt (Chairman)			2016
	HERBECO for which acts as permanent representative: Piet Colruyt	X		2017
	FARIK for which acts as permanent representative: Frans Colruyt			2017
Independent directors	Wim COLRUYT		X	2018
	BVBA DELVAUX TRANSFER, for which acts as permanent representative: Willy Delvaux	X	X	2017
	Astrid De Lathauwer		X	2017
Secretary	Jean de LEU de CECIL			

Jef Colruyt, Frans Colruyt, Piet Colruyt, Wim Colruyt, Willy Delvaux and François Gillet also hold other directorships in addition to the directorships in the companies of Colruyt Group.

1.2. Auditor

CVBA KLYNVELD PEAT MARWICK GOERDELER – Company auditors represented by Ludo RUYSEN [00949]. The auditor's mandate expires after the General Assembly of 2016.

1.3. Mandates

No directors have to be reappointed and no new directors have to be appointed.

1.4. Honorary Director

Leo DESCHUYTENEER

2. Directorate

2.1. Colruyt Group Directorate

Jef COLRUYT

Delegated director,
CEO and COO Services

Frans COLRUYT

Delegated director and COO Retail

Dries COLPAERT

General Manager Colruyt France and Foodservice

Dirk DEPOORTER

General Manager Retail Partners Colruyt Group

Chris VAN WETTERE ⁽¹⁾

General Manager Colruyt (as from 01/03/2015)

Dirk BERTELOOT

General Manager of Dreamland, Dreambaby and Collishop

Marc HOFMAN

Finance Manager

Koen DE MAESSCHALCK

People & Organisation Manager

Peter VANBELLINGEN

Business Processes and Systems Manager

Koen BAETENS

Technics, Real Estate & Energy (T&I) and WE Power Manager

2.2. Colruyt Group Future Board

Jef Colruyt

CEO

2.2.1. Colruyt Group Services

Jef Colruyt

COO Services

Marc HOFMAN

Finance Manager

Koen DE MAESSCHALCK

People & Organisation Manager

Wim MERTENS

Deputy Manager Social Relations

Peter VANBELLINGEN

Business Processes and Systems Manager

Philip D'HOOGHE

Manager of Premedia and Symeta

Koen BAETENS

Technics, Real Estate & Energy (T&I) and WE Power Manager

Filip VAN LANDEGHEM

Deputy Manager of Real Estate and DATS 24

2.2.2. Retail

Frans COLRUYT

COO Retail

Colruyt Lowest Prices

Chris VAN WETTERE ⁽¹⁾

General Manager Colruyt (as from 01/03/2015)

Tony DEBOCK

Product Group Promotion Manager

Christophe DEHANDSCHUTTER

Purchasing Manager

Martine PAUWELS

Logistics and Transport Manager

Claude ROMAIN

Sales Manager Colruyt

Guido SORET

Deputy Sales Manager Colruyt West

Rudi DEWULF

Deputy Sales Manager Colruyt Centre

Bart DE SCHUTTER

Deputy Sales Manager Colruyt Centre West

Christian BOURG

Deputy Sales Manager Colruyt South East

OKay and Bio-Planet

Fabrice GOBBATO ⁽²⁾

General Manager OKay (as from 01/03/2015)

Frans COLRUYT

General Manager Bio-Planet (as from 01/03/2015)

Dreamland, Dreambaby and Collishop

Dirk BERTELOOT

General Manager

André CERON

Deputy Manager Logistics and Administrative Services

Retail Partners Colruyt Group

Dirk DEPOORTER

General Manager

Jean-François STEVENS

Sales Manager

Erik PAPPAERT

Deputy Manager Logistics

Jan PELGRIMS ⁽³⁾

Deputy Manager Purchasing (until 31/12/2014)

Retail France and Foodservice Belgium and France

Dries COLPAERT

General Manager Colruyt France and Foodservice

Laurent FRANSIOLI

Finance and Administration Manager

Antonio LOPEZ

Deputy Manager Sales Integrated Stores

Gilles POINSOT

Deputy Manager Purchasing Integrated Stores

Anthony MEILLER

Deputy Manager Affiliated Stores

Geert ROELS

Deputy Manager T&I and Logistics

Pascal DUBOIS

Operational Manager Foodservice France (RHD)

Jean-Claude LEROY

Deputy Manager Purchasing (RHD)

Colruyt Group Fine Food

Stefan GOETHAERT

Manager Production divisions

Cru

Jean-Pierre ROELANDS

Manager Store Concepts

2.3. Changes in the Directorate and the Future Board

Reporting period 2014/2015

(1) Chris Van Wettere has been appointed General Manager of Colruyt Lowest Prices as of 1 March 2015. He thus succeeds Luc Rogge who went into retirement in January 2014. During the transition period from January 2014 to February 2015, Frans Colruyt, COO Retail, temporarily took over his duties.

(2) Chris Van Wettere was replaced at OKay by Fabrice Gobbato, who became the General Manager of the OKay and OKay Compact stores. The group would like to thank Chris van Wettere for his contribution to the strong growth of OKay in the last 12 years. As from 1 March 2015, Frans Colruyt manages the Bio-Planet directly. Frans Colruyt will also remain the COO Retail of the Colruyt Group.

(3) Jan Pelgrims left Colruyt Group on 1 January 2015 to become the General Manager of Alvo. The group would like to thank him for his years of service within the purchasing departments of Colruyt Lowest Prices and later Retail Partners Colruyt Group.

RESPONSIBLE / SUSTAINABLE CORPORATE GOVERNANCE

1. Responsible / Sustainable Corporate Governance Statement

1.1. Reference code

The act of 6 April 2010 to strengthen the responsible corporate governance at stock-listed companies was published in the Belgian Official Gazette on 23 April 2010. Most of the new obligations stipulated in the act applied as from the financial year 2011/2012. This mainly concerns the appointment of a Remuneration Committee within the Board of Directors and the provisions regarding the remuneration of directors and the senior management.

The Board of Directors has decided to adopt the Belgian Corporate Governance Code 2009 as reference for the sustainable corporate governance within Colruyt Group as from the publication of the act. This code has now been designated as the compulsory reference framework by the Royal Decree of 6 June 2010. The code and the Royal Decree of 6 June 2010 were published in the Belgian Official Gazette of 28 June 2010.

In accordance with the 'comply or explain' principle, below we will describe where Colruyt Group has departed from the Code's recommendations during this financial year.

- At this time, the Board of Directors is composed of two executive directors and seven non-executive directors, two of which are independent directors. The Board of Directors believes that an increase in the number of members must be associated with an enrichment in experience and competencies, without having a negative effect on its efficient functioning.
- At present, the Board of Directors has one

female member. The Board of Directors is working on ensuring that at least one third of the members of the Board of Directors are female within the statutory period.

- The Board of Directors has appointed an Audit Committee composed of one independent director and two non-executive directors. Based on the current composition of the Board of Directors as well as the different competencies that are represented, this composition is optimal for an efficient functioning of this committee.
- The Board of Directors has not appointed an Appointment Committee. The appointments therefore remain the competence of the plenary Board of Directors. The candidate-directors are presented to the General Assembly by the plenary Board of Directors. The appointment of Managers takes place at the proposal of the Chairman of the Directorate with the approval of the plenary Board of Directors.
- In line with Colruyt Group's long-standing tradition, Jef Colruyt is the CEO (as permanent representative of Anima NV) and Chairman of the Colruyt Group Directorate and the Future Board. This deviation from the recommendations of the Belgian Corporate Governance Code for companies quoted on the stock exchange is justified in light of Colruyt Group's history and the desire of the reference shareholders to entrust one of the reference shareholders with the leadership of the Directorate.

1.2. Charter

1.2.1. General Assembly

The annual General Assembly of Shareholders takes place on the last Wednesday of the month of September at 4 pm at the

company headquarters. If that day is a holiday, the assembly will be held on the first business day thereafter.

The Board of Directors and the Auditor may convene the General Assembly and determine the agenda.

The General Assembly must also be convened within one month of an appeal or written request from shareholders representing jointly at least 1/5th of the company capital.

All General Assemblies are convened in accordance with the law. One or several shareholders who together hold at least 3% of the authorised capital, and who satisfy the statutory formalities regarding participation in the assembly, can have items placed on the agenda of the assembly and submit proposals for resolutions. The formalities to submit and register agenda items and proposals must take place in accordance with the statutory provisions and must be made known to the company no later than the 22nd day before the assembly of the company.

Each share entitles the holder to one vote. In order to be admitted to the assembly, each owner of shares must, before the opening of the assembly, provide evidence of his capacity as shareholder by registering his shares administratively no later than on the registration date and he must inform the company of his intention to participate in the assembly no later than the sixth day before the date of the assembly.

The shares are either registered shares or dematerialised shares.

The registered shares are registered in the shareholder register at the company and the dematerialised shares must be registered on an account of an acknowledged account

holder or clearing institution in accordance with Section 474 of the Belgian Company Code.

Shareholders shall vote in person or through a proxy. The proxy holder must be designated in accordance with Article 20 of the Articles of Association. Each proxy holder must meet the conditions to gain access to the assembly.

Shareholders who satisfy the statutory formalities to be admitted to the assembly as stipulated in Article 20 of the Articles of Association, can address their questions to the registered office of the company or electronically as soon as the convocation is published and no later than the sixth day before the beginning of the assembly. This right to put questions is regulated in Article 20bis of the articles of association.

The General Assembly may not deliberate on matters that are not announced on the agenda.

1.2.2. Board of Directors

Composition

The composition of the Board of Directors is the result of the structure of the share ownership in the company in which the family shareholders, with the support of NV Sofina, are reference shareholders. As in the past, the family shareholders ensure the stability and continuity of the company and in this manner, they promote the interests of all shareholders. They choose to propose the role of directors to a limited group of representatives with diverse backgrounds, broad experience and thorough knowledge of the company. The directors form a small team with the necessary flexibility and efficiency to be able to adapt to events and to capitalise on the opportunities in the market.

No rules are specified in the articles of association for the appointment of the directors and the renewal of their mandate. The Board of Directors has decided to propose candidates for possibly renewable terms of no more than four years.

The General Assembly of Shareholders has the exclusive right to appoint (and if necessary to dismiss) the directors.

At this time, the Board of Directors is composed of two executive directors and seven non-executive directors, two of which are independent directors.

The Board of Directors is of the opinion that an increase in the number of members must also constitute an enrichment in experience and competencies that supports the development of the Colruyt Group.

In line with the Colruyt Group's long-standing tradition, Jef Colruyt is currently the Chairman of the Board of Directors (as permanent representative of Anima NV) and Chairman of the Colruyt Group Directorate and the Future Board. This deviation from the recommendations of the Belgian Corporate Governance Code for companies quoted on the stock exchange is justified in light of Colruyt Group's history and the desire of the reference shareholders to entrust one of the reference shareholders with the leadership of the Directorate.

Functioning of the Board of Directors

The Board of Directors meets every quarter in accordance with a previously determined schedule. The meetings are always held during the second half of the months September, November, March and June.

When necessary, interim meetings are held to discuss specific subjects or to make decisions within specific time frames.

The decisions of the Board of Directors are only valid 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 Chairman's vote is decisive.

During the quarterly meetings of the Board of Directors, ideas are exchanged and decisions are taken on general strategic, cultural, economic, commercial, financial and accounting issues affecting the companies that belong to the group. This takes place based on a dossier, which, in addition to the consolidated information about Colruyt Group, also contains detailed information on each of the sectors within the group and the various group companies.

Fixed items on the agenda include financial results, financial forecasts, investment prospects and activities reports per sector within Colruyt Group.

The directors receive their dossiers at least five days prior to the meeting.

Committees within the Board of Directors

The Board of Directors has appointed an Audit Committee composed of one independent director and two non-executive directors. This committee works together with the Group Directorate and the Auditor.

The Audit Committee has drafted an internal code. This code is published on our website: [colruytgroup.com/financial/shareholders info](http://colruytgroup.com/financial/shareholders%20info).

The members of the Audit Committee receive no special remuneration as members of this committee.

The Board of Directors also appointed a Remuneration Committee composed of two independent directors and one non-executive director.

The Remuneration Committee fulfils the tasks described in Section 526 quater § 5 of the Belgian Company Code on the remuneration policy (in the broadest sense) of the directors and the members of the Directorate. The Remuneration Committee will also prepare the remuneration report for the Board of Directors each year. After approval by the plenary Board, this remuneration report will be included in the corporate governance statement. Providing an explanation of the remuneration report before the General Assembly of Shareholders, as well as notifying the Works Council are also among the responsibilities of the Remuneration Committee.

The members of the Remuneration Committee receive no special remuneration as members of this committee.

In view of the small number of members of the Board of Directors, there is no Appointment Committee at present.

Remuneration

There is no protocol regarding exercising the position of Director. It is not common policy to grant loans or advances to Directors. The Directors do not receive bonuses or share-related incentive programmes or advantages in kind or advantages related to a pension plan.

In their capacity as managers, the executive directors receive the same remuneration components and advantages as the executive management of Colruyt Group.

The remuneration of directors (individual) and of members of the Directorate (collectively) is published in the remuneration report that is included under item 2.4.

1.2.3. Day-to-Day Management

Under the Chairmanship of Jef Colruyt, the Colruyt Group Directorate is composed of the general managers of the various sectors within the group and the Chief Financial Officer, the Human Resources Manager, the Technology, Real Estate and Energy Manager and the Business Processes and Systems Manager of the group.

The Colruyt Group Directorate determines the general strategy and policy options at the group level and ensures coordination between the various sectors of the group.

Future Board and Strategy meetings are held for each sub-activity on specific themes such as 'sustainable business practices, communication, marketing, human resources policy, etc.

The General Future Board consists of all the managers of Colruyt Group. As consultation and connection platform, the Future Board mainly focuses on the development of the group's long-term strategy and discusses the common vision and objectives of the group.

These meetings are scheduled at fixed times, every four and eight weeks respectively and are chaired by Jef Colruyt, Chairman of the Directorate.

There are also biweekly/monthly meetings under the chairmanship of the general managers, with the managers of the various sectors. These meetings are devoted to the concrete implementation of the chosen policy options.

The day-to-day management of the company is in the hands of the delegated directors Jef Colruyt and Frans Colruyt, who in turn have mandate a number of responsibilities to the General Managers of the brands and to the directors of the group services (Finance, People & Organisation, Business Processes & Systems and Technics, Real Estate & Energy).

Each manager listed as a member of the Future Board has the obligation, within his individual department, to ensure compliance with all legal, regulatory, organic and

conventional provisions and is responsible in the event of a breach thereof.

With the exception of Jef Colruyt and Frans Colruyt, the members of the Colruyt Group Directorate are bound to their employer by an employment contract.

1.2.4. Profit Appropriation – Dividend Policy

The General Assembly may, at the proposal of the Board of Directors, decide to fully or partially allocate distributable profits to a free reserve or to carry them over to the following financial year.

The Board of Directors strives to at least increase the annual dividend per share in proportion with the increase in group profits. Though this is not a set rule, at least 1/3rd of the group's economic profits are paid out annually in the form of dividends and bonuses.

Pursuant to the provisions in the company's articles of association, at least 90% of distributable profits (excluding the profit participation of the employees) is reserved for the shareholders and no more than 10% is reserved for the Directors.

1.2.5. Shareholders / Shares

Transparency notification

Each shareholder holding at least 5% of the voting rights must comply with the act of 2 May 2007 on the disclosure of significant participations, the Royal Decree of 14 February 2008 and the Belgian Company Code.

The statutory thresholds per bracket of 5% apply. Those concerned must send a notification to the Financial Services and Markets Authority (FSMA) and the company.

The most recent transparency notification is published in the company's annual report and on the website at colruytgroup.com/financial/shareholders/info.

The most recent transparency notification shows the existence of a reference shareholder group in the share ownership structure. The Colruyt family and the Sofina Group are shareholders who act by mutual agreement. These shareholders have also reported that they held more than 30% of the shares issued with voting rights, pursuant to the act of 1 April 2007 on public offerings.

Inside Information – Measures to prevent market abuse and the use of inside information

Etn Franz Colruyt NV has drawn up trading regulations in which measures have been taken to prevent market abuse and the use of inside information.

Regarding transactions for their own account in shares of the company or in derivatives or other financial instruments connected thereto by directors or other persons with a managerial responsibility, the Board of Directors of Etn. Franz Colruyt has drawn up a series of rules regarding the execution of such transactions and the publication thereof (hereinafter referred to as trading regulations).

The trading regulations apply to the members of the Board of Directors, the Directorate and all key employees of Etn. Franz Colruyt NV and its subsidiaries, who, as a consequence of their position or employment at Colruyt Group regularly or incidentally, in connection with their involvement in an operation to which price-sensitive information is connected have access to inside information (hereinafter referred to as insiders).

The insiders of Etn. Franz Colruyt NV and its subsidiaries are absolutely forbidden to engage in insider trading or to share this inside information with other persons.

Etn. Franz Colruyt NV has appointed a supervisor who is responsible for the supervision of the compliance with these trading regulations. Unless otherwise announced, the supervisor is the Secretary of the Board of Directors. His task also includes drawing up and maintaining a list of insiders, to also determine the closed and restricted periods, check the transactions, grant clearing, etc.

In its trading regulations, Etn Franz Colruyt NV has provided for a number of periods during which transactions in financial instruments are prohibited. The periods in which no trading of shares may take place are determined by the CFO. In addition, the supervisor has the possibility during all other periods that are regarded as sensitive, when people have knowledge of sensitive information that has not yet been made public, to announce additional restricted periods. Insiders are regularly informed of the existence of closed and restricted periods and the statutory and administrative law obligations in connection

with this that are connected to the abuse or the non-permitted publication of this confidential information.

Outside of the restricted periods, the key employees must inform the supervisor before concluding a transaction in financial instruments of the company. In addition, for members of the Board of Directors and the Group Directorate, the trading regulations also stipulate that the supervisor must be informed before they wish to buy or sell financial instruments directly or indirectly. Once the transaction has been concluded, the directors and the members of the Group Directorate also inform the supervisor about this in writing.

All persons with managerial responsibility within the Etn. Franz Colruyt NV and/or its subsidiaries and, if that should be the case, the persons that are closely connected to these persons, inform the Financial Services and Markets Authority (FSMA) about transactions executed in their name (or for their account) in shares, derivatives or other related financial instruments of the company.

Finally, Etn. Franz Colruyt NV, in accordance with the Act of 2 August 2002 and the Royal Decree of 5 March 2006, maintains lists of employees or persons who work for the company and/or its subsidiaries by virtue of an employment agreement or such, and that in one manner or another regularly or incidentally, due to their involvement in an operation to which price-sensitive information is connected, have access to inside information.

Each person whose name is on the list(s), is informed of this and is requested to read and sign the trading regulations. By doing this, they acknowledge that they are aware of the position as insider and that they are aware of the statutory and administrative law obligations connected to this inside information.

1.2.6. Information for the shareholders

All useful information for the shareholders is published on our website colruytgroup.com/financial. All interested parties may register with the company to receive email alerts to be notified automatically each time the website is modified or when new financial information is published on the website.

2. Events during the financial year

2.1. Audit Committee

The Audit Committee has drafted an internal code, which is published on our website colruytgroup.com/financial/shareholdersinfo.

François Gillet, Piet Colruyt (Herbeco NV), Non-Executive Directors and Independent Director Willy Delvaux (BVBA Delvaux Transfer) form the Audit Committee.

Under the chairmanship of François Gillet, the committee met on 13 June 2014, 12 September 2014, 14 November 2014 and 18 March 2015. During each meeting, the financial figures in the working document for the meeting of the Board of Directors were examined in detail and explained by the Financial Management. The auditors also presented their audit of the semi-annual and annual results at each meeting. The risk management team (internal audit) of Colruyt Group also drafted a quarterly report for the Audit Committee.

The Audit Committee's recommendations and findings are fixed items on the agenda for the meeting of the Board of Directors.

All members of the Audit Committee were present at every meeting with the exception of the meeting in September 2014 where one member was absent but had himself represented by a colleague director.

2.2. Remuneration Committee

The Remuneration Committee was appointed in September 2011. Astrid De Lathauwer and Willy Delvaux (BVBA Delvaux Transfer), independent directors, and Wim Colruyt, non-executive director, form the Remuneration Committee.

The Remuneration Committee has drafted an internal code, which is published on our website colruytgroup.com/financial/shareholdersinfo.

Under the chairmanship of Astrid De Lathauwer, the Remuneration Committee met on 13 June 2014, 12 September 2014, 14 November 2014 and 20 March 2015. The main objective of these meetings was to describe and formalise the group's

remuneration policy at the proposal of the Chairman of the Directorate of Colruyt Group. The remuneration of the CEO (Jef Colruyt) and of the COO Retail (Frans Colruyt) was also discussed by the Committee. Last year the Remuneration Committee has also drafted the cooperation agreements with Jef Colruyt and Frans Colruyt and has had these approved by the Board of Directors.

The Committee also formulated proposals for the remuneration of the members of the Board of Directors. These activities have resulted in the remuneration report that is published integrally under item 2.4.

This report was finalised during the meeting of the Remuneration Committee on 12 June 2015.

The Compensation and Benefits team of the Human Resources & Organisation department provided assistance to the Committee at every meeting.

All the members of the Remuneration Committee were present at each meeting.

2.3. Meetings of the Board of Directors

The Board of Directors held four ordinary meetings during this financial year: in June 2014, September 2014, November 2014 and March 2015. The first three meetings each took up two days and the main points were the discussion and development of the services provided by the various banners and the group's trading activities. The meeting in March 2014 was held in France over two days in Rochefort-sur-Nenon (Dole, France). The directors were given an overview of the activities in France and met the local management. The directors also visited a number of Colruyt stores.

The meetings of June and November were preceded by a half a day of information on the semi-annual and annual results by the Chief Financial Officer.

With the exception of the agreement, the remuneration and the variable compensation of Jef Colruyt and Frans Colruyt, no other possible conflict of interest situations by the directors were reported. The agreement, the remuneration and the variable compensation of Jef Colruyt and Frans Colruyt were discussed and finalised by the Remuneration Committee and approved by

the Board of Directors always in the absence of the two persons concerned who did not participate in the discussion and in the decision-making process. The outcome of these decisions is described in the Remuneration Report.

In the summer of 2011, the Chairman also organised several days to perform a thorough evaluation of the Board, the Directors and their interactions with the shareholders, the Directorate, the Committees and the Auditor. After the prior preparatory individual consultations, this process was started on 1 June 2012 and it will run until end 2014. During this process, the directors evaluated the manner in which they work together in the Board itself, as well as the interaction with the Audit Committee and the Remuneration Committee. The functioning of the Board in the light of the mission and corporate values of the group was also an important item on the agenda.

The criteria that were applied in the evaluation process were: individual competencies of the directors, efficiency and effectiveness of the decision-making process as well as information and communication between the members of the Board.

The insights gained provide inspiration and input for the future meetings of the Board. The directors intend to hold such evaluation sessions and to discuss the strategic themes together with the Directorate periodically.

All directors were present at each meeting.

2.4. Remuneration Report for the financial year 2014 - 2015

The Remuneration Committee made recommendations regarding the level of the remuneration of directors, including the Chairman of the Board of Directors. These recommendations are subject to the approval of the plenary Board of Directors and subsequently the General Assembly.

The Remuneration Committee has submitted recommendations to the Board of Directors for approval regarding the remuneration of the CEO and, on the recommendation of the Chairman of the Directorate, with regard to the other members of the Directorate.

Information regarding the general principles of the remuneration policy

Directors

The Remuneration Committee has opted to pay out emoluments for directorships, irrespective of the number of meetings of the Board of Directors or one of its committees. In addition, it is proposed to the General Assembly to pay out part of the profit in the form of bonuses to the Board of Directors.

Directorate

A basic principle in the remuneration of the members of the Directorate is paying out a fair basic salary that is in line with the practice of a relevant basket of companies, and a variable salary depending on the company and individual results. This remuneration is supplemented with a group insurance policy, a disability insurance policy and a hospitalisation insurance policy on market terms. The companies with which the remuneration policy is compared, include large Belgian companies and foreign companies with important activities in Belgium, and that are sufficiently comparable with Colruyt Group with respect to the size and nature of their activities.

Another basic principle in the remuneration of the members of the Directorate, who are currently all based in Belgium, is applying a number of principles which apply to all members of the group in Belgium⁽¹⁾. For instance, all of these employees receive a profit participation as stipulated in the Act on the participation in the profit and capital of the company of 2001, as well as a bonus

related to non-recurring results as stipulated in the Act of 21 December 2007.

Finally, the remuneration of the members of the Directorate is composed in such a manner that the group is able to ensure the recruitment and retention of competent managers.

(1) One member of the Directorate has a 'split-pay' scheme in accordance with the division of his responsibilities and activities over Belgium and France.

Information regarding the composition of the remuneration of the members of the Board of Directors and the Directorate

Board of Directors

All directors of the group receive emoluments as remuneration for their directorships. At the advice of the Remuneration Committee, the Board of Directors has decided to increase the remuneration for directors by 1 % for the financial year 2014/2015 taking into account the index.

In 2014/2015, the members of the Board of Directors received the following remuneration:

Remuneration received in 2014/2015 ⁽²⁾	
Anima ⁽³⁾	273.000 EUR
Herbeco	91.000 EUR
Farik	91.000 EUR
François Gillet ⁽⁴⁾	91.000 EUR
Jef Colruyt	91.000 EUR
Frans Colruyt	91.000 EUR
Wim Colruyt	91.000 EUR
Willy Delvaux (BVBA Delvaux Transfer, independent director)	91.000 EUR
Astrid De Lathauwer (independent director)	91.000 EUR

(2) Gross amounts on an annual basis.

(3) Anima NV, 100% subsidiary of the family holding company Korys (that controls 49,81 % of the shares by mutual agreement), assumes the role of chairman of the Board of Directors with Jef Colruyt as the permanent representative.

(4) François Gillet's remuneration is paid to Rebelco SA (a subsidiary of Group Sofina), his employer.

At the advice of the Remuneration Committee, the Board of Directors decided to lower the remuneration of the members of the Board of Directors for the next financial year 2015/16 by once-only EUR 5.000 per director on an annual basis.

Profit appropriation

Pursuant to the provisions in the company's articles of association, at least 90 % of distributable profits is reserved for the shareholders and no more than 10 % is reserved for the Directors

The Board of Directors shall propose to the General Assembly of Shareholders of 30 September 2015 the allocation of EUR 3.310.089 as bonuses to the directors, representing the reference shareholders of the group:

Bonuses financial year 2014/2015

Anima ⁽⁵⁾	938.682 EUR
Herbeco ⁽⁵⁾	790.469 EUR
Farik ⁽⁵⁾	790.469 EUR
François Gillet ⁽⁶⁾	790.469 EUR

(5) Anima, Herbeco and Farik are 100% subsidiaries of the family holding Korys (that controls 49,81 % of the shares by mutual agreement).

(6) The remuneration of François Gillet, who as a director represents the reference shareholder group Sofina, was paid to the S.A. Rebelco (a subsidiary of the Sofina Group), his employer.

These bonuses are not linked to the individual performance of the directors. There is also no promise or contractual obligation to allocate bonuses. Therefore, these bonuses do not constitute variable remuneration. These bonuses represent 1% of the net profit of the financial year 2014-2015 and are allocated to ensure the stability in the Board of Directors of the company. These bonuses represent 0,0529% of the market value of the company on 31 March 2015.

The profit taken into account is the profit after the processing of the EUR 31,6 million fine, which the group has to pay to the Belgian government in connection with the acceptance of a transaction with the Belgian Competition Authority. The total decrease of bonuses and remuneration paid to the Directors as a result of this transaction amounts to EUR 361.001.

Directorate

For the CEO, the on-target variable salary equals 85% of the base salary.

The on-target variable salary of the other members of the Directorate amounts to:

- 75% of the base salary for the COO of the retail activities;
- 50% of the base salary for the other members of the Directorate.

The variable salary shall not amount to more than 1,75 times the variable salary on target level.

The variable salary of the members of the Directorate does not include a share-based remuneration. In this manner, the Board of Directors wishes to avoid any motivation to engage in speculative behaviour.

Insofar as the variable salary of the members of the Directorate consists of the profit participation, which is allocated to them based on the profit-participation plan that is in effect for the financial year concerned, this is paid out in cash or in shares, without a discount, at the choice of the member of the Directorate.

No significant adjustments of the remuneration policy are expected in the next two financial years in comparison to the financial year under review. However, the payment of the variable salary for members of the Directorate for their performance in the financial year 2014-2015 will be reduced due to the transaction fine of EUR 31,6 million to be paid to the Belgian Competition Authority.

No arrangement has been provided for the right of retention, in favour of the company, of variable remuneration that was allocated based on incorrect financial information.

Information regarding the performance-linked remuneration of the members of the Directorate

The variable salary of the CEO and the other members of the Directorate is determined for 70% by collective criteria based on the operating profit of Colruyt Group. This variable salary is determined for 30% by individual criteria with in particular

- Participation in the mission and vision creation of the group
- Determining and implementing strategy
- Development of potential
- Supporting and stimulating the corporate culture
- Other qualitative criteria such as the working atmosphere, staff turnover, team building, the employees' readiness to serve, prevention policy regarding accidents at work, etc

The Chairman of the Directorate has the possibility to award an extra bonus in addition to these amounts in the event of an exceptional performance of one or several directors.

The variable remuneration that results from the realisation of the collective performance criteria can only be allocated for a maximum of 50% in the event that the member of the Directorate has only realised the performance criteria on an individual basis for 50%.

If the group EBIT drops below a specific threshold value, then a variable remuneration will no longer be paid out.

The performance of the CEO and the performance of the members of the Directorate are appraised annually, in the course of the first three months following the end of the financial year. This appraisal regards the performance in the past financial year and the development of individual competencies and performance targets over the last three years.

Information regarding the remuneration of the Chairman of the Directorate and the members of the Directorate

The remuneration, paid directly or indirectly to the CEO, comprises the following in the financial year 2014-2015:

Base salary	623.580 EUR
Variable remuneration in cash	593.458 EUR
Contributions paid for	
group insurance	112.244 EUR
Other components	7.920 EUR

The base salary of the CEO was increased, as of the financial year 2014-2015, after a decision taken by the Board of Directors in September 2014, which followed the recommendations of the Remuneration Committee. The committee argued that the increase of the base salary was appropriate in view of, on the one hand, the level of the remuneration of the CEO in relation to the market practice, and, on the other hand, the step that group has been able to set under the leadership of the CEO in order to further prepare itself as group for the future.

The variable remuneration in cash for the performance in the financial year 2013-2014 paid in the financial year 2014-2015 to the CEO remained stable in comparison to the variable remuneration in cash paid in the financial year 2013-2014. The reason for this lies, on the one hand, in the strong performance on individual performance criteria over the past three years and, on the other hand, is also the consequence of a decrease of the EBIT% in relation to the past financial year.

The Extraordinary General Assembly of 13 October 2011 resolved to make use of the option provided for in Section 520ter of the Belgian Company Code and explicitly decided not to apply the provision regarding the definite acquisition of shares and share options as well as not to apply the provision regarding the spreading over time of the payment of the variable remuneration to all persons who fall within the scope of these provisions. To this end, article 13 of the Articles of Association was amended. The company shall therefore not be bound to the limitations as laid down in Section 520ter of the Belgian Company Code.

The remuneration, paid directly or indirectly to the other members of the Directorate, comprises approximately the following in the financial year 2014-2015:

Base salary	2.173.521 EUR
Variable remuneration in cash	1.406.248 EUR
Contributions paid for	
group insurance	284.758 EUR
Other components	30.240 EUR

These figures show gross amounts on an annual basis. In comparison to the previous year, one member of the Board of Directors left the group. The figures show the remuneration for a full financial year.

The variable salary comprises remuneration for the work performed for the group during the financial year 2013-2014. For one member of the Board of Directors, the financial year 2014-2015 was the first financial year in which variable salary was paid in view of insufficient years of service in the previous financial years. With the exception of Frans Colruyt, COO Retail, all members of the Directorate, included in the above overview, are wage earners. Colruyt Group pays social security contributions over their gross salaries.

The variable remuneration to be paid in 2015-2016 for the CEO and the other members of the Directorate for their performance during the financial year 2014/2015 will be calculated based on the net profit including the effect of the transaction amount of EUR 31,6 million that the group is obliged to pay to the Investigation Service in connection with the acceptance of a transaction with the Belgian Competition Authority.

The members of the Directorate can opt to receive their participation in profits in the form of shares, in accordance with the law of

22 May 2001. 215 shares were acquired in the financial year 2014-2015 with profit participation. The value of these shares is included in the above calculation.

The Board of Directors has opted not to allocate a share-based remuneration, with the exception of shares that the members of the Directorate can acquire under the Profit Participation Plan. These shares are blocked for a period of two years.

Information regarding severance pay

The members of the Directorate do not have any individual contractual agreements with Colruyt Group regarding severance pay.

3. Risk management and internal control

3.1. General

In accordance with its mission, Colruyt Group aims to carry out a policy of 'sustainable entrepreneurship'. This policy is translated concretely into the strategic and operational objectives of the group and of each division within the group. The group is exposed to a number of business-related risks within the context of its normal business operations that can result in the aforementioned objectives being affected or not achieved. Controlling these risks is a core task of each member of the Directorate and this within his/her area of responsibility. In order to support the members of the Directorate in bearing their responsibility, the group has set up risk management systems with the aim to provide reasonable certainty in the following fields:

- realisation of the strategic objectives;
- effectiveness and efficiency of the business processes;
- reliability of the financial reporting;
- conformity with applicable laws and regulations.

The most important features of these systems as well as the most relevant risks for the group are discussed in this section of the annual report.

The principles of the COSO reference framework have served as a source of inspiration to the group in setting up its risk management systems.

3.2. Components of the risk management systems and internal control systems

3.2.1. Control environment

The group's control environment forms the basis for all other components of the risk management systems and is mainly represented by the company culture.

The uniqueness of this is based on a number of pillars such as our group mission, values, employees and organisational structure, which are geared to each other (the group's 'organisation model') and which contribute to the fact that within the context of "craftsmanship" and "entrepreneurship" risks and risk management are dealt with consciously when weighing possibilities and taking decisions. In this context, we also refer to section 01 of this annual report where the mission and values of the group are set out in detail.

Concretely, the control environment of the group comprises, amongst others, the following elements:

- propagating and monitoring the group values, the policy lines and the codes of conduct;
- the management style and exemplary role of the management;
- a culture of cost efficiency;
- documenting delegation and responsibility ('decision matrix');
- ensuring the expertise of our employees (job descriptions, selection process, competencies management through development interviews and education and training plans).

The pillars of the control environment are currently being further elaborated and strengthened in the context of a programme of 12 strategic themes that was launched in 2013 as part of the group strategy.

3.2.2. Risk management process

3.2.2.1. Background and objective

Colruyt Group has developed a number of group-wide processes for structured and systematic risk management which are based on the principles of Enterprise Risk Management (ERM). This initiative is being carried out under the project name 'Coris' (Colruyt Group Risk management). The objective of this project is to increase the risk

awareness of all employees and to draw up an inventory of the risks that we are exposed to in order to control these risks. We wish to encourage our employees to take controlled risks as entrepreneurship is based on taking risks. To this end all, supervisors and the employees concerned follow the Coris training sessions. All activities of the group have gone through the Coris process – as described .

3.2.2.2. Process and methodology

The whole group is divided into 25 domains. Each domain must go through the following process steps in a structured manner: risk identification, risk analysis, risk evaluation, risk response (implement additional control measures if necessary), monitoring and corrective measures. This process is supervised by the Directorate and coordinated and facilitated by the Risk Management team, which reports on this to the Directorate and, via the Audit Committee, to the Board of Directors.

The most important risks in connection with the activities of Colruyt Group are specified in a risk universe that is divided into five categories:

- Strategic risks: such as market dynamics, governance, planning and the allocation of resources, important initiatives, acquisitions and communication;
- Operational risks: these include marketing and sales, purchasing, stocks and production, human resources and organisation, information technology, fixed assets and theft;
- Financial risks: these concern the risks connected to the financial markets (interest rates, currencies, and commodities), liquidity and loans, capital structure, accounting and financial reporting;
- Legal risks: codes of conduct (ethics, fraud), legal risks, laws and regulations;
- Force Majeure risks: natural disasters, fire, terrorist acts and power failures.

In order to allocate a risk score to the identified risks in a consistent manner, scales have been elaborated for "probability", on the one hand, and "impact", on the other hand. The scale for impact is based on the risk appetite that is determined by the Board of Directors of the group. A risk matrix is drawn up for each group domain based on the risk scores, whereby risks are classified as high, average or low. A risk response is provided for the

higher risks: this is an action plan to bring the risk score below the tolerations limits that have been set. The high and average risks are also monitored.

All risks are recorded in the risk register of the domain in question with a specification of the risk tolerance and the relevant KRIs (Key Risk Indicators). In addition, each risk is allocated to a risk owner who is responsible for setting up and implementing action plans (if necessary) and for the monitoring and follow-up of his/her risks. A risk coordinator is appointed for each domain who is responsible for the administration of the risk register and provides for the follow-up and who ensures that risk management receives the necessary attention within the domain.

Board members are required to add risk management to their periodic activity report as a separate section.

3.2.2.3. Most important risks of Colruyt Group

The most important risks of the group and the internal control and management measures in connection with these risks are discussed below in paragraph 3.2.3.2.

3.2.3. Measures in connection with risk management and internal control

3.2.3.1. General: process and system methodology

Risk management and internal controls have been incorporated into processes and systems in order to provide a risk response to risks. For new processes and systems, this takes place at the time of design and development; with regard to existing processes and systems, new emerging risks are controlled by means of implementing additional measures and internal controls (process and system optimisation). The Business Processes & Systems department supports the setting up and optimisation of processes and systems and thus also the integration of risk management and internal controls in these processes and systems, while those responsible for the process are the risk owners and therefore they bear the ultimate responsibility for the process being "under control".

3.2.3.2. Most important risks and control measures Colruyt Group

3.2.3.2.1. Strategic risks

- *Risks in connection with market dynamics*
An important strategic risk of the group mainly concerns the development of consumer spending and cost-induced inflation. As Colruyt Lowest Prices strives to guarantee the lowest prices on the market to the consumer, the actions of competitors can influence the profitability of the group. Therefore, the group constantly seeks to monitor and analyse its cost structure and to implement measures to improve efficiency where possible.

- *Risks in connection with growth*
The group is committed to a growth strategy that also includes growth through acquisitions in addition to organic growth. The success of this growth depends therefore also on the degree in which the group succeeds in making acquisitions that it is able to integrate successfully with its existing activities. In the event of cross-border acquisitions, the group is also exposed to the economic, social and political risks connected to the activities in these countries. The group strives to mitigate the above-mentioned risks as much as possible through a formalised acquisition process, including thorough due diligence activities.

3.2.3.2.2. Operational risks

- *Supply chain risks*
The constant supplying of the distribution centres and stores of the group is of vital importance to be able to realise our results objectives. In order to limit the supply chain risks, the group strives to establish a transparent relationship with all of its suppliers. Furthermore, no single supplier has a dominant position that could jeopardise the supply process. Finally, scarcity problems or supply problems can be absorbed within the network of the purchasing group Core. In order to limit the supply chain risk as much as possible, the group strives for long-term contracts with its suppliers. The non-availability or inaccessibility of distribution centres can also have an important impact on the continuity of our activities. With regard to this risk, the group has provided for the necessary continuity programmes and contingency measures.

- *HR related risks*

The group has trade union representatives in most of its activities in Belgium and France. A positive and constructive social climate contributes to the growth and development of the company. Social actions within or outside our organisation can have a negative effect on the continuity of the activities of the group, in the sense that supply, sales, production or supporting corporate services can be disrupted temporarily. Colruyt Group strives to minimise this risk by maintaining a strategy of open and transparent communication with all employees as well as entering into a constructive dialogue with all social partners.

- *Information technology risk*

The group is dependent to an important extent on its IT systems, i.e. infrastructure, networks, operating systems, applications and data banks. Although these systems are maintained by a team of experienced specialists, the failure thereof, even for one day, can result in an immediate loss of revenue for the group. The group strives to safeguard the continuity of the data processing through various mirror and back-up systems, continuity plans and contingency back-up scenarios.

3.2.3.2.3. Financial risks

- *Financial reporting*

The risk management systems and internal control systems with regard to the process of financial reporting are described in detail below in paragraph 3.3.

- *Currency, interest rate, credit and liquidity risks*

In view of the nature and structure of its activities, the group is only exposed to these financial risks to a limited extent, with the exception of the credit risk. These financial risks are described in more detail in the Notes to the consolidated financial statements in the chapter "Risks connected to financial instruments".

3.2.3.2.4. Legal risks

- *Risks in connection with product liability*

The production, packaging and selling of food products and other trading goods can entail risks of product liability, obligations to take back and/or replace goods. Products can be soiled, infected or defective or could contain foreign objects and nevertheless be distributed by the group unintentionally. As a result, the group can be exposed to claims

in connection with product liability. Even if the claims with regard to product liability are not successful, the group could suffer from the negative impact on its reputation in connection with such a claim. The group has concluded insurance policies to insure itself against the risks of product liability and recalls.

The group is also active in the area of food safety and carries out extensive quality audits on products that are intended for sale and sets up programmes together with its suppliers to monitor the quality consistently. As far as non-food products are concerned, the group requires that its suppliers adhere to the agreed return and/or replacement obligations agreed in advance.

- *Risks in connection with environmental liability*

In general, the group can always be held responsible for repairing accidental damage to the environment, regardless whether this damage to the environment was caused by the group or by a previous owner or tenant. The group has concluded insurance policies for these types of risks. As far as its petrol station activities are concerned, the group adheres to the statutory inspection obligations and it also carries out additional inspections to detect pollution timely. A decontamination plan is immediately drawn up for pollution that has been detected.

- *Regulatory risks*

The group is subject to the applicable laws and regulations of each country in which it is active as well as to the laws and regulations imposed by the European Union. As a result of its listing on Euronext Brussels, the group is subject to Belgian and European corporate governance laws that apply to stock-listed companies. The group strives to respect its statutory obligations. Due to changing laws and regulations, the group may have to invest further in its administrative or other processes, each time that the legal framework changes.

Changes in the laws and regulations in a country or region where the group operates can have an effect on the results of Colruyt Group. To the extent possible, the group strives to accommodate changes in a proactive manner, in other words, by adopting an innovative and progressive approach. The best examples of this approach are the environmental laws, where possible more stringent emission standards are already accommodated by the group by means of proactive investments in solar energy and

wind energy. Furthermore, changes in tax laws can influence the realised profit of the group both positively and negatively.

In order to control the regulatory risks, the group has set up the necessary competence centres and compliance activities.

- *Competition*

Since 2007, a number of new and specific control measures have been developed and implemented in order to monitor the group's compliance with regulations regarding competition.

- *Risks in connection with health and safety*

The risks in connection with work-related accidents and obligations in connection with personnel are covered by insurance policies with external insurers. In addition, the group strives to avoid health and safety incidents as much as possible by implementing extensive safety and prevention programmes.

- *Risks in connection with bribery and corruption*

Given the business model, the group is exposed to risks in connection with bribery and corruption, mainly in connection with purchasing. The most important pillar to control this risk is the corporate culture and values such as set out above in paragraph 3.2.1. In addition specific internal control measures have been set up such as the ethical charter that has to be signed by each procurement officer of the group when entering the company's employment, the screening of suppliers in high risk countries, the job rotation of procurement officers, the division of tasks regarding the various steps in the purchasing process and the centralisation and applying the four-eyes principle with regard to outgoing payments. The group's employment regulations also specify the codes of conduct that the employees are required to respect.

3.2.3.2.5. Force majeure risks

- *Fire, natural disasters, terrorist attacks, malicious deeds*

The group manages these insurable risks through a combination of external insurance and own cover. The group bases its decision on its safety and prevention programmes, on the one hand, and the cost price of external cover, on the other hand. External insurance is used when available at a reasonable cost on the insurance market or when insurance policies are mandatory.

The group also makes use of its reinsurance company Locré, which is a wholly-owned subsidiary. The objective of this reinsurance programme is to provide permanent flexibility in its risk programme and to optimise the costs thereof in the function of the risks.

The group seeks to avoid damage to buildings and the interruption of operations due to fire, explosions or other dangers as much as possible by implementing fire safety and prevention programmes.

- *Black-outs and power disruptions*

The negative consequences of these risks are covered by insurance policies. In addition, the group has a number of continuity programmes and contingency back-up plans and means (such as mobile electricity and cooling units) in the event that an incident occurs.

3.2.4. Information and communication

In order to enable employees within the various hierarchical levels to perform their jobs properly and to assume their responsibilities, the group has extensive and advanced information and communication flows. This ranges from transaction data, which serves to support the settlement of individual transactions, to operational and financial information with regard to the performance of processes and activities and this from service level to group level. The general principle that applies in this case is that employees receive the information that they require to perform their tasks while supervisors receive information regarding the elements on which they have an impact.

The main steering information is the cockpit reporting: realisation versus forecast of the most important financial and operational KPIs:

- financial tables reporting: turnover, gross profit, payroll costs, other direct and indirect costs and depreciation, EBIT and EBITDA;
- operational reporting: detailed reporting regarding turnover, gross profit, salary costs, store contribution, store productivity;
- project reporting in connection with the monitoring of projects.

3.2.5. Monitoring

The monitoring concerns the monitoring of the effective functioning of the risk management systems.

The Board of Directors supervises the proper functioning of the risk management systems via the Audit Committee (see also the Financial section, paragraph B.1. of this annual report). To this end, the Audit Committee also makes use of information provided by the external auditors. In addition, the Audit Committee meets on a quarterly basis with the Risk Management team (internal audit) whereby the work carried out by this team and their results are reported and the planning is adjusted by the Audit Committee if necessary.

Both external audit and risk management assess the organisation and functioning of the internal controls contained in the processes and systems, and this from their respective perspectives: for external audit this concerns the certification of the group financial statements, the emphasis for risk management lies more on controlling the process risks and the possible negative consequences of these risks.

The day-to-day monitoring is carried out by the management itself based on supervision, analysis and monitoring the information mentioned in the previous paragraph, monitoring of exception reports and the monitoring in connection with the Coris programme (KRIS). If necessary corrective measures are initiated. It is usually the person who is responsible for the process who carries out these monitoring activities. In this context, the company analysts fulfil a signal and advice function vis-à-vis the officers who hold operational responsibility.

3.3. Risk management and internal control regarding the process of financial reporting

The non-timely or incorrect reporting of financial figures can have a large impact on the reputation of Colruyt Group. In order to ensure the quality and timeliness of the produced and reported financial figures, the group has implemented the following risk management and internal control measures:

3.3.1. Closing process

While the accounting is closed monthly, mainly for the management reporting, the financial figures of the group are consolidated quarterly based on a formalised closing process. This process specifies the various process steps and the time line for each step, the to be delivered financial figures and other

information, as well as the roles and responsibilities of and interaction between the different parties in the process. The process is monitored by a closing coordinator, who is not himself involved in the process. At the end of each closing, the process is evaluated and if necessary corrective measures are taken. During the semi-annual and annual closing, the process also provides for coordination with external auditors at regular intervals. To support the closing process, a reporting manual has been prepared and implemented and an IFRS competency team has been set up.

3.3.2. Monitoring the quality of financial figures

The closing process goes through different departments such as Accounting, Business Analysis, Consolidation and Corporate Controlling, the last department in connection with the information provided to the Board of Directors. Each department carries out quality controls in segregation of duties, both with regard to financial figures obtained from the previous process step as to the financial figures that they produce themselves. These quality controls mainly concern reconciliation (for example, of the different general ledgers and accounts), alignment of financial reporting with management and operational reporting, variation analyses and validation rules (for example of consolidation flows and balances). At the end of the closing process, the consolidated financial figures are analysed in relation to previous periods and the fluctuations must be substantiated. Furthermore, the realised financial results are checked against the expectations. For the to be published financial figures, the printer's proofs are compared to the financial figures provided by the system. Finally, a final check takes place for validation by the CFO.

3.3.3. Communication financial reporting

In order to communicate and provide information as transparently as possible, Colruyt Group publishes financial press releases on dates agreed in advance. In addition, the communication efforts of the management take the form of road shows and regular telephone contacts as well as actual visits of and with investors and analysts. Finally, more than 20 analysts publish reports at regular intervals with financial information about Colruyt Group.

SHARE OWNERSHIP - COLRUYT SHARES

Calendar for the shareholders

16/09/2015	Registration date for deposition of shares for participation in the annual General Assembly of Shareholders
30/09/2015 (4 pm)	General Assembly of Shareholders for the 2014/2015 financial year
02/10/2015	Dividend (coupon 5) ex- date (detaching of the coupons)
05/10/2015	record date (centralisation of the coupons)
06/10/2015	payment
16/10/2015	Certificates for exemption from or reduction of withholding tax on movables for dividends in our possession
12/10/2015	Extraordinary General Assembly Capital increase Etn. Fr. Colruyt NV reserved for personnel of Colruyt Group (Section 609 of the Belgian Company Code)
14/12/2015 (5:45 pm)	Publication of the semi-annual information on the 2015/2016 financial year
15/12/2015	Informative meeting with financial analysts
21/06/2016 (5:45 pm)	Publication of the result of the 2015/2016 financial year
22/06/2016	Informative meeting with financial analysts
29/07/2016	Publication annual report for the 2015/2016 financial year on our website colruytgroup.com
28/09/2016 (4 pm)	General Assembly of Shareholders for the 2015/2016 financial year

3.1. Dividends from the Financial Year 2014/2015 ⁽¹⁾

The Board of Directors proposes to pay a gross dividend of EUR 1,00 to shares of Etn. Fr. Colruyt NV participating in the profits of the 2014/2015 financial year.

Of the gross dividend of EUR 1,00 shareholders will receive a net amount of EUR 0,75 after deduction of 25% withholding tax on movable assets.

Since the Programme Act of 27/12/2012 (Belgian Official Gazette 31/12/2012) the tax rate of the withholding tax on movables for

dividends on all types of shares, that are allocated or made payable as from 01/01/2013, has been set at 25%. For foreign shareholders, the amount of the net dividend may differ depending on the taxation treaties between Belgium and the various countries. The necessary certificates must be in our possession no later than on 16 October 2015.

The dividend of the financial year 2014/2015 will be made available for payment as from 6 October 2015 against the exchange of coupon number 5 at the counters of the financial institutions. BNP Paribas Fortis Bank will act as the principal paying agent of the dividend payments.

The Colruyt share has already been split several times since the stock market flotation in 1976. The last split took place on 15 October 2010, whereby the share was divided by five. Since 15 October 2010, only the shares with the ISIN code BE0974256852 are listed on Euronext Brussels. With reference to the act of 14 December 2005 on the termination of the bearer shares and as amended by the act of 21 December 2013, Colruyt has sold the remaining bearer shares (in total 28.395 shares) of which the holders have not made themselves known on 27 February 2015, on the date of 24 March 2015 on the regulated market of Euronext Brussels.

(1) Subject to approval by the General Assembly of 30 September 2015

The net proceeds from the sale of these shares has been transferred to the Deposito- en Consignatiekas of Brussels. Persons who still possess old paper Colruyt shares and who can demonstrate their capacity as shareholder of the (sold) shares can receive the counter value in cash as from 1 January 2016 at the Deposito- en Consignatiekas. For the possible collection of dividend on these (sold) paper shares (with attached coupons) they can turn to the issuer.

Information on the Colruyt share

Stock exchange listing
Euronext Brussels (since 1976)
Member of Bel20-index

COLR
LISTED
NYSE
EURONEXT

Share ticker COLR

ISIN-code BE0974256852

Development of the stock price over the past financial year



Development of the stock price over the last five financial years compared to the Bel20



3.2. Overview shares of Etn. Fr. Colruyt NV

	2014/2015	2013/2014
Number of shares		
Ordinary	156.636.503	156.169.749
Profit-sharing shares	156.636.503	156.169.749
Treasury shares	9.791.743	412.088
Shares owned by subsidiaries	0	0
Total profit sharing shares as of 1 June ⁽¹⁾	146.844.760	155.757.661
Data per share (in euros) on the closing date of the period under review (31 March)		
Gross dividend	1,00	1,00
Net dividend/ordinary share	0,75	0,75
Profit ⁽²⁾	2,21	2,24
Calculation base (weighted average on 31/03) ⁽³⁾	149.419.713 shares	156.447.069 shares
Share price in Brussels (in euros)		
Stock market price on 31/03	40,54	40,00
Highest price of the year (closing price)	42,60	44,15
Lowest price of the year (closing price)	32,935	36,055
Stock exchange value on 31/03 (in EUR million)	6.350,04	6.606,79

(1) Situation on 01/06/2015 and 01/06/2014 respectively.

(2) Inclusive of the settlement of EUR 31,6 million with the Investigation Service.

(3) Calculated based on the number of profit-sharing shares, after deduction of profit-sharing shares owned by the company and by subsidiaries.

3.3. Purchase of the company's own shares

For several years, the Extraordinary General Assembly of Shareholders has granted the authorisation to the Board of Directors of Etn. Fr. Colruyt NV to purchase the company's own shares. The purchase of the company's own shares takes place in accordance with Section 620 of the Belgian Company Code, as well as in accordance with the Sections 205 up to 207 of the Royal Decree of 30 January 2001.

The Extraordinary General Assembly of Shareholders of 14 October 2014 has decided to renew the aforementioned authorisation of the Board of Directors for a period of five years.

The Board of Directors has already made use of the authorisation that was granted to it several times by purchasing the company's own shares on the stock exchange via financial institutions. The Board of Directors authorises the Chairman and the CFO of the company within which execution terms and conditions the company's own shares can be purchased.

In accordance with Section 207 of the Royal Decree of 30 January 2001, the information about the purchases of own shares that have taken place is published no later than on the seventh market day following the day of execution of the transaction to the Authority for Financial Services and Markets and at the same time published by the company via a press release on our website colruytgroup.com.

In the past financial year, the Board of Directors made use of the authorisation granted to it. 9.644.369 treasury shares were purchased, amounting to a total investment of EUR 356,02 million. In accordance with the authorisation granted by the Extraordinary General Assembly of 16 October 2009, the Board of Directors decided on 26 May 2014 to have in total nine million treasury shares cancelled.

On 31 March 2015, Etn. Fr. Colruyt NV owned 9.791.743 of its own shares. This represents 6,25% of the total number of shares issued (156.636.503) at the end of the reporting period. For an overview of the treasury shares on 1 June 2015 reference is made to the table below.

Under the suspensive condition of approval by the General Assembly, 47.942 treasury shares will be given to employees who wish to receive their profit participation 2014/2015 in the form of shares.

In accordance with article 622, paragraph 1 of the Belgian Company Code, the Board of Directors decides that the dividends of the shares or certificates that are held by Etn. Fr. Colruyt NV have been suspended and are expired for the period that they are held. Consequently no dividends are paid and the voting rights connected to these shares have also been suspended.

Overview of the purchase of treasury shares

During the period under review	2014/2015
Treasury shares held by the company at the beginning of the period under review (01/04/2014)	+ 9.184.747
Granted to employees for the 2013/2014 participation in profits on 30/09/2014	- 37.373
Purchased in 2014/2015	+ 9.644.369
Cancelled treasury shares by notarial deed 26/05/2014	- 9.000.000
Total treasury shares held by the company at the end of the period under review (31/03/2015)	9.791.743
After the period under review	
Purchase of treasury shares in the period from 01/04/2015 to 01/06/2015	0
Treasury shares held by the company on 01/06/2015	9.791.743

3.4. Structure of the share ownership of Etn. Fr. Colruyt NV according to the last transparency notification dated 18/12/2014

Pursuant to the act of 2 May 2007 and the Royal Decree of 14 February 2008 (publication of significant participations in companies quoted on the stock exchange), we received an updated notification of participation from the Colruyt family, Sofina Group and Colruyt Group on 18 December 2014. Shares were traded between members of the 'Colruyt family and relatives' on 18 December 2014.

This denominator takes into account the cancellation of 9 million treasury shares as decided by the Board of Directors on 26 May 2014 as well as the creation of 466.754 shares on 19 December 2014, following the capital increase reserved for employees of Colruyt Group.

The company has no knowledge of other agreements between shareholders.

The statutory thresholds per bracket of 5% apply.

Transparency notification 18/12/2014

Number %

I. Colruyt Family and Relatives

1. Stichting

Administratiekantoor Cozin	0	0,00
2. Colruyt Family	9.505.969	6,07
3. Korys NV	17.051.498	10,89
4. H.I.M. NV	17.039.783	10,88
5. D.I.M. NV	17.042.500	10,88
6. H.I.M. TWEE NV	0	0,00
7. H.I.M. DRIE NV	17.130.124	10,94
8. D.H.A.M. NV	0	0,00
9. ANIMA NV	1	0,00
10. HERBECO NV	1	0,00
11. FARIK NV	1	0,00
12. Stiftung Pro Creatura	149.605	0,10
13. Impact Capital NV	100.000	0,06

TOTAL FAMILY COLRUYT ACTING BY MUTUAL AGREEMENT	78.019.482	49,81
------------------------------------------------------------	-------------------	--------------

II. Colruyt Group

Etn. Fr. Colruyt NV (treasury shares purchased)	9.491.743	6,06
TOTAL COLRUYT GROUP	9.491.743	6,06

III. Sofina Group

Rebelco NV	8.500.000	5,43
TOTAL GROUP SOFINA	8.500.000	5,43

TOTAL COLRUYT FAMILY, COLRUYT GROUP AND SOFINA GROUP ACTING BY MUTUAL AGREEMENT	96.011.225	61,30
----------------------------------------------------------------------------------------------------	-------------------	--------------

Denominator: 156.636.503 (situation on 19/12/2014)

Chain of controlled companies:

- Etn. Fr. Colruyt NV is controlled by DIM NV and HIM NV (and HIM Twee, HIM Drie NV and DHAM NV), which are directly and/or indirectly controlled by Korys NV, which in turn is controlled by Stichting Administratiekantoor Cozin.
- DIM NV is controlled by Korys NV, which in turn is controlled by Stichting Administratiekantoor Cozin.
- HIM NV is controlled by Korys NV, which in turn is controlled by Stichting Administratiekantoor Cozin.

- HIM NV is controlled by Korys NV, which in turn is controlled by Stichting Administratiekantoor Cozin.
- HIM Drie NV is controlled by DIM NV, which is controlled by Korys NV, which in turn is controlled by Stichting Administratiekantoor Cozin.
- DHAM NV is controlled by DIM NV, which is controlled by Korys NV, which in turn is controlled by Stichting Administratiekantoor Cozin.
- Korys NV is controlled by Stichting Administratiekantoor Cozin.
- Stiftung Pro Creatura, a foundation in accordance with Swiss law, and Impact Capital NV, are controlled by natural persons (who directly or indirectly own less than 3 % of the shares of the Company with voting rights).
- On 18 December 2012, Sofina NV transferred its Colruyt shares to its 100 % subsidiary Rebelco NV.

3.5. Communication of Agreement by Mutual Consent (Section 74 of the Act of 1 April 2007)

The same parties also have an agreement of mutual consent in the sense of Section 74 of the Act of 1 April 2007 on the public takeover bids announced to the company and to the Authority for Financial Services and Markets (FSMA).

HIM NV sent an update of the participations to the company and to the FSMA on 27 August 2014 on behalf of all parties acting by mutual agreement. On 27 August 2014, the number of shares involved in the mutual agreement amounted to 94.965.731 or 60,81 % of the total number of outstanding Colruyt shares on that date (156.169.749).

The complete letter can be found on our website colruytgroup.com/financial.

According to the law, an update of the participations concerned must be communicated once a year at the end of August.

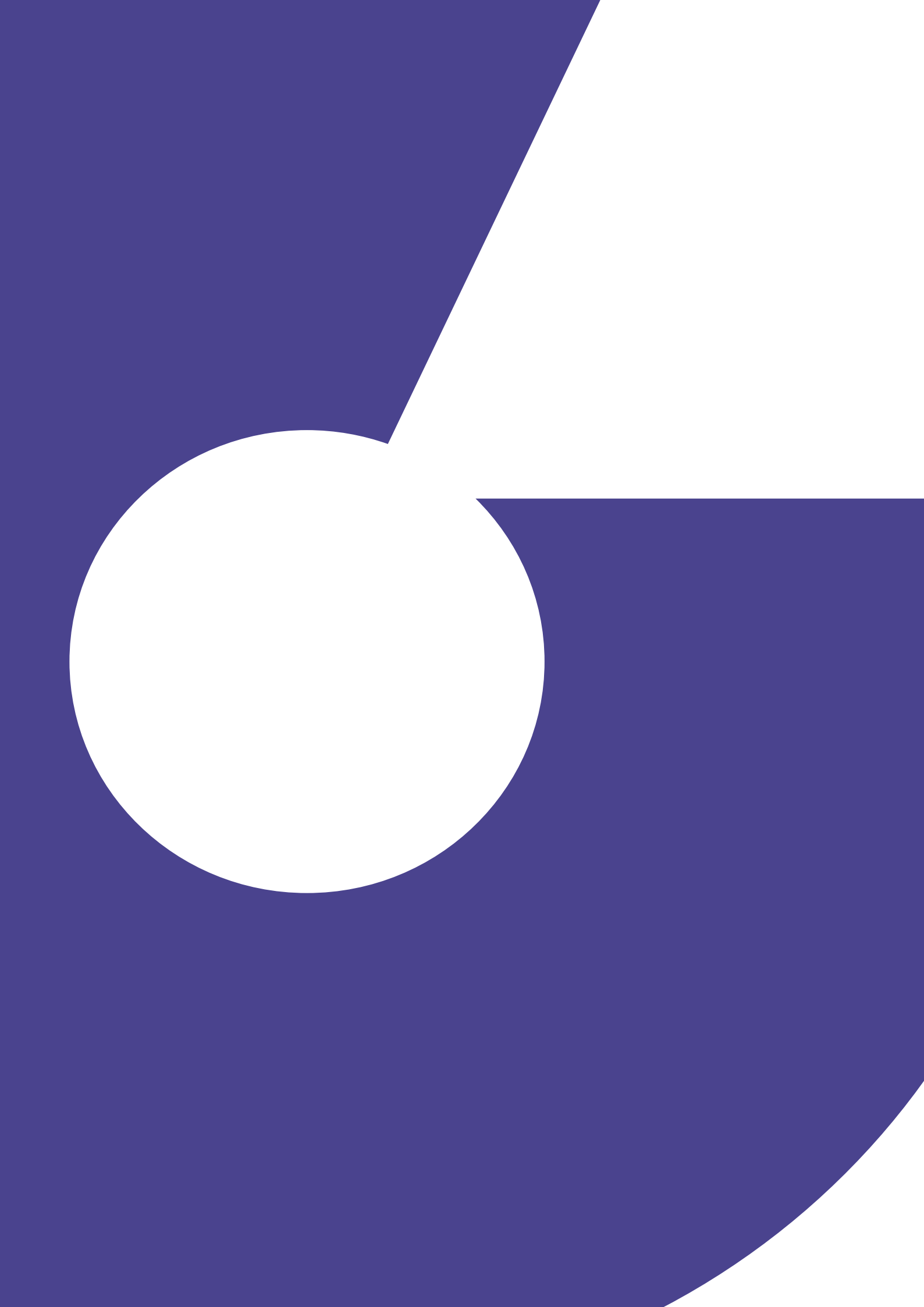
3.6. Ethibel



Etn. Fr. Colruyt NV was reconfirmed as a component of the Ethibel Sustainability Index (ESI) Excellence Europe since 23 March 2015. The Ethibel Sustainability Index (ESI) Europe contains 200 shares that are all top performers in the field of corporate social responsibility (CSR). That Colruyt has been selected by the Ethibel Forum demonstrates that the company performs strongly within the sector in the field of corporate social responsibility (CSR) and that it maintains a balance between economic progress, protection of the environment and social justice.

The selection by the Ethibel Forum takes place largely based on research by the European rating agency Vigeo, which is responsible for the collection and processing of information, the analysis of the results and the industrial benchmarking.

The ETHIBEL Forum is an independent Belgian association which was founded in 1992 and is recognised as an expert in the field of rating, independent audits and certification of products and services which satisfy ethical and social criteria and standards in the field of the environment and corporate governance (forumethibel.org).





FINANCIAL REPORT

Consolidated income statement	140
Consolidated statement of comprehensive income	141
Consolidated statement of financial position	142
Consolidated statement of cash flows	143
Consolidated statement of changes in equity	144
Certification of responsible persons	146
Independent auditor's report	147
Notes to the consolidated financial statements	150

CONSOLIDATED INCOME STATEMENT

	Note	2014/15	2013/14 ⁽¹⁾
(in million EUR)			
Revenue	3.	8.916,8	8.652,0
Cost of goods sold	3.	(6.697,8)	(6.501,0)
Gross profit	3.	2.219,0	2.151,0
Other operating income	4.	72,7	66,5
Services and miscellaneous goods	5.	(399,3)	(407,6)
Employee benefit expenses	6.	(1.166,6)	(1.100,2)
Depreciation, amortisation and impairment of non-current assets		(204,3)	(198,7)
Other operating expenses	4.	(57,7)	(22,9)
<i>Other operating expenses</i>		(26,1)	(22,9)
<i>Settlement ⁽²⁾</i>		(31,6)	-
Operating profit (EBIT)		463,8	488,1
Operating profit (EBIT) excl. settlement ⁽²⁾		495,4	488,1
Finance income	7.	10,4	15,4
Finance costs	7.	(4,4)	(10,8)
Net financial result	7.	6,0	4,6
Share in the result of investments accounted for by using the equity method	12., 13.	9,3	4,4
Profit before tax		479,1	497,1
Profit before tax excl. settlement ⁽²⁾		510,7	497,1
Income tax expense	8.	(148,1)	(147,3)
Profit for the financial year		331,0	349,8
Profit for the financial year excl. settlement ⁽²⁾		362,6	349,8
Attributable to:			
Non-controlling interests		0,6	(0,2)
Owners of the parent company		330,4	350,0
Earnings per share (EPS) – basic and diluted (in EUR)	22.	2,21	2,24
Earnings per share (EPS) – basic and diluted (in EUR) excl. settlement ⁽²⁾		2,42	2,24

(1) Some figures for the financial year 2013/14 are reclassified as described in note 1.1. *Basis of presentation*.

(2) "Settlement": On 19 June 2015 Colruyt Group signed a settlement with the Investigation Service of the Belgian Competition Authority ("the Investigation Service") in relation to the period 2002-2007. By signing the settlement the group accepts to pay a EUR 31,6 million fine to the Belgian government. This amount was charged against the 2014/15 operating expenses and was deducted in full from the EBITDA, EBIT, Profit before tax and Profit for the financial year. To ensure comparability with last year, some consolidated subtotals are provided both inclusive and exclusive of the effect of the settlement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2014/15	2013/14
<i>(in million EUR)</i>			
<i>Profit for the financial year</i>		331,0	349,8
Items that will not be reclassified to profit or loss			
Actuarial profit/(loss) on liabilities related to long-term employee benefits	8., 24.	(8,0)	(0,6)
Total of the items that will not be reclassified to profit or loss		(8,0)	(0,6)
Items that may be reclassified subsequently to profit or loss			
Profit/(loss) from currency translation of foreign subsidiaries		1,4	(0,6)
Share in other comprehensive income of investments accounted for by using the equity method	12., 13.	(3,0)	6,8
Total of the items that may be reclassified subsequently to profit or loss		(1,6)	6,2
<i>Other comprehensive income for the financial year</i>		(9,6)	5,6
<i>Total comprehensive income for the financial year</i>		321,4	355,4
Attributable to:			
Non-controlling interests		0,6	(0,2)
Owners of the parent company		320,8	355,6

All components of the above statement of comprehensive income are presented net of tax impacts.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31.03.15	31.03.14 ⁽¹⁾
(in million EUR)			
Goodwill	9.	89,3	89,3
Intangible assets	10.	59,5	52,9
Property, plant and equipment	11.	1.802,7	1.647,7
Investments in associates	12.	0,1	0,1
Investments in joint ventures	13.	156,9	130,3
Financial assets	14.	26,6	29,7
Deferred tax assets	17.	3,2	3,3
Other receivables	19.	41,9	26,6
Total non-current assets		2.180,2	1.979,9
Inventories	18.	602,7	574,7
Trade receivables	19.	478,2	490,7
Current tax assets		17,0	5,0
Other receivables	19.	49,0	41,3
Financial assets	14.	23,6	25,4
Cash and cash equivalents	20.	309,2	602,6
Assets held for sale	16.	1,3	2,2
Total current assets		1.481,0	1.741,9
TOTAL ASSETS		3.661,2	3.721,8
Share capital		274,6	260,6
Reserves and retained earnings		1.523,7	1.704,5
Total equity attributable to owners of the parent company		1.798,3	1.965,1
Non-controlling interests		2,4	1,8
Total equity	21.	1.800,7	1.966,9
Provisions	23.	14,5	13,4
Liabilities related to employee benefits	24.	72,2	56,0
Deferred tax liabilities	17.	65,7	59,4
Interest-bearing and other liabilities	25., 26.	33,6	28,5
Total non-current liabilities		186,0	157,3
Provisions	23.	32,2	4,9
Bank overdrafts	20.	0,7	0,6
Interest-bearing liabilities	25.	4,4	3,1
Trade payables	26.	1.081,7	1.063,5
Current tax liabilities		67,8	55,9
Liabilities related to employee benefits and other liabilities	26.	487,7	469,6
Total current liabilities		1.674,5	1.597,6
Total liabilities		1.860,5	1.754,9
TOTAL EQUITY AND LIABILITIES		3.661,2	3.721,8

(1) Some figures for the financial year 2013/14 are reclassified as described in note 1.1. Basis of presentation.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2014/15	2013/14
(in million EUR)			
Operating activities			
Profit for the financial year		331,0	349,8
Adjustments for:			
Depreciation, amortisation and impairment of non-current assets		204,3	198,7
Income from investments and interest expenses		(4,6)	(9,4)
Income tax expense	8.	148,1	147,3
Other ⁽¹⁾		(10,3)	2,8
<i>Cash flow from operating activities before changes in working capital and provisions</i>		<i>668,5</i>	<i>689,2</i>
Decrease/(increase) in trade and other receivables		2,3	(24,8)
Decrease/(increase) in inventories		(28,8)	(23,5)
(Decrease)/increase in trade payables and other liabilities		14,0	101,4
(Decrease)/increase in provisions and liabilities related to employee benefits		54,1	4,5
Interest paid		(1,7)	(1,5)
Interest received		7,1	8,3
Dividends received		-	0,5
Income tax paid		(145,4)	(148,4)
<i>Cash flow from operating activities</i>		<i>570,1</i>	<i>605,7</i>
Investing activities			
Purchase of property, plant and equipment and intangible assets		(359,4)	(336,9)
Business combinations (net of cash and cash equivalents acquired) and business disposals (net of cash and cash equivalents disposed of)		-	(1,1)
(Increase in investment in)/proceeds from capital reimbursements of associates and joint ventures	12., 13.	(20,3)	(0,1)
(Purchases)/sales of financial assets	14.	6,4	(1,1)
(Payment of)/proceeds from repayment of loans granted		(8,5)	2,9
Proceeds from sale of property, plant and equipment and intangible assets		14,3	14,7
<i>Cash flow from investing activities</i>		<i>(367,5)</i>	<i>(321,6)</i>
Financing activities			
Proceeds from the issue of share capital	21.	14,0	11,4
Proceeds from capital increase by non-controlling interests		-	0,1
Purchase of treasury shares		(356,1)	(35,7)
New/(Repayment of) borrowings		-	1,0
Payment of finance lease liabilities		(3,3)	(2,6)
Dividends and bonuses paid		(151,2)	(160,1)
<i>Cash flow from financing activities</i>		<i>(496,6)</i>	<i>(185,9)</i>
<i>Net increase/(decrease) of cash and cash equivalents</i>		<i>(294,0)</i>	<i>98,2</i>
Net cash and cash equivalents at 1 April		602,0	503,9
Effect of changes in foreign currency rates		0,5	(0,1)
<i>Net cash and cash equivalents at 31 March</i>	20.	<i>308,5</i>	<i>602,0</i>

(1) The category 'Other' includes amongst others losses/(gains) on the sale of property, plant and equipment and intangible assets, losses/(gains) on the sale of current assets, the share in the results of investments accounted for by using the equity method, employee benefits in the context of share-based payments and capital increases reserved for employees and losses/(gains) on financial assets.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Note	Attributable to the owners of the parent company ⁽²⁾				
	Number of shares	Share Capital	Number of treasury shares	Treasury shares	Actuarial reserves
<i>(in million EUR, except number of shares)</i>					
At 1 April 2014	165.169.749	260,6	9.184.747	(296,7)	(0,6)
Total comprehensive income for the financial year	-	-	-	-	(8,0)
Profit for the financial year	-	-	-	-	-
Other comprehensive income for the financial year	-	-	-	-	(8,0)
Transactions with the owners	(8.533.246)	14,0	606.996	(65,2)	-
Capital increase	21. 466.754	14,0	-	-	-
Treasury shares purchased	-	-	9.644.369	(356,1)	-
Treasury shares distributed as profit-sharing	21. -	-	(37.373)	1,5	-
Dividends and bonuses	21. -	-	-	-	-
Cancellation of treasury shares	(9.000.000)	-	(9.000.000)	289,4	-
Other	-	-	-	-	-
At 31 March 2015	156.636.503	274,6	9.791.743	(361,9)	(8,6)
At 1 April 2013	164.852.849	249,2	8.350.868	(262,7)	-
Total comprehensive income for the financial year	-	-	-	-	(0,6)
Profit for the financial year	-	-	-	-	-
Other comprehensive income for the financial year	-	-	-	-	(0,6)
Transactions with the owners	316.900	11,4	833.879	(34,0)	-
Capital increase	21. 316.900	11,4	-	-	-
Treasury shares purchased	-	-	897.800	(35,7)	-
Treasury shares distributed as profit-sharing	21. -	-	(63.921)	1,9	-
Dividends and bonuses	21. -	-	-	-	-
Non-controlling interests resulting from paid-up capital	-	-	-	-	-
Other	-	-	-	(0,2)	-
At 31 March 2014	165.169.749	260,6	9.184.747	(296,7)	(0,6)

(1) Only the entities included in the Parkwind Group have cash flow hedging instruments.

(2) Some numbers for the financial year 2013/14 are reclassified as described in note 1.1. Basis of presentation

Other reserves			Retained earnings	Total	Non-controlling interests	Total equity
Cumulative translation adjustment	Cash flow hedge reserves ⁽¹⁾	Financial assets available for sale reserves				
(1,0)	(3,9)	1,8	2.004,9	1.965,1	1,8	1.966,9
1,4	(3,0)	-	330,4	320,8	0,6	321,4
-	-	-	330,4	330,4	0,6	331,0
1,4	(3,0)	-	-	(9,6)	-	(9,6)
-	-	(1,8)	(434,6)	(487,6)	-	(487,6)
-	-	-	2,4	16,4	-	16,4
-	-	-	-	(356,1)	-	(356,1)
-	-	-	0,5	2,0	-	2,0
-	-	-	(151,2)	(151,2)	-	(151,2)
-	-	-	(289,4)	-	-	-
-	-	(1,8)	3,1	1,3	-	1,3
0,4	(6,9)	-	1.900,7	1.798,3	2,4	1.800,7
(0,4)	(10,7)	1,8	1.814,0	1.791,2	1,7	1.792,9
(0,6)	6,8	-	350,0	355,6	(0,2)	355,4
-	-	-	350,0	350,0	(0,2)	349,8
(0,6)	6,8	-	-	5,6	-	5,6
-	-	-	(159,1)	(181,7)	0,3	(181,4)
-	-	-	1,9	13,3	-	13,3
-	-	-	-	(35,7)	-	(35,7)
-	-	-	(1,1)	0,8	-	0,8
-	-	-	(160,1)	(160,1)	-	(160,1)
-	-	-	-	-	0,3	0,3
-	-	-	0,2	-	-	-
(1,0)	(3,9)	1,8	2.004,9	1.965,1	1,8	1.966,9

CERTIFICATION OF RESPONSIBLE PERSONS

Jef Colruyt, Director-Chairman of Etn. Fr. Colruyt N.V. and Marc Hofman, CFO of Colruyt Group, declare in title and for the entity, that to the best of their knowledge:

- the consolidated financial statements for the financial years 2014/15 and 2013/14, prepared in accordance with 'International Financial Reporting Standards' (IFRS) as accepted by the European Union up until 31 March 2015, give a true and fair view of the net assets, the financial position and the results of Etn. Fr. Colruyt N.V. and the entities included in the consolidation scope.
- the management report related to the consolidated financial statements gives a true and fair view of the development and the results of Colruyt Group's activities, as well as of the position of the Company and the entities that are included in the consolidation scope, together with a description of the main risks and uncertainties that Colruyt Group faces.

Jef Colruyt
Director-Chairman
Etn. Fr. Colruyt N.V.

Marc Hofman
CFO
Colruyt Group

INDEPENDENT AUDITOR'S REPORT



KPMG Bedrijfsrevisoren - Réviseurs
d'Entreprises
Prins Boudewijnlaan 24d
2550 Kontich
Belgium

Tel. +32 (0)3 821 17 00
Fax. +32 (0)3 825 20 25
www.kpmg.be

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

Statutory auditor's report to the general meeting of Etn. Fr. Colruyt NV/SA as of and for the year ended March 31, 2015

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our report on the consolidated financial statements as of and for the year ended March 31, 2015, as defined below, as well as our report on other legal and regulatory requirements.

Report on the consolidated financial statements - Unqualified opinion

We have audited the consolidated financial statements of Etn. Fr. Colruyt NV ("the Company") and its subsidiaries (jointly "the Group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR (million) 3.661,2 and the consolidated statement of comprehensive income shows a profit for the year of EUR (million) 321,4.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, a Belgium civil
CVBA/SCRL and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative ("KPMG
International"), a Swiss entity

Mantschappelijke zetel - Siège social:
Boulevard 40
1150 Brussels - Bruxelles
Belgium

KPMG Bedrijfsrevisoren - Réviseurs
d'Entreprises CVBA/SCRL
Burgerlijke vennootschap met
handelsvorm en met beperkte
aansprakelijkheid - Société civile à
forme commerciale et à
responsabilité limitée
BTW - TVA BE 0419 122 548
RPR Brussel - RPM Bruxelles



**FREE TRANSLATION OF UNQUALIFIED STATUTORY
AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH**

*Statutory auditor's report to the general meeting of
Etn. Fr. Colruyt NV/SA as of and for the year ended March 31, 2015
Report on the consolidated financial statements*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the Company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Unqualified opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and consolidated financial position as at March 31, 2015 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the annual report (more in particular Part 4 Corporate Governance and Part 5 Financial report of the Annual Report) on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not modify the scope of our opinion on the consolidated financial statements:



**FREE TRANSLATION OF UNQUALIFIED STATUTORY
AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH**
*Statutory auditor's report to the general meeting of
 Em. Fr. Colruyt NV/SA as of and for the year ended March 31, 2015
 Report on the consolidated financial statements*

- The annual report on the consolidated financial statements includes the information required by law, is consistent, in all material respects, with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate. Management is putting in place procedures that provides them with an appropriate basis for the description of the main characteristics of the internal control and risk management systems in relation to the financial reporting process included in the management report.

Kontich, July 3, 2015

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
 Statutory Auditor
 represented by

L. Ruysen
 Réviseur d'Entreprises / Bedrijfsrevisor

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant accounting policies	151
2. Segment information.....	162
3. Revenue and gross profit	165
4. Other operating income and expenses.....	166
5. Services and miscellaneous goods.....	167
6. Employee benefit expenses.....	167
7. Net financial result	168
8. Income tax expense.....	168
9. Goodwill	169
10. Intangible assets.....	170
11. Property, plant and equipment.....	172
12. Investments in associates.....	174
13. Investments in joint ventures accounted for by using the equity method	174
14. Financial assets.....	176
15. Business combinations.....	176
16. Disposal groups classified as held for sale and disposal of subsidiaries.....	176
17. Deferred tax assets and liabilities.....	177
18. Inventories	178
19. Trade and other receivables.....	178
20. Cash and cash equivalents	180
21. Equity.....	180
22. Earnings per share.....	181
23. Provisions	182
24. Non-current liabilities related to employee benefits	182
25. Interest-bearing liabilities.....	184
26. Trade payables, liabilities related to employee benefits and other liabilities.....	185
27. Risk management.....	185
28. Off-balance sheet rights and commitments.....	188
29. Contingent liabilities and contingent assets	189
30. Dividends paid and proposed.....	189
31. Related parties	190
32. Events after the reporting date.....	191
33. Independent auditor's remuneration	191
34. List of consolidated entities.....	192
35. Condensed (non-consolidated) financial statements of Etn. Fr. Colruyt N.V., in accordance with Belgian accounting standards.....	193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following notes to the consolidated financial statements are an integral part of the consolidated financial statements.

1. Significant accounting policies

Etn. Fr. Colruyt N.V. (hereinafter referred to as 'the Company') is domiciled in 1500 Halle, Belgium and is publicly traded on NYSE Euronext Brussels under the code COLR. The consolidated financial statements for the 2014/15 financial year which closed on 31 March 2015, cover the Company, its subsidiaries (hereinafter referred to collectively as 'Colruyt Group') and Colruyt Group's interests in associates and joint ventures.

The consolidated financial statements for the 2014/15 financial year were authorised for issue by the Board of Directors on 19 June 2015, subject to approval of the statutory non-consolidated financial statements by the shareholders during the General Shareholders' Assembly on 30 September 2015. In accordance with Belgian law, the consolidated financial statements will be presented for information purposes to the shareholders of Colruyt Group during that same meeting. The consolidated financial statements are not subject to changes, unless decisions of the shareholders regarding the statutory non-consolidated financial statements impact the consolidated financial statements.

1.1. Basis of presentation

The consolidated financial statements are expressed in millions of EUR rounded to one decimal place which means that totals and subtotals may

differ slightly.

The consolidated financial statements describe the financial position as of 31 March and are prepared using the historical cost method, with the exception of derivatives and financial assets available for sale and held for trading, which are measured at their fair value.

The consolidated financial statements are prepared before any distribution of profits of the parent company as proposed to the General Shareholders' Assembly.

Preparing the consolidated financial statements in accordance with IFRS requires Colruyt Group's management to make judgements, estimates and assumptions. These affect the application of policies and principles and consequently affect the reported amounts of assets and liabilities and of income and expenses. Amongst others, this is the case for goodwill (note 9. *Goodwill*), financial assets (note 14. *Financial assets*), for deferred taxes (note 17. *Deferred tax assets and liabilities*), inventories (note 18. *Inventories*), provisions (note 23. *Provisions*) and for employee benefits (notes 24. *Non-current liabilities related to employee benefits* and 26. *Liabilities related to employee benefits and other liabilities*).

The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable given the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are assessed and adjusted annually. Revisions to accounting estimates are recognised in the period

in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period(s) if the revision affects both current and future period(s).

Colruyt Group has decided to make a number of changes in the presentation of its consolidated financial statements.

As of the financial year 2014/15, the additions, uses and reversals of provisions as well as the write-offs of current assets are included in the different cost categories in the income statement to which they apply. The line items that are affected were adjusted for the comparative financial year 2013/14 by means of a reclassification in the income statement for an amount of EUR 5,7 million. This leads to an increase in the costs included in 'Services and miscellaneous goods' of EUR 3,7 million, an increase in the costs included in 'Employee benefit expenses' of EUR 3,1 million and a decrease of 'Other operating expenses' of EUR 1,1 million. As a consequence, the line item 'Provisions and write-offs of current assets' has been omitted.

Furthermore, as of the financial year 2014/15, the current provisions are presented separately from the non-current provisions in the consolidated statement of financial position. In the comparative figures for the financial year 2013/14, an amount of EUR 4,9 million has been reclassified to the current provisions.

The two changes mentioned above have no impact on the gross profit, the operating profit (EBIT) or the profit for the financial year. Finally, the presentation of the 'consol-

dated statement of changes in equity' has been modified. This modification resulted in a reclassification within the opening balances for the comparative financial year for an amount of EUR 7,7 million. More specifically, the opening balances of 'Discount on capital increase', 'Result on shares distributed as profit-sharing' and 'Variance of provision for profit-sharing in shares', which were presented under the 'Other reserves' in the annual report of the financial year 2013/14, have been transferred to 'Retained earnings'. Additionally, an amount of EUR 0,5 million was transferred from the line 'Treasury shares purchased' to 'Treasury shares distributed as profit-sharing'. This concerns results on shares distributed as profit-sharing. For a description of the contents of each reserve, please refer to note 1.4. *Other significant accounting policies*.

Except for the reclassifications listed above, the significant accounting policies listed below are applied consistently for all the periods presented in these consolidated financial statements.

1.2. Statement of compliance

Colruyt Group's consolidated financial statements are prepared in accordance with the 'International Financial Reporting Standards (IFRS)', as issued by the 'International Accounting Standards Board (IASB)' and adopted by the European Union up to 31 March 2015. The following (amended) standards, interpretations and improvements are effective for Colruyt Group as of 1 April 2014, none of which have a significant impact on Colruyt Group's consolidated financial statements:

- IAS 28 (Amendment), '*Investments in associates and joint ventures*'. The amendment mainly relates to the accounting for joint ventures according to the equity method. This amendment clarifies that IFRS 5 '*Non-current assets held for sale and discontinued operations*' applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. In addition, an entity shall not remeasure the retained interest on termination of the significant influence or the joint control, even if the investment in

an associate becomes an investment in a joint venture or vice versa.

- IAS 32 (Amendment), '*Financial instruments: presentation – Offsetting financial assets and financial liabilities*'. The amendment clarifies the criteria for offsetting financial assets and financial liabilities.
- IAS 36 (Amendment), '*Impairment of assets – Recoverable amount disclosures for non-financial assets*'. The mandatory disclosure of recoverable amounts is limited to the cases in which an impairment loss was recognised or reversed. Additional disclosures are required in respect of the valuation at fair value minus costs of disposal.
- IAS 39 (Amendment), '*Financial instruments: recognition and measurement – Novation of derivatives and continuation of hedge accounting*'. The novation of a derivative designated as a hedging instrument should not be treated as an event that leads to the discontinuation of hedge accounting, when certain conditions are met.
- IFRS 10, '*Consolidated financial statements*'. IFRS 10 replaces the requirements regarding consolidated financial statements in IAS 27, '*Consolidated and separate financial statements*'. SIC 12, '*Consolidation – Special purpose entities*', was withdrawn with the publication of IFRS 10. In accordance with IFRS 10, control is the only determining factor for consolidation. The new definition of control consists of three elements:
 - (a) power over an entity;
 - (b) exposure to, or rights to variable returns as a result from an involvement in an entity;
 - (c) the ability to use power over an entity in order to affect the amount of these returns.
- IFRS 11, '*Joint arrangements*'. IFRS 11 replaces IAS 31, '*Interests in joint ventures*'. The standard treats the classification of joint arrangements in which two or more parties have joint control. SIC 13, '*Jointly controlled entities – Non-monetary contributions by venturers*', was withdrawn with the publication of IFRS 11. IFRS 11

classifies joint arrangements into:

- joint operations; or
- joint ventures.

IAS 31, however, distinguished three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. All joint ventures must be accounted for using the equity method.

- IFRS 12, '*Disclosure of interests in other entities*'. This standard contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities. For Colruyt Group, this standard only impacts the disclosures to the financial statements.
- IFRS 10, 11 and 12 (Amendment), '*Consolidated financial statements, Joint arrangements and Disclosures of interests in other entities: Transition guidance*'. This amendment limits the possible restatements as a result of the application of IFRS 10, IFRS 11 and IFRS 12 to one year.
- IFRS 10, 12 and IAS 27 (Amendment), '*Investment Entities*'. Certain investment entities are exempted from consolidation and should instead report their investments on one line in the statement of financial position, at fair value. New disclosures are also introduced for investment entities in IFRS 12 and IAS 27.

The following (amended) standards, interpretations and improvements relevant to the group, which were already published when the consolidated financial statements were approved, were not adopted early by Colruyt Group:

- IAS 1 (Amendment), '*Presentation of financial statements – Disclosure initiative*' (effective date for Colruyt Group 1 April 2016). The amendment clarifies the guidance regarding the principle of materiality, the presentation of the statement of financial position and the statement of comprehensive income and the order of the notes. This amendment has no impact on Colruyt Group's consolidated financial statements.

- IAS 16 and IAS 38 (Amendment), '*Property, plant and equipment and intangible assets – Clarification of acceptable methods of depreciation and amortisation*' (effective date for Colruyt Group 1 April 2016). This amendment clarifies that the depreciation method of property, plant and equipment cannot be based on the revenue pattern that is generated over time. For intangible assets, such an amortisation method is only allowed under limited circumstances. This amendment has no impact on Colruyt Group's consolidated financial statements.
- IAS 19 (Amendment), '*Employee benefits – employee contributions*' (effective date for Colruyt Group 1 April 2015). The accounting for contributions by employees or third parties to defined benefit plans has been simplified. When the contributions are independent of the number of years of service, they can be recognised as a reduction of the service cost in the period in which the related service is rendered (this method is permitted, but not mandatory). This amendment has no impact on Colruyt Group's consolidated financial statements.
- IFRS 9, '*Financial instruments*' (effective date for Colruyt Group 1 April 2018). This standard will replace IAS 39 '*Financial instruments: recognition and measurement*'. IFRS 9 introduces a new model regarding the recognition of impairments based on the "expected" losses and introduces limited amendments to the classification and measurement of financial assets. IFRS 9 also contains new general requirements for hedge accounting that further align hedge accounting with risk management. The potential impact of this standard has not been assessed yet.
- IFRS 10, IFRS 12 and IAS 28 (Amendment), '*Investment entities – Applying the consolidation exception*' (effective date for Colruyt Group 1 April 2016). This amendment clarifies when the exemptions from consolidation can be applied by investment entities. This amendment has no impact on Colruyt Group's consolidated financial statements.
- IFRS 10 and IAS 28 (Amendment), '*Sale or contribution of assets between an investor and its associate or joint venture*' (effective date for Colruyt Group 1 April 2016). The amendment resolves a conflict between IFRS 10 and IAS 28. The amendments clarify that, when assets are sold or contributed to a joint venture or associate, the accounting for the gain or loss depends on whether the assets meet the definition of a business under IFRS 3 '*Business combinations*'. When the assets represent a business, the gain or loss is recognised in full. If this is not the case, the investor's share in the gain or loss is eliminated. This amendment is not expected to have an impact on Colruyt Group's consolidated financial statements.
- IFRS 11 (Amendment), '*Joint arrangements – Accounting for acquisitions of interests in joint operations*' (effective date for Colruyt Group 1 April 2016). When an entity acquires an initial or an additional interest in a joint operation and this joint operation represents a business as defined under IFRS 3 '*Business combinations*', the principles described in IFRS 3 '*Business combinations*' need to be applied to the transaction. The disclosures generally required for business combinations also need to be prepared in this case. This amendment is not expected to have an impact on Colruyt Group's consolidated financial statements.
- IFRS 15, '*Revenue from contracts with customers*' (effective date for Colruyt Group 1 April 2017). This new standard will replace the existing standards IAS 18 '*Revenue*' and IAS 11 '*Construction contracts*', as well as certain related IFRIC interpretations, such as IFRIC 13 '*Customer loyalty programmes*'. This standard introduces a new model consisting of five steps for the recognition of revenue from contracts with customers. The core principle of this standard is that an entity recognises revenue to the extent it represents the transfer of promised goods or services to customers for a consideration that is the reflection of the remuneration to which the entity expects to be entitled in exchange for those goods or services. In addition, the standard introduces extended disclosure requirements regarding revenue. The assessment of the potential impact of this standard for Colruyt Group is currently ongoing.
- Improvements to IFRS cycle 2010–2012, published in December 2013 (effective date for Colruyt Group 1 April 2015) consist of a series of minor improvements to existing standards: IFRS 2 '*Share-based payment*', IFRS 3 '*Business Combinations*', IFRS 8 '*Operating segments*', IFRS 13 '*Fair value measurement*', IAS 16 '*Property, plant and equipment*', IAS 24 '*Related party disclosures*' and IAS 38 '*Intangible assets*'. These improvements do not have a material impact on the consolidated financial statements of Colruyt Group.
- Improvements to IFRS cycle 2011–2013, published in December 2013 (effective date for Colruyt Group 1 April 2015) consist of a series of minor improvements to existing standards: IFRS 1 '*First-time adoption of international financial reporting standards*', IFRS 3 '*Business combinations*', IFRS 13 '*Fair value measurement*' and IAS 40 '*Investment property*'. These improvements do not have a material impact on the consolidated financial statements of Colruyt Group.
- Improvements to IFRS cycle 2012–2014, published in September 2014 (effective date for Colruyt Group 1 April 2016) consist of a series of minor improvements to existing standards: IFRS 5 '*Non-current assets held for sale and discontinued operations*', IFRS 7 '*Financial instruments: Disclosures*', IAS 19 '*Employee benefits*' and IAS 34 '*Interim financial reporting*'. These improvements do not have a material impact on the consolidated financial statements of Colruyt Group.
- IFRIC 21 '*Levies*' (effective date for Colruyt Group 1 April 2015). This interpretation clarifies when a levy imposed by a government should be recognised in accordance with IAS 37 '*Provisions, contingent liabilities and contingent assets*'. The application of this interpretation has no impact on Colruyt Group's consolidated financial statements.

1.3. Consolidation principles

Colruyt Group's consolidated financial statements include the financial statements of the Company, the financial statements of its subsidiaries after elimination of intragroup transactions and balances and the investment of Colruyt Group in associated entities and joint ventures.

a. Subsidiaries

Subsidiaries are those entities over which Colruyt Group has control. Control exists when Colruyt Group is exposed to, or has rights to variable returns from its involvement with the investee and when Colruyt Group has the ability to use its power over the investee to affect the amount of these returns. In assessing whether control exists, all facts and circumstances are considered. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

Non-controlling interests in subsidiaries are identified separately from Colruyt Group's equity. The interest of non-controlling shareholders is initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. The total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in Colruyt Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions between owners. The carrying amounts of Colruyt Group's interests and the non-controlling interests are adjusted directly in equity to reflect the changes in their relative interests in the subsidiary.

When Colruyt Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner (i.e. reclassified to profit or loss or transferred directly to retained earnings) as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost, is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 '*Financial Instruments: Recognition and Measurement*' or, if applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

b. Associates

Associates are those entities in which Colruyt Group has significant influence on the financial and operational policies but which it does not control or jointly control.

These investments are incorporated into the consolidated financial statements according to the equity method from the date on which the significant influence begins until the date on which the significant influence ceases. When, after the application of the equity method, an indication of impairment arises, Colruyt Group calculates the amount of the impairment loss as the difference between the recoverable amount and the carrying amount of the investment in the associate. When Colruyt Group's share of the associate's losses exceeds the carrying amount of Colruyt Group's interests in the associate, the carrying amount is reduced to nil in Colruyt Group's statement of financial position and no further losses are taken into account, except to the extent that Colruyt Group has incurred obligations in respect of that associate.

c. Joint ventures

Joint ventures are those entities in which Colruyt Group has joint control and where such control is established by an agreement. Joint control implies that the decisions about the relevant activities require the unanimous consent of all parties sharing control.

Colruyt Group's interests in joint ventures are accounted for using the equity method, from the date that joint control first exists until the date it ceases. When, after the application of the equity method, there is an indication of impairment, Colruyt Group calculates the amount of the impairment loss as the difference between the recoverable amount and the carrying amount of the investment in the joint venture.

d. Transactions eliminated in consolidation

Intragroup balances and transactions, including unrealised profits on intragroup transactions, are eliminated when preparing the consolidated financial statements.

Unrealised gains from transactions with associates or joint ventures are eliminated in proportion to Colruyt Group's interest in the associate or joint venture.

Unrealised losses are eliminated in the same way as unrealised gains, except that they are only eliminated to the extent that there is no evidence of impairment.

e. Business combinations

Acquisitions of businesses (as defined by IFRS 3 '*Business Combinations*') are accounted for using the acquisition method. The consideration for each business combination is measured as the aggregate of the fair values at the acquisition date of assets transferred, liabilities incurred or assumed, and equity instruments issued by Colruyt Group in exchange for control of the acquiree.

Acquisition-related costs are recognised in profit or loss as incurred, except when they relate to the issue of debt or equity instruments. In this case, these costs

are deducted from the debt instruments and from equity, respectively.

If applicable, the consideration for the acquisition's consideration includes any asset or liability resulting from a contingent consideration arrangement, measured at its fair value on acquisition date. Subsequent changes in such fair values are adjusted against the cost of acquisition when they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. When an obligation to pay contingent consideration meets the definition of a financial instrument classified as equity, it is not remeasured and its subsequent settlement is accounted for within equity.

Where a business combination is achieved in stages, Colruyt Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are processed, on the same basis as if that interest was disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 'Business Combinations' are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 'Income Taxes' and IAS 19 'Employee Benefits' respectively;
- liabilities or equity instruments related to the replacement by Colruyt Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 'Share-based Payment'; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 'Non-current Assets

Held for Sale and Discontinued Operations', are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the financial year in which the combination occurs, Colruyt Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), and/or additional assets and/or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the acquisition date to the date Colruyt Group obtains complete information about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

f. Financial statements of foreign companies in foreign currency

To consolidate Colruyt Group and each of its subsidiaries, the financial statements of the individual subsidiaries are translated into euro, the functional currency of the Entity and the presentation currency of the group.

The translation is performed as follows:

- assets and liabilities at the closing exchange rate of the European Central Bank at the reporting date;
- income, expenses and cash flows at the average exchange rate for the financial year (which approximates the exchange rate at date of transaction);
- components of shareholders' equity at the historical exchange rate.

Exchange rate differences arising from the translation of net investments in foreign subsidiaries, associates and joint ventures at the year-end exchange rate are recorded as part of other comprehensive income, under 'Cumulative translation adjustment' in 'Other reserves', except for the part attributed to non-controlling interests.

Upon the disposal of a foreign operation (i.e. a disposal of Colruyt Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to Colruyt Group are reclassified to profit or loss as part of the financial result. Any exchange differences that have previously been attributed to non-controlling interests are derecognised and are not reclassified to profit or loss.

In the case of a partial disposal of a subsidiary (i.e. no loss of control over the subsidiary by Colruyt Group) that includes a foreign operation, the proportionate share of cumulative exchange differences is reattributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (i.e. of associates or joint ventures not involving a change of accounting basis), the proportionate share of the cumulative translation adjustments is reclassified to profit or loss.

g. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate prevailing at the date of the transaction.

Subsequently all monetary assets and liabilities denominated in foreign currencies are translated at the closing rate at the reporting date.

Gains and losses resulting from transactions in foreign currency and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies and valued on a historical cost basis are translated at the exchange rate at the transaction date. Non-monetary assets

and liabilities in foreign currencies at fair value are translated at the exchange rate applicable at the date on which the fair value was determined.

1.4. Other significant accounting policies

a. Goodwill

Goodwill resulting from business combinations is recognised as an asset as from the date control is obtained (the acquisition date). Colruyt Group measures goodwill as the difference between:

- the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree, and in a business combination achieved in stages, the fair value of the previously held equity interest in the acquiree; and
- the net amount of the identifiable assets acquired and the liabilities assumed at acquisition date.

If this excess is negative, the resulting gain from a bargain purchase is recognised immediately in profit or loss.

For investments in associates and joint ventures, the goodwill is included within the carrying amount of the investment.

Goodwill is not amortised but is reviewed for impairment. Impairment is tested annually and more frequently if there are indications for impairment.

b. Intangible Assets

Research and development

Expenses from research activities are recognised in profit or loss when incurred.

Expenditure on development activities of which the findings are used for a plan or design intended for the production of new or substantially improved products or processes, are capitalised if the following conditions are met:

- the product or process has been carefully described and the expenses can be separately identified and can be measured reliably;
- the technical and commercial feasibility of the product or process has been demonstrated and the product or process will be commercialised or will

be used internally;

- the product or process will generate future economic benefits; and
- Colruyt Group has the necessary technical, financial and other resources to complete and use or sell the development.

The capitalised expenditure is the result of the valuation at full cost and therefore includes the cost of materials, direct labour and an appropriate proportion of overheads.

Development costs that do not satisfy these conditions are recognised in profit or loss when incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Other intangible assets

Other intangible assets are recognised at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it results in an increase of future economic benefits derived from the use of the specific asset to which the subsequent expenditure is related. All other expenditure is expensed as incurred.

Amortisation

Intangible assets with a finite useful life are subject to straight-line amortisation over their estimated useful lives.

Amortisation of intangible assets only begins when assets are available for intended use.

Intangible assets that are not yet ready for their intended use and intangible assets with an indefinite useful life are tested for impairment at least annually.

For intangible assets, Colruyt Group makes a distinction between software, licences, permits, customer portfolios, developed intangible assets and other intangible assets. This distinction is expressed in a different useful life per type of intangible asset:

- software, licences and permits: contractually defined period;
- customer portfolios arising from the

acquisition of points of sale: indefinite useful life;

- developed intangible assets: 5 years;
- other intangible assets: 3 to 5 years.

c. Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses.

The cost of self-constructed assets includes direct labour costs in addition to the direct cost of material and a reasonable proportion of indirect manufacturing costs which are necessary to bring the asset into its location and state that are required for the asset to function in the intended way. The depreciation method, the residual value and the useful life are reviewed annually and amended if necessary.

Colruyt Group has opted to recognise capital grants as a deduction to the cost of property, plant and equipment. These grants are taken into profit and loss over the useful life of the asset by reducing the depreciation charge.

In certain circumstances obligations exist to restore items of property, plant and equipment in their original state. The costs relating to this restoration are recognised as part of the cost of property, plant and equipment. A provision is recognised in the statement of financial position.

Subsequent expenditure

Costs for the replacement of a component of property, plant and equipment are capitalised provided that the cost to be capitalised can be reliably determined and that the expenditure will result in a future economic benefit.

Costs which do not meet these conditions are recognised in profit or loss when incurred.

Depreciation

Property, plant and equipment are subject to straight line depreciation in profit or loss based on the estimated useful life of each component. Tangible assets with an indefinite useful life are not depreciated. The estimated useful lives are defined as follows:

- land: indefinite;
- buildings: 20 to 30 years;
- fixtures: 10 to 15 years;
- fittings, machinery, equipment, furnishings and vehicles: 3 to 20 years;
- IT equipment: 3 to 5 years.

When property, plant and equipment consist of components with differing useful lives, these are recorded as separate items under property, plant and equipment.

d. Lease agreements

Lease agreements are classified as finance leases whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance lease agreements are recorded in the consolidated statement of financial position at the commencement of the lease term at the lower of the asset's fair value and the present value of the minimum lease payments determined at inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease liability.

When ownership is almost certainly transferred at the end of the contract, the leased assets are depreciated over the same period of time as an equivalent owned asset; otherwise they are depreciated over the duration of the lease agreement if the latter is shorter.

Lease payments are apportioned between finance expenses and reduction of the finance lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss. Contingent lease payments are recognised as expenses in the period in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in

which economic benefits from the leased asset are consumed. Contingent lease payments arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as an integral part of the total of lease expenses. The aggregate benefit of incentives is recognised as a reduction of lease expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

e. Financial assets

Colruyt Group determines the classification of its financial assets at inception.

Non-current investments

Non-current investments include shares held in entities which are not subsidiaries, nor associates or joint ventures.

These investments are initially recognised at fair value, including any transaction costs that are directly attributable. These investments are classified as financial assets available for sale. After initial recognition the investments are measured at fair value if the fair value is reliably determinable. If the fair value cannot be reliably determined, the investment is measured at cost.

Changes in the carrying amount of these investments which are not the result of an impairment loss are recognised immediately in equity. For investments in equity instruments, Colruyt Group treats a significant or prolonged decrease of the fair value of the instrument below its cost as an indication of impairment.

An impairment loss, along with the cumulative changes in fair value already recognised in other comprehensive income, is recognised in profit or loss.

Investments in securities are recognised at the transaction date.

Loans and receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. Such financial assets are recognised at the transaction date at fair value, including any transaction costs that are directly attributable. Subsequently, these assets are measured at amortised cost using the effective interest method, after deductions for impairments. If there is objective evidence that an impairment loss has been incurred on loans and receivables, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on items paid or received that form an integral part of the effective interest rate, as well as transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Current investments

Investments in securities held for trading are classified as current assets at transaction date and are initially recognised at fair value. Subsequently, these assets are measured at fair value with any resulting gains or losses recognised in profit or loss when incurred.

Cash and cash equivalents

Cash includes cash balances and bank deposits. These are recognised at transaction date. Cash equivalents comprise term deposits that can be called upon almost immediately and do not entail any material risk of impairment. Bank overdrafts are classified as current liabilities and are presented net of cash and cash equivalents for the purpose of the statement of cash flows.

f. Assets held for sale and discontinued operations

An asset or a disposal group (groups of assets and related liabilities) that are being disposed of, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. For a sale to be highly probable, management should be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and to complete the sale should be initiated. The asset (or disposal group) should be actively marketed at a price which is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification.

When classified as 'held for sale', assets or disposal groups are valued at the lower of their carrying amount and their fair value less costs to sell, including any impairment that might be required and which is included in profit or loss. As from the moment that property, plant and equipment and intangible assets are classified as held for sale, they are no longer depreciated or amortised. Comparative balance sheet information for prior periods is not restated to reflect the new classification in the consolidated statement of financial position.

A discontinued operation is a component of an entity that the entity has disposed of or that is classified as held for sale, which represents a separate major line of business or geographical area of operations that can be

distinguished operationally as well as for financial reporting purposes from the rest of the entity. The profit or loss after taxes, that arises from discontinued operations, is separately reported in the consolidated income statement. When operations are labelled as discontinued operations, the comparative figures in the statement of comprehensive income are restated to reflect a situation as if the operations had been discontinued as of the beginning of the comparative period.

g. Impairment

The carrying amount of all assets, with the exception of inventories and deferred tax assets, is reviewed at least once a year and examined for any indications of impairment. If such indications exist, the related asset's recoverable amount is estimated.

Goodwill, intangible assets with indefinite useful lives and intangible assets not available for use are tested for impairment at least annually (irrespective of whether indications of impairment exist or not). The recoverable amount is the higher of the fair value less costs to sell and the value in use. The value in use is the present value of expected future cash flows. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money as well as the risks specific to the asset. For an asset for which no independent cash inflows are available, the recoverable amount is determined for the cash-generating unit to which the asset belongs. For impairment testing, goodwill is always allocated to (a group of) cash-generating units.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Colruyt Group has defined a 'cash-generating unit' as the operating unit to which the asset can unequivocally be allocated. An operating unit can include a branch of the business or a business entity. If the recoverable consolidated amount

of an asset or of the cash-generating unit to which it belongs, is lower than the carrying amount, an impairment loss is recognised in the income statement for the amount of the difference. Impairment losses relating to cash-generating units are first deducted from the carrying amount of any goodwill attributed to the cash-generating (or groups of) units and then deducted pro rata from the carrying amount of the other assets of the (groups of) cash-generating units.

A recognised impairment may be reversed if it ceases to exist. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Goodwill impairment is not reversed.

h. Inventories

Inventories are measured at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the normal course of business, less the estimated completion and costs to sell.

The cost of inventories is based on the 'first in, first out' (FIFO) principle and includes all direct and indirect costs that are required to bring the goods to their state at the reporting date, less discounts and compensations received from suppliers.

Rebates and incentives that Colruyt Group receives from its suppliers, mainly for promotions in stores, joint publicity, introductions of new products and volume incentives, are included in the inventory cost and are recognised in profit or loss as and when the product is sold, except when it relates to a repayment of specific, additional and identifiable costs which Colruyt Group has incurred in order to sell the supplier's product. In that case the rebates and incentives are immediately recognised as a decrease of the respective costs incurred. The estimation of such supplier rebates is predominantly based on real turnover figures of the related period, but requires in certain cases the

use of assumptions and estimations of specific purchasing or sales levels.

i. Contracts in progress

Contracts in progress are measured at cost plus recognised profits, less a provision for expected losses and less progress billings relative to the contract. When the outcome of a contract cannot be estimated reliably, contract revenue shall be recognised only to the extent that it is probable that contract costs incurred will be recovered. On top of all expenditure directly connected with specific contracts, the cost also includes an apportionment of the fixed and variable indirect costs incurred in connection with Colruyt Group's contracting activities, based on a normal production capacity.

j. Equity

Capital and retained earnings

Dividends proposed by the Board of Directors are only recognised as liabilities after approval by the General Shareholders' Assembly. Until such formal approval, the proposed dividends are included in Colruyt Group's consolidated equity. Transaction costs of capital transactions are deducted from equity.

Treasury shares

Shares of Colruyt Group purchased by the Company or entities belonging to Colruyt Group, including directly attributable transaction costs, net of tax impact are recognised as a deduction from equity. In case of a cancellation or sale of treasury shares, the result of the transaction is included in retained earnings.

Actuarial reserves

The actuarial reserves contain the cumulative actuarial profits and losses related to the system of unemployment with company compensation, the long-service benefits (Belgian entities) and the legal compensations (French entities). The actuarial profits and losses comprise the experience adjustments and the effects of changes in actuarial assumptions.

Cumulative translation adjustment

The cumulative translation adjustment represents the cumulative currency

translation differences that arise on consolidation of entities that are part of Colruyt Group and that have a functional currency that is different from the euro.

Cash flow hedge reserves

This reserve contains the effective portion of the cumulative net change in the fair value of cash flow hedge instruments related to hedged transactions.

Financial assets available for sale reserves

This reserve contains unrealised fair value changes on financial assets classified as available for sale.

Non-controlling interests

Non-controlling interests in subsidiaries not fully owned by Colruyt Group are presented separately from Colruyt Group's equity. The interest of non-controlling shareholders can initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. The total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

k. Provisions

Provisions are recognised in the consolidated statement of financial position when Colruyt Group has a present obligation (legal or constructive) as a result of a past event, it is probable that a future outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

If the effect of discounting the future cash outflows is material, the provisions are annually discounted

using a discount rate that reflects current market assessments of the time value of money.

Restructuring provisions are recognised when Colruyt Group has approved a detailed, formalised restructuring plan and has made a start on restructuring or made it publicly known before reporting date. These provisions only include direct expenditures that are necessarily entailed by the restructuring and that are not associated with the ongoing activities of the entity.

Environmental provisions are recognised in accordance with legal requirements on the one hand and the environmental policy established by Colruyt Group on the other.

Provisions for warranty obligations are recognised on products sold that are still under warranty at the reporting date. The valuation is based on historical figures relating to repair and replacement.

For onerous contracts, a provision is recognised on the consolidated statement of financial position for the difference between the unavoidable cost of meeting the obligations under the contract and the expected benefits to be derived from the contract. Before a provision for an onerous contract is established, Colruyt Group recognises any impairment loss that has occurred on assets dedicated to that contract.

l. Employee benefits

Post-employment benefits: Defined contribution plans with a legally guaranteed return

In Belgium, employers are obliged to guarantee a minimum return on defined contribution plans throughout the employee's career. To the extent that the legally guaranteed return is adequately covered by the insurance company, Colruyt Group has no further payment liability towards the insurance company or the employee beyond the pension contributions included in profit or loss for the year in which they are owed. Until the IASB and the IFRS IC take a final position regarding the accounting for this type of pension plans, Colruyt Group

measures the liability at its intrinsic value. This implies that the calculation of the liability takes into account the guaranteed minimum return only until the reporting date.

Post-employment benefits: System of 'Unemployment with company compensation'

The possibility for early retirement, as it exists within Colruyt Group for employees of Belgian entities, is based on the Belgian system of 'unemployment with company compensation'. The early retirement plan and the conditions regarding the required age and performed service period, are described in a collective labour agreement (Collectieve Arbeidsovereenkomst/ Convention Collective de Travail or CAO/ CCT), more specific in collective labour agreement No. 17, as established by the National Labour Council (Nationale Arbeidsraad/Conseil National du Travail) and in the Royal Decree of 3 May 2007 which regulates the system of unemployment with company compensation (Belgian Official Gazette 8 June 2007). Other collective labour agreements negotiated by the National Labour Council or within Colruyt Group for specific entities or industries may be applicable, but have similar benefits as collective labour agreement No. 17.

These benefits must be paid if a company decides to terminate an employee's employment before the normal retirement date. Given that a reasonable expectation is created towards the employees at the moment of their recruitment or during the period of service, that they are entitled to join the system of unemployment with company compensation before the legal retirement age, these benefits are treated as post-employment benefits (defined benefit plan).

The liabilities arising from this system and the related costs are determined using the 'projected unit credit' method, based on actuarial calculations that are executed at the end of the financial year. These liabilities are calculated as the present value of estimated future cash outflows, based on a discount rate at the

reporting date which corresponds to the market yield of high quality corporate bonds with a remaining maturity that approaches the maturity of these liabilities. These liabilities are recognised for the population of employees for which can be reliably assumed that it will use the unemployment with company compensation system.

The costs related to this system consist of the following items:

- the current service cost, which includes the increase in the present value of the liability resulting from employee service in the current reporting period;
- the past service cost, which includes the change in the present value of the defined benefit obligation for employee service in prior reporting periods, resulting from a plan amendment or a curtailment;
- gains or losses on settlement of the plan, if any;
- the net interest on the net liability, which is a consequence of the passage of time;
- the actuarial gains and losses comprising the effect of differences between the previous actuarial assumptions and what has actually occurred and the effect of changes in actuarial assumptions.

The first three items are recognised in profit or loss as 'Employee benefit expenses'. The net interest on the net liability is included in profit or loss in the 'Net financial result'. Actuarial gains and losses are recognised in other comprehensive income.

Other post-employment benefits

Other post-employment benefits include long-service benefits (Belgian entities) and legal compensations (French entities). These benefits are also treated as defined benefit plans.

Profit-sharing

In accordance with the law of 22 May 2001 concerning employee participation in capital and profit of the entities, Colruyt Group grants its personnel, based in Belgium, the choice to receive profit-sharing either in shares or in cash.

These transactions are recognised in the consolidated financial statements at fair value.

Discounts on share capital increases

In accordance with art. 609 of the Companies Code, Colruyt Group gives a discount to its employees on its yearly share capital increase reserved for its employees. This discount is recognised as an employee benefit expense in the period of the share capital increase.

m. Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs.

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The financial liabilities of Colruyt Group measured at amortised cost comprise 'Interest-bearing loans', 'Trade payables' and 'Other liabilities'.

n. Revenue recognition

Revenue from the sale of goods

The revenue from the sale of goods is recognised in profit or loss as from the moment that the significant risks and rewards of ownership have been transferred, that Colruyt Group does not retain either continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, that the amount of revenue can be measured reliably, that it is probable that the economic benefits associated with the transaction will flow to the entity and that the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue is measured

at the fair value of the consideration received or receivable, excluding discounts and rebates. Discount coupons issued by suppliers and remitted by clients are treated as a payment instrument and recognised as such in the consolidated statement of financial position.

For certain products or services, such as phone cards and tickets for amusement parks, Colruyt Group acts as an agent. As a consequence, only the commission is included in the revenue.

Colruyt Group runs customer loyalty programmes whereby customers receive discounts on future purchases. Part of the fair value of the discounts is deferred and is recognised as revenue when the discount is cashed in.

In the segment 'Retail', the sale of products is recognised when the consideration is received at the cash desk and at the moment the products are delivered to those clients who ordered through internet and telephone. Revenue from the sale of gift cards and gift certificates is recognised when the gift card or gift certificate is redeemed by the customer.

The sale of products in the segment 'Wholesale and Foodservice' is recognised upon delivery to, or pick-up by, the 'Wholesale and Foodservice' customer.

Revenue from services rendered

Revenue from services rendered is recognised in profit or loss by reference to the stage of completion of the transaction at the reporting date. This stage of completion is based on judgements of activities completed to date.

Rental income

Rental income is recognised in other operating income on a straight-line basis over the term of the lease.

Income from green certificates

For the production of electricity the regional governments award Colruyt Group with green certificates. The in-

come resulting from these certificates is recognised in the consolidated income statement at the moment of production as 'Other operating income'.

For the supplier activities, Colruyt Group is required to hand in certificates from time to time, so as to satisfy the quotas imposed by the regional governments. For this purpose, certificates are used that were obtained through the production activities as well as certificates that were purchased on the market.

In the consolidated statement of financial position, certificates that have not been used at the reporting date are recognised in the line item 'Prepaid expenses'. Certificates that were purchased are measured at the purchase price, certificates granted as a result of the production activity are measured at the minimum price guaranteed by the regional governments.

Dividend income and interest income

Dividends are recognised in profit or loss when the shareholder's right to receive payment is established. Interest income is recognised based on the effective interest method.

o. Expenses

Reimbursements by suppliers

Reimbursements by suppliers are recognised net of expenses. If such reimbursements are specifically received for the reimbursement of particular publicity expenses incurred, the reimbursements are deducted from those particular expenses. In all other cases the reimbursements are recognised as a deduction from cost of goods sold.

Rental payments

Operating lease payments are recognised in profit or loss on a straight-line basis over the term of the lease.

Finance costs

Finance costs comprise interest on borrowings and interest on repayments of finance leases. Interest expense is recognised based on the effective interest method. All other finance costs are recognised when incurred. The unwind-

ing of the discount on non-current provisions is recognised as a finance cost.

p. Income taxes

Income tax for the financial year comprises current and deferred taxes and is presented in accordance with IAS 12, 'Income Taxes'. Taxes are presented in profit or loss, except for taxes that relate to transactions not recognised in the consolidated income statement.

Current tax is the expected tax payable on the taxable profit for the financial year, using tax rates and tax laws enacted or enacted substantively at the end of the reporting period, and any adjustment to tax payable (or receivable) in respect of previous years. These taxes are calculated in accordance with the respective tax laws applicable in all countries in which Colruyt Group operates.

Deferred tax is calculated using 'the balance sheet liability method', providing for temporary differences between the tax base of the assets and liabilities and the carrying amount of assets and liabilities for financial reporting purposes. The following differences are however not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that are not resulting from a business combination and that do not affect profit before tax or taxable profit and the differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred taxes are calculated, using tax rates and tax laws enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise

from the distribution of dividends or gains on shares in subsidiaries are only recognised respectively at the moment of the decision to pay the related dividend and at the moment of the realisation of the gain.

q. Transfer pricing

The prices for transactions between subsidiaries, associates, joint ventures and therefore also between operating segments are conducted at arm's length.

2. Segment information

Colruyt Group reports its operating segments based on the nature of its activities. Next to the information on the operating segments, Colruyt Group also provides geographical information on the regions in which it operates.

2.1. Operating segments

Colruyt Group distinguishes three operating segments within its activities.

While determining the operating segments, Colruyt Group considered the operational characteristics of every activity. This led to the identification of two important business segments: 'Retail' on the one hand and 'Wholesale and Foodservice' on the other hand. The difference between both operating segments can be found in differences in markets and business models. The other identifiable segments do not meet the quantitative thresholds determined by IFRS 8 'Operating segments' and were reported together under 'Other activities'. The group support activities combine various departments and supply services to the different brands within Colruyt Group. These activities, which include marketing and communication, IT, human resources and recruitment, finance and other central services, are reported as an element which cannot be allocated.

Retail:

Stores under Colruyt Group's own management which directly sell to retail customers and bulk consumers.

Wholesale and Foodservice:

Supply to wholesalers, commercial customers and affiliated independent merchants.

Other activities:

Gas stations, printing and document management and alternative energy.

The results, assets and liabilities of an operating segment contain elements which are directly attributable or which are reasonably attributable to the operating segments.

The revenues of each operating segment include revenues from sales to external clients and revenues from transactions with other operating segments. More information can be found in note 3.1. *Revenue by cash-generating unit.*

The results of the operating segments are evaluated based on operating profit (EBIT).

The financial result and income taxes are managed at Colruyt Group level and are not allocated to the operating segments.

The segment assets mainly include goodwill, intangible assets, property, plant and equipment, inventories and trade receivables. Unallocated assets include financial assets, cash and cash equivalents, interest-bearing loans, VAT receivables, tax assets and investments in associates (which have no activities similar to the operating segments).

The segment liabilities include mainly provisions, employee benefit liabilities and trade payables. Unallocated liabilities mainly consist of interest-bearing

liabilities and tax and VAT liabilities.

Non-cash items in the income statement consist mainly of depreciation, amortisation, impairment of non-current assets, provisions and impairment of current assets. The line items 'Depreciation and amortisation' and 'Impairment of non-current assets' are the most significant ones and are therefore included in the segment information.

The operating segment information and Colruyt Group's consolidated figures can be reconciled by adding the information in the different operating segments with the non-allocated elements - including corporate staff activities - and eliminating the transactions within Colruyt Group.

Given the type of its activities, Colruyt Group does not rely on a limited number of major customers.

	Retail 2014/15	Wholesale and Foodservice 2014/15	Other activities 2014/15	Operating segments 2014/15
(in million EUR)				
Revenue - external	6.692,0	1.523,5	701,3	8.916,8
Revenue - internal	78,3	17,3	48,3	143,9
Operating profit (EBIT)	405,2	24,5	12,5	442,2
Operating profit (EBIT) excl. settlement ⁽¹⁾	436,8	24,5	12,5	473,8
Share in the result of investments accounted for by using the equity method	(0,9)	-	10,2	9,3
Segment assets	2.305,4	535,6	279,1	3.120,1
Of which investments accounted for by using the equity method	19,3	-	137,6	156,9
Of which assets held for sale	1,3	-	-	1,3
Segment liabilities	1.288,4	248,9	69,1	1.606,4
Purchase of property, plant and equipment and intangible assets	272,0	49,1	10,0	331,1
Depreciation and amortisation	144,2	19,8	11,7	175,7
Impairment of non-current assets	4,7	0,6	0,6	5,9

	Operating segments 2014/15	Transactions between operating segments 2014/15	Un- allocated 2014/15	Consoli- dated 2014/15
(in million EUR)				
Revenue - external	8.916,8	-	-	8.916,8
Revenue - internal	143,9	(143,9)	-	-
Operating profit (EBIT)	442,2	(0,6)	22,2	463,8
Operating profit (EBIT) excl. settlement ⁽¹⁾	473,8	(0,6)	22,2	495,4
Share in the result of investments accounted for by using the equity method	9,3	-	-	9,3
Net financial result			6,0	6,0
Income tax expense			(148,1)	(148,1)
Profit for the financial year				331,0
Profit for the financial year excl. settlement ⁽¹⁾				362,6
Total assets	3.120,1	(126,4)	667,5	3.661,2
Total liabilities	1.606,4	(126,4)	380,5	1.860,5
Purchase of property, plant and equipment and intangible assets	331,1	-	37,8	368,9
Depreciation and amortisation	175,7	-	22,7	198,4
Impairment of non-current assets	5,9	-	-	5,9

(1) "Settlement": On 19 June 2015 Colruyt Group signed a settlement with the Investigation Service of the Belgian Competition Authority ("the Investigation Service") in relation to the period 2002-2007. By signing the settlement the group accepts to pay a EUR 31,6 million fine to the Belgian government. This amount was charged against the 2014/15 operating expenses and was deducted in full from the EBITDA, EBIT, Profit before tax and Profit for the financial year. To ensure comparability with last year, some consolidated subtotals are provided both inclusive and exclusive of the effect of the settlement.

	Retail 2013/14	Wholesale and Foodservice 2013/14	Other activities 2013/14	Operating segments 2013/14
(in million EUR)				
Revenue – external ⁽²⁾	6.461,8	1.472,2	718,0	8.652,0
Revenue – internal ⁽²⁾	72,8	17,8	45,5	136,1
Operating profit (EBIT)	453,4	23,8	(0,8)	476,4
Share in the result of investments accounted for by using the equity method	-	-	4,4	4,4
Segment assets	2.116,5	523,9	278,1	2.918,5
Of which investments accounted for by using the equity method	-	-	130,3	130,3
Of which assets held for sale	1,3	-	0,9	2,2
Segment liabilities	1.192,6	248,6	83,5	1.524,7
Purchase of property, plant and equipment and intangible assets	216,0	47,9	22,7	286,6
Depreciation and amortisation	137,9	17,4	13,3	168,6
Impairment of non-current assets	6,3	0,5	1,7	8,5

	Operating segments 2013/14	Transactions between operating segments 2013/14	Un- allocated 2013/14	Consoli- dated 2013/14
(in million EUR)				
Revenue – external	8.652,0	-	-	8.652,0
Revenue – internal	136,1	(136,1)	-	-
Operating profit (EBIT)	476,4	(0,3)	12,0	488,1
Share in the result of investments accounted for by using the equity method	4,4	-	-	4,4
Net financial result			4,6	4,6
Income tax expense			(14,73)	(14,73)
Profit for the financial year				349,8
Total assets	2.918,5	(84,9)	888,2	3.721,8
Total liabilities	1.524,7	(84,9)	315,1	1.754,9
Purchase of property, plant and equipment and intangible assets	286,6	-	35,7	322,3
Depreciation and amortisation	168,6	-	21,6	190,2
Impairment of non-current assets	8,5	-	-	8,5

(2) Due to a refinement of the elimination process in France in the current reporting period, the figures of the comparative reporting period have been adjusted.

2.2. Geographical information

As clients are mostly serviced in their own geographical areas, the geographical information is based on the location of the Company and its subsidiaries.

The geographical information contains the contribution in Colruyt Group of the countries in which the entities are domiciled. The geographical information contains all of Colruyt Group's entities which are active in the operating segments, as well as in the corporate activities.

Geographical assets consist of goodwill, property, plant and equipment and intangible assets.

Belgium:

Location of the Company and of a large number of its subsidiaries. These entities are active in all operating segments as well as in the corporate activities.

France:

Location of the French holding company and its subsidiaries. Similar to the Belgian entities, these entities are active in all operating segments as well as in the corporate activities.

Other:

The other entities can be found in countries such as The Netherlands, Grand Duchy of Luxembourg, Hong Kong and India. The reinsurance company Locré S.A. (Grand Duchy of Luxembourg), the retail activities in the Grand Duchy of Luxembourg and the internal IT supplier Colruyt IT India Ltd (India) are the most important activities within this geographical information.

Geographical information

	Belgium		France		Other		Total	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
(in million EUR)								
Revenue	7.750,4	7.575,5	1.138,3	1.058,4	28,1	18,1	8.916,8	8.652,0
Geographical assets	1.712,3	1.567,5	222,6	211,1	16,6	11,3	1.951,5	1.789,9
Purchase of property, plant and equipment and intangible assets	326,3	283,2	37,3	34,4	5,3	4,7	368,9	322,3

3. Revenue and gross profit

	2014/15	2013/14
(in million EUR)		
Revenue	8.916,8	8.652,0
Cost of goods sold	(6.697,8)	(6.501,0)
Gross profit	2.219,0	2.151,0
As a % of revenue	24,9 %	24,9 %

3.1. Revenue by cash-generating unit

	2014/15	2013/14 ⁽¹⁾
(in million EUR)		
Retail Food	6,440,0	6,216,6
<i>Colruyt Belgium (*)</i>	5,479,4	5,356,2
<i>OKay, Bio-Planet and Cru (**)</i>	668,1	594,0
<i>Colruyt France</i>	292,5	266,4
Retail Non-food	252,0	245,2
<i>Dreamland Belgium and France and Dreambaby (***)</i>	252,0	245,2
Transactions with other operating segments	78,3	72,8
Retail	6,770,3	6,534,6
Wholesale	753,9	757,5
Foodservice	769,6	714,7
Transactions with other operating segments	17,3	17,8
Wholesale and Foodservice	1,540,8	1,490,0
DATS 24 Belgium and France	695,7	706,5
Printing and document management solutions	5,6	11,5
Transactions with other operating segments	48,3	45,5
Other activities	749,6	763,5
Total operating segments	9,060,7	8,788,1
Transactions between operating segments	(143,9)	(136,1)
Consolidated	8,916,8	8,652,0

(1) Due to a refinement of the elimination process in France in the current reporting period, the figures of the comparative reporting period have been adjusted. The activity Colruyt Belgium (*) includes the revenue of the web shops Collect&Go, Bio-Planet, Dreamland and Dreambaby, realised by Colruyt stores. The revenue of the web shops Collishop and Dreambaby, realised by stores of OKay and Bio-Planet, are included in the activity OKay and Bio-Planet (**). The revenue of the two Dreamland stores in France, are included in the activity Dreamland and Dreambaby (**).

4. Other operating income and expenses

	2014/15	2013/14
(in million EUR)		
Rental and rental-related income	10,1	9,1
Gains on disposal of non-current assets	9,9	5,9
Remuneration received	40,6	39,9
Other	12,1	11,6
Total other operating income	72,7	66,5

Remuneration received includes, amongst others, services rendered to third parties, grants and commissions received, revenue from waste recycling, income originating from dispute settlements and income from green certificates.

	2014/15	2013/14 ⁽¹⁾
(in million EUR)		
Operating taxes	13,3	12,6
Property withholding tax	9,9	7,7
Losses on disposal of non-current assets	1,5	1,9
Other	1,4	0,7
Settlement ⁽²⁾	31,6	-
Total other operating expenses	57,7	22,9

(1) Some figures for the financial year 2013/14 are reclassified as described in note 1.1. *Basis of presentation*.

(2) "Settlement": On 19 June 2015 Colruyt Group signed a settlement with the Investigation Service of the Belgian Competition Authority ("the Investigation Service") in relation to the period 2002-2007. By signing the settlement the group accepts to pay a EUR 31,6 million fine to the Belgian government. This amount was charged against the 2014/15 operating expenses and was deducted in full from the EBITDA, EBIT, Profit before tax and Profit for the financial year.

5. Services and miscellaneous goods

	2014/15	2013/14 ⁽¹⁾
(in million EUR)		
Rental and rental-related charges (immovables)	28,4	28,4
Rental and rental-related charges (movables)	23,6	22,7
Maintenance and major repairs	64,0	63,8
Utilities	34,5	34,8
Transport	125,6	120,9
Fees	28,2	24,7
Telecommunication, postal services, office supplies, IT and small material	53,7	67,2
Insurance	5,8	6,1
Training	7,6	7,8
Impairment of current assets	3,9	4,5
Other	24,0	26,7
Total services and miscellaneous goods	399,3	407,6

(1) Some figures for the financial year 2013/14 are reclassified as described in note 1.1. *Basis of presentation*.

6. Employee benefit expenses

	2014/15	2013/14 ⁽¹⁾
(in million EUR)		
Wages and salaries ⁽²⁾	869,2	829,9
Social security contributions	226,6	214,3
Contributions to defined contribution plans	12,3	12,0
Other post-employment benefits	4,7	4,1
Profit-sharing schemes for employees	32,1	28,0
Discount on capital increase reserved for personnel	2,4	1,9
Hired and interim personnel	33,9	25,6
Other personnel costs	51,0	53,4
Compensatory amounts	(65,6)	(69,0)
Total employee benefit expenses	1.166,6	1.100,2
Number of staff employed (FTE) at reporting date	26.491	25.497

(1) Some figures for the financial year 2013/14 are reclassified as described in note 1.1. *Basis of presentation*.

(2) Of which EUR 772,1 million for the Belgian salary pool for financial year 2014/15 (EUR 739,3 million for financial year 2013/14).

Capital increase reserved for employees

Colruyt Group offers the opportunity to its employees to subscribe to an annual capital increase of the parent company Etn. Fr. Colruyt N.V. The discount which is granted on this capital increase is in accordance with art. 609 of the Company Code. For the most recent capital increase, 2.420 employees subscribed to 466.754 shares, which represents a capital contribution of EUR 14,0 million. The discount granted on this was EUR 2,4 million and is accounted for as an employee benefit.

	2014/15	2013/14
Number of shares subscribed	466.754	316.900
Discount per share (in EUR)	5,1	6,2
Total discount (in million EUR)	2,4	1,9

Compensatory amounts

Employee benefit expenses are presented free of compensatory amounts. Compensatory amounts relate mainly to employee costs capitalised in the context of fixed assets constructed by Colruyt Group.

Number of employees

The number of employees in full-time equivalents (FTE) includes only employees which have a fixed employee contract. Members of the Board of Directors, interim personnel, consultants and students working under specific student conditions are not included in full-time equivalents.

7. Net financial result

	2014/15	2013/14
(in million EUR)		
Interest income on unimpaired customer loans and other loans	3,1	2,6
Dividends received	0,1	0,5
Interest income on current bank deposits	1,5	3,0
Interest income on fixed-income securities held for trading	0,5	0,7
Fair value adjustments of financial assets held for trading	1,2	1,4
Gains on disposal of financial assets held for trading	1,1	0,9
Exchange gains	1,1	0,2
Other	1,8	6,1
Finance income	10,4	15,4
Interest expense on current and non-current loans	0,6	0,6
Interest expense on lease liabilities	0,5	0,4
Fair value adjustments of financial assets held for trading	0,7	0,9
Impairment on equity securities available for sale	-	5,3
Losses on disposal of financial assets held for trading	0,1	0,8
Unwinding of discount on liabilities	1,8	1,7
Exchange losses	0,5	0,9
Other	0,2	0,2
Finance costs	4,4	10,8
Net financial result	6,0	4,6

8. Income tax expense

8.1. Income taxes recognised in profit or loss

	2014/15	2013/14
(in million EUR)		
A) Effective tax rate		
Profit before tax (excluding share of results of investments accounted for by using the equity method)	469,8	492,7
Profit before tax (excluding share of results of investments accounted for by using the equity method) excl. settlement ⁽¹⁾	501,4	492,7
Income tax expense	148,1	147,3
Effective tax rate	31,53 %	29,90 %
Effective tax rate excl. settlement ⁽¹⁾	29,54 %	29,90 %
B) Reconciliation between the effective tax rate and the applicable tax rate ⁽²⁾		
Profit before tax (excluding share of results of investments accounted for by using the equity method)	469,8	492,7
Income tax expense (based on applicable tax rate)	157,9	167,2
Non-taxable income/non tax-deductible expenses	15,8	3,2
Permanent differences	3,2	2,1
Impact of specific tax regulations	(0,3)	0,4
Impact of tax deductions ⁽³⁾	(28,7)	(25,6)
Other	0,2	-
Income tax expense	148,1	147,3
Effective tax rate	31,53 %	29,90 %
C) Income tax expense recognised in profit or loss		
Current year taxes	138,6	139,8
Deferred taxes	10,2	8,6
Adjustments relating to prior years	(0,7)	(1,1)
Total income tax expense	148,1	147,3

(1) "Settlement": On 19 June 2015 Colruyt Group signed a settlement with the Investigation Service of the Belgian Competition Authority ("the Investigation Service") in relation to the period 2002-2007. By signing the settlement the group accepts to pay a EUR 31,6 million fine to the Belgian government. This amount was charged against the 2014/15 operating expenses and was deducted in full from the EBITDA, EBIT, Profit before tax and Profit for the financial year. To ensure comparability with last year, some consolidated subtotals are provided both inclusive and exclusive of the effect of the settlement.

(2) The applicable tax rate is the weighted average tax rate for the Company and all its consolidated subsidiaries in different jurisdictions (Belgium: 33,99 %, France: 33,33 %, Grand Duchy of Luxembourg: 29,22 %, The Netherlands: 25,00 %, India: 33,99 % and Hong Kong: 16,50 %).

(3) Includes the impact of - amongst others - the dividend received deduction, the deduction for risk capital, the deduction for compensatory losses and the increased deduction for investment.

8.2. Tax impacts recognised in other comprehensive income

Some tax effects have not been recognised in the income statement, but are included in the statement of comprehensive income.

	2014/15	2013/14
(in million EUR)		
Tax impact on actuarial profit/(loss) on liabilities related to long-term employee benefits	3,8	0,5
Total tax impacts recognised in other comprehensive income	3,8	0,5

9. Goodwill

The recognised goodwill only relates to goodwill arising from the acquisition of complete business entities. For more information regarding the definition, recognition and valuation of goodwill we refer to 1. *Significant accounting policies* within this current financial report.

In accordance with the described principles, goodwill is not amortised but tested annually for impairment at the level of the cash-generating unit (CGU). Colruyt Group considers the business segments or the business entities as CGUs.

The recoverable amount of each business unit is the value in use or, if higher, the fair value less costs to sell. In preparing the cash flow forecasts, Colruyt Group uses estimated growth rates and expected future margins based on actual figures of the most recent financial year and forecasts for the next 5 years. The growth rates take into account expected inflation but do not include non-organic growth. Given the importance of these operational parameters for the calculation of the value

in use, Colruyt Group carefully reviews these assumptions on a global level through review and validation processes, and uses external information to determine these parameters.

To determine the discount rate, Colruyt Group uses the Capital Asset Pricing Model. For the current period the following components were used in the model: a Risk Free Interest rate of 2 %, a Market Risk Premium of 6 % and an 'unlevered' Beta of 0,6. For Colruyt Group this resulted in a weighted average cost of capital (WACC) for its two main operating segments between 5 % and 6 %. The discount rates are reviewed at least annually.

Colruyt Group used assumptions adapted to the characteristics of the different underlying cash-generating units. For the main cash-generating units, belonging to the following three operating segments, Colruyt Group uses the following expected average growth percentages for the revenues of the next five years:

- operating segment 'Retail': between 2 % and 4 %;

- operating segment 'Wholesale and Foodservice': between 1 % and 4 %;
- operating segment 'Other activities': maximal growth of 0 %.

To determine the residual value using discounted cash flows, the Gordon growth model was used. The share of discounted residual value is within a range of 65 % and 80 % of the calculated value in use. For the main activities this percentage is below 75 % of the value in use.

The management is of the opinion that the assumptions as described above, used for calculating the value in use, provide the best estimation of future developments. When using a terminal growth percentage of 0 % (instead of 1 %) in the calculation or a WACC of 8 %, this has only a minimal effect on the calculated value in use. As a result the conclusions regarding the impairment test on all cash-generating units remain unchanged.

Goodwill by cash-generating unit can be presented as follows:

	2014/15	2013/14
(in million EUR)		
Colruyt Belgium	44,8	44,7
Colruyt France	0,2	0,3
Retail	45,0	45,0
Wholesale	7,5	7,8
Foodservice	35,2	34,9
Wholesale and Foodservice	42,7	42,7
Printing and document management solutions	1,6	1,6
Other activities	1,6	1,6
Consolidated	89,3	89,3

The changes in 'Goodwill' can be explained as follows:

	Gross book value 2014/15	Amortisation and impairment 2014/15	Net book value 2014/15	Gross book value 2013/14	Amortisation and impairment 2013/14	Net book value 2013/14
(in million EUR)						
<i>At 1 April</i>	111,7	(22,4)	89,3	112,1	(22,5)	89,6
Sales and disposals	(0,8)	0,8	-	(0,4)	0,2	(0,2)
Impairment	-	-	-	-	(0,1)	(0,1)
<i>At 31 March</i>	110,9	(21,6)	89,3	111,7	(22,4)	89,3

In the course of this financial year the consolidation goodwill belonging to the cash-generating unit 'Alternative energy' (operating segment 'Other activities'), on which an impairment charge of EUR 0,8 million was accounted for during the financial year 2011/12, was derecognised.

During the previous financial year two points of sale, acquired before 1 April 2005, were sold externally for an amount of EUR 0,2 million.

10. Intangible assets

	Developed intangible assets	Concessions, software, licences and similar rights	Customer portfolios	Intangible assets under development and other intangible assets	Total
(in million EUR)					
Acquisition value:					
<i>At 1 April 2014</i>	2,7	73,3	5,9	11,3	93,2
Acquisitions	1,6	6,7	-	8,9	17,2
Sales and disposals	(0,1)	(1,1)	-	(0,2)	(1,4)
Reclassification	(1,8)	3,0	-	(1,2)	-
Other	0,2	-	-	0,1	0,3
<i>At 31 March 2015</i>	2,6	81,9	5,9	18,9	109,3
Amortisations:					
<i>At 1 April 2014</i>	(2,0)	(37,2)	-	-	(39,2)
Amortisations	(0,1)	(10,8)	-	-	(10,9)
Sales and disposals	0,1	0,2	-	-	0,3
<i>At 31 March 2015</i>	(2,0)	(47,8)	-	-	(49,8)
Impairment:					
<i>At 1 April 2014</i>	-	(0,9)	-	(0,2)	(1,1)
Sales and disposals	-	0,9	-	0,2	1,1
<i>At 31 March 2015</i>	-	-	-	-	-
<i>Net carrying amount at 31 March 2015</i>	0,6	34,1	5,9	18,9	59,5

	Developed intangible assets	Concessions, software, licences and similar rights	Customer portfolios	Intangible assets under development and other intangible assets	Total
(in million EUR)					
Acquisition value:					
<i>At 1 April 2013</i>	1,9	61,5	6,5	15,6	85,5
Acquisitions through business combinations	-	1,1	-	-	1,1
Acquisitions	0,7	8,9	0,2	8,0	17,8
Sales and disposals	-	(9,0)	(0,7)	(1,5)	(11,2)
Reclassification	-	10,8	-	(10,8)	-
Other	0,1	-	(0,1)	-	-
<i>At 31 March 2014</i>	2,7	73,3	5,9	11,3	93,2
Amortisations:					
<i>At 1 April 2013</i>	(1,9)	(31,8)	-	-	(33,7)
Amortisations	(0,1)	(11,4)	-	-	(11,5)
Sales and disposals	-	6,0	-	-	6,0
<i>At 31 March 2014</i>	(2,0)	(37,2)	-	-	(39,2)
Impairment:					
<i>At 1 April 2013</i>	-	-	-	(0,2)	(0,2)
Impairment	-	(3,8)	(0,2)	(1,5)	(5,5)
Sales and disposals	-	2,9	0,2	1,5	4,6
<i>At 31 March 2014</i>	-	(0,9)	-	(0,2)	(1,1)
Net carrying amount at 31 March 2014	0,7	35,2	5,9	11,1	52,9

The concessions, software, licences and similar rights which amount to EUR 34,1 million (35,2 million for the previous reporting period) mainly consist of permits and software that was mainly internally generated by the IT department of the group. The internally generated software which is still in development at the end of this financial year amounts to EUR 18,9 million (compared to EUR 11,0 million for the previous financial year).

11. Property, plant and equipment

	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Finance leases and similar rights	Other property, plant & equipment	Assets under construction	Total
(in million EUR)							
Acquisition value:							
<i>At 1 April 2014</i>	1.846,9	484,8	381,6	41,4	101,5	93,8	2.950,0
Acquisitions	164,2	64,0	48,9	8,5	17,5	48,6	351,7
Sales and disposals	(13,1)	(22,8)	(22,5)	-	(2,2)	-	(60,6)
Reclassification	60,2	22,5	(1,1)	(2,4)	3,0	(82,2)	-
Currency translation differences	1,2	0,6	0,1	-	-	-	1,9
Other	0,9	(0,1)	-	0,2	(0,5)	(0,1)	0,4
<i>At 31 March 2015</i>	2.060,3	549,0	407,0	47,7	119,3	60,1	3.243,4
Depreciation:							
<i>At 1 April 2014</i>	(655,3)	(308,4)	(274,7)	(13,8)	(45,5)	-	(1.297,7)
Depreciation	(95,5)	(42,5)	(39,8)	(2,4)	(7,3)	-	(187,5)
Sales and disposals	10,8	21,2	21,0	-	1,5	-	54,5
Reclassification	(1,0)	(0,2)	0,7	1,3	(0,8)	-	-
Currency translation differences	(0,1)	(0,3)	(0,1)	-	-	-	(0,5)
Other	-	(0,1)	0,1	(0,2)	(0,1)	-	(0,3)
<i>At 31 March 2015</i>	(741,1)	(330,3)	(292,8)	(15,1)	(52,2)	-	(1.431,5)
Impairment:							
<i>At 1 April 2014</i>	(4,6)	-	-	-	-	-	(4,6)
Impairment	(4,4)	(0,6)	(0,1)	-	-	-	(5,1)
Sales and disposals	0,1	0,3	0,1	-	-	-	0,5
<i>At 31 March 2015</i>	(8,9)	(0,3)	-	-	-	-	(9,2)
Net carrying amount at 31 March 2015	1.310,3	218,4	114,2	32,6	67,1	60,1	1.802,7

	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Finance leases and similar rights	Other property, plant & equipment	Assets under construction	Total
(in million EUR)							
Acquisition value:							
At 1 April 2013	1.722,6	432,3	361,1	42,0	105,8	54,0	2.717,8
Acquisitions	119,7	44,7	41,6	0,8	16,0	81,7	304,5
Contribution by third parties	0,2	-	-	-	-	-	0,2
Sales and disposals	(18,8)	(8,0)	(22,1)	-	(6,0)	-	(54,9)
Classification as held for sale	-	-	(0,1)	-	(15,7)	-	(15,8)
Reclassification	24,1	16,2	1,2	(1,4)	1,5	(41,7)	(0,1)
Currency translation differences	(0,9)	(0,5)	(0,1)	-	-	-	(1,5)
Other	-	0,1	-	-	(0,1)	(0,2)	(0,2)
At 31 March 2014	1.846,9	484,8	381,6	41,4	101,5	93,8	2.950,0
Depreciation:							
At 1 April 2013	(579,0)	(273,7)	(254,4)	(12,4)	(44,6)	-	(1.164,1)
Depreciation	(89,2)	(41,4)	(38,8)	(1,8)	(7,5)	-	(178,7)
Sales and disposals	12,9	6,8	18,7	-	1,4	-	39,8
Classification as held for sale	-	-	-	-	5,0	-	5,0
Reclassification	-	(0,3)	(0,2)	0,4	0,2	-	0,1
Currency translation differences	-	0,2	-	-	-	-	0,2
At 31 March 2014	(655,3)	(308,4)	(274,7)	(13,8)	(45,5)	-	(1.297,7)
Impairment:							
At 1 April 2013	(5,9)	-	-	-	(12,7)	-	(18,6)
Impairment	(0,7)	(0,1)	-	-	(1,1)	-	(1,9)
Sales and disposals	2,0	0,1	-	-	3,8	-	5,9
Classification as held for sale	-	-	-	-	9,9	-	9,9
Other	-	-	-	-	0,1	-	0,1
At 31 March 2014	(4,6)	-	-	-	-	-	(4,6)
Net carrying amount at 31 March 2014	1.187,0	176,4	106,9	27,6	56,0	93,8	1.647,7

The net carrying amount of property, plant and equipment pledged as collateral for liabilities amounts to EUR 9,8 million (compared to EUR 9,4 million in the previous reporting period) (note 25. *Interest-bearing liabilities*). In addition there is also collateral for a net carrying amount of EUR 93,7 million, that no longer corresponds to any outstanding liability.

The line item 'Finance leases and similar rights' consists mainly of land (net carrying amount of EUR 6,8 million), buildings (net carrying amount of EUR 15,6 million) and machinery and vehicles (net carrying amount of EUR 10,2 mil-

lion). The total net carrying amount for this financial year amounts to EUR 32,6 million (compared to EUR 27,6 million for the previous reporting period). This line item includes amongst others the logistics site in Mechelen to reinforce the Retail Partners Colruyt Group activities within the operating segment 'Wholesale and Foodservice', but also the installations of bakery Roecol. This bakery supplies to the stores of Colruyt and OKay within the operating segment 'Retail'.

On property, plant and equipment, an impairment loss has been recognised of EUR 5,1 million. The impairment loss

mainly relates to land and buildings and was recognised as a result of the closure of Colruyt stores in the centre of France. These stores no longer fitted in Colruyt's French expansion strategy. This impairment was recognised in the income statement of the current financial year in 'Depreciation, amortisation and impairment of non-current assets' within the operating segment 'Retail'.

The grants received are deducted from the cost of property, plant and equipment. The net amount of grants received can be detailed as follows:

	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Finance leases and similar rights	Other property, plant & equipment	Assets under construction	Total
(in million EUR)							
At 31 March 2014	(3,4)	(1,2)	-	-	-	(15,4)	(20,0)
At 31 March 2015	(10,8)	(1,5)	-	-	-	(7,6)	(19,9)

Profit or loss in relation to grants amounted to EUR 0,5 million (EUR 0,5 million in the previous reporting period).

The grants mainly relate to the grant awarded for the construction of the logistics site in Ath/Lessines. The main condition for granting this grant is the condition of employment, for which reasonable assurance still exists that it will be complied with.

12. Investments in associates

	2014/15	2013/14
(in million EUR)		
Carrying amount at 1 April	0,1	0,3
Acquisitions/capital increases	-	0,1
Disposals/deconsolidation	-	(0,3)
Carrying amount at 31 March	0,1	0,1

The investments in associates for the financial year 2014/15 as well as for the financial year 2013/2014 relate to the non-quoted entities Core S.C.R.L. (25 %) and Xenarjo C.V.B.A. (24,99 %).

13. Investments in joint ventures accounted for by using the equity method

	2014/15	2013/14
(in million EUR)		
Carrying amount at 1 April	130,3	119,0
Share in the result for the financial year	9,3	4,4
Share of the other comprehensive income	(3,0)	6,8
Newly established joint venture	20,3	-
Other	-	0,1
Carrying amount at 31 March	156,9	130,3

The investments in joint ventures for the financial year 2014/15 consist of the non-quoted entities Parkwind N.V. (60,13 %) and Fraluc N.V. (50 %). As Colruyt Group shares the control over these entities with other parties, these joint ventures are included in the consolidated financial statements by using the equity method. The investment in Fraluc N.V. is presented within the operating segment 'Retail' and the investment in Parkwind is presented within the operating segment 'Other activities'.

The investment holding Parkwind N.V. develops, builds and operates offshore

wind farms. On 30 September 2014 the Japanese conglomerate Sumitomo Corporation took an equity interest in Belwind N.V. and Northwind N.V., two companies that belong to the Parkwind N.V. joint venture. As a result, the indirect share of Colruyt Group in Belwind N.V. and Northwind N.V. was diluted respectively from 48,16 % to 24,70 % and from 40,08 % to 18,04 %.

On 21 June 2014 Colruyt Group signed an agreement to acquire a share of 50 % in ZEB, a Belgian clothing retail chain. The acquisition was made through the newly created company Fraluc N.V. On 22

August 2014 the first step of the transaction (40 % share) was completed, after the prior approval by the Belgian Competition Authority. On 6 October 2014 Colruyt Group exercised a call option, as a result of which its share increased to 50 %, as planned. Between Colruyt Group and the management, call and put options continue to exist which, over a period of at least 10 years, will provide the opportunity for Colruyt Group to obtain control over ZEB. IFRS 3 'Business combinations' applies for determining the opening balance sheet of Fraluc N.V.

The joint ventures' consolidated figures are as follows:

2014/15	Parkwind N.V.	Fraluc N.V.
(in million EUR)		
Non-current assets	130,1	60,3
<i>Including goodwill</i>	-	26,4
Current assets	131,0	23,4
<i>Including cash and cash equivalents</i>	123,9	1,7
Non-current liabilities	25,5	25,6
<i>Including non-current financial liabilities (trade payables and other liabilities and provisions excluded)</i>	25,5	20,6
Current liabilities	6,7	19,4
<i>Including current financial liabilities (trade payables and other liabilities and provisions excluded)</i>	-	1,6
Net assets	228,9	38,7
Share of Colruyt Group in net assets	137,6	19,3
Revenue	6,7	39,9
Depreciation, amortisation and impairment of non-current assets	(0,6)	(2,9)
Finance income	1,2	0,1
Finance costs	(2,3)	(0,5)
Profit from continuing operations	17,0	(1,9)
Other comprehensive income	(5,0)	-
Total comprehensive income	12,0	(1,9)
Share of Colruyt Group in total comprehensive income	7,2	(0,9)

2013/14	Parkwind N.V.	Fraluc N.V.
(in million EUR)		
Non-current assets	205,6	-
Current assets	25,0	-
<i>Including cash and cash equivalents</i>	17,1	-
Non-current liabilities	2,0	-
<i>Including non-current financial liabilities (trade payables and other liabilities and provisions excluded)</i>	2,0	-
Current liabilities	11,8	-
Net assets	216,8	-
Share of Colruyt Group in net assets	130,3	-
Revenue	4,3	-
Depreciation, amortisation and impairment of non-current assets	(0,6)	-
Finance income	3,6	-
Finance costs	(0,5)	-
Profit from continuing operations	7,4	-
Other comprehensive income	11,3	-
Total comprehensive income	18,7	-
Share of Colruyt Group in total comprehensive income	11,2	-

According to contractual agreements, Colruyt Group has made the commitment to grant a loan to Belwind N.V. and Northwind N.V., two companies belonging to the joint venture Parkwind N.V. The loan is to be granted if requested by Belwind N.V. and Northwind N.V., for respective amounts of maximum EUR 3,7 million (EUR 5,6 million for the previous reporting period) and maximum EUR 5,6 million (EUR 70,0 million for the previous reporting period). The decrease can be explained by the entry of Sumitomo Corporation.

14. Financial assets

14.1. Non-current assets

	31.03.15	31.03.14
(in million EUR)		
Equity securities available for sale	26,6	29,7
Total	26,6	29,7

The non-current financial assets have changed as follows during the financial year:

	2014/15	2013/14
(in million EUR)		
At 1 April	29,7	35,7
Acquisitions	-	1,8
Disposals and capital decreases	(3,1)	(2,5)
Impairment	-	(5,3)
At 31 March	26,6	29,7

This line item consists mainly of the investment in the Baltic Retail Group IKI and investments in the holding companies Sofindev II S.A., Sofindev III S.A. and Vendis Capital N.V.

During the current reporting period, the group decreased its investments in holding companies by EUR 3,1 million. During the previous reporting period, the investments had decreased by a net amount of EUR 1,0 million. Moreover, an impairment of EUR 5,0 million was also recorded during that period in respect of the Baltic retail group IKI.

14.2. Current assets

	31.03.15	31.03.14
(in million EUR)		
Equity securities held for trading	7,8	8,4
Fixed-income securities held for trading	15,7	16,9
Other current financial assets held for trading	0,1	0,1
Total	23,6	25,4

The current financial assets have changed as follows during the financial year:

	2014/15	2013/14
(in million EUR)		
At 1 April	25,4	25,0
Acquisitions	3,5	8,8
Disposals	(5,8)	(8,9)
Fair value adjustments through profit or loss	0,5	0,5
At 31 March	23,6	25,4

The current investments mainly consist of investments held by Locré S.A., the Luxembourg reinsurance company (EUR 22,8 million for the current period). The investments presented as current assets are valued at their closing price on 31 March 2015. Fair value adjustments are recognised in profit or loss. The return on the fixed-income securities is between 1,5 % and 6,5 %, with an average of 3,8 %. The maturities of these investments vary between 5 and 30 years, with an average maturity of 10 years.

More information regarding Colruyt Group's risk management approach to investments can be found in note 27. *Risk management.* The adjustment to fair value of the current financial assets as at 31 March 2015 resulted in a net profit of EUR 0,5 million for the current financial year (compared to a net profit of EUR 0,5 million for the financial year 2013/14).

15. Business combinations

No new business combinations occurred during the financial year 2014/15. The business combinations of the financial year 2013/14 related to the acquisition of two stores of the frozen food retailer O'Cool and the acquisition of one store of the toy retailer Fun.

16. Disposal groups classified as held for sale and disposal of subsidiaries

16.1. Disposal groups classified as held for sale

During the financial year 2014/15 no additional assets were classified as held for sale.

The change from the previous reporting period to the current one by EUR 0,9 million can be explained by the recognition of an additional impairment loss for an amount of EUR 0,4 million on an asset belonging to the segment 'Other activities', as well as by a sale of EUR 0,2 million and a reclassification to property, plant and equipment for EUR 0,3 million.

In addition, a non-current asset (with a carrying amount of EUR 1,3 million) belonging to the operating segment 'Retail', was presented as held for sale. No additional impairment loss was recognised on this non-current asset. The initial sales plan was not modified.

The following assets and liabilities (after elimination of intragroup items) are classified as held for sale:

	2014/15	2013/14
(in million EUR)		
Total non-current assets	1,3	2,2
TOTAL ASSETS	1,3	2,2

16.2. Disposal of subsidiaries

There have been no disposals of subsidiaries in the course of the financial year 2014/15.

During the previous reporting period Colruyt Group reached an agreement with the management of Dimaco UK Limited on 30 August 2013 regarding the sale of the activities of this company. This investment had already been deconsolidated at the end of the financial year 2012/13.

17. Deferred tax assets and liabilities

Deferred tax assets and liabilities can be detailed as follows:

17.1. Net carrying amount

	Assets		Liabilities		Balance	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
(in million EUR)						
Intangible assets	3,6	2,1	(0,5)	-	3,1	2,1
Property, plant and equipment	0,3	0,6	(71,5)	(70,3)	(71,2)	(69,7)
Inventories	0,6	0,5	(0,1)	-	0,5	0,5
Receivables	1,4	1,7	(0,2)	(1,1)	1,2	0,6
Liabilities related to employee benefits	21,3	16,7	-	-	21,3	16,7
Other provisions	2,6	2,2	(20,3)	(12,2)	(17,7)	(10,0)
Other liabilities	2,6	2,3	(0,1)	(0,3)	2,5	2,0
Tax losses carry-forward, deductible items and reclaimable tax paid	38,5	36,5	(3,1)	(3,0)	35,4	33,5
Deferred tax assets/(liabilities)	70,9	62,6	(95,8)	(86,9)	(24,9)	(24,3)
Unrecognised tax assets/liabilities	(43,2)	(37,2)	5,6	5,4	(37,6)	(31,8)
Offsetting tax assets/liabilities	(24,5)	(22,1)	24,5	22,1	-	-
Net deferred tax assets/(liabilities)	3,2	3,3	(65,7)	(59,4)	(62,5)	(56,1)

17.2. Change in net carrying amount

	Assets		Liabilities		Balance	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
(in million EUR)						
Net carrying amount at 1 April	3,3	10,3	(59,4)	(57,3)	(56,1)	(47,0)
Increase/(decrease) recognised in profit or loss	(0,1)	(7,0)	(10,1)	(1,6)	(10,2)	(8,6)
Increase/(decrease) recognised in other comprehensive income	-	-	3,8	(0,5)	3,8	(0,5)
Net carrying amount at 31 March	3,2	3,3	(65,7)	(59,4)	(62,5)	(56,1)

On 31 March 2015 Colruyt Group did not recognise deferred tax assets for an amount of EUR 37,6 million (compared to EUR 31,8 million on 31 March 2014). This amount relates to temporary differences as well as tax losses and unused tax credits carried forward for a total amount of EUR 111,5 million of which EUR 109,3 million can be carried forward indefinitely to future reporting periods.

Colruyt Group only recognises deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Colruyt Group sets a time horizon of five years for these estimations.

Within Colruyt Group there is no fixed policy in respect of dividend distributions by subsidiaries to the mother company. Had such a policy been in place for all subsidiaries, then an additional deferred tax liability in respect of Dividend Received Deduction (DRD) would have had to be accounted for of EUR 19,0 million for the financial year 2014/15 (EUR 16,5 million for the financial year 2013/2014). In addition, a deferred tax liability could arise in respect of taxes due by the subsidiary in relation to the distribution. In this case, the type and amount of tax depends on the jurisdiction and specific tax position of the distributing entity.

As from assessment year 2014, capital gains on shares realised by large companies are taxable at 0,412 %. For the investments held within Colruyt Group, the unrecognised tax debt calculated

on the difference between the carrying amount of the investments and the equity of the subsidiaries would amount to EUR 1,2 million (EUR 3,5 million on 31 March 2014).

18. Inventories

Inventories mainly represent trade goods. The accumulated impairment on inventories of trade goods amounted to EUR 5,5 million for the current financial year compared to EUR 5,1 million for the previous financial year.

The amount of inventories recognised as an expense in the income statement of 2014/15 amounts to EUR 6.697,8 million and was presented as 'Cost of goods sold'. Last year this expense was EUR 6.501,0 million.

19. Trade and other receivables

19.1. Other non-current receivables

	31.03.15	31.03.14
<i>(in million EUR)</i>		
Loans to customers	8,1	7,7
Loans to joint ventures	15,2	7,4
Other receivables	18,6	11,5
Total other receivables	41,9	26,6

Loans granted to customers mainly comprise loans to independent store-keepers of Retail Partners Colruyt Group N.V. The loans granted to customers are presented net of any impairment losses. At 31 March 2015, these impairment losses amount to EUR 1,3 million (compared to EUR 0,9 million at 31 March 2014). These loans are usually granted for a period of 2 to 15 years and are at an interest rate of between 4 % and 8 %.

Colruyt Group granted a subordinated interest-bearing loan to Parkwind N.V. for an amount of EUR 10,7 million. The group also granted an interest-bearing loan to Fraluc N.V. for an amount of EUR 4,1 million and to Savanne N.V., which is part of the joint venture Fraluc N.V., for an amount of EUR 0,4 million.

The 'Other receivables' mainly consist of receivables related to capital grants for an amount of EUR 9,2 million and of receivables from the French authorities in respect of social security for an amount of EUR 7,5 million.

19.2. Current trade and other receivables

	31.03.15	31.03.14
(in million EUR)		
Trade receivables	477,9	490,2
Guarantees granted	0,3	0,5
Total trade receivables	478,2	490,7
VAT	4,3	2,2
Prepaid expenses	16,7	12,8
Loans granted to customers that expire within 1 year	1,3	1,0
Guarantees granted	1,8	2,3
Interest	7,2	7,5
Other receivables	17,7	15,5
Total other current receivables	49,0	41,3

Trade receivables

Trade receivables are presented net of impairment allowance. The impairment allowance amounts to EUR 14,5 million on 31 March 2015 (compared to EUR 14,9 million on 31 March 2014).

Other receivables

Other receivables are presented net of impairment allowance. The impairment allowance amounts to EUR 1,4 million on 31 March 2015 (compared to EUR 1,6 million on 31 March 2014).

The aging of trade receivables is as follows:

	31.03.15		31.03.14	
	Gross	Impairment	Gross	Impairment
(in million EUR)				
Not past due	429,8	-	436,2	-
Past due between 1 and 6 months	44,5	(4,6)	50,1	(4,0)
Past due for more than 6 months	18,1	(9,9)	18,8	(10,9)
Total	492,4	(14,5)	505,1	(14,9)

The movement in impairment allowance on trade and other receivables is as follows:

	Impairment trade receivables		Impairment other receivables	
	2014/15	2013/14	2014/15	2013/14
(in million EUR)				
<i>At 1 April</i>	(14,9)	(13,4)	(1,6)	(3,1)
Addition	(8,8)	(8,1)	(0,5)	(0,3)
Reversal	4,9	2,6	0,4	0,1
Use	4,2	3,8	0,6	1,6
Other	0,1	0,2	(0,3)	0,1
At 31 March	(14,5)	(14,9)	(1,4)	(1,6)

Colruyt Group monitors trade receivables based on the characteristics of its business segments and the nature of its client portfolio. In this context Colruyt Group uses credit ratings provided by external parties.

20. Cash and cash equivalents

	31.03.15	31.03.14
<i>(in million EUR)</i>		
Term deposits with an original maturity of three months or less	70,1	375,1
Other cash and cash equivalents	239,1	227,5
Total assets	309,2	602,6
Bank overdrafts	0,7	0,6
Total liabilities	0,7	0,6
Net cash and cash equivalents	308,5	602,0

There are no material unavailable balances of cash and cash equivalents.

21. Equity

21.1. Capital management

Colruyt Group's aim in managing its equity is to maintain a healthy financial structure with a minimal dependency on external financing as well as to create shareholders' value. The Board of Directors strives to at least increase the annual dividend per share in proportion with the increase in group profits. The payout ratio over the past years was always higher than one third of the group's profit and amounts to 45,2 % this financial year. Pursuant to the bylaws, at least 90 % of distributable profits are reserved for shareholders and a maximum of 10 % can be reserved for Directors. Furthermore, in addition to its organic growth, Colruyt Group seeks to increase shareholders' value by purchasing treasury shares. The Board of Directors is authorised to acquire treasury shares up to a maximum of 20 % of the shares issued. As employee commitment to the group's growth is one of Colruyt Group's priorities, an annual capital increase reserved for employees has been organised since 1987.

21.2. Share capital

As a result of the resolution of the Extraordinary General Shareholder's Meeting on 14 October 2014, the capital was increased by 466.754 shares; the related capital increase amounted to EUR 14,0 million.

The Company's share capital on 31 March 2015 amounted to EUR 274,6 million divided into 156.636.503 fully paid up ordinary shares without par value. All

shares except treasury shares participate in the profits.

The Board of Directors is authorised to increase the share capital in one or more times by a total amount of EUR 200 million.

The capital increases executed under this authorisation can be performed by a contribution in cash or kind, by converting any reserves, by issuing convertible bonds, and can generally be organised in any given way, provided that legal prescriptions are respected. The conditions of the capital increases executed under this authorisation, and the rights and obligations attached to the new shares are determined by the Board of Directors, taking into account the legal prescriptions. This authorisation is valid for a period of five years starting from the announcement of the current change to the bylaws. This authorisation can be extended one or more times, each time for a maximum period of five years, by means of a decision from the General Shareholder's Assembly, deliberating according to the guidelines that apply for changes in bylaws. The current authorisation will come to an end in October 2015.

21.3. Treasury shares

Treasury shares are recognised at the cost of the treasury shares purchased. On 31 March 2015 Colruyt Group held 9.791.743 treasury shares; this represents 6,25 % of the shares issued at the reporting date. For many years the Extraordinary General Shareholder's Meeting has authorised the Board of Directors to acquire treasury shares up to 20 % of the number of shares issued. The Board of Directors

regularly discusses its buy-in policy. The time of purchase is dependent, amongst other things, on the share price evolution. Between 1 April 2015 and 1 June 2015 no treasury shares were purchased. In accordance with Art. 622, paragraph 1 of the Companies Code, the voting rights of shares held by the company or its subsidiaries are suspended.

21.4. Dividends

On 19 June 2015 a gross dividend of EUR 146,9 million or EUR 1,00 per share was proposed by the Board of Directors. Last year the gross dividend amounted to EUR 155,8 million or EUR 1,00 per share. The gross dividend takes into account the number of treasury shares, if applicable, up until 1 June 2015 and the number of shares reserved for distribution in September 2015. The dividend was not incorporated in the consolidated financial statements for the financial year 2014/15.

21.5. Shares granted to employees as part of the profit-sharing scheme

In accordance with the law of 22 May 2001 in respect of the participation in the share capital and in the profit of companies (Belgian Official Gazette 9 June 2001) and CAO No. 90 of 20 December 2007 regarding non-recurrent profit related benefits, Colruyt Group agreed to a plan for profit-sharing with the social partners. Employees have the opportunity to receive their profit-sharing in shares of Etn. Fr. Colruyt N.V. and benefit from the tax advantages

provided by the law. The attribution of shares is based on market conditions: for this year the share price is fixed at EUR 40,952 per share. These shares are blocked for a period of two years (starting from the date of attribution) and deposited on a collective account managed by Colruyt. The management and costs related to this account are borne by the Company.

On 31 March 2015 an amount of EUR 32,1 million (including withholding tax and social security charges) was made available for profit-sharing, subject to the approval of the General Shareholders' Assembly. This year 7.476 employees accepted shares as part of their profit-sharing scheme. The value of this scheme amounts to EUR 2,0 million (excluding withholding tax) and 47.942 shares.

On 31 March 2014 an amount of EUR 28,0 million (including withholding tax and social security charges) was reserved for profit-sharing. Of this amount a total of EUR 1,5 million (excluding withholding taxes) was reserved under the form of shares, which corresponds to 37.378 shares, of which 37.373 shares were distributed.

21.6. Shareholders' structure

In accordance with the most recent transparency notification of 18 December 2014, the composition of the shareholders of Etn. Fr. Colruyt N.V. is as follows:

	Shares
Colruyt family and relatives	78.019.482
Etn. Fr. Colruyt N.V. (treasury shares)	9.491.743
Sofina Group	8.500.000
Total of parties that act in deliberation	96.011.225

The remainder of the total shares issued (156.636.503 shares per 31 March 2015), being 60.625.278 shares or 38,70 % are publicly held. For more details we refer to the section Corporate governance.

22. Earnings per share

	2014/15	2013/14
Total operating activity		
Profit for the financial year (group share) (in million EUR)	330,4	350,0
Weighted average number of outstanding shares	149.419.713	156.447.069
Earnings per share – basic and diluted (in EUR)	2,21	2,24

As there are no discontinued operations in either of the reporting periods, the above table is also valid for information in respect of continuing operations.

Weighted average number of outstanding shares

	2014/15	2013/14
<i>Number of outstanding shares at 1 April</i>	<i>155.985.002</i>	<i>156.501.981</i>
Effect of capital increase	130.950	88.028
Effect of shares granted to employees (profit-sharing scheme)	18.687	31.961
Effect of shares purchased	(6.714.926)	(174.901)
Weighted average number of outstanding shares at 31 March	149.419.713	156.447.069

23. Provisions

	Environmental risks	Other risks	Total ⁽²⁾
(in million EUR)			
Non-current provisions	2,4	12,1	14,5
Current provisions	-	32,2	32,2
At 31 March 2015	2,4	44,3	46,7
At 1 April 2014	3,3	15,0	18,3
Addition	0,3	4,7	5,0
Use	(0,7)	(4,6)	(5,3)
Reversal	(0,5)	(2,4)	(2,9)
Settlement ⁽¹⁾	-	31,6	31,6
At 31 March 2015	2,4	44,3	46,7
Non-current provisions	3,3	10,1	13,4
Current provisions	-	4,9	4,9
At 31 March 2014	3,3	15,0	18,3
At 1 April 2013	3,3	12,7	16,0
Addition	0,4	8,1	8,5
Use	(0,4)	(2,4)	(2,8)
Reversal	-	(3,4)	(3,4)
At 31 March 2014	3,3	15,0	18,3

(1) "Settlement": On 19 June 2015 Colruyt Group signed a settlement with the Investigation Service of the Belgian Competition Authority ("the Investigation Service") in relation to the period 2002-2007. By signing the settlement the group accepts to pay a EUR 31,6 million fine to the Belgian government.

(2) Some figures for the financial year 2013/14 are reclassified as described in note 1.1. Basis of presentation.

The provision for environmental risks has been set up in respect of clean-up costs within the DATS 24 gasoline station activity as well as for the clean-up of land (at acquisition and for the store activity).

The other provisions consist mainly of provisions for claims, decommissioning of wind turbines, re-insurance and vacant properties.

24. Non-current liabilities related to employee benefits

	Benefits related to 'unemployment with company compensation'	Other post-employment benefits	Total
(in million EUR)			
At 1 April 2014	48,4	7,6	56,0
Addition ⁽¹⁾	3,8	0,9	4,7
Use	(1,9)	(0,1)	(2,0)
Unwinding of discount ⁽²⁾	1,5	0,2	1,7
Experience adjustments ⁽³⁾	(1,0)	0,5	(0,5)
Change of assumptions ⁽³⁾	11,8	0,5	12,3
At 31 March 2015	62,6	9,6	72,2
At 1 April 2013	43,9	7,4	51,3
Addition ⁽¹⁾	3,4	0,7	4,1
Use	(1,9)	(0,1)	(2,0)
Unwinding of discount ⁽²⁾	1,4	0,1	1,5
Experience adjustments ⁽³⁾	1,6	-	1,6
Change of assumptions ⁽³⁾	-	(0,5)	(0,5)
At 31 March 2014	48,4	7,6	56,0

(1) included in the line item 'Employee benefit expenses' of the consolidated income statement

(2) included in the line item 'Net financial result' of the consolidated income statement

(3) included in the consolidated statement of comprehensive income

Defined contribution plans with a legally guaranteed return

For its defined contribution plans, Colruyt Group pays fixed contributions to certain insurance entities. These contributions are recognised in the income statement in the year in which they are due. During the 2014/15 financial year, this cost amounted to EUR 12,3 million (compared to EUR 12,0 million last reporting period) of which EUR 0,2 million was paid into the financing fund. Colruyt Group expects to contribute EUR 12,7 million to these plans in the course of the next financial year.

In Belgium, employers are required to guarantee a minimum return on defined contribution schemes over the course of the career, which is 3,25 % on the employer contributions (net of costs) and 3,75 % on employee contributions as a result of the law regarding supplementary pensions (WAP). On 31 March 2015, the guarantee given by insurers on accumulated reserves for defined contribution plans is 4,75 % or 3,25 %, depending on the generation.

In anticipation of a final position from the IASB and the IFRS IC regarding the accounting treatment of this type of pension plans, Colruyt Group measures the liability at its intrinsic value. This implies that the calculation of the liability takes into account the guaranteed minimum return only until the reporting date. There was no deficit as per 31 March 2015.

The accumulated mathematical reserve with the insurers for these plans, changed as follows this financial year:

Mathematical reserves	
(in million EUR)	
At 1 April 2014	108,1
Benefits distributed	(3,3)
Premiums	12,1
Return on assets	3,3
At 31 March 2015	120,2

At the reporting date, the status of these plans can be summarised as follows:

	31.03.15	31.03.14
(in million EUR)		
Mathematical reserves	120,2	108,1
Guaranteed minimum reserves (Art. 24 WAP)	120,9	108,7
Difference between the mathematical reserves and the guaranteed minimum reserves	(0,7)	(0,6)
Financing fund	0,8	0,5
Total surplus/(deficit)	0,1	(0,1)

The average number of years to retirement age of the plan's participants at the reporting date is 25 years.

Benefits related to 'Unemployment with company compensation'

The possibility to retire early, as it exists within Colruyt Group for employees of its Belgian entities, is based on the 'Unemployment with company compensation system' applicable in Belgium. The accounting principles in respect of the liabilities and costs related to this system are included in note 1.4. *Other significant accounting policies.*

Colruyt Group regularly reviews the long-term assumptions in respect of these liabilities. For this financial year the following assumptions were used:

- discount rate: 1,5 % compared to 3,0 % previous financial year;
- salary inflation: 2,3 % compared to 2,5 % previous financial year.

The changes made to the actuarial parameters this financial year have impacted the liabilities related to the benefits under the 'Employment with company compensation' system by EUR 11,8 million. The main changes relate to a change in the discount rate as well as to the change in inflation and salary inflation.

The average duration of the liability for benefits under the 'Unemployment with company compensation system' is 14,0 years.

Other post-employment benefits

Other post employment benefits consist of long-service benefits (Belgian entities) and legal compensations (French entities).

For the long-service benefits (Belgian companies), Colruyt Group uses the parameters mentioned above under 'Benefits related to Unemployment with company compensation'. For the legal compensations (French entities) the following parameters are used:

- discount rate: 1,8 % compared to 3,0 % previous financial year;
- salary inflation: 1,3 % compared to 2,0 % previous financial year.

Changes to the main assumptions impact the group's main liabilities as follows:

	Benefits related to 'unemployment with company compensation'		Long-service benefits (Belgian entities)		Legal compensations (French entities)	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
(in million EUR)						
Base scenario	62,6	48,4	2,9	2,2	6,7	5,4
Discount rate + 0,5 %	58,1	45,3	2,7	2,1	6,3	5,1
Discount rate - 0,5 %	67,5	51,8	3,1	2,3	7,3	5,9
Salary inflation + 0,5 %	72,6	55,6	2,9	2,2	7,3	5,9
Salary inflation - 0,5 %	54,0	42,2	2,9	2,2	6,3	5,1

In the sensitivity table above, it is assumed that only one assumption is changed, while the other assumptions remain constant.

The expected payment schedule for these plans over the next 10 years can be summarised as follows:

	Benefits related to 'unemployment with company compensation'	Long-service benefits (Belgian entities)	Legal compensations (French entities)
(in million EUR)			
Within the next year	1,9	-	-
In 2 years	1,8	-	-
In 3 years	1,9	0,1	-
In 4 years	2,0	0,1	-
In 5 years	2,4	0,2	0,1
In 6-10 years	19,4	1,2	2,4

25. Interest-bearing liabilities

25.1. Terms and repayment schedule

	< 1 year	1-5 year	> 5 year	Total
(in million EUR)				
Finance leases and similar liabilities	2,9	13,0	8,7	24,6
Non-current bank borrowings	1,1	3,0	0,1	4,2
Other	0,4	8,3	-	8,7
Total at 31 March 2015	4,4	24,3	8,8	37,5
Finance leases and similar liabilities	2,3	7,0	10,1	19,4
Non-current bank borrowings	0,3	2,3	0,4	3,0
Other	0,5	8,6	-	9,1
Total at 31 March 2014	3,1	17,9	10,5	31,5

25.2. Finance lease liabilities

	Lease- payment 2014/15	Interest 2014/15	Principal 2014/15	Lease payment 2013/14	Interest 2013/14	Principal 2013/14
(in million EUR)						
< 1 year	3,4	0,5	2,9	2,6	0,3	2,3
1-5 years	14,1	1,1	13,0	7,9	0,9	7,0
> 5 years	8,9	0,2	8,7	10,5	0,4	10,1
Total	26,4	1,8	24,6	21,0	1,6	19,4

25.3. Bank borrowings and others

	Instalments 2014/15	Interest 2014/15	Capital 2014/15	Instalments 2013/14	Interest 2013/14	Capital 2013/14
(in million EUR)						
< 1 year	1,6	0,1	1,5	0,9	0,1	0,8
1-5 years	11,5	0,2	11,3	11,1	0,2	10,9
> 5 years	0,1	-	0,1	0,4	-	0,4
Total	13,2	0,3	12,9	12,4	0,3	12,1

The interest-bearing liabilities mainly consist of finance lease liabilities and other liabilities. The finance lease liabilities have increased by EUR 5,2 million this year mainly due to new finance lease arrangements for the acquisition of vehicles and machines for an amount of EUR 8,5 million. The lease terms of the new finance lease arrangements for vehicles are mainly shorter than five years whereas those for machines are mainly longer than five years. The other liabilities are mainly liabilities linked with business combinations for which the duration, in the meantime, is shorter than five years.

Part of the balance of current and non-current interest-bearing loans, i.e. an amount of EUR 4,0 million, is covered by collateral securities. The net carrying amount of the collateralised assets amounts to EUR 9,8 million (note 11. *Property, plant and equipment*).

26. Trade payables, liabilities related to employee benefits and other liabilities

	31.03.15	31.03.14
(in million EUR)		
Other non-current liabilities	0,5	0,1
Total other liabilities (non-current)	0,5	0,1
Trade payables	1.062,3	1.046,7
Guarantees received and advances on work in progress	19,4	16,8
Total trade payables (current)	1.081,7	1.063,5
Current liabilities related to employee benefits	406,7	383,8
VAT, duties and other operating taxes	58,6	62,5
Dividends	0,6	1,8
Deferred income and accrued costs	18,1	16,0
Other	3,7	5,5
Total liabilities related to employee benefits and other liabilities (current)	487,7	469,6

Terms and repayment schedule

	< 1 year	1-5 years
(in million EUR)		
Other liabilities (non-current)	-	0,5
Trade payables	1.081,7	-
Liabilities related to employee benefits and other liabilities	487,7	-
Total at 31 March 2015	1.569,4	0,5
Other liabilities (non-current)	-	0,1
Trade payables	1.063,5	-
Liabilities related to employee benefits and other liabilities	469,6	-
Total at 31 March 2014	1.533,1	0,1

27. Risk management

27.1. Risks related to financial instruments

a. Currency risk

Colruyt Group's operational entities are located in the euro zone, except for the activities in India and Hong Kong. The exchange rate risk incurred when consolidating revenues and costs of subsidiaries not reporting in euro is not hedged. In addition, Colruyt Group

incurs a transactional currency risk on purchases in foreign currency. Colruyt Group does not hedge purchase transactions in foreign currency. Exchange results incurred when settling purchase transactions in foreign currency are recognised immediately in profit or loss.

Colruyt Group's exposure to exchange rate fluctuations is based on the following positions in foreign currencies:

	Net position	
	31.03.15	31.03.14
(in million EUR)		
AUD/EUR	(0,1)	(0,1)
EUR/INR	(2,8)	(1,4)
GBP/EUR	-	(0,1)
HKD/EUR	0,1	-
USD/EUR	(2,2)	(0,8)
ZAR/EUR	(0,1)	(0,1)
Total	(5,1)	(2,5)

As from the current financial reporting period the net positions per currency are presented before intragroup eliminations. A positive amount implies that Colruyt Group has a net receivable in the first currency. The second currency of the pair is the functional currency of the concerned entity of Colruyt Group.

The impact of exchange rate changes compared to the euro is relatively limited.

b. Interest rate risk

Given the limited size of borrowings and finance lease liabilities in the statement of financial position, Colruyt Group does not hedge its interest rate risk. At 31 March 2015 the total amount of current and non-current bank and other loans was EUR 12,9 million or 0,4 % of total assets (compared to EUR 12,1 million on 31 March 2014) and 4,3 % of the cash and cash equivalents. Most of these borrowings are at fixed interest rate.

Colruyt Group's finance lease liabilities amounted to EUR 24,6 million on 31 March 2015 (compared to EUR 19,4 million on 31 March 2014) and are mainly contracted at a variable interest rate.

Colruyt Group generally invests its excess cash in term deposits. A change in interest rate would not have a material effect on comprehensive income or on future cash flows of Colruyt Group.

c. Credit risk

The credit risk in relation to trade receivables is limited since most of the retail customers of Colruyt Group pay cash. The main part of Colruyt Group's receivables is linked with the wholesale activity for which Colruyt Group applies payment terms that are common for the industry. Risks are mainly managed by the regular follow-up of the credit rating of the wholesale clients and the independent storekeepers to which goods or services are delivered.

In addition, Colruyt Group requires bank guarantees for independent storekeepers or restricted cash for large DATS 24 customers. Symeta N.V., the print and document management entity of Colruyt Group, also uses payment terms that are common for the industry and regularly reviews the credit rating of all (potential) new clients. The credit risk is spread amongst a large number of clients for the wholesale as well as for the other activities.

The carrying amount of the financial assets represents the maximum exposure of Colruyt Group to credit risk. The carrying amount includes the recognised impairment losses:

	Gross amount 2014/15	Impairment 2014/15	Net carrying amount 2014/15	Received bank guarantee off-balance 2014/15	Gross amount 2013/14	Impairment 2013/14	Net carrying amount 2013/14	Received bank guarantee off-balance 2013/14
(in million EUR)								
Other interest-bearing receivables	33,9	-	33,9	-	19,6	(1,1)	18,5	-
Guarantees granted	2,1	-	2,1	-	2,8	-	2,8	-
Loans to customers	10,7	(1,3)	9,4	-	9,6	(0,9)	8,7	-
Financial assets available for sale	51,3	(24,7)	26,6	-	54,6	(24,9)	29,7	-
Financial assets held for trading	23,6	-	23,6	-	25,4	-	25,4	-
Trade receivables	492,4	(14,5)	477,9	24,4	505,1	(14,9)	490,2	20,6
Other receivables	4,72	(1,4)	4,5,8	-	38,9	(0,5)	38,4	-
Cash and cash equivalents	309,2	-	309,2	-	602,6	-	602,6	-
Total	970,4	(41,9)	928,5	24,4	1.258,6	(42,3)	1.216,3	20,6

Certain customers provide bank guarantees in order to secure the recovery of Colruyt Group's receivables. These guarantees are not recognised in the statement of financial position. For the current reporting period bank guarantees were received from several clients that have outstanding debt for an amount of EUR 34,1 million (compared to EUR 35,5 million last year). The collectability of this amount was secured by bank guarantees for an amount of EUR 24,4 million (compared to EUR 20,6 million last year).

d. Liquidity risk

Finco N.V. is Colruyt Group's financial coordinator, and ensures that all entities of Colruyt Group have access to the financial resources they need. Finco N.V. applies a cash pooling system, i.e. any excess in cash and cash equivalents within entities of the group is used for shortages in other entities of the group. Finco N.V. is also responsible for the investment of Colruyt Group's cash and cash equivalents, and does so by using short-term term deposits. Finco N.V. uses cash projections to follow up on Colruyt

Group's liquidity. Over the past few years Colruyt Group did not need to use any form of external financing. Liabilities and finance lease arrangements are mainly the result of business combinations. Colruyt Group's policy is to settle these liabilities as much as possible after the business combination, provided that the settling price is reasonable. The ratio of the short-term investment portfolio to net cash and cash equivalents of Colruyt Group amounts to 7,7 % (4,2 % in the preceding period).

e. Other market risks

Etn. Fr. Colruyt N.V. and also Locré S.A., Colruyt Group's reinsurance entity, manage a portfolio of financial instruments (fixed interest-bearing instruments and equity instruments). Locré S.A. uses these investments to cover Colruyt Group's reinsurance risk. On 31 March 2015 the total value of Colruyt Group's current investment portfolio amounts to EUR 23,6 million of which EUR 22,8 million belongs to Locré S.A.

Fluctuations in market values of these instruments can therefore have an impact on Colruyt Group's financial result. However, Colruyt Group's investment portfolio was subject to only minor fluctuations during the past financial year. In total, Colruyt Group recognised a revaluation of EUR 0,5 million during this financial year (EUR 0,5 million for the previous reporting period).

f. 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	At fair value		
		Quoted prices Level 1	Observable market inputs Level 2	Un-observable market inputs Level 3
(in million EUR)				
Financial assets:				
Investments available for sale	0,4	-	-	26,2
Loans and receivables	569,1	-	-	-
Investments held for trading	0,1	23,5	-	-
Cash and cash equivalents	309,2	-	-	-
Total at 31 March 2015	878,8	23,5	-	26,2
Financial liabilities:				
Interest-bearing liabilities	13,4	-	-	-
Finance lease liabilities	24,6	-	-	-
Trade payables	1.081,7	-	-	-
Bank overdrafts	0,7	-	-	-
Total at 31 March 2015	1.120,4	-	-	-
Financial assets:				
Investments available for sale	0,4	-	-	29,3
Loans and receivables	558,6	-	-	-
Investments held for trading	0,1	25,3	-	-
Cash and cash equivalents	602,6	-	-	-
Total at 31 March 2014	1.161,7	25,3	-	29,3
Financial liabilities:				
Interest-bearing liabilities	12,2	-	-	-
Finance lease liabilities	19,4	-	-	-
Trade payables	1.063,7	-	-	-
Bank overdrafts	0,6	-	-	-
Total at 31 March 2014	1.095,9	-	-	-

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.

The investments available for sale consist mainly of the participation in the Baltic Group IKI (10,5 %) and investments in holding companies such as Vendis Capital N.V., Sofindev II S.A. and Sofindev III S.A. in which Colruyt Group does not have a significant influence.

For the investment in the Baltic Group IKI, classified under level 3, the fair value consists of the present value of future cash flows determined via a business model based on non-observable inputs, such as a time horizon, a growth rate and a discount rate. This discount rate is calculated based on the CAPM method (Capital Asset Pricing Model).

For the investments in Vendis Capital N.V., Sofindev II S.A. and Sofindev III S.A., also classified under level 3, the fair value consists of the acquisition price adjusted for realised results and dividends distributed by the respective companies. This fair value can be different from a measurement based on market multiples or market values. During the current reporting period, the investments in holding companies decreased by EUR 3,1 million, which is entirely due to capital decreases.

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

	2014/15	2013/14
<i>(in million EUR)</i>		
At 1 April	29,3	16,0
Paying-up of uncalled capital	-	1,7
Capital decreases	(3,1)	(2,4)
Impairments	-	(5,3)
Transfer from historical cost to level 3	-	19,3
At 31 March	26,2	29,3

27.2. Other risks

Colruyt Group is further exposed to various other risks that are not necessarily financial in nature, but which have the potential to impact the financial position of Colruyt Group. A description of these risks and of how Colruyt Group manages its exposure to these

risks is provided in the section Corporate governance. In this respect we also refer to the Audit Committee, which regularly discusses the risk reports of the Risk Management department (internal audit).

In general, the mission of the Audit Committee is that of supervising the exactness of the numerical (financial and accounting related) information of Colruyt Group for the Board of Directors, the shareholders and third parties of the financial world and to report its findings in this respect to the Board of Directors. One of the members of the Audit Committee is Delvaux Transfer B.V.B.A. (which is permanently represented by Mr. W. Delvaux), acting as an independent board member in accordance with article 526 of the Belgian Companies Code. Mr. W. Delvaux gained many years of experience in general management and acts and acted as an independent board member with various other groups. For a detailed description of the operations of the Audit Committee, please refer to the section Corporate governance.

28. Off-balance sheet rights and commitments

Colruyt Group has a number of commitments which are not recognised in the statement of financial position. On the one hand Colruyt Group has real estate rental commitments, on the other hand Colruyt Group also has contractual obligations in relation to the acquisition of property, plant and equipment and the purchase of goods and services.

The amounts due in relation to these commitments are as follows:

	31.03.15	< 1 year	1-5 years	> 5 years
<i>(in million EUR)</i>				
Lease arrangements as lessee	58,3	20,3	23,1	14,9
Commitments related to the acquisition of property, plant and equipment	89,3	80,9	8,4	-
Commitments related to purchases of goods	71,2	66,2	4,6	0,4
Other commitments	8,0	5,3	2,7	-

	31.03.14	< 1 year	1-5 years	> 5 years
(in million EUR)				
Lease arrangements as lessee	66,4	20,4	28,5	17,5
Commitments related to the acquisition of property, plant and equipment	144,5	133,7	10,8	-
Commitments related to purchases of goods	114,4	113,6	0,8	-
Other commitments	10,5	2,9	5,7	1,9

Commitments relating to operating lease arrangements where Colruyt Group acts as a lessee, relate only to obligations as a result of non-cancellable lease arrangements for immovable fixed assets. Rental and rental-related charges for immovable fixed assets were recognised in profit or loss for an amount of EUR 28,4 million (same as for the previous financial year). The income statement includes rental charges related to non-cancellable leases together with other rental-related costs (e.g. property withholding taxes) and rental charges from cancellable lease arrangements.

The commitments related to the acquisition of property, plant and equipment for an amount of EUR 89,3 million consist mainly of contractual commitments for the acquisition of land and buildings.

The commitments for the purchase of trade goods for an amount of EUR 71,2 million are the result of forward contracts concluded with suppliers in order to ensure the supply of certain trade goods as well as purchase commitments in respect of green certificates and electricity.

Other commitments include a future contract in respect of IT services for an amount of EUR 8,0 million.

Next to these commitments Colruyt Group also has certain rights which are not recognised in the statement of financial position. Occasionally Colruyt Group leases out certain immovable assets under an operating lease arrangement.

	31.03.15	< 1 year	1-5 years	> 5 years
(in million EUR)				
Lease arrangements as lessor	14,8	8,0	6,8	-

	31.03.14	< 1 year	1-5 years	> 5 years
(in million EUR)				
Lease arrangements as lessor	13,6	7,0	6,6	-

29. Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are items in relation to third parties which are not recognised in the statement of financial position, in accordance with IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'.

The table below gives an overview of all contingent liabilities of Colruyt Group.

	31.03.15	31.03.14
(in million EUR)		
Disputes	1,4	1,5
Other	2,1	1,7

On 31 March 2015 there were a limited number of legal actions outstanding against Colruyt Group which, although disputed, constitute together a contin-

gent liability of EUR 1,4 million (compared to EUR 1,5 million for the previous reporting period). The pending cases primarily concern commercial law claims (EUR 1,0 million for the previous reporting period).

There are no contingent liabilities for pending cases in respect of taxation law, common law or social law (EUR 0,5 million for the previous reporting period).

'Other' contingent liabilities represent buy-back commitments supplied by Colruyt Group towards financial institutions as an additional guarantee for the financing of affiliated independent storekeepers. The total contingent liability amounts to EUR 2,1 million (compared to EUR 1,7 million in the previous reporting period). Colruyt Group expects no important

financial disadvantages to be derived from these liabilities.

As from financial year 2014/15, the guarantees in favour of joint ventures are reported in note 13. *Investments in joint ventures accounted for by using the equity method.*

There are no material contingent assets to be reported.

30. Dividends paid and proposed

On 2 October 2014 a gross dividend of EUR 1,00 was paid to the shareholders.

For the 2014/15 financial year, the Board of Directors has also proposed a gross dividend of EUR 1,00 per share, which will be made payable on 6 October

2015. As the decision to distribute a dividend is to be considered an event after reporting date which is not to be included in the statement of financial position, this dividend, which still must be approved at the General Shareholders' Assembly of 30 September 2015, is therefore not recorded as a liability in the statement of financial position.

Taken into account that the distribution proposed by the Board of Directors relates to 146.892.702 shares (after deduction of treasury shares and taking into account the shares allocated to the profit-sharing scheme), as determined on 1 June 2015, the total amount of proposed dividends amounts to EUR 146,9 million.

31. Related parties

An overview of related party transactions is given below. In this note, only the transactions which were not eliminated in the consolidated financial statements are presented.

In accordance with IAS 24 'Related Party Disclosures', Colruyt Group identifies different categories of related parties:

- Colruyt Group's key managers (please refer to the section Corporate governance) and close relatives;
- entities that control Colruyt Group (please refer to the section Corporate governance);
- associates (as disclosed in note 12. *Investments in associates*);

- joint ventures (as disclosed in note 13. *Investments in joint ventures accounted for by using the equity method*); and
- entities that are controlled by members of the key management personnel: Stonefund N.V., Stonefund II N.V., Stonefund III N.V., COFIN C.V.B.A., Korys Management N.V., Korys Capital S.A.R.L., Invictus Blauwe Toren N.V., FRI N.V. and Real Dolmen N.V.

31.1. Related party transactions excluding key management personnel compensation

	2014/15	2013/14
(in million EUR)		
Revenue	3,6	7,1
Costs	3,5	3,6
Receivables	23,8	14,6
Liabilities	1,3	0,8
Dividends paid	86,7	87,4

The amounts disclosed above result from transactions made on terms equivalent to those that prevail in arm's length transactions.

Transactions with various related parties generated revenue for an amount of EUR 3,6 million (EUR 7,1 million in the previous reporting period). This revenue mainly relates to received finance income from a joint venture (EUR 3,1 million).

The costs that were incurred from transactions with various related parties amount to EUR 3,5 million and are mainly related to purchases of trade goods (EUR 0,9 million) and maintenance and IT costs (EUR 2,2 million).

The outstanding receivables with related parties mainly relate to receivables in respect of joint ventures. At reporting date Colruyt Group has EUR 15,3 million of non-current interest-bearing receivables at arm's length conditions in respect of joint ventures (compared to EUR 7,4 million for the previous reporting period). In addition, Colruyt Group also has current receivables, mostly on joint ventures, for EUR 8,5 million.

The reported outstanding liabilities towards related parties have increased compared to the previous reporting period and amount to EUR 1,3 million (EUR 0,8 million for the previous reporting period).

Dividends were paid to Colruyt Group's reference shareholders (belonging to categories a) and b) mentioned previously in this document) for an amount of EUR 86,7 million (EUR 87,4 million for the previous reporting period). These dividends relate to the financial year 2013/14. Dividends paid are presented gross, which means that the nature of the shareholders is not taken into account.

31.2. Key management personnel compensation

The compensation awarded to key management personnel is summarised below. All amounts are gross amounts before taxes. Social security contributions were paid on these amounts.

	Remuneration 2014/15	Number of persons/ shares 2014/15	Remuneration 2013/14	Number of persons/ shares 2013/14
(in million EUR)				
Board of Directors		9		9
Variable remuneration (bonuses)	3,3		3,5	
Fixed remuneration (director's fees)	1,0		1,0	
Senior management		10		11
Salaries	2,80		2,89	
Variable remuneration	2,00		2,17	
Payments into defined contribution plans and other components	0,44		0,47	
Share-based payments	0,01	215	0,02	431

The directors' variable remunerations related to the financial year 2014/15 are proposed by the Board of Directors and are subject to approval by the General Shareholders' Assembly.

More information regarding the different components of compensation for key management personnel can be found in the remuneration report (see section Corporate governance) as prepared by the Remuneration Committee.

32. Events after the reporting date

On 19 June 2015, Colruyt Group signed a settlement with the Investigation Service of the Belgian Competition Authority (the "Investigation Service"). This settlement relates to infringements of the Belgian competition rules in the period 2002–2007. The Investigation Service deems that the Belgian distribution sector, with the help of suppliers, breached the Belgian competition rules for branded perfumery, cosmetics and chemist's products. In relation thereto, the Investigation Service proposed a settlement, in order to end all pending legal proceedings subject to the payment of a fine.

By signing the settlement Colruyt Group accepts that infringements of the Belgian competition rules were committed in the period 2002–2007. However, the group assures that it did not set up a price-fixing scheme with other distributors and suppliers. The group also stresses that Colruyt has always honoured its lowest prices guarantee.

Colruyt Group wants to refrain from engaging in years of legal wrangling with the government over the substance of the case and over facts that date back more than 10 years. It has therefore decided to sign the Investigation Service's settlement.

By signing this settlement Colruyt Group agrees to pay a EUR 31,6 million fine to the Belgian government. This full amount was charged against the net result of the financial year 2014/15.

For more information we refer to our press release of 22 June 2015, available on www.colruytgroup.com.

33. Independent auditor's remuneration

The table below provides an overview of remuneration paid to the independent auditor and his associated parties for services rendered to Colruyt Group.

	2014/15	2013/14
(in million EUR)		
Audit assignments	0,9	0,9
Other assignments	0,7	1,1
Total	1,6	2,0

The consideration paid for audit services was EUR 0,9 million, of which EUR 0,2 million was recognised at the level of the Company and EUR 0,7 million was recognised at the level of its subsidiaries.

For non-audit services, such as other control assignments, tax advice and other assignments, Colruyt Group recognised a cost of EUR 0,7 million.

34. List of consolidated entities

34.1. Company

Etn. Fr. Colruyt N.V.	Halle, Belgium	-
-----------------------	----------------	---

34.2. Subsidiaries

Alvocol N.V.	Halle, Belgium	59,88 %
Anthyllis N.V.	Halle, Belgium	100 %
Aubépine S.A.R.L. ⁽¹⁾	Chalette S/L, France	100 %
Bio-Planet N.V.	Halle, Belgium	100 %
Blin Etablissements S.A.S. ⁽¹⁾	Saint Gilles, France	100 %
Buurtwinkels Okay N.V.	Halle, Belgium	100 %
Codifrais S.A.S. ⁽¹⁾	Longueil St M, France	100 %
Colim C.V.B.A.	Halle, Belgium	100 %
Colimpo Limited	Hong Kong, China	100 %
Colruyt Distribution France S.A.S. ⁽¹⁾	Rochefort sur Nenon, France	100 %
Colruyt France S.A. ⁽¹⁾	Rungis, France	100 %
Colruyt Gestion S.A.	Luxemburg, Grand Duchy of Luxembourg	100 %
Colruyt Group Services N.V.	Halle, Belgium	100 %
Colruyt IT Consultancy India Private Limited	Hyderabad, India	100 %
Colruyt Luxembourg S.A.	Luxemburg, Grand Duchy of Luxembourg	100 %
Colruyt Retail S.A.	Ciney, Belgium	100 %
Colruyt Vastgoed Nederland B.V.	Hillegom, The Netherlands	100 %
Comant N.V.	Halle, Belgium	100 %
Comels N.V.	Halle, Belgium	100 %
Comlie N.V.	Halle, Belgium	100 %
DATS24 N.V.	Halle, Belgium	100 %
Davytrans N.V.	Halle, Belgium	100 %
DreamBaby N.V.	Halle, Belgium	100 %
Dreamland France S.A.S. ⁽¹⁾	Rochefort sur Nenon, France	100 %
DreamLand N.V.	Halle, Belgium	100 %
E-Logistics N.V.	Halle, Belgium	100 %
Enco Retail N.V.	Halle, Belgium	100 %
Filantwe N.V.	Halle, Belgium	100 %
Filleuve N.V.	Halle, Belgium	100 %
Filooste N.V.	Halle, Belgium	100 %
Finco N.V.	Halle, Belgium	100 %
Fleetco N.V.	Halle, Belgium	100 %
Foodlines B.V.B.A.	Halle, Belgium	100 %
Immo Colruyt France S.A.S. ⁽¹⁾	Rochefort sur Nenon, France	100 %
Immo Colruyt Luxembourg S.A.	Luxemburg, Grand Duchy of Luxembourg	100 %
Immo Dassenveld N.V.	Halle, Belgium	100 %
Immobielière Rutten N.V.	Ciney, Belgium	100 %
Immoco S.A.R.L. ⁽¹⁾	Rochefort sur Nenon, France	100 %
Imo Louvferdis B.V.B.A.	Halle, Belgium	100 %
Locré S.A.	Luxemburg, Grand Duchy of Luxembourg	100 %
Pro à Pro Distribution Export S.A.S. ⁽¹⁾	Montauban, France	100 %
Pro à Pro Distribution Nord S.A.S. ⁽¹⁾	Chalette S/L, France	100 %
Pro à Pro Distribution Sud S.A.S. ⁽¹⁾	Montauban, France	100 %
Puur N.V.	Halle, Belgium	100 %
Retail Partners Colruyt Group N.V.	Halle, Belgium	100 %
R.H.C. S.A.S. ⁽¹⁾	Boissy Saint Leger, France	100 %
Roecol N.V.	Lokeren, Belgium	50 %
Sodeger S.A.S. ⁽¹⁾	Château Gontier, France	100 %
Solucious N.V.	Halle, Belgium	100 %
Symeta N.V.	Halle, Belgium	100 %
Transpro S.A.S. ⁽¹⁾	La Possession, France	100 %
Transpro France S.A.S. ⁽¹⁾	Aiton (Savoie), France	100 %
U.C.G.A. Unifrais S.A. ⁽¹⁾	Estillac, France	99,12 %

Vleviso N.V.	Halle, Belgium	100 %
Walcodis S.A.	Ath, Belgium	100 %
Waldico S.A.	Ath, Belgium	100 %
Wasserij Schepens B.V.B.A.	Halle, Belgium	100 %
WE Power N.V.	Halle, Belgium	100 %

(1) These companies close their financial year on 31 December and are included in the consolidated financial statements on that date.

34.3. Joint Ventures

Parkwind N.V.	Leuven, Belgium	60,13 %
Fraluc N.V. ⁽¹⁾	Merchtem, Belgium	50,00 %

(1) This company closes its financial year for the first time on 31 July 2015. Fraluc N.V. is included in the consolidated financial statements based on intermediate financial statements as per 31 March 2015.

34.4. Associates

Core S.C.R.L. ⁽¹⁾	Brussel, Belgium	25,00 %
Xenarjo C.V.B.A. ⁽¹⁾	Mechelen, Belgium	24,99 %

(1) These companies close their financial year on 31 December and are included in the consolidated financial statements on that date.

34.5. Changes in consolidation scope

a. New investments in subsidiaries and joint ventures

During the financial year the acquisition of three companies was finalised, i.e. Imo Louvferdis B.V.B.A. (June 2014), Wasserij Schepens B.V.B.A. (November 2014) and Anthyllis N.V. (January 2015).

In 2014 Colruyt Group has taken a 50 % share in the Belgian clothing retailer ZEB through a newly established company Fraluc N.V.

b. Mergers

In Belgium, from 1 April 2014 onwards, the companies Fildiast N.V., Filkwaad N.V., Fillange N.V., Fillouva N.V., Filnoord N.V., Fil-square N.V. and Filroel N.V. merged with Retail Partners Colruyt Group N.V. (previously Spar Retail N.V.).

c. Newly established companies

On 28 August 2014 and on 12 March 2015 respectively, the companies Comlie N.V. and Comant N.V. were established. In the Grand Duchy of Luxembourg, Immo Colruyt Luxembourg S.A. was established on 26 March 2015.

d. Other changes

In August and December 2014 the liquidations of, respectively, Vaucamps N.V. and Colruyt Mobile N.V. were finalised.

Infoco N.V. changed its name into Fleetco N.V.

The name of Spar Retail N.V. was changed into Retail Partners Colruyt Group N.V.

35. Condensed (non-consolidated) financial statements of Etn. Fr. Colruyt N.V., in accordance with Belgian accounting standards

The financial statements of Etn. Fr. Colruyt N.V. are presented below in condensed form.

The annual report, the annual financial statements of Etn. Fr. Colruyt N.V. and the independent auditor's report were filed with the National Bank of Belgium, in accordance with Art. 98 and 100 of the Companies Code. A copy of these documents can be obtained there on request.

These documents can also be obtained on request at the Company's registered office:

Etn. Fr. Colruyt N.V. – Edingensesteenweg 196, 1500 Halle

Tel. +32 (2) 363 55 45

Internet: www.colruytgroup.com

E-mail: contact@colruytgroup.com

Condensed statement of financial position of Etn. Fr. Colruyt N.V.

	31.03.15	31.03.14
(in million EUR)		
Non-current assets	4.076,2	4.045,0
II. Intangible assets	25,8	21,3
III. Property, plant and equipment	164,1	162,3
IV. Financial non-current assets	3.886,3	3.861,4
Current assets	1.352,5	1.169,5
V. Receivables exceeding one year	5,9	0,2
VI. Inventories and work in progress	344,7	330,3
VII. Receivables for less than one year	369,0	338,8
VIII. Cash investments	362,5	297,4
IX. Cash and cash equivalents	262,2	195,5
X. Prepayments and accrued income	8,2	7,3
Total assets	5.428,7	5.214,5
Equity	1.135,2	1.299,8
I. Share capital	274,6	260,6
IV. Reserves	391,5	325,4
V. Profit carried forward	469,1	713,8
Provisions and deferred taxes	39,8	7,4
Liabilities	4.253,7	3.907,3
VIII. Liabilities exceeding one year	2.957,7	2.647,7
IX. Liabilities for less than one year	1.273,4	1.243,5
X. Accruals and deferred income	22,6	16,1
Total liabilities	5.428,7	5.214,5

Condensed income statement of Etn. Fr. Colruyt N.V.

	2014/15	2013/14
(in million EUR)		
I. Operating income	6.370,4	6.160,5
II. Operating expenses	(6.051,6)	(5.809,8)
III. Operating profit	318,8	350,7
IV. Finance income	165,5	8,9
V. Finance expenses	(118,3)	(102,4)
VI. Profit from ordinary operations, before tax	366,0	257,2
VII. Extraordinary income	13,3	30,5
VIII. Extraordinary expenses	(51,7)	(47,5)
IX. Profit for the financial year, before tax	327,6	240,2
X. Income tax	(69,1)	(75,2)
XI. Profit for the financial year	258,5	165,0
XII. Transfer to the tax exempt reserves	(0,1)	(0,1)
XIII. Profit for the financial year available for appropriation	258,4	164,9

Profit appropriation Etn. Fr. Colruyt N.V.

The Board of Directors will propose to the General Shareholders' Assembly on 30 September 2015 to distribute the profit for the 2014/15 financial year as follows:

	2014/15	2013/14
(in million EUR)		
Profit for the financial year available for appropriation	258,4	164,9
Profit carried forward from previous financial year	713,8	740,5
Profit available for appropriation	972,2	905,4
Transfer to the legal reserve	1,4	1,1
Addition to other reserves	353,9	25,8
Result to be carried forward	469,1	713,8
Dividend to owners	137,5	155,8
Bonuses	3,3	3,5
Other debts	7,0	5,4

Dividend to owners

This line item is calculated considering the number of treasury shares on 1 June 2015 and taking into account the shares reserved for distribution as part of the profit-sharing plan in September 2015.

DEFINITIONS

Share of the group

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

Capital employed

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

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).

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.

Dividend pay-out ratio

Gross dividend per share divided by the profit for the financial year (group share) per share.

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.

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.

GMS

'Grandes et moyennes surfaces' is a term used in France for store surfaces > 400m² (retail segment), for the activity 'deliveries to inde-

pendent storekeepers' (wholesale and foodservice segment) and for the DATS 24 petrol stations (other activities segment).

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.

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.

RHD

'Restauration hors domicile' concerns the foodservice in France which delivers to the hotel, restaurant and café sector (commercial) and to collectives, such as schools, hospitals and nursing homes (social).

ROCE

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

Purchase of property, plant and equipment and intangible assets

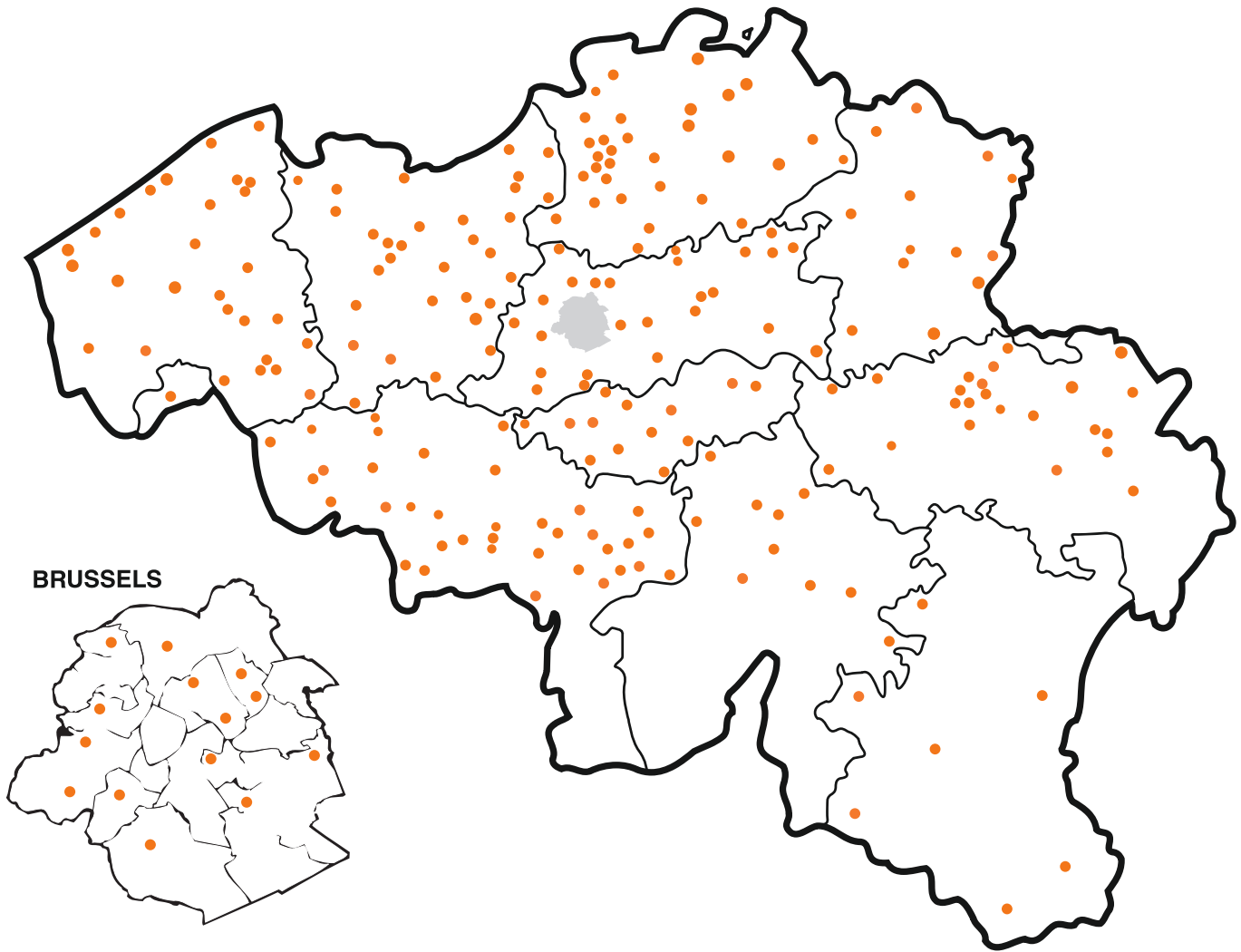
Purchase of property, plant and equipment and intangible assets also includes finance leases, but excludes acquisitions through business combinations and contributions by third parties.

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.

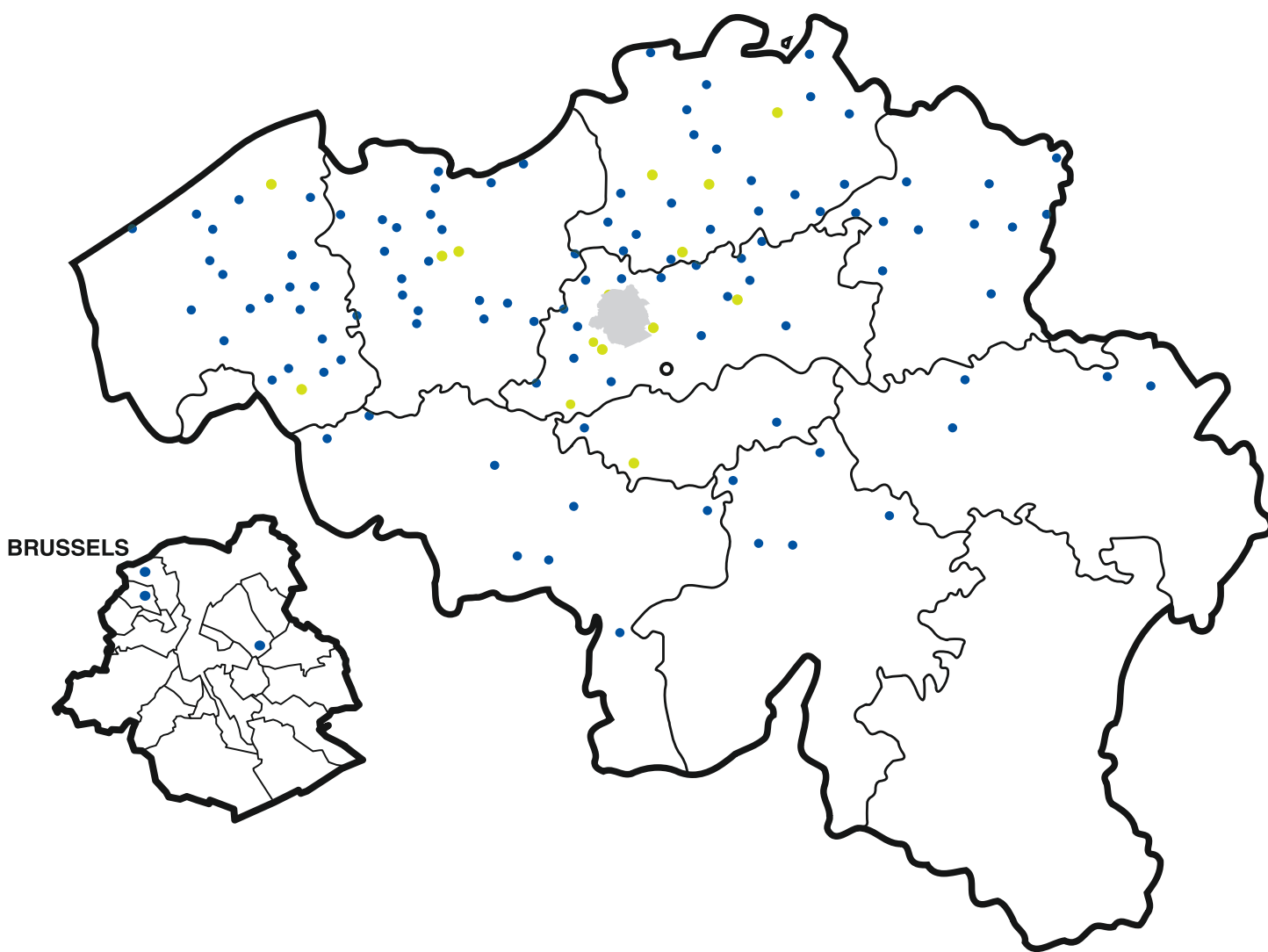
FTE

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



 Colruyt Lowest Prices stores

Find the address of your closest Colruyt store on [colruyt.be](https://www.colruyt.be)

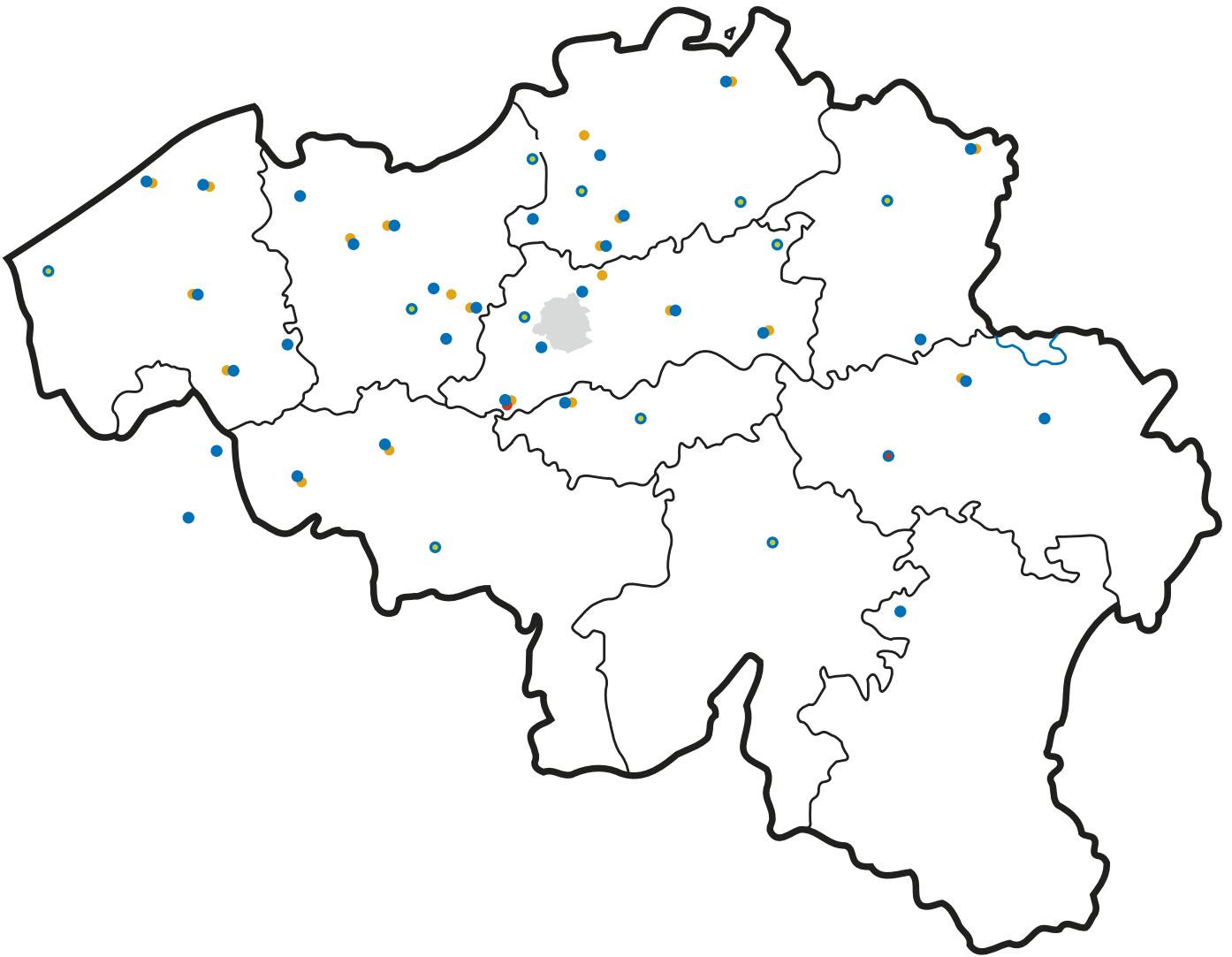


● Okay stores

● Bio-Planet stores

○ Cru stores

Find the address of your closest store on :
• okay.colruytgroup.be • bioplanet.be • cru.be

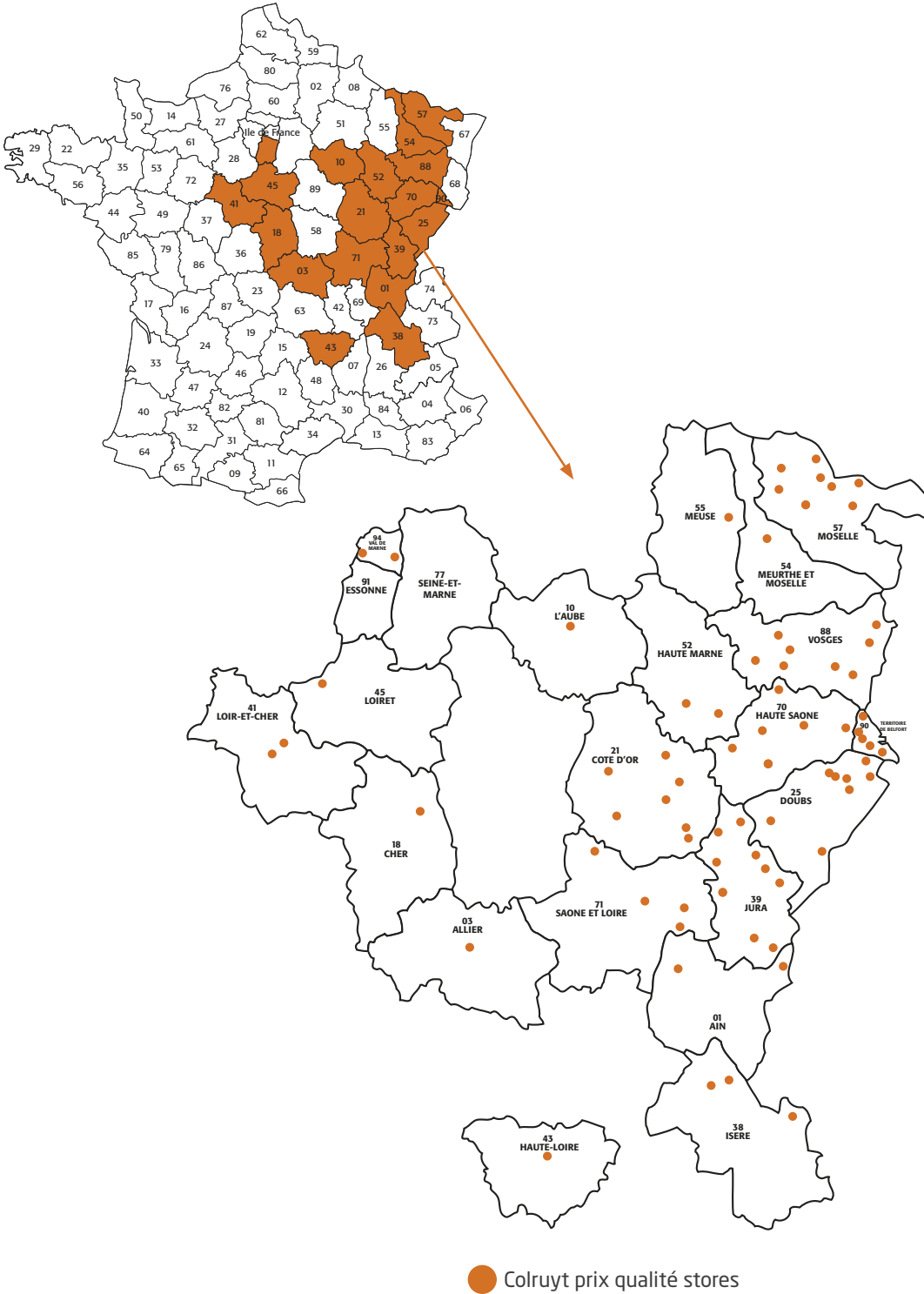


- Dreamland stores
- ↗ ● Dreambaby-shop
- ↗ ● Dreambaby-corner

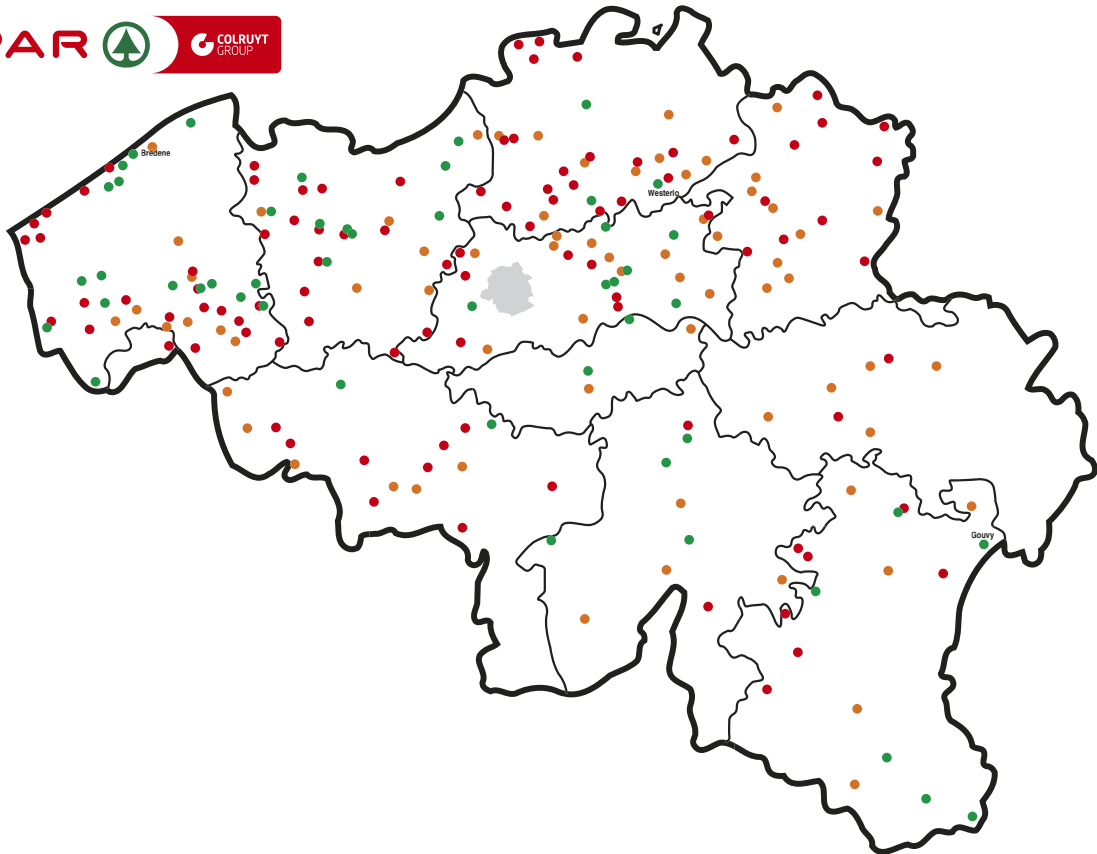
● Dreambaby stores

● ColliShop-showroom

Find the address of your closest store and ColliShop showroom on :
• dreamland.be • dreambaby.be • collishop.be

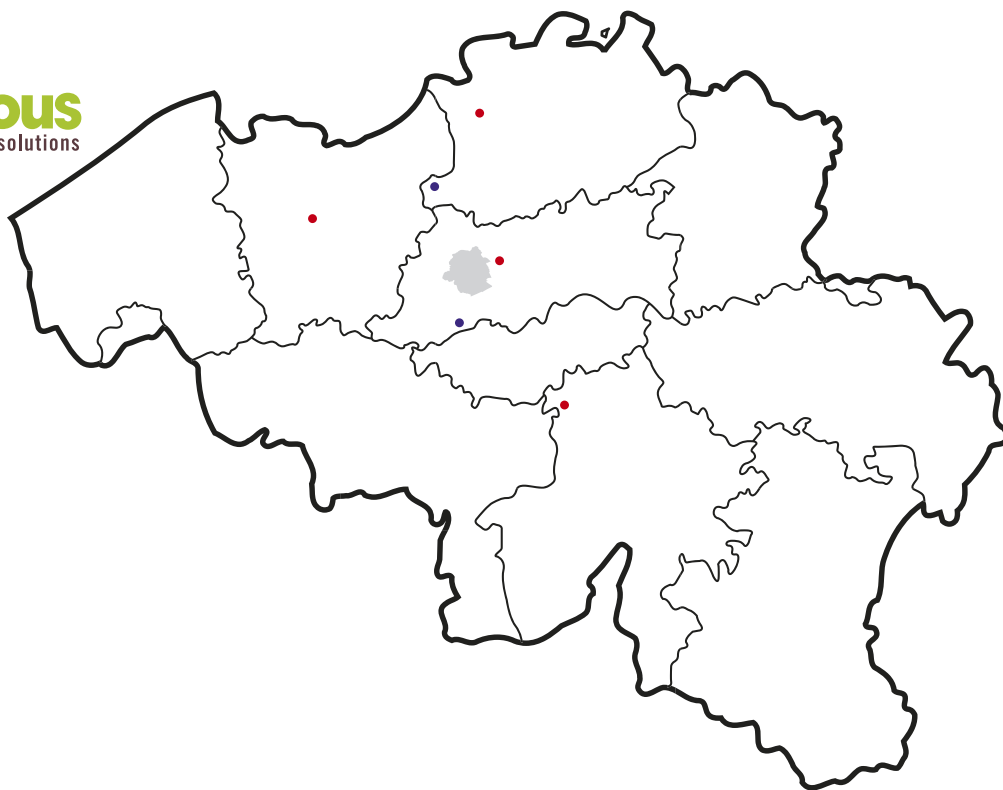


Find the address of your closest Colruyt store on colruyt.fr



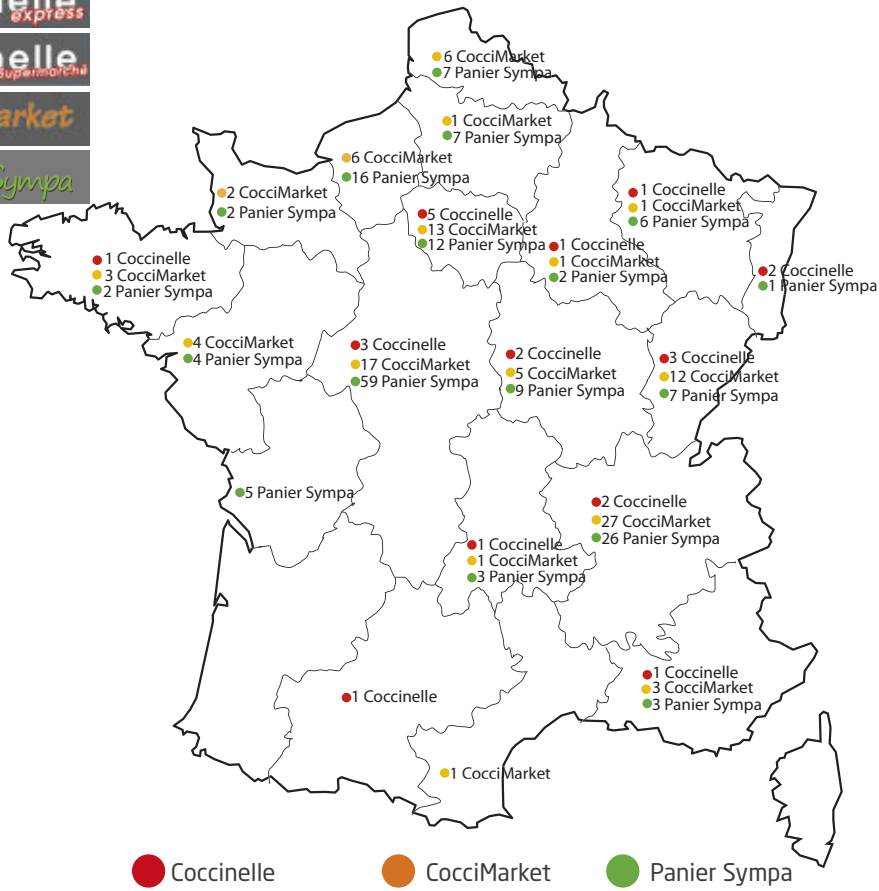
- Eurospar stores
- Spar stores
- Spar neighbourhood stores

Find the address of your closest Spar store on sparretail.be



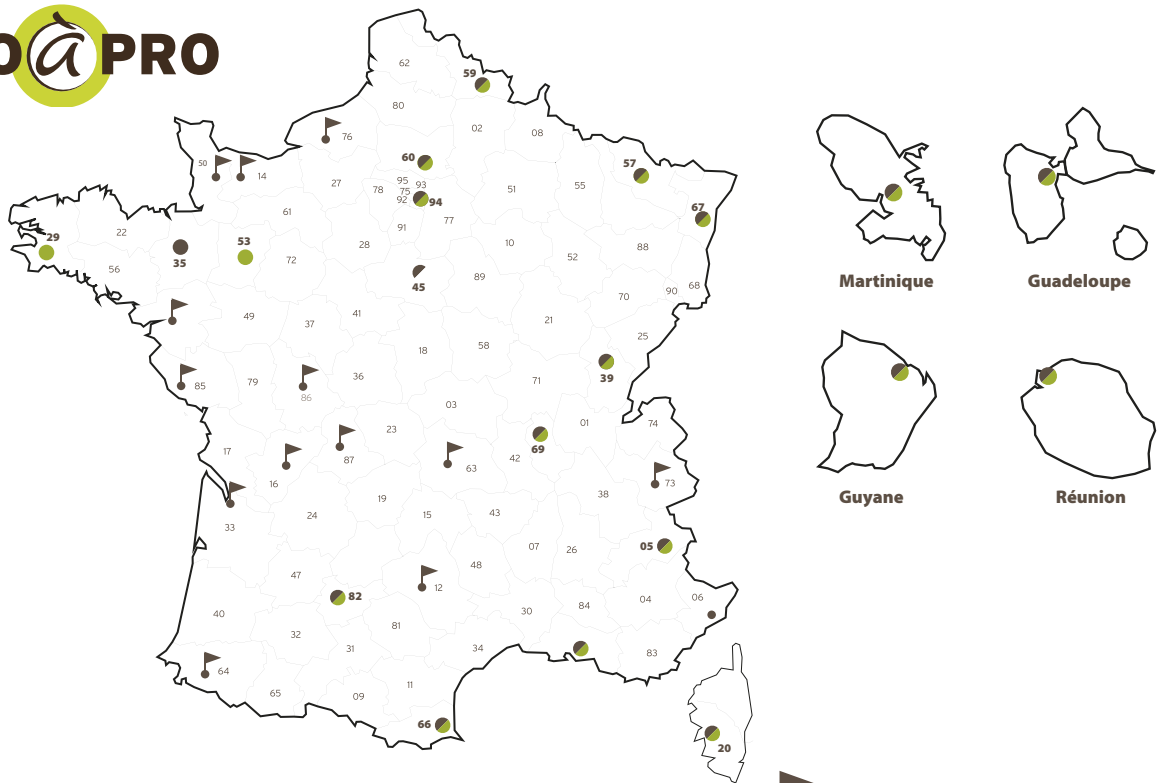
- distribution centre
- hubs

Contact Solucious via solucious.be



● Coccinelle ● CocciMarket ● Panier Sympa

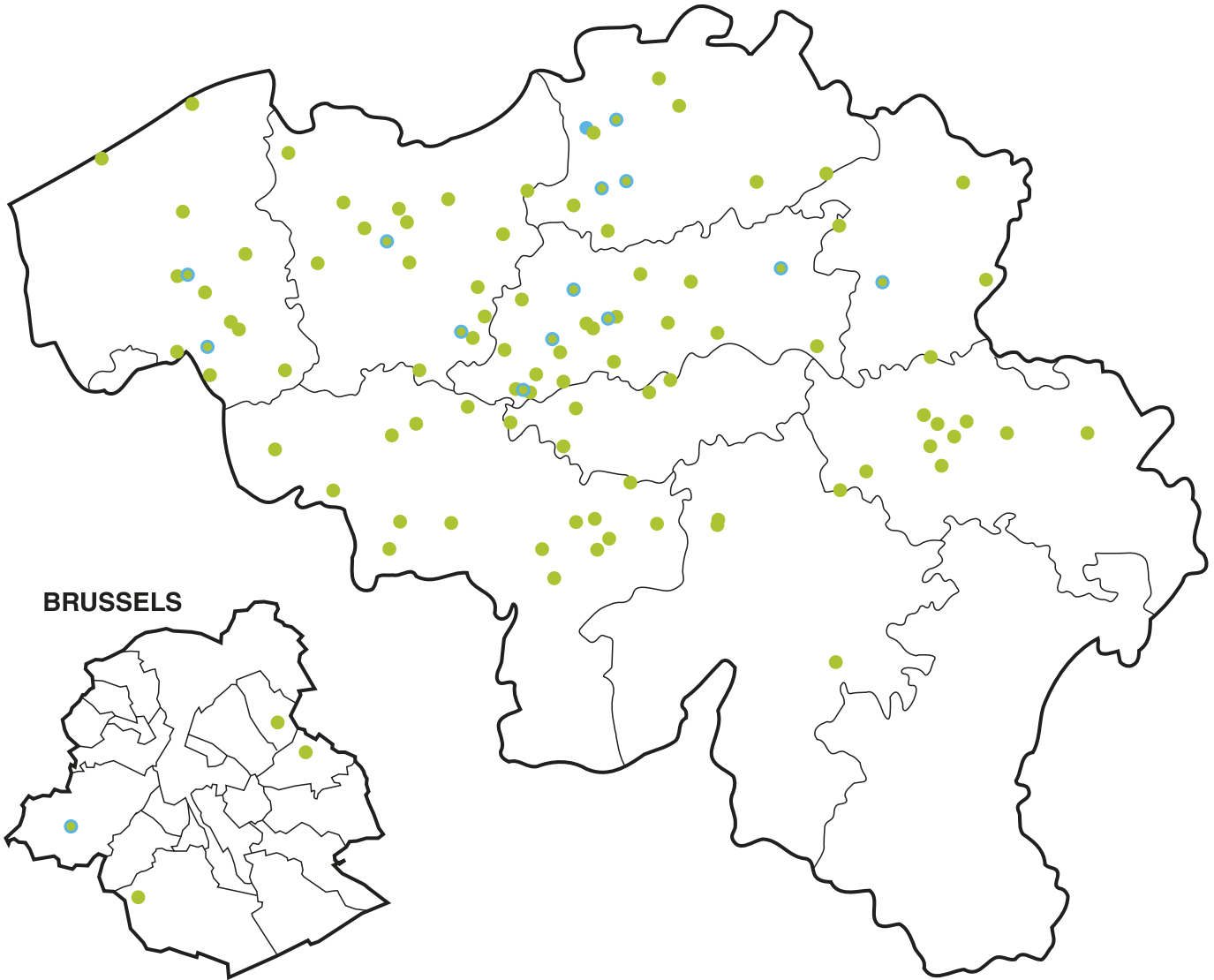
Find the address of your closest store on codifrance.fr



● DC fresh products ● DC dry food ● DC fresh products / dry food ● Transshipment platforms

Find the address of your closest distribution centre (DC) and transshipment platform on proapro.fr

DATS 24



● CNG ● diesel - euro 95 - euro 98 ● diesel - euro 95 - euro 98 - CNG

Find the address of your closest DATS 24 filling station on dats24.be

Limited liability company Etn. Fr. Colruyt

Headquarters:

Wilgenveld

Edingensesteenweg 196

B- 1500 HALLE

RPR Brussels

VAT: BE 400.378.485

Enterprise number: 0400.378.485

Phone: +32 (2) 363 55 45

Internet: colruytgroup.com

Email: contact@colruytgroup.com

investor@colruytgroup.com

Risks relating to forecasts

Statements by Colruyt Group included in this publication, along with references to this publication 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 risk and uncertainties. The information communicated relates to information available at the present time, which can differ from the ultimate outcomes. Factors that can cause any differences between expectations and reality are: changes in the microeconomic or macroeconomic context, changing market situations, changes in the competitive climate, unfavourable rulings regarding the construction and/or expansion of new or existing stores, procurement problems with suppliers, as well as other factors that can have an impact on the group's result. Colruyt Group does not enter into any obligation with respect to future reporting that might have an influence on the group's result or that could cause a deviation from the forecasts included in this publication or in other group communications, whether written or oral.

www.colruytgroup.com/annualreport2015



COLRUYT
GROUP

Publisher:

Jean de Leu de Cecil • N.V. Colruyt Group Services • Edingensesteenweg 196 B-1500 Halle

Phone: +32 (2) 363 55 45

Design:

Premedia • Edingensesteenweg 249 B-1500 Halle

Only the Dutch version of the annual report is the official version.

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