

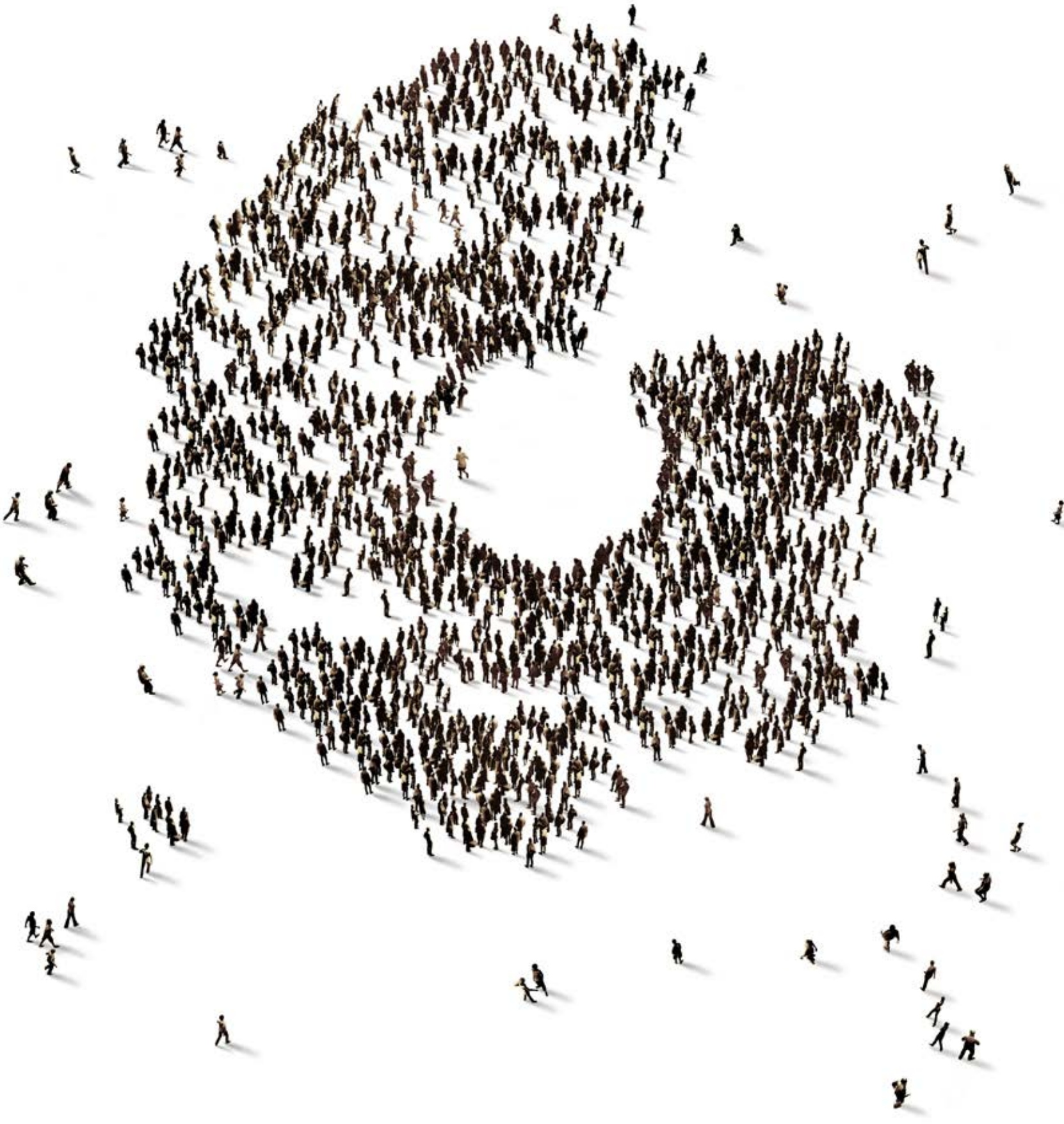



ANNUAL REPORT

2015-2016



COLRUYT
GROUP



The background of the page features several black silhouettes of people walking in various directions, scattered across the white space. Some are walking towards the right, some towards the left, and some in a more diagonal path. The silhouettes are simple, showing the outline of a person's head, torso, and legs. The overall effect is one of movement and activity.

Together, we create sustainable added value through value-driven craftsmanship in retail

Halle, 16 June 2016

FINANCIAL YEAR 2015/2016

Annual report presented to the Ordinary General Meeting of Shareholders of 28 September 2016 by the BOARD OF DIRECTORS and REPORT of the AUDITOR.

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

Ce rapport annuel est également disponible en français.

Dit jaarverslag is ook verkrijgbaar in het Nederlands.



Sustainable enterprise is a common theme in all activities of Colruyt Group. During the demolition and renovation of buildings we always investigate what materials can be given a second life.

Intro

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The introduction is based on the Colruyt Group 2015-2016 management report as 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 separate financial statements of the company for the financial year 2015-2016.



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INTRO

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JEF COLUYT
CHAIRMAN OF THE BOARD OF DIRECTORS OF COLUYT GROUP



CONTINUED SUSTAINABLE GROWTH

Last financial year, we continued to work on our sustainable growth at Colruyt Group, and we created an added value in various fields.

First of all, on an **economic level** we realised satisfactory growth in a market that is still difficult, with persistent stiff price competition and weak consumer confidence. The group revenue rose by 2,9% to over EUR 9,1 billion, while the net profit came out at EUR 366 million. This good performance came from more than 29.000 employees, all of whom I would like to thank for their dedication and entrepreneurship.

On the one hand, our revenue growth is due to our diversified store portfolio. In this way, we get increasingly better market coverage, responding to diverse needs at the different stages of life of the consumer. On the other hand we are continuing to steadily expand our store network. For example, last financial year we opened 21 new stores and renovated 25 existing establishments, accounting for 20.000 m² additional sales area. In the coming years, we will consequently continue to choose well considered **sustainable growth**. We believe strongly in the potential of our latest retail concept, the covered market experience of Cru, that is now ready for further rollout. The independent Spar supermarkets now confirm the strengthened collaboration by placing the Colruyt Group signature on their facade.

Of course we also attribute our growth to the confidence of our customers. I am pleased that for many people Colruyt Group has apparently remained a safe haven in these complex and uncertain times in which we nevertheless have to make so many choices. I hereby guarantee to everybody that we will continue to pay full attention to earning that confidence in the future every day.

Secondly, we also want to make a meaningful difference on a **social level** and for example ensure that people can work and live together with respect and consideration.

Thus we endeavour to further support the diversity of our organisation, in which our employees readily deal with diverse cultures and customs. We remain strongly dedicated to the health and welfare of our employees. For example, we offer tailor-made solutions to help long-term sick colleagues get back to work again.

For the health and welfare of our customers we systematically improve the nutritional composition of our house brand products. At the same time we continue to inform transparently under the familiar motto 'we say what we do and we do what we say'. We thus enforce our brand promise '**simplicity in retail**' and we help the consumer make sustainable and healthy choices.

Furthermore, we invest in projects from which we as a company hope to reap the benefits later on. With Collibri Foundation we support vulnerable young people, for example, in Belgium and abroad, so that they can start higher education and develop themselves into enterprising citizens. And last financial year we played a constructive role on several occasions at crucial times in the national dialogue to help agricultural sectors in crisis to survive and reinvent themselves.

Thirdly, we also take on our responsibilities on an **ecological level** out of respect for the world in which we live. Hence we continue to invest in innovative techniques that further limit the ecological impact of our activities, such as hydrogen and liquid ice. For years we have only worked with green electricity, and we will continually produce more of it ourselves. Today our energy producer Eoly supplies 25% of the electricity requirement, in time it will be 100%. We are also pleased that we have been able to participate in the agreement between the regional authorities and the business world to tackle litter together. And on a European level we continue to participate as a pioneer regarding a feasible method to chart the ecological footprint of retailers.

To close: last year Colruyt Group invested almost EUR 388 million in its future and hired more than 1.550 additional employees. And just as in previous years around 50% of the added value that we created flowed back to the community via the government. We therefore call on the government to use these resources efficiently - with priority on a better transport infrastructure in the service of our collective mobility - and to create a stable framework in which we can further grow sustainably together.

MANAGEMENT REPORT

1. Overview financial year 2015/2016 - Key figures and headlines

(in million EUR)	01/04/2015 31/03/2016	01/04/2014 31/03/2015	Variance
Revenue	9.177,5	8.916,8	+2,9%
Gross profit	2.320,9	2.219,0	+4,6%
% of revenue	25,3%	24,9%	
EBITDA	720,3	668,1	+7,8%
% of revenue	7,8%	7,5%	
EBITDA excl. settlement ⁽¹⁾	720,3	699,7	+2,9%
% of revenue	7,8%	7,8%	
Operating profit (EBIT)	507,2	463,8	+9,4%
% of revenue	5,5%	5,2%	
Operating profit (EBIT) excl. settlement ⁽¹⁾	507,2	495,4	+2,4%
% of revenue	5,5%	5,6%	
Profit before tax	518,4	479,1	+8,2%
% of revenue	5,6%	5,4%	
Profit before tax excl. settlement ⁽¹⁾	518,4	510,7	+1,5%
% of revenue	5,6%	5,7%	
Profit for the financial year	366,3	331,0	+10,7%
% of revenue	4,0%	3,7%	
Profit for the financial year excl. settlement ⁽¹⁾	366,3	362,6	+1,0%
% of revenue	4,0%	4,1%	
Earnings per share - basic and diluted (EUR) ⁽²⁾	2,49	2,21	+12,4%
Earnings per share excl. settlement (EUR) ^{(1) (2)}	2,49	2,42	+2,6%

(1) 'Settlement' in financial year 2014/15: On 19 June 2015 Colruyt Group signed a settlement with the Investigation Service of the Belgian Competition Authority in relation to the period 2002-2007. By signing the settlement the group accepted 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, the consolidated key figures of the prior financial year are provided both inclusive and exclusive of the settlement.

(2) The weighted average number of outstanding shares equals 147.004.025 in 2015/16 compared to 149.419.713 last year.

- Revenue grows 2,9% to over EUR 9,1 billion.
 - Further market share gains in Belgium: 31,5% compared to 31,0% last financial year.
 - Colruyt Group continues to invest in the long term. The Colruyt banner continuously offers its customers the lowest price.
 - Gross profit margin increases to 25,3% (24,9% last year).
 - EBITDA margin remains stable⁽¹⁾ at 7,8% of revenue due to ongoing investments in employees, quality, innovation, simplicity and efficiency.
 - Increased depreciation charges resulting from continued investments in stores and distribution centres.
 - Operating profit increases⁽¹⁾ by EUR 12 million to EUR 507 million. EBIT margin amounts to 5,5% of revenue (5,6% last year⁽¹⁾).
 - Comparable net profit grows⁽¹⁾ by EUR 4 million to EUR 366 million (4,0% of revenue). Last year's one-off settlement included, profit rises⁽²⁾ by EUR 35 million.
 - Earnings per share up⁽²⁾ 12,4% to EUR 2,49 per share.
- Net cash and cash equivalents increase to EUR 433 million.
 - Investments in tangible and intangible assets amount to EUR 388 million compared to EUR 369 million last year.
 - Employment increases by more than 1.500 employees to 28.047 as at 31 March 2016 (expressed in full-time equivalents).

2. Consolidated income statement

Consolidated revenue increased by 2,9% to EUR 9.177 million. The revenue increase from higher sales volumes, store expansion, sales price inflation and a favourable calendar effect was partly offset by lower fuel prices.

Colruyt Group's market share in Belgium (Colruyt Lowest Prices, OKay and Spar) expanded from 31,0% last year to 31,5% in the financial year 2015/16.

The **gross profit margin** improved by 40 basis points to 25,3%. Excluding petrol, the gross margin increased by 19 basis points, mainly as a result of lower promotional pressure in the first semester.

The Colruyt banner continues to make substantial price investments in order to offer its customers the lowest price for each product at each moment.

Colruyt Group kept its operating expenses under control. At the same time, the group continued to invest in its employees, processes, efficiency improvements and transformation projects. These investments led to an increase in net operating expenses from 17,0%⁽¹⁾ to 17,4% of revenue.

EBITDA improved⁽¹⁾ by EUR 21 million to EUR 720 million. The EBITDA margin remained stable⁽¹⁾ at 7,8% of revenue.

Depreciation, amortisation and impairment costs amounted to EUR 213 million. The EUR 9 million increase compared to last year is mainly attributable to the higher depreciation charges, resulting from the execution of the investment programmes.

Operating profit (EBIT) increased⁽¹⁾ by EUR 12 million to EUR 507 million. The EBIT margin reached 5,5% of revenue compared to

5,6%⁽¹⁾ last year.

Financial result decreased by EUR 2 million due to lower financial income, partly as a result of historically low interest rates.

As last year, the result from investments in joint ventures amounted to about EUR 9 million and mainly related to the participation in Parkwind group.

The effective tax rate increased from 29,5%⁽¹⁾ to 29,9%, primarily due to the lower notional interest deduction.

Profit for the financial year increased⁽²⁾ by EUR 35 million to EUR 366 million. There are two contributing factors to this evolution: an improved net result from operating activities (EUR +3,7 million) and the one-off settlement amount that was charged against prior financial year's result (EUR +31,6 million).

3. Income statement per segment

3.1 Retail

Revenue from the retail activities grew by 4,0% to EUR 7.062 million. Retail accounted for 76,9% of the consolidated revenue.

Price pressure, fierce competition and a persistently difficult economic climate continue to characterize the Belgian and French retail market. There were few signs of economic recovery and consumer confidence remained negative.

Revenue of the **Colruyt stores in Belgium and Luxembourg** climbed 2,8% as a result of volume growth in existing stores, sales price inflation and a favourable calendar effect. Sharpened communication on Colruyt's lowest prices strategy again benefited both revenue and market share.

Colruyt Lowest Prices delivers on its brand promise day after day by offering the lowest price at every moment and for every product. All price rebates and promotions offered by other retailers are immediately integrated in its sales prices. The lowest prices guarantee of the Colruyt stores was also this year confirmed by consumer organisations and specialised trade press publications.

OKay, Bio-Planet and Cru reported an aggregate revenue growth of over 13% through the combination of store openings and new customer inflow. Colruyt Group will continue to invest in its proximity store format OKay and in its bio supermarket Bio-Planet. Two new Cru stores will open in 2016.

Colruyt Group offers its customers **3 clearly distinguishable brand layers**: (inter)national brands, products labelled Boni Selection (Colruyt Group's home brand) and products labelled Everyday Selection (the group's discount brand). Bringing the existing private labels together under the home brand Boni Selection has led to product range simplification. The brand transition is nearing completion and the results are in line with the expectations.

As from this accounting year, the retail segment **Colruyt France** also comprises the results of the French petrol stations DATS 24. Petrol included, the Colruyt stores recorded a revenue growth of 5,2%. Petrol excluded, revenue grew by more than 9% in a deflationary market. The organic growth of the French Colruyt stores was driven by store network modernisation and continuous invest-

(1) Exclusive of the settlement with the Investigation Service in 2014/15.

(2) Inclusive of the settlement with the Investigation Service in 2014/15.

ments in price positioning. Colruyt Group will continue to invest in its French retail activities in the coming years. The group will open five to ten new stores in France every year.

The combined store revenue of **Dreamland and Dreambaby** remained practically stable (+0,8%). The transfer of baby departments from Dreamland stores to separate Dreambaby stores was carried on this year.

Colruyt Group continues to focus on **E-commerce retail**.

Online revenue is growing steadily through sustained investments in online activities. In 2015/16, the group's online shopping service Collect&Go invested in new collection points and in a new logo. Colruyt Group also invested in a renewed website for the non-food webshops of Dreamland, Dreambaby and Collishop.

3.2. Wholesale and Foodservice

The wholesale and foodservice segment accounted for 17,1% of the consolidated revenue in 2015/16. Revenue from these activities increased by 3,0% to EUR 1.569 million.

The **wholesale activities** include the deliveries to independent storekeepers in Belgium (Retail Partners Colruyt Group) and France (Coccinelle, CoccMarket and Panier Sympa). Wholesale revenue showed a 2,0% increase to EUR 769 million. This growth was mainly realised by Retail Partners Colruyt Group, which comprises the collaboration with the Spar entrepreneurs, as well as the deliveries to Alvo, independent Mini Markets and independent storekeepers.

A large and high-quality range of fresh products, competitive prices and a close and authentic collaboration with and strong involvement of the independent entrepreneurs remain the focus areas of the Spar stores of Colruyt Group. The roll-out of the Spar logo, with a clear reference to the Colruyt Group partnership, is progressing steadily. The profitability of the independent Spar entrepreneurs still ranks among the best on the market. The logistic integration of Alvo, which was completed in February 2016, will benefit the group, the Alvo supermarkets and the Alvo organisation.

Revenue from Belgian and French **foodservice activities** grew by 4,0%. The assets of Solucious and Pro à Pro remain the delivery reliability, the service, the product quality and the personal contact with the customer. These strengths generated revenue growth despite a stagnating market.

3.3. Other activities

Revenue from the other activities declined by 9,0 % to EUR 547 EUR million. These activities accounted for 6,0% of the consolidated revenue.

Revenue of the Belgian DATS 24 filling stations decreased from EUR 595 million to EUR 542 million. Volume gains were more than fully offset by the steep decline in fuel prices.

DATS 24 continued its investments in CNG (Compressed Natural Gas). CNG is more economical than conventional fuels and less impacting on the environment and health. 27 filling stations are already offering natural gas and this number is scheduled to increase to 65 by March 2018.

Eoly, Colruyt Group's internal energy producer and supplier, supplies green energy to group companies and to independent stores of Retail Partners Colruyt Group. Eoly further developed its energy generation through wind turbines and solar panels this year. Colruyt Group seeks to increasingly meet its own energy needs. In the near future, Eoly will set up a participation model, allowing neighbours to become co-owners of a wind turbine.

4. Cash flow and balance sheet

The net carrying amount of the **tangible and intangible assets** increased by EUR 168 million to EUR 2.120 million. The increase mainly results from the investments made during the financial year (EUR 388 million). Depreciation, amortisation and impairment costs amounted to EUR 213 million.

At 31 March 2016 the assets under construction primarily relate to the new production plant for Fine Food Meat. The new distribution centre for OKay and Bio-Planet became operational during the financial year. These investments will enable Colruyt Group to continue its growth in the years to come.

Net cash and cash equivalents increased by EUR 124 million to EUR 433 million as at 31 March 2016.

5. Treasury shares

No treasury shares were purchased during the financial year 2015/16.

Pursuant to the authorisation granted by the General Meeting of Shareholders, the Board of Directors cancelled 7,5 million shares on 17 December 2015.

As at 31 March 2016 Colruyt Group held 2.243.808 treasury shares (1,5% of the total number of shares issued).

6. Events after the reporting period

No significant events occurred after the reporting period.

7. Outlook

We expect the market to remain competitive in 2016/17. We do not anticipate a significant upturn in the economic climate nor in the consumer confidence in Belgium and France in the short term.

Colruyt will continue to invest in its long-term strategy. The group will continue its investments in employees, stores, simplicity and efficiency. Colruyt Lowest Prices will consistently implement its lowest prices strategy. At the same time, operating expenses will be kept under control.

Colruyt Group will present its full-year 2016/17 guidance at the General Meeting of Shareholders on 28 September 2016.

8. Dividend

The Board of Directors will propose a **gross dividend** of EUR 1,12 per share to the General Meeting of Shareholders of 28 September 2016. This amount is the result of the consistent application of the group's dividend pay-out policy.

9. Segment information

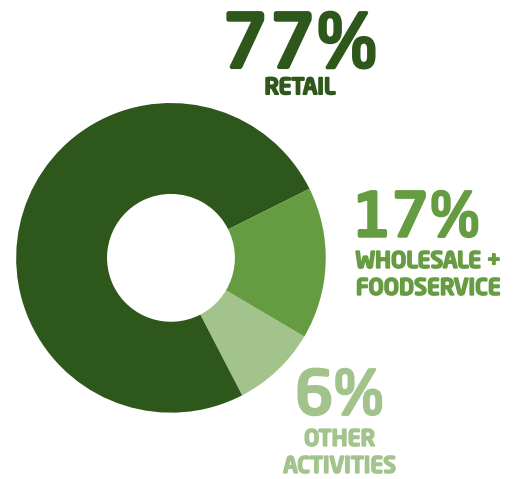
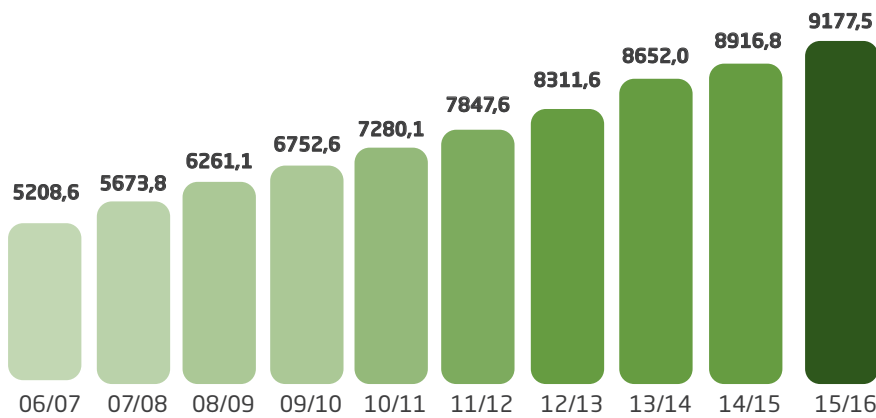
(in million EUR)	Revenue	EBITDA	EBIT
I. RETAIL	7.148,4	621,8	466,7
Retail Food			
- Colruyt Belgium and Luxembourg ⁽¹⁾	5.635,8		
- OKay, Bio-Planet and Cru ⁽²⁾	758,3		
- Colruyt France and DATS 24 France	413,6		
Retail Non-food			
- Dreamland Belgium and France and Dreambaby	253,9		
- Transactions with other operating segments	86,8		
II. WHOLESALE AND FOODSERVICE	1.588,8	55,6	31,4
- Wholesale	768,7		
- Foodservice	800,5		
- Transactions with other operating segments	19,6		
III. OTHER ACTIVITIES	593,2	23,3	13,2
- DATS 24 Belgium	542,3		
- Printing and document management solutions	4,4		
- Transactions with other operating segments	46,5		
IV. ELIMINATIONS BETWEEN OPERATING SEGMENTS	(152,9)	0,7	0,7
V. CORPORATE (not allocated)	0,00	18,9	(4,8)
Total Colruyt Group consolidated	9.177,5	720,3	507,2

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

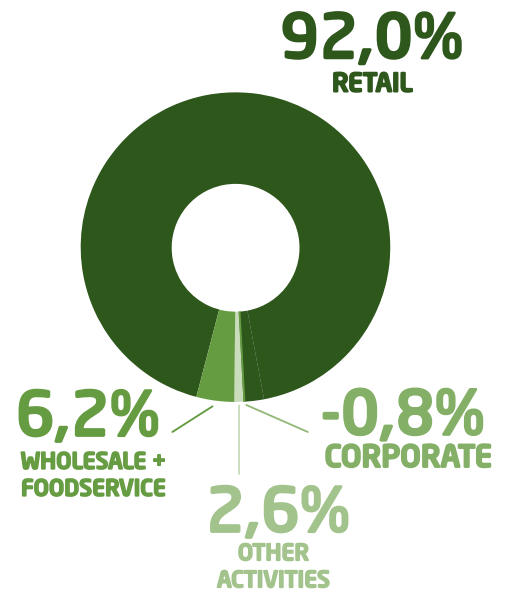
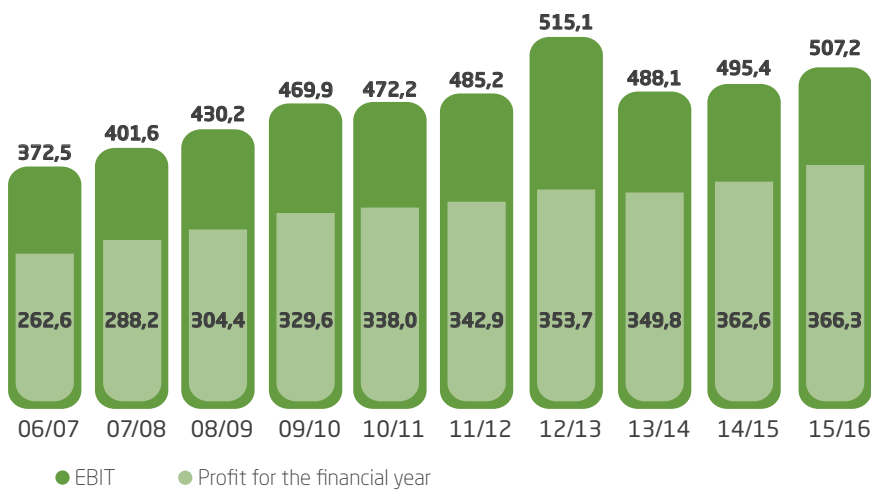
(2) Inclusive of the revenue of Collishop, Dreamland and Dreambaby realised by the OKay and Bio-Planet stores and inclusive of the revenue of the Cru activity.

KEY FIGURES

Colruyt Group revenue (in EUR million)

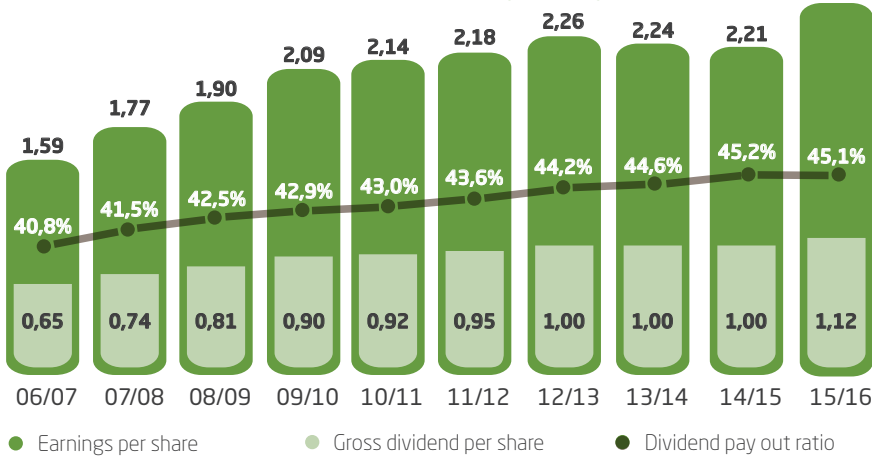


Colruyt Group results (in EUR million)



For comparability reason, the figures of the financial year 2014/15 are exclusive of the settlement with the Investigation Service of EUR 31,6 million.

Earnings and gross dividend per share (in EUR)



21

STORE OPENINGS



516

OWN STORES

679

INDEPENDENT
STOREKEEPERS IN BELGIUM
AND AFFILIATED
STORES IN FRANCE

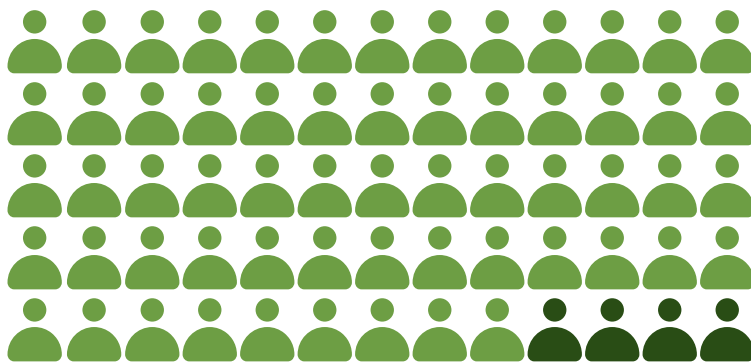


641.000 M²

STORE AREA OF
OWN STORES

288

MILLION EURO
INVESTMENTS



29.683

EMPLOYEES
OF WHICH
+1.566 NEW

31,5%

MARKET SHARE OF COLRUYT, OKAY AND
SPAR IN BELGIUM



246

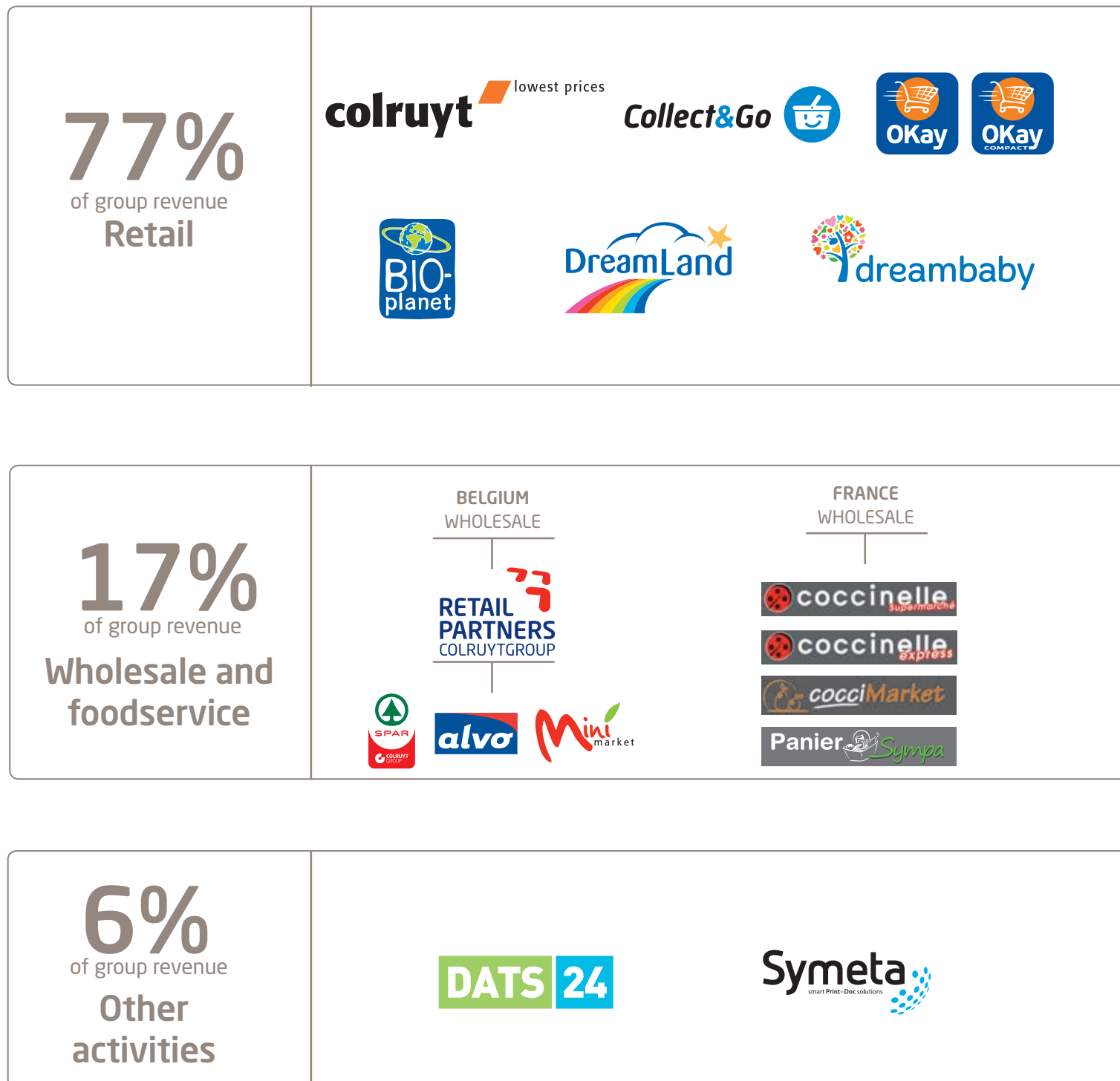
COLLECT&GO
COLLECTION POINTS
IN BELGIUM, LUXEMBOURG
AND FRANCE

49,03%

OF THE ADDED VALUE GENERATED
IN BELGIUM GOES TO THE COMMUNITY
VIA THE GOVERNMENT

ACTIVITIES

The operational activities of Colruyt Group are subdivided into retail, wholesale, foodservice and the other activities and corporate activities. The retail store formulas and the deliveries to independent storekeepers and to professional customers in foodservice represent the lion's share of our operational activities. DATS 24, Symeta, Eoly and our financial participations are aggregated under the other activities.



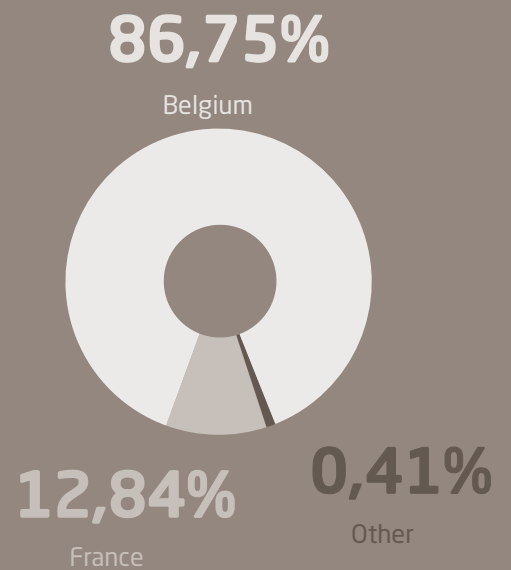
Geographic segmentation

The geographic segmentation is based on the various locations of the parent company and its subsidiaries and this from the point of view that we want to serve our customers from their own region to a maximum. Thus we primarily locate our commercial activities and group support services in Belgium, Luxembourg, France, India and Hong Kong.

- Belgium: all activities.
- Luxembourg: retail and reinsurance company.
- France: retail, wholesale, foodservice and DATS 24.
- French overseas departments: wholesale and foodservice.
- India: own IT department.
- Hong Kong: own purchasing support.

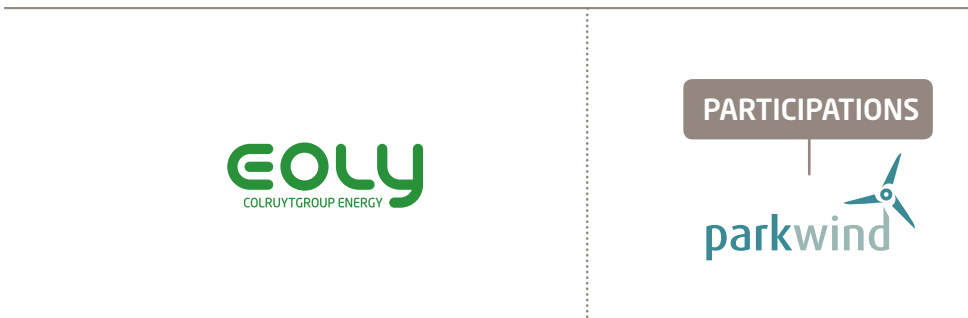
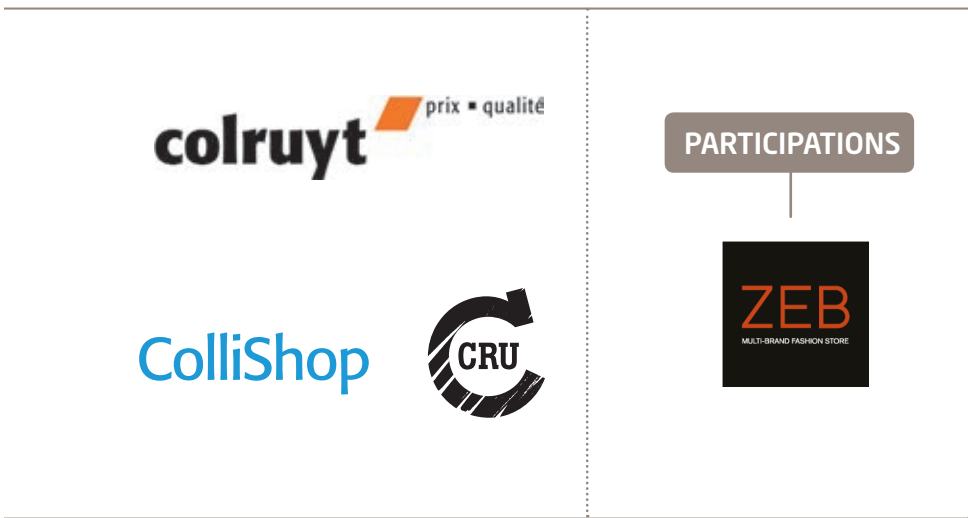
The list of all companies incorporated in the consolidation is given in note 34.2 of the financial section.

Geographic segmentation of revenue:



Corporate activities

The corporate activities comprise: all support services including Colruyt Group Fine Food, Technics, Real Estate & Energy, Business Processes & Systems, Finance, People & Organization, Colruyt Group Academy, Corporate Marketing, Customer Communication & Experiences, In Contact and Colibri Foundation.



HIGHLIGHTS



Investment in the nutritional composition of house brands

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Spar freshens up its own brand & launch of Boni Bio

Page 74 and 100



200 employees clear up 1.500 kilos of litter

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2015

High-technology layer picker in new distribution centre in Ath/Lessines

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Delegation of employees with Collibri Foundation on a life-learning trip to Indonesia

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New logo & fresh look for Collect&Go

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WE-Power renames itself as Eoly and formation of Eoly Cooperation

Page 86 and 87



Visit by Burundian coffee farmers

Page 27 and 28



Hydrogen: fuel and energy buffer

Page 31 and 32

2016

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Opening of shopping complex in Jambes

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Innovation with sustainable refrigerator cart and propane cooling in stores

Page 33 and 47

01

02

Levi-project: 'Dinner's ready for 1-2-3 euros'

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03







WHO ARE WE?

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COLRUYT GROUP: A FAMILY OF COMPANIES

In roughly 50 years, Colruyt Group has undergone enormous growth from a small family firm to a large family of companies with almost 30.000 employees. This development is the result of our continuous aim to create maximum added value with a minimum of deployed resources. This aim for sustainable enterprise is now firmly embedded in our company culture.

Relevant in each stage of life of the customer

For a long time, we were primarily known for our discount shop, Colruyt Lowest Prices. At the end of the '80s, we started our catalogue sales through Collishop and in the last 20 years we have greatly diversified our commercial activities. For example, in '94 we took over the toy chain Dreamland, and in '96 French distribution group Ripotot. Around the turn of the century, we

launched new formulas such as the local shop OKay, online shopping service Collect&Go, organic supermarket Bio-Planet and baby specialist, Dreambaby. In 2003 we became the licensee of the Spar formula in Belgium. In 2014 we acquired an interest in the clothing chain ZEB and we created the Cru covered market.



Our parent company and most well-known brand, Colruyt, has thus acquired increasing companionship from other shopping formulas. They have since grown into fully-fledged businesses with their own brand promises and target markets. This continuous broadening of our operations has been an organic process, made possible by continually investing in people who have a sense of entrepreneurship.

With each new initiative we want to offer meaningful added value, in line with the spirit of the time and the changing requirements of the consumer. Aiming for that has ensured that all our operations are complementary today. And it has ultimately formed our ambition to offer relevant solutions through Colruyt Group for each stage of life of the customer. .

Sustainability over time

Over the course of the years there have also been initiatives that did not work and were stopped. Nevertheless, as a group we have steadily continued to grow thanks to well thought-

through choices, driven by the will for sustainable entrepreneurship. In the first place this means looking for activities that are profitable and liveable, so that we can continue to do business in the future. In concrete terms: we want to put a minimum of raw materials, energy and human effort into everything that we do to ensure a maximum of useful economic growth, and human and social development.

This aim for maximum efficiency has in turn grown organically. At the start of the retail operations half a century ago, we had to be able to manage the available resources as efficiently as possible in order to survive. That endeavour has been a constant in all our operations and has gradually evolved into a broader, ethical awareness. Not only from an economic perspective do we want to deploy raw materials, energy and human capital in a sustainable way. We also want to continue working on a better world, today and for future generations, based on social solidarity and inspired by our positive human and world view.

Inspiring

The aim for sustainable enterprise is thus embedded in the DNA of Colruyt Group and runs as a common element through all our operations. Starting with an economic impulse, we always aim to bring about a positive social and ecological dynamism with a view to long term results.

We are making effective progress here, knowing that the story will never end. Sometimes we have to make compromises due to technical or economic factors. And in an increasingly complex and international society, Colruyt Group is but a link in the chain, often with a limited direct impact on the other links. Hence, we work closely together with other players and organisations and we have employees who specifically concentrate on the sustainabilisation of our activities throughout the entire chain.

As a retailer with high visibility in the daily lives of many people, we are greatly aware of our exemplary role. From our unique position between producer and consumer we want to actively contribute to a greater awareness on sustainability among our partners, customers, employees, etc. We believe that with our initiatives we can inspire them to take action in their turn. In this way, together we make the difference, step by step, little by little.



CREATING SUSTAINABLE ADDED VALUE TOGETHER THROUGH VALUES-DRIVEN CRAFTSMANSHIP IN RETAIL

Our mission

We operate **together** with and for all our stakeholders: customers, employees, suppliers, producers, shareholders, etc. We have a lot of consideration for the individual and his or her team, as it is only to the extent that the individuals and teams grow that our businesses can grow. In turn they give shape to Colruyt Group, a multifaceted organisation in which every employee makes the difference in his own way. The growth of our company is largely due to the space that we provide for **creation**. And of course we want to create **sustainable** business and **added value** on an economic, ecological and social level.

Employees in every position are given the opportunity to demonstrate entrepreneurship and develop leadership. At the same time we are aware that not every initiative will or must be a success.

We view **CRAFTsmanship** as more than just the correct performance of a job. **PROFESSIONAL** people have the necessary Skills, Attitude and Knowledge, and are proud of their specialised knowledge, like to help their customers and colleagues, and exude job satisfaction. True to tradition we invest a lot in training and education so that our employees can grow as people and in their work.

Finally, **retail** remains our core business and of course we are a value-driven company.

RESPECT
SIMPLICITY
READINESS TO SERVE
TOGETHERNESS
FAITH
HOPE
SPACE
COURAGE
STRENGTH

Our values

Our 9 core values are rooted in our past and reflect our common identity. They are often cited in the day-to-day work, so that people from different departments speak the same language and can communicate efficiently.

We consider **respect** for the individual to be essential. Everybody is of equal value, is given the same opportunities. We stimulate **cooperation** on all levels, which fosters efficiency and satisfaction. Efficiency has been important right from the start of Colruyt Lowest Prices. We could only and can only guarantee the lowest prices with the lowest costs, hence this efficiency has gradually evolved into **simplicity**. In addition, we attach a lot of importance to **readiness to serve**: we consider it important to not only help customers, but also our colleagues.

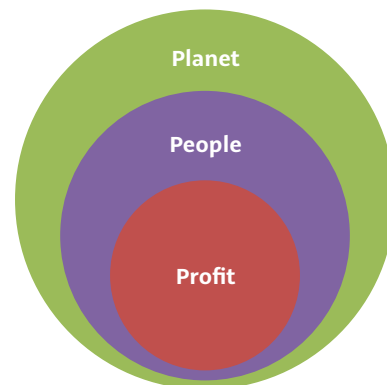
Furthermore, we have **faith** in every employee, as mutual confidence ensures positive energy. Of course we also **hope** that all our initiatives succeed and we give our employees sufficient resources for this purpose. Everybody is also given the **space** to dwell upon his or her job. If there is a balance between all these values, the employee has the necessary energy and **courage** to demonstrate initiative. And the **strength** to fully devote himself to it and experience job satisfaction.

The profit that we make as a company is the result of how we convert these values into our daily business in the service of a satisfied customer.



Sustainable entrepreneurship, this is how we see it

Based on our sense of doing business and because of our respect for people and environment, we want to start a positive spiral in an economic, social and ecological sphere. In other words: with a minimum of raw material, energy and human effort, we want to provide a maximum of meaningful economic growth, human and social development. We always work in the long term and we choose liveable activities to be able to continue running our business in the future.



More info online

More info on our mission, values and history can be found on our website colruytgroup.com.

Below is a selection of achievements from the previous financial year, compiled into three subject areas: Product, Environment and People. These icons are adopted on our website simplysustainable.com, completely dedicated to sustainable enterprise.

**We pursue economic
development with
ecological and social
added value.**



Product

We work hard on the sustainabilisation of a few thousand of our housebrand products in food and non-food. This is a complex process, as the chain from raw material to end product is sometimes long and opaque. We achieve the best results by taking action in a number of links simultaneously, such as in the successfully completed chain project with rice farmers in Benin or the ongoing project with coffee farmers in Burundi.

Product sustainabilisation thus extends very widely, but we consistently focus on the **ecological** aspect: we want to be economical with raw materials and keep the impact of development, cultivation and industrial processing to a minimum. That is why we look for alternative and local protein sources for animal feed, for example. Secondly, we work steadily on improving **animal welfare**, an objective that has been rewarded with four awards from the animal protection organisation, Compassion in World Farming. Finally, we also want our producers and suppliers to ensure acceptable **working conditions**.

HIGHLIGHTS



Economic development and training hand in hand

Collibri Foundation is the business fund that Colruyt Group uses to educate young people. Under the motto 'Educate, Develop & Empower' we support young people, both in Belgium and in developing regions, so that they become stronger and can take their futures into their own hands.

In these regions we also aim to set up chain projects that stimulate the local economy. In Burundi for example, a nice

interaction has arisen between the two projects. The economic and educational aspects inspire and reinforce one another, and together contribute to the further sustainable development of the country.

Burundian coffee on the shelves

In April 2015, for the first time we purchased 6 containers of 115 tonnes of coffee beans from the Burundian Cococa (Consortium of Cooperatives of something around 10.000 small coffee farmers

spread across the entire country). In our coffee roaster in Ghislenghien we process these beans into ground mixtures of our house brands, Graindor and Everyday. If the quality increases further, the beans can also be processed into bean mixtures and pure original coffee. Today, around half of all Burundian coffee that we import comes from Cococa.

The first order of coffee beans was a milestone in a chain project that began in 2013, set up by the King Baudouin Foundation, the Belgian coffee importer Efico, and our education fund Colibri Foundation. With the technical and logistical support of these partners, the farmers have since worked hard to professionalise their production, improve the quality of their beans and to attune them to the international market. For example, a number of delegations of primarily young people looking for work have visited our coffee roaster. They got to know our production processes in detail and also tried our coffees in which their beans had been processed. Together with our coffee specialists they examined the potential for further quality improvements.

115 TONNES



**COFFEE BEANS
PURCHASED FROM
COOPERATIVES OF
SMALL FARMERS**

Coffee as an engine for sustainable development

The guaranteed purchases by Colruyt Group first offers the small farmers a certain financial security. They can partly use these resources to further increase the quality of their export coffee.

For example, they can raise their sales prices, open up new buyer markets, and increasingly manage the entire chain themselves.

At the same time, this economic narrative opens up perspectives for further sustainable development. For example, there are currently only a few members of Cococa that have a Fairtrade label, some others are converting to organic agriculture. The farmers can thus still make a lot of progress on a social and ecological level, and we want to support them in this. In this way, the further development of coffee production also fosters the broader welfare of the farmers while the impact on the environment remains limited.

Coaching young people to realise their life project

Since 2006 we have supported various educational projects in Burundi through the Colibri Foundation, in cooperation with the King Baudouin Foundation and the local development organisation Adisco. Just as with the other Colibri projects we have always devoted ourselves to the training and education of young people, so that they have an opportunity for a steady job or can move in the direction of entrepreneurship.

In 2015 we shifted the focus of our educational projects: no longer general support of official education, but intensive coaching of limited groups. In this respect we have called on the coffee cooperatives, who have a well-organised network across the entire country and enjoy the confidence of the people.

In two cooperatives, around thirty men and women aged from 18 to 30 years have been selected on the basis of their knowledge and skills. The objective is to coach them so that they can fully develop, both personally and professionally. We want to guide them in the realisation of their life project, possibly in the coffee sector but just as well in completely different branches. We hope that the participants develop into role models in their region, ensure sustainable development and in turn inspire others. We also hope that in time the cooperatives will take on and finance the project themselves, and give it a permanent character.



Towards fewer antibiotics in livestock farming

We are working hard against the (excessive) use of antibiotics in livestock farming and thus to counteract antibiotics resistance in animals and man. Ever since 1999 we have prohibited antibiotics for disease prevention or as a growth promoter. We only allow them for sick animals and animals that live with them, on the prescription of a local veterinary surgeon.

Since 2016, our pig and chicken farmers have had to follow the directives of the Belgian knowledge centre, AMARA. Our pig farmers must register all antibiotic use online, and they regularly receive a report on this. We want to raise their awareness in this way. We also do extra checks, for example to be certain that the meat does not contain any significant antibiotic residues.



Less, local and sound animal feed

In order to limit the ecological impact of animal feed production, we firstly reduce the feed consumption. For example, our chicken farmers research how they can optimise the ratio between food intake and weight increase. Secondly, we look for alternative protein sources, and for example support scientific research, which at the end of 2015 yielded the first chicken feed based on worms. In order to reduce the dependency on South American soya, we are supporting the experimental production of Belgian soya. Finally we are sustainabilising the existing soya flows through the purchase of RTRS sustainability certificates. Since 2016, these certificates have covered all soya in our production chains, approximately 30.000 tonnes per year.



More attention on animal welfare

For our house-brand products of an animal origin we keep a strict watch over animal welfare. Animals for human consumption such as poultry, cattle, pigs and rabbits must be reared healthily and resistant to diseases. Hence, we apply strict criteria to drinking water, feed, accommodation, shed climate, hygiene, etc. The animals must be able to behave naturally and incur a minimum risk of injury, pain, stress and anxiety. We also stimulate the responsible use of medicines. In our non-food of an animal origin, there must be no products from endangered species. Our suppliers may only use animal by-products from the meat industry and thus not kill any animals just for use in non-food. No animals may be skinned or plucked alive, either. That is why we do not sell any housebrand products with fur, angora wool and astrakhan, or with feathers or down from living animals.



For years we have
invested strongly in
the production
of green energy



Environment

In order to further limit the ecological impact of our operations, we fully pursue **innovation**. For example, we are the first retailer to have invested in propane refrigeration for our shops and in refrigerator carts with liquid ice. With projects such as these, we are well on the way to reducing our **greenhouse gas emissions** by 2020. We are continuing to make efforts to make goods transport and home-work travel greener. With the result: today a good quarter of the employees in Belgium choose for alternative transport.

For years we have invested strongly in the production of **green energy**, with wind turbines, solar panels and combined heat and power. Our internal energy producer, Eoly, already covers 25% of our electricity requirement today: in time it will be 100%. We even produce our own hydrogen as a fuel for logistical equipment and as a buffer for surplus electricity. And we have undertaken to take up the fight against street litter together with various partners. With these and many other initiatives we are making a meaningful difference and we hope we inspire many others.

HIGHLIGHTS

Hydrogen as a fuel and an energy buffer

Colruyt Group sees a lot of potential in hydrogen as a sustainable fuel for vehicles. Hydrogen is the most suitable alternative for fossil fuels, as when used only water vapour is released and no CO₂ or fine dust is emitted. In addition, we also thoroughly test hydrogen as a buffer for surplus energy generated from renewable sources such as wind and solar.





Own hydrogen plant

At the Dassenveld distribution centre in Halle we have been producing hydrogen since 2012. It is 100% green hydrogen that we produce with renewable energy originating from the wind turbines and solar panels on the site. Our station converts the electricity into hydrogen using electrolysis and stores it under pressure so that it can be used for filling up.

The hydrogen plant can produce 2,7 kg of hydrogen per hour and since the expansion in July 2015 it can store up to 85 kg. At the plant hydrogen is put into a dozen pallet trucks of the distribution centre. These units have a fuel cell on board that converts the hydrogen back into electricity with which an electric motor is driven. We also fill up the Hyundai ix 35 there, the first series-production hydrogen-powered car that we have been testing for a good year.

At the end of 2015 we decided to strongly expand our hydrogen fleet and we have ordered 200 extra fuel cells. The first units with these new cells on board will be operational in September 2016.

Hydrogen as a buffer for green electricity

We also use our hydrogen plant for the European Don Quichote research project. In this project we research how we can generate and compress hydrogen more efficiently, and also how the stored hydrogen can be converted back into electricity in a more (cost-) efficient way.

In order to be able to test this system on a larger scale we mar-

kedly expanded the original plant in June 2015 and doubled the production capacity. The plant is now equipped with a 120 kW fuel cell, that can act as a temporary storage buffer for 'surplus' green electricity. Surpluses occur, for example, when there is a lot of wind and we produce more electricity on the site than we consume. Storing the surplus green electricity in the form of hydrogen is always more advantageous than putting it on the public grid at a low price. In the reverse we can convert the hydrogen back to electricity. This can be beneficial at times when our wind turbines and solar panels produce little electricity and the market prices for electricity are high.

Construction of a smart energy network

The plant as a hydrogen buffer is one of the elements with which we want to develop a 'smart grid' in the long term. This smart electricity grid will enable the demand and the supply of locally generated renewable energy to be harmonised to one another in an optimum way.

The Don Quichote project is supported by Fuel Cells and Hydrogen Joint Undertaking (FCH JU), a public-private partnership between the European Commission, the specialised hydrogen industry, and the research world.

Propane refrigeration reduces shop emissions by 90%

At the end of 2015 we decided to install refrigeration installations that work with natural propane gas in all our Belgian food shops. Over their entire lifetime they emit 90% fewer greenhouse gases than conventional installations that use the current synthetic refrigerants. This comes about through our propane system containing up to 30 times less refrigerant, of which almost nothing is lost due to leaks. The little propane that is nonetheless released is one thousand times less harmful to the atmosphere than synthetic refrigerants.

The first propane installation was placed in the new Bio-Planet establishment in Mons. In time we want to equip all 360 stores of Colruyt, OKay and Bio-Planet in Belgium with propane refrigeration. As of mid-2016 we will do that in the new stores, as of 2017 we will start to replace the old refrigeration installations in existing stores. Thus we hope that by the end of 2020, ninety stores will have already been converted. When the operation has been completed, our total greenhouse gas emissions in Belgium will have fallen by 10%. Moreover, in time we will utilise the heat that the installations produce for the store heating. In this way, we will have less need for heating with fossil fuels, which will further reduce greenhouse gas emissions.

With the choice of propane refrigeration we are taking a great step in the realisation of our CO₂ reduction plan: 20% fewer relative emissions by 2020 compared to 2008. We are also doing pioneering work and are years ahead of European legislation. According to a European directive of early 2015, as of 2020 no new refrigeration installations may be installed with the current synthetic refrigerants.



Innovative refrigerator cart reduces climate impact by 58%.



Colruyt Group is the first retailer in the world to use liquid ice for the transport of chilled products to the shops. The 'liquid ice container' has been developed by engineers from our R&D department and operates with liquid ice, unique in the sector. The use of liquid ice containers causes less than half the impact on climate change* than the use of conventional refrigerator carts.

Liquid ice is a frozen but liquid mixture of water and ethanol that we produce in our distribution centre in Halle with locally generated green electricity from wind mills and solar panels. The mixture is pumped into specially developed refrigerator carts that reach the desired temperature in less than half an hour. These carts filled with chilled products then leave for the stores in ordinary lorries. After returning, the mixture is pumped out of the cart, refrigerated again and reused. With a maximum injection of liquid ice, if necessary the refrigerator carts can be maintained at the right temperature for up to 48 hours. This greater autonomy gives us greater latitude in the logistical chain. The new cart also has a greater load volume, so that we need fewer carts and can transport more goods with fewer trips. In brief, with the new refrigerator carts we can plan our transports more flexibly and efficiently, and thus save transport kilometres and greenhouse gas emissions. Currently, there are already more than 600 new carts in use. Within approximately three years, all old refrigerator carts will have been replaced.

With the choice of liquid ice, Colruyt Group is again taking a step in the realisation of its CO₂ reduction plan. For decades we have already used refrigerator carts for the transport of chilled and frozen products instead of conventional refrigerated lorries. For example, in one shipment we can combine various product types, which again saves many transport kilometres.

*Impact on climate change (greenhouse gas emissions) calculated according to the Product Environmental Footprint methodology of the European Commission.

Together for less litter



Joint approach needed

Street litter is a stubborn social symptom that must be tackled in different ways simultaneously and requires the active involvement of all players in society. The authorities can invest in infrastructure, such as rubbish bins and the maintenance of them. Through prevention campaigns, the government can also raise awareness among the people, so that everyone pays more attention to cleanliness in his neighbourhood. Finally, it is also for the authorities to punish polluters.

But also as a retailer we are aware of the litter problem. We want to use our strength to participate in sustainable solutions. After all, we strongly believe that together with the authorities, suppliers, employees and customers, we can make a difference and bring about a positive change in behaviour. We are convinced that people can and will change their behaviour. Our sorting behaviour is a nice example of this. There was once a time in which we barely sorted at all, but today separating waste at the source is well established in our country. Belgians are even among the best recyclers in Europe.

Undertaking over 5 years

Under the heading 'Collaborating for less street litter', at the end of 2015 the Colruyt Group committed to a broad action plan that we will roll out over the next five years. Our undertaking means that we have set up highly divergent actions ourselves. We will include many tests, measurements and evaluations, not only to achieve results but also to share good practices with other sectors and authorities and to further inspire them. We for example will pay more attention to the cleanliness of our car parks. We will specifically install more rubbish bins and ashtrays and will monitor the effects of them. We are also involving our lorry drivers to help us to develop good solutions.

In September 2015 we officially brought our litter campaign into being with a large-scale clean-up action in the vicinity of our central building in Halle. Around two hundred employees and management staff collected 1.500 kg of street litter in just a few hours, and thereby gave a strong signal that they actively want to participate in a cleaner environment. We undertake to organise a similar action together with our employees every year. In this way we hope to take on an ambassadorial role and work more on a cleaner neighbourhood. With this

and other actions we also want to involve our customers and their children in a positive way.

Together with the sector and the authorities

With our action plan 'Collaborating for less street litter' we are also fully backing the efforts that the government is making to reduce litter.

Indeed, in January 2016 an agreement was concluded between the Flemish government and representatives of trade and industry. It concerned the food federation Fevia Vlaanderen, the collection and recycling organisation Fost Plus and the trade federation Comeos, of which Colruyt Group is a member. All parties have undertaken to work together on a clean Flanders. The companies have promised to take actions themselves to help reduce litter. They will also provide extra support for the reinforced litter plan of the Flemish government with EUR 9,6 million per year. This plan stimulates every link in the chain to take on its responsibility, from producers across retailers to consumers and (local) authorities.

In February 2016, Fost Plus, Comeos Wallonia and Fevia Wallonia entered into a similar agreement with the Walloon Government. The companies undertook to support the government campaign against litter 'Be WAPP' with an extra EUR 3,9 million. All parties together have the ambition to reduce litter in Wallonia by 20% by 2022.



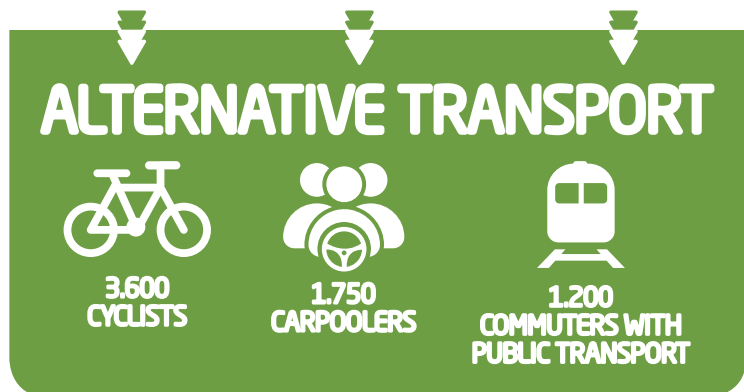
1 in 4 choose alternative transport

We encourage our employees to work in a sustainable way. In 2015 a good 6.550 of the 25.000 employees in Belgium used a bicycle, public transport or carpooling. They thus avoided 29 million car kilometres.

For carpoolers there is a database that matches supply and demand and there are separate parking spaces close to the company entrance. Those who choose public transport generally travel completely free and whoever wants to cycle is provided with a conventional or electric company bicycle, with equipment and bicycle allowance. Furthermore we facilitate combinations of public transport and bicycle, e.g. commuter bikes at the station or folding bikes. Since recently, it has also been possible to combine a company car with free public transport or a company bicycle. And if a person does not want a car, he/she can opt for a monthly wage supplement.

29.000.000

CAR KILOMETRES
AVOIDED
PER YEAR

200 new hydrogen fuel cells

At the end of 2015 we decided to purchase 200 extra hydrogen fuel cells from the American producer Plug Power. Thereby we will be driving even more pallet trucks in our distribution centre in Halle on 100% green self-generated hydrogen.

With pallet trucks, operationally hydrogen fuel cells are more time efficient than conventional batteries. The battery does not have to be changed, a fuel cell preserves its maximum power for longer than a battery and lasts much longer. Finally, batteries must be charged for at least 6 hours, while a fuel cell can be refilled in one and a half minute. The first units with the new fuel cells will be operational in September 2016.



A young man with dark hair, wearing a green hoodie, is smiling and pointing upwards with his right hand. He is holding a whiteboard with the Dutch text "Logistieke Rondleiding" written on it in blue ink. The background is a blurred office or meeting room.

**Every year
we create
one thousand
new net jobs**



People

As one of the largest employers in Belgium, Colruyt Group aims for sustainable job creation. Each year we create one thousand new net jobs. They are sound jobs, as in principle we always offer full-time contracts of an indefinite duration.

Our staff is and remains our greatest capital. Hence, we offer them abundant opportunities to grow as a person and in their job. For example, we invest 3,2% of the payroll in training and education. In addition, we provide a working environment in which our people can experience job satisfaction and we continue to invest in health & safety and welfare. For example, we can be proud of our new approach in which we successfully support long-term sick colleagues to get back to work again.

We are also concerned about the health and welfare of our customers. Hence, we work hard to reduce the quantities of salt, sugar and fat in our products. And we devote ourselves to making a delicious and balanced diet available to vulnerable families with children.

🔍 HIGHLIGHTS



Colruyt makes tasty food accessible to everyone

Since early March 2016, our Colruyt retail formula together with the city of Kortrijk and the Kortrijk OCMW (public social welfare centre) have been testing the new project, 'Tasty food for everyone'. The objective is to make delicious and balanced food accessible to vulnerable families with children and to increase their ability to live independently.

The OCMW put together a test group of parents with children living at home. Every two weeks from March to August 2016 the participants are given the booklet of recipes, 'Dinner's ready in 1-2-3 euros'.

It contains six easy child-friendly recipes, each time for three large portions. Each recipe is guaranteed to cost no more than one, two or three euros per portion. The entire packaging is included in this price, even if less is required for the recipe (e.g. half a bag of frozen vegetables). Thus the participant knows beforehand exactly what he will pay at the checkout. Each recipe also contains tips on what to do with leftovers from the meal and how to get children to help in the kitchen.

Learning to shop smartly

In order to make things easy for the participant, each recipe comes with a full shopping list, while all necessary ingredients are available from Colruyt. With the support of Colruyt, the OCMW helps the participants to learn to shop smartly, quickly and cheaply, and to prepare the meals in the way that they should be. Not only can they adopt good habits during these activities, but they can also build up social contacts.

Partnership with two parties

'Tasty food for everyone' has grown out of a partnership with two parties that supplement one another well. The city of Kortrijk and the OCMW know the needs of the vulnerable families and have the expertise to guide them. Colruyt for its part is strong on logistics, has a large retail network and considerable expertise in delicious cooking and food. In this way, together we can develop structural, sustainable and economically feasible solutions to make a balanced diet accessible to everyone.

The 'Dinner's ready in 1-2-3 euros' project is only one component of a broader commitment by Colruyt, together with social organisations, to offer tailor-made sustainable and structural solutions to specific target groups in Belgium. After evaluation of the test and any adjustments, Colruyt would like to expand the project to other cities and in this respect is always open to possible collaboration with different partners and sectors.



The long-term sick return to work more easily

In order to do something about long-term absence due to illness, we focus strongly on prevention. At the same time we actively support long-term sick colleagues to help them resume work. We thoroughly tested this new approach in 2015 with two groups of 70 long-term sick store workers, of which one group was given extra guidance. As of the fourth week the sick colleagues were telephoned by a nurse and a manager, for example. They really appreciated not having been forgotten and being able to tell their story. In addition, they were thoroughly informed about the options for starting with part-time and/or adjusted, less arduous work. It turned out that without these possibilities, the doctors would have often extended their sick leave.

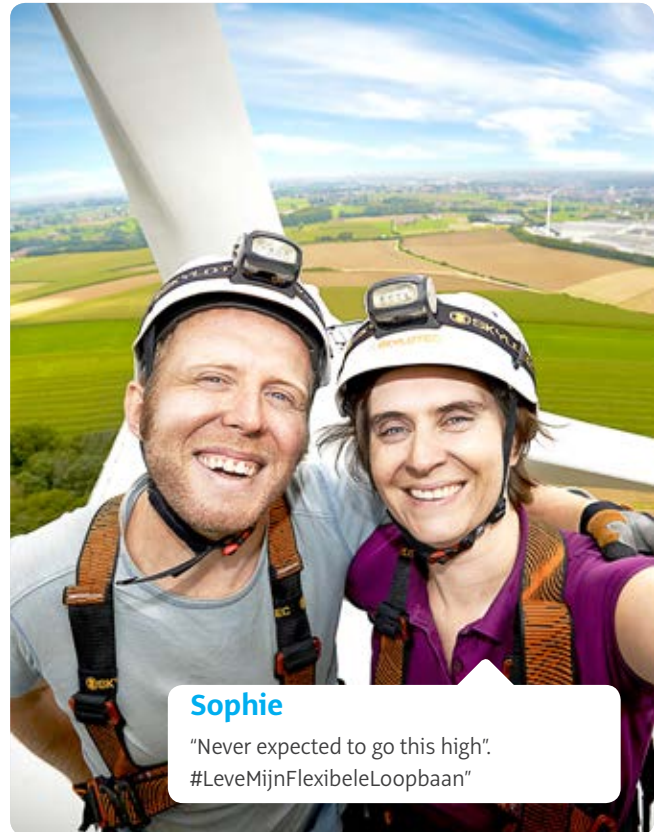
Finally the supported employees returned to work 25 working days earlier than the others (after 61,4 working days absence against 86,3 days). Their recovery was durable, as 6 months after the work resumption not one person had relapsed. We will thus roll out the new approach throughout the company, starting with the stores.

Sustainable employment

Over 15 years the workforce of Colruyt Group has almost tripled to close to 30.000 at the start of 2016. In Belgium, the group is one of the largest employers and is even the largest in the private sector. In recent years we have recruited 2.600 to 3.000 new employees every year, for highly divergent profiles and in all regions. Taking account of an average staff turnover of 8%, the group accounts for an annual net growth of around a thousand jobs. With this sustainable job creation, we make a substantial social contribution, certainly because we recruit a relatively high proportion of semiskilled and unskilled staff.

Moreover, we offer (literally) sustainable jobs. For example, almost four fifths of the employees are in full-time employment and the vast majority of the permanent employees have a contract of indefinite duration.

For many people, Colruyt Group is a stable employer with whom they want to continue working for a long time. In Belgium the average years of service are 9 years, a figure that increases strongly with age. We attribute this, for example, to our human, value-driven approach and the many opportunities for personal and professional growth. We also actively encourage internal mobility and every year we see around a thousand employees change jobs internally, an enrichment for all parties.



Sophie

"Never expected to go this high".
#LeveMijnFlexibeleLoopbaan"

Less salt, sugar and saturated fats in the housebrand

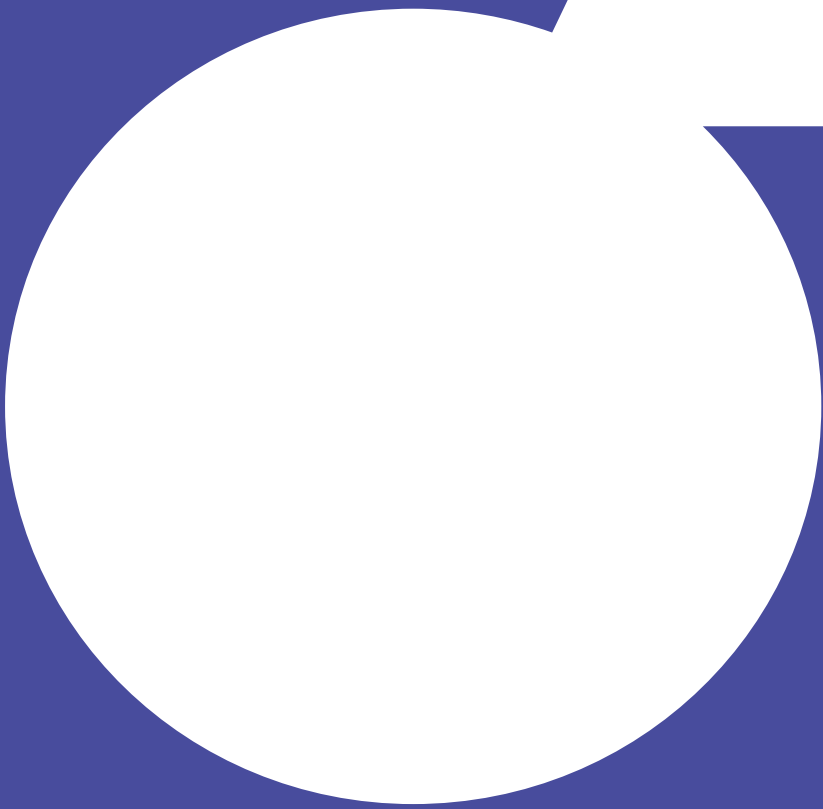
With an eye on the public health and welfare of our customers, in 2014 we started a thorough examination of our Everyday, Boni Selection, and Boni Bio food housebrand. Our food experts examined every product for the nutritional composition and improved them where possible, with a focus on less salt, added sugar and saturated fats, and on more fibres and more vegetables in prepared meals. In the meantime we have already put 23 product categories under the loop, and together with the producers we have started an improvement plan for around 250 products. Currently, there are around a hundred (greatly) improved products on the shelves. We are counting on our objective of a more balanced diet gaining recognition within the National Food and Health Plan (Nationaal Voedings- en Gezondheidsplan) of the federal government.



Diversity and equal opportunities

We pay specific attention to diversity in the recruitment and promotion of employees, the composition of teams, and the day-to-day work. Indeed, we consider it important that everyone feels at home and can fully develop himself. To this end, first and foremost we treat everybody equally, and give them equal opportunities irrespective of language, origin, religion, sex, age or work experience. In this way we 'automatically' create space for diversity in the organisation.

In order to foster smooth cooperation between diverse people, we have focused on improving communication skills, among others. We also take regular specific workshops that make employees more aware of the diversity in their team, the needs of others and the benefits of tolerance and respect.





ACTIVITIES 2015-2016

Retail	42
Wholesale	70
Foodservice	76
Other activities	82
Corporate activities	90
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RETAIL

This financial year the activities realised a 4,0% growth in revenue to EUR 7.148,4 million. Retail comprises the following retail formulas:

- **Colruyt Lowest Prices**43
- **Collect&Go**48
- **OKay & OKay Compact**.....50
- **Bio-Planet**.....53
- **Cru**56
- **Colruyt France**.....58
- **Dreamland**.....62
- **Dreambaby**.....65
- **Collishop**.....67
- **ZEB & MyUnderwear24**69

colruyt lowest prices

Colruyt Lowest Prices mainly targets families with children who spend their money consciously. The store is well known for its lowest prices, skilled and helpful staff, and its efficiency and simplicity. The retail chain has a broad range of quality products. The butcher shop, the fresh food department and the freshly baked bread section are spearheads. Every two weeks, in the personalised shopping folder 'Selection for you' almost 1.700.000 customers can find a suitable selection of special offers based on their purchasing behaviour. For more than 30 years Colruyt has offered the lowest prices for national brands, house brands and discount brands. Every day, Colruyt staff record more than 62.000 prices in stores across the country. The retail formula then adjusts all prices. If a product is cheaper elsewhere, then Colruyt immediately lowers its price in the surrounding stores.

◦ 1976

 **EUR 5.635,8 MILLION**
REVENUE (+2,8%)

 **237 STORES**
(INCLUDING 3 IN LUXEMBOURG)

 **1.600 M²**
AVERAGE STORE AREA

 **10.500 FOOD**
(INCLUDING FRESH AND FROZEN PRODUCTS),
7.100 NON-FOOD
NUMBER OF ARTICLES

 **17.634**
EMPLOYEES IN FTE (+779)

 **LOWEST PRICES**

 **COLRUYT.BE**

The growth of Colruyt stores in Belgium and Luxembourg was in line with our expectations. This is a good performance in a challenging competitive landscape. The market is stagnating and the promotion-driven competition is harsh. The revenue increase is primarily due to the fact that customers come to shop more often. In addition the retail chain drew in new customers. Colruyt has increased the store area of 20 branches and opened two new stores. At the close of the financial year, seven stores were closed for renovation works. One branch was converted into a Spar store.

Colruyt kept costs under control and was able to improve its margins. The good range mix and the growing purchase volume played a large part in this. The market share also rose again, especially in the first six months of the financial year.



5.635,8
MILLION EURO REVENUE,
AN INCREASE OF
+2,8%
COMPARED TO LAST YEAR

Investment in lowest prices

The Service Centre Price, the support department that records and processes prices, started this financial year with a transition project to further optimise its internal operation, organisation and system. There will be

one Price Service Centre for all retail formulas that brings together all employees of the service centres of Retail Partners Colruyt Group, Dreamland/Dreambaby and Colruyt. This last service centre not only supports Colruyt Lowest Prices, but also OKay, OKay Compact, Bio-Planet, Collishop and Cru. In addition, the collaboration with the 'service prix' of the French Colruyt stores is being increased. The underlying purpose: to organise price recordings more smartly and to respond more quickly and efficiently to competitors. Colruyt Group is further expanding the Price Service Centre to record the prices of the competition and adjust them in the stores faster and more accurately. Prices are essential for all retail formulas of the group, but especially for Colruyt.

European strategic alliance Alidis

In August 2015 Colruyt Group and two other partners of the purchasing group CORE (the Swiss Coop and the Italian Conad) joined forces with Alidis: the oldest European retail alliance. The Alliance Internationale de Distributeurs (Alidis) consisted of the German Edeka, the Spanish Eroski and the French Groupement des Mousquetaires. Including the three new members, Alidis is now the largest strategic alliance in Europe. Due to this affiliation, Colruyt Group can offer its customers an even more varied and innovative range and more value for their money. In addition the group can exchange knowledge and experience with other members. In this way synergies can occur in areas such as technology, sustainability, quality and store concepts.

Maintaining course

In the next few years Colruyt aims to maintain its growth course and will thus continue to conduct its lowest prices policy. In addition, the retail chain is looking at store expansions in particular and expects around three openings each year. Due to benefits of

scale, Colruyt also enjoys better purchasing conditions. The retail chain also keeps its stores fresh and contemporary, closely monitors external developments and regularly adjusts its range according to the needs of its customers. Operational excellence, efficiency and service remain permanent points of attention. Colruyt foresees a potential of 260 stores.

Rollout of fourth generation

The rollout of the fourth generation stores is on schedule. During this financial year Colruyt converted 22 branches according to this modernised concept and 59 stores were given the look & feel of it. 30 traditional butcher shops were transformed into open butcher shops with self-service. At the end of 2017 all stores will have the new look & feel. In the framework of this modernisation, in a few stores Colruyt is testing different innovations such as an epoxy floor. Combined with new lighting this floor provides more light and a pleasant shopping experience.

The new concept further emphasises the lowest prices of Colruyt. The open self-service butcher shop with fresh meat in handy prepackaged portions is an important spearhead. The butcher shops in the larger stores have a U-shape and the refrigerated units have glass doors that keep the cold air in the unit and the warmth outside.



Growth in Luxembourg

The three stores in the Grand Duchy of Luxembourg are doing well. Just as in Belgium, customers can be sure of the lowest prices and can also find regional and Portuguese products there. In the next four years the retail chain aims to open around four new stores and is already adapting the structure and operation of some internal services to this.

The cheapest according to Test-Aankoop

The annual survey of the consumer organisation Test -Aankoop again showed that Colruyt is the cheapest retailer in Belgium. Test-Aankoop

visited 738 stores and noted 136.814 prices. Colruyt remains the best in the three brand layers: national brands, house brands and the mixed basket. The OKay neighbourhood stores came second in the house brands class and third in the mix of products. Colruyt also scored well again in the half-yearly study by the market research bureau, GfK. Read more about this under OKay on page 52.

Together with Dreamland and Dreambaby, Colruyt was also among the prize winners in the election of the Best Retail Chain in Belgium. All three retail formulas won the prizes awarded by the public. Colruyt got the most votes in the Supermarkets category, Dreambaby won in the Specialist Baby Stores category and Dreamland turned out to be the best in the Toys category.

Boni Selection transition completed

The transition of the more than 50 former house brands of Colruyt to one house brand, Boni Selection, was completed during this financial year. This enables customers to shop more easily and more efficiently. There are now three clearly separated brand layers: national brands, the house brand Boni Selection, and the discount brand Everyday. Because Colruyt offers both national brands and house brands, customers can choose from a wide and in-depth range in which they can easily compare price and quality.



Sharpening the brand image

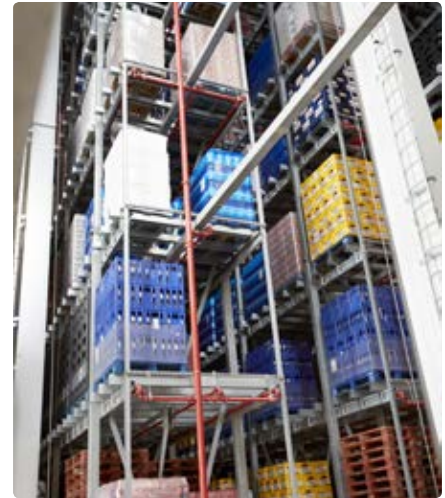
Colruyt Lowest Prices is further developing its marketing department and has appointed a new marketing manager: Guy Elewaut. The retail formula is sharpening its brand image, responsiveness and strength to remain relevant and of service for its customers in the future. In addition, Colruyt has further emphasised its lowest prices strategy with a personalised communication campaign. This played on the regional attachment of each store and very clearly showed the price differences with local competitors. Read more about this campaign on page 101.

COLRUYT HIGHLIGHTS

Automatic layer picker in new distribution centre

Since the autumn of 2015 the brand new logistics centre in Ath/Lessines has used an automatic layer picker for the provisioning of the Colruyt stores. This installation puts together layer pallets on which high rotation food articles, such as beers and waters, are stacked in one or more layers. In this way the distribution centre can supply more packages with fewer operations and also supply in a more tailor-made way: tailor-made for the store and tailor-made for the product in this store. Finally, layer pallets are good for ergonomics and more space is released in the distribution centre. In time, the automatic installation will supply around 200 stores.

The new logistics centre in Ath/Lessines consists of a conventional distribution centre, a high bay warehouse and a recycle centre. The most automated distribution centre of the group has an area of 28.000 m² and is responsible for products with a high rotation: drinks, milk, crisps and paper goods. This investment of EUR 79 million enables Colruyt Group to grow further. 350 new employees have immediately started here. In time approximately 1.000 employees will work on the site.



At Babyboom together with Dreambaby and Colruyt Group Academy

Colruyt is now a partner of Babyboom, an organisation that provides pregnant women and young parents with gift packages containing info and samples. The retail chain works on the birth package and supplies samples of the Boni Selection Newborn nappies, a discount voucher for these nappies and a voucher for a free Collect&Go service. For Colruyt this is a nice opportunity to showcase itself as a reference store for young parents and to attract new customers. Together with Dreambaby and Colruyt Group Academy, Colruyt had a stand at the 20th edition of the Baby Boom Fair, the outstanding Belgian baby fair. Read more about Dreambaby on page 65 and 66, and about Colruyt Group Academy on page 98 and 99.

Commercial complex in Jambes (Namur)

In October 2015 Colruyt Group opened a commercial complex in Jambes. The complex on the edge of the city of Namur comprises a Colruyt store, a Collect&Go collection point, an establishment of Dreamland and Dreambaby and a meeting centre of Colruyt Group Academy. This new complex is a city outskirts project with a combination of homes, stores and services.

With this investment Colruyt Group is supporting the revival of the region and demonstrates its enthusiasm to have a presence in Wallonia. The choice of the complex in Namur was no accident. 1.300 employees already work in the region. For Colruyt Group this is the second major project in Wallonia in 2015, after the opening of the logistics centre in Ath/Lessines in Hainaut.



Three new cooking books

This financial year Colruyt launched three new cookbooks: 'Basic Cooking', 'Comfort Food' and 'Cooking with Five Ingredients'. 'Basic Cooking' is intended for beginners, but is also intended as a handy guide for all cooking lovers. The book contains 150 recipes for basic dishes and describes around thirty cooking techniques step-by-step. Now and again there are links to cooking videos on the Colruyt site. 'Comfort Food' has 133 recipes for easy and delicious dishes. 'Cooking with Five Ingredients' is the 33rd Colruyt cookbook and contains 99 tasty dishes, divided into five recognisable themes.

Since the start of the 80's Colruyt has sold as many as 3,7 million cookbooks. The site 'Delicious Cooking' brings together more than 5.700 recipes. The cooking team is also present on Facebook and provides workshops for Colruyt Group Academy.



Innovation with technology

This financial year Colruyt Lowest Prices applied various technological innovations in its stores. At the close of the financial year, 45 stores were equipped with a free WiFi network. By June 2016 this is the case in just about all Colruyt stores. In the branch in Avelgem, Colruyt is the first in Belgium to test an electronic price tag with colours. And in addition the personal pocket computer for employees has been given a new application for searching for product information. This increases the autonomy and service to the customers. Read more about the free WiFi network and the electronic price tag under BP&S on page 94.



Co-creation for gluten-free products

More than 500 customers worked on the new range of gluten-free products that was launched in early 2016 under the name of Boni Selection No Gluten. Over 2.700 candidates responded to the call of Colruyt to test gluten-free products. In the end, 150 customers gave their opinions on the flavour at the head office in Halle.

360 other gluten-free tasters did a test at home. Six discussion groups gave their opinions on the new packaging. On the advice of the customers, the gluten-free products were not given a separate shelf in the store. Boni Selection No Gluten is the first house brand in Belgium with such an extensive range. With gluten-free products Colruyt meets the new contemporary needs.



New website

In early April 2016 Colruyt gave its website a new, well organised and user-friendly makeover. The website has a fresher look & feel and improved functionalities. For example, there is a search function that searches the entire site and in addition to recipes also provides info on related products and services. The site can be easily consulted on computer, tablets and smartphone. Moreover, there are buttons to share content such as recipes on social media. The new site is part of a broader digitisation programme to make the life of the customer easier.

645.000 bottles of apple juice

In the autumn of 2015 Colruyt, OKay and Spar sold 480.000 bottles of apple juice and 165.000 bottles of apple-pear juice. The 100% pure pressed juice came from Jonagold apples and conference pears from two Limburg growers who Colruyt Group has worked with for years for the fruit of Boni Selection.



Quiet deliveries

Colruyt Group applauds the decision of the Flemish government to adapt the noise standards in the Flemish Environmental Regulations (VLAREM) for deliveries to retail businesses. This adjustment is the result of the second PIEK project in which Colruyt has participated. This research showed that quiet deliveries in the early morning and late evening have many benefits. It increases road safety and the vehicles are less stuck in traffic, which leads to lower fuel consumption and fewer emissions. Moreover, there are efficiency gains for the distributors: shorter travel times, more efficient use of available equipment, less stress for drivers, etc. Due to the amendment of the Flemish Environmental Regulations the loading and unloading can be done with legal certainty. The changes will be applied in the coming financial year.

Colruyt Group hopes that in the near future the Walloon and Brussels regions will also work on a legislative framework for quiet deliveries in the early morning and late evening. The group is waiting for the results of the 'Livraisons à horaires décalés' project in Wallonia in this respect. After the positive pilot study, noise measurements are now being made on a larger scale in establishments with different types of infrastructure. The aim is to bring about a transparent policy framework for the whole of Wallonia.



Sustainable refrigerator cart

Engineers of Technics, Real Estate & Energy have developed a liquid ice container for Colruyt for the transport of fresh products to the stores. This sustainable refrigerator cart has a larger load volume and has less than half the impact on climate change than a conventional refrigerator cart. The liquid ice container operates with liquid ice. In the spring of 2016 over 600 liquid ice containers were in use. Within approximately three years all old refrigerator carts will be replaced. Read more about the positive impact on climate change on page 33 and about Technics, Real Estate & Energy on page 91 and 92.

Personal pocket computer for drivers

Since the autumn of 2015 drivers have used a PDA (personal digital assistant) to enter delivery times and return goods during transport. Colruyt uses this information to trace carts during the goods flows and to gain insights in order to further optimise the return flows.

One touch system for regional beers

Since October the Colruyt stores have transferred step-by-step to the one touch system for regional beers. The one touch system was introduced in 2013 for, amongst others, potatoes, and reduces the number of operations in the distribution centres and in the stores. Goods are supplied in special boxes or on half pallets that immediately go into the store rack and thus do not have to be put out manually. The efficiency and ergonomics thus improve substantially.



Collect&Go



Collect&Go is the online shopping service of Colruyt Group that distinguishes itself through its reliability, friendly employees and quality fresh products. Customers can choose from the range of Colruyt and Bio-Planet. The shopping that they reserve before midnight can be collected the following day in the collection point at the time of their choice. Collect&Go customers who choose from the Colruyt range are always certain of the lowest price online.

Collect&Go has 176 collection points in Belgium and Luxembourg. 166 are in a Colruyt store. In addition there are 10 standalone collection points. In 173 collection points customers pick up their reservation themselves and put them in their car themselves. At the three Collect&Go drives of Wilrijk, Roeselare and Sint-Niklaas, store employees place the shopping in the car and customers pay electronically.

Collect&Go order-picks the online reservations in the stores and in the dedicated distribution centres in Zaventem and Erpe-Mere.


176
COLLECT&GO
COLLECTION POINTS
IN BELGIUM AND LUXEMBOURG

The online shopping service has been the market leader for some years in the Belgian online food market and remains on a nice growth trajectory in a strongly growing market. Five additional Colruyt store collection points were opened, the revenue rose by 20% and Collect&Go attracted 70.000 new customers. The value of the average shopping basket remained stable and moreover is significantly higher than offline. Customers demonstrate their confidence in the professionalism of Collect&Go and are reserving more fresh products than conventional store customers. They know that Collect&Go respects the cold chain to the maximum and that products are kept in the



Continued growth

best conditions. Collect&Go aims to continue on its growth trajectory over the coming years and increase its national coverage. The shopping service continues to open new collection points and

enlarge existing collection points. With larger collection points Collect&Go can process more reservations and increase the comfort for customers. In the next financial year Collect&Go plans eight new collection points and 12 expansions. In time, the shopping service aims to have around 200 collection points.

The online shopping service continually invests in its service and is convinced that a service cost is needed to continue to guarantee its high quality. At the same time, Collect&Go is examining what benefits partnerships with suppliers could yield for customers. In addition, the shopping service is investigating how it can respond to the new Belgian legislation that allows night work in e-commerce.

Test with mobile collection points

Since this financial year Collect&Go has been experimenting with two mobile collection points: one on the Wilgenveld site at the head office in Halle and one at Barco. In this test Collect&Go brings customer reservations by lorry to the car park of their work. The online shopping service is investigating whether it can reach customers in this way in places where it would not otherwise be possible.

More efficient stock management

The online shopping service introduced a warehouse management system in its two distribution centres. This WMS system ensures better stock control and raises the quality of the reservations to an even higher level. Collect&Go strongly believes in the added value of its hybrid order picking system whereby reservations are prepared in both the stores and in the distribution centres. The majority of the reservations are order-picked in the stores. The distribution centres account for the other reservations. The two DC's will play an important role in

COLLECT&GO HIGHLIGHTS

New positioning and look

In the summer of 2015 Collect&Go unveiled a new positioning and a new logo and accompanying house style. Since its start in 2000 Collect&Go was the online shopping service of Colruyt, but now for the first time it has profiled itself as an umbrella shopping service for a number of retail formulas of the group. The smile and the wink in the new logo symbolise the great assets of Collect&Go: service and customer-friendliness. These assets are summarised in the new slogan: 'You're welcome'.

In order to make the new brand image known, there was a large national campaign. At the close of the financial year, all collection points displayed the new logo.



Expansion of the range with Bio-Planet

Early November 2015 Collect&Go expanded its service with products from the retail formula, Bio-Planet. Customers can choose from the Bio-Planet range, including fresh products, but excluding frozen, and collect their reservation in 45 Collect&Go collection points. The reservations are order-picked in four Bio-Planet stores and taken to the collection points. The online shopping service has deliberately chosen a limited start in order to gain initial experience and then to grow further.

Correct product information

Collect&Go has successfully integrated the Trustbox data platform in its website and application. Using Trustbox, retailers and webshops can efficiently satisfy EU Regulation 1169/2011. The objective of this law is to improve the readability of the label and to provide the consumer with information on food such as health, safety, origin and environment. The law stipulates, among others, that when selling online, customers must have all information on prepackaged food products before the actual purchase takes place. With Trustbox, consumers can have 100% confidence in the information that they find on the websites and applications: allergens, gluten, nutritional data, ingredients, etc. An additional benefit is that all suppliers maintain control over the information. Trustbox was developed by GS1 Belgium & Luxembourg. This is an independent organisation that brings together retailers, suppliers and logistical service providers.

New online application

In October 2015 Collect&Go launched its new app. The application has been given a facelift and has more facilities. There is also an adapted version for iPad. Using the app, customers can easily find their way through the range thanks to a number of search filters and lists such as 'Selection for you', the last reservation, the personal list and the shopping cart. The user can examine his shopping list on any device and further complete it. 20% of all reservations are made via the app. In 2011, the Collect&Go app was the first Belgian application for the reservation of grocery shopping.

The OKay neighbourhood stores distinguish themselves with their helpful employees from the region and an extensive offering of quality fresh products and lowest prices in the neighbourhood. OKay customers do their shopping quickly, cheaply and easily. The stores have a full range in a compact area, large car parks and long opening hours.

The neighbourhood supermarkets are situated along busy approach roads, close to town centres. The contemporary retail formula offers a nice mix of national brands, house brands and discount brands. Freshly baked bread is available every day. A few specialties are baked in the store. The nice offering of convenience products is also an asset.

The four OKay Compact stores are small neighbourhood supermarkets in the centre of the city.

◦ 1998

EUR 758,3 MILLION
COMBINED REVENUE OKAY,
BIO-PLANET AND CRU (+13,5%)

120 STORES
INCLUDING 4 OKAY COMPACT
STORES

590 M²
AVERAGE STORE
AREA

6.400
NUMBER OF ARTICLES

1.611
EMPLOYEES IN FTE (+144)

**FAST, INEXPENSIVE AND
CONVENIENT**

OKAY.COLRUYTGROUPE.BE



It was a highly successful financial year for OKay. The revenue grew again by 11%, especially due to store openings and by an increasing number of new customers in the existing stores. In addition, the value of the average shopping cart remained stable. Thus the neighbourhood store formula succeeded in increasing its market share. In a market with strong competition and a challenging economic climate, this is strong performance.

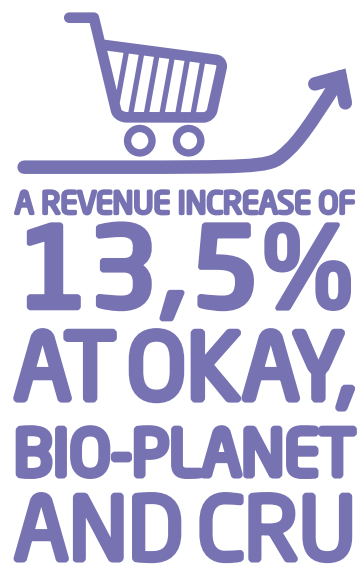
During this financial year OKay focused on further expansion and making its logistics independent. Read more about the new distribution centre on page 52. Ten new stores opened their doors: eight OKay neighbourhood supermarkets and two OKay Compact city stores in Antwerp. In addition four stores were renovated. For the next financial year the neighbourhood store formula plans around 10 more openings. 75% of the stores are in Flanders. That is why in the following years OKay will focus strongly on Wallonia. In time the neighbourhood store formula aims for around 180 stores.

Continued experimentation with OKay Compact

Due to the positive experiences with the four stores in Ixelles, Liège and Antwerp, the test with OKay Compact is being further

expanded: the fifth store is opening in the Hopstraat in Brussels and the sixth in the Jezusstraat in Antwerp.

OKay Compact is a small neighbourhood store in the city with a focus on fresh, comfort and ready-made products. In an area of 350 m² the store offers around 3,000 articles and is aimed at people in the neighbourhood who do small shops by foot or by bicycle. OKay Compact has an adapted checkout system and longer opening hours.



OKAY HIGHLIGHTS

Second generation stores

During this financial year OKay introduced the concept of the second generation. OKay Nieuwerkerken (Aalst) was the first to be given a complete facelift. With this modernisation OKay wants to keep its stores fresh and modern, increase the shopping convenience for its customers, and to play on its assets better. The concept of the second generation ensures more relaxation, space and light, and will gradually be rolled out over the coming years. An overview of the most important changes:

- **More overview:** when they come in, customers immediately have a good view of the bread corner and the freshmart. In addition to lower shelves, wider aisles and new racks, there are also partitions between the different ranges.
- **A glass facade:** the large glass facade provides more daylight and increases the link with the neighbourhood. The shopping trolleys and the customer bicycles are situated under the awning.
- **Upright glass freezer cabinets:** customers immediately see the products and employees can better monitor the department. The smaller packaging meets the needs of the customer. A central system controls the temperature remotely.
- **A larger freshmart:** the freshmart is bigger, has wider aisles and has a sampling table. The visibility has been increased by two glass sections. There are also sampling points in the rest of the store.
- **A modernised bread corner:** the bread corner does better justice to itself through the new unit with built-in lighting and glass doors. The new baking oven increases the quality and combines more programs. The oven is self-cleaning and reduces the baking time which ensures time and efficiency gains.
- **Brand new inspiration units:** the new 'easy cooking' inspiration units display ready-made products, seasonal dishes and simple recipes with the necessary ingredients.



New distribution centre

During this financial year OKay and Bio-Planet gradually brought a new distribution centre (DC) of 40.000 m² into use in Lot (Beersel). The groceries section opened in September 2015. In March 2016 the fresh section followed: fruit, vegetables, meat, cheese and dairy products. An autonomous DC is a major step in the further growth of OKay and Bio-Planet. Before that, both retail formulas used the DC's and logistics of Colruyt Lowest Prices.

With its own DC OKay can better gear its range to the needs of its customers. Just think of re-closable packaging, ready-made meals and prepackaged salads. In addition the neighbourhood store formula can better control costs, further increase efficiency and better adjust its stocks to the rotation speed of the stores. Fewer trips are required and the order picking methods have been optimised. Finally, the shelving carts have been adapted to the circuit of the stores. The relocation to the new DC proceeded flawlessly without any impact on the organisation and customers.



OKay and Colruyt strong in GfK reports

OKay and Colruyt performed strongly in the summer and winter report of the market research bureau GfK Belgium. In the summer report, in the general ranking OKay came second after Colruyt. In the winter report OKay was listed first and Colruyt second. The general ranking indicates how satisfied 5.000 supermarket customers are with regard to advantage, image and friendliness. Of all national chains, OKay, Spar and Colruyt scored the best on the friendliness aspect. In the two reports, each time OKay followed Colruyt in the 'Advantage' category. In the summer report, the neighbourhood store formula came second in the 'Image' category. OKay and Colruyt also did well in the annual price survey of Test-Aankoop. Read more about this on page 44.

Co-creation with employees for end of year folder

OKay called on the help of its employees for its end of year folder. Employees with a passion for cooking devised the recipes in the folder. In December customers were able to try out the recipes and be inspired by them. The four end-of-year menus were again an asset. Customers passed on their orders beforehand, could combine dishes from different menus, and collected them on 24 or 31 December. Everything was prepared, from the main course to the dessert. Customers only had to heat up the dishes. Moreover, they were given a free bottle of wine or cava.





Bio-Planet is a bio-supermarket with an extensive range of affordable biological and ecological products. The fresh market and self-service counter with meat, vegetarian products and cheese provide a unique offering. Bio-Planet inspires its customers to consciously enjoy themselves and distinguishes itself with its skilled and hospitable employees. Customers can reserve around 3.000 non-chilled products in the Bio-Planet webshop and then collect them afterwards from Colruyt or OKay.

For Colruyt Group Bio-Planet is a pioneer in bio-food and sustainability. The bio-supermarket stimulates the sales of bio-products in Colruyt, OKay and Spar and offers a wide range via Collect&Go. Where possible, Bio-Planet applies the latest new environmentally-friendly techniques in new stores.

◦ 2001

EUR 758,3 MILLION
COMBINED REVENUE OKAY,
BIO-PLANET AND CRU (+13,5%)

19 STORES

650 M²
AVERAGE STORE
AREA

6.000
NUMBER OF ARTICLES

455
EMPLOYEES IN FTE (+142)

CONSCIOUS ENJOYMENT

BIOPLANET.BE

The total sales of bio-products in Belgium rose by 18%. That is a stronger increase than the past four years and can also be explained by the six new Bio-Planet stores and the growing biological offering in all supermarkets. The market share of the total Belgian bio market is more than 2%.

Bio-Planet is still growing faster than the market. This year the revenue increased by 23%. This increase is primarily due to the six new stores in Groot-Bijgaarden, Halle, Aalst, Mons, Namur and Hasselt. In addition the existing stores drew in many new customers. The bio-supermarket continues to enhance its reputation through radio and other adverts. At Bio-Planet, customers primarily purchase fresh products and cheese, meat and preparations from the self-service counter. The average shopping basket fell slightly, primarily due to a lot of new customers. They buy smaller quantities during their first store visits.

Bio-Planet is also working hard on the further professionalisation of its internal operation. With increasing numbers of stores, the bio-supermarket is continuously investigating what processes and operations can be standardised or uniformised to create efficiency gains. Finally, this financial year Bio-Planet finalised its house style guide. As a result, all marketing communications have the same look & feel.

Own logistics with OKay

In this financial year Bio-Planet and OKay relocated their logistics to the Laekebeek site in Lot. With an autonomous

distribution centre, Bio-Planet and OKay have taken a major step in their further growth and the realisation of their mission. Read more about the benefits of the new DC on page 52 under OKay.

15 new stores in the next three years

In order to meet the rising demand for bio-products, in the next three years Bio-Planet plans five store openings per year. Next financial year the bio-supermarket will open new stores in Braine l'Alleud, Huy, Sint-Niklaas, Uccle and Roeselare. In time Bio-Planet aims for around 40 stores. In order to support this growth, in the next few years Bio-Planet aims to increasingly develop sustainable partnerships with its suppliers. In this way, the bio-supermarket will assure larger volumes for itself.

Five digital pocket computers in every store

All stores now have five 'personal digital assistants' or PDA's. These devices are both a pocket computer and a barcode scanner and have been used by the store staff of Colruyt for a long time. The pocket computers optimise the work processes and make the work more pleasant. Employees can increase the stock on the shelves, request labels, perform counts and price checks, etc. In addition it improves the service to customers. Employees can track when a missing product will come in again and can then immediately inform the customer.

**SUSTAINABILISATION IS A
CONSTANT FACTOR AT BIO-PLANET**

JO GHILAIN, BUSINESS UNIT MANAGER BIO-PLANET

BIO-PLANET HIGHLIGHTS

100% Belgian wheat bread

Since December 2015 Bio-Planet has exclusively offered 100% genuine Belgian wheat bread. Both the raw materials and production process are 100% Belgian and customers clearly know how to appreciate this.

Bio-Planet works together with different partners for this home-grown wheat bread. The grain is grown in Geraardsbergen and ground into flour in Zwevegem at the Molens Nova mill. In Ypres, the bio-bakery De Trog then turns it into a delicious substantial bread. By deliberately working locally, many transport kilometres are saved.



Buggie: first products with insects

At Bio-Planet customers can now find three types of products with insects: based on crickets, grasshoppers and worms. The Cricket Croquette contains ground crickets and in the Bug Balls there are ground grasshoppers or entire buffalo worms. With these first insect products, Bio-Planet wants to offer a sustainable, nutritious and delicious alternative to people who are looking for different protein sources to meat. Moreover, products with insects have many ecological benefits. For example, insects are responsible for fewer greenhouse gases than cattle farming. For Colruyt Group this is one of the many steps in the sustainabilisation of the range and the wider food chain.



Test with prepackaged meat

In Ghent and Nossegem Bio-Planet is investigating whether customers are open to prepackaged fresh meat. In a separate unit customers can find a number of prepackaged products that they would otherwise purchase at the self-service counter. Prepackaged products have a longer shelf life and which also means less food waste.

Electric charging stations at all stores

Increasing numbers of customers with an electric car charge them using the charging stations at the stores in Nossegem, Grimbergen and Destelbergen. Customers first ask for a charging pass and charge their electric car during their shopping visit.

The test will be completed on 31 December 2016. Eoly, the sustainable energy producer and supplier of Colruyt Group, is working on the findings of the customers. Read more about Eoly on page 86 and 87.

In the near future, there will also be charging stations in Aalst, Ghent, Halle, Hasselt, Mons and Jambes. The ultimate aim is to equip all branches with charging stations. In this way Eoly and Bio-Planet want to respond to the growing number of electric cars and do their bit for sustainable mobility.



Ecover Ocean Bottle: detergent in sustainable packaging

Since October, the Bio-Planet stores are selling a limited edition of the Ecover Ocean Bottle. This is detergent in sustainable packaging. The bottle is made entirely of recycled plastic, 10% of which is ocean plastic, or plastic waste from the sea, beaches and rivers. With this new product, washing and cleaning specialist Ecover wants to do something about global pollution with plastic waste and make people aware of the problem. For Bio-Planet the bottle is part of its commitment to offer carefully made products that respect the planet.

Collection of fresh products from Collect&Go

The test in which Bio-Planet customers can reserve products online was expanded this financial year from 12 to 45 Collect&Go collection points. Using the Collect&Go website, customers can choose from the Bio-Planet range, including bread and fresh products from the fresh market and the self-service counter, except for frozen products. They collect their reservation from a collection point of Collect&Go. The reservations are order-picked in four Bio-Planet stores.

Filling pots in each store

After the positive test project in Wilrijk customers can now take their own storage boxes to every Bio-Planet. They can have them filled at the self-service counter with meat, cheese or vegetarian preparations. It was a demand of customers to bring their own reusable packaging to the store. Currently Bio-Planet is also evaluating a test with the bulk sale of products such as muesli, grains and nuts.

Farmers in transition support

Bio-Planet and Colruyt Group support farmers that switch to bio-agriculture. A nice example is the collaboration with De Lochting in Roeselare. Colruyt and OKay now sell a number of 'vegetables in transition' that will only get the official biolabel in two years. This helps De Lochting bridge the financially difficult transition period. "With these partnerships, together with local producers, we give the sustainabilisation of agriculture a boost. At the same time we secure a quality offering of bio-vegetables and we support a social project that gives people worthwhile work", says business unit manager Jo Ghilain.





Cru is a covered market experience for people with a passion for delicious food, pure flavours and quality products. The enthusiastic professionals of Cru aim to do ordinary things exceptionally well and provide authenticity in a contemporary way.

The market covers around 10 crafts and offers a special selection of fresh seasonal products: fruit and vegetables, meat and delicatessen, poultry, fish but also cheeses, wine, flowers, chocolates and self-made bread. In addition, Cru offers an alternating convenience range: quality semi-prepared and ready-made dishes from its own kitchen. Customers can taste them and ask for advice.

The covered market makes good use of modern technology, for example to precook or vacuum-packed dishes. In addition customers scan in their shopping articles themselves.

° 2014

EUR 758,3 MILLION
COMBINED REVENUE OKAY,
BIO-PLANET AND CRU (+13,5%)

1 STORE

650 M²
AVERAGE STORE
AREA

850
NUMBER OF ARTICLES

58
EMPLOYEES IN FTE (+23)

CRU.BE

The test in the first establishment in Overijse is promising. The covered market has experimented and learned a lot. Cru feels that there is a place in the market for its concept. The revenue, number of customers and average purchases are above expectations, and the reactions of customers, partners and employees are very positive.

Cru often receives requests from professionals, specialist stores, and local associations to collaborate, and towns and municipalities regularly enquire as to whether an establishment is opening in their vicinity. In addition there are also many spontaneous applications from specialised professionals and people with a passion for food. On the basis of these positive experiences, a new profitability plan has been developed.

In 2015 Cru made various adjustments to respond better to the needs of its customers and the trend for convenience. For example, Cru increased its service and introduced the handy hand scanners. Checking out is now easier. In 2016 the covered market will continue further along this line. In Ghent there is now a test kitchen for the

development of new products, the finalisation of dishes, and the revamping of recipes. As of April 2016 Cru Overijse will be open every day and in June the restaurant opens its doors. There customers can try simple preparations with products from the market.

Outside the market Cru also capitalises more on food experience, for example via a food truck. In the region around Overijse the food truck was already present at local events and markets. At the end of October 2015, together with a few partners Cru even organised a food truck festival in Overijse. It is a great challenge for Cru to develop new synergies in the future and thereby preserve its individuality.

Cru is constantly looking at how it can further refine and expand the collaborations with its partners. For example, it has found a partner that breeds pigs specifically for Cru and partners give inspiration sessions to customers. Cru also sets up synergies between different partners. The chocolate spread is made from the chocolate and butter of two partners, for example.



CRU HIGHLIGHTS

Two new establishments

In the coming financial year the covered market will further rollout its concept with two new establishments: one in Wijnegem and one in Ghent. The sites of the two new establishments differ enormously from the square farmstead in Overijse. This enables Cru to explore the facilities and requirements of other types of locations. Cru Ghent is in a historic building in the centre of the city on the Kouter. The establishment in Wijnegem is in an old distillery along the Albert canal. In order to prepare for this expansion properly and support it, in the past financial year Cru further refined its internal organisation.

In Belgium Cru foresees a potential of 20 establishments and is continually on the lookout for new locations. It is not the intention to copy all elements of Cru Overijse in the new establishments. Every covered market must respond to the local needs, be integrated in the local social fabric and thus grow into a child of the region. In addition Cru is investigating the potential of e-commerce and sales via stores of Colruyt Group.



Third in the competition for the best retail concept

Cru came third in the competition for the Mercury Prize, in which the trade and services federation Comeos awarded a prize for the best retail concept of the year. The report of the panel of judges: "The top concept is revolutionary in everything that it does and complementary to the supermarket. Everything at Cru exudes quality."

The Colruyt neighbourhood supermarkets in the east of France distinguish themselves with their helpful staff, traditional butchers and a quality and extensive offering of fruit and vegetables and fresh products. The range of wines and regional products are also assets. 70 stores have a Collect&Go collection point.

Colruyt stores offer the lowest price for all comparable products. Thus Colruyt is the cheapest for more than 3.500 products. The supermarket has a complete range in all brand layers: national brands and the house brands Belle France, Les Délices de Belle France, Boni Selection and Everyday.

The integrated Colruyt neighbourhood stores are operated in France by Codifrance.

◦ **1996**
(ACQUISITION)

 **EUR 413,6 MILLION**
REVENUE (+5,2%)⁽¹⁾

 **72 STORES**

 **1.000 M²**
AVERAGE STORE AREA

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

 **1.557**
EMPLOYEES IN FTE (+1,42)

 **37**
DATS 24 FILLING STATIONS (-3)

 **TOUT SIMPLEMENT
LE MOINS CHERE**

 **COLRUYT.FR**

(1) Financial year from 1/1/2015 to 31/12/2015

Since this financial year the contribution of the French DATS 24 filling stations has been incorporated in the revenue of the French Colruyt stores. To ensure that this decision does not have any impact on the comparative figures, the revenue of last year has also been adjusted.

The French Colruyt stores have had an excellent financial year. The neighbourhood supermarket can present a positive operating cash flow, excluding the DATS 24 revenue. Colruyt France also continues to grow markedly faster than the market. The strong revenue increase represents exceptional performance in the deflationary French market with a particularly tough competitive environment.

This success is primarily due to the nice growth within the existing stores. The shopping basket has increased again, the customers are loyal and Colruyt pays constant attention to profitability and its operating costs. Colruyt also frequently communicates on its lowest prices policy, for example with billboards, insertions in the folder, and digital store screens. In addition the Colruyt Plus card is a success, and as good as all stores have a Collect&Go collection point. Moreover, Colruyt has succeeded in stabilising the margins despite significant investments in the pricing policy and the persisting deflation. The favourable conditions of the French purchasing centre are essential here.

Butcher shop in demand

The traditional butcher shop is attracting increasing numbers of customers. The open butcher shops are known for their quality meat and distinguish themselves with their regional products and regional traditional preparations. For example, Colruyt is the only French supermarket to offer beef from Charolais heifers. For fresh bread the supermarket goes in two directions. Traditional bakeries are suitable in larger stores. In other branches Colruyt wants to bake bread on site in what is called a 'point chaud' in France.

Three new stores

In calendar year 2015 new stores were opened in Baccarat, Arcey and Sainte-Foy-l'Argentière. Four neighbourhood supermarkets closed their doors for reasons of profitability and logistical cost efficiency. Two store openings are planned in 2016. Colruyt is preparing its internal organisation to accelerate its expansion policy. Around seven store openings are planned in 2017. As of 2018 around 10 sales stores per year are planned. Colruyt particularly wants to strengthen its presence in the departments around the logistics centre in Rochefort, on the border of the Bourgogne and Jura. With the current distribution centre in Rochefort, the retail chain foresees a potential of 120 stores.

Continued increase of the revenue

In the coming years Colruyt wants to continue to raise its revenue per m². To this end the retail chain will further optimise its range and focus more on regional selections. Urban branches can be somewhat smaller (750 m²) and be given a more adapted range compared to stores in rural areas (1.000 m²). All neighbourhood supermarkets continue to offer a clear and complete range in all brand layers. In this way Colruyt France aims to make shopping as easy and as simple as possible for its customers.

Customer-friendliness as an asset

The French Colruyt stores obtained an excellent score in the quantitative survey that the market research bureau Ipsos conducted among 1.000 customers. That research showed that customers appreciate the friendliness of the employees in particular and the fact that they can quickly and easily do their shopping. The butcher shop is popular and the Colruyt stores are known for their low prices. Finally, it is notable that the brand familiarity is growing further.

COLRUYT FRANCE HIGHLIGHTS

Successful Belgian theme folder

In March 2016, for the first time Colruyt France capitalised on its roots with a Belgian theme week. The retail chain sent out a theme folder to its customers with typical Belgian products and recipes in it. Think of mussels and chips, stew and cheeses such as Affligem and Brugge Oud. This action ensured added sales in the stores and many positive customer reactions, including on social media.

Popular Colruyt Plus card

The successful start of the Colruyt Plus card was continued during this financial year. The majority of customers already have one. The Colruyt Plus card offers customers a 5% discount on the house brands throughout the year.

New retail concept goes down well

The first opening according to the completely modernised retail concept was a great success. The revenue and number of customers in Dole rose by 20% and the reactions were very positive. Colruyt believes in the new concept and further refines it on the basis of customer reactions and its own experiences. It is the aim to fit out the rest of the stores according to the new generation. In this way the retail chain can create the same unique brand experience everywhere. At the end of 2016 this will be the case in 16 stores.



Investment in Collect&Go

In the coming financial year Colruyt aims to double the number of Collect&Go customers. To this end the retail chain will further improve its service, launch a new site and set up marketing campaigns. The number of Collect&Go reservations are increasing year after year. Moreover, the average shopping basket is larger than that of a Colruyt customer. 70 of the 72 stores have a Collect&Go collection point. In the remaining two stores it is currently not opportune to open a collection point because they are too small.

20.503
BOTTLES OF WINE

In the last weekend of August 2.500 customers visited the wine fair in the event hall La Commanderie in Dole. The visitors tasted and ordered the different Colruyt wines in the wine folder and also tried specialties from regional delicatessen producers, for example. In total 20.503 bottles of wine were ordered. Customers then collected them from seven stores in the region: Dole, Chaussin, Fraisans, Mouchard, Genlis, Poligny and Champagneole. For Colruyt the wine fair is an ideal way to connect with its customers and to inform them better of its wide and diverse range of wines. In addition, each year the fair provides a boost to the sales figures.

Colruyt Group Fine Food combines the production departments for meat, wine, cheese, coffee and bread. Through this expertise the group can work more efficiently, save costs, guarantee the quality and create added value for its customers.

Fine food Meat: *the meat-processing company cuts, processes and packages beef, veal, chicken and pork and also takes care of salads, preparations and vegetarian products. Fine Food Meat has 843 employees, of which 200 are qualified butchers.*

Fine Food Wine: *the wine department purchases, assembles and bottles 120 wines from around the world. The 22 employees produce 13,5 million bottles and 4,3 million party boxes. One in four bottles of wine purchased in Belgium are from Colruyt Group.*

Fine Food Cheese: *the largest cheese-processing production department in Belgium has 80 employees. They remove rind, process and package around 70 types of cheese, good for 120 articles.*

Fine Food Coffee: *the only coffee roaster in Belgian distribution roasts, blends and packages around 50 types of coffee. Each year the 24 employees roast 6.500 tonnes of coffee in Ghislenghien.*

Fine Food Bread: *Roecol is the bakery of Colruyt Group and bakkerij Roelandt. Both parties have a 50% participation in the joint venture. 43 employees produce up to 7.000 loaves of bread per hour over two production lines, with an eye for the tradition of a long rise time.*



Year after year Colruyt Fine Food continues to grow. Colruyt and OKay are the main customers and the number of their stores continues to rise. This financial year the delivery of poultry products to Solucious was started. Fine Food also increasingly produces for Pro à Pro and the French Colruyt stores, for example party boxes of wine, coffee and salads. More than 10% of the total volume of wine goes to France. Fine Food continues to further expand its range and services to better respond to the trends and demands of consumers and internal partners. The sales of cheese, coffee and wine are on the rise. The sales of meat are rising slightly despite a general fall in Belgium. Poultry and veggie are selling well and the sales of bread remain stable. Fine Food bakes 18 types for Colruyt and OKay and is investigating how it can better align the quality to the needs of the consumers.

Constant attention to food safety

Fine Food pays constant and thorough attention to food safety and often inspects its products and those of its suppliers. The production department often goes further than the law here. During this financial year retail formulas had to take Fine Food products off the store shelves a few times. Fine Food endeavours to keep the number of recalls to a minimum, but emphasises that this is in the interests of the health of the consumer. Recalls are the result of the many controls, both internal controls and together with Quality Control. They are also the result of the deliberate choice to inspect early so that the products can still be taken off the store shelves.

Investment in innovation

Fine Food set up an innovation unit to develop new products more quickly. The products with insects for Bio-Planet are a nice first realisation. Read more about this on page 54. Fine Food not only confines itself to the expertise within the group for

product development, but is also open to co-operation with external parties. In addition, the capacity of the Product Development department has been tripled.

IT platform at Fine Food Meat

Fine Food Meat brought a new IT system into use. MES or Manufacturing Execution System checks the production processes in real time and ensures shorter throughput and delivery times, more effective stock management, higher production quality and lower costs. This platform integrates all systems and documents for tracing and is useful for monitoring the food safety and price developments. Fine Food will also introduce this system in the cheese, wine and coffee departments in the future.

New production site Fine Food Meat

In the coming financial year Fine Food Meat will bring its new, more automated, production site into use. The second site has an area of 18.000 m², will be next to the other site in Halle, and will accommodate the future growth of the company. The new site will be responsible for the production, cutting and conditioning of meat products, delicatessen articles and veggie products. The other site then accommodates all activities concerning fresh meat (cutting, conditioning and packaging), the production of salads and the order picking of fresh meat.

As a result of the second site, Fine Food Meat can again take on some activities under its own management that it entrusted to external parties over the last few years due to a lack of space. The new building will be built as sustainably as possible with a lot of attention for the environment, energy consumption, ergonomics and food safety. When the new production sites comes into full use, Fine Food Meat will be the largest producer of meat and meat products in Belgium.

COLRUYT GROUP FINE FOOD HIGHLIGHTS



Colruyt Group trains its own butchers

In order to accommodate the growth, Colruyt Group is looking for 150 additional butchers. To this end the group works together with schools and training centres and offers opportunities to people with a love of meat. Colruyt Group gives them training and teaches them the trade. The Company also arranges job days for butchers and production operators. 40 candidates came to the first job day of Fine Food Meat. The participants visited our meat processing business, took a few practical tests and were interviewed by the selection managers. Six candidates were recruited. In total the meat processing and store butcher shops account for 2.800 employees, among which 1.200 qualified butchers.

New salad spreads

Fine Food Meat invested substantially in its salad spreads with the introduction of seven new flavours, including Thai crab, cucumber and asparagus with ham off the bone. This brings the total to 28 salads of Boni Selection. In addition the packaging is smaller and the pots are more sustainable, as they do not have a plastic wrap. These changes have gone down well. The retail formulas sell more pots per customer and the number of customers that buys salads is growing.



EUR 1,5 million for pig farmers

Colruyt Group has undertaken to prefinance the solidarity fund for Belgian pig farmers by EUR 1,5 million. The fund provides a total prefinancing of EUR 7,5 million, originating from wholesale distribution, butchers and the hospitality industry. The group continues to emphasise that sustainable, structural solutions are needed for the overproduction in the Belgian pig sector. The group was the first retailer that took an initiative for the pig farmers and wants to continue actively participating in the chain consultation.

First veggie products

Since the end of 2015, Fine Food Meat has been making veggie burgers and schnitzels for the house brand Boni Selection Veggie. The meat processing department can thus better utilise its production capacity and with a minimum of investment put a new production category on sale. This is a first step in the evolution from pure meat supplier to supplier of alternative proteins. Fine Food Meat expects an annual production of 500.000 burgers and 340.000 schnitzels.



The family and seasonal store has a wide and diverse range: from toys, multimedia and gifts to school articles and sports accessories to children's bedrooms and decoration material. Dreamland inspires children from 0 to 14 years and their family. It thereby responds to the various age categories and social environments.

The largest toy specialist in Belgium guarantees the lowest price in the region and adjusts its prices on a daily basis for this purpose. Customers can reserve online and collect their articles in one of the 392 collection points at Dreamland, Colruyt, Collect&Go and OKay or can choose for a home delivery.

Dreamland closely monitors the market trends and offers the latest licences and brands. For example, for a few years Dreamland has been the market leader in the sales of branded schoolbags and rucksacks.

◦ **1994**

ACQUISITION OF DROOMLAND, RENAMED DREAMLAND IN 2002



EUR 253,9 MILLION
COMBINED REVENUE DREAMLAND AND DREAMBABY (+0,8%)



44 STORES
42 IN BELGIUM, 2 IN FRANCE



1.600 M²
AVERAGE STORE AREA



75.000
NUMBER OF ARTICLES (INCLUDING ONLINE)



1.053
EMPLOYEES IN FTE (+23) (DREAMLAND AND DREAMBABY)



YOU HAVE MORE FUN WHEN YOU PLAY



DREAMLAND.BE

In a financial year with few hypes and without major sporting events, Dreamland can look back on a solid performance. The family and seasonal store met the set revenue forecast. The stiff competition put the margins under pressure, but the shopping basket remained stable. Customers do not save on their purchases, but enquire extensively, look for the lowest price and thus come to Dreamland. For a few years Dreamland has been the market leader in toys and has grown again. In the gaming range, sales of computer games fell, but consoles continued to do well. The revenue in multimedia showed a small setback, especially due to the greatly reduced price of tablets and smartphones.

The changeable financial year was characterised by different effects. The heat wave in July ensured an increase in the sales of volume articles such as swimming pools. The branded school bags and rucksacks again saw a peak before the start of the school year. In addition, bedrooms for children continue to sell well. In the autumn customers responded en masse to the discounts during the autumn holiday. The sales figures rose very strongly at that time, but had a negative impact on the months of November and December. During the end of year period, sales were good again. This positive trend continued in the months afterwards. The sharpened brand positioning and marketing strategy played an important role in this. Read more about this on page 64.

Focus on trends

Dreamland continually invests in partnerships with its suppliers to take advantage of the latest trends and to keep its offering contemporary. Nice examples are the schoolbags with film figures from Frozen, Minions and Jurassic World and the exclusive collaboration with Disney for Star Wars: The Force Awakens. Read more

about Star Wars on page 64. In addition the retail chain remains fully focused on its house brand that is popular among customers. Dreamland makes enormous efforts over the quality of its house brand and goes very far in the collaboration with its suppliers.



DREAMLAND AND DREAMBABY RISE BY 0,8% TO EUR 253,9 MILLION

Growing online market

The number of purchases through the webshop further increased this year and amounted to almost 15% of the total revenue. In addition to the fact that increasing numbers of Belgians purchase online, the revamped webshop provided a positive boost for the sales figures. The website has extra features and makes online shopping even easier. The site forms part of a common e-commerce platform with Dreambaby and Collishop. Read more about this on page 94.



Two new stores

During this financial year, a new store was opened in the building of the former Colruyt in Ronse. In addition the store in Erpent was relocated to the brand new shopping complex of Colruyt Group in Namur. In that complex there are stores of Dreamland, Dreambaby and Colruyt, a Collect&Go collection point and a meeting centre of Colruyt Group Academy. Dreamland anticipates a potential of around 50 stores.

First pop-up store

Between 9 November and 5 December 2015, for the first time Dreamland tested a pop-up store in the Colruyt store in Lokeren. Over an area of 250 m² customers found a selection of the range. With a pop-up, the retail chain comes even closer to its customers in regions where there is no store and the store formula gets to know whether there is potential for a branch. In the busy Saint Nicholas period customers also save time by doing their shopping and buying toys in the same store. The family and seasonal store learned lessons from this first test and aims to further refine this concept in the future.

Responding to the French culture

The revenue of the two stores in France rose strongly during this financial year. Dreamland adjusted the store design, the look & feel and marketing communications according to the French culture, and that went down well with the consumer. The stores attracted more customers, which ensured an improved profitability.

Personal communication

Dreamland increasingly inspires and coaches its customers through personal communication. Since this financial year, customers have received e-mails with relevant content on the stage of life of their children. They receive play tips, suggestions for the right toys and nice-to-know information about the different development stages of their child.

Dreamland stores now also a collection point

Since October 2015 customers have been able to collect their reservations made on the Dreamland and Collishop webshops in all Dreamland stores in Belgium free of charge. These collection points came on top of the existing network of Colruyt, Collect&Go and OKay. With this expansion, the retail chain strengthens its position as an omnichannel player and it can provide a more personal service. Notable: right from the start Dreamland stores have been popular as a collection point. Customers can see and feel their reserved articles in their familiar store and request further information. Just as with Collishop, Dreamland customers can also choose for home delivery. Both retail formulas see home delivery as an extra asset alongside the extensive collection network, but will not further expand this service. Read why that is so on page 68 under Collishop.

Dreamland teaches 5.472 children to cycle

During the sixth edition of "Learn to cycle", the retail chain taught 5.472 children aged between 4 and 8 years to cycle. Specially trained employees gave children tips to keep their balance on two wheels. The parents were given advice that they could put to good use at home.

DREAMLAND HIGHLIGHTS

You have more fun when you play

Dreamland sharpened its market positioning and unveiled a new marketing and communication concept for St Nicholas: 'You have more fun when you play'. In this way Dreamland makes its mission statement palpable and positions itself more as a coach for parents and children. "We want to inspire children and parents to spend more time together and to experience fun, as playing and children's joy are essential for the development of children. At the same time the aim is to strengthen the emotional ties with customers", says divisional manager Geert Gillis.

Dreamland extends the new concept to everything that it does: from the folders, flyers, and the website, through experience actions and workshops in the stores, to office buildings and operational management. The full 360° to the store floor. Strengthened by the enthusiastic reactions, the new concept will be further developed in the coming years. For example, in the spring of 2016 there was already 'The Outdoor Gang' campaign, in which Dreamland encouraged children to play outdoors. 'You have more fun when you play' was developed together with the internal communication agency CCX (Customer Communication & Experiences).



Star Wars hype

In December and January Dreamland was very much dominated by the Star Wars hype. The largest LEGO Star Wars model in Belgium, the X-Wing Starfighter, was displayed in 32 stores. Children could take Jedi training in all stores. And in the Star Wars experience bus of Disney they could put themselves in the shoes of Star Wars characters. The bus came to six stores and had a Disney Infinity, LEGO construction tables and a laser course. These experience actions did not miss their target. Customers came to the stores en masse and sales figures rose.



Toys for 5.519 underprivileged children

Under the motto of 'Dreamland seeks toy savers', Dreamland collected 63 m³ of toys and made 5.519 underprivileged children happy. The collection action ran from 9 to 28 November. 33 good causes received a tailor-made package. It was the fourth time that children could bring in old but still usable toys into a store.



Dreambaby helps future and new mums and dads to have a good start as parents. The baby specialist distinguishes itself with its service, personal advice and coaching role. Dreambaby offers a complete and quality range at competitive prices. The house brand, Dreambee, is a major asset in this.

Birth lists are a spearhead. Customers can compose and manage them both online and in the store. They collect the chosen articles from their Dreambaby store, Colruyt, OKay or Dreamland, or have them delivered at home. Family and friends can order articles both in the stores and from home.

◦ 2001

EUR 253,9 MILLION
COMBINED REVENUE DREAMLAND AND DREAMBABY(+0,8%)

23 STORES

600 M²
AVERAGE STORE AREA

5.750
NUMBER OF ARTICLES (STORES AND ONLINE)

1.053
EMPLOYEES IN FTE (+23) (DREAMLAND AND DREAMBABY)

DREAMBABY.BE

Dreambaby did not quite meet its own growth forecast, but it can nonetheless look back on a solid performance. The baby specialist was able to increase revenue and keep its margin stable. The competition increased strongly and was felt in particular in the first half of the financial year. Afterwards, the sales figures were given a boost again. The revamped webshop and birth list application played an important role here. They run on the e-commerce platform for the non-food activities, which has various benefits. Read more about this on page 94.

More than 100.000 dreambaby² members

Dreambaby further expanded its service and assumed its coaching role even more so. The baby specialist now also does home deliveries. The number of members of the dreambaby² community, an online platform where parents can get information and tips and ask questions to experts and other parents, doubled to 100.000. Dreambaby communicates even more via Facebook, Twitter and Pinterest, and recently also Instagram. Finally, the baby specialist had a stand at the Baby Boom Fair, the outstanding Belgian baby fair. Read more about the Baby Boom Fair and the collaboration with Colruyt Lowest Prices and Colruyt Group Academy on page 45.

Continued growth

The Dreambaby Shop from the Dreamland store in Erpent became an independent establishment at the combined site in Jambes (Namur). Just after the close of the financial year, the former Dreambaby Shop in Dreamland Beveren was given its own spot on the same site. It is the intention to make independent establishments of all eight remaining stores in Dreamland branches. They attract more customers and have better sales figures. Dreambaby will work further on this in the coming years, but is slowed down in this by the slow licensing process. Where possible Dreambaby and Dreamland stores will be located on the same site as both formulas strengthen one another. With a food store of the group there this effect is even greater. The combined sites in Lier and Namur are nice examples of this. Dreambaby foresees a potential of 35 independent stores.

Despite the stagnating birth rate, Dreambaby aims to grow further in the coming years. To this end the baby specialist will open new stores, increase its service and better gear its range to the needs of its customers. For example, in the new store in Beveren the baby specialist is testing a completely new store design with an adapted look & feel. In addition, Dreambaby is investigating how it can best respond to the needs of the modern multicultural society.



DREAMBABY HIGHLIGHTS



First television advert

Since February 2016 the first television advert of Dreambaby has been seen on the Flemish public broadcasting station. The three adverts of five seconds each are shown throughout the year on Eén, just before and after programmes such as 'Thuis', 'Mag ik u kussen' and 'Blokken'. The baby specialist called in the help of its customers for its adverts. It launched a call for babbling babies between 8 and 12 months via the dreambaby² community and its Facebook page. In barely three days 280 proud parents registered. Six babies were selected from them.



Clothing for the pregnant woman

Since August 2015 Dreambaby has been selling pregnancy clothing in eight branches. Customers can choose from the brands Noppies and Mamalicious. In addition to underwear for pregnancy and breastfeeding, Dreambaby now also sells nightwear and daytime outfits. This test is proving positive. The clothing sells well and customers are responding enthusiastically.

With this extra offering, the baby specialist is responding to the expectations that future mothers have of a baby specialist store. In addition it is a way of being more relevant for pregnant women and for getting them to know the Dreambaby offering and the birth list service earlier. The baby specialist is investigating whether it is opportune to offer pregnancy clothing in all branches.

New collection: Ayko

In early 2016 the house brand, Dreambee, unveiled the new collection, Ayko. It is built up around a squirrel character of the same name that was specially developed for Dreambaby. The collection stands out due to its soft colours, has 80 articles in different product categories, and receives very positive reactions. In the autumn of 2015 Dreambaby also revamped its Dreambee Essentials range, the basic range of Dreambee that has 170 items.

Fresh and modern offering

Each year the baby specialist launches a new line of its house brand, Dreambee. In addition Dreambaby follows the latest trends and regularly starts new collaborations with suppliers. Since this financial year customers have been able to find clothing from CKS and Name it, for example. In the coming financial year 4 Moms and Liliputiens will be added to the range and Dreambaby will start an exclusive collaboration with Filou & Friends for a new collection for infants aged from 0 to 2 years. The collection is designed by both partners together.

Collishop

Collishop distinguishes itself as a webshop with its physical presence in society. The webshop has an extensive network of quality service points where customers collect their reservations and receive advice from expert employees. In addition, Collishop continually monitors the prices and promotions of competitors. The reservations are not only done online. Customers can also reserve at a store point, by telephone or e-mail. Most customers collect their reservation in a Colruyt, OKay or Dreamland store. A small portion chooses home delivery. In Halle there is a permanent showroom of 3.000 m². There are also temporary showrooms with season-related selections.

Collishop Professional offers an exclusive B2B range for companies and government departments that want to offer their employees extra benefits.

The revenue and contribution of Collishop and Collishop Professional are incorporated in the retail activity.

◦ 1983



392
COLLECTION POINTS (COLRUYT, OKAY AND DREAMLAND STORES)



20.000
NON-FOOD ARTICLES
LIVING & SLEEPING, TERRACE & GARDEN, COOKING & DINING, TOYS, GAMING & MULTIMEDIA, ELECTRO, HEALTH & BEAUTY, HOUSEHOLD AND TRAVEL



CHOOSING MADE EASY



COLLISHOP.BE

In a fast-growing market with razor sharp international competition, Collishop has been able to maintain its revenue. Collishop has sharpened its position as a webshop with a face. The largest Belgian non-food webshop further plays on its assets. With its large collection network, friendly staff and payment after collection, Collishop distinguishes itself from the competition. In addition there is an easy return service. Customers can always first examine their reservation in the store and if they are not convinced they can leave them there.

The webshop took various initiatives to further support this profiling. The collection network was expanded with the Belgian Dreamland stores and Collishop again came closer to its customers with four pop-up

stores. Read more about the expansion of the network on page 63 and about the successful pop-ups on page 68. In addition, since this financial year Collishop has been running on the same e-commerce platform together with Dreamland and Dreambaby. Read about the benefits of this on page 94.

The webshop is investigating how it can further improve the location, appearance and technology of the Collishop contact point in the stores. Finally, there was the large image campaign: 'Order online, collect offline'. National radio adverts, online video adverts and various own channels emphasise the benefits of Collishop. In the coming years, Collishop will continue on this course in order to continue to grow.



Collishop Professional continues to grow

Increasing numbers of companies, associations and government services are choosing the wide range and tailor-made service of Collishop Professional. B2B customers can be guaranteed of a smooth supply, multiple payment options and a personal tailor-made service. They save both time and money and can fully focus on their own business activities. The revenue of Collishop Professional rose by 17%, above all thanks to new B2B customers. In addition, the webshop obtained various public contracts, among others for the sale of gift cards. Collishop Professional expanded its offering and service. Thus the range for child care also includes toys. Finally B2B customers can now also use Collishop Professional for the distribution of gift cards to customers and personnel. This service is digital and has been a growing success right from the start. Incentives and loyalty cards remain popular.

COLLISHOP HIGHLIGHTS

Collishop, Dreamland and Collect&Go webshops secure according to Test-Aankoop

In August 2015, the consumer organisation Test-Aankoop investigated the security of the 100 most visited webshops in Belgium and evaluated the security of Collishop, Dreamland and Collect&Go as 'good'. For this Test-Aankoop used the security criteria of the independent organisation OWASP as a basis and found that half of the webshops face serious security problems.

Preparation for night work

At the end of December 2015 the social partners and the government concluded an agreement that would enable night work for webshops. "At Colruyt Group we applaud this agreement. When we consider night work to be necessary, together with our social partners we will examine how we can apply this within the company", says COO Frans Colruyt. "For us this agreement is a first step. More structural measures are needed to make Belgian webshops competitive. Foreign players still have a structural advantage due to the high Belgian wage costs and tax differences."

Pop-ups in Hasselt, Kortrijk, Halle and Namur

In the spring of 2016, Collishop again came out with temporary showrooms, 'Terrace and Garden'. In Hasselt, Kortrijk, Halle and Namur customers found around 100 garden sets and garden furniture in an area of 700 to 1.000 m². For expert advice the visitors could talk to the Collishop experts and also benefited from exclusive discounts. With these pop-ups Collishop makes its range tangible and accessible for its customers. Moreover, it is an ideal way to enhance the brand familiarity of Collishop. The webshop will further work on this in the future.



FOR US, COLLECTION POINTS ARE THE MOST SUSTAINABLE SOLUTION, BOTH FOR THE ECONOMY AND THE ENVIRONMENT.

TOM DEPRATER, BUSINESS UNIT MANAGER COLLISHOP

Online with a face

Collishop deliberately chooses not to do free home deliveries. "For us, collection points are the most sustainable solution, both for the economy and the environment", says business unit manager Tom Deprater. "In our opinion free delivery does not exist, certainly not within a very short delivery period. Somebody always gets saddled with the service costs. In addition we think of the environment and the road congestion. Our broad collection network is a win-win for all parties. We integrate online purchases in the logistical chain of store provisioning. And customers can collect their reservation while shopping and obtain advice from the employees concerned. That is what we call online with a face."



Colruyt Group has an interest of 50% in the Belgian clothing store ZEB and a 40% interest in the online underwear store MyUnderwear24. These participations form part of the ambition of the group to respond to the needs of the consumer in all his stages of life through adapted store formulas. Thanks to the purchase and sales options, Colruyt Group has the possibility to acquire control of ZEB and MyUnderwear24 in time. With ZEB this period is nine years, for MyUnderwear24 it is 10 years.

ZEB

Belgium. ZEB sells more than 50 top brands and has its own ZEB clothing line. The clothes store distinguishes itself with its competitive prices, both in the stores and online. In addition there are vigorous actions throughout the year. The 59 stores have ample parking, are along approach roads and are fitted out according to a modern loft style. The average area is 785 m². Customers get expert advice from helpful staff in the stores. The jeans specialist believes in an omnichannel strategy and has a successful webshop on zeb.be.

MYUNDERWEAR24

The MyUnderwear24 webshop was formed in 2010 and sells a wide range of underwear at competitive prices.

ZEB continues to maintain its growth trajectory. New stores have been added and the sales increased further. The webshop is doing very well with an increase in sales of more than 50%. In order to further support its growth, ZEB invested in a second head office in Merchtem. The old logistical building was given a complete makeover and became the new main building.

The clothing chain believes in an omnichannel strategy and reaches its customers through different channels. Symeta, the print and document manager of Colruyt Group, has produced the personalised ZEB magazine for some years. Read more about Symeta on page 85. In addition, ZEB is very active on social media to announce new collections and discounts.



New top brands

ZEB expanded its offering with a series of new top brands. For example since this financial year ZEB has had Marcel de Bruxelles, Cocorun, Musketon and DYJ Code, the clothing line of Anderlecht footballer and former Golden Boot winner, Dennis Praet. In addition, ZEB now also sells shoes of Converse and Vans and the jeans wall was further expanded to make the space more orderly. By constantly including top brands in its range, ZEB takes advantage of the latest fashion trends.

Five new stores

During this financial year ZEB opened stores in Beringen, Gembloux, Groot-Bijgaarden, Libramont and Kontich. In order to better serve its customers, the stores in Bruges and Wetteren were given a facelift and the branches in Waregem, Ostend and Genk relocated to a new location. For the coming financial year two new branches, three relocations and three facelifts are planned. In the next few years the clothing chain in Wallonia will conduct a catch-up operation. ZEB foresees a potential of 80 stores in Flanders and 20 in Wallonia.

RETAIL
PARTNERS
COLRUYTGROUP



WHOLESALE

This year the combined revenue of the wholesale activities was EUR 768,7 million (+2,0%). Wholesale comprises:

- *Retail Partners Colruyt Group in Belgium* 71
- *The supplies to independent stores in France* 75

RETAIL PARTNERS COLRUYTGROUP

Retail Partners Colruyt Group (RPCG) comprises all activities of Colruyt Group that relate to independent storekeepers.

RPCG works closely with 220 independent Spar storekeepers. In addition to deliveries there is also complete support and a unique consultation model. A delegation of the storekeepers sits on the consultative bodies and thus also gives direction to the range, commercial focus and future of Spar.

Retail Partners supplies fresh products and groceries to 79 Alvo stores. In addition the organisation of independent storekeepers is responsible for the purchase, storage and transport of goods and gives advice on the range and promotional policy.

Finally, there is the supply of 117 independent retailers, including 28 Mini Markets.

° 2014
RETAIL PARTNERS
COLRUYT GROUP

° 2003
SPAR RETAIL, LICENSEE OF THE
SPAR FORMULA IN BELGIUM

° 1932
THE SPAR, THE CURRENT SPAR
INTERNATIONAL

 220 SPAR STORES,
79 ALVO STORES AND
117 INDEPENDENT STOREKEEPERS
(INCLUDING 28 MINI MARKETS)

 700
EMPLOYEES IN FTE (+3)

 RETAILPARTNERSCOLRUYTGROUP.BE

The market share of Retail Partners Colruyt Group grew again. The Spar stores were able to increase their revenue per m², the number of receipts, and the average shopping basket. That is a good performance with six stores less. The profitability of the independent Spar storekeepers is among the best on the Belgian market and even improved during this financial year. Alongside the rising revenue among the Spar storekeepers, the revenue of the independent retailers, including 28 Mini Markets, remained at the same level.

Storekeepers wanted

The organisation of independent storekeepers is continually looking for motivated and competent candidate independent storekeepers, on the one hand for the opening of new stores and on the other to take over from storekeepers that retire. Retail Partners is thereby open to different forms of cooperation, as demonstrated by the different partnerships with the Spar storekeepers, Alvo storekeepers and independent retailers.

Integration of nv Alvocol

During this financial year, the wholesale arm of Colruyt Group integrated Alvocol NV, which took care of the purchasing, storage and transport for the independent Alvo supermarkets. Through this operation, all parties take advantage of the scale increase with Retail Partners Colruyt Group. The groceries were relocated from the Alvo distribution centre in Bornem to the site of Retail Partners in Mechelen. The ranges of Spar and Alvo were harmonised to one another. This results in greater logistical efficiency and above all the best choice for the Spar and Alvo customers. In addition, BP&S integrated the IT platform of Alvocol with that of RPCG. The entire integration proceeded without any nuisance for the Alvo storekeepers, which is a good achievement in view of the complexity and short time span of the operation. Around half of the 30 employees of the site in Bornem relocated with it to Mechelen. 14 others found a new job, most within Colruyt Group.



The Spar stores distinguish themselves with their personal service. In addition to the competitive prices and the fresh products, it is the independent store-keeper who makes the difference. His professionalism and love of delicious food makes his store unique in the neighbourhood. The store area varies from 350 to 1.800 m².

SPAR WORLDWIDE

Spar was formed in the Netherlands in 1932 as the first cooperative of independent retailers. 'The Spar' stands for 'By working together in unison all will benefit regularly.' With more than 12.100 member stores in 42 countries, Spar is the retail organisation with the highest number of stores in the world that serves more than 13 million customers every day. The cumulative annual revenue is more than EUR 33 billion. From a central office in Amsterdam, Spar International supports the national organisations.

ALVO

Alvo is an association of independent supermarkets. Retail Partners Colruyt Group supplies groceries and fresh products and manages the purchases and logistics. The 49 affiliated Alvo members and their 79 supermarkets steer their own commercial course.

INDEPENDENT RETAILERS AND MINI MARKET

Retail Partners supplies 117 independent stores including 28 Mini Market stores. Mini Market stores are small supermarkets (branch F3) with an area between 70 and 300 m². The stores bear the sign of Mini Market and determine their pricing policy themselves.



Seven new Spar stores

Seven new Spar stores opened their doors during the past financial year. Nine supermarkets exited the Spar formula and became independent retailers. With four stores the collaboration was ended. Four stores were rebranded with the new retail concept, 10 others were remodelled. In addition eight supermarkets were enlarged. Six openings are planned for next financial year. In addition to these six new stores, 10 other supermarkets will also get the look & feel of the new generation.

Good end of year

It was a great year for the Spar stores. Notwithstanding the mild winter, Spar was able to increase its market share in the end of year period. The competitive prices, customer-friendly approach and the Sunday opening went down well with the customers. Spar also notes that increasing numbers of customers not only do supplementary shops on Sunday, but also big shops. For Spar, Sunday openings are an ideal way to attract new customers. Spar was among the winners for its customer-friendly approach in the GfK report. More on this on page 52.

New Future Board

In December 2015 the Spar storekeepers chose their representatives in the Future Board for the second time: a consultative body with elected storekeepers and employees of Retail Partners. Those elected have a mandate of four years. Via the Future Board, the Commercial Plan working group and the product group plateaus advise the storekeepers on the range, commercial focus and the future of Spar.

This manner of consultation and the far-reaching support for (start-up) storekeepers form part of the unique Spar formula. At the same time, it perfectly illustrates the mission: 'Together with our partners, customer-oriented, professional and dedicated entrepreneurship for sustainable growth and success'. The independent storekeepers greatly appreciate this method of collaboration. In addition Spar Colruyt Group enhances its brand familiarity thanks to the many initiatives that it takes. Increasing numbers of candidate-independent storekeepers want to startup collaborations.



SPAR HIGHLIGHTS

New generation of stores

On 29 October the first store of the new generation of Spar stores of Colruyt group opened in Kessel. This new concept combines pleasant shopping in an attractive neighbourhood supermarket with the authenticity of the independent Spar storekeeper, and was developed together with the storekeepers. Four stores have already been fitted out according to the new concept: Kessel, Bokrijk, Grivegnée and Sint-Genesius-Rode. The new concept can be adapted to all stores. At the same time each storekeeper can adapt his supermarket according to his speciality. An overview of the most important assets:

- **Digital screens:** digital screens inspire customers with recipes and meal ideas from COOK, the culinary monthly magazine of Spar. Customers can use them to find product information and accompanying wines. Next to the screen customers find the ingredients to work on a recipe at home.
- **New checkout system:** the new checkout does not have a conveyor belt any more. The employee transfers the shopping from the basket or trolley to the bag. This makes the contact with the customer even more personal and reduces the waiting time.
- **Market feel:** the fresh food departments create a market feel. Due to the clever design customers get a good view of the bakery, butcher shop and cheese department. There are a number of stands with fruit and vegetables.
- **Homely atmosphere:** the wooden entrance bears the new Spar logo. It is thus clear that it is a store of Colruyt Group. There is a homely atmosphere due to the use of wood, colour emphases and tiles in the workshops.



Spar trademark given a facelift

Since July 2015, the Spar neighbourhood supermarkets have gradually given their brand of the same name a fresh new appearance. The revamped Spar brand is there for fresh products such as prepared meals, fish and dairy. The new packaging places the product central, focuses on quality and authenticity and is introduced gradually. With the restyling, Spar wants to strengthen its range and thus profile itself more as a specialist of fresh food. In time the Spar brand will have around 600 articles.



Value-driven customer-oriented partnership

At the close of the financial year approximately half of the Spar stores bore the adapted facade presentation with the logo of Spar Colruyt Group. The presentation symbolises the common values that the independent Spar storekeepers and Colruyt Group represent, and means that the store has gone through the 'Value-Driven, Customer-Oriented Partnership' programme. This works on the six P's: price, promotion, product, place, people and partnership. These six P's place the Spar customer central. By working on them, the relationship with the Spar customers and RCPG is further deepened. This programme is developed together with the storekeepers and forms the essence of the value-driven and customer-oriented collaboration.

The collaboration between Retail Partners and the independent storekeepers is also ratified in a certificate. This contains undertakings of both partners and is signed by the storekeepers, the Retail Partners Colruyt Group manager Dirk Depoorter and CEO Jef Colruyt or COO Frans Colruyt. This certificate is an important step in the 'Value-Driven Customer-Oriented Partnership' programme that leads to a further deepening of the relationship. Independent storekeepers and employees of RCPG may be rightly proud of this.



In France Codifrance supplies the affiliated independent stores, Coccinelle, Coccimarket and Panier Sympa. These mini-markets of the F4 segment are located in town or village centres and are aimed at customers that do their shopping every day. Codifrance is responsible for the delivery of products and provides support in the area of marketing, communication, range and pricing. Fresh products, drinks, fruit and vegetables form the bulk of the offering. In addition to national brands and regional products, there are also house brands and discount brands. Codifrance works on the development and expansion of house brands together with the purchasing organization Francap.

Codifrance also ensures the supply of over 1.300 independent retailers without formula.

- **2003**
(PANIER SYMPA)
- **1996**
(COCCINELLE AND COCCIMARKET)

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

 **1.380**
INDEPENDENT STOREKEEPERS

 **100-400 M²**
AVERAGE STORE AREA

 **TWO THIRDS OF FRANCE**

 **234**
EMPLOYEES IN FTE (-3)

 **CODIFRANCE.FR**



The market of the F4 segment is characterised by aggressive competition and strong price pressure. Revenue from supplies to the independent stores in France fell by 5%, but the contribution to the group result improved substantially. Codifrance entered into new collaborations with 43 independents, revamped 15 stores and stopped the collaboration with 22 stores, including a few large customers. In the autumn of 2015 in particular, Codifrance started new collaborations in the region around Paris and Dijon.

New look for Coccinelle and Coccimarket

The modernisation of the Coccinelle and Coccimarket stores was completed this financial year. All stores have been given a facelift and have a fresh look & feel. The restyling was done together with the purchasing organization, Francap.

Sustainable long-term relationships

The organisation of independent retailers aims for sustainable long-term relationships. To this end Codifrance very rigorously screens the solvency of future independent operators before starting up a partnership. In addition, Codifrance closely monitors whether customers pay their bills on time. The collaboration is stopped when the credit management of the customer does not satisfy the set requirements.

Continue on the set course

In the coming years, Codifrance will continue on the set course. The organisation of independent retailers will continue to open new stores and thus further increase its revenue. A further increase of the profitability remains an objective. To this end, Codifrance focuses continuously on the cost efficiency, the service of its logistical chain, and the solvency of its customers.





FOODSERVICE

The combined revenue of the foodservice activity this financial year was EUR 800,5 million (+4,0%). Foodservice comprises Solucious in Belgium, Pro à Pro in France and the export activity Colex.

- Solucious..... 77
- Pro à Pro..... 79
- Colex..... 81



Solucious supplies food articles throughout Belgium to professional customers: hospitals, schools, companies, the hospitality sector, etc. The foodservice business has a complete food-service and broad retail range: fresh products, dry food, frozen and non-food products. The greatest assets of Solucious are ease-of-use, personal service, fast and reliable deliveries and transparent and competitive prices.

Solucious offers national brands, and with Econom, it has its own discount brand for large kitchens. In addition there is an increasing fair trade range. The website offers specific selections for 12 different customer segments such as education, child daycare centres and hotels. 75% of customers order online.

° 2013

(MERGER BETWEEN FOODINVEST AND COLLIVERY)



28.000

CUSTOMERS (SOCIAL CATERING, SME COMPANIES, HOSPITALITY SECTOR)



12.000

NUMBER OF ARTICLES (DRY, FRESH AND FROZEN)



3 DISTRIBUTION CENTRES,

6 HUBS,

109 LORRIES/VANS



WHOLE OF BELGIUM



445

EMPLOYEES IN FTE (+54)



A TASTE FOR SOLUTIONS



SOLUCIOUS.BE

In a stagnating market with limited inflation, the revenue of Solucious grew by 6% and the margin remained at standard. This good result is in line with the expectations and is due to strong growth in the three main target groups. The hospitality and social catering segments rose by 25%. The B2B revenue (SME's and organisations without a kitchen) grew by more than 8%.

Solucious was able to realise the set growth in revenue and gross margin by going down different tracks. The foodservice business attracted many new customers through its good service, competitive prices and easy ordering process. The own discount brand Econom goes down well with many large kitchens in the social sector (hospitals, rest homes and schools). Solucious also expanded its offering in fair trade products from 85 to 120 products. With SOfairtrade Solucious is committed to sustainable world trade and meets the rising demand for fair trade among companies, district councils and child daycare centres. Moreover, Solucious took various initiatives to further increase its brand awareness.

Growth in the hospitality sector

Solucious sees great growth potential in the hospitality sector and is making various efforts to draw in new customers. The company is continually expanding its range. Frozen in particular is playing an important role in this. In addition, the sales team was further expanded. These investments are paying off. Since the introduction of the white checkout, increasing numbers of customers have opted for the user-friendly ordering process and the competitive and transparent prices of Solucious. The growth of this segment is remarkable given that the hospitality sector is certainly not a growth market.

Investment in logistics

Solucious invested strongly in its logistics. The foodservice company integrated a new

planning organisation and completed the implementation of an integrated transport system with three temperature zones. Because all lorries now have three temperature zones, they can transport dry food, fresh products and frozen ones in one trip. In this way Solucious can even better guarantee the cold chain, supply more efficiently and continue to grow further. This is also beneficial for the environment. The lorries drive 90.000 fewer kilometres per year and thus consume less fuel and emit less fine dust.

Finally Solucious is preparing a redistribution of the goods in its distribution centres (DC's). Today the DC's in Lot and Bornem store both fresh products and dry food. As of the autumn of 2016, Solucious will store fresh products in Bornem and dry food in Lot. The purpose is to increase the efficiency and reliability of supply.

Increasing customer convenience

In the coming years Solucious will continue on its course. The foodservice company wants to increase its market share and brand awareness and to this end is further expanding its far-reaching service and transparent prices. In addition, Solucious will offer more total concepts to make things even easier for its customers. Read more about 'Parties at work' and 'In the canteen' on the next page.

+4,0%

**THE COMBINED REVENUE OF
SOLUCIOUS,
PRO À PRO
AND COLEX
WAS EUR 800,5 MILLION**

SOLUCIOUS HIGHLIGHTS



Complete apero kits via 'Parties at work'

In the autumn of 2015 Solucious launched an easy time-saving service for (in)formal company parties. 'Parties at work' offers complete apero kits with drinks, hot and cold snacks for a fixed price per person via the websites 'feestjesophetwerk.be' and 'fetesautravail.be'. On the ordering site customers specify the number of people and choose the time of provision. They also find tips and inspiration there to make a success of their event. Since the launch, increasing number of companies have chosen this practical total solution.

Just after the close of the financial year, Solucious improved the ease of use of the website and the offering was further expanded. Online ordering is now easier using the order form, and three lunch kits have been added and a seventh apero kit (for the European football championships).

'In the canteen': buffet lunch for companies

Just after the close of the financial year Solucious unveiled 'In the canteen': a lunch concept for companies without a canteen. There is a choice between a one-off lunch pack or a structural solution. The concept is simple. Companies go to 'indekantine.be' and first choose their formula, after which Solucious puts the package together and supplies the order. In this way, companies have little or no preparatory work to do and offer their employees a lunch in buffet form.

'Rio around your table'

For the Olympic Games Solucious, together with the gastronomic school Ter Groene Poorte, produced the 'Rio around your table' brochure. The brochure is distributed via the website, social media, mailings and the sales team, and the aim is to put the profession of large kitchen chef in the spotlight. The pupils of the sixth and seventh year devised original menus around the 2016 Olympic Games, such as spicy chicken soup with cheese rolls, or Brazilian meatballs with grilled vegetables. Solucious took care of the bulk of the ingredients and coordinated the creation of the brochure.





The foodservice company Pro à Pro operates throughout France and in the French overseas departments Guadeloupe, Martinique, Réunion and French Guiana. In the French foodservice market, also called 'RHD' or 'restauration hors domicile', Pro à Pro distinguishes itself with its reliability, speed and personal service.

Pro à Pro supplies to various professional customers: schools, hospitals, reception centres, the hospitality sector and caterers. The foodservice company has different house brands and an extensive range: from groceries and dairy products and meat products, to drinks and cleaning products. In the French overseas departments Pro à Pro also offers frozen products.

The revenue of Pro à Pro rose by 3,7% in a stagnating market with a lot of competition. The hospitality market ('commercial catering') has been shrinking for some years and suffered an extra setback due to the terror attacks in Paris. Social catering (hospitals, schools, company canteens, etc.) accounts for three quarters of the revenue and did well. Pro à Pro attracted a batch of new customers, especially in the segment of independent customers. The high service level and the hard work of the sales team played an important role in this. Two thirds of all contracts are brought in by the sales team. National contracts are negotiated with the management of large companies and form one third of the revenue. Pro à Pro continuously invests in the professional knowledge of its 170 or so sales managers and 112 telesales staff. The foodservice company organises training so that employees can assist customers with knowledge of the facts.

Focus on operational excellence

The margin was maintained and the operating result rose substantially. To this end Pro à Pro worked hard on its cost efficiency and operational excellence. The foodservice

company optimised its waste management for example, and invested in its logistical processes. With the introduction of the planning tool, Ortec, the foodservice company aims to decrease transport costs. The rollout of voice picking in the distribution centres ensured a fall in the error rate and an increased service to customers. Moreover, the company now chooses to collect some products from suppliers itself because this is more efficient.

New distribution centres

Since September 2015 the new transfer platform has been operational in the city of Gap in the Hautes-Alpes department. The platform with 12 unloading bays ensures better supply to the customers in the Provence-Alpes-Côte d'Azur region. In addition, Pro à Pro no longer needs to rent a building in Gap. In Martinique the company brought a brand new distribution centre (DC) into use. The DC has an area of 1.800 m² and can store both dry food, fresh products and frozen. Last financial year Pro à Pro also opened a new DC in Guadeloupe. In the coming financial year, it expanded the DC in Chaponnay, just below Lyon, with 3.000 extra m². The total area thus becomes 9.000 m².

◦ 2001
(ACQUISITION)

42.000 CUSTOMERS
(CATERING, SOCIAL CATERING, HOSPITALITY AND WHOLESALERS)

12.500
DRY, FRESH AND FROZEN PRODUCTS

18 DISTRIBUTION CENTRES,
19 TRANSFER PLATFORMS
435 LORRIES

WHOLE OF FRANCE

1.762
EMPLOYEES IN FTE (+90)

LE GOÛT DE L'ENGAGEMENT

PROAPRO.FR



PRO À PRO HIGHLIGHTS

Further expansion of house brands

The foodservice company continuously expands its range of house brands in dry and fresh food. Thus Pro à Pro can offer even more competitive prices, especially with regard to large customers and public contracts. The house brands go down well with the customers. The house brand Saint Elme, introduced in 2014, for canned fish grew very quickly into a popular brand with professional customers. And the sales figures of Cap d'Or, the house brand for coffee, rose in 2015 by as much as 50%. Pro à Pro also invests in new products and recipes for the house brand Dédicaces Culinaires. For the development of recipes it now works together with the vegetable supplier, D'aucy, for example.

Investment in French overseas departments

The revenue in the French overseas departments remained the same as last year. But Pro à Pro is satisfied, as despite the large one-off costs for the construction of the DC's in Guadeloupe and Martinique, the profitability improved. The hospitality and retail segments in particular experienced nice growth thanks to the application of buffer stocks. In addition, French Guiana had the best growth figures. As Pro à Pro wants to grow further there, there are plans to build a DC with three temperatures. In addition the company is studying the establishment of a site on the French island of Mayotte in the Indian Ocean.

200.000 meals for 15.000 scouts

From 16 to 23 July 2015 Pro à Pro took care of the supplies for the large event, 'You're Up' in Strasbourg, organised by the scouts and guides of France. More than 15.000 scouts from across Europe and 1.500 volunteers gathered in and around the Zénith event hall for the large jamboree.

The three sites in Rungis, Chalette and Illkirch took care of 200.000 meals and packed meals. For example, the foodservice company was responsible for the supply of 20.000 litres of milk, 17.000 litres of orange juice and 3.000 m³ water. Despite the enormous size of the event, everything proceeded flawlessly. The French scouts have worked with Pro à Pro for a long time because of their rigorous approach and excellent service.





Colex (Colruyt Export) groups together the Belgian and French export activities of Solucious and Pro à Pro. The export department of Colruyt Group supplies retail and foodservice articles by container or by air around the world. Competitive prices, fresh products and the unique total service are the greatest assets of Colex. The largest customers are retailers, wholesalers and supermarkets in Africa.

Colex has a wide and in-depth 'three temperature' range: groceries, fresh products and a frozen offer. Customers can choose from national brands and house brands in different price classes. The discount brands Econom and Everyday have the lowest price. Belle France and Boni Selection have an excellent price-quality ratio.

The revenue of Colex is incorporated in the foodservice activity.

- 1995
- 400 CUSTOMERS
- 30.000 RETAIL PRODUCTS
- 11.000 FOODSERVICE PRODUCTS
- 50 COUNTRIES
- YOU ORDER, WE MAKE SURE
- COLEX-EXPORT.COM

During this financial year, Colex gained 50 extra customers and saw its revenue increase to almost EUR 40 million. For a considerable time Africa has been the largest consumer. In addition Colruyt Export is exploring new markets. Exports to Asia and China in particular have been on the rise in the last few years.

Website, logo and baseline renewed

In the coming years Colruyt Export will grow further and is therefore investing heavily in its service. During this financial year the website was modernised and is even clearer for new customers. Visitors can now choose from three languages (English, French and German) and ordering is now even easier. Online orders account for 20% of the revenue. In order to better emphasise its market position, there is a new logo and a new baseline: 'You order, we make sure'. This baseline emphasises the unique total service. Customers enjoy a complete service, from the purchase to the (air)port of destination, including customs forms and permits. Colex also gives tips on the fitting out of their stores and guides them in their product choice.

Focus on sales department

Colex continues to further develop its sales department to attract increasing numbers of new customers. Account managers prospect

on the ground intensively and Colruyt Export attends large trade fairs in all corners of the world. Colex increases its visibility through these fairs, gets to know its competitors better, and makes the first customer contacts there. In the last three years Colruyt Export had a stand at 35 fairs.



Investment in house brands

Colex invests continuously in its broad range of house brands, not at least because it distinguishes itself from the competition in this way. House brand products account for 70% of international sales. European quality is greatly valued on other continents. The products of the French house brand Belle France are popular in the former French colonies and in China, for example. In order to increase exports to the former British colonies, Colex is working hard on adapted packaging for Everyday. Product information in English is required to build up exports in these countries.





OTHER ACTIVITIES

The revenue from the other activities was EUR 593,2 million (-8,6%). The other activities comprise:

- DATS 24 83
- Symeta 85
- Eoly 86
- Participation in offshore wind farms 88

DATS 24

At DATS 24 customers always fill up at low prices wherever they are. The fuel specialist of Colruyt Group distinguishes itself with its green and sustainable policy. DATS 24 means smart refuelling. 70% of the stations are next to a group store. In this way customers save time and kilometres. Customers can pump up their tyres for free at every filling station. In addition DATS 24 provides tips for environmentally-friendly and budget-friendly driving.

In Belgium, DATS 24 is the first fuel supplier with public filling stations with natural gas for vehicles (CNG or compressed natural gas). Natural gas is cheaper at the pump and better for the environment. Moreover, natural gas vehicles are quieter and consume less. Compared to diesel cars, natural gas cars emit 12% less CO₂, 70% less nitrogen oxides (NOx) and 95% less fine dust. Moreover, CNG cars do not emit benzene or carcinogens and do not create soot.

◦ 1972

EUR 542,3 MILLION
REVENUE (-8,9%)

112
FILLING STATIONS (27 WITH CNG)

37
EMPLOYEES IN FTE (-1)

SMART REFUELLING

DATS24.BE

DATS 24 can look back at a solid financial year. In a market with stiff price competition, as expected the revenue fell due to volatile raw material prices and a sharp fall in the pump prices (-15%). The volumes sold increased slightly, primarily due to the opening of seven new filling stations. In addition DATS 24 again drew in more new customers due to its low prices.

Since this financial year the contribution of the French DATS 24 filling stations has been incorporated in the revenue of the French Colruyt stores. Read more about Colruyt France on page 58 and 59.

DATS 24 expects that the profitability will continue to come under pressure in the coming years. The fuel prices are low, cars are becoming more efficient, and there is a shift to alternative fuels. Around 12 new filling stations are planned for the coming financial year. In time the fuel supplier will grow to around 200 filling stations in Belgium, spread evenly across the entire country.

Continuous investments in environmental audits

In 2015, for the third year in a row DATS 24 obtained the ISO 14001 certificate for its environmental management system. Companies obtain this certificate when they make far-reaching efforts for the environment. The fuel specialist of Colruyt Group is one of the few fuel suppliers to have this certificate. DATS 24 always follows the strictest environmental legislation and aims for the continual improvement of its environmental

performance and policy. For example, the stations have a completely liquid-proof track and the tank installations have a double wall, to prevent environmental pollution.

Popular workshop with Colruyt Group Academy

The 'Greener on the road' workshop of DATS 24 at Colruyt Group Academy is attracting increasing numbers of interested people. Consumers get to know everything about natural gas for vehicles and alternative means of transport. They can do test drives with CNG cars, electric cars and electric bicycles. DATS 24 organises these workshops at different locations in Flanders and Wallonia and receives support from Eandis, D'Ieteren and Granville.

Support for actions on road safety

DATS 24 pays a lot of attention to road safety and supports the organisations XIU/JTVOI, the Vlaamse Stichting Verkeerskunde and TFSR vzw. There is extensive cooperation with XIU/JTVOI in particular. DATS 24 develops communication campaigns, offers promotional material and communicates extensively on actions of XIU/JTVOI. In this way, DATS 24 and XIU/JTVOI reach 150.000 schoolchildren. For the XIU competition Pimp Your Fluo Jacket, DATS 24 donated 750 hi-vis vests to each of the five winning schools. 61 schools sent in their own design for a hi-vis vest. vzw XIU/JTVOI represents 169 secondary schools in Flanders and encourages young people to wear more reflective and fluorescent material on the road.



DATS 24 HIGHLIGHTS

Natural gas breaks into Flanders with DATS 24

DATS 24 is sparing neither cost nor effort to establish natural gas for vehicles (CNG) in Flanders. The fuel specialist is investing substantially in the expansion of its CNG network. During this financial year 12 new stations were added, which brings the number to 27. In July 2016 the counter will be at 40. By March 2018 the fuel supplier aims for 65 CNG stations in Belgium.

In 2016 DATS 24 expects a doubling of the number of CNG vehicles in Belgium to almost 5.000. After the Motor Show the sales peaked with more than 500 cars sold. The major media campaign 'Natural gas comes out of the closet' of DATS 24 and the subsidies of the natural gas federation played an important role in this. Consumers get a one-off subsidy of EUR 1.000 when they purchase a natural gas car. After the Motor Show all Flemish subsidies for 2016 were already used up. The Flemish government also promotes the purchase of CNG cars. Up until 2020 in Flanders you do not pay any registration tax (BIV) or annual road tax.

DATS 24 notes a general increase in the interest in natural gas. Not only consumers, but also companies, governments and local authorities are showing an interest. Moreover, the numbers of CNG cars is growing year by year and increasing numbers of other fuel suppliers are beginning to offer natural gas.

However, DATS 24 is convinced that natural gas is a transitional fuel. "We very strongly believe that driving on hydrogen is the future", says business unit manager Raf Flebus. "But it will take 10 to 20 years before we get there. And we cannot wait that long. The earth is warming up and our air quality is deteriorating. In Belgium, and above all in Flanders, the fine dust problem is particularly large. That is why we are now focusing fully on CNG. In addition, natural gas cars have various benefits: they drive quietly and smoothly, are lighter on the wallet and have a similar autonomy to conventional cars."

**WITH CNG WE ARE
DOING SOMETHING ABOUT
AIR QUALITY TODAY**

RAF FLEBUS, BUSINESS UNIT MANAGER DATS 24

First CNG station in Wallonia

After the close of the financial year DATS 24 opened its first CNG station in Wallonia (Gosselies, Charleroi). In the coming years DATS 24 also aims to establish CNG in Wallonia and will open various stations, starting in Ghislenghien, Braine, Genappe, Jemeppe, Namur and Seraing. DATS 24 hopes to be able to count on the support of the Walloon authorities and municipalities for the expansion of its CNG network.





Symeta is the print and document management specialist of Colruyt Group.

Symeta simplifies and optimises document and information flows, has unique printing technology and is an important player in the world of specialised marketing communication. It primarily focuses on mailings, personalised communication and digital management of documents (dematerialisation). Symeta deliberately chooses a clearly defined, but exclusive range of its own products and services.

Internal customers account for 75% of the revenue, external customers for 25%.

This was the first complete financial year after stopping the offset activities. Symeta drew in 21 new customers during that period. This shows that the chosen course can count on a lot of approval from the market. Symeta primarily helps companies with relevant and personalised customer communication. In order to further enhance its reputation in the sector, Symeta is also active in trade fairs such as Co-Reach and Drupa.

Symeta continues with the optimisation of the existing activities. For example, it invested in a new planning system and in tracking and tracing software. They should ensure that tight deadlines can still be met more smoothly. At the same time, the software helps to deploy the existing machine capacity more rationally.



+

HIGHLIGHTS

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

EUR 4,4 MILLION
EXTERNAL REVENUE (-21%)

156
EMPLOYEES IN FTE (-4)

**SMART PRINT +
DOC SOLUTIONS**

SYMETA.BE

200.000 unique covers for Knack

For the publisher Roularta, Symeta developed a notable direct mail campaign to bring in new subscribers for the weekly magazine, Knack. 200.000 potential customers received a weekly magazine in their mailbox, provided with a unique extra cover, personalised with, amongst other things, the first name of the addressee, and a different welcome gift. Symeta advised in the selection of the addresses and the different parameters, and took care of the digital printing.



Electronic safe for employees

Together with BP&S, Symeta developed an 'electronic safe' for employees of Colruyt Group. Via this online application they are sent company-related documents, such as pay slips, and can consult them at work and at home. The application is environmentally-friendly, ensures significant savings in printing and sending costs, and means that documents such as the pay statement are available more quickly and are more easily searchable. The electronic safe is being rolled out in the entire group step-by-step.



The sustainable energy producer of Colruyt Group generates electricity with wind turbines, solar panels, combined heat and power plants and biomass. To this end Eoly relies on existing technologies and at the same time experiments with innovative techniques such as hydrogen, in order to be ready for the future.

Eoly supplies sustainable electricity to the internal companies and departments of Colruyt Group and external parties. Eoly distinguishes itself as a reliable and transparent supplier, and together with its customers aims to reduce their energy consumption and to sustainabilise the energy supply.

In time Eoly wants to offer exclusively self-generated green electricity. Approximately 25% of the energy that Eoly offers comes from its own production. It buys the rest on the wholesale market. In addition, in the future Eoly wants to generate enough electricity to cover the complete energy requirement of the group.

Eoly aims for a sustainable relationship with the people in the vicinity of the wind farms and offers them the opportunity to become a participant through Eoly Cooperation.

WE-Power renames itself as Eoly

At the end of November 2015, the energy producer and supplier of Colruyt Group renamed itself as Eoly. Eoly not only focuses on wind energy, but also generates energy from solar panels and manages the combined heat and power equipment and the hydrogen filling station at the Dassenveld distribution centre in Halle. Eoly will further develop the existing generation facilities and continue to invest in innovative forms of energy production and storage. The name Eoly first appeared on the turbines in the Laekebeek site in Lot (Beersel).

Eoly is utterly convinced that renewable energy is the future. "We want to play a pioneering role in the fight against global warming. We see it as our role to inspire governments and companies with what we all do", says business unit manager Stephan Windels. "As recognition for our efforts, the European Commission invited us as a speaker to the climate conference in Paris in December 2015."



**EOLY WANTS TO PLAY A PIONEERING ROLE
IN THE FIGHT AGAINST
GLOBAL WARMING**
STEPHAN WINDELS, BUSINESS UNIT MANAGER EOLY

Reliable energy supplier

Eoly confirmed its first good steps as an external energy supplier. It guarantees its customers a stable supply of sustainable energy at the lowest cost. Eoly helps its customers to deal with energy sustainably, for example by measuring the consumption and with energy-saving advice.

External customers account for 20% of the revenue. They are the storekeepers of Retail Partners Colruyt Group, ZEB stores and companies that Eoly collaborates with for the generation projects. Through these customers, Eoly explores the B2B market and learns the requirements for doing this later on a larger scale.

EOLY HIGHLIGHTS

10 turbines in early 2016

Two new turbines were added in the Laekebeek site in Lot. In Sint-Pieters-Leeuw, Eoly built three wind turbines along the Brussels-Charleroi canal. Eoly owns one turbine, the cooperative electricity company Ecopower owns the other two. Our three turbines each have a power of two Megawatts (MW) and generate enough electricity to cover the consumption of 4.100 families, good for a CO₂ reduction of 4.400 tonnes per year. The three new turbines bring the total to 10 at the close of the financial year. Eoly already had three turbines at the Dassenveld distribution centre (DC) in Halle, one at the DC in Ghislenghien, two in Ypres and one in Spy.

In the spring of 2016 Eoly constructed a 3,4 MW turbine on the site of Colruyt Group Fine Food Meat in Halle. This will supply electricity directly to the meat processing activity.

In addition, in the next financial year four other turbines will come on our own sites. At the DC in Ollignies Eoly is constructing a turbine of 2 MW and three turbines on the Dassenveld site in Halle. Moreover, Eoly is preparing the construction of wind farms in Hainaut province: in Ostiches and Frasnes-lez-Anvaing.



Permit for the supply of natural gas

The energy specialist has obtained the necessary permits to start as a supplier of natural gas in the near future. Eoly is convinced that this expansion will be profitable. The number of CNG cars and stations has increased sharply over the last few years in Belgium, particularly under the impetus of DATS 24. Read more about DATS 24 and natural gas for vehicles on page 84.

Expansion of hydrogen filling station

Colruyt Group expanded the capacity of its hydrogen filling station on the Dassenveld site in Halle. With this expansion and the addition of a fuel cell, the group will demonstrate that it is feasible to store and transport green energy in the form of hydrogen. Eoly is responsible for the production of the hydrogen. Read more about hydrogen on page 31, 32 and 84.

Eoly Cooperation: customers invest in wind farms

Colruyt Group has formed Eoly Cooperation: a cooperative company with limited liability (cvba) for individuals who want to invest in future wind turbines. Cooperation members provide money and thus become a co-owner of all turbines of Eoly Cooperation (one turbine in each farm of Eoly). They have one vote at the Annual General Meeting.

After the definitive permits have been obtained, neighbouring people have priority to subscribe. Each cooperative member can subscribe to a maximum of 20 shares of EUR 250. Each year, participants get a financial return for their investment. The Cooperation expects to be able to pay a dividend in the medium term of between 4% and the legal maximum of 6%. Everybody who invests helps to sustainabilise the energy supply in Belgium. For the construction of the turbines, Eoly Cooperation calls on the expertise of Eoly and acts according to the values of Colruyt Group. The first cooperative turbine comes at the Dassenveld distribution centre in Halle. Also in the new wind farms in Frasnes-lez-Anvaing and Ostiches, one cooperative turbine is provided each time. In early April 2016, 731 individuals had come forward to invest. Colruyt Group is continually looking for good locations for new wind farms.



OFFSHORE WIND FARMS HIGHLIGHTS

Colruyt Group is a pioneer in offshore wind energy and invests in wind farms off the Belgian coast. The group has an interest of 60,13% in the Parkwind holding company: an industrial company that is responsible for the development, contracting, financing, construction and exploitation of offshore wind farms in which it also is a shareholder. Via Parkwind, Colruyt Group has an indirect interest in the operational wind farms of Belwind (24,70%), Northwind (18,04%) and in the future wind farm Nobelwind (24,70%). Korys, the family holding company of the Colruyt family, and the Flemish government (via the Participatie Maatschappij Vlaanderen) also participate in Parkwind.

In the coming years Colruyt Group will continue to invest in offshore wind energy. Thanks to Parkwind the group is gaining experience in the development, construction and running of offshore wind turbines. In the coming years Colruyt Group will further build up its expertise together with its partners.

By investing in offshore wind farms Colruyt Group is assuming its social role. Offshore wind energy helps Belgium to gear its energy supply to demand. In addition, offshore wind energy helps meet the European climate objective: by 2020, 20% of all necessary energy generated from renewable sources.

Good production for Belwind and Northwind

The production of the Belwind and Northwind wind farms is proceeding according to plan. The Belwind wind farm was started up in 2010, has 55 turbines on the Bligh sandbank and has a capacity of 165 MW (Megawatts). Parkwind has an interest of 41,08% in Belwind. The Japanese conglomerate Sumitomo Corporation holds 39,02%, the Dutch investment fund Meewind 19,90%. Northwind was started up in 2014 and is on the Lodewijk bank. The 72 turbines of 3 MW each can supply 250.000 families with green electricity. Aspiravi holds 40% of Northwind. Parkwind and Sumitomo Corporation have 30% each.



**THE TOTAL NUMBER OF
WIND TURBINES
OF BELWIND &
NORTHWIND**

Refinancing of Belwind

In December 2015, the Belwind wind farm completely refinanced its ongoing long-term credit of EUR 400 million. The duration of the credit was also extended by two years, from 15 to 17 years. In the new financing, Belfius and the Dutch banks Rabobank and ASN Bank took over the entire remaining long term debt. Belwind arranged this refinancing to accommodate the fall in electricity prices. In addition, today there is more liquidity in the market than in 2009.

Financing of Nobelwind completed

In October 2015, nv Nobelwind completed the financing for the construction of the wind farm of the same name off the Belgian coast. The Nobelwind wind farm is on the Bligh sandbank and is the second phase of the Belwind project. The construction was started in the spring of 2016. For the construction of this farm, for the first time Nobelwind worked together with European and non-European suppliers. The 50 turbines have a total power of 165 MW and will generate enough electricity to cover the consumption of 186.000 families. The wind farm will be operational in the second half of 2017. Nobelwind will put its electricity on the Belgian grid via the shared electricity cable with Northwind. During this financial year the permits for this were obtained.

Parkwind holds over 41% of the Nobelwind shares. The Dutch sustainable investment fund Meewind holds 19,9%. The Japanese conglomerate Sumitomo Corporation holds 39,02%.

Continuous monitoring wind farms

The above-average production of the Belwind and Northwind wind farms is due among others to the reliable work of the 'Operations & Maintenance' team of Parkwind in Ostend. A specialised team of 15 highly qualified employees continuously monitors and controls the operation of all wind turbines and sends the maintenance teams in when the generation of a turbine presents anomalies or when faults occur. The turbines also have a very high availability because of this continuous monitoring, and today the production is higher than was estimated for the investment decision. The 'Operations & Maintenance' team is also responsible for the maintenance and operation of the offshore high voltage installations. By establishing its maintenance team on the Belgian coast, Parkwind creates added value and employment there.



AquaValue: study of aquaculture in wind farms

As a member of the AquaValue consortium, Colruyt Group is investigating whether it is technically and economically feasible to cultivate fish, shellfish and seaweed in the wind farms off the Belgian coast. AquaValue is a consortium of 11 project partners that studies the potential for integrated aquaculture in Flanders and the North Sea. By combining aquaculture with the economic activities of the wind farms, resources, space and personnel can be used jointly.

Permit for Northwester 2

The permit for the construction of the Northwester 2 wind farm was approved during this financial year. Northwester 2 can construct a maximum capacity of 224 MW in the largest concession zone in the North Sea. Northwester 2 is to the north of the Bligh bank, 60 kilometres from the Belgian coast. TTR Energy is the largest shareholder with an interest of 48%. Colruyt Group has a direct interest of 30% and is preparing itself internally for the next steps of the construction process.



CORPORATE ACTIVITIES

The corporate activities comprise all support divisions, departments and services. All Belgian support services are in contact with their counterparts in the foreign departments.

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TECHNICS, REAL ESTATE & ENERGY

Technics, Real Estate & Energy is the internal technical department of Colruyt Group in Belgium and Luxembourg, and also works for the Dreamland stores in France. The partner supports the growth of Colruyt Group and produces fast and efficient professional work. Technics, Real Estate & Energy distinguishes itself with its pursuit of sustainable and innovative solutions and often goes further than what is legally required.

Technics, Real Estate & Energy provides a complete service, from study and design, procurement, construction and installation to maintenance. The 1.300 employees are professionals and have diverse profiles. For example the technical department has technicians, carpenters and electricians, but also architects, engineers, painters and draughtsmen.

Together they design, build and renovate stores, office buildings, filling stations, distribution centres, etc. And they protect them against fire and theft. In addition, they maintain vehicles, machines and buildings and they implement installation and repair works.

Own training centre

In September 2015, Technics, Real Estate & Energy started its own training centre. Employees get fast and complete training there in a safe and controlled environment. They learn to readily deal with all types of machines and technologies, get refresher training and follow introductory courses. They also learn techniques and skills that they did not learn at school, for example for propane cooling. With its own training centre, the technical department can specifically adapt the training courses according to its own needs and specialisations. In addition, the department saves costs by enhancing the skills of its employees. For example, by training operators to solve problems themselves, the technical department has to call on fewer external partners for repairs.



Attention to fire safety

Technics, Real Estate & Energy takes special measures for fire safety that go further than the law. The technical department designs and builds buildings and installations to be as fire resistant as possible and makes employees aware of the dangers and costs of a fire. The department has its own monitoring system, deploys building managers and uses equipment such as sprinklers, detectors and infrared cameras. Technics, Real Estate & Energy also informs constructors and suppliers of its insights and experiences with purchased machines and installations. These far-reaching efforts can count on approval from insurers and the Supreme Council for Protection against Fire and Explosion.

Concept deviation keeps stores fresh and modern

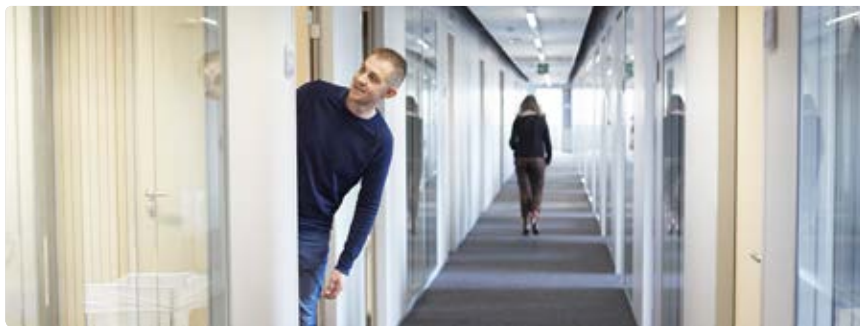
The Concept deviation was further expanded. This deviation develops new concepts for the business activities of Colruyt Group and aims to keep the existing stores fresh and modern. Because this department forms part of the group it can respond well to the spirit of the company and the specific requirements of the retail formulas. For example, Concept realised the new generation of OKay and Spar stores. More about this on page 51 and 73.

**WITH NEW CONSTRUCTIONS AND RENOVATIONS
WE ALWAYS LOOK FOR
THE MOST ENVIRONMENTALLY-FRIENDLY SOLUTION**

KOEN BAETENS, HEAD OF TECHNICS, REAL ESTATE & ENERGY

New headquarters in Halle

The works on the headquarters in Halle are proceeding successfully and will be completed in the coming financial year. The new building has been made very energy-efficient. The sanitary facilities operate on rain water, the canteen has a green roof, and the thermal inertia of the concrete ensures passive cooling of the building. The LED lighting is controlled centrally and takes account of the presence of people and incident daylight. In addition, the ventilation makes use of adiabatic cooling. That is a natural and particularly energy-efficient cooling system that cools air through the evaporation of water. Since April 2016 350 employees have gradually moved into the building.



Making the vehicle fleet green

Colruyt Group is continuously making its vehicle fleet greener. During this financial year 242 passenger cars running on natural gas (CNG) were added, bringing the total to 499 CNG cars. The group encourages employees who are entitled to a company car to choose a car that runs on natural gas. More than 30% of employees who could order a new car this financial year chose a CNG model. The wide range of CNG company cars is regularly expanded with new models. On 31 March 2016 Colruyt Group had 20 vans and one lorry on natural gas, four electronic passenger cars, one electronic van and one hydrogen car. DATS 24 is a CNG pioneer in Belgium. Read more about this on page 84.

Emergency plans for internal partners

Technics, Real Estate & Energy has developed business continuity management systems (BCM) for all internal partners. The technical department mapped out potential threats and drew up scenarios to guarantee the continuity of the business activities during emergency situations without losing valuable time. These emergency plans are regularly practised together with the internal partners. The technical department regularly updates these plans and integrates new insights and technologies in them.

Recognisable on the road

The service vehicles of Technics, Real Estate & Energy have been given a new Colruyt Group look. With the new branding the technical department demonstrates that it has various fields of expertise and that it works for the entire group. At the same time the group increases its appeal for new employees.

During this financial year the department started to apply this new Colruyt Group brand on other communication media. On the site fences you can now see the baseline and in the new Colruyt Group shopping complex in Jambes, customers get information on the sustainability of the building from banners on the escalator. This form of communication will be further developed in the coming years.



BUSINESS PROCESSES & SYSTEMS

Business Processes & Systems (BP&S) provides quality and efficient business processes, information flows and communication systems. In the field of IT and process optimisation, BP&S provides support to all departments and companies of the group. In this way BP&S ensures that all employees can work more efficiently.

BP&S has many diverse profiles: from business process analysts and business architects to software engineers and project managers. The department responds to the requirements of the fast technological developments and translates them to the specific needs of Colruyt Group.

Business Processes & Systems has 950 employees in Belgium, 50 in France and 330 in India. The department in India makes up for the shortfall of IT profiles in Belgium. For the flexible deployment of professional IT employees and to continuously bring in new expertise, BP&S works closely together with external partners.

650
PROJECTS
THAT BP&S
PARTICIPATES IN

IDnet: The collective brain of Colruyt Group.

All employees can now take all their big and small ideas to the intranet application, IDnet. This user-friendly platform collects all ideas and also makes it easier to implement them. IDnet is the successor of the Green Telephone, which has been around since the 70's.

IDnet wants to bring about a continuous inflow of all possible ideas: for new products, a different store arrangement, an adapted working method, etc. Everybody can discuss the posted proposals on the platform and think about the further elaboration of them. In addition IDnet also aims to be a place to exchange opinions on current topics such as road congestion.

By involving as many employees as possible and supporting them, IDnet will increase the motivation, job satisfaction and entrepreneurship. Colruyt Group wants to bring the platform to life throughout the company and at all levels, and in the first year aims for 3.000 proposals. BP&S designed the new platform and for its realisation worked together with internal and external parties.



Support with logistical projects

In this financial year BP&S provided extensive support in different logistical projects. Together with the external automation company, Intrion, BP&S helped finalise the high bay warehouse in the new distribution centre (DC) in Ath/Lessines. In the Collect&Go DC, BP&S introduced a warehouse management system. In addition, BP&S supported the relocation to the new DC of OKay and Bio-Planet in Lot. And for the integration of Alvocol NV in Retail Partners Colruyt Group, BP&S helped harmonise the IT platforms to one another. Read more about the integration of Alvocol NV on page 71.

First electronic price tag with colours

BP&S and Colruyt Lowest Prices are testing an electronic price tag with colours in the Colruyt store in Avelgem. It is the first in Belgium. The technology resembles that of e-readers and ensures that the label is clearly readable. All red prices are also shown in the accompanying red colour.

With the new system Colruyt can get centrally controlled price responses onto the shelf faster, and can better guarantee correct price indications. In addition, Colruyt does not need to print labels, transport them and place them on the shelves. Store employees thus have more time for core tasks such as setting out products and contact with the customer. In the near future Colruyt will equip further two stores with electronic price tags.



BP&S India wins award

The IT department of BP&S in India won an 'Excellence in Employee Award 2016' at the World HRD Congress in Mumbai, India. The award was granted for the enthusiasm with which the 330 employees dedicate themselves to diverse activities, where family is sometimes also involved. According to division manager Hari Subramanian the great involvement illustrates how the employees convert group values such as respect, togetherness and faith in practice.

Wanted: new colleagues for challenging projects

BP&S is constantly looking for new employees and now recruits more through social media such as LinkedIn. It is striking here that BP&S employees act as ambassadors and help in the search for new colleagues. They post up vacancies and use testimonials to show how challenging and interesting their job is. BP&S makes great efforts to enhance its reputation and appeal as an employer. Above all, BP&S is looking for functional analysts, business process analysts, business process engineers and project managers.

One platform for three banners

In early 2016 Dreambaby, Collishop and Dreamland switched to one common e-commerce platform. This migration was done in different phases. The modernised Collishop website and Dreamland workshop went live in September and October. In 2016, this was the case for the Dreambaby site and birth list.

The websites have more features, are readily consultable on smartphones and tablets and make online purchasing easier. The non-food migration was one of the largest e-commerce projects in Belgian distribution of the past year. More than 100 people worked on the project at the same time: internal employees of Collishop, Dreamland, Dreambaby, BP&S and the communication agency CCX, and external personnel of IBM, TCS, Picelixer, Internet Architects and Nascom.

FINANCE

The Finance department supports all business activities within Colruyt Group. It offers a full service package: from invoicing support and accounting, financial and analytical reporting, and the production of forecasts, to financial risk management and commercial-legal support. The department has approximately 400 employees in Belgium, France, India and Luxembourg. Finance continually examines how it can improve its efficiency and effectiveness to raise its service to an even higher level.



**3.000
INCOMING
INVOICES
PER DAY**

New ERP system for cash management

Finance continuously invests in the modernisation of its department, for example with the step-by-step installation of a new ERP system (Enterprise Resource Planning). In the past financial year the cash & liquidity module of SAP was successfully introduced.

With this SAP module Finance can efficiently monitor the incoming and outgoing cash flows and thus can recognise, split up and analyse the almost EUR 20 billion in cash flows down to a detailed level. This is important for the day-to-day cash management and for cash forecast activities.

Moreover, in this way Finance can easily take decisions on investments and report on the liquidity position to management. Finally, the implementation of SAP ensured an increase of job satisfaction among the employees concerned.

Colruyt Group wants to gradually roll out the SAP application for Finance in the coming years. The new ERP forms part of a group programme and helps to guarantee the financial processes and supports the integrated process-driven operation of the organisation.



PEOPLE & ORGANIZATION

People & Organization coordinates and supports the personnel policy of Colruyt Group. The five departments have one common purpose: to bring professionalism to the sustainable support, development and connection of the people, team and organisation.

The HR partner offers full support, from wage processing and recruitments, a prevention and medical department to social and legal advice and negotiations with the social partners. People & Organization also gauges the needs regarding the development of the people, team and organisation. The partner has a knowledge centre with HR domains such as personal and team development, remuneration, personal growth, help and professionalism. Colruyt Group Academy is a close partner of People & Organization. The Academy includes internal training for the employees of the group and external workshops for consumers. Read more about the academy on page 98 and 99.

8.560
INTERVIEWS ENSURED
3.343
RECRUITMENTS

Koen De Maesschalck elected HR manager of the year

In May 2015 Koen De Maesschalck was elected HR manager of the year by the business magazine Trends, and an independent panel of experts. The panel praised the modern HR policy in a sector in which the employees play a crucial role and which does not have an easy time with the economic climate. A policy that has an eye for diversity and flexibility and that also stimulates job rotation within the group, such that employees can develop further. Colruyt Group sees this award as an external confirmation of its HR policy.

Shift at the top

On 1 October 2015, after seven years Koen De Maesschalck ended his function as People & Organization and Colruyt Group Academy manager. De Maesschalck is now responsible for the new divisions In Contact and Corporate Affairs & Communication. He takes care of the new contact centre, internal communications and public affairs. Liesbeth Sabbe, division manager of Consultancy & Solutions at BP&S, succeeded De Maesschalck. Sabbe will give further shape and direction to the professionalisation that the department underwent under the leadership of De Maesschalck.

Recruitment via Facebook and LinkedIn

Colruyt Group increasingly uses online channels to find new employees and enhance its appeal as an employer. In addition to the modernised jobsite, the group will utilise social media. On the 'Werken Bij Colruyt Group' / 'Travailler chez Colruyt Group' facebook pages, employees explain what their job involves, what they like about it, and how the group makes the difference for them as an employer. The group uses LinkedIn to search for specific BP&S profiles for example. Read how this is done on page 94. For financial year 2016-2017 Colruyt Group anticipates 3.500 vacancies.



Investment in career guidance

Colruyt Group wants to help employees gain a better understanding of their skills and career objectives and to this end conducted a test on career guidance at OKay, Bio-Planet and BP&S. The test took two years and the results are positive. Around 100 employees followed a programme of a few months and obtained a better understanding of their skills, talents and motives. They can make well thought-out career choices and get concrete advice on what jobs suit them within the company.

People & Organization wants to further roll-out the career guidance service and is investigating the benefits of other aids such as workshops. "All these initiatives form part of our aim for sustainable careers and this throughout the entire career", says Liesbeth Sabbe, People & Organization manager. "At Colruyt Group we want to appreciate and recognise people and give them the opportunity to grow. Internal mobility is a spearhead within our policy. Each year around 1.000 colleagues change job within the group."

Partnerships with colleges

Since this financial year, People & Organization has had somebody in full-time employment to further develop partnerships with colleges. For some years the group has worked with different universities and colleges to get to know each other's worlds better, to look for synergies and fill vacancies. Each year Colruyt Group has over 100 vacancies for junior positions in sales, logistics and central services. These vacancies concern career positions such as candidate manager or candidate team leader logistics and other junior positions in process management, marketing, purchasing, finance, etc.

163 students at fifth job day

163 students came to the two job days for final year master's and bachelor's students. The students got to know the many opportunities that the retail group has to offer. The programme included guided tours, workshops and interviews with employees and recruiters. Of the 115 students who came to the job day last year, 17 were employed within the group.



AT COLRUYT GROUP WE WANT TO APPRECIATE AND RECOGNISE PEOPLE AND GIVE THEM THE OPPORTUNITY TO GROW

LIESBETH SABBE, HEAD OF PEOPLE & ORGANIZATION

COLRUYTGROUP ACADEMY

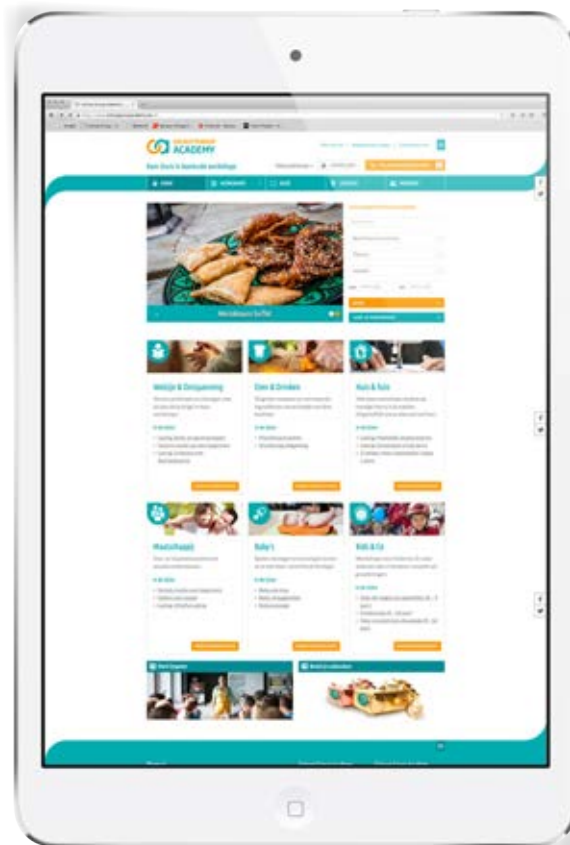
Colruyt Group Academy comprises the internal training courses for the Colruyt Group employees and the external workshops for consumers.

Every year the group invests about 3,44% of the payroll in training for its employees, about EUR 37,98 million. The group does this based on the conviction that the company grows to the extent that people grow in knowledge, skills and personality. In this sense, development is a shared responsibility between employer and employee. Employees follow job-related training courses, company-related courses and training courses for personal development. In this financial year, 18.685 employees followed a training.

Private persons in Belgium have been able to follow workshops at Colruyt Group Academy since 2012. The 1.600 workshops are held at 7 meeting centres and are about day-to-day themes with regard to living life more consciously. They are broken down into in 6 categories: Food & Drink, House & Garden, Health & Relaxation, Society, Kids & Co and Babies. Meeting and inspiration are key in an open and informal learning environment. The workshops are not expensive and are supported in terms of content by suppliers and internal and external specialists.

Renewed website for private persons

At the start of September 2015 Colruyt Group Academy launched its new website colruytgroupacademy.be. On the menu: new functionalities, inspiration and a simpler navigation, also on tablets and smartphones. Participants can now pay online pay via Bancontact, Mastercard or Visa. And there is a blog with the latest news, tips & tricks, recipes and posts of instructors. Surfers are able to share personal experiences on the Academy's Facebook page and Twitter and Instagram profile. Next to a monthly newsletter, the Academy also sends mails with an overview of the registrations.



**THROUGH THE ACADEMY
COLRUYT GROUP TAKES
UP ITS SOCIETAL ROLE**
ERIC VANOPHALVENS, COLRUYT GROUP ACADEMY MANAGER

New tool for internal training courses

From the spring of 2016, academy.store is the new training tool for all internal training courses. The online platform can be consulted via the intranet. [Academy.store](http://academy.store) makes the entire training offer accessible to everyone and enables employees to follow up on their training courses better. They register where and when they want to and on academy.store they find the entire training offer, their training track record and planned training courses. They can read all the latest news and are able to draw up a personal wish list with interesting training courses for the future.



Popular offer for consumers

Colruyt Group Academy continues to grow. The offer of workshops increased from 1.200 to 1.600 and since the spring of 2016, groups are able to follow customised workshops. In 2015, 20.000 people took part in workshops.

In October 2015, a brand new meeting place opened in Namur. Colruyt Group Academy has 7 meeting places in 6 areas. In 2016 there will be meeting places in Ukkel and Hasselt. By 2019 workshops will also be held in Melle, Kortrijk and Antwerp.

Colruyt Group Academy feels that its offer meets contemporary needs. The workshops fill up more quickly, the participants are enthusiastic and a growing number of companies is showing an interest to work together. For Colruyt Group, its store formulas and suppliers, the workshops are an ideal instrument to be connected with customers and to have a feeling with what is on people's minds. At the same time consumers are able to discover what Colruyt Group stands for through the Academy. And finally, for Colruyt Group the academy is a good way to anchor itself in society. "Through the Academy we assume our role in society", says Eric Vanophalvens, Colruyt Group Academy manager. "This is illustrated by workshops such as 'Cooking with leftovers', 'Summer desserts with less sugar' and 'Safe cycling in traffic'."

The aim is to keep growing over the coming years and to further expand the number of workshops. The Academy continuously renews its offer and wants to meet social trends and the needs of the consumer as much as possible. In the spring of 2017 the offer will be expanded with lectures. Colruyt Group Academy anticipates a potential of 4.000 workshops and 80.000 participants in the long term.

CORPORATE MARKETING

Corporate Marketing has a threefold mission. First of all, the department gives strategic support to the management teams and marketing departments of the store formulas, including France. In addition, Corporate Marketing determines the marketing strategy of Colruyt Group and of the sub-brands such as Colruyt Group Academy and Collibri Foundation. And finally, the department is responsible for the brand management of house brands such as Boni Selection, Everyday, Dreamland, Dreambee, Kangourou, etc. Corporate Marketing thus develops the corporate branding within Colruyt Group based on a strong identity, smart positioning and a recognisable house style.

Boni Selection Bio replaces house brand Bio-Time

Boni Selection Bio is the new house brand of Colruyt Group for all bio-food – previously referred to as Bio-Time since this financial year. All 250 products are being gradually switched. Boni Selection Bio is available at Colruyt, OKay, Bio-Planet, Spar, the French Colruyt stores and foodservice company Solucious. The products can be recognised by their bright green packaging, the Boni Selection logo and a big 'bio' sign. By selling bio-products via Boni Selection, Colruyt Group wants to make bio-products more accessible. In addition the switch fits in with the simplification of store assortments through 3 clearly distinguishable separate brand layers: national brands, Boni Selection and the lowest priced Everyday house brand. For more information, read page 44 under Colruyt Lowest Prices.



Disj, a meal box for and by students

Colruyt Group was the first to launch a meal box tailor-made to students: Disj. After the test phase in Leuven, Colruyt Group further developed Disj at the start of 2016. The service was expanded to Ghent and Brussels. The target group was increased to include all adolescents in the city and the recipes were adapted to this. Online reservation of the package costs EUR 22,50 and contains all the ingredients for 3 recipes, 4 meals and 2 snacks. Every city has 3 pick-up points. Disj has its own website and communicates chiefly through social media such as Facebook and Instagram.

Disj was developed with students. They tested recipes and gave input for the name, logo, packaging, communication, etc. It is an example of how Colruyt Group puts its desire for innovation in practice through co-creation. At the same time the group is exploring a new business model and a new target group. In addition, it was a great exercise in speed and project management.

Best Belgian brand award

During the first edition of 'Best Brands – Belgium', Colruyt Group was selected as the best Belgian brand. Research shows that the company brings up positive experiences, and consumers associate the group with innovation. This initiative of research bureau GfK Belgium and Serviceplan Group measures both the economic success of a brand and the popularity with the consumer. 2.300 households were surveyed between October and November 2015. For Colruyt Group this award is recognition for the efforts it makes every day for its customers, employees and society.

CUSTOMER COMMUNICATION & EXPERIENCES

Customer Communication & Experiences (CCX) is Colruyt Group's communication agency. It translates the commercial and marketing objectives of the different brands into targeted communication. CCX excels in personalised customer communication and conveys the right message to the right person along the right channel. An internal partner, Customer Communication & Experiences knows the needs of its customers very well and manages to anticipate them well. CCX is involved in almost all Colruyt Group's communications. This includes folders, mailings, campaigns, the staff magazine, the annual report, websites, apps, video journals, webshops, strategies for social media, etc.

CCX closely follows the latest market developments in the field of marketing, communication and technology and offers a wide range of services. CCX has a high-tech video studio, a large photo studio, an extensive online department and a unique print and document manager. For specific projects, CCX uses external expertise. With 600 permanent staff and 135 freelancers, CCX is Belgium's biggest communication agency.

New name and management

During this financial year, communication agency Premedia, print and document manager Symeta and the the digital branch e-Factory were grouped under one management: Customer Communication & Experiences (CCX). The new name refers to the joint mission: give customers a total brand experience with targeted communication along different channels. Customers are given the same experience, both online, via print media, on screens at the store, etc.

By grouping different competencies, Premedia, Symeta and E-factory are able to join forces and work more efficiently, more effectively and be more versatile. This allows them to meet the needs of their customers better and to capitalise on the rapidly changing world and the shift towards digital communication. In addition, the integration offers advantages in the field of HR and the simplification of the legal group structure. The brand name Symeta remains unchanged for the external activities around print and document management.



Price barometer campaign for Colruyt

At the start of 2016, CCX worked out a personalised communication campaign for Colruyt Lowest Prices which underlined the local price differences with the competition even more. The message was always the same: Colruyt is the cheapest. A bar diagram shows the difference in price with the local competition. Different channels were used: roadside posters, online banners, folders, digital screens in the store, receipts, social media, e-mails, direct mailings, etc. CCX will continue to work on similar campaigns in the future for Colruyt, always based on specific figures. Read more about the lowest prices policy of Colruyt Lowest Prices on pages 43 and 44.



IN CONTACT

In Contact is the contact centre for all external and internal customers of Colruyt Group in Belgium. Some of the departments of this division help the customers of the commercial formulas. The other departments ensure the contact with employees, suppliers and the other partners of Colruyt Group. In Contact handles questions using various channels: telephone, mail, post, text message, web forms, social media, etc.

The employees of the contact centre are specialised in providing remote services to customers. In everything they do the customer is key. Colruyt Group gives the necessary support and resources to allow the In Contact workers to develop the necessary expertise: training courses, quality coaching, etc. In addition the group invested in modern technology, tools and ergonomic office equipment.

New contact centre for the entire Colruyt Group

The new In Contact division was established in the spring of 2016 and groups a large number of customer service departments and helpdesks which used to be in the different business activities and supporting departments. The aim of the new contact centre is to provide a better service to customers and to increase their satisfaction. Through shared processes, information and software, Colruyt Group wants to offer customers far more consistent, faster and better services. Grouping different helpdesks and customer service departments also results in efficiency gains and cost cuts. In addition, the establishment of In Contact creates new opportunities to get to know customers better. Based on the provided feedback and experience, the business activities and supporting departments are able to further optimise their operation and service.



Gradual integration

The new contact centre gradually integrates the different customer service departments and helpdesks and systematically increases its services. From October 2016 all employees of Colruyt Group will be able to call 1 central number for all their questions. In the autumn of 2016, In Contact will also extend its opening hours to be more accessible. Customers will be able to get in touch with In Contact from Monday to Sunday.

In June 2016, most of the In Contact departments will move to the renewed building at the Wilgenveld site in Halle. A number of departments will be decentralised. About 200 workers of the former customer service departments spread across the organisation made the switch to In Contact.



Through the Collibri Foundation, Colruyt Group supports educational projects in developing countries and in Belgium. The aim is to strengthen young people through education and training so they can take control of their own future. The company fund stimulates young people to develop their talents and also connects young people in the North and South through exchange initiatives. The educational projects of Collibri Foundation in developing countries are always linked with the development of sustainable chain projects for our own Boni Selection brand. The fund chiefly invests in the training of young farmers. The coffee project in Burundi on pages 27 and 28 is a great example.

Colruyt Group gives financial support and makes people available to work for the fund. In addition, customers of Colruyt, OKay, Bio-Planet and Spar and employees of the group are able to support the fund with Boni Selection campaigns. Colruyt Group will then always double the proceeds of these campaigns. For the most efficient use of the funds, the group works with the King Baudouin foundation and specialists in personal growth and development co-operation. 6 employees of the group are project ambassadors. They get to know their project from A to Z, make a life learning trip and communicate about their project towards employees and customers. They are ambassador for 2 years.

EUR 60.046 for Senegalese banana farmers

At the start of March 2016, Collibri Foundation collected EUR 60.046 for a new training project in Senegal. Under the motto of 'every little step helps', customers of Colruyt, OKay, Bio-Planet and Spar were able to buy bananas of house brand Boni Selection Bio for EUR 1 each. Colruyt Group doubled the proceeds which all went to the educational project. Collibri wants to provide structural help to young people in the Senegalese town of Tambacounda through education and training. This will allow them to work in their own region and launch their own sustainable development initiatives. And at the same time Collibri Foundation also supports farmer's co-operations in Tambacounda in the context of a chain project. The corporate fund aims to sell 'their' bio-bananas on the Belgian market through the Colruyt Group stores in the short term.



Renewed website

The collibrifoundation.org website was revamped in July 2015. Collibri Foundation uses the site as its primary means of communication to inform a wide audience about its projects and efforts. The ambassadors report on the progress of their projects and share their personal experiences.

Delegation of employees to Indonesia

In the summer of 2015 a Colruyt Group delegation made a life learning trip to Indonesia. Collibri Foundation has been working on better education here for the last 15 years. The delegation, with ambassador Nancy Geeroms, got to know the schools and universities, visited the students at home and immersed herself in the local culture. The participants of the life learning trip follow a personal study programme. The knowledge and experience they build up helps them in the further support of Collibri Foundation.

In the autumn of 2015, for the sixth time in a row an Indonesian student followed an internship at Colruyt Group's head office in Halle. Iva Fitria (22) is one of the almost 200 Indonesian students with a Collibri Foundation scholarship and during her internship got to know the company better.



COLRUYT GROUP IN FIGURES

1. Activities

1.1. Investments

(In millions EUR)	2015/2016	2014/2015
I. Retail	292,6	279,4
Colruyt stores Belgium and Luxemburg	109,9	112,6
OKay, Bio-Planet and Cru	31,5	19,3
Dreamland Belgium and France and Dreambaby	5,1	4,8
Colruyt France and DATS 24 France	9,2	10,6
Retail other and real estate	136,9	132,1
II. Wholesale and Foodservice	31,0	51,3
Wholesale	7,6	8,5
Foodservice	11,6	14,4
Real estate	11,8	28,4
III. Other activities	24,9	10,5
IV. Unallocated corporate activities	39,2	27,7
Total consolidated Colruyt Group	387,7	368,9

The increase of the investments during the reporting period can be attributed chiefly to:

- the construction of new stores for Colruyt, OKay / OKay Compact and Bio-Planet in Belgium;
- the construction of a new administrative wing at the Wilgenveld site in Halle;
- the construction of an additional production facility for Colruyt Group Fine Food in Halle;
- the completion of the OKay and Bio-Planet distribution centre in Lot;
- the start of the restyling of the administrative buildings in Halle;
- the investment in new refrigerator carts with liquid ice technology;
- the investments in CNG and other green energy installations.

Exclusive of possible acquisitions or participations, for the 2016/2017 financial year Colruyt Group expects to achieve an investment programme of maximum EUR 385 million. Most of the investments go to the construction of new stores and stations or the renovation of existing ones in Belgium and France. The other expected investments are the completion of the production facility for Colruyt Group Fine Food in Halle, the completion of the new administrative wing at the Wilgenveld site in Halle, the restyling of the administrative buildings in Halle, the construction of different meeting places for Colruyt Group Academy in Belgium and finally the continued investments in liquid ice technology and green energy.

1.2. Distribution centres and administrative buildings

	m ²	Number
Production/distribution centres		
Belgium ⁽¹⁾	553.753	21
France		
Food retail	29.160	2
Deliveries to independent storekeepers	25.000	1
Foodservice	90.438	18
Redistribution platforms	16.169	22
Administrative buildings (office area) in Belgium ^{(1) (2)}	126.543	25 sites

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

(2) In the context of the new construction of Phase 1 and the renovation works at the Wilgenveld site in Halle a number of support services have also been temporarily housed in a leased building in Huizingen with an office area of 2.860 m².

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

	15/16	14/15	13/14	12/13	11/12
BELGIUM + LUXEMBOURG					
Colruyt					
- number ⁽¹⁾	237	236	234	227	221
of which leased externally	19	21	19	22	22
- in '000 m ²	395	384	373	349	343
OKay ⁽²⁾					
- number	120	110	98	88	80
of which leased externally	22	19	12	11	11
- in '000 m ²	70	63	56	49	44
Bio-Planet					
- number	19	13	11	8	7
of which leased externally	10	7	5	3	3
- in '000 m ²	13	9	8	6	5
Dreamland					
- number	42	41	39	38	35
of which leased externally	15	16	15	13	12
- in '000 m ²	78	77	74	72	68
Dreambaby					
- number	23	22	17	11	9
of which leased externally	11	11	11	6	4
- in '000 m ²	14	13	10	7	5
Cru					
- number	1	1			
of which leased externally	0	0			
- in '000 m ²	1	1			
FRANCE ⁽³⁾					
Colruyt					
- number	72	73	67	62	58
of which leased externally	3	4	5	4	5
- in '000 m ²	68	70	64	60	57
Coccinelle ⁽⁴⁾					
- number	0	0	0	0	6
- in '000 m ²	0	0	0	0	3
Dreamland ⁽⁵⁾					
- number	2	2	2	2	2
- in '000 m ²	4	4	4	4	4

(1) Our 3 stores in Luxembourg are also part of this total number of stores. From the 2013/2014 financial year, the stores which were closed at the end of the reporting period due to renovation works were included in the total. In the financial years before, the temporarily closed stores at the end of the reporting period were not included in the total.

(2) The figures include 4 OKay Compact stores.

(3) For France this concerns the situation at the end of the financial year on 31/12. Towards the end of March 2016 there were 72 integrated stores, accounting for 68.000 m².

(4) From financial year 12/13 the 5 remaining Coccinelle stores were incorporated in the wholesale segment.

(5) The 2 Dreamland stores in France are leased externally.

2. Staff

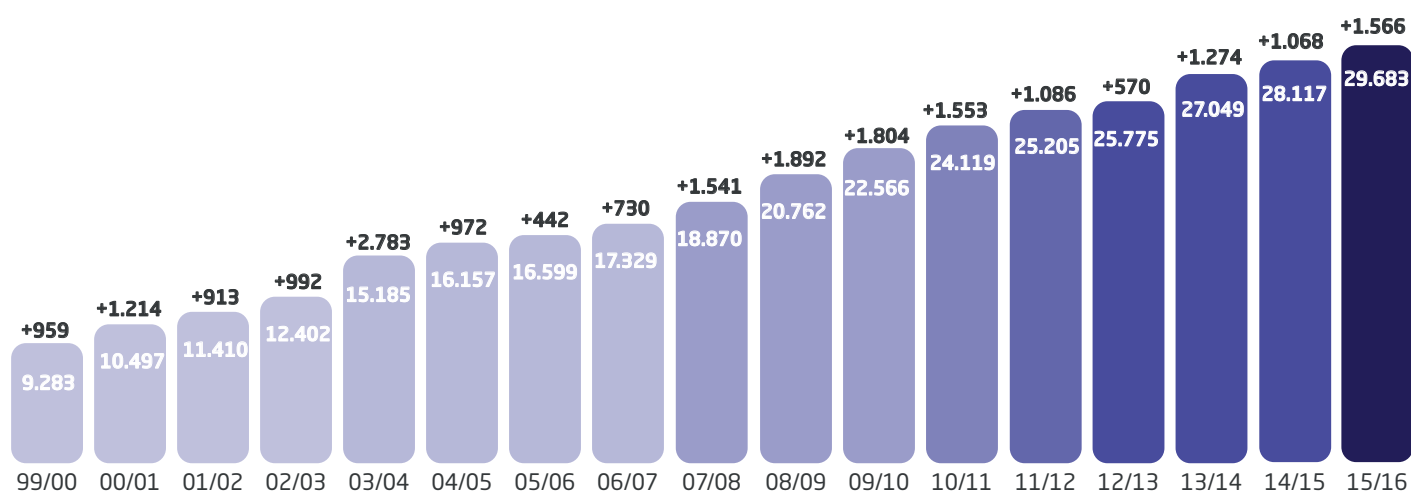
2.1. Job creation

Breakdown per segment	In terms of number of employees			In full-time equivalent		
	31.03.2016	31.03.2015	Difference compared to last year	31.03.2016	31.03.15	Difference compared to last year
Retail	23.919	22.651	+ 1.268	22.406	21.157	+ 1.249
Wholesale and Foodservice	3.191	3.056	+ 135	3.142	2.996	+ 146
Other activities	223	224	- 1	212	213	- 1
Corporate (unallocated)	2.350	2.186	+ 164	2.287	2.125	+ 162
Total group	29.683	28.117	+ 1.566	28.047	26.491	1.556
- Belgium ⁽¹⁾	25.412	24.107	+ 1.305	24.045	22.780	+ 1.265
- Luxembourg	84	78	+ 6	84	78	+ 6
- France ⁽²⁾	3.847	3.649	+ 198	3.578	3.350	+ 228
- Other countries	340	283	+ 57	340	283	+ 57

(1) These figures do not take into account the job students employed in the weekend or during school holidays. (6.369 on 31/03/2016 and 4.629 on 31/03/2015).

(2) For France the table takes into account the number of employees on the closing date on 31/12. On 31/03/2016 France had 3.788 employees (or 3.577 full-time equivalents).

2.2. Evolution personnel Colruyt Group (in number of employees)

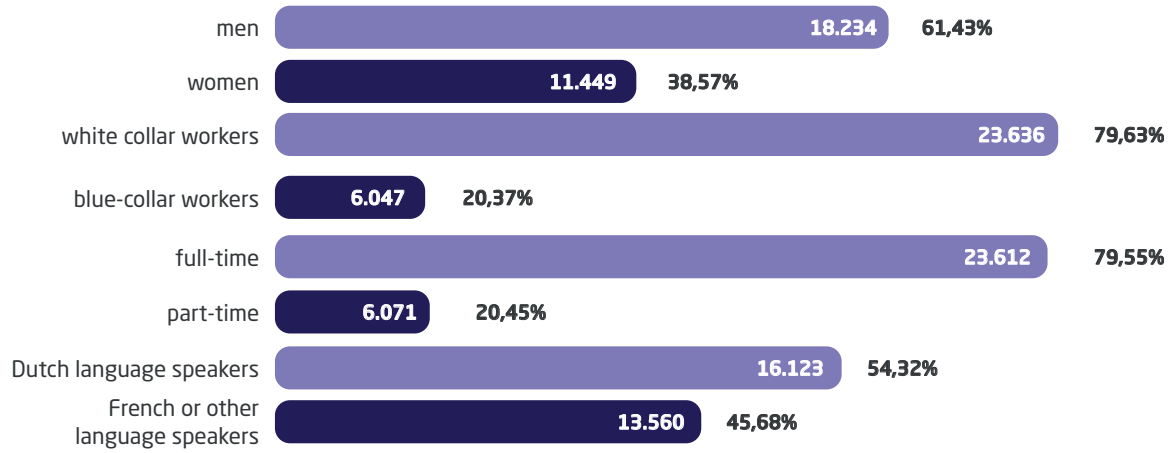


2.3. Nationalities

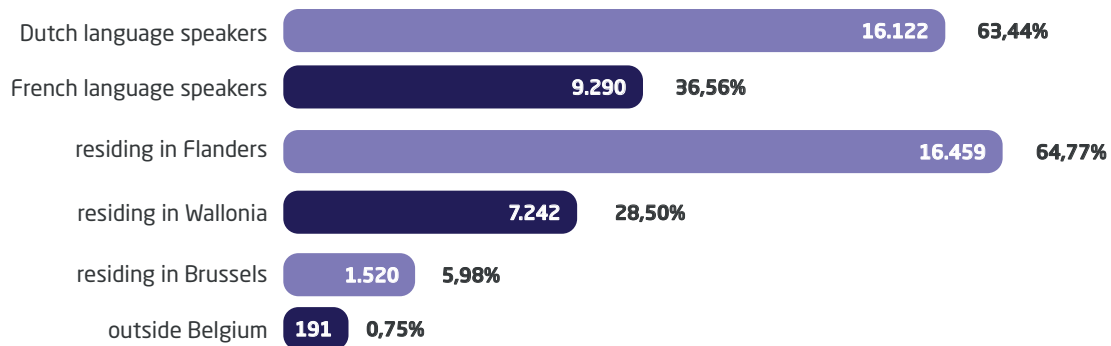
At the end of the financial year the personnel in Belgium numbered 76 nationalities, including 158 Dutch, 168 French, 147 Italians, 50 from Spain and Portugal, 36 from Bulgaria, Hungary, Poland and Romania, 21 from Germany, 13 from Turkey, 9 from Greece and 30 from other European countries. Of the 437 employees with African nationality the majority is from Congo (117), Morocco (99) and Cameroon (98). And finally 81 employees are from Asia, 11 from South America and 5 from North America.

2.4. Number of employees at the end of the reporting period

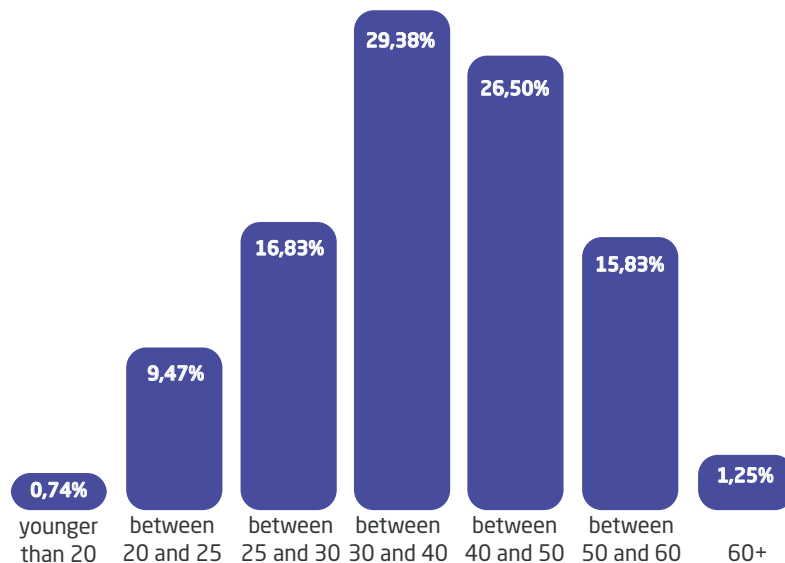
The number of employees in the group at the end of the reporting period amounts to 29.683, of which:



The number of employees employed in Belgium at the end of the reporting period amounts to 25.412, of which:



The number of employees employed in Belgium at the end of the reporting period broken down into age categories:



2.5. Training and education in Belgium

Colruyt Group invests a lot in the development of its employees based on the conviction that the company grows to the extent its employees grow. The total training and education cost in Belgium compared to the total Belgian personnel cost amounted to 3,44% last year. The focus last year was chiefly on increasing the agility of our organisation by zooming into the coaching skills of our managers and the resilience of our employees.

2.6. Payroll costs and net pay in Belgium

The total annual payroll cost in Belgium for Colruyt Group amounts to EUR 1.104,07 million, consisting of EUR 251,38 million in employer's contributions for social security and other legal insurances and EUR 852,69 million in gross wages and salaries. Of the EUR 852,69 million gross wages, EUR 93,57 million is paid to social security and EUR 129,99 million is transferred for withholding tax. Ultimately, the employees received a net amount of EUR 629,13 million or 56,98% of the total employer's payroll cost.

In the 2015/2016 financial year, Colruyt Group paid an amount of EUR 328,46 million to social security, i.e. EUR 234,89 million in employers' contributions and EUR 93,57 million in employee contributions.

Total payroll costs	(In million EUR)
Total payroll costs	1.104,07 (100%)
Employer's contributions social security and insurance	251,38 (22,77%)
Gross wages or salaries	852,69 (77,23%)
Employee contributions social security	93,57 (8,48%)
Withholding tax on wages (including reductions)	129,99 (11,77%)
Net wages or salaries	629,13 (56,98%)

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

Over the past financial year all Belgian companies of Colruyt Group paid EUR 951,71 million in social, fiscal and product-related taxes to the Belgian treasury. On top of this the net VAT payment (difference between payable and deductible VAT) to the tax authorities amounted to EUR 304,26 million.

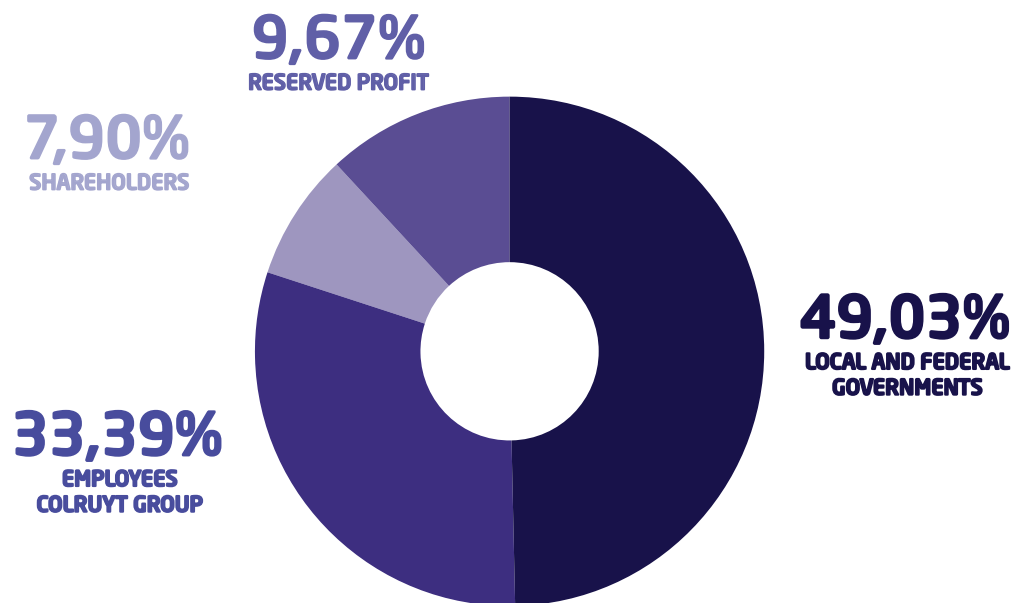
Payments made to the Belgian treasury

	(In million EUR)
Social security ⁽¹⁾	328,46
Withholding tax on wages ⁽¹⁾	129,99
Corporation tax on profits	150,85
Product-related taxes (customs, excise duties)	307,02
Withholding tax on income from moveable assets	17,79
Withholding tax on income from property	8,80
Registration rights, provincial and municipal duties and other federal duties	8,80
Total	951,71

(1) Including obtained reductions on federal and regional level

All these taxes are the result of the added value creation of the group. The net added value⁽²⁾ generated by Colruyt Group in Belgium amounts to EUR 1,94 billion. 49,03% in taxes goes to the various local and federal governments and 33,39% is paid to employees for the delivered performance. 7,90% is paid to shareholders⁽³⁾ and the remaining 9,67% is re-invested in the group to finance future projects.

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



(2) The paid excise duties were included in the net added value to express the total contribution to the Treasury of EUR 951,71 million euro as a percentage of the thus adjusted net added value.

(3) This method of calculation does not take into account the purchase or cancellation of treasury shares.

2.8. Financial involvement

2.8.1. Profit sharing

As a token of appreciation for everyone's work and effort, Colruyt Group lets all employees in Belgium share in the profit. A separate system applies for the people in France in accordance with French law.

History of profit sharing in Belgium

- Since 1988 a considerable group of executives has participated in the capital through collective shareholding.
- In 1996, the first 'personnel dividend' was paid out.
- In 2002, a number of group companies set up a system of profit sharing with the social partners, based on the Act of 22 May 2001 relating to employee participation in the capital and in the profit of the companies. The collective bargaining agreement has been extended several times already.
- From the 2007/2008 financial year the system has been expanded to all companies of the group for all workers employed in Belgium. The participation varies according to the operating result of the past financial year. It comprises a basic amount multiplied by coefficients for pay, years of service and position. Part of this is paid out in cash or shares of the parent company according to choice. From 2002 to 2010 EUR 152,46 million was paid out to the personnel employed in Belgium in this way.
- From the 2010/2011 financial year, the profit sharing has been determined by the Act of 22 May 2001 relating to employee participation in the capital and in the profit of the companies (known as profit participation), and in accordance with collective bargaining agreement 90 (cao 90) of 20 December 2007 relating to non-recurrent result-based benefits. The benefits of collective bargaining agreement 90 can only be paid out in cash.
- Following an amendment to the legal framework, from 2013 a solidarity contribution of 13,07% has been deducted from result bonuses.
- For the 2015/2016 financial year, subject to approval by the general shareholders meeting, EUR 6,78 million profit participation will be paid (67% in cash and 33% in shares) laid down by the Act of 22 May 2001 relating to the employee participation in the capital and in the profit of the companies. In addition, EUR 19,57 million is divided in accordance with collective bargaining agreement 90 of 20 December 2007 relating to non-recurrent result-based benefits. The total share of the profit therefore amounts to EUR 26,35 million.

Overview of the profit participation since the 2001/2002 financial year

Year	Amount profit participation in million EUR ⁽¹⁾	Total employees	Cash		Shares		
			In million EUR	Number employees	In million EUR	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 14,95 ----- 24,84	19.605	5,54 14,95 ----- 20,49	11.985	4,35	101.339	7.620
2011-2012	8,97 15,62 ----- 24,59	20.877	5,55 15,62 ----- 21,17	13.797	3,42	97.196	7.080
2012-2013	7,46 18,56 ----- 26,02	21.203	4,64 18,56 ----- 23,20	13.807	2,82	63.921	7.396
2013-2014	5,43 16,95 ----- 22,38	22.249	3,66 16,95 ----- 20,61	14.948	1,77	37.378	7.301
2014-2015	7,02 18,82 ⁽²⁾ ----- 25,84	22.880	4,71 18,82 ----- 23,53	15.404	2,31	47.942	7.476
2015-2016	6,78 19,57 ⁽²⁾ ----- 26,35	23.856	4,42 19,57 ----- 23,99	15.989	2,36	39.894	7.867
TOTAL	302,48		212,60		89,88	2.892.217	

(1) Specified payments concern gross amounts. The following need to be deducted on payment to employees:

- Profit participation: 13,07% employee's contribution social security and withholding tax if cash is chosen and 15% solidarity contribution if shares are chosen.
- Result bonus (collective bargaining agreement 90): 13,07% employee's social security contribution.

(2) On the Result bonus (collective bargaining agreement 90), social security employer's contributions are due (EUR 6,46 million in 15/16 and 6,21 million in 14/15).

2.8.2. Capital increase reserved for the personnel

To allow the employees to share in the growth of the company, we have stimulated them since 1987 to participate in the capital. Through an annual capital increase reserved for the personnel they can subscribe to shares of the parent company Etn. Fr. Colruyt NV, at an advantageous price (within the legal framework), which are blocked for 5 years. These capital increases are proposed by the Board of Directors and approved by an Extraordinary General Meeting.

During the capital increase of the past financial year (in November 2015) 2.562 employees subscribed to 472.883 shares, good for a capital injection of EUR 17,14 million. Since 1987, group employees have subscribed to 21.251.311 shares of their own company, or the parent company, for a total amount of EUR 200,12 million.

Capital increases reserved for the personnel since 1987

Year	Amount in million EUR	Number 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
2015	17,14	472.883
TOTAL	200,12	21.251.311

3. Key figures over 5 years

(In million EUR)	2015/16	2014/15	2013/14	2012/13	2011/12
Revenue	9.177,5	8.916,8	8.652,0	8.311,6	7.847,6
Retail	7.148,4	6.871,1	6.534,6	6.309,4	5.996,7
Wholesale and Foodservice	1.588,8	1.540,8	1.490,0	1.380,1	1.290,6
Other activities	593,2	648,8	763,5	750,5	686,3
Intersegment	-152,9	-143,9	-136,1	-128,4	-126,1
Gross profit	2.320,9	2.219,0	2.151,0	2.106,3	2.008,6
EBITDA ⁽¹⁾	720,3	699,7	686,8	699,9	681,4
EBITDA-margin ⁽¹⁾	7,8%	7,8%	7,9%	8,4%	8,7%
EBIT ⁽¹⁾	507,2	495,4	488,1	515,1	485,2
EBIT-margin ⁽¹⁾	5,5%	5,6%	5,6%	6,2%	6,2%
Profit before taxes ⁽¹⁾	518,4	510,7	497,1	502,5	488,8
Taxes	152,1	148,1	147,3	148,9	145,9
Net profit ⁽¹⁾	366,3	362,6	349,8	353,6	342,9
Net profit margin ⁽¹⁾	4,0%	4,1%	4,0%	4,3%	4,4%
Cash flow from operating activities	641,3	570,1	605,7	655,0	541,0
Free cash flow	262,4	202,6	284,1	345,5	237,4
Total equity	2.047,7	1.800,7	1.966,9	1.792,9	1.617,3
Balance sheet total as at 31/3	4.019,2	3.661,2	3.721,8	3.443,3	3.167,0
Investments	387,7	368,9	322,3	248,5	298,2
ROCE ⁽¹⁾	21,4%	21,7%	24,0%	27,1%	23,5%
Market capitalisation at the end of the financial year	7.660,00	6.350,04	6.606,79	6.218,25	5.079,2
Weighted average number of outstanding shares	147.004.025	149.419.713	156.447.069	156.217.581	157.391.224
Number of outstanding shares	149.609.386	156.636.503	165.169.749	164.852.849	168.520.124
Earnings per share (EPS)	2,49	2,21	2,24	2,26	2,18
Dividend per share	1,12	1,00	1,00	1,00	0,95
Dividend yield (gross dividend/ share price)	2,19%	2,47%	2,50%	2,65%	3,15%
Number of employees	29.683	28.117	27.049	25.775	25.205
Number of employees in FTE	28.047	26.491	25.497	24.287	23.555
Number integrated stores	516	498	468	436	418
Store area integrated stores in '000 m ²	641	622	590	547	529

(1) For comparability reasons, the figures of the 2014/15 financial year are exclusive of the settlement amount of EUR 31,6 million with the Investigation Service.





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MANAGEMENT, SUPERVISION AND DIRECTORATE

1. Board of Directors

1.1. Composition

Capacity	Name	Member of the Audit Committee	Member of the Rem. Committee	Year of end of appointment
Representatives of the principal shareholders, executive directors	<ul style="list-style-type: none"> • Jef COLRUYT • Frans COLRUYT 			2018 2017
Representatives of the principal shareholders, non-executive directors	<ul style="list-style-type: none"> • François GILLET - Chief Investment Officer en Member of the Executive Committee bij SA Sofina • ANIMA NV whose permanent representative is: Jef Colruyt (Chairman) • HERBECO NV whose permanent representative is: Piet Colruyt • FARIK NV whose permanent representative is: Frans Colruyt • Wim COLRUYT 	X		2016 2016 2017 2017 2018
Independent directors	<ul style="list-style-type: none"> • BVBA DELVAUX TRANSFER, whose permanent representative is: Willy Delvaux • Astrid De Lathauwer 	X	X	2017 2017
Secretary	<ul style="list-style-type: none"> • Jean DE LEU DE CECIL 		X	

In addition to the appointments as directors of the companies of Colruyt Group, Messrs. Jef Colruyt, Frans Colruyt, Piet Colruyt, Wim Colruyt, Willy Delvaux and François Gillet, as well as Ms De Lathauwer, also have other external appointments as directors.

1.2. Auditors

CVBA KLYNVELD PEAT MARWICK GOERDELER, Bedrijfsrevisoren, represented by Ludo RUYSEN [00949]. The appointment of the auditor expires after the General Meeting of 2016.

1.3. Appointments

1.3.1. Reappointment of directors

- The appointment of Mr François Gillet as director of the company expires after the General Meeting of 28 September 2016. He may be re-elected and is standing as a candidate again. The Board of Directors proposes granting him a new appointment of 4 years, starting from financial year 2016/2017, that will expire after the General Meeting in 2020.

- The appointment van ANIMA NV, whose permanent representative is Mr Jef Colruyt, as director expires after the General Meeting of 28 September 2016. The Board of Directors proposes appointing the Korys NV company as director, whose permanent representative is Mr Jef Colruyt. It is proposed granting the company an appointment of 4 years, starting from financial year 2016/2017, that will expire after the General Meeting in 2020.

1.3.2. Appointment of Auditor

The appointment of the auditor CVBA KLYNVELD PEAT MARWICK GOERDELER, Bedrijfsrevisoren, represented by Ludo RUYSEN [00949], expires after the General Meeting of 2016. After a tendering procedure, the Board of Directors decided not to extend the appointment of CVBA KLYNVELD PEAT MARWICK GOERDELER.

The Board of Directors will propose to the General Meeting of Shareholders of 28 September 2016 that they appoint Ernst & Young Bedrijfsrevisoren bcvba (B00160), represented by Danny Wuyts bvba with permanent representative Danny Wuyts (A01979), company auditor, as auditor of the company. The appointment of Ernst & Young Bedrijfsrevisoren will be for three years, thus until after the General Meeting of 2019.

1.4. Honorary Director

Leo DESCHUYTENEER

2. Directorate

2.1. Colruyt Group Directorate

Jef COLRUYT
Managing director, CEO and COO Services

Frans COLRUYT
Managing director and COO Retail

Dries COLPAERT
General Manager Colruyt France and Foodservice

Dirk DEPOORTER
General Manager Retail Partners Colruyt Group

Chris VAN WETTERE
General Manager Colruyt Lowest Prices

Dirk BERTELOOT
General Manager Dreamland, Dreambaby and Collishop

Marc HOFMAN
Finance Manager

Liesbeth SABBE
People & Organization Manager

Peter VANBELLINGEN
Business Processes & Systems and Customer Communication & Experiences Manager

Koen BAETENS
Technics, Real Estate & Energy and Eoly Manager

2.2. Colruyt Group Future Board

Jef COLRUYT
CEO

2.2.1. Colruyt Group Services

Jef COLRUYT
COO Services

Marc HOFMAN
Finance Manager

Liesbeth SABBE
People & Organization Manager

Wim MERTENS
Deputy Social Relations Manager

Peter VANBELLINGEN
Business Processes & Systems and Customer Communication & Experiences Manager

Philip D'HOOGHE
Customer Communication & Experiences Manager

Koen BAETENS
Technics, Real Estate & Energy and Eoly Manager

Filip VAN LANDEGHEM
Real Estate and DATS 24 Deputy Manager

2.2.2. Retail

Frans COLRUYT
COO Retail

Stefan GOETHAERT
Colruyt Group Fine Food Manager

Jean-Pierre ROELANDS
Store Concepts Manager

Colruyt Lowest Prices

Chris VAN WETTERE
General Manager

Guy ELEWAUT
Strategic Marketing Manager

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 Centre North

Rudi DEWULF
Deputy Sales Manager Colruyt West

Fernando PARLANTE
Deputy Sales Manager Colruyt Centre West

André GIGLIO
Deputy Sales Manager Colruyt South East

OKay and Bio-Planet

Fabrice GOBBATO
General Manager OKay, OKay Compact and Bio-Planet

Dreamland, Dreambaby and Collishop

Dirk BERTELOOT
General Manager

André CERON
Deputy Logistics and Administrative Services Manager

Colruyt Group Retail Partners

Dirk DEPOORTER
General Manager

Jean-François STEVENS
Sales Manager

Erik PAPPAAERT
Deputy Logistics Manager

Foodservice Belgium and France and Retail France

Dries COLPAERT
General Manager France and Foodservice Belgium (Solucious) and Foodservice France (Pro à Pro)

Laurent FRANSIOLI
Finance and Administration Manager (Pro à Pro)

Pascal DUBOIS
Operational Manager Foodservice France (Pro à Pro)

Jean-Claude LEROY
Deputy Purchasing Manager (Pro à Pro)

Bart DE SCHUTTER
General Manager Colruyt Prix Qualité

Antonio LOPEZ
Deputy Manager Colruyt Prix Qualité

Gilles POINSOT
Deputy Site GMS and General Resources Manager

Anthony MEILLER
Deputy Affiliated Stores Manager

Geert ROELS
Deputy T&I and Logistics Manager

2.3. Changes to the Directorate before and after the reporting period

Directorate members who have come to the end of their career and who we would like to thank for their many years of dedication and valued contribution to the sustainable growth of Colruyt Group:

- at the end of the reporting period: Jean DE LEU DE CECIL (Secretary Board of Directors)
- after the reporting period (30/06/2016): Jean-Pierre ROELANDS (Manager Store Concepts).

The following were appointed last financial year as Manager or Deputy Manager:

- Bart DE SCHUTTER, General Manager Colruyt Prix Qualité in France as of 01/04/2015
- André GIGLIO, Deputy Sales Manager Colruyt Lowest Prices as of 01/04/2015
- Fernando PARLANTE, Deputy Sales Manager Colruyt Lowest Prices as of 01/04/2015
- Liesbeth SABBE, People & Organization Manager as of 01/10/2015
- Guy ELEWAUT, Strategic Marketing Manager Colruyt Lowest Prices as of 05/10/2015
- Peter VANBELLINGEN, in addition to Business Processes & Systems Manager is also appointed as General Manager Customer Communication & Experiences as of 01/01/2016
- Fabrice GOBBATO, General Manager OKay, OKay Compact and Bio-Planet as of 28/03/2016.

Appointment of Kris CASTELEIN as secretary of the Board of Directors as of 01/03/2016.

RESPONSIBLE/SUSTAINABLE CORPORATE GOVERNANCE

1. Responsible/sustainable corporate governance statement

1.1. Reference code

The Act of 6 April 2010 to strengthen responsible corporate governance in stock-listed companies was published in the Belgian Official Gazette on 23 April 2010. Most of the new obligations introduced by the Act came into effect as of financial year 2011/2012. They mainly concern the formation of a Remuneration Committee within the Board of Directors and the provisions regarding the remuneration of directors and senior management.

The Board of Directors has decided to adopt the Belgian Corporate Governance Code 2009 as a reference for responsible/sustainable corporate governance within Colruyt Group, as of the publication of the Act. This Code has since been designated as the statutory compulsory reference framework by the Royal Decree of 6 June 2010. The Code and the Royal Decree of 6 June 2010 were published together in the Belgian Official Gazette of 28 June 2010.

In accordance with the 'comply or explain' principle, below we will state where Colruyt Group has departed from the recommendations of the Code during this financial year. Most departures are justified by the fact that the Colruyt family is the main reference shareholder of Colruyt Group. The Colruyt family wants to fully concentrate on guiding all companies of the group and wants to propagate the values on sustainability and sustainable enterprise. In addition, the reference shareholder places stability and long-term vision over short-term gain.

The departures to the recommendations are as follows:

- The Board of Directors is currently 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 also be coupled with an enrichment in experience and skills, without jeopardising its efficient operation.

- The Board of Directors currently has one woman. The Board of Directors is preparing to ensure that at least one third of the members of the Board are female by the statutory deadline.
- 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 as well as the various skills that are present, this composition is optimum for the efficient operation of this committee. Because the Sofina company is bound by a shareholder agreement with the Colruyt family, its representative cannot be considered as an "independent director", and this despite its actual independence with respect to the Colruyt family and the openness to the outside world that arises from the experience of the Sofina holding company, which is active in many diverse sectors and companies.
- The Board of Directors has not appointed an Appointments Committee. The appointments thus remain the responsibility of the entire Board of Directors. The candidate-directors are proposed to the General Meeting by the entire Board of Directors. Managers are appointed on the proposal of the Chairman of the Directorate, with the approval of the entire Board of Directors. The limited number of directors makes this procedure perfectly possible.
- In line with the long-standing tradition of Colruyt Group, Jef Colruyt is 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 departure from the recommendations of the Belgian Corporate Governance Code for companies listed on the stock exchange is justified in the light of the history of the Colruyt Group and the desire of the reference shareholders to entrust the leadership of the Directorate to one of them. If applicable, a strict application of the rules on conflicts of interests protects all

shareholders against any form of abuse. In addition, within the Board of Directors the Chairman applies the rule of a unanimous vote for every decision or investment that has significant consequences for the future of the group.

1.2. Charter

1.2.1. General Meeting

The annual General Meeting of Shareholders takes place on the last Wednesday of the month of September at 16h00 at the registered office. If this day is a public holiday, the meeting will be held on the next working day.

The Board of Directors and the auditor may convene the General Meeting and set the agenda.

The General Meeting must also be convened within a month of the request, written or otherwise, of shareholders who together represent at least 1/5 of the share capital.

All General Meetings are convened in accordance with the law. One or more shareholders who together hold at least 3% of the share capital, and who satisfy the statutory formalities to participate in the meeting, may have items placed on the agenda of the meeting and submit proposals for decisions. The formalities to have agenda items and proposals registered must take place in accordance with the statutory requirement and must be made known to the company no later than the 22nd day before the meeting.

Each share gives the right to one vote. In order to be admitted to the meeting, before the opening of the meeting each owner of shares must provide proof of his capacity as shareholder by having his shares registered in the books, at the latest on the registration date, and he must also inform the company in writing of his intention to participate in the meeting, at the latest on the sixth day before the date of the meeting.

The shares are either registered shares or dematerialised shares.

The registered shares are registered in the register of shareholders at the company and the dematerialised shares must be registered in an account of a recognised account holder or settlement institution in accordance with article 474 of the Companies Code. Shareholders vote in person or through a proxy. The proxy must be designated in accordance with article 20 of the articles of association. Each proxy must have satisfied the conditions to be admitted to the meeting.

Shareholders who satisfy the statutory formalities to be admitted to the meeting, as stipulated in article 20 of the articles of association, may put their questions in writing or electronically to the registered office of the company, as soon as the convocation is published and no later than the sixth day before the start of the meeting. This right to put questions is regulated by article 20bis of the articles of association.

The General Meeting may not deliberate on items that are not 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 of the company in which family shareholders, with the support of Sofina NV, are reference shareholders. As turned out in the past, the family shareholders ensure the stability and continuity of the company, and in this way they protect the interests of all shareholders. They choose to propose a limited number of representatives with diverse backgrounds, ample experience and sound knowledge of the company as directors. The directors form a small team with the necessary flexibility and efficiency to be able to adapt to events and opportunities on the market at all times.

There are no rules in the articles of association regarding the appointment of the directors and the renewal of their appointments. The Board of Directors has decided to nominate candidates for terms of no more than four years, which may or may not be renewed.

The General Meeting of Shareholders has the exclusive right to appoint the directors (and dismiss them without notice as they see fit).

The Board of Directors currently has two ex-

ecutive 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 also be coupled with an enrichment in the experience and skills that support the development of the Colruyt Group.

In line with the long-standing tradition of the Colruyt Group, Jef Colruyt is simultaneously 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 departure from the recommendations of the Belgian Corporate Governance Code for companies listed on the stock exchange is justified in the light of the history of Colruyt Group and the desire of the reference shareholders to entrust the leadership of the Directorate to one of them.

Operation of the Board of Directors

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

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

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

During the quarterly meetings of the Board of Directors, opinions are exchanged and decisions are taken on general strategic, cultural, economic, commercial, financial and accounting issues of the companies that belong to the group. This is done on the basis of a dossier, which, in addition to the consolidated information on Colruyt Group, also contains extensive information on each of the sectors belonging to the group and the various companies of them.

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

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

Committees within the Board of Directors

The Board of Directors has formed an Audit Committee with one independent director and two non-executive directors. This committee works together with the group directorate and the auditor.

The Audit Committee has drawn up its internal rules. These rules are published on our website: colruytgroup.com/financial/shareholdersinfo.

The members of the Audit Committee do not receive any special remuneration as a member of this committee.

The Board of Directors has also formed a Remuneration Committee with two independent directors and one non-executive director.

The Remuneration Committee fulfils the roles described in article 526quater § 5 of the Companies Code regarding 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 entire Board, this remuneration report will be included in the responsible corporate governance statement. The notes to the remuneration report for the General Meeting of Shareholders, as well as the communication of it to the Works Council, also come under the responsibilities of the Remuneration Committee.

The members of the Remuneration Committee do not receive any special remuneration as members of this Committee.

In view of the limited number of members of the Board of Directors, there is currently no Appointments Committee.

Remuneration

There is no protocol regarding the performance of the role of director. It is not customary to grant loans or advances to directors. The directors do not receive bonuses or share-related incentive programmes, or benefits in kind or benefits attached to a pension plan.

In their capacity as managers, the executive

directors receive the same remuneration elements and benefits as the executive management of Colruyt Group.

The remuneration of directors (individually) and the members of the Directorate (collectively) are published in the remuneration report under item 2.4.

1.2.3. Day-to-day management

Under the Chairmanship of Jef Colruyt, the Colruyt Group Directorate consists of the General Managers of the various sectors of the group, together with the Finance Manager, the People & Organization Manager (HR), the Business Processes and Systems Manager, the Customer Communication and Experiences Manager and the Technics, Real Estate & Energy Manager.

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

Future Board and Vision meetings are held for each sub-activity on specific subjects such as 'sustainable enterprise', 'communication', 'marketing', 'human resources policy', etc.

The General Future Board consists of all the managers of Colruyt Group. As a consultation and contact platform, it mainly focuses on the long-term development of the group and consults on 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 two-weekly/monthly management meetings chaired by the general managers, with the managers of the various sectors. The practical implementation of the chosen policy options takes place here.

The day-to-day management of the company is in the hands of the managing directors, Jef Colruyt and Frans Colruyt, who in turn delegate a number of their responsibilities to the General Managers of the banners and to the managers of the group services (Finance, People & Organization, Business Processes & Systems, Customer Communication and Experiences and Technics, Real Estate & Energy).

Each manager listed as a member of the Future Board has the obligation, within their individual departments, to ensure compli-

ance with all statutory, regulatory, organic and contractual provisions and is responsible in the event of a breach of them.

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

1.2.4. Appropriation of profit - dividend policy

On the proposal of the Board of Directors, the General Meeting may decide to entirely or partially allocate the distributable profit to a free reserve or to carry it forward to the following financial year.

The Board of Directors endeavours to at least increase the annual dividend per share in proportion with the increase of the group profit. Although this is not a fixed rule, at least 1/3 of the economic group profit is paid out annually in the form of dividends and bonuses.

Pursuant to the provisions of the company articles of association, at least 90% of the distributed profit (excluding the profit share of the employees) is intended for the shareholders and a maximum of 10% for the directors.

1.2.5. Shareholders / shares Transparency Notification

Every shareholder who holds at least 5% of the voting rights must comply with the Act of 2 May 2007 on the disclosure of significant holdings, the Royal Decree of 14 February 2008 and the Companies Code.

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

The most recent transparency notification is always published in the company annual report and on the website colruytgroup.com/financieel/aandeelhoudersinfo.

The most recent transparency notification shows there is a reference shareholder group in the share ownership structure. The Colruyt family and the Sofina Group are shareholders that act in deliberation. These shareholders have also reported that they held more than 30% of the issued securities with voting rights, and this

on the basis of the Act of 1 April 2007 on public offerings.

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

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

With regard to transactions for their own account in shares of the company or in derivatives or other financial instruments related thereto by directors and other persons with executive responsibilities, the Board of Directors of Etablissementen Franz Colruyt has drawn up a series of rules regarding the execution of such transactions and the disclosure of them (hereinafter termed the trading regulations).

The trading regulations apply to the members of the Board of Directors, the members of the Directorate and all key employees of Etablissementen Franz Colruyt NV and its subsidiaries, who have regular or incidental access to inside information pursuant to their position or employment at Colruyt Group, and in connection with their involvement in an operation to which price-sensitive information is attached (hereinafter termed insiders).

It is absolutely forbidden for the insiders of Etablissementen Franz Colruyt NV and its subsidiaries to engage in insider trading or to share this inside information with others.

Etablissementen Franz Colruyt NV has appointed a supervisor who is responsible for supervising the compliance with these trading regulations. Unless announced otherwise, the supervisor is the Secretary of the Board of Directors. His tasks include drawing up and maintaining a list of insiders, co-determining the closed and restricted periods, checking the transactions, granting clearing, etc.

In its trading regulations, Etablissementen Franz Colruyt NV has provided 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 published, to insert additional restricted periods. Insiders are regularly alerted to the existence of closed and restricted periods and the statutory and administrative obligations connected to them relating to the abuse or the unlawful distribution 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 Directorate, the trading regulations also stipulate the requirement to inform the supervisor before they wish to acquire or alienate financial instruments directly or indirectly. Once the transaction has been concluded, the directors and the members of the Directorate must also inform the supervisor of this in writing.

All people with executive responsibility within Etablissements Franz Colruyt NV and/or its subsidiaries and, if applicable, the people who are closely associated with these persons, must inform the Financial Services and Markets Authority (FSMA) about transactions executed in their name (or on their behalf) in shares, derivatives or other related financial instruments of the company.

Finally, in accordance with the Act of 2 August 2002 and the Royal Decree of 5 March 2006, Etablissements Franz Colruyt NV maintains lists of employees or persons who work for it and/or its subsidiaries in the framework of a contract of employment or similar, and who regularly or incidentally have access to inside information in one way or another, due to their involvement in an operation to which price-sensitive information is connected.

Each person whose name is on the list(s) is informed of this and is requested to read and sign the trading regulations. In so doing, they acknowledge that they are aware of their status as an insider and that they account for the related statutory and administrative obligations attached to this inside information.

1.2.6. Information for the shareholders

All useful information for shareholders is published on our website, colruytgroup.com/financial. All stakeholders may register with the company to be automatically informed by e-mail alerts whenever 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 drawn up and published its internal rules on our website at colruytgroup.com/financial/shareholdersinfo.

François Gillet, Piet Colruyt (Herbeco NV), non-executive directors and independent director Willy Delvaux (BVBA Delvaux Transfer) are the permanent members of the Audit Committee.

Under the chairmanship of François Gillet, the committee held meetings on 12 June 2015, 18 September 2015, 4 December 2015 and 18 March 2016. On each occasion, the figures in the working document for the meeting of the Board of Directors were examined in detail and explained by the financial department. The auditors also presented their audit of the half-yearly and annual results at each meeting. The Risk Management Cell (internal audit) of Colruyt Group always drafted a quarterly report for the Audit Committee.

The recommendations and findings of the Audit Committee are a fixed item on the agenda of the meetings of the Board of Directors.

All members of the Audit Committee attended each meeting.

Furthermore, on 10 February 2016 an extra

meeting was held relating to the appointment of the auditor further to a tendering process that was issued in December 2015.

2.2. Remuneration Committee

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

The Remuneration Committee has drawn up and published its internal rules on our website colruytgroup.com/financial/shareholdersinfo.

Under the chairmanship of Astrid De Lathauwer, the Remuneration Committee held meetings on 12 June 2015, 4 December 2015 and 18 March 2016. The main objective of these meetings was to describe and formalise the group remuneration policy on the proposal of the Chairman of the Colruyt Group Directorate. The remuneration of the CEO (Jef Colruyt) and of the COO Retail (Frans Colruyt) was also discussed by the Committee.

The Committee also formulated proposals for the remuneration of the members of the Board of Directors. These activities

resulted in the remuneration report that is published in full under item 2.4.

The final draft of this report was finalised during the meeting of the Remuneration Committee on 10 June 2016.

The Compensation and Benefits Cell of the People & Organization Department supported the Committee at each meeting.

All the members of the Remuneration Committee attended each meeting.

2.3. Meetings of the Board of Directors

The Board of Directors held four ordinary meetings during this financial year, i.e. on 18 and 19 June 2015, 24 and 25 September 2015, 10 and 11 December 2015 and 23 and 24 March 2016. The main points of the first three meetings were the discussion and development of the performance of the various banners and trading activities of the group. The meeting in March 2016 was held in Rochefort-sur-Nenon (Dole, France). The directors were given an overview of the operations in France and met the local management. A few Colruyt stores were also visited. The meetings in June and December were preceded by a half a day of information on the half-yearly and annual results by the financial depart-

ment. Save for the contract, the remuneration and variable pay of Jef Colruyt and Frans Colruyt, no other situations of possible conflicts of interest were reported by the directors. The fixed remuneration and variable remuneration of Jef Colruyt and Frans Colruyt were discussed and finalised by the Remuneration Committee and approved by the Board of Directors, each time in the absence of the two persons concerned who did not participate in the deliberations or the decision. The result of these decisions is described in the Remuneration Report.

Building on the evaluation done between 2011 and 2014 and the collaboration within the Board, the interactions with the Audit Committee and the Remuneration Committee, and the operation of the Board with respect to the mission and values of the group, in 2015 the directors met with the Directorate to update the strategic plan.

All directors were always able to attend each meeting.

2.4 Remuneration report for financial year 2015 - 2016

Introduction

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 approval by the entire Board of Directors and subsequently by the General Meeting.

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 on the general principles of the remuneration policy

Directors

The Remuneration Committee has chosen to pay out a fixed remuneration (emoluments) for the position of director, irrespective of the number of meetings of the Board of Directors or one of its committees. In addition, it is proposed to the General

Meeting to pay out part of the net profit in the form of bonuses to the directors who represent the reference shareholders.

Directorate

A basic principle of the remuneration of the members of the Directorate is the application of a fair basic salary that is in line with the practices of a relevant basket of companies, and a variable remuneration depending on the company and individual results. This remuneration is supplemented with a group insurance policy, a disability insurance and hospitalisation insurance on market terms. The remuneration package is supplemented by a company car and a fixed expense allowance. The companies whose remuneration practices are consulted include large Belgian companies and foreign companies with significant operations in Belgium, and which are sufficiently comparable to Colruyt Group in terms of size and complexity.

Another basic principle of the remuneration of the members of the Directorate, who are currently all based in Belgium, is the application of a number of principles that apply to all members of the group in Belgium⁽¹⁾. For instance, they all receive a profit share as stipulated in the Act on participation in the profit and capital of the company of 22 May 2001 (the Profit Share Plan), as well as a bonus relating 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 way to enable the group to guarantee the recruitment and retention of competent Directorate members.

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

Information on the remuneration of the members of the Board of Directors

Emoluments

All directors of the group receive emoluments as remuneration for their appointment. On the advice of the Remuneration Committee, the Board of Directors decided to apply a one-off decrease to the emoluments for directors for financial year 15/16 of EUR 5.000 per director on an annual basis, and this as a result of the Settlement with the Investigation Service of the

Belgian Competition Authority to the level of EUR 31,6 million.

The members of the Board of Directors received the following emoluments in 2015/2016:

Emoluments received in 2015/2016⁽²⁾

Anima ⁽³⁾	EUR 268.000
Herbeco	EUR 86.000
Farik	EUR 86.000
François Gillet ⁽⁴⁾	EUR 86.000
Jef Colruyt	EUR 86.000
Frans Colruyt	EUR 86.000
Wim Colruyt	EUR 86.000
Willy Delvaux (BVBA Delvaux Transfer, independent director)	EUR 86.000
Astrid De Lathauwer (independent director)	EUR 86.000

(2) Gross amounts on an annual basis.

(3) Anima NV, 100% subsidiary of the family holding company, Korys (that controls 51,88% of the shares in mutual deliberation), takes on the role of chairman of the Board of Directors with Jef Colruyt as permanent representative.

(4) The remuneration of François Gillet is paid to Rebelco SA (branch of the Sofina group), his employer.

Appropriation of profit

Pursuant to the provisions of the articles of association, at least 90% of the distributed profit is intended for shareholders and a maximum of 10% for the directors.

The Board of Directors proposes to the General Meeting of Shareholders of 28 September 2016 that EUR 3.654.638 is granted as bonuses to the following directors, representing the reference shareholders of the group:

Bonuses financial year 2015/2016

Anima ⁽⁵⁾	EUR 1.036.388
Herbeco ⁽⁵⁾	EUR 872.750
Farik ⁽⁵⁾	EUR 872.750
François Gillet ⁽⁶⁾	EUR 872.750

(5) Anima, Herbeco and Farik are 100% subsidiaries of the family holding company, Korys (which in December 2015 controlled 51,88% of the shares in mutual deliberation).

(6) The remuneration of François Gillet, who as director represents the reference shareholder group Sofina, is paid to Rebelco SA (branch of the Sofina group), his employer.

These bonuses are not bound to the individual performance of the directors. There is also no promise or contractual obligation to grant bonuses. For this reason the bonuses do not represent variable remuneration. These bonuses represent 1% of the net profit of the group over the financial year 2015-2016 and are granted

to guarantee stability in the management of the company. On 31/03/2016 these bonuses represented a total of 0,0477% of the market value of the company.

The increase of the bonuses in the previous financial year 2015-2016 was the result of the higher consolidated net profit of the group, and was also attributable to the fact that last year the bonuses were calculated on the net profit after the accounting processing of the Settlement of EUR 31,6 million that the group had to pay to the Investigation Service of the Belgian Competition Authority.

Information on the composition of the variable remuneration of the Chairman of the Directorate and the other members of the Directorate

The CEO acts as Chairman of the Directorate. For the CEO the target variable remuneration is 85% of the basic salary.

For the other members of the Directorate the target variable remuneration is:

- 75% of the basic salary for the COO of the retail operations
- Half of the basic salary for the other members of the Directorate.

The full variable remuneration is a maximum of 1,75 times the target variable remuneration.

The variable remuneration of the members of the Directorate does not comprise any remuneration based on shares. In this way, the Board of Directors aims to prevent any motivation for speculative behaviour.

A part of the variable remuneration of the members of the Directorate consists of the profit share granted to them on the basis of the profit share plan that applies for the financial year concerned. This is paid out in cash or shares, without discount, according to the choice of the member of the Directorate. In financial year 2015-2016, 276 shares were acquired via the profit share plan.

For the next two financial years no radical changes are expected in the remuneration policy compared to the reported financial year. Last financial year the payment of the variable remuneration for the members of the Directorate for performance in financial year 14/15 was reduced as a result

of the settlement fine of EUR 31,6 million that was paid to the Belgian Competition Authority.

There is no regulation regarding a reclaim right in the favour of the company for variable remuneration allocated on the basis of incorrect financial data.

70% of the variable remuneration of the CEO and the other members of the Directorate is determined by collective criteria based on the operating profit of Colruyt Group. 30% of this variable remuneration is determined by individual criteria, including in particular:

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

In the event of exceptional performance by one or more members of the Directorate, the Chairman of the Directorate may draw on an extra budget over and above these amounts.

The variable remuneration that arises from the realisation of the collective performance criteria may only be allocated to a maximum of 50% if the member of the Directorate has only realised half of the performance criteria on an individual basis.

If the EBIT of the group falls below a certain threshold, then absolutely no variable remuneration is paid out.

The CEO and the members of the Directorate are evaluated annually, in the course of the first months following the end of the financial year. This evaluation not only relates to the previous financial year, but also includes an evaluation of the individual performance objectives over the last three years.

The Extraordinary General Meeting of 13 October 2011 decided to make use of the authorisation provided by article 520ter of the Companies Code and expressly decided not to apply the provision regarding the permanent acquisition of shares and share options as well as not to apply the provision regarding the staged payment of

the variable remuneration to all persons who come under the application of these provisions. To this end, article 13 of the Articles of Association has been amended. The company will therefore not be bound by the restrictions stipulated by article 520ter of the Companies Code regarding the staged payment of the variable remuneration to executive management.

Information on the total remuneration of the Chairman of the Directorate and the other members of the Directorate

CEO (Chairman of the Directorate)

The remuneration, paid directly or indirectly to the CEO, comprised the following in financial year 2015-2016:

Basic salary	EUR 623.580
Variable remuneration in cash	EUR 580.043
Contributions paid for	
Group insurance	EUR 112.244
Other components	EUR 7.920
Total	EUR 1.323.787

The variable remuneration in cash for performance in financial year 2014-2015 and paid out to the CEO in financial year 2015-2016 fell in proportion to the variable remuneration in cash paid out in financial year 2014-2015. The reason for this lay in the fact that the variable remuneration was calculated on the results, including the effect of the settlement of EUR 31,6 million that was paid at the end of financial year 2014-2015 to the Investigation Service of the Belgian Competition Authority.

Other members of the Directorate

The remuneration, paid directly or indirectly to the other members of the Directorate, comprised overall the following in the financial year 2015-2016:

Basic salary	EUR 2.211.142
Variable remuneration in cash	EUR 1.345.459
Contributions paid for	
Group insurance	EUR 293.525
Other components	EUR 30.396
Total	EUR 3.880.522

These figures show the remuneration in gross amounts for a complete financial year. Compared to the previous year, one manager left the Directorate and for the succeeding member of the Directorate the total remuneration was charged pro rata.

The variable remuneration comprises payment for performance for the group during

the financial year 2014–2015. Analogous to the CEO, the variable remuneration in cash for performance in financial year 2014–2015 and paid out in financial year 2015–2016 fell in proportion to the variable remuneration in cash paid out in financial year 2014–2015. Here too, the fall is completely attributable to the fact that the variable remuneration was calculated against the results, including the effect of the amount of the settlement to the level of EUR 31,6 million that was paid out at the end of financial year 2014–2015 to the Investigation Service of the Belgian

Competition Authority.

Except for Frans Colruyt, COO Retail, all members of the Directorate, included in the above overview, are wage earning. Social security contributions are paid on their gross salaries by Colruyt Group.

The Board of Directors has chosen not to grant any remuneration based on shares, except for those that the members of the Directorate may acquire under the Profit Share Plan. The value of the shares granted to the members of the Directorate under the Profit Share Plan is also included in the

above calculation. These shares are frozen for a period of two years.

Information on severance payments

The members of the Directorate do not have an individual contractual claim on Colruyt Group regarding their severance payment.

3. Risk management and internal control

3.1. General

In accordance with its mission, Colruyt Group aims to conduct a policy of “sustainable enterprise”. In practice, this policy is converted into the strategic and operational objectives of the group and of each division within the group. The group is exposed to a number of operating risks in the context of its normal business operations that could result in the aforementioned objectives being affected or not being 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 Directorate in dealing with this responsibility, the group has set up a set of risk management systems with the aim of providing reasonable certainty in the following areas:

- Realisation of the strategic and operational objectives
- Effectiveness and efficiency of the business processes
- Reliability of the financial reporting
- Compliance with the applicable laws and regulations.

The most important characteristics 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 in-

spiration for the group in setting up these risk management systems.

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

3.2.1. Management environment

The management environment of the group 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 attuned to one another (the ‘organisation model’ of the group) and which help risks and risk management to be consciously dealt with in the context of ‘professionalism’ and ‘entrepreneurship’ when weighing up opportunities and making decisions. In this context, we also refer to the section ‘Who are we?’ of this annual report in which the mission and values of the group are set out in detail.

In concrete terms, the management environment of the group includes the following elements:

- Propagating and experiencing the group values (value immersion), policy frameworks and codes of conduct
- The management style and exemplary

role of management,

- A culture of cost efficiency,
- Establishing delegation and responsibilities (‘decision matrix’ and ‘responsibilities table’)
- Ensuring the expertise of our employees (job descriptions, selection process, competence management through development interviews and training plans).

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

3.2.2. Risk management process

3.2.2.1. Background and objective

Colruyt Group has developed a number of umbrella processes for structured and systematic risk management that 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 programme 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 then control them. We wish to encourage our employ-

ees to take controlled risks, as entrepreneurship is based on taking risks. To this end, all supervisors and the employees concerned take the Coris training sessions. All activities of the group have gone through the Coris process - as described below.

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 (set up additional management measures if necessary), monitoring and adjustment. This process is managed by the Directorate coordinated and facilitated by the Risk Management Cell, which reports on this to the Directorate, and to the Board of Directors via the Audit Committee.

The most important risks relating to the operations 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, people and organisation, information technology, fixed assets and theft.
- Financial risks: these concern the risks attached to the financial markets (interest rates, currencies, commodities), liquidity and loans, capital structure, accounting and financial reporting.
- Legal risks: codes of conduct (ethics, fraud), legal risks, and legislation.
- Risks of force majeure: 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 developed for 'probability' on the one hand, and 'impact' on the other. The impact scale is based on the risk appetite that is determined by the Board of Directors for the group. A risk matrix is drawn up for each group domain based on the risk scores, whereby risks are classified as high, moderate or low. A risk response is provided for the high risks: this is an action

plan to bring the risk score below the tolerance limits. The high and moderate risks are also monitored.

All risks are recorded in the risk register of the domain concerned, with a specification of the risk tolerance and the relevant KRI's (Key Risk Indicators). Furthermore, 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 administers and monitors the risk register and who keeps risk management alive within the domain.

The members of the Directorate have added risk management as an explicit chapter in their periodic activity report.

3.2.2.3. Most important risks of Colruyt Group

The most important risks of the group and the internal control and management measures relating to them are discussed below in paragraph 3.2.3.2

3.2.3. Measures regarding risk management and internal control

3.2.3.1. General: process and system approach

Risks are provided with a risk response through management measures and internal controls that have been built into processes and systems. For new processes and systems, this is done at the time of design and development. With regard to existing processes and systems, newly occurring risks are controlled through the introduction of additional measures and internal controls (process and system optimisation). The Business Processes & Systems Department supports the design and optimisation of processes and systems and thus also the integration of management measures and internal controls in them, while the process managers are the risk owners and thus bear the final responsibility for their process being 'under control'!

3.2.3.2. Important risks and management measures of Colruyt Group

3.2.3.2.1. Strategic risks

- *Risks relating to market dynamics*
An important strategic risk of the group is the development of consumer spending and cost inflation. As Colruyt Lowest Prices wants to guarantee the lowest prices on the market for the consumer, the actions of competitors can affect the profitability of the group. Therefore, where possible the group continually endeavours to review its cost structure and introduce efficiency improvements.

- *Risks relating to expansion*
The group is committed to a growth strategy that includes growth through acquisitions and organic growth. The success of this growth thus also depends on the extent to which the group is able to make acquisitions that it is able to integrate successfully in its existing operations. In the event of cross-border acquisitions, the group is also exposed to the economic, social and political risks attached to operating in these countries. The group strives to mitigate the aforementioned acquisition risks as much as possible through a formalised acquisition process, including robust due diligence activities

3.2.3.2.2. Operational risks

- *Supply chain risks*
The continual supply of the distribution centres and stores of the group is of vital importance to be able to realise our results objectives. In order to reduce the supply chain risks, the group aims for a transparent relationship with all of its suppliers. Moreover, 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, AgeCore. In order to prevent the supply chain risk as much as possible, the group aims for long-term contracts with its suppliers. The non-availability or inaccessibility of the distribution centres can also have an important impact on the continuity of our activities. With regard to this risk, the group has provided the necessary continuity programmes and contingency measures.

- *HR related risks*

The group has trade union representation in most of its operations in Belgium and France. A positive and constructive social climate contributes to the growth and development of the company. Industrial action within or outside our organisation can have a negative effect on the continuity of the activities of the group, in the sense that deliveries, sales, production or support services can be temporarily disrupted. Colruyt Group endeavours to minimise this risk by conducting a strategy of open and transparent communication with all employees and by entering into a constructive dialogue - including listening - with all social partners.

- *Information technology risk*

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

3.2.3.2.3. Financial risks

- *Financial reporting*

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

- *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 relating to financial instruments'.

3.2.3.2.4. Legal risks

- *Risks relating to product liability*

The production, packaging and selling of food products and other goods for resale can entail risks of product liability, obligations to take back and/or replace goods.

Products can be soiled, infected or defective or can contain foreign objects and nevertheless be distributed by the group unintentionally. As a result, the group can be exposed to claims relating to product liability. Even if the product liability claims are not successful, the group could suffer as a result of this due to the impact on its reputation that such a claim could have. The group has taken out insurance policies to insure itself against the risks of product liability and recalls. The group itself is also active in the area of food safety and carries out extensive quality audits on products intended for sale and develops programmes together with its suppliers to permanently monitor the quality. As far as non-food articles are concerned, the group requires its suppliers to adhere to the pre-agreed return and/or replacement obligations.

- *Risks relating to environmental liability*

In general, the group can always be held liable for repairing accidental damage to the environment, regardless of whether this environmental damage was caused by the group or by a previous owner or tenant. The group has taken out insurance policies for this type of risk. As far as its petrol station operations are concerned, the group complies with the statutory inspection obligations and it also carries out additional inspections to detect pollution in good time. A decontamination plan is immediately drawn up for pollution that is found.

- *Regulatory risks*

The group is subject to the applicable laws and regulations of every country in which it operates, 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, whenever the legal framework changes.

Changes in the regulations in a country or region where the group operates can have an impact on the results of Colruyt Group. To the extent possible, the group

endeavours to accommodate changes in a proactive manner, in other words, by adopting an innovative and progressive approach. The best example of this approach is environmental legislation, where possible stricter emission controls have already been accommodated by proactive investments in solar energy and wind energy. Furthermore, changes in tax laws can affect the profit made by the group, both positively and negatively.

In order to keep the regulatory risks under control, the group has set up the necessary competence centres and compliance activities.

- *Competition*

Since 2007, a number of new and specific management measures have been developed and implemented in order to monitor the compliance of the group with the competition regulations.

- *Risks regarding health and safety*

The risks relating to industrial accidents and obligations regarding personnel are covered by insurance policies with external insurers. Furthermore, the group strives to prevent health and safety incidents as much as possible through extensive safety and prevention programmes.

- *Risks relating to bribery and corruption*

Given the business model, the group is exposed to bribery and corruption risks, mainly relating to purchasing. The most important pillar to control this risk is the company culture and values, as set out above in paragraph 3.2.1. Furthermore, specific internal control measures have been set up such as the ethical charter that has to be signed by every buyer of the group upon being taken on, and in which express directives are stipulated with respect to gifts and hospitality benefits, the screening of suppliers in high-risk countries, the job rotation of buyers, the division of tasks regarding the different steps of the purchasing process and the centralisation and application of the four-eyes principle with regard to the outgoing payment traffic. The conditions of employment of the group also deal with the codes of conduct that the employees must respect.

3.2.3.2.5. Risks of force majeure

- *Fire, natural disasters, terrorism, malicious acts*

The group manages these insurable risks through a combination of external insurance and own cover. The group bases its decisions on its safety and prevention programmes and the cost of external cover. External insurance is used when available at a reasonable price 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 according to the risks.

The group seeks to prevent damage to buildings and interruptions to operations due to fire, explosions or other hazards as much as possible through fire safety and prevention programmes.

- *Blackouts and power failures*

The detrimental consequences of these risks are covered by insurance policies. In addition, the group has a number of continuity programmes and contingency plans and means (such as mobile power and cooling units) in the event of an incident occurring.

3.2.4. Information and communication

In order to enable employees at different hierarchical levels of the group to perform their jobs properly and to assume their responsibilities, the group has extensive and intensive information and communication flows. This ranges from transactional data, which is used to support the completion of individual transactions, to operational and financial information with regard to the performance of processes and activities, and this from a department level to a group level. The general principle that applies here is that employees receive the information they need to perform their work, while supervisors receive information regarding the elements on which they have an impact.

The main control information concerns cockpit reporting on the realisation versus expectation of the most important financial and operational KPI's:

- Financial scorecards: revenue, gross profit, wage costs, other direct and indirect costs and depreciation, EBIT and EBITDA
- Operational reporting: detailed reporting on revenue, gross profit, wage costs, store contribution, store productivity
- Project reporting for the purpose of project monitoring.

3.2.5. Monitoring

The monitoring involves the surveillance of the effective functioning of the risk management systems.

The Board of Directors supervises the proper functioning of the risk management systems through the Audit Committee. To this end, the Audit Committee also makes use of the information provided by the external auditors. Furthermore, the Audit Committee interacts with the Risk Management Cell (internal audit) on a quarterly basis, during which the activities performed by this Cell and their results are reported and if necessary the planning is adjusted by the Audit Committee.

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 it concerns the certification of the group financial statements, for risk management the emphasis lies more on controlling the process risks and the possible negative consequences of these risks.

The day-to-day monitoring is done by management itself based on supervision, analysis and monitoring of the information mentioned in the previous paragraph, the monitoring of exception reports and the monitoring in the context of the Coris programme (KRI's). If necessary, corrective measures are initiated. Generally, the process manager is the one who does these monitoring activities. In this respect the business analysts fulfil a reporting and advisory role with respect to the operational managers.

3.3. Risk management and internal control regarding the financial reporting process

The late or incorrect reporting of financial figures can have a considerable 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 management measures and internal controls:

3.3.1. Closing process

While the accounts are closed on a monthly basis, mainly for the management reporting, the group financial figures are consolidated every quarter based on a formalised closing process. This process specifies the various process steps and the timeline for each step, the figures and other information to be supplied, as well as the roles and responsibilities of and the interaction between the different parties in the process. The process is monitored by a closing coordinator, who is not further involved in the process himself. At the end of each closure, the process is evaluated and adjusted if necessary. During the half-yearly and annual closure, the process also provides for coordination with external auditors at regular points in time. To support the closing process, a reporting manual has been prepared and introduced and an IFRS competence cell has been set up.

3.3.2. Monitoring the quality of the figures supplied

The closing process goes through different departments such as Accounting, Business Analysis, Consolidation and Corporate Controlling, with this department being for the purpose of providing information to the Board of Directors. Each department carries out quality controls in functional separation, both with regard to the figures obtained from the previous process step and with regard to the figures that they produce themselves. These quality controls mainly concern reconciliations (of the various ledgers and of accounts, for example), alignment of financial reporting with management and operational reporting, variance analyses and validation

rules (for example of consolidation flows and balances). At the end of the closing process, the consolidated figures are analysed with respect to previous periods and the fluctuations must be substantiated. Furthermore, the realised financial results are checked against the expectations in this respect. For the figures to be published, the printer's proofs are geared

to the system figures provided. Finally, there is a final check for validation by the financial management.

3.3.3. Communication of financial reporting

In order to communicate and publish information as transparently as possible, Colruyt Group publishes financial press

releases on pre-agreed dates. Moreover, the communication efforts of management are also given shape in road shows and regular telephone contacts, as well as actual visits by and with investors and analysts. Finally, more than 20 analysts publish reports with financial information about Colruyt Group at regular points in time.

SHARE OWNERSHIP - COLRUYT SHARES

Calendar for the shareholders

14/09/2016	Registration date for deposition of shares for participation in the annual
28/09/2016 (16h00)	General Meeting of Shareholders for the financial year 2015/2016
	Dividend (coupon 6)
30/09/2016	Ex-date (detachment of the coupons)
03/10/2016	Record date (centralisation of the coupons)
04/10/2016	Payable
14/10/2016	Certificates relating to the exemption from or reduction of withholding tax on dividends must be in our possession
10/10/2016	Extraordinary General Meeting Capital increase Etn. Fr. Colruyt NV reserved for personnel of Colruyt Group (art. 609 Companies Code)
13/12/2016 (17h45)	Publication of half-yearly information of the financial year 2016/2017
14/12/2016	Information meeting with financial analysts
20/06/2017 (17h45)	Publication of the results of the financial year 2016/2017
21/06/2017	Provision of information to financial analysts
31/07/2017	Publication of the annual report for the financial year 2016/2017 on our website www.colruytgroup.com
27/09/2017 (17h45)	General Meeting of Shareholders for the financial year 2016/2017

1. Dividend of the financial year 2015/2016 ⁽¹⁾

The Board of Directors proposes granting a gross dividend of EUR 1,12 to shares participating in the profit of Etn. Fr. Colruyt NV for financial year 2015/2016.

Of the gross dividend of EUR 1,12 the shareholders will receive a net amount of EUR 0,8176 after deduction of 27% withholding tax on income from securities.

With the Programme Law of 27/12/2012 (Belgian Official Gazette 31/12/2012) the tax rate of the withholding tax on dividends from all types of shares, granted or made payable since 01/01/2013, was set at 25%. However, in the framework of the 'tax shift 2016' the Belgian government decided to increase the tax on income from securities. This results in an increase in the withholding tax on income from securities from 25% to 27%, and this with effect from 01/01/2016. Article 171 §3 of the '92 Income Tax Code was amended for this by article 91 of the Act of 26/12/2015 (Belgian Official Gazette

30/12/2015). For foreign shareholders the amount of the net dividend may be different, depending on the double taxation treaties applicable between Belgium and the various countries. The necessary certificates must be in our possession by 14 October 2016 at the latest.

The dividend of the financial year 2015/2016 will be made payable as of 4 October 2016 against the surrender of coupon number 6 at the counters of the financial institutions. BNP Paribas Fortis Bank will act as the Principal Paying Agent of the dividends.

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 when the share was divided by five. Since 15 October 2010, only the shares with ISIN code BE0974256852 are listed on Euronext Brussels. Referring to the Act of 14 December 2005 on the abolition of bearer securities and as amended by the Act of 21 December 2013, Colruyt sold the remaining bearer shares (in total 28,395 shares), whose holders did not make themselves known by 27 February 2015, on the regulated market

of Euronext Brussels on 24 March 2015.

The net proceeds from the sale of these bearer securities were transferred last financial year to the Brussels Deposit and Consignment Office. People still in possession of old paper Colruyt shares and who can demonstrate their capacity as shareholder of the papers (sold), have been able to obtain the exchange value in cash from the Deposit and Consignment Office since 1 January 2016. For any collection of dividends on these (sold) paper shares (with attached coupons) they can gain assistance from the issuer.

(1) Subject to approval by the General Meeting of Shareholders of 28 September 2016.

Information Colruyt share

COLR
LISTED
EURONEXT

Market listing: Euronext Brussels (since 1976)

Member of the Bel20 index

Share ticker COLR

ISIN-code BE0974256852

Development of the share price over the previous financial year



BRON : EURONEXT.COM

Development of the share price compared to Bel20 over the last five financial years



Colruyt ●
Bel 20 ●

2. Overview of Etn. Fr. Colruyt NV shares

Number of shares	2015/2016	2014/2015
Ordinary shares	149.609.386	156.636.503
Shares participating in the profit	149.609.386	156.636.503
Treasury shares	2.243.808	9.791.743
Shares held by subsidiaries	0	0
Balance profit-participating shares on 1 June ⁽¹⁾	147.365.578	146.844.760

Data per share (in EUR) on the closing date of the reporting period (31 March)		
Gross dividend	1,12	1,00
Net dividend/ordinary share	0,8176	0,75
Profit	2,49	2,21 ⁽²⁾
Calculation base (weighted average on 31/03) ⁽³⁾	147.004.025 shares	149.419.713 shares

Market price in Brussels (in EUR)		
Market price on 31/3	51,20	40,54
Highest price of the financial year (closing price)	51,32	42,60
Lowest price of the financial year (closing price)	39,685	32,935
Market value on 31/3 (in million EUR)	7.660,00	6.350,04

(1) Situation on 01/06/2016 and 01/06/2015 respectively.

(2) For financial year 2014/2015 including the effect of the amount of the settlement of EUR 31,6 million with the Investigation Service.

(3) Calculated on the basis of the number of shares participating in the profit, after deduction of the profit-sharing shares owned by the company and the subsidiaries.

3. Purchase of Treasury Shares

For several years, the Extraordinary General Meeting of Shareholders has granted the authorisation to the Board of Directors of Etn. Fr. Colruyt N.V. to acquire treasury shares. These acquisitions of shares take place in accordance with article 620 of the Companies Code, as well as in accordance with articles 205 to 207 of the Royal Decree of 30 January 2001.

The Extraordinary General Meeting of Shareholders of 14 October 2014 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 granted to it several times by acquiring treasury 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 the treasury shares can be purchased.

In accordance with article 207 of the Royal Decree of 30 January 2001, information on the purchasing operations performed is reported to the Financial Services and Markets authority (FSMA), at the latest on the seventh

stock exchange day following the date of performance of the operation, and is

simultaneously published by the company through a press release on our website colruytgroup.com.

Last financial year the Board of Directors did not make use of the authorisation granted to it. In accordance with an authorisation of the Extraordinary General Meeting of 14 October 2014, the Board of Directors decided on 17 December 2015 to cancel a total of 7,5 million treasury shares.

At 31 March 2016 Etn. Fr. Colruyt NV held 2.243.808 treasury shares. They represented 1,50% of the total number of outstanding shares (149.609.386) at the end of the reporting period. For the treasury share situation at 1 June 2016 refer to the table below.

Under the suspensive condition of approval by the General Meeting, 39.894 treasury shares will be given to the employees who wish to obtain their 2015/2016 profit share in the form of shares.

In accordance with article 622, paragraph 1 of the Belgian Companies Code, the Board of Directors decides that the dividend rights attached to the shares or certificates that are held by Etn. Fr. Colruyt NV shall be suspended and incapable of being exercised for as long as such shares or certificates are held

in treasury. Consequently, no dividends are paid and the voting rights attached to these shares are also suspended.

Overview of the purchase of treasury shares

During the reporting period	2015/2016
Treasury shares held at the start of the reporting period (01/04/2015)	+ 9.791.743
Allocated to employees for 2014/2015 profit share, dd. 30/09/2015	- 4.7935
Purchased in 2015/2016	0
Cancellation of treasury shares by notarial deed of 17/12/2015	-7.500.000
Total treasury shares held at the end of the reporting period (31/03/2016)	2.243.808
After the reporting period	
Purchase of treasury shares in the period from 01/04/2016 to 01/06/2016	0
Total treasury shares in our possession on 01/06/2016	2.243.808

4. Structure of the share ownership of Etn. Fr. Colruyt NV according to the latest transparency notifications of 17/12/2015

Pursuant to the Act of 2 May 2007 and the Royal Decree of 14 February 2008 (publication of significant holdings in companies listed on the stock exchange), on 17 December 2015 we received an updated notification of holdings from the Colruyt family and relatives by marriage, Sofina Group and Colruyt Group.

On 13 July 2015, DIM NV, HIM NV, HIM Drie NV, DHAM NV and KORYS NV merged. As a result all Colruyt shares of these companies are now the property of KORYS NV and KORYS NV has exceeded the 45% threshold.

On 17/12/2015, 7.500.000 treasury shares were cancelled. As a result, the "purchase of Colruyt treasury shares" situation was updated and the number of treasury shares purchased by Colruyt Group fell below the 5% threshold.

The denominator of 149.609.386 shares takes account of the cancellation of 7,5 million treasury shares, as decided by the Board of Directors of 17 December 2015, and also of the creation of 472.883 shares on 17 December 2015, and this further to the capital increase reserved for the employees of Colruyt Group.

The company has no knowledge of other agreements between shareholders.

The statutory thresholds per 5% bracket apply.

Transparency notification of 17/12/2015

	Number	%
I. Colruyt Family and relatives		
1. Stichting Administratiekantoor Cozin	0	0,00
2. Colruyt Family	9.127.879	6,10
3. Korys NV	68.263.905	45,63
4. ANIMA NV	1	0,00
5. HERBECO NV	1	0,00
6. FARIK NV	1	0,00
7. Stiftung Pro Creatura	149.605	0,10
8. Impact Capital NV	70.000	0,05
TOTAL COLRUYT FAMILY ACTING IN DELIBERATION	77.611.392	51,88

II. Colruyt Group

Etn. Fr. Colruyt NV (treasury shares purchased)	2.243.808	1,50
TOTAL COLRUYT GROUP	2.243.808	1,50

III. Sofina Group

Rebelco NV	8.150.000	5,45
TOTAL SOFINA GROUP	8.150.000	5,45
TOTAL COLRUYT FAMILY, COLRUYT GROUP AND SOFINA GROUP ACTING IN DELIBERATION	88.005.200	58,82

Denominator: 149.609.386 (situation on 17/12/2015)

Chain of controlled companies:

- Etablissements Fr. Colruyt NV 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 under Swiss law and Impact Capital NV, are controlled by natural persons (who directly or indirectly hold less than 3% of the securities with voting rights of the Company).
- Rebelco NV is a 100% subsidiary of Sofina NV.

5. Notice of an agreement of mutual deliberation (art. 74 Act of 1 April 2007)

The same parties also have an agreement of mutual deliberation in the sense of art.

74 of the Act of 1 April 2007 on public takeover bids, notified to the company and to the Financial Services and Markets Authority (FSMA).

HIM NV sent an update of the holdings to the company and to the FSMA on 28 August 2015 on behalf of all parties acting in mutual deliberation. On 28 August 2015, the number of shares involved in the mutual deliberation amounted to 95.747.335 or 61,13% of the total number of outstanding Colruyt shares on that date (156.636.503).

According to the law an update of the holdings concerned must be reported once per year at the end of August. The full letter is available on our website colruytgroup.com/financial.

6. Ethibel



Since 15/04/2016 Etn. Fr. Colruyt NV has been reconfirmed as a component of the Ethibel Sustainability Index (ESI) Excellence Europe. The Ethibel Sustainability Index (ESI) Europe consists of 200 shares of European companies that are included in the Russell Global Index and all are top performers in corporate social responsibility (CSR). That Colruyt has been selected by the Forum Ethibel shows that the company performs strongly in its sector with regard to corporate social responsibility (CSR) and that it preserves a balance between economic progress, environmental protection and social justice.

The selection by Forum Ethibel is largely done on the basis of research by the European rating agency, VigeoEiris, that is responsible for the collection and processing of the data, the analysis of the results and the industrial benchmarking.

Forum ETHIBEL is an independent Belgian association formed in 1992, and is recognised as an expert in the field of ratings, independent inspection and certification of products and services that satisfy ethical and social criteria, and standards in the field of the environment and responsible corporate governance (forumethibel.org).





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CONSOLIDATED INCOME STATEMENT

	Note	2015/16	2014/15
(in million EUR)			
Revenue	3.	9.177,5	8.916,8
Cost of goods sold	3.	(6.856,6)	(6.697,8)
Gross profit	3.	2.320,9	2.219,0
Other operating income	4.	81,7	72,7
Services and miscellaneous goods	5.	(433,5)	(399,3)
Employee benefit expenses	6.	(1.223,7)	(1.166,6)
Depreciation, amortisation and impairment of non-current assets		(213,1)	(204,3)
Other operating expenses	4.	(25,1)	(57,7)
<i>Other operating expenses</i>		(25,1)	(26,1)
<i>Settlement ⁽¹⁾</i>		-	(31,6)
Operating profit (EBIT)		507,2	463,8
Operating profit (EBIT) excl. settlement ⁽¹⁾		507,2	495,4
Finance income	7.	5,9	10,4
Finance costs	7.	(4,0)	(4,4)
Net financial result	7.	1,9	6,0
Share in the result of investments accounted for using the equity method	12., 13.	9,3	9,3
Profit before tax		518,4	479,1
Profit before tax excl. settlement ⁽¹⁾		518,4	510,7
Income tax expense	8.	(152,1)	(148,1)
Profit for the financial year		366,3	331,0
Profit for the financial year excl. settlement ⁽¹⁾		366,3	362,6
Attributable to:			
Non-controlling interests		0,8	0,6
Owners of the parent company		365,5	330,4
Earnings per share (EPS) – basic and diluted (in EUR)	22.	2,49	2,21
Earnings per share (EPS) – basic and diluted (in EUR) excl. settlement ⁽¹⁾		2,49	2,42

(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 accepted 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 the current year, some consolidated subtotals are provided both inclusive and exclusive of the effect of the settlement in financial year 2014/15.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2015/16	2014/15
<i>(in million EUR)</i>			
<i>Profit for the financial year</i>		366,3	331,0
Items that will not be reclassified to profit or loss			
Actuarial profit/(loss) on liabilities related to long-term employee benefits	8., 24.	(3,7)	(8,0)
Total of the items that will not be reclassified to profit or loss		(3,7)	(8,0)
Items that may be reclassified subsequently to profit or loss			
Profit/(loss) from currency translation of foreign subsidiaries		(0,8)	1,4
Net change in fair value of financial assets available for sale		11,9	-
Share in other comprehensive income of investments accounted for using the equity method	12., 13.	1,3	(3,0)
Total of the items that may be reclassified subsequently to profit or loss		12,4	(1,6)
<i>Other comprehensive income for the financial year</i>		8,7	(9,6)
<i>Total comprehensive income for the financial year</i>		375,0	321,4
Attributable to:			
Non-controlling interests		0,8	0,6
Owners of the parent company		374,2	320,8

All components of the above statement of comprehensive income are presented net of tax impacts.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31.03.16	31.03.15
(in million EUR)			
Goodwill	9.	89,3	89,3
Intangible assets	10.	65,3	59,5
Property, plant and equipment	11.	1.965,1	1.802,7
Investments in associates	12.	3,8	0,1
Investments in joint ventures	13.	167,5	156,9
Financial assets	14.	42,2	26,6
Deferred tax assets	17.	4,7	3,2
Other receivables	19.	47,1	41,9
Total non-current assets		2.385,0	2.180,2
Inventories	18.	640,7	602,7
Trade receivables	19.	489,4	478,2
Current tax assets		2,1	17,0
Other receivables	19.	43,9	49,0
Financial assets	14.	25,5	23,6
Cash and cash equivalents	20.	432,6	309,2
Assets held for sale	16.	-	1,3
Total current assets		1.634,2	1.481,0
TOTAL ASSETS		4.019,2	3.661,2
Share capital		291,7	274,6
Reserves and retained earnings		1.752,6	1.523,7
Total equity attributable to owners of the parent company		2.044,3	1.798,3
Non-controlling interests		3,4	2,4
Total equity	21.	2.047,7	1.800,7
Provisions	23.	12,3	14,5
Liabilities related to employee benefits	24.	83,8	72,2
Deferred tax liabilities	17.	65,9	65,7
Interest-bearing and other liabilities	25., 26.	28,9	33,6
Total non-current liabilities		190,9	186,0
Provisions	23.	0,3	32,2
Bank overdrafts	20.	0,1	0,7
Interest-bearing liabilities	25.	4,6	4,4
Trade payables	26.	1.145,0	1.081,7
Current tax liabilities		133,4	67,8
Liabilities related to employee benefits and other liabilities	26.	497,2	487,7
Total current liabilities		1.780,6	1.674,5
Total liabilities		1.971,5	1.860,5
TOTAL EQUITY AND LIABILITIES		4.019,2	3.661,2

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2015/16	2014/15 ⁽¹⁾
(in million EUR)			
Operating activities			
<i>Profit for the financial year</i>		366,3	331,0
Adjustments for:			
Depreciation, amortisation and impairment of non-current assets		213,1	204,3
Finance income and finance costs		(1,9)	(6,0)
Income tax expense	8.	152,1	148,1
Other ⁽²⁾		0,1	(8,9)
<i>Cash flow from operating activities before changes in working capital and provisions</i>		729,7	668,5
Decrease/(increase) in trade and other receivables		(27,7)	2,3
Decrease/(increase) in inventories		(44,8)	(28,8)
(Decrease)/increase in trade payables and other liabilities		55,6	14,0
(Decrease)/increase in provisions and liabilities related to employee benefits		(12,6)	54,1
Interest paid		(1,2)	(1,7)
Interest received		12,0	7,1
Dividends received		0,1	-
Income tax paid		(69,8)	(145,4)
<i>Cash flow from operating activities</i>		641,3	570,1
Investing activities			
Purchase of property, plant and equipment and intangible assets		(381,2)	(359,4)
(Increase in investment in)/proceeds from capital reimbursements of associates and joint ventures	12., 13.	(3,7)	(20,3)
(Purchases)/sales of financial assets	14.	(6,5)	6,4
(Payment of)/proceeds from repayment of loans granted		0,3	(8,5)
Proceeds from sale of property, plant and equipment and intangible assets		12,2	14,3
<i>Cash flow from investing activities</i>		(378,9)	(367,5)
Financing activities			
Proceeds from the issue of share capital	21.	17,1	14,0
Purchase of treasury shares		-	(356,1)
New/(repayment of) borrowings		(1,5)	-
Payment of finance lease liabilities		(3,5)	(3,3)
Dividends and bonuses paid		(150,2)	(151,2)
<i>Cash flow from financing activities</i>		(138,1)	(496,6)
Net increase/(decrease) of cash and cash equivalents		124,3	(294,0)
Net cash and cash equivalents at 1 April		308,5	602,0
Effect of changes in foreign currency rates		(0,3)	0,5
Net cash and cash equivalents at 31 March	20.	432,5	308,5

(1) Following a refinement of finance income and finance costs in the current reporting period, the figures of the comparative reporting period have also been adjusted. There has been a reclassification of EUR 1,4 million between the line items 'Finance income and finance costs' and 'Other'.

(2) 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 using the equity method, employee benefits in the context of share-based payments and capital increases reserved for employees and losses/(gains) on the sale of financial non-current assets.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Note	Attributable to the owners of the parent company				
	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 2015	156.636.503	274,6	9.791.743	(361,9)	(8,6)
<i>Total comprehensive income for the financial year</i>	-	-	-	-	(3,7)
Profit for the financial year	-	-	-	-	-
Other comprehensive income for the financial year	-	-	-	-	(3,7)
Transactions with the owners	(7.027.117)	17,1	(7.547.935)	280,4	-
Capital increase	21. 472.883	17,1	-	-	-
Treasury shares distributed as profit-sharing	21. -	-	(4.7935)	2,0	-
Dividends and bonuses	21. -	-	-	-	-
Cancellation of treasury shares	(7.500.000)	-	(7.500.000)	278,4	-
Non-controlling interests resulting from a newly established company	-	-	-	-	-
At 31 March 2016	149.609.386	291,7	2.243.808	(81,5)	(12,3)
At 1 April 2014	165.169.749	260,6	9.184.747	(296,7)	(0,6)
<i>Total comprehensive income for the financial year</i>	-	-	-	-	(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)

<i>Other reserves</i>			Retained earnings	Total	Non-controlling interests	Total equity
Cumulative translation adjustments	Cash flow hedge reserves	Financial assets available for sale reserves				
0,4	(6,9)	-	1.900,7	1.798,3	2,4	1.800,7
(0,8)	1,3	11,9	365,5	374,2	0,8	375,0
-	-	-	365,5	365,5	0,8	366,3
(0,8)	1,3	11,9	-	8,7	-	8,7
-	-	-	(425,7)	(128,2)	0,2	(128,0)
-	-	-	2,9	20,0	-	20,0
-	-	-	-	2,0	-	2,0
-	-	-	(150,2)	(150,2)	-	(150,2)
-	-	-	(278,4)	-	-	-
-	-	-	-	-	0,2	0,2
(0,4)	(5,6)	11,9	1.840,5	2.044,3	3,4	2.047,7
(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

MANAGEMENT RESPONSIBILITY STATEMENT

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

- the consolidated financial statements for the financial years 2015/16 and 2014/15, prepared in accordance with 'International Financial Reporting Standards' (IFRS) as accepted by the European Union up until 31 March 2016, give a true and fair view of the net assets, the financial position and the results of Etn. Fr. Colruyt NV 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
Chairman of the Board of Directors

Marc Hofman
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT



Statutory auditor's report to the general meeting of Etn. Fr. Colruyt NV as of and for the year ended 31 March 2016

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

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 31 March 2016, 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 31 March 2016, the consolidated income statement and the consolidated statements of comprehensive income, changes in equity and 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) 4.019,2 and the consolidated statement of other comprehensive income shows a profit for the year of EUR (million) 375,0.

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.

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 Company'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 31 March 2016 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 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:



*Statutory auditor's report to the general meeting of Etn. Fr. Colruyt as of and for the year ended
31 March 2016*

— The annual report (more in particular the parts 'Corporate Governance' and 'Financial 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.

Kontich, July 8, 2016

KPMG Réviseurs d'Entreprises /
Bedrijfsrevisoren
Statutory Auditor
represented by

L. Ruysen
Réviseur d'Entreprises /
Bedrijfsrevisor

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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 NV (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 2015/16 financial year, which closed on 31 March 2016, 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 2015/16 financial year were authorised for issue on 16 June 2016 by the Board of Directors, subject to approval of the statutory non-consolidated financial statements by the shareholders during the Annual General Meeting of Shareholders, which will be held on 28 September 2016. 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.

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. Net liabilities related to defined benefit plans are not measured using the historical cost method either, but are measured at the present value of the defined benefit obligation less the fair value of the plan assets.

The consolidated financial statements are prepared before any distribution of profits of the parent company as proposed to the Annual General Meeting of Shareholders.

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. *Trade payables, 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 the segment reporting. The costs of corporate support activities and the result of their internal cross-charging are now, where possible, allocated to the reported segments. In addition, the filling stations of DATS 24 France are included in the segment Retail as Colruyt Group considers the performance of the stores in France and the related DATS 24 filling stations as a whole. The comparative figures have also been adjusted.

The changes mentioned above have no impact on the consolidated gross profit, the operating profit (EBIT) or the profit for the financial year.

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 2016.

The following (amended) standards, interpretations and improvements are effective for Colruyt Group as of 1 April 2015, none of which have a significant impact on Colruyt Group's consolidated financial statements:

- IAS 19 (Amendment), '*Employee Benefits – Employee Contributions*'. 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).
- Improvements to IFRS cycle 2010–2012, published in December 2013, 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*'.
- Improvements to IFRS cycle 2011–2013, published in December 2013, 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*'.
- IFRIC 21 '*Levies*'. 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 following published (amended) standards, interpretations and improvements relevant to the group as of 31 March 2016, 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 significant impact on Colruyt Group's consolidated financial statements.

- IAS 7 (Amendment), '*Statement of Cash Flows – Disclosure Initiative*' (effective date for Colruyt Group 1 April 2017). This amendment introduces a new disclosure to the annual report which will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This amendment will not have an impact on Colruyt Group's consolidated financial statements taking into account the current financing activities of Colruyt Group.
- IAS 12 (Amendment), '*Recognition of Deferred Tax Assets for Unrealised Losses*' (effective date for Colruyt Group 1 April 2017). This amendment clarifies that other comprehensive losses on debt instruments, which are measured at fair value in the financial statements, but measured at cost for tax purposes, can lead to deductible temporary differences. Additionally, principles have been added for the evaluation of the availability of future taxable profits. This amendment has no impact on the consolidated financial statements of Colruyt Group.
- 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.
- 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 assessment of the potential impact of this standard for Colruyt Group has not been finalised yet. However, as the group does not have any complex financial instruments, no significant impact is expected.

- 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 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 2018). 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 has started. Revenue streams have been identified for which further investigation is deemed necessary. The possible impact for Colruyt Group cannot yet be estimated.

- IFRS 16, 'Leases' (effective date for Colruyt Group 1 April 2019). IFRS 16 will replace the current leasing standard IAS 17. The new standard includes the principles for the recognition, measurement, presentation and disclosure of lease agreements, for lessors as well as for lessees. For lessors, the principles of IAS 17 remain applicable, in which lease agreements are processed as financial or operational leases. The lessees however should only apply one approach for all lease agreements. For all leases of more than 12 months in duration, assets and liabilities should be recognised on the statement of financial position unless they relate to low-value assets. In the income statement, expenses of these leases should be presented as depreciation charges on the leased assets and interest expenses on the lease liabilities. The assessment of the potential impact of this standard for Colruyt Group has been started, for which in a first instance an overview is made of all lease agreements that might be impacted.
- 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.

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. The determination whether Colruyt Group has control, joint control or significant influence is based on the specific facts and circumstances. These conclusions can differ from judgements purely based on the ownership percentage held by Colruyt Group.

a. Subsidiaries

Subsidiaries are those entities over which Colruyt Group has control. Control exists if Colruyt Group is exposed or has rights to variable returns from its involvement with the investee and if 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 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.

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 previously recognised 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 joint venture.

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.

The initial recognition of these investments are at cost including transaction costs. After the initial recognition of these investments, the consolidated financial statements include the share of the group in the total comprehensive income of the investments using the equity method. These investments are incorporated into the consolidated financial statements using the equity method from the date on which the

significant influence begins until the date on which the significant influence ceases. In the event an indication of impairment arises after the application of the equity method, 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. If 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. If the associate becomes profitable again, the group's share in the associate's result will be accounted for using the equity method as soon as the equity of the associate is positive again.

c. Joint ventures

Joint ventures are those entities in which Colruyt Group has joint control and where such control is established by an agreement, conferring upon Colruyt Group rights to the net assets of the agreement, but no rights to the assets of the agreement and no liabilities arising from debts of the agreement. Joint control implies that the decisions about the relevant activities require the unanimous consent of all parties sharing control.

The initial recognition of these investments are at cost including transaction costs. After the initial recognition of these investments, the consolidated financial statements include the share of the group in the total comprehensive income of the investments using the equity method. 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. In the event an indication of impairment arises after the application of the equity method, 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. If Colruyt Group's share of the joint

venture's loss exceeds the carrying amount of Colruyt Group's interest in the joint venture, 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 on behalf of that joint venture. If the joint venture becomes profitable again, the group's share in the joint venture's result will be accounted for using the equity method as soon as the equity of the joint venture is positive again.

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 acquisition date of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree, and the equity instruments issued by the acquirer in exchange for control.

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 business combination includes

any asset or liability resulting from a contingent consideration arrangement, measured at its fair value at the acquisition date. Subsequent changes in such fair values are adjusted retroactively against the cost of acquisition when they qualify as adjustments due to additional facts and circumstances existing at acquisition date. 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. If 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 interest in the acquired entity is remeasured to fair value at the acquisition date (i.e. the date the group obtains 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 recognised on the same basis as would be required if that interest were disposed of.

The 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*';
- assets (or disposal groups) that are classified as held for sale at acquisition date 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 paragraph 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 Company and the presentation currency of the group. The translation is performed as follows:

- assets and liabilities, including goodwill and fair value adjustments arising from acquisitions, 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 the date of the 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 exchange rate at the reporting date are recorded as part of the consolidated other comprehensive income, under 'Cumulative translation adjustments' 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 consolidated financial result.

In the case of a partial disposal of a subsidiary (i.e. with no loss of control over the subsidiary by Colruyt Group), 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. the partial disposal of associates or joint ventures not resulting in Colruyt Group losing significant influence or joint control), the proportionate share of the cumulative translation adjustments is reclassified to the consolidated income statement.

g. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rates prevailing at the date of the transaction.

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 incurred at the acquisition date.

If, after consideration, this difference 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 the consolidated income statement 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 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;
- Colruyt Group has the necessary technical, financial and other resources to complete and use or sell the development; and
- the product or process has been carefully described and the expenses can be separately identified and can be measured reliably.

The capitalised expenditure is valued 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 the consolidated income statement 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, internally developed intangible as-

sets and other intangible assets. This distinction is expressed in a different useful life per type of intangible asset:

- externally purchased software, licences and permits: contractually defined period;
- customer portfolios arising from the acquisition of points of sale: indefinite useful life;
- internally developed intangible assets: 5 years;
- other intangible assets: 3 to 5 years.

The amortisation method and useful life are reviewed annually and amended if necessary.

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. Grants are recognised when there is reasonable assurance that the grants will be received and that the group will comply with the conditions attached to them. 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 dismantle and restore items of property, plant and equipment in their original state. The costs relating to these obligations are recognised as part of the cost or acquisition value 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 immediately recognised in the consolidated income statement 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.

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 granted by the lessor 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 classifies its financial assets at inception in the following categories: investments available for sale, loans and receivables and investments recognised at fair value through profit or loss. Colruyt Group currently does not own any financial assets which should be classified as held to maturity.

Investments available for sale

Colruyt Group's investments available for sale include investments 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' in the non-current assets. After initial recognition the investments are measured at fair value if the fair value is reliably determinable. If not, the investment is measured at historical 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 objective indication of impairment. An impairment loss, along with the cumulative changes in fair value already recognised in equity, is recognised in profit or loss. A recognised impairment on equity instruments is not reversed through profit or loss. An increase of the fair value after an impairment is processed through equity.

Investments in securities are recognised at the transaction date.

Loans and receivables

The loans and receivables of Colruyt Group include trade receivables, other receivables and cash and cash equivalents.

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. Subsequently, these assets are measured at amortised cost using the effective interest method after deduction of impairment. 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.

Cash includes cash balances and withdrawable 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.

Investments recognised at fair value through profit or loss

These investments include securities held for trading. They 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. Transaction costs that are directly attributable are recognised in the consolidated income statement as incurred.

f. Assets held for sale and discontinued operations

An asset or a disposal group (groups of assets and related liabilities) that is being disposed of, is classified as held for sale if its 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 programme 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. Impairment on an asset or a disposal group is initially allocated to goodwill and then pro rata to the remaining assets and liabilities. Such

an impairment loss is not allocated to inventories, financial assets or deferred tax assets which are recognised in line with the other significant accounting policies of the group. 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 which arises from discontinued operations is separately reported in the consolidated income statement. When operations are labelled as discontinued operations, the comparative figures in the consolidated income statement and in the consolidated 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 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 in 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. If 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 Annual General Meeting of Shareholders. Until such formal approval, the proposed

dividends are included in Colruyt Group's consolidated equity. Transaction costs of capital transactions, net of tax impact, 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 unemployment regime with company supplement, 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 adjustments

The cumulative translation adjustments represent the cumulative currency translation differences that arise due to subsidiaries, associates and joint ventures that have a functional currency other than 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 in financial assets classified as available for sale.

Non-controlling interests

Non-controlling interests in subsidiaries not fully owned by the 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 obligations at the reporting date.

If the effect of discounting the future cash outflows is material, the provisions are annually discounted using discount rates that reflect 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 established in accordance with legal requirements on the one hand and the environmental policy established by Colruyt Group on the other.

For onerous contracts, a provision is recognised in 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. Colruyt Group recognises 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: unemployment regime with company supplement

The possibility for early retirement, as it exists within Colruyt Group for employees of Belgian entities, is based on the Belgian 'unemployment regime with company supplement'. The unemployment regime with company supplement 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 specifically 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 unemployment regime with company supplement (Belgian Official Journal 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 unemployment regime with company supplement 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, recorded in the consolidated statement of financial position, 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 join the unemployment regime with company supplement.

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 as-

sumptions 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 departure benefits as a result of retirement or the application of the 'unemployment regime with company supplement' (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

The financial liabilities of Colruyt Group measured at amortised cost comprise interest-bearing loans, trade payables and other 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.

n. Revenue recognition

Revenue from the sale of goods

Revenue from the sale of goods is recognised in the consolidated income statement as from the moment that the significant risks and rewards of ownership have been transferred, that Colruyt Group retains neither 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 Colruyt Group 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 customers 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 customers who ordered through the Internet and by 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 the consolidated income statement 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 income resulting from these certificates is recognised in the consolidated income statement 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 are obtained through the production activities as well as certificates 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 'Inventories'. Certificates that have been 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. The inventory movement in respect of certificates is recognised in the consolidated income statement under the line item 'Services and miscellaneous goods'.

Dividend income and interest income

Dividends are recognised in the consolidated income statement 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 specific publicity expenses incurred, the reimbursements are deducted from those specific 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 the consolidated income statement on a straight-line basis over the term of the lease.

Finance costs

Finance costs comprise interest on loans, interest on repayments of finance lease liabilities, fair value adjustments to financial assets held for trading and adjustments for the time value of liabilities. Interest expense is recognised using the effective interest method. All other finance costs are recognised when incurred.

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 or that relate to a business combination.

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 in the consolidated statement of financial position. 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, associates and joint ventures to the extent that the group is able to assess the timing of the expiration of the temporary differences and that it is probable that they will not be reversed in the near 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 in the consolidated statement of financial position only to the extent that it is probable that taxable profits will be available in the near future 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 decision 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. In addition 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 include marketing and communication, IT, human resources and recruitment, finance and other central services. The costs of group support activities and the result of their internal cross-charging are, to the extent possible, allocated to reported segments.

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:

Filling 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 customers 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 accounted for using the equity method (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 and 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.

A number of presentation adjustments were performed within the segments, as described in 1.1 *Basis of presentation*, resulting in modified comparative numbers.

	Retail 2015/16	Wholesale and Foodservice 2015/16	Other activities 2015/16	Operating segments 2015/16
(in million EUR)				
<i>Revenue - external</i>	7.061,6	1.569,2	546,7	9.177,5
<i>Revenue - internal</i>	86,8	19,6	46,5	152,9
<i>Operating profit (EBIT)</i>	466,7	31,4	13,2	511,3
Share in the result of investments accounted for using the equity method	1,4	-	7,9	9,3
<i>Segment assets</i>	2.478,2	546,4	290,9	3.315,5
Of which investments accounted for using the equity method	20,7	-	146,8	167,5
<i>Segment liabilities</i>	1.321,0	276,7	56,2	1.653,9
<i>Purchase of property, plant and equipment and intangible assets</i>	292,6	31,0	24,9	348,5
Depreciation and amortisation	152,5	22,4	9,7	184,6
Impairment of non-current assets	2,6	1,8	0,4	4,8

	Operating segments 2015/16	Un- allocated 2015/16	Eliminations between operating segments 2015/16	Consolidated 2015/16
(in million EUR)				
<i>Revenue - external</i>	9.177,5	-	-	9.177,5
<i>Revenue - internal</i>	152,9	-	(152,9)	-
<i>Operating profit (EBIT)</i>	511,3	(4,8)	0,7	507,2
Share in the result of investments accounted for using the equity method	9,3	-	-	9,3
Net financial result				1,9
Income tax expense				(152,1)
<i>Profit for the financial year</i>				366,3
<i>Total assets</i>	3.315,5	768,2	(64,5)	4.019,2
<i>Total liabilities</i>	1.653,9	382,1	(64,5)	1.971,5
<i>Purchase of property, plant and equipment and intangible assets</i>	348,5	39,2	-	387,7
Depreciation and amortisation	184,6	23,7	-	208,3
Impairment of non-current assets	4,8	-	-	4,8

	Retail 2014/15	Wholesale and Foodservice 2014/15	Other activities 2014/15	Operating segments 2014/15
(in million EUR)				
Revenue – external	6.792,5	1.523,5	600,8	8.916,8
Revenue – internal	78,6	17,3	48,0	143,9
Operating profit (EBIT)	421,0	26,0	13,0	460,0
Operating profit (EBIT) excl. settlement ⁽¹⁾	452,6	26,0	13,0	491,6
Share in the result of investments accounted for using the equity method	(0,9)	-	10,2	9,3
Segment assets	2.304,7	536,5	272,2	3.113,4
Of which investments accounted for using the equity method	19,3	-	137,6	156,9
Of which assets held for sale	1,3	-	-	1,3
Segment liabilities	1.303,6	249,6	58,0	1.611,2
Purchase of property, plant and equipment and intangible assets	279,4	51,3	10,5	341,2
Depreciation and amortisation	145,4	19,9	11,0	176,3
Impairment of non-current assets	4,7	0,6	0,6	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 accepted 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 the current year, some consolidated subtotals are provided both inclusive and exclusive of the effect of the settlement in financial year 2014/15.

	Operating segments 2014/15	Un- allocated 2014/15	Eliminations between operating segments 2014/15	Consolidated 2014/15
(in million EUR)				
Revenue – external	8.916,8	-	-	8.916,8
Revenue – internal	143,9	-	(143,9)	-
Operating profit (EBIT)	460,0	2,9	0,9	463,8
Operating profit (EBIT) excl. settlement ⁽¹⁾	491,6	2,9	0,9	495,4
Share in the result of investments accounted for using the equity method	9,3	-	-	9,3
Net financial result				6,0
Income tax expense				(148,1)
Profit for the financial year				331,0
Profit for the financial year excl. settlement ⁽¹⁾				362,6
Total assets	3.113,4	609,0	(61,2)	3.661,2
Total liabilities	1.611,2	310,5	(61,2)	1.860,5
Purchase of property, plant and equipment and intangible assets	341,2	27,7	-	368,9
Depreciation and amortisation	176,3	22,1	-	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 accepted 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 the current year, some consolidated subtotals are provided both inclusive and exclusive of the effect of the settlement in financial year 2014/15.

2.2. Geographical information

As customers 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 Consultancy India Private Limited (India) are the most important activities within this geographical information.

Geographical information

	Belgium		France		Other		Total	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
(in million EUR)								
Revenue	7.961,6	7.750,4	1.178,3	1.138,3	37,6	28,1	9.177,5	8.916,8
Geographical assets	1.876,3	1.712,3	227,3	222,6	16,1	16,6	2.119,7	1.951,5
Purchase of property, plant and equipment and intangible assets	358,7	326,3	28,4	37,3	0,6	5,3	387,7	368,9

3. REVENUE AND GROSS PROFIT

	2015/16	2014/15
(in million EUR)		
Revenue	9.177,5	8.916,8
Cost of goods sold	(6.856,6)	(6.697,8)
Gross profit	2.320,9	2.219,0
As a % of revenue	25,3%	24,9%

3.1. Revenue by cash-generating unit

A number of presentation adjustments were performed within the segments, as described in 1.1 Basis of presentation, resulting in modified comparative numbers.

	2015/16	2014/15
(in million EUR)		
Retail Food ⁽¹⁾	6.807,7	6.540,5
Colruyt Belgium and Luxembourg ⁽²⁾	5.635,8	5.479,4
OKay, Bio-Planet and Cru ⁽³⁾	758,3	668,1
Colruyt France and DATS 24 France	413,6	393,0
Retail Non-food ⁽¹⁾	253,9	252,0
Dreamland Belgium and France and Dreambaby	253,9	252,0
Transactions with other operating segments	86,8	78,6
Retail	7.148,4	6.871,1
Wholesale	768,7	753,9
Foodservice	800,5	769,6
Transactions with other operating segments	19,6	17,3
Wholesale and Foodservice	1.588,8	1.540,8
DATS 24 Belgium	542,3	595,2
Printing and document management solutions	4,4	5,6
Transactions with other operating segments	46,5	48,0
Other activities	593,2	648,8
Total operating segments	9.330,4	9.060,7
Transactions between operating segments	(152,9)	(143,9)
Consolidated	9.177,5	8.916,8

(1) The subtotals 'Food' and 'Non-food' within the operating segment 'Retail' are for information purposes only.

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

(3) Inclusive of the revenue of the webshops Collishop, Dreamland and Dreambaby realised by the OKay and Bio-Planet stores.

4. OTHER OPERATING INCOME AND EXPENSES

	2015/16	2014/15
(in million EUR)		
Rental and rental-related income	11,0	10,1
Gains on disposal of non-current assets	4,9	9,9
Remuneration received	49,3	40,6
Other	16,5	12,1
Total other operating income	81,7	72,7

Remuneration received includes, amongst others, services rendered to third parties, grants and commissions received, revenue from waste recycling, canteen sales, income originating from dispute settlements and income from green certificates.

	2015/16	2014/15
(in million EUR)		
Operating taxes	14,3	13,3
Property withholding tax	10,9	9,9
Losses on disposal of non-current assets	0,3	1,5
Other	(0,4)	1,4
Settlement ⁽¹⁾	-	31,6
Total other operating expenses	25,1	57,7

(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 accepted 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

	2015/16	2014/15 ⁽¹⁾
(in million EUR)		
Rental and rental-related charges (immovables)	28,2	27,7
Rental and rental-related charges (movables)	27,2	23,6
Maintenance and major repairs	71,4	64,0
Utilities	36,8	34,5
Transport	129,2	125,6
Fees	27,0	28,2
Telecommunication, postal services, office supplies, IT and small material	67,4	53,7
Insurance	6,1	5,6
Training	9,0	7,6
Impairment of current assets	2,3	3,9
Other	28,9	24,9
Total services and miscellaneous goods	433,5	399,3

(1) As a result of the changes in presentation within the consolidated income statement in financial year 2014/15, the process regarding the addition, use and reversal of provisions was further refined during the financial year 2015/16. This has had an impact on the presentation within certain line items of 'Services and miscellaneous goods'; and for comparability purposes the figures of the comparative reporting period have been adjusted.

6. EMPLOYEE BENEFIT EXPENSES

	2015/16	2014/15
(in million EUR)		
Wages and salaries ⁽¹⁾	899,0	869,2
Social security contributions	233,9	226,6
Consultants and interim personnel	44,5	33,9
Profit-sharing schemes for employees	32,8	32,1
Contributions to defined contribution plans	13,0	12,3
Other post-employment benefits	6,7	4,7
Discount on capital increase reserved for personnel	2,9	2,4
Other personnel costs	59,1	51,0
Compensatory amounts	(68,2)	(65,6)
Total employee benefit expenses	1.223,7	1.166,6
Number of staff employed (FTE) at reporting date	28.047	26.491

(1) Of which EUR 795,3 million for the Belgian salary pool for financial year 2015/16 (EUR 772,1 million for financial year 2014/15).

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 NV. The discount which is granted on this capital increase is in accordance with art. 609 of the Companies Code. For the most recent capital increase, 2.562 employees subscribed to 472.883 shares, which represents a capital contribution of EUR 17,1 million. The discount granted on this was EUR 2,9 million and is accounted for as an employee benefit.

	2015/16	2014/15
Number of shares subscribed	472.883	466.754
Discount per share (in EUR)	6,2	5,1
Total discount granted (in million EUR)	2,9	2,4

Compensatory amounts

Employee benefits expenses are presented free of compensatory amounts. Compensatory amounts relate mainly to employee costs capitalised in the context of non-current 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

	2015/16	2014/15
(in million EUR)		
Interest income on unimpaired customer loans and other loans	2,8	3,1
Dividends received	0,1	0,1
Interest income on current bank deposits	0,8	1,5
Interest income on fixed-income securities held for trading	0,5	0,5
Fair value adjustments to financial assets held for trading	0,2	1,2
Gains on disposal of financial assets held for trading	0,3	1,1
Exchange gains	0,3	1,1
Other	0,9	1,8
Finance income	5,9	10,4
Interest expense on current and non-current loans	0,3	0,6
Interest expense on lease liabilities	0,5	0,5
Fair value adjustments to financial assets held for trading	1,4	0,7
Losses on disposal of financial assets held for trading	-	0,1
Adjustment for the time value of liabilities	1,2	1,8
Exchange losses	0,6	0,5
Other	-	0,2
Finance costs	4,0	4,4
Net financial result	1,9	6,0

8. INCOME TAX EXPENSE

8.1. Income taxes recognised in profit or loss

	2015/16	2014/15
(in million EUR)		
A) Effective tax rate		
Profit before tax (excluding share in the result of investments accounted for using the equity method)	509,1	469,8
Profit before tax (excluding share in the result of investments accounted for using the equity method) excl. settlement ⁽¹⁾	509,1	501,4
Income tax expense	152,1	148,1
Effective tax rate	29,87%	31,53%
Effective tax rate excl. settlement ⁽¹⁾	29,87%	29,54%
B) Reconciliation between the effective tax rate and the applicable tax rate ⁽²⁾	33,53%	33,64%
Profit before tax (excluding share in the result of investments accounted for using the equity method)	509,1	469,8
Income tax expense (based on applicable tax rate)	170,7	157,9
Non-taxable income/non tax-deductible expenses	0,5	15,8
Permanent differences	3,3	3,2
Impact of specific tax regulations	(0,5)	(0,3)
Impact of tax deductions ⁽³⁾	(21,0)	(28,7)
Other	(0,9)	0,2
Income tax expense	152,1	148,1
Effective tax rate	29,87%	31,53%
C) Income tax expense recognised in profit or loss		
Current year taxes	151,5	138,6
Deferred taxes	0,6	10,2
Adjustments relating to prior years	-	(0,7)
Total income tax expense	152,1	148,1

(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 accepted 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 the current year, some consolidated subtotals are provided both inclusive and exclusive of the effect of the settlement in financial year 2014/15.

(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: 34,61% 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.

	2015/16	2014/15
(in million EUR)		
Tax impact on actuarial profit/(loss) on liabilities related to long-term employee benefits	1,9	3,8
Total tax impacts recognised in other comprehensive income	1,9	3,8

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 of 1%, 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 4% and 5%. 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 5%;
- operating segment 'Wholesale and Foodservice': between 0% and 4%;
- operating segment 'Other activities': maximal growth of 1%.

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 70% and 90% of the calculated value in use. For the main activities this percentage is below 80% 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:

	2015/16	2014/15
(in million EUR)		
Colruyt Belgium	44,8	44,8
Colruyt France	0,2	0,2
<i>Retail</i>	45,0	45,0
Wholesale	7,5	7,5
Foodservice	35,2	35,2
<i>Wholesale and Foodservice</i>	42,7	42,7
Printing and document management solutions	1,6	1,6
<i>Other activities</i>	1,6	1,6
Consolidated	89,3	89,3

The changes in 'Goodwill' can be explained as follows:

	Gross book value 2015/16	Amortisation and impairment 2015/16	Net book value 2015/16	Gross book value 2014/15	Amortisation and impairment 2014/15	Net book value 2014/15
(in million EUR)						
<i>At 1 April</i>	110,9	(21,6)	89,3	111,7	(22,4)	89,3
Sales and disposals	-	-	-	(0,8)	0,8	-
At 31 March	110,9	(21,6)	89,3	110,9	(21,6)	89,3

There were no movements in goodwill for the financial year 2015/16.

During the previous financial reporting period the consolidation goodwill belonging to the cash-generating unit 'Alternative energy' (operating segment 'Other activities') was derecognised.

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 2015</i>	2,6	81,9	5,9	18,9	109,3
Acquisitions through business combination	-	0,2	-	-	0,2
Acquisitions	1,3	8,7	-	8,8	18,8
Sales and disposals	-	(1,9)	-	(0,1)	(2,0)
Reclassification	2,1	7,5	-	(9,6)	-
Other	-	2,0	-	-	2,0
At 31 March 2016	6,0	98,4	5,9	18,0	128,3
Amortisation:					
<i>At 1 April 2015</i>	(2,0)	(4,7,8)	-	-	(49,8)
Amortisation	(0,4)	(12,3)	-	-	(12,7)
Sales and disposals	-	0,6	-	-	0,6
At 31 March 2016	(2,4)	(59,5)	-	-	(61,9)
Impairment:					
<i>At 1 April 2015</i>	-	-	-	-	-
Impairment	-	(1,8)	(0,1)	(0,1)	(2,0)
Sales and disposals	-	1,2	-	0,1	1,3
Other	-	0,1	(0,5)	-	(0,4)
At 31 March 2016	-	(0,5)	(0,6)	-	(1,1)
Net carrying amount at 31 March 2016	3,6	38,4	5,3	18,0	65,3

	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
Amortisation:					
<i>At 1 April 2014</i>	(2,0)	(37,2)	-	-	(39,2)
Amortisation	(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>	-	-	-	-	-
Net carrying amount at 31 March 2015	0,6	34,1	5,9	18,9	59,5

The concessions, software, licences and similar rights which amount to EUR 38,4 million (34,1 million for the previous reporting period) mainly consist of permits and software that were predominantly generated internally 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 18,0 million (compared to EUR 18,9 million for the previous financial year). During the current financial year the group acquired intangible assets for an amount of EUR 18,8 million (compared to EUR 17,2 million during the previous financial year), of which EUR 13,3 million were developed internally (compared to EUR 11,0 million during the previous financial year).

The acquired customer portfolios can be split over the cash-generating units as follows:

	2015/16	2014/15
(in million EUR)		
Colruyt France	4,4	5,0
<i>Retail</i>	4,4	5,0
Foodservice France	0,9	0,9
<i>Wholesale and Foodservice</i>	0,9	0,9
Consolidated	5,3	5,9

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 2015</i>	2.060,3	549,0	407,0	47,7	119,3	60,1	3.243,4
Acquisitions	148,9	71,0	58,4	0,5	20,7	69,4	368,9
Sales and disposals	(13,0)	(9,3)	(27,8)	(0,4)	(2,1)	(0,7)	(53,3)
Reclassification	23,6	(9,0)	15,1	(1,1)	4,6	(33,2)	-
Currency translation differences	(0,7)	(0,3)	(0,1)	-	-	-	(1,1)
Other	3,1	-	0,1	(0,1)	-	(2,1)	1,0
<i>At 31 March 2016</i>	2.222,2	601,4	452,7	46,6	142,5	93,5	3.558,9
Depreciation:							
<i>At 1 April 2015</i>	(741,1)	(330,3)	(292,8)	(15,1)	(52,2)	-	(1.431,5)
Depreciation	(102,1)	(39,7)	(42,9)	(2,7)	(8,2)	-	(195,6)
Sales and disposals	10,2	8,5	23,1	0,4	1,6	-	43,8
Reclassification	-	9,1	(9,1)	0,3	(0,3)	-	-
Currency translation differences	0,1	0,2	-	-	0,1	-	0,4
Other	(1,7)	-	-	-	-	-	(1,7)
<i>At 31 March 2016</i>	(834,6)	(352,2)	(321,7)	(17,1)	(59,0)	-	(1.584,6)
Impairment:							
<i>At 1 April 2015</i>	(8,9)	(0,3)	-	-	-	-	(9,2)
Impairment	(1,3)	(0,6)	(0,1)	-	(0,8)	-	(2,8)
Reversal of impairment	0,2	-	-	-	-	-	0,2
Sales and disposals	1,1	0,3	0,1	-	0,5	-	2,0
Other	0,5	(0,1)	-	-	0,2	-	0,6
<i>At 31 March 2016</i>	(8,4)	(0,7)	-	-	(0,1)	-	(9,2)
Net carrying amount at 31 March 2016	1.379,2	248,5	131,0	29,5	83,4	93,5	1.965,1

	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

The net carrying amount of property, plant and equipment pledged as collateral for liabilities amounts to EUR 12,9 million (compared to EUR 9,8 million in the previous reporting period) (note 25. *Interest-bearing liabilities*). In addition there is also collateral for a net carrying amount of EUR 86,9 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 6,4 million), buildings (net carrying amount of EUR 15,0 million) and machinery and vehicles (net carrying amount of EUR 8,1 million). The total net carrying amount for this financial year amounts to EUR 29,5 million (compared to EUR 32,6 million for the previous reporting period). This line item includes amongst others the logistics site in Mechelen to reinforce the Retail Partners Colruyt Group activity within the operating segment 'Wholesale and Foodservice', but also the installations of bakery Roecol.

On property, plant and equipment, an impairment loss has been recognised of EUR 2,8 million which mainly relates to stores. The impairment loss taken fits within the context of expansion and renovation of existing stores and was recognised in the income statement of the current financial year in 'Depreciation, amortisation and impairment of non-current assets' within the operating segments 'Retail', 'Wholesale and Foodservice' and 'Other activities'.

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 2015	(10,8)	(1,5)	-	-	-	(7,6)	(19,9)
At 31 March 2016	(10,8)	(7,8)	(0,3)	-	-	-	(18,9)

Profit or loss in relation to grants amounted to EUR 1,7 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, i.e. the condition of employment, has been complied with in the meantime.

12. INVESTMENTS IN ASSOCIATES

	2015/16	2014/15
(in million EUR)		
Carrying amount at 1 April	0,1	0,1
Acquisitions/capital increases	3,7	-
Carrying amount at 31 March	3,8	0,1

The investments in associates for the financial year 2015/16 relate to the non-quoted entities Core NV (33,33%), Alliance Internationale de Distributeurs Alidis S.A. (16,67%), AgeCore S.A. (16,67%) and First Retail International 2 NV (8,09%). For the previous financial year 2014/15 the investments in associates related to Core NV (25%) and Xenarjo CVBA (24,99%). Xenarjo CVBA (with net carrying amount equal to 0) was reclassified in the consolidated figures of the current financial year from 'Investments in associates' to 'Financial assets'.

13. INVESTMENTS IN JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD

	2015/16	2014/15
(in million EUR)		
Carrying amount at 1 April	156,9	130,3
Share in the result for the financial year	9,3	9,3
Share of the other comprehensive income	1,3	(3,0)
Newly established joint venture	-	20,3
Carrying amount at 31 March	167,5	156,9

The investments in joint ventures for the financial year 2015/16 consist of the non-quoted entities Parkwind NV (60,13%) and Fraluc NV (50%). As Colruyt Group shares the control over these entities with other parties, these joint ventures are included in the consolidated financial statements using the equity method. The investment in Fraluc NV is presented within the operating segment 'Retail' and the investment in Parkwind NV is presented within the operating segment 'Other activities'.

The investment holding Parkwind NV develops, builds and operates offshore wind farms.

Colruyt Group has a share of 50% in the Belgian clothing retail chain ZEB, via Fraluc NV. 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.

The joint ventures' consolidated figures are as follows:

2015/16	Parkwind NV	Fraluc NV
(in million EUR)		
Non-current assets	151,9	62,9
<i>Including goodwill</i>	-	26,4
Current assets	123,2	23,8
<i>Including cash and cash equivalents</i>	120,1	0,7
Non-current liabilities	25,5	23,5
<i>Including non-current financial liabilities (trade payables and other liabilities and provisions excluded)</i>	25,5	17,9
Current liabilities	5,4	21,8
<i>Including current financial liabilities (trade payables and other liabilities and provisions excluded)</i>	-	9,3
Net assets	244,2	41,4
Share of Colruyt Group in net assets	146,8	20,7
Revenue	12,0	79,5
Depreciation, amortisation and impairment of non-current assets	(0,5)	(5,0)
Finance income	2,1	0,2
Finance costs	(2,1)	(0,9)
Profit from continuing operations	13,2	2,7
Other comprehensive income	2,2	-
Total comprehensive income	15,4	2,7
Share of Colruyt Group in total comprehensive income	9,2	1,4
2014/15		
(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>	-	9,0
Net assets	228,9	38,7
Share of Colruyt Group in net assets	137,6	19,3
Revenue	6,7	39,3
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)

According to contractual agreements, Colruyt Group has made the commitment to grant a loan to Parkwind NV and Northwind NV, a company belonging to the joint venture Parkwind NV. The loan is to be granted if requested by Parkwind NV and Northwind NV, for respective amounts of maximum EUR 9,3 and maximum EUR 5,6 million (the same amount as per the previous reporting period). On the other hand, a guarantee for a maximum amount of EUR 3,7 million in respect of Belwind NV, which is also a company belonging to the joint venture Parkwind NV, was ended on 28 December 2015.

14. FINANCIAL ASSETS

14.1. Non-current assets

	31.03.16	31.03.15
(in million EUR)		
Equity securities available for sale	42,2	26,6
Total	42,2	26,6

The non-current financial assets changed as follows during the financial year:

	2015/16	2014/15
(in million EUR)		
<i>At 1 April</i>	26,6	29,7
Acquisitions	3,8	-
Disposals and capital decreases	(0,1)	(3,1)
Fair value adjustments through other comprehensive income	11,9	-
At 31 March	42,2	26,6

This line item consists mainly of the investment in the Lithuanian retail group IKI and investments in the holding companies Vendis Capital NV, Sofindev II S.A., Sofindev III S.A. and Sofindev IV S.A.

During the current reporting period, the group increased its investments in holding companies by a net amount of EUR 15,6 million. This can mainly be explained by the net fair value adjustments of Vendis Capital NV (EUR 10,6 million) and Sofindev III S.A. (EUR 1,3 million), as well as the capital increases in Sofindev IV S.A. (EUR 2,5 million) and Vendis Capital NV (EUR 1,0 million). During the previous reporting period, the investments had decreased by a net amount of EUR 3,1 million. Adjustments to fair value are recognised within the comprehensive income.

14.2. Current assets

	31.03.16	31.03.15
(in million EUR)		
Equity securities held for trading	9,0	7,8
Fixed-income securities held for trading	16,5	15,7
Other current financial assets held for trading	-	0,1
Total	25,5	23,6

The current financial assets changed as follows during the financial year:

	2015/16	2014/15
(in million EUR)		
<i>At 1 April</i>	23,6	25,4
Acquisitions	4,6	3,5
Sales and disposals	(1,5)	(5,8)
Fair value adjustments through profit or loss	(1,2)	0,5
At 31 March	25,5	23,6

The current investments mainly consist of investments held by Locré S.A., the Luxembourg reinsurance company (EUR 24,8 million for the current period). The investments presented as current assets are valued at their closing price on 31 March 2016. Fair value adjustments are recognised in profit or loss. The return on the fixed-income securities is between 0,04% and 6,5%, with an average of 3,6%. 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 2016 resulted in a net loss of EUR 1,2 million for the current financial year (compared to a net profit of EUR 0,5 million for the financial year 2014/15).

15. BUSINESS COMBINATIONS

No material business combinations occurred during the financial year 2015/16 or during the financial year 2014/15.

16. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISPOSAL OF SUBSIDIARIES

16.1. Disposal groups classified as held for sale

No additional assets were classified as held for sale during the financial year 2015/16 or during the financial year 2014/15.

The change from the previous reporting period to the current one by EUR 1,3 million can be explained by the reclassification of a non-current asset belonging to the operating segment 'Retail' to the line item 'Property, plant and equipment', as a result of a modification of the initial sales plan.

	2015/16	2014/15
(in million EUR)		
Total non-current assets	-	1,3
TOTAL ASSETS	-	1,3

16.2. Disposal of subsidiaries

There were no disposals of subsidiaries during the financial years 2015/16 or 2014/15.

17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities can be detailed as follows:

17.1. Net carrying amount

	Assets		Liabilities		Balance	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
(in million EUR)						
Intangible assets	1,2	3,6	(1,1)	(0,5)	0,1	3,1
Property, plant and equipment	2,2	0,3	(73,4)	(71,5)	(71,2)	(71,2)
Inventories	0,3	0,6	(0,2)	(0,1)	0,1	0,5
Receivables	1,2	1,4	(0,5)	(0,2)	0,7	1,2
Liabilities related to employee benefits	25,6	21,3	-	-	25,6	21,3
Other provisions	2,3	2,6	(20,0)	(20,3)	(17,7)	(17,7)
Other liabilities	1,7	2,6	(2,9)	(0,1)	(1,2)	2,5
Tax losses carry-forward, deductible items and reclaimable tax paid	46,5	38,5	(0,3)	(3,1)	46,2	35,4
Deferred tax assets/(liabilities)	81,0	70,9	(98,4)	(95,8)	(17,4)	(24,9)
Unrecognised tax assets/liabilities	(48,7)	(43,2)	4,9	5,6	(43,8)	(37,6)
Offsetting tax assets/liabilities	(27,6)	(24,5)	27,6	24,5	-	-
Net deferred tax assets/(liabilities)	4,7	3,2	(65,9)	(65,7)	(61,2)	(62,5)

17.2. Change in net carrying amount

	Assets		Liabilities		Balance	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
(in million EUR)						
<i>Net carrying amount at 1 April</i>	3,2	3,3	(65,7)	(59,4)	(62,5)	(56,1)
Changes recognised in profit or loss	1,5	(0,1)	(2,1)	(10,1)	(0,6)	(10,2)
Changes recognised in other comprehensive income	-	-	1,9	3,8	1,9	3,8
<i>Net carrying amount at 31 March</i>	4,7	3,2	(65,9)	(65,7)	(61,2)	(62,5)

On 31 March 2016 Colruyt Group did not recognise deferred tax assets for an amount of EUR 43,8 million (compared to EUR 37,6 million on 31 March 2015). This amount relates to temporary differences as well as tax losses and unused tax credits carried forward for a total amount of EUR 129,6 million (EUR 111,5 million for the financial year 2014/15) of which EUR 127,6 million can be carried forward indefinitely to future reporting periods (EUR 109,3 million for the financial year 2014/15).

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 18,9 million for the financial year 2015/16 (EUR 19,0 million for the financial year 2014/15). 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 3,6 million (EUR 1,2 million on 31 March 2015).

18. INVENTORIES

Inventories mainly represent trade goods. The accumulated impairment on inventories of trade goods amounted to EUR 7,9 million for the current financial year compared to EUR 5,5 million for the previous financial year.

The amount of inventories recognised as an expense in the income statement of 2015/16 amounts to EUR 6.856,6 million and was presented as 'Cost of goods sold'. Last year this expense was EUR 6.697,8 million.

19. TRADE AND OTHER RECEIVABLES

19.1. Other non-current receivables

	31.03.16	31.03.15
(in million EUR)		
Loans to customers	7,7	8,1
Loans to joint ventures	15,4	15,2
Guarantees granted	9,8	-
Other receivables	14,2	18,6
<i>Total other receivables</i>	47,1	41,9

Loans granted to customers mainly comprise loans to independent storekeepers of Retail Partners Colruyt Group NV. The loans granted to customers are presented net of any impairment losses. These loans are usually granted for a maximum period of 10 years and are at an interest rate of between 3,5% and 8%.

Colruyt Group granted a subordinated interest-bearing loan to Parkwind NV for an amount of EUR 10,7 million. The group also granted an interest-bearing loan to the Fraluc group (ZEB) for an amount of EUR 4,7 million.

The 'Guarantees granted' have been provided in respect of purchase obligations.

The 'Other receivables' mainly consist of receivables from the French authorities in respect of social security for an amount of EUR 12,4 million and receivables related to capital grants for an amount of EUR 0,7 million.

19.2. Current trade and other receivables

	31.03.16	31.03.15
(in million EUR)		
Trade receivables	489,0	477,9
Guarantees granted	0,4	0,3
Total trade receivables	489,4	478,2
VAT	8,5	4,3
Prepaid expenses	13,9	16,7
Loans granted to customers that expire within 1 year	1,6	1,3
Guarantees granted	1,8	1,8
Interest	0,5	7,2
Other receivables	17,6	17,7
Total other current receivables	43,9	49,0

Trade receivables

Trade receivables are presented net of impairment allowance. The impairment allowance amounts to EUR 15,4 million on 31 March 2016 (compared to EUR 14,5 million on 31 March 2015).

Other receivables

Other receivables are presented net of impairment allowance. The impairment allowance amounts to EUR 0,6 million on 31 March 2016 (compared to EUR 1,4 million on 31 March 2015).

The aging of trade receivables is as follows:

	31.03.16		31.03.15	
	Gross	Impairment	Gross	Impairment
(in million EUR)				
Not past due	433,4	-	429,8	-
Past due between 1 and 6 months	49,2	(4,0)	44,5	(4,6)
Past due for more than 6 months	21,8	(11,4)	18,1	(9,9)
Total	504,4	(15,4)	492,4	(14,5)

The movement in impairment allowance on trade and other receivables is as follows:

	Impairment trade receivables		Impairment other receivables	
	2015/16	2014/15	2015/16	2014/15
(in million EUR)				
At 1 April	(14,5)	(14,9)	(1,4)	(1,6)
Addition	(8,9)	(8,8)	(0,2)	(0,5)
Reversal	6,0	4,9	0,8	0,4
Use	2,0	4,2	0,2	0,6
Reclassification	-	0,1	-	(0,3)
At 31 March	(15,4)	(14,5)	(0,6)	(1,4)

Trade receivables are monitored per business segment based on the characteristics and the needs of the customer portfolio. In this context external credit ratings are used to follow up on the risks of the customer portfolio.

20. CASH AND CASH EQUIVALENTS

	31.03.16	31.03.15
<i>(in million EUR)</i>		
Term deposits with an original maturity of three months or less	150,0	70,1
Other cash and cash equivalents	282,6	239,1
Total assets	432,6	309,2
Bank overdrafts	0,1	0,7
Total liabilities	0,1	0,7
Net cash and cash equivalents	432,5	308,5

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 pay-out ratio over the past years was always higher than one third of the group's profit and amounts to 45,0% 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 Meeting of Shareholders on 12 October 2015 the capital was increased by 472.883 shares; the related capital increase amounted to EUR 17,1 million.

The Company's share capital on 31 March 2016 amounted to EUR 291,7 million divided into 149.609.386 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 274 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 three years starting from the day of the Extraordinary General Meeting of Shareholders that will decide on this subject. 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 Meeting of Shareholders, deliberating according to the guidelines that apply for changes in bylaws. The current authorisation will come to an end in October 2018.

21.3. Treasury shares

Treasury shares are recognised at the cost of the treasury shares purchased. On 31 March 2016 Colruyt Group held 2.243.808 treasury shares; this represents 1,50% of the shares issued at the reporting date. For many years the Extraordinary General Meeting of Shareholders 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 2016 and 1 June 2016 no treasury shares were purchased. In accordance with Article 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 16 June 2016 a gross dividend of EUR 165,1 million or EUR 1,12 per share was proposed by the Board of Directors. Last year the gross dividend amounted to EUR 146,9 million or EUR 1,00 per share. The gross dividend takes into account the number of treasury shares purchased, if applicable, up until 1 June 2016 and the number of shares reserved for distribution in September 2016. The dividend was not incorporated in the consolidated financial statements for the financial year 2015/16.

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 Collective Labour Agreement 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 NV 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 50,232 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 2016 an amount of EUR 32,8 million (including withholding tax and social security charges) was made available for profit-sharing, subject to the approval of the General Meeting of Shareholders. This year 7.867 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 39.894 shares.

On 31 March 2015 an amount of EUR 32,1 million (including withholding tax and social security charges) was reserved for profit-sharing. Of this amount a total of EUR 2,0 million (excluding withholding taxes) was reserved under the form of shares, which corresponds to 47.942 shares, of which 47.935 shares were distributed.

21.6. Shareholder structure

In accordance with the most recent transparency notifications of 17 December 2015, the shareholder structure of Etn. Fr. Colruyt NV is as follows:

	Shares
Colruyt family and relatives	77.611.392
Etn. Fr. Colruyt NV (treasury shares)	2.243.808
Sofina Group	8.150.000
Total of parties that act in deliberation	88.005.200

The remainder of the total shares issued (149.609.386 shares per 31 March 2016), being 61.604.186 shares or 41,18% are publicly held. For more details we refer to the section Corporate Governance.

22. EARNINGS PER SHARE

	2015/16	2014/15
Total operating activity		
Profit for the financial year (group share) (in million EUR)	365,5	330,4
Weighted average number of outstanding shares	147.004.025	149.419.713
Earnings per share – basic and diluted (in EUR)	2,49	2,21

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

	2015/16	2014/15
<i>Number of outstanding shares at 1 April</i>	<i>146.844.760</i>	<i>155.985.002</i>
Effect of capital increase	135.297	130.950
Effect of shares granted to employees (profit-sharing scheme)	23.968	18.687
Effect of shares purchased	-	(6.714.926)
Weighted average number of outstanding shares at 31 March	147.004.025	149.419.713

23. PROVISIONS

	Environmental risks	Other risks	Total
(in million EUR)			
Non-current provisions	2,2	10,1	12,3
Current provisions	0,1	0,2	0,3
At 31 March 2016	2,3	10,3	12,6
At 1 April 2015			
Addition	0,2	4,2	4,4
Use	(0,1)	(33,6)	(33,7)
Reversal	(0,2)	(4,6)	(4,8)
At 31 March 2016	2,3	10,3	12,6
At 1 April 2014			
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			
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

(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 accepted to pay a EUR 31,6 million fine to the Belgian government. The provision was used in the current reporting period for an amount of EUR 31,6 million.

The provision for environmental risks has been set up in respect of clean-up costs within the DATS 24 filling station activity as well as for the clean-up of land at acquisitions.

The other provisions consist mainly of provisions for claims, decommissioning of wind turbines and reinsurance.

24. NON-CURRENT LIABILITIES RELATED TO EMPLOYEE BENEFITS

	Benefits related to the 'Unemployment regime with company supplement'	Other post-employment benefits	Total
(in million EUR)			
At 1 April 2015	62,6	9,6	72,2
Addition ⁽¹⁾	6,2	0,5	6,7
Use	(1,8)	(0,1)	(1,9)
Adjustment for the time value ⁽²⁾	1,0	0,2	1,2
Actuarial gains and losses ⁽³⁾	0,1	-	0,1
Change of assumptions ⁽³⁾	6,0	(0,5)	5,5
At 31 March 2016	74,1	9,7	83,8
At 1 April 2014			
Addition ⁽¹⁾	3,8	0,9	4,7
Use	(1,9)	(0,1)	(2,0)
Adjustment for the time value ⁽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

(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 2015/16 financial year, this cost amounted to EUR 13,0 million (compared to EUR 12,3 million in the previous reporting period) of which EUR 0,3 million was paid into the financing fund. Colruyt Group expects to contribute EUR 14,2 million to these plans in the course of the next financial year.

In Belgium, the Law regarding supplementary pensions ('WAP') requires employers to guarantee a minimum return on defined contribution schemes over the course of the career. For amounts until 31 December 2015 this was 3,25% on the employer contributions (net of costs) and 3,75% on employee contributions. As a result of a law change in December 2015, the interest rate to be guaranteed is variable starting from 1 January 2016, based on a mechanism linked to the return of the Belgian OLO bond with a minimum of 1,75% and a maximum of 3,75%. For 2016 the minimum return is 1,75%. The impact of the law change in December on the accounting of this type of retirement benefit plans still is unclear. In anticipation of a final position from the IASB and other regulatory authorities, 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 2016.

At the reporting date, the status of these plans can be summarised as follows:

	31.03.16	31.03.15
<small>(in million EUR)</small>		
Mathematical reserves	136,5	120,2
Guaranteed minimum reserves (Art. 24 WAP)	137,2	120,9
<i>Difference between the mathematical reserves and the guaranteed minimum reserves</i>	<i>(0,7)</i>	<i>(0,7)</i>
Financing fund	1,0	0,8
Total surplus/(deficit)	0,3	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 the 'Unemployment regime with company supplement'

The possibility to retire early, as it exists within Colruyt Group for employees of its Belgian entities, is based on the 'Unemployment regime with company supplement' 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: 1,75% compared to 1,5% previous financial year;
- salary inflation: 2,3% (same as previous financial year).

The changes made to the actuarial parameters this financial year have impacted the liabilities related to the benefits under the 'Unemployment regime with company supplement' by EUR 6,0 million. The main changes relate to a change in the discount.

The weighted average duration of the liability for benefits under the 'Unemployment regime with company supplement' is 16,4 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 entities), Colruyt Group uses the parameters mentioned above under '*Benefits related to the 'Unemployment regime with company supplement'*'. For the legal compensations (French entities) the following parameters are used:

- discount rate: 2,0% compared to 1,8% previous financial year;
- salary inflation: 1,2% compared to 1,3% previous financial year.

Changes to the main assumptions impact the group's main liabilities as follows:

	Benefits related to the 'Unemployment regime with company supplement'		Long-service benefits (Belgian entities)		Legal regime (French entities)	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
(in million EUR)						
Base scenario	74,1	62,6	2,9	2,9	6,8	6,7
Discount rate + 0,5%	68,5	58,1	2,7	2,7	6,2	6,3
Discount rate - 0,5%	80,5	67,5	3,1	3,1	7,3	7,3
Salary inflation + 0,5%	86,2	72,6	2,9	2,9	7,4	7,3
Salary inflation - 0,5%	63,6	54,0	2,9	2,9	6,2	6,3

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 the 'Unemployment regime with company supplement'	Long-service benefits (Belgian entities)	Legal compensations (French entities)
(in million EUR)			
Within the next year		1,9	0,1
In 2 years		2,0	0,1
In 3 years		2,0	0,1
In 4 years		2,0	0,1
In 5 years		2,2	0,2
In 6-10 years		16,9	1,1

25. INTEREST-BEARING LIABILITIES

25.1. Terms and repayment schedule

	< 1 year	1-5 years	> 5 years	Total
(in million EUR)				
Finance leases and similar liabilities	3,3	15,1	3,2	21,6
Bank borrowings	0,9	2,2	0,1	3,2
Other	0,4	7,9	-	8,3
Total at 31 March 2016	4,6	25,2	3,3	33,1
Finance leases and similar liabilities	2,9	13,0	8,7	24,6
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

25.2. Finance lease liabilities

	Lease payment 2015/16	Interest 2015/16	Principal 2015/16	Lease payment 2014/15	Interest 2014/15	Principal 2014/15
(in million EUR)						
< 1 year	3,6	0,3	3,3	3,4	0,5	2,9
1-5 years	15,6	0,5	15,1	14,1	1,1	13,0
> 5 years	3,3	0,1	3,2	8,9	0,2	8,7
Total	22,5	0,9	21,6	26,4	1,8	24,6

Financial lease liabilities are guaranteed by the property title of the lessor on the leased assets.

The lease contracts concluded do not contain any conditional lease payments. However, there are a number of restrictions imposed on dividends, debt increase and changes to shareholding. In addition, the possibilities exist to further rent or buy the leased equipment.

25.3. Bank borrowings and others

	Instalments 2015/16	Interest 2015/16	Capital 2015/16	Instalments 2014/15	Interest 2014/15	Capital 2014/15
(in million EUR)						
< 1 year	1,4	0,1	1,3	1,6	0,1	1,5
1-5 years	10,2	0,1	10,1	11,5	0,2	11,3
> 5 years	0,1	-	0,1	0,1	-	0,1
Total	11,7	0,2	11,5	13,2	0,3	12,9

The interest-bearing liabilities mainly consist of finance lease liabilities and other liabilities. The lease terms of the new finance lease arrangements for vehicles are mainly shorter 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 liabilities is covered by collateral. The net carrying amount of the collateralised assets exceeds largely the collateral.

26. TRADE PAYABLES, LIABILITIES RELATED TO EMPLOYEE BENEFITS AND OTHER LIABILITIES

	31.03.16	31.03.15
(in million EUR)		
Other liabilities (non-current)	0,4	0,5
Total other liabilities (non-current)	0,4	0,5
Trade payables	1.123,5	1.062,3
Guarantees received and advances on work in progress	21,5	19,4
Total trade payables (current)	1.145,0	1.081,7
Current liabilities related to employee benefits	423,4	406,7
VAT, duties and other operating taxes	54,4	58,6
Dividends	0,6	0,6
Deferred income and accrued costs	14,5	18,1
Other	4,3	3,7
Total liabilities related to employee benefits and other liabilities (current)	497,2	487,7

Terms and repayment schedule

	< 1 year	1-5 years
(in million EUR)		
Other liabilities (non-current)	-	0,4
Trade payables	1.145,0	-
Liabilities related to employee benefits and other liabilities	497,2	-
Total at 31 March 2016	1.642,2	0,4
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

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	
	31.03.16	31.03.15
(in million EUR)		
AUD/EUR	(0,1)	(0,1)
EUR/INR	(1,8)	(2,8)
HKD/EUR	-	0,1
USD/EUR	(1,1)	(2,2)
ZAR/EUR	(0,1)	(0,1)
Total	(3,1)	(5,1)

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 Colruyt Group entity concerned.

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 2016 the total amount of current and non-current bank and other borrowings was EUR 11,5 million (non-current and current) or 0,3% of total assets (compared to

EUR 12,9 million on 31 March 2015) and 2,7% of the cash and cash equivalents. Most of these borrowings are at fixed interest rate.

Colruyt Group's finance lease liabilities amounted to EUR 21,6 million on 31 March 2016 (compared to EUR 24,6 million on 31 March 2015) 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 in the industry. Risks are mainly managed by the regular follow-up of the credit rating of the wholesale customers and the independent storekeepers to which goods or services are delivered. If necessary, Colruyt Group requires bank guarantees or restricted cash. The credit risk is spread amongst a large number of customers 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	Impairment	Net carrying amount	Received bank guarantee off-balance	Gross amount	Impairment	Net carrying amount	Received bank guarantee off-balance
	2015/16	2015/16	2015/16	2015/16	2014/15	2014/15	2014/15	2014/15
(in million EUR)								
Other interest-bearing receivables	17,4	-	17,4	-	33,9	-	33,9	-
Guarantees granted	12,0	-	12,0	-	2,1	-	2,1	-
Loans to customers	10,9	(1,6)	9,3	-	10,7	(1,3)	9,4	-
Financial assets available for sale	67,2	(25,0)	42,2	-	51,3	(24,7)	26,6	-
Financial assets held for trading	25,5	-	25,5	-	23,6	-	23,6	-
Trade receivables	504,4	(15,4)	489,0	21,3	492,4	(14,5)	477,9	24,4
Other receivables	18,5	(0,6)	17,9	-	4,7	(1,4)	4,5	-
Cash and cash equivalents	432,6	-	432,6	-	309,2	-	309,2	-
Total	1.088,5	(42,6)	1.045,9	21,3	970,4	(41,9)	928,5	24,4

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 customers that have outstanding debt for an amount of EUR 35,1 million (compared to EUR 34,1 million last year). The collectability of this amount was secured by bank guarantees for an amount of EUR 21,3 million (compared to EUR 24,4 million last year).

d. Liquidity risk

Finco NV is Colruyt Group's financial co-ordinator, and ensures that all entities of Colruyt Group have access to the financial resources they need. Finco NV 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

NV is also responsible for the investment of Colruyt Group's cash and cash equivalents, and does so by using short-term term deposits. Finco NV 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 5,9% (7,7% in the preceding period).

e. Other market risks

Etn. Fr. Colruyt NV and also Locré S.A., Colruyt Group's reinsurance entity, manage a portfolio of financial instruments (fixed interest-bearing instru-

ments and equity instruments). Locré S.A. uses these investments to cover the reinsurance risk. On 31 March 2016 the total value of Colruyt Group's current investment portfolio amounts to EUR 25,5 million (EUR 23,6 million per 31 March 2015); EUR 24,8 million of this amount belongs to Locré S.A. (EUR 22,8 million per 31 March 2015). Fluctuations in market values of these instruments can therefore have an impact on Colruyt Group's financial result. In total, Colruyt Group recognised a write-off of a net EUR 1,2 million during this financial year (a revaluation of 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	Measurement 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	0,7	-	-	41,5
Loans and receivables	545,5	-	-	-
Investments held for trading	-	25,5	-	-
Cash and cash equivalents	432,6	-	-	-
Total at 31 March 2016	978,8	25,5	-	41,5
Financial liabilities:				
Interest-bearing and other liabilities	11,9	-	-	-
Finance lease liabilities	21,6	-	-	-
Trade payables	1.145,0	-	-	-
Bank overdrafts	0,1	-	-	-
Total at 31 March 2016	1.178,6	-	-	-
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 and other 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	-	-	-

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 Lithuanian Group IKI (10,5%) and investments in holding companies such as Vendis Capital NV, Sofindev II S.A., Sofindev III S.A. and Sofindev IV S.A. in which Colruyt Group does not have a significant influence.

For the investment in the Lithuanian 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).

The investments in Vendis Capital NV, Sofindev II S.A., Sofindev III S.A. and Sofindev IV S.A., also classified under level 3, are accounted for at fair value. During the current reporting period, the investments in holding companies increased by a net amount of EUR 15,3 million, mainly due to fair value adjustments through other comprehensive income of Sofindev III S.A. and Vendis Capital NV (EUR 11,9 million) and acquisitions (EUR 3,5 million).

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

	2015/16	2014/15
(in million EUR)		
<i>At 1 April</i>	26,2	29,3
Acquisitions	3,5	-
Disposals and capital decreases	(0,1)	(3,1)
Fair value adjustments through other comprehensive income	11,9	-
<i>At 31 March</i>	<i>41,5</i>	<i>26,2</i>

27.2. Other risks

Colruyt Group is further exposed to various other risks that are not necessarily financial in nature, but which nevertheless 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 accuracy of the (financial and accounting-related) figures 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.

28. OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

Colruyt Group has a number of commitments which are not recognised in the statement of financial position. Colruyt Group has real estate rental commitments on the one hand and contractual obligations in relation to future acquisitions of property, plant and equipment and future purchases of goods and services on the other.

The amounts due in relation to these commitments are as follows:

	31.03.16	< 1 year	1-5 years	> 5 years
(in million EUR)				
Lease arrangements as lessee	57,4	20,3	23,0	14,1
Commitments relating to the acquisition of property, plant and equipment	102,7	89,3	13,4	-
Commitments relating to purchases of goods	83,9	81,4	2,3	0,2
Other commitments	14,1	8,0	6,1	-

	31.03.15	< 1 year	1-5 years	> 5 years
(in million EUR)				
Lease arrangements as lessee	58,3	20,3	23,1	14,9
Commitments relating to the acquisition of property, plant and equipment	89,3	80,9	8,4	-
Commitments relating to purchases of goods	71,2	66,2	4,6	0,4
Other commitments	8,0	5,3	2,7	-

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 immovables. Rental and rental-related charges for immovables were recognised in profit or loss for an amount of EUR 28,2 million (EUR 27,7 million 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 102,7 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 83,9 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.

The commitments resulting from various non-cancellable agreements in respect of movables mainly relate to forward contracts regarding ICT-services and have been included under the line item 'Other commitments' for an amount of EUR 14,1 million (previous reporting period 8,0 million). The income statement includes rental and rental-related charges for movables for an amount of EUR 27,2 million (EUR 23,6 million in the previous reporting period). The other rental charges in respect of movables mainly result from cancellable agreements.

In addition 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.

The amounts to be received in relation to the rights are as follows:

	31.03.16	< 1 year	1-5 years	> 5 years
(in million EUR)				
Lease arrangements as lessor	15,0	8,2	6,8	-

	31.03.15	< 1 year	1-5 years	> 5 years
(in million EUR)				
Lease arrangements as lessor	14,8	8,0	6,8	-

The rights resulting from lease agreements whereby Colruyt Group acts as a lessor relate to subleased assets for an amount of EUR 9,3 million (EUR 9,5 million in the previous reporting period). Within the line item 'Other operating income' of the consolidated income statement, an amount of EUR 6,3 million has been included in respect of subleased assets (EUR 5,8 million in the previous reporting period). The related cost (included in the consolidated income statement under the line item 'Services and miscellaneous goods') amounted to EUR 6,4 million (EUR 5,8 million in the previous reporting period).

The rights resulting from non-cancellable agreements in respect of movables are not material.

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.

	31.03.16	31.03.15
(in million EUR)		
Disputes	1,4	1,4
Other	2,1	2,1

At balance sheet date there were a limited number of legal actions outstanding against Colruyt Group which, although disputed, constitute together a contingent liability of EUR 1,4 million (compared to EUR 1,4 million for the previous reporting period). The pending cases primarily concern commercial law claims.

Similar to last year, there are no contingent liabilities for pending cases in respect of taxation law, common law or social law.

'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 2,1 million in the previous reporting period).

Colruyt Group expects no important financial disadvantages to be derived from these liabilities.

There are no material contingent assets to be reported.

30. DIVIDENDS PAID AND PROPOSED

On 6 October 2015 a gross dividend of EUR 1,00 per share was paid to the shareholders.

For the 2015/16 financial year, the Board of Directors proposed a gross dividend of EUR 1,12 per share, which will be made payable on 4 October 2016. 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 Meeting of Shareholders of 28 September 2016, 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 147.405.472 shares (after deduction of treasury shares and taking into account the shares allocated to the profit-sharing scheme), as determined on 1 June 2016, the total amount of proposed dividends amounts to EUR 165,1 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:

- a) Colruyt Group's key managers (please refer to the section Corporate Governance) and close relatives;
- b) entities that control Colruyt Group (please refer to the section Corporate Governance);
- c) associates (as disclosed in note 12. *Investments in associates*);
- d) joint ventures (as disclosed in note 13. *Investments in joint ventures accounted for using the equity method*); and
- e) entities that are controlled by members of the key management personnel of Colruyt Group: Stonefund NV, Korys Real Estate NV, Stonefund III NV, COFIN CVBA, Korys Management NV, Korys Capital S.A.R.L., Orka Blauwe Toren NV, Real Dolmen NV, Korys Capital Fund S.C.A., Eurowatt S.A., H.I.M. TWEE NV and D.H.A.M. NV.

31.1. Related party transactions excluding key management personnel compensation

	2015/16	2014/15
(in million EUR)		
Revenue	1,8	3,6
Costs	2,4	3,5
Receivables	15,8	23,8
Liabilities	4,0	1,3
Dividends paid	85,6	86,7

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 1,8 million (EUR 3,6 million in the previous reporting period). This revenue mainly relates to received finance income from a joint venture (EUR 1,5 million).

The costs arising from transactions with various related parties amount to EUR 2,4 million and are mainly related to maintenance and IT costs (EUR 2,2 million).

The outstanding receivables from related parties mainly relate to receivables in respect of joint ventures. At reporting date Colruyt Group has EUR 15,4 million of non-current interest-bearing receivables at arm's length conditions in respect of joint ventures (compared to EUR 15,3 million for the previous reporting period). Colruyt Group also has current receivables, mostly towards entities controlled by key managers of Colruyt Group, for EUR 0,4 million.

The reported outstanding liabilities, mainly towards entities controlled by key managers of Colruyt Group, have increased compared to the previous reporting period and amount to EUR 4,0 million (EUR 1,3 million for the previous reporting period).

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.

	Remunerations 2015/16	Number of persons/ shares 2015/16	Remunerations 2014/15	Number of persons/ shares 2014/15
(in million EUR)				
Board of Directors		9		9
Variable remuneration (bonuses)	3,7		3,3	
Fixed remuneration (directors' fees)	1,0		1,0	
Senior management		10		10
Salaries	2,83		2,80	
Variable remuneration	1,93		2,00	
Payments into defined contribution plans and other components	0,44		0,44	
Share-based payments	0,01	276	0,01	215

The directors' variable remunerations related to the financial year 2015/16 are proposed by the Board of Directors and are subject to approval by the General Meeting of Shareholders.

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

There have been no significant events after the reporting period.

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.

	2015/16	2014/15
(in million EUR)		
Audit assignments	0,9	0,9
Other assignments	0,4	0,7
Total	1,3	1,6

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 0,4 million.

34. LIST OF CONSOLIDATED ENTITIES

34.1. Company

Etn. Fr. Colruyt NV	Edingensesteenweg 196	1500 Halle, Belgium	0400 378 485	-
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34.2. Subsidiaries

Alvocol NV	Edingensesteenweg 196	1500 Halle, Belgium	0860 671 397	59,88%
Aubépine S.A.R.L. ⁽¹⁾	Rue André Petit 18	45120 Chalette-sur-Loing, France	408 163 202	100%
Bio-Planet NV	Victor Demesmaekerstraat 167	1500 Halle, Belgium	0472 405 143	100%
Blin Etablissements S.A.S. ⁽¹⁾	Zone d'activité les Bretins	35590 Saint Gilles, France	739 201 556	100%
Buurtwinkels Okay NV	Victor Demesmaekerstraat 167	1500 Halle, Belgium	0464 994 145	100%
Colim CVBA	Edingensesteenweg 196	1500 Halle, Belgium	0400 374 725	100%
Colimpo Limited	Unit 302, 3/F, China Merchants Building 152-155 Connaught Road	Sheung Wan Hongkong, China	59139630 000 11 15 71	100%
Colruyt Distribution France S.A.S. ⁽¹⁾	Zone industrielle	39700 Rochefort-sur-Nenon, France	789 139 789	100%
Colruyt France S.A. ⁽¹⁾	Plateforme logistique de fret de Rungis, Place de la logistique	94150 Rungis, France	331 876 987	100%
Colruyt Gestion S.A.	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B137485	100%
Colruyt Group Services NV	Edingensesteenweg 196	1500 Halle, Belgium	0880 364 278	100%
Colruyt IT Consultancy India Private Limited	Building N° 21, Mind Space, Raheja IT Park, Hi-Tech City	Madhapur, Hyderabad-500081, India	U72300TG2007 PTC053130	100%
Colruyt Luxembourg S.A.	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B124296	100%
Colruyt Retail S.A.	Saint Gilles SN	5590 Ciney, Belgium	0401 377 189	100%
Colruyt Vastgoed Nederland BV	Satellietbaan 17	2181 MG Hillegom, The Netherlands	22052475	100%
Comans NV	Edingensesteenweg 196	1500 Halle, Belgium	0462 732 956	100%
Comant NV	Edingensesteenweg 196	1500 Halle, Belgium	0604 984 743	100%
Combru NV	Edingensesteenweg 196	1500 Halle, Belgium	0442 944 956	100%
Comels NV	Edingensesteenweg 196	1500 Halle, Belgium	0820 198 247	100%
Comgen NV	Edingensesteenweg 196	1500 Halle, Belgium	0404 020 638	100%
Comlie NV	Edingensesteenweg 196	1500 Halle, Belgium	0560 926 056	100%
DATS24 NV	Edingensesteenweg 196	1500 Halle, Belgium	0893 096 618	100%
Davytrans NV	Edingensesteenweg 196	1500 Halle, Belgium	0413 920 972	100%
DreamBaby NV	Edingensesteenweg 196	1500 Halle, Belgium	0472 630 817	100%
Dreamland France S.A.S. ⁽¹⁾	Zone industrielle	39700 Rochefort-sur-Nenon, France	504 931 668	100%
DreamLand NV	Edingensesteenweg 196	1500 Halle, Belgium	0448 746 645	100%
E-Logistics NV	Edingensesteenweg 196	1500 Halle, Belgium	0830 292 878	100%
Enco Retail NV	Edingensesteenweg 196	1500 Halle, Belgium	0434 584 942	100%
Eoly NV	Edingensesteenweg 196	1500 Halle, Belgium	0864 995 025	100%
Finco NV	Edingensesteenweg 196	1500 Halle, Belgium	0429 127 109	100%
Fleetco NV	Edingensesteenweg 196	1500 Halle, Belgium	0423 051 939	100%
Foodlines BVBA	Edingensesteenweg 196	1500 Halle, Belgium	0478 880 981	100%
Immo Colruyt France S.A.S. ⁽¹⁾	Zone industrielle	39700 Rochefort-sur-Nenon, France	319 642 252	100%
Immo Colruyt Luxembourg S.A.	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B195799	100%
Immo Dassenveld NV	Edingensesteenweg 196	1500 Halle, Belgium	0831 778 166	100%
Immoco S.A.R.L. ⁽¹⁾	Zone industrielle, Rue des Entrepôts 4	39700 Rochefort-sur-Nenon, France	527 664 965	100%
Locré S.A.	Rue de Neudorf 534	2220 Luxembourg, Grand Duchy of Luxembourg	B59147	100%
Pro à Pro Distribution Export S.A.S. ⁽¹⁾	Rue Voltaire 1, ZI nord	82000 Montauban, France	785 742 313	100%
Pro à Pro Distribution Nord S.A.S. ⁽¹⁾	Rue André Petit 18	45120 Chalette-sur-Loing, France	341 434 108	100%
Pro à Pro Distribution Sud S.A.S. ⁽¹⁾	Rue Voltaire 3, ZI nord	82000 Montauban, France	385 006 234	100%
Puur NV	Edingensesteenweg 196	1500 Halle, Belgium	0544 328 861	100%
Puurgen NV	Edingensesteenweg 196	1500 Halle, Belgium	0631 815 438	100%
Puurwijn NV	Edingensesteenweg 196	1500 Halle, Belgium	0645 906 865	100%
Retail Partners Colruyt Group NV	Edingensesteenweg 196	1500 Halle, Belgium	0413 970 957	100%
R.H.C. S.A.S. ⁽¹⁾	Avenue Georges Brassens 10	94470 Boissy Saint Leger, France	350 590 154	100%
Roecol NV	Spievelstraat 4	9160 Lokeren, Belgium	0849 963 488	50%
SmartWithFood CVBA	Edingensesteenweg 196	1500 Halle, Belgium	0640 760 224	86,70%
Sodeger S.A.S. ⁽¹⁾	ZI Nord Bazouges	53200 Château-Gontier, France	421 560 921	100%
Solucious NV	Edingensesteenweg 196	1500 Halle, Belgium	0448 692 207	100%
Symeta NV	Edingensesteenweg 196	1500 Halle, Belgium	0419 465 612	100%
Transpro S.A.S. ⁽¹⁾	Rue Mahatma Gandhi 70-72 ZAC Balthazar	97419 La possession, France	503 101 016	100%
Transpo France S.A.R.L. ⁽¹⁾	Pôle logistique Arc Isère Z.A. des Verneys	73220 Aiton, France	503 366 130	100%
U.C.G.A. Unifrais S.A. ⁽¹⁾	Agropole Alphagro 3	47310 Estillac, France	338 162 886	99,12%
Vlevico NV	Edingensesteenweg 196	1500 Halle, Belgium	0422 846 259	100%
Walcodis S.A.	Rue du parc industriel (GH) 34	7822 Ath, Belgium	0829 176 784	100%
Waldico S.A.	Rue du parc industriel (GH) 34	7822 Ath, Belgium	0425 150 109	100%
Wasserij Schepens BVBA	Edingensesteenweg 196	1500 Halle, Belgium	0400 173 005	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

Fraluc NV ⁽¹⁾	Brusselsesteenweg 185	1785 Merchtem, Belgium	0553 548 910	50%
Parkwind NV ⁽²⁾	Sint-Maartenstraat 5	3000 Leuven, Belgium	0844 796 259	60,13%

(1) This company closes its financial year on 31 July and is included in the consolidated financial statements on intermediate financial statements as per 31 March.

(2) This company closes its financial year on 31 December and is included in the consolidated financial statements on that date.

34.4. Associates

AgeCore S.A. ⁽¹⁾	Rue Rodolphe-Toepffer 11Bis, c/o Tavernier Tschanz, avocats	1206 Genève, Switzerland	CHE-222 427 477	16,67
Alliance Internationale de Distributeurs Alidis S.A. ⁽²⁾	Route de Meyrin 123 c/o BDO S.A.	1219 Châtelineau, Switzerland	CHE-110 054 794	16,67%
Core S.C.R.L. ⁽²⁾	Louizalaan 66	1050 Brussel, Belgium	0538 972 184	33,33%
First Retail International 2 NV ⁽¹⁾	Pontbeekstraat 2	1702 Groot-Bijgaarden, Belgium	0644 497 494	8,09%

(1) These companies close their financial year for the first time on 31 December 2016.

(2) These companies close their financial year on 31 December and are included in the consolidated financial statements on that date.

34.5. Significant changes in consolidation scope

a. New investments in subsidiaries and joint ventures

On 23 December 2015 Colruyt Group acquired a share of 16,67% in the Swiss purchasing alliance Alliance Internationale de Distributeurs Alidis S.A. by subscribing to a capital increase. Through a similar capital increase subscription, Colruyt Group also acquired a participation of 8,09% in First Retail International 2 NV, a company focused on the development of real estate projects.

Both companies are included in the consolidation using the equity method.

b. Newly established companies

In Belgium, the companies Puurgen NV and Puurwijn NV were established on 4 June 2015 and 22 December 2015 respectively.

SmartWithFood CVBA was established 5 October 2015.

Together with 5 partners Colruyt Group created the Swiss AgeCore S.A. on 27 October 2015. The share in this company amounts to 16,67%. It is included in the consolidation as an associate, using the equity method.

c. Other changes

Xenarjo CVBA was reclassified as shares available for sale from 'Investments in associates' to 'Financial assets'.

35. CONDENSED (NON-CONSOLIDATED) FINANCIAL STATEMENTS OF ETN. FR. COLRUYT NV, IN ACCORDANCE WITH BELGIAN ACCOUNTING STANDARDS

The financial statements of Etn. Fr. Colruyt NV are presented below in condensed form.

The annual report, the annual financial statements of Etn. Fr. Colruyt NV 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 NV – 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 NV

	31.03.16	31.03.15
(in million EUR)		
Non-current assets	4.882,6	4.076,2
II. Intangible assets	32,5	25,8
III. Property, plant and equipment	182,0	164,1
IV. Financial non-current assets	4.668,1	3.886,3
Current assets	867,9	1.352,5
V. Receivables exceeding one year	5,7	5,9
VI. Inventories and work in progress	363,7	344,7
VII. Receivables for less than one year	366,7	369,0
VIII. Cash investments	82,1	362,5
IX. Cash and cash equivalents	48,5	262,2
X. Prepayments and accrued income	1,2	8,2
Total assets	5.750,5	5.428,7
Equity	1.423,1	1.135,2
I. Share capital	291,7	274,6
IV. Reserves	113,0	391,5
V. Profit carried forward	1.018,4	469,1
Provisions and deferred taxes	6,9	39,8
Liabilities	4.320,5	4.253,7
VIII. Liabilities exceeding one year	2.957,7	2.957,7
IX. Liabilities for less than one year	1.346,1	1.273,4
X. Accruals and deferred income	16,7	22,6
Total liabilities	5.750,5	5.428,7

Condensed income statement of Etn Fr. Colruyt NV

	2015/16	2014/15
(in million EUR)		
I. Operating income	6.605,1	6.370,4
II. Operating expenses	(6.289,9)	(6.051,6)
III. Operating profit	315,2	318,8
IV. Finance income	4,2	165,5
V. Finance expenses	(121,1)	(118,3)
VI. Profit from ordinary operations, before tax	198,3	366,0
VII. Extraordinary income	650,6	13,3
VIII. Extraordinary expenses	(54,3)	(51,7)
IX. Profit for the financial year, before tax	794,6	327,6
X. Income tax	(69,9)	(69,1)
XI. Profit for the financial year	724,7	258,5
XII. Transfer to the tax exempt reserves	(0,9)	(0,1)
XIII. Profit for the financial year available for appropriation	723,8	258,4

Profit appropriation Etn. Fr. Colruyt NV

The Board of Directors will propose to the General Meeting of Shareholders on 28 September 2016 to distribute the profit for the 2015/16 financial year as follows:

	2015/16	2014/15
(in million EUR)		
Profit for the financial year available for appropriation	723,8	258,4
Profit carried forward from previous financial year	469,1	713,8
Profit available for appropriation	1.192,9	972,2
Transfer to the legal reserve	1,7	1,4
Addition to/(transfer from) other reserves	(2,7)	353,9
Result to be carried forward	1.018,4	469,1
Dividend to owners	165,1	137,5
Bonuses	3,7	3,3
Other debts	6,7	7,0

Dividend to owners

This line item is calculated considering the number of treasury shares on 1 June 2016 and taking into account the shares reserved for distribution as part of the profit-sharing plan in September 2016.

DEFINITIONS

Capital employed

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

Dividend pay-out ratio

Gross dividend per share divided by the profit for the financial year (group share) per share.

EBIT margin

EBIT divided by revenue.

EBITDA

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

EBITDA margin

EBITDA divided by revenue.

Free cash flow

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

FTE

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

GMS

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

Gross added value

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

Gross profit

Revenue minus cost of goods sold.

Gross profit margin

Gross profit divided by revenue.

Market capitalisation

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

Net added value

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

Net profit

Profit for the financial year (after tax).

Net profit margin

Net profit divided by revenue.

Operating profit (EBIT or earnings before interest and taxes)

The operating income less all operating costs (cost of goods sold, services and miscellaneous goods, employee benefit expenses, depreciation, amortisation, impairments and other operating expenses).

Purchase of property, plant and equipment and intangible assets

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

Revenue

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

RHD

'Restauration hors domicile' concerns the foodservice in France which delivers to the hotel, restaurant and café sector (commercial) and to public entities such as schools, hospitals and nursing homes (social).

ROCE

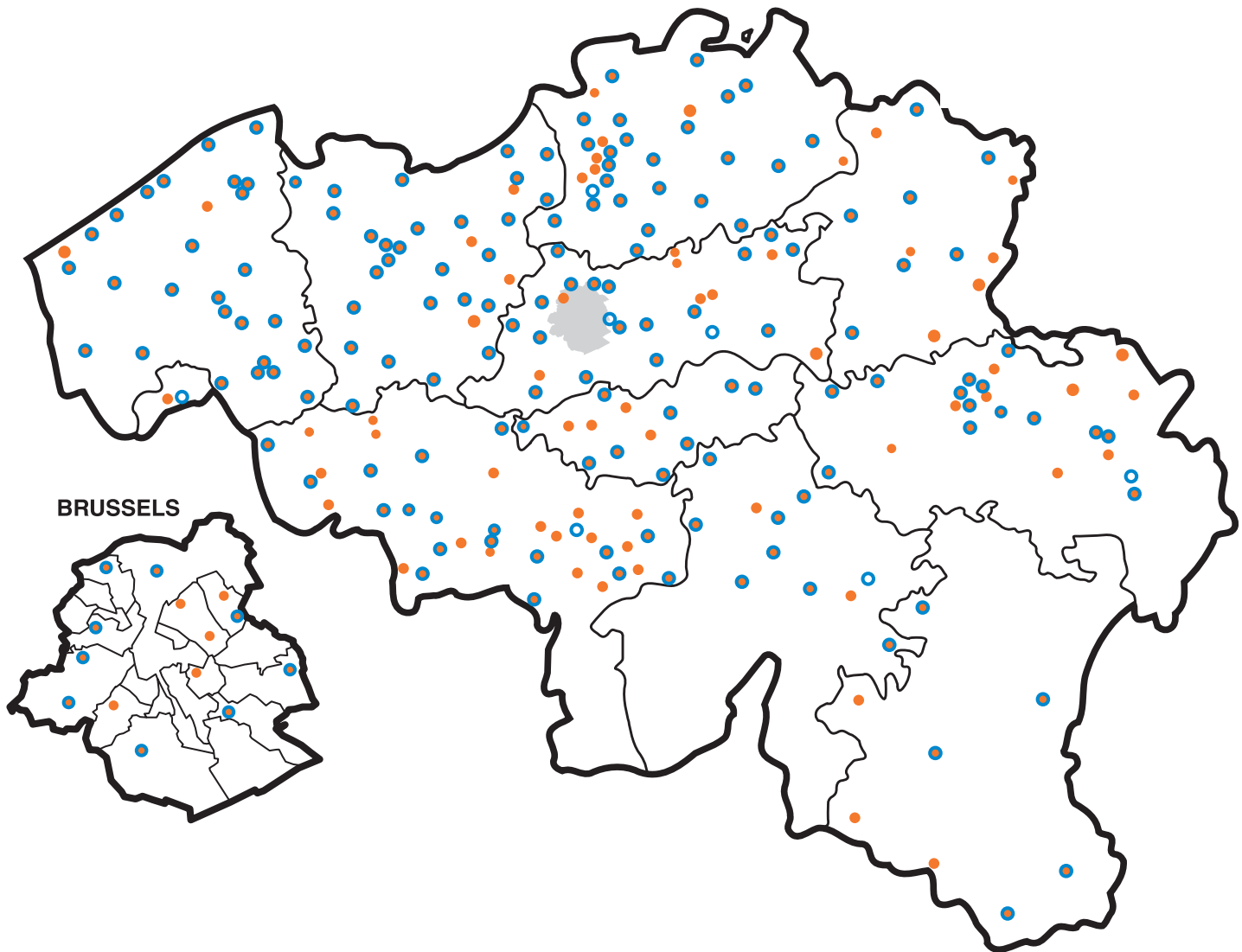
Return on capital employed, or operating profit (EBIT) after tax divided by the capital employed.

Share of the group

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

Weighted average number of outstanding shares

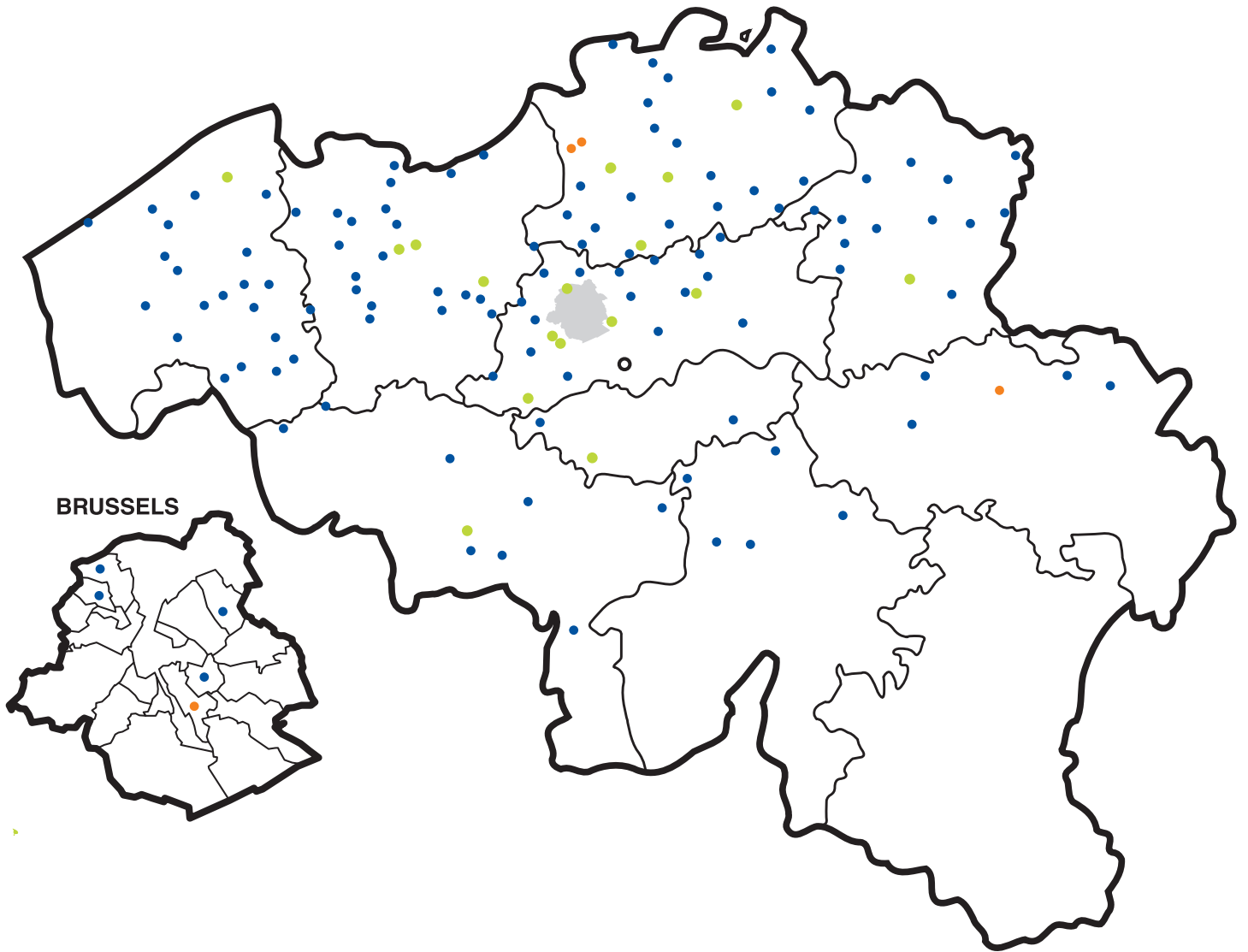
The number of outstanding shares at the beginning of the period, adjusted for the number of shares cancelled, treasury shares purchased or shares issued during the period multiplied by a time-correcting factor.



BRUSSELS

-  Colruyt Lowest Prices stores
-  Colruyt Lowest Prices stores with a Collect&Go collection point
-  Collect&Go collection points

Find the address of your closest Colruyt Lowest Prices store on colruyt.be
Find the address of your closest Collect&Go collection point on collectandgo.be



BRUSSELS

● OKay stores

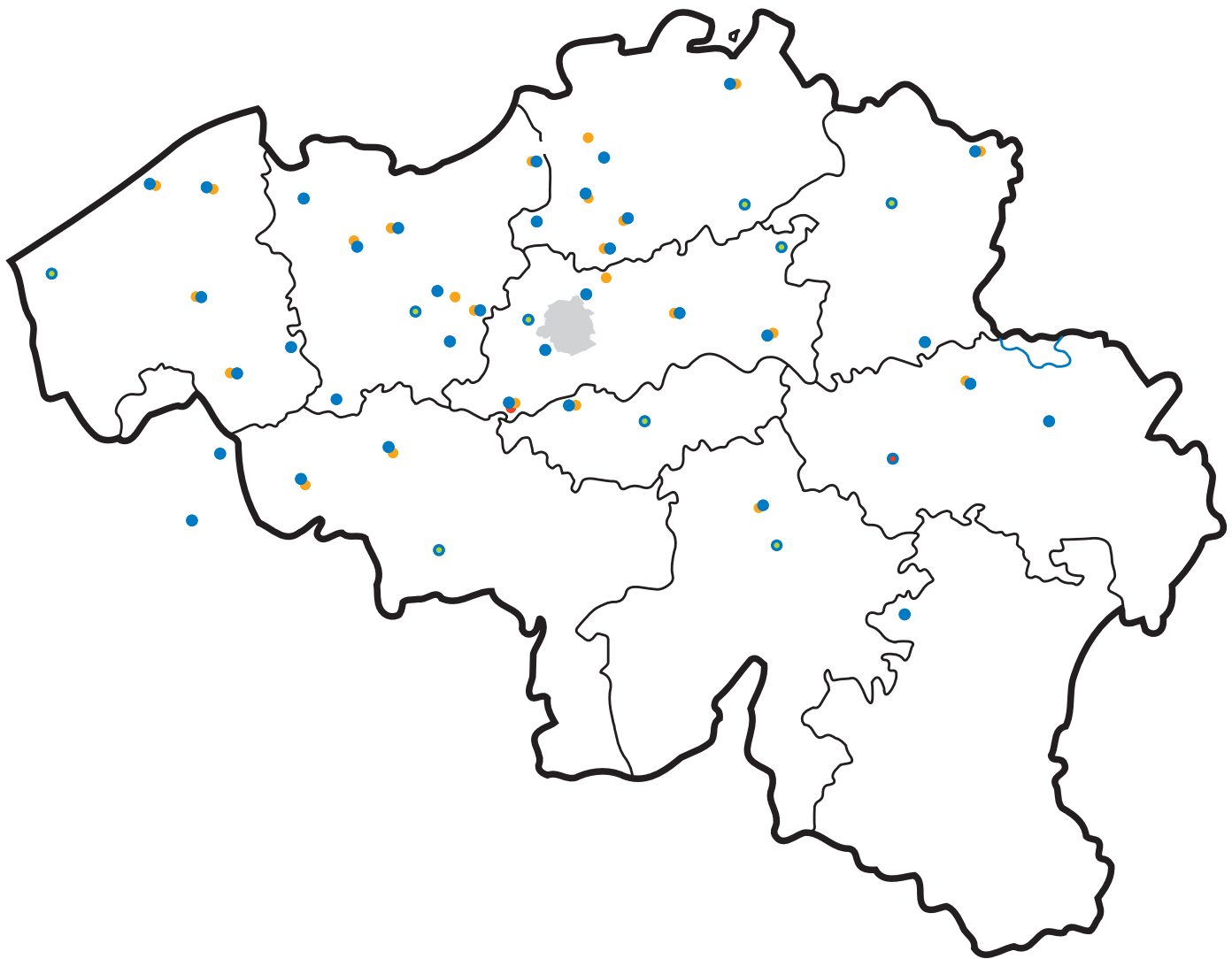
● Bio-Planet stores

● CRU stores

Find the address of your closest store on :
 • okay.colruytgroup.be • bioplanet.be • cru.be



ColliShop

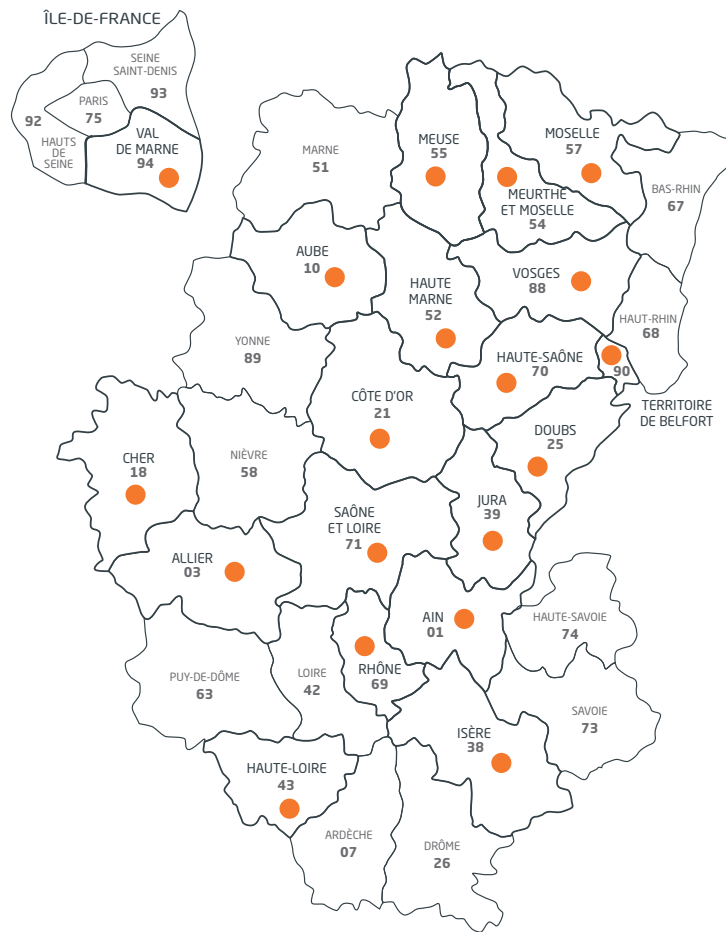
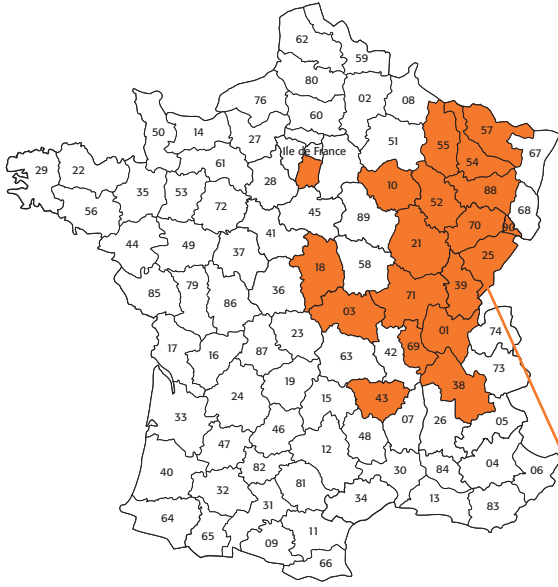



- Dreamland stores
- ● Dreambaby-shop
- ● Dreambaby-corner

● Dreambaby stores

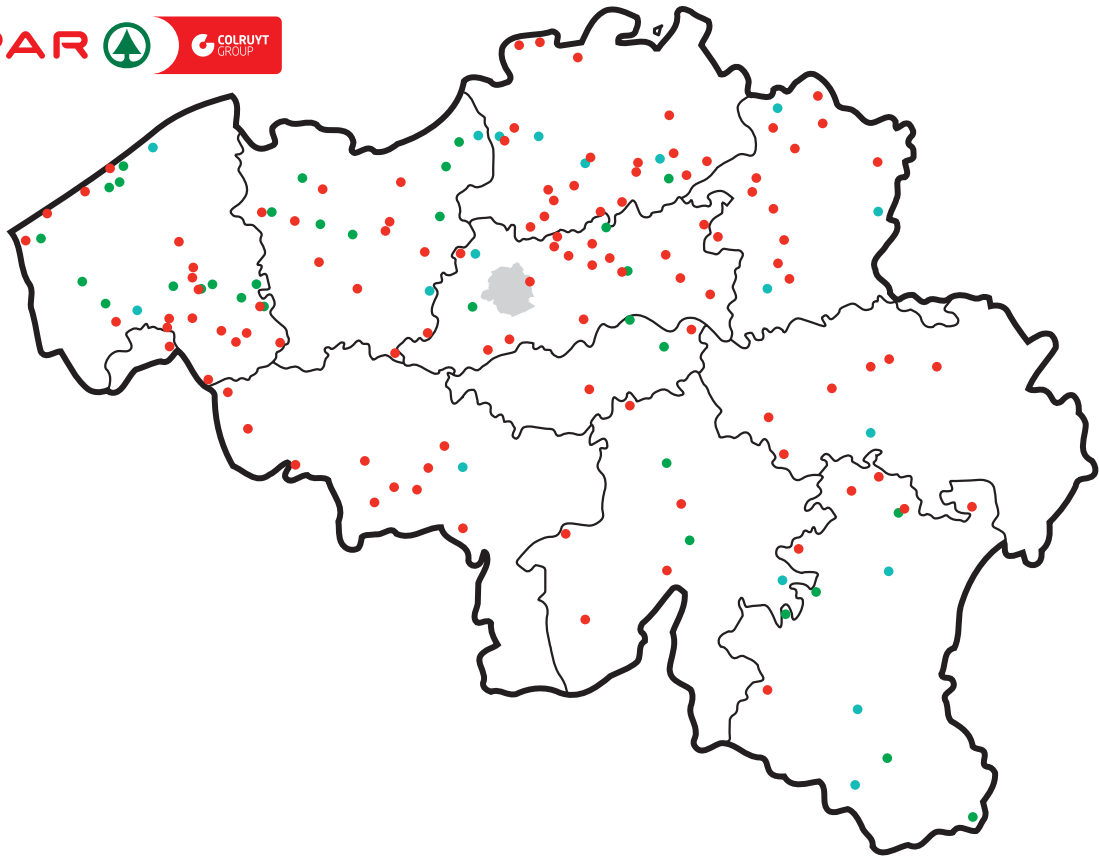
● ColliShop showroom

Find the address of your closest store and ColliShop showroom on :
• dreamland.be • dreambaby.be • collishop.be



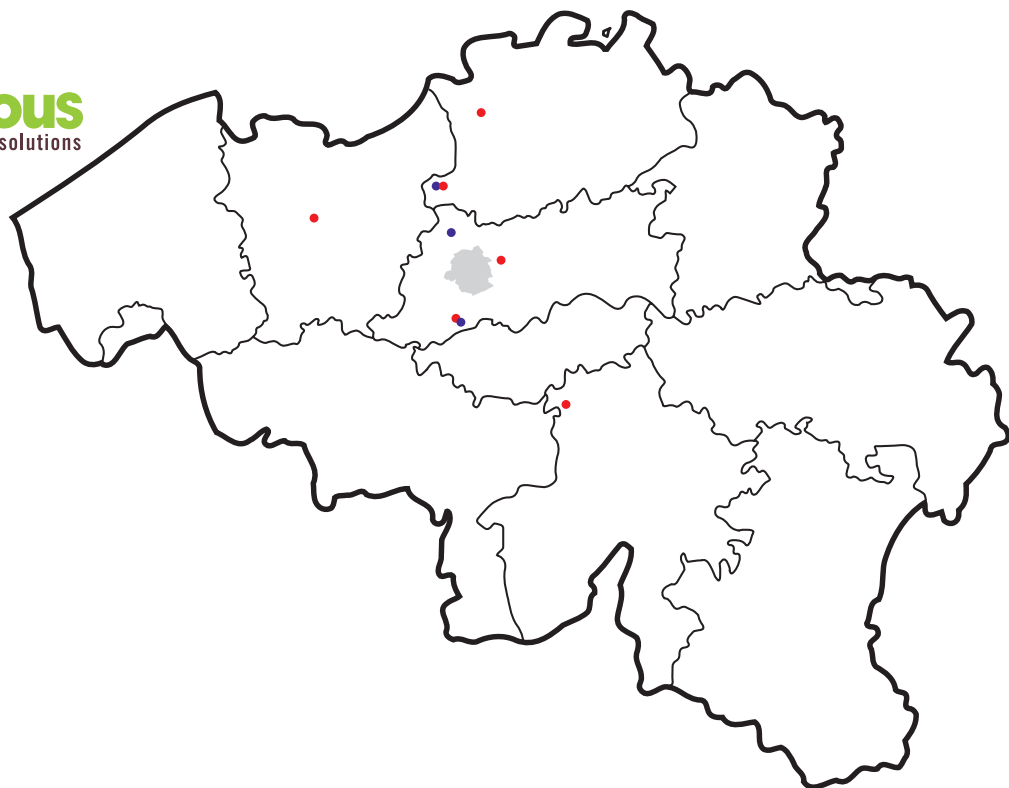
 Colruyt Prix Qualité stores

Find the address of your closest Colruyt Prix Qualité store on [colruyt.fr](https://www.colruyt.fr)



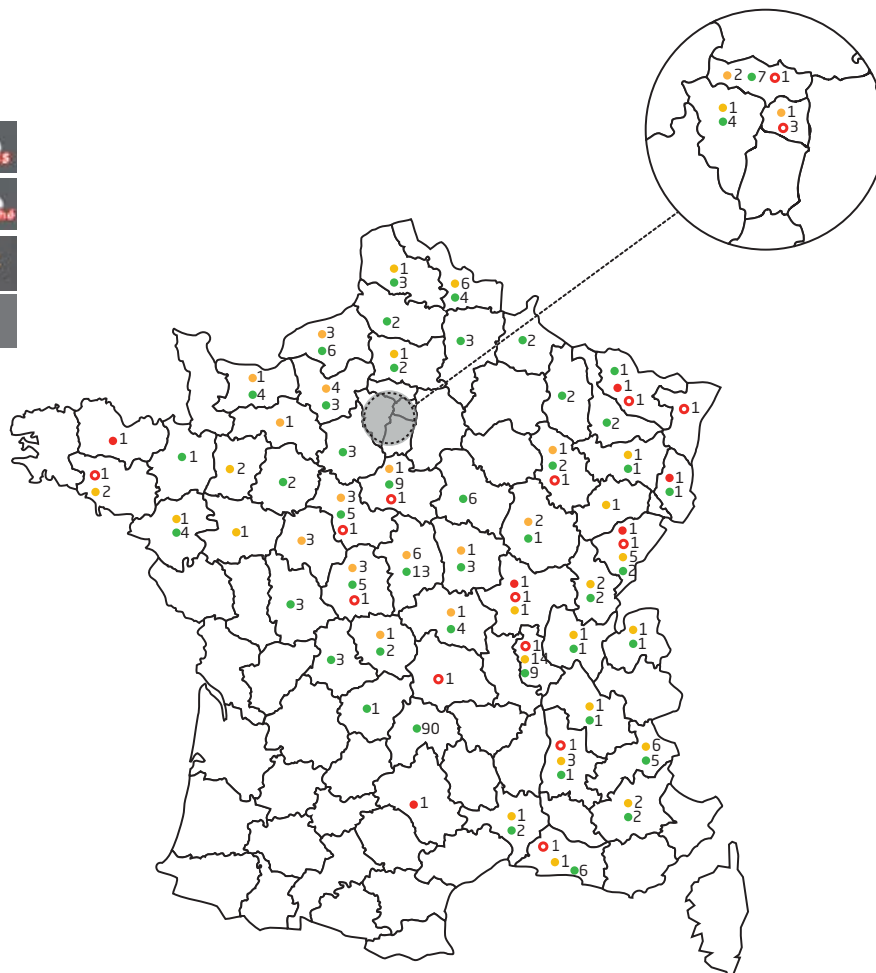
- Eurospar stores
- Spar stores
- Spar neighbourhood stores

Find the address of your closest Spar store on sparretail.be



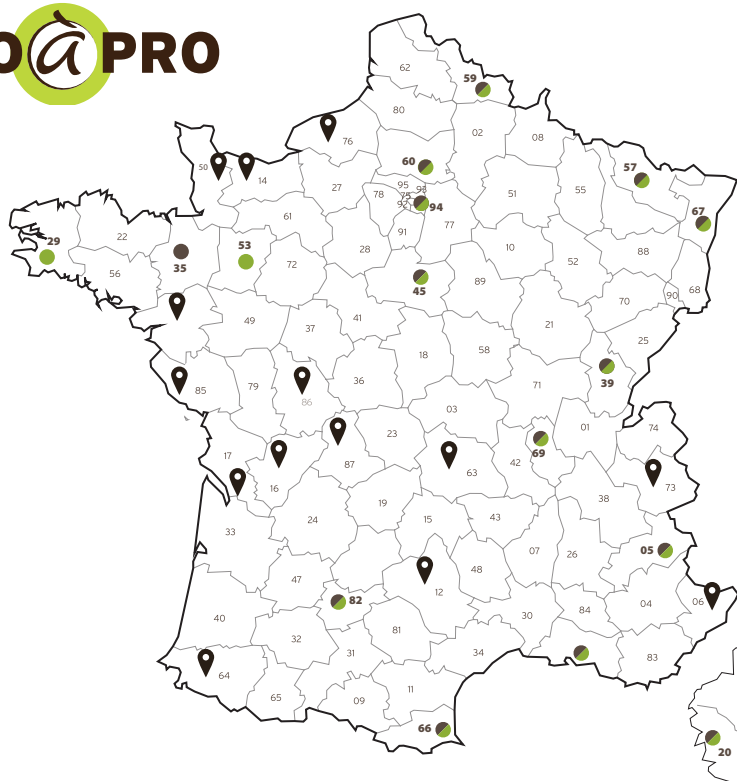
- distribution centre
- hubs

Contact Solucious via solucious.be



● Coccinelle express stores ● Coccinelle Supermarché stores ● CocciMarket stores ● Panier Sympa stores

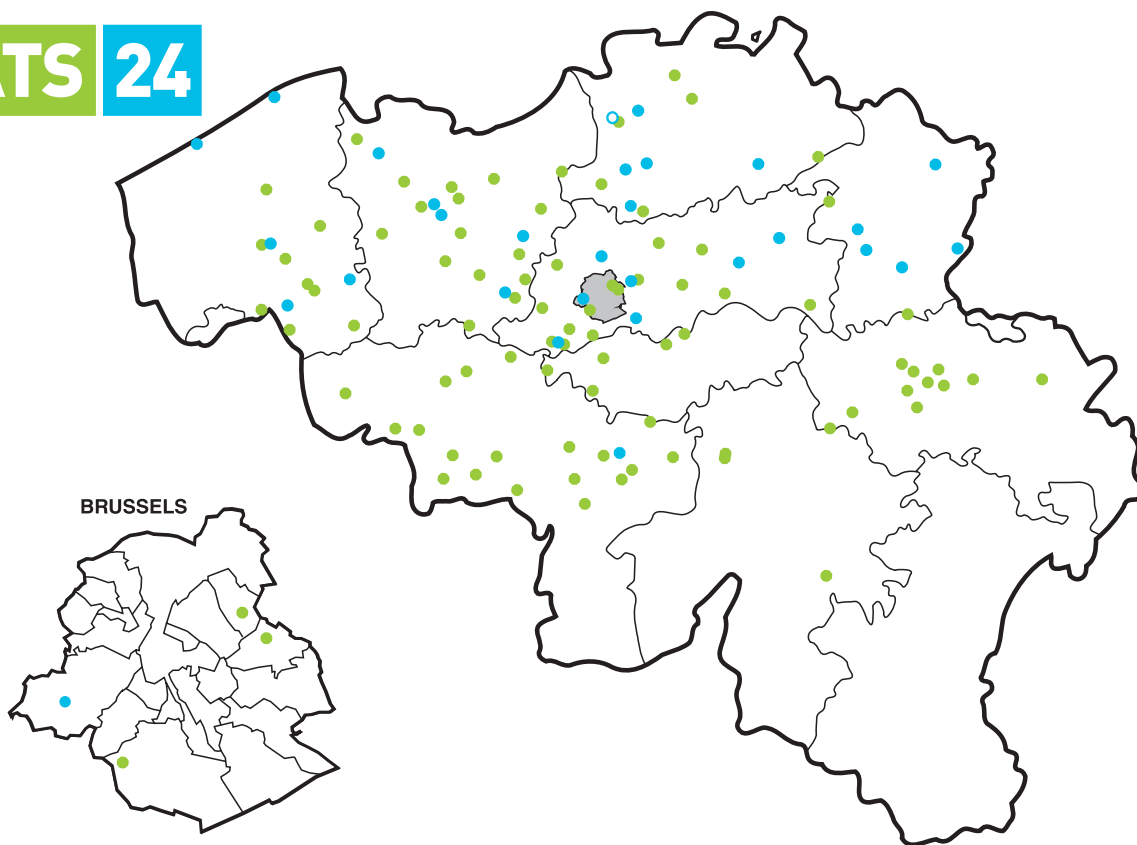
Find the address of your closest store on codifrance.fr



● DC fresh products ● DC dry food ● DC dry food / fresh products 📍 Transshipment platforms

Find the address of your closest distribution centre (DC) and transshipment platform on proapro.fr

DATS 24

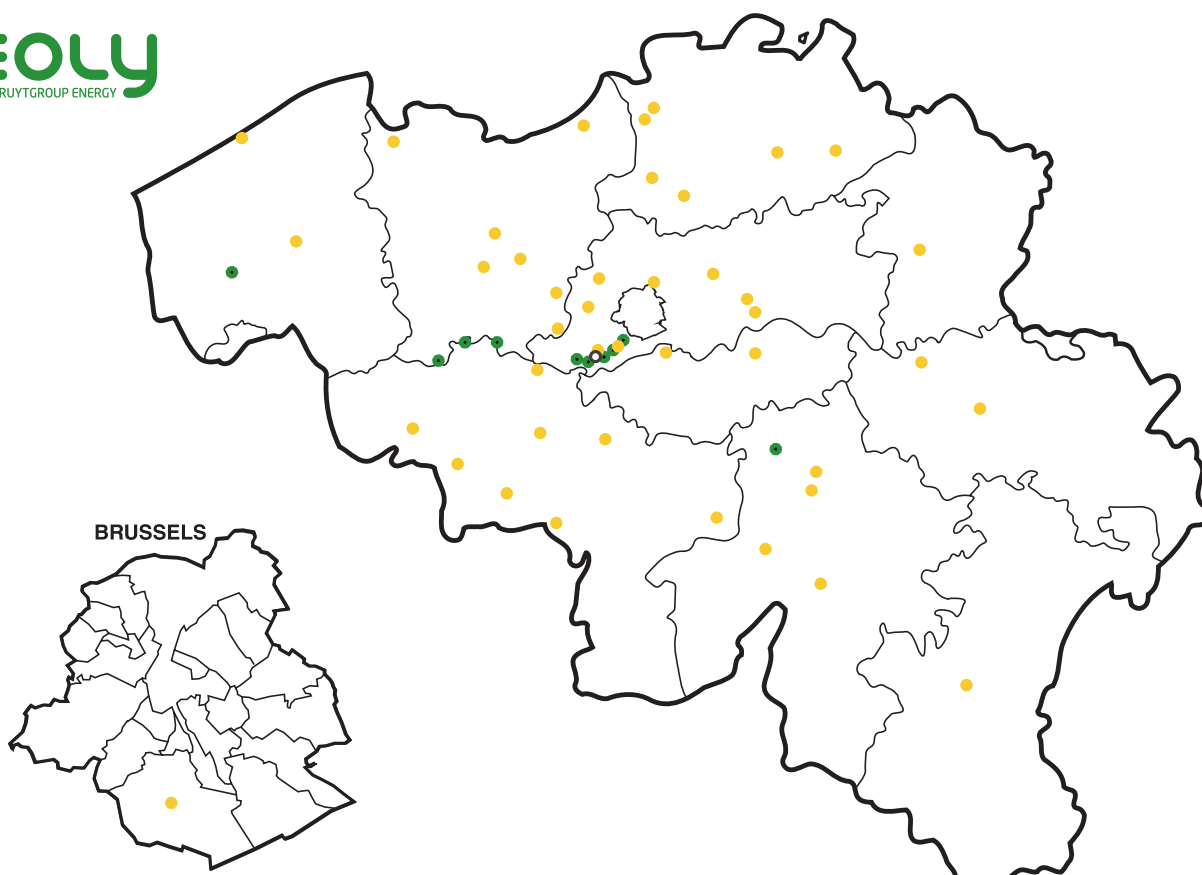


- diesel - euro 95 - euro 98
- diesel - euro 95 - euro 98 - CNG
- only CNG

Find the address of your closest DATS 24 filling station on dats24.be

EOLY

COLRUYTGROUP ENERGY



- wind turbines
- solar panels
- combined heat and power unit

Find more information about the installations on eoly.be

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